Quarterly Report 2024

3rd quarter 2024
Posten Bring

Message from the CEO

Improved results despite challenging market conditions

My first day at Posten Bring was August 1st, but I officially took over as CEO on October 1st. I was given the opportunity to be the company's "oldest trainee" for two months, during which I sorted and packed parcels at our LSO terminal, drove a road train between Stavanger and Bergen, observed the loading of the Svalbard boat, and delivered mail in Kampen. I visited many of our terminals and distribution points and had several customer meetings. This gave me a fundamental understanding of our business, and I am incredibly grateful for this fantastic introduction to Posten Bring. Now, I look forward to getting started and contributing to the company's further development.

After a challenging first half of 2024, the demanding macroeconomic conditions continue to impact the logistics industry. In the third quarter, Posten Bring's results are slightly above last year's level, with an adjusted operating result of MNOK 344. This is an improvement of MNOK 72 compared to last year, driven by e-commerce growth and the initial effects of our profitability program. However, the positive result development is somewhat offset by a persistently weak activity level in the Norwegian and Nordic economies.

Parcel volumes from e-commerce (B2C) as a 12-month trend increased by 7.1 percent compared to last year, while addressed mail fell by 12.1 percent. Continued high inflation, a weak krone, and increased geopolitical risk create significant uncertainty about future economic development.

The logistics market remains highly competitive. At Posten Bring, the profitability program Fram is a high priority to strengthen our competitiveness and ensure profitable growth going forward. We aim to cut costs by MNOK 1 000 by the end of 2025, which includes re-prioritizations and a reduction in the number of full-time equivalents. The restructuring will be carried out responsibly and orderly, in close dialogue with the employee representatives and with processes and measures based on the collective agreement.

We will continue to invest sustainably, but in line with our financial capacity. In September, we opened the new Majorstua post office. Here, at Norway's busiest parcel collection point, we are testing several machines that allow our customers to collect and send parcels independently – around the clock. This will be a test laboratory for innovation that extends far beyond Oslo. The services and technology tested here can benefit our entire large Nordic network.

In September, Enova announced that they are awarding over MNOK 150 in support for the construction of chargers for heavy vehicles. 363 new charging points will be established across Norway, and Posten Bring has received support to establish 179 of these. This is part of our national initiative for heavy electric vehicles and aligns with our goal to be a driving force in the transition to a low-emission society. By the end of 2026, all our terminals will have access to charging infrastructure for heavy vehicles.

The sickness absence rate as a 12-month trend was 7.2 percent, which is 0.6 percentage points higher than the same time last year. The number of personal injuries increased slightly. The injury frequency as a 12-month trend ended at 7.4, which is higher than the same time last year. No serious personal injuries have been recorded. Efforts are systematically being made to reduce both absence and injuries through various targeted measures, including close collaboration with the occupational health service.

I would like to thank our customers for their good cooperation and all employees for their solid efforts.

Petter-Børre Furberg
Group CEO

Highlights

The Group's revenue in the third quarter of 2024 was MNOK 6 046, an increase of MNOK 298 compared to the third quarter of 2023. The adjusted operating profit in the third quarter of 2024 was MNOK 344, an increase of MNOK 72 compared to the third quarter of 2023.

The Group's revenue to date in 2024 was MNOK 18 309, an increase of MNOK 639 compared to the same period last year. The adjusted operating profit to date in 2024 was MNOK 546, an increase of MNOK 44 compared to the same period last year. The trend from earlier this year continues, with the major drivers of results being the positive growth in parcels from e-commerce, countered by a challenging corporate market. Ongoing cost adjustments and implementation of measures have helped to keep cost development down, despite continued high price growth.

Operating profit (EBIT) to date in 2024 was MNOK 579, an increase of MNOK 178 compared to the same period last year. To date in 2024, assets have been written down by a total of MNOK 41, of which MNOK 32 was related to IT development. In the same period last year, assets were written down by a total of MNOK 107, of which MNOK 101 was a write-down of goodwill within the logistics segment. Other income/costs to date in 2024 were positive by MNOK 69, of which MNOK 81 was an income recognition related to adopted legal changes in public service pensions (AFP) that led to changes in some of Posten Bring's pension schemes. Additionally, a restructuring cost of MNOK 11 has been recorded to date in 2024 related to the profitability program. Correspondingly, other income/costs to date in 2023 were positive by MNOK 13.

The financial result to date in 2024 was negative by MNOK 229, MNOK 32 weaker compared to the same period last year. This was mainly driven by higher interest costs related to loans and lease obligations during the period.

The Group's profit before tax was MNOK 350 to date in 2024, an increase of MNOK 146 compared to the same period last year. Profit after tax was MNOK 270, an increase of MNOK 137 compared to the same period last year.

Return on equity (ROE) for the last 12 months as of September 30, 2024, was 5.3 percent, an increase of 6.2 percentage points compared to the same period last year. Return on invested capital (ROIC) for the last 12 months as of September 30, 2024, was 6.1 percent, an increase of 1.9 percentage points compared to the same period last year.

Profit development

Q3 2024	Q3 2023		YTD 2024	YTD 2023	Year 2023
6 046	5 748	Revenue	18 309	17 671	24 394
792	667	EBITDA	1 883	1 658	2 316
344	273	Adjusted operating profit/(loss)	546	501	716
319	174	Operating profit/(loss) (EBIT)	579	401	599
(70)	(65)	Net financial items	(229)	(198)	(285)
249	109	Profit/(loss) before tax	350	204	314
189	**63**	**Profit/(loss) after tax**	**270**	**133**	**178**

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

Key financial figures

		YTD 2024	YTD 2023	Year 2023
Adjusted profit margin	%	3,0	2,8	2,9
Operating profit (EBIT)-margin	%	3,2	2,3	2,5
Equity ratio	%	31,2	30,0	29,9
Return on invested capital (ROIC) last twelve months	%	6,1	4,2	6,1
Return on equity after tax (ROE) last twelve months	%	5,3	(0,9)	3,1
Net interest-bearing debt		6 824	5 988	6 171
Investments, excluding acquisitions		1 053	983	1 409

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

Balance sheet

	30.09 2024	31.12 2023
ASSETS		
Non-current assets	13 797	13 447
Current assets	5 599	6 179
Assets	**19 396**	**19 625**
EQUITY AND LIABILITIES		
Equity	6 060	5 876
Provisions for liabilities	972	1 018
Non-current liabilities	6 548	6 668
Current liabilities	5 816	6 064
Equity and liabilities	**19 396**	**19 625**

The increase in non-current assets was mainly due to investments in machinery and equipment and terminals, reduced by the period's depreciation and impairments.

Current assets decreased during the period, primarily due to a reduction in cash and cash equivalents, accounts receivable, and advance payments to suppliers. This reduction was somewhat offset by an increase in accrued revenue and receivables for taxes and duties.

The change in equity was mainly due to the period's profit after tax and positive translation differences, reduced by dividends paid.

The reduction in non-current liabilities was primarily due to a decrease in non-current lease obligations.

Current liabilities decreased mainly due to a reduction in accounts payable, accrued expenses, taxes payable, and loan repayments. This reduction was partially offset by an increased draw on the credit facility and an increase in wages payable.

Cash flows

Q3 2024	Q3 2023		YTD 2024	YTD 2023	Year 2023
711	441	Cash flows from operating activities	1 376	981	1 760
(352)	(223)	Cash flows used in investing activities	(912)	(854)	(1 201)
(402)	426	Cash flows used in financing activities	(1 093)	(397)	(1 337)
(43)	**643**	**Change in liquid assets**	**(628)**	**(271)**	**(778)**
1 359	1 811	Liquid assets at the beginning of the period	1 947	2 683	2 683
25	(19)	Currency differences	22	23	42
1 341	**2 435**	**Liquid assets at the end of the period**	**1 341**	**2 435**	**1 947**

Cash flow from operating activities is positive at MNOK 1 376. This was mainly due to a positive operating profit before depreciation. Net changes in accounts receivable and accounts payable reduce cash flow, as does the net reduction in accrued expenses and the reduction in wages payable and public duties payable.

Net cash flow from investing activities is negative at MNOK 912. This was primarily due to net investments in operating assets, mainly related to investments in property and machinery.

Cash flow from financing activities is negative at MNOK 1 093. This was mainly due to payments for lease obligations, paid interest, and paid dividends.

Market and development per segment

LOGISTICS

The segment consists of the divisions E-Commerce and Logistics, International Logistics and Next. Shelfless is also reported as part of the segment. The E-Commerce and Logistics division is responsible for all parcel products, in addition to piece goods and part loads and home delivery. The International Logistics division is responsible for international freight traffic by road, rail, air, and sea, as well as industrial direct goods and industry solutions for industrial and offshore customers. The Next division drives financial and strategic value development by investing in venture businesses, building its own startup companies, and developing independent companies. Shelfless is an overall solution for efficient and green storage services for companies with online stores.

Q3 2024	Q3 2023		YTD 2024	YTD 2023	Year 2023
4 932	4 620	Revenue	14 708	14 096	19 407
587	470	Operating profit before depreciation (EBITDA)	1 451	1 275	1 764
272	211	Adjusted operating profit/(loss)	519	507	689
258	**108**	**Segment operating profit/(loss) (EBIT)**	**530**	**406**	**559**

The revenue for the Logistics segment reached MNOK 14 708 so far in 2024, an increase of MNOK 612 (4.3 percent) compared to the same period last year. The growth was mainly driven by an increase in e-commerce parcels, as well as price increases. The volume of parcels from e-commerce (B2C) increased by 6.5 percent so far in 2024 compared to the same period last year, primarily due to increased volumes from e-commerce platforms in China.

The Group's volume for parcels to the business market (B2B) has decreased by 3.4 percent so far in 2024 compared to the same period last year. The development in the business market is closely linked to general economic activity and has been characterized by weak growth and high inflation in both Norway and Sweden. The weak development in the business market was partially compensated by price adjustments. There was also a high level of activity in logistics related to offshore compared to the same period last year.

The adjusted operating profit for the Logistics segment was MNOK 519 so far in 2024, an increase of MNOK 12 compared to the same period last year. The positive development, especially in e-commerce parcels, contributed to strengthening the result, despite high costs related to weather challenges at the beginning of the year. This was partially offset by the weak market development in the business market, as well as reduced results from freight and forwarding. Ongoing cost adjustments and implementation of measures have helped to keep cost development down, despite continued high price growth.

The operating profit (EBIT) was MNOK 530 so far in 2024, an increase of MNOK 123 compared to the same period last year. A total of MNOK 41 in assets was written down within the Logistics segment so far in 2024, of which MNOK 32 was related to IT development. In the same period last year, goodwill related to the courier and express business in Norway was written down by MNOK 101. Other income so far in 2024 was positive by MNOK 53, and was related to adopted legal changes in public service pension (AFP) which resulted in changes in some of Posten Bring's pension schemes.

MAIL

The segment consists of the division Mail, which is responsible for the postal services in Norway (including concessionary services). The postal services consist of the following categories: mail and newspaper delivery, sales and customer service, Post in Store, post offices, mail agents, and the service Norgespakken.

Q3 2024	Q3 2023		YTD 2024	YTD 2023	Year 2023
1 257	1 327	Revenue	4 144	4 141	5 835
217	213	Operating profit before depreciation (EBITDA)	542	486	788
93	87	Adjusted operating profit/(loss)	162	121	294
82	**87**	**Segment operating profit/(loss) (EBIT)**	**180**	**121**	**307**

The revenue for the Mail segment reached MNOK 4 144 so far in 2024, an increase of MNOK 2 (0.1 percent) compared to the same period last year. The volumes of addressed mail continued to decline, with a decrease of 12.1 percent so far in 2024 compared to the same period last year. The volumes of unaddressed mail similarly fell by 15.4 percent. This was partially offset by a positive volume growth for Norgespakken of 17.7 percent so far in 2024, mainly driven by increased activity from second-hand platforms like Finn and Tise. Additionally, a new newspaper agreement and increased prices contributed positively. Government purchases of unprofitable mandatory postal services so far in 2024 were MNOK 235 higher than in the same period last year.

The adjusted operating profit for the Mail segment was MNOK 162 so far in 2024, an increase of MNOK 42 compared to the same period last year. There has been a good profit development for addressed mail during the period, mainly due to good cost development combined with increased volume from newspaper distribution.

The operating profit (EBIT) so far in 2024 was MNOK 180, an increase of MNOK 59 compared to the same period last year. Other income/costs so far in 2024 were positive by MNOK 18, of which MNOK 29 were related to adopted legal changes in public service pension (AFP) which resulted in changes in some of Posten Bring's pension schemes.

So far in 2024, 90.3 percent of addressed mail was delivered within 3 days, and for the third quarter, it was 91.5 percent. This was well above the concession requirement of 85 percent.

Other matters

Health, Safety, and Environment (HSE)

Workforce
As of September 30, 2024, the Group had 12,054 full-time equivalents. These were distributed as follows: 8,006 in the Logistics segment, 3,625 in the Mail segment, and the remaining 422 in the Other segment.

Sickness Absence and Personal Injuries
Posten Bring has an ambition to maintain a health-promoting work environment where no one gets injured or sick as a result of their work.

As of September 30, 2024, the 12-month trend for sick leave was 7.2 percent, which is 0.6 percentage points higher than the same period last year. The trend of increasing sick leave has continued, and systematic efforts are being made to reverse this trend. The focus is on identifying and analyzing the causes of absence. Among other measures, a collaboration with the occupational health service has been established, and a task force has been set up to implement measures to reduce absence. Targeted HSE leadership training and specific modules for managing absence are also being conducted.

The total number of injuries per million hours worked (H2) measured as a 12-month trend was 7.4 as of September 30, 2024. This was an increase of 0.6 from the same period last year, and the number has remained relatively stable over recent years. Systematic and non-current efforts are being made, including risk management and improving the safety culture, to limit the number of injuries.

Climate and Environment

Posten Bring has set climate targets in line with the Science Based Targets initiative (SBTi) Net Zero framework. The goal is to reduce greenhouse gas emissions from its own operations (scope 1 and 2) by 85 percent and emissions from purchased transport, goods, and services (scope 3) by 30 percent by 2030, measured from 2022. The Group aims to achieve net zero emissions by 2040. These targets have now been approved by SBTi as science-based climate targets under the Net Zero standard.

One of the key measures to achieve these climate targets is the electrification of the Group's vehicles. The Group is well underway with establishing a national charging infrastructure for heavy vehicles, which is a crucial prerequisite for electrifying the vehicle fleet. Charging stations have already been established at 10 terminals, and by the end of 2024, the Group will have established 70 charging stations across 19 terminals. Partners will also be allowed to use this charging infrastructure, and Posten Bring receives support from Enova for the expansion.

Regulatory issues

In the state budget for 2025, the government has proposed MNOK 1 634 for the purchase of unprofitable mandatory postal services. This amount aligns with Posten Bring's preliminary calculations. The Ministry of Transport indicates that the costs for purchasing unprofitable postal services are expected to increase in the future, estimated at MNOK 200-300 each year if Posten is to maintain the current mandatory postal service offering.

Additionally, the state budget proposes MNOK 121 for the purchase of newspaper distribution on weekdays in rural areas according to a tender contract with Posten Bring. This amount assumes that the ministry exercises the option for a one-year extension from June 30, 2025.

In the state budget for 2024, MNOK 1 490 was allocated for the purchase of unprofitable mandatory postal services from Posten Bring.

Outlook

The Norwegian economy has shown a slightly positive development in the last quarter, and Statistics Norway's (SSB) growth forecast for Mainland Norway's GDP for 2024 is now 0.7 percent, with an expected increase to 2.1 percent in 2025.[1] The forecast has been slightly revised down due to postponed interest rate cuts and a weak krone. In Sweden, the development has been somewhat weaker than previously anticipated, with GDP growth now expected to be 0.7 percent for 2024, before improving to 1.8 percent in 2025. [2] There remains high uncertainty regarding the economic development in the Nordic market, where geopolitical events, among other factors, can affect inflation expectations, consumer purchasing power, and business investment capacity. In the long term, better market conditions are expected, driven by real wage growth, reduced interest rates, and falling inflation, but the market remains challenging and is expected to stay so for a long time.

The ongoing challenging macroeconomic conditions are putting pressure on profitability. E-commerce is expected to continue gaining market share from physical retail in line with the digitalization of society and changing user habits, but the growth rate is lower than before. At the same time, market capacity is high, and competition for parcel volume is intense, characterized by small margins. Over the past year, the rise of low-cost Chinese operators, combined with changing customer preferences, has further pressured margins, affecting both Nordic e-commerce players and the logistics industry. To ensure future competitiveness, the Group has initiated a profitability program to achieve necessary cost reductions. Several measures have been identified, including a decision to reduce staffing levels by up to 250 full-time equivalents in indirect functions. Further information on the restructuring process will be provided in the fourth quarter of 2024.

The Group's strategy remains unchanged, and Posten Bring continues to aim to become a leading Nordic logistics player with growth ambitions in selected business areas. Cost-effective operations are a prerequisite for achieving these goals.

The Group is continuously working to transform the postal business in Norway and adapt its service offerings to the digital society and new needs. Together with the Norwegian Association of Local and Regional Authorities (KS), Posten has tested a doorstep service for a selection of the elderly population in eight municipalities. This service involves postal workers delivering information in addition to mail to people over 75 years old. The aim is to see if postal workers can provide other useful tasks for society beyond delivering letters. Letter volumes are expected to continue falling by about 10-15 percent annually, and current regulatory conditions offer limited opportunities for further adjustments to postal services. In January 2024, the government appointed a committee to look into the future of postal services, including which types of services should be mandatory, how often mandatory mail should be collected and delivered, and what requirements should apply to delivery times. The committee has one year to deliver its report to the Ministry of Transport.

Posten Bring aims to be a driving force in the transition to a low-emission society. The pace of change must be high to continue leading the industry's development. The Group will continue to invest in new technology, new services, parcel lockers, and terminal capacity in a way that considers both sustainability and profitability. Investments will always be adjusted to market developments and financial capacity.

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

Financial Report

3rd quarter 2024
Posten Bring

Condensed income statement

Q3 2024	Q3 2023		Note	YTD 2024	YTD 2023	Year 2023
6 046	**5 748**	**Revenue**	**1,2**	**18 309**	**17 671**	**24 394**
2 428	2 355	Costs of goods and services		7 203	7 253	9 977
2 146	2 054	Payroll expenses		7 045	6 589	9 062
447	394	Depreciation and amortisation	3,4	1 338	1 157	1 600
17	102	Impairment	3,4	41	107	139
680	673	Other operating expenses		2 178	2 171	3 039
5 718	**5 577**	**Operating expenses**		**17 805**	**17 276**	**23 818**
(11)		Other income and (expenses)	6	69		13
2	3	Share of profit from associated companies		6	6	10
319	**174**	**Operating profit/(loss)**	**1**	**579**	**401**	**599**
(70)	(65)	Net financial items		(229)	(198)	(285)
249	**109**	**Profit/(loss) before tax**		**350**	**204**	**314**
60	46	Tax expense		80	71	137
189	**63**	**Profit/(loss) after tax**		**270**	**133**	**178**
188	64	Controlling interests		276	135	185
	(1)	Non-controlling interests		(6)	(1)	(7)

Condensed statement of comprehensive income

Q3 2024	Q3 2023		YTD 2024	YTD 2023	Year 2023
189	**63**	**Profit/(loss) after tax**	**270**	**133**	**178**
		Pension remeasurement		(5)	(85)
		Items that will not be reclassified to income statement		**(5)**	**(85)**
65	(41)	Translation differences	58	65	114
(19)	8	Hedging of net investment	(14)	(18)	(35)
47	**(33)**	**Total translation differences**	**45**	**47**	**79**
9	**(3)**	**Cash flow hedging**	**4**	**(22)**	
56	**(36)**	**Items that will be reclassified to income statement**	**48**	**26**	**79**
56	**(36)**	**Other comprehensive income**	**48**	**21**	**(6)**
244	**27**	**Total comprehensive income**	**319**	**154**	**172**
		Total comprehensive income is distributed as follows:			
244	28	Controlling interests	324	155	179
	(1)	Non-controlling interests	(6)	(1)	(7)

Condensed balance sheet

	Note	30.09 2024	31.12 2023
ASSETS			
Intangible assets	3	1 938	1 986
Deferred tax asset		286	319
Tangible fixed assets	3	7 563	7 071
Right-of-use assets	4	3 638	3 698
Other financial assets	7	372	373
Non-current assets		**13 797**	**13 447**
Interest-free current receivables		4 153	4 137
Interest-bearing current receivables	7	105	95
Liquid assets	7	1 341	1 947
Current assets		**5 599**	**6 179**
Assets		**19 396**	**19 625**
EQUITY AND LIABILITIES			
Share capital		3 120	3 120
Other equity		2 908	2 709
Non-controlling interests		31	47
Equity		**6 060**	**5 876**
Deferred tax liability		49	49
Other provisions for liabilities		923	969
Provisions for liabilities		**972**	**1 018**
Non-current lease liabilities	4	3 023	3 140
Interest-bearing non-current liabilities	5,7	3 500	3 500
Interest-free non-current liabilities	7	25	28
Non-current liabilities		**6 548**	**6 668**
Current lease liabilities	4	946	892
Interest-bearing current liabilities	5,7	695	586
Interest-free current liabilities	7	4 147	4 554
Tax payable		29	32
Current liabilities		**5 816**	**6 064**
Equity and liabilities		**19 396**	**19 625**

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 01.01.2024	**3 120**	**992**	**(23)**	**215**	**1 524**	**2 709**	**47**	**5 876**
Profit/(loss) for the period					276	276	(6)	270
Other comprehensive income			3	45		48		48
Total comprehensive income			**3**	**45**	**276**	**324**	**(6)**	**319**
Dividend					(125)	(125)	(8)	(133)
Changes in non-contr. interests					1	1	(2)	(1)
Equity 30.09.2024	**3 120**	**992**	**(19)**	**260**	**1 676**	**2 908**	**31**	**6 060**

	Controlling interests							
	Share capital	Share premium reserves	Hedging reserve	Transl. diff	Retained earnings	Other equity	Non-contr. interests	Total equity
Equity 01.01.2023	**3 120**	**992**	**(23)**	**136**	**1 423**	**2 529**	**66**	**5 715**
Profit/(loss) for the period					185	185	(7)	178
Other comprehensive income				79	(85)	(6)		(6)
Total comprehensive income				**79**	**100**	**179**	**(7)**	**172**
Dividend							(13)	(13)
Changes in non-contr. interests					1	1	1	2
Equity 31.12.2023	**3 120**	**992**	**(23)**	**215**	**1 524**	**2 709**	**47**	**5 876**

The share capital consisted as of September 30, 2024, of 3 120 000 shares with a nominal value of NOK 1 000 each. The company's shares are wholly owned by the state through the Ministry of Trade, Industry and Fisheries.

At the general meeting on May 21, 2024, it was decided to distribute a dividend of MNOK 125 for the financial year 2023, in accordance with the board's proposal.

Condensed statement of cash flows

Q3 2024	Q3 2023*		Year 2024	YTD 2023*	Year 2023
249	109	Profit/(loss) before tax	350	204	314
(9)	(39)	Tax paid in the period	(63)	(90)	(103)
(2)		(Gain)/loss from sales of non-current assets and subsidiaries	(15)	(12)	(15)
464	496	Ordinary depreciation and impairment	1 379	1 264	1 740
(2)	(3)	Share of profit/(loss) from associated companies	(6)	(6)	(10)
68	34	Net interest reclassified from operating activities	214	144	205
(2)	12	Financial items without cash-effect	(9)	9	9
134	18	Changes in receivables and payables	(98)	(27)	(86)
(200)	(193)	Changes in other working capital	(390)	(489)	(267)
12	6	Changes in other accruals	15	(16)	(28)
711	**441**	**Cash flows from operating activities**	**1 376**	**981**	**1 760**
(350)	(279)	Investments in non-current assets	(1 011)	(983)	(1 394)
(44)		Cash-effect from purchases of land	(43)		
(1)		Cash-effect from investments and sales of other shares	(3)	(3)	(5)
4	6	Proceeds from sales of non-current assets	14	30	35
	4	Cash-effect from sale of businesses		(6)	(6)
		Dividend received from associated companies	5		5
3	10	Payments related to sublease receivables	11	15	19
35	32	Interest received and return on investments	106	94	159
2	5	Changes in other financial non-current assets	10		(15)
(352)	**(223)**	**Cash flows used in investing activities**	**(912)**	**(854)**	**(1 201)**
(249)	(221)	Payment of lease liabilities	(739)	(642)	(882)
	1 000	Proceeds from non-current and current debt raised		2 500	2 500
(100)		Repayment of borrowings	(56)	(1 854)	(2 710)
184	(283)	Decrease/increase in bank overdraft	164	(164)	111
(112)	(71)	Interest paid	(329)	(238)	(356)
(125)		Dividends paid	(133)		
(402)	**426**	**Cash flows used in financing activities**	**(1 093)**	**(397)**	**(1 337)**
(43)	**643**	**Change in liquid assets**	**(628)**	**(271)**	**(778)**
1 359	1 811	Liquid assets at the beginning of the period	1 947	2 683	2 683
25	(19)	Currency differences	22	23	42
1 341	**2 435**	**Liquid assets at the end of the period**	**1 341**	**2 435**	**1 947**

*Interest paid and received for the year 2023 were reclassified from operational activities to investment activities or financing activities, respectively. The comparative figures for 2023 have been restated accordingly.

ADDITIONAL INFORMATION

General

Posten Bring AS was established as a company on December 1, 1996 and is a Norwegian-registered limited liability company with the Norwegian State, represented by the Ministry of Trade, Industry and Fisheries, as its sole shareholder. Posten Bring AS is located at Biskop Gunnerus gate 14, 0001 Oslo, Norway.

The condensed interim report has been prepared in accordance with IFRS® Accounting Standards, as approved by the EU, and is consistent with the applicable accounting standard IAS 34 for interim financial statements. The condensed interim financial statements 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. The Integrated annual report for 2023 is available at www.postenbring.no.

The information in the condensed interim financial statements has not been audited. The accounts are presented in Norwegian kroner (NOK), rounded to the nearest million, unless otherwise stated.

Accounting principles

The interim financial statements have been prepared in accordance with IFRS, using the same accounting principles and calculation methods as described in the Integrated annual report for 2023.

Standards issued, but not yet effective:

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

Estimates and assessments

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

The sources of uncertainty concerning estimates are the same as for the 2023 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.

NOTES TO THE ACCOUNTS

Note 1 Segments

Posten Bring divides its operations into two operating segments, Logistics and Mail. Ownership functions and joint functions are included in Other.

The operating segments in the group are reported according to areas where operating results are regularly reviewed by Posten Bring's board, so that the board can decide which resources should be allocated to the segment and assess its earnings. Internal revenues are revenue between the segments in the group. Pricing of transactions between the segments is based on normal commercial terms and as if the segments were independent parties.

The segments are further described in the Integrated Report for 2023.

Revenue per segment

Q3 2024	Q3 2023	Revenue	YTD 2024	YTD 2023	Year 2023
4 894	4 522	External revenue	14 485	13 835	18 997
38	97	Internal revenue	223	261	410
4 932	**4 620**	**Logistics**	**14 708**	**14 096**	**19 407**
1 152	1 226	External revenue	3 825	3 835	5 398
105	101	Internal revenue	318	306	437
1 257	**1 327**	**Mail**	**4 144**	**4 141**	**5 835**
275	278	Internal revenue	821	854	1 087
275	**278**	**Other**	**821**	**854**	**1 087**
(418)	(477)	Eliminations	(1 362)	(1 421)	(1 935)
6 046	**5 748**	**Group**	**18 309**	**17 671**	**24 394**

Profit per segment

Q3 2024	Q3 2023	Operating profit before depreciation (EBITDA)	YTD 2024	YTD 2023	Year 2023
587	470	Logistics	1 451	1 275	1 764
217	213	Mail	542	486	788
(12)	(17)	Other	(110)	(104)	(235)
792	**667**	**Group**	**1 883**	**1 658**	**2 316**

Q3 2024	Q3 2023	Adjusted operating profit/(loss)	YTD 2024	YTD 2023	Year 2023
272	211	Logistics	519	507	689
93	87	Mail	162	121	294
(21)	(26)	Other	(135)	(127)	(267)
344	**273**	**Group**	**546**	**501**	**716**

Q3 2024	Q3 2023	Operating profit/(loss) (EBIT)	YTD 2024	YTD 2023	Year 2023
258	108	Logistics	530	406	559
82	87	Mail	180	121	307
(21)	(21)	Other	(130)	(127)	(267)
319	**174**	**Group**	**579**	**401**	**599**

Investments per segment

Investments	YTD 2024	YTD 2023	Year 2023
Logistics	904	680	1 058
Mail	106	303	351
Group	**1 011**	**983**	**1 409**

Note 2 Revenue

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

Q3 2024	Q3 2023*		YTD 2024	YTD 2023*	Year 2023
2 308	2 118	Parcel services	6 808	6 306	8 817
2 231	2 098	Freight and forwarding	6 656	6 518	8 818
282	219	Warehousing	775	706	955
72	86	Other business in Logistics segment	245	305	407
4 894	**4 522**	**External revenue Logistics segment**	**14 485**	**13 835**	**18 997**
607	670	Addressed/Unaddressed mail	2 049	2 222	3 036
107	105	Norgespakken	327	293	441
372	294	Government procurements	1 116	881	1 264
66	156	Other business in Mail segment	333	439	656
1 152	**1 226**	**External revenue Mail segment**	**3 825**	**3 835**	**5 398**
6 046	**5 748**	**Revenue**	**18 309**	**17 671**	**24 394**

* In Q4 2023, reallocations were made between the categories. The comparative figures for Q1-Q3 have been adjusted accordingly.

Note 3 Intangible assets and tangible fixed assets

	Intangible assets	Tangible fixed assets
Carrying amount 01.01.2024	**1 986**	**7 071**
Additions	99	912
Additions from acquisitions		43
Disposals		(6)
Cost price adjustments/scrapping		(6)
Depreciations	(131)	(472)
Impairments	(32)	
Translation differences	16	22
Carrying amount 30.09.2024	**1 938**	**7 563**

Investments in owned assets as of September 30, 2024, amounted to MNOK 1 051. Investments in intangible assets were primarily related to IT solutions. Out of the MNOK 954 invested in tangible fixed assets, approximately MNOK 390 were allocated to buildings and real estate, while the remaining amount mainly pertained to terminal equipment, vehicles, and other operational assets. A total of MNOK 904 in investments were attributed to the Logistics segment.

Note 4 Leases

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

	30.09 2024	31.12 2023
Right-of-use assets	**3 638**	**3 698**
Non-current lease liabilities	3 023	3 140
Current lease liabilities	946	892
Lease liabilities	**3 969**	**4 032**

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

Q3 2024	Q3 2023		YTD 2024	YTD 2023	Year 2023
247	214	Depreciation	735	634	881
		Impairments	9		
42	37	Interest expense on lease liabilities	125	105	148

Note 5 Interest-bearing non-current and current liabilities

The group's interest-bearing liabilities include:

	30.09 2024	31.12 2023
Bond loans	3 500	3 500
Interest-bearing non-current liabilities	**3 500**	**3 500**
Non-current liabilities to credit institutions due within one year	56	111
Certificate loans	200	200
Other interest-bearing non-current liabilities	439	275
Interest-bearing current liabilities	**694**	**586**

There were no changes in interest-bearing non-current liabilities as of September 30, 2024, compared to the year-end. The group had six outstanding bond loans as of September 30, 2024.

The increase in interest-bearing current liabilities was due to increased bank overdraft, offset by repayment of non-current liabilities to credit institutions due within one year.

Total certificate loans amounted to MNOK 200 as of September 30, 2024, unchanged from the year-end. There was nothing drawn on the group's credit facility.

The weighted average interest rate on Posten Bring's interest-bearing liabilities was 4.9 percent as of September 30, 2024, and was unchanged from the year-end.

Note 6 Other income and expenses

Other revenues and other expenses are significant revenues and expenses that are outside the group's normal operations and are considered to have limited predictive value. This includes restructuring costs and gains and losses on the sale of non-current assets and subsidiaries.

Q3 2024	Q3 2023		YTD 2024	YTD 2023	Year 2023
		Other income	81		
(11)		Restructuring costs	(11)		13
(11)		**Total other income and (expenses)**	**69**		**13**

New legislation for contractual pension for members of the State Pension Fund was adopted in the second quarter of 2024 and this led to changes in some of Posten Bring's pension schemes (compensation schemes related to withdrawal from the State Pension Fund). The changes are classified as plan changes and led to a reduction of Posten Bring's pension obligations by MNOK 81 which is classified as other revenue.

Restructuring costs in the third quarter of 2024 were related to provisions for restructuring associated with discontinued operations. Restructuring costs in 2023 mainly concerned reversed provisions, due to a lower withdrawal rate than expected, for the closure of post offices, as well as the relocation of mail production and route preparation from Bodø and Tromsø to Østlandsterminalen.

Note 7 Fair value measurement

When calculating the fair value of financial assets and liabilities, methods and assumptions as well as a hierarchy for fair value are used in accordance with previous years. This is further described in the Integrated Annual Report for 2023.

The group had the following financial assets and liabilities measured at fair value as of September 30, 2024:

		At fair value (FV)			At amortised cost		
	Level	Fair value over profit or loss	Derivatives at fair value over profit or loss	Derivatives at fair value over OCI	Receiv-ables	Other financial liabilities	30.09.2024
Assets							
Interest-bearing non-current receivables		0		0	47		47
Other financial non-current assets	2	225		0	31		256
Interest-free current receivables	2	0		0	4 153		4 153
Interest-bearing current receivables		0		0	105		105
Liquid assets	1	1 189		0	151		1 341
Financial assets		0		0			**5 902**
Liabilities							
Non-current lease liabilities		0		0		3 023	3 023
Interest-bearing non-current liabilities		0		0		3 500	3 500
Interest-free non-current liabilities	2	0		24			25
Current lease liabilities		0		0		946	946
Interest-bearing current liabilities		0		0		695	695
Interest-free current liabilities, incl. tax payable	2	0		13		4 162	4 175
Financial liabilities		0		0			**12 364**
Total value hierarchy level 1 (net)		1 189		0			1 189
Total value hierarchy level 2 (net)		225		(38)			188
Total value hierarchy level 3 (net)		0		0			0

The group had the following financial assets and liabilities measured at fair value as of December 31, 2023:

		At fair value (FV)			At amortised cost		
	Level	Fair value over profit or loss (FVO)	Derivatives at fair value over profit or loss	Derivatives at fair value over OCI	Receiv-ables	Other financial liabilities	31.12.2023
Assets							
Interest-bearing non-current receivables		0		0	54		54
Other financial non-current assets	2	222		1	26		249
Interest-free current receivables	2	0		2	4 134		4 137
Interest-bearing current receivables		0		0	95		95
Liquid assets	1	1 835		0	112		1 947
Financial assets		0		0			**6 482**
Liabilities							
Non-current lease liabilities		0		0		3 140	3 140
Interest-bearing non-current liabilities		0		0		3 500	3 500
Interest-free non-current liabilities	2	0		28		1	28
Current lease liabilities		0		0		892	892
Interest-bearing current liabilities	2	0		0		586	586
Interest-free current liabilities, incl. tax payable	2	0		15		4 571	4 586
Financial liabilities		0		0			**12 732**
Total value hierarchy level 1 (net)		1 835		0			1 835
Total value hierarchy level 2 (net)		222		(39)			183
Total value hierarchy level 3 (net)		0		0			0

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

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

Note 8 Changes in the group's structure

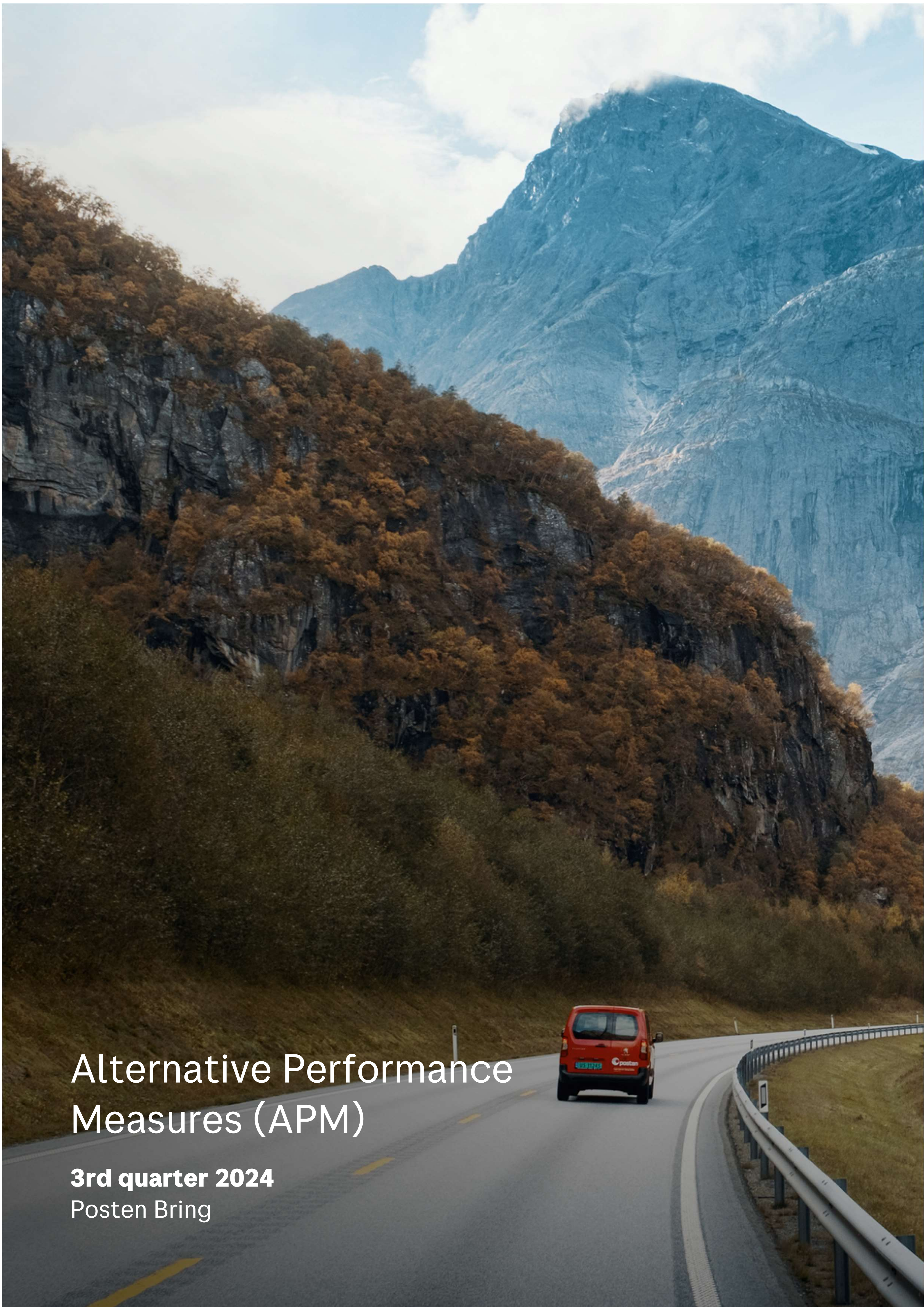
There have been no significant acquisitions, sales, or other changes in the Group's structure so far in 2024.

Note 9 Events after the reporting period

On October 7, 2024, Posten Bring AS issued green bonds totaling MNOK 1 000. This was divided into two tranches, with MNOK 400 being a 7-year bond with a floating interest rate, and MNOK 600 being a 7-year bond with a fixed interest rate. The bonds have favorable terms, and the transaction was significantly oversubscribed.

In early October 2024, it was decided to wind down the company AMOI. AMOI was established in 2020 and has been a marketplace for home delivery of primarily groceries from specialty stores. The entire operation is expected to be discontinued by January 12, 2025. Assets related to AMOI were written down by MNOK 17 in the third quarter of 2024, and no further significant costs are expected in connection with the planned discontinuation.

As part of the initiated profitability program, it was decided in September to reduce staffing levels in indirect functions within the Group. The decided changes and how the restructuring process will be carried out were communicated to the organization in October, with a planned reduction of 220 full-time equivalents. All changes are to be completed by March 1, 2025, and the goal is to achieve as much as possible through voluntary arrangements using agreed measures. It is currently not possible to estimate the financial impact of this.



Alternative Performance Measures (APM)

3rd quarter 2024

Posten Bring

Alternative performance measures

The group's financial information is prepared in accordance with international accounting standards (IFRS). In addition, information is provided on alternative performance measures (APM) that are regularly monitored by management to improve the understanding of the results. The alternative performance measures presented may be defined differently by other companies.

In the following, the group's performance measures and other metrics used in the annual and quarterly reports are discussed.

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

The group's management monitors the group's financial situation through the use of common metrics (KPIs) and metrics that show revenues and expenses related to the group's ordinary operational activities. The alternative measures used in reporting to the group management consist of earnings excluding items with limited predictive value.

Profit/loss before depreciation, financial items and tax (EBITDA) is an important financial parameter for the group and forms the basis for "adjusted operating profit/loss". The adjusted operating profit/ loss is EBITDA before impairments and other and other income and expenses but includes depreciation. Operating profit/loss (EBIT) includes the group's impairments, other income and expenses, and income from associated companies.

The metrics are useful for users of Posten Bring's financial information, including management, the board and external parties. It allows users of the financial information to assess the operating profit based on variable ongoing items, as it excludes, among other things, restructuring costs, significant gains and losses on non-ordinary sales of fixed assets, as well as other income or expenses outside the group's normal operations that are considered to have limited predictive value. It is also assumed that the metrics provide an opportunity for a more comparable evaluation of operating profit relative to the group's competitors.

		YTD 2024	YTD 2023	Year 2023
+	Revenue	18 309	17 671	24 394
-	Costs of goods and services	7 203	7 253	9 977
-	Payroll expenses	7 045	6 589	9 062
-	Other operating expenses	2 178	2 171	3 039
=	**EBITDA**	**1 883**	**1 658**	**2 316**

		YTD 2024	YTD 2023	Year 2023
+	EBITDA	1 883	1 658	2 316
-	Depreciation	1 338	1 157	1 600
=	**Adjusted operating profit/(loss)**	**546**	**501**	**716**

		YTD 2024	YTD 2023	Year 2023
+	Adjusted operating profit/(loss)	546	501	716
/	Revenue	18 309	17 671	24 394
=	**Adjusted profit margin**	**3,0%**	**2,8 %**	**2,9 %**

		YTD 2024	YTD 2023	Year 2023
+	Adjusted operating profit/(loss)	546	501	716
-	Impairment	41	107	139
+/-	Other income and (expenses)	69		13
+	Share of profit or loss from associated companies	6	6	10
=	**EBIT**	**579**	**401**	**599**

		YTD 2024	YTD 2023	Year 2023
+	EBIT	579	401	599
/	Revenue	18 309	17 671	24 394
=	**EBIT margin**	3,2%	2,3%	2,5%

Net interest-bearing debt (NIBD) and liquidity reserve

A primary objective in the group's financial guidelines is to ensure that the group has financial flexibility. Financial flexibility allows the business to operationalize strategies and achieve its goals. The group shall at all times have adequate access to capital to cover normal fluctuations in the group's liquidity needs, refinancing risk and normal expansion without individual projects triggering a 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 consists of both current and non-current interest-bearing debt reduced by fixed income fund, 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, of which net liabilities/EBITDA is one. The debt ratio shows the share of equity related to both current- and non-current debt. The group's liquidity reserve includes all assets available to finance operations and investments. It is split between amounts available according to agreements in the short and long term and is a useful target figure in considering whether the group has adequate liquidity to achieve the group's approved strategy.

		30.09 2024	30.09 2023	31.12 2023
+	Interest-bearing non-current liabilities	6 523	6 491	6 640
+	Interest-bearing current liabilities	1 641	1 932	1 478
-	Fixed income funds	1 189	2 220	1 835
-	Cash	2	1	1
-	Bank deposits corporate cash-pool account	5	122	
-	Bank deposits	145	91	111
=	**Net interest-bearing debt/(receivables)**	**6 824**	**5 988**	**6 171**

		30.09 2024	30.09 2023	31.12 2023
+	Net interest-bearing debt	6 824	5 988	6 171
/	Equity on the balance sheet date	6 060	5 857	5 876
=	**Debt/equity ratio**	1,1	1,0	1,1

		30.09 2024	30.09 2023	31.12 2023
+	Net interest-bearing debt	6 824	5 988	6 171
/	EBITDA last twelve months	2 541	2 018	2 316
=	**Net interest-bearing debt/EBITDA**	2,7	3,0	2,7

		30.09 2024	30.09 2023	31.12 2023
+	Fixed income funds	1 189	2 220	1 835
+	Bilateral credit facilities	2 353	2 251	2 248
-	Certificate loans	200	1 000	200
=	**Long-term liquidity reserve**	3 342	3 471	3 883

		30.09 2024	30.09 2023	31.12 2023
+	Long-term liquidity reserve	3 342	3 471	3 883
+/-	Deposits on group account	5	122	
+/-	Deposits outside group account	145	91	111
+	Bank overdraft not utilised	61	500	225
=	**Short-term liquidity reserve**	3 553	4 184	4 219

Invested capital and return on invested capital (ROIC)

The group creates value for the owners by investing cash today that contributes to increased cash flows in the future. The group's value is created as long as the business grows and achieves a higher return on its invested capital (ROIC) than the cost of capital (WACC). Return on invested capital is an internationally recognized return measure that shows whether the invested capital from the operation itself provides sufficient return. The group follows up this return measure in internal reporting, and this is one of the goals in the group management's bonus program.

The items included in the calculation of invested capital are shown below:

		30.09 2024	30.09 2023	31.12 2023
+	Intangible assets	1 975	2 089	2 055
+	Tangible fixed assets	10 872	9 964	10 230
+	Current assets	5 885	6 341	6 193
-	Total liquid assets	1 828	2 377	2 226
-	Interest-bearing current assets	99	113	107
-	Interest-free current liabilities	4 356	4 342	4 380
+	Tax payable	19	1	4
+	Dividends and group contributions	11	1	1
=	**Invested capital**	12 479	11 564	11 770

Last twelve months

		30.09 2024	30.09 2023	31.12 2023
+	Last 12 months' accumulated adjusted operating profit	760	486	716
/	Invested capital	12 479	11 564	11 770
=	**Return on invested capital (ROIC)**	6,1 %	4,2 %	6,1 %

Other alternative performance measures

The group uses and presents certain other independent performance measures. These are performance measures that are considered useful for the market and users of the group's financial information. The group's return on equity is also followed up by the owner. These metrics are shown in the table below:

		YTD 2024	YTD 2023	Year 2023
+	Total investments in owned tangible fixed assets	1 053	985	1 411
-	Investments due to aquisitions		2	2
=	**Investments before aquisitions**	**1 053**	**983**	**1 409**

		30.09 2024	30.09 2023	31.12 2023
+	Profit after tax last 12 months	315	(54)	178
/	Average equity on balance sheet date*	5 958	5 853	5 795
=	**Return on equity after tax (ROE)**	**5,3%**	**(0,9%)**	**3,1%**

*(OB+CB)/2

		30.09 2024	30.09 2023	31.12 2023
+	Equity on balance sheet date	6 060	5 857	5 876
/	Equity and liabilities (total capital)	19 396	19 509	19 625
=	**Equity ratio**	**31,2 %**	**30,0 %**	**29,9 %**