



Quarterly Report



4th quarter 2021
Posten Norge

Message from the CEO

2021 was another record-year for the Posten Group. Never before have we delivered as many parcels, and the operating result ended at the same level as 2020's strong result. Increased e-commerce and the effects of the Corona pandemic characterised the fourth quarter and the year as a whole. The Group succeeded well in managing the pandemic and maintained good operations with high quality throughout the year. The competence and engagement of the group's employees were key to the Group's progress.



Adjusted operating profit was MNOK 1 525 compared with MNOK 1 423 in 2020. Adjusted operating margin was 6,2 percent compared with 5,9 in 2020. The strong result was mainly due to growth in packages from online shopping and increased cost efficiency in operations. Parcel volumes from e-commerce increased by 20,9 percent in 2021. Other logistic areas also experienced solid growth and improved profitability. We expect further growth in 2022, but at more normalised levels. In the Mail segment the mail volumes continue to fall. Addressed mail volumes declined by 11,3 percent and unaddressed mail by 0,5 percent in 2021. Towards the end of 2021, Frigoscandia AB (formerly Bring Frigo AB) and its subsidiaries was sold.

We are implementing a number of measures in order to realise the Group's three strategic main goals.

The customers' first choice. Our customers are more satisfied than ever. Measured customer satisfaction (KTI) was 71 for the whole Group, compared with 70 in 2020. Customer loyalty measured in Net Promotor Score (NPS) was 51,2 in 2021 compared with 47,7 in 2020.

In the fourth quarter, parcel box number 1 000 was sited in Norway. The new parcel boxes, which are open 24 hours a day, have brought us even closer to the customers, and both recipients and web stores have achieved greater freedom of choice.

In 2021, new terminals were opened in Førde and Tromsø, and a new terminal is being planned in Bergen. During the next four years we will invest 3-4 billion kroner in terminals and increased capacity in Norway.

In Sweden, we have started to co-operate with Early Bird AB on deliveries of parcels to the letter box. Early Bird co-ordinates parcel deliveries with newspaper distribution during the night.

Leading in technology and innovation. We are maintaining our high rate of innovation and development. The wholly-integrated warehouse solution "Shelfless", enabling quicker and greener deliveries, has been established in Norway and Sweden. There are also plans to establish the service in Denmark.

At the year-end, Digipost had 2,7 million users. The Norwegian Digitalisation Agency has calculated the effect of the digital letter box to be more than 1 billion kroner since the start in 2015. For the private sector, the gain is probably much higher.

Best in sustainable value creation. In 2021, we launched a new climate and environmental strategy and set new ambitious climate targets in line with the Paris agreement and with the approval of the Science Based Targets initiative (SBTi). Posten is one of a few Norwegian companies to follow SBT's framework with quantitative goals in accordance with what science believes is required to honour the Paris agreement. We are implementing a number of measures resulting in significant CO2 reductions on our way towards achieving zero emissions from the entire operations before 2050. Posten, as the first Nordic logistics operator, issued green bonds for 1 billion kroner in the fourth quarter. The money will be used to invest in green projects providing long-term value for society.

The Group's main goals are **made possible by competent and engaged employees**. During 2021, we attached considerable importance to infection control and followed the authorities' advice. This resulted in relatively low absence due to sickness. Towards the end of the year, the absence due to sickness increased slightly and ended at 6,0 percent for the year. The number of injuries increased in 2021 and the injury frequency, H2, ended at 9,3. We worked determinedly and continuously with measures during the whole of 2021 to reduce the number of injuries, and in the fourth quarter the trend showed some improvement.

I wish to thank to all employees, leaders and employee representatives who have made great efforts throughout 2021 and contributed to strong results and positive customer experiences.

Tone Wille / Group CEO

Main features

The Group's revenue in the fourth quarter 2021 was MNOK 6 778, an increase of 2,5 percent compared with the fourth quarter 2020. Organic growth in the quarter was 4,7 percent. Adjusted operating profit in the quarter was MNOK 314, a decline of MNOK 291 compared with 2020.

The Group's revenue in 2021 was MNOK 24 716, an increase of MNOK 720 compared with 2020. Organic growth was 5,3 percent. Adjusted operating profit in 2021 was MNOK 1 525, an improvement of MNOK 102 compared with 2020.

The Logistics segment's strong result in 2021 was due to high e-commerce volumes and considerable profitability improvement. No tangible fixed assets were depreciated in Frigoscandia Sweden (formerly Bring Frigo Sweden) in 2021 as the sub-group was classified as 'held for sale' in the accounts. This resulted in approximately MNOK 178 in reduced depreciation in 2021.

The Mail segment's volumes declined as expected in 2021. The negative volume fall was partly offset by improved profitability from the restructuring of the letter network and growth in the service "Norgespakken".

The operating result (EBIT) in 2021 was MNOK 1 462, a reduction of MNOK 23 compared with 2020. The operating result in the quarter was MNOK 239, a decline of MNOK 294 compared with 2020. Towards the end of 2021, Frigoscandia AB (formerly Bring Frigo AB) and its subsidiaries was sold to the German investment company Mutares Holding-49 GmbH. Held for sale assets were written down by MNOK 64 before the sale. In addition, transaction costs of MNOK 11 were recognised as a loss from the sale. In 2020, a gain on the sale of Danske Fragtmænd A/S amounting to MNOK 110 was taken to income.

The financial result in 2021 was MNOK 32 higher than in 2020. This was mainly due to valuation changes in financial instruments and lower interest costs.

The Group's profit before tax was MNOK 1 352 in 2021, an improvement of MNOK 8 compared with 2020. Profit after tax was MNOK 1 058, a reduction of MNOK 65 compared with 2020.

Return on equity (ROE) in 2021 was 14,5 percent, a reduction of 1,9 percentage points compared with 2020. Return on invested capital (ROIC) in 2021 was 16,4 percent, an improvement of 2,3 percentage points compared with 2020.

Profit development (unaudited)

Q4 2021	Q4 2020		Year 2021	Year 2020
6 778	6 614	Revenue	24 716	23 996
640	966	EBITDA	2 765	2 886
314	605	Adjusted operating profit	1 525	1 423
239	533	Operating profit (EBIT)	1 462	1 485
(31)	(25)	Net financial items	(109)	(141)
209	508	Profit before tax	1 352	1 344
195	453	Profit after tax	1 058	1 123

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

See condensed financial statements

Key financial figures (unaudited)

		Year 2021	Year 2020
Adjusted profit margin	%	6,2	5,9
Operating profit (EBIT) margin	%	5,9	6,2
Equity ratio	%	39,7	37,5
Return on invested capital/ROIC*	%	16,4	14,1
Return on equity (after tax)*	%	14,5	16,4
Net interest-bearing debt (receivable)		2 376	1 027
Investments, excluding acquisitions		1 062	700

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

*Last twelve months

Balance sheet (unaudited)

	31.12 2021	31.12 2020
ASSETS		
Non-current assets	11 266	10 644
Current assets	7 077	7 826
Held for sale assets		1 173
Assets	18 342	19 643
EQUITY AND LIABILITIES		
Equity	7 273	7 367
Provisions for liabilities	725	797
Non-current liabilities	4 195	3 639
Current liabilities	6 149	6 667
Held for sale liabilities		1 174
Equity and liabilities	18 342	19 643

The increase in non-current assets was mainly due to goodwill additions of MNOK 194 in connection with the purchase of 75% of the shares in DreamLogistics AB and its subsidiaries. Other changes in non-current assets concern investments in terminals, machinery and IT related projects.

Current assets were reduced primarily as a consequence of reduced liquid funds after the payment of dividends from Posten Norge AS amounting to MNOK 1 060. Other current receivables increased as a result of higher activity in the Group in 2021 than in 2020.

The reduction in equity was due to the dividend payment by Posten Norge AS, partly offset by a positive result in 2021.

The increase in non-current liabilities was mainly due to the issue of green bonds of MNOK 1 000. In addition a bond loan of MNOK 350 was reclassified to current liabilities, and down-payments of debt were made to credit institutions.

Current liabilities reduced primarily due to the payment of a bond loan of MNOK 1 000, partly offset by the reclassification of a bond loan of MNOK 350 from non-current to current and new certificate loans of net MNOK 200.

Frigoscandia AB and its subsidiaries was sold on 27 December 2021. As at 31 December 2021, the Group no longer had any held for sale assets or liabilities.

Cash flows (unaudited)

Q4 2021	Q4 2020		Year 2021	Year 2020
667	1 028	Cash flows from operating activities	1 837	2 607
(525)	(194)	Cash flows used in investing activities	(1 189)	(299)
(260)	(470)	Cash flows used in financing activities	(1 823)	(1 630)
(119)	364	Change in liquid assets	(1 175)	677
3 600	4 305	Liquid assets at the beginning of the period	4 680	3 912
(33)	11	Currency differences	(57)	91
3 448	4 680	Liquid assets at the end of the period incl. held for sale	3 448	4 680
	(47)	Liquid assets classified as held for sale		(47)
3 448	4 633	Liquid assets at the end of the period	3 448	4 633

Cash flows from operating activities were positive in 2021, mainly due to the positive operating result before depreciation. Paid taxes, increased trade receivables, reduced trade payables and public duties payable reduced cash flows from operations.

The negative net cash flows from investing activities in 2021 were primarily a result of net investments in operating equipment and the purchase of the Dream Group.

Cash flows used in financing activities in 2021 concerned ordinary instalments on leasing obligations and paid dividends.

Market and development per segment (unaudited)

LOGISTICS

The segment comprises the divisions E-Commerce and Logistics in addition to International Logistics. Holdings & Ventures also reports as part of the segment. Division E-Commerce and Logistics is responsible for all standardised parcel products for e-commerce customers, in addition to groupage and part loads, warehouses in Norway and the service area home deliveries in the Nordics. Division International Logistics is responsible for industrial direct freight and industry solutions for manufacturing and offshore customers. Holdings & Ventures shall maximise the value of portfolio companies and venture investments in the Nordics and includes the Group's thermo operations and express services.

Q4 2021	Q4 2020		Year 2021	Year 2020
5 566	5 144	Revenue	19 952	18 571
605	798	Operating profit before depreciation (EBITDA)	2 308	2 316
387	536	Adjusted operating profit	1 477	1 268
313	445	Segment operating profit (EBIT)	1 415	1 285

The Logistics segment's revenue increased by MNOK 1 381 (7,4 percent) in 2021. Organic growth was 10,6 percent. The growth in e-commerce to private consumers and home deliveries was the strongest driver in the segment in 2021, to a large degree caused by changed shopping habits as a consequence of the Corona pandemic. The growth in e-commerce volume in 2021 was 20,9 percent compared with 2020. The demand in the corporate market picked up as infection controls eased, and the growth in parcels to the corporate market was 3,9 percent in 2021.

Adjusted operating profit for the Logistics segment was MNOK 1 477 in 2021, an increase of MNOK 209 compared with 2020. In addition to increased volumes, profitability improved as a result of cost-effective operations and development of services. The reduction in operating result in the fourth quarter compared with the same period in 2020 was due to an increase in operating costs and a turn towards services with higher cost-levels in the period. No tangible fixed assets in Frigoscandia Sweden were depreciated in 2021 due to the held for sale classification of the sub-group in the accounts. This resulted in approximately MNOK 178 in reduced depreciation in 2021.

The operating profit (EBIT) was MNOK 1 415 in the 2021, MNOK 130 higher than the same period last year. The increase was due to improved operating profit in 2021 compared with 2020, mainly as a consequence of the reduced depreciation. Towards the end of 2021, the Group's thermo operations in Frigoscandia AB and its subsidiaries were sold. Held for sale assets were written down by MNOK 64 and transaction costs of MNOK 11 were expensed.

MAIL

The segment comprises the division Mail. Division Mail is responsible for the traditional postal services in Norway (including those requiring a licence) such as flexible services to private customers and addressed and unaddressed mail distribution to the corporate market in Norway.

Q4 2021	Q4 2020		Year 2021	Year 2020
1 535	1 661	Revenue	5 620	6 041
202	277	Operating profit before depreciation (EBITDA)	667	710
101	186	Adjusted operating profit	287	326
101	185	Segment operating profit (EBIT)	286	371

The Mail segment's revenue fell by MNOK 421 (7,0 percent) in 2021 due to the continued volume falls in addressed mail. The volume of addressed mail declined by 11,3 percent in 2021, whereas the unaddressed mail volume was relatively stable with a reduction of 0,5 percent compared with 2020. "Norgesposten" had positive revenue growth in 2021 of 2,1 percent compared with 2020.

Adjusted operating profit for the Mail segment was MNOK 287 in 2021, a reduction of MNOK 39 compared with 2020. The result in the fourth quarter 2020 was affected by the recalculation of the government procurements for 2019 of MNOK 104 that was

paid in December 2020. Throughout 2021, addressed mail had a positive cost development as a consequence of the restructuring of the postal infrastructure. In addition, the service “Norgespakken” had a positive result development due to volume growth.

The operating result (EBIT) in 2021 was MNOK 286, a reduction of MNOK 85 compared with 2020. In 2020, restructuring costs of MNOK 76 were reversed, of which MNOK 106 related to reduced distribution frequency.

In the fourth quarter 2021, 92,0 percent of addressed mail was delivered within 3 days. The result for the year 2021 was 93,2 percent compared with 92,5 in 2020. Both the fourth quarter and the year ended well above the licence requirement of 85 percent.

Other matters

HSE

Workforce

The Group's workforce as at 31 December 2021 was 12 711 full-time equivalents, a reduction of 424 full-time equivalents compared with the same period in 2020. The reduction was mainly due to the sale of businesses, offset by increased activity and the purchase of businesses. The reduction primarily concerned the Logistics segment

Absence due to sickness and injuries

Posten's ambition is to maintain a working environment focusing on health where nobody gets injured or sick as a consequence of their work. The Group's focus on systematic HSE initiatives has had positive results in the last years.

In the fourth quarter 2021, absence due to sickness in the Group was 6,5 percent, 0,7 percentage points higher than in the same period in 2020. The increase was caused by Corona-related absence. After a positive development early in the year with levels below the preceding years, the number of sick days due to Corona increased significantly towards the end of 2021. Absence due to sickness for 2021 ended at 6,0 percent, the same level as in 2020.

The total number of injuries per million worked hours (H2) was 8,0 in the fourth quarter of 2021, a reduction of 0,6 from the same period in 2020. The number of injuries in the fourth quarter declined from 50 in 2020 to 47 in 2021. The fourth quarter showed a positive trend even though the number of injuries for the year increased from 156 in 2020 to 200 in 2021.

The Group is working determinedly and continuously with measures to reduce the number of injuries, and this is emphasised in personnel follow-up. The follow-up is rooted in long-term and systematic measures that shall build and maintain a good security culture and ensure awareness of risky behaviour that can cause accidents.

The external environment

The Group's goal is to be best in sustainable value creation. As the first Nordic logistics operator, Posten issued green bonds for 1 billion kroner in the fourth quarter and is committed to using the money only on "green projects". A green framework has been prepared, reviewed and approved by Cicero, defining what can be considered green investments for Posten. The financing will be an important contribution to adjusting the vehicle park and proactively promoting a more sustainable society.

In 2021, Posten launched a new climate and environmental strategy and set new ambitious climate objectives in line with the Paris agreement and with the approval of the Science Based Targets initiative (SBTi). The strategy and ambitions towards 2030 encompass significant emission reductions also for the Group's transport suppliers. A condition for achieving this goal is transitioning vehicles to fossil-fuel free distribution, requiring competitive and emission-free alternatives. Posten is actively contributing to this development through requirements in its purchase processes and co-operation within the industry.

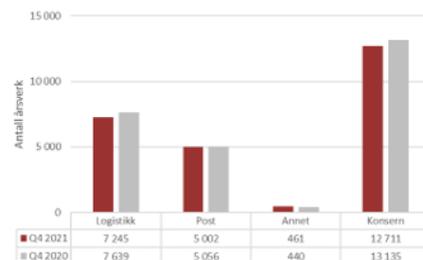
Regulatory issues

In the government budget for 2022, MNOK 755 was granted for government procurements of commercially non-viable postal services. The amount is in accordance with Posten's pre-calculations. In addition, MNOK 127,6 was allocated to Posten for newspaper distribution in the rural districts in accordance with the agreement with the Ministry of Transport and Communication after a tender competition and the Ministry's exercising of the option on an extension through June 2023.

MNOK 566 in government procurements of commercially non-viable postal services and bank services in the rural districts was taken to income for 2021. The amount was in line with the Parliament's grant.

For 2020, Posten received MNOK 449 in government procurements of commercially non-viable postal services. In line with the agreement and Posten's recalculation, MNOK 58,5 (incl. MNOK 0,5 in interest) in lower net costs was paid back to the authorities in December 2021. MNOK 28 was provided for in 2020 and MNOK 30 in 2021, giving a reduction of income in 2021.

Posten appealed the national communication authority's (Nkom) decision of April 2021 which, based on the Postal Act section 33, instructs Posten to give PostNord access to zone keys to entrance doors and letter box facilities in apartment buildings. The Ministry of Transport upheld Nkom's decision on 6 January 2022.



Future prospects

The Corona pandemic dominated both the Norwegian as well as the international economy in 2021. The beginning of 2022 brought renewed infection and national infection control measures. Despite the vaccination of the population, there is still considerable uncertainty about the Corona situation and to what extent it will affect the economic developments both in Norway and internationally. The GNP for inland Norway is estimated to have increased by approximately 4,1 percent in 2021, the same as is estimated for 2022.¹ In Sweden, the estimate is a growth of approximately 4,9 percent in 2021 and 3,5 percent in 2022.²

The uncertainty regarding the growth estimates is considerable. The Corona pandemic has resulted in challenges to the global supplier chains, and delays in deliveries from Asia are expected to continue in 2022. This puts additional pressure on global logistics and can affect Posten in terms of missing and delayed operating equipment, disruptions to deliveries of goods to customers, and under-capacity in the European drivers' market.

The economic developments and the changed customer behaviour are important indicators for the development of the logistics services. The Corona pandemic and resulting lockdowns have contributed to high parcel volumes both within and outside traditional high seasons for logistics and parcels. Continued growth is expected in the years to come, at more normalised levels as the restrictions are eased. New operators and business models will affect the competitive situation for Posten in the time to come. The demand in the corporate market was back at normal levels in the second half-year 2021, and this is expected to continue. More cost-effective operations have brought considerably improved profitability in the Logistics segment.

The Mail segment has maintained good result margins through structural measures and ongoing improvements, despite the continued fall in mail volumes which have been further reinforced by the Corona pandemic. The present regulatory framework, however, offers limited opportunities for additional adjustments of the mail services, and the combination of expected volume falls and the lack of opportunities for adjustments will challenge profitability in the segment in the years to come.

Posten's goal is to be the customers' first choice, leading in technology and innovation and best in sustainable value creation. The expectations of growth and the shift towards higher demand for parcels and logistics services are speeding up the need to develop further the logistics network, and will require considerable investments in the years to come. New and extended customer needs will require that Posten continues to renew and develop services and concepts. In 2021, the Group's new warehouse solution Shelfless was launched. The service was introduced in Norway in the beginning of 2021 as the first phase of an extensive Nordic launch. Through the acquisition of the e-fulfilment company DreamLogistics AB and its subsidiaries in October 2021 and the opening of a new Shelfless warehouse in Stockholm, the service will be extended to Sweden in 2022. The next step will be to introduce the service in Denmark. As part of giving the customers greater freedom of choice, Posten has now sited parcel boxes in more than 1 000 locations in Norway. The service has been well received, and Posten plans to double the number of parcel box locations during 2022.

¹ Ssb.no, Kunjunkturtendensene 2021/12:

<https://www.ssb.no/nasjonalregnskap-og-konjunkturer/konjunkturer/statistikk/konjunkturtendensene>

² konj.se, Konjunkturläget december 2021:

<https://www.konj.se/download/18.10535f7c17db81574dd3f47b/1640074614038/KLDec2021.pdf>



Financial Report



4th quarter 2021
Posten Norge

Financial report

4th quarter 2021 Posten Norge

Condensed income statement

Q4 2021	Q4 2020		Note	Year 2021	Year 2020
6 778	6 614	Revenue	1	24 716	23 996
2 892	2 645	Costs of goods and services		10 369	9 937
2 335	2 274	Payroll expenses		8 600	8 523
326	361	Depreciation and amortisation	2,3	1 240	1 463
65	116	Write-downs	2,3	68	169
910	728	Other operating expenses		2 983	2 650
6 529	6 125	Operating expenses		23 260	22 742
(11)	42	Other income/expenses	5	3	119
2	2	Share of profit from associated companies		3	112
239	533	Operating profit	1	1 462	1 485
(31)	(25)	Net financial items		(109)	(141)
209	508	Profit before tax		1 352	1 344
14	55	Tax expense		294	221
195	453	Profit after tax		1 058	1 123
194	456	Controlling interests		1 051	1 119
1	(2)	Non-controlling interests		7	4

Condensed statement of comprehensive income

Q4 2021	Q4 2020		Year 2021	Year 2020
195	453	Profit after tax	1 058	1 123
12	(61)	Pension remeasurement	12	(61)
12	(61)	Items that will not be reclassified to income statement	12	(61)
(96)	(44)	Translation differences	(160)	63
6	4	Hedging of net investment	26	(46)
(90)	(40)	Total translation differences	(134)	17
(2)	1	Cash flow hedging	1	(5)
(92)	(39)	Items that will be reclassified to income statement	(133)	12
(80)	(101)	Other comprehensive income	(121)	(50)
115	352	Total comprehensive income	937	1 073
		Total comprehensive income is distributed as follows:		
114	355	Controlling interests	930	1 069
1	(2)	Non-controlling interests	7	4

Condensed balance sheet

	Note	31.12 2021	31.12 2020
ASSETS			
Intangible assets	2	2 079	1 823
Deferred tax asset		179	282
Tangible fixed assets	2	5 743	5 409
Right-of-use assets	3	2 981	2 854
Other financial assets	6	283	275
			10
Non-current assets		11 266	644
Interest-free current receivables	6	3 530	3 067
Interest-bearing current receivables	6	99	125
Liquid assets	6	3 448	4 633
Current assets		7 077	7 826
Assets held for sale	7		1 173
			19
Assets		18 342	643
EQUITY AND LIABILITIES			
Share capital		3 120	3 120
Other equity ¹⁾		4 104	4 237
Non-controlling interests		49	9
Equity		7 273	7 367
Provisions for liabilities		725	797
Non-current lease liabilities	3, 6	2 570	2 515
Interest-bearing non-current liabilities	4, 6	1 618	1 108
Interest-free non-current liabilities	6	7	16
Non-current liabilities		4 195	3 639
Current lease liabilities	3, 6	667	625
Interest-bearing current liabilities	4, 6	969	1 411
Interest-free current liabilities	6	4 294	4 420
Tax payable		218	210
Current liabilities		6 149	6 667
Liabilities held for sale	7		1 174
			19
Equity and liabilities		18 342	643

1) Includes accumulated positive translation differences and hedging reserves related to held for sale operations

Condensed statement of changes in equity

	Controlling interests							Non-contr. interests	Total equity
	Share capital	Share premium reserves	Hedging reserve	Transl. diff.	Retained earnings	Other equity			
Equity 01.01.2021	3 120	992	(7)	283	2 969	4 237	9	7 367	
Profit for the period					1 051	1 051	7	1 058	
Other comprehensive result			1	(134)	12	(121)		(121)	
Total comprehensive result			1	(134)	1 063	930	7	937	
Dividend					(1 060)	(1 060)	(7)	(1 067)	
Transaction non-contr. interests							38	38	
Other changes in equity					(3)	(3)	1	(2)	
Equity 31.12.2021	3 120	992	(6)	149	2 969	4 104	49	7 273	

	Controlling interests							Non-contr. interests	Total equity
	Share capital	Share premium reserves	Hedging reserve	Transl. diff.	Retained earnings	Other equity			
Equity 01.01.2020	3 120	992	(1)	279	1 907	3 177	66	6 363	
Profit for the period					1 119	1 119	4	1 123	
Other comprehensive result			(5)	17	(61)	(50)		(50)	
Total comprehensive result			(5)	17	1 057	1 069	4	1 073	
Changes in non-contr. interests					(8)	(8)	(61)	(69)	
Other changes in equity				(13)	13				
Equity 31.12.2020	3 120	992	(7)	283	2 969	4 237	9	7 367	

As at 31 December 2021, the share capital consisted of 3 120 000 shares at a nominal value of NOK 1 000. All the company's shares are owned by the Norwegian State, represented by the Ministry of Trade, Industry and Fisheries.

At the Annual Shareholders' Meeting in June 2021, it was decided to distribute a dividend of MNOK 1 060, as proposed by the Board. The dividend was paid in the third quarter 2021.

Condensed statement of cash flows

Q4 2021	Q4 2020		Year 2021	Year 2020
209	508	Profit before tax	1 352	1 344
5	(31)	Tax paid in period	(189)	(165)
(5)	(64)	(Gain)/loss from sales of tangible fixed assets	(22)	(73)
391	477	Ordinary depreciation and write-downs	1 308	1 632
(2)	(2)	Share of profit from associated companies	(3)	(112)
41	6	Financial items without cash flow effect	135	57
(73)	178	Changes in receivables and payables	(280)	30
180	36	Changes in other working capital	(254)	278
(41)	(59)	Changes in other accruals	(84)	(280)
2	24	Interest received	51	105
(40)	(45)	Interest paid	(177)	(209)
667	1 028	Cash flows from operating activities	1 837	2 607
(342)	(270)	Investments in non-current assets	(1 062)	(700)
(187)	(49)	Cash-effect from purchase of businesses	(187)	(97)
		Cash-effect from purchases and sales of other shares	(44)	
14	47	Proceeds from sales of non-current assets	88	133
1	100	Cash-effect from sale of businesses	30	28
		Cash-effect from sale of associated companies		364
(11)	(22)	Changes in other financial non-current assets	(14)	(27)
(525)	(194)	Cash flows used in investing activities	(1 189)	(299)
(229)	(215)	Payment of lease liabilities	(857)	(851)
150	(100)	Proceeds from non-current and current debt raised	1 200	
(56)	(156)	Repayment of borrowings	(1 111)	(779)
(126)		(Decrease)/increase in bank overdraft	5	
		Dividends paid	(1 060)	
(260)	(470)	Cash flows used in financing activities	(1 823)	(1 630)
(119)	364	Change in liquid assets	(1 175)	677
3 600	4 305	Liquid assets at the beginning of the period	4 680	3 912
(33)	11	Currency differences ¹⁾	(57)	91
3 448	4 680	Liquid assets at the end of the period incl. held for sale	3 448	4 680
	(47)	Liquid assets classified as held for sale		(47)
3 448	4 633	Liquid assets at the end of the period	3 448	4 633

1) Currency differences are presented on a separate line and numbers from Q3 2020 have been reclassified.

SELECTED ADDITIONAL INFORMATION**General**

Posten Norge AS was established as a company on 1 December 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 Norge AS' address is Biskop Gunnerus gate 14, 0001 Oslo, Norway.

This condensed interim report has been prepared in accordance with the IFRSs (International Financial Reporting Standards) as approved by the EU and complies with the prevailing accounting standard IAS 34 for interim financial reporting. The condensed interim financial accounts 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.

Accounting principles

The interim financial statements have been prepared in accordance with IFRS, with the same accounting principles as stated in the 2020 annual report.

Standards issued, but not yet effective:

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

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 2020 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.

The annual report for 2020 is available at www.postennorge.no

NOTES TO THE ACCOUNTS

Note 1 Segments

Posten Norge's operations are divided into two segments, Logistics and Mail. Owner function and shared functions are allocated to Other.

The Group's segments are reported by areas whose operating results are regularly reviewed by Posten's Board. The objectives are to enable the Board to decide which resources should be allocated to the segment and to assess its earnings. Internal revenues are revenue between segments in the Group. The pricing of transactions between segments is based on normal commercial terms and conditions as if the segments were independent parties.

The segments are described in more detail in the 2020 annual report.

Revenue per segment

Q4 2021	Q4 2020	Revenue	Year 2021	Year 2020
5 377	5 079	External revenue	19 562	18 354
188	65	Internal revenue	390	216
5 566	5 144	Logistics	19 952	18 571
1 401	1 535	External revenue	5 154	5 641
135	126	Internal revenue	467	400
1 535	1 661	Mail	5 620	6 041
324	297	Internal revenue	1 439	1 295
324	297	Other	1 439	1 295
(647)	(488)	Eliminations	(2 295)	(1 911)
6 778	6 614	Group	24 716	23 996

Revenue categories

Q4 2021	Q4 2020	Deliveries over time*	Year 2021	Year 2020
2 262	2 184	Parcel services	7 943	7 176
2 421	2 235	Freight and forwarding	9 189	8 638
883	724	Other logistics business	2 819	2 757
5 566	5 144	Logistics	19 952	18 571
969	1 094	Addressed/unaddressed mail	3 715	4 025
143	128	Government procurements	536	523
128	142	Norgespakke	393	385
295	298	Other mail business	976	1 107
1 535	1 661	Mail	5 620	6 041
324	297	Other	1 439	1 295
(647)	(488)	Eliminations	(2 295)	(1 911)
6 778	6 614	External revenue	24 716	23 996

*Some of the Group's services are delivered at a certain time. These services are not separated from revenue delivered over time as they are considered to be immaterial.

Operating result (EBIT) per segment

Q4 2021	Q4 2020		Year 2021	Year 2020
		Operating profit before depreciation (EBITDA)		
605	798	Logistics	2 308	2 316
202	277	Mail	667	710
(167)	(107)	Other	(210)	(137)
640	966	Group	2 765	2 886

Q4 2021	Q4 2020		Year 2021	Year 2020
		Adjusted operating profit		
387	536	Logistics	1 477	1 268
101	186	Mail	287	326
(174)	(117)	Other	(238)	(170)
314	605	Group	1 525	1 423

Q4 2021	Q4 2020		Year 2021	Year 2020
		Operating profit (EBIT)		
313	445	Logistics	1 415	1 285
101	185	Mail	286	371
(174)	(97)	Other	(239)	(170)
239	533	Group	1 462	1 485

Investments per segment

	Year 2021	Year 2020
Investments		
Logistics	895	552
Mail	167	146
Other		3
Group	1 062	700

Note 2 Intangible assets and tangible fixed assets

	Intangible assets	Tangible assets
Carrying amount 01.01.2021	1 823	5 409
Additions	190	875
Additions from acquisitions of companies	202	13
Disposals		(75)
Disposals from sales of companies		(25)
Cost price adjustments/scrapping		(2)
Depreciation	(109)	(436)
Write-downs		(4)
Translation differences	(28)	(12)
Carrying amount 31.12.2021	2 079	5 743

Investments in owned assets in 2021 amounted to MNOK 1 062, of which investments in IT-related solutions constituted MNOK 187. Approximately MNOK 317 of the MNOK 875 invested in tangible fixed assets related to buildings and property, and the rest mainly comprised terminal equipment, vehicles and other operating equipment. MNOK 899 of total investments concerned the Logistics segment. In the fourth quarter, the Group acquired 75% of the Swedish company DreamLogistics AB and its subsidiaries. The purchase amount for the enterprise was MSEK 208. The excess paid over net fair value on acquisition was allocated to goodwill in its entirety and was recognised at MNOK 194 as of 31 December 2021.

Note 3 Leases

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

	31.12 2021	31.12 2020
Right-of-use assets	2 981	2 854
Non-current lease liabilities	2 570	2 515
Current lease liabilities	667	625
Lease liabilities	3 237	3 140

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

Q4 2021	Q4 2020		Year 2021	Year 2020
186	206	Depreciation	695	842
64	5	Write-downs	64	12
30	32	Interest expense on lease liabilities	120	132

Note 4 Interest-bearing non-current and current liabilities

The Group's interest-bearing liabilities include:

	31.12 2021	31.12 2020
Bond loans	1 000	350
Liabilities to credit institutions	611	757
Other non-current liabilities	7	1
Interest-bearing non-current liabilities	1 618	1 108
First year's instalment on bond loans	350	1 000
First year's instalment on non-current liabilities	111	111
Certificate loans	500	300
Other current liabilities	8	
Interest-bearing current liabilities	969	1 411

In the fourth quarter, bonds amounting to 1 billion kroner were issued. They were issued as green bonds, and Posten is committed to use the loan on "green projects" exclusively.

Certificate loans increased by net MNOK 200 in 2021.

As at 31 December 2021, MNOK 5 was utilised of the Group's bank overdraft. None of the Group's other overdraft facilities had been utilised. The average interest rate on Posten's outstanding interest-bearing liabilities was 1,70 percent as at 31 December 2021.

Note 5 Other income and expenses

Other income and expenses comprise significant income and costs of limited predictive value and include restructuring costs, significant gain and loss from ordinary sales of non-current assets in addition to other income or costs outside the Group's normal operations considered to have limited predictive value.

Q4 2021	Q4 2020		Year 2021	Year 2020
		Restructuring costs(-)	14	76
		Gain/(loss) from the sale of tangible fixed assets 53 etc.		54
(11)	(11)	Other income/(expenses)	(11)	(11)
(11)	42	Other income and (expenses)	3	119

Restructuring costs in 2021 mainly related to a reversed provision for restructuring in Bring Cargo Inrikes, where the criteria for a provision no longer applied. Restructuring costs in 2020 concerned a reversal of a provision (cost reduction) for reduced distribution frequency of MNOK 106, partly offset by restructuring costs connected with the closure of several post offices.

Gain from the sale of tangible fixed assets in 2020 mainly concerned the sale of Bring Freight Forwarding AB and operations in Bring Åkeri AB.

Other expenses in the fourth quarter 2021 related to sales costs in connection with the sale of Frigoscandia Sweden (formerly Bring Frigo Sweden). Note 7 has more information. Other expenses in 2020 mainly comprised costs in connection with the preparation of the sale of Frigoscandia Sweden.

Note 6 Fair value measurement

The fair value of financial assets and liabilities is calculated in line with the methods and assumptions, as well as the fair value hierarchy, used in previous years. This is described in more detail in the 2020 annual report.

The Group had the following financial assets and liabilities measured at fair value as at 31 December 2021:

	Level	At fair value (FV)		At amortised cost		31.12.2021
		Fair value over profit or loss*	Derivatives at fair value over profit or loss	Derivatives at fair value over OCI	Receivables	
Assets						
Interest-bearing non-current receivables					51	51
Other financial non-current assets	1, 2	90	90		21	201
Interest-free current receivables	2			12	3 518	3 530
Interest-bearing current receivables					99	99
Liquid assets					3 448	3 448
Financial assets						7 328
Liabilities						
Non-current lease liabilities						2 570
Interest-bearing non-current liabilities	2	389				1 229
Interest-free non-current liabilities	2			6		2
Current lease liabilities						667
Interest-bearing current liabilities						969
Interest-free current liabilities, incl. tax payable	2			1		4 512
Financial liabilities						10 344
Total value hierarchy level 1 (net)		1				1
Total value hierarchy level 2 (net)		(300)	90	6		(204)
Total value hierarchy level 3 (net)						

* Includes fair value option for interest-bearing non-current liabilities

The Group had the following financial assets and liabilities measured at fair value as at 31 December 2020:

	At fair value (FV)			At amortised cost		31.12.2020
	Level	Fair value over profit or loss*	Derivatives at fair value over profit or loss	Derivatives at fair value over OCI	Receivables	
Assets						
Interest-bearing non-current receivables					57	57
Other financial non-current assets	2		126	7	57	189
Interest-free current receivables	2			2	3 064	3 067
Interest-bearing current receivables					125	125
Liquid assets					4 633	4 633
Financial assets						8 072
Liabilities						
Non-current lease liabilities						2 515
Interest-bearing non-current liabilities	2	424				683
Interest-free non-current liabilities	2		2	11		2
Current lease liabilities						625
Interest-bearing current liabilities						1 411
Interest-free current liabilities, incl. tax payable	2		3	7		4 620
Financial liabilities						10 306
Total value hierarchy level 1 (net)						
Total value hierarchy level 2 (net)		(424)	120	(9)		(313)
Total value hierarchy level 3 (net)						

* Includes fair value option for interest-bearing non-current liabilities

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 7 Changes in the Group's structure

Acquisitions

In the fourth quarter, the Group acquired 75% of the Swedish company DreamLogistics AB and its subsidiaries, leaving the remaining 25% with the existing shareholders. The final purchase amount for the shares was MSEK 208. No significant excess values related to assets, customer relations or branded goods were identified, and the excess paid over net fair value on acquisition was allocated to goodwill in its entirety.

Sale

Frigoscandia Sweden

In December 2020, the Group introduced the sub-group Frigoscandia Sweden (formerly Bring Frigo Sweden) for sale in the market. At year-end 31 December 2020, Frigoscandia Sweden was classified as held for sale in the balance sheet.

On 18 November 2021, a sales agreement was made between Posten Norge AS and Mutares Holding-49 GmbH on the sale of the sub-group. The sale comprised Frigoscandia AB (formerly Bring Frigo AB) with subsidiaries. The sale was carried out on 27 December 2021.

The sales price of the sub-group was MSEK 20 (MNOK 19,5). The carrying value of net assets in the sub-group (including translation differences) amounted to MNOK 84. Due to the size of the bid, the held for sale assets were written down MSEK 65 (MNOK 64). In addition, transaction costs of MNOK 11 were recognised as a loss on the sale. The transaction costs are included in Other income and expenses.

Frigoscandia Sweden was part of the Logistics segment, operating an international network for temperate logistics in Sweden, Denmark, Finland, the Netherlands, France and Norway. This comprises means of transport for temperate transport, refrigerated and frozen storage and terminals designed for the transport of goods in a temperature-controlled network. In 2021, Frigoscandia had revenues of approximately 2,6 billion Swedish kroner.

	27.12.2021
Sales amount	19
Book value of net assets after write-downs	80
Loss/final settlement	(62)
Translation differences reclassified to the income statement	62
Total loss	
Transaction costs classified as other income and expenses	11

Other changes

There were no other significant changes to the Group's structure.

Note 8 Impact of the Corona pandemic

Note 26 in the 2020 annual report describes the effects of the Corona pandemic, including the effect on operating income and result, write-downs of non-financial assets, financial risk and other changes in sources of estimation uncertainty.

As at 31 December 2021, the Corona pandemic had lasted for nearly two years, and the end of the year brought renewed increased infection and national infection control measures.

In total, the Posten Group has not experienced significant negative financial consequences from the Corona pandemic. The pandemic has probably caused permanent changes in shopping habits. Increased digitalisation and increased e-commerce have given volume growth and profit improvement for the Logistics segment, and the growth in e-commerce volumes was also high in periods when society reopened. The corporate market picked up as infection control measures were eased. For the Mail segment, the pandemic has as expected accelerated the volume fall, especially for addressed mail. The pandemic has, on the other hand, resulted in higher volumes for the service "Norgespakken" which has had a positive result development driven by both volume growth and profitability during the pandemic.

There is still uncertainty related to the consequences of the Corona pandemic and how much it will affect the economic trends in Norway as well as internationally. In addition to significant volume fluctuations, the pandemic has led to challenges in the global supply chains, with delays and congestion in the networks. The lack of goods, delays in deliveries to businesses, and under-capacity in the European drivers' market have contributed to increased costs for the Posten Group.

Posten performed impairment tests for 2021. On the basis of this year's result for the Mail and Logistics segments and underlying forecasts, no impairment indicators for non-financial assets were identified in 2021.

Alternative Performance Measures



Alternative Performance Measures

4th quarter 2021 Posten Norge

Alternative Performance Measures

The Group's financial information has been prepared in accordance with international accounting standards (IFRSs). In addition, information is given about alternative performance measures that are regularly reviewed by management to improve the understanding of the result. The alternative performance measures presented may be defined differently by other companies.

The Group's performance measures, and other target figures applied in the annual and half-yearly reports are described below.

Organic growth

Organic growth provides the Group's management, Board and other users of the financial information the opportunity to analyse the underlying operational growth.

	Year 2021	Year 2020
+ Revenue (current year)	24 716	23 996
- Revenue (last year)	23 996	24 212
= Nominal change in revenue	721	(216)

	Year 2021	Year 2020
+ Nominal change in revenue	721	(216)
+/- Impact of exchange rates	307	(516)
+/- Acquisitions of companies	(81)	
+/- Sale of companies*	329	868
+/- Change in government procurements	(13)	96
= Organic change in revenue	1 262	232

*Adjustment of revenue for sold business

	Year 2021	Year 2020
+ Organic change in revenue	1 262	232
/ Adjusted revenue*	23 666	23 575
= Organic growth	5,3%	1,0 %

*Adjustment of revenue for currency effects, acquisitions and government procurement

Alternative Performance Measures

4th quarter 2021 Posten Norge

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

Group management follows the Group's financial situation by using common target figures (KPIs) and target figures showing income and expenses related to the Group's ordinary operations. The alternative target figures applied in the reports to Group management comprise earnings excluding items of limited predictive value.

Profit before depreciation, financial items and tax (EBITDA) is an important financial parameter for the Group and the basis for the term 'Adjusted operating profit'. The adjusted operating profit is EBITDA before write-downs and other income and expenses but includes depreciation. Operating profit (EBIT) includes the Group's write-downs, other income and expenses, and income from associated companies and joint ventures.

The target figures are valuable for the users of Posten's financial information, including management, the Board and external parties. They give the users of the financial information the opportunity to assess the operating result on the basis of variable current items, as restructuring costs, significant gain and loss from sales of non-current assets and other income costs outside the Group's normal business considered to have limited predictive value are excluded. It is also assumed that the target figures contribute to a more comparable evaluation of the operating results of the Group's competitors.

	Year 2021	Year 2020
+ Revenue	24 716	23 996
- Costs of goods and services	10 369	9 937
- Payroll expenses	8 600	8 523
- Other operating expenses	2 983	2 650
= EBITDA	2 765	2 886

	Year 2021	Year 2020
+ EBITDA	2 765	2 886
- Depreciation	1 240	1 463
= Adjusted operating profit	1 525	1 423

	Year 2021	Year 2020
+ Adjusted operating profit	1 525	1 423
/ Revenue	24 716	23 996
= Adjusted profit margin	6,2 %	5,9 %

	Year 2021	Year 2020
+ Adjusted operating profit	1 525	1 423
- Write-downs	68	169
+/- Other income and (expenses)	3	119
+ Share of profit or loss from associated companies	3	112
= EBIT	1 462	1 485

	Year 2021	Year 2020
+ EBIT	1 462	1 485
/ Revenue	24 716	23 996
= EBIT margin	5,9 %	6,2 %

Alternative Performance Measures

4th quarter 2021 Posten Norge

Net interest-bearing debt (NIBD) and liquidity reserve

A primary objective of the Group's financial guidelines is to secure financial freedom of action for the Group. Such freedom makes it possible for the enterprise to operationalise strategies and reach 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 rate without the need for special financing measures triggered by individual projects, 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 comprises both current and non-current interest-bearing debt, less commercial financial investments and 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. Net liabilities/EBITDA is one such covenant. The debt/equity 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 current or non-current agreements and is a useful target figure in considering whether the Group has adequate liquidity to achieve the Group's approved strategy.

	31.12 2021	31.12 2020
+ Interest-bearing non-current liabilities	4 187	3 623
+ Interest-bearing current liabilities	1 636	2 037
- Commercial financial investments	3 338	3 468
- Cash	4	16
- Bank deposits corporate cash-pool account		1 091
- Bank deposits	106	59
= Net interest-bearing debt/(receivables)	2 376	1 027

	31.12 2021	31.12 2020
+ Net interest-bearing debt/(receivables)	2 376	1 027
/ Equity on the balance sheet date	7 273	7 367
= Debt/equity ratio	0,3	0,1

	31.12 2021	31.12 2020
+ Net interest-bearing debt/(receivables)	2 376	1 027
/ EBITDA last twelve months	2 765	2 886
= Net interest-bearing debt/(receivables)/EBITDA	0,9	0,4

	31.12 2021	31.12 2020
+ Commercial financial investments	3 338	3 468
+ Syndicate facility	1 998	2 932
- Certificate loans	500	300
= Non-current liquidity reserve	4 836	6 100

	31.12 2021	31.12 2020
+ Non-current liquidity reserve	4 836	6 100
+/- Deposits on group account		1 091
+/- Deposits outside group account	106	59
+ Bank overdraft not utilised	495	500
= Current liquidity reserve	5 437	7 749

Invested capital and return on invested capital (ROIC)

The Group is creating value for the owners by investing cash today that contributes to increased cash flows in the future. Value is generated as long as the business is growing and achieves a higher return on its invested capital (ROIC) than the cost of capital (WACC). It is a useful tool to measure whether the investments generate adequate return.

Items included in the calculation of invested capital are shown below:

	31.12 2021	31.12 2020
+ Intangible assets	1 870	1 921
+ Tangible fixed assets	8 329	9 112
+ Current assets	7 429	7 873
- Total liquid assets	4 116	4 087
- Interest-bearing current assets	99	87
- Interest-free current liabilities	4 406	4 755
+ Tax payable	218	129
+ Dividends and group contributions	80	(1)
= Invested capital	9 305	10 106

*Last twelve months

	31.12 2021	31.12 2020
+ Last 12 months' accumulated adjusted operating profit	1 525	1 423
/ Invested capital	9 305	10 106
= Return on invested capital (ROIC)	16,4 %	14,1 %

Other alternative performance measures

The Group uses and presents other individual performance measures considered to be useful for the market and the users of the Group's financial information. These measures are shown in the table below:

	Year 2021	Year 2020
+ Total investments in owned tangible fixed assets	1 278	752
- Investments due to acquisitions	215	52
= Investments before acquisitions	1 062	700
	31.12 2021	31.12 2020
+ Profit after tax last 12 months	1 058	1 123
/ Average equity on balance sheet date*	7 320	6 865
= Return on equity after tax (ROE)	14,5 %	16,4 %

*(OB+CB)/2

	31.12 2021	31.12 2020
+ Equity on balance sheet date	7 273	7 367
/ Equity and liabilities (total capital)	18 342	19 643
= Equity ratio	39,7 %	37,5 %