Quarterly Report

3rd quarter 2020

Posten Norge

Message from the CEO

The first three quarters of the year have brought tremendous progress. Increased demand for our services coupled with an extraordinarily high activity level in e-commerce have brought strong growth and positive profit development. The Group's competitive power and Nordic position have been strengthened by the establishment of nationwide parcel networks in Sweden and Denmark, increased capacity at our terminals, and increased home delivery services. With high customer satisfaction and a good reputation, we are experiencing increased demand from existing and new customers.

In the logistics market, the Corona pandemic has contributed to 42 percent increased growth from e-commerce in the private market (B2C) so far this year (the e-commerce volume in the last 12 months increased by 33 percent). We can also see that the market conditions are improving, and the corporate market (B2B) is seeing a positive development.

The Group is still in a high state of preparedness concerning the Corona situation, but the pandemic has only affected operations to a small extent. Absence due to sickness was stable at a low level in the third quarter and was at the same level as in the same quarter last year.

Adjusted operating margin for the first three quarters of 2020 was 4,7 percent compared with 3,0 percent for the first three quarters of last year. Adjusted operating profit for the first three quarters of 2020 amounted to MNOK 818. The Logistics segment's profits increased considerably, from MNOK 321 to MNOK 732. The result was positively affected by the strong growth in parcels from e-commerce and home deliveries. The Mail segment's result fell by MNOK 229 (from MNOK 369 to MNOK 139) due to escalating volume falls. Addressed mail has declined by 19 percent so far this year and unaddressed mail by 27 percent.

The transition to mail distribution every other day from 7 July – the largest transition ever in Posten's history – went smoothly. We have maintained high delivery quality with 93,5 percent in the third quarter 2020, which was higher than in 2019. Parcels are still being distributed to letter boxes every day in large parts of the country, and newspapers are being distributed in the districts every day in accordance with the contract with the Ministry of Transport. Posten has extended the capacity of home deliveries of parcels, whilst a limited amount of mail advertising is delivered on Sundays to meet the customers' need.

With nationwide parcel networks in Sweden and Denmark we have full coverage in the Nordic market and can reach all Nordic consumers. The terminal capacity in Copenhagen, Kolding, Gothenburg and Stockholm is also being extended. In Norway, a large-scale roll-out of parcel boxes has been launched, with the goal of strengthening the delivery network with a thousand new parcel box locations during 2021. In total, we will have access to 4 000 parcel boxes in the Nordics and will thereby become the logistics actor that can offer most parcel boxes.

In the large cities, the service "Urban home delivery" with quick and green deliveries has been launched. Customers can follow their deliveries in real time and purchase additional services via a new digital interface. Fossil-free deliveries are available in the city centres of Stockholm, Gothenburg and Malmö. The service will come to Copenhagen and Oslo in addition to several large Norwegian cities during the year.

As part of the Group's focus on developing the core business, we have sold our holding in Danske Fragtmænd.

Customer satisfaction is high, and the Group's reputation has strengthened according to this year's opinion survey from Ipsos.

Tone Wille

Group CEO

Main features

The Group's turnover in the third quarter was MNOK 5 588, a decline of 4,9 percent compared with the third quarter 2019. Organic growth in the quarter was a negative 1,0 percent. Adjusted operating profit in the third quarter was MNOK 431, an improvement of MNOK 140 compared with the same period in 2019.

The Group's turnover year to date was MNOK 17 381, a decline of MNOK 340 compared with the same period in 2019. Organic growth was a negative 0,4 percent. Adjusted operating profit year to date was MNOK 818, an improvement of MNOK 288 compared with the same period in 2019.

The Logistics segment's solid result improvement was due to high growth in e-commerce to private consumers, as well as the gradual normalisation of the corporate market after the restrictions introduced as a consequence of the Corona pandemic earlier this year.

As expected, the Mail segment has had a large reduction in its 2020 year to date result. The Corona pandemic has led to increased digitalisation, which has escalated the volume fall within both addressed and unaddressed mail.

The operating result (EBIT) year to date was MNOK 952, an improvement of MNOK 966 compared with the same period in 2019. The improvement is due to the improved adjusted operating result in 2020 and a provision concerning restructuring the mail business of MNOK 530 in 2019, of which MNOK 106 was reversed in 2020. In addition, a gain of MNOK 110 on the resale of Danske Fragtmænd A/S in 2020 was recognised in the accounts.

Net finance expenses year to date were MNOK 23 higher than last year. This was mainly due to lower returns on fund investments in 2020 following a decline in the bond market due to the Corona pandemic.

The Group's profit before tax was MNOK 836 year to date, an improvement of MNOK 943 compared with 2019. Profit after tax was MNOK 670, an increase of MNOK 865 compared with 2019.

Return on equity (ROE) year to date was 13,3 percent, an increase of 16,0 percentage points compared with 2019. Return on invested capital (ROIC) year to date was 10,5 percent, an improvement of 2,9 percentage points compared with the same period in 2019 (the last 12 months' comparative figures from the third quarter 2019 included figures from 2018, which was before IFRS 16 Leases was implemented, and the figures were not restated).

Profit development (unaudited)

Q3 2020	Q3 2019		YTD 2020	YTD 2019	Year 2019
5 588	5 878	Revenue	17 381	17 721	24 212
792	680	EBITDA	1 920	1 687	2 361
431	291	Adjusted operating profit	818	530	808
510	250	Operating profit (EBIT)	952	(14)	162
(21)	(40)	Net financial items	(116)	(92)	(142)
489	210	Profit before tax	836	(107)	21
396	**147**	**Profit after tax**	**670**	**(195)**	**13**

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

See condensed financial statement

Key financial figures (unaudited)

		Q3 2020	Q3 2019	Year 2019
Adjusted profit margin	%	4,7	3,0	3,3
Operating profit (EBIT) margin	%	5,5	(0,1)	0,7
Equity ratio	%	36,5	31,3	32,0
Return on invested capital/ROIC*	%	10,5	7,6	7,4
Return on equity (after tax)*	%	13,3	(2,7)	0,2
Net interest-bearing debt (receivable)		2 222	4 214	3 655
Investments, excluding acquisitions		430	513	646

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

*Last twelve months

Balance sheet (unaudited)

	30.09 2020	31.12 2019
ASSETS		
Non-current assets	11 430	12 171
Current assets	7 965	7 696
Assets	**19 395**	**19 867**
EQUITY AND LIABILITIES		
Equity	7 075	6 363
Provisions for liabilities	1 139	1 178
Non-current liabilities	4 185	5 602
Current liabilities	6 995	6 724
Equity and liabilities	**19 395**	**19 867**

The changes in the balance sheet were generally due to the fact that the Norwegian krone significantly weakened against other currencies compared with 31 December 2019. Assets and liabilities in foreign currencies have increased in value in Norwegian kroner.

The reduction in non-current assets was mainly a result of the net effect of normal operational investments and depreciation, in addition to a reduction in right-of-use assets (leased assets). In addition, the Group has sold its shares in Danske Fragtmænd A/S (ca. MNOK 300).

Current assets changed primarily due to a reduction in short-term financial instruments following settlements, prepaid expenses, and earned, unbilled, revenue. The Group’s liquid assets increased.

The reduction in non-current liabilities was primarily due to a reclassification of bond loans of MNOK 1 000 which fall due in one year to current liabilities, together with a reduction in non-current lease obligations.

The change in non-current liabilities was mainly caused by the reclassification of MNOK 1 000 mentioned above, reduced by paid ordinary instalments and down payment of loans of MNOK 623.

Cash flows (unaudited)

Q3 2020	Q3 2019		YTD 2020	YTD 2019	Year 2019
932	781	Cash flows from operating activities	1 659	1 281	2 151
210	(52)	Cash flows used in investing activities	(105)	(298)	(339)
(681)	(598)	Cash flows used in financing activities	(1 160)	(986)	(1 514)
460	**131**	**Change in liquid assets**	**394**	**(3)**	**298**
3 845	3 480	Liquid assets at the beginning of the period	3 912	3 613	3 613
4 305	**3 611**	**Liquid assets at the end of the period**	**4 305**	**3 611**	**3 912**

Cash flows from operating activities were positive as per the third quarter 2020. This was mainly due to a positive operating result before depreciation. Changes in other accruals, net interest payments and paid taxes reduce cash flows from operations.

In the third quarter 2020, net cash flows from investing activities were a positive MNOK 210, mainly due to the sale of the remaining shares in Danske Fragtmænd A/S for MNOK 324, reduced by the period’s net investments in operating equipment. Year to date, net cash flows from investing activities are a negative MNOK 105. This is mainly due to net investments in IT development, assets in progress and other operating equipment, reduced by proceeds from the sale of Danske Fragtmænd A/S of MNOK 364.

Cash flows from financing activities concerned ordinary instalments on lease liabilities and payments of ordinary instalments and repayments of loans, offset by an increase in short-term certificate loans.

Market and development per segment (unaudited)

LOGISTICS

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

Q3 2020	Q3 2019		YTD 2020	YTD 2019	Year 2019
4 480	4 493	Revenue	13 433	13 318	18 127
689	471	Operating profit before depreciation (EBITDA)	1 518	1 086	1 488
425	213	Adjusted operating profit	732	321	462
538	**203**	**Segment operating profit (EBIT)**	**839**	**294**	**364**

The Logistics segment's turnover increased by MNOK 114 (0,9 percent) year to date. The organic growth was 6,0 percent. The growth in e-commerce to private consumers and home deliveries was record high. The Corona pandemic caused a decline in volumes in the corporate market for a period, but the demand has gradually picked up. Turnover within thermo declined due to the sale of the Norwegian subsidiary Bring Frigo AS on 1 February 2020.

Adjusted operating profit for the Logistics segment was MNOK 732 year to date, an improvement of MNOK 410 compared with the same period in 2019. Growth in e-commerce to private consumers and home deliveries together with a gradual improvement in the corporate market has contributed to a considerable profit increase. In total for the logistics business, the Corona pandemic has had marginal negative effects. The profit development within freight forwarding and offshore has also been positive, and thereby improved the profit margin. Operating profit (EBIT) year to date was MNOK 839, MNOK 546 better than last year, partly due to a gain on the sale of shares in Danske Fragtmænd A/S. As expected, the continued focus on developing the service range, more options for the customers and cost-effective operations have contributed to the considerably improved profitability.

MAIL

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

Q3 2020	Q3 2019		YTD 2020	YTD 2019	Year 2019
1 252	1 773	Revenue	4 379	5 530	7 634
88	254	Operating profit before depreciation (EBITDA)	433	736	1 128
(3)	132	Adjusted operating profit	139	369	635
(37)	**105**	**Segment operating profit (EBIT)**	**186**	**(143)**	**120**

The Mail segment turnover fell by MNOK 1 151 (20,8 percent) year to date due to the escalated volume falls in addressed and unaddressed mail. The volume of addressed mail declined by 19 percent year to date, and unaddressed mail declined by 27 percent. The Corona pandemic has resulted in increased digitalisation, with substantial negative consequences for turnover and volume.

Adjusted operating profit for the Mail segment was MNOK 139 year to date, a reduction of MNOK 229 compared with 2019. Comprehensive cost-adjustments and restructurings of operations were carried out, such as the transition to 2,5 days mail distribution from July 2020, but this was inadequate to compensate for the large volume decline.

The operating result (EBIT) year to date was MNOK 186, an improvement of MNOK 329 compared with the same period in 2019. The operating result in 2019 included a provision related to the distribution of mail every other day (MNOK 354) and moving route preparation and parts of Posten's Advertising Centres (MNOK 119). In the second quarter of 2020, MNOK 106 of the provision related to reduced distribution frequency was reversed. This was a result of more voluntary solutions than initially estimated.

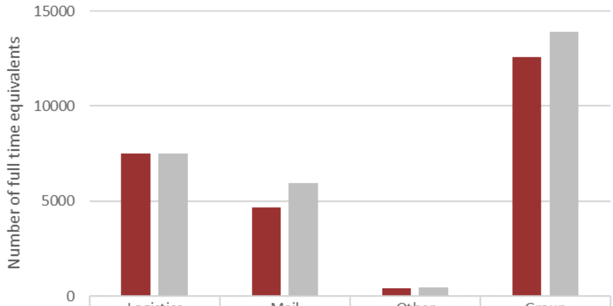
In the third quarter, 93,5 percent of addressed mail was delivered within 3 days (94,1 year to date). This was well above the licence requirement of 85 percent.

Other matters

HSE

Workforce

The Group's workforce as at 30 September 2020 was 12 598 full-time equivalents, a reduction of 1 318 full-time equivalents compared with the same period in 2019. In the Mail segment, the workforce decreased by 1 275 full-time equivalents, mainly related to reductions within mail distribution and production.



	Logistics	Mail	Other	Group
Q3 2020	7 484	4 689	426	12 598
Q3 2019	7 492	5 964	461	13 916

Absence due to sickness and injuries

Posten's ambition is to maintain a working environment focusing on health where nobody gets injured or sick as a consequence of their work. The Group's focus on systematic HSE initiatives has had positive results. Both the number of injuries and absences due to sickness have declined significantly in recent years. In 2020, the absence due to sickness is affected by the Corona pandemic. Absence increased significantly in March and April but recovered again during summer with lower absence levels for these months than ever before registered in the Group. In the last months, absence has been at the same level and somewhat above last year.

In the third quarter of 2020, absence due to sickness in the Group was 5,6 percent, the same level as in the third quarter 2019. Absence due to sickness for the year 2019 was 5,9 percent. At the end of the third quarter, the 12-month trend was 6,0 percent.

The total number of injuries per million worked hours (H2) was 6,4 in the third quarter of 2020, a reduction of 0,3 from the same period in 2019. The number of injuries increased in September, bringing the injury frequency in the last 12 months up to 7,2.

The external environment

The Group is finalising its strategy towards 2023. The climate and environment has been identified as a separate strategic topic and is a significant part of realising the Group's goals for 2023. Hence, a project has been started to prepare a new climate and environmental strategy focusing on becoming the greenest logistics supplier by 2023. Both objectives and prioritised initiatives to be carried out in the strategy period are included in the work.

The Group is continuing its efforts to reduce the effect on the environment, and the Group's goal is to use renewable energy in all vehicles and buildings by 2025. Action plans and KPIs have been established to follow up the share of vehicles using renewable energy sources. The Group has started using its first two electric lorries in Oslo. In addition, the Group has received support from Enova to invest in and test two additional electric lorries and a lorry using liquid biogas. This will provide important user experience throughout the winter and be significant for further efforts.

Regulatory issues

In the proposed government budget for 2021, the Government proposes to grant MNOK 566 to government procurements of commercially non-viable postal services and bank services in the rural mail districts. The amount is in line with Posten's pre-calculations. In addition, MNOK 110 for the government's contribution to cover Posten's costs for newspaper distribution in the districts is included. The Ministry of Transport and Communication has also announced that the costs for non-viable postal services are expected to increase significantly in the years to come, and that the Ministry will notify the Norwegian Parliament should changes in the delivery obligations be required.

The Ministry of Finance will carry forward the transitional arrangements for exemption from the declaration requirement for low value goods until 1 July 2021.

Future prospects

It will probably take time for the Norwegian economy to return to pre- Corona pandemic levels. The expectation of a quick recovery in the economy assumes that there will be no fresh outbreaks of infection with a consequent lock-down of society. Even though the Norwegian economy should recover quickly, the after-effects of the infection control measures and the decline in international economy will probably make the recession in Norway last into 2022. The GNP for mainland Norway is expected to fall by approximately 4 percent in 2020, whereas the growth in 2021 is estimated at 4,3 percent[1]. In Sweden, the decline in the economy is expected to be approximately 3,4 percent in 2020. For 2021, the estimate is growth of 3,6 percent[1]. It will probably take several years before the economy has recovered. The uncertainty regarding the growth estimates is significant.

The economic developments are an important indicator of how large growth will be for the logistics services. The Corona pandemic gives greater uncertainty to growth estimates. Experience so far shows that after a decline in demand earlier this year, the situation in the market is more or less normal at the moment. However, the Corona pandemic has caused an explosive demand in e-commerce and home deliveries to private consumers. This record-high growth will probably slow down when society returns to a more normalised situation, but the Group expects continued high growth in the years to come.

Profitability in the Group's logistics business is strongly improving, and further improvement is expected next year. Market growth together with a modernisation of the infrastructure with the building of new terminals and efforts to make operations more efficient have contributed to the profitability growth. The establishment of a separate competitive delivery network for parcels in Sweden in the autumn of 2019 has become a great success. So far, it has resulted in 1 700 pick-up points in a nationwide network in Sweden. The efforts are expected to give rise to further growth and ensure an even more seamless delivery for Swedish customers.

The volume fall in addressed mail has increased throughout the year, as the Corona pandemic has accelerated digital adoption by several years. The transition to digital solutions in small and medium-sized businesses is of a permanent character and implies that a good part of the mail volume is lost. There is some uncertainty as to how large a part of the lost mail volume can be recovered when the situation is normalised. The volume for unaddressed advertising has also declined strongly as a consequence of the Corona pandemic. It is assumed that the demand for unaddressed advertising will be somewhat improved when society returns to a normal situation. The present conditions allow only limited possibilities for further structural and operational adjustments of the mail services. The combination of escalating volume falls and the lack of opportunities for adjustments due to the present conditions implies considerable profitability challenges in the years to come. It is of vital importance to adjust the services offered in line with the changes in the market to ensure financial and environmental sustainability over time.

The goal going forward is to be the customer's first choice. One step in giving the customer greater freedom of choice is the placement of parcel boxes in 1 000 locations across Norway during 2021. In total, the Group will offer 4 000 parcel boxes in the Nordics. The parcel boxes will be placed where people live and move about, road junctions, shopping centres, student residence areas etc., where customers can collect parcels by using smart phones and Bluetooth. Improved services and greater freedom of choice for customers are important factors in strengthening Posten's competitive power in the future.

1 Sources:
ssb.no, Konjunkturtendensene 2020/3, www.ssb.no/nasjonalregnskap-og-konjunkturer/artikler-og-publikasjoner/bedring-i-sikte-men-situasjonen-er-fremdeles-alvorli
Konj.se, Konjunkturläget sep 2020, https://www.konj.se/publikationer/konjunkturlaget/konjunkturlaget/2020-09-30-snabb-aterhamtning-i-produktionen-men-arbetsmarknaden-slapar-efter.html

Financial Report

3rd quarter 2020

Posten Norge

Condensed income statement

Q3 2020	Q3 2019		Note	YTD 2020	YTD 2019	Year 2019
5 588	**5 878**	**Revenue**	**1**	**17 381**	**17 721**	**24 212**
2 317	2 583	Costs of goods and services		7 292	7 728	10 340
1 858	2 034	Payroll expenses		6 249	6 550	8 846
360	389	Depreciation and amortisation	2,3	1 102	1 157	1 552
(5)	8	Write-downs	2,3	53	31	172
622	581	Other operating expenses		1 922	1 757	2 666
5 152	**5 595**	**Operating expenses**		**16 617**	**17 223**	**23 575**
(29)	(39)	Other income and (expenses)	5	77	(524)	(479)
103	5	Share of profit from associated companies		111	11	5
510	**250**	**Operating profit**	**1**	**952**	**(14)**	**162**
(21)	(40)	Net financial items		(116)	(92)	(142)
489	**210**	**Profit before tax**		**836**	**(107)**	**21**
94	62	Tax expense		167	89	8
396	**147**	**Profit after tax**		**670**	**(195)**	**13**
393	153	Controlling interests		663	(191)	(2)
2	(6)	Non-controlling interests		7	(4)	15

Condensed statement of comprehensive income

Q3 2020	Q3 2019			YTD 2020	YTD 2019	Year 2019
396	**147**	**Profit after tax**		**670**	**(195)**	**13**
		Pension remeasurement				(25)
		Items that will not be reclassified to income statement				**(25)**
(5)	(1)	Hedging of net investment		(50)	28	21
(50)	15	Translation differences*	7	107	(65)	(45)
(55)	**13**	**Translation differences**		**57**	**(36)**	**(23)**
		Cash flow hedging		**(6)**	**2**	**2**
(55)	**13**	**Items that will be reclassified to income statement**		**51**	**(35)**	**(21)**
(55)	**13**	**Other comprehensive income**		**51**	**(35)**	**(47)**
341	**160**	**Total comprehensive income**		**721**	**(230)**	**(34)**
		Total comprehensive income is distributed as follows:				
338	165	Controlling interests		714	(226)	(48)
2	(6)	Non-controlling interests		7	(4)	15

*MNOK 85 has been reclassified in the 3rd quarter (MNOK 95 year to date) to the income statement. Note 7 has details.

Condensed balance sheet

	Note	30.09 2020	31.12 2019
ASSETS			
Intangible assets	2	1 946	1 897
Deferred tax asset		284	311
Tangible fixed assets	2	5 550	5 611
Right-of-use assets	3	3 333	3 821
Other financial assets	6	317	532
Non-current assets		**11 430**	**12 171**
Inventories		7	9
Interest-free current receivables	6	3 560	3 731
Interest-bearing current receivables	6	93	44
Liquid assets	6	4 305	3 912
Current assets		**7 965**	**7 696**
Assets		**19 395**	**19 867**
EQUITY AND LIABILITIES			
Share capital		3 120	3 120
Other equity		3 891	3 177
Non-controlling interests		63	66
Equity		**7 075**	**6 363**
Provisions for liabilities		**1 139**	**1 178**
Non-current lease liabilities		2 973	3 376
Interest-bearing non-current liabilities	4,6	1 194	2 220
Interest-free non-current liabilities	6	18	6
Non-current liabilities		**4 185**	**5 602**
Current lease liabilities		758	793
Interest-bearing current liabilities	4,6	1 601	1 178
Interest-free current liabilities	6	4 472	4 610
Tax payable		164	142
Current liabilities		**6 995**	**6 724**
Equity and liabilities		**19 395**	**19 867**

(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 01.01.2020	**3 120**	**992**	**(1)**	**279**	**1 907**	**3 177**	**66**	**6 363**
Profit for the period					663	663	7	670
Other comprehensive income			(6)	57		51		51
Total comprehensive income			**(6)**	**57**	**663**	**714**	**7**	**721**
Dividend								
Changes in non-contr. interests							(10)	(10)
Other changes in equity				(13)	13			
Equity 30.09.2020	**3 120**	**992**	**(7)**	**323**	**2 584**	**3 891**	**63**	**7 075**

	Controlling interests							
	Share capital	Share premium reserves	Hedging reserve	Transl. diff	Retained earnings	Other equity	Non-contr. interests	Total equity
Equity 31.12.2018	**3 120**	**992**	**(3)**	**302**	**2 039**	**3 330**	**31**	**6 481**
Change in accounting principles					49	49		49
Equity 01.01.2019	**3 120**	**992**	**(3)**	**302**	**2 088**	**3 379**	**31**	**6 530**
Profit for the period					(2)	(2)	15	13
Other comprehensive income			2	(23)	(25)	(47)		(47)
Total comprehensive income			**2**	**(23)**	**(27)**	**(48)**	**15**	**(34)**
Dividend					(124)	(124)		(124)
Changes in non-contr. interests					9	9	4	13
Other changes in equity					(39)	(39)	17	(22)
Equity 31.12.2019	**3 120**	**992**	**(1)**	**279**	**1 907**	**3 177**	**66**	**6 363**

As at 30 September 2020, the share capital consisted of 3 120 000 shares at a nominal value of NOK 1 000. All the company's shares are owned by the Norwegian State, represented by the Ministry of Trade, Industry and Fisheries.

At the Annual Shareholders' Meeting in June 2020, it was decided that no dividend be paid for the 2019 accounting year

(The information in this document has not been audited. All amounts are in MNOK.) 11

Condensed statement of cash flows

Q3 2020	Q3 2019		YTD 2020	YTD 2019	Year 2019
489	210	Profit before tax	836	(107)	21
(71)	(3)	Tax paid in period	(134)	(130)	(92)
2	(9)	(Gain)/loss from sales of non-current assets	(9)	(16)	(81)
355	397	Ordinary depreciation and write-downs	1 155	1 188	1 724
(103)	(5)	Share of profit from associated companies	(111)	(11)	(5)
16	46	Financial items without cash flow effect	52	97	126
	204	Changes in receivables and payables	(148)	147	319
300	(110)	Changes in other working capital	316	(106)	(26)
(46)	81	Changes in other accruals	(216)	323	309
39	26	Interest received	81	92	121
(51)	(54)	Interest paid	(164)	(198)	(268)
932	**781**	**Cash flows from operating activities**	**1 659**	**1 281**	**2 151**
(135)	(117)	Investments in non-current assets	(430)	(513)	(646)
(12)		Cash-effect from purchases of businesses	(47)	(5)	(7)
		Cash-effect from purchases of associated companies			(16)
33	35	Proceeds from sales of non-current assets	87	140	243
(5)		Cash-effect from sale of businesses	(73)		16
324	33	Cash-effect from sale of associated companies	364	73	73
7	(3)	Changes in other financial non-current assets	(5)	7	
210	**(52)**	**Cash flows used in investing activities**	**(105)**	**(298)**	**(339)**
(207)	(225)	Payment of lease liabilities	(636)	(662)	(890)
100		Proceeds from non-current and current debt raised	100		
(573)	150	Repayment of borrowings	(623)	(200)	(500)
	(399)	Decrease/increase in bank overdraft			
	(124)	Dividends paid		(124)	(124)
(681)	**(598)**	**Cash flows used in financing activities**	**(1 160)**	**(986)**	**(1 514)**
460	**131**	**Change in liquid assets**	**394**	**(3)**	**298**
3 845	3 480	Liquid assets at the beginning of the period	3 912	3 613	3 613
4 305	**3 611**	**Liquid assets at the end of the period**	**4 305**	**3 611**	**3 912**

(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 the IFRSs (International Financial Reporting Standards) 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 2019 annual report.

Standards issued, but not yet effective:

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

Estimates and assessments

In the preparation of the interim financial statements, management has used estimates and assumptions affecting revenues, expenses, assets and liabilities. Areas in which such estimates and assessments can have an impact include goodwill, other intangible assets, tangible fixed assets, right-of-use assets, lease obligations, pensions, provisions and tax.

Information about the Corona pandemic and its effect on estimates and assumptions in the quarterly report is given in note 8.

In other respects, the sources of uncertainty concerning estimates are the same as for the 2019 financial statements. Future events may result in changes in the estimates, and these changes will be recognised in the accounts once any new estimate has been determined.

The annual report for 2019 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 turnover 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 2019 annual report.

Revenue per segment

Q3 2020	Q3 2019	**Revenue**	YTD 2020	YTD 2019	Year 2019
4 428	4 323	External revenue	13 276	12 831	17 474
52	170	Internal revenue	157	488	653
4 480	**4 493**	**Logistics**	**13 433**	**13 318**	**18 127**
1 160	1 554	External revenue	4 106	4 886	6 738
91	219	Internal revenue	274	645	896
1 252	**1 773**	**Mail**	**4 379**	**5 530**	**7 634**
331	330	Internal revenue	998	1 013	1 340
331	**330**	**Other**	**998**	**1 013**	**1 340**
(474)	(718)	Eliminations	(1 429)	(2 141)	(2 890)
5 588	**5 878**	**Group**	**17 381**	**17 721**	**24 212**

Revenue categories (external revenue)

Q3 2020	Q3 2019	**Deliveries over time***	YTD 2020	YTD 2019	Year 2019
2 274	2 080	Parcels and freight	6 324	6 127	8 435
2 153	2 244	Other logistics business	6 952	6 704	9 040
4 428	**4 323**	**Logistics**	**13 276**	**12 831**	**17 474**
1 134	1 359	Mail and banking services	3 711	4 272	5 832
26	134	Government procurements	395	401	619
	62	Other (mainly dialogue services)		213	286
1 160	**1 554**	**Mail**	**4 106**	**4 886**	**6 738**
		Other			
5 588	**5 878**	**External revenue**	**17 381**	**17 721**	**24 212**

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

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

Operating result (EBIT) per segment

Q3 2020	Q3 2019	Operating profit before depreciation (EBITDA)	YTD 2020	YTD 2019	Year 2019
689	471	Logistics	1 518	1 086	1 488
88	254	Mail	433	736	1 128
16	(44)	Other	(30)	(133)	(254)
792	**680**	**Group**	**1 920**	**1 687**	**2 361**

Q3 2020	Q3 2019	Adjusted operating profit	YTD 2020	YTD 2019	Year 2019
425	213	Logistics	732	321	462
(3)	132	Mail	139	369	635
9	(53)	Other	(53)	(160)	(288)
431	**291**	**Group**	**818**	**530**	**808**

Q3 2020	Q3 2019	Operating profit (EBIT)	YTD 2020	YTD 2019	Year 2019
538	203	Logistics	839	294	364
(37)	105	Mail	186	(143)	120
9	(59)	Other	(73)	(165)	(321)
510	**250**	**Group**	**952**	**(14)**	**162**

Investments per segment

Investments	YTD 2020	YTD 2019	Year 2019
Logistics	338	402	502
Mail	91	106	138
Other	1	5	6
Group	**430**	**513**	**646**

Note 2 Intangible assets and tangible fixed assets

	Intangible assets	Tangible assets
Carrying amount 01.01.2020	**1 897**	**5 611**
Additions	112	318
Additions from acquisitions		42
Disposals		(65)
Disposals from sales of subsidiaries		(4)
Cost price adjustments/scrapping	(1)	(3)
Depreciation	(86)	(380)
Write-downs	(20)	(26)
Translation differences	43	57
Carrying amount 30.09.2020	**1 946**	**5 550**

Investments in owned assets so far this year amounted to MNOK 430, of which investments in IT related solutions were MNOK 112. MNOK 50 of the MNOK 318 invested in tangible fixed assets concerned buildings and property, and the rest mainly comprised terminal equipment, vehicles and other operating equipment. MNOK 338 of total investments regarded the Logistics segment. Additions from acquisitions concerned land in Kristiansand and Bergen, where the Group plans to build new terminals.

Note 3 Leases

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

	30.09 2020	31.12 2019
Right-of-use assets	**3 333**	**3 821**
Non-current lease liabilities	2 973	3 376
Current lease liabilities	758	793
Lease liabilities	**3 732**	**4 168**

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

Q3 2020	Q3 2019		YTD 2020	YTD 2019	Year 2019
208	229	Depreciation	636	680	910
(5)		Write-downs	8	24	31
31	36	Interest expense on lease liabilities	100	108	145

Note 4 Interest-bearing non-current and current liabilities

The Group's interest-bearing liabilities include:

	30.09 2020	31.12 2019
Bond loans	350	1 350
Liabilities to credit institutions	844	860
Other non-current liabilities		10
Interest-bearing non-current liabilities	**1 194**	**2 220**
First year's instalment on non-current liabilities	1 101	778
Certificate loans	500	400
Interest-bearing current liabilities	**1 601**	**1 178**

Interest-bearing liabilities were reduced by ordinary instalments and payments of loans in the third quarter. The next year's instalments were reclassified from non-current to current interest-bearing liabilities.

As at 30 September 2020, none of the Group's credit facilities had been used. The average interest rate on Posten's outstanding interest-bearing liabilities was 1,30 percent as at 30 September 2020.

Note 5 Other income and expenses

Other income and expenses are basically income and costs with limited predictive value and include restructuring costs, significant gain and loss on non-ordinary sales of tangible fixed assets in addition to other income or costs outside the Group's normal business considered to have limited predictive value.

Q3 2020	Q3 2019		YTD 2020	YTD 2019	Year 2019
(29)	(38)	Restructuring costs	76	(530)	(480)
	8	Gain/(loss) from sale of fixed assets		16	80
	(10)	Other income/(expenses)		(10)	(79)
(29)	**(39)**	**Other income and (expenses)**	**77**	**(524)**	**(479)**

Restructuring costs in the third quarter of 2020 concerned the closure of several post offices that will be replaced by Post-in-Shops. So far in 2020, a provision from 2019 related to reduced distribution frequency has been reversed (a cost reduction). This was a result of several more voluntary solutions than originally estimated.

In 2019, restructuring costs were related to reduced distribution frequency as well as restructuring connected to route preparation and parts of Posten's Advertising Centres in the Mail segment. In the third quarter of 2019, a provision was also made for the reorganisation of staff and support functions in connection with a new group structure.

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

Note 6 Fair value measurement

The fair value of financial assets and liabilities is calculated in line with the methods and assumptions, as well as the fair value hierarchy, used in previous years. This is described in more detail in the 2019 annual report.

The Group had the following financial assets and liabilities measured at fair value as at 30 September 2020:

		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	30.09.2020
Assets							
Interest-bearing non-current receivables					61		61
Other financial non-current assets	2		156	9	56		221
Interest-free current receivables	2			1	3 559		3 560
Interest-bearing current receivables					93		93
Liquid assets					4 305		4 305
Financial assets							**8 239**
Liabilities							
Non-current lease liabilities						2 973	2 973
Interest-bearing non-current liabilities	2	455	3	13		723	1 194
Interest-free non-current liabilities	2					18	18
Current lease liabilities						758	758
Interest-bearing current liabilities	2					1 601	1 601
Interest-free current liabilities, incl. tax payable	2		7	16		4 613	4 636
Financial liabilities							**11 181**
Total value hierarchy level 1 (net)							
Total value hierarchy level 2 (net)		(455)	147	(20)			(328)
Total value hierarchy level 3 (net)							

		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	31.12.2019
Assets							
Interest-bearing non-current receivables					56		56
Other financial non-current assets	2		118	4	15		137
Interest-free current receivables	2		100	4	3 627		3 731
Interest-bearing current receivables					44		44
Liquid assets					3 912		3 912
Financial assets							**7 880**
Liabilities							
Non-current lease liabilities						3 376	3 376
Interest-bearing non-current liabilities	2	415				1 805	2 220
Interest-free non-current liabilities	2			4		2	6
Current lease liabilities						793	793
Interest-bearing current liabilities	2	247				931	1 178
Interest-free current liabilities, incl. tax payable	2		5	7		4 740	4 753
Financial liabilities							**12 325**
Total value hierarchy level 1 (net)							
Total value hierarchy level 2 (net)		(663)	213	(3)			(454)
Total value hierarchy level 3 (net)							

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.

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

Note 7 Changes in the Group's structure

Acquisition of businesses

In the first quarter 2020, Posten Eiendom AS acquired 100 percent of the companies Posten Eiendom Kristiansand I and Posten Eiendom Kristiansand II for a total of MNOK 32. In the third quarter, the companies were merged, with Kristiansand I AS as the acquiring company. The company owns a site in Kristiansand, and the Group plans to build a new terminal on this site.

Posten Eiendom AS purchased 100 percent of KOV 1 AS for MNOK 6 in the third quarter. The company owns land in Bergen which is part of the Group's plans for the terminal in Bergen.

Sale of businesses

Danske Fragtmænd A/S

Posten Norge AS had an agreement about a resale of the shares in Danske Fragtmænd A/S over a period of 5 years. In addition, interest was paid. In the third quarter 2020, Posten's remaining shares were sold back, and the Group no longer has any shares in the company.

(Amonts in MNOK) **Year**	Carrying amount OB	Share of profit	Translation differences	Disposal incl. transl. diff.	Carrying amount CB
2020	313		36	(349)	(0)
2019	393	11	(4)	(86)	313

At the end of 2019, translation differences of MNOK 59 were recognised. In 2020, a further MNOK 36 in translation differences was recognised. At the time of sale of shares in the company, a total of MNOK 95 was reclassified from other comprehensive income. The final settlement in connection with the sale gave a gain of MNOK 15, resulting in a total gain in the income statement of MNOK 110.

	2020
Sale proceeds incl. extraordinary dividends	364
Carrying amount incl. translation differences	349
Gain from sale	**15**
Translation differences reclassified to profit	95
Total Gain	**110**

Bring Frigo AS

In December 2019, Posten Norge entered into an agreement for the sale of the thermo business Bring Frigo AS to Nor-log Gruppen AS. Nor-log Gruppen AS is continuing operations under the name Nor-log Thermo AS, and the sale was carried out with continuity for customers and employees. The sale involved disposals of operating equipment, current receivables and liabilities related to operations in addition to employees. The sale was approved by the Norwegian Competition Authority in January 2020 and was carried out with accounting effect from 1 February 2020, without significant impact on the financial statements.

Note 8 Impact of the Corona pandemic

In March 2020, the World Health Organisation (WHO) declared Covid-19 (the Corona virus) to be a pandemic. The pandemic spread from China to large parts of the world, including Europe and Norway, and is affecting all parts of society strongly. Strict restrictions were introduced for the population in Norway and the other Nordic countries. In the second quarter, restrictions were gradually eased. The national infection control measures were further relaxed in the third quarter but replaced by local restrictions in areas with larger outbreaks.

The financial consequences of the Corona pandemic are closely followed up by the Group. A gradual normalisation of society has resulted in less negative financial consequences of the Corona pandemic. The distinction between effects from the Corona pandemic and other external market changes, trends or internal circumstances in the organisation has become less evident after the first half-year.

Operating income and operating result

The pandemic has resulted in lower activity and volume falls for parts of the Logistics segment, particularly in the first half-year 2020, and higher activity in other areas. The pandemic has also resulted in an increased decline in volumes for the Mail segment.

The development so far shows that for the Logistics segment in the first half-year 2020, the largest negative consequence was on corporate parcel volumes. The negative consequences have, however, been declining, and in the third quarter there were few indications that revenue or profit for the segment were significantly affected. The negative consequences have also been compensated by significant growth within private parcel volumes and home deliveries.

In the Mail segment, the pandemic has had negative consequences for addressed as well as unaddressed mail due to an increased fall in volumes. The negative trends have lessened in the third quarter also in this area.

There is considerable uncertainty regarding volumes and financial consequences in the time to come, both positive and negative.

In the business sector, Norwegian and Nordic authorities have introduced several initiatives in order to safeguard jobs. Delays of payment of public dues and relief of duties have been granted. Reduced social security tax of four percentage points for the third term in Norway has resulted in a cost saving of approximately MNOK 50 for the Group.

Write-down of non-financial assets

Prognoses
The restrictions introduced as a consequence of the pandemic, and the negative effects they have had on the Group's turnover and operations, are indicators of a fall in value. Updated impairment tests for relevant areas were carried out in the second quarter 2020. The situation was mainly unchanged or improved for the relevant areas in the third quarter, and no additional indications on any fall in value have been identified. There is significant uncertainty about how long the situation will last, the financial consequences and any consequences of a recession in the economy following the crisis.

The Group has reflected the uncertainty related to Covid-19 by using scenario analyses in the impairment tests carried out in the second quarter. The cash flows applied in the tests were a probability weighted average of various scenarios of the duration of the Covid-19 outbreak. Based on available information, it was less probable that the Group's operations will be normal again in the course of the months to come, and this scenario was therefore not given a very high probability.

Other assumptions (growth and required rate of return)
No specific Covid-19 adjustments were made in the required rate of return. The various components in the required rate of return were, however, estimated on the basis of updated information. The Group updated the long-term growth rates correspondingly. The required rate of return applied in the impairment tests for goodwill was 8,0 and 8,4, respectively, in the Logistics and Mail segments, whereas the long-term growth rate was 1,5 percent and 0,0 percent (goodwill within mail is not related to traditional mail services).

Based on the criteria described above, no need for write-downs of goodwill or other significant assets was uncovered in the second quarter 2020.

Analyses were made on the sensitivity in the key assumptions for cash-generating entities with goodwill and where there were indications of a fall in value, and updated impairment tests were carried out in the second quarter 2020. The analyses showed that cash-generating entities that were sensitive at year-end 2019, continued to be sensitive (see note 8 in the 2019 annual report). These considerations have not changed in the third quarter.

Financial risk

Market risk

The Corona pandemic has led to large changes in market prices, exchange rates and interest levels. The Group has significant investments in bond funds. As at 30 September 2020, the Group had 3,4 billion kroner invested in various bond funds (3,4 billion kroner as at 31 December 2019). Unrealised gains so far in 2020 totalled MNOK 69. Posten Norge uses financial instruments to manage market risk from the Group's ordinary operations, so variations in results due to these changes are therefore limited.

Credit risk

Several of the Group's customers are affected by the pandemic, and this increases the uncertainty related to the customers' operations and liquidity. The Group's credit forum is assessing the status of outstanding trade receivables and the development of the largest customers, in addition to specific customer scenarios requiring an active decision. Of total outstanding trade receivables, there was no significant change in receivables due as at 30 September 2020 compared with 31 December 2019. The expected losses on receivables are provided for in accordance with an expected loss model and cover uncertain receivables to a reasonable degree.

Liquidity risk

The Group is solid and has a good liquidity reserve.

The Group has covenants in connection with external financing. Covenant compliance is calculated based on the Group's accounting figures without the effects of IFRS 16 *Leases*. Financial covenants are complied with as at 30 September 2020 and the publishing of the report. Note 18 in the 2019 annual report has more information.

Other changes in sources of estimation uncertainty

There is estimation uncertainty connected with the assessment of the pension obligations. The present value of pension obligations depends on factors like the discount rate, which is normally determined at the end of each year. As a consequence of the Corona pandemic, the interest level is significantly reduced in both the short and the long term, which could lead to an increase in the Group's pension obligations in the balance sheet.

Alternative Performance Measures

3rd quarter 2020

Posten Norge

Alternative Performance Measures

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

The Group's performance measures, and other target figures applied in the annual and 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 2020	YTD 2019	Year 2019
+	Revenue (current year)	17 381	17 721	24 212
-	Revenue (last year)	17 721	17 487	23 894
=	**Nominal change in revenue**	**(340)**	**234**	**317**

		YTD 2020	YTD 2019	Year 2019
+	Nominal change in revenue	(340)	234	317
+/-	Impact of exchange rates	(378)	15	(42)
+/-	Acquisitions of companies		(31)	(44)
+/-	Sale of companies*	645	251	251
+/-	Change in government procurements	6	(20)	(83)
+/-	IFRS 16 effects		22	31
=	**Organic change in revenue**	**(68)**	**471**	**430**

* Adjustment of revenue for companies sold

		YTD 2020	YTD 2019	Year 2019
+	Organic change in revenue	(68)	471	430
/	Adjusted revenue*	17 008	17 707	24 073
=	**Organic growth**	**(0,4%)**	**2,7 %**	**1,8 %**

*Adjustment of revenue for currency effects, acquisitions, government procurement and IFRS 16 effects

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

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

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

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

The target figures are valuable for the users of Posten's financial information, including management, the Board and external parties. They give the users of the financial information the opportunity to assess the operating result on the basis of variable current items, as restructuring costs, gains and losses on the sale of non-current assets and other income costs with 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 2020	YTD 2019	Year 2019
+	Revenue	17 381	17 721	24 212
-	Costs of goods and services	7 292	7 728	10 340
-	Payroll expenses	6 249	6 550	8 846
-	Other operating expenses	1 922	1 757	2 666
=	**EBITDA**	**1 920**	**1 687**	**2 361**

		YTD 2020	YTD 2019	Year 2019
+	EBITDA	1 920	1 687	2 361
-	Depreciation	1 102	1 157	1 552
=	**Adjusted operating profit**	**818**	**530**	**808**

		YTD 2020	YTD 2019	Year 2019
+	Adjusted operating profit/	818	530	808
/	Revenue	17 381	17 721	24 212
=	**Adjusted profit margin**	**4,7 %**	**3,0 %**	**3,3 %**

		YTD 2020	YTD 2019	Year 2019
+	Adjusted operating profit	818	530	808
-	Write-downs	53	31	172
+/-	Other income and (expenses)	77	(524)	(479)
+	Share of profit or loss from associated companies	111	11	5
=	**EBIT**	**952**	**(14)**	**162**

		YTD 2020	YTD 2019	Year 2019
+	EBIT	952	(14)	162
/	Revenue	17 381	17 721	24 212
=	**EBIT margin**	**5,5 %**	**(0,1%)**	**0,7 %**

(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 to operationalise strategies and reach the business' 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, 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 short-term and long-term 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 (without the effects of IFRS 16 Leases). Net liabilities/EBITDA is one such covenant. The debt/equity ratio shows the share of equity related to both short- and long-term 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 longer term, and as such is a useful target figure to consider whether the Group has adequate liquidity to achieve the Group's approved strategy.

		30.09 2020	30.09 2020*	30.09 2019	31.12 2019
+	Interest-bearing non-current liabilities	4 167	1 210	5 584	5 596
+	Interest-bearing current liabilities	2 359	1 603	2 241	1 971
-	Commercial financial investments	3 447	3 447	3 355	3 378
-	Cash	18	18	58	60
-	Bank deposits corporate cash-pool account	708	708		382
-	Bank deposits	131	131	198	91
=	**Net interest-bearing debt / (receivables)**	**2 222**	**(1 492)**	**4 214**	**3 655**

* Not including IFRS 16 effects

		30.09 2020	30.09 2020*	30.09 2019	31.12 2019
+	Net interest-bearing debt/(receivables)	2 222	(1 492)	4 214	3 655
/	Equity on the balance sheet date	7 075	7 163	6 140	6 363
=	**Debt ratio**	**0,3**	**(0,2)**	**0,7**	**0,6**

* Not including IFRS 16 effects

		30.09 2020	30.09 2020*	30.09 2019	31.12 2019
+	Net interest-bearing debt/(receivables)	2 222	(1 492)	4 214	3 655
/	EBITDA last twelve months	2 593	1 661	2 096	2 361
=	**Net interest-bearing debt / (receivables) / EBITDA**	**0,9**	**(0,9)**	**2,0**	**1,5**

* Not including IFRS 16 effects

		30.09 2020	30.09 2019	31.12 2019
+	Commercial financial investments	3 447	3 355	3 378
+	Syndicate facility	3 108	3 463	3 452
-	Certificate loans	500	700	400
=	**Long-term liquidity reserve**	**6 055**	**6 118**	**6 430**

		30.09 2020	30.09 2019	31.12 2019
+	Long-term liquidity reserve	6 055	6 118	6 430
+/-	Deposits on group account	705	111	381
+/-	Deposits outside group account	116	87	92
+	Bank overdraft not utilised	500	550	500
=	**Short-term liquidity reserve**	**7 377**	**6 866**	**7 404**

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

Invested capital and return on invested capital (ROIC)

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

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

		30.09 2020	30.09 2019	31.12 2019
+	Intangible assets	1 947	2 062	2 023
+	Tangible fixed assets	9 281	8 685	9 535
+	Current assets	7 826	7 471	7 574
-	Total liquid assets	3 947	3 571	3 654
-	Interest-bearing current assets	73	59	59
-	Interest-free current liabilities	4 686	4 487	4 525
+	Tax payable	121	76	83
+	Dividends and group contributions	(1)	9	8
=	**Invested capital**	**10 469**	**10 185**	**10 985**

*Last twelve months

		30.09 2020	30.09 2019	31.12 2019
+	Last 12 months' accumulated adjusted operating profit	1 096	776	808
/	Invested capital	10 469	10 185	10 985
=	**Return on invested capital (ROIC)**	**10,5 %**	**7,6 %**	**7,4 %**

Other alternative performance measures

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

		YTD 2020	YTD 2019	Year 2019
+	Total investments in owned tangible fixed assets	473	513	646
-	Investments due to acquisitions	42		
=	**Investments before acquisitions**	**430**	**513**	**646**

		30.09 2020	30.09 2019	31.12 2019
+	Profit after tax last 12 months	878	(169)	13
/	Average equity on balance sheet date*	6 607	6 242	6 422
=	**Return on equity after tax (ROE)**	**13,3 %**	**(2,7%)**	**0,2 %**

*(OB+CB)/2

		30.09 2020	30.09 2019	31.12 2019
+	Equity on balance sheet date	7 075	6 140	6 363
/	Equity and liabilities (total capital)	19 395	19 597	19 867
=	**Equity ratio**	**36,5 %**	**31,3 %**	**32,0 %**

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