

**postnord**

PostNord Interim Report

**Q1/2021**



# Strong earnings improvement and continued high e-commerce volumes

The steady growth within e-commerce results in a very strong volume growth for parcels, while the trend for mail volumes remains negative due to ongoing digitalization. The improvement programs are running according to plan, which, together with the net sales growth, is the foundation for the sharply improved result. Within the framework of PostNord's ambitious sustainability agenda, work is being carried out at a high level of intensity.



For the second time, PostNord heads the sector in Europe's largest brand survey, the Sustainable Brand Index, which questioned 23,400 Swedish consumers.

During the quarter, the Danish stamps with everyday heroes and the Swedish stamps on the theme of valuable nature received media attention.

## First quarter 2021<sup>1)</sup>

- Operating income (EBIT) improved by nearly 180 percent to SEK 878 million (314) – all segments show improved operating income
- Parcel volumes overall increased by 32 percent (1), mainly driven by growth in B2C volumes
- Mail volumes decreased by 12 percent (12)
- During the quarter, the COVID-19 pandemic contributed to increased parcel volumes (B2C), increased demand for home deliveries and higher short-term sick-leave in Sweden

SEKm, if not otherwise stated <sup>2)</sup>	January-March		Change like-for-like <sup>3)</sup>
	2021	2020	
Net sales	10,187	9,504	12%
Operating income (EBIT)	878	314	179%
Adjusted operating income (Adjusted EBIT)	805	314	156%
Income before tax	830	299	
Net income for the period	718	263	
Earnings per share, SEK	0.36	0.13	
Cash flow from operating activities	1,134	757	
Net debt ratio, % <sup>4)</sup>	-7	79	
Return on capital employed (ROCE), %	22.9	2.6	

<sup>1)</sup> Unless otherwise stated, the report comments on developments in January–March 2021 compared to the same period in 2020.

<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

## PostNord follows up the record year of 2020 with an exceptionally strong start to 2021

Like-for-like sales increased by 12 percent compared to the first quarter of last year. Operating income totaled SEK 878m (314) – an improvement of almost 180 percent and a margin improvement from 3.3 to 8.6 percent. PostNord Sweden's strong start to the year, based on a highly methodical approach to dealing with volume changes in a cost-effective way, accounted for a major share of the Group's strongly improved income. This was further reinforced by all segments, not least PostNord Denmark, delivering significant income improvements in the quarter.

The continuing pandemic, working from home and restrictions in society have consolidated the trend of growth in e-commerce, leading to high parcel volumes. In parallel, our improvement programs have continued to deliver. This makes us a logistics player with very strong momentum in the current market, where we are continuing to invest in new infrastructure. In order to meet ongoing e-commerce growth and increasing parcel volumes, we decided during the quarter on investments in for example Vantaa, Finland and in Drammen, Norway giving us the capacity to handle increased parcel volumes. At the same time, we are continuing to work to ensure the long-term sustainability of the mail business.

## “I'm proud of the positive contribution we make to people's everyday lives and of the useful work we do.”

### Easier everyday life, despite the pandemic

In all markets, we are seeing a new normal of high parcel volumes and strong demand for home delivery and flexible delivery options. In several countries, shops have been closed or had severe restrictions on the number of visitors, making e-commerce a more accessible option. Our business-to-consumer parcel volumes increased by 47 percent compared to the first quarter of last year. Home deliveries increased by 100 percent and our business-to-business volumes grew by 5 percent over the quarter.

The COVID-19 pandemic has further highlighted the important role that PostNord plays in society, maintaining functionality and accessibility, and contributing to a simpler everyday life. During the

quarter, we continued the roll-out of parcel boxes across the Nordic region, enabling people to receive deliveries around the clock. We launched livetracking of home deliveries in Sweden and Finland, as well as postage codes to complement stamps in Sweden. In Denmark, we now distribute parcels every day of the week throughout the country and are continuing to establish new distribution points. Alongside this, we take our responsibility seriously to continue to ensure a safe and secure workplace for our employees who meet people every day and deliver much-needed and important goods to their homes.

### Fossil-free by 2030

PostNord's sustainability agenda is at the very forefront of our work and our goal is to be fossil-free by 2030. At a time of expanding e-commerce and record volumes, we are focusing on rolling out climate-smart solutions, such as fossil-free transport and solar power in our terminals. In addition, we have long been working on reducing the amount of unnecessary air in packages. Recently, in association with Chalmers University of Technology and DS Smith, we launched a research project on which measures have the greatest climate impact. Our goal-focused work is getting results and getting noticed. In the quarter under review, PostNord was named the most sustainable logistics company, according to Swedish consumers\*.

### An important mission for society

I'm proud of the positive contribution we make to people's everyday lives and of the useful work we do. During the quarter, we continued to deliver above the legal requirements for the universal service obligation in Sweden and Denmark. In the Swedish market, we are fully engaged in the conversion to alternate-day deliveries. The delivery model has been introduced in southern Sweden, to be followed in the spring by western Sweden. In Denmark, negotiations on the universal service obligation are expected to be resumed later in the year.

As always, I would like to extend my sincere and humble thanks to our customers, partners and unwaveringly committed employees, all of whom are playing a part in the positive trend we have experienced.

**Annemarie Gardshol**  
President & Group CEO



Annemarie Gardshol, President and Group CEO

\*Conclusion in the brand study Sustainable Brand Index B2C.

# Net sales and income

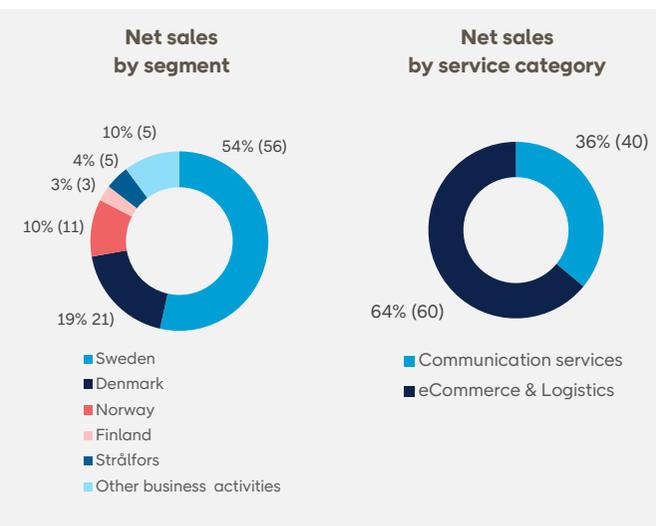
## Net sales

Net sales totaled SEK 10,187 (9,504) in the year's first quarter, an increase of 12 percent in fixed currency for like-for-like units.

During the quarter, mail volumes decreased by the equivalent of 12 percent (12) as a result of increased digitalization.

Parcel volumes rose very sharply, above all as a result of changing consumption behaviors in the wake of the coronapandemic. A total of 56 million (42) parcels were handled during the quarter, an increase of 32 percent (1). Volumes to B2C customers showed particularly robust growth of 47 percent (7), while volumes to B2B customers rose 5 percent (-7).

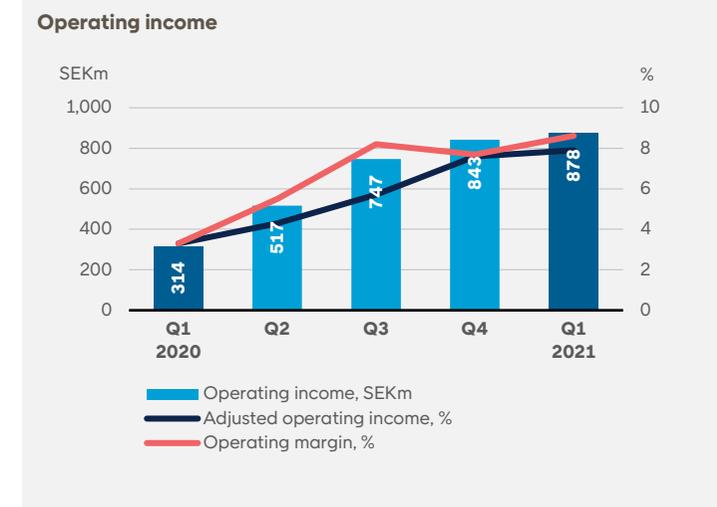
Other operating income increased to SEK 360m (311), mainly due to capital gains on the sale of properties and improved income from associated companies in Denmark, but also to government compensation related to the COVID-19 pandemic.



## Income

Operating income totaled SEK 878m (314) in the fourth quarter, an operating margin of 8.6 percent (3.3). Income benefited from very buoyant demand in the parcels business, continued profitability in the mail business and measures in accordance with the ongoing efficiency program. Government compensation in connection with the Covid-19 pandemic amounted to around SEK 32 (-) to offset sick leave costs. Capital gains in the main from property sales in Denmark contributed SEK 74m (20). Adjusted operating income totaled SEK 805m (314). Net financial items amounted to SEK -48m (-15), mainly consisting of interest expense in connection with leases, pensions and loans. The year-on-year change was mainly due to lower foreign exchange gains. Tax for the period totaled SEK -112m (-36) and income for the period SEK 718m (263).

Return on capital employed (ROCE) improved to 22.9 percent (2.6), above all as a result of the excellent income in the quarter.



# Cash flow and financial position

## Cash flow

Cash flows from operating activities before changes in working capital totaled SEK 1,100m (452). The improvement was mainly attributable to the profit for the period and the reimbursement received from Postens Pensionsstiftelse, offset by an increase in taxes paid. Working capital increased by SEK 34 (305) million during the quarter. The change from the comparable quarter last year was mainly due to increased liabilities in Quarter 1 2020 in Denmark, arising from transitional rules for holiday pay liabilities and prepayment of a purchase consideration on a property sale. Cash flow from operating activities totaled SEK 1,134m (757). Cash flow from investing activities totaled SEK -183m (-15). Investments in property, plant and equipment and in non-current intangible assets during the period totaled SEK 188m (177). Disposal of a subsidiary contributed SEK -m (161). The investments mainly concerned vehicles, sorting machines and IT development.

Cash flow from financing activities totaled SEK -370m (-388). The change is mainly attributable to amortization totaling SEK -340 (-312) million of lease liabilities.

## Net debt

The Group's net debt, including pensions and lease liabilities, decreased by SEK 2,462m during the first quarter, mainly due to a lower pension liability and higher cash and cash equivalents. Liabilities related to pensions and disability pension plans decreased by SEK 1,926m in the quarter, from SEK 4,318m to SEK 2,392m, mainly due to an increase in the discount rate and positive returns in Postens Pensionsstiftelse. The assumed rate of inflation for the pension debt increased during the quarter, partially offsetting the reduction in the liability.

The net debt ratio including pensions and lease liabilities was 74 percent (231). The Group's net debt ratio excluding leasing liabilities was -7 percent (79).

Financial preparedness at the end of the quarter amounted to SEK 8,821m (5,764), of which cash and cash equivalents totaled SEK 6,821m (3,764) and unutilized credit facilities SEK 2,000m (2 000).

## Equity

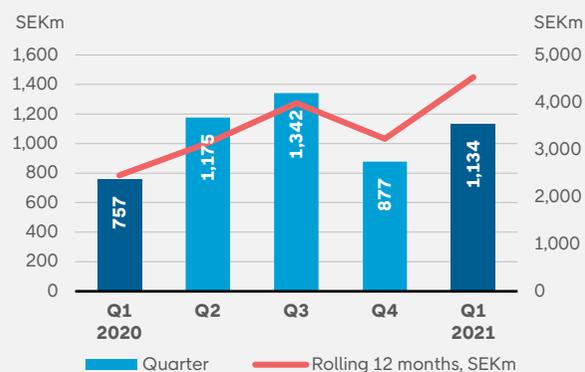
The Group's equity increased to SEK 7,537m from SEK 4,906m on December 31, 2020.

The change in the quarter was attributable to the income of SEK 718m for the period, a change of SEK 1,701m net after tax in the pension commitment and translation differences of SEK 212m.

Net debt and net debt ratio



Cash flow from operating activities



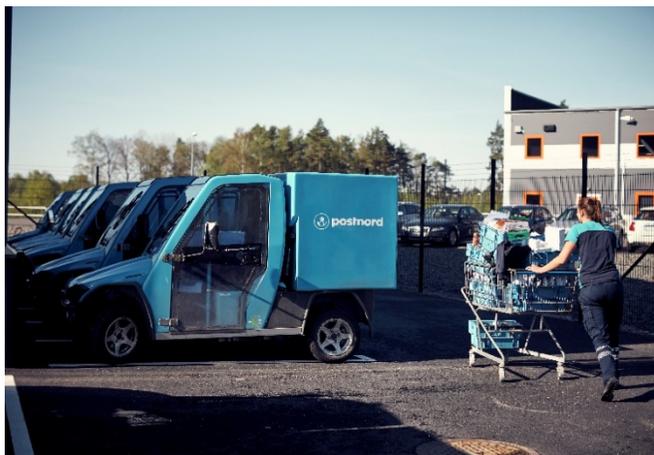
Net debt

	Mar. 31 2021	Dec. 31 2020	Sep. 30 2020	Jun. 30 2020	Mar. 31 2020
<b>SEKm</b>					
Interest-bearing liabilities	10,322	10,267	10,169	9,524	9,830
Pensions and disability pension plans	2,392	4,318	5,656	5,532	3,346
Long- and short-term investments	-291	-292	-293	-297	-309
Cash and cash equivalents	-6,821	-6,229	-6,053	-4,377	-3,764
<b>Net debt incl. pensions and lease liability</b>	<b>5,602</b>	<b>8,064</b>	<b>9,479</b>	<b>10,382</b>	<b>9,103</b>
Net debt ratio incl. pensions and lease liabilities	74%	164%	285%	370%	231%
<b>Net debt incl. pensions but excl. lease liabilities</b>	<b>-521</b>	<b>2,001</b>	<b>3,201</b>	<b>4,753</b>	<b>3,187</b>
Net debt ratio incl. pensions but excl. lease liabilities	-7%	38%	87%	164%	79%

# 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 changed from a short-term receivable, deposited in the subsidiary's Group account, to a fixed-term loan, in view of the long-term nature of the receivable.

Net income for the period totaled SEK -2m (-17).



# Sustainability information

As a major logistics player, PostNord takes responsibility for contributing to 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. We protect the health and safety of our employees, promote equality and inclusion and require our suppliers to comply with our clearly stated requirements.

## Employees

The average number of employees (FTEs) was 27,698, an increase compared with the corresponding period last year (27,077).

Sick leave averaged 6.2 percent (5.4) on a trailing 12-month basis, where the impact in each individual month is limited. The COVID-19 pandemic has created a greater need for additional resources to handle higher parcel volumes linked to the growth in e-commerce and to cover for increased short-term sick leave in Sweden.

At the end of the quarter, the proportion of women at management levels 1-3 was 37 percent (37). At levels 4-6, the figure was 32 percent (31).

## Sustainable supply chain

The target for a sustainable supply chain in 2021 is 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 outcome for the first quarter of the year was 79 percent compared to 80 percent for the fourth quarter of 2020. The reason for the marginally lower outcome is that new suppliers have been engaged. During the quarter, 20 self-assessments were carried out. In addition, one local audit was performed. Most of the audits planned for 2021 have not yet been scheduled, on account of the COVID-19 pandemic.

## Climate impact

Carbon dioxide emissions for the quarter decreased by more than 7 percent to 69,202 tonnes. PostNord's total energy consumption (including both transportation and use of premises) totaled 433,947 (426,566) MWh. Renewable energy accounted for 37 percent (30) of total energy consumption during the quarter.

PostNord's climate transition requires its investments to be steered in a green direction. Work has started on classifying and monitoring the Company's assets in accordance with the EU's taxonomy and taxonomy regulation.

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

# PostNord Sweden

Net sales totaled SEK 6,184 (5,824), an increase of 10 percent (1) for like-for-like units. The growth in e-commerce, further acceleration of new patterns of consumption in the wake of the pandemic, contributed to a 16 percent (-1) percent increase in parcel volumes. Addressed mail volumes fell by just under 12 percent (11).

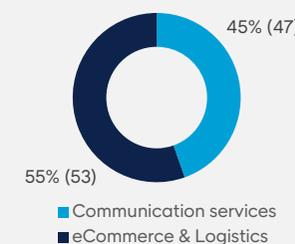
Operating income totaled SEK 568m (338). Higher net sales, completed and ongoing improvement programs and increased demand for parcel deliveries contributed to the strong quarterly performance.

Delivery quality for mail over the past 12-month period was 97.9 percent (97.7). Delivery quality for parcels over the past 12-month period was 95.2 percent (96.1). Despite the sharp increase in the number of parcels and continued high levels of short-term absence, production has been running at a relatively high level of delivery quality. At the same time as continuously improving our e-commerce and logistics offering, we are adjusting the mail business to reflect the need for postal services and the level of service that is reasonable, taking the degree of use and cost of production into account.

Net sales and adjusted operating margin



Net sales



# 97.9%

**Delivery quality, mail.**  
**Legal requirement 95%**  
 January-March 2021 period

SEKm, if not otherwise stated	January-March		Like-for-like change
	2021	2020	
Net sales	6,184	5,824	10%
– Communication Services (external)	2,447	2,497	-2%
– eCommerce & Logistics (external)	3,041	2,869	14%
– Internal	697	458	52%
Operating income (EBIT)	568	338	68%
Operating margin, %	9.2	5.8	59%
Items affecting comparability	-	-	
Adjusted operating income (adjusted EBIT)	568	338	68%
Adjusted operating margin, %	9.2	5.8	59%

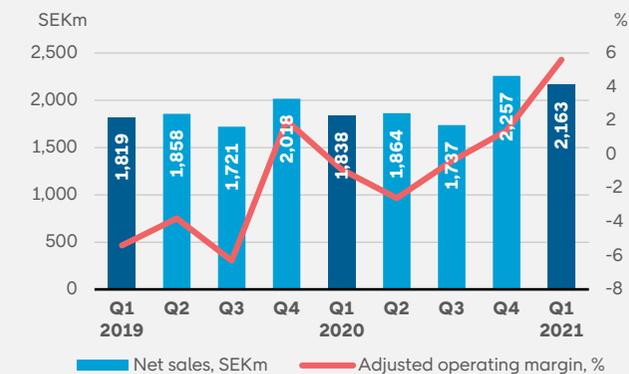
# PostNord Denmark

Net sales totaled SEK 2,163m (1,838), an increase of 24 percent (-1) in fixed currency for like-for-like units. Mail volumes decreased by 14 percent (17). Parcel volumes increased by 53 percent (7), primarily driven by strong demand from B2C customers.

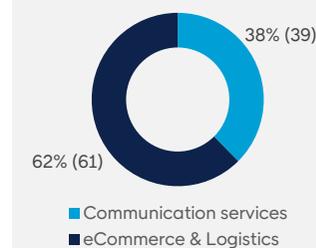
Operating income totaled SEK 194m (-17). The improvement in income is mainly attributable to increased parcel volumes and the ongoing improvement program. Income was also positively impacted by compensation from the Danish government for the cost of mail deliveries, as well as by a capital gain of SEK 72 million (-) on a property sale.

Delivery quality for the Brevet service surpassed the legal requirement, averaging 95.0 percent (95.4) over the past 12 months. Delivery quality in parcels was under pressure from very high parcel volumes, averaging 95.5 percent (97.2) over the quarter. However, customer satisfaction was good thanks to extensive preparations and proactive communication.

Net sales and adjusted operating margin



Net sales



# 95.0%

Delivery quality, Brevet.  
Legal requirement 93%  
January-March 2021 period

SEKm, if not otherwise stated	January-March <sup>1)</sup>		Like-for-like change
	2021	2020	
Net sales	2,163	1,838	24%
– Communication Services (external)	696	781	-7%
– eCommerce & Logistics (external)	1,156	847	43%
– Internal	311	210	56%
Operating income (EBIT)	194	-17	
Operating margin, %	9.0	-0.9	
Items affecting comparability	72	-	
Adjusted operating income (adjusted EBIT)	121	-17	
Adjusted operating margin, %	5.6	-0.9	

<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.

# PostNord Norway

Net sales totaled SEK 1,193m (1,100), an increase of 12 percent (5) in fixed currency for like-for-like units. Volumes to B2C customers increased by 57 percent (22), while volumes to B2B customers increased by 47 percent (-15).

Operating income totaled SEK 33m (24). The improvement in income is mainly explained by increased sales as a result of e-commerce growth and good progress in improvement programs.

Delivery quality was 96.1 percent (96.7) for the quarter and 95.3 percent (96.1) over the past 12-month period.

**Net sales and adjusted operating margin**



SEKm, if not otherwise stated	January- March		Like-for-like change
	2021	2020	
Net sales	1,193	1,100	12%
– Communication Services (external)	23	20	15%
– eCommerce & Logistics (external)	967	906	11%
– Internal	203	173	20%
Operating income (EBIT)	33	24	38%
Operating margin, %	2.8	2.2	27%
Items affecting comparability (adjusted EBIT)	-	-	-
Adjusted operating margin, %	2.8	2.2	27%

# PostNord Finland

Net sales totaled SEK 331m (314), an increase of 11 percent (-1) in fixed currency for like-for-like units. Sales in logistics operations rose sharply, mainly as a result of deliveries to the healthcare sector. Parcel volumes increased by 47 percent (8).

Operating income totaled SEK 2m (-5). The improvement was mainly attributable to increased sales and improved productivity in the terminal network.

Delivery quality increased to 96.2 percent (96.1) during the quarter and averaged 95.7 percent (95.7) over the past 12-month period.

**Net sales and adjusted operating margin**



SEKm, if not otherwise stated	January- March		Like-for-like change
	2021	2020	
Net sales	331	314	11%
– Communication Services (external)	-	-	-
– eCommerce & Logistics (external)	232	213	15%
– Internal	99	101	4%
Operating income (EBIT)	2	-5	
Operating margin, %	0.6	-1.5	
Items affecting comparability	-	-	
Adjusted operating income (adjusted EBIT)	2	-5	
Adjusted operating margin, %	0.6	-1.5	

# PostNord Strålfors

Net sales totaled SEK 507m (512), an increase of 2 percent (-2) in fixed currency for like-for-like units. The long-term trend of a structurally declining market for printed matter in the wake of digitalization remains. Sales are benefiting from continued growth in digital deliveries.

Operating income totaled SEK 38m (35), an increase of 9 percent. Against the background of the overall market trend, the improvement program currently under way will be crucial to PostNord Strålfors. The initiative of streamlining physical production, securing consistently low administration costs and increasing the share of digital services progressed well during the quarter and is the main factor behind the improved result.



SEKm, if not otherwise stated	January-March		Like-for-like change
	2021	2020	
Net sales	507	512	2%
– Communication Services (external)	454	478	-5%
– Internal	53	34	57%
Operating income (EBIT)	38	35	9%
Operating margin, %	7.5	6.9	9%
Items affecting comparability (adjusted EBIT)	-	-	-
Adjusted operating margin, %	7.5	6.9	9%

# Other business activities

Net sales totaled SEK 1,179m (901), an increase of 41 percent (23) in fixed currency for like-for-like units. The Covid-19 pandemic affected the business conditions for Direct Link, as it did for the rest of the industry, with very sharp falls globally in transportation capacity in the aviation sector. As a result, customers either rearranged mode of transport for their postal products or warehoused them, which benefited Direct Link. Germany shows strong volume growth of 48 percent (3) in B2C, mainly driven by major customers in the e-commerce segment. In B2B, volume was in line with the corresponding quarter last year.

Operating income improved overall, despite difficult market conditions, to SEK 65 (39) million. In Direct Link, the cost structure and the ability to adapt customer offerings are the main factors behind the improvement in income.



SEKm, if not otherwise stated	January-March		Like-for-like change
	2021	2020	
Net sales	1,179	901	41%
– Communication Services (external)	49	52	-5%
– eCommerce & Logistics (external)	1,128	845	43%
– Internal	2	4	-
Operating income (EBIT)	65	39	67%
Operating margin, %	5.5	4.3	28%
Items affecting comparability	-	-	-
Adjusted operating income (adjusted EBIT)	65	39	67%
Adjusted operating margin, %	5.5	4.3	28%

<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.

# Other information

## Impact of the coronavirus pandemic

PostNord has received SEK 32m (–) in government compensation directly related to the COVID-19 pandemic, SEK 31m Sweden and SEK 1 million in Denmark. The major share of the compensation related to sick leave. For more information, see page 6 of the Annual and Sustainability Report 2020.

## Update regarding the universal service obligation in Denmark

In March, the Danish Minister for Transport announced that the negotiations on the universal service in Denmark would be postponed. This follows from the expected EU investigation following the Danish National Audit Office's criticism in January of the Ministry for Transport's supervision of Post Danmark AS. The dialogue regarding a long-term agreement on a financially sustainable Danish mail business is expected to continue later in 2021.

## Delivery quality

Delivery quality in Sweden is still above the legal requirement of 95 percent for stamped letters that must be delivered to the intended recipient within two working days and has maintained a level of 97.5 percent (98.3) over the past 3 months. In Denmark, quality also exceeded the legal requirement. Over the past 3-month period, delivery quality for the Brevet service was 96.0 percent (97.1), compared with the legal requirement that 93 percent of letters must be delivered to the intended recipient within five working days.

Overall delivery quality for parcels in the PostNord Group was 95.9 percent (97.0 in Q1 2020) for the past 3-month period.

## Selection of news headlines in the first quarter

January 7, 2021 Every second day delivery of letters introduced in Region South, Sweden

February 2, 2021 Year-end report 2020 – best result ever

February 5, 2021 PostNord Denmark launches every day parcel delivery

February 10, 2021 PostNord Norway announced that a decision has been made to increase capacity and establish a new logistics and sorting terminal in Drammen

February 24, 2021 PostNord Sweden invests in another 2,500 new parcel boxes

March 4, 2021 PostNord Sweden introduces live tracking of home deliveries

March 10, 2021 PostNord Finland invests in a new terminal of 15,000 square meters in Vantaa

March 11, 2021 According to Sweden's consumers, PostNord is the most sustainable logistics brand

March 17, 2021 PostNord leads the sector into the low-carbon economy

March 18, 2021 PostNord Sweden and Chalmers University of Technology in research project to reduce unnecessary air in parcels

March 24, 2021 PostNord Sweden launches postage codes

March 26, 2021 Every second day delivery of letters introduced in Region South, Sweden

## Major events in January–March 2021

No major events took place during the reporting period.

## Major events after the reporting period

### Annual General Meeting 2021

The Annual General Meeting will take place on April 27, 2021. For more information on the AGM, go to: [www.postnord.com](http://www.postnord.com).

### Anna van Bunningen appointed new Head of Nordic Strategy & Solutions

Anna van Bunningen will take up the position of Head of Group Nordic Strategy & Solutions on June 15, 2021. She succeeds Jan Starrsjö, who retires on 1 July. The press release is available at [www.postnord.com](http://www.postnord.com).

Solna, April 27, 2021

PostNord AB (publ), CIN 556771-2640

**Annemarie Gardshol**

President & Group CEO

# Financial reports – Group

## Income statement

SEKm	Note	January-March		January-December
		2021	2020	2020
	1			
Net sales		10,187	9,504	38,729
Other operating income		360	311	1,427
<b>Operating revenue</b>	3	<b>10,547</b>	<b>9,815</b>	<b>40,156</b>
Personnel expenses		-4,086	-3,953	-15,704
Transportation expenses		-2,683	-2,713	-10,410
Other operating expenses		-2,260	-2,202	-8,985
Depreciation and impairments		-640	-632	-2,636
<b>Operating expenses</b>		<b>-9,669</b>	<b>-9,501</b>	<b>-37,735</b>
<b>OPERATING INCOME</b>	3	<b>878</b>	<b>314</b>	<b>2,421</b>
Financial income		8	46	48
Financial expenses		-56	-61	-317
<b>Net financial items</b>		<b>-48</b>	<b>-15</b>	<b>-268</b>
<b>Income before tax</b>		<b>830</b>	<b>299</b>	<b>2,153</b>
Tax		-112	-36	-442
<b>NET INCOME</b>		<b>718</b>	<b>263</b>	<b>1,711</b>
<b>Attributable to</b>				
Parent Company shareholders		717	262	1,709
Non-controlling interests		1	1	2
Earnings per share, SEK		0.36	0.13	0.85

## Statement of comprehensive income

SEKm	January-March		January-December
	2020	2019	2020
<b>NET INCOME</b>	<b>718</b>	<b>263</b>	<b>1,711</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that cannot be transferred to net income</b>			
Revaluation of pension liabilities	2,142	71	-182
Change in deferred tax	-441	-15	37
<b>Total</b>	<b>1,701</b>	<b>56</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
Translation differences	212	-21	-311
<b>Total</b>	<b>212</b>	<b>-21</b>	<b>-312</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>1,913</b>	<b>35</b>	<b>-457</b>
<b>COMPREHENSIVE INCOME</b>	<b>2,631</b>	<b>298</b>	<b>1,254</b>
<b>Attributable to</b>			
Parent Company shareholders	2,630	297	1,252
Non-controlling interests	1	1	2

# Financial reports – Group

## Statement of financial position - summary

SEKm	Note	Mar. 31 2021	Dec. 31 2020	Mar. 31 2020
<b>ASSETS</b>	1			
Goodwill		2,581	2,510	2,547
Other non-current intangible assets		431	439	566
Property, plant and equipment		6,999	6,992	7,671
Right-of-use assets		6,054	5,954	6,137
Participations in associated companies		165	134	119
Non-current interest-bearing receivables	6	280	280	297
Other non-current receivables	6	431	411	953
Deferred tax assets		244	627	470
<b>Total non-current assets</b>		<b>17,184</b>	<b>17,350</b>	<b>18,761</b>
Inventories		82	90	103
Tax assets		507	299	151
Trade receivables	6	4,607	4,967	4,540
Prepaid expenses and accrued income	6	1,159	878	1,125
Other current receivables	6	410	600	453
Current interest-bearing receivables	6	11	11	11
Cash and cash equivalents	6	6,821	6,229	3,764
Assets held for sale		23	65	200
<b>Total current assets</b>		<b>13,620</b>	<b>13,139</b>	<b>10,348</b>
<b>TOTAL ASSETS</b>		<b>30,805</b>	<b>30,489</b>	<b>29,108</b>

## (cont.)

SEKm	Note	Mar. 31 2021	Dec. 31 2020	Mar. 31 2020
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>		<b>7,537</b>	<b>4,906</b>	<b>3,952</b>
<b>LIABILITIES</b>				
Non-current interest-bearing liabilities	6	2,743	3,243	3,804
Long-term lease liabilities		4,887	4,849	4,780
Other non-current liabilities		45	42	284
Pensions		2,486	4,395	4,111
Other provisions	5	1,301	1,685	2,457
Deferred tax liabilities		129	120	131
<b>Total non-current liabilities</b>		<b>11,592</b>	<b>14,334</b>	<b>15,567</b>
Current interest-bearing liabilities	6	1,356	857	0
Current lease liabilities		1,336	1,318	1,246
Trade payables	6	2,559	2,877	2,394
Tax liabilities		371	313	64
Other current liabilities	6	1,300	1,503	1,285
Accrued expenses and deferred income	6	3,798	3,643	3,549
Other provisions	5	956	737	958
Liabilities categorized as assets held for sale		-	-	94
<b>Total current liabilities</b>		<b>11,675</b>	<b>11,249</b>	<b>9,589</b>
<b>TOTAL LIABILITIES</b>		<b>23,267</b>	<b>25,582</b>	<b>25,156</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>30,805</b>	<b>30,489</b>	<b>29,108</b>

# Financial reports – Group

## Statement of cash flows

SEKm	Note	January-March		January-December
		2021	2020	2020
<b>OPERATING ACTIVITIES</b>				
Income before tax		830	299	2,153
Adjustments for non-cash items <sup>1)</sup>		509	177	903
Income tax paid		-239	-24	-362
<b>Operating activities before changes in working capital</b>		<b>1,100</b>	<b>452</b>	<b>2,694</b>
<b>Changes in working capital</b>				
Increase(-)/decrease(+) in inventories		8	2	15
Increase(-)/decrease(+) in other operating receivables		394	311	553
Increase(+)/decrease(-) in other operating liabilities		-368	-8	889
<b>Changes in working capital</b>		<b>34</b>	<b>305</b>	<b>1,457</b>
<b>Cash flow from operating activities</b>		<b>1,134</b>	<b>757</b>	<b>4,151</b>
<b>INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment		-158	-168	-999
Sale of property, plant and equipment		4	1	28
Acquisitions of non-current intangible assets		-30	-9	-75
Sale of subsidiary, effect on cash and cash equivalents	4	-	161	1,148
Acquisition of financial assets		-	-	-10
Sale of financial assets		1	-	11
<b>Cash flows from investing activities</b>		<b>-183</b>	<b>-15</b>	<b>103</b>

(cont.)

SEKm	Note	January-March		January-December
		2021	2020	2020
<b>FINANCING ACTIVITIES</b>				
Amortized loans		-30	-78	-86
New loans		-	-	-
Amortized lease liabilities		-340	-312	-1,307
Dividend paid		-	-	-2
Increase(+)/decrease(-) in other interest-bearing liabilities		0	2	-2
<b>Cash flows from financing activities</b>		<b>-370</b>	<b>-388</b>	<b>-1,397</b>
<b>CASH FLOWS FOR THE PERIOD</b>				
Cash and cash equivalents, at beginning of period		6,229	3,398	3,398
Translation difference in cash and cash equivalents		11	12	-26
<b>Cash and cash equivalents, closing balance</b>		<b>6,821</b>	<b>3,764</b>	<b>6,229</b>
<sup>1)</sup> Adjustments for non-cash items:				
Depreciation and impairments		640	632	2,636
Change in pension liability		180	-61	-294
Other provisions		-156	-370	-879
Capital gain, property, plant and equipment sold		-72	-24	-153
Capital gain, sale of subsidiaries		-	-	-228
Other		-83	-	-179
<b>Total</b>		<b>509</b>	<b>177</b>	<b>903</b>

# Financial reports – Group

## Statement of changes in equity

January - March 2020

SEKm	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>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	-	-	-	-	262	1	263
Other comprehensive income for the period	-	-	-21	-	56	-	35
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-21</b>	<b>-</b>	<b>318</b>	<b>1</b>	<b>298</b>
<b>Shareholders' equity balance, closing balance Mar. 31 2020</b>	<b>2,000</b>	<b>10,621</b>	<b>-1,530</b>	<b>0</b>	<b>-7,142</b>	<b>3</b>	<b>3,952</b>

April - December 2020

SEKm	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>Opening balance Apr. 1, 2020</b>	<b>2,000</b>	<b>10,621</b>	<b>-1,530</b>	<b>0</b>	<b>-7,142</b>	<b>3</b>	<b>3,952</b>
<b>Comprehensive income for the period</b>							
Net income for the period	-	-	-	-	1,447	1	1,448
Other comprehensive income for the period	-	-	-290	-1	-201	-	-492
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-290</b>	<b>-1</b>	<b>1,246</b>	<b>1</b>	<b>956</b>
Dividend	-	-	-	-	-	-2	-2
<b>Shareholders' equity balance, 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 – March 2021

SEKm	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>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	-	-	-	-	717	1	718
Other comprehensive income for the period	-	-	212	0	1,701	-	1,913
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>212</b>	<b>0</b>	<b>2,418</b>	<b>1</b>	<b>2,631</b>
<b>Shareholders' equity, closing balance Mar. 31, 2021</b>	<b>2,000</b>	<b>10,621</b>	<b>-1,608</b>	<b>-1</b>	<b>-3,478</b>	<b>3</b>	<b>7,537</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.

# Financial reports — Parent company

## Income statement

SEKm	Note	January-March		January-December
		2021	2020	2020
	1			
Other operating income		3	4	16
<b>Operating revenue</b>		<b>3</b>	<b>4</b>	<b>16</b>
Personnel expenses		-5	-4	-14
Other expenses		-6	-5	-21
<b>Operating expenses</b>		<b>-11</b>	<b>-9</b>	<b>-35</b>
<b>OPERATING INCOME</b>		<b>-8</b>	<b>-5</b>	<b>-20</b>
Interest income and similar income items		18	2	12
Interest expenses and similar items		-12	-14	-62
<b>Financial items</b>		<b>6</b>	<b>-12</b>	<b>-50</b>
<b>Income after financial items</b>		<b>-2</b>	<b>-17</b>	<b>-70</b>
Appropriations		-	-	150
<b>Income before tax</b>		<b>-2</b>	<b>-17</b>	<b>80</b>
Tax		-	-	-18
<b>NET INCOME</b>		<b>-2</b>	<b>-17</b>	<b>62</b>

## Statement of comprehensive income

SEKm	January-March		January-December
	2021	2020	2020
Net income for the period	-2	-17	62
Other comprehensive income for the period	-	-	-
<b>COMPREHENSIVE INCOME</b>	<b>-2</b>	<b>-17</b>	<b>62</b>

## Balance sheet - summary

SEKm	Note	Mar. 31	Dec. 31	Mar. 31
		2021	2020	2020
	1			
<b>ASSETS</b>				
Participations in Group companies		10,861	10,861	10,861
Interest-bearing receivables		34	33	31
Interest-bearing receivables from Group companies		7,000	-	-
<b>Total non-current assets</b>		<b>17,895</b>	<b>10,894</b>	<b>10,892</b>
Interest-bearing receivables from Group companies		<b>1,262</b>	<b>8,152</b>	<b>8,226</b>
Other receivables from Group companies		<b>18</b>	<b>150</b>	-
Other current receivables		<b>29</b>	37	30
<b>Total current assets</b>		<b>1,309</b>	<b>8,339</b>	<b>8,256</b>
<b>TOTAL ASSETS</b>		<b>19,203</b>	<b>19,233</b>	<b>19,148</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>		<b>15,750</b>	<b>15,752</b>	<b>15,673</b>
Interest-bearing liabilities		2,431	2,929	3,435
Other non-current liabilities		8	8	8
<b>Total non-current liabilities</b>		<b>2,439</b>	<b>2,937</b>	<b>3,443</b>
Current interest-bearing liabilities		1,000	500	-
Other current liabilities		14	43	32
<b>Total current liabilities</b>		<b>1,014</b>	<b>543</b>	<b>32</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,203</b>	<b>19,233</b>	<b>19,148</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. As a consequence of the Covid-19 pandemic, the assessment remains that the risk of credit losses is increased, especially for customers in the retail sector. Against that background, the reserve for expected credit losses has been increased compared to the corresponding quarter last year. The increase is based partly on an adjustment of the historical proportion of losses and partly on a case-by-case increase of individual provisions.

## 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 Executive Team and Board of Directors. For further information on significant risks, please refer to the Annual and Sustainability Report 2020, pages 26–27.

The Covid-19 pandemic continues to affect the whole of society and so, too, PostNord. Thanks to good preparedness and a strong performance by our personnel, deliveries have been maintained at an acceptable level. The current pandemic is affecting activities throughout the sector and the markets in which PostNord operates, which is affecting sales and the product mix. The long-term impact will depend on what behavioral changes become permanent and how the wider economy will be affected as the financial support measures are phased out. For more information on how the Covid-19 pandemic has affected PostNord, please see the Annual and Sustainability Report 2020, page 6.

## Note 3 – Segments

The Group's division into segments is primarily based on the companies' geographical domicile, plus the segments PostNord Strålfors and Other business activities, which are controlled and coordinated according to the nature of their operations. Market pricing is applied to legal transactions between PostNord's segments. 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 communications solutions for companies with a large customer base. PostNord Strålfors operates in Sweden, Denmark, Norway and Finland.

**Other Business** includes Direct Link, PostNord's e-commerce and logistics business in Germany, and other business activities.

Direct Link operates in global distribution of marketing communications and lightweight goods, mainly for e-retailers. The business is conducted in the USA, the UK, Germany, Poland, Singapore, Hong Kong and Australia.

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 by segment

SEKm	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
PostNord Sweden	5,824	5,708	5,428	6,735	6,184
- of which internal	458	418	443	672	696
PostNord Denmark <sup>1)</sup>	1,838	1,864	1,737	2,257	2,163
- of which internal	210	244	225	330	311
PostNord Norway	1,100	1,066	1,082	1,246	1,193
- of which internal	174	196	198	253	203
PostNord Finland	314	349	342	366	331
- of which internal	101	116	113	118	99
PostNord Strålfors	512	475	461	534	507
- of which internal	34	44	46	62	53
Other business activities <sup>1)</sup>	901	890	903	1,283	1,179
- of which internal	4	3	2	3	3
Other and eliminations	-985	-1,025	-1,034	-1,442	-1,371
<b>Group</b>	<b>9,504</b>	<b>9,328</b>	<b>8,919</b>	<b>10,978</b>	<b>10,187</b>

### Operating income per segment

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
PostNord Sweden	338	446	701	756	568
- Operating margin, %	6.0	7.8	12.9	11.2	9.2
PostNord Denmark <sup>1)</sup>	-17	36	2	43	194
- Operating margin, %	-0.9	1.9	0.1	1.9	9.0
PostNord Norway	24	30	14	59	33
- Operating margin, %	2.0	2.8	1.3	4.8	2.8
PostNord Finland	-5	6	6	2	2
- Operating margin, %	-1.6	1.7	1.8	0.6	0.6
PostNord Strålfors	35	30	31	45	38
- Operating margin, %	6.8	6.3	6.7	8.4	7.5
Other business activities <sup>1)</sup>	39	41	32	54	65
- Operating margin, %	4.3	4.6	3.5	4.2	5.5
Other and eliminations	-100	-72	-39	-116	-21
<b>Operating income</b>	<b>314</b>	<b>517</b>	<b>747</b>	<b>843</b>	<b>878</b>
- Operating margin, %	3.3	5.5	8.4	7.7	8.6

### Adjusted operating income per segment

SEKm, unless otherwise indicated	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
PostNord Sweden	338	446	499	756	568
- Adjusted operating margin, %	6.0	7.8	9.2	11.2	9.2
PostNord Denmark <sup>1)</sup>	-17	-77	-23	31	121
- Adjusted operating margin, %	-0.9	-0.4	-1.3	1.4	5.6
PostNord Norway	24	30	14	59	33
- Adjusted operating margin, %	2.0	2.8	1.3	4.8	2.8
PostNord Finland	-5	6	6	2	2
- Adjusted operating margin, %	-1.6	1.7	1.8	0.6	0.6
PostNord Strålfors	35	30	31	45	37
- Adjusted operating margin, %	6.8	6.3	6.7	8.4	7.3
Other business activities <sup>1)</sup>	39	41	32	54	65
- Adjusted operating margin, %	4.3	4.6	3.5	4.2	5.5
Other and eliminations	-100	-72	-39	-115	-21
<b>Adjusted operating income</b>	<b>314</b>	<b>404</b>	<b>520</b>	<b>833</b>	<b>805</b>
- Adjusted operating margin, %	3.3	4.3	5.8	7.6	7.9

### Net sales per segment and service category

Operating segments SEKm	Service category			
	Communication Services		eCommerce & Logistics	
	January-March 2021	2020	January-March 2021	2020
PostNord Sweden	2,447	2,497	3,041	2,869
PostNord Denmark <sup>1)</sup>	696	781	1,156	847
PostNord Norway	23	20	967	906
PostNord Finland	-	-	232	213
PostNord Strålfors	454	478	-	-
Other business activities <sup>1)</sup>	49	52	1,128	845
<b>Total</b>	<b>3,669</b>	<b>3,828</b>	<b>6,523</b>	<b>5,680</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 95 percent (95) and over time 5 percent (5). Services in e-Commerce & Logistics consist of logistics services for deliveries to, from and within the Nordic region. The focus is on distribution of parcels, groupage, pallet goods and bulk logistics (part loads), as well as third-party logistics. The services in Communication Services consist of services in business and market communications, newspaper distribution and postal service for individual customers.

## Note 4 – Acquisitions and disposals

Effects of disposals on assets and liabilities, SEKm	January – March	
	2021	2020
Property, plant and equipment	-	131
<b>Total assets</b>	-	<b>131</b>
<b>Total liabilities</b>	-	-
<b>Net asset</b>	-	<b>131</b>
Purchase consideration received	-	170
Less deposit	-	-9
<b>Net effect on cash and cash equivalents</b>	-	<b>161</b>

### Sales of subsidiaries

No acquisitions or disposals took place in the first quarter of 2021. In the first quarter of 2020, PostNord Group AB sold all shares in property companies Lokesvej 18 ApS and Kometvej 15 ApS in Denmark.

## Note 5 – Other provisions

Januari – March 2021, SEKm	Opening balance	Provisions	Reversals	Utilization	Other <sup>1)</sup>	Closing balance
Transformation measures	1,411	1	-	-164	28	1,276
Non-vested pension commitments	946	5	-	-	-36	915
Other	65	0	-	-	0	66
<b>Total</b>	<b>2,422</b>	<b>6</b>	<b>-</b>	<b>-164</b>	<b>-8</b>	<b>2,257</b>
<i>Of which, current</i>	<i>737</i>					<i>956</i>
<i>Of which, non-current</i>	<i>1,685</i>					<i>1,301</i>

Januari – March 2020, SEKm	Opening balance	Provisions	Reversals	Utilization	Other <sup>1)</sup>	Closing balance
Transformation measures	2,371	7	-	-312	128	2,194
Non-vested pension commitments	1,191	14	-	-	-55	1,150
Other	69	0	-	-	2	71
<b>Total</b>	<b>3,631</b>	<b>21</b>	<b>-</b>	<b>-312</b>	<b>75</b>	<b>3,415</b>
<i>Of which, current</i>	<i>1,083</i>					<i>958</i>
<i>Of which, non-current</i>	<i>2,548</i>					<i>2,457</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

March 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>272</b>	<b>12,747</b>	-	-	-	<b>13,019</b>	<b>13,019</b>
<i>of which, derivatives</i>	43	-	-	-	-	43	43
<b>Liabilities</b>	-	-	<b>-14</b>	<b>-1</b>	<b>-9,991</b>	<b>-10,006</b>	<b>-10,039</b>
<i>of which, loan liabilities</i>	-	-	-	-	-3,583	-3,583	-3,616
<i>of which, derivatives</i>	-	-	-14	-1	-	-15	-15
<b>Total financial assets and liabilities, by category</b>	<b>272</b>	<b>12,747</b>	<b>-14</b>	<b>-1</b>	<b>-9,991</b>	<b>3,013</b>	<b>2,980</b>

March 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>131</b>	<b>9,592</b>	-	-	<b>0</b>	<b>9,723</b>	<b>9,723</b>
<i>of which, derivatives</i>	131	-	-	-	0	131	131
<b>Liabilities</b>	-	-	<b>-8</b>	-	<b>-9,204</b>	<b>-9,212</b>	<b>-9,161</b>
<i>of which, loan liabilities</i>	-	-	-	-	-3,804	-3,804	-3,753
<i>of which, derivatives</i>	-	-	-8	0	-	-8	-8
<b>Total financial assets and liabilities, by category</b>	<b>131</b>	<b>9,592</b>	<b>-8</b>	<b>0</b>	<b>-9,193</b>	<b>511</b>	<b>562</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 valued at amortized cost and consist mainly of accounts receivable, cash and cash equivalents and terminal dues. 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 are recognized at fair value via comprehensive income.

## Note 7 – Related parties

Compensation for the universal service from the Danish State has been recognized in the amount of SEK 63 (80) million in Post Danmark A/S. 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 and the December 2020 agreement for the January-August 2021 period are subject to approval by the European Commission and as of 31 March 2021 the compensation had not been received.

## 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 Executive 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, impairment of assets, provisions relating to years ahead.

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.

SEKm	Mar. 31 2021	Dec. 31 2020	Sep. 30 2020	Jun. 30 2020	Mar. 31 2020
Current interest-bearing liabilities	1,356	857	506	5	0
Current lease liabilities	1,336	1,318	1,342	1,265	1,246
Non-current interest-bearing liabilities	2,743	3,243	3,281	3,784	3,804
Long-term lease liabilities	4,887	4,849	5,040	4,470	4,780
Pensions <sup>1)</sup>	2,486	4,395	5,725	5,601	4,111
Non-current interest-bearing receivables	-190	-188	-189	-190	-199
Non-current interest-bearing receivables, leases	-90	-93	-92	-95	-98
Other non-current receivables <sup>2)</sup>	-94	-77	-69	-69	-765
Current interest-bearing receivables	-	-	-	-	-
Current interest-bearing receivables, leases	-11	-11	-11	-11	-11
Cash and cash equivalents	-6,821	-6,229	-6,053	-4,377	-3,764
<b>Net debt</b>	<b>5,602</b>	<b>8,064</b>	<b>9,479</b>	<b>10,382</b>	<b>9,103</b>

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

<sup>2)</sup> 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 effect of IFRS 16 in accordance with IFRS 16.

SEK m	Mar. 31 2021	Dec. 31 2020	Mar. 31 2020
Equity as per Statement of financial position	7,537	4,906	3,952
Accumulated effect of leases in accordance with IFRS 16	329	366	63
<b>Equity excluding leases in accordance with IFRS 16</b>	<b>7,866</b>	<b>5,272</b>	<b>4,015</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.

SEK m	Mar. 31 2021	Dec. 31 2020	Mar. 31 2020
<b>ASSETS</b>			
Goodwill	2,581	2,510	2,547
Other non-current intangible assets	431	439	566
Property, plant and equipment	6,999	6,992	7,671
Right-of-use assets	6,054	5,954	6,137
Participations in associated companies	165	134	119
Other non-current receivables excluding disability pensions	337	334	188
Deferred tax assets	244	627	470
Inventories	82	90	103
Tax assets	507	299	151
Trade receivables	4,607	4,967	4,540
Prepaid expenses and accrued income	1,159	878	1,125
Other current receivables	410	600	453
Assets held for sale	23	65	200
Other non-current liabilities	-45	-42	-284
Other provisions	-1,301	-1,685	-2,457
Deferred tax liabilities	-129	-120	-131
Trade payables	-2,559	-2,877	-2,394
Tax liabilities	-371	-313	-64
Other current liabilities	-1,300	-1,503	-1,285
Accrued expenses and deferred income	-3,798	-3,643	-3,549
Other provisions	-956	-737	-958
Liabilities categorized as assets held for sale	-	-	-94
<b>Total capital employed</b>	<b>13,140</b>	<b>12,969</b>	<b>13,054</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.

## Quarterly data

<b>SEKm, if not otherwise stated</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>Q3 2019</b>	<b>Q2 2019</b>	<b>Q1 2019</b>
<b>Group</b>									
Net sales	10,187	10,978	8,919	9,328	9,504	10,267	9,026	9,514	9,471
Other operating income	360	243	455	418	311	79	132	84	56
Operating expenses	-9,669	-10,378	-8,625	-9,230	-9,501	-10,313	-9,099	-9,668	-9,365
<i>of which, personnel expenses</i>	-4,086	-4,181	-3,594	-3,976	-3,953	-4,176	-3,649	-4,153	-4,040
<i>of which, transport expenses</i>	-2,683	-2,725	-2,458	-2,514	-2,713	-2,924	-2,818	-2,773	-2,785
<i>of which, other expenses</i>	-2,260	-2,772	-1,921	-2,090	-2,202	-2,495	-1,978	-2,108	-1,956
<i>of which, depreciation and impairments</i>	-640	-700	-653	-651	-632	-718	-654	-635	-584
Operating income (EBITDAI)	1,518	1,543	1,400	1,168	947	753	711	565	746
Operating margin (EBITDAI) (%)	14.9	14.0	15.7	12.5	10.0	7.3	7.9	5.9	7.9
Operating income (EBIT)	878	843	747	517	314	35	57	-70	162
Operating margin (EBIT) (%)	8.6	7.7	8.4	5.5	3.3	0.3	0.6	-0.7	1.7
Adjusted operating income (Adjusted EBIT)	805	833	520	404	314	181	103	95	162
Cash flow from operating activities	1,134	877	1,342	1,175	757	1,205	0	492	435
Net debt	5,602	8,064	9,479	10,382	9,103	9,454	11,112	9,414	7,545
Return on operating capital (ROCE), %	22.9	18.6	12.2	7.0	2.6	1.6	3.3	2.4	-7.9
Adjusted return on operating capital, %	19.7	15.9	10.8	7.6	5.3	4.6	5.3	4.4	4.6
Average number of employees (FTE)	27,698	28,597	28,655	27,695	27,077	28,156	29,774	28,117	28,461
Staffing numbers (basic) at end of period	26,814	26,501	26,506	26,882	27,228	27,679	27,871	28,324	29,959
<b>Volumes, millions of mails produced:</b>									
Sweden, priority mail	138	157	132	139	149	156	140	149	163
Sweden, non-priority mail	152	159	134	138	178	198	156	179	205
Denmark, priority mail/Quickbrev	6	6	5	5	6	6	6	6	7
Denmark, non-priority and business mail	41	45	40	37	48	52	45	58	58
<b>Group total, Mail</b>	<b>336</b>	<b>368</b>	<b>311</b>	<b>319</b>	<b>381</b>	<b>412</b>	<b>347</b>	<b>392</b>	<b>433</b>
<b>Volumes, millions of parcels produced (net):</b>									
Parcels, Group total, (volumes between countries eliminated)	56	62	46	48	42	49	42	42	41

**Financial calendar**

Annual General Meeting	April 27, 2021
Interim report January–June 2021	July 16, 2021
Interim report January–September 2021	October 28, 2021

**Contact details**

Malin Nordén  
Head of Communications  
Tel.: +46 10 436 00 00

Sweden  
Mailing address: SE-105 00 Stockholm  
Visiting address: Terminalvägen 24, Solna  
Tel.: +46 10 436 00 00  
[www.postnord.com](http://www.postnord.com)

Denmark  
Mailing and visiting address:  
Hedegaardsvej 88  
DK-2300 Copenhagen S  
Tel.: +45 (0)70 70 70 30  
[www.postnord.com](http://www.postnord.com)

This report has not been reviewed by the auditors.

This information is of such a nature that PostNord AB (publ) is obliged to make it public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person indicated above, at 1.00 a.m. CET on April 27.

This document is an English translation of the Swedish original. In the event of any discrepancies, the Swedish version shall govern.