

**postnord**

PostNord – Year-end report

**Q4/2022**



# Ongoing challenges require continued structural changes

Income decreased due to lower-than-expected parcel and mail volumes, as well as increased costs driven by external factors. PostNord intensifies initiatives to further adapt the business and is implementing additional changes in administration. We are maintaining the high pace of our work on climate transition.

## Fourth quarter 2022<sup>1</sup>

- Net sales totaled SEK 10,947 million (10,843), a decrease of –2 percent (–1) in fixed currency for like-for-like units
- Parcel volumes decreased in all by –4 percent (–2).
- Mail volumes decreased by –13 percent (–11)
- Operating income (EBIT) totaled SEK –20 million (762)
- Adjusted operating income (adjusted EBIT) was recorded at SEK 247 million (653).



To maintain a high pace in its climate transition, PostNord has signed a loan agreement for SEK 1.2 billion with the Nordic Investment Bank (NIB). The loan runs for ten years and is to be used to renew PostNord's vehicle fleet. This investment is expected to result in a reduction in emissions of 20,000 tonnes per year.

SEKm, unless otherwise indicated <sup>2</sup>	October–December		Like-for-like change <sup>3</sup>	January–December		Like-for-like change <sup>3</sup>
	2022	2021		2022	2021	
Net sales	10,947	10,843	–2%	40,212	40,693	–4%
Operating income (EBIT)	–20	762	–103%	357	2,481	–86%
Adjusted operating income (adjusted EBIT)	247	653	–62%	666	2,260	–71%
Income before tax	–134	754		158	2,328	
Net income for the period	–169	663		–23	1,989	
Earnings per share (SEK)	–0.08	0.33		–0.01	0.99	
Cash flow from operating activities	1,113	1,524		1 646	4,011	
Net debt ratio, % <sup>4</sup>	–37	–20		–37	–20	
Return on capital employed (ROCE), %	2.6	19.2		2.6	19.2	

<sup>1</sup> The report comments on developments in October–December 2022 compared to the same period in 2021, unless otherwise indicated. 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.

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

<sup>3</sup> "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

## Fourth quarter

Sales totaled SEK 10,947 million (10,843) in the quarter, a decrease of –2 percent (–1) in fixed currency for like-for-like units. Operating income totaled SEK –20 million (762). Adjusted operating income was recorded at SEK 247 million (653). The decrease in income is attributable in the main to our Swedish business. Items affecting comparability totaling SEK 267 million consist of costs arising from restructuring of the organization.

Throughout the year, we were affected by challenging external factors that, in combination, led to declining parcel volumes. During the quarter, our parcel volumes decreased by –4 percent (–2), while mail volumes fell –13 percent (–11). In addition, the high cost situation has persisted, although we have largely managed to offset higher transport costs via fuel surcharges and price increases. We have also continued to experience high levels of sickness absence in our production operations, which has had a negative impact on both productivity and quality.

Operating income for the full year 2022 totaled SEK 357 million (2,481). Adjusted operating income was recorded at SEK 666 million (2,260).

## Work continues on adapting the business to the challenging external environment

Our business is cyclical and broadly follows economic trends. 2022 has been characterized by extraordinary challenges. Economic uncertainty as a result of the war in Ukraine and high inflation have led to higher interest rates and thus reduced consumer purchasing power. We are continuing the work that was ongoing throughout 2022, which includes adjustments to our capacity and terminal network and the phasing out of unprofitable parts of our offering. We have acted decisively with price adjustments on our products, and with fuel surcharges on transportation. Our business is characterized by a high proportion of fixed costs, which makes it challenging to adapt the capacity rapidly to the volume development. The process of moving over to a more flexible model is a priority that is also taking time.

In our Swedish business, we are launching a new business-oriented, more cost-effective and flatter organizational structure. The new organization divides the business into three separate business areas: Mail, Logistics and Parcels. The change, which is in line with our strategic direction, will enable each business to focus more closely and better prioritize on the basis of its logic and business benefits. In addition, other functions will be adapted to provide the best possible support to the new business areas. Furthermore, we are

reducing the number of management levels to enable us to act more swiftly and become more efficient. Initiatives to hone efficiency in our other Nordic operations are in progress.

## Investing in the climate transition and our customer offering

It is natural for us to take the lead in the climate transition in the logistics and transport sector. We have high climate ambitions, and have set a goal to be fossil-free by 2030. At year-end, 60 percent of the energy consumed in our own vehicle fleet was from renewable sources.

In order to maintain a high pace of climate transition, PostNord has signed an SEK 1.2 billion loan with the Nordic Investment Bank (NIB). The loan runs for ten years and will be used to renew PostNord's vehicle fleet. The initiative is expected to result in a reduction of 20,000 tonnes of emissions per year. In the fourth quarter, we approved many investments in renewable fuel vehicles. In Sweden and Norway, we will invest in an additional 382 electric vehicles of various sizes from delivery vans to trucks, together with 75 biogas-powered trucks.

Our sustainability work during the quarter attracted external attention. PostNord Norway received the Norwegian Logistics and Transport Organisation's Environmental Award, with the citation that "the company has a comprehensive environmental strategy in all areas of its operations and has concrete results to show". The PostNord Group also won the Transport Innovation of the Year Award at PostExpo for the development of an automated process to measure the capacity utilization in transport vehicles.

In parallel with continuing to adapt the business to lower volumes and high external costs in the short term, we are investing in consumer-led delivery options. Our parcel box network is expanding steadily and at year-end we had more than 9,000 PostNord parcel lockers in operation across the Nordic region. It is strategically important to be able to offer consumers this highly valued delivery option and we planning to further expand our network. In some cities in Sweden and Denmark, we supplemented the offering with parcel robots stationed in central locations. These serve as automated parcel lockers, equipped with a robotic arm that stores and delivers the parcels. Each parcel robot has the capacity to handle up to 300 parcels a day.

## Agreement for 2023 in place in Denmark

At the end of the quarter, we signed a new agreement for the provision of Denmark's universal postal service on a compensated basis. The new agreement runs until December 31, 2023. Although



Annemarie Gardshol, President and Group CEO

Denmark is one of the foremost countries in the world in digitalization of physical mail, it has nearly 340,000 citizens who do not use digital services<sup>1</sup> and who still have a clear need for physical communications.

At the end of the summer, the EU Commission approved the State subsidy that Post Danmark A/S has agreed with the Danish State regarding the provision of the universal service obligation for the second half-year 2020. This was an important decision. In the quarter, we received the payment, amounting to SEK 164 million.

In Sweden, the main report from the Commission of Inquiry on the scope and financing of the future universal service obligation has been handed over to the government. We will take note of the conclusions and develop our position in future referral response to the Government Office.

In conclusion, I would like to thank all our employees for their dedication and loyalty in these continually challenging times. Of course, I would also like to thank our customers, partners and consumers for their excellent cooperation during the year.

**Annemarie Gardshol**  
President and Group CEO

<sup>1</sup> Refers to 2021. Source: Statistics on Digital Post (digst.dk)

# Net sales and income

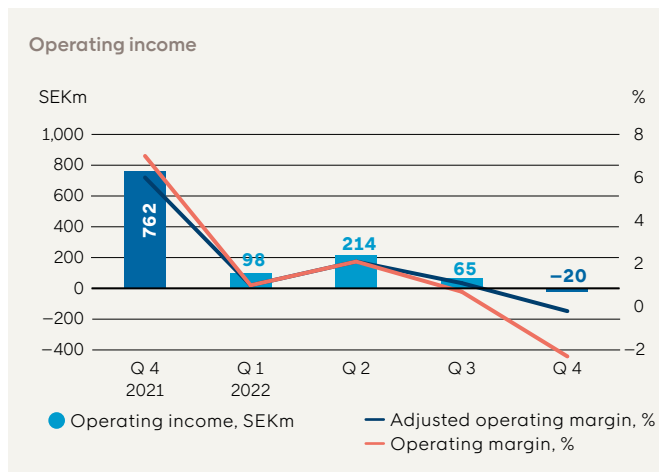
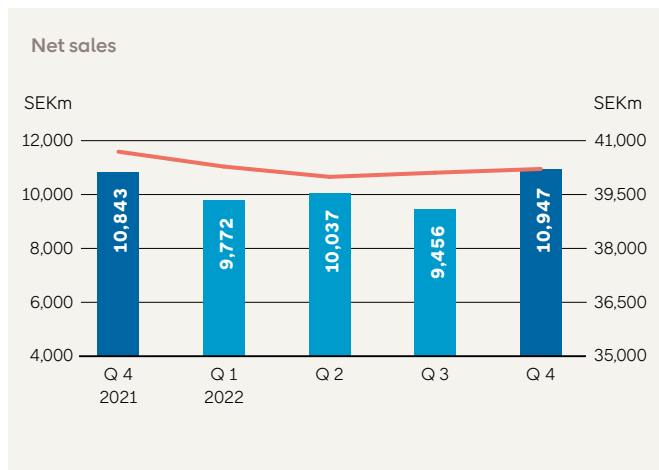
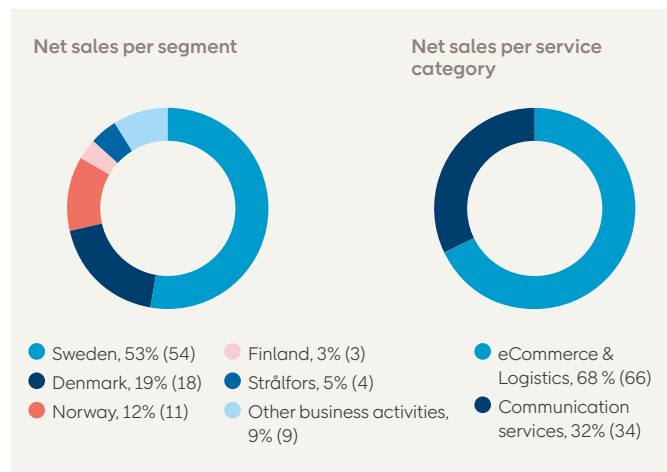
## Net sales

Net sales totaled SEK 10,947 million (10,843) in the fourth quarter, a decrease of –2 percent (–1) in fixed currency for like-for-like units. This was primarily due to mail and parcel volumes, driven by the deterioration of the global economy. The negative trend of volume was offset by price increases made to compensate for cost inflation, including fuel surcharges, and growth in other logistics services.

Parcel volumes decreased and in all 69 million (72) parcels were handled during the quarter, a decrease of –4 percent (–2). Business-to-Consumer volumes decreased by –4 percent (–3), while Business-to-Business volumes decreased by –5 percent (5).

Mail volumes decreased by –13 percent (–11) in the quarter as a result of the ongoing process of digitalization.

Other operating income totaled SEK 143 million (294). Other operating income consisted mainly of State compensation of SEK 49 million (63) for the universal service obligation in Denmark and exchange rate gains of SEK 50 million (64). The previous year was positively impacted by capital gains on the sale of properties.



## Income

Operating income totaled SEK –20 million (762) in the fourth quarter, representing an operating margin of –0.2 percent (7.0). Adjusted operating income was recorded at SEK 247 million (653). Items affecting comparability totaled –267 (109), mainly relating to provisions for restructuring costs. The items affecting comparability in the preceding year related to the disposal of properties. Income was negatively impacted by lower volumes in both parcel and mail businesses, where work on adjusting capacity continues. Our business is characterized by a high proportion of fixed costs, which makes it challenging to adapt the capacity rapidly to the volume development. In addition, income was negatively impacted by high transportation costs, although such costs were largely offset through price increases. Net financial items totaled SEK –113 million (–8), consisting mainly of interest expense in connection with leases, pensions and loans. The change in net financial items was attributable above all to revaluation of the sickness insurance commitment. Tax for the period totaled SEK –35 million (–91) and income for the period SEK –169 million (663).

Return on capital employed (ROCE) decreased to 2.6 percent (19.2), above all as a result of the lower income in 2022.

# Cash flow and financial position

## Cash flow

Cash flow from operating activities totaled SEK 1,113 million (1 524) in the fourth quarter. The change mainly explained by the lower income in the period and to the IT problems of one of the Group's banks in the previous year, which resulted in the Group having higher trade payables at the end of 2021 than at a normal quarter end.

Cash flow from investing activities totaled SEK –655 million (–483). Investments were made primarily in vehicles and charging infrastructure, sorting equipment, IT development and parcel lockers. In the preceding year, a subsidiary was divested, contributing SEK – (104) million in cash and cash equivalents.

Cash flow from financing activities totaled SEK –376 million (–1,036), of which amortization of lease liabilities accounted for SEK –373 million (–347). In the preceding year, an unconditional capital contribution of SEK – (686) million was repaid.

## Net debt

The Group's net debt, including pensions and lease liabilities, increased by SEK 1,943 million during the fourth quarter, mainly

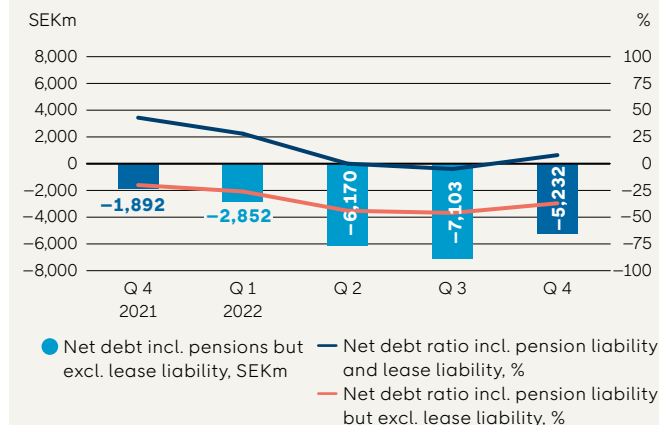
due to a decrease in a net pension and sickness pension plan asset. The pension asset decreased by SEK 1,948 million in the quarter, from SEK 5,866 million to SEK 3,918 million. The decrease in the asset was mainly due to negative experience adjustments in accordance with IAS 19 and lower interest rate assumption in the fourth quarter.

The net debt ratio including pensions and lease liabilities was 8 percent (43). The Group's net debt ratio excluding lease liabilities was –37 percent (–20). Financial preparedness at the end of the period totaled SEK 7,086 million (8,242), including cash and cash equivalents of SEK 3,886 million (6,242), unutilized credit facilities of SEK 2,000 million (2,000) and an unutilized, confirmed loan of SEK 1,200 million (–).

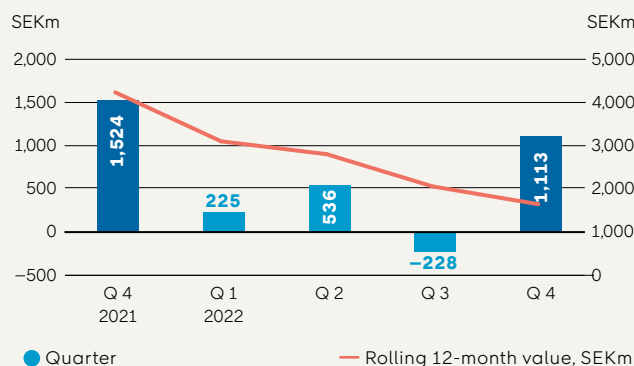
## Equity

The Group's equity decreased to SEK 13,744 million from SEK 15,226 million on September 30, 2022. The change in the quarter related to income of SEK –169 million for the period, revaluation of SEK –1,409 million net in the pension commitment net after tax and translation differences of SEK 95 million.

## Net debt/net debt ratio



## Cash flow from operating activities



## Net debt

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

	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	Mar. 31, 2022	Dec. 31, 2021
Interest-bearing liabilities	9,216	9,146	9,004	8,693	9,134
Pensions and disability pension plans	-3,918	-5,866	-4,038	-442	1,281
Long- and short-term investments	-276	-277	-278	-285	-288
Cash and cash equivalents	-3,886	-3,809	-4,704	-4,979	-6,242
<b>Net debt incl. pensions and lease liabilities</b>	<b>1,137</b>	<b>-806</b>	<b>-15</b>	<b>2,987</b>	<b>3,885</b>
Net debt ratio incl. pensions and lease liabilities	8%	-5%	0%	28%	43%
<b>Net debt incl. pensions but excl. lease liabilities</b>	<b>-5,232</b>	<b>-7,103</b>	<b>-6,170</b>	<b>-2,852</b>	<b>-1,892</b>
Net debt ratio incl. pensions but excl. lease liabilities	-37%	-46%	-44%	-26%	-20%

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

# Parent Company

# Sustainability information

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. A Group contribution received amounted to SEK 20 (700) million. Net income for the period totaled SEK 55 million (552)

## Full year 2022

The Group's net sales totaled SEK 40,212 million (40,693) during the year, a decrease of -4 percent (7) percent in fixed currency for like-for-like units. During the period, mail volumes decreased by -12 percent (-9) while parcel volumes decreased by -6 percent (11).

Operating income totaled SEK 357 million (2,481), with an operating margin of 0.7 percent (6.1). The decline in income was mainly due to the decrease in mail and parcel volumes.

Cash flow from operating activities totaled SEK 1,646 million (4 011).

As a major logistics provider, PostNord takes responsibility for helping to progress sustainable development in the industry. Our updated sustainability agenda will contribute to a change for people around us and will radically reduce the climate footprint of road transport 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) totaled 26,322 (29,498).

Sickness absence averaged 7.2 percent (6.5) on a trailing 12-month basis, where the impact of each individual month is limited. At the end of the quarter, the proportion of women at management levels 1-3 was 37 percent (36). At levels 4-6, the figure was 32 percent (32).

## Sustainable supply chain

As of 2022, PostNord reports procurement on equitable conditions in accordance with the Responsible Procurement Index (RPI). RPI illustrates how the purchasing process and sustainability in the supply chain are closely linked. RPI consists of three underlying KPIs - central purchasing, national road transport purchasing and supply chain sustainability. The first two KPIs address supplier loyalty and procurement in accordance with our purchasing policy. The last-mentioned KPI addresses the extent to which purchasing volumes from significant suppliers are procured by those who accept and comply with the PostNord Supplier Code of Conduct. The overall RPI outcome for PostNord in Q4 2022 was 90. The cumulative index figure for the whole of 2022 was 90. The target for 2022 was an index figure of 92.

## Climate impact

Carbon dioxide emissions for the quarter decreased by 10 percent, compared to the fourth quarter of 2021, to 63,914 tons. PostNord's total energy consumption in the quarter (including both transportation and use of premises) totaled 407,307 MWh. Renewable energy accounted for 49 percent of total energy consumption during the quarter. PostNord's climate transition requires the Company's investments to be steered in a green direction. Work has started on classifying and monitoring PostNord's operations in accordance with the EU's taxonomy and taxonomy regulation.

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

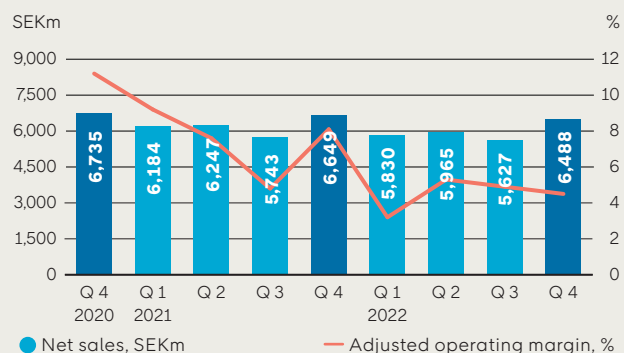
# PostNord Sweden

Net sales totaled SEK 6,488 million (6,649), a decrease of –2 percent (–1) for like-for-like units. The e-Commerce & Logistics business grew by 3 percent, driven by increased sales in Business-to-Business and other logistics services, and through price increases. Total parcel volumes decreased by –2 (–2) percent, in which Business-to-Consumer volumes decreased by –2 (–4) percent. Digitalization in the mail business continues at the same pace as before the pandemic, and mail volumes decreased by –14 percent (–11). Operating income totaled SEK 107 million (638) in the quarter. Adjusted operating income was recorded at SEK 295 million (538). Provisions of SEK 187 (–) for restructuring costs million have been made to achieve a more business-oriented, cost-effective and flatter organizational structure.

Income was also been negatively affected by decreases in mail and parcel volumes. Work on adapting the capacity of the business continues and additional organizational restructuring is taking place alongside previous measures. Rising inflation has led to a higher level of prices in the delivery chain, above all in transportation and for procured services. Cost increases have been largely offset by fuel surcharges and general price increases. The proportion of sick leave increased marginally during the quarter and remains high compared to pre-pandemic levels.

Delivery quality for mail was recorded at 92.4 percent (96.4) in the quarter. Delivery quality for parcels was 94.4 percent (95.1) in the quarter. PostNord continued to face local challenges with quality in several areas in Sweden. As a result, the legal requirement of 95.0 for mail was unfortunately not achieved in the fourth quarter. This was due to staffing challenges in production operations, as well as high sickness absence during the Christmas service peak in December.

Net sales and adjusted operating margin



Net sales



eCommerce & Logistics, 61% (59)  
Communication services, 39% (41)

Delivery quality, mail

92.4 %

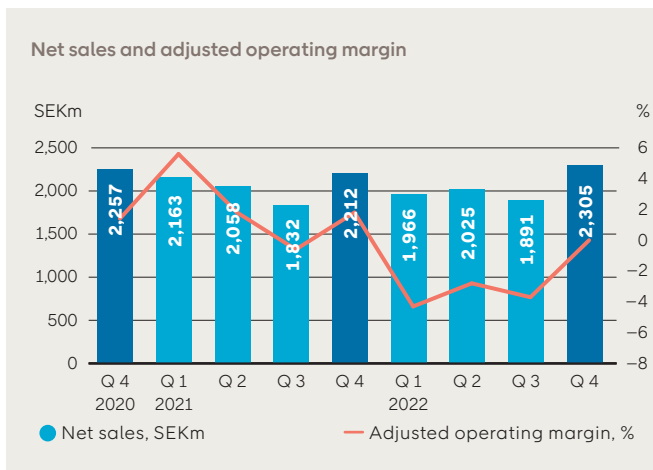
Period  
October–December 2022  
Legal requirement 95%

SEKm, unless otherwise indicated	October–December		Like-for-like change	January–December		Like-for-like change
	2022	2021		2022	2021	
Net sales	6,488	6,649	–2%	23,910	24,824	–4%
– Communication Services (external)	2,285	2,487	–8%	8,582	9,351	–8%
– eCommerce & Logistics (external)	3,639	3,539	3%	13,407	12,686	6%
– Intra-Group	564	623	–9%	1,921	2,787	–31%
Operating income (EBIT)	107	638		844	1,954	
Operating margin, %	1.6	9.6		3.5	7.9	
Items affecting comparability	–187	100		–230	100	
Adjusted operating income (adjusted EBIT)	295	538		1,074	1,854	
Adjusted operating margin, %	4.5	8.1		4.5	7.5	

# PostNord Denmark

Net sales totaled SEK 2,305 million (2,212), a change of –3 percent (0) in fixed currency for like-for-like units. Mail volumes decreased by –7 percent (–10). 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. However, the decline in domestic mail was partly offset through mailings of ballot papers for Denmark’s parliamentary election in November. Parcel volumes decreased by –4 percent (0), with demand in Business-to-Consumer and Business-to-Business (in the fourth quarter) decreasing, partly due to reduced consumer purchasing power.

Operating income totaled SEK –70 million (48). Adjusted operating income was recorded at SEK 1 million (39). Operations are being adjusted and income is being negatively impacted by redundancy costs in administration, sales and management. The decrease in income in general is mainly due to the reduction in parcel volumes, lower import mail volumes and rising inflation, especially in energy and fuel prices. Compensation for the universal service obligation (USO) was also lower in the quarter, at SEK 49 million (63). Delivery quality of the “Brevet” service in the quarter was 94.9 percent (95.0). Delivery quality in parcels for the quarter was 92.8 percent (89.5).



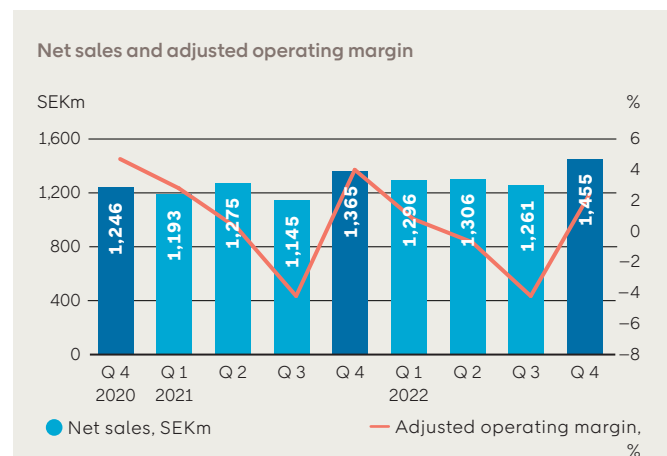
Delivery quality, Brevet  
**94.9%**  
 Period  
 October-December 2022  
 Legal requirement 93%

SEKm, unless otherwise indicated	October–December		Like-for-like change	January–December		Like-for-like change
	2022	2021		2022	2021	
Net sales	2,305	2,212	–3%	8,188	8,265	–5%
– Communication Services (external)	716	664	0%	2,519	2,548	–6%
– eCommerce & Logistics (external)	1,282	1,195	0%	4,555	4,464	–3%
– Intra-Group	307	353	–19%	1,113	1,253	–15%
Operating income (EBIT)	–70	48		–282	307	
Operating margin, %	–3.0	2.2		–3.4	3.7	
Items affecting comparability	–71	9		–71	121	
Adjusted operating income (adjusted EBIT)	1	39		–211	186	
Adjusted operating margin, %	0.0	1.8		–2.6	2.3	



# PostNord Norway

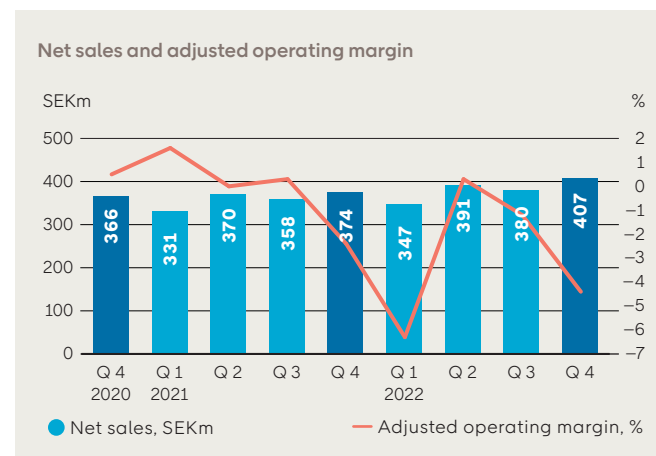
Net sales totaled SEK 1,455 million (1,365), an increase of 3 percent (4) in fixed currency for like-for-like units. Subdued demand as a result partly of rising inflation, led to a reduction of –16 percent (9) in parcel volumes in the quarter. Operating income totaled SEK 27 million (55). The lower income was due to high inflation, which affects transportation costs, but also reduced e-commerce volumes and challenges in adapting production capacity quickly enough to counteract the sharp decline in volumes. In addition, restructuring costs arising from the streamlining of administration were charged to income. Delivery quality for parcels was recorded at 94.0 percent (86.7) for the quarter.



SEKm, unless otherwise indicated	October–December		Like-for-like change	January–December		Like-for-like change
	2022	2021		2022	2021	
Net sales	1,455	1,365	3%	5,318	4,978	1%
– Communication Services (external)	22	21	1%	79	85	–12%
– eCommerce & Logistics (external)	1,172	1,049	8%	4,297	3,906	4%
– Intra-Group	261	295	–15%	942	988	–10%
Operating income (EBIT)	27	55		–24	37	
Operating margin, %	1.9	4.0		–0.4	0.7	
Items affecting comparability	–8	–		–8	–	
Adjusted operating income (adjusted EBIT)	35	55		–16	37	
Adjusted operating margin, %	2.4	4.0		–0.3	0.7	

# PostNord Finland

Net sales totaled SEK 407 million (374), an increase of 1 percent (4) in fixed currency for like-for-like units. Parcel volumes decreased by –3 percent (3), driven by lower volumes of Business-to-Consumer imports. Operating income totaled SEK –18 million (–9). Increased costs relating to investments for future growth, including the introduction of a new terminal in Vantaa, resulted in a deterioration in income in the quarter. Delivery quality for parcels was recorded at 88.7 percent (94.2) for the quarter.

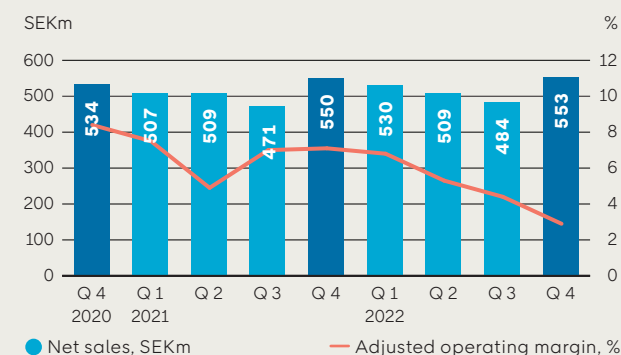


SEKm, unless otherwise indicated	October–December		Like-for-like change	January–December		Like-for-like change
	2022	2021		2022	2021	
Net sales	407	374	1%	1,525	1,433	2%
– Communication Services (external)	–	–	–	–	–	–
– eCommerce & Logistics (external)	276	256	0%	1,059	988	2%
– Intra-Group	131	117	4%	466	445	0%
Operating income (EBIT)	–18	–9		–43	–7	
Operating margin, %	–4.4	–2.4		–2.8	–0.4	
Items affecting comparability	–	–		–	–	
Adjusted operating income (adjusted EBIT)	–18	–9		–43	–7	
Adjusted operating margin, %	–4.4	–2.4		–2.8	–0.4	

# PostNord Strålfors

In the fourth quarter, net sales totaled SEK 553 million (550), a decrease of –3 percent (3) in fixed currency for like-for-like units. The trend towards increased digitalization continues, generating positive underlying growth in digital services, while print volumes continue to decline. Revenue from physical products in the fourth quarter are in line with the previous year. Operating income totaled SEK 16 million (39). The change reflected above all increased costs for service development in the digital business, but also the positive impact of a one-off pension cost reimbursement of 13 million in the fourth quarter of 2021.

Net sales and adjusted operating margin



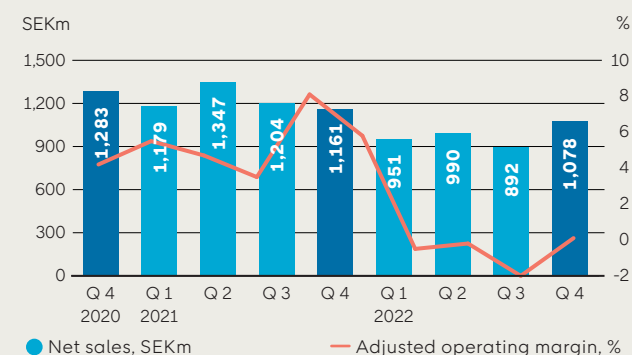
SEKm, unless otherwise indicated	October–December		Like-for-like change	January–December		Like-for-like change
	2022	2021		2022	2021	
Net sales	553	550	–3%	2,076	2,037	–1%
– Communication Services (external)	484	477	–2%	1,833	1,804	–1%
– Intra-Group	68	73	–6%	244	233	5%
Operating income (EBIT)	16	39		100	135	
Operating margin, %	2.9	7.1		4.8	6.6	
Items affecting comparability	–	–		–	–	
Adjusted operating income (adjusted EBIT)	16	39		100	135	
Adjusted operating margin, %	2.9	7.1		4.8	6.6	

# Other business activities

Net sales totaled SEK 1,078 million (1,161), a decrease of –16 percent (–8) in fixed currency for like-for-like units. Sales and income for Direct Link decreased sharply compared with the fourth quarter last year. The decrease was for the most part due to the loss of a large Asian customer by Direct Link and a sharp decline in the growth rate for global e-commerce over much of the year. In the logistics business in Germany, parcel volumes decreased by –11 percent (24), due to lower exports to the Business-to-Consumer market in the Nordic region.

Operating income for the segment totaled SEK 55 million (94). Operating income includes realized and unrealized gains/losses of SEK –5 million (20) from forward exchange contracts.

Net sales and adjusted operating margin



SEKm, unless otherwise indicated	October–December		Like-for-like change	January–December		Like-for-like change
	2022	2021		2022	2021	
Net sales	1,078	1,161	–16%	3,911	4,891	–27%
– Communication Services (external)	41	47	–11%	186	210	–12%
– eCommerce & Logistics (external)	1,033	1,112	–17%	3,713	4,670	–27%
– Intra-Group	3	3	0%	12	11	1%
Operating income (EBIT)	55	94		103	264	
Operating margin, %	5.1	8.1		2.6	5.4	
Items affecting comparability	–	–		–	–	
Adjusted operating income (adjusted EBIT)	55	94		103	264	
Adjusted operating margin, %	5.1	8.1		2.6	5.4	

# Other information

## Update regarding the universal service obligation in Denmark

PostNord Denmark is operating in accordance with the new contract for the universal postal service in Denmark, which runs until December 31, 2023, inclusive. Dialogue with the Danish State on future financing is continuing.

## Delivery quality

Delivery quality in Sweden failed to meet the legal requirement of 95 percent for “Brev”, which must be delivered to the intended recipient within two working days. Quality in Sweden was recorded at 92.4 percent (96.4) for the quarter. In Denmark, delivery quality exceeded the legal requirement of 93 percent, with quality for the “Brevet” service in the quarter showing at 94.9 percent (95.0). Overall delivery quality for parcels in the Group was 93.5 percent (92.3) for the quarter.

## Major events in October–December 2022

### *State aid received for the second half of 2020 in Denmark*

On August 10, the EU Commission approved the Danish State's compensation to Post Danmark A/S regarding the provision of the universal postal service for the second half of 2020. PostNord received the payment of SEK 164 million in October.

### *Loan to invest in vehicle fleet*

PostNord has taken up a loan of SEK 1.2 billion with the Nordic Investment Bank (NIB). The loan runs for ten years and will be used to renew PostNord's vehicle fleet. The loan is to fund procurement of new electric and biofuel-driven vehicles, electric bicycles and charging infrastructure. The cash was received after the end of the period.

The Board of Directors proposes that no dividend be paid in respect of the 2022 financial year.

Solna, February 1, 2023

PostNord AB (publ), CIN 556771-2640

## **Annemarie Gardshol**

President and Group CEO

# Financial statements – Group

## Income statement

SEKm	Note	October–December		January–December	
		2022	2021	2022	2021
Net sales	1	10,947	10,843	40,212	40,693
Other operating income		143	294	843	953
<b>Operating revenue</b>	3	<b>11,089</b>	<b>11,136</b>	<b>41,055</b>	<b>41,646</b>
Personnel expenses		–4,469	–4,132	–16,093	–15,802
Transportation expenses		–3,306	–2,960	–12,465	–11,083
Other expenses		–2,634	–2,615	–9,447	–9,683
Depreciation and impairments		–702	–666	–2,694	–2,596
<b>Operating expenses</b>		<b>–11,110</b>	<b>–10,374</b>	<b>–40,699</b>	<b>–39,165</b>
<b>OPERATING INCOME</b>	3	<b>–20</b>	<b>762</b>	<b>357</b>	<b>2,481</b>
Financial income		–10	33	58	49
Financial expenses		–103	–41	–256	–202
<b>Net financial items</b>		<b>–113</b>	<b>–8</b>	<b>–198</b>	<b>–153</b>
<b>Income before tax</b>		<b>–134</b>	<b>754</b>	<b>158</b>	<b>2,328</b>
Tax		–35	–91	–181	–339
<b>NET INCOME FOR THE PERIOD</b>		<b>–169</b>	<b>663</b>	<b>–23</b>	<b>1,989</b>
<b>Attributable to</b>					
Parent Company shareholders		–170	663	–25	1,987
Non-controlling interests		1	0	2	2
Earnings per share, SEK		–0.08	0.33	–0.01	0.99

## Statement of comprehensive income

SEKm	October–December		January–December	
	2022	2021	2022	2021
<b>NET INCOME</b>	<b>–169</b>	<b>663</b>	<b>–23</b>	<b>1,989</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that cannot be transferred to net income</b>				
Revaluation of pension liabilities	–1,775	–392	5,378	3,426
Change in deferred tax	366	80	–1,108	–723
<b>Total</b>	<b>–1,409</b>	<b>–312</b>	<b>4,270</b>	<b>2,703</b>
<b>Items that have been or may be transferred to net income</b>				
Cash flow hedging after tax	0	0	0	1
Translation differences	95	70	366	223
<b>Total</b>	<b>95</b>	<b>70</b>	<b>366</b>	<b>224</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>–1,314</b>	<b>–242</b>	<b>4,636</b>	<b>2,927</b>
<b>COMPREHENSIVE INCOME</b>	<b>–1,482</b>	<b>421</b>	<b>4,613</b>	<b>4,916</b>
<b>Attributable to</b>				
Parent Company shareholders	–1,483	421	4,611	4,914
Non-controlling interests	1	0	2	2

# Financial statements – Group

## Statement of financial position

SEKm	Note	Dec. 31, 2022	Dec. 31, 2021
<b>ASSETS</b>	1, 6		
Goodwill		2,639	2,582
Other non-current intangible assets		438	475
Property, plant and equipment		8,400	7,422
Right-of-use assets		6,329	5,694
Participations in associated companies		154	159
Non-current interest-bearing receivables		264	276
Other non-current receivables		4,160	352
Deferred tax assets		261	23
<b>Total non-current assets</b>		<b>22,645</b>	<b>16,983</b>
Inventories		93	83
Tax assets		356	415
Trade receivables		5,481	5,331
Prepaid expenses and accrued income		1,287	1,263
Other current receivables		133	260
Current interest-bearing receivables		11	11
Cash and cash equivalents		3,886	6,242
<b>Total current assets</b>		<b>11,247</b>	<b>13,606</b>
<b>TOTAL ASSETS</b>		<b>33,892</b>	<b>30,590</b>

SEKm	Note	Dec. 31, 2022	Dec. 31, 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>13,744</b>	<b>9,133</b>
<b>Liabilities</b>			
Non-current interest-bearing liabilities		1,892	2,752
Non-current lease liabilities		5,001	4,499
Other non-current liabilities		71	70
Pensions		–	1,386
Other provisions	5	686	955
Deferred tax liabilities		1,317	200
<b>Total non-current liabilities</b>		<b>8,968</b>	<b>9,861</b>
Current interest-bearing liabilities		874	513
Current lease liabilities		1,449	1,371
Trade payables		3,383	3,381
Tax liabilities		476	202
Other current liabilities		1,026	1,227
Accrued expenses and deferred income		3,529	4,340
Other provisions	5	444	562
<b>Total current liabilities</b>		<b>11,180</b>	<b>11,595</b>
<b>TOTAL LIABILITIES</b>		<b>20,148</b>	<b>21,457</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33,892</b>	<b>30,590</b>

# Financial statements – Group

## Statement of cash flows

SEKm	Note	October–December		January–December	
		2022	2021	2022	2021
<b>OPERATING ACTIVITIES</b>					
Income before tax		-134	754	158	2,328
Adjustments for non-cash items <sup>1</sup>		1,102	297	2,302	1,631
Income tax paid		-47	-119	-75	-490
<b>Cash flows from operating activities before change in working capital</b>		<b>920</b>	<b>932</b>	<b>2,384</b>	<b>3,469</b>
<b>Change in working capital</b>					
Increase(-)/decrease(+) in inventories		10	7	-9	7
Increase(-)/decrease(+) in other operating receivables		-172	-746	275	-5
Increase(+)/decrease(-) in other operating liabilities		355	1,331	-1,004	540
<b>Total change in working capital</b>		<b>193</b>	<b>592</b>	<b>-738</b>	<b>542</b>
<b>Cash flow from operating activities</b>		<b>1,113</b>	<b>1,524</b>	<b>1 646</b>	<b>4,011</b>
<b>INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment		-624	-549	-1,701	-1,252
Divestment of property, plant and equipment		11	16	50	23
Acquisitions of non-current intangible assets		-43	-54	-167	-156
Acquisition of subsidiary, effect on cash and cash equivalents	4	-	-	-226	-129
Divestment of subsidiary, effect on cash and cash equivalents		-	104	-	104
Acquisition of financial assets		0	0	0	-1
Divestment of financial assets		1	0	7	5
<b>Cash flows from investing activities</b>		<b>-655</b>	<b>-483</b>	<b>-2,037</b>	<b>-1,406</b>

SEKm	Note	October–December		January–December	
		2022	2021	2022	2021
<b>FINANCING ACTIVITIES</b>					
Amortized loans		-3	-3	-513	-541
Amortized lease liabilities		-373	-347	-1,466	-1,375
Repayment of unconditional capital injection <sup>2</sup>		-	-686	-	-686
Dividend paid		-	-	-2	-2
<b>Cash flows from financing activities</b>		<b>-376</b>	<b>-1,036</b>	<b>-1,981</b>	<b>-2,604</b>
<b>CASH FLOWS FOR THE PERIOD</b>					
<b>Cash and cash equivalents, at beginning of period</b>		<b>82</b>	<b>5</b>	<b>-2,372</b>	<b>1</b>
Cash and cash equivalents, at beginning of period		3,809	6,238	6,242	6,229
Translation difference in cash and cash equivalents		-6	-1	15	12
<b>Cash and cash equivalents, at end of period</b>		<b>3,886</b>	<b>6,242</b>	<b>3,886</b>	<b>6,242</b>
<sup>1</sup> Adjustments for non-cash items:					
Depreciation and impairments		702	666	2,694	2,596
Change in pension liability		132	3	-85	232
Other provisions		257	-201	-168	-685
Capital gain/loss, divestment of assets		40	-2	20	-106
Capital gain/loss, divestment of subsidiaries		-	-100	-	-100
Misc.		-30	-69	-160	-306
<b>Total</b>		<b>1,102</b>	<b>297</b>	<b>2,302</b>	<b>1,631</b>

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

# Financial statements – Group

## Statement of changes in equity

January–December 2021	Equity attributable to the Parent Company's shareholders						
	Share capital <sup>1</sup>	Other contributed equity	Translation reserve	Hedging reserve	Retained earnings	Non-controlling interests	Total equity
SEKm							
Equity, opening balance, Jan. 01, 2021	2,000	10,621	-1,820	-1	-5,896	2	4,906
<b>Comprehensive income for the period</b>							
Net income for the period	-	-	-	-	1,987	2	1,989
Other comprehensive income for the period	-	-	223	1	2,703	-	2,927
<b>Total comprehensive income for the period</b>	-	-	<b>223</b>	<b>1</b>	<b>4,690</b>	<b>2</b>	<b>4,916</b>
Repayment of unconditional capital injection <sup>2</sup>	-	-667	-	-	-19	-	-686
Dividend	-	-	-	-	-	-2	-2
<b>Shareholders' equity, closing balance Dec. 31, 2021</b>	<b>2,000</b>	<b>9,954</b>	<b>-1,597</b>	<b>0</b>	<b>-1,226</b>	<b>2</b>	<b>9,133</b>

January–December 2022	Equity attributable to the Parent Company's shareholders						
	Share capital <sup>1</sup>	Other contributed equity	Translation reserve	Hedging reserve	Retained earnings	Non-controlling interests	Total equity
SEKm							
Equity, opening balance, Jan. 01, 2022	2,000	9,954	-1,597	0	-1,226	2	9,133
<b>Comprehensive income for the period</b>							
Net income for the period	-	-	-	-	-25	2	-23
Other comprehensive income for the period	-	-	366	0	4,270	-	4,636
<b>Total comprehensive income for the period</b>	<b>2,000</b>	<b>9,954</b>	<b>-1,231</b>	<b>0</b>	<b>3,019</b>	<b>2</b>	<b>4,613</b>
Dividend	-	-	-	-	-	-2	-2
<b>Shareholders' equity, closing balance Dec. 31, 2022</b>	<b>2,000</b>	<b>9,954</b>	<b>-1,231</b>	<b>0</b>	<b>3,019</b>	<b>2</b>	<b>13,744</b>

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

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

# Parent Company

## Income statement

SEKm	Note	October–December		January–December	
		2022	2021	2022	2021
	1				
Other operating income		3	-2	24	8
<b>Operating revenue</b>		<b>3</b>	<b>-2</b>	<b>24</b>	<b>8</b>
Personnel expenses		-7	-9	-27	-25
Other expenses		-1	-3	-9	-15
<b>Operating expenses</b>		<b>-8</b>	<b>-12</b>	<b>-36</b>	<b>-40</b>
<b>OPERATING INCOME</b>		<b>-5</b>	<b>-14</b>	<b>-12</b>	<b>-32</b>
Interest income and similar items		51	20	121	80
Interest expenses and similar items		-16	-12	-51	-50
<b>Financial items</b>		<b>35</b>	<b>8</b>	<b>70</b>	<b>30</b>
<b>Income after financial items</b>		<b>30</b>	<b>-6</b>	<b>58</b>	<b>-2</b>
Appropriations		20	700	20	700
<b>Income before tax</b>		<b>50</b>	<b>694</b>	<b>78</b>	<b>698</b>
Tax		5	-142	-0	-142
<b>NET INCOME</b>		<b>55</b>	<b>552</b>	<b>78</b>	<b>556</b>

## Statement of comprehensive income

SEKm	October–December		January–December	
	2022	2021	2022	2021
Net income for the period	55	552	78	556
Other comprehensive income for the period	-	-	-	-
<b>COMPREHENSIVE INCOME</b>	<b>55</b>	<b>552</b>	<b>78</b>	<b>556</b>

## Condensed balance sheet

SEKm	Note	Dec. 31, 2022	Dec. 31, 2021
	1		
<b>ASSETS</b>			
Participations in Group companies		10,861	10,861
Interest-bearing receivables		40	39
Interest-bearing receivables from Group companies		6,000	5,000
<b>Total non-current assets</b>		<b>16,901</b>	<b>15,899</b>
Interest-bearing receivables from Group companies		1,234	2,074
Other receivables from Group companies		32	700
Other current receivables		5	22
<b>Total current assets</b>		<b>1,272</b>	<b>2,796</b>
<b>TOTAL ASSETS</b>		<b>18,173</b>	<b>18,695</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>15,701</b>	<b>15,623</b>
Interest-bearing liabilities		1,639	2,436
Other non-current liabilities		10	10
<b>Total non-current liabilities</b>		<b>1,649</b>	<b>2,446</b>
Interest-bearing liabilities		800	500
Other current liabilities		23	126
<b>Total current liabilities</b>		<b>823</b>	<b>626</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,173</b>	<b>18,695</b>



# Notes to the financial statements

## Note 1 – Accounting principles

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

### *New and revised accounting principles*

The new or revised IFRS that entered into force in 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.

## Note 2 – Risks

The Parent Company and the Group are exposed to strategic, operational and financial risks. PostNord works continuously to identify, evaluate, manage and monitor risks in the world around us and within the business. Risk management is an integral part of the Group's strategy work and business planning. Agreed risk control activities are followed up continuously and reported back to the Group Leadership Team and Board of Directors.

The general situation in Europe, with the ongoing war in Ukraine, is uncertain. The energy crisis and high inflation present challenges. The central banks are raising interest rates to bring inflation under control, which is affecting consumers' purchasing power and confidence in the economy. The 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	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
PostNord Sweden	6,488	5,627	5,965	5,830	6,649
– of which, internal	564	441	426	490	622
PostNord Denmark	2,305	1,891	2,025	1,966	2,212
– of which, internal	307	257	291	258	353
PostNord Norway	1,455	1,261	1,306	1,296	1,365
– of which, internal	261	207	246	228	295
PostNord Finland	407	380	391	347	374
– of which, internal	131	115	120	100	117
PostNord Strålfors	553	484	509	530	550
– of which, internal	68	51	59	65	73
Other business activities	1,078	892	990	951	1,161
– of which, internal	3	3	3	3	3
Other and eliminations	-1,338	-1,079	-1,150	-1,148	-1,468
<b>The Group</b>	<b>10,947</b>	<b>9,456</b>	<b>10,037</b>	<b>9,772</b>	<b>10,843</b>

## Operating income per segment

SEKm, unless otherwise indicated	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
PostNord Sweden	107	232	318	187	638
– Operating margin, %	1.7	4.1	5.3	3.2	9.6
PostNord Denmark	-70	-70	-57	-85	47
– Operating margin, %	-3.0	-3.7	-2.8	-4.3	2.1
PostNord Norway	27	-53	-9	11	55
– Operating margin, %	1.9	-4.2	-0.7	0.9	4.0
PostNord Finland	-18	-5	1	-22	-9
– Operating margin, %	-4.3	-1.2	0.3	-6.4	-2.4
PostNord Strålfors	16	21	27	36	39
– Operating margin, %	2.9	4.4	5.4	6.8	7.1
Other business activities	55	-2	-5	55	94
– Operating margin, %	5.1	-0.2	-0.5	5.8	8.1
Other and eliminations	-138	-59	-60	-84	-101
<b>Operating income</b>	<b>-20</b>	<b>65</b>	<b>214</b>	<b>98</b>	<b>762</b>
– Operating margin, %	-0.2	0.7	2.1	1.0	7.0

## Adjusted operating income per segment

SEKm, unless otherwise indicated	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
PostNord Sweden	295	275	318	187	538
– Adjusted operating margin, %	4.5	4.9	5.3	3.2	8.1
PostNord Denmark	1	-70	-57	-85	39
– Adjusted operating margin, %	0.1	-3.7	-2.8	-4.3	1.8
PostNord Norway	35	-53	-9	11	55
– Adjusted operating margin, %	2.4	-4.2	-0.7	0.9	4.0
PostNord Finland	-18	-5	1	-22	-9
– Adjusted operating margin, %	-4.3	-1.2	0.3	-6.4	-2.4
PostNord Strålfors	16	21	27	36	39
– Adjusted operating margin, %	2.9	4.4	5.4	6.8	7.1
Other business activities	55	-2	-5	55	94
– Adjusted operating margin, %	5.1	-0.2	-0.5	5.8	8.1
Other and eliminations	-138	-59	-60	-84	-101
<b>Adjusted operating income</b>	<b>247</b>	<b>108</b>	<b>214</b>	<b>98</b>	<b>653</b>
– Adjusted operating margin, %	2.3	1.1	2.1	1.0	6.0

## Net sales per operating segment and service category

SEKm	Service category			
	Communication Services		eCommerce & Logistics	
	October-December 2022	2021	October-December 2022	2021
PostNord Sweden	2,285	2,487	3,639	3,539
PostNord Denmark	716	664	1,282	1,195
PostNord Norway	22	21	1,172	1,049
PostNord Finland	–	–	276	256
PostNord Strålfors	484	477	–	–
Other business activities	41	47	1,033	1,112
Misc.	–	–	-4	-4
<b>Total</b>	<b>3,548</b>	<b>3,696</b>	<b>7,399</b>	<b>7,147</b>

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

PostNord's revenue is mostly recognized at one point in time. The main items in revenue recognition over time are third-party logistics, subscription services and mail services. The relative shares of income recognized at one point in time were 97 percent (97) and over time 3 percent (3). Services in e-Commerce & Logistics consist of logistics services for deliveries to, from and within the Nordic region. The focus is on distribution of parcels, groupage, pallet goods and bulk logistics (part loads), as well as third-party logistics. 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–December 2022		January–December 2021	
	Acquisitions	Divestments	Acquisitions	Divestments
Non-current intangible assets	–	–	46	–
Property, plant and equipment	253	–	152	–
Current assets	1	–	15	4
<b>Total assets</b>	<b>254</b>	<b>–</b>	<b>213</b>	<b>4</b>
Other current liabilities	–117	–	–81	–
<b>Total liabilities</b>	<b>–117</b>	<b>–</b>	<b>–81</b>	<b>–</b>
<b>Net asset</b>	<b>137</b>	<b>–</b>	<b>132</b>	<b>4</b>
Purchase consideration paid/received	–227	–	–129	104
Cash and cash equivalents acquired/disposed of	1	–	–	–
<b>Net effect on cash and cash equivalents</b>	<b>–226</b>	<b>–</b>	<b>–129</b>	<b>104</b>

### Acquisitions and divestments of subsidiaries

In quarter 1 2022, 100 percent of the shares in PostNord Terminal Bergen AS were acquired. The acquisition consisted of a logistics terminal outside Bergen, Norway. No material acquisitions or disposals took place in the period April–December 2022. In the fourth quarter of 2021, PostNord TPL AB divested 100 per cent of the shares in Stigamo logistikpark AB. The divestment consisted principally of a land allocation in Vaggeryd.

## Note 5 Other provisions

January–December 2022, SEKm	Opening balance	Provisions	Reversals	Utilization	Other <sup>1</sup>	Closing balance
Transformation measures	729	372	–1	–556	43	587
Non-vested pension commitments	732	20	–	–253	–6	493
Other	56	0	–	–6	0	50
<b>Total</b>	<b>1,517</b>	<b>392</b>	<b>–1</b>	<b>–815</b>	<b>37</b>	<b>1,130</b>
<i>of which current</i>	562					444
<i>of which non-current</i>	955					686

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

<sup>1</sup> Other 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	December 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
<b>Assets</b>	<b>303</b>	<b>10,556</b>	–	–	–	<b>10,859</b>	<b>10,859</b>
<i>of which, derivatives</i>	39	–	–	–	–	39	39
<b>Liabilities</b>	–	–	<b>–50</b>	–	<b>–8 124</b>	<b>–8,174</b>	<b>–8,162</b>
<i>of which, loan liabilities</i>	–	–	–	–	–2,581	–2,581	–2,569
<i>of which, derivatives</i>	–	–	–50	–	–	–50	–50
<b>Total financial assets and liabilities, by category</b>	<b>303</b>	<b>10,556</b>	<b>–50</b>		<b>–8 124</b>	<b>2,685</b>	<b>2,697</b>
Carrying amount and fair value of financial assets and liabilities, SEKm	December 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
<b>Assets</b>	<b>314</b>	<b>12,995</b>	–	–	–	<b>13,309</b>	<b>13,309</b>
<i>of which, derivatives</i>	38	–	–	–	–	38	38
<b>Liabilities</b>	–	–	<b>–20</b>	<b>0</b>	<b>–10,505</b>	<b>–10,525</b>	<b>–10,552</b>
<i>of which, loan liabilities</i>	–	–	–	–	–3,079	–3,079	–3,106
<i>of which, derivatives</i>	–	–	–20	0	–	–20	–20
<b>Total financial assets and liabilities, by category</b>	<b>314</b>	<b>12,995</b>	<b>–20</b>	<b>0</b>	<b>–10,505</b>	<b>2,784</b>	<b>2,757</b>

The Group's financial instruments (assets) are mainly measured at amortized cost and consist above all of accounts receivable, cash and cash equivalents and terminal fees. The Group's assets in currency derivatives are measured at fair value via income.

The Group's financial instruments (liabilities) largely consist of 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 postal service from the Danish State to Post Danmark A/S is recognized as income in the amount of SEK 49 million (63) for the quarter and SEK 187 million (252) on an accumulated basis. The amount has been recognized in accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance.

The December 2020 agreement with the Danish State for the January–August 2021 period and the August 2021 agreement for the September 2021–December 2022 period are subject to approval by the European Commission. In August 2022, the European Commission approved the compensation for 2020, with the claim of SEK 164 million being settled in October. The claim on the Danish State for compensation for the universal postal service in the period January 2021 to December 2022 amounted to SEK 471 million (408) on December 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 underpinning focus areas and linking from business model and strategy.

### Definitions:

#### Operating margin

Operating income in relation to net sales.

#### Items affecting comparability

Items that are not recurring, or that do not relate directly to operating activities. The items must be of a material nature. For example, capital gains/losses on the sales of assets and impairment of assets.

Ongoing restructuring costs are not regarded as items affecting comparability.

#### Adjusted operating income

Operating income excluding items affecting comparability.

#### Adjusted operating margin

Adjusted operating income in relation to net sales.

#### Net debt

Interest-bearing liabilities, provision for pensions, lease liabilities less cash and cash equivalents, financial investments, financial receivables, as described in IAS 19, that are recognized as other non-current receivables and short-term investments.

SEKm	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	Mar. 31, 2022	Dec. 31, 2021
Non-current interest-bearing liabilities	1,892	1,953	2,749	2,750	2,752
Non-current lease liabilities	5,001	4,985	4,875	4,570	4,499
Pensions <sup>1</sup>	–	–	–	–	1,386
Current interest-bearing liabilities	874	813	13	14	513
Current lease liabilities	1,449	1,396	1,367	1,359	1,371
Non-current interest-bearing receivables	–195	–193	–191	–195	–196
Non-current interest-bearing receivables, leases	–70	–73	–75	–78	–81
Other non-current receivables <sup>2</sup>	–3,918	–5,866	–4,038	–442	–105
Current interest-bearing receivables	–	–	0	0	0
Current interest-bearing receivables, leases	–11	–11	–11	–11	–11
Cash and cash equivalents	–3,886	–3,809	–4,704	–4,979	–6,242
<b>Net debt</b>	<b>1,137</b>	<b>–806</b>	<b>–15</b>	<b>2,987</b>	<b>3,885</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> The amount is the portion of non-current receivables that is attributable to funded defined-benefit disability pension plans and defined-benefit pension plans measured in accordance with IAS 19.

#### Net debt ratio

Net liability in relation to equity.

#### Net debt excluding leases in accordance with IFRS 16

Interest-bearing liabilities, provision for pensions less cash and cash equivalents, financial investments, financial receivables as described in IAS 19 that are recognized as other non-current receivables and short-term investments.

#### Equity excluding leases in accordance with IFRS 16

Equity excluding effect of leasing in accordance with IFRS 16.

Cont. on next page

Note 8 (cont.)

## Reconciliation with financial statements

SEKm	Dec. 31, 2022	Dec. 31, 2021
Equity as per Statement of financial position	13,744	9,133
Accumulated effect of leases in accordance with IFRS	313	326
<b>Equity excluding leases in accordance with IFRS 16</b>	<b>14,057</b>	<b>9,459</b>

### Net debt ratio excluding leases in accordance with IFRS 16

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

### Financial preparedness

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

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

Total operating income for four quarters.

### Operating capital

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

SEKm	Dec. 31, 2022	Dec. 31, 2021
<b>ASSETS</b>		
Goodwill	2,639	2,582
Other non-current intangible assets	438	475
Property, plant and equipment	8,340	7,422
Right-of-use assets	6,329	5,694
Participations in associated companies	154	159
Other non-current receivables excl. funded disability pensions	242	248
Deferred tax assets	261	23
Inventories	93	83
Tax assets	356	415
Trade receivables	5,481	5,331
Prepaid expenses and accrued income	1,287	1,263
Other current receivables	133	260
Other non-current liabilities	-71	-70
Other provisions	-686	-955
Deferred tax liabilities	-1,317	-200
Trade payables	-3,383	-3,381
Tax liabilities	-476	-202
Other current liabilities	-1,025	-1,227
Accrued expenses and deferred income	-3,529	-4,340
Other provisions	-444	-562
<b>Total capital employed</b>	<b>14,881</b>	<b>13,018</b>

### Return on capital employed (ROCE)

Operating income for a rolling 12-month period, in relation to average operating capital.

### Core staff

Refers to all full- and part-time regular employees.

### Average number of employees (FTE)

The total number of paid employee hours divided by the standard number of hours for a full-time employee during the cumulative period from the beginning of the year. The quarterly figure is calculated by weighting aggregated values such that the most recent quarter is the one most heavily weighted.

## Quarterly data

SEKm, if not otherwise stated	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
<b>The Group</b>									
Net sales	10,947	9,456	10,037	9,772	10,843	9,340	10,323	10,187	10,978
Other operating income	143	221	194	285	294	214	85	360	243
Operating expenses	-11,110	-9,613	-10,016	-9,960	-10,374	-9,231	-9,891	-9,669	-10,378
<i>of which, personnel expenses</i>	-4,469	-3,595	-3,970	-4,059	-4,132	-3,535	-4,049	-4,086	-4,181
<i>of which, transport expenses</i>	-3,306	-3,092	-3,115	-2,952	-2,960	-2,683	-2,757	-2,683	-2,725
<i>of which, other expenses</i>	-2,634	-2,259	-2,268	-2,286	-2,615	-2,366	-2,442	-2,260	-2,772
<i>of which, depreciation and impairments</i>	-702	-667	-661	-664	-666	-647	-643	-640	-700
Operating income (EBIT)	-20	65	214	98	762	323	518	878	843
Operating margin, %	-0.2	0.7	2.1	1.0	7.0	3.4	5.0	8.6	7.7
Adjusted operating income (Adjusted EBIT)	247	108	214	98	653	284	518	805	833
Cash flow from operating activities	1,113	-228	536	225	1,524	518	835	1,134	877
Net debt	1,137	-806	-15	2,987	3,885	3,408	4,140	5,602	8,064
Return on capital employed (ROCE), %	2.6	8.5	10.6	13.0	19.2	19.9	23.0	22.9	18.6
Operating capital	14,881	14,420	13,608	13,568	13,018	12,807	12,794	13,140	12,969
Average number of employees (FTE)	26,322	27,271	26,693	27,015	29,498	28,821	28,258	27,698	28,597
Staffing numbers (basic) at end of period	25,401	25,413	25,690	26,316	26,582	26,596	26,904	26,814	26,501
<b>Volumes, millions<sup>1</sup>:</b>									
Sweden, mail	249	217	239	259	289	246	279	302	326
Denmark, mail	49	41	47	47	53	43	47	52	58
Group, parcels (volumes between countries eliminated)	69	56	61	59	72	58	65	65	73

<sup>1</sup> The data on volumes have been adjusted 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 Report	March 2023
Annual General Meeting	April 25, 2023
Interim report January–March 2023	April 25, 2023
Interim report January–June 2023	July 20, 2023
Interim report January–September 2023	October 27, 2023

### **Contact details**

Björn Bergman  
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 70 70 70 30  
[www.postnord.com](http://www.postnord.com)

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, through the agency of the contact person stated above, for publication at 8.30 CET on February 1, 2023.

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