The leading communication and logistic business in the Nordics
PostNord in brief

SEK 37.7 bn
Net sales

7,000
Distribution points in the Nordic region

30,000
Employees

SEK 129 m
Adjusted operating income, EBIT

171 million parcels

3.3 billion letters and other mail items
End-to-end offerings in communication and logistics

Unique distribution capacity

Responsible for the universal postal service in Sweden

The only operator that reaches every household in Sweden every working day

Robust growth in the e-commerce market

New Postal Ordinance entered into force on January 1, 2018. Stamped letters are now subject to a two-day delivery (0-2) requirement and a quality requirement of 95%

- Net sales: **SEK 23,225m**
- Adjusted operating income, EBIT: **SEK 845m**
- Number of letters: **1,464 million**
- Number of parcels: **110.8 million**
- Number of distribution points: **app. 2,100**
- Employees (FTE): **app. 20,000**
- Quality, letters (0-2): **98.6%**
- Quality, parcels: **94.4%**
PostNord Denmark

- End-to-end offerings in communication and logistics
- Responsible for the universal postal service in Denmark
- Unique distribution capacity
- One of the most digitized countries in the world – putting the pressure on mail volumes
- Robust growth in the e-commerce market
- A new production model was implemented on January, 21 2018

Net sales: **SEK 8,559m**  
Adjusted operating income, EBIT: **SEK -421m**

- Number of letters: **265 million**
- Number of parcels: **48.5 million**
- Number of distribution points: **app. 1,800**
- Employees (FTE): **app. 7,200**
- Quality, Brevet: **95.4%**
- Quality, parcels: **95.4%**
End-to-end offerings in communication and logistics

Strong position in groupage, full- and part-loads, thermo shipments and parcel goods

Unique distribution capacity

Robust growth in the e-commerce market

Net sales: SEK 4,191m
Adjusted operating income, EBIT: SEK 42m

Number of parcels: 19,4 million

Number of distribution points: app. 1,800

Employees (FTE): app. 1,300

Quality, parcels: 96.3%
PostNord Finland

- End-to-end offerings in communication and logistics
- Unique distribution capacity, leading in overnight distribution
- Fragmented market with many operators
- Robust growth in the e-commerce market

- Number of distribution points: app. 1,300
- Employees (FTE): app. 125
- Net sales: SEK 1,176m
- Adjusted operating income, EBIT: SEK 19m
- Number of parcels: 10 million
- Number of distribution points: app. 1,300
- Employees (FTE): app. 125
- Quality, parcels: 95.0%
PostNord Strålfors

- Leading supplier of channel-independent communication solutions via omnichannel
- Powers our customers’ brands, creating new business opportunities
- Industrial pioneer in communication solutions with capability for handing technology shifts

Net sales: **SEK 2,051m**
Adjusted operating income, EBIT: **SEK 169m**

Employees (FTE): **app. 700**
Opposite market trends

PARCELS TOTAL: +9%
PARCELS B2C: +16%

LETTERS SE: -13%
LETTERS DK: -18%
LETTERS TOTAL: -14%
Growth in e-commerce

Over 10-15 percent growth annually anticipated for e-commerce in the Nordic region

E-commerce of total sales

SEK 230.2 bn
E-commerce in the Nordics 2018

- Sweden: 92,8
- Denmark: 28,7
- Norway: 52,4
- Finland: 56,2

Sweden, Denmark, Norway, Finland
<table>
<thead>
<tr>
<th>Advance</th>
<th>Reposition</th>
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</thead>
<tbody>
<tr>
<td>Leading within e-commerce</td>
<td>Winning the hearts and minds of the customers, consumers, and employees</td>
</tr>
<tr>
<td>Development of innovative digital products and channels</td>
<td>Harmonized product portfolio</td>
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<tr>
<td>Leading in sustainability</td>
<td>Growth in prioritized logistic segments</td>
</tr>
</tbody>
</table>

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<tr>
<th>Build</th>
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<tbody>
<tr>
<td>Competitive cost level</td>
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<tr>
<td>Stable and efficient IT operations</td>
</tr>
<tr>
<td>Integrated and flexible production model</td>
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<tr>
<td>Optimization of the physical mail business</td>
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</table>
PostNord listens

2,200,000
Ratings in 2018

Listen → Act → Deliver
End-to-end offering that powers the customer’s business

1. Improve the customer’s offering
   - Campaign follow-up
   - Target group analysis
   - Physical direct mail
   - Digital marketing

2. Improve the customer’s goods flows
   - Invoice distribution
   - Outgoing logistics
   - Inventory management/pick & pack

3. Improve the customer’s business communication
   - Customer communication drives business...
A broad service offering

- Online groceries
- Postcards
- Parcels
- E-commerce
- Full- & part-loads/groupage
- Omnichannel
- DM
- Courier services
- Apps
- Prepaid solutions
- Parcel lockers
- Letters
- Home delivery
- Express/InNight
- Partner outlets
- Warehousing/TPL
- Online solutions
- e-invoicing
Flexible and consumer-oriented solutions for the growing e-commerce
Value is created with customers and their recipients at the center

We deliver:
- Profitability
- Capital structure
- Dividend
- Sustainable supply chain
- Female managers
- Sustainable supply chain
- Reduce carbon dioxide emissions

Mission
Vision
Values

Code of Conduct

Certified management system

Follow-up on financial and non-financial targets

Customers & recipients

Environmental responsibility

Social responsibility

Financial responsibility
Goal to reduce \( \text{CO}_2 \) emissions by 40% by 2020

**Carbon dioxide emissions**

(per item)

- 36g \( \text{CO}_2 \)
- 384g \( \text{CO}_2 \)

**Total carbon dioxide emissions**

(per category)

- Road transport, 90%
- Air, 3%
- Sea, 1%
- Train, 0%
- Business travel, 1%
- Electricity, 2%
- Heating, 3%

Since 2009, emissions have decreased by 35%
Six specific areas that are helping us to reduce our environmental impact

- Optimization of capacity utilization
- More by rail, less by air
- Use of biofuel
- Improving energy efficiency in buildings
- 28% of the vehicle fleet comprises electric vehicles
- Better fuel efficiency
One of the Nordic region’s largest employers

PostNord has set itself the goals of:

- increasing diversity and the proportion of women in management positions
- improving its ratings in the Employee Index (MIX) and Leadership Index (LIX)
- decrease sick leave

29,962
Average number of employees (FTEs)

32%
Women in management positions
Vi levererar.
Vi leverer.
Me toimitamme.
Vi leverer.
We deliver.
Appendices

1. Mission and vision
2. Organization
3. Financial goals and outcomes
4. Stakeholders
5. Order and structure
6-7. Security and continuity
8-9. PostNord in brief, alternatives
Our mission
PostNord connects people and businesses reliably, efficiently and on time.

Our values
Accessible
Reliable
Sustainable

Our purpose
We make everyday life easier.

Our vision
PostNord delivers world-class communication and logistics solutions to satisfied customers.
**Financial goals and outcomes**

- The targets are long-term and are to be assessed over a period of 3-5 years.
- The financial targets were adopted at the 2014 AGM

<table>
<thead>
<tr>
<th>Area</th>
<th>Key ratio</th>
<th>Outcome 2018</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profitability</td>
<td>Return on operating capital (ROCE)</td>
<td>-12.4%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Capital structure</td>
<td>Net debt ratio</td>
<td>31%</td>
<td>10-50%</td>
</tr>
<tr>
<td>Dividend policy</td>
<td>Dividend</td>
<td>No dividend</td>
<td>40-60% of net income for the year</td>
</tr>
</tbody>
</table>
Our stakeholders

**Customers**
PostNord is the leading communication and logistics company in the Nordic region. Our corporate and private customers should be able to reach their recipients reliably, efficiently and on time, whether a global logistics solution, an advertising campaign or a birthday greeting is concerned.

**Owners**
PostNord is 40% owned by the Danish State and 60% by the Swedish State. The overall mission from our owners is to ensure the universal service obligations while creating value.

**Employees**
With around 30,000 employees, PostNord is one of the largest employers in the Nordic region and bears a considerable measure of social responsibility. PostNord is to offer an attractive, stimulating workplace.

**Capital market**
PostNord finances its business partly through bonds. Capital market confidence is therefore important to the Group.

**Business partners**
Business partners summarizes PostNord’s relationships with partners outside the Group, for example suppliers and partner outlets. Every year PostNord purchases goods and services valued at billions of kronor, and the company has around 7,000 distribution points.

**Society**
PostNord plays a key role in the business community and society. Operating a stable and profitable business in the long term, with a focus on the environment and social responsibility, strengthens competitiveness and satisfies expectations regarding accountability.
PostNord’s Code of Conduct incorporates rules on how the Group and all employees are to act.

PostNord subscribes to the UN Global Compact and the OECD guidelines for multinational companies.

This requires activities to be conducted in accordance with specific principles in human rights, working conditions, the environment and anti-corruption.

At postnord.com, you can access:
- Our Code of Conduct in eight languages
- Our Code for Suppliers in Swedish, English, Danish, Norwegian and Finnish
- Our Code for Suppliers of road transportation
- Our certificates
- Our whistleblower function
Our 400 years of experience and development tell us that security and quality are key, and we have well-established solutions and capability in line with known standards and best practice in Security & Safety, Continuity & Crisis and Incident & Analysis.

Our strategic and operational security and continuity platform shall not follow, but lead the way.

Through expertise, accessibility and openness, we shall maintain the full trust of our employees and our customers.

<table>
<thead>
<tr>
<th>Information security</th>
<th>Yes</th>
<th>Based on ISO 27002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security protection</td>
<td>Yes</td>
<td>In accordance with PostNord’s Minimum Security Standard – based on international security standards</td>
</tr>
<tr>
<td>Continuity management</td>
<td>Yes</td>
<td>Based on ISO 22301</td>
</tr>
<tr>
<td>Crisis management</td>
<td>Yes</td>
<td>Operational/Tactical/Strategic level via specially trained crisis management committees</td>
</tr>
</tbody>
</table>
Increased customer value through continuity and security

1. Continuity & Security
   create
   Accessibility & Quality

2. Accessibility & Quality
   create
   Reliability & Satisfaction
   Reliable deliveries
   Satisfied employees and customers

3. Reliability & Satisfaction
   create
   Partnership & Loyalty
   Partnership with customer and supplier
   Loyal employees and customers

4. Partnership & Loyalty
   create
   Continuity & Security
   The circle is complete!

Contributes to Attractiveness!
PostNord in brief

In 2018 PostNord delivered:

**3.3** billion letters and other mail items

**171** million parcels

And has:

**7,000** distribution points in the Nordics

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<thead>
<tr>
<th>Company</th>
<th>Net sales (SEK)</th>
<th>Employees (FTE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PostNord Norway</td>
<td>4,191m</td>
<td>1,301</td>
</tr>
<tr>
<td>PostNord Finland</td>
<td>1,176m</td>
<td>126</td>
</tr>
<tr>
<td>PostNord Denmark</td>
<td>8,559m</td>
<td>7,247</td>
</tr>
<tr>
<td>PostNord Sweden</td>
<td>23,225m</td>
<td>19,548</td>
</tr>
<tr>
<td>PostNord Strålfors</td>
<td>2,051m</td>
<td>706</td>
</tr>
<tr>
<td>Direct Link</td>
<td>1,326m</td>
<td>246</td>
</tr>
</tbody>
</table>
PostNord is the leading supplier of communication and logistics solutions to, from and within the Nordic region. We ensure postal service to households and businesses in Sweden and Denmark. With our expertise and strong distribution network, we develop new solutions for the communication, e-commerce, distribution and logistics of tomorrow in the Nordic region.

PostNord, established by the merger between Post Danmark A/S and Posten AB in 2009, is owned 40% by the Danish State and 60% by the Swedish State. Voting rights are split 50/50. The parent company, PostNord AB, is a Swedish public limited company headquartered in Solna, Sweden.