Quarterly Report 2023

3rd quarter 2023
Posten Bring

Message from the CEO

Posten Bring has seen greater growth in parcels from e-commerce than comparable companies over the past nine quarters. We deliver good services, are operating well and deliver high quality that enable us to win customers.

We have continued to develop our corporate strategy with a clear ambition to be a leading Nordic logistics operator. We will continue to build Nordic market positions and culturally develop into a Nordic organisation. Our four main goals are to be: the customer's first choice, at the forefront of technology and innovation, best at sustainable value creation and the most attractive workplace.

As of the third quarter, our markets are still challenging, with cost growth and increased competition. Continued high inflation and higher interest rates are affecting the Group's costs. There is uncertainty about the economic development and how long the inflation will remain high. The uncertainty in the market affects private purchasing power and the Group's income.

Adjusted operating profit so far this year totalled MNOK 501, which is MNOK 80 better than at the same time last year. Parcels from online shopping (B2C) as a 12-month trend increased by 8,5 percent compared with last year, while addressed and unaddressed mail fell by 11,9 and 5,3 percent, respectively, measured as a 12-month trend.

We have increased productivity and cost efficiency, particularly in the Norwegian network. The storm "Hans" hit Norway in August and led to closed roads and train routes, which resulted in delays and car for train. Customers have given good feedback on the handling of "Hans" and how alternative solutions were established. Despite the challenges, the delivery quality for addressed mail in the third quarter was 91,1 percent, which is above the requirement of 85 percent delivered within three days.

Customer loyalty is high. Measured as Net Promotor Score (NPS), customer loyalty in the third quarter was 53,7, compared with 53,1 at the same time last year. In Ipsos' reputation survey 2023, both Posten and Bring have improved their overall impression. Posten is ranked 10th among the best liked large Norwegian companies, while Bring is ranked 23rd.

Parcel boxes are being deployed at a rapid pace in both Sweden and Norway. A research project conducted by the Institute of Transport Economics (TØI) shows that CO2 emissions are reduced by 30 percent when delivered to parcel boxes instead of home delivery.

Posten Bring has passed a milestone, as we now deliver parcels and mail with emission-free vehicles to half of Norway's population. Cities such as Oslo, Skien and Porsgrunn became fully electric in the third quarter. We are also investing in the conversion of heavy vehicles to electricity. Posten Bring is now starting to establish its own national charging infrastructure to enable heavy transport on electricity. In Denmark, 34 new charging points have been opened.

Posten Bring was the winner of NHO Logistics and Transport's Environmental Award 2023 for having worked systematically, invested, and achieved a great deal in the transition to the green shift, and continues the goal-oriented work.

In Køge, Denmark, Shelfless has opened a new facility with an autostore that enables same-day delivery to two million Danes. In Norway, Shelfless opens a new facility in Lørenskog in the fourth quarter.

We are investing for further growth. In Jönköping, the first sod was turned for Bring's largest terminal in Sweden, which will be completed in 2025 and provide three times the capacity of the current terminal.

Absence due to sickness as a 12-month trend was 6,6 percent, the same level as the same time last year. The number of personal injuries decreased and the injury frequency as a 12-month trend ended at 5,9 percent, which is lower than at the same time last year.

I wish to thank our customers for good cooperation and all employees for their hard work!

Tone Wille
Group CEO

Highlights

The Group's revenue in the third quarter 2023 was MNOK 5 748, an increase of MNOK 193 compared with the third quarter 2022. Adjusted operating profit in the third quarter 2023 was MNOK 273, an increase of MNOK 139 compared with the third quarter 2022.

The Group's revenue so far in 2023 was MNOK 17 671, an increase of MNOK 664 compared with the same period last year. Organic growth so far this year was 0,7. Adjusted operating profit so far in 2023 was MNOK 501, an increase of MNOK 80 against the same period last year.

Results in the Logistics segment so far in 2023 declined compared with the same period last year, mainly due to a weak market development and a higher cost level caused by factors like high inflation in the period.

The result development in the Mail segment so far in 2023 was positively affected by high import volumes and currency effects, in addition to increased efficiency in the network.

Operating profit (EBIT) so far in 2023 was MNOK 401, an increase of MNOK 335 compared with the same period last year. So far in 2023, assets have been written down by MNOK 107 of which MNOK 101 concerned write-downs of goodwill in the Logistics segment (note 3 has more information). Other income/costs so far last year had a negative balance of MNOK 357, mainly related to the recognition of a pension obligation of MNOK 307 (the "Sliter scheme" decided in the 2018 wage agreement).

The financial result so far in 2023 was negative by MNOK 198, MNOK 8 weaker compared with the same period last year. Interest costs increased so far in 2023 compared with the same period last year, but this was partly offset by higher unrealised gains on fund investments.

The Group's result before tax was MNOK 204 so far in 2023, an increase of MNOK 327 compared with the same period last year. The result after tax was MNOK 133, an increase of MNOK 223 compared with the same period last year.

Return on equity (ROE) in the last 12 months was negative by 0,9 percent as at 30 September 2023, a reduction of 2,5 percentage points compared with the same period last year. Return on invested capital (ROIC) in the last 12 months as at 30 September 2023 was 4,2 percent, a reduction of 2,9 percentage points compared with the same period last year.

Profit development (unaudited)

Q3 2023	Q3 2022		YTD 2023	YTD 2022	Year 2022
5 748	5 556	Revenue	17 671	17 006	23 429
667	478	EBITDA	1 658	1 430	1 790
273	134	Adjusted operating profit	501	422	406
174	121	Operating profit/(loss) (EBIT)	401	66	(143)
(65)	(46)	Net financial items	(198)	(190)	(200)
109	75	Profit/(loss) before tax	204	(124)	(343)
63	**57**	**Profit/(loss) after tax**	**133**	**(90)**	**(277)**

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

See condensed financial statement

Key financial figures (unaudited)

		YTD 2023	YTD 2022	Year 2022
Adjusted profit margin	%	2,8	2,5	1,7
Operating profit (EBIT) margin	%	2,3	0,4	(0,6)
Equity ratio	%	30,0	31,2	29,9
Return on invested capital/ROIC*	%	4,2	7,1	3,8
Return on equity after tax (ROE)*	%	(0,9)	1,6	(4,3)
Net interest-bearing debt		5 988	4 804	5 195
Investments, excluding acquisitions		983	818	1 276

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

*Last twelve months

Balance sheet (unaudited)

	30.09 2023	31.12 2022
ASSETS		
Non-current assets	13 005	12 449
Current assets	6 504	6 694
Assets	**19 509**	**19 143**
EQUITY AND LIABILITIES		
Equity	5 857	5 715
Provisions for liabilities	998	979
Non-current liabilities	6 547	3 976
Current liabilities	6 106	8 473
Equity and liabilities	**19 509**	**19 143**

The increase in non-current assets was mainly due to investments in terminals, machinery, means of transport and IT related projects, in addition to increased right-of-use assets. The period's depreciation and write-down of goodwill reduce the increase.

Current assets were reduced, mainly related to a reduction in liquid assets due to investments and down payment of debt.

The increased equity was mainly a consequence of the period's result and positive translation differences.

The increase in non-current liabilities included four new bond loans and increased lease liabilities. The new bond loans will secure long-term financing in a period with substantial investment plans.

The reduction in current liabilities was primarily a result of reduced withdrawals on the credit facilities and net down payment of certificate loans and loan in Japanese yen, in addition to a reduction in interest-free current liabilities.

(The information in this document has not been audited. All amounts are in MNOK.)

Cash flows (unaudited)

Q3 2023	Q3 2022		YTD 2023	YTD 2022	Year 2022
402	570	Cash flows from operating activities	837	693	1 197
(265)	(467)	Cash flows from investing activities	(963)	(1 123)	(1 584)
506	(660)	Cash flows from financing activities	(145)	(197)	(374)
643	**(558)**	**Change in liquid assets**	**(271)**	**(628)**	**(761)**
1 811	3 380	Liquid assets at the beginning of the period	2 683	3 448	3 448
(19)	9	Currency differences	23	11	(4)
2 435	**2 831**	**Liquid assets at the end of the period**	**2 435**	**2 831**	**2 683**

Cash flows from operating activities amounted to MNOK 837, mainly due to the positive operating result before depreciation. The cash flows were reduced by a change in earned income related to mail from abroad in addition to a reduction of public taxes payable and a provision for accrued cost. The increase in other working capital in 2022 was affected by a recognised pension obligation (the “Sliter scheme”).

Cash flows of MNOK 963 used in investing activities primarily comprised investments in operating assets.

Cash flows of MNOK 145 used in financing activities mainly concerned reduced lease obligations, down payment of loan and credit facility, offset by new bond loans and increased bank overdraft.

Market and development per segment (unaudited)

LOGISTICS

The segment comprises the divisions E-Commerce and Logistics, International Logistics and Next. Shelfless 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 and the service area home deliveries in the Nordics. Division International Logistics is responsible for customer-specific solutions for the offshore segment, large manufacturing customers and international freight forwarding in the Nordics. Next shall innovate and develop new business models and markets and maximise the value of portfolio companies and venture investments in the Nordics. Shelfless is an overall solution for effective and green warehouse services for companies with web shops.

Q3 2023	Q3 2022		YTD 2023	YTD 2022	Year 2022
4 620	4 534	Revenue	14 096	13 681	18 890
470	462	Operating profit before depreciation (EBITDA)	1 275	1 316	1 670
211	234	Adjusted operating profit	507	641	740
108	**217**	**Segment operating profit (EBIT)**	**406**	**499**	**383**

The Logistics segment's revenue was MNOK 14 096 so far in 2023, an increase of MNOK 416 compared with the same period last year. Organic growth so far in 2023 for the Logistics segment was 1,5 percent.

Despite weak market growth within e-commerce so far in 2023, the Group increased the parcel volume by 8,4 percent so far in 2023 compared with the same period last year. The Group also achieved a growth of 4,4 percent in the corporate market for parcels in the same period. Revenue from forwarding so far this year is reduced from the same period last year, due to a lower activity level.

Adjusted operating profit for the Logistics segment was MNOK 507 so far in 2023, a reduction of MNOK 133 compared with the same period last year. The result development was affected by a weak market development and a higher cost level in the period. Ongoing cost adjustments and measures carried out have contributed to keep costs down. Lower energy costs have also contributed to the result improvement from last year.

Operating profit (EBIT) was MNOK 406 so far in 2023, a reduction of MNOK 93 compared with the same period last year. Other income/costs so far in 2023 had a negative balance of MNOK 101, due to a write-down of goodwill related to the delivery and express business in Norway. Other income/costs last year had a negative balance of MNOK 142, mainly as a consequence of a pension obligation of MNOK 133 ("the Sliter scheme") recognised in the Logistics segment.

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. The service "Norgespakken" is also part of the division.

Q3 2023	Q3 2022		YTD 2023	YTD 2022	Year 2022
1 327	1 178	Revenue	4 141	3 887	5 398
213	47	Operating profit before depreciation (EBITDA)	486	237	392
87	(62)	Adjusted operating profit/(loss)	121	(75)	(32)
87	**(57)**	**Segment operating profit/(loss) (EBIT)**	**121**	**(260)**	**(196)**

The Mail segment's revenue increased by MNOK 255 so far in 2023 compared with the same period last year. The volumes of addressed mail continued to fall, with a decline of 12,7 percent so far this year compared to the same period last year. The volumes of unaddressed mail fell by 9,8 percent in the same period. This was compensated by an increase in the grant for government procurements of commercially non-viable postal services for 2023, and that Norgespakken had a positive volume growth of 27,9 percent so far in 2023 compared with the same period last year.

Adjusted operating profit for the Mail segment was MNOK 121 so far in 2023, an increase of MNOK 196 compared with the same period last year. The positive profit development was mainly caused by profitable import volumes and currency effects within addressed mail as well as increased productivity resulting in lower costs in the network.

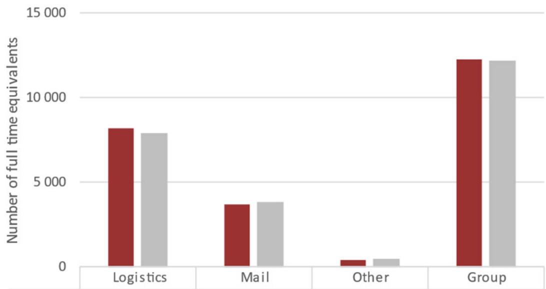
The operating profit (EBIT) so far in 2023 was MNOK 121, an increase of MNOK 381 against the same period in 2022. Other income/costs last year had a negative balance of MNOK 185 of which MNOK 145 concerned the recognition of a pension obligation (the "Sliter scheme") in the Mail segment in addition to costs of MNOK 36 related to the restructuring of mail sorting from Bodø and Tromsø to Østlandsterminalen.

91,1 percent of addressed mail in the third quarter 2023, and 91,6 percent so far in 2023, was delivered within 3 days. This was well above the licence requirement of 85 percent.

Other matters

HSE

Workforce[1]



	Logistics	Mail	Other	Group
Q2 2023	8 175	3 701	409	12 286
Q2 2022	7 873	3 845	457	12 175

The Group's workforce as at 30 September 2023 was 12 286 full-time equivalents, an increase of 111 full-time equivalents compared with the same period in 2022. The increase in the Logistics segment was mainly due to the employment of own drivers in the van segment and increased parcel volumes. Employees have also been moved from Other to the Logistics segment. The reduction in the Mail segment primarily concerned declining mail volumes.

Absence due to sickness and injuries

Posten Bring'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 good results.

In the third quarter 2023, absence due to sickness in the Posten Bring Group was 6,2 percent, 0,1 percentage points lower than the same period in 2022. The development has been particularly positive since the turn of the year 2022/2023 and reflects that the spreading of Covid-19 and other respiratory infections no longer dominates the absence development.

The total number of injuries per million worked hours (H2) was 4,3 in the third quarter 2023, a reduction of 1,9 from the same period last year. The number of injuries for this quarter declined from 29 in 2022 to 26 in 2023 - a reduction of 10 percent. The development in the injury frequency has been continuously positive since the autumn of 2021, with only a short increase towards the end of the first quarter this year. The 12-month trend is now 1,3 lower than a year ago. Focus on each employee's risk awareness and risk management has been the key to achieve a lower injury frequency and will continue to be a prioritised measure for improvement.

Climate and environment

Posten Bring has adopted a new climate and environment ambition where the Group shall be "A driving force in the transition to a low emission society". The electrification of vehicles is a significant part of the strategy. The associated charging structure for the vehicles is key, and charging points are being established on 22 of Posten Bring's locations in Norway.

The work on understanding as well as limiting how the Group affects the nature and biodiversity has started. Mapping, competence building and the establishment of policies and targets are the first ongoing activities. Acknowledged methods and standards will be applied in this work going forward.

Regulatory issues

In the 2024 national budget, the Norwegian Parliament (Stortinget) proposed government procurements of commercially non-viable postal services amounting to MNOK 1 490, which is in line with Posten Bring's advance calculations. According to the Ministry of Transport, the expenses for procurements of commercially non-viable postal services are expected to increase significantly in the time to come and could increase by MNOK 200-300 each year if such mail distribution is maintained as today. It has also been expressed that a goal must be to maintain a good service level for all users all over the country, and at the same time keep the public use of resources down. The Ministry of Transport shall establish an expert committee to discuss the future mail services.

In the national budget, MNOK 127,4 for the purchase of newspaper distribution in the rural districts have also been proposed. Posten Bring's contract expires on 30 June 2024. The Ministry of Transport will announce a tender for government procurements of newspaper distribution in the autumn.

[1] Division Network Norway is divided between Segment Logistics and Segment Mail based on the type of services delivered to the two segments. The method for distributing number of full-time equivalents was changed in the 4th quarter of 2022, to better reflect the services provided, and comparative figures for previous quarters in 2022 have been updated accordingly.

In the 2023 national budget, MNOK 1 176 have been granted for government procurements of commercially non-viable postal services from Posten Bring. MNOK 881 of this amount have been recognised as income so far in 2023.

Outlook

The economy in Norway and Sweden has had a weaker development in the last months due to a lower activity level and higher inflation. The National Bureau of Statistics (SSB) estimates that the GDP growth in mainland Norway will be 1,0 percent in 2023 before increasing to 1,7 in 2024[2]. In Sweden, a negative GDP growth of 0,6 percent is expected in 2023 before turning to a growth of 1,0 percent in 2024. [3] The economic market prospects are more uncertain than normal, which is reflected in an extensive spreading in estimates from analysts. The price growth is declining, but still well above the target of 2 percent. The Bank of Norway's prognosis for the policy rate is maintained at a high level, and a possible interest increase in December has been notified. The households' available net wage has been weakened and is reducing the purchasing power for a lot of people in the time to come. With an expected inflation higher than the wage growth for 2023, another year with a net wage decline for Norwegian and Swedish consumers is expected.

The logistics market is sensitive to the macroeconomic development, and the reduced purchasing power is expected to affect the demand for logistics services from the private consumers as well as the corporate market in the time to come. In the longer term, however, it is expected that e-commerce will continue to grow in line with the digitalisation of society and changed consumer habits, and e-commerce will still take market shares from physical trade. Posten Bring's goal is to be a leading Nordic logistics operator and offensive efforts are made in the Nordic market, particularly in Sweden. The Group will continue to invest in new technology, new services, parcel boxes and terminal capacity in a sustainable manner. Focus will also be on cost-effective operations providing a basis for competitive margins.

The Group is engaged in restructuring the postal business in Norway and adjust the services to the future demands in a digital society. One project is to find out if Posten Bring can participate in solving some of the challenges the society is facing in "the grey shift" involving an increasing number of elderly people. Volumes within addressed mail are expected to continue to decline by approximately 10-15 percent each year, and the present regulatory framework provides limited opportunities for additional adjustments of postal services. Without changes in the delivery obligation, the levels of government procurements of commercial non-viable postal services will grow rapidly. The volumes in parcels from recycling trade and parcels sent between private individuals continue to increase. It seems that the growth is driven by increased environmental awareness and a tighter private economy. The service Norgespakken is well adjusted to increased interest for recycling trade and a circular economy and is expected to contribute positively to the result development in the Mail segment in the time to come.

A substantial part of Posten Bring's value creation depends on digital solutions. Digital solutions also entail vulnerability, and a global threat. The risk for cyber attacks is increasing, and Posten Bring's own threat assessment is directed at public actors concentrating on the logistics industry. Such attacks can have large operational, financial and reputation-wise consequences. The Group is therefore working continuously and determinedly with information security. Together with Posten Bring's partners, security measures and preparedness arrangements have been established to reduce risk.

Posten Bring's ambition is to be a driving force in the transition to a low-emission society. The Group is reducing emissions in line with the Paris agreement, and the goal is that all vans and 80 percent of our own trucks shall be fossil-free in 2030, net zero emissions from transport by road in 2040 – and net zero emissions from the entire business in 2050. The Group must change rapidly to remain to be leading in the industry's development. We are working systematically to develop more low-emission services, invest in new technology and restructure the network to fossil-free transport, enter into new partnerships and have an influence on regulatory issues.

Group CEO Tone Wille has notified the Board that she wishes to resign as Group CEO during 2024, but will continue until the Board has found a successor.

2 November 2023

The Board in Posten Bring AS

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

Financial Report

3rd quarter 2023
Posten Bring

Condensed income statement

Q3 2023	Q3 2022		Note	YTD 2023	YTD 2022	Year 2022
5 748	**5 556**	**Revenue**	**1,2**	**17 671**	**17 006**	**23 429**
2 355	2 435	Costs of goods and services		7 253	7 246	10 072
2 054	1 934	Payroll expenses		6 589	6 225	8 518
394	344	Depreciation and amortisation	3,4	1 157	1 008	1 384
102	3	Write-downs	3,4	107	4	185
673	709	Other operating expenses		2 171	2 106	3 050
5 577	**5 425**	**Operating expenses**		**17 276**	**16 589**	**23 208**
	(12)	Other income and (expenses)	6		(357)	(371)
3	2	Share of profit from associated companies		6	5	7
174	**121**	**Operating profit/(loss)**	**1**	**401**	**66**	**(143)**
(65)	(46)	Net financial items		(198)	(190)	(200)
109	**75**	**Profit/(loss) before tax**		**204**	**(124)**	**(343)**
46	17	Tax expense		71	(34)	(66)
63	**57**	**Profit/(loss) after tax**		**133**	**(90)**	**(277)**
64	59	Controlling interests		135	(89)	(271)
(1)	(1)	Non-controlling interests		(1)	(1)	(5)

Condensed statement of comprehensive income

Q3 2023	Q3 2022		YTD 2023	YTD 2022	Year 2022
63	**57**	**Profit/(loss) after tax**	**133**	**(90)**	**(277)**
		Pension remeasurement	(5)		47
		Items that will not be reclassified to income statement	**(5)**		**47**
(41)	21	Translation differences	65	16	(25)
8	(4)	Hedging of net investment	(18)	(5)	13
(33)	**17**	**Total translation differences**	**47**	**12**	**(12)**
(3)	**(2)**	**Cash flow hedging**	**(22)**	**(22)**	**(17)**
(36)	**15**	**Items that will be reclassified to income statement**	**26**	**(10)**	**(29)**
(36)	**15**	**Other comprehensive income**	**21**	**(10)**	**18**
27	**72**	**Total comprehensive income**	**154**	**(100)**	**(259)**
		Total comprehensive income is distributed as follows:			
28	73	Controlling interests	155	(99)	(253)
(1)	(1)	Non-controlling interests	(1)	(1)	(5)

(The information in this document has not been audited. All amounts are in MNOK.)

Condensed balance sheet

	Note	30.09 2023	31.12 2022
ASSETS			
Intangible assets	3	1 991	2 027
Deferred tax asset		292	251
Tangible fixed assets	3	6 899	6 498
Right-of-use assets	4	3 436	3 266
Other financial assets	7	388	407
Non-current assets		**13 005**	**12 449**
Interest-free current receivables		3 963	3 895
Interest-bearing current receivables	7	106	116
Liquid assets	7	2 435	2 683
Current assets		**6 504**	**6 694**
Assets		**19 509**	**19 143**
EQUITY AND LIABILITIES			
Share capital		3 120	3 120
Other equity		2 684	2 529
Non-controlling interests		52	66
Equity		**5 857**	**5 715**
Deferred tax liability		43	43
Other provisions for liabilities		956	936
Provisions for liabilities		**998**	**979**
Non-current lease liabilities	4	2 935	2 837
Interest-bearing non-current liabilities	5,7	3 556	1 111
Interest-free non-current liabilities	7	56	29
Non-current liabilities		**6 547**	**3 976**
Current lease liabilities	4	821	743
Interest-bearing current liabilities	5,7	1 111	3 187
Interest-free current liabilities	7	4 159	4 524
Tax payable		15	19
Current liabilities		**6 106**	**8 473**
Equity and liabilities		**19 509**	**19 143**

(The information in this document has not been audited. All amounts are in MNOK.)

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 01.01.2023	**3 120**	**992**	**(23)**	**136**	**1 423**	**2 529**	**66**	**5 715**
Profit/(loss) for the period					135	135	(1)	133
Other comprehensive income			(22)	47	(5)	21		21
Total comprehensive income			**(22)**	**47**	**130**	**155**	**(1)**	**154**
Dividend							(13)	(13)
Changes in non-contr. interests							1	1
Equity 30.09.2023	**3 120**	**992**	**(44)**	**184**	**1 553**	**2 684**	**52**	**5 857**

	Controlling interests							
	Share capital	Share premium reserves	Hedging reserve	Transl. diff	Retained earnings	Other equity	Non-contr. interests	Total equity
Equity 01.01.2022	**3 120**	**992**	**(6)**	**149**	**2 969**	**4 104**	**49**	**7 273**
Profit/(loss) for the period					(271)	(271)	(5)	(277)
Other comprehensive income			(17)	(12)	47	18		18
Total comprehensive income			**(17)**	**(12)**	**(225)**	**(253)**	**(5)**	**(259)**
Dividend					(1 315)	(1 315)	(3)	(1 318)
Changes in non-contr. interests				(1)	(5)	(7)	26	19
Equity 31.12.2022	**3 120**	**992**	**(23)**	**136**	**1 423**	**2 529**	**66**	**5 715**

As at 30 September 2023, 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 on 6 June 2023, it was decided not to pay out dividend for the accounting year 2022, in accordance with the Board's proposal.

(The information in this document has not been audited. All amounts are in MNOK.)

Condensed statement of cash flows

Q3 2023	Q3 2022		YTD 2023	YTD 2022	Year 2022
109	75	Profit/(loss) before tax	204	(124)	(343)
(39)	(18)	Tax paid in period	(90)	(209)	(213)
	(3)	(Gain)/loss from sales of non-current assets and Subsidiaries	(12)	(10)	(11)
496	348	Ordinary depreciation and write-downs	1 264	1 014	1 568
(3)	(2)	Share of profit/(loss) from associated companies	(6)	(5)	(7)
47	48	Financial items without cash flow effect	153	194	213
18	(176)	Changes in receivables and payables	(27)	(181)	(127)
(193)	365	Changes in other working capital	(489)	225	328
6	(33)	Changes in other accruals	(16)	(43)	(26)
32	(1)	Interests received	94	1	9
(71)	(34)	Interests paid	(238)	(171)	(197)
402	**570**	**Cash flows from operating activities**	**837**	**693**	**1 197**
(279)	(256)	Investments in non-current assets	(983)	(818)	(1 276)
	(142)	Cash-effect from purchases of businesses		(192)	(191)
(1)	(86)	Cash-effect from purchases and sales of other Shares	(3)	(22)	(136)
		Cash-effect from purchase of associated Companies		(114)	(22)
6	4	Proceeds from sales of non-current assets	30	14	21
4		Cash-effect from sale of businesses	(6)	6	6
4	13	Changes in other financial non-current assets		2	13
(265)	**(467)**	**Cash flows from investing activities**	**(963)**	**(1 123)**	**(1 584)**
(211)	(184)	Payment of lease liabilities	(627)	(548)	(757)
1 000	100	Proceeds from non-current and current debt raised	2 500	2 000	2 000
	(350)	Repayment of borrowings	(1 854)	(406)	(461)
(283)	(225)	Decrease/increase in bank overdraft	(164)	72	159
		Dividends paid		(1 315)	(1 315)
506	**(660)**	**Cash flows from financing activities**	**(145)**	**(197)**	**(374)**
643	**(558)**	**Change in liquid assets**	**(271)**	**(628)**	**(761)**
1 811	3 380	Liquid assets at the beginning of the period	2 683	3 448	3 448
(19)	9	Currency differences	23	11	(4)
2 435	**2 831**	**Liquid assets at the end of the period**	**2 435**	**2 831**	**2 683**

(The information in this document has not been audited. All amounts are in MNOK.)

SELECTED ADDITIONAL INFORMATION

General

Posten Bring 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 Bring AS' address is Biskop Gunnerus gate 14, 0001 Oslo, Norway.

This condensed interim report has been prepared in accordance with IFRS (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 2022 Integrated report.

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

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 2022 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 Integrated report for 2022 is available at www.postenbring.no

NOTES TO THE ACCOUNTS

Note 1 Segments

Posten Bring'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 Bring'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 2022 Integrated report.

Revenue per segment

Q3 2023	Q3 2022	Revenue	YTD 2023	YTD 2022	Year 2022
4 522	4 476	External revenue	13 835	13 428	18 471
97	58	Internal revenue	261	253	419
4 620	**4 534**	**Logistics**	**14 096**	**13 681**	**18 890**
1 226	1 080	External revenue	3 835	3 579	4 958
101	98	Internal revenue	306	309	441
1 327	**1 178**	**Mail**	**4 141**	**3 887**	**5 398**
278	368	Internal revenue	854	1 117	1 505
278	**368**	**Other**	**854**	**1 117**	**1 505**
(477)	(525)	Eliminations	(1 421)	(1 678)	(2 364)
5 748	**5 556**	**Group**	**17 671**	**17 006**	**23 429**

Profit per segment

Q3 2023	Q3 2022	Operating profit before depreciation (EBITDA)	YTD 2023	YTD 2022	Year 2022
470	462	Logistics	1 275	1 316	1 670
213	47	Mail	486	237	392
(17)	(30)	Other	(104)	(121)	(269)
667	**478**	**Group**	**1 658**	**1 430**	**1 790**

Q3 2023	Q3 2022	Adjusted operating profit/(loss)	YTD 2023	YTD 2022	Year 2022
211	234	Logistics	507	641	740
87	(62)	Mail	121	(75)	(32)
(26)	(38)	Other	(127)	(144)	(301)
273	**134**	**Group**	**501**	**422**	**406**

Q3 2023	Q3 2022	Operating profit/(loss) (EBIT)	YTD 2023	YTD 2022	Year 2022
108	217	Logistics	406	499	383
87	(57)	Mail	121	(260)	(196)
(21)	(40)	Other	(127)	(173)	(329)
174	**121**	**Group**	**401**	**66**	**(143)**

(The information in this document has not been audited. All amounts are in MNOK.)

Investments per segment

Investments	YTD 2023	YTD 2022	Year 2022
Logistics	680	595	942
Mail	303	223	334
Group	**983**	**818**	**1 276**

Note 2 Revenue

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

Q3 2023	Q3 2022		YTD 2023	YTD 2022	Year 2022
2 513	2 120	Parcel services	7 320	6 439	9 051
1 713	2 067	Freight and forwarding	5 532	6 266	8 371
211	196	Warehousing	678	419	622
86	93	Other business in Logistics segment	306	304	427
4 522	**4 476**	**External revenue Logistics segment**	**13 835**	**13 428**	**18 471**
643	692	Addressed/unaddressed mail	2 132	2 319	3 167
105	82	Norgespakken	293	253	379
294	150	Government procurements	881	526	731
184	155	Other business in Mail segment	529	481	682
1 226	**1 080**	**External revenue Mail segment**	**3 835**	**3 579**	**4 958**
5 748	**5 556**	**Revenue**	**17 671**	**17 006**	**23 429**

Note 3 Intangible assets and tangible fixed assets

	Intangible assets	Tangible assets
Carrying amount 01.01.2023	**2 027**	**6 498**
Additions	170	813
Additions from acquisitions	2	
Disposals		(25)
Depreciations	(118)	(404)
Write-downs	(106)	(1)
Translation differences	16	19
Carrying amount 30.09.2023	**1 991**	**6 899**

Investments in owned assets as of 30 September 2023 amounted to MNOK 983. Investments in intangible assets were mainly related to IT solutions and constituted MNOK 170. Approximately MNOK 390 of the MNOK 813 invested in tangible fixed assets concerned buildings and property, and the rest mainly comprised terminal equipment, vehicles and other operating equipment. MNOK 680 of total investments concerned the Logistics segment.

Assets amounting to MNOK 107 were written down as of 30 September 2023 of which MNOK 101 concerned goodwill related to the delivery and express business in Norway. The write-down was a consequence of challenging market conditions in 2023 and that the economic prospects have been weakened.

Note 4 Leases

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

	30.09 2023	31.12 2022
Right-of-use assets	**3 436**	**3 266**
Non-current lease liabilities	2 935	2 837
Current lease liabilities	821	743
Lease liabilities	**3 756**	**3 580**

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

Q3 2023	Q3 2022		YTD 2023	YTD 2022	Year 2022
214	186	Depreciation	634	551	765
		Write-downs			19
37	26	Interest expense on lease liabilities	105	80	116

Note 5 Interest-bearing non-current and current liabilities

The Group's interest-bearing liabilities include:

	30.09 2023	31.12 2022
Bond loans	3 500	1 000
Liabilities to credit institutions	56	111
Interest-bearing non-current liabilities	**3 556**	**1 111**
Non-current liabilities to credit institutions due within one year	111	488
Certificate loans	1 000	1 250
Other interest-bearing non-current liabilities		1 449
Interest-bearing current liabilities	**1 111**	**3 187**

The increase in interest-bearing non-current liabilities as at 30 September 2023 compared with 31 December 2022 is due to four new green bond loans totalling MNOK 2 500. Ordinary instalments on liabilities to credit institutions were also paid.

The reduction in interest-bearing current liabilities as at 30 September 2023 compared with 31 December 2022 is mainly a consequence of down payment of credit facilities, repayment of non-current liabilities to credit institutions due within one year, down payment of certificate loans and bank overdraft.

Total certificate loans amounted to MNOK 1 000 as at 30 September 2023, MNOK 250 lower than at 31 December 2022.

As at 30 September 2023, there had been no withdrawals on the Group's bank overdraft, nor had the Group's credit facility been utilised.

The weighted average interest rate on Posten Bring's interest-bearing liabilities was 4,8 percent as at 30 September 2023.

Note 6 Other income and expenses

Other income and expenses comprise significant non-recurring income and costs and include restructuring costs and gain and loss from sales of non-current assets and subsidiaries.

Q3 2023	Q3 2022		YTD 2023	YTD 2022	Year 2022
		Restructuring costs		(36)	(36)
	(12)	Other income/(expenses)		(320)	(335)
	(12)	**Total other income and (expenses)**		**(357)**	**(371)**

There were no significant other income and expenses as of third quarter 2023. Restructuring costs in 2022 concerned the move of letter production and route clearance from Bodø and Tromsø to Østlandsterminalen. Other expenses in 2022 were mainly related to the recognition of a pension obligation (the “Sliter scheme” determined in the wage settlement in 2018).

Note 7 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 2022 Integrated report.

The Group had the following financial assets and liabilities measured at fair value as at 30 September 2023:

		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	30.09.2023
Assets							
Interest-bearing non-current receivables		0		0	54		54
Other financial non-current assets	2	243		1	24		269
Interest-free current receivables	2	0		7	3 956		3 963
Interest-bearing current receivables		0		0	106		106
Liquid assets		0		0	2 435		2 435
Financial assets		0		0			**6 826**
Liabilities							
Non-current lease liabilities		0		0		2 935	2 935
Interest-bearing non-current liabilities		0		0		3 556	3 556
Interest-free non-current liabilities	2	0		56			56
Current lease liabilities		0		0		821	821
Interest-bearing current liabilities		0		0		1 111	1 111
Interest-free current liabilities, incl. tax payable	2	0		6		4 168	4 174
Financial liabilities		0		0			**12 653**
Total value hierarchy level 1 (net)		0		0			0
Total value hierarchy level 2 (net)		243		(53)			190
Total value hierarchy level 3 (net)		0		0			0

(The information in this document has not been audited. All amounts are in MNOK.)

The Group had the following financial assets and liabilities measured at fair value as at 31 December 2022:

		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	31.12.2022
Assets							
Interest-bearing non-current receivables		0		0	73		73
Other financial non-current assets	2	251		1	21		274
Interest-free current receivables	2	0	79	11	3 805		3 895
Interest-bearing current receivables		0		0	116		116
Liquid assets		0		0	2 683		2 683
Financial assets		0		0			**7 041**
Liabilities							
Non-current lease liabilities		0		0		2 837	2 837
Interest-bearing non-current liabilities		0		0		1 111	1 111
Interest-free non-current liabilities	2	0		28		1	29
Current lease liabilities		0		0		743	743
Interest-bearing current liabilities	2	377		0		2 810	3 187
Interest-free current liabilities, incl. tax payable	2	0		1		4 542	4 543
Financial liabilities		0		0			**12 449**
Total value hierarchy level 1 (net)		0		0			0
Total value hierarchy level 2 (net)		(126)	79	(16)			(63)
Total value hierarchy level 3 (net)		0		0			0

* Includes fair value option

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

Purchases

There have been no significant purchases so far in 2023.

Sales

In December 2022, a letter of intent on the sale of Espeland Transport AS was made. For this reason, an expected loss on the sale of MNOK 12,5 was provided for as a self-imposed obligation in 2022. Espeland Transport AS was sold in the beginning of 2023. At the time of the sale, the estimated loss did not require any significant adjustment.

Other changes

There have been no other significant changes in the Group's structure during so far in 2023.

Alternative Performance Measures

3rd quarter 2023
Posten Bring

Alternative Performance Measures

The Group's financial information has been prepared in accordance with international accounting standards (IFRS). In addition, information is given about alternative performance measures that are regularly reviewed by management to improve the understanding of the results. 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 quarterly 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.

		YTD 2023	YTD 2022	Year 2022
+	Revenue (current year)	17 671	17 006	23 429
-	Revenue (last year)	17 006	17 939	24 716
=	**Nominal change in revenue**	**664**	**(932)**	**(1 287)**

		YTD 2023	YTD 2022	Year 2022
+	Nominal change in revenue	664	(932)	(1 287)
+/-	Impact of exchange rates	(315)	212	233
+/-	Acquisitions of companies	(5)	(242)	(344)
+/-	Sale of companies	127	1 902	2 608
+/-	Change in government procurements	(355)	(133)	(195)
=	**Organic change in revenue**	**115**	**806**	**1 015**

		YTD 2023	YTD 2022	Year 2022
+	Organic change in revenue	115	806	1 015
/	Adjusted revenue (last year)*	16 880	16 279	22 453
=	**Organic growth**	**0,7%**	**5,0 %**	**4,5 %**

*Adjusted revenue (last year) is revenue adjusted for purchase and sale of businesses

(The information in this document has not been audited. All amounts are in MNOK.)

posten bring

Operating profit before depreciation (EBITDA), adjusted operating profit/(loss), operating profit/(loss) (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/(loss)'. The adjusted operating profit/(loss) is EBITDA before write-downs and other income and expenses but includes depreciation. Operating profit/(loss) (EBIT) includes the Group's write-downs, other income and expenses, and result from associated companies and joint ventures.

The target figures are valuable for the users of Posten Bring'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 not ordinary sales of assets and other income and 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.

		YTD 2023	YTD 2022	Year 2022
+	Revenue	17 671	17 006	23 429
-	Costs of goods and services	7 253	7 246	10 072
-	Payroll expenses	6 589	6 225	8 518
-	Other operating expenses	2 171	2 106	3 050
=	**EBITDA**	**1 658**	**1 430**	**1 790**

		YTD 2023	YTD 2022	Year 2022
+	EBITDA	1 658	1 430	1 790
-	Depreciation	1 157	1 008	1 384
=	**Adjusted operating profit/(loss)**	**501**	**422**	**406**

		YTD 2023	YTD 2022	Year 2022
+	Adjusted operating profit/(loss)	501	422	406
/	Revenue	17 671	17 006	23 429
=	**Adjusted profit margin**	**2,8 %**	**2,5 %**	**1,7 %**

		YTD 2023	YTD 2022	Year 2022
+	Adjusted operating profit/(loss)	501	422	406
-	Write-downs	107	4	185
+/-	Other income and (expenses)		(357)	(371)
+	Share of profit or loss from associated companies	6	5	7
=	**EBIT**	**401**	**66**	**(143)**

		YTD 2023	YTD 2022	Year 2022
+	EBIT	401	66	(143)
/	Revenue	17 671	17 006	23 429
=	**EBIT margin**	**2,3 %**	**0,4%**	**(0,6%)**

(The information in this document has not been audited. All amounts are in MNOK.)

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 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.

		30.09 2023	30.09 2022	31.12 2022
+	Interest-bearing non-current liabilities	6 491	3 833	3 947
+	Interest-bearing current liabilities	1 932	3 802	3 930
-	Commercial financial investments	2 220	2 734	2 581
-	Cash	1	2	1
-	Bank deposits corporate cash-pool account	122		
-	Bank deposits	91	95	100
=	**Net interest-bearing debt/(receivables)**	**5 988**	**4 804**	**5 195**

		30.09 2023	30.09 2022	31.12 2022
+	Net interest-bearing debt/(receivables)	5 988	4 804	5 195
/	Equity on the balance sheet date	5 857	5 850	5 715
=	**Debt/equity ratio**	**1,0**	**0,8**	**0,9**

		30.09 2023	30.09 2022	31.12 2022
+	Net interest-bearing debt/(receivables)	5 988	4 804	5 195
/	EBITDA last twelve months	2 018	2 070	1 790
=	**Net interest-bearing debt/(receivables)/EBITDA**	**3,0**	**2,3**	**2,9**

		30.09 2023	30.09 2022	31.12 2022
+	Commercial financial investments	2 220	2 734	2 581
+	Credit facilities	2 251	1 617	1 853
-	Certificate loans	1 000	2 000	1 250
=	**Long-term liquidity reserve**	**3 471**	**2 351**	**3 184**

		30.09 2023	30.09 2022	31.12 2022
+	Long-term liquidity reserve	3 471	2 351	3 184
+/-	Deposits on group account	122		
+/-	Deposits outside group account	91	95	100
+	Bank overdraft not utilised	500	423	336
=	**Short-term liquidity reserve**	**4 184**	**2 869**	**3 620**

(The information in this document has not been audited. All amounts are in MNOK.)

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. 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:

		30.09 2023	30.09 2022	31.12 2022
+	Intangible assets	2 089	2 067	2 111
+	Tangible fixed assets	9 964	8 848	9 130
+	Current assets	6 341	7 137	7 032
-	Total liquid assets	2 377	3 456	3 230
-	Interest-bearing current assets	113	108	115
-	Interest-free current liabilities	4 342	4 302	4 332
+	Tax payable	1	122	57
+	Dividends and group contributions	1	102	102
=	**Invested capital**	**11 564**	**10 409**	**10 756**

*Last twelve months

		30.09 2023	30.09 2022	31.12 2022
+	Last 12 months' accumulated adjusted operating profit	486	736	406
/	Invested capital	11 564	10 409	10 756
=	**Return on invested capital (ROIC)**	**4,2 %**	**7,1 %**	**3,8 %**

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:

		YTD 2023	YTD 2022	Year 2022
+	Total investments in owned tangible fixed assets	985	1 056	1 512
-	Investments due to acquisitions	2	238	236
=	**Investments before acquisitions**	**983**	**818**	**1 276**

		30.09 2023	30.09 2022	31.12 2022
+	Profit after tax last 12 months	(54)	105	(277)
/	Average equity on balance sheet date*	5 853	6 488	6 494
=	**Return on equity after tax (ROE)**	**(0,9%)**	**1,6%**	**(4,3%)**

*(OB+CB)/2

		30.09 2023	30.09 2022	31.12 2022
+	Equity on balance sheet date	5 857	5 850	5 715
/	Equity and liabilities (total capital)	19 509	18 770	19 143
=	**Equity ratio**	**30,0 %**	**31,2 %**	**29,9 %**

(The information in this document has not been audited. All amounts are in MNOK.)