Quarterly Report

4th quarter 2022
Posten Norge

Message from the CEO

Posten's results for 2022 and 4th quarter are weaker than the year before due to turbulence in the market and increased costs caused by geopolitical circumstances. The logistics volumes have been stable at a good level in spite of a demanding market, and we have won new customers. The delivery quality is good, the customers are satisfied and Posten enjoys high public confidence.

Adjusted operating profit for 2022 was MNOK 439, a decline of MNOK 1 086 compared with last year, which was a historically good year. The parcel market has normalised after the Corona pandemic. In 2022, the Group's parcel volumes from e-commerce increased by 7 percent. Addressed mail declined by 11 percent.

2022 was a year characterised by high uncertainty, driven by war in Europe, high volatility in the capital and raw material markets and reduced purchasing power for Nordic households. The challenging market conditions and a significantly higher cost level for the transport industry is expected to continue in the time to come. For the Group, this implies that increased efforts on cost-effectiveness must be balanced with measures to secure long-term competitiveness, and investments must be adjusted to the Group's financial capacity. In the long term, we believe in the future and prepare for future growth.

The customers' loyalty measured in Net Promotor Score (NPS) was 53,6 for 2022 against 51,2 the year before. Delivery quality is high, and mail delivery quality was 91,7 percent, well above the requirement of 85 percent.

In the fourth quarter, we have carried out additional measures in order to realise the Group's three main strategic goals:

The customers' first choice

Capacity is extended in order to meet future growth. We are investing in increased terminal capacity in both Norway and Sweden. Shelfless, the Group's investment in third-party logistics, is approaching the opening of a new automated warehouse in Denmark.

In order to strengthen the geographical proximity and availability for the recipients, parcel boxes are placed out at a high speed. Parcel boxes constitute a large part of our total delivery network, which at year-end comprised more than 6 500 active points in the Nordics – attended as well as unattended.

Posten is making an effort for Ukraine by offering free freight of aid shipments. In 2022, Posten sent a total of more than 200 tonnes of relief consignments free og charge to the war-stricken population in Ukraine. In Sweden, Bring and the Red Cross have renewed the cooperation agreement enabling Bring to continue as a national emergency partner.

Leading in technology and innovation

We are testing and applying new technology. A data-driven value chain is introduced to support the production and enable service development with increased flexibility for the customers. By using machine learning, we can more accurately predict delivery times for selected services all over Norway. In the fourth quarter, we carried out the first test with a drone delivery of water samples from Snåsa to Namsos. In the centre of Oslo, we have now tested food delivered by a robot.

In the fourth quarter, we have carried out venture investments in the drone company Avian and the companies Sharefox (rental of goods), Easycom (smart and sustainable return management) and Dintero (seamless payment solutions), of which the last two contribute to a cooperation on solutions for circular economy.

Best at sustainable value creation

Posten is one of few Norwegian companies cutting emissions in line with the Paris agreement. We are carrying out a comprehensive transition to emission-free vehicles in the distribution. In the fourth quarter, we marked that Posten is delivering mail and parcels emission-free in Hamar, the centre of Oslo, Asker and Bærum. We also focus on electric vans and establishing a charging infrastructure. The share of emission-free vehicles in the Group was 44 percent at year-end.

The Group's main goals are **enabled by competent and dedicated employees.**

Absence due to sickness for 2022 ended on 6,9 percent, 0,9 percent higher than the year before as a consequence of much Corona-related absence. The number of injuries declined, and the injury frequency showed an even positive development through the whole of 2022 and ended on 7,0 compared with 9,3 in 2021.

I wish to thank to all employees, leaders and employee representatives for their good efforts in 2022!

Tone Wille */ Group CEO*

Main features

Organic growth in the quarter was 3,4 and 4,5 percent in 2022. The Group's revenue in the fourth quarter was MNOK 6 423 and MNOK 23 249 in 2022. Compared with 2021, this was a reduction of 5,2 percent due to the sale of Frigoscandia Sverige at the end of 2021. The sold business had a turnover of MNOK 705 in the fourth quarter and MNOK 2 568 in 2021, respectively.

Adjusted operating profit in the fourth quarter 2022 was MNOK 17, a decline of MNOK 297 compared with the fourth quarter 2021. Adjusted operating profit for the year 2022 was MNOK 439, a decline of MNOK 1 086 against 2021.

The result development in the Logistics segment during 2022 was characterised by declining markets for e-commerce, record-high transport and energy prices, increased inflation and salary growth in addition to high absence due to sickness caused by Corona. This was partly offset by volume growth as a consequence of higher market shares, profitability improvements within groupage and the fact that higher external costs in part were transferred to the customers through price increases.

The result development in the Mail segment in 2022 was affected by continued falling volumes, a significant decline in the services stamps and import volumes from China, as well as increased inflation and salary growth. This was partly offset by improved profitability from the restructuring of the mail network and good results from the service "Norgespakken", which has had high growth.

Operating proft (EBIT) in 2022 was a loss of MNOK 110, a reduction of MNOK 1 1572 compared with 2021. Assets totalling MNOK 185 were written down in 2022, of which MNOK 161 concerned goodwill within the Logistics segment (note 2 has additional information). Other income/expenses in 2022 were negative by MNOK 371, mainly related to the recognition of a pension liability of MNOK 307 related to "sliterordningen" agreed in the wage settlement in 2018. Note 5 has more information.

The financial result in 2022 was impacted by the volatile market situation, and reduced by MNOK 90 compared with 2021. The reduction was mainly due to unrealised value changes on financial investments as a consequence of the fall in the finance markets and higher interest costs.

The Group's result before tax was a loss MNOK 310 in 2022, a reduction of MNOK 1 662 compared with 2021. The result after tax was a loss of MNOK 251, a reduction of MNOK 1 309 compared with 2021.

Return on equity (ROE) in 2022 was a negative 3,9 percent, a reduction of 18,3 percentage points compared with 2021. Return on invested capital (ROIC) in 2022 was 4,1 percent, a reduction of 12,3 percentage points compared with 2021.

Profit development (unaudited)

Q4 2022	Q4 2021		Year 2022	Year 2021
6 423	6 778	Revenue	23 429	24 716
393	640	EBITDA	1 822	2 765
17	314	Adjusted operating profit/(loss)	439	1 525
(176)	239	Operating profit/(loss) (EBIT)	(110)	1 462
(10)	(31)	Net financial items	(200)	(109)
(186)	209	Profit/(loss) before tax	(310)	1 352
(161)	**195**	**Profit/(loss) after tax**	**(251)**	**1 058**

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

See condensed financial statement

Key financial figures (unaudited)

		Year 2022	Year 2021
Adjusted profit margin	%	1,9	6,2
Operating profit (EBIT) margin	%	(0,5)	5,9
Equity ratio	%	30,0	39,7
Return on invested capital/ROIC*	%	4,1	16,4
Return on equity (after tax)*	%	(3,9)	14,5
Net interest-bearing debt (receivable)		5 195	2 376
Investments, excluding acquisitions		1 276	1 062

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

*Last twelve months

Balance sheet (unaudited)

	31.12 2022	31.12 2021
ASSETS		
Non-current assets	12 442	11 266
Current assets	6 694	7 077
Assets	**19 136**	**18 342**
EQUITY AND LIABILITIES		
Equity	5 741	7 273
Provisions for liabilities	953	725
Non-current liabilities	3 976	4 195
Current liabilities	8 466	6 149
Equity and liabilities	**19 136**	**18 342**

The increase in non-current assets was mainly due to investments in terminals, machinery and IT related projects, reduced by the depreciation for the year and a write-down of goodwill. There was also a net increase in other financial non-current assets, primarily investments in shares.

Current assets were reduced, mainly related to a reduction in liquid assets due to investments and the distribution of dividends. The Group's trade receivables increased in the same period.

The reduced equity is mainly a consequence of a dividends payment of MNOK 1 315 and the negative result for the year.

The increase in provisions for liabilities was primarily due to the recognition of a defined benefit pension scheme related to "Sliterordningen" determined in the wage settlement in 2018 (note 5 has more information).

The reduction in non-current liabilities was mainly a consequence of the reclassification of a loan in Japanese yen due within one year and the reclassification of ordinary instalments of loans to current liabilities. This was partly offset by an increase in non-current lease liabilities.

The increase of current liabilities mainly included new certificate loans, utilisation of credit facilities and bank overdraft in addition to the reclassification of loans and instalments to current liabilities, and increased trade payables. Repayment of bond loans and payment of instalments of loans and taxes were also made. Public duties and other current liabilities were reduced in the period.

Cash flows (unaudited)

Q4 2022	Q4 2021		Year 2022	Year 2021
504	667	Cash flows from operating activities	1 197	1 837
(461)	(525)	Cash flows used in investing activities	(1 584)	(1 189)
(177)	(260)	Cash flows used in financing activities	(374)	(1 823)
(134)	**(119)**	**Change in liquid assets**	**(761)**	**(1 175)**
2 831	3 600	Liquid assets at the beginning of the period	3 448	4 680
(15)	(33)	Currency differences	(4)	(57)
2 683	**3 448**	**Liquid assets at the end of the period**	**2 683**	**3 448**

Cash flows from operating activities amounted to MNOK 1 197 in 2022, mainly due to the positive operating result before depreciation. Paid taxes, increased trade receivables and lower public duties reduced the cash flows.

Cash flows of MNOK 1 583 used in investing activities in 2022 primarily comprised investments in operating equipment. Posten also acquired property companies, associated companies and other shares.

Cash flows of MNOK 374 used in financing activities in 2022 mainly concerned ordinary instalments on lease liabilities and loans in addition to paid dividends, offset by raised net certificate loans, utilisation of the Group's credit facilities and increased bank overdraft.

Market and development per segment (unaudited)

LOGISTICS

The segment comprises the divisions E-Commerce and Logistics in addition to International Logistics and Next (formerly Holdings & Ventures). 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. 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 the Group's investment in third-party logistics with the objective of making the customer's physical flow of goods more efficient, automated and simple and to achieve quicker and greener deliveries.

Q4 2022	Q4 2021		Year 2022	Year 2021
5 210	5 566	Revenue	18 890	19 952
373	605	Operating profit before depreciation (EBITDA)	1 689	2 308
118	387	Adjusted operating profit/(loss)	758	1 477
(97)	**313**	**Segment operating profit/(loss) (EBIT)**	**401**	**1 415**

Organic growth for the Logistics segment in 2022 was 8,6, to some extent caused by increased prices. The Logistics segment reduced the revenue by MNOK 1 062 in 2022, mainly because Frigoscandia Sverige was sold at the end of 2021. The sold business had a turnover of MNOK 2 568 in 2021.

The market growth for e-commerce declined in 2022, with practically no growth in the period. Posten nevertheless increased parcel volumes by 7,0 percent compared with 2021. The market growth in the corporate market is closely tied to general economic activities, and substantial geopolitical turbulence contributed to the lack of growth for parcels in this market in 2022.

Adjusted operating result for the Logistics segment was MNOK 758 in 2022, a reduction of MNOK 719 compared with 2021. The result development was affected by a weak market development in e-commerce and very high transport and energy prices.

Operating profit (EBIT) was MNOK 401 in 2022, a reduction of MNOK 1 013 compared with last year. Assets totalling MNOK 185 in the Logistics segment were written down in 2022, of which MNOK 161 concerned goodwill. Other income/expenses in 2022 were negative by MNOK 179, mainly related to the recognition of the pension liability concerning “Sliterordningen”.

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.

Q4 2022	Q4 2021		Year 2022	Year 2021
1 511	1 535	Revenue	5 398	5 620
168	202	Operating profit before depreciation (EBITDA)	406	667
57	101	Adjusted operating profit/(loss)	(18)	287
78	**101**	**Segment operating profit/(loss) (EBIT)**	**(182)**	**286**

The Mail segment's revenue fell by MNOK 223 (4,0 percent) in 2022 compared with 2021, mainly caused by the continued volume fall in addressed mail, where the volume declined by 11,0 percent in 2022. The volume for unaddressed mail increased by 9,5 percent in 2022. Norgespakken had a continued positive volume growth of 30 percent in 2022.

Adjusted operating profit for the Mail segment was a loss of MNOK 18 in 2022, a reduction of MNOK 305 compared with 2021. The decline in the result was mainly due to volume reductions, decline in the services stamps and import volumes from China as well as general cost and salary growth. Norgespakken contributed positively due to volume growth and lower costs for the service.

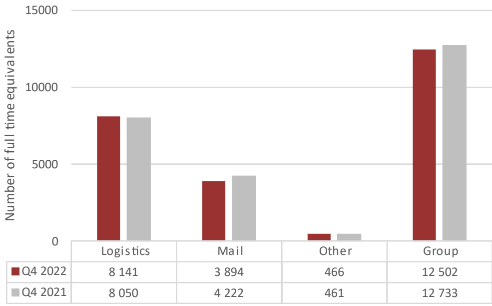
The operating profit (EBIT) in 2022 was a loss of MNOK 182, a reduction of MNOK 468 compared with 2021. Other income/expenses in 2022 were negative by MNOK 164, mainly due to the recognition of the pension liability related to "Sliterordningen" and the restructuring of letter sorting from Bodø and Tromsø to Østlandsterminalen.

In the fourth quarter of 2022, 91,0 percent of addressed mail was delivered within 3 days, 91,7 percent for the year 2022, well above the licence requirement of 85 percent.

Other matters

HSE

Workforce[1]



The Group's workforce as at 31 December 2022 was 12 502 full-time equivalents, a reduction of 231 full-time equivalents compared with the same period in 2021. The increase in the Logistics segment was mainly due to increased activity and acquisitions of businesses. The reduction in the Mail segment primarily concerned the transition to post in shop.

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 good result.

In the fourth quarter 2022, absence due to sickness in Posten Group was 6,9 percent, 0,4 percentage points higher than in the same period in 2021. Absence due to sickness for the year 2022 ended on 6,9 percent – 0,9 percentage points higher than in 2021. A considerable part of absence due to sickness is caused by the pandemic. In addition, influenza increased the absence towards the end of 2022. Targeted efforts are made to reduce the absence due to sickness with both preventive measures and following up already sick employees.

The total number of injuries per million worked hours (H2) was 7,3 percent in the fourth quarter 2022, a reduction of 0,7 compared with last year. The trend continued downward throughout the whole year and H2 ended on 7,0, 2,3 better than in 2021. The improvement is a result of long-term measures to direct attention to risk behaviour and increase the awareness of preventing personal injuries.

The external environment

The Group's goal is to be greenest logistics provider in the Nordics. In IPSOS' reputation survey for 2022, Posten was on top within its industry category in Norway with regards to environmental consciousness among the the consumers.

Posten continues to reduce emissions from transport activities, and the share of emission-free vehicles in the Group is 44 percent at year-end. Conversion to electrical vehicles and associated charging infrastructure are the most important measures. In addition to establishing its own charging infrastructure, the Group has contributed with input to a national charging strategy in Norway launched in December. A charging infrastructure is important not only for Posten, but for all transporters planning to convert to electrical vehicles in the time to come.

Regulatory issues

In the national budget for 2023, MNOK 1 070 have been granted for government procurements of commercially non-viable postal services. In addition, MNOK 128 have been granted for Posten's newspaper distribution in the rural districts. In the proposal for the budget, the Ministry of Transport also notified that the expenses to commercially non-viable postal services are expected to increase considerably in the time to come, possibly by MNOK 200-300 each year, if the non-viable postal services are maintained as they are today.

In the national budget for 2022, MNOK 755 were granted for government procurements of commercially non-viable postal services. The amount was in accordance with Posten's pre-calculations. In addition, MNOK 128 were granted for Posten's newspaper distribution in the rural districts. The entire granted amount was recognised as income in 2022.

For 2021, Posten received MNOK 566 for government procurements of commercially non-viable postal services. Posten's final recalculation for 2021 shows net lower costs of MNOK 24. In accordance with the scheme, the amount (with interest) was repaid to the authorities in the final settlement in December, giving a corresponding reduction of income in 2022.

[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 2021 have been updated accordingly.

In October 2022, the Government proposed changes to the Postal Act – Prop. 4 LS (2022-2023). One of the changes is to emphasise that the Postal Act comprises parcel services concerning the corporate market (B2C, B2B). Posten and several others in the industry disagree with this and understand it as a reality change of which the Ministry of Transport has not considered the consequences, such as the access to zone keys to apartment buildings etc. Posten has provided extensive input to the preceding consultative round in the summer of 2021 as well as the discussion in the Norwegian Parliament. The Parliament's Transport and Communications Committee will give their recommendation before 9 March 2023.

Future prospects

2022 has been characterised by high uncertainty, and the inflation has increased to very high levels in large parts of the world. High inflation and increasing interests weaken the households' purchasing power and the economic growth prospects in the time to come. A recession in the Nordics in 2023 seems probable, with a moderate recession the following years. During the autumn, the expectations to growth in the GDP for mainland Norway was significantly reduced. The National Bureau of Statistics expects that the GDP growth in 2022 will be 3,8 percent, declining to 1,2 percent in 2023. In the short term, a moderate decline in the economy is expected, but the GDP in mainland Norway is nevertheless estimated to be cyclically neutral in the next years[2]. In Sweden, a negative GDP growth is expected in 2023[3]. The recession will probably last until 2025. There is still very considerable uncertainty related to how long the economic recession will last.

The general terms in Norway, Sweden and the rest of Europe are important driving forces for growth and profitability for large parts of the Group's logistics business. The weakened purchasing power is expected to directly affect the demand for logistics services from the private consumer as well as the corporate market in the time to come. Margins in the logistics segment will also be pressured as a consequence of declining activities in combination with a significantly higher cost level for the transport industry. This will force Posten to carry out planned initiatives securing cost-effective operations in both the short and long term.

In the last years, the Mail segment has carried out structural measures, ongoing improvements and the introduction of new services adjusted to the private market, such as Norgespakken 0-5 kg, in order to compensate for the continuous fall in letter volumes. The profitability development in the Mail segment is, however, challenging, and result contributions from other postal services are not expected to be adequate to compensate for the increasing losses in the non-viable postal services. The present regulatory framework offers limited opportunities for additional adjustments to postal services. In combination with expected continued fall in volumes, the need for further adjustments of the mail business will increase in future years.

A substantial part of Posten's and Bring's value creation depends on digital solutions. Digital solutions also entail considerable vulnerability, and a global threat level of significant complexity. The risk for cyber attacks is increasing, and such attacks can have large operational, financial and reputation-wise consequences. In order to meet various digital risks, Posten's work is focused on information security. Together with IT suppliers, security measures and preparedness arrangements have been established, continuously adjusted to the threat level to reduce risk.

Posten will continue to develop sustainable mail and logistic services. The range of services shall be improved by increasing the number of locations with parcel boxes, overall warehouse solutions, investments in technology and increased capacity in the logistics network, in addition to developing new services and concepts and testing new technology like the use of drones and robot deliveries. As a large, Nordic transport and logistic participant, Posten will still be leading in sustainability and a driving force for the Nordics to reach their climate goals.

In spite of a challenging market in 2022, the Group has increased its market shares and strengthened delivery quality and customer satisfaction. The Group is adjusting to more demanding market circumstances by focusing on cost-effective operations. The Group's financial platform provides good conditions to address a situation of extraordinarily high uncertainty, and future investments will be adjusted to financial capacity.

[2] Konjunkturtendensene (ssb.no)

[3] Konjunkturläget - Konjunkturinstitutet

Financial Report

4th quarter 2022
Posten Norge

Condensed income statement

Q4 2022	Q4 2021		Note	Year 2022	Year 2021
6 423	**6 778**	**Revenue**	1	**23 429**	**24 716**
2 826	2 892	Costs of goods and services		10 072	10 369
2 293	2 335	Payroll expenses		8 518	8 600
376	326	Depreciation and amortisation	2,3	1 384	1 240
181	65	Write-downs	2,3	185	68
911	911	Other operating expenses		3 017	2 983
6 587	**6 529**	**Operating expenses**		**23 175**	**23 260**
(15)	(11)	Other income and (expenses)	5	(371)	3
2	2	Share of profit from associated companies		7	3
(176)	**239**	**Operating profit/(loss)**	1	**(110)**	**1 462**
(10)	(31)	Net financial items		(200)	(109)
(186)	**209**	**Profit/(loss) before tax**		**(310)**	**1 352**
(25)	14	Tax expense		(59)	294
(161)	**195**	**Profit/(loss) after tax**		**(251)**	**1 058**
(157)	194	Controlling interests		(246)	1 051
(4)	1	Non-controlling interests		(5)	7

Condensed statement of comprehensive income

Q4 2022	Q4 2021		Year 2022	Year 2021
(161)	**195**	**Profit/(loss) after tax**	**(251)**	**1 058**
47	12	Pension remeasurement	47	12
47	**12**	**Items that will not be reclassified to income statement**	**47**	**12**
(41)	(96)	Translation differences	(25)	(160)
17	6	Hedging of net investment	13	26
(23)	**(90)**	**Total translation differences**	**(12)**	**(134)**
5	**(2)**	**Cash flow hedging**	**(17)**	**1**
(19)	**(92)**	**Items that will be reclassified to income statement**	**(29)**	**(133)**
28	**(80)**	**Other comprehensive income**	**18**	**(121)**
(133)	**115**	**Total comprehensive income**	**(233)**	**937**
		Total comprehensive result is distributed as follows:		
(129)	114	Controlling interests	(228)	930
(4)	1	Non-controlling interests	(5)	7

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

Condensed balance sheet

	Note	31.12 2022	31.12 2021
ASSETS			
Intangible assets	2	2 027	2 079
Deferred tax assets		244	179
Tangible fixed assets	2	6 498	5 743
Right-of-use assets	3	3 266	2 981
Other financial assets	6	407	283
Non-current assets		**12 442**	**11 266**
Interest-free current receivables	6	3 895	3 530
Interest-bearing current receivables	6	116	99
Liquid assets	6	2 683	3 448
Current assets		**6 694**	**7 077**
Assets		**19 136**	**18 342**
EQUITY AND LIABILITIES			
Share capital		3 120	3 120
Other equity		2 555	4 104
Non-controlling interests		66	49
Equity		**5 741**	**7 273**
Deferred tax liability		43	
Other provisions for liabilities		910	725
Provisions for liabilities		**953**	**725**
Non-current lease liabilities	3,6	2 837	2 570
Interest-bearing non-current liabilities	4,6	1 111	1 618
Interest-free non-current liabilities	6	29	7
Non-current liabilities		**3 976**	**4 195**
Current lease liabilities	3,6	743	667
Interest-bearing current liabilities	4,6	3 187	969
Interest-free current liabilities	6	4 517	4 294
Tax payable		19	218
Current liabilities		**8 466**	**6 149**
Equity and liabilities		**19 136**	**18 342**

(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 01.01.2022	**3 120**	**992**	**(6)**	**149**	**2 969**	**4 104**	**49**	**7 273**
Profit/(loss) for the period					(246)	(246)	(5)	(251)
Other comprehensive income			(17)	(12)	47	18		18
Total comprehensive income			**(17)**	**(12)**	**(199)**	**(228)**	**(5)**	**(233)**
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**	**1 449**	**2 555**	**66**	**5 741**

	Controlling interests							
	Share capital	Share premium reserves	Hedging reserve	Transl. diff	Retained earnings	Other equity	Non-contr. interests	Total equity
Equity 01.01.2021	**3 120**	**992**	**(7)**	**283**	**2 969**	**4 237**	**9**	**7 367**
Profit/(loss) for the period					1 051	1 051	7	1 058
Other comprehensive income			1	(134)	12	(121)		(121)
Total comprehensive income			**1**	**(134)**	**1 063**	**930**	**7**	**937**
Dividend					(1 060)	(1 060)	(7)	(1 067)
Changes in non-contr. interests							39	39
Other changes in equity					(3)	(3)	1	(2)
Equity 31.12.2021	**3 120**	**992**	**(6)**	**149**	**2 969**	**4 104**	**49**	**7 273**

As at 31 December 2022, 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 May 2022, it was decided to distribute dividends amounting to MNOK 1 315, as proposed by the Board. The dividend was paid in June 2022.

Condensed statement of cash flows

Q4 2022	Q4 2021		Year 2022	Year 2021
(186)	209	Profit/(loss) before tax	(310)	1 352
(3)	5	Tax paid in period	(213)	(189)
(1)	(5)	(Gain)/loss from sales of non-current assets	(11)	(22)
553	391	Ordinary depreciation and write-downs	1 568	1 308
(2)	(2)	Share of profit/(loss) from associated companies	(6)	(3)
19	41	Financial items without cash flow effect	213	135
52	(73)	Changes in receivables and payables	(127)	(280)
94	180	Changes in other working capital	328	(258)
(5)	(41)	Changes in other accruals	(59)	(80)
8	2	Interests received	9	51
(26)	(40)	Interests paid	(197)	(177)
504	**667**	**Cash flows from operating activities**	**1 197**	**1 837**
(458)	(342)	Investments in non-current assets	(1 276)	(1 062)
1	(187)	Cash-effect from purchases of businesses	(191)	(187)
		Cash-effect from purchase of associated companies	(22)	
(22)		Cash-effect from purchases and sales of other shares	(136)	(44)
7	14	Proceeds from sales of non-current assets	21	88
	1	Cash-effect from sale of businesses	6	30
11	(11)	Changes in other financial non-current assets	13	(14)
(461)	**(525)**	**Cash flows used in investing activities**	**(1 584)**	**(1 189)**
(209)	(229)	Payment of lease liabilities	(757)	(857)
	150	Proceeds from non-current and current debt raised	2 000	1 200
(56)	(56)	Repayment of borrowings	(461)	(1 111)
87	(126)	Decrease/increase in bank overdraft	159	5
		Dividends paid	(1 315)	(1 060)
(177)	**(260)**	**Cash flows used in financing activities**	**(374)**	**(1 823)**
(134)	**(119)**	**Change in liquid assets**	**(761)**	**(1 175)**
2 831	3 600	Liquid assets at the beginning of the period	3 448	4 680
(15)	(33)	Currency differences	(4)	(57)
2 683	**3 448**	**Liquid assets at the end of the period**	**2 683**	**3 448**

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

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 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 2021 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 2021 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 2021 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 2021 Integrated report.

Revenue per segment

Q4 2022	Q4 2021	Revenue	Year 2022	Year 2021
5 043	5 377	External revenue	18 471	19 562
166	188	Internal revenue	419	390
5 210	**5 566**	**Logistics**	**18 890**	**19 952**
1 379	1 401	External revenue	4 958	5 154
132	135	Internal revenue	441	467
1 511	**1 535**	**Mail**	**5 398**	**5 620**
388	324	Internal revenue	1 505	1 439
388	**324**	**Other**	**1 505**	**1 439**
(686)	(647)	Eliminations	(2 364)	(2 295)
6 423	**6 778**	**Group**	**23 429**	**24 716**

Revenue categories

Q4 2022	Q4 2021	Deliveries over time*	Year 2022	Year 2021
2 405	2 262	Parcel services	8 341	7 943
2 565	2 421	Freight and forwarding	9 946	9 189
239	883	Other logistics business**	604	2 819
5 210	**5 566**	**Logistics**	**18 890**	**19 952**
887	969	Addressed/unaddressed mail	3 313	3 715
205	143	Government procurements	731	536
125	128	Norgespakke	379	393
293	295	Other mail services	975	976
1 511	**1 535**	**Mail**	**5 398**	**5 620**
388	**324**	**Other**	**1 505**	**1 439**
(686)	(647)	Elimination	(2 364)	(2 295)
6 423	**6 778**	**External revenue**	**23 429**	**24 716**

*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.

** In 2021, Frigoscandia Sverige was part of Other Logistics business, with revenue of MNOK 705 in the 4th quarter and MNOK 2 568 for the year. Frigoscandia Sverige was sold in December 2021.

Operating profit/(loss) (EBIT) per segment

Q4 2022	Q4 2021	Operating profit before depreciation (EBITDA)	Year 2022	Year 2021
373	605	Logistics	1 689	2 308
168	202	Mail	406	667
(148)	(167)	Other	(269)	(210)
393	**640**	**Group**	**1 822**	**2 765**

Q4 2022	Q4 2021	Adjusted operating profit/(loss)	Year 2022	Year 2021
118	387	Logistics	758	1 477
57	101	Mail	(18)	287
(157)	(174)	Other	(301)	(238)
17	**314**	**Group**	**439**	**1 525**

Q4 2022	Q4 2021	Operating profit/(loss) (EBIT)	Year 2022	Year 2021
(97)	313	Logistics	401	1 415
78	101	Mail	(182)	286
(156)	(174)	Other	(329)	(239)
(176)	**239**	**Group**	**(110)**	**1 462**

Investments per segment

Investments	Year 2022	Year 2021
Logistics	942	895
Mail	334	167
Group	**1 276**	**1 062**

Note 2 Intangible assets and tangible fixed assets

	Intangible assets	Tangible assets
Carrying amount 01.01.2022	**2 079**	**5 743**
Additions	247	1 029
Additions from acquisition of businesses		236
Disposals		(15)
Depreciation	(123)	(496)
Write-downs	(164)	(1)
Translation differences	(11)	1
Carrying amount 31.12.2022	**2 027**	**6 498**

Investments in owned assets in 2022 amounted to MNOK 1 276, of which investments in intangible assets mainly related to IT solutions and constituted MNOK 244. Approximately MNOK 339 of the MNOK 1 029 invested in tangible fixed assets concerned buildings and property, and the rest mainly comprised terminal equipment, vehicles and other operating equipment. MNOK 942 of total investments concerned the Logistics segment.

Assets totalling MNOK 165 were written down in 2022, of which MNOK 161 concerned goodwill in the Logistics segment. The write-downs were mainly a consequence of challenging market conditions in 2022 and weakened economic growth prospects in the time to come.

Note 3 Leases

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

	31.12 2022	31.12 2021
Right to use assets	**3 266**	**2 981**
Non-current lease liabilities	2 837	2 570
Current lease liabilities	743	667
Lease liabilities	**3 580**	**3 237**

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

Q4 2022	Q4 2021		Year 2022	Year 2021
214	186	Depreciation	765	695
19	64	Write-downs	19	64
36	30	Interest expense on lease liabilities	116	120

Note 4 Interest-bearing non-current and current liabilities

The Group's interest-bearing liabilities include:

	31.12 2022	31.12 2021
Bond loans	1 000	1 000
Liabilities to credit institutions	111	611
Other interest-bearing non-current liabilities		7
Interest-bearing non-current liabilities	**1 111**	**1 618**
Bond loans due within one yar		350
Long term liabilities to credit institutions due within one year	488	111
Certificate loans	1 250	500
Other interest-bearing current liabilities	1 449	8
Interest-bearing current liabilities	**3 187**	**969**

The reduction in interest-bearing non-current liabilities as at 31 December 2022 compared with 31 December 2021 is due to the reclassification to current liabilities of loans and instalments to credit institutions.

The increase in interest-bearing current liabilities as at 31 December 2022 compared with 31 December 2021 is mainly a consequence of new certificate loans, use of credit facilities and bank overdraft and the reclassification to interest-bearing current liabilities of loans and instalments to credit institutions. This was partly offset by down payments of bond loans and instalments on loans.

Total certificate loans amounted to MNOK 1 250 as at 31 December 2022, MNOK 750 higher than 31 December 2021.

As at 31 December 2022, MNOK 1 250 of the Group's credit facility were utilised. The credit facility was used in August and November and due in February 2023. In addition, MNOK 164 of the Group's bank overdraft were utilised as of 31 December 2022. The overdraft has an expected duration of less than one year and is classified as other interest-bearing current liabilities.

The weighted average interest rate on Posten's outstanding interest-bearing liabilities was 3,7 percent as at 31 December 2022.

Note 5 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.

Q4 2022	Q4 2021		Year 2022	Year 2021
		Other income	13	
		Restructuring costs	(36)	
		Reversed restructuring costs		14
(15)	(11)	Other expenses	(348)	(11)
(15)	**(11)**	**Other income and (expenses)**	**(371)**	**3**

Restructuring costs in 2022 mainly concerned restructuring costs for the move of the mail production and route clearance from Bodø and Tromsø to Østlandsterminalen, effective from 1 April 2023. The workforce will be reduced by approximately 80 FTEs, and employees will be offered restructuring measures like gift pensions and severance packages.

There were no significant other income and expenses in the fourth quarter 2022. Other expenses so far in 2022 mainly related to the recognition of a pension liability of MNOK 307 concerning "Sliterordningen" agreed in the wage settlement 2018. Note 3 in Integrated report 2021 has more information on Sliterordningen. At the Annual Shareholders Meeting in Spekter on 16 June 2022, it was decided that the employer must finance the payments of early retirement pension supplements for their own employees. The payment shall be made from annual expected payments from the scheme. Posten has calculated and recognised the Group's obligation for this. In the second quarter, the liability was recognised in line with other pension liabilities, where assumptions as at 31 December 2021 were applied. The pension liability has been adjusted pursuant to updated assumptions as at 31 December 2022, and changes in assumptions were recognised in other comprehensive income.

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 2021 Integrated report.

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*	Derivatives at fair value over profit or loss	Derivatives at fair value over OCI	Receivables	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	2	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		377		0		2 810	3 187
Interest-free current liabilities, incl. tax payable	2	0		1		4 535	4 536
Financial liabilities		0		0			**12 442**
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

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

		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	31.12.2021
Assets							
Interest-bearing non-current receivables		0		0	51		51
Other financial non-current assets	1,2	90	90	0	21		201
Interest-free current receivables	2	0		12	3 518		3 530
Interest-bearing current receivables		0		0	99		99
Liquid assets		0		0	3 448		3 448
Financial assets		0		0			**7 328**
Liabilities							
Non-current lease liabilities		0		0		2 570	2 570
Interest-bearing non-current liabilities	2	389		0		1 229	1 618
Interest-free non-current liabilities	2	0		6		2	7
Current lease liabilities		0		0		667	667
Interest-bearing current liabilities		0		0		969	969
Interest-free current liabilities, incl. tax payable	2	0		1		4 512	4 513
Financial liabilities		0		0			**10 344**
Total value hierarchy level 1 (net)		1		0			1
Total value hierarchy level 2 (net)		(300)	90	6			(204)
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 7 Changes in the Group's structure

The Group has acquired the property companies Kongsåsen Eiendomsselskap AS, Posten Eiendom Borgeskogen AS (formerly Kongsåsen Eiendomsselskap 1 AS) and Moss Næringspark Øst 1 AS. Estimated purchase amounts total MNOK 125.

	Q4 2022
Purchase amounts	123
Carrying amount of net assets	9
Excess value allocated to buildings and properties	**114**

Other changes

There have been no other significant changes in the Group's structure as of 31 December 2022.

Note 8 Other matters

The war in Ukraine, combined with new infection waves in China with resulting lockdowns, has intensified and prolonged the challenges in the global logistics and supply chains that arose in connection with the pandemic. The challenging geopolitical situation has also reduced the growth prospects in Norway and Europe, and resulted in increasing prices and declining demand. Lower demand, in combination with higher energy costs and pressure on supply chains, is affecting Posten's economic growth estimates and future results.

Changes in market prospects also imply higher uncertainty in the Group's future estimates. In the fourth quarter 2022 a total of MNOK 161 in goodwill in the Logistics segment were written down. In other respects, the Group's review of results and forecasts, in addition to executed impairment tests, has not identified any significant impairment of assets.

In order to help the war-stricken population in Ukraine, Posten has since April offered freight of relief consignments to Ukraine free of charge. At the end of December, more than 200 tonnes of humanitarian relief packages and gifts from Norwegians have been sent to Ukraine.

Posten had no significant transactions with Russian or Ukrainian companies in 2022. No significant transaction risk with partners, customers and/or suppliers has been identified as a consequence of sanctions, disruption of production and/or volatility in market prices for raw materials and currency.

Alternative Performance Measures

Quarterly Report

4th quarter 2022
Posten Norge

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.

		Year 2022	Year 2021
+	Revenue (current year)	23 429	24 716
-	Revenue (last year)	24 716	23 996
=	**Nominal change in revenue**	**(1 287)**	**721**

		Year 2022	Year 2021
+	Nominal change in revenue	(1 287)	721
+/-	Impact of exchange rates	233	307
+/-	Acquisitions of companies	(344)	(81)
+/-	Sale of companies*	2 608	329
+/-	Change in government procurements	(195)	(13)
=	**Organic change in revenue**	**1 015**	**1 262**

* Adjustment of revenue for companies sold

		Year 2022	Year 2021
+	Organic change in revenue	1 015	1 262
/	Adjusted revenue*	22 453	23 666
=	**Organic growth**	**4,5 %**	**5,3 %**

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

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

Alternative Performance Measures

4th quarter 2022 Posten Norge

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'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 not ordinary 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.

		Year 2022	Year 2021
+	Revenue	23 429	24 716
-	Costs of goods and services	10 072	10 369
-	Payroll expenses	8 518	8 600
-	Other operating expenses	3 017	2 983
=	**EBITDA**	**1 822**	**2 765**

		Year 2022	Year 2021
+	EBITDA	1 822	2 765
-	Depreciation	1 384	1 240
=	**Adjusted operating profit/(loss)**	**439**	**1 525**

		Year 2022	Year 2021
+	Adjusted operating profit/(loss)	439	1 525
/	Revenue	23 429	24 716
=	**Adjusted profit margin**	**1,9 %**	**6,2 %**

		Year 2022	Year 2021
+	Adjusted operating profit/(loss)	439	1 525
-	Write-downs	185	68
+/-	Other income and (expenses)	(371)	3
+	Share of profit or loss from associated companies	7	3
=	**EBIT**	**(110)**	**1 462**

		Year 2022	Year 2021
+	EBIT	(110)	1 462
/	Revenue	23 429	24 716
=	**EBIT margin**	**(0,5%)**	**5,9 %**

(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.

		31.12 2022	31.12 2021
+	Interest-bearing non-current liabilities	3 947	4 187
+	Interest-bearing current liabilities	3 930	1 636
-	Commercial financial investments	2 581	3 338
-	Cash	1	4
-	Bank deposits	100	106
=	**Net interest-bearing debt/(receivables)**	**5 195**	**2 376**

		31.12 2022	31.12 2021
+	Net interest-bearing debt/(receivables)	5 195	2 376
/	Equity on the balance sheet date	5 741	7 273
=	**Debt/equity ratio**	**0,9**	**0,3**

		31.12 2022	31.12 2021
+	Net interest-bearing debt/(receivables)	5 195	2 376
/	EBITDA last twelve months	1 822	2 765
=	**Net interest-bearing debt/(receivables)/EBITDA**	**2,9**	**0,9**

		31.12 2022	31.12 2021
+	Commercial financial investments	2 581	3 338
+	Credit facilities	1 853	1 998
-	Certificate loans	1 250	500
=	**Long-term liquidity reserve**	**3 184**	**4 836**

		31.12 2022	31.12 2021
+	Long-term liquidity reserve	3 184	4 836
+/-	Deposits outside group account	100	106
+	Bank overdraft not utilised	336	495
=	**Short-term liquidity reserve**	**3 620**	**5 437**

(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:

		31.12 2022	31.12 2021
+	Intangible assets	2 111	1 870
+	Tangible fixed assets	9 130	8 329
+	Current assets	7 032	7 429
-	Total liquid assets	3 230	4 116
-	Interest-bearing current assets	115	99
-	Interest-free current liabilities	4 332	4 406
+	Tax payable	57	218
+	Dividends and group contributions	102	80
=	**Invested capital**	**10 756**	**9 305**

*Last twelve months

		31.12 2022	31.12 2021
+	Last 12 months' accumulated adjusted operating result	439	1 525
/	Invested capital	10 756	9 305
=	**Return on invested capital (ROIC)**	**4,1 %**	**16,4 %**

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 2022	Year 2021
+	Total investments in owned tangible fixed assets	1 512	1 278
-	Investments due to acquisitions	236	215
=	**Investments before acquisitions**	**1 276**	**1 062**

		31.12 2022	31.12 2021
+	Result after tax last 12 months	(251)	1 058
/	Average equity on balance sheet date*	6 507	7 320
=	**Return on equity after tax (ROE)**	**(3,9%)**	**14,5 %**

*(OB+CB)/2

		31.12 2022	31.12 2021
+	Equity on balance sheet date	5 741	7 273
/	Equity and liabilities (total capital)	19 136	18 342
=	**Equity ratio**	**30,0 %**	**39,7 %**

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