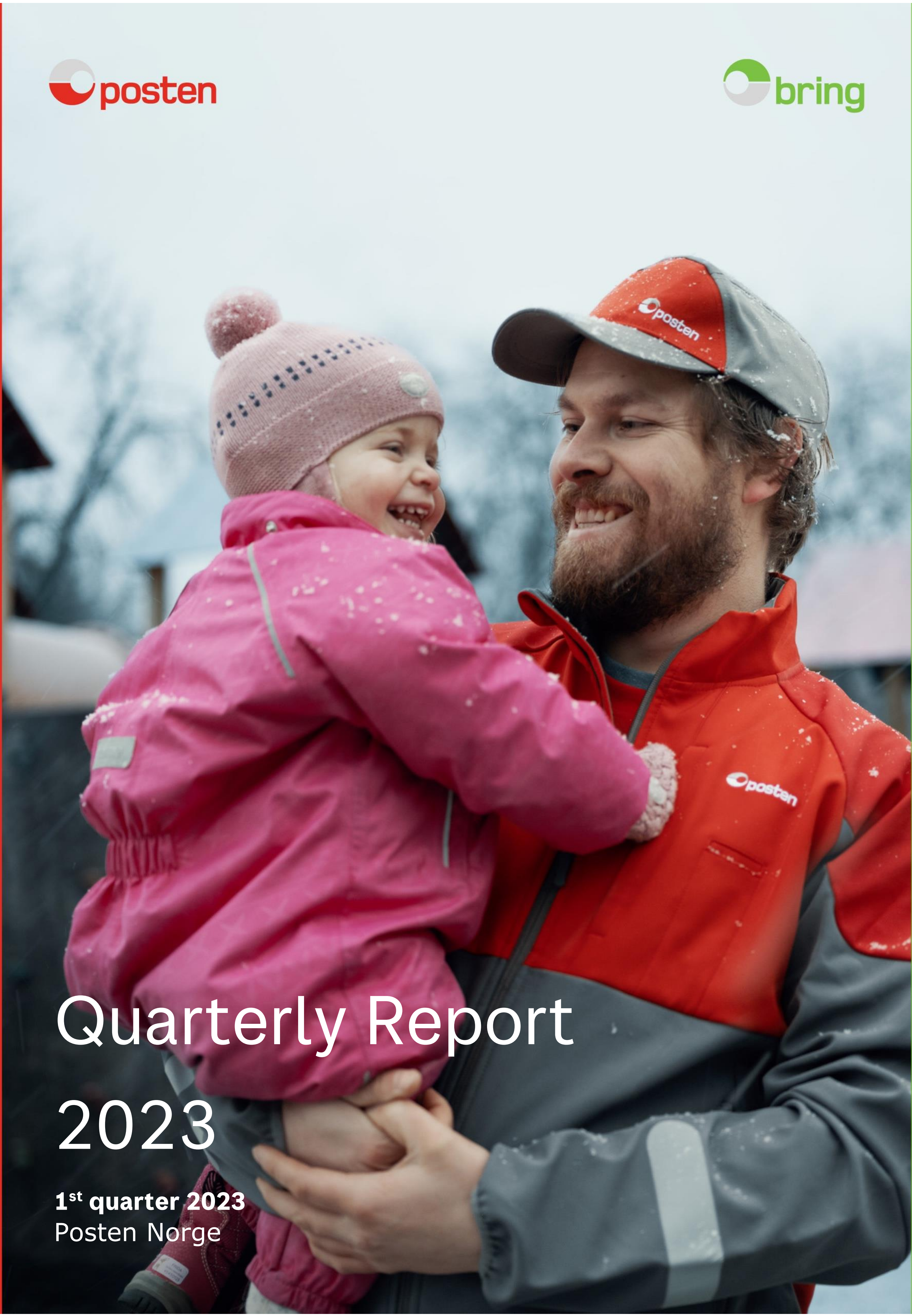


Quarterly Report 2023

1st quarter 2023
Posten Norge

Message from the CEO

Posten Norge keeps growing more than the market within e-commerce. We are winning new customers and preparing for long-term growth. The beginning of 2023 is still characterised by geopolitical issues with unrest in the markets and high inflation, and the Group is delivering a somewhat weaker result than in the same period last year.

Adjusted operating profit in the first quarter 2023 was MNOK 107, a decline of MNOK 38 compared with the first quarter 2022. Parcels from e-commerce as a 12 months trend increased by 9,0 percent compared with last year. In the first quarter 2023 addressed mail declined by 11,5 percent and unaddressed mail by 13,6 percent from the same period last year.

The inflation is still high, and we expect a high cost level also in the time to come. The uncertainty this is causing for the private purchase power affects the market and the Group's income. For us this implies that increased efforts on cost effectiveness must be balanced with measures securing long-term competitive power, and that investments are adjusted to the Group's financial capacity. In the long run, we believe in the future and prepare for growth.

Customer loyalty is still high and further strengthened. Net Promotor Score (NPS) was 55,3 so far this year against 54,1 at the same time last year.

Delivery quality is good, even though driving conditons during winter and bad weather has presented challenges. The mail delivery requirement is 85 percent delivered within three days and 97 percent within five days. As per the first quarter, the delivery quality was 91,8 percent within 3 days and 98,4 percent within five days, respectively, well above the national requirement. As a result of several media stories about the mail delivery, particularly in Northern Norway, Nkom (the Norwegian Communications Authority) will investigate whether the delivery quality is satisfacory, especially in the rural districts.

Posten is strengthening its investment in the Norgespakken adjusted to the recycling market with profiling on new platforms like Tise and Finn in Norway, and Tradera in Denmark. Norgespakken has had a growth of 14 percent so far this year compared with the same period last year.

In Sweden, the development in the market is good, and we prepare for further growth. The terminal capacity shall be extended and our presence strengthened. We are cooperating with more shops and placing more parcel boxes in the large cities. The goal is to extend the network by 600 more delivery points during 2023, from today's 1700 delivery points.

In Denmark, the number of delivery points is also extended.

For the 17th consecutive year, we have awarded the E-commerce Awards, where the country's web shops are being thoroughly tested and assessed. The best web stores for 2022 were Hippi Grace, Care of Carl and Oda.

In Europe's largest brand study on sustainability, Sustainable Brand Index, Posten placed second of all 268 brands measured in Norway. For the fourth consecutive year, Posten is also the industry winner and the brand within parcels and logistics conceived to be the most sustainable by Norwegians. Bring took the second place.

We continue our efforts in replacing fossil powered vehicles with electric vehicles and biogas driven trucks. Trucks driven on natural gas and battery-driven forklifts are also taken into use. In Sweden, we are now delivering fossil-free to more than 6 million customers.

Absence due to sickness in the first quarter 2023 ended on 7,2 percent, 1,0 percent point lower than at the same time last year. The number of injuries declined, and the injury frequency as a 12 months trend ended on 6,9 compared with 8,2 at the same time in 2022.

I wish to thank our customers for good cooperation and our employees for their efforts.

Tone Wille
Group CEO

Main features

The Group's revenue in the first quarter 2023 was MNOK 5 927, an increase of MNOK 290 compared with the first quarter 2022. Organic growth in the first quarter 2023 was 2,9.

Adjusted operating profit in the first quarter 2023 was MNOK 107, a decline of MNOK 38 compared with the first quarter 2022.

Results in the Logistics segment in the first quarter 2023 declined compared with the first quarter last year: this was mainly due to negative profitability development in businesses outside Norway, partly due to high inflation in the period.

The result development in the Mail segment in the first quarter 2023 was positively affected by high import volumes and increased volumes of Norgespakken.

Operating proft (EBIT) in the first quarter 2023 was MNOK 107, the same level as the corresponding period in 2022.

The financial result in the first quarter 2023 was reduced by MNOK 34 compared with 2022, primarily as a consequence of increased interest costs and a value reduction of financial instruments. There was, however, a positive change in value related to financial investments.

The Group's result before tax was MNOK 39 in the first quarter 2023, a reduction of MNOK 33 compared with the same period in 2022. The result after tax was MNOK 27, a reduction of MNOK 29 compared with 2022.

Return on equity (ROE) as of 31 March 2023 was a negative 4,7 percent, a reduction of 14,9 percentage points compared with the same period in 2022. Return on invested capital (ROIC) in the first quarter 2023 was 3,3 percent, a reduction of 9,6 percentage points compared with 2022.

Profit development (unaudited)

Q1 2023	Q1 2022		Year 2022
5 927	5 637	Revenue	23 429
472	473	EBITDA	1 790
107	144	Adjusted operating profit/(loss)	406
107	106	Operating profit/(loss) (EBIT)	(143)
(68)	(34)	Net financial items	(200)
39	73	Profit/(loss) before tax	(343)
27	**56**	**Profit/(loss) after tax**	**(277)**

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

See condensed financial statement

Key financial figures (unaudited)

		YTD 2023	YTD 2022	Year 2022
Adjusted profitmargin	%	1,8	2,6	1,7
Operating profit (EBIT)-margin	%	1,8	1,9	(0,6)
Equity ratio	%	30,7	39,0	29,9
Return on invested capital/ROIC*	%	3,3	12,9	3,8
Return on equity (after tax)*	%	(4,7)	10,2	(4,3)
Net interest-bearing debt		5 712	3 104	5 195
Investments, excluding acquisitions		331	226	1 276

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

*Last twelve months

Balance sheet (unaudited)

	31.03 2023	31.12 2022
ASSETS		
Non-current assets	12 953	12 449
Current assets	6 070	6 694
Assets	**19 023**	**19 143**
EQUITY AND LIABILITIES		
Equity	5 832	5 715
Provisions for liabilities	985	979
Non-current liabilities	4 738	3 976
Current liabilities	7 467	8 473
Equity and liabilities	**19 023**	**19 143**

The increase in non-current assets was mainly due to investments in terminals, machinery and IT related projects, increases right-of-use assets and positive currency effects, reduced by the period's depreciation.

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

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

The increase in non-current liabilities was due to a new bond loan and increased leasing liabilities.

The reduction in current liabilities was primarily a result of reduced utilisation of credit facilities and down payment of loans in Japanese yen, in addition to a reduction in interest-free current liabilities.

Cash flows (unaudited)

Q1 2023	Q1 2022		Year 2022
126	14	Cash flows from operating activities	1 197
(301)	(290)	Cash flows used in investing activities	(1 584)
(387)	291	Cash flows used in financing activities	(374)
(562)	**15**	**Change in liquid assets**	**(761)**
2 683	3 448	Liquid assets at the beginning of the period	3 448
48	(36)	Currency differences	(4)
2 169	**3 426**	**Liquid assets at the end of the period**	**2 683**

Cash flows from operating activities amounted to MNOK 126 in the first quarter 2023, mainly due to the positive operating result before depreciation. Reduced trade receivables and an increase in the provision for holiday pay contributed positively, whereas the reduction in trade payables, public taxes owed and a provision for accrued costs reduced cash flows.

Cash flows of MNOK 301 used in investing activities in the first quarter 2023 primarily comprised investments in operating assets.

Cash flows of MNOK 387 used in financing activities in the first quarter 2023 mainly concerned ordinary instalments on lease liabilities, down payment of loans in Japanese yen and credit facility, offset by a new bond loan 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. 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 manufactoring customers and internationall 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.

Q1 2023	Q1 2022		Year 2022
4 705	4 472	Revenue	18 890
378	447	Operating profit before depreciation (EBITDA)	1 670
136	228	Adjusted operating profit/(loss)	740
136	**228**	**Segment operating profit/(loss) (EBIT)**	**383**

The Logistics segment's revenue was MNOK 4 705 in the first quarter 2023, an increase of MNOK 233 compared with the same period in 2022. Organic growth for the Logistics segment was 4,6 percent so far this year.

Despite weak market growth within e-commerce so far in 2023, the Group increased the parcel volume by 9,0 percent compared with the same period in 2022. The Group achieved growth also in the corporate market for parcels in the first quarter 2023.

Adjusted operating profit for the Logistics segment was MNOK 136 in the first quarter 2023, a reduction of MNOK 92 compared with the same period in 2022. The result development was affected by a weak market development in e-commerce in addition to a higher cost level in the period, particularly in businesses outside Norway. The cost development in the Norwegian network was, however, positive compared with the fourth quarter 2022. Operating profit (EBIT) was MNOK 136 in the first quarter 2023, the same as the adjusted operating profit.

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.

Q1 2023	Q1 2022		Year 2022
1 406	1 367	Revenue	5 398
118	79	Operating profit before depreciation (EBITDA)	392
1	(24)	Adjusted operating profit/(loss)	(32)
1	**(62)**	**Segment operating profit/(loss) (EBIT)**	**(196)**

The Mail segment's revenue increased by MNOK 39 in the first quarter compared with the first quarter 2022. The grants for government procurements of commercially non-viable postal services for 2023 have contributed to the increase in revenue. Addressed mail fell by 11,5 percent and unaddressed mail by 13,6 percent in the first quarter 2023 compared with the first quarter 2022. Norgespakken had a positive volume growth of 14 percent compared with the same period last year.

Adjusted operating profit for the Mail segment was MNOK 1 in the first quarter 2023, an increase of MNOK 25 compared with the first quarter 2022. The positive profit development was mainly caused by import of large volumes as well as positive currency effects. The volumes for Norgespakken also developed well. The operating profit (EBIT) in the first quarter 2023 was MNOK 1, an increase of MNOK 64 against the same period in 2022. In addition to the above, costs related to the restructuring of mail sorting from Bodø and Tromsø to Østlandsterminalen were recognised in 2022.

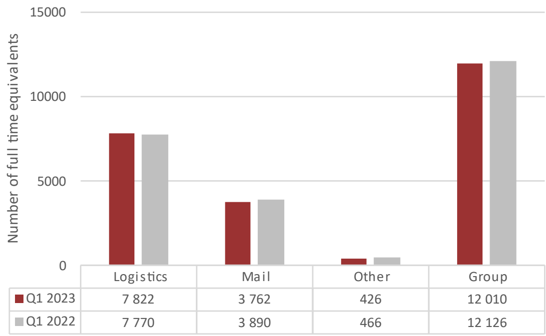
In the first quarter 2023, 91,8 percent of addressed mail was delivered within 3 days, well above the licence requirement of 85 percent.

Other matters

HSE

Workforce[1]

The Group's workforce as at 31 March 2023 was 12 010 full-time equivalents, a reduction of 116 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, increased e-commerce volume and servicing of parcel boxes, in addition to increased home deliveries. The reduction in the Mail segment primarily concerned declining mail volumes.



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 first quarter 2023, absence due to sickness was 7,2 percent, 1,0 percentage point lower than in the same period in 2022. Since year-end, the absence due to sickness has improved from 6,9 percent to 6,6 percent as a 12 months trend. Targeted efforts are made to reduce the absence due to sickness further; this is considered a prioritised area in 2023.

The total number of injuries per million worked hours (H2) as a 12 months trend was 6,9 percent as at 31 March 2023, a reduction of 1,3 compared with last year. The number of injuries in the first quarter fell from 45 in 2022 to 40 in 2023. Focus on each employee's risk awareness and risk management has been the key to achieve a lower injury fequency and will continue to be a prioritised measure for improvement.

The external environment

The emission accounting for 2022 shows that although parcel volumes from e-commerce increased by 7 percent, Posten reduced the cardon dioxid emissions by 5 percentage points. Total emissions have been reduced by 55 percent, constituting 385 641 tonnes of carbon dioxid equivalents since the basis year 2012.

In Europe's largest brand study on sustainability, Sustainable Brand Index, Posten was elected Norway's most sustainable company. For the fourth consecutive year, Posten is also the brand within parcels and logistics conceived to be the most sustainable by Norwegians. Bring took the second place. The study also shows that Posten is second of all 268 brands measured in Norway.

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 October 2022, the Government put forward a proposal for amendments to the Postal Act – Prop. 4 LS (2022-2023). Some changes were proposed in order to emphasise that the Postal Act comprises parcel services concerning the corporate market (B2C, B2B). Posten and several others in the industry disagreed with this. On this background, the proposal was withdrawn on 17 March 2023 by White Paper 12 (2022-2023). On 31 March 2023, the Government put forward a new proposal for amendments – Prop. 81 LS (2022-2023) – limited to other proposals in Prop. 4 LS (2022-2023), i.e., about a parcels regulation from the EU, consumer complaints board, public postal codes and certificate of good conduct.

As a result of several media stories about the mail delivery, particularly in Northern Norway, Nkom (the Norwegian Communications Authority) started an investigation of Posten's delivery time for mail subject to delivery and small loads, particularly in rural districts, in a letter dated 30 March 2023.

[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.

Future prospects

2022 was characterised by considerable uncertainty, and the inflation increased to high levels in large parts of the world. The price growth has continued also in the beginning of 2023, but it is expected that it will decline somewhat during the year as a consequence of higher interests and lower energy prices. High inflation and increasing interests weaken the households' purchasing power and the economic growth prospects in the time to come. A recession or weak economic growth in the Nordics seems probable in 2023, with a more moderate recession in the following years. The National Bureau of Statistics estimates that the GDP growth in mainland Norway will be 1,3 percent in 2023 and 1,6 in 2024[2]. In Sweden, a negative GDP growth is expected in 2023. The recession is expected to last until 2026[3]. The economic market prospects are more uncertain than normal.

The logistics market is sensitive to business cyclical changes, and society's activity levels are quickly reflected in the volume development. Accordingly, the weakened purchasing power is expected to directly affect the demand for logistics services from the private consumers as well as the corporate market in the time to come. Margins in the logistics segment will also be exposed to pressure as a consequence of declining activities in combination with a higher cost level. Posten will therefore intensify the implementation of planned initiatives to secure cost-effective operations in the short as well as long run. At the same time investments are carried out to strengthen the range of services in order to increase the Group's competitive power. On example is the ambition to be leading on e-fullfilment in the Nordics through Shelfless, providing an overall solution from A to Z for effective and green warehouse services for companies with web shops.

The Group is making efforts to restructure the postal business in Norway and adjust the services to the digital society and new needs. The mail volumes are expected to continue to decline by approximately 10-15 percent each year, but the present regulatory framework provides limited opportunities for additional adjustments of postal services. Mail distribution every other day, implemented from July 2020, is not adequate to secure satisfactory profitability. Mail services must be further adjusted in line with changed market conditions and customer needs. Without changes in the delivery obligation, the levels of government procurements of commercial non-viable postal services will grow rapidly.

A substantial part of Posten's and Bring's value creation depends on digital solutions. Digital solutions also entail 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. Posten therefor works purposefully with information security. Together with Posten's cooperating partners, security measures and preparedness arrangements have been established to reduce risk.

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

In spite of a lower activity level in the market in 2023, the Group is still increasing its market shares within several of the most important service areas. To maintain the good growth in what is expected to be a more demanding market in 2023 is decisive for further result development. We believe in the future and prepare for growth. We fully concentrate on the Nordic market with the ambition to strengthen the positions, particularly in Sweden, and we will continue to invest in new technology, new services, parcel boxes and terminal capacity in a sustainable manner.

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

Financial Report

1st quarter 2023

Posten Norge

Condensed income statement

Q1 2023	Q1 2022		Note	Year 2022
5 927	**5 637**	**Revenue**	1,2	**23 429**
2 465	2 358	Costs of goods and services		10 072
2 219	2 107	Payroll expenses		8 518
365	329	Depreciation and amortisation	3,4	1 384
		Write-downs	3,4	185
771	698	Other operating expenses		3 050
5 820	**5 492**	**Operating expenses**		**23 208**
	(38)	Other income and (expenses)	6	(371)
		Share of profit from associated companies		7
107	**106**	**Operating profit/(loss)**	1	**(143)**
(68)	(34)	Net financial items		(200)
39	**73**	**Profit/(loss) before tax**		**(343)**
12	16	Tax expense		(66)
27	**56**	**Profit/(loss) after tax**		**(277)**
27	55	Controlling interests		(271)
	1	Non-controlling interests		(5)

Condensed statement of comprehensive income

Q1 2023	Q1 2022		Year 2022
27	**56**	**Profit/(loss) after tax**	**(277)**
		Pension remeasurement	47
		Items that will not be reclassified to income statement	**47**
121	(65)	Translation differences	(25)
(34)	13	Hedging of net investment	13
87	**(51)**	**Total translation differences**	**(12)**
1	**(15)**	**Cash flow hedging**	**(17)**
88	**(66)**	**Items that will be reclassified to income statement**	**(29)**
88	**(66)**	**Other comprehensive income**	**18**
115	**(10)**	**Total comprehensive income**	**(259)**
		Total comprehensive income is distributed as follows:	
116	(11)	Controlling interests	(253)
	1	Non-controlling interests	(5)

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

Condensed balance sheet

	Note	31.03 2023	31.12 2022
ASSETS			
Intangible assets	3	2 084	2 027
Deferred tax asset		258	251
Tangible fixed assets	3	6 661	6 498
Right-of-use assets	4	3 558	3 266
Other financial non-current assets	7	392	407
Non-current assets		**12 953**	**12 449**
Interest-free current receivables		3 785	3 895
Interest-bearing current receivables	7	116	116
Liquid assets	7	2 169	2 683
Current assets		**6 070**	**6 694**
Assets		**19 023**	**19 143**
EQUITY AND LIABILITIES			
Share capital		3 120	3 120
Other equity		2 645	2 529
Non-controlling interests		67	66
Equity		**5 832**	**5 715**
Deferred tax liability		43	43
Other provisions for liabilities		943	936
Provisions for liabilities		**985**	**979**
Non-current lease liabilities	4	3 100	2 837
Interest-bearing non-current liabilities	5,7	1 611	1 111
Interest-free non-current liabilities	7	27	29
Non-current liabilities		**4 738**	**3 976**
Current lease liabilities	4	788	743
Interest-bearing current liabilities	5,7	2 382	3 187
Interest-free current liabilities	7	4 297	4 524
Tax payable			19
Current liabilities		**7 467**	**8 473**
Equity and liabilities		**19 023**	**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					27	27		27
Other comprehensive income			1	87		88		88
Total comprehensive income			**1**	**87**	**27**	**116**		**115**
Changes in non-contr. interests							1	1
Equity 31.03.2023	**3 120**	**992**	**(21)**	**223**	**1 451**	**2 645**	**67**	**5 832**

	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 March 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.

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

Condensed statement of cash flows

Q1 2023	Q1 2022		Year 2022
39	73	Profit/(loss) before tax	(343)
(10)	(152)	Tax paid in period	(213)
(5)	(5)	(Gain)/loss from sales of non-current assets and subs.	(11)
365	329	Ordinary depreciation and write-downs	1 568
		Share of profit/(loss) from associated companies	(7)
54	51	Financial items without cash flow effect	213
39	25	Changes in receivables and payables	(127)
(293)	(244)	Changes in other working capital	328
(12)	(8)	Changes in other accruals	(26)
3	1	Interests received	9
(54)	(54)	Interests paid	(197)
126	**14**	**Cash flows from operating activities**	**1 197**
(331)	(226)	Investments in non-current assets	(1 276)
	(51)	Cash-effect from purchases of businesses	(191)
(2)	(5)	Cash-effect from purchases and sales of other shares	(136)
	(15)	Cash-effect from purchase of associated companies	(22)
7	4	Proceeds from sales of non-current assets	21
(2)	6	Cash-effect from sale of businesses	6
27	(3)	Changes in other financial non-current assets	13
(301)	**(290)**	**Cash flows used in investing activities**	**(1 584)**
(195)	(179)	Payment of lease liabilities	(757)
500	250	Proceeds from non-current and current debt raised	2 000
(799)		Repayment of borrowings	(461)
107	220	Decrease/increase in bank overdraft	159
		Dividends paid	(1 315)
(387)	**291**	**Cash flows from/(used in) used in financing activities**	**(374)**
(562)	**15**	**Change in liquid assets**	**(761)**
2 683	3 448	Liquid assets at the beginning of the period	3 448
48	(36)	Currency differences	(4)
2 169	**3 426**	**Liquid assets at the end of the period**	**2 683**

(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 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.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 2022 Integrated report.

Revenue per segment

Q1 2023	Q1 2022	**Revenue**	Year 2022
4 625	4 375	External revenue	18 471
80	96	Internal revenue	419
4 705	**4 472**	**Logistics**	**18 890**
1 302	1 262	External revenue	4 958
103	106	Internal revenue	441
1 406	**1 367**	**Mail**	**5 398**
297	373	Internal revenue	1 505
297	**373**	**Other**	**1 505**
(481)	(575)	Eliminations	(2 364)
5 927	**5 637**	**Group**	**23 429**

Profit per segment

Q1 2023	Q1 2022	**Operating profit before depreciation (EBITDA)**	Year 2022
378	447	Logistics	1 670
118	79	Mail	392
(23)	(52)	Other	(269)
472	**473**	**Group**	**1 790**

Q1 2023	Q1 2022	**Adjusted operating profit/(loss)**	Year 2022
136	228	Logistics	740
1	(24)	Mail	(32)
(30)	(60)	Other	(301)
107	**144**	**Group**	**406**

Q1 2023	Q1 2022	**Operating profit/(loss) (EBIT)**	Year 2022
136	228	Logistics	383
1	(62)	Mail	(196)
(30)	(60)	Other	(329)
107	**106**	**Group**	**(143)**

Investments per segment

Investments	YTD 2023	YTD 2022	Year 2022
Logistics	237	171	942
Mail	94	56	334
Group	**331**	**226**	**1 276**

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

Note 2 Revenue

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

Q1 2023	Q1 2022		Year 2022
2 071	1 839	Parcel services	7 951
2 003	2 047	Freight and forwarding	8 966
437	378	Warehousing	1 191
113	110	Other business in the Logistics segment	363
4 625	**4 375**	**External revenue Logistics segment**	**18 471**
770	836	Addressed/unaddressed mail	3 167
95	90	Norgespakke	379
267	174	Government procurements	731
171	162	Other business in the Mail segment	682
1 302	**1 262**	**External revenue Mail segment**	**4 958**
5 927	**5 637**	**Revenue**	**23 429**

Note 3 Intangible assets and tangible fixed assets

	Intangible assets	Tangible assets
Carrying amount 01.01.2023	**2 027**	**6 498**
Additions	62	269
Additions from acquisitions	2	
Disposals		(8)
Depreciation	(37)	(131)
Translation differences	31	32
Carrying amount 31.03.2023	**2 084**	**6 661**

Investments in owned assets in the first quarter 2023 amounted to MNOK 331, of which investments in intangible assets mainly related to IT solutions and constituted MNOK 62. Approximately MNOK 165 of the MNOK 269 invested in tangible fixed assets concerned buildings and property, and the rest mainly comprised terminal equipment, vehicles and other operating equipment. MNOK 237 of total investments concerned the Logistics segment.

Note 4 Leases

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

	31.03 2023	31.12 2022
Right-of-use assets	**3 558**	**3 266**
Non-current lease liabilities	3 100	2 837
Current lease liabilities	788	743
Lease liabilities	**3 889**	**3 580**

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

Q1 2023	Q1 2022		Year 2022
198	182	Depreciation	765
		Write-downs	19
33	27	Interest expense on lease liabilities	116

Note 5 Interest-bearing non-current and current liabilities

The Group’s interest-bearing liabilities include:

	31.03 2023	31.12 2022
Bond loans	1 500	1 000
Liabilities to credit institutions	111	111
Interest-bearing non-current liabilities	**1 611**	**1 618**
First year's instalment on long term liabilities to credit institutions	111	488
Certificate loans	1 250	1 250
Other interest-bearing non-current liabilities	1 021	1 449
Interest-bearing current liabilities	**2 382**	**3 187**

The increase in interest-bearing non-current liabilities as at 31 March 2023 compared with 31 December 2022 is due to a new bond loan.

The reduction in interest-bearing current liabilities as at 31 March 2023 compared with 31 December 2022 is mainly a consequence of repayment of liabilities to credit institutions due within one year and down payment of credit facility. This was partly offset by increased utilisation of bank overdraft.

Total certificate loans amounted to MNOK 1 250 as at 31 March 2023, the same level as at 31 December 2022.

As at 31 March 2023, MNOK 750 of the Group’s credit facility were utilised. In addition, MNOK 271 of the Group’s bank overdraft were utilised as of 31 March 2023.

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

Q1 2023	Q1 2022		Year 2022
	(36)	Restructuring costs	(36)
	(2)	Other income/(expenses)	(335)
	(38)	**Total other income and (expenses)**	**(371)**

There were no significant other income and expenses in the first quarter 2023.

Other expenses in 2022 concerned the restructuring of mail sorting and route clearance from Bodø and Tromsø to Østlandsterminalen.

Note 7 Fair value measurement

The fair value of financial assets and liabilities is calculated in line with the methods and assumptions, as well as the fair value hierarchy, used in previous years. This is described in more detail in the 2022 Integrated report.

The Group had the following financial assets and liabilities measured at fair value as at 31 March 2023:

		At fair value (FV)			At amortised cost		
	Level	Fair value over profit and loss	Derivatives at fair value over profit and loss	Derivatives at fair value over OCI	Receivables	Other financial liabilities	31.03.2023
Assets							
Interest-bearing non-current receivables		0		0	68		68
Other financial non-current assets	2	242		1	22		265
Interest-free current receivables	2	0		0	3 785		3 785
Interest-bearing current receivables		0		0	116		116
Liquid assets		0		0	2 169		2 169
Financial assets		0		0			**6 403**
Liabilities							
Non-current lease liabilities		0		0		3 100	3 100
Interest-bearing non-current liabilities	2	0		0		1 611	1 611
Interest-free non-current liabilities	2	0		26		1	27
Current lease liabilities		0		0		788	788
Interest-bearing current liabilities		0		0		2 382	2 382
Interest-free current liabilities, incl. tax payable	2	0		30		4 267	4 297
Financial liabilities		0		0			**12 206**
Total value hierarchy level 1 (net)		0		0			0
Total value hierarchy level 2 (net)		242		(54)			187
Total value hierarchy level 3 (net)		0		0			0

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

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

		At fair value (FV)			At amortised cost		
	Level	Fair value over profit and loss (FVO)	Derivatives at fair value over profit and loss	Derivatives at fair value over OCI	Receiv-ables	Other financial liabilities	31.12.2022
Assets							
Interest-bearing non-current receivables		0		0	73		73
Other financial non-current assets	2	251		1	21		274
Interest-free current receivables	2	0	79	11	3 805		3 895
Interest-bearing current receivables		0		0	116		116
Liquid assets		0		0	2 683		2 683
Financial assets		0		0			**7 041**
Liabilities							
Non-current lease liabilities		0		0		2 837	2 837
Interest-bearing non-current liabilities		0		0		1 111	1 111
Interest-free non-current liabilities	2	0		28		1	29
Current lease liabilities		0		0		743	743
Interest-bearing current liabilities	2	377		0		2 810	3 187
Interest-free current liabilities, incl. tax payable	2	0		1		4 542	4 543
Financial liabilities		0		0			**12 449**
Total value hierarchy level 1 (net)		0		0			0
Total value hierarchy level 2 (net)		(126)	79	(16)			(63)
Total value hierarchy level 3 (net)		0		0			0

* Includes fair value option

Level 1: Listed prices
Level 2: Other observable input, directly or indirectly
Level 3: Non-observable input

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

Note 8 Changes in the Group's structure

Purchases

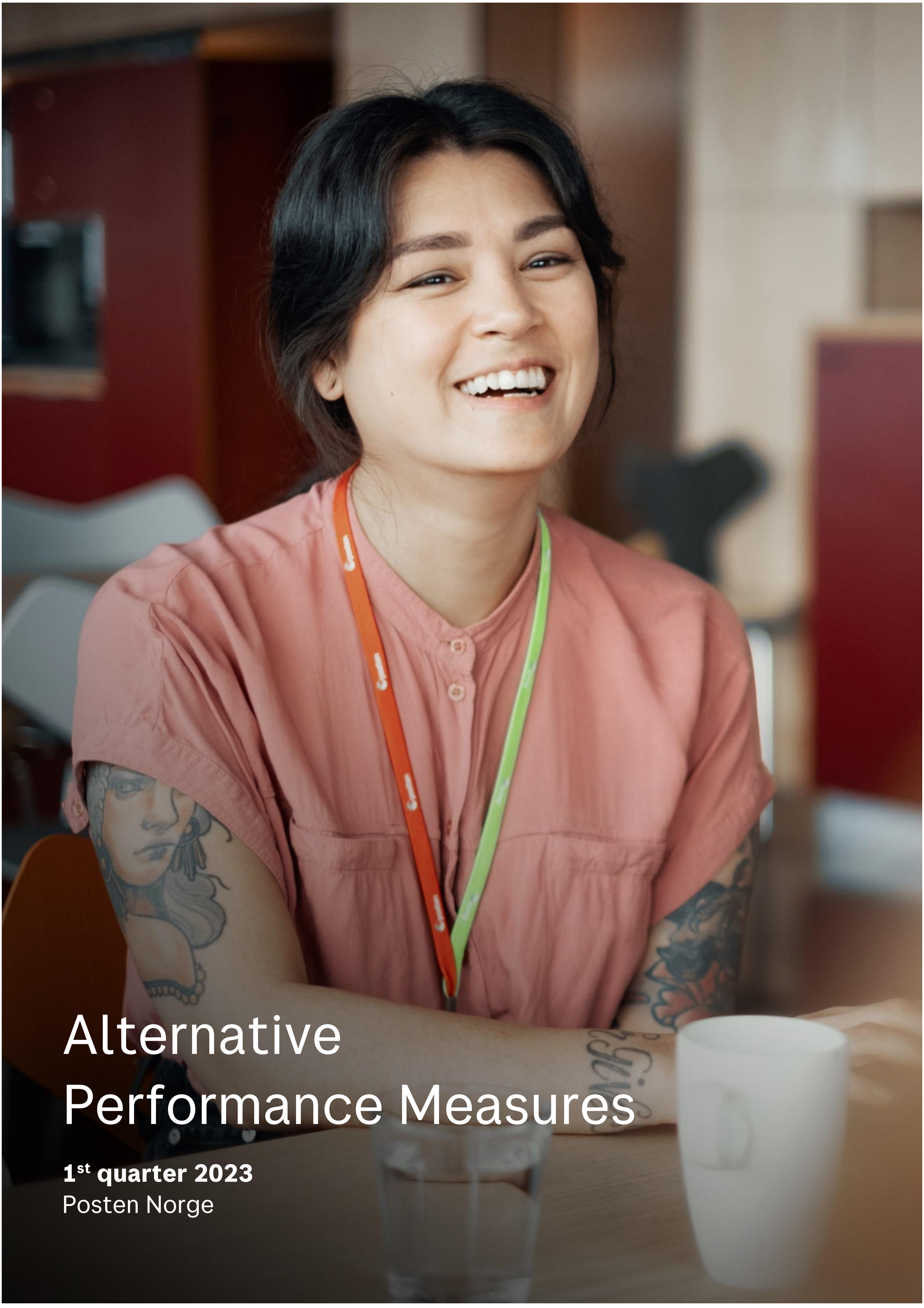
There were no significant purchases in the first quarter 2023.

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. Espeland Transport AS was sold in the beginning of 2023. At the time of the sale, the estimated loss did noe require any significant adjustment.

Other changes

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



Alternative Performance Measures

1st quarter 2023

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.

		YTD 2023	YTD 2022	Year 2022
+	Revenue (current year)	5 927	5 637	23 429
-	Revenue (last year)	5 637	5 999	24 716
=	**Nominal change in revenue**	**290**	**(363)**	**(1 287)**

		YTD 2023	YTD 2022	Year 2022
+	Nominal change in revenue	290	(363)	(1 287)
+/-	Impact of exchange rates	(78)	77	233
+/-	Acquisitions of companies		(78)	(344)
+/-	Sale of companies	42	597	2 608
+/-	Change in goverment procurements	(93)	(33)	(195)
=	**Organic change in revenue**	**161**	**200**	**1 015**

		YTD 2023	YTD 2022	Year 2022
+	Organic change in revenue	161	200	1 015
/	Adjusted revenue (last year)*	5 594	5 481	22 453
=	**Organic growth**	**2,9%**	**3,6 %**	**4,5 %**

*Adjusted revenue (last year) is revenue adjusted for aquisition and sale of companies

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

Alternative Performance Measures

1st quarter 2023 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.

		YTD 2023	YTD 2022	Year 2022
+	Revenue	5 927	5 637	23 429
-	Costs of goods and services	2 465	2 358	10 072
-	Payroll expenses	2 219	2 107	8 518
-	Other operating expenses	771	698	3 050
=	**EBITDA**	**472**	**473**	**1 790**

		YTD 2023	YTD 2022	Year 2022
+	EBITDA	472	473	1 790
-	Depreciation	365	329	1 384
=	**Adjusted operating profit/(loss)**	**107**	**144**	**406**

		YTD 2023	YTD 2022	Year 2022
+	Adjusted operating profit/(loss)	107	144	406
/	Revenue	5 927	5 637	23 429
=	**Adjusted profit margin**	**1,8 %**	**2,6 %**	**1,7 %**

		YTD 2023	YTD 2022	Year 2022
+	Adjusted operating profit/(loss)	107	144	406
-	Write-downs			185
+/-	Other income and (expenses)		(38)	(371)
+	Share of profit or loss from associated companies			7
=	**EBIT**	**107**	**106**	**(143)**

		YTD 2023	YTD 2022	Year 2022
+	EBIT	107	106	(143)
/	Revenue	5 927	5 637	23 429
=	**EBIT margin**	**1,8 %**	**1,9%**	**(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.

		31.03 2023	31.03 2022	31.12 2022
+	Interest-bearing non-current liabilities	4 711	3 998	3 947
+	Interest-bearing current liabilities	3 170	2 533	3 930
-	Commercial financial investments	2 063	3 323	2 581
-	Cash	1	3	1
-	Bank deposits	105	102	100
=	**Net interest-bearing debt/(receivables)**	**5 712**	**3 104**	**5 195**

		31.03 2023	31.03 2022	31.12 2022
+	Net interest-bearing debt/(receivables)	5 712	3 104	5 195
/	Equity on the balance sheet date	5 832	7 260	5 715
=	**Debt/equity ratio**	**1,0**	**0,4**	**0,9**

		31.03 2023	31.03 2022	31.12 2022
+	Net interest-bearing debt/(receivables)	5 712	3 104	5 195
/	EBITDA last twelve months	1 789	2 509	1 790
=	**Net interest-bearing debt/(receivables)/EBITDA**	**3,2**	**1,2**	**2,9**

		31.03 2023	31.03 2022	31.12 2022
+	Commercial financial investments	2 063	3 323	2 581
+	Bilateral credit facilities	3 529	1 942	1 853
-	Certificate loans	1 250	750	1 250
=	**Long-term liquidity reserve**	**4 342**	**4 515**	**3 184**

		31.03 2023	31.03 2022	31.12 2022
+	Long-term liquidity reserve	4 342	4 515	3 184
+/-	Deposits outside group account	105	102	100
+	Bank overdraft not utilised	230	275	336
=	**Short-term liquidity reserve**	**4 676**	**4 891**	**3 620**

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

Invested capital and return on invested capital (ROIC)

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

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

		31.03 2023	31.03 2022	31.12 2022
+	Intangible assets	2 108	1 929	2 111
+	Tangible fixed assets	9 419	8 466	9 130
+	Current assets	6 884	7 276	7 032
-	Total liquid assets	2 985	3 865	3 230
-	Interest-bearing current assets	118	100	115
-	Interest-free current liabilities	4 333	4 351	4 332
+	Tax payable	5	207	57
+	Dividend	101	82	102
=	**Invested capital**	**11 079**	**9 644**	**10 756**

*Last twelve months

		31.03 2023	31.03 2022	31.12 2022
+	Last 12 months' accumulated adjusted operating profit	368	1 242	406
/	Invested capital	11 079	9 644	10 756
=	**Return on invested capital (ROIC)**	**3,3 %**	**12,9 %**	**3,8 %**

Other alternative performance measures

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

		YTD 2023	YTD 2022	Year 2022
+	Total investments in owned tangible fixed assets	333	285	1 512
-	Investments due to aquisitions	2	59	236
=	**Investments before aquisitions**	**331**	**226**	**1 276**

		31.03 2023	31.03 2022	31.12 2022
+	Profit/(loss) after tax last 12 months	(306)	761	(277)
/	Average equity on balance sheet date*	6 546	7 451	6 494
=	**Return on equity after tax (ROE)**	**(4,7%)**	**10,2%**	**(4,3%)**

*(OB+CB)/2

		31.03 2023	31.03 2022	31.12 2022
+	Equity on balance sheet date	5 832	7 260	5 715
/	Equity and liabilities (total capital)	19 023	18 628	19 143
=	**Equity ratio**	**30,7 %**	**39,0 %**	**29,9 %**

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