Quarterly Report 2024

1st quarter 2024
Posten Bring

Message from the CEO

A demanding winter weakened the results

Posten Bring can in the first quarter of this year show continued growth in parcels from online shopping. The revenue is stable, but the result is weaker than at the same time last year.

At the beginning of 2024, our markets have still been characterized by market turmoil due to war in Europe, cost growth, and increased competition. An unusually demanding winter led to higher costs in the network. In addition, the Easter holidays this year fell in the first quarter and resulted in fewer working days compared to the year before.

In the Norwegian economy, we see positive signs. This year's wage settlement ended with a result that indicates increased purchasing power. The central bank of Norway expects the interest rate to remain stable and may be lowered towards the end of the year. Price growth seems to be slowing down, and there is increased activity in the housing market so far in 2024.

The adjusted operating result per 1st quarter of 2024 was negative by MNOK 12, which is MNOK 119 weaker than at the same time last year.

Parcels from online shopping (B2C) as a 12-month trend, increased by 7.8 percent compared to last year, while addressed mail fell by 13.9 percent and unaddressed mail fell by 11.0 percent, measured as a 12-month trend.

To ensure continued competitiveness and profitable growth going forward, a profitability program has been initiated in the group. The goal is to reduce costs by MNOK 1 000 by 2025, compared to the level in 2023. Measures will be implemented in all parts of the group.

The government has appointed an expert committee that will come up with a recommendation on future postal services and whether Posten Bring should be given new tasks in the future to cover other societal needs than postal distribution alone. At the same time, we continue to test various alternatives for the future level of service and whether there are services Posten can perform in our nationwide network that can provide increased social benefit.

We have adopted new, ambitious goals for emission cuts for the group in line with the Science Based Targets initiative (SBTi). By 2030, all our own vehicles will be powered by electricity or biogas, and direct emissions from fuel and electricity consumption will be reduced by 85 percent compared to the level in 2022. In addition, emissions from purchased transport and purchased goods and services will be reduced by 30 percent. By 2040, the goal is net-zero emissions.

Posten Bring shall be leading in innovation and sustainability, and a driving force in the transition to a low-emission society. Therefore, it is gratifying that Posten and Bring in 2024 have been named the industry's most sustainable brands in Norway by the Sustainable Brand Index. Trust is a crucial factor for our business. In the reputation measurement by Tracktion Norway for 2024, Posten comes in 8th place, which shows that the group has a good reputation and high trust in the population.

Sick leave as a 12-month trend showed 6.8 percent, which is 0.2 percentage points higher than at the same time last year. The number of personal injuries went down. The injury frequency as a 12-month trend ended at 6.5, which is lower than the same time last year.

I would like to thank our customers for good cooperation and all employees for their great effort!

Tone Wille
Group CEO

Highlights

The group's revenue in Q1 2024 was MNOK 5 971, an increase of MNOK 44 compared to Q1 2023. The adjusted operating result in Q1 2024 was negative by MNOK 12, a reduction of MNOK 119 compared to Q1 2023.

The Logistics segment ended with an adjusted operating result of MNOK 35 for Q1 2024, which was MNOK 101 lower than for Q1 2023. The result development was characterized by challenging market conditions, with weak market development and a higher cost level throughout the period. In addition, there were challenging weather conditions at the start of the quarter that led to extra costs to keep operations running. Ongoing cost adjustments and the implementation of measures have contributed to keeping the cost development down, despite continued high price growth. The adjusted operating result in the Post segment was MNOK 13 in Q1 2024, which was MNOK 12 better than Q1 2023. The positive result development was driven by good cost development for addressed mail, as well as improved results from parcels delivered to the mailbox.

The operating result (EBIT) in Q1 2024 was negative by MNOK 21, a reduction of MNOK 128 compared to Q1 2023. Right-of-use assets were written down by MNOK 9 in Q1 2024.

The financial result in Q1 2024 was negative by MNOK 71, MNOK 3 weaker compared to Q1 2023. The group had higher interest costs related to loans and lease obligations, as well as unrealized losses related to investments in shares measured at fair value. This was partially offset by higher currency gains and a positive value change related to financial instruments.

The group's result before tax was negative by MNOK 92 in Q1 2024, a reduction of MNOK 131 compared to Q1 2023. The result after tax was negative by MNOK 74, a reduction of MNOK 101 compared to Q1 2023.

The return on equity (ROE) for the last 12 months as of March 31, 2024, was 1.3 percent, an increase of 6.0 percentage points compared to the same period last year. The return on invested capital (ROIC) for the last 12 months as of March 31, 2024, was 5.0 percent, an increase of 1.6 percentage points compared to the same period last year. The increases were due to the weak results in 2022, which are included in the last 12 months as of March 31, 2023. Both the return on equity and the return on invested capital have been reduced from the end of 2023.

Profit development

Q1 2024	Q1 2023		Year 2023
5 971	5 927	Revenue	24 394
436	472	EBITDA	2 316
(12)	107	Adjusted operating profit/(loss)	716
(21)	107	Operating profit/(loss) (EBIT)	599
(71)	(68)	Net financial items	(285)
(92)	39	Profit/(loss) before tax	314
(74)	**27**	**Profit/(loss) after tax**	**178**

Alternative performance measures applied in the quarterly report are described in appendix to the report

Key financial figures

		YTD 2024	YTD 2023	Year 2023
Adjusted profit margin	%	(0,2)	1,8	2,9
Operating profit (EBIT)-margin	%	(0,3)	1,8	2,5
Equity ratio	%	29,7	30,7	29,9
Return on invested capital (ROIC)*	%	5,0	3,3	6,1
Return on equity after tax (ROE)*	%	1,3	(4,7)	3,1
Net interest-bearing debt		6 615	5 712	6 171
Investments, excluding acquisitions		293	331	1 409

Alternative performance measures applied in the quarterly report are described in the appendix to the report

*Last twelve months

Balance sheet

	31.03 2024	31.12 2023
ASSETS		
Non-current assets	13 673	13 447
Current assets	5 930	6 179
Assets	**19 603**	**19 625**
EQUITY AND LIABILITIES		
Equity	5 813	5 876
Provisions for liabilities	1 048	1 018
Non-current liabilities	6 739	6 668
Current liabilities	6 003	6 064
Equity and liabilities	**19 603**	**19 625**

The increase in non-current assets was largely due to investments in terminals, machinery, transport vehicles, and IT-related projects, and increased right-of-use assets.

Current assets were reduced, mainly due to a reduction in customer receivables and a decrease in liquid assets as a result of investments.

The reduction in equity was mainly due to the period's result after tax, partially offset by positive translation differences.

The increase in non-current liabilities was mainly due to an increase in non-current lease obligations.

Short-term liabilities was reduced mainly as a result of a reduction in accounts payables and accrued expenses. The reduction was partially offset by a net increase in certificate loans, short-term lease obligations, and increased use of overdraft facilities.

Cash flows

Q1 2024	Q1 2023		Year 2023
224	168	Cash flows from operating activities	1 760
(226)	(294)	Cash flows used in investing activities	(1 201)
(69)	(436)	Cash flows used in financing activities	(1 337)
(71)	**(562)**	**Change in liquid assets**	**(778)**
1 947	2 683	Liquid assets at the beginning of the period	2 683
5	48	Currency differences	42
1 881	**2 169**	**Liquid assets at the end of the period**	**1 947**

Cash flow from operating activities was positive at MNOK 224 in the first quarter of 2024. This was mainly due to a positive operating result before depreciation. In addition, a reduction in accounts receivables and an increase in accrued wages and holiday pay contributed positively to the development of the cash flow, while a reduction in accounts payables, provision for accrued expenses, and public charges had an offsetting effect.

Net cash flow from investment activities was negative at MNOK 226. This was primarily due to net investments in operating assets.

Cash flow from financing activities was negative at MNOK 69. This was mainly due to payments for the repayment of lease obligations, as well as paid interest, offset by increased use of overdraft facilities.

Market and development per segment

LOGISTICS

The segment consists of the divisions E-Commerce and Logistics, International Logistics and Next. Shelfless is also reported as part of the segment. The E-Commerce and Logistics division is responsible for all parcel products, in addition to piece goods and part loads and home delivery. The International Logistics division is responsible for international freight traffic by road, rail, air, and sea, as well as industrial direct goods and industry solutions for industrial and offshore customers. The Next division drives financial and strategic value development by investing in venture businesses, building its own startup companies, and developing independent companies. Shelfless is an overall solution for efficient and green storage services for companies with online stores.

Q1 2024	Q1 2023		Year 2023
4 728	4 705	Revenue	19 407
342	378	Operating profit before depreciation (EBITDA)	1 764
35	136	Adjusted operating profit/(loss)	689
26	**136**	**Segment operating profit/(loss) (EBIT)**	**559**

The revenue for the Logistics segment was MNOK 4 728 in the first quarter of 2024, an increase of MNOK 23 compared to the same period last year. The growth was mainly driven by increased parcel volume within e-commerce parcels and price increases, but was offset by a decline in the business market and the fact that Easter fell in the first quarter of 2024 as opposed to the second quarter in 2023. The parcel volume within e-commerce increased by 5.9 percent in the first quarter of 2024 compared to the same period last year, and was driven by increased volumes from e-commerce platforms in China. The group's volume for parcels to the business market was reduced by 8.0 percent in the first quarter of 2024 compared to the same period last year. The business market is closely linked to general economic activity, and the decline was due to challenging market conditions. Revenues within freight and forwarding in the first quarter of 2024 were reduced from the same period last year, and were driven by a fall in volume that was only partially offset by price increases towards customers. The decline in services aimed at the business market must be seen in connection with Easter, as well as annual variations related to the start of the spring season.

The adjusted operating result for the Logistics segment was MNOK 35 in the first quarter of 2024, a reduction of MNOK 101 compared to the same period last year. The result development was characterized by both a challenging market and challenging weather conditions in January and February 2024, which led to a high proportion of overtime use. In addition, Easter fell in the first quarter of 2024 with fewer working days with revenue in the period. Ongoing cost adjustments and the implementation of measures have contributed to keeping cost development down, despite continued high price growth.

The operating result (EBIT) was MNOK 26 in the first quarter of 2024, a reduction of MNOK 110 compared to the same period last year. A total of MNOK 9 was written down for right-of-use assets within the Logistics segment in the first quarter of 2024.

MAIL

The segment consists of the division Mail, as well as the Bring Mail Nordic business. Division Mail is responsible for the postal services in Norway (including concessionary services). The postal services consist of the following categories: mail and newspaper delivery, sales and customer service, Post in Store, post offices, mail agents, and the service Norgespakken.

Q1 2024	Q1 2023		Year 2023
1 488	1 406	Revenue	5 835
146	118	Operating profit before depreciation (EBITDA)	788
13	1	Adjusted operating profit/(loss)	294
13	**1**	**Segment operating profit/(loss) (EBIT)**	**307**

The Mail segment increased its revenue in Q1 2024 by MNOK 82, compared to Q1 2023. The volumes of addressed mail continued to decline, with a decrease of 16.6 percent for Q1 2024 measured against the same period last year. The volumes of unaddressed mail fell correspondingly by 15.6 percent. This was offset by an increase in government purchases of unprofitable mandatory postal services which for Q1 2024 were MNOK 105 higher than in the same period last year. Norgespakken also had a positive volume growth of 20.0 percent in Q1 2024 compared to the same period last year, driven by high activity from the online marketplaces.

The adjusted operating result for the Mail segment was MNOK 13 in Q1 2024, an increase of MNOK 12 compared to the same period last year. The positive result development was partly driven by good cost development for addressed mail, as well as improved results from parcels delivered to the mailbox.

The operating result (EBIT) in Q1 2024 was MNOK 13, an increase of MNOK 12 compared to the same period last year.

In Q1 2024, 89.2 percent of addressed mail was delivered within 3 days, against 91.8 percent for the same period last year. The delivery quality ended well above the concession requirement of 85 percent but was affected by challenging weather conditions during the quarter.

Other matters

HSE

Workforce

The group had 12 006 full-time equivalents (FTEs) as of March 31, 2024, a reduction of 10 FTEs compared to the same period last year. The number of FTEs was distributed with 7 898 FTEs in the Logistics segment, 3 674 FTEs in the Mail segment, and the remaining 433 FTEs in the Other segment. In the Logistics segment, there was an increase of 70 FTEs compared to the same period last year, which was partly driven by the hiring of own drivers in the van segment. In the Mail segment, there was a reduction of 88 FTEs, mainly driven by the declining mail volumes.

Sickness Absence and Personal Injuries

Posten Bring has an ambition to maintain a health-promoting work environment where no one is injured or becomes ill as a result of their work. The focus on systematic HSE work has given good results.

In Q1 2024, the sickness absence rate at Posten Bring was 7.3 percent. This was 0.2 percentage points higher than the same period last year. The sickness absence rate as a 12-month trend was 6.8 percent, which is 0.2 percentage points higher than the same period last year. Last autumn was characterized by increasing sickness absence due to high infection pressure in society from influenza, covid-19, and other respiratory infections, but the sickness absence in Q1 2024 has not been as much affected by these types of occurrences. The sickness absence this quarter followed the seasonal trend from 2023, but with a somewhat higher absence.

The total number of personal injuries per million worked hours (H2) was 9.9 in Q1 2024. This was an increase of 0.4 from the same period last year. The number of personal injuries increased from 50 injuries in Q1 2023 to 51 injuries in Q1 2024. The total number of personal injuries in the last 12 months was reduced from 146 per Q1 2023 to 131 per Q1 2024. This corresponds to a reduction of 10.3 percent. The improvement is a result of systematic and non-current work including risk management and an improved safety culture.

Climate and Environment

Posten Bring has decided on new climate goals in line with the Science Based Targets initiative's (SBTi) Net Zero framework. Going forward, the group will reduce greenhouse gas emissions in Scope 1 and 2 by 85 percent and by 30 percent in scope 3 by 2030, measured from 2022. The group will have net zero emissions in 2040 in line with the requirements for emission reductions and residual emissions. At the end of the first quarter, 3 086 of our vehicles were running on renewable energy sources, totaling 52 percent of the group's vehicle fleet.

During the first quarter, the group published an integrated annual report for 2023. We have continued work with the EU's Corporate Sustainability Reporting Directive (CSRD) and are preparing annual reporting for 2024 in accordance with the new regulations.

The climate account for 2023 showed that Posten Bring cut its CO_2 emissions by 12.6 percent from 2022. In total, the group has reduced emissions by 62 percent since 2012. This does not include emissions that have arisen as a result of purchased goods and services as well as investments, which were reported for the first time in 2023.

Regulatory issues

In the state budget for 2024, MNOK 1 490 has been allocated for the state purchase of unprofitable mandatory postal services. The amount corresponds to Posten Bring's preliminary calculations. In addition, MNOK 127 has been allocated in the state budget for the purchase of newspaper distribution on weekdays in the districts.

The Ministry of Transport announced a tender competition in December 2023 for the distribution of newspapers in areas without their own newspaper networks, covering about 40 percent of the country's households. The competition included distribution on three fixed weekdays (Tuesday, Thursday, and Friday) and Saturdays, starting on July 1, 2024, when the current contracts expire. Posten won the tender for weekdays. The contract period is one year, with the possibility for the department to extend for one year.

Outlook

Norway is in a moderate recession, and the growth in GDP for Mainland Norway ended slightly positive (0.7 percent) in 2023. The growth is expected to remain at about the same level in 2024, before picking up again in 2025 (1.6 percent).[1] In Sweden, the GDP development ended slightly negative in 2023, and domestic demand has slowed down. An interest rate cut is expected towards the end of the first half of 2024, and the activity in the Swedish economy is expected to pick up in the second half of 2024 and further in 2025.[2] However, it is expected that the Swedish economy will be in a recession until 2026. There is still high uncertainty related to the economic development where geopolitical events can affect inflation expectations, consumers' purchasing power, and companies' investment capacity.

The challenging macro conditions put pressure on profitability in the entire logistics industry. In the second half of 2024, somewhat better market conditions are expected, driven by a wage settlement where real wage growth is expected, as well as expectations of reduced interest rates and falling inflation. In the long term, a normalization of the growth rate for online shopping is expected in line with the digitalization of society and changed user habits, and online shopping will continue to take market shares from physical trade.

Posten Bring aims to become a leading Nordic logistics player and has growth ambitions in all business areas. To achieve these goals, cost-effective operations are necessary. Therefore, a profitability program has been initiated in 2024 with the goal of cutting costs by MNOK 1 000 by 2025, compared with 2023. The entire group will contribute to the implementation of cost reductions, and cost-reducing measures have been identified both within operations and indirect functions. A competitive cost level will both strengthen the group's competitiveness, enhance profitability, and provide room to invest for growth going forward.

We are working to restructure the postal operations in Norway and adapt the service offering to the digital society and new needs. Mail volumes are expected to continue to fall by about 10-15 percent annually, but current framework conditions provide limited opportunities for further adjustments to postal services. Therefore, in January 2024, the government appointed a committee to look at future postal services, including what types of services should be mandatory, how often mandatory mail is collected and delivered, and what requirements should apply to forwarding time. The committee will also look at whether postal workers can perform other useful tasks for society beyond delivering mail. We are positive about this and the opportunity to serve other societal needs. The committee has been given one year to deliver the report to the Ministry of Transport.

Posten Bring has the ambition to be a driving force in the transition to a low-emission society. The pace of change must be high to continue to lead the development in the industry. We will continue to invest in new technology, new services, parcel boxes, and terminal capacity in a sustainable manner, but the investments will always be adapted to financial capacity.

May 7, 2024

The Board in Posten Bring AS

[1] Konjunkturtendensene (ssb.no)
[2] Konjunkturläget - Konjunkturinstitutet

Financial Report

1st quarter 2024

Posten Bring

Condensed income statement

Q1 2024	Q1 2023		Note	Year 2023
5 971	**5 927**	**Revenue**	**1,2**	**24 394**
2 383	2 465	Costs of goods and services		9 977
2 395	2 219	Payroll expenses		9 062
448	365	Depreciation and amortisation	3,4	1 600
9		Impairment	3,4	139
757	771	Other operating expenses		3 039
5 992	**5 820**	**Operating expenses**		**23 818**
		Other income and (expenses)	6	13
1		Share of profit from associated companies		10
(21)	**107**	**Operating profit/(loss)**	**1**	**599**
(71)	(68)	Net financial items		(285)
(92)	**39**	**Profit/(loss) before tax**		**314**
(18)	12	Tax expense		137
(74)	**27**	**Profit/(loss) after tax**		**178**
(70)	27	Controlling interests		185
(4)		Non-controlling interests		(7)

Condensed statement of comprehensive income

Q1 2024	Q1 2023		Year 2023
(74)	**27**	**Profit/(loss) after tax**	**178**
		Pension remeasurement	(85)
		Items that will not be reclassified to income statement	**(85)**
20	121	Translation differences	114
(1)	(34)	Hedging of net investment	(35)
19	**87**	**Total translation differences**	**79**
(8)	**1**	**Cash flow hedging**	
11	**88**	**Items that will be reclassified to income statement**	**79**
11	**88**	**Other comprehensive income**	**(6)**
(63)	**115**	**Total comprehensive income**	**172**
		Total comprehensive income is distributed as follows:	
(59)	116	Controlling interests	179
(4)		Non-controlling interests	(7)

Condensed balance sheet

	Note	31.03 2024	31.12 2023
ASSETS			
Intangible assets	3	1 980	1 986
Deferred tax asset		345	319
Tangible fixed assets	3	7 162	7 071
Right-of-use assets	4	3 815	3 698
Other financial assets	7	373	373
Non-current assets		**13 673**	**13 447**
Interest-free current receivables		3 959	4 137
Interest-bearing current receivables	7	89	95
Liquid assets	7	1 881	1 947
Current assets		**5 930**	**6 179**
Assets		**19 603**	**19 625**
EQUITY AND LIABILITIES			
Share capital		3 120	3 120
Other equity		2 649	2 709
Non-controlling interests		43	47
Equity		**5 813**	**5 876**
Deferred tax liability		49	49
Other provisions for liabilities		999	969
Provisions for liabilities		**1 048**	**1 018**
Non-current lease liabilities	4	3 200	3 140
Interest-bearing non-current liabilities	5,7	3 500	3 500
Interest-free non-current liabilities	7	38	28
Non-current liabilities		**6 739**	**6 668**
Current lease liabilities	4	949	892
Interest-bearing current liabilities	5,7	846	586
Interest-free current liabilities	7	4 208	4 554
Tax payable			32
Current liabilities		**6 003**	**6 064**
Equity and liabilities		**19 603**	**19 625**

Condensed statement of changes in equity

	Controlling interests							
	Share capital	Share premium reserves	Hedging reserve	Transl. diff	Retained earnings	Other equity	Non-contr. interests	Total equity
Equity 01.01.2024	**3 120**	**992**	**(23)**	**215**	**1 524**	**2 709**	**47**	**5 876**
Profit/(loss) for the period					(70)	(70)	(4)	(74)
Other comprehensive income			(8)	19		11		11
Total comprehensive income			**(8)**	**19**	**(70)**	**(59)**	**(4)**	**(63)**
Equity 31.03.2024	**3 120**	**992**	**(31)**	**234**	**1 453**	**2 649**	**43**	**5 813**

	Controlling interests							
	Share capital	Share premium reserves	Hedging reserve	Transl. diff	Retained earnings	Other equity	Non-contr. interests	Total equity
Equity 01.01.2023	**3 120**	**992**	**(23)**	**136**	**1 423**	**2 529**	**66**	**5 715**
Profit/(loss) for the period					185	185	(7)	178
Other comprehensive income				79	(85)	(6)		(6)
Total comprehensive income				**79**	**100**	**179**	**(7)**	**172**
Dividend							(13)	(13)
Changes in non-contr. interests					1	1	1	2
Equity 31.12.2023	**3 120**	**992**	**(23)**	**215**	**1 524**	**2 709**	**47**	**5 876**

The share capital consisted as of March 31, 2024, of 3 120 000 shares with a nominal value of NOK 1 000 each. The company's shares are wholly owned by the state through the Ministry of Trade, Industry and Fisheries.

Condensed statement of cash flows

Q1 2024	Q1 2023*		Year 2023
(92)	39	Profit/(loss) before tax	314
(45)	(23)	Tax paid in the period	(103)
(11)	(5)	(Gain)/loss from sales of non-current assets and subsidiaries	(15)
458	365	Ordinary depreciation and impairment	1 740
(1)		Share of profit/(loss) from associated companies	(10)
64	47	Net interest reclassified from operating activities	205
(3)	(3)	Financial items without cash-effect	9
54	39	Changes in receivables and payables	(86)
(197)	(280)	Changes in other working capital	(267)
(5)	(12)	Changes in other accruals	(28)
224	**168**	**Cash flows from operating activities**	**1 760**
(290)	(331)	Investments in non-current assets	(1 394)
(2)	(2)	Cash-effect from investments and sales of other shares	(5)
14	7	Proceeds from sales of non-current assets	35
	(2)	Cash-effect from sale of businesses	(6)
		Dividend received from associated companies	5
4	5	Payments related to sublease receivables	19
39	3	Interest received and return on investments	159
10	27	Changes in other financial non-current assets	(15)
(226)	**(294)**	**Cash flows used in investing activities**	**(1 201)**
(243)	(190)	Payment of lease liabilities	(882)
50	500	Proceeds from non-current and current debt raised	2 500
	(799)	Repayment of borrowings	(2 710)
210	107	Decrease/increase in bank overdraft	111
(86)	(54)	Interest paid	(356)
(69)	**(436)**	**Cash flows used in financing activities**	**(1 337)**
(71)	**(562)**	**Change in liquid assets**	**(778)**
1 947	2 683	Liquid assets at the beginning of the period	2 683
5	48	Currency differences	42
1 881	**2 169**	**Liquid assets at the end of the period**	**1 947**

*Interest paid and received for the year 2023 were reclassified from operational activities to investment activities or financing activities, respectively. The comparative figures for the first quarter of 2023 have been restated accordingly.

ADDITIONAL INFORMATION

General

Posten Bring AS was established as a company on December 1, 1996 and is a Norwegian-registered limited liability company with the Norwegian State, represented by the Ministry of Trade, Industry and Fisheries, as its sole shareholder. Posten Bring AS is located at Biskop Gunnerus gate 14, 0001 Oslo, Norway.

The condensed interim report has been prepared in accordance with IFRS® Accounting Standards, as approved by the EU, and is consistent with the applicable accounting standard IAS 34 for interim financial statements. The condensed interim financial statements do not provide complete note disclosures as required for annual financial statements. Accordingly, this report should be read in conjunction with the annual financial statements. The Integrated annual report for 2023 is available at www.postenbring.no.

The information in the condensed interim financial statements has not been audited. The accounts are presented in Norwegian kroner (NOK), rounded to the nearest million, unless otherwise stated.

Accounting principles

The interim financial statements have been prepared in accordance with IFRS, using the same accounting principles and calculation methods as described in the Integrated annual report for 2023.

Standards issued, but not yet effective:

There are no issued standards not yet effective with significant effect on the consolidated financial statements.

Estimates and assessments

Estimates and assessments

In the preparation of the interim financial statements, management has used estimates and assumptions affecting revenues, expenses, assets and liabilities. Areas in which such estimates and assessments can have an impact include goodwill, other intangible assets, tangible fixed assets, right-of-use assets, lease obligations, pensions, provisions and tax.

The sources of uncertainty concerning estimates are the same as for the 2023 financial statements. Future events may result in changes in the estimates, and these changes will be recognised in the accounts once any new estimate has been determined.

NOTES TO THE ACCOUNTS

Note 1 Segments

Posten Bring divides its operations into two operating segments, Logistics and Mail. Ownership functions and joint functions are included in Other.

The operating segments in the group are reported according to areas where operating results are regularly reviewed by Posten Bring's board, so that the board can decide which resources should be allocated to the segment and assess its earnings. Internal revenues are revenue between the segments in the group. Pricing of transactions between the segments is based on normal commercial terms and as if the segments were independent parties.

The segments are further described in the Integrated Report for 2023.

Revenue per segment

Q1 2024	Q1 2023	Revenue	Year 2023
4 592	4 625	External revenue	18 997
136	80	Internal revenue	410
4 728	**4 705**	**Logistics**	**19 407**
1 379	1 302	External revenue	5 398
109	103	Internal revenue	437
1 488	**1 406**	**Mail**	**5 835**
252	297	Internal revenue	1 087
252	**297**	**Other**	**1 087**
(498)	(481)	Eliminations	(1 935)
5 971	**5 927**	**Group**	**24 394**

Profit per segment

Q1 2024	Q1 2023	Operating profit before depreciation (EBITDA)	Year 2023
342	378	Logistics	1 764
146	118	Mail	788
(52)	(23)	Other	(235)
436	**472**	**Group**	**2 316**

Q1 2024	Q1 2023	Adjusted operating profit/(loss)	Year 2023
35	136	Logistics	689
13	1	Mail	294
(60)	(30)	Other	(267)
(12)	**107**	**Group**	**716**

Q1 2024	Q1 2023	Operating profit/(loss) (EBIT)	Year 2023
26	136	Logistics	559
13	1	Mail	307
(60)	(30)	Other	(267)
(21)	**107**	**Group**	**599**

Investments per segment

Investments	YTD 2024	Year 2023
Logistics	261	1 058
Mail	32	351
Group	**293**	**1 409**

Note 2 Revenue

The group's revenue is primarily generated by terminal and transport services of mail, parcels, freight and freight forwarding.

Q1 2024	Q1 2023*)		Året 2023
2 147	2 083	Parcel services	8 817
2 123	2 185	Freight and forwarding	8 818
236	243	Warehousing	955
86	112	Other business in Logistics segment	407
4 592	**4 625**	**External revenue Logistics segment**	**18 997**
718	802	Addressed/Unaddressed mail	3 036
108	95	Norgespakken	441
372	267	Government procurements	1 264
180	138	Other business in Mail segment	656
1 379	**1 302**	**External revenue Mail segment**	**5 398**
5 971	**5 927**	**Revenue**	**24 394**

* In Q4 2023, reallocations have been made between the categories. The comparative figures for Q1-Q3 have been adjusted accordingly

Note 3 Intangible assets and tangible fixed assets

	Intangible assets	Tangible fixed assets
Carrying amount 01.01.2024	**1 986**	**7 071**
Additions	34	258
Disposals		(2)
Cost price adjustments/scrapping		(15)
Depreciations	(44)	(162)
Translation differences	3	12
Carrying amount 31.03.2024	**1 980**	**7 162**

Investments in owned assets as of March 31, 2024, amounted to MNOK 293. Investments in intangible assets were primarily related to IT solutions. Of the MNOK 258 invested in tangible fixed assets, about MNOK 73 concerned buildings and real estate, while the remaining primarily concerned terminal equipment, vehicles, and other operating equipment.

A total of MNOK 261 of investments concerned the Logistics segment.

Note 4 Leases

The following amounts related to lease agreements are included in the balance sheet:

	31.03 2024	31.12 2023
Right-of-use assets	**3 815**	**3 698**
Non-current lease liabilities	3 200	3 140
Current lease liabilities	949	892
Lease liabilities	**4 150**	**4 032**

The following amounts related to lease agreements are included in the income statement:

Q1 2024	Q1 2023		Year 2023
242	198	Depreciation	881
9		Write-downs	0
42	33	Interest expense on lease liabilities	148

Note 5 Interest-bearing non-current and current liabilities

The group's interest-bearing liabilities include:

	31.03 2024	31.12 2023
Bond loans	3 500	3 500
Interest-bearing non-current liabilities	**3 500**	**3 500**
Non-current liabilities to credit institutions due within one year	111	111
Certificate loans	250	200
Other interest-bearing non-current liabilities	485	275
Interest-bearing current liabilities	**846**	**586**

There were no changes in interest-bearing non-current liabilities as of March 31, 2024, compared to the year-end. The group had six outstanding bond loans as of March 31, 2024.

Total certificate loans amounted to MNOK 250 as of March 31, 2024, an increase of MNOK 50 from the year-end. As of March 31, 2024, MNOK 485 had been drawn on the group's overdraft facility. There was nothing drawn on the group's credit facility.

The weighted average interest rate on Posten Bring's interest-bearing liabilities was 4.9 percent as of March 31, 2024, and was unchanged from the year-end.

Note 6 Other income and expenses

Other revenues and other expenses are significant revenues and expenses that are outside the group's normal operations and are considered to have limited predictive value. This includes restructuring costs and gains and losses on the sale of non-current assets and subsidiaries.

Q1 2024	Q1 2023		Year 2023
		Restructuring costs	13
		Total other income and (expenses)	**13**

Restructuring costs in 2023 mainly concerned reversed provisions for the closure of post offices and the relocation of mail production and route preparation from Bodø and Tromsø to Østlandsterminalen. The reversal was mainly due to a lower withdrawal rate than previously estimated.

Note 7 Fair value measurement

When calculating the fair value of financial assets and liabilities, methods and assumptions as well as a hierarchy for fair value are used in accordance with previous years. This is further described in the Integrated Annual Report for 2023.

The group had the following financial assets and liabilities measured at fair value as of March 31, 2024:

		At fair value (FV)			At amortised cost		
	Level	Fair value over profit or loss	Derivatives at fair value over profit or loss	Derivatives at fair value over OCI	Receiv-ables	Other financial liabilities	31.03.2024
Assets							
Interest-bearing non-current receivables					52		52
Other financial non-current assets	2	221		1	30		251
Interest-free current receivables	2			2	3 957		3 959
Interest-bearing current receivables					89		89
Liquid assets	2	1 740			141		1 881
Financial assets							**6 233**
Liabilities							
Non-current lease liabilities						3 200	3 200
Interest-bearing non-current liabilities						3 500	3 500
Interest-free non-current liabilities	2			38		1	38
Current lease liabilities						949	949
Interest-bearing current liabilities						846	846
Interest-free current liabilities, incl. tax payable	2			10		4 198	4 208
Financial liabilities							**12 742**
Total value hierarchy level 1 (net)		1 740					1 740
Total value hierarchy level 2 (net)		221		(44)			176
Total value hierarchy level 3 (net)							

The group had the following financial assets and liabilities measured at fair value as of December 31, 2023:

		At fair value (FV)			At amortised cost		
	Level	Fair value over profit or loss (FVO)	Derivatives at fair value over profit or loss	Derivatives at fair value over OCI	Receiv-ables	Other financial liabilities	31.12.2023
Assets							
Interest-bearing non-current receivables					54		54
Other financial non-current assets	2	222		1	26		249
Interest-free current receivables	2			2	4 134		4 137
Interest-bearing current receivables					95		95
Liquid assets	2	1 835			112		1 947
Financial assets							**6 482**
Liabilities							
Non-current lease liabilities						3 140	3 140
Interest-bearing non-current liabilities						3 500	3 500
Interest-free non-current liabilities	2			28		1	28
Current lease liabilities						892	892
Interest-bearing current liabilities	2					586	586
Interest-free current liabilities, incl. tax payable	2			15		4 571	4 586
Financial liabilities							**12 732**
Total value hierarchy level 1 (net)		1 835					1 835
Total value hierarchy level 2 (net)		222		(39)			183
Total value hierarchy level 3 (net)							

Level 1: Listed prices

Level 2: Other observable input, directly or indirectly

Level 3: Non-observable input

There have been no transfers between the levels in the fair value hierarchy since last year.

Note 8 Changes in the group's structure

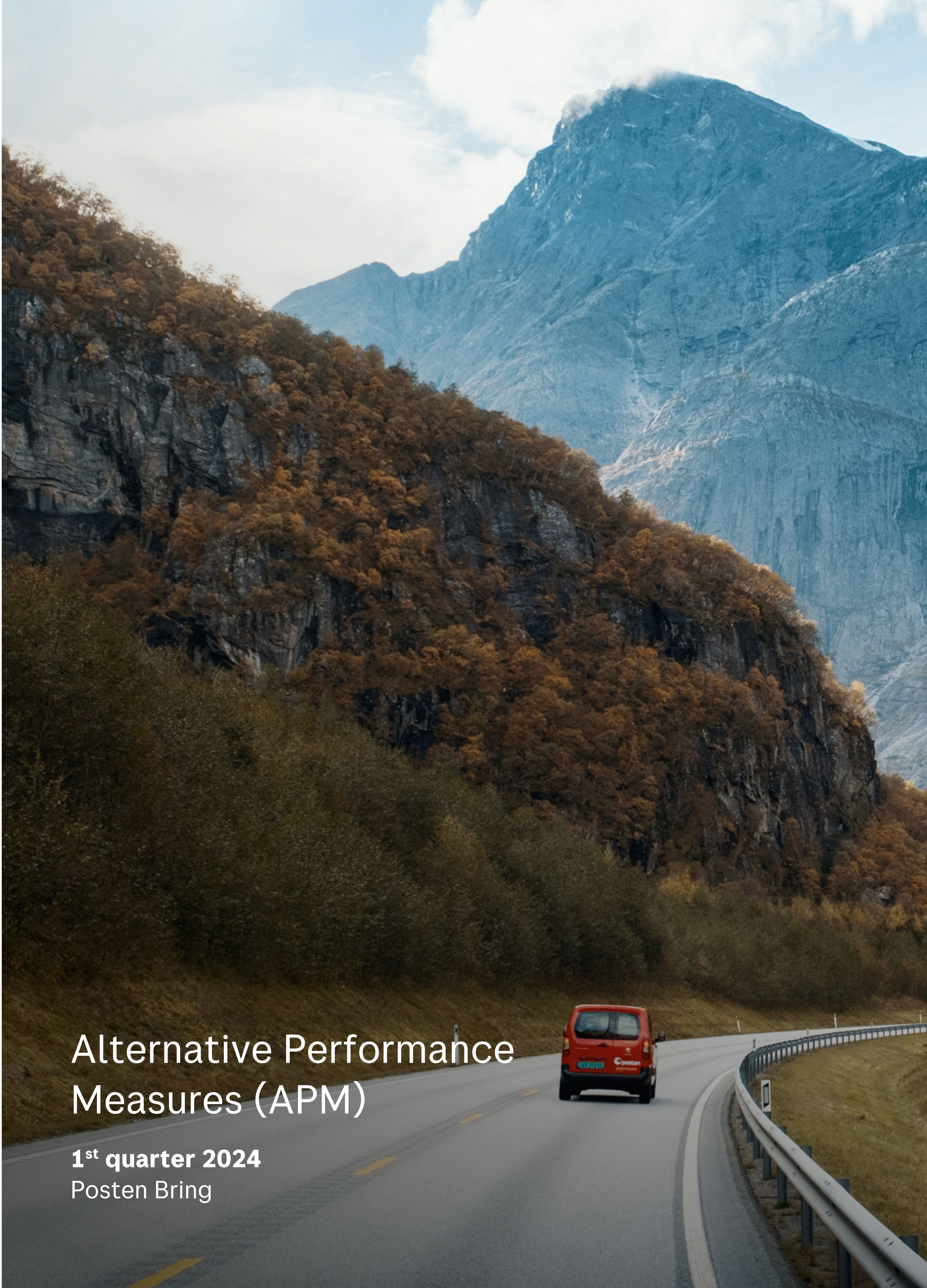
There have been no significant purchases or sales in Q1 2024.

There have also been no other significant changes in the group's structure during Q1 2024.

Note 9 Events after the reporting period

In April 2024, a profitability program was communicated with the goal of reducing costs by MNOK 1 000 by 2025, compared with 2023. The entire group will contribute to the implementation of cost reductions, and cost-reducing measures have been identified both within operations and indirect functions.

One of the measures to be implemented is an offer of a gift pension to a limited number of employees in indirect functions. More information about this will be provided towards the end of Q2 2024, and it is not yet possible to estimate future obligations.



Alternative Performance Measures (APM)

1st quarter 2024
Posten Bring

Alternative performance measures

The group's financial information is prepared in accordance with international accounting standards (IFRS). In addition, information is provided on alternative performance measures (APM) that are regularly monitored by management to improve the understanding of the results. The alternative performance measures presented may be defined differently by other companies.

In the following, the group's performance measures and other metrics used in the annual and quarterly reports are discussed.

Operating profit before depreciation (EBITDA), adjusted operating profit/(loss), operating profit/(loss) (EBIT)

The group's management monitors the group's financial situation through the use of common metrics (KPIs) and metrics that show revenues and expenses related to the group's ordinary operational activities. The alternative measures used in reporting to the group management consist of earnings excluding items with limited predictive value.

Profit/loss before depreciation, financial items and tax (EBITDA) is an important financial parameter for the group and forms the basis for "adjusted operating profit/loss". The adjusted operating profit/ loss is EBITDA before impairments and other and other income and expenses but includes depreciation. Operating profit/loss (EBIT) includes the group's impairments, other income and expenses, and income from associated companies.

The metrics are useful for users of Posten Bring's financial information, including management, the board and external parties. It allows users of the financial information to assess the operating profit based on variable ongoing items, as it excludes, among other things, restructuring costs, significant gains and losses on non-ordinary sales of fixed assets, as well as other income or expenses outside the group's normal operations that are considered to have limited predictive value. It is also assumed that the metrics provide an opportunity for a more comparable evaluation of operating profit relative to the group's competitors.

		YTD 2024	YTD 2023	Year 2023
+	Revenue	5 971	5 927	24 394
-	Costs of goods and services	2 383	2 465	9 977
-	Payroll expenses	2 395	2 219	9 062
-	Other operating expenses	757	771	3 039
=	**EBITDA**	**436**	**472**	**2 316**

		YTD 2024	YTD 2023	Year 2023
+	EBITDA	436	472	2 316
-	Depreciation	448	365	1 600
=	**Adjusted operating profit/(loss)**	**(12)**	**107**	**716**

		YTD 2024	YTD 2023	Year 2023
+	Adjusted operating profit/(loss)	(12)	107	716
/	Revenue	5 971	5 927	24 394
=	**Adjusted profit margin**	**(0,2%)**	**1,8 %**	**2,9 %**

		YTD 2024	YTD 2023	Year 2023
+	Adjusted operating profit/(loss)	(12)	107	716
-	Impairment	9		139
+/-	Other income and (expenses)			13
+	Share of profit or loss from associated companies	1		10
=	**EBIT**	**(21)**	**107**	**599**

		YTD 2024	YTD 2023	Year 2023
+	EBIT	(21)	107	599
/	Revenue	5 971	5 927	24 394
=	**EBIT margin**	**(0,3 %)**	**1,8%**	**2,5%**

Net interest-bearing debt (NIBD) and liquidity reserve

A primary objective in the group's financial guidelines is to ensure that the group has financial flexibility. Financial flexibility allows the business to operationalize strategies and achieve its goals. The group shall at all times have adequate access to capital to cover normal fluctuations in the group's liquidity needs, refinancing risk and normal expansion without individual projects triggering a need for special financing measures, i.e. adequate resources to realise the group's approved strategies.

Net interest-bearing debt and the liquidity reserve are indicators of the group's liquidity and are closely followed up by the group's centralised finance function. The liquidity reserve is also an individual target that can be applied to assess the group's liquidity requirements.

Net interest-bearing debt consists of both current and non-current interest-bearing debt reduced by fixed income fund, cash and cash equivalents. The group has covenants in connection with external financing. Compliance with the covenants is calculated on the basis of the group's accounting figures, of which net liabilities/EBITDA is one. The debt ratio shows the share of equity related to both current- and non-current debt. The group's liquidity reserve includes all assets available to finance operations and investments. It is split between amounts available according to agreements in the short and long term and is a useful target figure in considering whether the group has adequate liquidity to achieve the group's approved strategy.

		31.03 2024	31.03 2023	31.12 2023
+	Interest-bearing non-current liabilities	6 701	4 711	6 640
+	Interest-bearing current liabilities	1 795	3 170	1 478
-	Fixed income funds	1 740	2 063	1 835
-	Cash	1	1	1
-	Bank deposits	139	105	111
=	**Net interest-bearing debt/(receivables)**	**6 615**	**5 712**	**6 171**

		31.03 2024	31.03 2023	31.12 2023
+	Net interest-bearing debt/(receivables)	6 615	5 712	6 171
/	Equity on the balance sheet date	5 813	5 832	5 876
=	**Debt/equity ratio**	**1,1**	**1,0**	**1,1**

		31.03 2024	31.03 2023	31.12 2023
+	Net interest-bearing debt/(receivables)	6 615	5 712	6 171
/	EBITDA last twelve months	2 280	1 789	2 316
=	**Net interest-bearing debt/(receivables)/EBITDA**	**2,9**	**3,2**	**2,7**

		31.03 2024	31.03 2023	31.12 2023
+	Fixed income funds	1 740	2 063	1 835
+	Bilateral credit facilities	2 337	3 529	2 248
-	Certificate loans	250	1 250	200
=	**Long-term liquidity reserve**	**3 827**	**4 342**	**3 883**

		31.03 2024	31.03 2023	31.12 2023
+	Long-term liquidity reserve	3 827	4 342	3 883
+/-	Deposits outside group account	139	105	111
+	Bank overdraft not utilised[1)]	516	230	225
=	**Short-term liquidity reserve**	**4 482**	**4 676**	**4 219**

1) In connection with changing the group's corporate bank, the group had overdraft facilities in two banks as of March 31, 2024

Invested capital and return on invested capital (ROIC)

The group creates value for the owners by investing cash today that contributes to increased cash flows in the future. The group's value is created as long as the business grows and achieves a higher return on its invested capital (ROIC) than the cost of capital (WACC). Return on invested capital is an internationally recognized return measure that shows whether the invested capital from the operation itself provides sufficient return. The group follows up this return measure in internal reporting, and this is one of the goals in the group management's bonus program.

The items included in the calculation of invested capital are shown below:

		31.03 2024	31.03 2023	31.12 2023
+	Intangible assets	2 041	2 108	2 055
+	Tangible fixed assets	10 475	9 419	10 230
+	Current assets	6 028	6 884	6 193
-	Total liquid assets	2 073	2 985	2 226
-	Interest-bearing current assets	102	118	107
-	Interest-free current liabilities	4 341	4 333	4 380
+	Tax payable	10	5	4
+	Dividends and group contributions	1	101	1
=	**Invested capital**	**12 037**	**11 079**	**11 770**

*Last twelve months

		31.03 2024	31.03 2023	31.12 2023
+	Last 12 months' accumulated adjusted operating profit	597	368	716
/	Invested capital	12 037	11 079	11 770
=	**Return on invested capital (ROIC)**	**5,0 %**	**3,3 %**	**6,1 %**

Other alternative performance measures

The group uses and presents certain other independent performance measures. These are performance measures that are considered useful for the market and users of the group's financial information. The group's return on equity is also followed up by the owner. These metrics are shown in the table below:

		YTD 2024	YTD 2023	Year 2023
+	Total investments in owned tangible fixed assets	293	333	1 411
-	Investments due to aquisitions		2	2
=	**Investments before aquisitions**	**293**	**331**	**1 409**

		31.03 2024	31.03 2023	31.12 2023
+	Profit after tax last 12 months	77	(306)	178
/	Average equity on balance sheet date*	5 822	6 546	5 795
=	**Return on equity after tax (ROE)**	**1,3%**	**(4,7%)**	**3,1%**

*(OB+CB)/2

		31.03 2024	31.03 2023	31.12 2023
+	Equity on balance sheet date	5 813	5 832	5 876
/	Equity and liabilities (total capital)	19 603	19 023	19 625
=	**Equity ratio**	**29,7 %**	**30,7 %**	**29,9 %**