posten bring

Quarterly Report 2023

4th quarter 2023
Posten Bring

Message from the CEO

The year 2023 was characterized by market turmoil, high inflation, and increased interest rates, which reduced consumption in Norway. The economy in Sweden has also been weak and consumption has fallen. Nevertheless, Posten Bring has seen good growth, especially in parcels from e-commerce, and can show increased revenues and improved results from last year.

The adjusted operating profit for 2023 was MNOK 716, which is MNOK 310 better than the year before. Parcels from online shopping (B2C) increased by 8.4 percent in 2023. For the first time, the Group has passed 100 million parcels in a year.

High prices and uncertainty in the market have affected the Group and there has been good work to achieve increased productivity and cost efficiency, something we have especially seen results of in the Norwegian network. We have delivered services of high quality. Customers are satisfied, and people has high confidence in Posten Bring.

The delivery quality in the 4th quarter was high for both letter mail and parcel services, but weather and winter have occasionally posed challenges. For letter mail, the delivery quality in the 4th quarter was 89.4 percent - which is well above the requirement of 85 percent within 3 days.

Addressed mail fell by 12.6 percent and unaddressed mail fell by 10.7 percent in 2023 compared to the year before. The development within mail is a long-term declining trend as a result of digitalization. Mail volumes have been reduced by over 80 percent since the turn of the millennium. In January 2024, the government appointed an expert committee to look at future postal services and whether Posten should be given new tasks in the future to cover other societal needs than postal distribution alone. The committee will deliver its recommendation within one year. Posten will in 2024 continue to test various alternatives for future delivery, among other things, two-way communication is being tested through doorstep visits in collaboration with the municipalities' organization KS.

The Group's reputation is high in Norway and Posten scored top-10 on Ipsos' reputation measurement in 2023. Both Posten and Bring are making progress. Customer satisfaction and loyalty remained stable in 2023 at the same level as the year before.

In 2023, the Group carried out an important technology shift in our core systems. Two outdated and costly mainframe systems have been replaced with a new, modern cloud-based production system; Parcel Hub which manages our automated parcel production from sorting to tracking and invoicing. Parcel Hub will contribute to realizing the business strategy and new customer needs easier and faster, and reduce technology costs.

Parcel boxes, which are automatic, 24-hour open delivery boxes for parcels, have been well received by customers and contribute to increased satisfaction. Posten Bring is deploying parcel boxes at a high pace both in Norway and Sweden and has increased by about 300 new locations in both countries. Parcel boxes open for service development, and new services have been launched in the period; including return from parcel box, and that the service Norgespakken can be sent from parcel box.

Posten Bring will be a driving force in the transition to a low-emission society. We have great ambitions for emission cuts, and this year we have set new climate goals in line with Science Based Targets' (SBT) Net Zero framework. By 2030, 100 percent of our vehicles will use either electricity or biogas, and in addition, emissions from our suppliers will be cut by 30 percent. To achieve this ambitious climate goal, the Group will invest significant amounts in electric vehicles, charging, energy production, and rail transport over the next six years.

Sick leave as a 12-month trend showed 6.7 percent, an improvement of 0.2 percentage points from the year before. The number of personal injuries went down and the injury frequency as a 12-month trend ended at 6.4 which is lower than at the same time in 2022.

I would like to extend a big thank you to our customers for good cooperation and to all employees for good effort!

Tone Wille
Group CEO

Highlights

The Group's revenue in the 4th quarter 2023 was MNOK 6 724, an increase of MNOK 301 compared to the 4th quarter 2022. Adjusted operating profit in the 4th quarter 2023 was MNOK 214, an increase of MNOK 230 compared to the 4th quarter 2022.

The Group's revenue in 2023 was MNOK 24 394, an increase of MNOK 965 compared with last year. Organic growth in 2023 was 0.5 percent. Adjusted operating profit in 2023 was MNOK 716, an increase of MNOK 310 against last year.

The Logistics segment ended with an adjusted operating profit of MNOK 689 for 2023, which was MNOK 51 lower than last year. The development of the result was characterized by challenging market conditions, with weak market development and a higher cost level throughout the year. Successful new sales and ongoing cost adjustments have contributed to the logistics segment still maintaining the result in 2023.

The adjusted operating profit in the Mail segment ended at MNOK 294 in 2023, which was MNOK 326 better than last year. The result was positively influenced by, among other things, high import volumes and currency effects, increased productivity which has resulted in lower costs in the network, as well as repayment of government procurements from 2022.

The operating result (EBIT) in 2023 was MNOK 599, an increase of MNOK 742 compared to 2022. A total of MNOK 139 was written down in assets in 2023, of which MNOK 134 was a write-down of goodwill within the logistics segment, see note 3 for further information. In 2022, a total of MNOK 185 was written down in assets. Other income/costs were positive in 2023 with MNOK 13, against 2022 where it was negative with MNOK 371. The amount in 2022 was mainly related to the recognition of pension obligations (the "Sliter Scheme" which was decided in the tariff settlement in 2018) with MNOK 307.

The financial result in 2023 was negative with MNOK 285, MNOK 85 weaker compared to 2022. This was due to higher interest costs related to loans and lease obligations, as well as unrealized losses related to investments in shares measured at fair value. This was partly offset by higher unrealized gains on fund placements.

The Group's result before tax was MNOK 314 in 2023, an increase of MNOK 657 compared to last year. The result after tax was MNOK 128, an increase of MNOK 404 compared to last year. The tax cost in 2023 was, among other things, affected by non-deductible costs related to the write-down of goodwill and that parts of the deferred tax asset were not recognized.

Return on equity (ROE) for the last 12 months as of December 31, 2023, was 2.2 percent, an increase of 6.5 percentage points compared to the same period last year. Return on invested capital (ROIC) for the last 12 months as of December 31, 2023, was 6.1 percent, an increase of 2.3 percentage points compared to the same period last year.

Profit development (unaudited)

Q4 2023	Q4 2022		Year 2023	Year 2022
6 724	6 423	Revenue	24 394	23 429
658	360	EBITDA	2 316	1 790
214	(16)	Adjusted operating profit/(loss)	716	406
198	(209)	Operating profit/(loss) (EBIT)	599	(143)
(87)	(10)	Net financial items	(285)	(200)
111	(219)	Profit/(loss) before tax	314	(343)
(5)	**(187)**	**Profit/(loss) after tax**	**128**	**(277)**

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

See condensed financial statement

Key financial figures (unaudited)

		Year 2023	Year 2022
Adjusted profit margin	%	2,9	1,7
Operating profit (EBIT)-margin	%	2,5	(0,6)
Equity ratio	%	29,7	29,9
Return on invested capital/ROIC*	%	6,1	3,8
Return on equity after tax (ROE)*	%	2,2	(4,3)
Net interest-bearing debt		6 171	5 195
Investments, excluding acquisitions		1 409	1 276

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

*Last twelve months

Balance sheet (unaudited)

	31.12 2023	31.12 2022
ASSETS		
Non-current assets	13 426	12 449
Current assets	6 161	6 694
Assets	**19 587**	**19 143**
EQUITY AND LIABILITIES		
Equity	5 826	5 715
Provisions for liabilities	1 018	979
Non-current liabilities	6 668	3 976
Current liabilities	6 075	8 473
Equity and liabilities	**19 587**	**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. An increase in accounts receivable, earned income related to mail from abroad, and prepaid expenses partly offset the reduction.

The increased equity was mainly a consequence of the period's result and positive translation differences. The recognition of pension remeasurement over other comprehensive income reduced equity.

The increase in non-current liabilities included four new bond loans and increased lease liabilities. The new bond loans will ensure long-term financing in a period with planned high investments.

The reduction in current liabilities was mainly a result of reduced withdrawals on the credit facilities and net down payment of certificate loans.

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

Cash flows (unaudited)

Q4 2023	Q4 2022		Year 2023	Year 2022
721	504	Cash flows from operating activities	1 558	1 197
(414)	(461)	Cash flows used in investing activities	(1 377)	(1 584)
(814)	(177)	Cash flows used in financing activities	(959)	(374)
(507)	**(134)**	**Change in liquid assets**	**(778)**	**(761)**
2 435	2 831	Liquid assets at the beginning of the period	2 683	3 448
19	(15)	Currency differences	42	(4)
1 947	**2 683**	**Liquid assets at the end of the period**	**1 947**	**2 683**

Cash flows from operating activities amounted to MNOK 1 558, mainly due to the positive operating result before depreciation. The cash flow was reduced by increased accounts receivable, as well as a reduction in other working capital which was mainly driven by a change in accrued income related to mail from abroad and increased prepayments to suppliers. The increase in other working capital in 2022 was affected by a recognised pension obligation (the “Sliter scheme”).

Cash flows of MNOK 1 377 used in investing activities primarily comprised investments in operating assets.

Cash flows of MNOK 959 used in financing activities mainly concerned reduced lease obligations, down payment of loan and credit facility, offset by new bond loans.

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.

Q4 2023	Q4 2022		Year 2023	Year 2022
5 310	5 210	Revenue	19 407	18 890
486	354	Operating profit before depreciation (EBITDA)	1 764	1 670
181	99	Adjusted operating profit/(loss)	689	740
152	**(116)**	**Segment operating profit/(loss) (EBIT)**	**559**	**383**

The Logistics segment's revenue was MNOK 19 407 in 2023, an increase of MNOK 517 compared with last year. Organic growth in 2023 for the Logistics segment was 1.3 percent.

The Group increased the e-commerce volume by 8.4 percent in 2023 compared to last year, despite weak market growth in both Norway and Sweden. Successful new sales have been crucial for increased market shares and high growth, despite weak underlying development. The Group has also had growth in the business market for parcels by 2.4 percent in 2023 compared to last year, a growth that mainly came in the first half of 2023. Revenues from freight forwarding in 2023 were reduced from last year, and were driven by a weaker market in and outside Norway.

Adjusted operating result for the Logistics segment was MNOK 689 in 2023, a reduction of MNOK 51 compared to last year. The development of the result was characterized by challenging market conditions, with weak market development and a higher cost level throughout the year. Ongoing cost adjustments and implementation of measures have contributed to keeping the cost development down. Lower electricity prices and a weak Norwegian krone exchange rate have also contributed positively.

Operating result (EBIT) was MNOK 559 in 2023, an increase of MNOK 177 compared to last year. A total of MNOK 139 of assets were written down within the Logistics segment in 2023, of which MNOK 134 were write-downs of goodwill associated with the courier and express business in Norway and parts of the logistics business in Denmark. In 2022, a total of MNOK 185 of assets were written down. Other income/costs last year were negative with MNOK 179, mainly due to the recognition of pension obligations (the "Sliter Scheme").

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 2023	Q4 2022		Year 2023	Year 2022
1 694	1 511	Revenue	5 835	5 398
304	154	Operating profit before depreciation (EBITDA)	788	392
173	42	Adjusted operating profit/(loss)	294	(32)
186	**64**	**Segment operating profit/(loss) (EBIT)**	**307**	**(196)**

The Mail segment's revenue increased by MNOK 437 in 2023 compared with last year. The volumes of addressed mail continued to fall, with a decline of 12.6 percent for the year 2023 compared to last year. The volumes of unaddressed mail fell by 10.7 percent in the same period. This was compensated by an increase in government procurements of unprofitable postal services subject to delivery obligations for 2023 which was MNOK 533 higher than in 2022, of which MNOK 88 was a repayment related to government procurements in 2022. The service Norgespakken also had a positive volume growth of 29.8 percent in 2023 compared to last year, driven by high activity from online marketplaces.

Adjusted operating result for the Mail segment was MNOK 294 in 2023, an increase of MNOK 326 compared to last year. The positive development was driven by increased prices, profitable import volumes and currency effects within addressed mail, increased productivity which has resulted in lower costs in the network, as well as the repayment of government procurements from 2022.

The operating result (EBIT) in 2023 was MNOK 307, an increase of MNOK 503 compared to last year. Other income/costs last year were negative with 164 million kroner, mainly due to the recognition of pension obligations (the "Sliter Scheme"), and that costs related to the restructuring of mail sorting from Bodø and Tromsø to Østlandsterminalen were recognized. Parts of the restructuring provision were reversed in 2023 due to a lower cost than first estimated.

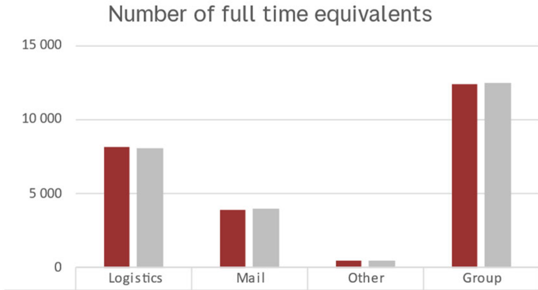
In the 4th quarter of 2023, 89.4 percent of addressed mail was delivered within 3 days, compared to 91.3 percent for the whole of 2023. Both the 4th quarter and the year ended well above the licence requirement of 85 percent.

Other matters

HSE

Workforce[1]

The Group's workforce as of December 31, 2023 was 12 448 full-time equivalents, an increase of 54 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.



	Logistics	Mail	Other	Group
Q4 2023	8 145	3 876	427	12 448
Q4 2022	8 040	3 995	466	12 502

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 4th quarter 2023, absence due to sickness in the Posten Bring Group was 7.4 percent, 0.5 percentage points above the same period in 2022. The quarter was characterized by increasing sick leave due to high infection level in general in society from both influenza, covid-19, and other infections. The result for 2023 ended at 6.7 percent and this was an improvement of 0.2 percentage points from 2022.

The total number of personal injuries per million hours worked (H2) was 6.0 in the 4th quarter of 2023. This was a reduction of 1.3 from the same quarter in 2022. The number of personal injuries in the 4th quarter was 32 compared to 40 injuries in the same quarter in 2022. The result for 2023 ended with an H2 value of 6.4 and this was an improvement of 0.6 from 2022. There has been a significant reduction in the number of personal injuries in recent years - from 200 injuries in 2021, to 141 in 2022 and 130 injuries in 2023. The improvement is a result of systematic and long-term work with, among other things, risk management and an improved safety culture.

Climate and environment

Posten Bring has decided on new climate goals in accordance with the Science Based Targets' (SBT) Net Zero framework. Going forward, the Group will reduce emissions in Scope 1 and 2 by 85 % and by 30 % in Scope 3 by 2030 measured from 2022. The Group will have net zero emissions in 2040 in line with the requirement for emission reductions and residual emissions. Posten Bring's climate and environmental goals for 2023 that 49 percent of the vehicles should use fossil-free energy sources were reached. The Group had 2,972 vehicles that used fossil-free energy sources, which gave a renewable share of 50 percent.

In December, the Group completed its double materiality analysis in accordance with the requirements of the EU's sustainability directive Corporate Sustainability Reporting Directive (CSRD). In December, the following significant topics for Posten Bring were decided: Climate change, pollution, biodiversity and ecosystems, own employees, employees in the value chain, end users, and business ethics. These topics will be integrated into the Group's strategies and management systems going forward.

[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.

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

Regulatory issues

In the state budget for 2024, MNOK 1 490 was allocated for the government procurements of unprofitable postal services subject to delivery obligations. The amount corresponds to Posten Bring's preliminary calculations. On January 22, 2024, the Ministry of Transport established an expert committee to investigate future postal services.

In addition, the state budget allocated MNOK 127 for the purchase of newspaper distribution on weekdays in the districts. Posten Bring's contract expires on June 30, 2024. The Ministry of Transport announced a new tender competition in December.

In the state budget for 2023, MNOK 1 176 million kroner was allocated for the government procurements of unprofitable postal services subject to delivery obligations from Posten Bring and MNOK 128 for newspaper distribution in the districts. The amounts were fully recognized as income in 2023.

For 2022, Posten received MNOK 755 in government procurements of unprofitable postal services subject to delivery obligations. Posten's final recalculation for 2022 shows MNOK 88 in net higher cost. In accordance with the scheme, the amount (plus interest of MNOK 4) was repaid from the state in the final settlement in December 2023 and resulted in a corresponding increase in income in 2023.

Outlook

Norwegian and Nordic economy showed a weaker development in the last quarter of the year than previously assumed. In December, The National Bureau of Statistics (SSB) reduced its growth estimates for Mainland Norway's GDP for 2024 to 0.9 percent.[2] In Sweden, a growth of 1.0 percent is expected in 2024.[3] However, there are large variations between analyst estimates. Price growth is on the way down, but the weak Norwegian krone means that inflation is expected to remain high for a while, with around 4.5 percent in 2024. A weak real wage growth is expected in 2024 in both Norway and Sweden. Continued high interest rates will still reduce the purchasing power for many households.

The logistics market is sensitive to the macroeconomic development, and weakened purchasing power is expected to have a negative impact on the demand for logistics services from both the private and corporate market going forward. In the long term, however, it is expected that online shopping will continue to grow in line with the digitization of society and changed consumer habits, and online shopping will continue to take market shares from physical trade. Posten Bring aims to become a leading Nordic logistics operator, and offensive efforts are made in the Nordic market, particularly in Sweden.

The Post segment has in recent years implemented structural measures and continuous improvements to compensate for the persistent decline in mail volume. The digitization of society continues and volumes within addressed mail are expected to continue to fall by about 10-15 percent annually. Therefore, in January 2024, the government appointed a committee to look at future postal services, including what types of services should be subject to delivery obligations, how often delivery obligation mail is collected and delivered, and what requirements should apply for forwarding time. The committee will also look at whether the postmen can perform other useful tasks for society beyond delivering mail. Posten Bring is positive about this, and the opportunity to serve other societal needs. The committee has been given one year to deliver the report to the Ministry of Transport.

A large part of the value creation of Posten Bring depends on digital solutions. This entails vulnerabilities that can be exploited by global threat actors. The risk of cyber-attacks is high, and Posten Bring's threat assessment points out that state actors also pose a threat to the logistics industry. Such attacks can have major operational, financial, and reputational consequences. Therefore, the Group works continuously and purposefully with information security. Together with Posten Bring's partners, security measures and preparedness have been established to reduce risk.

Posten Bring's ambition is to be a driving force in the transition to a low-emission society. In the fourth quarter of 2023, the Group's climate goals were revised and it was decided to apply for a new climate goal in line with Science Based Target's Net

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

Zero standard. The goal is that all the Group's vehicles should run on electricity or biogas by 2030 and that by 2040 the Group should have net zero emissions. The total CO_2 emissions should be 38 percent lower in 2030, even though the Group expects growth and increased volumes in the years to come.

The pace of change must be high to continue to lead the development in the industry. The Group will continue to invest in new technology, new services, parcel boxes, and terminal capacity in a sustainable way. Further measures to ensure cost-effective operations as a basis for competitive margins will be in focus for 2024.

The start of 2024 has been characterized by snow and bad weather throughout Scandinavia, and the Group has experienced how the operation is affected by large amounts of snow and extremely slippery conditions. So far, neither personal injuries nor significant damage to assets as a result of the bad weather itself have been registered, and no major operational disruptions have been registered either. The consequences have been greatest in the "last mile" distribution, where the delivery of parcels and mail at certain times has almost completely stopped. This results in additional costs in the operation due to, among other things, the need for overtime, and it creates delays in delivery. The financial consequences are closely followed up by the Group, but are not yet considered significant.

Petter-Børre Furberg was hired as the new CEO of Posten Bring AS in January 2024 and starts on August 1. He will take over from Tone Wille who informed the board in October that she wanted to quit after seven years as CEO and a total of 17 years in Posten Bring. Tone Wille remains in the position as CEO until October 1, so that Furberg can use the first two months to get to know the people and the business.

February 15, 2024

The Board in Posten Bring AS

Financial Report

4th quarter 2023

Posten Bring

Condensed income statement

Q4 2023	Q4 2022		Note	Year 2023	Year 2022
6 724	**6 423**	**Revenue**	**1,2**	**24 394**	**23 429**
2 724	2 826	Costs of goods and services		9 977	10 072
2 473	2 293	Payroll expenses		9 062	8 518
444	376	Depreciation and amortisation	3,4	1 600	1 384
33	181	Write-downs	3,4	139	185
868	943	Other operating expenses		3 039	3 050
6 542	**6 619**	**Operating expenses**		**23 818**	**23 208**
13	(15)	Other income and (expenses)	6	13	(371)
4	2	Share of profit from associated companies		10	7
198	**(209)**	**Operating profit/(loss)**	**1**	**599**	**(143)**
(87)	(10)	Net financial items		(285)	(200)
111	**(219)**	**Profit/(loss) before tax**		**314**	**(343)**
116	(32)	Tax expense		186	(66)
(5)	**(187)**	**Profit/(loss) after tax**		**128**	**(277)**
	(183)	Controlling interests		135	(271)
(5)	(4)	Non-controlling interests		(7)	(5)

Condensed statement of comprehensive income

Q4 2023	Q4 2022		Year 2023	Year 2022
(5)	**(187)**	**Profit/(loss) after tax**	**128**	**(277)**
(80)	47	Pension remeasurement	(85)	47
(80)	**47**	**Items that will not be reclassified to income statement**	**(85)**	**47**
49	(41)	Translation differences	114	(25)
(39)	17	Hedging of net investment	(35)	13
10	**(23)**	**Total translation differences**	**79**	**(12)**
(5)	**5**	**Cash flow hedging**		**(17)**
5	**(19)**	**Items that will be reclassified to income statement**	**79**	**(29)**
(75)	**28**	**Other comprehensive income**	**(6)**	**18**
(80)	**(159)**	**Total comprehensive income**	**122**	**(259)**
		Total comprehensive income is distributed as follows:		
(75)	(155)	Controlling interests	129	(253)
(5)	(4)	Non-controlling interests	(7)	(5)

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

Condensed balance sheet

	Note	31.12 2023	31.12 2022
ASSETS			
Intangible assets	3	1 986	2 027
Deferred tax asset		299	251
Tangible fixed assets	3	7 071	6 498
Right-of-use assets	4	3 698	3 266
Other financial assets	7	373	407
Non-current assets		**13 426**	**12 449**
Interest-free current receivables		4 119	3 895
Interest-bearing current receivables	7	95	116
Liquid assets	7	1 947	2 683
Current assets		**6 161**	**6 694**
Assets		**19 587**	**19 143**
EQUITY AND LIABILITIES			
Share capital		3 120	3 120
Other equity		2 659	2 529
Non-controlling interests		47	66
Equity		**5 826**	**5 715**
Deferred tax liability		49	43
Other provisions for liabilities		969	936
Provisions for liabilities		**1 018**	**979**
Non-current lease liabilities	4	3 140	2 837
Interest-bearing non-current liabilities	5,7	3 500	1 111
Interest-free non-current liabilities	7	28	29
Non-current liabilities		**6 668**	**3 976**
Current lease liabilities	4	892	743
Interest-bearing current liabilities	5,7	586	3 187
Interest-free current liabilities	7	4 554	4 524
Tax payable		43	19
Current liabilities		**6 075**	**8 473**
Equity and liabilities		**19 587**	**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	(7)	128
Other comprehensive income				79	(85)	(6)		(6)
Total comprehensive income				79	50	129	(7)	122
Dividend							(13)	(13)
Changes in non-contr. interests					1	1	1	2
Equity 31.12.2023	3 120	992	(23)	215	1 474	2 659	47	5 826

	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 31 December 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.)

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Condensed statement of cash flows

Q4 2023	Q4 2022		Year 2023	Year 2022
110	(219)	Profit/(loss) before tax	314	(343)
(12)	(4)	Tax paid in period	(102)	(213)
(3)	(1)	(Gain)/loss from sales of non-current assets and subsidiaries	(15)	(11)
476	553	Ordinary depreciation and write-downs	1 740	1 568
(4)	(2)	Share of profit/(loss) from associated companies	(10)	(7)
61	19	Financial items without cash flow effect	214	213
(59)	54	Changes in receivables and payables	(86)	(127)
228	103	Changes in other working capital	(261)	328
(24)	17	Changes in other accruals	(40)	(26)
65	8	Interests received	159	9
(118)	(26)	Interests paid	(356)	(197)
721	**504**	**Cash flows from operating activities**	**1 558**	**1 197**
(411)	(458)	Investments in non-current assets	(1 394)	(1 276)
	1	Cash-effect from purchases of businesses		(191)
(1)	(114)	Cash-effect from purchases and sales of other shares	(4)	(136)
	92	Cash-effect from purchase of associated companies		(22)
4	7	Proceeds from sales of non-current assets	34	21
		Cash-effect from sale of businesses	(6)	6
(6)	11	Changes in other financial non-current assets	(6)	13
(414)	**(461)**	**Cash flows used in investing activities**	**(1 377)**	**(1 584)**
(233)	(209)	Payment of lease liabilities	(860)	(757)
		Proceeds from non-current and current debt raised	2 500	2 000
(856)	(56)	Repayment of borrowings	(2 710)	(461)
275	87	Decrease/increase in bank overdraft	111	159
		Dividends paid		(1 315)
(814)	**(177)**	**Cash flows used in financing activities**	**(959)**	**(374)**
(507)	**(134)**	**Change in liquid assets**	**(778)**	**(761)**
2 435	2 831	Liquid assets at the beginning of the period	2 683	3 448
19	(15)	Currency differences	42	(4)
1 947	**2 683**	**Liquid assets at the end of the period**	**1 947**	**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.

The condensed interim report has been prepared in accordance with IFRS® Accounting Standards, as approved by the EU, and is consistent with the applicable accounting standard IAS 34 for interim financial statements. The condensed interim financial 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 decline in internal revenues within the Other segment in 2023 was due to a significant portion of the company's IT operations and development being decentralized in 2023, now falling under the Logistics and Mail segment.

The segments are described in more detail in the 2022 Integrated report.

Revenue per segment

Q4 2023	Q4 2022	Revenue	Year 2023	Year 2022
5 161	5 043	External revenue	18 997	18 471
149	166	Internal revenue	410	419
5 310	**5 210**	**Logistics**	**19 407**	**18 890**
1 563	1 379	External revenue	5 398	4 958
131	132	Internal revenue	437	441
1 694	**1 511**	**Mail**	**5 835**	**5 398**
233	388	Internal revenue	1 087	1 505
233	**388**	**Other**	**1 087**	**1 505**
(514)	(686)	Eliminations	(1 935)	(2 364)
6 724	**6 423**	**Group**	**24 394**	**23 429**

Profit per segment

Q4 2023	Q4 2022	Operating profit before depreciation (EBITDA)	Year 2023	Year 2022
486	354	Logistics	1 764	1 670
304	154	Mail	788	392
(132)	(148)	Other	(235)	(269)
658	**360**	**Group**	**2 316**	**1 790**

Q4 2023	Q4 2022	Adjusted operating profit/(loss)	Year 2023	Year 2022
181	99	Logistics	689	740
173	43	Mail	294	(32)
(140)	(157)	Other	(267)	(301)
214	**(16)**	**Group**	**716**	**406**

Q4 2023	Q4 2022	Operating profit/(loss) (EBIT)	Year 2023	Year 2022
152	(116)	Logistics	559	383
186	64	Mail	307	(196)
(140)	(156)	Other	(267)	(329)
198	**(209)**	**Group**	**599**	**(143)**

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

Investments per segment

Investments	Year 2023	Year 2022
Logistics	1 058	942
Mail	351	334
Group	**1 409**	**1 276**

Note 2 Revenue

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

Q4 2023	Q4 2022*		Year 2023	Year 2022*
2 511	2 314	Parcel services	8 817	8 026
2 300	2 394	Freight and forwarding	8 818	9 344
249	213	Warehousing	955	674
101	123	Other business in Logistics segment	407	427
5 161	**5 043**	**External revenue Logistics segment**	**18 997**	**18 471**
813	884	Addressed/Unaddressed mail	3 036	3 302
149	125	Norgespakken	441	383
383	205	Government procurements	1 264	731
219	165	Other business in Mail segment	656	543
1 563	**1 379**	**External revenue Mail segment**	**5 398**	**4 958**
6 724	**6 423**	**Revenue**	**24 394**	**23 429**

* In 2023, reallocations have been made between the categories. The comparative figures have been adjusted accordingly

Note 3 Intangible assets and tangible fixed assets

	Intangible assets	Tangible assets
Carrying amount 01.01.2023	**2 027**	**6 498**
Additions	229	1 180
Additions from acquisitions	2	
Disposals		(31)
Cost price adjustments/scrapping		(51)
Depreciations	(160)	(559)
Write-downs	(138)	(1)
Translation differences	28	34
Carrying amount 31.12.2023	**1 986**	**7 071**

Investments in owned assets as of 31 December, 2023 amounted to MNOK 1 409. Investments in intangible assets were mainly related to IT solutions, totalling MNOK 229. Approximately MNOK 484 of the MNOK 1 180 invested in tangible fixed assets concerned buildings and property, and the rest mainly comprised terminal equipment, vehicles and other operating equipment. MNOK 1 058 of total investments concerned the Logistics segment.

Assets were written down by MNOK 139 as of December 31, 2023, of which MNOK 134 were related to goodwill impairment. MNOK 101 were related to courier and express business in Norway, while the remaining amount was linked to logistics operations in Denmark. The write-downs were primarily a result of challenging market conditions in 2023 and weakened economic prospects going forward.

Note 4 Leases

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

	31.12 2023	31.12 2022
Right-of-use assets	**3 698**	**3 266**
Non-current lease liabilities	3 140	2 837
Current lease liabilities	882	743
Lease liabilities	**4 032**	**3 580**

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

Q4 2023	Q4 2022		Year 2023	Year 2022
247	214	Depreciation	881	765
	19	Write-downs		19
43	36	Interest expense on lease liabilities	148	116

Note 5 Interest-bearing non-current and current liabilities

The Group's interest-bearing liabilities include:

	31.12 2023	31.12 2022
Bond loans	3 500	1 000
Liabilities to credit institutions		111
Interest-bearing non-current liabilities	**3 500**	**1 111**
Non-current liabilities to credit institutions due within one year	111	488
Certificate loans	200	1 250
Other interest-bearing non-current liabilities	275	1 449
Interest-bearing current liabilities	**586**	**3 187**

The increase in interest-bearing non-current liabilities as of December 31, 2023 compared with December 31, 2022 is due to the issuance of four new green bond loans totalling MNOK 2 500. Additionally, regular repayments on liabilities to credit institutions were paid.

The reduction in interest-bearing current liabilities as of December 31, 2023, compared to December 31, 2022, is primarily due to the repayment of credit facilities, repayment of non-current liabilities to credit institutions with maturities within one year (including the loan in Japanese yen), and partial offset by increased bank overdraft.

Total certificate loans amounted to MNOK 200 as of December 31, 2023, which was MNOK 1 050 lower than December 31, 2022.

As of December 31, 2023, MNOK 275 had been drawn on the Group's bank overdraft. No amount had been drawn on the Group's credit facility.

The weighted average interest rate on Posten Bring's interest-bearing liabilities was 4.9 percent as of December 31, 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.

Q4 2023	Q4 2022		Year 2023	Year 2022
13	(15)	Restructuring costs	13	(36)
		Other income/(expenses)		(335)
13	**(15)**	**Total other income and (expenses)**	**13**	**(371)**

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

Restructuring costs in 2022 mainly concerned restructuring costs for moving mail production and route preparation from Bodø and Tromsø to Østlandsterminalen, effective from April 1, 2023. 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 of December 31, 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	31.12.2023
Assets							
Interest-bearing non-current receivables					54		54
Other financial non-current assets	2	222		1	26		249
Interest-free current receivables	2			2	4 116		4 119
Interest-bearing current receivables					95		95
Liquid assets	1	1 835			112		1 947
Financial assets							**6 464**
Liabilities							
Non-current lease liabilities						3 140	3 140
Interest-bearing non-current liabilities						3 500	3 500
Interest-free non-current liabilities	2			28		1	28
Current lease liabilities						892	892
Interest-bearing current liabilities						586	586
Interest-free current liabilities, incl. tax payable	2			15		4 582	4 597
Financial liabilities							**12 743**
Total value hierarchy level 1 (net)		1 835					1 835
Total value hierarchy level 2 (net)		222		(39)			183
Total value hierarchy level 3 (net)							

(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	1	2 581		0	101		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)		2 581		0			2 581
Total value hierarchy level 2 (net)		(126)	79	(16)			(63)
Total value hierarchy level 3 (net)		0		0			0

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 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 in 2023.

Alternative Performance Measures

4th 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.

		Year 2023	Year 2022
+	Revenue (current year)	24 394	23 429
-	Revenue (last year)	23 429	24 716
=	**Nominal change in revenue**	**965**	**(1 287)**

		Year 2023	Year 2022
+	Nominal change in revenue	965	(1 287)
+/-	Impact of exchange rates	(464)	233
+/-	Acquisitions of companies	(7)	(344)
+/-	Sale of companies	166	2 608
+/-	Change in government procurements	(533)	(195)
=	**Organic change in revenue**	**127**	**1 015**

		Year 2023	Year 2022
+	Organic change in revenue	127	1 015
/	Adjusted revenue (last year)*	23 270	22 453
=	**Organic growth**	**0,5 %**	**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.)

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.

		Year 2023	Year 2022
+	Revenue	24 394	23 429
-	Costs of goods and services	9 977	10 072
-	Payroll expenses	9 062	8 518
-	Other operating expenses	3 039	3 050
=	**EBITDA**	**2 316**	**1 790**

		Year 2023	Year 2022
+	EBITDA	2 316	1 790
-	Depreciation	1 600	1 384
=	**Adjusted operating profit/(loss)**	**716**	**406**

		Year 2023	Year 2022
+	Adjusted operating profit/(loss)	716	406
/	Revenue	24 394	23 429
=	**Adjusted profit margin**	**2,9 %**	**1,7 %**

		Year 2023	Year 2022
+	Adjusted operating profit/(loss)	716	406
-	Write-downs	139	185
+/-	Other income and (expenses)	13	(371)
+	Share of profit or loss from associated companies	10	7
=	**EBIT**	**599**	**(143)**

		Year 2023	Year 2022
+	EBIT	599	(143)
/	Revenue	24 394	23 429
=	**EBIT margin**	**2,5 %**	**(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.

		31.12 2023	31.12 2022
+	Interest-bearing non-current liabilities	6 640	3 947
+	Interest-bearing current liabilities	1 478	3 930
-	Commercial financial investments	1 835	2 581
-	Cash	1	1
-	Bank deposits	111	100
=	**Net interest-bearing debt/(receivables)**	**6 171**	**5 195**

		31.12 2023	31.12 2022
+	Net interest-bearing debt/(receivables)	6 171	5 195
/	Equity on the balance sheet date	5 826	5 715
=	**Debt/equity ratio**	**1,1**	**0,9**

		31.12 2023	31.12 2022
+	Net interest-bearing debt/(receivables)	6 171	5 195
/	EBITDA last twelve months	2 316	1 790
=	**Net interest-bearing debt/(receivables)/EBITDA**	**2,7**	**2,9**

		31.12 2023	31.12 2022
+	Commercial financial investments	1 835	2 581
+	Bilateral credit facilities	2 248	1 853
-	Certificate loans	200	1 250
=	**Long-term liquidity reserve**	**3 883**	**3 184**

		31.12 2023	31.12 2022
+	Long-term liquidity reserve	3 883	3 184
+/-	Deposits outside group account	111	100
+	Bank overdraft not utilised	225	336
=	**Short-term liquidity reserve**	**4 219**	**3 620**

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

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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 2023	31.12 2022
+	Intangible assets	2 055	2 111
+	Tangible fixed assets	10 230	9 130
+	Current assets	6 192	7 032
-	Total liquid assets	2 226	3 230
-	Interest-bearing current assets	107	115
-	Interest-free current liabilities	4 381	4 332
+	Tax payable	5	57
+	Dividends and group contributions	1	102
=	**Invested capital**	**11 768**	**10 756**

*Last twelve months

		31.12 2023	31.12 2022
+	Last 12 months' accumulated adjusted operating profit	716	406
/	Invested capital	11 768	10 756
=	**Return on invested capital (ROIC)**	**6,1 %**	**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	Year 2022
+	Total investments in owned tangible fixed assets	1 411	1 512
-	Investments due to aquisitions	2	236
=	**Investments before aquisitions**	**1 409**	**1 276**

		31.12 2023	31.12 2022
+	Profit after tax last 12 months	128	(277)
/	Average equity on balance sheet date*	5 770	6 494
=	**Return on equity after tax (ROE)**	**2,2 %**	**(4,3 %)**

*(OB+CB)/2

		31.12 2023	31.12 2022
+	Equity on balance sheet date	5 826	5 715
/	Equity and liabilities (total capital)	19 587	19 143
=	**Equity ratio**	**29,7 %**	**29,9 %**

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