

postnord

PostNord Interim Report

Q1/2022



Income affected by sharp downturn in e-commerce market

Income decreased as a result of a sharp fall in parcel volumes, lower mail volumes and increased transport costs. Within the framework of PostNord's updated sustainability agenda, the organization is working at a high level of intensity.



PostNord's ambitious sustainability work was recognized when Swedish consumers once again voted PostNord the most sustainable logistics brand in the European Sustainable Brand Index survey.

First quarter 2022¹

- Net sales totaled SEK 9,772 million (10,187), a decrease of -6 percent (12) in fixed currency for like-for-like units
- Overall, parcel volumes decreased by -10 (30) percent due to lower business-to-consumer volumes
- Mail volumes decreased by -13 percent (-10)
- Operating income (EBIT) totaled SEK 98 million (878)

| SEKm, unless otherwise indicated ² | January–March | | Like-for-like change ³ |
|---|---------------|--------|-----------------------------------|
| | 2022 | 2021 | |
| Net sales | 9,772 | 10,187 | -6% |
| Operating income (EBIT) | 98 | 878 | -89% |
| Adjusted operating income (adjusted EBIT) | 98 | 805 | -88% |
| Income before tax | 52 | 830 | |
| Net income for the period | 14 | 718 | |
| Earnings per share (SEK) | 0.01 | 0.36 | |
| Cash flow from operating activities | 225 | 1,134 | |
| Net debt ratio, % ⁴ | -26 | -7 | |
| Return on capital employed (ROCE), % | 13.0 | 22.9 | |

¹ Unless otherwise stated, the report comments on developments in January–March 2022 compared to the same period in 2021.

² For definitions, see Note 8.

³ "Like-for-like" refers to the change in fixed currency for comparable units.

⁴ Net debt ratio, including pensions but excluding lease liabilities

Comments by the President and Group CEO

Income impacted by sharp downturn in e-commerce market

The Group's sales in the first quarter amounted to SEK 9,772 million (10,187), representing a decrease of -6 percent from the previous year. Operating income for the quarter was SEK 98 million (878). The decrease in earnings is significant in relation to the first quarter of 2021, which was the Group's strongest ever.

The decrease in income is mainly attributable to a sharp drop of -10 (30) percent in parcel volumes. The decrease in mail volumes, -13 percent (-10), also had a negative impact on income. Since the pandemic restrictions have been removed in the Nordic markets, we can see challenges in adapting capacity quickly enough to realign with the significant volume reduction this has caused. We see changed patterns of consumption since the lifting of pandemic restrictions, with retailers enjoying a boost at the expense of e-commerce. In addition, many people have chosen to spend money on travel and entertainment. The income was also negatively affected by periodically high sickness absence due to the COVID-19 pandemic. Although we were able to largely compensate for the increase in fuel prices, we were negatively affected by higher costs for purchased transport as a result of underlying increases in costs from suppliers.

In order to fully adapt production capacity according to current parcel volumes, we make significant efforts to ensure the right staffing. We are also adding further measures within our transformation programs to increase the efficiency of the business. In parallel, we are implementing additional measures to compensate for transport-related cost increases.

PostNord is undergoing a wide-ranging transformation towards a greener and more digital future. We are pursuing our strategy and continuing to invest to further strengthen our position in the long-term growing e-commerce market.

Measures to assist Ukraine and follow up EU-approved sanctions

We are deeply concerned and saddened by the war Russia is waging in Ukraine and what it means both to the people who are fleeing and to those who remain inside the country. I recently attended a meeting with leaders of European postal operators, including the Ukraine's Ukrposhta, to be updated on the current situation and the efforts that have been made and are needed to help Ukraine. PostNord is providing support in the form of trans-

port resources and allowing the public to send relief parcels free of charge from Sweden and Denmark, which Ukrposhta will then deliver to those most in need. We have also decided to temporarily stop all mail and parcel movements to and from Russia and Belarus until we can be sure that our shipments comply with the sanctions approved by the EU.

Development and optimization of offerings in line with the strategy

As part of our strategy, we are constantly developing our offerings to provide for the long-term growth of e-commerce and future customer needs. We are continuing to strengthen the parcel business through investments in our terminals in Norway and Finland and the continued roll-out of parcel lockers. We now have more than 7,000 parcel lockers in operation across the Nordic region, alongside our established home and service point deliveries.

Implementation of alternate day deliveries in Sweden, which include letters, newspapers and advertising mail, is progressing according to plan and will be fully operational before the summer. In Denmark, our contract with the Danish State to provide the universal postal service runs until December 31, 2022. We are in dialogue with the Danish State regarding a new contract, with continued compensation for providing the universal postal service, as of January 1, 2023.

Focused work on our updated sustainability agenda

In the quarter, the Board of Directors approved a new sustainability agenda that will clearly contribute to positive change for the people around us, radically reduce the climate footprint of our transport in the Nordic market and make a fossil-free business possible by 2030.

Also in the quarter, we decided to invest in 240 electric vans and a similar number of charging stations, as well as 28 biogas-powered trucks. In addition, we conducted tests with Sustainable Aviation Fuel for mail flights. Access to sustainably produced biofuels is vital to PostNord's climate transition. Against that background, we have sought to mobilize public opinion in favor of an extended tax exemption for clean biofuels on the Swedish market. In the quarter, the Swedish government announced its intention to apply to the European Commission for a ten-year State aid authorization to exempt highly blended liquid biofuels from taxation.



Annemarie Gardshol, President and Group CEO

After the end of the quarter, it was announced that our plan to reduce our overall climate footprint had been endorsed by the Science Based Targets initiative. This is an important recognition that we are contributing to the necessary climate transition in the world and that we are working in line with the Paris Agreement to keep global warming below 1.5 °C.

Our third-party logistics business has entered into a partnership to use AI to determine optimal packaging sizes and reduce the volume of air in transport movements. We have also signed an agreement with Tradera to facilitate trade in second-hand products in the context of the circular economy. It is gratifying that our focused sustainability work has been rewarded, most recently by Swedish consumers once again naming us the most sustainable logistics brand in the European Sustainable Brand Index.*

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

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 9,772 million (10,187) in the year's first quarter, a decrease of -6 percent in fixed currency for like-for-like units.

Parcel volumes decreased in the quarter as a result of the phasing out of restrictions relating to the COVID-19 pandemic. In all, 59 million (65) parcels were handled during the quarter, a decrease of -10 percent (30). Volumes to business-to-consumer customers decreased by -14 percent (40), while volumes to business-to-business customers increased by 3 percent (5).

The decrease in mail volumes accelerated slightly in the quarter to -13 percent (-10), driven by increased digitalization.

Other operating income decreased to SEK 285 million (360), mainly due to the previous year's capital gains from the sale of properties, plus lower foreign exchange gains. Government payments related to the COVID-19 pandemic increased by SEK 27 million to SEK 59 (32) million.

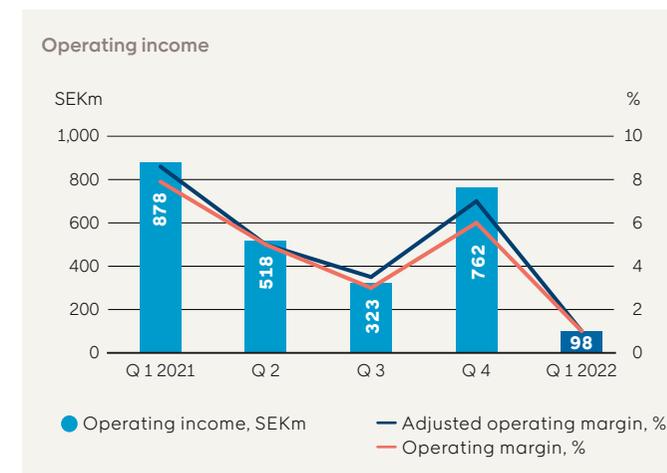
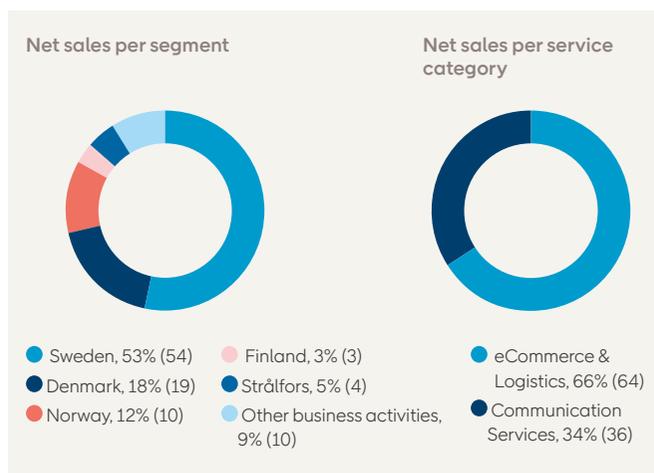


Income

Operating income totaled SEK 98 million (878) in the first quarter, representing an operating margin of 1.0 percent (8.6). Income was negatively impacted by lower volumes in both parcels and mail businesses. The transition to a lower production capacity was complicated by periods of high levels of sickness absence in the quarter due to the COVID-19 pandemic. Income was also negatively affected by higher costs for purchased transport as a result of rising inflation.

Adjusted operating income totaled SEK 98 million (805). Net financial items totaled SEK -45 million (-48), mainly consisting of interest expense in connection with leases, pensions and loans. Tax for the period totaled SEK -38 million (-112) and income for the period was SEK 14 million (718).

The return on capital employed (ROCE) was 13.0 percent (22.9). The change is mainly attributable to the decrease in income during the quarter.



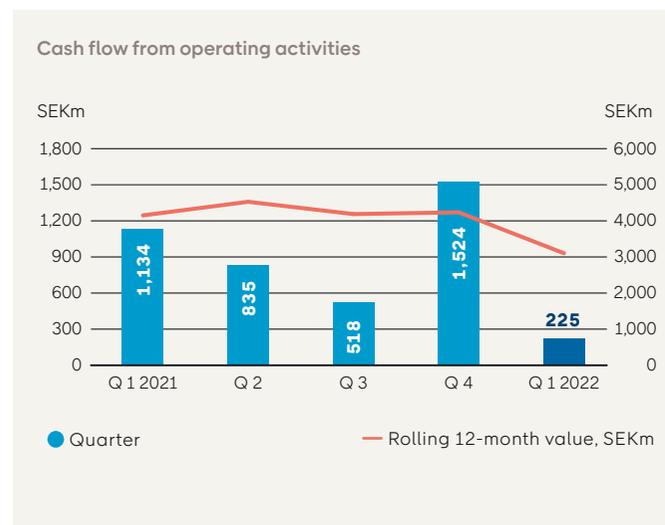
Cash flow and financial position

Cash flow

Cash flow from operating activities totaled SEK 225 million (1,134) in the first quarter. The change relates mainly to the income for the period, payment of the Group's provision for restructuring in Denmark, a lower credit received from Postens Pensionsstiftelse (the Sweden Post Pension Foundation), which was offset by a refund of previously paid preliminary tax. The change in working capital was broadly on the same level in the quarter and compared to the preceding year. Trade receivables decreased due to lower sales. IT problems at one of the Group's banks delayed payments scheduled for December 30, 2021. As a result, the Group had higher supplier payments in the first quarter than in a normal quarter.

Cash flow from investing activities totaled SEK -617 million (-183). The year-on-year increase mainly related to investments in the terminal network in Norway and increased investments in vehicles and parcel lockers.

Cash flow from financing activities totaled SEK -872 million (-370). Repayment of loans amounted to -503 million (-30) and repayment of leasing debt to SEK-369 million (-340).

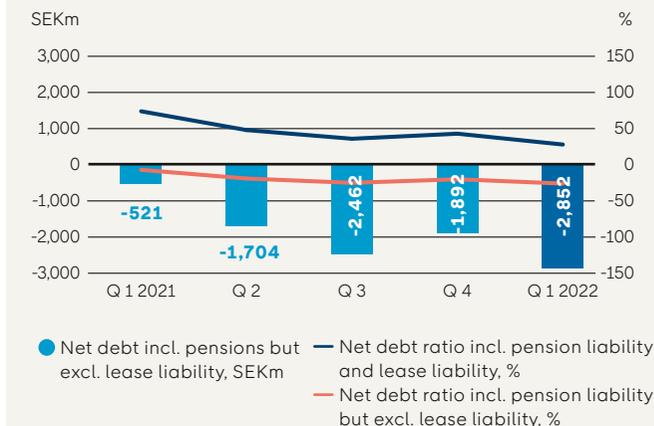


Net debt

The Group's net debt, including pensions and lease liabilities, decreased by SEK 898 million in the first quarter mainly due to a lower pension liability, and increased at year-end due to the aforementioned delayed supplier payments. Liabilities related to pensions and disability pension plans decreased by SEK 1,723 million in the quarter, from SEK 1,281 million to SEK -442 million, mainly due to an increase in the discount rate. 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 28 percent (74). The Group's net debt ratio excluding lease liabilities was -26 percent (-7). Financial preparedness at the end of the quarter totaled SEK 6,979 million (8,821), including cash and cash equivalents of SEK 4,979 million (6,821) and unutilized credit facilities of SEK 2,000 million (2,000).

Net debt net debt ratio



Net debt

SEKm, unless otherwise indicated¹

| | Mar. 31, 2022 | Dec. 31, 2021 | Sept. 30, 2021 | June 30, 2021 | Mar. 31, 2021 |
|--|---------------|---------------|----------------|---------------|---------------|
| Interest-bearing liabilities | 8,693 | 9,134 | 9,226 | 10,049 | 10,322 |
| Pensions and disability pension plans | -442 | 1,281 | 707 | 1,360 | 2,392 |
| Long- and short-term investments | -285 | -288 | -287 | -290 | -291 |
| Cash and cash equivalents | -4,979 | -6,242 | -6,238 | -6,979 | -6,821 |
| Net debt incl. pensions and lease liabilities | 2,987 | 3,885 | 3,408 | 4,140 | 5,602 |
| Net debt ratio incl. pensions and lease liabilities | 28% | 43% | 36% | 48% | 74% |
| Net debt incl. pensions but excl. lease liabilities | -2,852 | -1,892 | -2,462 | -1,704 | -521 |
| Net debt ratio incl. pensions but excl. lease liabilities | -26% | -20% | -25% | -19% | -7% |

¹ See specification in Note 8.

Sustainability information

Equity

The Group's equity increased to SEK 10,581 million from SEK 9,133 million on December 31, 2021. The change in the quarter related to income of SEK 14 million for the period, revaluation of SEK 1,290 million net in the pension commitment net after tax and translation differences of SEK 144 million.

Parent Company

The Parent Company conducted limited operations, in the form of intra-Group services. No external net sales were recognized during this or the corresponding quarter last year. Net income for the period totaled SEK 2 million (-2)



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

Employees

The average number of employees (FTEs) was 27,015 (27,698), a decrease from the corresponding period last year.

Sickness absence averaged 7.1 percent (6.4) on a rolling 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 37 percent (37). At levels 4–6, the figure was 32 percent (32).

Sustainable supply chain

PostNord has taken further ambitious steps in advancing its agenda, which means that from Q1 2022 we are using a new way to report on fair procurement. The Responsible Procurement Index (RPI) shows how the purchasing process and sustainability in the supply chain are closely linked. The RPI consists of three underlying CPIs – central purchasing, national road transport purchasing and supply chain sustainability. The first two CPIs address supplier loyalty and procurement in accordance with our purchasing policy. The last of the CPIs addresses the extent to which purchasing volumes from significant suppliers are procured from those who accept and comply with the PostNord Supplier Code of Conduct. The overall RPI result for PostNord in Q1 2022 is 91. The target for 2022 is to achieve an index result of 92.

Climate impact

Carbon dioxide emissions for the quarter decreased by 12 percent, compared to the corresponding quarter in 2021, to 60,715 tons. Compared to the first quarter of the base year, 2020, carbon dioxide emissions decreased by 20 percent. PostNord's total energy consumption in the quarter (including both transportation and use of premises) totaled 422,062 MWh. Renewable energy accounted for 43 percent of total energy consumption during the quarter. PostNord's climate transition requires the Company's investments to be steered in a green direction. Work is in progress on classifying and monitoring PostNord's operations in accordance with the EU's taxonomy and taxonomy regulation.

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

PostNord Sweden

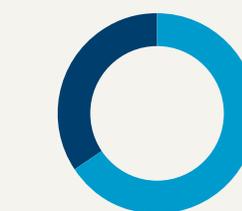
Net sales totaled SEK 5,830 million (6,184) in the quarter, a decrease of -6 percent (10) for like-for-like units. The e-Commerce & Logistics business grew by 3 percent, driven by increased sales in the third-party logistics and groupage cargo businesses. Business-to-consumer volumes, on the other hand, decreased sharply as a result of the lifting of pandemic restrictions and a partial shift in people's patterns of consumption. Parcel volumes decreased on aggregate by -7 percent (22). The relative slowdown of negative volume growth in letter services caused by the COVID-19 pandemic has now ended and ongoing digitalization resulted in mail volumes decreasing by -14 percent (-9).

Operating income totaled SEK 187 million (568) in the quarter. The weaker performance was mainly due to challenges in adapting capacity sufficiently in line with the reduced volumes of mail and parcels. High sickness absence in the quarter due to the COVID-19 pandemic added to the challenging conditions for planning in production. In addition, income was adversely affected by rising inflation, which has led to higher prices in the supply chain for vehicles, transport and purchased services. The increase in fuel prices has not been fully offset. Delivery quality for mail was recorded at 97.3 percent (97.5) in the quarter. Delivery quality for parcels was 94.5 percent (95.7) in the quarter.

Net sales and adjusted operating margin



Net sales



● eCommerce & Logistics, 59% (55)
● Communication Services, 41% (45)

97.3%
Delivery quality, mail.
Legal requirement 95%
Period
January–March 2022

| SEKm, unless otherwise indicated | January–March | | Like-for-like change |
|---|---------------|-------|----------------------|
| | 2022 | 2021 | |
| Net sales | 5,830 | 6,184 | -6% |
| – Communication Services (external) | 2,199 | 2,447 | -10% |
| – eCommerce & Logistics (external) | 3,141 | 3,041 | 3% |
| – Intra-Group | 490 | 697 | -30% |
| Operating income (EBIT) | 187 | 568 | |
| Operating margin, % | 3.2 | 9.2 | |
| Items affecting comparability | – | – | |
| Adjusted operating income (adjusted EBIT) | 187 | 568 | |
| Adjusted operating margin, % | 3.2 | 9.2 | |

PostNord Denmark

Net sales totaled SEK 1,966 million (2,163), a change of -12 percent (24) in fixed currency for like-for-like units.

Mail volumes decreased by -9 percent (-15). The quarter was marked by a further sharp fall in import mail due to the abolition of the minimum VAT threshold for purchases of goods outside the EU, while the decline in domestic mail was more modest. Parcel volumes decreased by -17 percent (57), as business-to-consumer demand decreased in line with the opening up of Danish society, in combination with reduced consumer purchasing power.

Operating income totaled SEK -85 million (194). Adjusted operating income was recorded at SEK -85 million (121). The decrease in income was mainly due to sharply reduced volumes in business-to-consumer parcels. In addition, income was negatively affected by lower mail volumes and higher costs in the business. Compensation for the universal service obligation (USO) was also lower in the quarter.

Delivery quality of the "Brevet" service in the quarter was 97.6 percent (95.9). Delivery quality in parcels for the quarter was 95.5 percent (95.5).

Net sales and adjusted operating margin



Net sales



97.6%

Delivery quality, "Brevet".
Legal requirement 93%
Period
January–March 2022

SEKm, unless otherwise indicated

| | January–March | | Like-for-like change |
|---|---------------|-------|----------------------|
| | 2022 | 2021 | |
| Net sales | 1,966 | 2,163 | -12% |
| – Communication Services (external) | 617 | 696 | -14% |
| – eCommerce & Logistics (external) | 1,091 | 1,156 | -9% |
| – Intra-Group | 258 | 311 | -20% |
| Operating income (EBIT) | -85 | 194 | |
| Operating margin, % | -4.3 | 9.0 | |
| Items affecting comparability | – | 72 | |
| Adjusted operating income (adjusted EBIT) | -85 | 121 | |
| Adjusted operating margin, % | -4.3 | 5.6 | |

PostNord Norway

Net sales totaled SEK 1,296 million (1,193), an increase of 1 percent (12) in fixed currency for like-for-like units. As a result of the easing of the COVID-19 pandemic restrictions in mid-January, business-to-consumer parcel volumes decreased by -7 (34) percent in the quarter, partly offset by growth of 19 percent (32) in business-to-business parcel volumes. Operating income totaled SEK 11 million (33). The lower income is attributable to high COVID-19-related morbidity rates in production operations, implementation costs for a new terminal in Bergen and realignment of production capacity according to the decline in volumes. Delivery quality was 92.2 percent (96.1) during the quarter. The deterioration in quality was mainly due to sickness absence in production operations.

Net sales and adjusted operating margin



| SEKm, unless otherwise indicated | January–March | | Like-for-like change |
|---|---------------|-------|----------------------|
| | 2022 | 2021 | |
| Net sales | 1,296 | 1,193 | 1% |
| – Communication Services (external) | 19 | 23 | -21% |
| – eCommerce & Logistics (external) | 1,049 | 967 | 1% |
| – Intra-Group | 228 | 203 | 5% |
| Operating income (EBIT) | 11 | 33 | |
| Operating margin, % | 0.9 | 2.8 | |
| Items affecting comparability | – | – | |
| Adjusted operating income (adjusted EBIT) | 11 | 33 | |
| Adjusted operating margin, % | 0.9 | 2.8 | |

PostNord Finland

Net sales totaled SEK 347 million (331), an increase of 1 percent (11) 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 decreased by -2 percent (11), driven by lower volumes of business-to-consumer imports. Operating income totaled SEK -22 million (2). The lower income was attributable to increased costs related to the start-up of a new terminal in Tampere, changes in the product mix, increased staffing for the TPL business and the generally high level of costs in the supply chain. Delivery quality was 89.1 percent (96.2) for the quarter. The deterioration in quality was mainly due to sickness absence in production operations.

Net sales and adjusted operating margin



| SEKm, unless otherwise indicated | January–March | | Like-for-like change |
|---|---------------|------|----------------------|
| | 2022 | 2021 | |
| Net sales | 347 | 331 | 1% |
| – Communication Services (external) | – | – | – |
| – eCommerce & Logistics (external) | 247 | 232 | 3% |
| – Intra-Group | 100 | 99 | -3% |
| Operating income (EBIT) | -22 | 2 | |
| Operating margin, % | -6.4 | 0.6 | |
| Items affecting comparability | – | – | |
| Adjusted operating income (adjusted EBIT) | -22 | 2 | |
| Adjusted operating margin, % | -6.4 | 0.6 | |

PostNord Strålfors

Net sales totaled SEK 530 million (507), an increase of 2 percent (2) 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. Net sales are being positively impacted by continued growth in revenues from digital services and products. Operating income totaled SEK 36 million (38). The weaker operating income is in the main attributable to a lower gross margin associated with the product mix sold, increased service development costs in the growing digital business and a capital gain on the sale of a property in 2021.

Net sales and adjusted operating margin



| SEKm, unless otherwise indicated | January–March | | Like-for-like change |
|---|---------------|------|----------------------|
| | 2022 | 2021 | |
| Net sales | 530 | 507 | 2% |
| – Communication Services (external) | 465 | 454 | 0% |
| – Intra-Group | 65 | 53 | 23% |
| Operating income (EBIT) | 36 | 38 | |
| Operating margin, % | 6.8 | 7.5 | |
| Items affecting comparability | – | – | |
| Adjusted operating income (adjusted EBIT) | 36 | 38 | |
| Adjusted operating margin, % | 6.8 | 7.5 | |

Other business activities

Net sales totaled SEK 951 million (1,179), a decrease of -24 percent (41) 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 income for Direct Link decreased, compared with the first quarter of last year. In addition, restrictions related to COVID-19 outbreaks in China negatively impacted volumes and revenues. In the logistics operations in Germany, parcel volumes decreased by -6 (43) percent, driven by lower exports to the business-to-consumer market in the Nordic region.

Operating income totaled SEK 55 million (65). The operating income includes a revaluation of SEK 19 million in forward exchange contracts (–), arising from changes in the unrealized value of the contracts.

Net sales and adjusted operating margin



| SEKm, unless otherwise indicated | January–March | | Like-for-like change |
|---|---------------|-------|----------------------|
| | 2022 | 2021 | |
| Net sales | 951 | 1,179 | -24% |
| – Communication Services (external) | 42 | 49 | -14% |
| – eCommerce & Logistics (external) | 906 | 1,128 | -25% |
| – Intra-Group | 3 | 2 | -10% |
| Operating income (EBIT) | 55 | 65 | |
| Operating margin, % | 5.8 | 5.5 | |
| Items affecting comparability | – | – | |
| Adjusted operating income (adjusted EBIT) | 55 | 65 | |
| Adjusted operating margin, % | 5.8 | 5.5 | |

Other information

Update on universal service obligation in Denmark

PostNord Denmark operates in accordance with the extended contract for the universal service obligation in Denmark, which runs until the end of December 31, 2022. Dialogue with the Danish State on future financing continues in parallel.

Delivery quality

Delivery quality in Sweden is still above the legal requirement of 95 percent for "Brev", which must be delivered to the intended recipient within two working days, maintaining a level of 97.3 percent (97.5) for the quarter. In Denmark, quality also exceeded the legal requirement. During the quarter, quality for "Brevet" was measured at 97.6 percent (95.9). Overall delivery quality for parcels in the Group was 94.3 percent (95.9) for the quarter.

Major events in January–March 2022

Extraordinary General Meeting

On February 1, PostNord AB (publ) held an Extraordinary General Meeting (EGM) 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.

Major events after the reporting period

PostNord's climate targets approved by the Science Based Targets initiative

On April 26, PostNord announced that the Company's climate targets and climate footprint reduction plan have been approved by the Science Based Targets initiative. The Science Based Targets initiative (SBTi) encourages ambitious climate-related measures in the private sector by making it possible for organizations to set science-based emissions reduction targets that are in line with the Paris Agreement.

Annual General Meeting 2022

The Annual General Meeting will take place on April 26, 2022. For more information on the AGM, go to: www.postnord.com.

Solna, April 26, 2022
PostNord AB (publ), CIN 556771-2640

Annemarie Gardshol
President and Group CEO

Financial statements – Group

Income statement

| SEKm | Note | January–March | | January– December |
|----------------------------------|------|---------------|---------------|----------------------|
| | | 2022 | 2021 | 2021 |
| | 1 | | | |
| Net sales | | 9,772 | 10,187 | 40,693 |
| Other operating income | | 285 | 360 | 953 |
| Operating revenue | 3 | 10,058 | 10,547 | 41,646 |
| Personnel expenses | | -4,059 | -4,086 | -15,802 |
| Transportation expenses | | -2,952 | -2,683 | -11,083 |
| Other expenses | | -2,286 | -2,260 | -9,683 |
| Depreciation and impairments | | -664 | -640 | -2,596 |
| Operating expenses | | -9,960 | -9,669 | -39,165 |
| OPERATING INCOME | 3 | 98 | 878 | 2,481 |
| Financial income | | 18 | 8 | 49 |
| Financial expenses | | -63 | -56 | -202 |
| Net financial items | | -45 | -48 | -153 |
| Income before tax | | 52 | 830 | 2,328 |
| Tax | | -38 | -112 | -339 |
| NET INCOME FOR THE PERIOD | | 14 | 718 | 1,989 |
| Attributable to | | | | |
| Parent Company shareholders | | 14 | 717 | 1,987 |
| Non-controlling interests | | 0 | 1 | 2 |
| Earnings per share, SEK | | 0.01 | 0.36 | 0.99 |

Statement of comprehensive income

| SEKm | January–March | | January– December |
|---|---------------|--------------|----------------------|
| | 2022 | 2021 | 2021 |
| NET INCOME | 14 | 718 | 1,989 |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that cannot be transferred to net income | | | |
| Revaluation of pension liabilities | 1,625 | 2,142 | 3,426 |
| Change in deferred tax | -335 | -441 | -723 |
| Total | 1,290 | 1,701 | 2,703 |
| Items that have been or may be transferred to net income | | | |
| Cash flow hedging after tax | 0 | 0 | 1 |
| Translation differences | 144 | 212 | 223 |
| Total | 144 | 212 | 224 |
| TOTAL OTHER COMPREHENSIVE INCOME | 1,434 | 1,913 | 2,927 |
| COMPREHENSIVE INCOME | 1,448 | 2,631 | 4,916 |
| Attributable to | | | |
| Parent Company shareholders | 1,448 | 2,630 | 4,914 |
| Non-controlling interests | 0 | 1 | 2 |

Financial statements – Group

Statement of financial position

| SEKm | Note | Mar. 31, 2022 | Dec. 31, 2021 | Mar. 31, 2021 |
|--|------|---------------|---------------|---------------|
| | 1 | | | |
| ASSETS | | | | |
| Goodwill | | 2,631 | 2,582 | 2,581 |
| Other non-current intangible assets | | 456 | 475 | 431 |
| Property, plant and equipment | | 7,869 | 7,422 | 6,999 |
| Right-of-use assets | | 5,772 | 5,694 | 6,054 |
| Participations in associated companies | | 184 | 159 | 165 |
| Non-current interest-bearing receivables | 6 | 273 | 276 | 280 |
| Other non-current receivables | 6 | 683 | 352 | 431 |
| Deferred tax assets | | 45 | 23 | 244 |
| Total non-current assets | | 17,914 | 16,983 | 17,184 |
| Inventories | | 91 | 83 | 82 |
| Tax assets | | 465 | 415 | 507 |
| Trade receivables | 6 | 4,578 | 5,331 | 4,607 |
| Prepaid expenses and accrued income | 6 | 1,299 | 1,263 | 1,159 |
| Other current receivables | 6 | 99 | 260 | 410 |
| Current interest-bearing receivables | 6 | 11 | 11 | 11 |
| Cash and cash equivalents | 6 | 4,979 | 6,242 | 6,821 |
| Assets held for sale | | 9 | – | 23 |
| Total current assets | | 11,530 | 13,606 | 13,620 |
| TOTAL ASSETS | | 29,443 | 30,590 | 30,805 |

| SEKm | Note | Mar. 31, 2022 | Dec. 31, 2021 | Mar. 31, 2021 |
|--|------|---------------|---------------|---------------|
| EQUITY AND LIABILITIES | | | | |
| Equity | | 10,581 | 9,133 | 7,537 |
| Liabilities | | | | |
| Non-current interest-bearing liabilities | 6 | 2,750 | 2,752 | 2,743 |
| Non-current lease liabilities | | 4,570 | 4,499 | 4,887 |
| Other non-current liabilities | | 70 | 70 | 45 |
| Pensions | | – | 1,386 | 2,486 |
| Other provisions | 5 | 870 | 955 | 1,301 |
| Deferred tax liabilities | | 583 | 200 | 129 |
| Total non-current liabilities | | 8,843 | 9,861 | 11,592 |
| Current interest-bearing liabilities | 6 | 14 | 513 | 1,356 |
| Current lease liabilities | | 1,359 | 1,371 | 1,336 |
| Trade payables | 6 | 2,918 | 3,381 | 2,559 |
| Tax liabilities | | 268 | 202 | 371 |
| Other current liabilities | 6 | 1,201 | 1,227 | 1,300 |
| Accrued expenses and deferred income | 6 | 3,946 | 4,340 | 3,798 |
| Other provisions | 5 | 313 | 562 | 956 |
| Total current liabilities | | 10,019 | 11,595 | 11,675 |
| TOTAL LIABILITIES | | 18,862 | 21,457 | 23,267 |
| TOTAL EQUITY AND LIABILITIES | | 29,443 | 30,590 | 30,805 |

Financial statements – Group

Statement of cash flows

| SEKm | Note | January–March | | January– December |
|--|------|---------------|--------------|----------------------|
| | | 2022 | 2021 | 2021 |
| OPERATING ACTIVITIES | | | | |
| Income before tax | | 52 | 830 | 2,328 |
| Adjustments for non-cash items ¹ | | 145 | 509 | 1,631 |
| Income tax paid | | 81 | -239 | -490 |
| Cash flows from operating activities before change in working capital | | 278 | 1,100 | 3,469 |
| Change in working capital | | | | |
| Increase(-)/decrease(+) in inventories | | -7 | 8 | 7 |
| Increase(-)/decrease(+) in other operating receivables | | 861 | 394 | -5 |
| Increase(+)/decrease(-) in other operating liabilities | | -907 | -368 | 540 |
| Total change in working capital | | -53 | 34 | 542 |
| Cash flow from operating activities | | 225 | 1,134 | 4,011 |
| INVESTING ACTIVITIES | | | | |
| Purchase of property, plant and equipment | | -385 | -158 | -1,252 |
| Divestment of property, plant and equipment | | 37 | 4 | 23 |
| Acquisitions of non-current intangible assets | | -46 | -30 | -156 |
| Sale of subsidiary, effect on cash and cash equivalents | 4 | -226 | – | -129 |
| Divestment of subsidiary, effect on cash and cash equivalents | 4 | – | – | 104 |
| Acquisition of financial assets | | – | – | -1 |
| Divestment of financial assets | | 3 | 1 | 5 |
| Cash flows from investing activities | | -617 | -183 | -1,406 |

| SEKm | Note | January–March | | January– December |
|---|------|---------------|--------------|----------------------|
| | | 2022 | 2021 | 2021 |
| FINANCING ACTIVITIES | | | | |
| Amortized loans | | -503 | -30 | -541 |
| Amortized lease liabilities | | -369 | -340 | -1,375 |
| Repayment of unconditional capital injection ² | | – | – | -686 |
| Dividend paid | | – | – | -2 |
| Increase(+)/decrease(-) in other interest-bearing liabilities | | 0 | 0 | 0 |
| Cash flows from financing activities | | -872 | -370 | -2,604 |
| CASH FLOWS FOR THE PERIOD | | -1,264 | 581 | 1 |
| Cash and cash equivalents, at beginning of period | | 6,242 | 6,229 | 6,229 |
| Translation difference in cash and cash equivalents | | 1 | 11 | 12 |
| Cash and cash equivalents, at end of period | | 4,979 | 6,821 | 6,242 |
| ¹ Adjustments for non-cash items: | | | | |
| Depreciation and impairments | | 664 | 640 | 2,596 |
| Change in pension liability | | -146 | 180 | 232 |
| Other provisions | | -298 | -156 | -685 |
| Capital gain/loss, divestment of assets | | -7 | -72 | -106 |
| Capital gain/loss, divestment of subsidiaries | | – | – | -100 |
| Other | | -68 | -83 | -306 |
| Total | | 145 | 509 | 1,631 |

² Repayment of unconditional capital injection of SEK 667 million plus interest of SEK 19 million.

Financial statements – Group

Statement of changes in equity

| January–March 2021 | Equity attributable to the Parent Company's shareholders | | | | | | |
|---|--|--------------------------|---------------------|-----------------|-------------------|---------------------------|--------------|
| | Share capital ¹ | Other contributed equity | Translation reserve | Hedging reserve | Retained earnings | Non-controlling interests | Total equity |
| SEKm | | | | | | | |
| Equity, opening balance, Jan. 01, 2021 | 2,000 | 10,621 | -1,820 | -1 | -5,896 | 2 | 4,906 |
| Comprehensive income for the period | | | | | | | |
| Net income for the period | – | – | – | – | 717 | 1 | 718 |
| Other comprehensive income for the period | – | – | 212 | 0 | 1,701 | – | 1,913 |
| Total comprehensive income for the period | – | – | 212 | 0 | 2,418 | 1 | 2,631 |
| Shareholders' equity, closing balance Mar. 31, 2021 | 2,000 | 10,621 | -1,608 | -1 | -3,478 | 3 | 7,537 |

| April–December 2021 | Equity attributable to the Parent Company's shareholders | | | | | | |
|---|--|--------------------------|---------------------|-----------------|-------------------|---------------------------|--------------|
| | Share capital ¹ | Other contributed equity | Translation reserve | Hedging reserve | Retained earnings | Non-controlling interests | Total equity |
| SEKm | | | | | | | |
| Equity, opening balance, Apr. 01, 2021 | 2,000 | 10,621 | -1,608 | -1 | -3,478 | 3 | 7,537 |
| Comprehensive income for the period | | | | | | | |
| Net income for the period | – | – | – | – | 1,270 | 1 | 1,272 |
| Other comprehensive income for the period | – | – | 11 | 1 | 1,002 | – | 1,014 |
| Total comprehensive income for the period | | | 11 | 1 | 2,272 | 1 | 2,286 |
| Repayment of unconditional capital injection ² | – | -667 | – | – | -19 | – | -686 |
| Dividend | – | – | – | – | – | -2 | -2 |
| Shareholders' equity, closing balance Dec. 31, 2021 | 2,000 | 9,954 | -1,597 | 0 | -1,226 | 2 | 9,133 |

| January–March 2022 | Equity attributable to the Parent Company's shareholders | | | | | | |
|---|--|--------------------------|---------------------|-----------------|-------------------|---------------------------|--------------|
| | Share capital ¹ | Other contributed equity | Translation reserve | Hedging reserve | Retained earnings | Non-controlling interests | Total equity |
| SEKm | | | | | | | |
| Equity, opening balance, Jan. 01, 2022 | 2,000 | 9,954 | -1,597 | 0 | -1,226 | 2 | 9,133 |
| Comprehensive income for the period | | | | | | | |
| Net income for the period | – | – | – | – | 14 | 0 | 14 |
| Other comprehensive income for the period | – | – | 144 | 0 | 1,290 | – | 1,434 |
| Total comprehensive income for the period | – | – | 144 | 0 | 1,304 | 0 | 1,448 |
| Shareholders' equity, closing balance Mar. 31, 2022 | 2,000 | 9,954 | -1,453 | 0 | 77 | 2 | 10,581 |

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

² Repayment of unconditional capital injection of SEK 667 million plus interest of SEK 19 million.

Parent Company

Income statement

| SEKm | Note | January–March | | January– |
|-------------------------------------|------|---------------|------------|------------|
| | | 2022 | 2021 | December |
| | | 2022 | 2021 | 2021 |
| Other operating income | 1 | 6 | 3 | 8 |
| Operating revenue | | 6 | 3 | 8 |
| Personnel expenses | | -8 | -5 | -25 |
| Other expenses | | -1 | -6 | -15 |
| Operating expenses | | -9 | -11 | -40 |
| OPERATING INCOME | | -3 | -8 | -32 |
| Interest income and similar items | | 15 | 18 | 80 |
| Interest expenses and similar items | | -10 | -12 | -50 |
| Financial items | | 5 | 6 | 30 |
| Income after financial items | | 2 | -2 | -2 |
| Appropriations | | – | – | 700 |
| Income before tax | | 2 | -2 | 698 |
| Tax | | – | – | -142 |
| NET INCOME | | 2 | -2 | 556 |

Statement of comprehensive income

| SEKm | January–March | | January– |
|---|---------------|-----------|------------|
| | 2022 | 2021 | December |
| | 2022 | 2021 | 2021 |
| Net income for the period | 2 | -2 | 556 |
| Other comprehensive income for the period | – | – | – |
| COMPREHENSIVE INCOME | 2 | -2 | 556 |

Condensed balance sheet

| SEKm | Note | Mar. 31, 2022 | Dec. 31, 2021 | Mar. 31, 2021 |
|---|------|---------------|---------------|---------------|
| | 1 | | | |
| ASSETS | | | | |
| Participations in Group companies | | 10,861 | 10,861 | 10,861 |
| Interest-bearing receivables | | 39 | 39 | 34 |
| Interest-bearing receivables from Group companies | | 5,000 | 5,000 | 7,000 |
| Total non-current assets | | 15,900 | 15,899 | 17,895 |
| Interest-bearing receivables from Group companies | | 2,166 | 2,074 | 1,262 |
| Other receivables from Group companies | | 9 | 700 | 18 |
| Other current receivables | | 11 | 22 | 29 |
| Total current assets | | 2,186 | 2,796 | 1,309 |
| TOTAL ASSETS | | 18,086 | 18,695 | 19,203 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | 15,625 | 15,623 | 15,750 |
| Interest-bearing liabilities | | 2,437 | 2,436 | 2,431 |
| Other non-current liabilities | | 10 | 10 | 8 |
| Total non-current liabilities | | 2,447 | 2,446 | 2,439 |
| Interest-bearing liabilities | | – | 500 | 1,000 |
| Other current liabilities | | 14 | 125 | 14 |
| Total current liabilities | | 14 | 626 | 1,014 |
| TOTAL EQUITY AND LIABILITIES | | 18,086 | 18,695 | 19,203 |

Notes to the financial statements

Note 1 Accounting principles

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

New and revised accounting principles

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

Significant assessments and estimates

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

Note 2 Risks

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

The COVID-19 pandemic has affected the whole world, thus including the markets where PostNord operates. The long-term impact on sales and the product mix will be determined by which behavioral changes become permanent. The war in Ukraine is creating uncertainty in the world and risks negatively affecting PostNord in the long run. The Group is continuously monitoring the world situation in order to identify direct risks and macro factors that could adversely affect PostNord.

Note 3 Operating segments

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

The operating segments reflect the Group's operational structure.

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

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

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

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

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

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

Cont. on next page

Note 3 (cont.)

Net sales per segment

| SEKm | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|---------------------------|--------------|---------------|--------------|---------------|---------------|
| PostNord Sweden | 5,830 | 6,649 | 5,743 | 6,247 | 6,184 |
| – of which, internal | 490 | 622 | 745 | 723 | 696 |
| PostNord Denmark | 1,966 | 2,212 | 1,832 | 2,058 | 2,163 |
| – of which, internal | 258 | 353 | 275 | 313 | 311 |
| PostNord Norway | 1,296 | 1,365 | 1,145 | 1,275 | 1,193 |
| – of which, internal | 228 | 295 | 226 | 263 | 203 |
| PostNord Finland | 347 | 374 | 358 | 370 | 331 |
| – of which, internal | 100 | 117 | 109 | 119 | 99 |
| PostNord Strålfors | 530 | 550 | 471 | 509 | 507 |
| – of which, internal | 65 | 73 | 51 | 55 | 53 |
| Other business activities | 951 | 1,161 | 1,204 | 1,347 | 1,179 |
| – of which, internal | 3 | 3 | 3 | 3 | 3 |
| Other and eliminations | -1,148 | -1,468 | -1,413 | -1,483 | -1,371 |
| The Group | 9,772 | 10,843 | 9,340 | 10,323 | 10,187 |

Operating income per segment

| SEKm, unless otherwise indicated | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|----------------------------------|------------|------------|------------|------------|------------|
| PostNord Sweden | 187 | 638 | 274 | 474 | 568 |
| – Operating margin, % | 3.2 | 9.6 | 4.8 | 7.6 | 9.2 |
| PostNord Denmark | -85 | 47 | 28 | 38 | 194 |
| – Operating margin, % | -4.3 | 2.1 | 1.5 | 1.8 | 9.0 |
| PostNord Norway | 11 | 55 | -48 | -3 | 33 |
| – Operating margin, % | 0.9 | 4.0 | -4.2 | -0.2 | 2.8 |
| PostNord Finland | -22 | -9 | 1 | -1 | 2 |
| – Operating margin, % | -6.4 | -2.4 | 0.3 | -0.3 | 0.6 |
| PostNord Strålfors | 36 | 39 | 33 | 25 | 38 |
| – Operating margin, % | 6.8 | 7.1 | 7.0 | 4.9 | 7.5 |
| Other business activities | 55 | 94 | 42 | 63 | 65 |
| – Operating margin, % | 5.8 | 8.1 | 3.5 | 4.7 | 5.5 |
| Other and eliminations | -84 | -101 | -7 | -78 | -21 |
| Operating income | 98 | 762 | 323 | 518 | 878 |
| – Operating margin, % | 1.0 | 7.0 | 3.5 | 5.0 | 8.6 |

Adjusted operating income per segment

| SEKm, unless otherwise indicated | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|----------------------------------|------------|------------|------------|------------|------------|
| PostNord Sweden | 187 | 538 | 274 | 474 | 568 |
| – Adjusted operating margin, % | 3.2 | 8.1 | 4.8 | 7.6 | 9.2 |
| PostNord Denmark | -85 | 39 | -11 | 38 | 121 |
| – Adjusted operating margin, % | -4.3 | 1.8 | -0.1 | 1.8 | 5.6 |
| PostNord Norway | 11 | 55 | -48 | -3 | 33 |
| – Adjusted operating margin, % | 0.9 | 4.0 | -4.2 | -0.2 | 2.8 |
| PostNord Finland | -22 | -9 | 1 | -1 | 2 |
| – Adjusted operating margin, % | -6.4 | -2.4 | 0.3 | -0.3 | 0.6 |
| PostNord Strålfors | 36 | 39 | 33 | 25 | 38 |
| – Adjusted operating margin, % | 6.8 | 7.1 | 7.0 | 4.9 | 7.5 |
| Other business activities | 55 | 94 | 42 | 63 | 65 |
| – Adjusted operating margin, % | 5.8 | 8.1 | 3.5 | 4.7 | 5.5 |
| Other and eliminations | -84 | -101 | -7 | -78 | -21 |
| Adjusted operating income | 98 | 653 | 284 | 518 | 805 |
| – Adjusted operating margin, % | 1.0 | 6.0 | 3.0 | 5.0 | 7.9 |

Net sales per operating segment and service category

| SEKm | Service category | | | |
|---------------------------|--------------------------------------|--------------|-------------------------------------|--------------|
| | Communication Services January–March | | eCommerce & Logistics January–March | |
| | 2022 | 2021 | 2022 | 2021 |
| PostNord Sweden | 2,199 | 2,447 | 3,141 | 3,041 |
| PostNord Denmark | 617 | 696 | 1,091 | 1,156 |
| PostNord Norway | 19 | 23 | 1,049 | 967 |
| PostNord Finland | – | – | 247 | 232 |
| PostNord Strålfors | 465 | 454 | – | – |
| Other business activities | 42 | 49 | 906 | 1,128 |
| Total | 3,343 | 3,669 | 6,434 | 6,523 |

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

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

Note 4 Acquisitions and divestments

| Effect of acquisitions and divestments on assets and liabilities, SEKm | January–March 2022 | | January–March 2021 | |
|--|--------------------|-------------|--------------------|-------------|
| | Acquisitions | Divestments | Acquisitions | Divestments |
| Property, plant and equipment | 243 | – | – | – |
| Current assets | 1 | – | – | – |
| Total assets | 244 | – | – | – |
| Other current liabilities | -129 | – | – | – |
| Total liabilities | -129 | – | – | – |
| Net asset | 116 | – | – | – |
| Purchase consideration paid/received | -227 | – | – | – |
| Cash and cash equivalents acquired/divested | 1 | – | – | – |
| Net effect on cash and cash equivalents | -226 | – | – | – |

Acquisitions and divestments of subsidiaries

During the quarter, 100 percent of the shares in PostNord Terminal Bergen AS were acquired. The acquisition refers in the main to a logistics terminal outside Bergen, Norway. There were no divestments during the quarter.

Note 5 Other provisions

| Jan.–Mar. 2022, SEKm | Opening balance | Provisions | Reversals | Utilization | Other ¹ | Closing balance |
|--------------------------------|-----------------|------------|-----------|-------------|--------------------|-----------------|
| Transformation measures | 729 | 7 | -1 | -309 | 12 | 438 |
| Non-vested pension commitments | 732 | 5 | – | – | -46 | 691 |
| Other | 56 | – | – | – | -2 | 54 |
| Total | 1,517 | 12 | -1 | -309 | -36 | 1,183 |
| <i>of which current</i> | 562 | | | | | 313 |
| <i>of which non-current</i> | 955 | | | | | 870 |

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

¹ Miscellaneous includes translation effect of currency fluctuations, revaluation effect in pensions, discounting effect in provisions and reclassifications.

Note 6 Financial instruments

| Carrying amount and fair value of financial assets and liabilities, SEKm | Mar. 31, 2022 | | | | | | |
|--|---|---|---|---------------------------------------|--|-----------------|---------------|
| | Financial assets measured on an accruals basis via income | Financial assets measured at amortized cost | Financial liabilities measured at fair value via income | Derivatives used for hedging purposes | Financial liabilities measured at amortized cost | Carrying amount | Fair value |
| Assets | 324 | 10,716 | – | – | – | 11,040 | 11,040 |
| <i>of which, derivatives</i> | 51 | – | – | – | – | 51 | 51 |
| Liabilities | – | – | -53 | – | -7,888 | -7,941 | -7,951 |
| <i>of which, loan liabilities</i> | – | – | – | – | -2,565 | -2,565 | -2,575 |
| <i>of which, derivatives</i> | – | – | -53 | – | – | -53 | -53 |
| Total financial assets and liabilities, by category | 324 | 10,716 | -53 | – | -7,888 | 3,099 | 3,089 |

| Carrying amount and fair value of financial assets and liabilities, SEKm | Mar. 31, 2021 | | | | | | |
|--|---|---|---|---------------------------------------|--|-----------------|----------------|
| | Financial assets measured on an accruals basis via income | Financial assets measured at amortized cost | Financial liabilities measured at fair value via income | Derivatives used for hedging purposes | Financial liabilities measured at amortized cost | Carrying amount | Fair value |
| Assets | 272 | 12,747 | – | – | – | 13,019 | 13,019 |
| <i>of which, derivatives</i> | 43 | – | – | – | – | 43 | 43 |
| Liabilities | – | – | -14 | -1 | -9,991 | -10,006 | -10,039 |
| <i>of which, loan liabilities</i> | – | – | – | – | -3,583 | -3,583 | -3,616 |
| <i>of which, derivatives</i> | – | – | -14 | -1 | – | -15 | -15 |
| Total financial assets and liabilities, by category | 272 | 12,747 | -14 | -1 | -9,991 | 3,013 | 2,980 |

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 are recognized at fair value via comprehensive income.

Note 7 Related parties

Compensation for the universal service obligation from the Danish State has been recognized in the amount of SEK 46 million (63) in Post Danmark A/S. The amount has been recognized 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. Up to March 31, 2022, 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 458 million (218) on March 31, 2022.

Note 8 Definitions and alternative key performance indicators

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

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

Definitions:

Operating margin

Operating income in relation to net sales.

Items affecting comparability

Items that are not recurring, or that do not relate directly to operating activities. The items must be of a material nature. For example, capital gains 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.

| SEKm | Mar. 31, 2022 | Dec. 31, 2021 | Sept. 30, 2021 | June 30, 2021 | Mar. 31, 2021 |
|--|------------------|------------------|-------------------|------------------|------------------|
| Current interest-bearing liabilities | 14 | 513 | 513 | 1,356 | 1,356 |
| Current lease liabilities | 1,359 | 1,371 | 1,352 | 1,324 | 1,336 |
| Non-current interest-bearing liabilities | 2,750 | 2,752 | 2,748 | 2,751 | 2,743 |
| Non-current lease liabilities | 4,570 | 4,499 | 4,613 | 4,618 | 4,887 |
| Pensions ¹ | – | 1,386 | 811 | 1,483 | 2,486 |
| Non-current interest-bearing receivables | -195 | -196 | -190 | -187 | -190 |
| Non-current interest-bearing receivables, leases | -78 | -81 | -84 | -87 | -90 |
| Other non-current receivables ² | -442 | -105 | -104 | -123 | -94 |
| Current interest-bearing receivables | 0 | 0 | -2 | -5 | – |
| Current interest-bearing receivables, leases | -11 | -11 | -11 | -11 | -11 |
| Cash and cash equivalents | -4,979 | -6,242 | -6,238 | -6,979 | -6,821 |
| Net debt | 2,987 | 3,885 | 3,408 | 4,140 | 5,602 |

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

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

Net debt ratio

Net liability in relation to equity.

Net debt excluding leases in accordance with IFRS 16

Interest-bearing liabilities, provision for pensions, 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.

Cont. on next page

Note 8 (cont.)

Reconciliation with financial statements

| SEKm | Mar. 31, 2022 | Dec. 31, 2021 | Mar. 31, 2021 |
|---|------------------|------------------|------------------|
| Equity as per Statement of financial position | 10,581 | 9,133 | 7,537 |
| Accumulated effect of leases in accordance with IFRS 16 | 322 | 326 | 329 |
| Equity excluding leases in accordance with IFRS 16 | 10,903 | 9,459 | 7,866 |

Net debt ratio excluding leases in accordance with IFRS 16

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

Financial preparedness

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

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

Total operating income for four quarters.

Operating capital

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

| SEKm | Mar. 31, 2022 | Dec. 31, 2021 | Mar. 31, 2021 |
|--|------------------|------------------|------------------|
| ASSETS | | | |
| Goodwill | 2,631 | 2,582 | 2,581 |
| Other non-current intangible assets | 456 | 475 | 431 |
| Property, plant and equipment | 7,869 | 7,422 | 6,999 |
| Right-of-use assets | 5,772 | 5,694 | 6,054 |
| Participations in associated companies | 184 | 159 | 165 |
| Other non-current receivables excl. funded disability pensions | 241 | 248 | 337 |
| Deferred tax assets | 45 | 23 | 244 |
| Inventories | 91 | 83 | 82 |
| Tax assets | 465 | 415 | 507 |
| Trade receivables | 4,578 | 5,331 | 4,607 |
| Prepaid expenses and accrued income | 1,299 | 1,263 | 1,159 |
| Other current receivables | 99 | 260 | 410 |
| Assets held for sale | 9 | – | 23 |
| Other non-current liabilities | -70 | -70 | -45 |
| Other provisions | -870 | -955 | -1,301 |
| Deferred tax liabilities | -583 | -200 | -129 |
| Trade payables | -2,918 | -3,381 | -2,559 |
| Tax liabilities | -268 | -202 | -371 |
| Other current liabilities | -1,201 | -1,227 | -1,300 |
| Accrued expenses and deferred income | -3,946 | -4,340 | -3,798 |
| Other provisions | -313 | -562 | -956 |
| Total capital employed | 13,568 | 13,018 | 13,140 |

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

| SEKm, if not otherwise stated | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 | Q4 2020 | Q3 2020 | Q2 2020 | Q1 2020 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| The Group | | | | | | | | | |
| Net sales | 9,772 | 10,843 | 9,340 | 10,323 | 10,187 | 10,978 | 8,919 | 9,328 | 9,504 |
| Other operating income | 285 | 294 | 214 | 85 | 360 | 243 | 455 | 418 | 311 |
| Operating expenses | -9,960 | -10,374 | -9,231 | -9,891 | -9,669 | -10,378 | -8,625 | -9,230 | -9,501 |
| <i>of which, personnel expenses</i> | -4,059 | -4,132 | -3,535 | -4,049 | -4,086 | -4,181 | -3,594 | -3,976 | -3,953 |
| <i>of which, transport expenses</i> | -2,952 | -2,960 | -2,683 | -2,757 | -2,683 | -2,725 | -2,458 | -2,514 | -2,713 |
| <i>of which, other expenses</i> | -2,286 | -2,615 | -2,366 | -2,442 | -2,260 | -2,772 | -1,921 | -2,090 | -2,202 |
| <i>of which, depreciation and impairments</i> | -664 | -666 | -647 | -643 | -640 | -700 | -653 | -651 | -632 |
| Operating income (EBIT) | 98 | 762 | 323 | 518 | 878 | 843 | 747 | 517 | 314 |
| Operating margin (EBIT) (%) | 1.0 | 7.0 | 3.4 | 5.0 | 8.6 | 7.7 | 8.4 | 5.5 | 3.3 |
| Adjusted operating income (Adjusted EBIT) | 98 | 653 | 284 | 518 | 805 | 833 | 520 | 404 | 314 |
| Cash flow from operating activities | 225 | 1,524 | 518 | 835 | 1,134 | 877 | 1,342 | 1,175 | 757 |
| Net debt | 2,987 | 3,885 | 3,408 | 4,140 | 5,602 | 8,064 | 9,479 | 10,382 | 9,103 |
| Return on capital employed (ROCE), % | 13.0 | 19.2 | 19.9 | 23.0 | 22.9 | 18.6 | 12.2 | 7.0 | 2.6 |
| Operating capital | 13,568 | 13,018 | 12,807 | 12,794 | 13,140 | 12,969 | 12,809 | 13,200 | 13,084 |
| Average number of employees (FTE) | 27,015 | 29,498 | 28,821 | 28,258 | 27,698 | 28,597 | 28,655 | 27,695 | 27,077 |
| Staffing numbers (basic) at end of period | 26,316 | 26,582 | 26,596 | 26,904 | 26,814 | 26,501 | 26,506 | 26,882 | 27,228 |
| Volumes, millions¹: | | | | | | | | | |
| Sweden, letter | 259 | 289 | 246 | 279 | 302 | 326 | 267 | 292 | 330 |
| Denmark, letter | 47 | 53 | 43 | 47 | 52 | 58 | 52 | 49 | 61 |
| Group, parcels (volumes between countries eliminated) | 59 | 72 | 58 | 65 | 65 | 73 | 55 | 57 | 50 |

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

Financial calendar

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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