

postnord

PostNord Interim Report

Q2/2021



A strong second quarter and first half year for PostNord

The steady growth in e-commerce continues to fuel strong volume growth in the logistics business. Our improvement programs remain on track and, along with the growth in sales, paved the way to the sharply improved earnings in the first six months of the year. Within the framework of PostNord's ambitious sustainability agenda, work is being conducted at a high level of intensity.



PostNord strives continuously to make everyday life easier for everyone who lives and works in the Nordic region. And part of this involves providing convenient delivery options. The objective is to have more than 12,500 of its own parcel boxes in the Nordic region before the end of 2022 – with investments in additional parcel boxes planned for 2023.

Second quarter 2021¹

- Operating income (EBIT) totaled SEK 518 million (517)
- Adjusted operating profit improved by 28 percent from SEK 404 million to SEK 518 million – sales growth and improvement programs were the factors behind the profit improvement
- Overall, parcels volumes rose 21 percent (14), driven by continued growth in business-to-consumer and recovery in business-to-business
- Mail volumes decreased by -4 percent (-19). Strong quarter driven by increased need for public information and market communication and by the fact that the previous year was negatively affected by the coronavirus pandemic

SEKm, if not otherwise stated ²⁾	April – June		Change like-for-like ³⁾	January – June		Change like-for-like ³⁾
	2021	2020		2021	2020	
Net sales	10,323	9,328	13%	20,510	18,832	12%
Operating income (EBIT)	518	517	0%	1,396	831	68%
Adjusted operating income (Adjusted EBIT)	518	404	28%	1,323	718	84%
Income before tax	472	386		1,301	685	
Net income for the period	380	262		1,098	525	
Earnings per share, SEK	0.19	0.13		0.55	0.26	
Cash flow from operating activities	835	1,175		1,969	1,932	
Net debt ratio, % ⁴⁾	-19	164		-19	164	
Return on capital employed (ROCE), %	23.0	7.0		23.0	7.0	

¹ Unless otherwise stated, the report comments on developments in April–June 2021 compared with the same period in 2020.

² For definitions, see Note 8.

³ The term like-for-like refers to the change in fixed currency for comparable units.

⁴ Net debt ratio, including pensions but excluding lease liabilities.

Comments by the President and Group CEO

PostNord Improvement program delivering

The Group's operating profit remains strong, in line with the second quarter last year, totaling SEK 518 million (517). Like-for-like sales increased by 13 per cent. Adjusted operating profit totaled SEK 518 million (404), indicating an underlying improvement of 28 percent. The strong result is explained by the fact that we are completing our wide-ranging long-term improvement program to handle volume shifts with a strong focus on the customer and profitability. At the same time, we are able to translate our unique capacity into concrete customer benefit. The positive earnings trend in PostNord Denmark continues.

The Group's operating profit for the first half of the year improved significantly to SEK 1,396 million (831), representing an operating margin improvement from 4.4 percent to 6.8 percent.

Digitalization – market opportunities, regulatory challenges

In the long term, digitalization has driven steady growth in e-commerce with more and more parcels being sent. At the same time, fewer physical letters are being sent.

In the short term, the pandemic has affected society and accelerated the trend of changing buying habits. Other changes include demand for home deliveries, and growing interest among private individuals in showing appreciation to others by sending mailings.

The Danish government and its supporting parties agreed on May 31 to extend the current agreement on the universal service obligation to 2023. A new long-term agreement, along with compensation covering the costs associated with the universal service obligation, would have been preferable. However, the announcement was welcome as it creates important clarity for the business in the years ahead.

Investments for increased capacity and sustainable customer benefit

To be able to continue meet the needs of both consumers and businesses, we are continuing to develop our Nordic infrastructure for more efficient, sustainable and flexible deliveries. In May, we acquired the remaining share in the Danish nationwide parcel box network, Nordic Infrastructure A/S and we are continuing to invest in parcel boxes across the Nordic region. Our goal is to have more than 12,500 parcel boxes under our own management in the Nordic region by the end of next year.

In Sweden, we are implementing a delivery model where recipients receive parcels and express deliveries just as before, but where letters, newspapers and advertising are delivered on alternate days. In southern Sweden, we have been operating the model since the beginning of the year and in May it was introduced in western Sweden. The Swedish Post and Telecom Agency (PTS) has confirmed that the model meets the requirements of the law. During the rollout, quality has been high, with few negative comments from customers. We are now working in a goal-focused way to ensure that the new model is rolled out throughout Sweden by mid-2022.

Planned terminal operations are in the process of being established at Drammen, Norway, and Tampere and Vantaa, Finland. In addition, a new highly automated third-party logistics facility is being established at Ljungby in Sweden.

“Our ambition is to be in the driving seat as the mail and logistics industry enters the low-carbon economy.”

With our goal of being fossil-fuel-free by 2030, we also have the ambition to be in the driving seat as the mail and logistics industry enters the low-carbon economy. Our climate policy sets out clearly our commitment to reducing climate impact and embraces ambitions for investment, energy efficiency, a greener infrastructure and cleaner energy. Step by step, we are moving forward with concrete actions. One such action is the introduction of new electric- and biogas-powered distribution trucks. Another is the establishment of a centrally located hub in Helsinki, from which we deliver shipments to both businesses and households by electric vehicles. This year, we have already approved investments in more than 900 climate-friendly vehicles. We also safeguard a good working environment and working conditions.

Well equipped for the future

We at PostNord are very proud of the community-supporting service we offer. We have learnt from experience how to cater for the continued strong growth in e-commerce deliveries for the staycation period.

I would like to thank our customers and partners for their trust. At the same time, I would like to thank all employees, including our

summer temps, who every work shift help to make everyday life easier for everyone who lives or does business in the Nordic region.

[Annemarie Gardshol](#)
President & Group CEO



Annemarie Gardshol, President and Group CEO

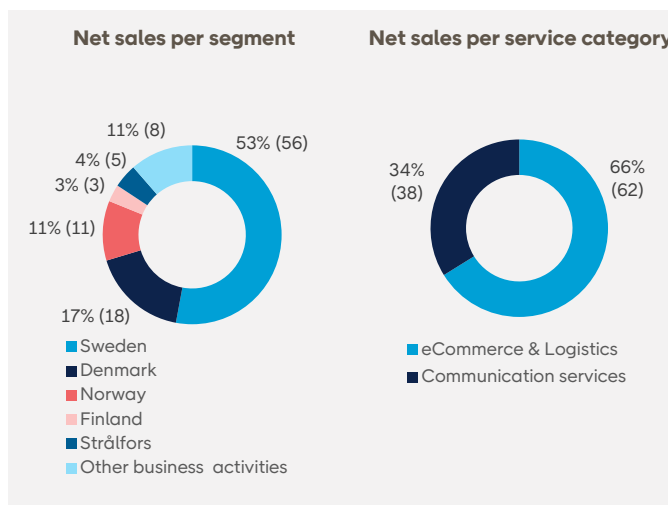
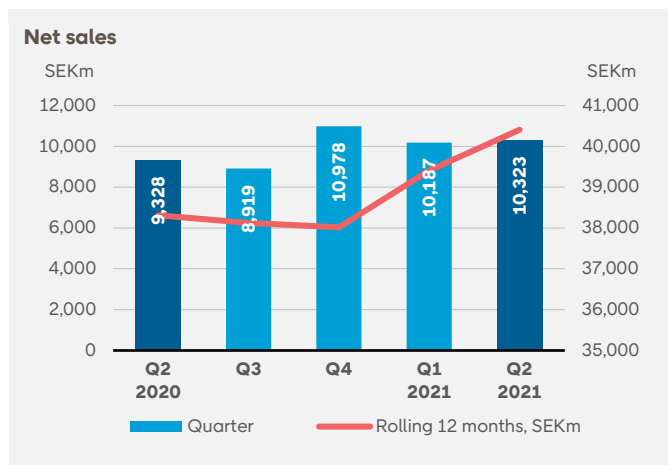
Net sales and income

Net sales

Net sales totaled SEK 10,323 million (9,328) in the year's first quarter, an increase of 13 percent in fixed currency for like-for-like units. A total of 58 million (48) parcels were handled during the quarter, an increase of 21 percent (14). Volumes to business-to-consumer customers increased by 22 percent (22), while volumes to business-to-business customers recovered, rising 19 percent (-14).

During the quarter, mail volumes decreased by the equivalent of -4 percent (-19) as a result of increased digitalization. During the second quarter, we saw an increased need for public information and market communication, while the corresponding quarter last year was negatively affected by the coronavirus pandemic.

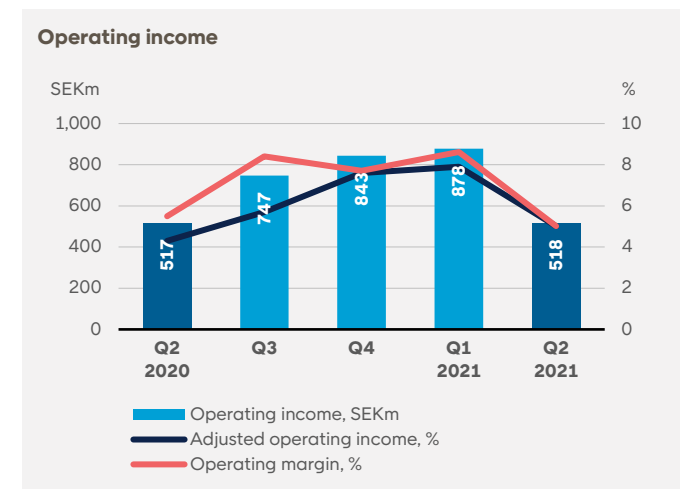
Other operating income totaled SEK 85 million (418), consisting in the main of compensation for the universal service obligation in Denmark and government compensation related to the coronavirus pandemic. Other operating income in the preceding year also consisted of capital gains on the sale of real estate and higher foreign exchange gains.



Income

Operating income totaled SEK 518 million (517) in the second quarter, an operating margin of 5.0 percent (5.5). Income benefited from very buoyant demand in the parcels business, increased profitability in the mail business and actions within the scope of the ongoing improvement program. Government compensation in connection with the coronavirus pandemic amounted to SEK 30 (85) million, of which 93 percent (76) was received in Sweden and the remaining share in Denmark. Adjusted operating income totaled SEK 518 million (404). Real estate sales had a positive impact of SEK 113 million on earnings. Net financial items totaled SEK -46 million (-130), mainly consisting of interest expense in connection with leases, pensions and loans. The change from the preceding year mainly arose through lower interest costs from pensions and a positive revaluation of disability pension plans. Tax for the period totaled SEK -91 million (-124) and income for the period SEK 380 million (262).

Return on capital employed (ROCE) improved to 23.0 percent (7.0), above all as a result of the excellent income in the past twelve months.



Cash flow and financial position

Cash flow

Cash flow from operating activities totaled SEK 835 million (1,175) in the second quarter. The improved profit and refunded tax made a positive contribution, while increased accounts receivable and interim receivables, as well as decreased accounts payable, had a negative impact on cash flow.

Cash flow from investing activities totaled SEK -324 million (-237). The investments relate for the most part to vehicles, sorting machines, parcel boxes, IT development and company acquisitions.

Cash flow from financing activities totaled SEK -349 million (-311). The change is mainly attributable to amortization totaling SEK -343 million (-316) of lease liabilities.

Net debt

The Group's net debt, including pensions and lease liabilities, decreased by SEK 1,462 million during the second quarter, mainly due to a lower pension liability. Liabilities related to pensions and disability pension plans decreased by SEK 1,032 million in the quarter, from SEK 2,392 million to SEK 1,360 million, mainly due to an increase in the discount rate and positive returns in Postens Pensionsstiftelse.

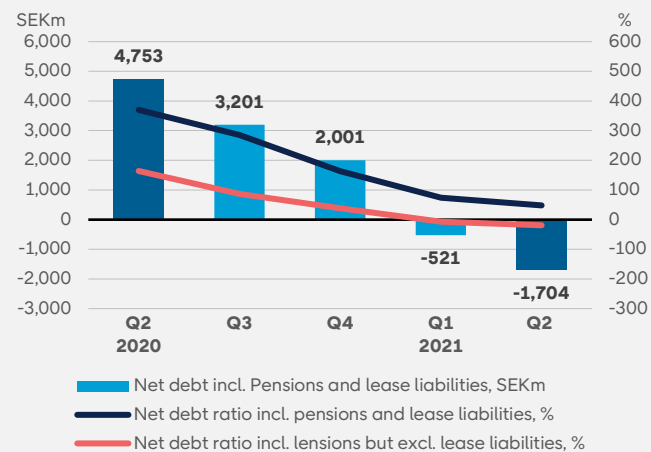
The net debt ratio including pensions and lease liabilities was 48 percent (370). The Group's net debt ratio excluding leasing liabilities was -19 percent (164). Financial preparedness at the end of the quarter amounted to SEK 8,979 million (7,377), of which cash and cash equivalents totaled SEK 6,979 million (4,377) and unutilized credit facilities SEK 2,000 million (3,000).

Equity

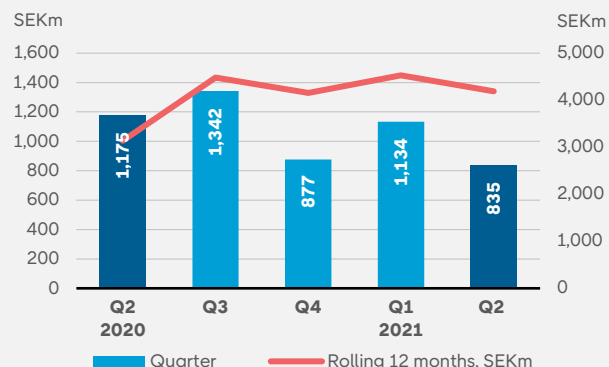
The Group's equity increased to SEK 8,653 million from SEK 7,537 million on March 31, 2021.

The change in the quarter was attributable to income of SEK 380 million for the period, a change of SEK 838 million in the pension commitment net after tax and translation differences of SEK -100 million.

Net debt and net debt ratio



Cash flow from operating activities



Net debt

SEKm	Jun. 30 2021	Mar. 31 2021	Dec. 31 2020	Sep. 30 2020	Jun. 31 2020
Interest-bearing liabilities	10,049	10,322	10,267	10,169	9,524
Pensions and disability pension plans	1,360	2,392	4,318	5,656	5,532
Long- and short-term investments	-290	-291	-292	-293	-297
Cash and cash equivalents	-6,979	-6,821	-6,229	-6,053	-4,377
Net debt incl. pensions and lease liability	4,140	5,602	8,064	9,479	10,382
Net debt ratio incl. pensions and lease liabilities	48%	74%	164%	285%	370%
Net debt incl. pensions but excl. lease liabilities	-1,704	-521	2,001	3,201	4,753
Net debt ratio incl. pensions but excl. lease liabilities	-19%	-7%	38%	87%	164%

Parent Company

The Parent Company conducted limited operations, in the form of intra-Group services. No external net sales were recognized during this or the corresponding quarter last year. In January 2021, the Parent Company's loan to the subsidiary PostNord Group AB was converted from a short-term receivable, deposited in the subsidiary's Group account, to a fixed-term loan, in view of the long-term nature of the receivable. Net income for the period totaled SEK 1 million (-18).

First six months

Net sales for the Group amounted to SEK 20,510 million (18,832) in the first half-year, an increase of 12 percent (0) in fixed currency for like-for-like units. During the period, letter volumes decreased by 8 percent (15) and parcel volumes increased by 21 percent (14).

Operating income totaled SEK 1,396 million (831) for the year, with an operating margin of 6.8 percent (4.4). The improvement in earnings was mainly attributable to growth in sales and increased efficiency as a result of ongoing improvement program.

Cash flow from operating activities totaled SEK 1,969 million (1 932). The significantly improved income was the single largest factor behind the stable cash flow.

Sustainability information

As a major logistics player, PostNord takes responsibility for helping to bring about sustainable development in the industry. An ambition is to lead the mail and logistics sector into the low-carbon economy by becoming fossil free by 2030. We protect the health and safety of our employees, promote equality and inclusion and require our suppliers to comply with our requirements.

Employees

The average number of employees (FTEs) was 28,258 (27,695), an increase compared with the corresponding period last year.

Sick leave averaged 6.2 percent (5.6) on a trailing 12-month basis, where the impact in each individual month is limited.

At the end of the quarter, the proportion of women at management levels 1-3 was 36 percent (36). At levels 4-6, the figure was 32 percent (31).



Sustainable supply chain

The target for a sustainable supply chain in 2021 is that 83 percent of purchase volumes from significant suppliers should be from those who accept and comply with PostNord's Supplier Code of Conduct. The outcome for the second quarter of the year was 81 percent compared with 79 for the first quarter. The increase is mainly due to excellent work in Denmark and Norway. During the quarter, 20 suppliers were asked to carry out self-assessment. To date, nine have responded. Three audits were carried out during the quarter. Most audits planned for 2021 have as yet either not been scheduled or completed due to the coronavirus pandemic.

Climate impact

Carbon dioxide emissions for the quarter decreased by 11 percent compared to Q2 2020, to 67,136 tons. PostNord's total energy consumption (including both transportation and use of premises) totaled 424,622 MWh (417,125). Renewable energy accounted for 39 percent (30) of total energy consumption during the quarter.

Under PostNord's climate transition program, the Group's investments and operations are being steered in a green direction. Work is under way on classifying and monitoring the Company's assets in accordance with the EU's taxonomy and taxonomy regulation.

[Read more about our ambitious sustainability work at postnord.com.](https://www.postnord.com)

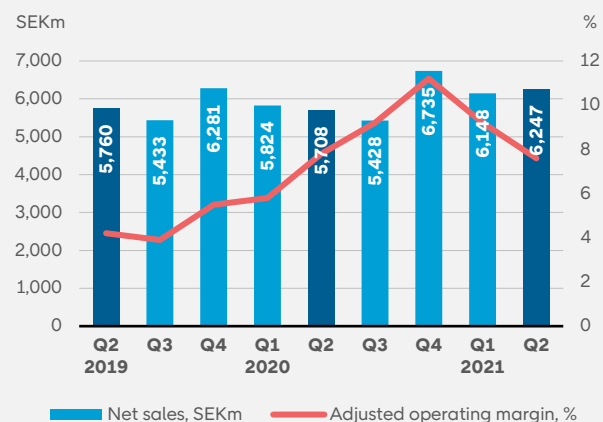
PostNord Sweden

Net sales totaled SEK 6,247 million (5,708), an increase of 11 percent (1) for like-for-like units. The structural change of growth in e-commerce persists, while patterns of consumption in the wake of the pandemic contributed to continued, albeit somewhat subdued, volume growth in business-to-consumer. In addition, business-to-business volumes recovered, compared to the second quarter last year. Parcel volumes increased by a total of 7 percent (5). Mail volumes decreased by -3 percent (-16). During the second quarter, we saw an increased need for public information and market communication, while the corresponding quarter last year was negatively affected by the coronavirus pandemic.

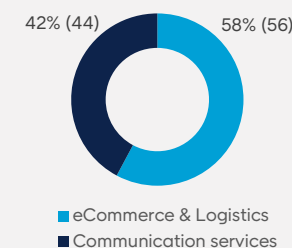
Operating income totaled SEK 474 million (446). Increased net sales, along with good cost control, execution of improvement programs and continued high demand for parcel deliveries are driving the improvement in earnings. PostNord Sweden is continuously improving its offering in e-commerce and logistics and is continuously adapting its mail business based on actual customer needs and a reasonable service level.

Delivery quality for mail over the past 12-month period was 97.8 percent (97.9). During the quarter, quality was 98.4 (98.6) percent. Delivery quality for parcels over the past 12-month period was 95.0 percent (96.2). During the quarter, quality was 94.6 (94.9) percent. Volume growth in parcels and a continued increase in short-term absences affected delivery quality.

Net sales and adjusted operating margin



Net sales



97.8%

Delivery quality, mail.
Legal requirement 95%
 Refers to period
 July 2020 – June 2021

SEKm, if not otherwise stated	April-June		Like-for-like change	January-June		Like-for-like change
	2021	2020		2021	2020	
Net sales	6,247	5,708	11%	12,431	11,532	11%
– Communication Services (external)	2,330	2,335	0%	4,777	4,832	-1%
– eCommerce & Logistics (external)	3,194	2,955	11%	6,234	5,824	13%
– Internal	723	418	73%	1,420	876	62%
Operating income (EBIT)	474	446		1,042	784	
Operating margin, %	7.6	7.8		8.4	6.8	
Items affecting comparability	-	-		-	-	
Adjusted operating income (adjusted EBIT)	474	446		1,042	784	
Adjusted operating margin, %	7.6	7.8		8.4	6.8	

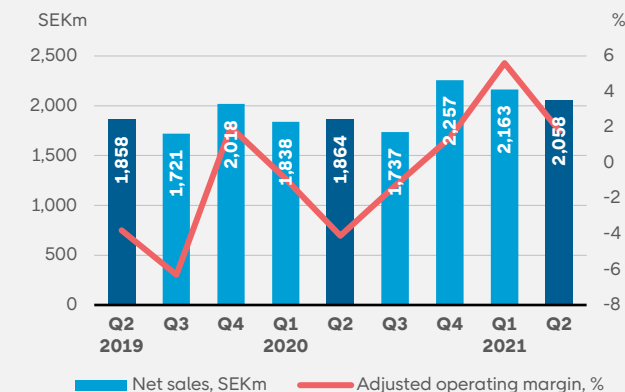
PostNord Denmark

Net sales totaled SEK 2,058 million (1,864), an increase of 16 percent (3) in fixed currency for like-for-like units. Mail volumes decreased by -6 percent (-34). During the second quarter, we saw an increased need for public information and market communication, while the corresponding quarter last year was negatively affected by the coronavirus pandemic. Parcel volumes increased by 18 percent (24), mainly driven by strong demand from business-to-consumer customers. This was partly due to the lockdown of the community to limit the spread of the coronavirus pandemic and continued recovery in business-to-business.

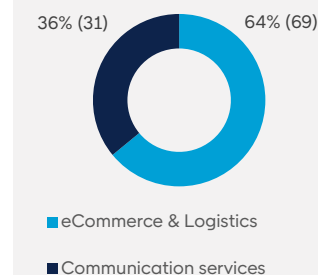
Operating income totaled SEK 38 million (36). Items affecting comparability amounted to SEK - million (113). Figures for items affecting comparability for the preceding year consisted of a capital gain from a real estate sale. Adjusted operating income improved to SEK 38 million (-77). The improvement was mainly attributable to increased parcel volumes and the ongoing improvement program.

Delivery quality for the Brevet service surpassed the legal requirement, ending the past 12-month period at 95.3 percent (95.1). During the quarter, quality was 96.9 (94.2) percent. Delivery quality for parcels was slightly squeezed by high parcel volumes, averaging 95.0 percent (95.9) for the past 12-month period. During the quarter, quality was 95.9 (93.7) percent.

Net sales and adjusted operating margin



Net sales



95.3%

Delivery quality, Brevet.
Legal requirement 93%
 Refers to period
 July 2020 – June 2021

SEKm, if not otherwise stated	April-June ¹⁾		Like-for-like change	January-June ¹⁾		Like-for-like change
	2021	2020		2021	2020	
Net sales	2,058	1,864	16%	4,221	4,453	20%
- Communication Services (external)	627	657	0%	1,323	1,439	-4%
- eCommerce & Logistics (external)	1,117	964	22%	2,272	2,683	32%
- Internal	313	243	35%	625	331	45%
Operating income (EBIT)	38	36		231	56	
Operating margin, %	1.8	1.9		5.5	1.3	
Items affecting comparability	-	113		72	113	
Adjusted operating income (adjusted EBIT)	38	-77		159	-57	
Adjusted operating margin, %	1.8	-4.1		3.8	-1.3	

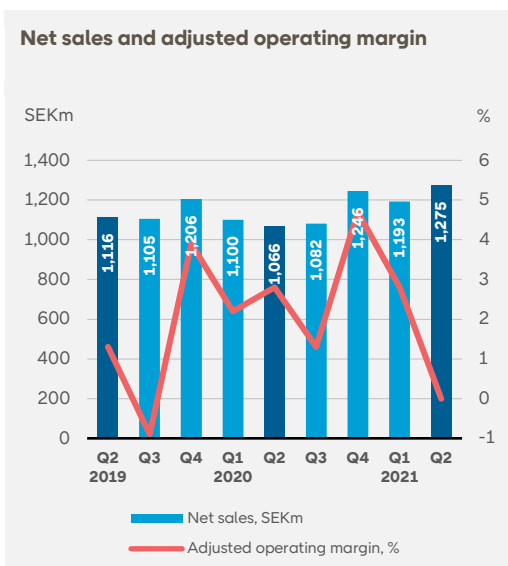
¹⁾ PostNord's operations in Germany has been transferred from segment PostNord Denmark to segment Other business activities as from 1 January 2021. Comparable figures are recalculated.

PostNord Norway

Net sales totaled SEK 1,275 million (1,066), an increase of 15 percent (19) in fixed currency for like-for-like units. Parcel volumes increased by 52 percent (18).

Operating income totaled SEK -3 million (30). The lower income was mainly due to additional costs incurred via the launch of a new production model with increased capacity in Oslo, in order to effectively handle an increase in the volume of parcels.

Delivery quality was 89.2 percent (95.5) for the quarter and 93.6 percent (96.0) over the past 12-month period.



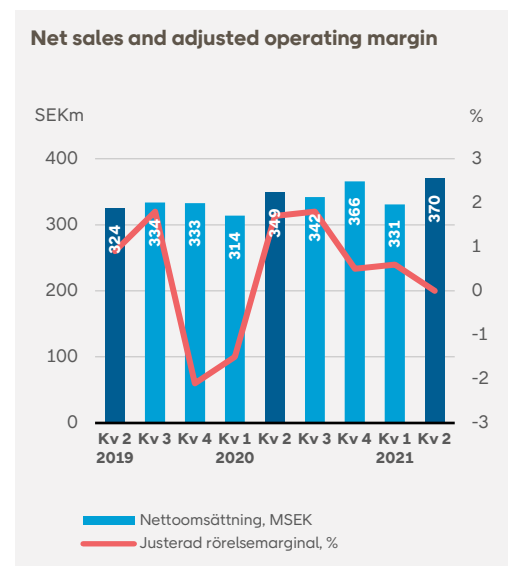
SEKm, if not otherwise stated	April-June		Like-for-like change	January-June		Like-for-like change
	2021	2020		2021	2020	
Net sales	1,275	1,066	15%	2,468	2,167	14%
– Communication Services (external)	21	20	4%	43	40	9%
– eCommerce & Logistics (external)	991	851	14%	1,958	1,757	12%
– Internal	263	195	24%	466	370	25%
Operating income (EBIT)	-3	30		30	54	
Operating margin, %	0.0	2.8		1.1	2.5	
Items affecting comparability (adjusted EBIT)	-	-		-	-	
Adjusted operating margin, %	0.0	2.8		1.1	2.5	

PostNord Finland

Net sales totaled SEK 370 million (349), an increase of 11 percent (7) in fixed currency for like-for-like units. Sales in logistics operations rose, for the most part in connection with deliveries to the healthcare sector. Parcel volumes increased by 65 percent (7).

Operating income totaled SEK -1 million (6). The income was due to a change in the product mix.

Delivery quality was 95.6 percent (94.7) for the quarter and 95.7 percent (95.4) over the past 12-month period.

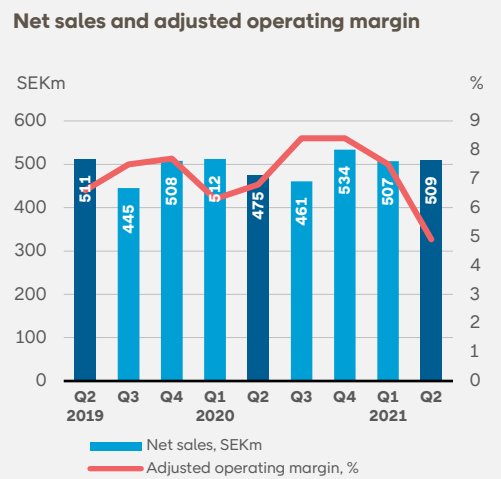


SEKm, if not otherwise stated	April-June		Like-for-like change	January-June		Like-for-like change
	2021	2020		2021	2020	
Net sales	370	349	11%	702	663	11%
– Communication Services (external)	-	-	-	-	-	-
– eCommerce & Logistics (external)	251	233	13%	483	446	14%
– Internal	119	116	8%	219	217	6%
Operating income (EBIT)	-1	6		1	1	
Operating margin, %	0.0	1.7		0.0	0.2	
Items affecting comparability (EBIT)	-	-		-	-	
Adjusted operating margin, %	0.0	1.7		0.0	0.2	

PostNord Strålfors

Net sales totaled SEK 509 million (475), an increase of 8 percent (-5) in fixed currency for like-for-like units. The long-term trend of a structurally declining market for printed matter in the wake of digitalization remains. However, sales are benefiting from continued growth in revenues from digital services and products, albeit at lower margins than the physical business.

Operating income totaled SEK 25 million (30), a decrease of 15 percent. The lower operating profit was due to additional costs associated with the improvement program.

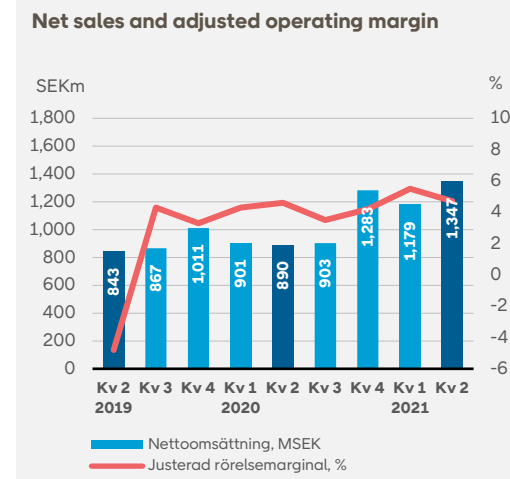


SEKm, if not otherwise stated	April-June		Like-for-like change	January-June		Like-for-like change
	2021	2020		2021	2020	
Net sales	509	475	8%	1,016	986	5%
– Communication Services (external)	454	431	7%	908	909	2%
– Internal	55	44	26%	108	78	40%
Operating income (EBIT)	25	30		63	65	
Operating margin, %	4.9	6.3		6.2	6.6	
Items affecting comparability (EBIT)	-	-		-	-	
Adjusted operating margin, %	4.9	6.3		6.2	6.6	

Other business activities

Net sales totaled SEK 1,347 million (890), an increase of 61 percent (5) in fixed currency for like-for-like units. The strong growth in e-commerce contributed positively to Direct Link's net sales and operating profit. The coronavirus pandemic has negatively affected Direct Link as global air transport capacity has decreased. The logistics business in Germany shows very strong volume growth in exports to the Nordic market in business-to-consumer parcels.

Operating income improved to SEK 63 million (41).



SEKm, if not otherwise stated	April-June ¹⁾		Like-for-like change	January-June ¹⁾		Like-for-like change
	2021	2020		2021	2020	
Net sales	1,347	890	61%	2,526	1,791	50%
– Communication Services (external)	62	62	-2%	111	114	-3%
– eCommerce & Logistics (external)	1,283	825	65%	2,404	1,671	54%
– Internal	3	2	15%	11	6	110%
Operating income (EBIT)	63	41		128	80	
Operating margin, %	4.7	4.6		5.1	4.5	
Items affecting comparability	-	-		-	-	
Adjusted operating income (adjusted EBIT)	63	41		128	80	
Adjusted operating margin, %	4.7	4.6		5.1	4.5	

¹⁾ PostNord's operations in Germany has been transferred from segment PostNord Denmark to segment Other business activities as from 1 January 2021. Comparable figures are recalculated.

Other information

Update regarding the universal service obligation in Denmark

The Danish government and its supporting parties agreed on May 31 to extend the current agreement on the universal service obligation to 2023. A new long-term agreement, along with compensation covering the costs associated with the universal service obligation, would have been preferable. However, the announcement is welcome as it means that PostNord Denmark can continue to develop its business.

In a ruling on May 5, the European Court of Justice ratified, among other things, the Commission's approval of the Danish State's treatment of compensation to PostNord for the universal service obligation in the 2017–2019 period. The size of the amount was linked to the financing of part of the special severance pay for former civil servants employed by Post Danmark.

Delivery quality

Delivery quality in Sweden is still above the legal requirement of 95 percent for stamped letters that must be delivered to the intended recipient within two working days, maintaining a level of 97.8 percent (97.9) over the past 12-month period. During the quarter, quality was 98.4 (98.6) percent. In Denmark, quality also exceeded the legal requirement. Over the past 12-month period, delivery quality for the Brevet service was 95.3 percent (95.1), compared with the legal requirement that 93 percent of letters must be delivered to the intended recipient within five working days. During the quarter, quality was 96.9 (94.2) percent.

Overall delivery quality for parcels in the PostNord Group was 94.8 percent (96.1) over the past 12-month period. During the quarter, quality was 94.1 percent (94.7).

Highlights of the first quarter

April 13, 2021 Black Friday levels in PostNord's post-Easter volumes
– 960,000 parcels in 24 hours

April 14, 2021 Command Center wins PostNord Logistics Award 2021

April 27, 2021 Kids World sees benefits of seven-day-a-week deliveries

2021-04-29 PostNord opens new distribution center in Trondheim

May 7, 2021 PostNord deploys 1,500 parcel machines in 700 locations in southern Norway

10 May, 2021 More shipments between Swedish consumers than expected

May 11, 2021 PostNord relocates Finnish headquarters to Tripla in Pasila

May 20, 2021 PostNord celebrates The Children's Fund's Letter Writing Day

May 18, 2021 PostNord's terminal-to-be in Pirkkala becomes new hub for parcel traffic in Finland

May 20, 2021 E-barometer – continued sharp increase for e-commerce in the first quarter
May 26, 2021 PostNord builds new warehouse for third-party logistics in Ljungby

May 27, 2021 PostNord invests in parcel boxes in Malmö

June 01, 2021 Major investment by PostNord in parcel boxes across the Nordic region

Key events in April–June 2021

Annual General Meeting

The Annual General Meeting was held on April 27, 2021. For more information, see www.postnord.com.

Anna van Bunningen appointed new Head of Nordic Strategy & Solutions

Anna van Bunningen took up the position of Head of Group Nordic Strategy & Solutions on June 15, 2021.

Major events after the reporting period

No major events after the reporting period.

Signatures

Solna, July 16, 2021

PostNord AB (publ), CIN 556771-2640

The Board of Directors and the President and Chief Executive Officer hereby declare that the interim report provides a true and fair view of the Group's and the Parent Company's operations, position and results, and also describes the material risks and uncertainties faced by the Parent Company and companies making up the Group.

Christian Jansson
Chairman

Christian Frigast
Vice Chair

Sonat Burman Olsson
Director

Susanne Hundsbæk-Pedersen
Director

Peder Lundquist
Director

Ulrica Messing
Director

Erik Sandstedt
Director

Charlotte Strand
Director

Bo Fröström
Employee representative

Daniel Hansen
Employee representative

Sandra Svensk
Employee representative

Annemarie Gardshol
President & Group CEO

Financial statements – Group

Income statement

SEKm	Note	April - June		January – June	
		2021	2020	2021	2020
Net sales	1	10,323	9,328	20,510	18,832
Other operating income		85	418	445	729
Operating revenue	3	10,409	9,746	20,956	19,561
Personnel expenses		-4,049	-3,976	-8,135	-7,929
Transportation expenses		-2,757	-2,514	-5,440	-5,227
Other operating expenses		-2,442	-2,090	-4,702	-4,292
Depreciation and impairments		-643	-651	-1,283	-1,283
Operating expenses		-9,891	-9,230	-19,560	-18,731
OPERATING INCOME	3	518	517	1,396	831
Financial income		2	4	10	26
Financial expenses		-48	-134	-104	-171
Net financial items		-46	-130	-94	-146
Income before tax		472	386	1,301	685
Tax		-91	-124	-203	-160
NET INCOME		380	262	1,098	525
Attributable to					
Parent Company shareholders		380	261	1,097	523
Non-controlling interests		0	1	1	2
Earnings per share, SEK		0.19	0.13	0.55	0.26

Statement of comprehensive income

SEKm	April - June		January – June	
	2021	2020	2021	2020
NET INCOME	380	262	1,098	525
OTHER COMPREHENSIVE INCOME				
Items that cannot be transferred to net income				
Revaluation of pension liabilities	1,056	-1,573	3,198	-1,502
Change in deferred tax	-218	324	-659	309
Total	838	-1,249	2,539	-1,193
Items that have been or may be transferred to net income				
Cash flow hedges after tax	1	-1	1	-1
Translation differences	-101	-156	111	-177
Total	-100	-157	112	-178
INCOME	738	-1,406	2,651	-1,371
COMPREHENSIVE INCOME	1,118	-1,144	3,749	-846
Attributable to				
Parent Company shareholders	1,117	-1,145	3,747	-848
Non-controlling interests	1	1	2	2

Financial statements – Group

Statement of financial position

SEKm	Note	Jun. 30 2021	Dec. 31 2020	Jun. 30 2020
ASSETS	1			
Goodwill		2,550	2,510	2,529
Other non-current intangible assets		479	439	526
Property, plant and equipment		6,988	6,992	7,544
Right-of-use assets		5,768	5,954	5,799
Participations in associated companies		149	134	110
Non-current interest-bearing receivables	6	274	280	285
Other non-current receivables	6	373	411	501
Deferred tax assets		29	627	880
Total non-current assets		16,609	17,350	18,173
Inventories		85	90	101
Tax assets		504	299	283
Trade receivables	6	4,711	4,967	4,390
Prepaid expenses and accrued income	6	1,484	878	1,023
Other current receivables	6	449	600	897
Current interest-bearing receivables	6	16	11	-
Cash and cash equivalents	6	6,979	6,229	4,377
Assets held for sale		22	65	87
Total current assets		14,250	13,139	11,159
TOTAL ASSETS		30,859	30,489	29,332

(cont.)

SEKm	Note	Jun. 30 2021	Dec. 31 2020	Jun. 30 2020
EQUITY AND LIABILITIES				
EQUITY		8,653	4,906	2,806
LIABILITIES				
Non-current interest-bearing liabilities	6	2,751	3,243	3,784
Long-term lease liabilities		4,618	4,849	4,470
Other non-current liabilities		44	42	365
Pensions		1,483	4,395	5,601
Other provisions	5	1,163	1,685	2,299
Deferred tax liabilities		142	120	63
Total non-current liabilities		10,201	14,334	16,581
Current interest-bearing liabilities	6	1,356	857	5
Current lease liabilities		1,324	1,318	1,265
Trade payables	6	2,710	2,877	2,518
Tax liabilities		288	313	370
Other current liabilities	6	1,321	1,503	1,648
Accrued expenses and deferred income	6	4,086	3,643	3,326
Other provisions	5	920	737	812
Total current liabilities		12,004	11,249	9,945
TOTAL LIABILITIES		22,205	25,582	26,525
TOTAL EQUITY AND LIABILITIES		30,859	30,489	29,332

Financial statements – Group

Statement of cash flows

SEKm	Note	April - June		January – June	
		2021	2020	2020	2019
OPERATING ACTIVITIES					
Income before tax		472	386	1,301	685
Adjustments for non-cash items ¹⁾		405	317	914	494
Income tax paid		-24	-63	-263	-87
Operating activities before changes in working capital		852	640	1,952	1,092
Changes in working capital					
Increase(-)/decrease(+) in inventories		-3	2	5	4
Increase(-)/decrease(+) in other operating receivables		-476	165	-82	476
Increase(+)/decrease(-) in other operating liabilities		462	368	94	360
Changes in working capital		-17	535	17	840
Cash flow from operating activities		835	1,175	1,969	1,932
INVESTING ACTIVITIES					
Purchase of property, plant and equipment		-227	-240	-385	-408
Sale of property, plant and equipment		-	-	4	1
Acquisitions of non-current intangible assets		-48	-11	-78	-20
Sale of subsidiary, effect on cash and cash equivalents	4	-	5	-	166
Acquisition of subsidiary, effect on cash and cash equivalents	4	-49	-	-49	-
Sale of financial assets		-	9	1	9
Cash flows from investing activities		-324	-237	-507	-252

(cont.)

SEKm	Note	April - June		January – June	
		2021	2020	2020	2019
FINANCING ACTIVITIES					
Amortized loans		-4	-6	-34	-84
Amortized lease liabilities		-343	-316	-683	-628
Dividend paid		-2	-2	-2	-2
Increase(+)/decrease(-) in other interest-bearing liabilities		-	13	-	15
Cash flows from financing activities		-349	-311	-719	-699
CASH FLOWS FOR THE PERIOD					
Cash and cash equivalents, at beginning of period		6,821	3,764	6,229	3,398
Translation difference in cash and cash equivalents		-4	-14	7	-2
Cash and cash equivalents, closing balance		6,979	4,377	6,979	4,377
¹⁾ Adjustments for non-cash items:					
Depreciation and impairments		643	651	1,283	1,283
Change in pension liability		10	38	190	-97
Other provisions		-146	-264	-302	-560
Capital gain, property, plant and equipment sold		-1	-109	-73	-105
Capital gain, sale of subsidiaries		-	-1	-	-20
Other		-101	2	-184	-7
Total		405	317	914	494

Financial statements – Group

Statement of changes in equity

January - June 2020

SEKm	Equity attributable to the Parent Company's shareholders						Non-controlling interests	Total equity
	Capital stock ¹⁾	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings			
Opening balance Jan. 1, 2020	2,000	10,621	-1,509	0	-7,460	2	3,654	
Comprehensive income for the period								
Net income for the period	-	-	-	-	523	2	525	
Other comprehensive income for the period	-	-	-177	-1	-1,193	-	-1,371	
Total comprehensive income for the period	-	-	-177	-1	-670	2	-846	
Dividend	-	-	-	-	-	-2	-2	
Shareholders' equity balance, closing balance Jun. 31 2020	2,000	10,621	-1,686	-1	-8,130	2	2,806	

July - December 2020

SEKm	Equity attributable to the Parent Company's shareholders						Non-controlling interests	Total equity
	Capital stock ¹⁾	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings			
Opening balance Jul. 1, 2020	2,000	10,621	-1,686	-1	-8,130	2	2,806	
Comprehensive income for the period								
Net income for the period	-	-	-	-	1,186	-	1,186	
Other comprehensive income for the period	-	-	-134	0	1,048	-	914	
Total comprehensive income for the period	-	-	-134	0	2,234	-	2,100	
Dividend	-	-	-	-	-	-	-	
Shareholders' equity balance, closing balance Dec. 31 2020	2,000	10,621	-1,820	-1	-5,896	2	4,906	

January – June 2021

SEKm	Equity attributable to the Parent Company's shareholders						Non-controlling interests	Total equity
	Capital stock ¹⁾	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings			
Opening balance Jan. 1, 2021	2,000	10,621	-1,820	-1	-5,896	2	4,906	
Comprehensive income for the period								
Net income for the period	-	-	-	-	1,096	2	1,098	
Other comprehensive income for the period	-	-	111	1	2,539	-	2,651	
Total comprehensive income for the period	-	-	111	1	3,635	2	3,749	
Dividend	-	-	-	-	-	-2	-2	
Shareholders' equity, closing balance Jun. 30, 2021	2,000	10,621	-1,709	0	-2,261	2	8,653	

¹⁾ Number of shares is 2,000,000,001: 1,524,905,971 ordinary shares and 475,094,030 series B shares.

Financial statements – Parent Company

Income statement

SEKm	Note	April - June		January – June	
		2021	2020	2020	2019
	1				
Other operating income		4	3	7	7
Operating revenue		4	3	7	7
Personnel expenses		-5	-3	-10	-7
Other expenses		-6	-5	-12	-10
Operating expenses		-11	-8	-22	-17
OPERATING INCOME		-7	-5	-15	-10
Interest income and similar income items		21	2	39	4
Interest expenses and similar items		-13	-15	-25	-29
Financial items		8	-13	14	-25
Income after financial items		1	-18	-1	-35
Appropriations		-	-	-	-
Income before tax		1	-18	-1	-35

Statement of comprehensive income

SEKm	April - June		January – June	
	2021	2020	2020	2019
Net income for the period	1	-18	-1	-35
Other comprehensive income for the period	-	-	-	-
COMPREHENSIVE INCOME	1	-18	-1	-35

Condensed balance sheet

SEKm	Note	Jun 30	Dec. 31	Jun. 30
		2021	2020	2020
	1			
ASSETS				
Participations in Group companies		10,861	10,861	10,861
Interest-bearing receivables		35	33	32
Interest-bearing receivables from Group companies		7,000	-	-
Total non-current assets		17,896	10,894	10,893
Interest-bearing receivables from Group companies		-	8,152	8,197
Other receivables from Group companies		1,256	150	-
Other current receivables		56	37	32
Total current assets		1,312	8,339	8,231
TOTAL ASSETS		19,208	19,233	19,124
EQUITY AND LIABILITIES				
Equity		15,751	15,752	15,656
Interest-bearing liabilities		2,432	2,929	3,427
Other non-current liabilities		8	8	8
Total non-current liabilities		2,440	2,937	3,435
Current interest-bearing liabilities		1,000	500	-
Other current liabilities		16	43	33
Total current liabilities		1,016	543	33
TOTAL EQUITY AND LIABILITIES		19,208	19,233	19,124

Notes to the financial statements

Note 1 – Accounting principles

The consolidated accounts have been prepared in accordance with the EU-approved International Financial Reporting Standards (IFRS). The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and supplementary rules in the Swedish Annual Accounts Act. The provisions of Chapter 9 of the Swedish Annual Accounts are applied in the Parent Company. Other disclosures in accordance with IAS 34.16A are presented both in the financial statements and other parts of the interim report.

New and revised accounting principles

The new or revised IFRS that entered into force in 2021 have not had any impact on the consolidated financial statements. A number of new or revised IFRS that will come into effect in the financial years ahead have not been adopted early in the preparation of these financial statements. They are not expected to have a material impact on the Group's or the Parent Company's forthcoming financial reports.

Significant assessments and estimates

The Group continuously monitors credit risk, including payment information regarding trade receivables. The Group's trade receivables are spread over various customers, sectors and regions in which the Group operates. Collective provision for expected credit losses based on historical proportion of losses is supplemented by case-by-case assessment of trade receivables. The levels of historical credit losses and proportion of losses are low. In general, the Group monitors and assesses, on a case-by-case basis, trade receivables that have been due for payment for more than 60 days. In addition, it assesses on a case-by-case basis major trade receivables where there are indications of increased credit risk. As a consequence of the coronavirus pandemic, the assessment remains that the risk of credit losses is increased. Against that background, there remains a higher provision for expected credit losses than before the coronavirus pandemic.

Note 2 – Risks

The Parent Company and the Group are exposed to strategic, operational and financial risks. PostNord works continuously to identify, evaluate, manage, and monitor risks in the world around us and within the business. Risk management is an integral part of the Group's strategy work and business planning. Agreed risk control activities are followed up continuously and reported back to the Group Executive Team and Board of Directors. For further information on significant risks, please refer to the Annual and Sustainability Report 2020, pages 26–27.

The coronavirus pandemic is affecting the whole of society and thus also the markets where PostNord operates. The long-term impact on sales and the product mix will be determined by what behavioral changes become permanent and how the wider economy will be affected as the financial support measures are phased out.

Note 3 – Operating segments

The Group's division into segments is primarily based on the companies' geographical domicile, plus the segments PostNord Strålfors and Other business activities, which are controlled and coordinated according to the nature of their operations. Market pricing is applied to legal transactions between PostNord's segments. In the segment reporting, PostNord has transferred its e-commerce and logistics operations in Germany from the PostNord Denmark segment to the Other Business segment effective January 1, 2021. Figures for comparison have been restated.

The operating segments reflect the Group's operational structure.

PostNord Sweden operates in mail, logistics and e-commerce in the Swedish market.

PostNord Denmark operates in mail, logistics and e-commerce in the Danish market.

PostNord Norway and **PostNord Finland** operate in logistics and e-commerce in the Norwegian and Finnish markets, respectively.

PostNord Strålfors operates in information logistics. The company develops and offers communications solutions for companies with a large customer base. PostNord Strålfors operates in Sweden, Denmark, Norway, and Finland.

Other Business includes Direct Link, PostNord's e-commerce and logistics business in Germany and Other business activities.

Direct Link operates in global distribution of marketing communications and lightweight goods, mainly for e-retailers. The business is conducted in the USA, the UK, Germany, Poland, Singapore, Hong Kong, China and Australia.

The **Other and eliminations** segment consists of Group-wide services and corporate functions including the Parent Company and Group adjustments. Group adjustments consist of IFRS measurement for pensions under IAS 19 Employee Benefits and IAS 16 Leases. An operational allocation of the cost of earning defined-benefit pensions is made between Other and eliminations and PostNord Sweden so that each segment carries its share of the earned entitlement. Eliminations consists of the elimination of internal transactions.

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Net sales per segment

	Q2	Q3	Q4	Q1	Q2
SEKm	2020	2020	2020	2021	2021
PostNord Sweden	5,708	5,428	6,735	6,184	6,247
- of which internal	418	443	672	696	723
PostNord Denmark ¹⁾	1,864	1,737	2,257	2,163	2,058
- of which internal	244	225	330	311	313
PostNord Norway	1,066	1,082	1,246	1,193	1,275
- of which internal	196	198	253	203	263
PostNord Finland	349	342	366	331	370
- of which internal	116	113	118	99	119
PostNord Strålfors	475	461	534	507	509
- of which internal	44	46	62	53	55
Other business activities ¹⁾	890	903	1,283	1,179	1,347
- of which internal	3	2	3	3	3
Other and eliminations	-1,025	-1,034	-1,442	-1,371	-1,483
Group	9,328	8,919	10,978	10,187	10,323

Operating income per segment

	Q2	Q3	Q4	Q1	Q2
	2020	2020	2020	2021	2021
PostNord Sweden	446	701	756	568	474
- Operating margin, %	7.8	12.9	11.2	9.2	7.6
PostNord Denmark ¹⁾	36	2	43	194	38
- Operating margin, %	1.9	0.1	1.9	9.0	1.8
PostNord Norway	30	14	59	33	-3
- Operating margin, %	2.8	1.3	4.8	2.8	-0.2
PostNord Finland	6	6	2	2	-1
- Operating margin, %	1.7	1.8	0.6	0.6	-0.3
PostNord Strålfors	30	31	45	38	25
- Operating margin, %	6.3	6.7	8.4	7.5	4.9
Other business activities ¹⁾	41	32	54	65	63
- Operating margin, %	4.6	3.5	4.2	5.5	4.7
Other and eliminations	-72	-39	-116	-21	-78
Operating income	517	747	843	878	518
- Operating margin, %	5.5	8.4	7.7	8.6	5.0

Adjusted operating income per segment

	Q2	Q3	Q4	Q1	Q2
SEKm, unless otherwise indicated	2020	2020	2020	2021	2021
PostNord Sweden	446	499	756	568	474
- Adjusted operating margin, %	7.8	9.2	11.2	9.2	7.6
PostNord Denmark ¹⁾	-77	-23	31	121	38
- Adjusted operating margin, %	-4.1	-1.3	1.4	5.6	1.8
PostNord Norway	30	14	59	33	-3
- Adjusted operating margin, %	2.8	1.3	4.8	2.8	-0.2
PostNord Finland	6	6	2	2	-1
- Adjusted operating margin, %	1.7	1.8	0.6	0.6	-0.3
PostNord Strålfors	30	31	45	37	25
- Adjusted operating margin, %	6.3	6.7	8.4	7.3	4.9
Other business activities ¹⁾	41	32	54	65	63
- Adjusted operating margin, %	4.6	3.5	4.2	5.5	4.7
Other and eliminations	-72	-39	-115	-21	-78
Adjusted operating income	404	520	833	805	518
- Adjusted operating margin, %	4.3	5.8	7.6	7.9	5.0

Net sales per operating segment and service category

Operating segments SEKm	Service category			
	Communication Services		eCommerce & Logistics	
	April-June 2021	2020	April-June 2021	2020
PostNord Sweden	2,330	2,335	3,194	2,955
PostNord Denmark ¹⁾	627	657	1,117	964
PostNord Norway	21	20	991	851
PostNord Finland	-	-	251	233
PostNord Strålfors	454	431	-	-
Other business activities ¹⁾	62	63	1,283	825
Total	3,494	3,506	6,836	5,828

¹⁾ PostNord's operations in Germany has been transferred from segment PostNord Denmark to segment Other business activities as from 1 January 2021. Comparable figures are recalculated.

The above table shows PostNord's external net sales per service category and operating segment.

PostNord's revenue is mostly recognized at one point in time. The main items in revenue recognition over time are third-party logistics, subscription services and mail services. The relative shares of income recognized at one point in time were 95 percent (95) and over time 5 percent (5). Services in e-Commerce & Logistics consist of logistics services for deliveries to, from and within the Nordic region. The focus is on distribution of parcels, groupage, pallet goods and bulk logistics (part loads), as well as third-party logistics. The services in Communication Services consist of services in business and market communications, newspaper distribution and postal service for individual customers

Note 4 – Acquisitions and divestments of subsidiaries

Effects of disposals and acquisitions on assets and liabilities, SEKm	January – June 2021		January – June 2020	
	Acquisitions	Disposals	Acquisitions	Disposals
Intangible assets	46	-	-	-
Property, plant and equipment	71	-	-	-132
Current assets	3	-	-	-98
Total assets	120	-	-	-230
Other current liabilities	-24	-	-	95
Total liabilities	-24	-	-	95
Net asset	96	-	-	-135
Paid/ received purchase price	-49	-	-	175
Less deposit	-	-	-	-9
Net effect on cash and cash equivalents	-49	-	-	166

Acquisitions and divestments of subsidiaries

No acquisitions or disposals took place in the first quarter of 2021.

In the second quarter of 2021, Post Danmark A/S acquired the remaining 51 percent of the shares in Nordic Infrastructure A/S. The company was previously recognized as an associate, but is now part of the Group as a wholly owned subsidiary. Participations in associated companies have been revalued at fair value in accordance with IFRS 3. Nordic Infrastructure A/S has a nationwide network of parcel boxes in Denmark.

In the first quarter of 2020, PostNord Group AB sold all shares in property companies Lokesvej 18 ApS and Kometvej 15 ApS in Denmark.

In the second quarter of 2020, PostNord Group AB sold all shares in PostNord Termo AB.

Note 5 – Other provisions

January – June 2021, SEKm	Opening balance	Provisions	Reversals	Utilization	Other ¹⁾	Closing balance
Transformation measures	1,411	9	-9	-322	23	1,112
Non-vested pension commitments	946	11	-	-	-50	907
Other	65	0	-	-3	2	64
Total	2,422	20	-	-325	-25	2,083
<i>Of which, current</i>	<i>737</i>					<i>920</i>
<i>Of which, non-current</i>	<i>1,685</i>					<i>1,163</i>

January – June 2020, SEKm	Opening balance	Provisions	Reversals	Utilization	Other ¹⁾	Closing balance
Transformation measures	2,371	7	-	-598	31	1,811
Non-vested pension commitments	1,191	19	-	-	15	1,225
Other	69	6	-	-	-1	75
Total	3,631	32	-	-598	45	3,111
<i>Of which, current</i>	<i>1,083</i>					<i>812</i>
<i>Of which, non-current</i>	<i>2,548</i>					<i>2,299</i>

¹⁾ Miscellaneous includes translation effect of currency fluctuations, revaluation effect in pensions, discounting effect in provisions and reclassifications.

¹⁾ Miscellaneous includes translation effect of currency fluctuations, revaluation effect in pensions, discounting effect in provisions and reclassifications.

Note 6 – Financial instruments

Carrying amount and fair value of financial assets and liabilities, SEKm	Financial assets reported at fair value via income	Financial assets measured at amortized cost ¹⁾	Financial liabilities at fair value via income	Derivatives used for hedging purposes	Financial liabilities measured at amortized cost ¹⁾	Carrying amount	Fair value
Assets	302	13,957	-	-	-	14,259	14,259
<i>of which, derivatives</i>	13	-	-	-	-	13	13
Liabilities	-	-	-10	0	-10,361	-10,371	-10,403
<i>of which, loan liabilities</i>	-	-	-	-	-3,577	-3,577	-3,609
<i>of which, derivatives</i>	-	-	-10	0	-	-10	-10
Total financial assets and liabilities, by category	302	13,957	-10	0	-10,361	3,888	3,856

June 30, 2020

Carrying amount and fair value of financial assets and liabilities, SEKm	Financial assets reported at fair value via income	Financial assets measured at amortized cost ¹⁾	Financial liabilities at fair value via income	Derivatives used for hedging purposes	Financial liabilities measured at amortized cost ¹⁾	Carrying amount	Fair value
Assets	650	9,932	-	-	-	10,582	10,582
<i>of which, derivatives</i>	7	-	-	-	-	7	7
Liabilities	-	-	-5	-1	-9,509	-9,515	-9,518
<i>of which, loan liabilities</i>	-	-	-	-	-3,618	-3,618	-3,621
<i>of which, derivatives</i>	-	-	-5	-1	-	-6	-6
Total financial assets and liabilities, by category	650	9,932	-5	-1	-9,509	1,067	1,064

¹⁾ Financial assets and liabilities valued at accrued acquisition value have from 2021 been supplemented with financial liabilities measured at amortized cost outside of terminal fees. The comparative figures have been recalculated.

The Group's assets in financial instruments are mainly valued at amortized cost and consist mainly of accounts receivable, cash and cash equivalents and terminal dues. The Group's assets in currency derivatives are measured at fair value via income.

The Group's interest-bearing liabilities largely consist of long- and short-term loan liabilities, trade payables and terminal fees, which are recognized at amortized cost. Liabilities for currency derivatives are recognized at fair value via income. The Group's interest rate derivatives used for hedging purposes are recognized at fair value via comprehensive income.

Note 7 – Related parties

Compensation for the universal service obligation from the Danish State to Post Danmark A/S was recognized in the amount of SEK 63 million (80) million for the quarter and SEK 126 million (160) on an accumulated basis. The assessment has been made in accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance.

The June 2020 agreement with the Danish State for the July–December 2020 period and the December 2020 agreement for the January–August 2021 period are subject to approval by the European Commission. Up to June 30, 2021, approval has not been obtained and thus the compensation has not been received. The claim on the Danish State for compensation for the universal service obligation amounted to SEK 278 million (–) on June 30, 2021.

Note 8 – Definitions and alternative key performance indicators

The Group's financial information has been prepared in accordance with IFRS. References are made to a number of alternative financial key performance indicators that are not defined in IFRS. These key performance indicators provide additional information and are used as guidance for the Group Executive Team, Board of Directors and external stakeholders in their analysis of the Company's operations. Because not all companies calculate financial measures in the same way, these indicators are not always comparable with indicators used by other companies.

The alternative key performance indicators used by PostNord are important in securing focus areas and linking to business model and strategy.

Definitions:

EBITDAI

Operating income excluding depreciation, amortization and impairments.

Operating margin

Operating income in relation to net sales.

Items affecting comparability

Items that are not recurring, or that do not relate directly to operating activities. The items must be of a material nature. For example, capital gains on sales of assets and impairment of assets.

Ongoing restructuring costs are not regarded as items affecting comparability.

Adjusted operating income

Operating income excluding items affecting comparability.

Adjusted operating margin

Adjusted operating income in relation to net sales.

Net debt

Interest-bearing liabilities, provision for pensions, lease liabilities minus cash and cash equivalents, financial investments, financial receivables as described in IAS 19 that are recognized as other non-current receivables and short-term investments.

Reconciliation with financial statements					
SEK m	Mar. 31 2021	Dec. 31 2020	Sep. 30 2020	Jun. 30 2020	Mar. 31 2020
Current interest-bearing liabilities	1,356	1,356	857	506	5
Current lease liabilities	1,324	1,336	1,318	1,342	1,265
Non-current interest-bearing liabilities	2,751	2,743	3,243	3,281	3,784
Long-term lease liabilities	4,618	4,887	4,849	5,040	4,470
Pensions ¹⁾	1,483	2,486	4,395	5,725	5,601
Non-current interest-bearing receivables	-187	-190	-188	-189	-190
Non-current interest-bearing receivables, leases	-87	-90	-93	-92	-95
Other non-current receivables ²⁾	-123	-94	-77	-69	-69
Current interest-bearing receivables	-5	-	-	-	-
Current interest-bearing receivables, leases	-11	-11	-11	-11	-11
Cash and cash equivalents	-6,979	-6,821	-6,229	-6,053	-4,377
Net debt	4,140	5,602	8,064	9,479	10,382

¹⁾ Including assets under management. When the plan assets exceed the estimated present value of the pension commitments, they are recognized as Non-current receivables.

²⁾ This amount is the portion of non-current receivables that is attributable to funded defined-benefit disability pension plans and defined-benefit pension plans measured in accordance with IAS 19.

Net debt ratio

Net liability in relation to equity.

Net debt excluding leases in accordance with IFRS 16

Interest-bearing liabilities, provision for pensions, minus cash and cash equivalents, financial investments, financial receivables as described in IAS 19 that are recognized as other non-current receivables and short-term investments.

Equity excluding leases in accordance with IFRS 16

Equity excluding the effect of IFRS 16.

Reconciliation with financial statements			
SEK m	Mar. 31 2021	Dec. 31 2020	Mar. 31 2020
Equity as per Statement of financial position	8,653	4,906	2,806
Accumulated effect of leases in accordance with IFRS 16	329	366	94
Equity excluding leases in accordance with IFRS 16	8,982	5,272	2,900

Net debt ratio excluding leases in accordance with IFRS 16

Net debt excluding leases in accordance with IFRS 16 in relation to equity excluding leases in accordance with IFRS 16.

Financial preparedness

Cash and cash equivalents, short-term investments and unutilized committed credit line.

Operating income over the 12 months to the end of the period

Total operating income for four quarters.

Operating capital

Non-interest-bearing assets, less non-interest-bearing liabilities

Reconciliation with financial statements

SEK m	Jun. 30 2021	Dec. 31 2020	Jun. 30 2020
ASSETS			
Goodwill	2,550	2,510	2,529
Other non-current intangible assets	479	439	526
Property, plant and equipment	6,988	6,992	7,544
Right-of-use assets	5,768	5,954	5,799
Participations in associated companies	149	134	110
Other non-current receivables excluding disability pensions	250	334	432
Deferred tax assets	29	627	880
Inventories	85	90	101
Tax assets	504	299	283
Trade receivables	4,711	4,967	4,390
Prepaid expenses and accrued income	1,484	878	1,023
Other current receivables	449	600	897
Assets held for sale	22	65	87
Other non-current liabilities	-44	-42	-365
Other provisions	-1,163	-1,685	-2,299
Deferred tax liabilities	-142	-120	-63
Trade payables	-2,710	-2,877	-2,518
Tax liabilities	-288	-313	-370
Other current liabilities	-1,321	-1,503	-1,648
Accrued expenses and deferred income	-4,086	-3,643	-3,326
Other provisions	-920	-737	-812
Total capital employed	12,794	12,969	13,200

Return on capital employed (ROCE)

Operating income for a rolling 12-month period, in relation to average operating capital

Core staff

Refers to all full- and part-time regular employees.

Average number of employees (FTE)

The total number of paid employee hours divided by the standard number of hours for a full-time employee during the cumulative period from the beginning of the year.

Quarterly data

SEKm, if not otherwise stated	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Group									
Net sales	10,323	10,187	10,978	8,919	9,328	9,504	10,267	9,026	9,514
Other operating income	85	360	243	455	418	311	79	132	84
Operating expenses	-9,891	-9,669	-10,378	-8,625	-9,230	-9,501	-10,313	-9,099	-9,668
<i>of which, personnel expenses</i>	-4,049	-4,086	-4,181	-3,594	-3,976	-3,953	-4,176	-3,649	-4,153
<i>of which, transport expenses</i>	-2,757	-2,683	-2,725	-2,458	-2,514	-2,713	-2,924	-2,818	-2,773
<i>of which, other expenses</i>	-2,442	-2,260	-2,772	-1,921	-2,090	-2,202	-2,495	-1,978	-2,108
<i>of which, depreciation and impairments</i>	-643	-640	-700	-653	-651	-632	-718	-654	-635
Operating income (EBITDAI)	1,161	1,518	1,543	1,400	1,168	947	753	711	565
Operating margin (EBITDAI) (%)	11.2	14.9	14.0	15.7	12.5	10.0	7.3	7.9	5.9
Operating income (EBIT)	518	878	843	747	517	314	35	57	-70
Operating margin (EBIT) (%)	5.0	8.6	7.7	8.4	5.5	3.3	0.3	0.6	-0.7
Adjusted operating income (Adjusted EBIT)	518	805	833	520	404	314	181	103	95
Cash flow from operating activities	835	1,134	877	1,342	1,175	757	1,205	0	492
Net debt	4,140	5,602	8,064	9,479	10,382	9,103	9,454	11,112	9,414
Return on operating capital (ROCE), %	23.0	22.9	18.6	12.2	7.0	2.6	1.6	3.3	2.4
Adjusted return on operating capital, %	20.6	19.7	15.9	10.8	7.6	5.3	4.6	5.3	4.4
Average number of employees (FTE)	28,258	27,698	28,597	28,655	27,695	27,077	28,156	29,774	28,117
Staffing numbers (basic) at end of period	26,904	26,814	26,501	26,506	26,882	27,228	27,679	27,871	28,324
Volumes, millions of mails produced:									
Sweden, priority mail	132	138	157	132	139	149	156	140	149
Sweden, non-priority mail	136	152	159	134	138	178	198	156	179
Denmark, priority mail/Quickbrev	5	6	6	5	5	6	6	6	6
Denmark, non-priority and business mail	35	41	45	40	37	48	52	45	58
Group total, Mail	307	336	368	311	319	381	412	347	392
Volumes, millions of parcels produced (net):									
Parcels, Group total, (volumes between countries eliminated)	58	56	62	46	48	42	49	42	42

Financial calendar

Interim report January–September 2021	October 28, 2021
Year–end report 2021	February 2, 2022
Annual and Sustainability Report 2021	March 2022
Interim report January– March 2022	April 26, 2022
Annual General Meeting	April 26, 2022
Interim report January–June 2022	July 19, 2022
Interim report January–September 2022	October 28, 2022

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This report has not been reviewed by the auditors.

This information is of such a nature that PostNord AB (publ) is obliged to make it public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person indicated above, at 10.00 a.m. CET on July 16.

This document is an English translation of the Swedish original. In the event of any discrepancies, the Swedish version shall govern.