posten

bring

A driving force for transition

Integrated annual report 2023

Posten Bring

Integrated Annual Report 2023

This is Posten Bring's integrated annual report for 2023. It has been prepared in accordance with the International Framework for Integrated Reporting. The report provides a comprehensive explanation of the Group's strategy, business model and value creation.

In the autumn of 2023 we carried out a new double materiality assessment in line with GRI Standards and upcoming requirements in the Corporate Sustainability Reporting Directive (CSRD). The report shows how we have created value in 2023 within the material topics for the **E** (Environment), **S** (Social) and **G** (Governance) areas. From 2024, Posten Bring will fully report in accordance with the CSRD.

In addition to this report, you will find a separate fact booklet; "Sustainability at Posten Bring", which meets the requirements of the GRI Standards, and also the stand alone reports Executive Remuneration Report 2023" and "Green Bonds".

Content

Framework for integrated reporting
Integrated reporting is an internationally recognised framework that bridges the gap between financial and non-financial reporting. The Integrated Reporting Framework is now part of The International Financial Reporting Standards Foundation, IFRS. https://www.integratedreporting.org

GRI Standards
Posten Bring report in line with standards from the Global Reporting Initiative (GRI). The standards are designed to improve comparability across borders and ensure the quality of information about the impacts that organisations have on their surroundings. This, in turn, will enable greater transparency and accountability for organisations. https://www.globalreporting.org

Part 1

About us

The strategy provides a clear direction and a foundation for success.

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Key figures	2023	2022	2021	2020	2019	2018
Operating revenues NOK million	**24 394**	23 429	24 716	23 996	24 212	23 894
Adjusted earnings (EBIT) NOK million	**716**	406	1 525	1 423	808	531
Adjusted operating margin in percent	**2.9%**	1.7%	6.2%	5.9%	3.3%	2.2%
Operating profit/loss (EBIT) NOK million	**599**	(143)	1 462	1 485	162	415
Profit before tax NOK million	**314**	(343)	1 352	1 344	21	366
Return on invested capital (ROIC) in percent [1]	**6.1%**	3.8%	16.4%	14.1%	7.4%	7.3%
Cash flow from operating activities	**1 760**	1 384	1 963	2 711	2 290	623
Equity NOK million [2]	**5 876**	5 715	7 273	7 367	6 363	6 481
Total capital NOK million [2]	**19 625**	19 143	18 342	19 643	19 867	16 071
Return on equity after tax (ROE) in percent	**3.1%**	(4.3%)	14.5%	16.4%	0.2%	3.9%
Equity to assets ratio in percent	**29.9%**	29.9%	39.7%	3.5%	32.0%	40.3%
Debt ratio	**1.1**	0.9	0.3	0.1	0.6	0.0
Number of employees	**12 649**	12 750	12 561	12 919	14 270	15 021
Sickness absence in percent	**6.7%**	6.9%	6.0%	6.0%	5.9%	6.0%
H2 injury rate [3]	**6.4**	7.0	9.3	7.0	7.8	8.7
Percentage of female managers	**31%**	29%	30%	28%	27%	28%
Employee commitment	**5.6**	5.6	5.6	5.4	-	-
NHH Social Innovation Index score	**52**	51	52	52	52	-
NPS (Customer Barometer) [4]	**54**	54	51	48	39	36
CO_2e emissions aggregate reduction per year in percent. base year 2012 [5]	**62%**	57%	52%	46%	39%	37%
CO_2e emissions grammes per NOK earned [5]	**11.0**	13.1	13.7	15.9	18.0	18.6
Share of vehicles running on fossil-free energy sources [6]	**2 972**	2 529	2 249	1 577	1 451	1 242
Parcels quantity in thousands [7]	**101 190**	94 703	90 085	77 838	59 945	53 649
Letters quantity addressed in thousands	**302 563**	346 024	388 795	438 148	542 793	602 764

In line with IFRS 16 Leases, the accounts figures for 2018 and previous years have not been restated.

For a description of the alternative performance measures used in the annual report, see «Alternative performance measures» on page 197.

[1] Calculated based on adjusted operating profit
[2] The figures have been taken from published financial statements. The figures have not been restated in relation to changes to policies or other changes that have been made.
[3] The rate of work-related injuries per million working hours.
[4] 2017-2019 are comparable. 2020-2021 New baseline, entire Service network included.
[5] Historical development and emissions per NOK earned are based on scope 1 and 2 as well as categories 3, 4, 5, 6, 7 of Scope 3. The accounts for 2022 have been corrected for erroneous reporting from one area, so the reduction is higher than presented in last year's report. From next year, we will report historical emissions from a new baseline, which includes all categories of Scope 3, in line with updated SBT targets.
[6] Includes owned and purchased transport.
[7] Parcels to the private and business market in the Nordic region.

Integrated Report 2023

A driving force for transition

Thanks to the solid efforts of all our employees, in 2023 Posten Bring has again proven that we can deliver and be a driving force for future success.

We have achieved a lot during the year. We have grown in a demanding market, delivered quality and a positive financial performance. This is an achievement we can be proud of, and it is thanks to the efforts of our more than 12 600 employees who work hard every day.

We have navigated through tough economic times. The year has been characterised by market instability, high inflation and increased interest rates, which has dampened consumption in Norway. In Sweden, too, the economy has been weak and consumption has fallen. Posten Bring has nevertheless experienced good growth, especially in parcels from e-commerce, and can point to increased revenues and better results than the previous year.

Our customers are happy with us. Despite the challenges of Storm Hans and a harsh winter, we managed to maintain a level of quality that our customers were very pleased with. In Ipso's 2023 Reputation Survey, both Posten and Bring scored well for overall impression. The Posten brand came in at 10th place among the most popular major Norwegian companies, while the Bring brand came in at 23rd place.

Business strategy for the future
During the year, we revised our corporate strategy. We have retained the vision of making everyday life simpler and the world smaller for our customers. We have made it a clear goal to be a leading Nordic logistics actor. This means that we will continue to grow and take profitable Nordic market positions, with cost-effectiveness as an important foundation to ensure competitive margins. In 2023, we have also changed the company name to Posten Bring AS in order to highlight the entirety of the group's operations and emphasise the important role that the logistics business plays. The Posten and Bring brands remain unchanged.

Innovation, and our ability to adopt new technologies such as artificial intelligence, are crucial to us remaining relevant and competitive in the future. In 2023, we have carried out an important technological change to our core systems. Two outdated and costly mainframe systems have been replaced with a new and modern cloud-based production system, Parcel Hub, which manages our entire automatic parcel production. The new system allows for faster product and service development while providing more stable operations and lower technology costs.

An example of new services that make everyday life easier for our customers are parcel boxes – automatic 24/7 delivery boxes for parcels. In 2023, we have started deploying a parcel box network in Sweden, which will consist of 600 locations by the summer of 2024.

"During the year, we revised our corporate strategy. We have retained the vision of making everyday life simpler and the world smaller for our customers. **We have made it a clear goal to be a leading Nordic logistics actor.**

In Norway, the parcel box network consists of approximately 2 000 locations and a number of new services have been launched in 2023, such as the ability to ship and return packages from the parcel box and the ability to choose the location of the hatch.

The Shelfless business area offers automated warehousing and logistics solutions for online stores. In the past year, we opened a new Shelfless facility in Køge, Denmark that can offer same-day-delivery to two million Danes. We already opened a large Shelfless warehouse outside Stockholm in 2022, and in 2024 a new large Shelfless warehouse linked to Østlandsterminalen in Lørenskog will also be in operation. In 2023 we started building a new large parcel terminal in Jönköping, Sweden to handle expected future growth in our Swedish parcel volumes. This will be ready in 2025.

In January 2024, the government appointed an expert committee to look at the future of postal services and whether Posten Bring will be given new tasks in the future to meet other societal needs than mail distribution alone. The committee shall submit its report within one year. In 2024, we will continue to test different options for future statutory letter distribution; two-way communi-

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“Continuous transition is required in our changing times. It requires the commitment and enthusiasm of our employees to succeed, and it requires us to be able to attract and retain the necessary skills and talent.

cation is being tested through weekly doorstop visits in cooperation with the municipal sector organisation KS. The collaboration with KS is an example of innovation with the aim of finding new solutions and business models, which both provide socio-economic benefit and profitability for the group.

I am pleased to note that Posten Bring has built significant innovation capacity and is well equipped for the future. Innovation is an important tool for achieving our main goals and it is also key to solving the sustainability challenges both we as a business and society face.

Raising sustainability ambitions
At Posten Bring we have a long tradition of transformation. Throughout our almost 380-year history, it has been vital to be far-sighted and early in adopting new technology and developing both work processes and services.

In the third quarter of 2023, we passed an important milestone with emission-free post and package delivery to over half of Norway’s households. It is gratifying to see that this work is noticed and acknowledged. In 2023, we were number two in the Sustainable Brand Index ranking of companies that Norwegians perceive as the most sustainable. We’ve come a long way, but we’re not there yet.

If we are to achieve our goal of being the best at sustainable value creation and a driving force in the transition to a low-emission society, we must raise our level of ambition. In 2023, we decided to apply for a new climate target in line with the Science Based Targets Net Zero standard. The goal is for all our own vehicles to run on electricity or biogas by 2030, and we will also contribute to emissions cuts at our suppliers. By 2040, Posten Bring will have net zero emissions. This involves significant investments in, among other things, electric trucks and charging infrastructure in the next few years. It also entails a significant need for cooperation with both the authorities and other industrial actors.

Social sustainability is becoming increasingly important. We are committed to an organised working life and work systematically to ensure that employees of our suppliers have decent working conditions, at the level of the high standards we set for their own business.

Most attractive workplace
Continual transition is required in our changeable times. It requires the commitment and enthusiasm of our employees to succeed, and it requires us to be able to attract and retain the necessary skills and talent. We have therefore set ourselves a new main objective this year to be the most attractive workplace. As a large Nordic employer with a diverse range of employees, we have a responsibility to create a working environment where all employees thrive and feel safe and valued. Good leaders are essential to creating and maintaining such a culture. Leaders in our organisation play an important role in promoting our employee promise to be “always evolving.” It’s about building a learning culture that attracts and engages current and potential employees.

Thank you
I would like to extend a big thank you to all our customers, partners, suppliers and employee representatives for their good cooperation and all employees for their good efforts in the past year.

After more than seven years as CEO and 17 years at the company, I have informed the Board that I will leave Posten Bring during 2024. I am glad that the Board has now found a good successor to take over the baton this autumn!

Tone Wille, CEO

Integrated Report 2023

Posten Bring is a Nordic mail and logistics group.

Our vision is “We make everyday life simpler and the world smaller”.

Posten is our service to the Norwegian people.
Posten delivers parcels and letters to private individuals throughout Norway.

posten

No one knows Norway better

Bring is our service for the Nordic market
Bring provides solutions for corporate customers on the Nordic market and for private customers outside Norway.

bring

Finding New Ways

...with an ambition to be a

Leading Nordic logistics operator

The Nordic region is our domestic market and we have terminals in 39 locations in Norway, Sweden, Denmark and Finland. We are also present in a number of countries outside the Nordic region to offer a comprehensive value proposition to our customers..

Integrated Report 2023

68% men | **12 649** employees | **32%** women

Norway: **10 973**

Denmark: **305**

Finland: **41**

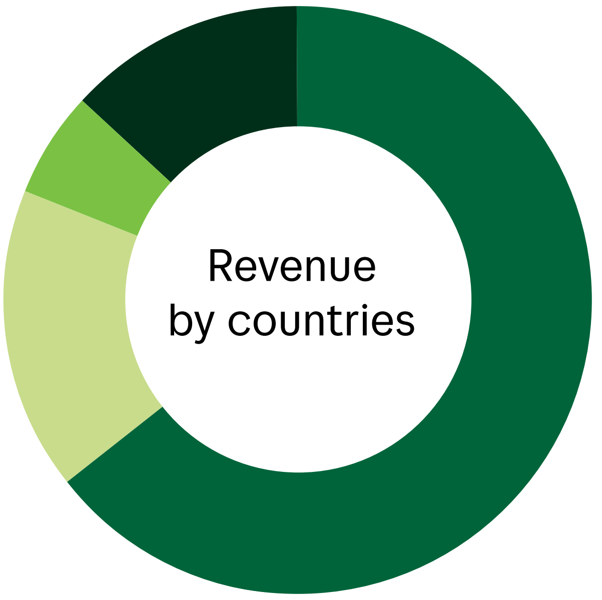
Sweden: **1 187**

Outside the Nordic region: **143**

Head office: **Oslo**

Operating revenues:

78% logistics | **24 394** MNOK | **22%** mail

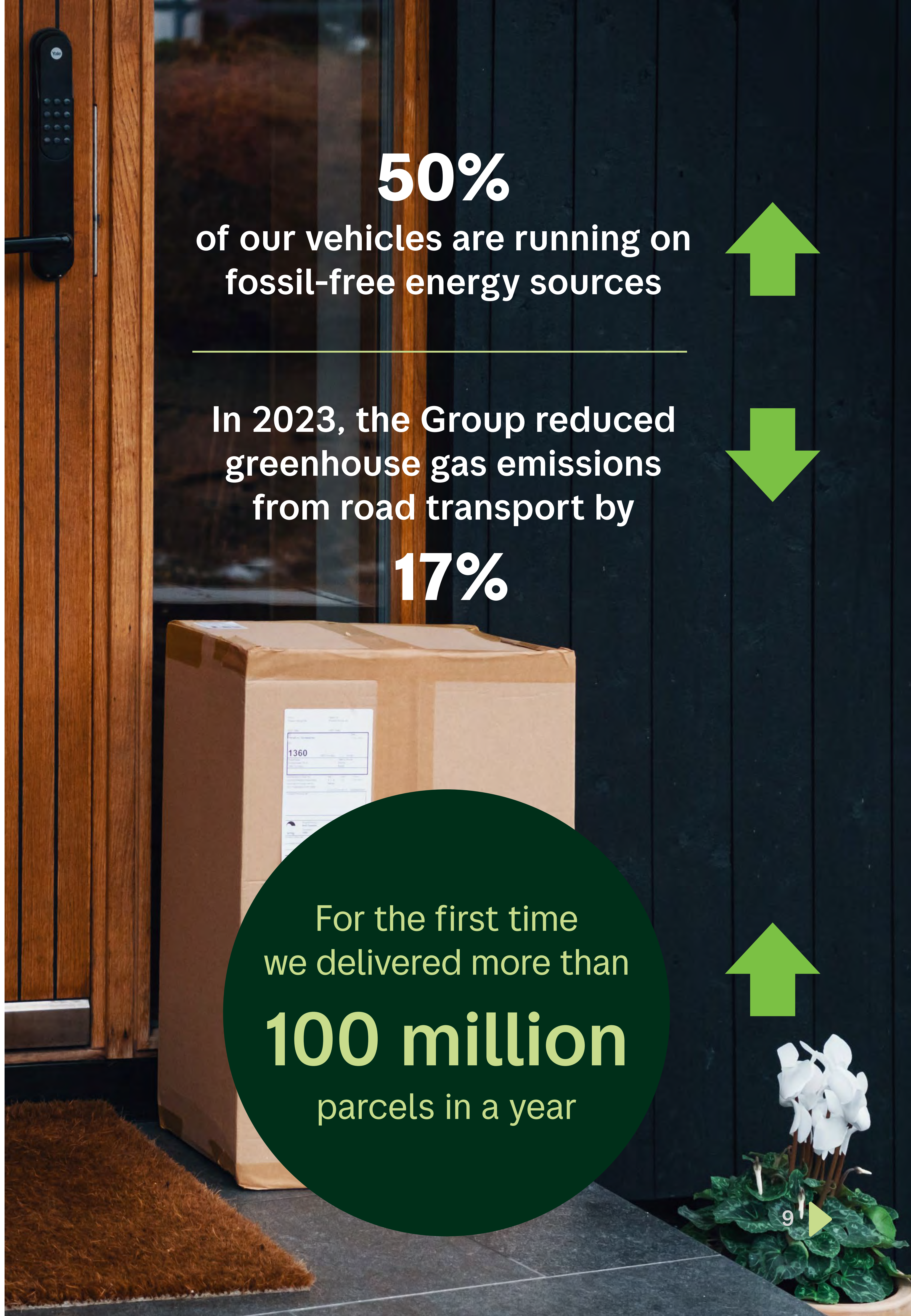


Denmark: **6%**

Other countries: **13%**

Norway: **64%**

Sweden: **17%**



Important milestones in our history

1647
The Norwegian Postal Service is established.

1827
The Norwegian Postal Service becomes Norway's first steamship owner by acquiring two steamships.

1854
The first railway line in Norway opens and immediately becomes an important part of our postal transportation.

1855
The first Norwegian stamp is issued.

1908
The Postal Service imports two cars to improve mail distribution to rural areas.

1920
Norway's first official air route opens and we are on board.

1952
The new Mailbox Act defines that all Norwegian households must have a mailbox.

1968
Postcodes are introduced to more easily manage the increasing volume of mail.

1973
The Norwegian Postal Service tests the Norwegian-produced electric car from El-bil AS.

1976
We open Europe's most modern lettersorting plant in Oslo.

1994
First electric car put into service at the Winter Olympics in Lillehammer.

2000
The start of a new period of decline in letter volumes - after 350 years of growth.

2001
The first Post in Shop is established to meet new customer habits.

2002
Parliament turns Posten into a limited company on 1 July: Posten Norge AS.

2003-2008
We undertake a number of acquisitions within logistics in the Nordic region.

2008
The Bring brand is launched and the Posten logo is modernised. Started targeted work on reducing CO_2 emissions. We introduce the tracking app.

2010
Posten helps to develop an electric scooter for mail distribution, Paxster. This marks the start of a successful Norwegian electric car initiative.

2011
Digipost, the digital mailbox, is launched.

2016
The Norwegian postal market is opened up to full competition and Posten ceases Saturday letter deliveries.

2017
New ambitious climate goal: use only renewable energy sources in buildings and vehicles by 2025.

2018
A number of new services are launched, including Chatbot for customer service, digital stamps and the opportunity to send from the customer's own mailbox. Posten's own innovation hub opens.

2020
The parcel box is launched. Delivery of letters moves from five days a week to every other day. The Covid-19 situation is handled with good infection control, adaptation and development of new services and record volumes in e-commerce.

2021
We launch Shelfless - one of the Group's biggest single initiatives. New climate targets are approved by SBTi, emission cuts in line with the Paris Agreement. Issue of green bonds worth NOK 1 billion. Named Norway's most innovative company by a professional jury under the auspices of the magazine "Innomag".

2022
Investment in increased terminal capacity. We end the purchase of fossil fuel powered vans for use in cities. Established the Next division to further develop the Group's work on innovation and new business models.

2023
Strengthened Nordic focus - focusing on growing and gaining market share in Sweden. Introduced Parcel Hub; new, modern cloud-based production system.

2024
Set new ambitious climate targets in line with Science Based Targets (SBTi). An important step towards our goal of being a driving force behind the transition to a low-emission society.

Group management in Posten Bring has strategic and operational responsibility for the profitability of their areas

Posten Bring AS is a limited liability company wholly-owned by the Norwegian government and is the parent company of the Group. Responsibility for managing the Norwegian State's ownership lies with the Ministry of Trade, Industry and Fisheries. The state's rationale for its ownership interest in Posten Bring AS is to have a supplier who can meet the state's need for nationwide postal services.

Within the framework of the articles of association, the goal as owner is the highest possible return over time within sustainable frameworks. Sustainability is about long-term value creation that does not harm the environment, people and society.

Delivery of postal services is regulated by the Norwegian Postal Services Act, which lies under the Ministry of Transport and Communications.

For financial reporting purposes, the Group has split operations into two segments, Logistics and Mail.

Tone Wille
(CEO)
(since October 2016)

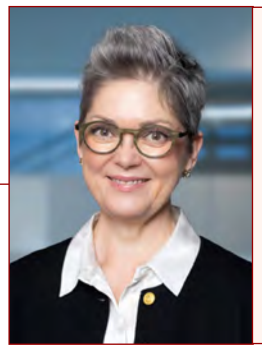
Certain professional functions are centralised at a corporate level and provide services to the divisions and business areas.

Corporate staff units are professional driving forces who challenge and support business divisions. The corporate staff units have in particular been tasked with contributing to interaction and cooperation across the Group and with developing policies and best practice.

Morten Stødle
DIGITAL TECHNOLOGY AND SECURITY
(since October 2016)

Ulf Aass
ECONOMICS AND FINANCE (CFO)
(since January 2024)

Silje Skogstad
STRATEGY, SUSTAINABILITY & COMMUNICATIONS
(since September 2022)



Nina Christin Yttervik
PEOPLE AND ORGANISATION
(since March 2020)

The divisions are central units in the management and development of the Group. They develop business strategies that support the Group's strategy.

Thomas Støkken
E-COMMERCE & LOGISTICS
(since August 2022)

Standardized parcel and freight services for e-commerce and corporate customers in the Nordic region.

Christian Brandt
MAIL
(since October 2019)

Letter services (addressed and unaddressed) to private customers and businesses, and parcels between private individuals in Norway, as well as Digipost.

Hans-Øyvind Ryen
NORDIC NETWORK
(since August 2020)

Cost-effective operation of terminals, shipping and distribution of letters, parcels and goods.

Erik Roth
INTERNATIONAL LOGISTICS
(since October 2018)

Customer-specific solutions for the offshore segment, large industrial customers and International forwarding in the Nordic region.

Thomas Tscherning
NEXT
(since October 2019)

Innovation and development of new business models and markets.

READ RESUMES FOR THE GROUP MANAGEMENT

Leading Nordic logistics operator

Our strategy has been developed based on our ambition to be a leading logistics actor in the Nordic region. It provides direction for the Group's development and describes our positioning in the market.

Click on the image to watch a film with a presentation of our strategy house.

The Nordic logistics market is dominated by the former national postal companies and three international groups. These five players together account for over 50 per cent of the Nordic logistics market. In addition to the major players, there are a number of small and medium-sized operators fighting to take market share in different parts of the value chain. The strong growth in e-commerce logistics has resulted in increased competition, with several new technology-driven players. Many of these choose to focus on the metropolitan areas. The strong competition increases the need to speed up development of new and improved services – and for the implementation capacity to roll these out in the market. Conditions regarding price level, competitive dynamics and customer requirements are changing. We equip ourselves to meet a changing market through continuous development and innovation.

Our strategic platform acts as a framework for decisions and action, by stating what we will achieve and how we are going to reach our goals.

The vision
Our vision - "We make everyday life simpler and the world smaller" - is our guiding principle in our everyday work.

Our general business goal
Leading Nordic logistics actor – describes who we shall be and what we do.

Our main goals
The customer's first choice. At the forefront of technology and innovation. Best at sustainable value creation. Most attractive workplace –states what we need to achieve to realise the strategy. The main goals are critical to our success.

The customer's first choice:
This means that we will provide the best customer experience with high quality and trust. The customer journey should be seamless; both digitally and physically. We will also offer comprehensive logistics solutions and value propositions.

At the forefront of tech and innovation:
This means that we will be the most innovative logistics player. We will use data and technology as drivers for increased competitiveness Data, digital tools and automation shall be used in a secure and ethical manner.

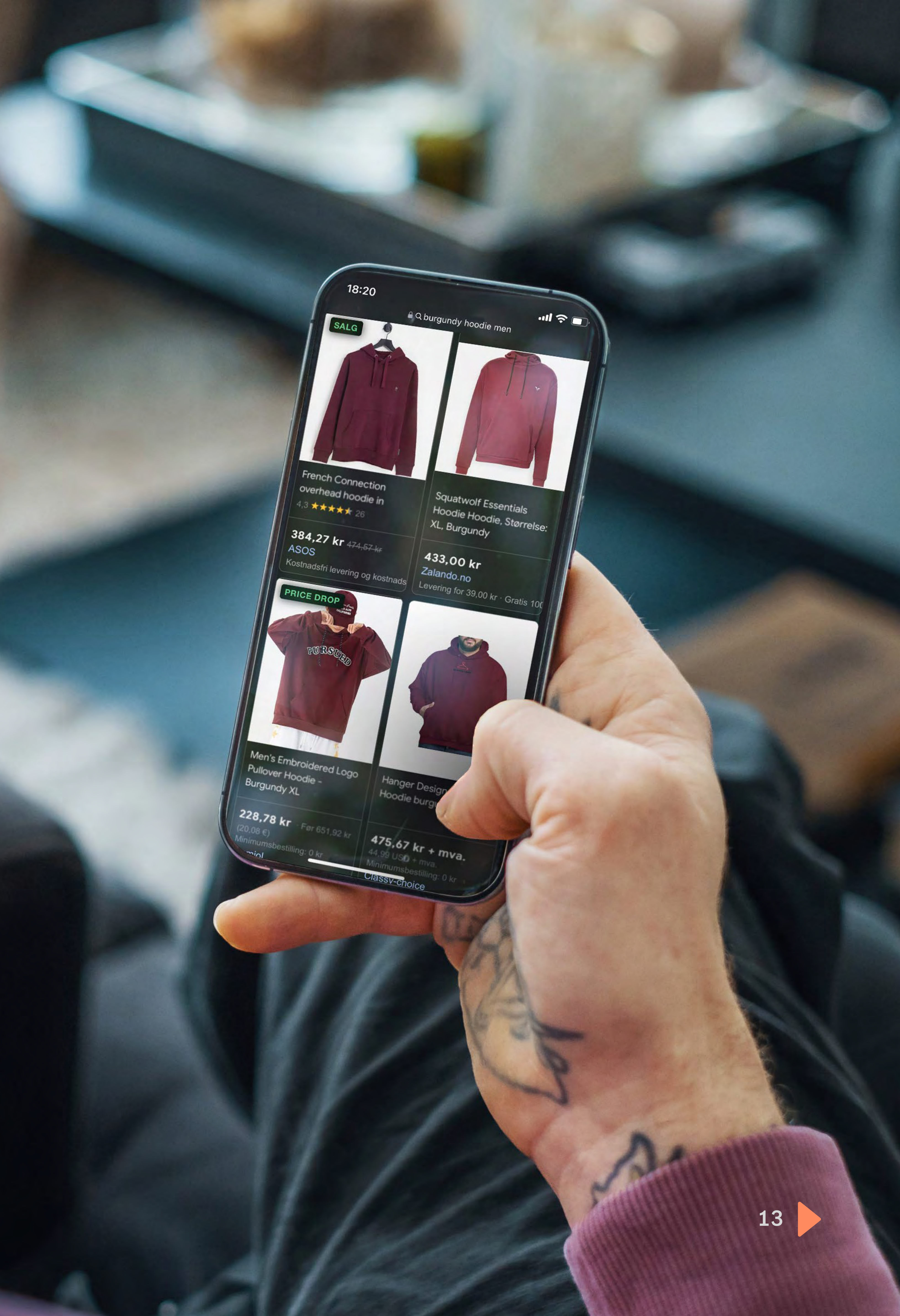
Best at sustainable value creation
This means that we will be a responsible social actor and employer. We will be a driving force in the transition to a low-emission society. At the same time, we will ensure the highest possible financial return over time, within a sustainable framework.

Most attractive workplace
That means that we shall have a shared culture characterised by commitment and openness. The working environment shall be health-promoting and inclusive. Our employees shall always be evolving.

Our values
Take responsibility - Play for the team - Strive for more - reflects a Group that can be relied upon and that we are proud to work for. These values help build our common culture and guide us in all our decisions. They describe what should characterise how we work and how we behave towards each other, our customers and partners.

Our market situation
The coronavirus pandemic led to an extraordinary growth in home delivery and online shopping. Subsequently, the volumes have normalised. At the same time, inflation and interest rate increases have negatively affected consumer purchasing power. Consumption has turned from expensive capital goods to more affordable consumer goods. This, together with several unforeseen events in the past year, have led to many businesses having to adapt their logistics systems in a short time. New technology also provides a number of opportunities to create more efficient and flexible logistics. Efficient transport and infrastructure have become a critical enabler, which creates new opportunities for us as a logistics actor.

Postal services and letter volumes
The letter market in Norway, and in Europe in general, is characterised by falling volumes as a result of general digitalisation and the transition to communication channels other than physical letters.



In Norway, letter volumes fell by 12.4 per cent in 2023 and are in total down over 80 per cent since the peak year of 1999.

Posten Bring is a statutory provider of postal services in Norway, which means that we provide nationwide postal services in line with the law and regulations defined by the Norwegian Parliament through the Norwegian Postal Services Act. We have adapted to the decline in volume through a high degree of automation, general efficiency measures and through various regulatory changes to the framework conditions. In the autumn of 2023, the Government announced that it will create an expert committee to consider and recommend any new changes to the delivery obligation and other framework conditions.

The global and Nordic economy

In 2023, we had a marked and abrupt negative shift in economic growth from the previous year. A number of interest rate hikes put pressure on household purchasing power and led to the economy slowing down. This has had consequences for the logistics industry, since growth in this sector is closely linked to consumption of goods and developments in the economy. Interest rate hikes have lowered the rate of inflation, but at the same time also lowered expectations for developments in 2024. There is considerable uncertainty related to inflation, interest rate developments and economic growth over the next few years. This uncertainty also applies to our industry.

E-commerce

After Covid restrictions were lifted in 2022, e-commerce growth slowed as a result of the reopening of a shut-down society, a return to physical stores, as well as a shift in consumption back towards normal service consumption. In 2023, we see that e-commerce is on its way to the same growth rate as before the pandemic. The underlying trends that have driven e-commerce in the past decade still apply. We are also seeing the increasing use of 3PL (third-party logistics and warehousing). This happens because companies with logistical requirements focus on their own core business and prefer third-party management of logistics and inventory.

Climate and environment

Increased requirements for ESG[1], both from customers, the industry and society at large, are driving the development of innovative sustainable solutions. In particular, changing consumer behaviour, increased awareness of purchasing and transport choices, and stricter regulations and requirements for emissions cuts and transparency in the value chain have accelerated the transition. Systematic efforts are being made to develop more low-emission services, invest in new technology and adapt the network to fossil-free transport, enter into partnerships and influence framework conditions. In 2023, we have also started mapping conditions and increased our expertise on the impact Posten Bring has on nature.

Several logistics players have, like us, set targets for emission reductions in accordance with the Paris Agreement (approved by the Science Based Targets initiative, SBTi). The strategy states that we shall be a driving force in the transition to the low-emission society. This is a commitment. In 2023, the Group has revised and decided to apply for a new ambitious climate target in line with SBT's Net Zero standard. Furthermore, the Group has a target of net zero emissions by 2040.

Innovation

The Nordic logistics market is characterised by a high degree of innovation. A focus on cost-effectiveness and technological progress has driven innovative solutions across the value chains. For the past three to four years, the development in sorting technology has been stronger than in many years and is characterised by artificial intelligence and robotics.

More and more vehicle manufacturers are investing in the development of electric and autonomous vehicles. Several of these have been tested on different stretches of road. The development offers a number of opportunities for increased efficiency in goods and parcel transport and ensuring significant emission reductions at the same time. Small autonomous vehicles and robots are being tested when collecting goods and for stock picking in warehouses, in order to explore the realisation of efficiency gains in different stages.

In 2023, generative artificial intelligence has received much attention. This technology also has considerable potential in our industry.

[1] ESG stands for "Environmental, Social and Governance", and represents a holistic approach to sustainability.

How we create value - our assets

Our value creation depends on our resources:

HUMAN CAPITAL

Our employees
Our 12 649 employees contribute every day with their competence, dedication and ability to change. Employees who are always evolving.

MANUFACTURED CAPITAL

Our assets
Our vehicle fleet and distribution network with terminals at 39 locations and over 6 900 active distribution points in the Nordic region.

INTELLECTUAL CAPITAL

Our ability to innovate
Our focus is on being the most innovative logistics provider and a data-driven business that innovates through insight and technology.

SOCIAL CAPITAL

Our network
Our unique breadth, depth and quality of cooperation with national and local stakeholders, including our including our owners, communities and suppliers.

NATURAL CAPITAL

Our environmental impact
Our ability to reduce negative impact on the environment. We shall be a driving force in the transition to a low-emission society.

FINANCIAL CAPITAL

Our business performance
Our financial freedom and the opportunity to invest in Posten Bring's operations.

We manage our resources through our value chain, our main goals and material topics:

Pickup ▸ transport ▸ store ▸ deliver

The customer's first choice

At the forefront of technology and innovation

Best at sustainable value creation

Most attractive workplace

Our impact on the environment

The impact of the environment on us

And we aim for the following outcome for:

E Environment

Reduced greenhouse gas emissions and more consideration for nature strengthen our and our customers' competitiveness. By setting ambitious goals and testing and adopting innovative solutions and new technologies, we will be a driving force in the transition to the low-emission society.

S Social

A proud, dedicated and effective work force characterised by diversity and commitment. A customer experience of high quality and accuracy wherever we are Strong, well-established and mutual collaboration that helps strengthen our positive contribution in all places where we have a presence.

G Governance

Increased profitability, sustainable value creation and financial capital for future investments, and development of our own value creation capacity.
A good business culture that builds trust with customers, employees and partners.

Our material topics

We have a leading position on sustainability that we want to maintain. If we are to continue to be a leader, we must understand our entire sustainability context and dare to challenge ourselves.

One of the fundamental principles of GRI Standards is that companies shall design their sustainability reporting based on the sustainability topics that are most material to the company. A material topic is defined as "a topic that reflects the organisation's most significant impact on the economy, the environment and people, including its impact on human rights".

In the autumn of 2023, we conducted a double materiality analysis that not only satisfies the requirements of the GRI framework, but also the requirements of the EU Sustainability Directive (CSRD) Unlike previous materiality analyses, there is a greater focus on the financial perspective and quantification of this.

The analysis helps us identify and prioritise the most material sustainability topics for Posten Bring. A double materiality analysis involves assessing which sustainability topics are particularly important to our business from two perspectives:

- **Impact materiality:** actual or potential negative and positive impact on people and the environment.
- **Financial materiality:** sustainability topics with actual or potential impact on the cash flows, development, performance and position of the company.

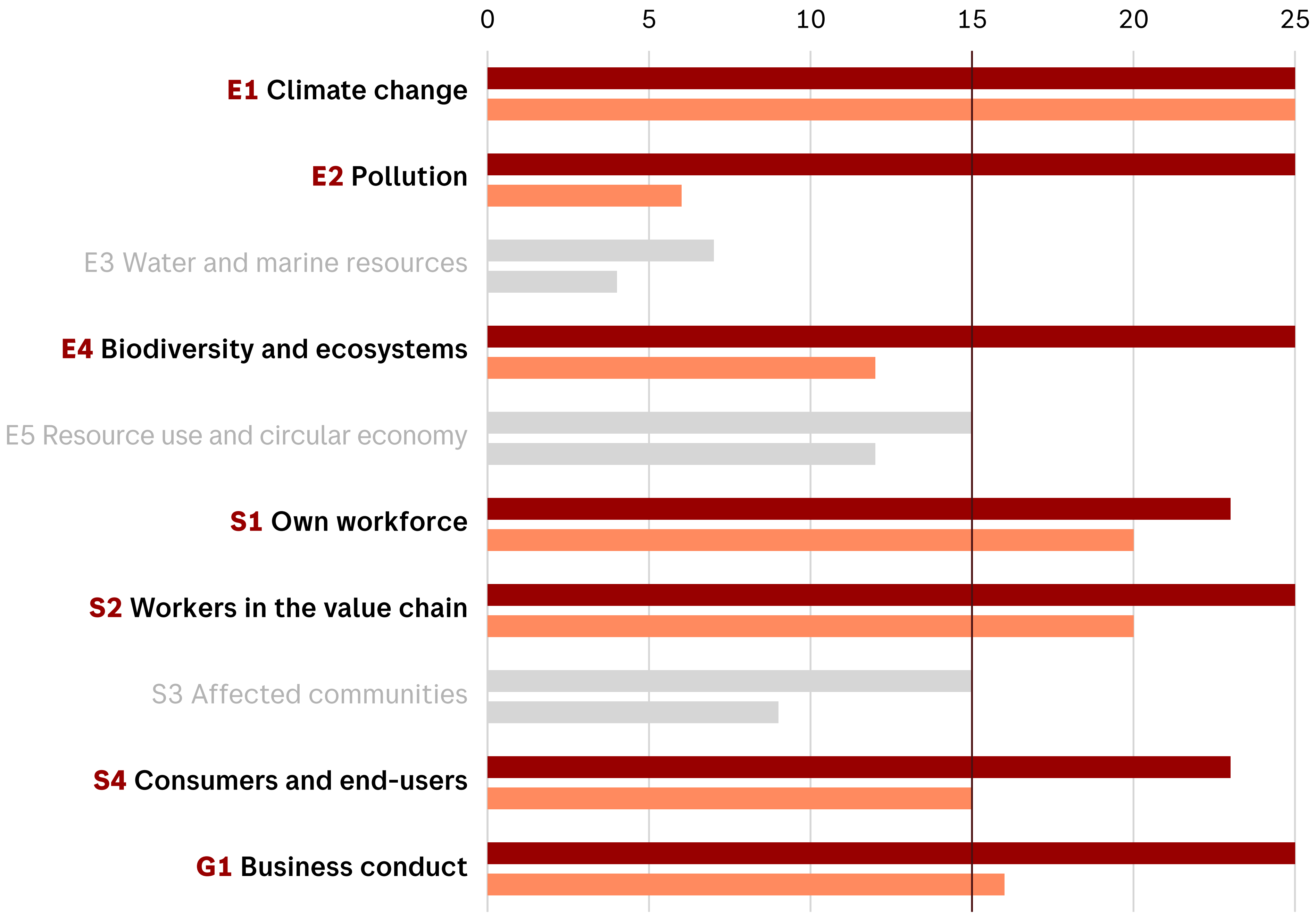
A theme can be material if it scores high either from an impact perspective, a financial perspective, or both.

To determine which topics are most important to Posten Bring, we have worked through a four-step process:

1. **Understand own activities and value chain**
   - Document analysis
   - Value chain mapping
   - Introduction to Group Management
2. **Identify impacts, risks and opportunities**
   - 23 internal interviews
   - Dialogue with external professional experts
   - Workshop with internal professional environments
3. **Assess consequence and probability**
   - Meetings and workshops for scoring topics
   - Interview with Group Management
4. **Determine which topics are material and which are not**
   - 10 external interviews
   - Five interviews with board members
   - Adaptation and calibration
   - Set limits
   - Decision by Group Management

We have conducted external interviews with representatives from our key stakeholder groups: customers, capital market, owner, interest groups, employees, suppliers and communities, as well as representatives from the Board. Material topics were decided by Group management and subsequently dealt with by the Audit Committee and the Board of Directors. The interviews have provided important input and confirm the basis from the analysis work.

The results of the analysis show that these topics are most material to Posten Bring:



A topic is material to us if it has scored over 15 from an impact perspective, a financial perspective, or both.

The changes from the previous materiality analysis (2020) are:

1. Biodiversity and ecosystems are included
2. Pollution beyond air pollution is included (soil pollution and emissions of microplastics)
3. End users are highlighted as a separate topic
4. Procurement, material consumption and recycling are removed as a separate theme
5. Impacted local communities are removed – partially covered in the theme "End Users"
6. Facilitator of the circular economy is removed
7. Driving force for sustainable framework conditions is removed

Sub-topics:

We use the topic division from the Corporate Sustainable Reporting Directive, CSRD. The standards consist of ten sustainability topics divided into E, S and G and associated sub-topics.

E1
- Climate change
- Climate change mitigation
- Energy

E2
- Air pollution
- Soil pollution (NEW)
- Microplastics (NEW)

E4
- Direct impact on drivers of biodiversity loss (NEW)
- Impact on the extent and condition of ecosystems (NEW)

S1
- Working conditions
- Equal treatment and opportunities for all

S2
- Working conditions
- Other work-related rights

S4
- Information-related impact
- Personal safety
- Social inclusion

G1
- Corporate culture
- Protection of whistleblowers
- Management of relationships with suppliers and payment practices (NEW)
- Corruption and bribery
- Cyber security
- Competition law

The fact that a sustainability topic is material means that we must deal with the topic in both strategy and management processes. The topics are incorporated into strategy, and goal achievement is followed up. Good management and reporting routines shall be established, and we shall ensure that management is aware of the topics and includes these on the management agenda. Some of the topics we have been working on for a long time and some topics are completely new. We will use the next year to better understand the new topics and specify how Posten Bring shall work to reduce negative impact and increase its positive contribution.

The results of the materiality analysis form the basis for this report. In chapter two and in the fact booklet "Sustainability at Posten Bring", we report on action plans, follow-up, goals and indicators for each individual topic.

The materiality analysis is an important tool to ensure that we work on the right and most significant areas for our stakeholders, for the Group's long-term value creation and where Posten Bring has the greatest impact.

The fact that something is *not* material does not mean that it is not important.

We have carried out prioritisation, but will still follow up on other topics, and provide information on some topics in the Integrated Annual Report.

We create results for people, the environment and society

	Strategy	Assets	Measured by	2019	2020	2021	2022	2023	Goal 2023	Status 2023	Goal 2024	Goal 2025	Amb. 2030
Business goal	**Leading Nordic logistics operator**	Our business performance	Return on equity after tax	**0.2%**	**16.4%**	14.5%	(4.3%)	**3.1%**	> 10%		> 10%	> 10%	> 10%
Main goals	**The customer's first choice**	Our network Our assets	NPS[1] (Customer Barometer)	39	48	51	54	**54**	55		55	56	60
	At the forefront of tech and innovation	Our ability to innovate	NHH Social Innovation Index[2]	52	52	52	51	**52**	> 52		> 52	> 52	> 52
	Best at sustainable value creation	Our environmental impact	Share of vehicles running on fossil-free energy sources[3]	-	**26%**	37%	44%	**50%**	49%		56%	59%	86%
	Most attractive workplace	Our employees	Sickness absence rate	5.9%	6.0%	6.0%	6.9%	**6.7%**	6.8%		6.7%	6.5%	6.2%
			H2 injury rate	7.8	7.0	9.3	7.0	**6.4**	6.4		6.1	5.3	5.0
			Female managers at all levels[4]	-	-	-	-	**31%**	32%		-	35%	40%
			Female managers at levels 1-3[4]	-	-	-	-	**NA**	NA		39%	-	-
			Employee commitment[5]	-	5.4	5.6	5.6	**5.6**	NA		5.7	5.8	5.9

[1] 2017-2019 are comparable. 2020-2023: New baseline, entire Service network included. The scale is from -100 to 100.
[2] The social innovation index shows scores, not placements as before.
[3] Includes scope 1 (own vehicles) and parts of scope 3 (subcontractors)
[4] New target with increased ambitions means that the target for 2024 is not comparable to historical figures or new target figures toward 2030. The 2024 goal applies to management levels 1-3, while the 2025 and 2030 goals are for all management levels.
[5] New target.

Key events in 2023

Q1

- We have increased parcel volumes in Denmark by over 50 per cent since 2019.
- Bring can now deliver parcels using fossil-free fuel to 6.1 million Swedes.
- Bring focuses on the circular economy and has entered into cooperation with the Nordic region's largest market-place for second-hand items, Tradera.
- The first parcel boxes in Sweden were deployed in Stockholm, Gothenburg and Malmo. During the year, the company deployed about 300 boxes from Bring in Sweden.

Q2

- Launched new service where customers can send and return from the parcel box. More than 20 000 parcels were shipped with the new solution throughout the year and customers provided great feedback.
- The plans for a new terminal facility at Kokstad outside Bergen were stopped by the County Governor on the grounds that the municipality of Bergen had not followed the principles of the Nature Diversity Act when they approved the plans.
- Posten Norge AS changed its name to Posten Bring AS.
- Construction of the new terminal in Jönköping began. The terminal will be more than twice as large as the current one and the second largest terminal in the Group. It will be completed at the beginning of 2025.

Q3

- Storm Hans. Large precipitation rates, closed road and rail connections, and a collapsed bridge created major challenges for mail and parcel deliveries.
- For the third year in a row, we topped PWC's climate index.
- Delivery of mail and parcels to half of Norway's inhabitants by electric vehicle.
- Opened a new Shelfless warehouse in Køge, Denmark. Can deliver parcels to two million Danes on the same day as the order.
- Launched new corporate strategy.
- Installed 34 new charging points in Denmark at two terminals. We can now deliver using electric vehicles to 1.4 million Danes.

Q4

- Tone Wille announced that she will leave Posten Bring as CEO after seven years in the position. She will remain until her successor is in place.
- Launches national charging network -for heavy goods vehicles.
- Halts Facebook advertising after a fraud campaign.
- Digipost passed three million users. About two out of three residents over the age of 15 now have a secure digital mailbox, and trust in the service is high.
- Introduced Parcel Hub; a new, modern cloud-based production system.
- Adopts new ambitious climate targets in line with Science Based Targets.
- In 2023, for the first time, we passed 100 million parcels.

Part 2
Our value creation

Sustainability is about long-term value creation that does not harm the environment, people and society.

In the fact booklet "Sustainability at Posten Bring" (attachment) you will find detailed information about guidelines, responsibilities and detailed tables.

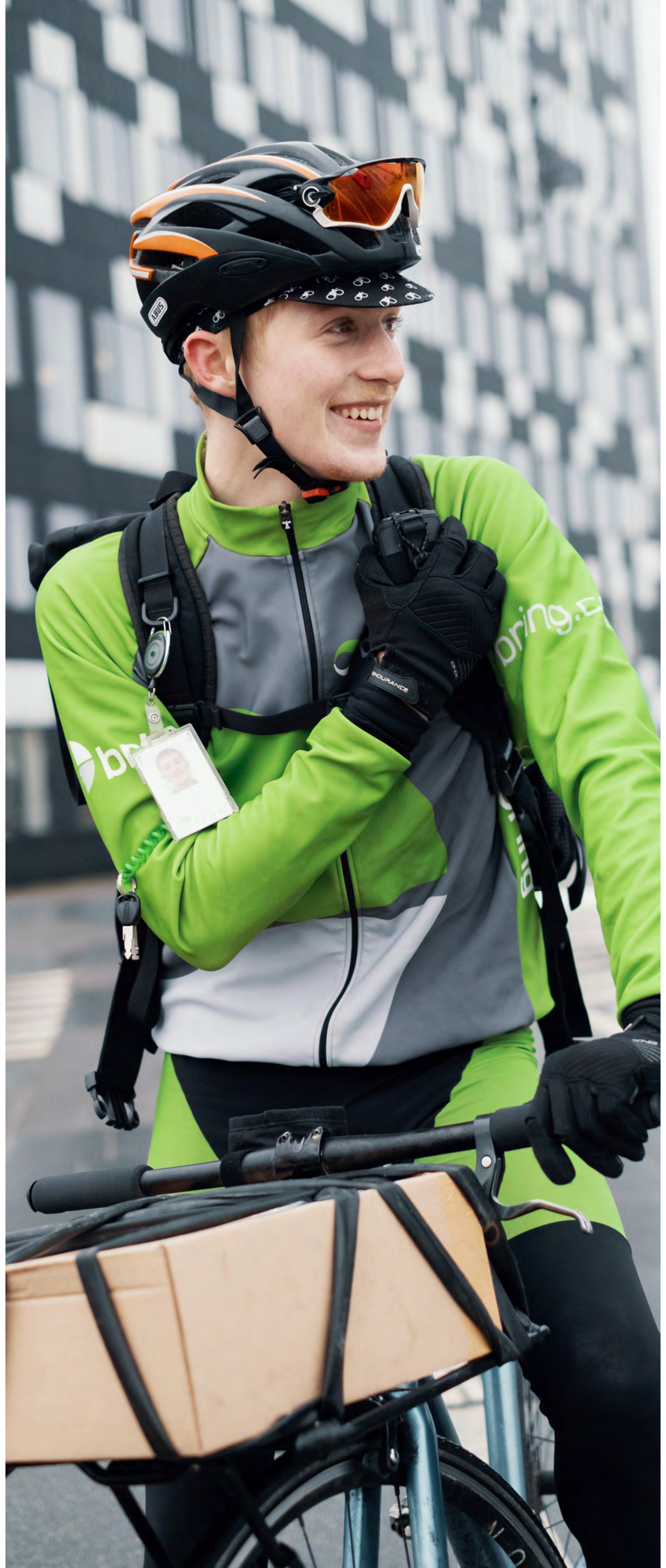
E Environment

As a major transport and logistics player, we are part of the emissions problem - and part of the solution. We shall be a driving force in the transition to a low-emission society.

NATURAL CAPITAL

The Group's climate and environmental strategy has set science-based, quantitative targets for emission reductions in line with the Paris Agreement. We have implemented a number of measures for CO_2 cuts on the way to achieving net zero emissions in the entire Group from 2040. We are also working to reduce soil pollution and emissions of microplastics. We have started mapping and are increasing our knowledge of i mpacts on nature and our nature risk. The goal of being the best in sustainable value creation also means implementing measures that no one else has done before. We believe that specific and ambitious goals create both energy and pace in climate and environmental work.

Our key areas within *Environment* can be linked to UN Sustainable Development Goal 9 "Industry, Innovation and Infrastructure", sub-goal 9.4, UN Sustainable Development Goal 11 "Sustainable Cities and Society", UN Sustainable Development Goal 13 "Stopping Climate Change", sub-goal 13.3. and UN Sustainable Development Goal 17 "Partnership for the Goals", sub-goal 17.17.



Connection to our strategy:

Best at sustainable value creation
- A driving force behind the transition to a low-emission society

Measured by:

- Proportion of vehicles powered by renewable energy sources

Our stakeholders believe we can exert influence in these material topics:

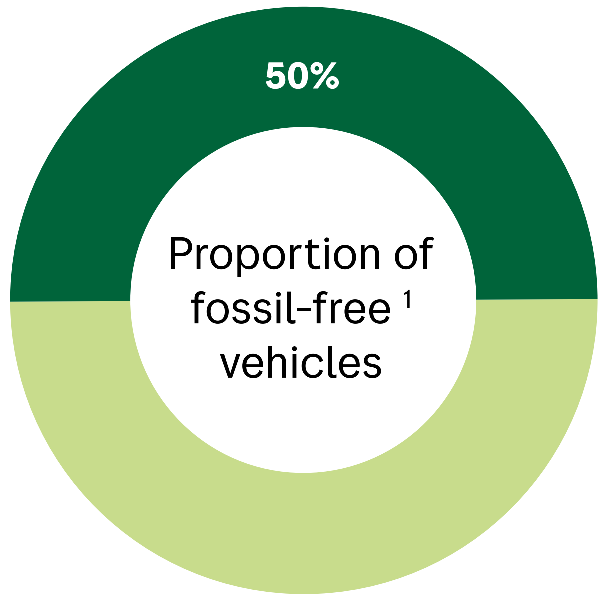
- Climate change
- Pollution
- Biodiversity and ecosystems

Result:

Reduced greenhouse gas emissions and better consideration of impacts on nature strengthen our and our customers' competitiveness.

How we meet our targets:

Goal 2023: **49%**
Goal 2024: **56%**



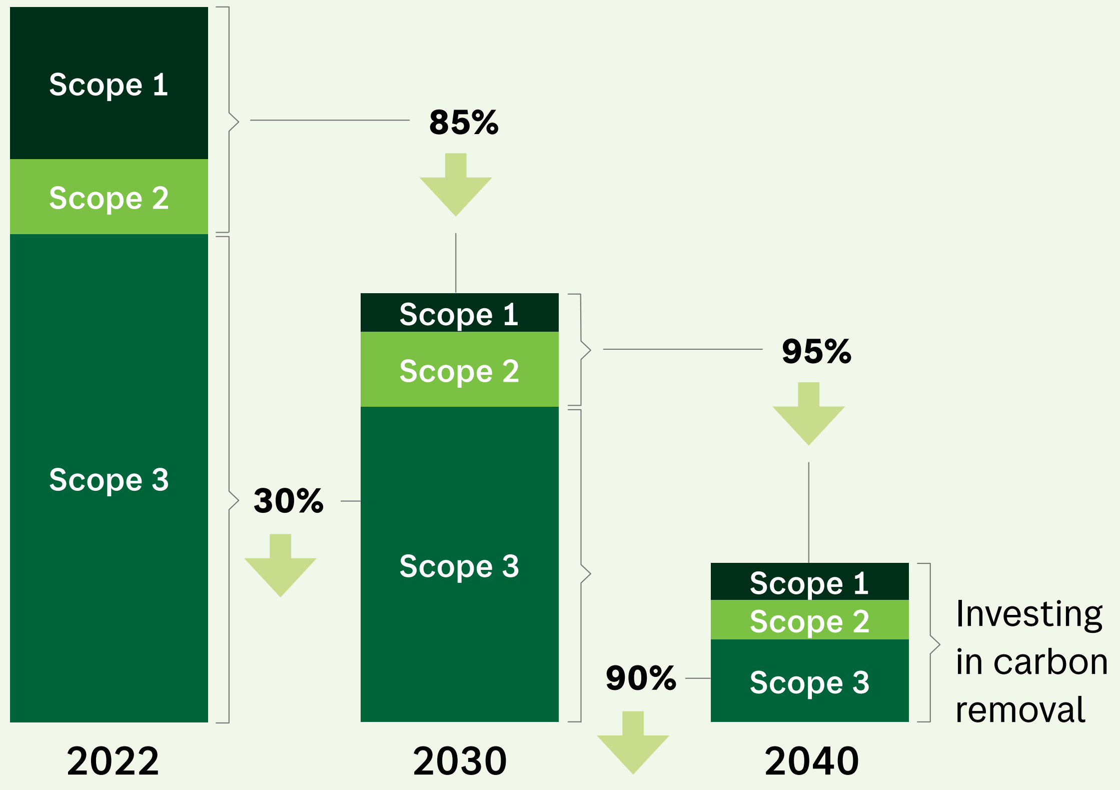
[1] Vehicles using fossil-free energy sources

Climate change

Impact, risks and opportunities
The climate crisis is one of the greatest challenges of our time. If we, as a major transport and logistics player, do not cut our emissions, we will not reach the climate targets. We can also lose customers and our reputation if we fail to offer good solutions. Posten Bring has both the opportunity and an obligation to lead the way in the work on emission cuts. By having ambitious targets and investing in new technology, both in vehicles and infrastructure, we can help maintain the necessary pace of the transition to a low-emission society.

Our climate targets

The Group has adopted new ambitious emissions reduction targets in line with the Science Based Targets initiative (SBTi):



By 2030:
- **85%** reduction in direct emissions from fuel and energy consumption (scopes 1 and 2)
- **30%** reduction in emissions from purchased transport and purchased goods and services (scope 3)

Net-zero emissions target in 2040

HOW WE WORK ON THE TOPIC

In 2023, the Group launched a new ambitious strategy in which we determine/express an ambition to be a *"driving force in the transition to a low-emission society"*. This commits us to actively reduce our negative impact on greenhouse gas emissions and energy consumption through a number of initiatives. In 2023, the Group reduced greenhouse gas emissions from road transport by 17 per cent from 2022, which is the baseline for the Group's updated climate targets. This is the equivalent of the average emissions of 721 diesel-powered heavy goods vehicles. In 2023, the Group's total consumption of electricity and district heating was 105 573 Mwh, which is an increase of 11 per cent from 2022. This is due to the establishment of new charging points and terminals. On the following pages, we describe how we work to reduce direct emissions from own operations (scope 1), indirect emissions from electricity and district heating (scope 2) and other indirect emissions (scope 3)

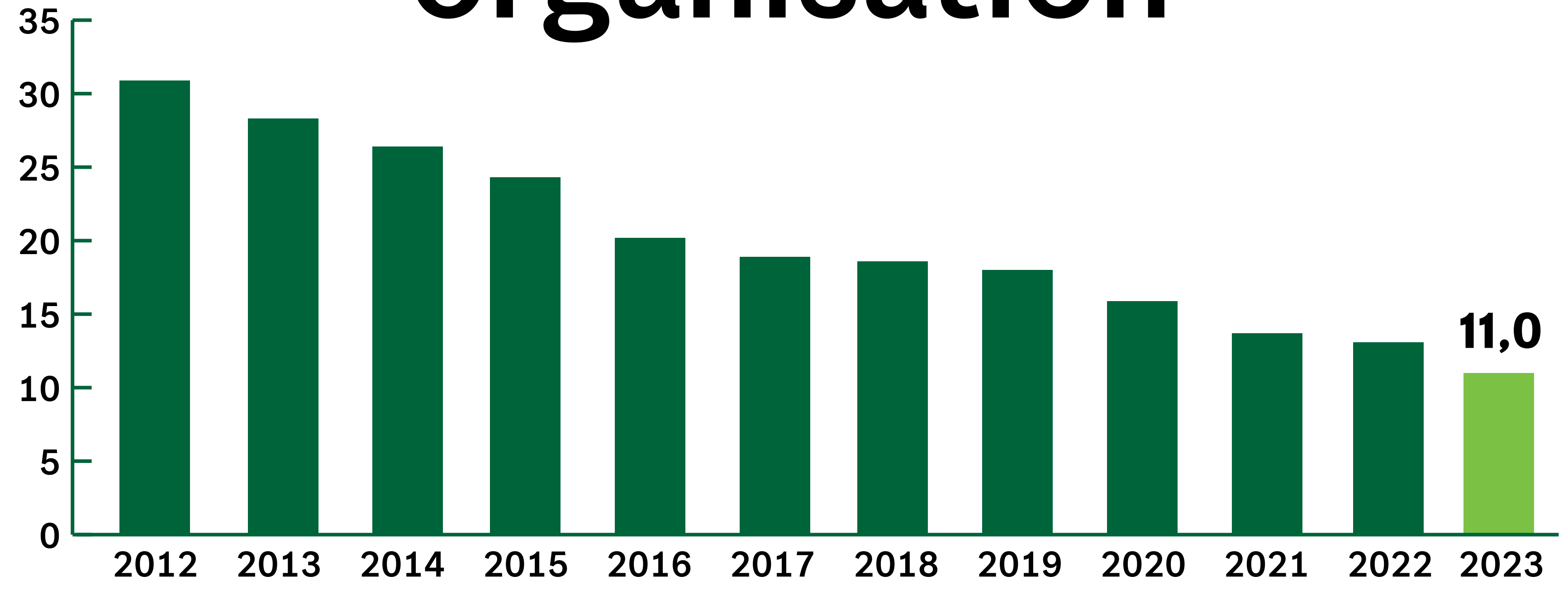
Scope 1 – direct emissions from own operations

Direct greenhouse gas emissions from own operations were 42 746 tonnes of CO_2-equivalents in 2023, which is a 15 per cent reduction from 2022. This is the result of a dedicated conversion of our own vehicle fleet since the deployment of the first electric vehicle in 1994. Posten leases 4 234 vehicles through Leaseplan and the group owns a further 59 vehicles in Bring Intermodal. By the end of 2023, 52 per cent of these vehicles were running on fossil-free energy sources, 2 162 on electricity and 71 on biogas.

We bought 538 electric vans in 2023. By grouping these and establishing central hub solutions, seven municipalities are distributing parcels and letters with electric vans. In 2023, the 183rd electric van was put into service in Oslo. This was the final piece of the puzzle in being able to declare the capital fully electric when it comes to post and parcel deliveries. In addition, the municipalities of Skien, Porsgrunn, Asker, Bærum, Hamar, Tønsberg and Longyearbyen have also replaced all vans running on fossil fuels with electric alternatives. In total, we now deliver post and parcels by electric vehicles to 2.7 million Norwegians, which corresponds to 50 per cent of Norway's population.

A decreasing emission intensity[6] indicates an

emission-efficient organisation



[6] CO_2 emissions measured in grammes per NOK earned, based on scope 1 and 2 as well as category 3, 4, 5, 6, 7 of Scope 3.

We have also started to change our heavy goods vehicles. In Norway we have 71 electric trucks and 68 biogas trucks in operation, this is an increase of a total of 88 since the end of 2022. Another 28 electric trucks will be added in 2024.

Dozens of electric trucks have been ordered that can drive with trailers and trailer weights of up to 60 tonnes. Shorter regular service routes can therefore be served by zero-emission vehicles and help reduce the Group's direct greenhouse gas emissions.

Since 2020, Posten Bring has deployed parcel boxes at around 1 960 locations from Svalbard in the north to Lindesnes in the south. A high degree of coverage means that customers can collect their parcels without needing to travel by car, and in Oslo alone, 59 per cent of the population are situated within 500 metres of the closest parcel box. This helps to reduce greenhouse gas emissions from households that would otherwise have driven to collect their parcels. Additionally, 80 per cent of the parcels delivered to parcel boxes are also transported using electric vehicles.

We have started the conversion of our heavy goods vehicles, and in Norway we have

71 electric lorries and 68 lorries in operation

Integrated Report 2023

Climate accounts (GRI 305-1/2/3) in tonnes

	Base year 2022	2022	2023	Change in % last year
Scope 1 GHG emissions				
Gross Scope 1 GHG Emissions (tCO2eq)	**50 539**	**50 539**	**42 746**	**-15.4%**
Scope 2 GHG emissions				
Gross location-based scope 2 GHG emissions (tCOeq)	**3 634**	**3 634**	**3 311**	**-8.9%**
Scope 3 GHG emissions				
Total Scope 3	**253 530**	**253 530**	**222 736**	**-12.1%**
01/02 Purchased goods and services	-	-	-	-
03 Fuel and energy related activities	14 615	14 615	12 621	-13.6%
04 Upstream transport and distribution	224 080	224 080	194 528	-13.2%
05 Waste	258	258	286	10.8%
06 Business travel	2 228	2 228	1 993	-10.5%
07 Commuting	12 350	12 350	13 307	7.8%
15 Investments	-	-	-	-
Total GHG emissions				
Total location-based GHG emissions (tCO2eq)	**307 704**	**307 704**	**268 793**	**-12.6%**
Total market-based GHG emissions (tCO2eq)	**306 199**	**306 199**	**303 534**	**-0.9%**
Biogen emissions[1]		**57 033**	**43 914**	**-23.0%**
Total GHG emissions with extended scope				
Total location-based GHG emissions (tCO2eq)			**398 641**	
Total market-based GHG emissions (tCO2eq)			**433 381**	

[1] Biogenic emissions are the direct CO_2-effect of biofuel combustion. Emissions are rapidly absorbed by bioenergy sources during their lifetime. Biogenic emissions are included to ensure comprehensive accounting for emissions arising from the combustion of biofuels.

General footnotes
- CO_2 gases included in the accounts are CO_2 (carbon dioxide), N_2O (nitrous oxide), and CH (methane). This covers all emissions from sources defined in the Greenhouse Gas (GHG) Protocol
- The sources of emission factors are based on factor sets from DEFRA, adjusted for national variations in revenue requirements for biofuels in diesel. For "location-based electricity", a factor from the IEA and Norwegian Water Resources and Energy Directorate (NVE) are used for consumption in Norway. The GWP rates used to calculate CO_2e are based on the IPCC AR5 over a 100-year period. Emissions factors are Well-to-Wheel (WTW). WTT emissions of Scope 1 and 2 are categorised into Scope 3 in line with the GHG protocol.
- The accounts have been consolidated in accordance with the GHG protocol's approach operational control and using system GHG123 by Emisoft in line with financial accounting. Read more about what is included under «General information» on page 110. Scope 3 categories not included are considered not relevant after screening all categories.
- Base year is set to 2022 in accordance with the Group's updated SBT target. An error was discovered for a data point in the 2022 financial statements that resulted in a recalculation of total emissions in 2022. In addition, WTT from commuting is included in the 2022
accounts to achieve a complete WTW account. In total, the a djustments mentioned constitute a reduction of 11 211.76 t CO_2e.

	Base year 2022	2022	2023
Scope 3 GHG emissions			
Total Scope 3	**253 530**	**253 530**	**352 583**
01/02 Purchased goods and services	-	-	129 619
03 Fuel and energy related activities	14 615	14 615	12 621
04 Upstream transport and distribution	224 080	224 080	194 528
05 Waste	258	258	286
06 Business travel	2 228	2 228	1 993
07 Commuting	12 350	12 350	13 307
15 Investments	-	-	228

Expansion of the Group's Scope 3 reporting
In connection with efforts to update the Group's SBT targets, we have expanded the Group's Scope 3 reporting to also include emissions generated as a result of purchased goods and services and investments. This means that we will have a complete Scope 3 accounting. To ensure comparability and transparency in the report, we have prepared the 2023 accounts in two tables. The overall result is based on the original reporting, while the Scope 3 table includes the two new categories mentioned. For next year's report, we will be able to compare historical emissions across all categories of the accounts.

Scope 2 – indirect emissions from electricity and district heating

Electricity and district heating consumption mainly comes from our largest terminals as well as slightly less consumption from distribution points, offices and hubs. The Group's investment in solar cells at terminals has a positive impact by reducing the pressure on power capacity. By the end of 2023, we had installed solar cells at 13 terminals and have started the installation at another two terminals in Norway.

In 2023, Enova launched a support programme to establish internal charging infrastructure for heavier vehicles. The Group has been granted support for 22 different locations with an 18-month dead-line for establishing charging infrastructure. Posten Bring has expanded the charging infrastructure at eight terminals in Norway, from Kristiansand in the south to Stavanger in the west and Bjerkvik in the north. The Group has entered into an agreement with two DC charger suppliers and has established 96 rapid chargers for trucks. The chargers and power cabinets have an output from 120 kw to 480 kw. The installation of charging infrastructure will continue throughout 2024.

In 2023, several measures have been implemented to increase production of renewable energy and reduce dependence on fossil fuels at the post terminal in Stokke. The terminal has installed solar cells and energy wells that utilise the Earth's natural heat to create energy. The wells contribute to lowering energy consumption, and thus also greenhouse gas emissions. In addition, in Stokke Posten aims to achieve a Breeam Nor 6.0 very good certification that sets requirements for energy supply and energy efficiency.

The Group has increased the production of solar energy at the terminal in Vantaa, Finland, and planned the installation of solar cells at the terminal in Taulov, Denmark. Increased internal production of renewable power is key to ensuring the electrification of road transport. In 2023, we drew up a business case for the establishment of a 600 kWh battery solution at the terminal in Greve, Denmark, in which the production of solar energy will be stored for subsequent charging of vehicles. In Sweden and Denmark, there is already high demand for batteries in the electricity system, and battery solutions will provide greater flexibility in terms of the development of charging infrastructure.

We also partnered with three companies in 2023 that supply smart control solutions for depot charging of electric vehicles. The purpose is to ensure that the vehicles have sufficient energy to manage assignments, prioritisation of vehicles, ensure that the energy consumption at a terminal does not exceed maximum capacity and reduce costs associated with the optimisation of energy consumption in relation to electricity prices.

Integrated Report 2023

Paxster buys back many of the vehicles used by Posten Bring, strips them down, and rebuilds them with

a reuse rate of 95 per cent

Scope 3 – Other indirect emissions

Category 1 and 2. Purchased goods and services and capital goods

Posten Bring is a major buyer and recognizes that we have a great influence. Greenhouse gas emissions resulting from purchased goods and services are for the first time included in the climate accounts and are calculated using a set of factors and a categorisation of species accounts from The Norwegian Agency for Public and Financial Management (DFØ). We will continue working to understand how we can ensure that all procurements are in line with our ambition to be a "driving force in the transition to a low-emission society" and we will work to obtain data directly from suppliers. Consequently, we will not be able to compare developments from next year's base year until next year's report.

In 2023, the Group placed an order for uniforms made using recycled polyester. Approximately 70 500 garments/accessories have arrived in stock during the year and around 49 600 of these include recycled polyester (i.e. between 10.5% and 100% recycled polyester per garment - Some are mixed products containing more cotton) The estimated number of used PEP bottles that have been recycled to become uniforms as part of the production order for the year amounts to around 0.5 million bottles. This corresponds to approximately 13.4 tonnes of recycled polyester.

In addition, a pilot has been carried out on T-shirts manufactured in 100 per cent tencel, where certified biobased fibre is produced in a closed process where chemicals and water are reused. By ensuring longer material life, we can reduce indirect greenhouse gas emissions.

A new acquisition has also been made for breakfast and canteen agreements. The canteens managed by Posten Bring will have targeted measures to reduce food waste. This includes the daily sorting and weighing of food waste for two periods of 14 days during the year. The suppliers will calculate the greenhouse gas emissions for each dish, highlighting this to consumers, and will implement initiatives to ensure that guests select the dishes that have the lowest emission profile.

We buy property services and invest in land, land development and buildings. In 2023, Posten Bring Eiendom procured the CO2pilot system to prepare project-specific data relating to greenhouse gas emissions throughout all phases of development projects. Project goals are created based on the group's climate goals and evaluated against industry averages. This is to ensure that property projects are completed with the lowest possible greenhouse gas emissions.

The Group has worked with Paxster since its inception in 2014, a collaboration that has continued in 2023. Posten Bring has been supplied with around 750 Paxsters. Paxster buys back many of the vehicles, strips them down completely, and rebuilds them with a reuse rate of 95 per cent. This contributes to increased service life of the materials included in the vehicles.

Category 3. Production of fuel and energy
Well-to-tank (WTT)[7] emissions from vehicles are reduced in line with the restructuring of the vehicle fleet, from running on fossil energy sources to vehicles running on low- and zero-emission technology. This accounted for three per cent of Posten Bring's total greenhouse gas emissions in 2023 and is expected to be reduced annually with the Group's ambitious restructuring plan and targets for 2030.

Category 4. Upstream transport and distribution[8]
Upstream transport and distribution accounts for 49 per cent of Posten Bring's greenhouse gas emissions and is thus our largest source of emissions. As a major Nordic transport and logistics provider, the Group is a major buyer of road, maritime, rail and aviation transport.

In 2023, we launched the Group's major focus on charging infrastructure net works for heavy electric vehicles, whereby facilitation is made so that external transporters can use the chargers at several of the terminals. This will be the most powerful charging infrastructure in Norway and is crucial for ensuring emissions reductions on a national basis.

In addition, we have installed several AC and DC charging points in Ørebro, Jønkøping, and Gothenburg, which facilitate electrification also in Sweden. In Sweden in 2023, Bring has put an end to the purchase of vans running on fossil fuels in Stockholm, Gothenburg and Malmø and has also decided that 50 per cent of light goods vehicles will be electric by July 2024. This is made possible, in part, by the Group providing financial collateral to the subcontractor.

Bring has installed 34 charging points in Denmark in 2023 and decided that all the vans in Copenhagen will be electric in April 2024. In Finland, all vehicles used for deliveries run on biofuels, and three electric vehicles have also been delivered in Helsinki.

In 2023, we entered into an agreement with a new rail transport supplier for the Älmhult - Jönköping – Oslo line. A round trip of six days a week with a capacity of 68 TEU containers [9]. With the new modern locomotives, this will reduce annual consumption of 3.1 GWH. In 2023, the Group transported 197 290 TEUs by rail, which corresponds to 98 645 fewer trucks on the road during the year. 90 per cent of tonnes per kilometres driven are operated with electric locomotives.

Posten Bring entered into an agreement with the airline Sprintair S.A. from May 2023. It is estimated that there will be an annual emission reduction of approximately 1 360 tonnes of CO_2e, mainly due to the transition from jet to turbopropeller aircraft. The agreement also includes a clause permitting the use of up to 50 per cent Sustainable Aviation Fuel (SAF)[10]. SAF is not currently widely used at Norwegian airports, but is expected to become more competitive in the future. The Group is actively working on reducing the use of freight aircraft, Bring Cargo AS reduced the number of chartered freight planes from 27 to five in 2023.

Category 5. Waste
Waste mostly arises at terminals, where the consumption of paper, card and cardboard accounts for more than half. In 2023, we generated 21 715 tonnes of waste. The Group has achieved eco-lighthouse certification for 14 of its units, which means that each unit has drawn up a waste management plan and arranged for the sorting of waste at source. Across the waste categories overall, the sorting ratio was 79 per cent in 2023. This contributes to a significant amount of the waste generated being recycled.

Category 6. Business travel
Posten Bring has over 12 600 employees with offices spread across seven countries. This entails a degree of travel. The Group has an action rule and policy

Purchased transport and distribution accounts for 49 per cent of Posten Bring's greenhouse gas emissions and is thus our largest source of emissions.

[7] WTT is emissions associated with the production of the fuel used in the vehicles.
[8] Purchased transportation and distribution
[9] 1 TEU = 1x 25 ft container
[10] Biofuels

for business travel. The rules shall contribute to the restriction of travel to what is necessary based on business considerations, so that climate and environmental impact are minimised. Technological solutions, active coordination and planninghelp restrict this activity.

Category 7. Commuting
The Group wishes to facilitate access to effective public transport to and from a fixed workplace. In 2023, we prepared an annual employee survey that included questions related to employee travel habits to and from work that has increased data quality in this category. Data from the survey enabled more accurate calculation of greenhouse gas emissions from commuting, and in 2023 WTT emissions are also included, in line with the rest of the climate accounts.

Category 15. Investments
For the first time, we report on indirect greenhouse gas emissions from direct investments Bring Ventures invests in startups that drive innovation relevant to the Group. This involves Scope 1 and 2 emissions for twelve portfolio companies where we have > 1 per cent ownership. The calculation is based on an estimate, the ambition is to receive data directly from the companies by next year's reporting. Bring Ventures has piloted a system that can support portfolio companies in sustainability reporting, including climate accounts. This assists the startup companies in mapping their own impact and implementing effective measures for emissions reduction. This work will continue in 2024. Consequently, from next year's report we will be able to compare developments over time.

CONTACT WITH STAKEHOLDERS

In the autumn of 2023, a double materiality analysis has been conducted in line with the CSRD framework. The Group has a broad stakeholder group consisting of, among other things, customers, owners, consumers, local communities and employees. Climate change was highlighted by all stakeholders as a material topic for Posten Bring. The Group has a major impact on both adaptation to and reduction of climate change. It is important for the Group that stakeholders have ambitious expectations for us to reduce and adapt to climate change. Posten Bring supports the commitment among our stakeholders, which substantiates that our ambition to be a driving force in the transition to a low-emission society is in accordance with their expectations.

As a major Nordic transport and logistics player, we have the opportunity to reduce our direct and indirect greenhouse gas emissions, but also to reduce our customers' indirect greenhouse gas emissions as a result of transport activities. Some of the Group's biggest customers place the most demanding requirements on emissions reductions and drivingwear on low and zero-emission technology. In 2023, for example, we piloted a collaboration in Sweden with Systembolaget and Energifabrikken where Systembolaget buys a major proportion of renewable fuel used by Bring. In addition, we are in continuous dialogue with our suppliers to ensure that they are part of the group's transitional journey.

OUR ASSESSMENT AND THE WAY FORWARD

The Group's efforts to reduce greenhouse gas emissions and adapt to climate change are receiving recognition both nationally and internationally. In 2023, we received the NHO LT Environmental Award for our work on the electrification of the vehicle fleet and associated investments in charging infrastructure and solar panels. The Posten brand came out on top of our industry in Ipsos' environmental awareness reputation survey, and the Bring brand finished fifth. We have had a positive trend in our position in the survey from its start in 2011 to 2023. PwC's 2023 climate index once again showed that we were one of only a few companies that reduces greenhouse gas emissions in line with the Paris agreement. In 2023, the Sustainable Brand Index conducted a survey among consumers on how they perceive businesses in terms of sustainability, and Posten in Norway came second, just behind Finn.no.

Internally, the effect of implemented measures is measured through the Group's climate accounts. All significant direct and indirect greenhouse gas emissions are reported annually in accordance with the GHG Protocol, through a reporting system. They are attested by external third parties as part of the sustainability information certification in line with the GRI framework. The accounts are prepared based on factors from recognised sources such as DEFRA [11], NVE [12], and IEA [13]. Through our cooperation in the International Postal Cooperation (IPC), the accounts are also regularly attested by PwC in Brussels.

The Group also has a group-wide KPI [14] that measures the share of vehicles running on new and fossil-free energy sources. The KPI consists of both self-owned vehicles and selected regular suppliers. When introduced in 2020, 23 per cent of vehicles were recorded as running on renewable and fossil-free energy sources. By the end of 2023, the proportion had increased to 50 per cent. The target for the year was 49 per cent and in 2024 we are raising our ambition level further with a target of 56 per cent share of vehicles running on renewable and fossil-free energy sources.

[11] THRA: The UK Department for Environment, Food and Rural Affairs.
[12] NVE: The Norwegian Water Resources and Energy Directorate.
[13] IEA: International Energy Agency.
[14] KPI = Key performance Indicators.

FACILITATOR OF THE CIRCULAR ECONOMY

Logistics is a key to circular resource flow and Posten Bring can help transport most things between someone who has something to spare and someone who lacks the same thing. This makes it easier to let products live on. In the short term, the most important issue for us to facilitate second-hand sales, sharing, rental, repair and reuse for private individuals, since this is an important and functional part of the economy. At the same time, we work with our customers and partners to contribute to circular business models and value chains on an industrial level.

A circular economy is important for reducing overconsumption, destruction of ecosystems, reduction of biodiversity, pollution and greenhouse gas emissions from global value chains. It will also reduce the production of new goods, which are a central part of our freight volumes. This is an opportunity and a challenge for Posten Bring. We have implemented several circular economy initiatives across the Group. All divisions are involved and have identified areas where commercial circular opportunities exist. We are also working to make our own resource streams more circular.

Posten Bring is a member of Nordic Circular Hotspot, a professional network for companies that want to work to accelerate the transition to a circular economy in the Nordic region. The Group participated in the Nordic Circular Summit in Iceland in 2023.

Here's what we've done in 2023:

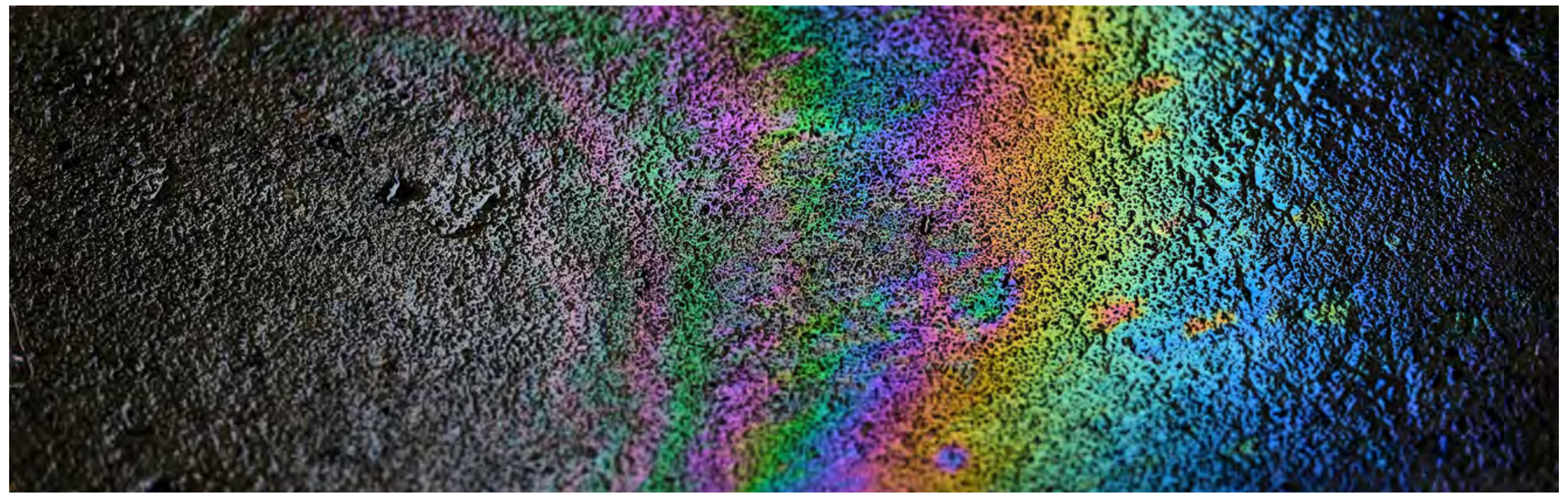
Services that facilitate second-hand sales, sharing, rental and reuse
We are working to adapt our services to different types of circular markets for private individuals and to enable them to be efficient, simple and easy to use. This is how we make it easier to choose something other than linear trade and consumption. Collaboration with the Finn, Tise and Fretex platforms are important examples of how we work on this. New this year is the launch of a parcel service in Sweden and Denmark that allows consumers to sell goods between themselves in the same way as with the Norgespakken in Norway.

Logistics for repair
In 2023, we developed and tested a shipping service to make it easier for individuals to have products repaired. Sending from private individuals to a repairer and back again can be time consuming, especially for the repairer. Efficient shipping may help lower the threshold for repair. The service will be further tested and further developed in 2024.

3D printing
3D-printing reduces the need for warehouse space, global supply chain emissions and overproduction. We are therefore working on 3D-printed replacement parts for equipment and machines at our terminals, and we printed over 500 parts in 2023. When the parts are designed and printed locally, they can also be improved from time to time, so they work better and last longer. The project is very successful because it reduces downtime and saves costs. These products use recycled plastic, and can be reused in new products after use. In the future, we hope that in practice this could mean that parts that need to be replaced can be melted down and become new spare parts.

Logistics for producer responsibility schemes
An important part of the circular economy is to ensure that materials are collected and used again. Posten Bring assists operators in several industries with arrangements for manufacturer responsibility, transport and logistics. The includes major circular actors such as Green Dot (Grønt Punkt) and Infinitum. Since 2014, we have been working with Nespresso for the return of coffee capsules. Recycling aluminium capsules can save 95 per cent of the energy required to extract new aluminium. We are now collecting recycling bags from Nespresso across the country, both from private individuals, companies and stores.

Pollution



Impact, risks and opportunities
Posten Bring's activities contribute to various forms of pollution to air and soil and the release of microplastics. Road, sea and air transport are sources of air pollution. We are actively working to reduce this. We are working to increase our knowledge of pollution to soil and microplastic emissions. Tyre wear is the largest source of microplastic emissions on land and Posten Bring plays a significant role in this.

HOW WE WORK ON THE TOPIC

Emissions to air
Air pollution is largely caused by the transport activity in the Group. In 2023, nitrous oxide (NOx) emissions were 1 137 tonnes, sulphur oxide (SOx) of 513 tonnes, and particulate matter (PM) of 194 tonnes. These are reductions of 0.3 per cent, 1.6 per cent, and 5.7 per cent respectively from 2022. The Group's ambitious transformation of fossil vehicles into vehicles running on zero-emission technology helps reduce pollution to air. As of 2023, we have replaced all vans running on fossil fuels in the municipalities of Oslo, Skien, Porsgrunn, Asker, Bærum, Hamar, Tønsberg and Longyearbyen have also replaced all with electric alternatives. This helps reduce local air pollution and noise in densely-populated areas. In addition, our ambitious Parcel Box deployment, where the end customer can go to the pick-up point, contributes to reduced pollution to air from the private vehicle segment.

Furthermore, we set requirements for the use of the latest Euroclass (VI) technology in engines and systematic training of drivers in climate and environment-efficient driving, both for their own drivers and for road transport providers. The latest Euro class helps reduce pollution to air through cleaning technology in the vehicles. Climate and environmental-efficient driving is measured on various parameters, such as idling and speeding, which contribute to increased focus on driving behaviour and reduced emissions to air.

Route optimisation, capacity utilisation and coordination are the core business of Posten Bring. It ensures the efficient use of the vehicles and thus reduces the transport activity. These measures generally contribute to reduced pollution to air, but they have an especially positive effect on local air pollution in cities.

Purchased sea, air, and rail transport also contribute to air pollution. We are actively working on using electric trains as much as possible, and reducing the use

Half of the country's inhabitants are now receiving delivery of mail and parcels using electric vehicles of air freight. The technology in sea and air freight is less mature than road transport, which makes implementing measures difficult, but through climate and environmental requirements in procurement, we ensure that climate and environmental considerations are safeguarded across our entire supplier portfolio.

Emissions to soil

We still have work to do with understanding and specifying how our activities contribute to soil pollution and microplastic emissions, but have long worked on reducing environmental impact at terminals and in other operational activities.

HSE work is a high priority at our terminals, and procedures have been established to prevent spills and leaks of hazardous substances, fuel and in connection with vehicle cleaning. Only three terminals have their own tank facilities operated by Circle K. Strict environmental requirements are imposed to allow deliveries of fuel to our own terminals. Notifications are made in the event of any faults or defects, which requires prompt follow-up to allow continued use of the pumps by the supplier. All the facilities have oil/gas separators and service agreements on equipment and pumps that are regularly monitored.

Nine of our terminals have their own cleaning facilities for large vehicles. All facilities are built according to current regulations with oil and sludge separations and meet Environmental Lighthouse requirements. Three of the facilities have installed water recycling systems so that water consumption is reduced by 50-75 per cent per clean. At external cleaning halls we have the same environmental requirements for the use of chemicals and water purification as at our own cleaning halls. To ensure that our business contributes minimally to pollution, we impose strict requirements on our suppliers for documentation of cleaning and chemicals. Both internally and externally, only Nordic Swan ecolabel detergents are used. Truck drivers are trained in safe and environmentally-friendly driving to ensure safe conditions for drivers and other road users, as well as reducing tyre wear and microplastic emissions. Eco-driving is measured through the ECO drive system installed in the trucks.

In 2023, we fitted 1 273 retreaded tyres instead of fitting new ones. Using a retreaded tyre instead of a brand-new tyre saves the environment 50 kilos of raw material (which is primarily steel, rubber and oil). Based on the 2023 volume, this saved the environment from 63 tonnes of raw materials overall.

Work has been established in 2024 to better understand the entirety of pollution and what actions can contribute to the reduction of this type of emissions. Emissions of microplastics are a completely new focus area for the Group, which requires increased knowledge, better data and a coordinated approach from several of the divisions. We look forward to understanding this challenge better to reduce pollution to soil and water from our activities.

CONTACT WITH STAKEHOLDERS

The topic of pollution is brought up by our stakeholders through interviews. It is particularly important for the local communities where we are present, because air quality, soil pollution and microplastic emissions become a local challenge. Posten Bring is expected to take its share of responsibility. Interviews with stakeholders as part of the materiality analysis helped raise pollution other than air to become a significant topic.

In connection with the materiality analysis, we have also been in contact with the research environment to highlight our blind spots linked to different sources of pollution. We will continue this dialogue in 2024 to learn more about our impact and how we can work to minimise this.

OUR ASSESSMENT AND THE WAY FORWARD

Emissions to air are measured through the Group's climate accounts. Activity data reported is converted into nitric oxide (NOx), sulfur oxide (SOx), and particulate matter (PM) based on emission factors from DEFRA[1] and HBEFA[2]. The accounts, including emissions to air, are certified by the auditor annually as part of the certification of sustainability information in line with the GRI framework. Through our cooperation in the International Postal Cooperation (IPC), the accounts are also regularly certified by PwC in Brussels.

Reducing greenhouse gases and converting to electric vehicles are measures to reduce emissions to air. Our science-based climate targets (SBT targets) are indirect targets for reduced pollution to air. Group-wide KPI [3] that annually measures the share of vehicles running on renewable and fossil-free energy sources contributes to reduced air pollution when replacing fossil combustion engines with low- and zero-emission technology. The KPI consists of both owned vehicles and selected regular suppliers, and is as a result an indirect target and indicator of reduced pollution to air from road transport.

Pollution beyond emissions to air was included as a significant topic in connection with a new dual materiality analysis. We have therefore not yet established or monitored measures specific to these new topics. In 2024, our Climate and Environment department will establish an action plan to increase knowledge and manage emissions to soil and microplastics.

[1] DEFRA: Department of Environment, Food and Rural Affairs.
[2] HBEFA: Handbook Emission Factors for Road Transport.
[3] KPI = Key performance Indicators.

Biodiversity and ecosystems

Impact, risks and opportunities

There are several areas where Posten Bring both affects and depends on nature. Our terminals require large areas of land and have required the exploitation of different types of natural environments and the pollution of natural areas. The development of charging infrastructure, more renewable energy and the use of raw materials in our vehicles and products also threaten nature. We have started mapping work to increase our knowledge about the impact we have on biodiversity and ecosystems, and the financial risk we face on the basis of nature considerations.

The main impacts our activities have on nature:

Activity category [1]	Process	Pressure to assess
Property	Construction	5
	Property management	3
Courier operations	Distribution	2
Postal business	Distribution	2
Transportation by sea and along the coast	Marine transport	4
Transport by rail	Rail transport	2

5 High
4 Medium high
3 Medium
2 Medium Low
1 Low

Areas we need to follow up on [2]	Property	Logistics	Upstream
Land use	✓		
Fresh water			
Use of marine resources			✓
Material use	✓		✓
Water use	✓		
Greenhouse gas emissions	✓	✓	✓
Pollution to the sea	✓		✓
Pollution to the soil	✓	✓	✓
Waste	✓		
Biological disturbances	✓	✓	✓
Biological changes	✓	✓	✓

[1] Evaluated using the materiality tool "SBTN Materiality Screening Tool from the Science Based Targets Network (SBTN).

[2] An industry and activity-based materiality assessment from SBTN gives us an indication of the areas we need to follow up on.

HOW WE WORK ON THE TOPIC

We have started work on nature risk assessments to raise awareness of how the company is affected by natural changes both strategically and financially. We use the "LEAP" method from Taskforce on Nature-related Financial Disclosures (TNFDs) in mapping our impact, risks and opportunities, and dependencies. The work is initially limited to our largest owned and leased terminals, as well as new buildings under development.

The first step in the LEAP method consists of mapping interaction with nature.

Using tools from the Science Based Targets Network (SBTN), we have conducted an overall materiality assessment of the key impacts our activities have on nature.

What the influences of the analysis consist of and how this is categorised in Posten Bring's context are illustrated in the figure above.

This analysis helped us prioritise focus on property, which has the greatest impact on nature.

Through the new double materiality analysis, we have also begun to gain insights into natural impact and dependencies in our value chain. We will continue to build on this work in 2024.

Own terminals

Posten Bring has properties in Norway, Sweden and Denmark as well as the UK and the Netherlands. In the first part of our work, we have evaluated our properties and development projects in Norway and an evaluation of what is classified as terminals is shown on the following page. The overview includes our 19 Norwegian terminals and two development projects. Mapping work will increase in scope in 2024. In the first quarter of 2024, the mapping work for terminals in Sweden commences.

Integrated Report 2023

ALTA
Gross area: 2 450 m^2
Landscape type: Exposed external coastal plain landscapes with steep hills, residual mountains, cliffs and steep hills with dense built-up areas
Natural system: Proximity to mainland system; forest and marine bodies of water
Historical condition: Before 2000, uncultivated land
Red list species observed: 2
Protected areas: None > 5 km

FØRDE
Gross area: 4 438 m 2
Landscape type: Cut-down valley landscapes below forest border with lake and built-up areas
Natural system: Proximity to mainland system; forest and limnical bodies of water; riverine bodies of water
Historical condition: Before 2015, forest
Red list species observed: 3, before development
Protected areas: None > 14 km

NARVIK
Gross area: 8 704 m^2
Landscape type: Open fjord landscape with built-up areas
Natural system: Proximity to limnical bodies of water; riverine bodies of water and mainland system
Historical condition: Not available, forest area expanded between 2015 - 2021
Red list species observed: 3
Protected areas: None

TRONDHEIM
Gross area: 26 000 m^2
Landscape type: Shallow valleys in hill and mountain landscapes below the forest border with built-up areas and agricultural dominance
Natural system: Mainland systems:
-Tree plantation
-Fields
Historical condition: Prior to 2010, Fields; agriculture
Red list species observed: 2
Protected areas: Proximity to Bjørnmyr nature reserve about 1.5 km

STAVANGER
Gross area: 16 696 m^2
Landscape type: Coastal inland plains below the forest border with dense built-up areas and agricultural dominance
Natural system: Proximity to: Freshwater bottom systems: freshwater and mainland systems: Fields and meadows
Historical condition: Prior to 2019, Fields; agriculture
Red list species observed: 5
Protected areas: Proximity to Stokkalandsvannet Nature Reserve and Lonavatnet approximately 1 km

LSO ALNABRU
Gross area: 42 280 + 28 771 m^2
Landscape type: Inland plain landscape below the forest border with dense built-up areas Clearly characterised by intensive land use.
Natural system:
- Significantly changed, permanent mainland with intensive establishment,
- Significantly changed, permanent mainland with loose mass cover
- New mainland on heavily modified and synthetic substrates
Historical condition: 1956, field; agriculture
Red list species observed: 10
Protected areas: None

HAMAR
Gross area: 11 650 m^2
Landscape type: Inland plains below forest border with built-up areas and agricultural dominance
Natural system: Proximity to mainland systems:
- Cultivated permanent meadow
- Flood area forest
Historical condition: Before 1997, fields; agriculture and forest
Red list species observed: 3
Protected areas: Proximity to Åkersvika nature reserve about 2 km

DRAMMEN
Gross area: 21 875 m^2
Landscape type: Open fjord landscape with dense built-up areas
Natural system:
- Significantly changed permanent mainland with intensive establishment
- New mainland on significantly modified and synthetic substrates
Historical condition: Before 1963, marine bodies of water
Red list species observed: 4
Protected areas: Proximity to Linnestranda Nature Reserve < 2 km

HAUGESUND
Gross area: 11 465 m^2
Landscape type Inland landscape: Gently to slightly hilly and mountain landscape below the forest border with dense built-up areas and agricultural dominance.
Natural system: Proximity to mainland systems; forest
Historical condition: Before 2010, meadow/ unploughed land
Red list species observed: None recorded
Protected areas: None

TROMSØ
Gross area: 8 424 m^2
Landscape type: Shielded inner gentle to slightly hilly coastal plains with dense built-up areas
Natural system: Not available
Historical condition: Before 1952, marine bodies of water
Red list species observed: 2
Protected areas: None > 9 km

SPITSBERGEN
Gross area: 797 m^2
Landscape type: Open coastal plain landscape Close proximity to the marine area of particularly significant management interest.
Natural system: Not available
Historical condition: Not available
Red list species observed: 14
Protected areas: None > 20 km

FAUSKE
Gross area: 4 387 m^2
Landscape type: Shielded inner coastal plains with dense built-up areas
Natural system: Proximity to mainland system; uncultivated land with wetland systems; marsh
Historical condition: Not available
Red list species observed: 5
Protected areas: None > 5 km

HELGELAND
Gross area: 3,060 m^2
Landscape type: Relatively open fjord landscape with dense built-up areas
Natural system: Not available
Historical condition: Not available
Red list species observed: 8
Protective area: Enchyen Nature Reserve 2.2 km

ÅLESUND
Gross area: 8,261 m^2
Landscape type: Relatively open fjord landscape with built-up areas
Natural system: Not available
Historical condition: Before 2008, Forests, Marsh and ponds
Red list species observed: 4
Protected areas: Proximity to Ørnanakken and Skinstadreset nature reserves about 1 km

See further details on next page

FREDRIKSTAD
Gross area: 9 738 m^2
Landscape type: Coastal inland plains below forest border with dense built-up areas.
Natural system:
- Significantly changed, permanent mainland with intensive establishment ,
- Significantly changed mainland with loose mass cover
- New mainland on significantly modified and synthetic substrates
Historical condition: Prior to 2001, fields; agriculture
Red list species observed: 4
Protected areas: None > 2.5 km

KRISTIANSAND
Gross area: 9 257 m^2
Landscape type: Inland landscape: Gently to slightly hilly and mountain landscapes below the forest border
Natural system: Proximity to freshwater and land systems; forest
Historical condition: Before 2008, Forest
Red list species observed: None recorded
Protected areas: Proximity to nature reserve Toreheia < 1 km

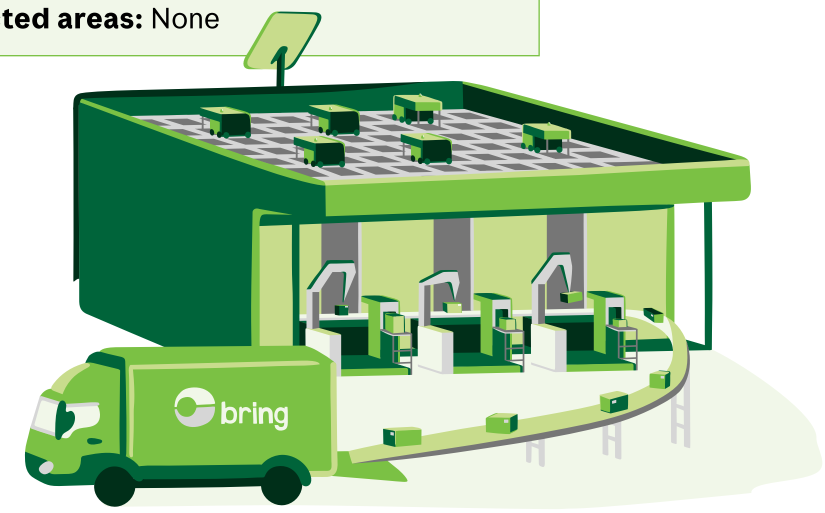
STOKKE
Gross area: 12 461 + 9 752 m^2
Landscape type: Coastal inland plains below the forest border with dense built-up areas and agricultural dominance
Natural system: Proximity to the mainland forested land tree plantation
Historical condition: Before 2007, forest
Red list species observed: 17
Protected areas: None > 4 km

TANA
Gross area: 906 m 2
Landscape type: Open valley landscape below forest border with dense built-up area
Natural system: Proximity to mainland system; forest
Historical condition: Last aerial photo available 1971, forest
Red list species observed: Close species of management interest, Salmon-fishing river, the Tana River
Protected areas: None > 8 km

ØSTLANDSTERMINALEN, LØRENSKOG
Gross area: 76 013.00 m 2
Landscape type: Inland plains below forest border with dense built-up areas.
Natural system: Proximity to Mainland forested land
Historical condition: Before 2007, Fields, Cultivated land
Red list species observed: 8, proximity to area of particularly large management interest
Protected areas: None > 7 km

MOSS
Gross area: 140 000 m2
Landscape type: Shielded inner gentle to slightly hilly coastal plains with dense built-up areas
Natural system:
- Significantly changed mainland with loose mass cover
- Proximity to mainland forested land and cultivated land
Historical condition: Before 1950; forest - after 2007, forests cuts and ditches cut into marshland
Red list species observed: 10
Protected areas: None > 3 km

KOKSTAD
Gross area: m^2
Landscape type:
- Shielded inner coastal plains
- Gently to slightly hilly and mountain landscapes below the forest border with dense built-up areas
Natural system:
- Mainland systems; forest
- Wetland systems; marsh
Historical condition: 2023, Forest areas cut down
Red list species observed: 7
Protected areas: None



In our efforts to understand the natural impact of our properties, we have used the Species Data Bank's Nature-in-Norway (NiN) tool and the Norwegian Environment Agency's Naturbase map, as well as ecology reports in connection with BREEAM certifications and the Norwegian Geological Survey. Above is a summary of the survey, where we have looked at:

- **Landscape type**: defined as "larger geographical area of uniform visual character, created by uniform domination of large landforms and with characteristic distribution of landforms, natural system complexes, natural systems and other landscape elements."[3]
- **Natural system:** defined as "The ecological variation we find at the ecosystem level of nature(...) The natural system is divided into ecosystems in the sea, in fresh water and on land." The division of types of natural systems is based on variation in species composition, which largely depends on environmental conditions at the site.[4]
- **Historical condition:** Historical aerial photographs are used to examine the condition of the area before development activities.
- **Observation of red list species:** Registered observations of species on the 2021 Red List of the Species Data Bank on and near the property.
- **Protected areas:** Protected areas are areas where it has been decided that nature is to be protected from intervention and interference. Protected forms include national parks, protected landscape, nature reserves and marine conservation areas.

The survey gives us an indication of the type of nature where we are present, but does not give us a complete picture of the impact of land changes on biodiversity and ecosystems over time. Access to reliable data, systems and knowledge to interpret natural values are challenges that make it difficult to conclude exactly what impact our development activities have caused. Nevertheless, the work gives a clear picture that Posten Bring uses large land areas and has contributed to the deterioration of nature. We thus have a responsibility to reduce our footprint, and we are pleased to increase knowledge about our impact so that we can design good measures.

Fundamental measures to reduce the impact and risk within property were presented to Group Management in the autumn of 2023. In 2024, we will work on implementing these in our processes:
- Developing sustainability policy for property covering climate, nature and social conditions
- Including natural assessment requirements in business cases for all new development projects.

[3] https://naturinorge.artsdatabanken.no/Landskap
[4] https://naturinorge.artsdatabanken.no/Natursystem

Kokstad:

A planned development project at Kokstad in Bergen has contributed to increasing our knowledge about our impact on nature. The area at Kokstad was fully regulated and assigned for industrial use when Posten Bring bought the plot for its new terminal in Bergen in 2016. The existing terminals at Minde and Jekteviken were sold to Bergen Municipality in 2017, in line with the Group's plans to co-locate the postal and logistics centre at Kokstad. The new terminal was scheduled to be operational in 2025.

After complaints, including from the Forum on Nature and Outdoors (FNF) Hordaland in May 2023, the County Manager in Vestland Bergen repealed the City Council's regulatory statute from June 2022. The reason for the complaint was inadequate assessments in accordance with the Natural Diversity Act in the municipal council's decision.

We have learned a lot from this case, which has initiated internal processes to better understand, assess risk and reduce impact on nature. The situation at Kokstad is still unresolved. New nature assessments and alternative locations are assessed on the basis of progress, economic risk and climate and environmental considerations.

- Introducing the use of a hierarchy of measures in development processes.
- Increasing expertise in climate and nature within Property.

We have started work on developing a property sustainability policy to safeguard climate and nature considerations. The policy will be completed in Q1 2024 and will include new land planning requirements to ensure increased consideration for biodiversity and ecosystem. For all new development projects, nature assessments shall be carried out on an equal basis with assessment of climate effects and climate risk.

The work to understand and increase knowledge about natural impact, risks and opportunities will be continued and improved in 2024. The next step is to continue mapping our properties in Sweden, Denmark, the Netherlands and the UK.

Value chain
The dual materiality analysis has given us fundamental insights into different natural impacts, risks and opportunities in our value chain. In particular, raw materials included in the products we buy have consequences for nature. As described in the chapter "Climate change", electric cars have many benefits for the environment, but they also have some disadvantages. To make batteries, large quantities of raw materials such as nickel, lithium, cobalt, copper and rare earth metals are required. These must be extracted, processed and refined. The extraction of the materials can be linked to pollution, water scarcity, deforestation and loss of biological diversity. Nickel extraction in rainforests leads to habitat destruction for many species. Lithium extraction in South America threatens communities, wetlands and birdlife. Cobalt extraction exposes workers and animals to dangerous chemicals and disrupts ecosystems.

The nature work so far has consisted of looking into nature in connection with our property activities. Yet there are several elements in our value chain with which we need to become familiar. In 2024, we will dive deeper into this perspective to concretise how we can also contribute positively to our value chain.

Natural risk:
Management
Biodiversity and ecosystems were first raised as one of the Group's significant topics as part of a new dual materality analysis. No management procedures and internal control for the topic have this been established yet. Natural risk shall be incorporated into established work on climate risk and will follow the same governance structure. Going forward, the Board will therefore be responsible for actively following up the Group's work on climate, climate risk and nature. The Director of Sustainability has overall responsibility for consolidation of the entire climate and nature work.

Prerequisites
We have started work on nature risk assessments to raise awareness of how the company is affected by natural changes both strategically and financially. The first step in the work consisted of reviewing a broad range of guidance for businesses trying to understand nature risk, such as content from TNFD, SBTN and Capitals Coalition. We have conducted an initial nature impact analysis in accordance with the guidelines from TNFD described above; in addition, the materiality analysis from 2023 has helped identify financial risk for the group.

In the work on nature mapping, natural conditions and natural events that directly affect our properties have been identified as physical risks. For example, landslides, stormwater and other events that destroy the property itself. Such events are consequences of climate change and are therefore included in our climate

risk analysis. As with the climate risk analysis, we look at the broad risk landscape for nature risk, identify risk factors and prioritise these according to the importance of a limited list. For all priority risk factors, three elements are assessed:

- Factor development
- Probability
- Financial consequence.

This assessment is made for the short, medium and long term. Scenario analysis has not been used.

- **Short term:** 1-5 years
- **Medium term:** 5-15 years
- **Long term:** 15-30 years

Below is a summary of identified property transition risks, which have been our focus in 2023. Transitional risk means risks that arise in efforts to stop and reduce the loss of nature and ecosystems.

	Most important transition risk	
	Increased requirements for nature assessments in development projects	**Risk of stranded assets**
Description	With an increasing focus and knowledge of nature in the municipalities, it is expected that the developer will be imposed increased requirements to protect nature in connection with land planning	Inadequate assessments of natural values pose a risk that purchased land cannot be built upon and that the property loses value.
Horizon	S	S M
Probability	High	Medium
Consequence	Stricter land planning requirements make development projects more costly and lengthy.	Lack of adequate nature assessments can increase legal costs and stop progress Increased risk of stranded assets if properties purchased cannot be used or sold on the basis of inadequate assessments
Measures	Including natural assessment requirements in business cases for all new development projects. Introducing the use of a hierarchy of measures in development processes.	Including natural assessment requirements in business cases for all new development projects.
Basis for assessments	Knowledge of regulatory changes and dialogue about nature and nature risk with stakeholders.	Insights from ongoing development projects.

S Short term: 1-5 years   M Medium term: 5-15 years   L Long term: 15-30 years

CONTACT WITH STAKEHOLDERS

Nature is important for many of our stakeholders. This is highlighted through external interviews conducted in the context of the dual materiality analysis. Local communities, the capital market and advocacy organisations are particularly concerned with our work on nature. Our owner has highlighted nature through the ownership message with clear expectations to map nature risk and impact, and establish actions to minimise negative impact.

OUR ASSESSMENT AND THE WAY FORWARD

With the insights we have gained, we have the following points on our agenda in 2024:

1. Developing a sustainability policy and implementing property measures to ensure better procedures for assessing nature and climate risk and reduce direct biodiversity loss (by Q1 2024)
2. Continue mapping our properties.
3. Concretise the impact of nature, dependencies, risks and opportunities in the value chain and identify possible measures (by Q2 2024).
4. Establish system support and structure for climate and nature risk analysis to improve work.

Based on this, we aim to develop and set an ambition for our work on nature before the summer of 2024.

Climate risk

We monitor and assess the risks posed to the company by the climate crisis to understand how we can make strategic choices and take actions that mitigate the risk.

Management structure for climate risk
The Board is responsible for following up the Group's work on climate and climate risk, while the Director of Sustainability has overall responsibility for consolidating climate risks and opportunities. Climate risk is discussed with Group Management in several contexts throughout the year. For a more detailed description of the climate risk management structure, see «Risk management» on page 97 and «Climate change» in the Fact Booklet on page 5.

Method and prerequisites
To assess climate-related risk, a top-down +bottom-up climate risk analysis is carried out in line with the recommendations of the TCFD (Taskforce on Climate-related Financial Disclosures). We look at the broad risk landscape, identify risk factors and prioritise these by significance into a limited list. For all priority risk factors we consider three elements:

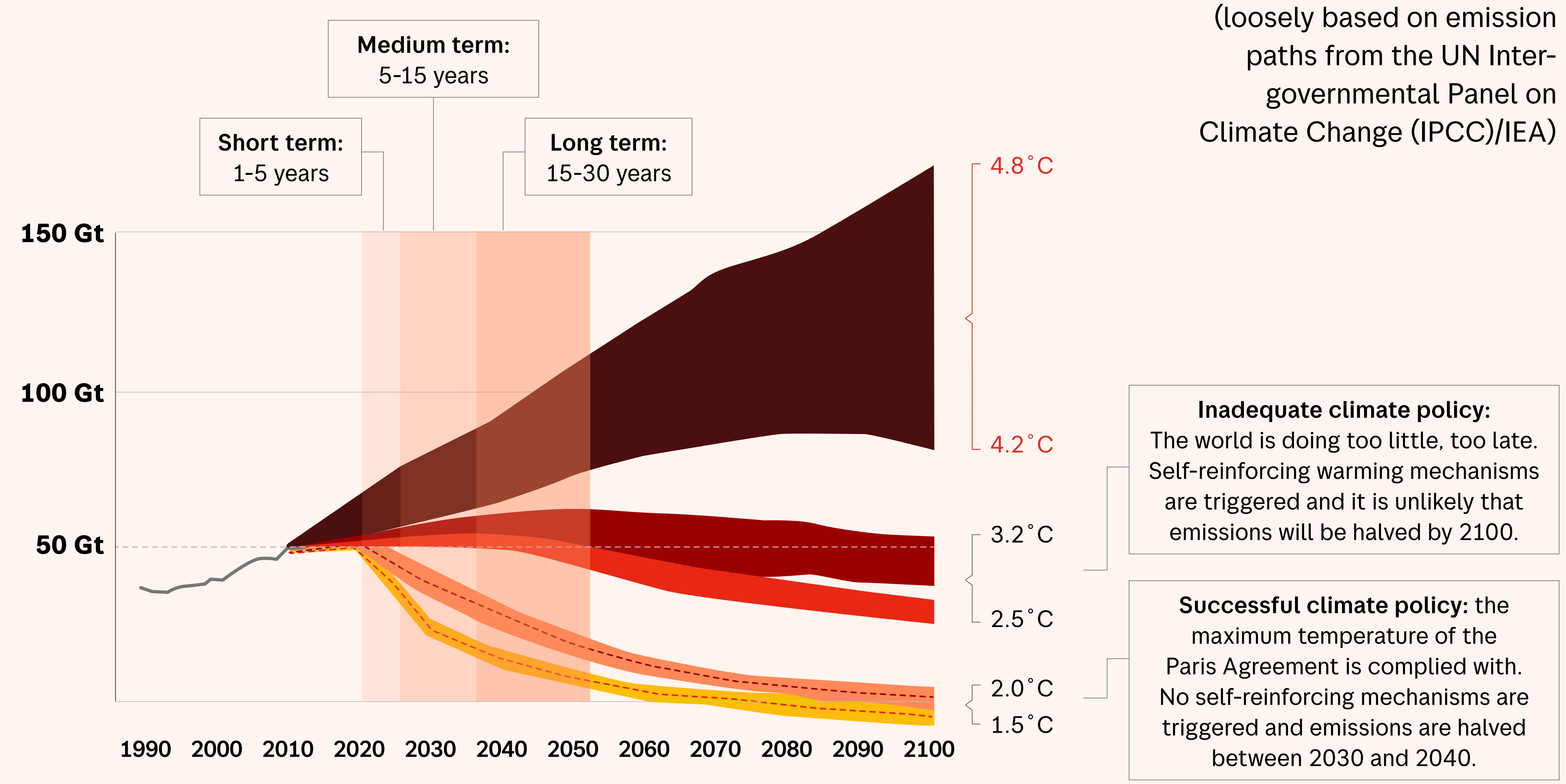
- The development of the factor (including probability)
- Strategic importance
- Financial consequence.

This assessment is made for two scenarios, in the short, medium and long term.

- **Short term:** 1-5 years
- **Medium term:** 5-15 years
- **Long term:** 15-30 years

Global greenhouse gas emissions

Gigatonnes of CO_2-equivalents



Posten uses three horizons that extend 30 years into the future and two scenarios (loosely based on emission paths from the UN Intergovernmental Panel on Climate Change (IPCC)/IEA)

Scenarios
We use two scenarios to assess climate risk:

- **Successful climate policy:** Climate policy is significantly strengthened, in line with what is stipulated in the Paris Agreement. Global temperature in 2100 is kept below 2°C warming. Emissions are halved between 2030 and 2040 and no self-reinforcing mechanisms are triggered.
- **Inadequate climate policy:** Climate policy is not significantly strengthened, but follows current promises from the states and companies of the world, on a line that does not meet the prerequisites of the Paris Agreement. Self-reinforcing mechanisms are triggered and it is unlikely that emissions can be kept below 2°C warming by 2100.

Missing the goals of the Paris Agreement is negative for society and for business. Therefore, "successful climate policy" is the fundamental scenario in our climate risk assessment and in its presentation here. In the future, we may add a third scenario of higher global warming in 2100 than the scenario of "insufficient climate policy" as needed.

Basis for scenarios
Scenarios are updated based on societal development and nations' emissions reduction goals.

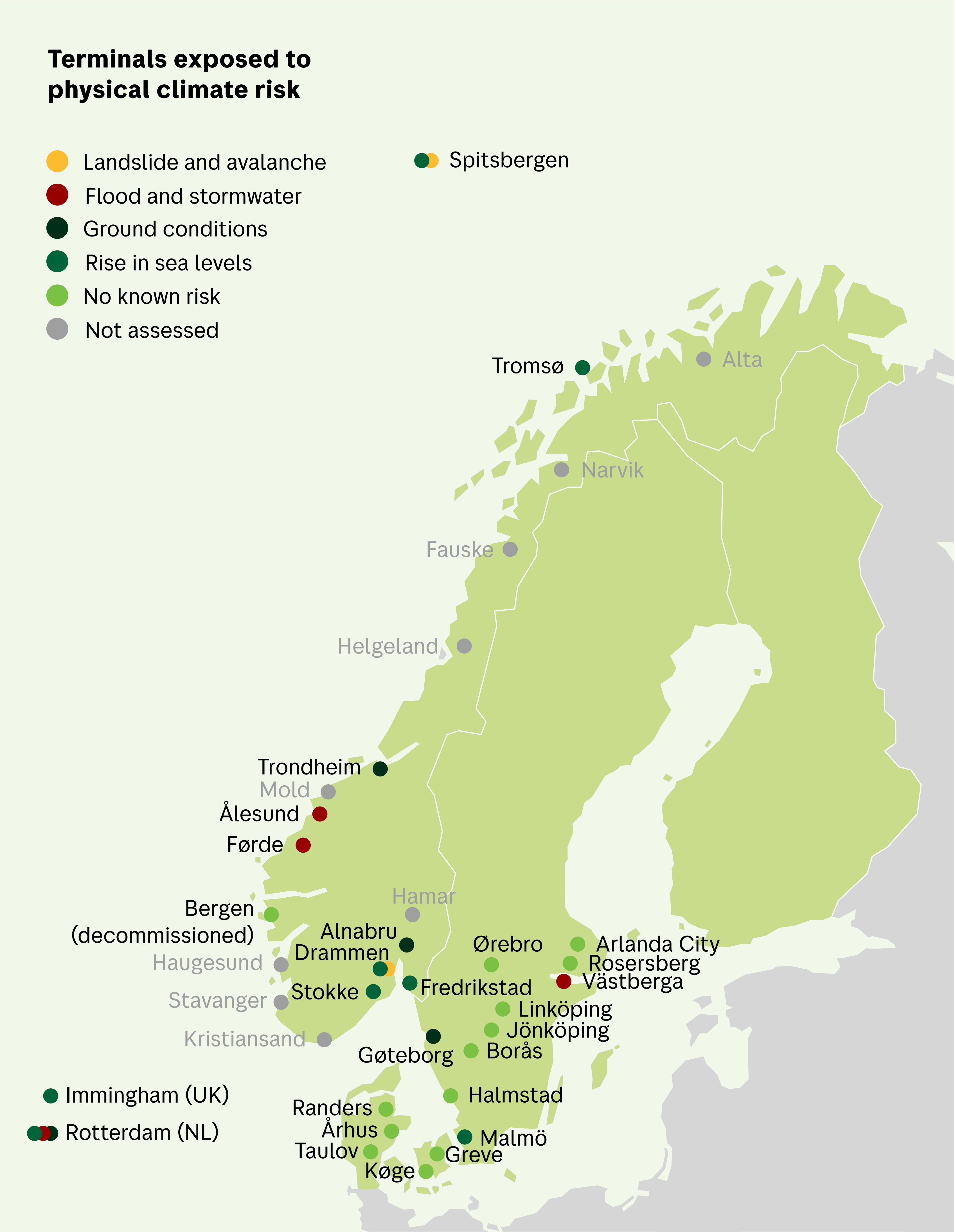
The "successful climate policy" scenario encompasses scenarios from the International Energy Agency's (IEA's) Net Zero Emissions by 2050 and Announced Pledges Scenario. "Inadequate climate policy" encompasses the IEA's Stated Policies Scenario. Physical risk assessments are partly based on information on developments in the IPCC climate reports, the Climate Impact Explorer and the Climate Risk Commission's and Climate Commission's assessments. Assessments of transition risk are based on Norway's obligations under´the Paris Agreement, the EU Green Deal and the EU's climate package "Fit for 55", Posten Bring's climate goals (2030/2040/2050), and internal analyses.

Physical risk
For simplicity, our physical climate risk can be divided into two: the one that hits our properties and terminals, and the one that hits the infrastructure we depend on. In short, our physical risk is limited, in relation to our overriding risk and company turnover.

The acute risk factors will be triggered more frequently and unpredictably, but the consequences are relatively minor. For example, weather conditions and landslides can close a road or a railway route, but there are often several alternative routes and the problem often lasts days or weeks.

The chronic risk factors have a serious consequence, but are increasing and far more predictable. For example, increased sea levels and increased extreme water levels can become problematic at some of our terminals, but the problem will probably be greatest in the long term. This allows us to run better climate adaptation and prevention measures and make choices that take that risk into account, like selling a property.

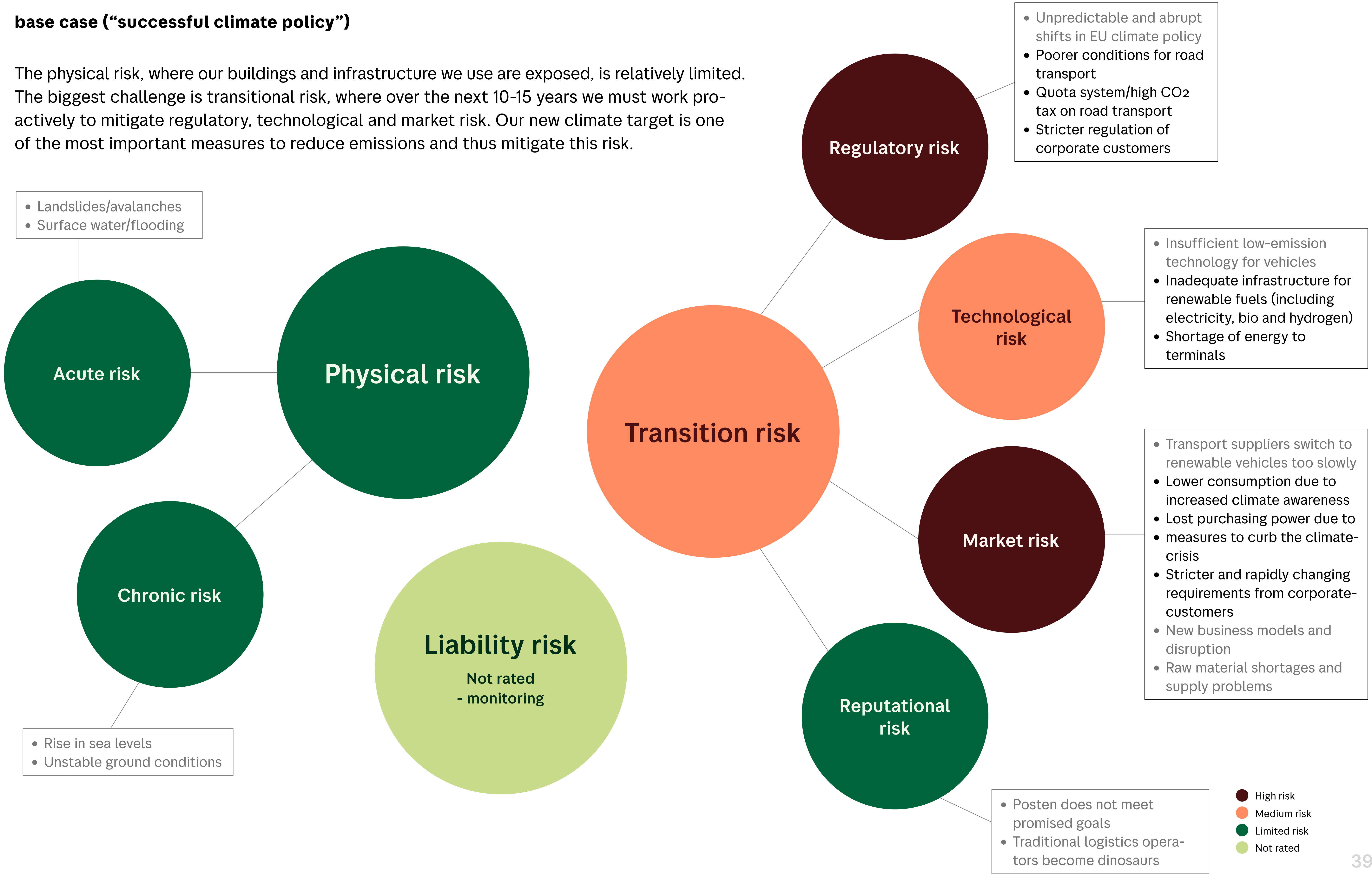
Physical risk to our terminals.
A significant part of these have been leased, and the risk of the value of them as assets is therefore far lower than that of the operating value they constitute.



Risk profile for Posten Bring

base case ("successful climate policy")

The physical risk, where our buildings and infrastructure we use are exposed, is relatively limited. The biggest challenge is transitional risk, where over the next 10-15 years we must work pro-actively to mitigate regulatory, technological and market risk. Our new climate target is one of the most important measures to reduce emissions and thus mitigate this risk.



Transitional risk - key risk factors summarised

- based on the successful climate policy scenario

On this and the next pages we summarise the most important factors for our transition risk. These are partial compilations of multiple risk factors and opportunities. Furthermore, our important opportunities are shown.

	Regulatory risk		
	Quota system/CO 2 tax for all modes of transport and escalating price per tonne of CO_2	**Reduced volume due to stricter regulation of Posten Bring's corporate customers**	**Rapidly changed and poorer conditions for road transport**
Description	Aviation is already subject to quotas in the EU (intra-EU). The same will apply to shipping in 2024 and road transport in 2027. We must assume that a similar development will happen in Norway, albeit somewhat later. Furthermore, we must assume that the quota price/CO_2 tax can be a higher rate than today's assumptions.	A significant proportion of the Group's volume is commercial trading. Many products and their input factors are impacted by stricter laws and regulations, mainly from the EU. We must assume that this regulation will increase.	Enova support is decreasing in line with technological development, but is unpredictable. Toll charges for fossil-free vehicles are likely to increase, and it is hard to predict how these will evolve. Similarly, we must expect zero emission zones in and around the cities, which can be put in place quickly and complicate operations.
Horizon	S M L	S M	S M
Probability	Very high	High	Very high
Consequence	Significantly increased operating costs in the event of a quota system/carbon price. Competitive advantage if Posten Bring has lower emissions than competitors.	Reduced volume of goods, in line with increased production costs, corresponding retail prices and subsequent reduction in consumption. Both B2B and B2C .	Increased investment requirement and higher operating costs as a result of reduced support schemes. Challenges related to route planning, reduced flexibility in the network and increased operating costs in zero-emission zones.
Change in the scenario "Inadequate climate policy"	Lower probability and lower consequence.	Lower probability and lower consequence.	Lower probability and lower consequence.
Measures	Switching vehicles to electricity/biogas. Cargo from road to rail. Switching volume from air freight. Stricter climate targets in line with Science Based Targets' Net Zero framework adopted in December 2023.	Ongoing assessments of situation and mapping of regulatory landscape. Dialogue and collaboration with customers. Work on return and repair services for consumer goods customers.	Dialogue with authorities.
Method	Assessment of future EU and Norwegian policies.Forecasts for cargo volume and emissions up to 2030. Forecasts and ratings of vehicle technology maturity. Forecasts for quota prices from the Ministry of Climate and Environment and others.	Screening of vulnerable industries and customers. Assessment of volumes associated with these. Assessment of future EU and Norwegian policies.	Present value of lost Enova support. Assessment of political developments, nationally and locally.

S Short term (1-5 years) M Medium term (5-15 years) L Long term (15-30 years)

	Technological risk		Market risk	
	Inadequate power supply to terminals	**Insufficient infrastructure for charging and filling renewable energy**	**Stricter and rapidly changing requirements from corporate customers**	**Lower consumption and purchasing power due to increased climate awareness from private individuals.**
Description	About half of the Group's vehicles are powered by renewable energy. This is mainly electric. This will increase sharply by 2030. These are mainly charged at our own terminals/properties. Increased electrification in society increases demand on the grid. We must assume that capacity challenges and maintenance lag can make the supply of power insufficient.	Insufficient infrastructure and capacity along the roads for charging (and to a far lesser extent the filling of biogas). It appears that sufficient infrastructure for fast charging of heavy goods vehicles may come after the increase in number of vehicles.	Customers make stricter demands that change at a rapid pace. With a large physical infrastructure, it is challenging to adapt to these at the same pace. Furthermore, competitors will come to solve customer needs in other ways, with less infrastructure. It is challenging to cope with requirements for our own supply chain, for products where the Group has little influence.	Increased climate awareness and targeted measures to reduce consumption can lead to reduced private consumption, which reduces the income base for corporate customers and the need for Posten's services. At the same time, purchasing power may be reduced as a result of measures to overcome the climate crisis.
Horizon	S M	S M	S M	S L
Probability	Medium	Medium	High	High
Consequence	Significant operational problems. May lead to major delays and financial losses during periods of inadequate supply. May require larger investments that have not been taken into account today.	Operational problems and reduced network flexibility. Increased costs and lost revenue.	The Group has a very solid position, with significant emissions reduction and a serious approach to climate and the environment. At the same time, competitors can target us in geographical areas or for specific requirements. May result in lost volume and revenue.	Lost revenue due to reduced consumption and purchasing power.
Change in the scenario "Inadequate climate policy"	Lower probability and lower consequence.	Higher probability and same consequence.	Lower probability and consequence.	Lower probability and lower consequence.
Measures	Dialogue with grid companies. Investing in more powerful supply and systems that regulate usage patterns. Photovoltaic systems at seven terminals.	Large investment in our own charging infrastructure tour. Collaborate on possible private charging stations in central locations. Dialogue and collaboration with Enova and others on publicly available charging stations.	Continuous dialogue with customers and development of the service offering. Long-term commitment to sustainability to stay ahead of requirements. Adopted more ambitious climate targets in Dec. 2023. Innovation and new services.	Expanding services within the circular economy, through collaboration, investments and acquisitions. Collaborate with customers on circular value propositions.
Method	Review of energy needs and supply to terminals. Forecasts for distribution and local grid networks.	Energy demand forecasts for 2030. Analysis of corridors and placement of chargers. Assessment of current plans and results for the development of chargers (Enova and more).	Assessment of changed purchasing behaviour of existing customers as well as trends in the logistics market. Disruption is by definition impossible to predict.	Current consumer-exposed income (particularly the retail trade) is the starting point for assessing loss of revenues. Asses the macroeconomic effects of reduced purchasing power.

S Short term (1-5 years) M Medium term (5-15 years) L Long term (15-30 years)

Most important opportunities

- based on the successful climate policy scenario

	Products and services			Sources of energy
	Logistics for the circular economy	**Collaboration and investments**	**Climate data and digitalisation as value-added offerings**	**Electrification and energy management**
Description	Repair, rental and reuse services will need efficient logistics solutions to increase customer usage. With core competence in logistics, there is great potential for Posten Bring to further develop circular solutions.	The low-emission society will require and create new solutions. Posten Bring should collaborate or invest in companies that create new solutions. Furthermore, cooperation on logistics, such as transshipment and co-delivery, can contribute to increased efficiency and reduced emissions.	In addition to low emissions from companies, customers will demand real emissions data that adds value to their systems. Good emissions data are key to efforts to reduce emissions further, thereby in turn curbing risk exposure and strengthening competitiveness.	Energy is a key scarce resource for industry in the low-emission society. By having the right amount of the right kind of energy at the right time, and being very good at utilising it, Posten Bring can create a competitive advantage. Electrification of vehicles and other parts of operations provides new opportunities for energy efficiency. Self-sufficiency and storage as well as smart energy management.
Horizon	S M	S M	S M	S M L
Consequence	Severe. Significant proportions of value in the linear economy will shift to the circular economy. This could represent growing revenues for the Group.	Significant. Access to knowledge and technology is important for operations and restructuring, while building new revenue streams is important for financial sustainability.	Significant. Data as a key part of the value proposition will be important for competitiveness, and thus increased revenues for the Group.	Significant. Energy efficiency is becoming a critical competitive factor. Furthermore, the Group may experience significantly lower energy costs and increased financial predictability.
Measures	Further develop cooperation with customers and across the Group.	Collaboration and investments are assessed on an ongoing basis.	Capture and collection of data from the entire value chain, and integration of both own systems as well as those of the suppliers.	Investments in supply, production, storage, management and use of energy, as well as electric vehicles.

S Short term (1-5 years) M Medium term (5-15 years) L Long term (15-30 years)

Taxonomy

The EU taxonomy is a classification system that defines sustainable activities in the company. The purpose is to steer capital flows towards investments that are better for the climate and environment.

In 2021, the Norwegian Parliament adopted a new law on sustainable finance implementing the Taxonomy Regulation (EU) 2020/852 in Norwegian law. This entered into force on 1 January 2023 and is effective from the 2023 fiscal year. As a company subject to non-financial reporting requirements, the Group is required to report on the taxonomy. Technical screening criteria for environmental targets 1 and 2 are set out in EU Commission Delegated Regulation 2021/2139 and were adopted in Norwegian law in 2022, effective January 2023. Criteria for environmental targets 3 to 6 are defined in the EU Environmental Delegated Act, dated June 2023, and introduced in Norwegian law applicable from 5 February 2024 through a new regulation from the Ministry of Finance to the Sustainable Finance Act.

Background for the regulation

The purpose of the taxonomy is to make it easier to compare investment opportunities across countries to protect investors from greenwashing, as well as to build a common understanding of the environmental sustainability of investments. The European Commission has drawn up a list of economic activities covered by the taxonomy (eligibility) and requirements that must be met for these to be considered environmentally sustainable (alignment).

Taxonomy regulations have established six environmental targets:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

In order to be considered environmentally sustainable, an economic activity shall contribute significantly to one or more of the environmental objectives, and at the same time not have a significant negative impact[1] on any of the other environmental objectives. An activity will also be considered environmentally sustainable if it makes a significant contribution to one or more environmental objectives for another activity. The requirements are determined by technical screening criteria in delegated acts. Economic activities must also meet minimum social and governance requirements.

In our work on this year's reporting, we have made an assessment of our activities against the technical screening criteria for all six environmental targets. However, we have not found any relevant activities in our taxonomy reporting that can naturally be linked to environmental targets 3 to 6. This year's reporting will thus continue to focus on environmental goals 1 and 2, the same as last year's report.

To meet the requirements of the taxonomy's first defined environmental objective, "Climate change mitigation", the economic activity must have a significant positive impact on greenhouse gas emissions, either by reducing emissions or by improving the removal of greenhouse gases. These requirements are specified in Article 10 of the Taxonomy Regulation.

[1] Referred to as Do No Significant Harm ("DNSH")

The second defined environmental objective, "Climate change adaptation", requires a substantial contribution to reducing negative impact of current and future expected climate, or a significant contribution to reducing the risk of such negative impact, in accordance with article 11 of the taxonomy regulation.

Posten Bring's approach and work process

In 2022, Posten Bring reported on the taxonomy classification for Posten Bring AS (parent company) for 2022. In this year's reporting, all relevant companies in the Group are included. The change from reporting for the parent company to the entire group has increased the complexity and scope of reporting. Where there have been significant changes in assessments for an indicator, as a result of the whole group being included, this will be described under the respective parameters.

In addition to the change in company scope, as well as adaptation to a new delegated regulation scheme, the methodology from last year's reporting has mainly been continued. The Group's business is categorised into different areas of activity. Economic activities not entirely covered by the taxonomy have been sorted into separate categories.

As illustrated in the table on the right, main financial activities are assessed as in the 2022 reporting. Administrative activities, such as customs processing and customer service, are considered not to be covered by taxonomy. In addition, air transport is also not included in this year's reporting, although the activity can be included through the aforementioned "Climate Delegated Act". This assessment is made on the basis that the estimated "taxonomy contribution" from air transport has been assessed as marginal, given the Group's limited use of air transport. We have also made an assessment of our sea transport against the relevant economic activities in the taxonomy. Given that our sea transport is mainly based on the use of subcontractors, with limited influence on how they perform the activity, we consider the activity as not covered by the taxonomy. This is in line with the the European Commission guidelines of 19 December 2022.

Economic activities that are capable of meeting the requirements to be environmentally sustainable are also separated into separate categories. For example, we have distinguished between collection and distribution that is emission-free and that which is not. This is because the taxonomy has a binary approach, which means that we will not be able to meet environmental sustainability if parts of the activity within a category do not meet the requirements.

Activity number	EU taxonomy activity description	The associated activities of the post	Included in KPI: O	IU	DU
6.2	Freight rail transport	Hired transport by rail	x		
6.4	Operation of personal mobility devices, cycle logistics	Distribution and collection of mail and parcels by trolley or bicycle	x	x	x
6.5	Transport by motorbikes, passenger cars and light commercial vehicles	Distribution and collection of mail and parcels with EU classified L-vehicles 2 (Paxter)	x	x	x
6.6	Freight transport services by road	Line haul traffic, distribution and collection of mail and parcels with EU-classified N1, N2 and N3 vehicles [3], as well as collection and delivery points (Post in Shops, mailbox, parcel box and post office)	x	x	x
6.15	Infrastructure enabling low-carbon road transport and public transport	Infrastructure that facilitates the loading, unloading and transport of goods. This includes charging structures for vehicle fleets and sorting at Posten's owned or leased properties.	x	x	x
7.6	Installation, maintenance and repair of renewable energy technologies	Production and storage of electricity for own consumption, as well as energy efficiency measures at terminals		x	x

O: Sales revenues **IU:** Capital expenditure **DU:** Operating expenses

In accordance with the technical screening criteria, the Group's economic activities have been linked to the defined activities in the taxonomy. All activities with screening criteria are defined in delegated act 2021/2139. Where there has not been a sufficient description of activity in the technical screening criteria, we have used supporting NACE codes to make a correct evaluation of where the activity belongs.

In the work to assess whether our activities meet taxonomy requirements (see the table on page 43), software from a third-party supplier has been used, which has been updated with the current taxonomy requirements.

[2] Group L vehicles means all two or three wheeled vehicles and quadricycles.
[3] N1 van (gross weight max 3 500 kg), N2 truck (gross weight max 12 000 kg), N3 truck (gross weight over 12 000 kg).

We have structured our main activities in accordance with the relevant taxonomy activities, and made an assessment of whether or not the different requirements are met.

Where there has been uncertainty in the assessments, we have conferred with external experts, and also examined similar company reports.

Taxonomy indicators
The taxonomy is reported through the three KPIs revenue, investment expenses and operating expenses, where we assess both what is covered (eligibility) and what is consistent with the taxonomy (alignment). For the KPI calculation, turnover has mainly been allocated from associated costs per activity, while investments and operating expenses are based on actual expenses. In this year's reporting, no expenditure related to enabling activities or the investment plan (CapEx plan) have been identified[4]. This means that investments made throughout the year to either enable covered activities to meet the criteria for being considered environmentally sustainable, or to expand already environmentally sustainable activities.

Sales revenue
The total sales revenue from which the share is calculated corresponds to net revenue in the consolidated accounts for Posten Bring. Revenue from adaptation activities that qualify for a significant contribution through being an enabling activity shall be included, while revenue related to purely adaptive activities shall be excluded.

In 2023, 81 per cent of revenue is covered by the taxonomy. Revenues associated with air and sea transport and administrative activities is considered, as previously mentioned, not to be covered by the taxonomy. Parts of the revenue from some subsidiaries, such as companies specialising in IT and communications, are also considered as not covered. A total of 19 per cent of the Group's turnover is considered not covered. In the EU taxonomy, all revenue is subject to reporting, which means that total revenue included in the taxonomy is equal to net revenue for the Group. Revenue in the parent company for 2023 is mainly divided into financial activities based on actual service costs in the mail and logistics segment. The revenue is distributed among activities 6.2, 6.4, 6.5, 6.6 and 6.15, based on the fact that it is these activities that create customer revenue for the company. Property-related revenue, such as sorting by terminal and warehouse operations, is included in activity 6.15. Of the revenue covered, the greatest proportion is associated with activity 6.6 (road transport) and the aforementioned 6.15.

Assessment of revenue from activities associated with the use of subcontractors has been particularly relevant this year, as several of the subsidiaries included in this year's report have extensive use of subcontractors. According to the EU Second Commission Note dated 20.10.2023, this type of turnover is included in the reporting.

The work of assessing alignment for the Group's revenue has been educational, but also sometimes challenging. Ensuring the "right" interpretation of taxonomy criteria, in a logistics context, has, as expected, been a time-consuming first-time task. In addition, it has sometimes been challenging for revenue related to subcontractors to provide sufficient documentation for some criteria. In this year's reporting, we have generally taken a conservative line in our assessments, both to avoid "over-reporting" and to lay the foundation for more robust reporting in the future.

In this year's assessment of revenue, there have been some criteria that have had a particularly significant effect, especially specific requirements related to tyres for activity 6.6 (road transport). For this activity, the tyre requirement has contributed to almost all revenue this year being considered "non-aligned", even though the Group has a significant proportion of low-emission vehicles.

Overall, 28 per cent of the Group's turnover is considered "aligned", while 59 per cent is considered "eligible, not aligned".

- **28%** - Eligible, aligned
- **59%** - Eligible, not aligned
- **13%** - Not eligible

See corresponding table on page 47

Investments
Investments to be included are in accordance with the following accounting principles:
IAS 16: Tangible fixed assets
IAS 38: Intangible assets
IFRS 16: Leases

Furthermore, we have not assessed that there are relevant amounts that can be linked to the investment plan this year, so no amounts have been allocated here.

Eighty-five percent of the included investment is considered to be covered by taxonomy, and is distributed across all Posten activities included in taxo-

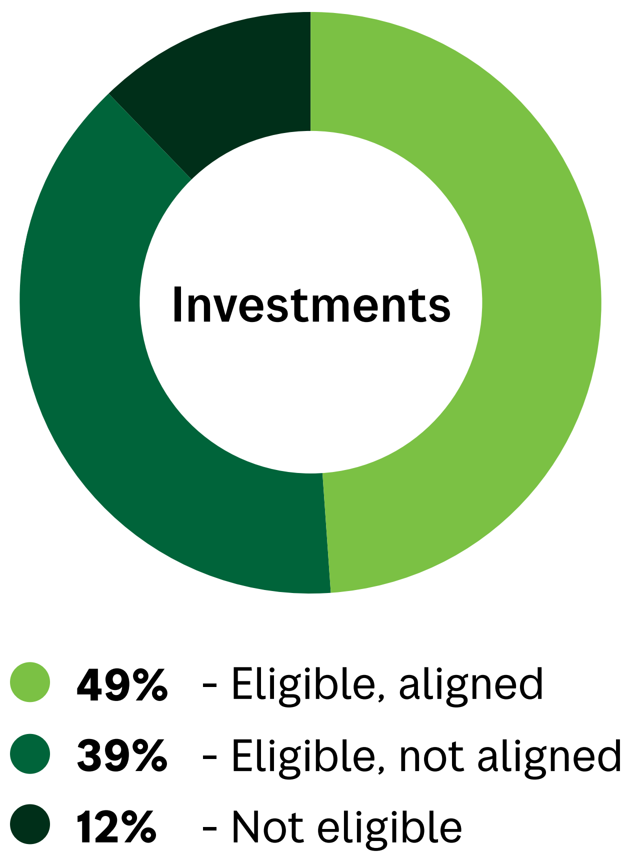
[4] Investments made in the reporting year to either enable covered activities to meet criteria to be considered environmentally sustainable or to expand already environmentally sustainable activities.

nomy reporting, with the exception of rail transport. This is solely a contracted service, meaning there are no relevant investment expenses to report on for this activity.

Posten's investments in tangible fixed assets are divided into all defined economic activities mentioned in the section above. Investments related to the leasing of vehicles, buildings and machinery are distributed across all the same activities, with the exception of 6.5. This is because all Paxters included in the activity are self-owned. When it comes to investments in intellectual property, all expenses related to IT development are related to, for example, sorting machines, charging infrastructure and energy production, and are mainly allocated to activities 6.6 and 6.15.

Investments in IT structures for administrative purposes, as well as provisions, are allocated to non-covered activities. Part of investments related to our terminals and offices that are not directly related to defined taxonomy activities, such as furniture, lighting and security, are also considered not covered.

Similar to our revenue, the majority of our investments are related to activities 6.6 and 6.15. In total, 49 per cent of investments were considered "aligned", 39 per cent "eligible, not aligned" and 12 per cent not covered, 46.

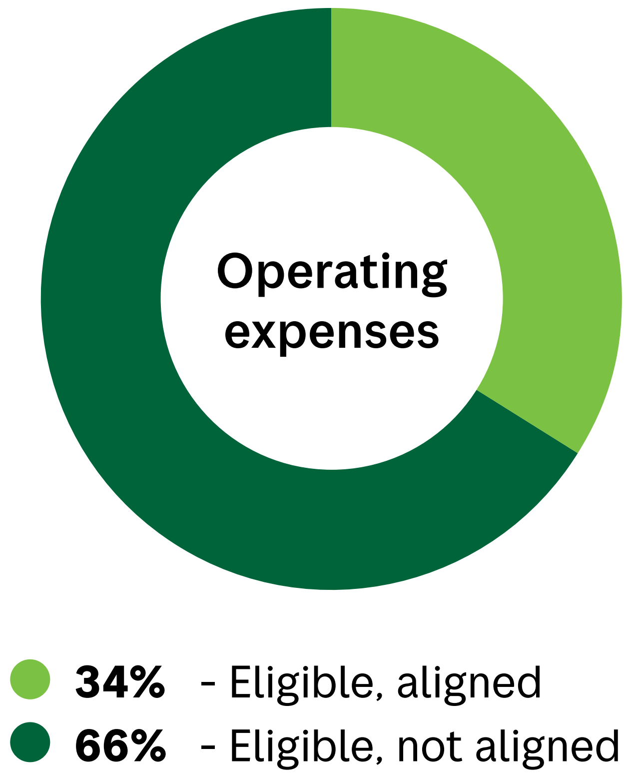


See corresponding table on page 48

Total operating expenses
Total operating expenses shall relate only to non-capitalised costs related to research and development activities, renovation of buildings, short-term rentals, maintenance and repair, and other direct costs related to the day-to-day functioning of property and assets. The proportion of operating expenses included in the calculations shall be such costs associated with those activities that qualify to be covered and environmentally sustainable respectively.

The proportion of operating expenses that are subject to taxonomy reporting constitutes six per cent of total operating expenses in Posten Bring. All costs related to the purchase of office equipment and parts of IT equipment are excluded from this proportion. Major items that are not included are, for example, payroll, depreciation and write-downs. All operating expenses included are considered to be covered by the taxonomy. The operating expenses are distributed among all activities except rail and office transport, and include maintenance of the vehicle fleet, terminal and IT structure. The IT structure covered by the taxonomy applies to that which is necessary for maintenance, and is divided into sorting at terminals, charging structure, and energy production and efficiency.

34 per cent of covered operating costs are considered "aligned" and are based entirely on expenses related to activity 6.15. Remaining expenses are associated with 6.6 and considered "eligible, not aligned"



See corresponding table on page 49

Conclusion and the way forward
The expansion to group-level reporting has been an important step in providing more timely reporting, but has also added additional complexity to reporting. Given the Group's size and varied operational structure, in some areas carrying out taxonomy assessments has been demanding.

This is especially true for our subsidiaries with complex supply chains and extensive use of subcontractors. We have deliberately chosen a conservative approach and set strict requirements for documentation, especially for "alignment". Quality of tyres against "Do no significant harm" claims is an example of this, which has had a significant impact on this year's reporting. Up until next year's reporting, we will continue to work on documentation, as well as look at how we can adapt to the criteria that have had the greatest impact in this year's assessment. Taxonomy is still under development and we must expect that there will continue to be reformulations, clarifications and most likely more sector-specific regulations over time. Reclassifications, updated errors and other changes since the last report will be updated and clarified in the next report.

Proportion of revenue related to Taxonomy-aligned economic activities

2023				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution(14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		NOK	%	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
6.2. Freight rail transport	CCM+6.2	935 640 099	3.84%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
6.4. Operation of personal mobility devices, cycle logistics	CCM+6.4	2 862 205	0.01%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	CCM+6.5	64 710 721	0.27%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
6.6. Freight transport services by road	CCM+6.6,	172 923 712	0.71%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
6.15. Infrastructure enabling low-carbon road transport and public transport	CCM+6.15	5 642 585 686	23.14%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y		E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		6 818 722 423	27.97%	27.97%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y			
Of which enabling		5 642 585 686	23.14%	23.14%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y		E	
Of which transitional		0	0.00%	0.00%						Y	Y	Y	Y	Y	Y	Y			T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL ; N/EL	EL ; N/EL	EL ; N/EL	EL ; N/EL	EL ; N/EL	EL ; N/EL										
6.2. Freight rail transport	CCM+6.2	169 612 529	0.70%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
6.6. Freight transport services by road	CCM+6.6	14 247 145 957	58.44%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		14 416 758 486	59.14%																
Turnover of Taxonomy-eligible activities (A.1+A.2)		21 235 480 909	87.10%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		3 143 869 176	12.90%																
Total (A+B)		24 379 350 085	100.00%																

Proportion of investments related to Taxonomy-aligned economic activities

2023				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution(14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		NOK	%	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
6.4. Operation of personal mobility devices, cycle logistics	CCM+6.4,	34 299	0.00%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	CCM+6.5	11 513 989	0.43%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
6.6. Freight transport services by road	CCM+6.6	12 626 305	0.47%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
6.15. Infrastructure enabling low-carbon road transport and public transport	CCM+6.15	1 287 526 691	48.08%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y		E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1 311 701 284	48.98%	48.98%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y			
Of which enabling		1 287 526 691	48.08%	48.08%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y		E	
Of which transitional		0	0.00%	0.00%						Y	Y	Y	Y	Y	Y	Y			T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL ; N/EL	EL ; N/EL	EL ; N/EL	EL ; N/EL	EL ; N/EL	EL ; N/EL										
6.6. Freight transport services by road	CCM+6.6	1 044 923 247	39.02%	EL	EL	N/EL	N/EL	N/EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1 044 923 247	39.02%																
CapEx of Taxonomy-eligible activities (A.1+A.2)		2 356 624 531	88.00%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		321 239 393	12.00%																
Total (A+B)		2 677 863 924	100.00%																

Proportion of operating expenses related to Taxonomy-aligned economic activities

2023				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution(14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		NOK	%	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
6.6. Freight transport services by road	CCM+6.6	11 140 876	0.80%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
6.15. Infrastructure enabling low-carbon road transport and public transport	CCM+6.15	457 665 325	32.91%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y		E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		468 806 201	33.71%	33.71%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y			
Of which enabling		457 665 325	32.91%	32.91%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y		E	
Of which transitional		0	0.00%	0.00%						Y	Y	Y	Y	Y	Y	Y			T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL ; N/EL	EL ; N/EL	EL ; N/EL	EL ; N/EL	EL ; N/EL	EL ; N/EL										
6.6. Freight transport services by road	CCM+6.6	921 992 677	66.29%	EL	EL	N/EL	N/EL	N/EL	N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		921 992 677	66.29%																
OpEx of Taxonomy-eligible activities (A.1+A.2)		1 390 798 878	100.00%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		0	0.00%																
Total (A+B)		1 390 798 878	100.00%																

Taxonomy summary tables

Proportion of revenue

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible by objective
CCM	27.97%	87.10%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Proportion of investment expenses

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible by objective
CCM	48.98%	88.00%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Proportion of operating expenses

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible by objective
CCM	33.71%	100.00%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Nuclear and gas energy activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

In the fact booklet "Sustainability at Posten Bring" (attachment) you will find detailed information about guidelines, responsibilities and detailed tables.

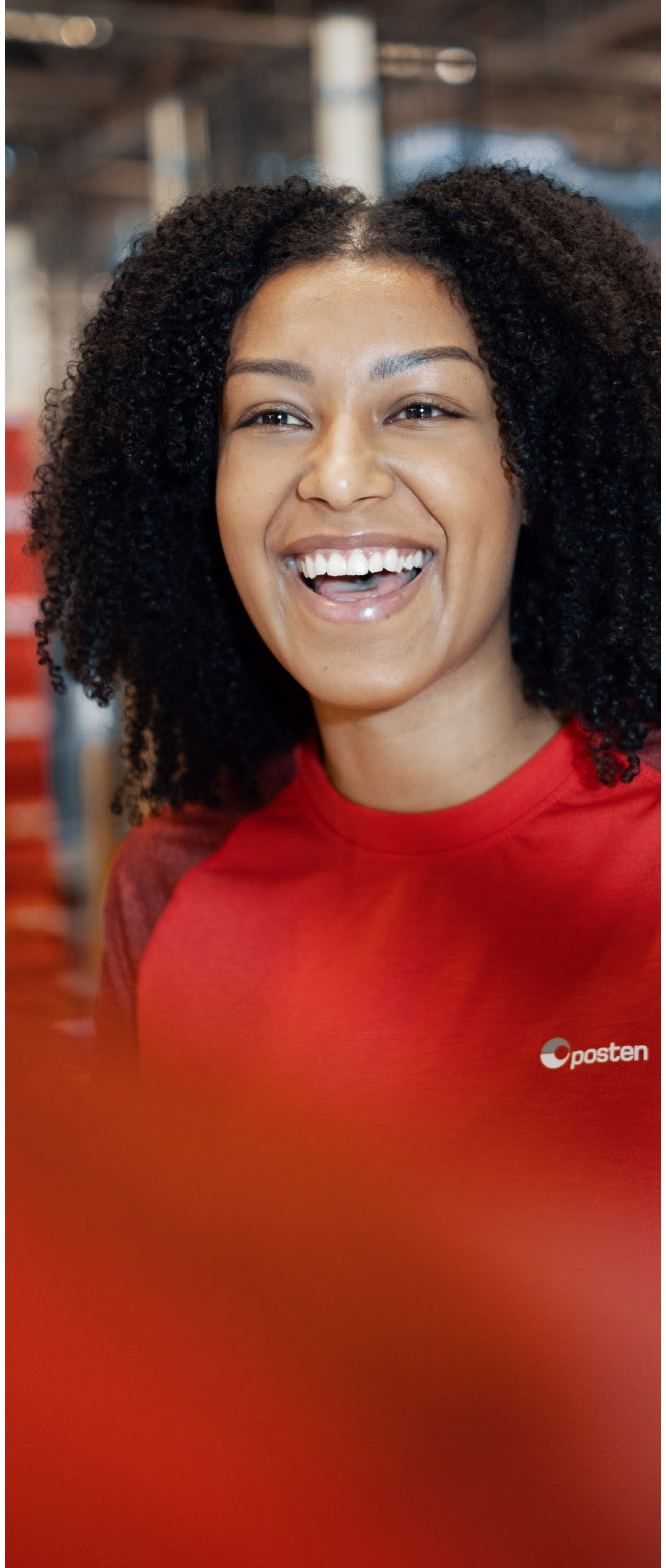
S Social

As a major Nordic logistics actor and employer we have a responsibility for taking care of the people around us. We take that responsibility seriously.

HUMAN CAPITAL | MANUFACTURED CAPITAL | SOCIAL CAPITAL

People are the key to success. This applies to our 12 649 employees, those working in our supply chain, and customers and the local community who are influenced in various ways by our operations. We therefore want to develop our employees by giving them the opportunity to equip themselves for the future. They shall have the right framework to do a good job, they should feel included and have equal opportunities. We work in a structured and targeted manner to ensure responsible and sustainable supply chains. This means that working conditions, the environment and ethics shall be handled responsibly with our suppliers. We will be at the forefront of technology, innovation and sustainability to offer the best solutions for our customers.

Our key areas within *Social* can be linked to UN Sustainable Development Goals 8 "Decent Work and Economic Growth", Sub-goals 8.5 and 8.8, UN Sustainable Development Goal 9, "Innovation and Infrastructure", Sub-goal 9.4, UN Sustainable Development Goal 11 "Sustainable Cities and Communities", as well as the "Partnership for the Goals", Sub-goal 17.17.



Connection to our strategy:

- **Most attractive workplace**
- **Best at sustainable value creation**
- **The customer's first choice**

Measured by:

- Sickness absence rate
- H2 injury rate
- Percentage of female managers
- Employee commitment
- NPS (Customer Barometer)

Our stakeholders believe we can make a difference within these material topics:

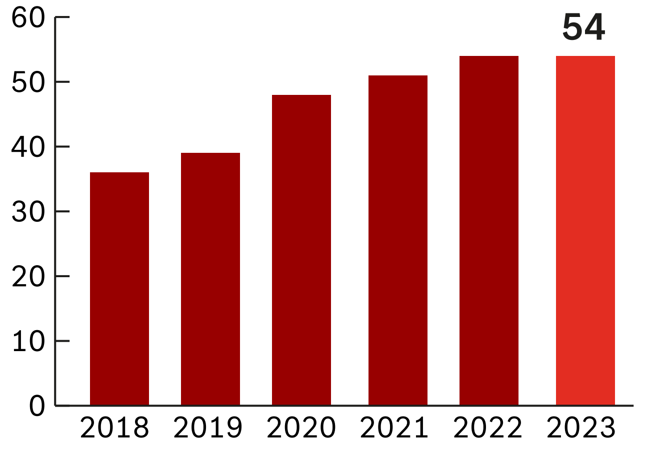
- S1 Own workforce
- S2 Workers in value chain
- S4 Consumers and end-users

Output:

A customer experience of quality and accuracy wherever we are, while sharing insights and knowledge with our customers.

How we meet our targets:
NPS (Net Promoter Score)

Goal 2023: **55** Goals 2024: **55**



The goal is for the proportion of loyal customers to be greater than the proportion who experience a potential for improvement in our services.

Own workforce

Impact, risks and opportunities
A working environment that is safe and health-promoting will contribute to lower sick leave, lower staff turnover, fewer injuries and high-quality deliveries. The risk lies in a tight labour market, and whether we as a Group are able to attract, develop and retain key competence. Persistent shortages of operational competence will weaken the capacity and productivity of our network. If we are able to further develop and recruit the necessary key competence, we are well equipped to deliver quality and productivity, as well as develop new services in line with customer expectations. This could provide a lasting competitive advantage. Employees who feel included and a sense of belonging are happier and more committed. Committed employees are important for innovation and value creation for our customers.

Working conditions

HOW WE WORK ON THE TOPIC

Our employees are the Group's most important resource. To succeed with our goals and strategies, we depend on safeguarding and developing our employees through a continuous focus on safety, commitment and well-being in the workplace. We regularly implement measures to prevent issues and ensure safety, increase employee competence and ability to change so that they can make good choices during the working day. This is primarily achieved through dialogue between employees and their manager in their daily work, but also through skills development measures such as courses, subject-specific expertise programmes and e-learning.

We have a goal that no one becomes sick or is injured from working in the Group. Safety, development and well-being for employees can be linked to the United Nations Sustainable Development Goal 8 “Decent Work and Economic Growth”, sub-goal 8.8.

Health-promoting and inclusive working environment
In the corporate strategy, revised in September 2023, the goal of being the most attractive workplace was included in the work to make Posten Bring a leading Nordic logistics player.

Measures that enhance employee commitment, ensure good employee-manager relationships, promote competency development and create an open and inclusive work environment and will help create health-promoting and attractive workplaces for our employees. Our managers play a key role in this work.

On the road to becoming the most attractive workplace, knowing the strengths, interests, desires and development needs of their employees will be critical for managers. This requires an interest in the employee’s perspective and a willingness to adapt their follow-up to the individual employee.

Key tools in this work are employee interviews, specific feedback messages and actions that contribute to psychological safety in the workplace.

Continuous sickness absence work
The foundation for being an attractive workplace is to ensure that our working environment is sound and health-

promoting. In our work on sick leave, this involves systematic work on health promotion and prevention strategies, while working well on sickness absence follow-up at an individual level.

In the reactive work, we use Posten Bring's own model for sickness absence follow-up. The model ensures that we work purposefully, in a solution-oriented and caring manner on the follow-up of sickness absence. We use several measures and resources to help those on sickness absence get back to work quickly. Examples include follow-up interviews, facilitation measures, assistance from OHS and cooperation with NAV. In November 2023, Posten Bring's personnel system (Myplace) was updated to ensure more uniform follow-up work in the organisation for sickness absence. The system provides managers with guidance during follow-up of employees' sickness absence and ensures that all phases are safeguarded in line with legal requirements and internal procedures. Myplace is now integrated with Altinn, which provides easier communication with NAV and the person authorising sickness absence.

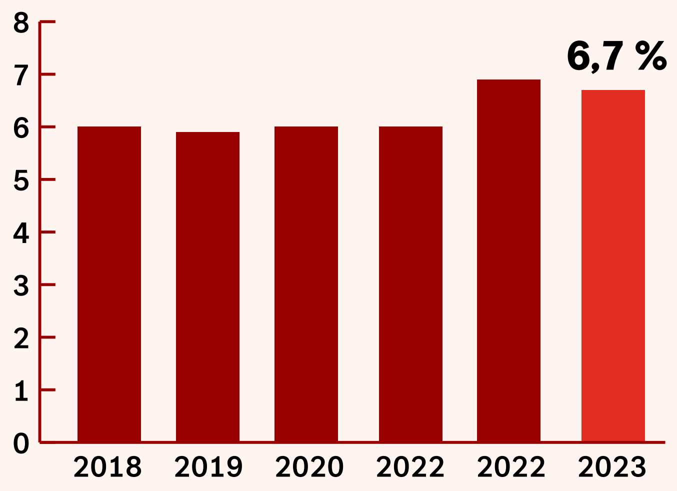
The working environment and experiences at work can contribute to poor health and injuries. We therefore conduct an annual organisational survey, safety inspections and evaluation of the working environment according to our safety standard.

These and other supplemental mapping are central to our analysis work, and crucial to our priorities in the preventive work. Examples of preventive measures are assistance to managers and employees from OHS, teaching about sexual harassment for management groups provided by Norwegian People's Aid and results from the organisational survey that result in measures at all levels.

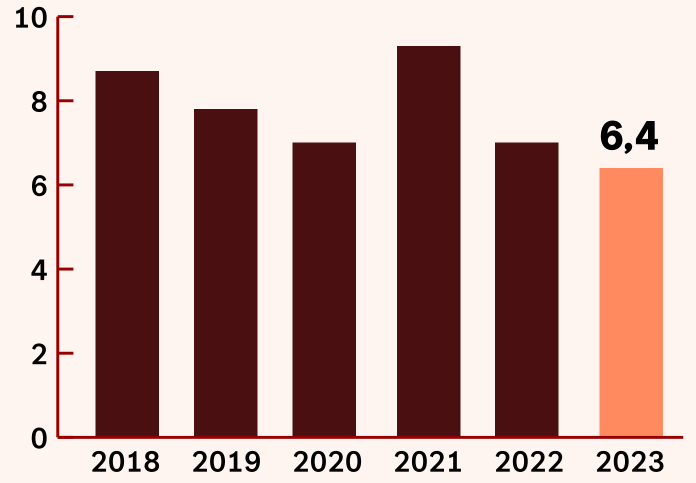
In 2023, we have continued our focus from the HSE management training in 2022 on mental health, and worked on factors that promote mental health in the workplace. Key factors are psychological safety, experience of autonomy, competencedevelopment and commitment. A healthpromoting work environment can prevent sickness absence, and help people on sick leave return to work faster.

In 2023, we have worked on measures and tools for monitoring employees with frequent and repeated periods of absence, with assistance from the occupational health service. Sickness absence ended at 6.7 per cent, down from 6.9 per cent the previous year. The reason for the decline is mainly due to normalisation after 2022, which was characterised by the Covid-19 pandemic and other respiratory diseases. Since August, sick leave has been higher than in 2022. This mirrors sickness absence in general in society, and NIPH lists an

Development in sickness absence, per cent



Development in personal injuries (H2), frequency



early flu season and possible after-effects of the Covid-19 pandemic as possible explanations. Posten Bring monitors risk assessments and the prevalence of influensa, Covid-19 and other respiratory diseases through NIPH.

Systematic safety work

The Group's personal injury rate had a positive development in 2022. This development has continued through 2023. We ended up with a total of 130 injuries, eleven fewer injuries than 2022. This is the lowest number of injuries we have had in Posten Bring since 2012. This gave Posten Bring an LTI2 rate of 6.4, which corresponds to an eight per cent reduction from 2022. The Group target for LTI2 in 2023 was 6.4.

We had the most injuries in February and March, while, for the first time in many years, December was one of the months with the fewest injuries throughout the year. Fall injuries still dominate as the injury type.

In recent years, there have been major changes in the employees' working day; a postman who previously only delivered letters in the mailbox will now deliver different products, use digital aids, use different routes and deliver both in the mailbox, to the door and in an outdoor cushion box. This change has increased the need to make individual employees more aware of risk in their own working day. The results we achieved through 2023 show that good systematic and preventive HSE as well as risk management work is being done in all parts of our organisation.

Furthermore, the other measures on

safety work have continued, such as investigating the most serious incidents, annual safety meetings and the registration of near-accidents. All the tools to be used in injury prevention work are gathered in a "Best practice" presentation aimed at HR and HSE advisers and managers at all levels throughout the Group.

Hired personnel and subcontractors are used to some extent to carry out work under our management at our terminals. The necessary training is followed up through revisions of our "HSE Safety Standard" and self-evaluations.

CONTACT WITH STAKEHOLDERS

In connection with the materiality analysis conducted in the autumn of 2023, interviews were conducted with both internal and external stakeholders. Many of these highlight employees and employees' working conditions as an important topic. It is noted that Posten Bring as a large employer has a responsibility and an opportunity to lead by example and create an attractive workplace. There is a need for a lot of labour in the time ahead and Posten Bring must appear attractive to attract and retain employees. Constant employee replacement is expensive. Employees want the opportunity to develop within Posten Bring, while still experiencing the workplace as safe, with good working conditions and a place where one is proud to work.

OUR ASSESSMENT AND THE WAY FORWARD

Targeted work on preventing sick leave and injuries is the foundation of our daily HSE work, and affects the entire organisation. In recent years, HSE leadership training has had relevant topics to support this.

As part of our preventive work on the psychosocial work environment, we will prioritise the work on initiatives related to unwanted sexual attention and harassment.

For many years, we have had a high proportion of musculoskeletal disorders. This has been the most frequent cause of sickness absence in Norwegian working life. In 2023, mental disorders have increased more than musculoskeletal disorders, and for Posten Bring will also be an important focus area going forward. The work looking at the connection between musculoskeletal disorders and the psychosocial working environment continues. In the long term, this could yield benefits in the form of reduced sickness absence costs and a better working environment.

By putting health-promoting workplaces on the agenda, we want to safeguard and empower our managers in their efforts to both prevent and manage mental health challenges throughout 2024, while also promoting factors that

contribute to health, well-being and presence.

We see an ever-increasing improvement in the personal injury trend in the Group. It will be important to maintain good results and at the same time continue the awareness campaigns where the individual employee understands risks and makes safe choices in the workplace.

Equal treatment and equal opportunities

HOW WE WORK ON THE TOPIC

Posten Bring is a large Nordic group with a diversity of employees. We see this as a strong competitive advantage. We believe that diversity and inclusion pay off, both in terms of increased innovation and better value creation. The diversity and inclusion efforts are strongly rooted in Posten Bring's senior management and we work in a dedicated manner to promote equality, diversity and inclusion through a variety of initiatives and activities. We want not only to follow our duty, but also to be a positive force in society.

Our overall goal is for the diversity of the group to reflect the diversity of society.

We take a broad view when we talk of diversity and we want to be an attractive employer for employees of different gender and gender identities, sexual orientations, nationalities and ethnicities, disabilities and ages. In our recruitment processes, we encourage candidates with different backgrounds to apply, and applicants will have equal opportunities for employment. With over 12 600 employees in the Group, we represent a large part of society, and it is important for us that everyone feels welcome and safe. We want our employees to experience that their differences are a strength and that they can bring their whole selves to work. We carry out various activities and measures that aim to spread knowledge and understanding of our similarities and differences.

Through the work on equal treatment and equal opportunities for all, the Group contributes to the UN Sustainable Development Goal 8 "Decent work and economic growth".

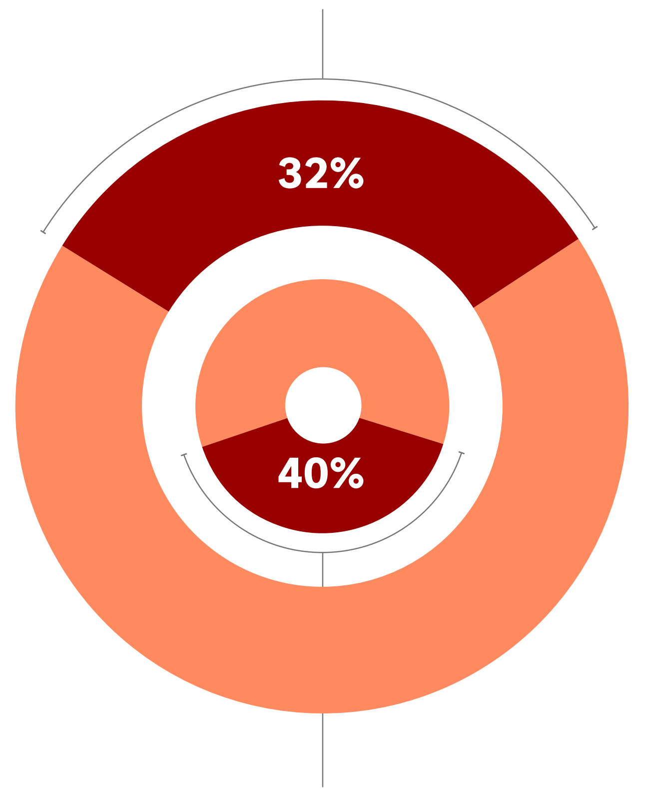
We work systematically to prevent discrimination and to promote equality, in accordance with the activity duty of employers. See detailed descriptions of activities and actual gender equality status in the Fact Booklet on page 15.

Selected activities and initiatives from 2023

Gender balance

At the end of 2023, the proportion of women in Posten Bring AS was 33 per cent, unchanged from 2022. The total proportion of women in the Group is 32 per cent, with 31 per cent female managers. The proportion of female leaders has increased from 29 per cent last year.

In 2023, Group Management has consisted of 40 per cent women. For the Board of Directors, the proportion of women was 60 per cent. Both in Group Management and on the Board, 20 per cent are between 30-50 years, and 80 per cent over 50 years.



We have set ourselves an ambitious goal to increase the proportion of female leaders to 40 per cent by 2030 and we are working on various measures to achieve the goal. For example, gender balance is emphasised in nomination for management programmes, as well as in succession planning.

We also focus on highlighting female leaders in internal channels. We have updated our group recruitment and employment action rule, with an even greater focus on diversity and gender balance. When recruiting for management positions, efforts must be made for both genders to be represented among the final candidates.

Another measure is that most of the Group has had a new HR system implemented, which will make it even easier for us to obtain important statistics on gender balance both among our employees and among our managers. Going forward, we will work on different KPIs at the division level.

In March, we marked International Women's Day with internal news stories about some of our female managers working in more male-dominated fields, as well as an interview with our first female Chair of the Board.

In September, we had an open application page on the intranet where all of our female employees could apply for the upcoming round of FiftyFifty, which is a management development course organised by AFF. The aim of the programme is to increase the proportion of female leaders in the business world. After a selection process, ten participants were selected to begin the programme in November. The programme will run until September 2024.

Every year we participate in an external survey through the SHE Index in order to compare the gender balance among managers and employees in the Group with other companies. We ended at 20th place out of 85 companies. This is 25 places higher than last year, when we were ranked in 45th place out of 84 companies.

Nordic CEOs and supplier requirements
An important part of our work on diversity and inclusion is to challenge our suppliers to work on the same topics. In 2023, we have revised the code of conduct for our suppliers. This initiative is in line with the ambitions we have developed in collaboration with "Nordic CEOs for a Sustainable Future" to raise awareness and encourage specific action on diversity and inclusion by our suppliers. Furthermore, the cooperation commits us to systematic work for gender balance, equal pay and competence enhancement.

Gender and sexual diversity
For the second year in a row, this year we were the "Proud Partner" of Oslo Pride. This is to celebrate human dignity, the right to be yourself. It is also an important part of our efforts to make our employees feel welcome, included and safe, regardless of their identity or who they love.

This year was the first time we took part in the parade, when it was tragically cancelled in 2022 due to the 25 June terrorist attack. Nearly 90 employees with friends and family attended the pre-party we arranged, as well as the parade itself, where we participated with our own float. The event was a huge success and many employees showed joy and pride in the partnership and our participation in the parade. Six employees were also present at the Oslo Pride Business Forum. We marked the Pride celebration in the other Nordic countries in which we operate, through raising awareness on our intranet. As a "Proud Partner", we have also obligated ourselves to work on competence enhancement in gender and sexual diversity in the workplace. In June, in connection with Pride, we held a webinar for all employees with the theme "How to act inclusively in your working life" led by the FRI - The Association for Gender and Sexual Diversity. Together with the FRI, we offer our managers and employees a course in "Rosa Kompetanse", which is about how to behave safely and inclusively in the workplace with regard to sexual orientation, gender identity and gender expression.

For the second year in a row, we are a "Proud Partner" of Oslo Pride

Going forward, we will continue to work on competence enhancement in gender and sexuality diversity and we will also be the "Proud Partner" of Oslo Pride in 2024.

We have established an internal "Rainbow Network", which is a social meeting place for queers and allies run by committed employees with the support of the specialist responsible for diversity and inclusion.

Inclusive design and universal design
Inclusive and universal design are high on the agenda. In 2023, we have been working on awareness for our service teams that the inclusive design professional has visited to provide teams with the knowledge and tools to drive universal design on their own. In addition, we have created internal universal design policies that ensure we provide inclusive services externally but also internally for our employees. We continue to spar with the Norwegian Federation of Organisations of Disabled People, the Norwegian Association of the Blind and Partially Sighted and the Norwegian Association of Disabled, among others. Through these forums, we strive to make decisions based on insight, to ensure that Posten and Bring's services are available to everyone.

Special occasions
In 2023, we marked Eid, Movember, Pride, International Women's Day, Diwali and Global Accessibility Awareness Day (GAAD) with digital and physical gatherings or articles on the intranet. The purpose of such occasions is to celebrate our diversity, create belonging in the organisation and increase engagement.

We have implemented several other initiatives on the topic of diversity and inclusion. Read more about this in our «Equality Statement» in the Fact Booklet on page 16.

Skills development
If we are to succeed in achieving our goals and strategies, we must develop our existing employees and attract the expertise we need today and in the future. The Group works continuously to develop the competence and ability to adapt of our employees and managers. This is primarily achieved through dialogue between employees and their manager in their daily work, but also through skills development measures such as courses, subject-specific expertise programmes and e-learning.

Make learning accessible
In 2023 we further developed a digital learning app where we both develop and make available engaging and customised digital learning for all our employees. New this year is that all our employees who do not carry out their daily work on a PC also have access to digital learning via the "employee app". Through the employee app, everyone gets access to group courses such as pHMS, privacy, physical and digital security, but also courses that are created locally for certain areas of the group. We have worked purposefully to train editors in pedagogical methods so that the development of learning content can be aimed more closely at employees' needs and mission-critical areas.

Attract
In the Employer Branding strategy, Posten Bring has adopted a new employee promise: "Always evolving" We create communication that link this to our identified target groups and enable the promise through internal training and external exposure. At the same time, we professionalise our recruitment processes with new methods, systems, tools and platforms. We also apprenticeships and trainee programmes. Apprentices add up-to-date professional competence to the operation. The aim of the trainee programme is to attract and develop talents with critical expertise, who can assume leadership and specialist roles early in their career.

Good learning processes
We are committed to good learning processes before an employee takes up

their position with us. In 2023, we have worked to professionalise our onboarding journey to make it easy for new employees, managers and support functions to ensure a good introduction to Posten Bring. This process consists of digital courses through our employee app, management support, information and sharing of best practices.

Professional and interest networks

To be closer to business and our customers, we created multidisciplinary teams and our own professional networks for all discipline axes in 2022. In 2023, we have expanded with several new professional networks, such as "project management professional networks". We develop the networks to facilitate a learning culture where we can also strengthen professional competence. All our employees in the professional networks can devote 10 per cent of their time to professional development. The networks will enable a professional community with a focus on increased cooperation, sparring and learning.

In addition to the professional networks, we have started various interest networks to enable competence development across interests in the Group. Examples of interest networks we have established are "AI at Posten Bring". We believe in networks as a more informal way to drive skills development.

Our managers are important for developing learning culture

In 2023, we launched a new strategy with a goal of "having the industry's best leaders". To support this goal, we have launched a corporate management programme we call "manager modules". These are shorter physical or digital modules with disciplines all our managers need such as "new leader", "friction and conflict" and "hybrid management".

Overview of programmes and scope (404-2 a)

Programme	Participants
Digital learning	22 250[1]
Apprentices	57
Trainee programme	18
Manager modules	86
Professional network	280
Scholarship	38

Support for restructuring processes

In restructuring processes, we try to adapt support to each individual situation. The most common are forms of severance pay to secure the individual's income in the period between two jobs. In the event of major restructuring processes, we purchase external outplace ment services. This includes everything from hours of help writing applications and drawing up CVs to major programmes including coaching and career guidance. In 2023, we had no major restructuring processes.

CONTACT WITH STAKEHOLDERS

In the process of a new dual materiality analysis in the autumn of 2023, a number of stakeholders were interviewed. Several of the stakeholders highlight that Posten Bring, as a major player and employer, has a key role in creating a diverse and inclusive workplace. The capital market is concerned that we ensure good gender balance and equal pay for employees. Interest organisations point out that there is a critical shortage of drivers today and that Posten Bring must work to make the industry more attractive.

OUR ASSESSMENT AND THE WAY FORWARD

Follow-up of employees and the working environment

We map conditions related to being employed by Posten Bring and Bring through our annual organisational survey. The survey helps to measure commitment, well-being and frameworks for doing a good job, among other things. In 2023, the survey was completed by 9 466 employees (the proportion who responded was 79 per cent). The survey shows high scores on the factor of commitment, with 5.9 on a scale of 1 to 7. For the competence factor the score was 5.7, up 0.1 from 2022. Good dialogue with employee representatives is an important contribution to the work. 97 per cent of Posten Bring employees work under a collective agreement. Employee interviews are conducted once or twice a year. The purpose of the interview is follow-up and further development of employees. For managers and employee with their own PC at work, the interview is conducted with digital support. 81 per cent of these employees conducted performance interviews in 2023. In 2023, we have been working on a new process for employee interviews in connection with a new HR system, and during 2024 we will launch a new system for this.

Further work on diversity and inclusion

Through our measurements and reports, we see that the measures on and our awareness of diversity are producing results. That said, we must still work on gender balance at all levels and work to increase the share of employees with a multicultural background in both management and staff.

During 2024, we want to work on further developing our corporate diversity and inclusion strategy, with even clearer objectives for the work. We are also investigating the possibility of including a greater focus on diversity management in our corporate management programme.

[1] Number of courses.

Workers in the value chain

Impact, risks and opportunities
Challenges related to workers' rights and human rights are large and complex within many supply chains. This is especially true for employees of transport companies we buy services from. Violations of workers' rights in the supply chain are a significant reputational risk to Posten Bring. We work systematically to help ensure that employees in the value chain receive safe and decent working conditions and that people do not experience that their fundamental human rights are threatened.

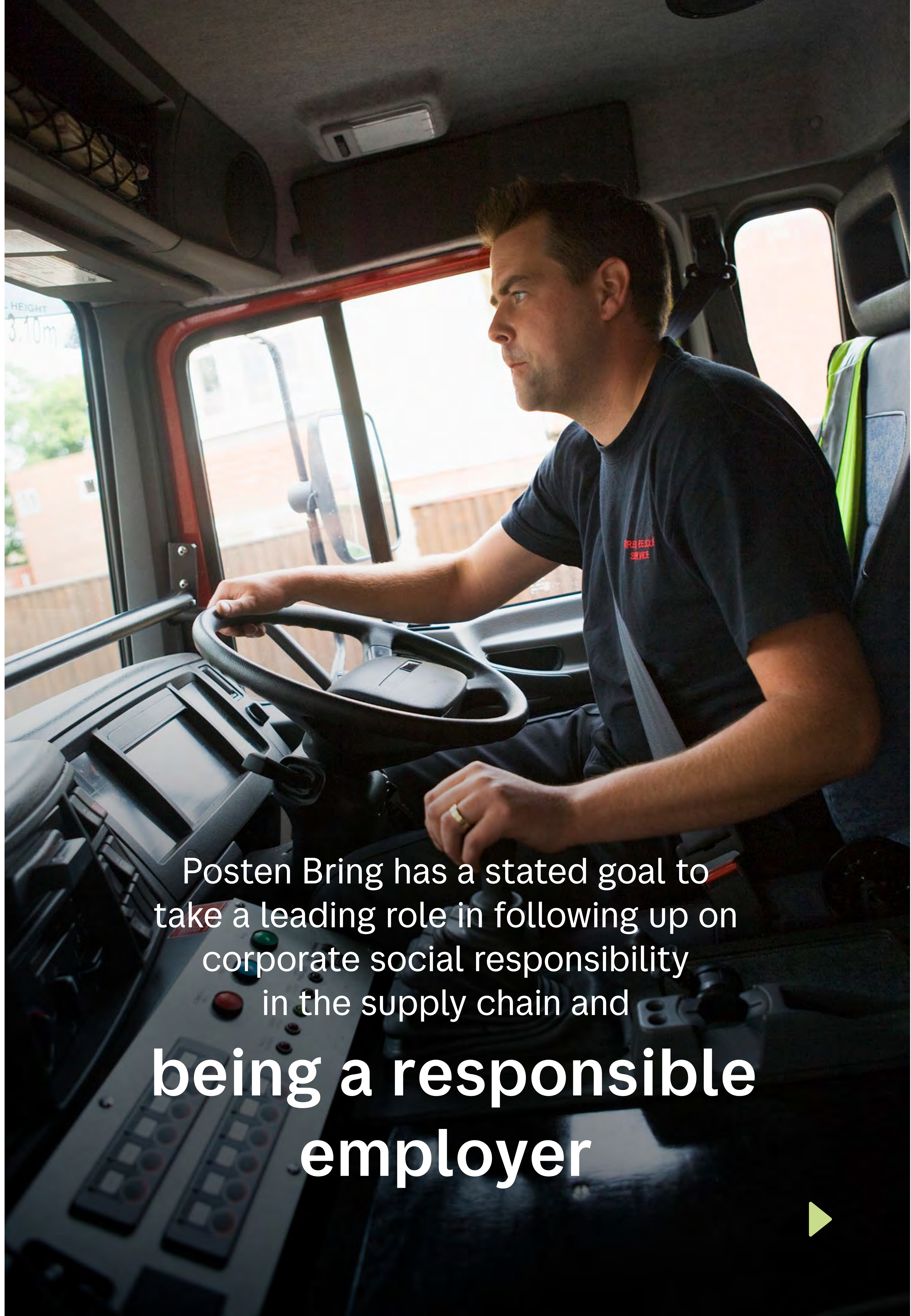
Disclosure pursuant to the Transparency Act

INTRODUCTION

Posten Bring aims to take a leading role in following up on corporate social responsibility in the supply chain and being a responsible employer. We report in accordance with the requirements of the Transparency Act. We want to explain how we work to prevent violations of decent working conditions and human rights in our own operations and in our supply chains. This is also the expectation we get from our stakeholders. Our business customers require and check that we carry our systematic work to ensure workers' rights, that we have an "Code of Conduct for Suppliers" and that we follow up and check suppliers' compliance with this.

As the owner, the Norwegian state expects us to be a leader in our industry in terms of working conditions, health, safety and the environment in our own business and in the supply chain.

The most significant risk for workers' rights and human rights violations is in



Posten Bring has a stated goal to take a leading role in following up on corporate social responsibility in the supply chain and

being a responsible employer

our supply chains. This is especially true for employees of transport companies we buy services from. In this statement, we will discuss the risks we are aware of, what kind of violations we have uncovered and how we work to avoid these from happening.

The challenges of workers' rights and human rights are large and complex within many supply chains. We believe that this work is beneficial and contributes to safe and decent working conditions and that people do not experience that their fundamental human rights are being threatened.

The content and scope of the report
This is a Group-wide statement with Posten Bring AS as the parent company. Unless otherwise specified, the content applies to the Group as a whole. This section deals with the Group's work on supply chains. The Group's work related to its own employees is described under «Own workforce» on page 52.

Subsidiaries with an independent obligation to comply with and provide a statement in accordance with the Transparency Act do so separately. This applies to the following companies:

- Bring Cargo AS
- Bring Intermodal AS
- Bring Equipment AS
- Bring Cargo International
- Bring Linehaul Bildrift AS
- Posten Eiendom Robsrud AS
- Posten Eiendom Alnabru AS
- Posten Bring Bildrift AS
- Bring Home Delivery Norge AS
- Bring Før7 AS
- Bas Communication AS
- Netlife Design AS
- Bring Courier and Express Norge AS
- Bring Warehousing AS

Brief information about the company and use of subcontractors
The Nordic region is our home market and we have terminals in Norway, Sweden, Denmark and Finland, as well as in the Netherlands and the UK. We also have employees in Poland, Greece, Germany, Belgium and Hong Kong. We operate globally and have partners in most parts of the world. The Group's business model is based on a combination of its own employees and the use of suppliers. We purchase a range of services from approximately 16 600 suppliers located around the world. About 2 600 of these are external transport providers[1]. As a purchaser of goods and services, Posten Bring has great influence within certain parts of our supply chains, especially in the purchase of transport services.

ANCHORING, POLICIES, ROLES AND RESPONSIBILITIES

Anchoring: The Group's work is anchored in the company's strategy and governing documents for the work. These apply to the entire Group and are decided by Group Management and overall strategies have also been adopted by the Board. Requirements for suppliers to respect human rights and employee rights are provided in the "Code of Conduct for Suppliers". Governing documents include "Group Policy Sustainability", "Group Policy Procurement" and "Code of Conduct in the Supplier Chain" with associated process descriptions. The action rule describes roles, responsibilities and key elements of our work for the subject area. The Code of Conduct for Suppliers is available on our website.

Roles and responsibilities: The responsibility for ensuring compliance with the Code of Conduct for suppliers is integrated into the purchasing work in various parts of the Group. This means that it is the contract owners in the divisions and Corporate staff who themselves have this responsibility. Corporate staff Purchasing enters into Group-wide agreements. Suppliers with Group-wide agreements shall be followed up by the agreement owner. Follow-up of the transport providers in the divisions takes place in a collaboration between the specialist responsible in the divisions and the operational units. The organisation of this will vary between different divisions and companies. The Corporate staff's own professional team for ethics in the supply chain has overall professional and coordinating responsibility. The team develops governing documents and tools and assists the Corporate staff and divisions. The team shall also ensure that the Group and our companies have a management system for supplier management with regard to the Code of Conduct for Suppliers. They shall also check internal compliance with the action rule. The divisions' work is otherwise supported by other group functions such as Group Legal and HR.

MAPPING AND ASSESSING RISK OF NEGATIVE CONSEQUENCES IN THE SUPPLY CHAIN

Risks within the transport services supply chain
The "Transport Services" category is considered to be at greatest risk of violating the provisions on wages and working conditions. For transport services in the Nordic countries, in most cases we know which other companies are involved in a freight assignment.

The supply chains within land transport can be divided into three main areas: goods transport, domestic heavy goods transport and international heavy goods transport. Risks associated with these are listed below. Risk refers to conditions that we have not necessarily discovered ourselves, but which are recognised challenges for the industry as a whole.

- **Van transport:** The van industry faces major challenges with wages and

[1] Where more than 70,000 NOK is spent.

working conditions. The van industry has recognised risks such as low pay or income, violation of accommodation regulations, violation of working hours provisions, lack of overtime payment, circumvention of employer responsibility and illegal work. In Norway, the van industry is not regulated like heavy goods transport, and as it the case in Sweden and Denmark. There is no lower limit to what drivers can be paid. However, all the Group's own drivers have wages under collective agreements. Findings made among external carriers are discussed later in the account.

- **Heavy goods transport Norway/ Domestic:** Risk areas: Working hours and wages for foreign drivers. Heavy duty transport drivers in Norway (vehicles over 3.5 tonnes) are generally at lower risk in terms of wages and working conditions than in the van segment. Heavy goods transport in Norway is regulated by collective wage agreements, competence requirements and regulations on driving and resting time.
- **Heavy goods transport international:** Working and driving time are regulated through driving and resting time provisions. Wages, especially in connection with cabotage driving, that is, the transport of people and goods between locations in a country other than where the carrier belongs. Accommodation conditions, accommodation and deployment for drivers are regulated through the EU's new mobility package.

Measures and follow-up related to the transport business follow later in the document.

Risk, action and follow-up for high risk categories other than transport

According to the Public Procurement Act, as a public contracting authority, we shall have "suitable procedures for promoting respect for fundamental human rights in public procurement where there is a risk of violation of such rights". We have reviewed all of our procurement categories and identified the highest risk categories. These are discussed in the tables on the following pages.

Global manufacturing and global supply chains pose risks of human rights violations and employee rights for most companies. Like other companies with complex supply chains, Posten Bring also has risks in this area.

Our mapping is not based on the risk to the individual supplier chain for Posten Bring, but on a general risk landscape within each category. At the global level, there is a documented high risk of human rights violations and of the ILO's core conventions; prohibition of child labour, forced labour, discrimination or the right to professional organisation.

The challenges we describe often

apply to entire industries, and are not specifically related to Posten Bring. There is no quick solution for any single company. Working on these risks is a long-term job and like many other companies, we still have a long way to go. Posten Bring has a tradition of taking responsibility into account in the supply chain and has been working on this for many years. The "Code of Conduct for Suppliers" is signed by our suppliers and ethical requirements are made for contractual terms where relevant.

For several procurements, special qualification requirements have been prepared to meet category-specific risks. Moving forward, we will work to ensure that agreed contract terms are actually followed with regard to human and workers' rights. Under each category, we describe the actions we have taken so far.

The risk assessment per procurement category is carried out by identifying potentially negative consequences for human rights violations and decent working conditions in the supply chain. As the contracting authority, we can take this into account when carrying out procurements and in contract follow-up with our suppliers.

Category	Description of category and risk
Advertising and marketing/ profiling articles	The category includes promotional items such as ballpoint pens, t-shirts, beverage bottles and more. In general, the risk is associated with production, which occurs mainly in Asian countries where risk is assessed as high (low wages and unreasonable use of overtime). In the previous procurement of profiling items, all suppliers who participated had to document their own compliance with our "Code of Conduct for Suppliers" through a comprehensive self-assessment. Some companies did not meet our requirements and did not advance in the tender competition. **Planned measures:** Further follow-up of the supplier will take place in accordance with plans prepared by the category team.
Workwear and protective equipment	Uniforms, workwear and safety shoes belong to this category, and are usually produced in low cost countries. General risk is income levels below the liveable wage, and child labour. Lack of safety in the workplace is also a serious problem. **Measures taken:** In the previous procurement, all suppliers who participated had to document their own compliance with Posten's "Code of Conduct for Suppliers" through a comprehensive self-assessment. Some companies did not meet our requirements and did not advance in the tender competition. **Measures planned:** Today's supplier is followed up more closely for compliance with the code of conduct in its own supply chain.
Inventory and equipment for buildings	Products such as solar panels, furniture and shelves belong to this category. Risk is considered high because these are mainly produced in low-cost countries. The manufacture of raw materials and metals for these products may pose a high risk of human rights violations in the form of child labour and forced labour. Measures in this category are that we have conducted due diligence with our suppliers. **Measures planned:** We have implemented a separate project for acquiring solar panels, because there is documented forced labour in the supply chain, especially in Xinjang Province, China. The project has a mandate to develop a strategy for identifying supply chains free from forced labour.
Contractor services	Contractor services include the construction of terminal buildings. A general risk in the category is non-compliance with decent wage and working conditions requirements for the employees of contractor companies and their subcontractors. This could be a lack of security measures in the workplace, and a violation of decent wages and working conditions. **Measures:** Suppliers have signed the "Code of Conduct for Suppliers". In addition, our HSE coordinators follow up on working conditions through controls at our construction sites, including checks of pay and working conditions. In May, a seriousness check (obligatory enforcement activity) was carried out for our two ongoing construction projects; Stokke and Østlandsterminalen (ØT). No deviations found. **Measures planned:** follow up ongoing construction projects and carry out obligatory enforcement activities.

Category	Description of category and risk
Cleaning services and products	The cleaning of Posten Bring's locations is in this category. A general risk is that cleaning suppliers do not comply with decent wage and working conditions requirements for their employees. There is a general risk of the use of labour without legal work and residence permits. In addition, there is a risk associated with the use of chemicals and the possibility of injury. Our approach is that our framework agreement suppliers have signed Posten's "Code of Conduct for Suppliers". Obligatory enforcement activities were carried out in February 2023. No deviations found. We have an ongoing procurement of framework agreements for cleaning where special requirements are imposed. **Measures planned:** Follow up the selected cleaning supplier after contract signing to implement procedures for contract follow-up and carry out an obligatory enforcement activity.
Staffing and recruitment	"Recruitment services" are included in this category. This is classified as a high risk category because a general risk is that a temporary agency does not follow the provisions of the EU temporary agency directive, which ensures equal treatment of contracted temporary workers at the same level as the Group's own employees. In this category, we have entered into framework agreements with several suppliers. All framework agreement suppliers have signed Posten's "Code of Conduct for Suppliers". In addition, special requirements adapted to the category were used during the previous procurement of recruitment services. These form part of the contract with the suppliers. In March 2023, we conducted a random check on two of our staffing suppliers according to the method for obligatory enforcement checks. The purpose is to check that Posten Bring's temporary agencies follow the provisions of the EU temporary agency directive and ensure equal treatment of contracted temporary workers at the same level as our own employees. No deviations found. **Measures planned:** Additional follow-up of suppliers to ensure compliance with the provisions of the EU temporary agency directive.

Category	Description of category and risk
Office supplies	Office supplies include a variety of products consisting of different materials. This is a high risk category because the products are mainly manufactured in low cost countries. At a general level, the risks are related to both the assembly and production of components, and to the extraction of raw materials. Production takes place mainly in China and other Asian countries at risk of poor wage and labour conditions. A new framework agreement has recently been entered into under the auspices of the procurement cooperation in Tradebroker. **Measures planned:** Follow-up and implementation of the procedure for contract follow-up.
Data hardware and mobile clients (phones, etc.):	This is considered a high-risk category because this is produced largely in factories in China and other Asian countries. Workers' rights issues have been documented in the factories, such as low wages, forced overtime, exploitation of students as labour, and termination of union leaders. Human rights risks are assumed to be slightly lower for assembly than for production of components. So-called conflict minerals such as gold and cobalt are included in several products in these categories. Extraction of the minerals carries a high risk of human rights violations. Cobalt is a key component of conventional rechargeable batteries, used in PCs, tablets and mobile phones. Posten's suppliers have signed the "Code of Conduct for Suppliers". This is a category with global suppliers and our opportunity to influence as a single customer is limited. Nevertheless, there is reason to follow up on what measures the suppliers undertake in their own supply chain such as controls, due diligence and certification schemes. **Measures planned:** A procurement will be made in 2024 for PCs where special requirements are required.
Containers	The category includes containers and swap bodies. Considered a high-risk category because these are mainly produced in low-cost countries. The risk is related to decent wages and working conditions for employees, as well as risk of dangerous working conditions in production. **Measures planned:** A new acquisition will be made in 2024, where special requirements will be made.

Category	Description of category and risk
Service and repair of transport material	The category includes the service and repair of transport material belonging to other categories such as containers, vehicles and trailers. The risk is related to decent wages and working conditions for those who perform the services as well as illegal use of overtime. Part of the activities in the category are covered through service agreements with the suppliers of the products. **Measures planned:** Category plans are developed in collaboration with the category team.
Tyres	The production of tyres carries a risk of human rights violations in several parts of the supply chain. The tyre manufacturing chain is very complex. The production of natural rubber poses the greatest risk in the value chain, with challenges related to corruption, child labour and environmental degradation. It is difficult to track which subcontractors and commodity suppliers are included in the supply chain, among other things, because raw materials are purchased from around the world. The main raw material in tyres is rubber. Asia accounts for most of global natural rubber production. The Group's suppliers have signed Posten's "Code of Conduct for Suppliers". **Measures planned:** Category plans are developed in collaboration with the category team.
Miscellaneous operations and service tasks (Facility Management)	The category includes canteen services for our terminals and caretaker services such as snow clearance, salting etc. A general risk is that suppliers do not comply with decent wage and working conditions requirements for their employees. There is also a general risk of the use of labour without legal work and residence permits as well as the illegal use of overtime. Today's group agreement supplier for canteen services has signed Posten's "Code of Conduct for Suppliers". We have set special requirements adapted to the challenges in this category, in our agreement with a new framework agreement supplier. **Measures planned:** Follow up the selected supplier in the field of canteen services in the form of compliance with requirements set out in the procurement, contract terms and carry out obligatory enforcement activity.

Category	Description of category and risk
Sea transport	The category includes agreements with ferry companies. A general risk is to ensure decent wages and working conditions for the crew aboard the transport ships. So far, we have conducted background checks on suppliers for sea transport in accordance with the Group's process for ethics in the supply chain. **Measures planned:** Review of agreements with ferry companies to follow up on compliance with the code of conduct.
Trucks, vans, lorries and one-man vehicles	These are categorised as high-risk categories because manufacturing occurs through global and complex supply chains, and risks associated with electric vehicle batteries. The production of vehicles involves primarily a risk of human rights violations in the production of components, and the extraction of raw materials. It is therefore important to ensure that the suppliers themselves can document their due diligence. Vehicle batteries: Posten Bring is focused on electric vehicles. Cobalt is a key component of standard rechargeable batteries in electric vehicles. Extraction of the raw material for batteries is a critical point in the vehicle manufacturers' value chain with a high risk of human rights violations such as indigenous rights, child labour, corruption, and environmental degradation. Particularly high risk is associated with the extraction of cobalt in DR Congo, where serious human rights violations have been detected. No global vehicle manufacturer can claim to have full control over their supply chain with regard to breaches of basic human rights. Most of our suppliers largely follow the recommended framework "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" when obtaining raw materials. No supplier of electric vehicles can guarantee that there is no violation of human rights in the value chain for batteries. In 2024, a framework agreement process for the purchase of lorries will be completed where ethical requirements are imposed. **Measures planned:** Follow up suppliers' compliance with the code of conduct with a special focus on the supply chain for batteries.

Table: summary of actions taken per high risk category

CATEGORY	PROCUREMENT PROCESS				FOLLOW-UP DURING THE AGREEMENT PERIOD		
	Code of Conduct for suppliers signed	Special qualification requirements	Special evaluation requirements	Special contract terms	Self-assessment	Audits	Other control measures (e.g. enforcement obligation)
Advertising and marketing (profiling articles)	✓	✓	✓	✓	✓		
Workwear and protective equipment	✓	✓	✓	✓	✓		✓
Inventory and equipment for buildings	✓			✓			✓
Contractor services	✓						✓
Cleaning services and products	✓	✓	✓				✓
Staffing and recruitment	✓	✓	✓	✓			✓
Office supplies	✓	✓	✓	✓			
Computer hardware and mobile clients (phones,etc.)	✓						
Containers	✓	✓	✓	✓			
Service and repair of transport material	No acquisitions in 2023						
Tyres	✓						
Miscellaneous operations and service tasks	✓	✓	✓	✓			✓
Sea transport							
Trucks, vans, lorries and one-man vehicles	✓	✓	✓	✓			✓

Summary of measures within high risk categories other than transport
In 2023, the measures within other high-risk categories have mostly been linked to the procurement phase. In addition to this, control measures have been implemented, such as checking wage and working conditions (enforcement checks) and following up suppliers with regard to their own due diligence assessments. The table above shows the types of activities carried out in 2023 within the different procurement categories.

ACTUAL NEGATIVE CONSEQUENCES IDENTIFIED (GRI 414-2)

Through control activities, audits and the like, we have identified deviations in workers' rights at transport providers. Common deviations are related to working hours, overtime payment, shortcomings in employment agreements and HSE systems. Within the van segment, underpaid workers, workers without contracts, illegal work and working time violations have also been uncovered. This does not mean that there are such deviations for all suppliers, but that these occur. All carriers with deviations are followed up. Agreements with carriers that prove to be unserious are terminated.

MEASURES TO STOP, PREVENT OR REDUCE NEGATIVE IMPACT AND HARM

Figures and facts on control measures in the supply chain (GRI 414-1)
All new suppliers must accept and sign the Group's Code of Conduct for Suppliers. The Code of Conduct includes requirements regarding working conditions, human rights, wages, forced labour, freedom of association, etc. Beyond this, the approach will vary according to procurement category and risk. The standard contract templates also contain contract terms for human rights protection. These terms were updated in January 2023 to comply with provisions of the Transparency Act.

Control actions for carriers:

- 547 background checks
- 142 completed self-assessments
- 92 audits followed up so that suppliers rectify any deviations.
- In addition, 307 vehicles with drivers were inspected.

Evaluations of new suppliers (GRI 414-1)

The two main categories of suppliers the Group works with are carriers and "other" procurement categories. Assessment of carriers for social criteria is carried out for both new and existing ones. Most of the carriers are existing suppliers and we do not keep statistics on these. However, all new carriers shall be assessed in accordance with background check guidelines.

70 per cent of the new strategic procurement suppliers were assessed on social criteria through specific qualification requirements, evaluation requirements or contractual terms. This was undertaken through 18 procurements under the auspices of Group procurement. 100% of these new suppliers signed the “Code of Conduct for Suppliers”.

Evaluations of the suppliers as a whole (GRI 414-2)

A. Number of suppliers assessed for social impact:
   - 16 000 suppliers are categorised by industry risk. We categorise almost all suppliers according to inherent risk of improper working conditions and human rights violations related to industry/procurement category.
   - Number of suppliers identified as having significant actual or potential negative social impacts: 2 100 suppliers are categorised as high risk – based on the industry/procurement category they belong to.

B. Significant actual and potential negative social impacts identified in the supply chain. See the previous page under «Actual negative consequences identified (GRI 414-2)»

C. Proportion of suppliers identified as having significant actual and potential negative social consequences for which improvements were agreed as a result of assessment:
   i. 22 per cent of carriers were evaluated through audits or self-assessments
   ii. 19 per cent of all high-risk suppliers (within all industries) were evaluated through self-assessments or audits in the past two years.
   iii. Improving and rectifying deviations: In the evaluation activities, we find both significant and minor deviations for the carriers. In cases where there are deviations, we follow up with the carriers to ensure that the necessary improvements are made.

D. Proportion of suppliers identified to have significant actual and potential negative social consequences where the relationship was terminated

Contracts with 2.8 per cent of evaluated suppliers (11 of 395 evaluated suppliers) were terminated due to non-compliance with the “Code of Conduct for Suppliers”. This accounts for 0.52 per cent of the 2 100 suppliers with inherently high risk. The reason a supplier agreement is terminated is often complex. A supplier is assessed based on different criteria where the management of risk with regard to decent working conditions can be one of several factors.

New suppliers and environmental assessments (GRI 308)

All new suppliers must sign the “Code of Conduct for Suppliers” which contains general environmental requirements. For transport providers, separate environmental requirements apply. Statistics for signing the requirements are not available for 2023.

Other measures for transport suppliers:

Training:

A digital introductory course for carriers has been developed and distributed to van operators in Norway. This course deals with the duties of company management to ensure decent wages and working conditions for their employees. Approximately 31 per cent of the carriers in the van segment in Norway have completed this course. In addition, guidance is given in connection with audits and physical introductory courses for drivers and assistants are held at local departments.

Tax arrears control

In order to limit the scope of action for unserious actors people, we have continued our cooperation with the Norwegian Tax Administration. With authorisation from the carriers, overdue and unpaid taxes and duties are checked. Tax arrears can give an indication of whether or not companies are serious about their operations. Companies that have significant arrears are followed up and must pay what they owe. The proportion of van carriers in Norway covered by the scheme at year-end is 98 per cent. Information from the Norwegian Tax Administration is included in our overall assessment of the cooperation with the carrier. In Sweden, there is no need for such control activity on our part as the authorities there control this and deprive carriers of a permit if taxes and duties are not paid.

Business and operating model in the van segment in Norway

In 2022, Posten Bring decided to terminate agreements with van drivers who have sole proprietorships without employees and rather hire our own drivers. Since the decision was made, more than 200 drivers have been employed by the Group. In the van segment, a few individual companies without employees are still used in Norway.

Procurement practices

Separate procurement procedures have been established for the purchase of van services in Norway: "Best practice for the purchase of van services" provide a robust framework for how the procurement of van services shall ensure compliance with our Code of Conduct for Suppliers.

Tools

The Group uses a joint supply chain risk management system in the supply chain

More than 200 van drivers have been hired by the company

after the decision to discontinue agreements with sole traders

which is used to monitor suppliers with regard to compliance with the Code of Conduct for Suppliers. The system facilitates follow-up and reporting of measures and risks.

Initiative for the regulation of the van industry in Norway
Posten Bring is working to establish a regulated van industry in Norway, as is the case in Denmark and Sweden. Together with Fagforbundet, we have previously submitted proposals to the Government on what we believe is right for the industry:

1. Requirement for a permit to operate in the van industry
2. Capital requirements per van
3. Competence requirements for driving a van – beyond a regular driving licence
4. Documentation – driver certification or HSE card
5. Regulation of working hours that applies to everyone who drives a van, including sole proprietorships.

Minimum wage and generalisation of collective agreements: In Norway, there is no lower limit to wages in this industry, as in other industries through publicised collective agreements. Minimum wage rates have been established in Sweden and Denmark through collective agreements.

Measures in the van segment in Sweden
In the van segment outside Norway, it is our operations in Sweden and Denmark that are the most important for the Group. These businesses are included in general reporting for ethics in the supply chain. The regulation of the van industry in these two countries is extensive, and the authorities have taken an active role in facilitating professionalism in the industry.

The Group has updated risk mapping for the van segment in Sweden in 2023 and action plans have been established. This includes training measures, control activities and collective agreement requirements for external transport companies. The target for the latter is 100 per cent and within our largest Swedish business, the proportion of transporters associated with collective agreements was 84 per cent.

IMPACT ON THE SUPPLY CHAIN

The effects of the work are demanding to measure, but the most concrete effects of the work come when errors and deficiencies are corrected. This improvement work is done in connection with follow-up of control activities. After checks, deviations are followed up to ensure that improvement measures related to wages and working conditions are implemented. Usually deviations should be rectified within 30-90 days depending on their severity. In this way, we believe that employees' working conditions are gradually improving through our work.

WHISTLEBLOWING MECHANISM AND COMPLAINT MECHANISM FOR TRANSPORT SUPPLIER EMPLOYEES

The whistleblowing channel for use by employees of the transport providers was established in 2023, on the basis of the risk assessment made specifically with regard to employees of external carriers. The Group created an email inbox for use by employees of suppliers who carry out transport assignments for Posten Bring. This is a safe channel for reporting misconduct. This means violations of laws and regulations, and possible violations of Posten's "Code of Conduct for Suppliers". The scheme will be transferred to the Group-wide whistleblowing system in 2024.

MEASURES WE PLAN TO TAKE

Joint measures:

- **High-risk categories:** Ten high-risk categories shall be prioritised and include 35 suppliers. A strategy for managing the risk of acquiring solar panels and batteries in vehicles will also be drawn up.
- **Follow-up of divisions:** Reviews will be conducted with the divisions on the Transparency Act, the action rule and review of reporting requirements in accordance with the CSRD.
- **Professional competence:** Internal experiential exchange meetings will be held between divisions in the Group's supplier ethics forum. In addition, Ethical Trade Norway will be introduced to the organisation.
- **Reporting:** Quarterly reports will be submitted to the council on ethics in the supply chain and to Group Management, and will be reported in the integrated annual report in accordance with the requirements of the Norwegian Transparency Act.
- **Cooperation with others:** The Group shall actively participate in the cooperation with Ethical Trade Norway, and cooperation or the exchange of information with other companies will be undertaken in relevant cases. In Norway, cooperation with the Norwegian Public Roads Administration and the Norwegian Tax Administration continues.

Measures in the divisions:

The operational follow-up work of transport providers takes place in the Group's various divisions. The plans for 2024 vary somewhat, but the main activities will be as follows:

- Conduct control activities using the risk-based approach
- Develop systematic work on Ethics in the supply chain
- Training for internal employees and external carriers
- Close cooperation with the Norwegian Tax Administration and the Norwegian Public Roads Administration under the auspices of Corporate Staff

About goals and KPIs [1]

In 2023, the Group developed four key performance indicators for the subject area. The Group will report internally on these key performance indicators and report externally on a selection of these in the 2024 report.

HOW WE RECTIFY NEGATIVE CONSEQUENCES

If deviations from the Group's requirements are found, an assessment is made as to whether the cooperation with the supplier should be terminated, or whether an improvement plan should be prepared for the rectification of deviations. In most cases, it is most relevant to ensure improvements to working conditions by following up with the supplier and ensuring that the improvement plan is implemented as agreed.

[1] KPI = Key performance Indicators.

AMBITIONS, IMPLEMENTATION MONITORING, RESULTS AND IMPROVEMENT

Posten Bring has the ambition to have robust systematics for due diligence and supplier management. The work must be in line with the Transparency Act and reflect best practices in the area. The Group logs deviations and breaches of the Code of Conduct for Suppliers in a central register. This work is reported to the Internal Control Committee twice a year and to Group Management each quarter. The experiences gained during the year are incorporated into updated process documents such as "Best practice for purchasing van services".

In 2023, the Group participated in a benchmark survey of the procurement functions in ten Norwegian companies. This was done under the auspices of the Norwegian Agency for Public and Financial Management (DFØ). and carried out by Oslo Economics and Inventura. The benchmark was carried out within five dimensions of which "Sustainability" was one. On "achieving goals to maintain sustainability", Posten has a score that is above the ten other companies' average score. On the question of "has the company safeguarded wage and labour conditions through its procurement processes?" the Group achieved the highest score, in line with the best companies. At the same time, the report points to areas of improvement with regard to measurements, reporting and measures.

DIALOGUE WITH STAKEHOLDERS AND INDUSTRY COLLABORATION

Dialogue with stakeholders is an important part of the systematic work around ethics in the supply chain. We carry out short interviews with the carriers' employees in connection with the control activity. In 2023, the company became a member of Ethical Trade Norway which is an important network for the exchange of experience. We have also had dialogue on ethics in the supply chain with business customers, Fagforbundet, the Norwegian Police, the Norwegian Tax Administration and the Norwegian Public Roads Administration. The stakeholders have somewhat different expectations, but what they all have in common is that they express a clear expectation of systematic work to ensure decent wages and working conditions in the supply chain.

ENQUIRIES ABOUT THE TRANSPARENCY ACT

Through the Group's email inbox, we have registered over 100 requests about the Transparency Act. In addition, we receive a number of enquiries from customers in subsidiaries and through our customer service, but have no central registration of this.

Complaint case: In 2022, a complaint about Posten was submitted to the Consumer Authority by Klassekampen for the group's response to an information requirement under the Transparency Act. Klassekampen wanted to get the name and organisation number of all Posten's transport service providers in the van segment. The Group did not wish to provide this information for business reasons in addition to the fact that the claim was not authorised by the Transparency Act. The Consumer Authority concluded that it was not necessary to provide the names of the suppliers in order to respond adequately to the information requirement in this case.

Stakeholders who have questions about how Posten Bring AS safeguards fundamental human rights and decent working conditions, can send an email to apenhetsloven@posten.no. Enquiries by mail can be sent to: Posten Bring AS, Postboks 1500, Sentrum, 0001 Oslo.

REMEDIATION AND COMPENSATION WHERE REQUIRED

Posten Bring has not identified cases of remediation or compensation related to wages and working conditions in the supply chain.

PUBLISHING THE STATEMENT:

The statement about the Transparency Act is available here: postenbring.no

Integrated Report 2023

Consumers and end-users

Impact, risks and opportunities
Posten Bring puts significant resources into developing products and services that should be easy to use, intuitive, accessible and adapted for customers in all parts of society. Choosing us should provide peace of mind for shippers, receivers, buyers and sellers. Our brand can be misused. Increased knowledge of fraudsters' intentions and methods, as well as a balanced look at our own vulnerabilities, can make developers and product designers more aware in developing safe solutions for users. The risks are also related to price pressures from competitors, changing consumption habits, and demographic and digital developments.

Through 2023, we have developed and piloted a service to contribute to

increased inclusion of the elderly in the local community

HOW WE WORK ON THE TOPIC

We have developed from being a purely Norwegian postal business to becoming a Nordic logistics company, where over 80 per cent of revenue now comes from e-commerce and other modern logistics services. With operations in Sweden, Denmark and Finland, the Norwegian business has been expanded with a Nordic distribution network with over 6 900 active delivery points. We will be at the forefront of both technology and sustainability in the competition for customers.

Our vision is to make everyday life simpler and the world smaller for our customers. We play an important role for individuals and companies in the Nordic region by delivering simple and flexible services. We invest in our network to deliver quality and ensure sufficient capacity.

Our infrastructure is important from a Nordic, national and local perspective. It enables the distribution of mail, parcels, logistics services and various forms of digital communication. In Norway, we perform a special function through our physical and digital services that make it possible to live and run a business in all parts of the country. Internally, we have a professional responsible for inclusive design that works with corporate policy, internal competence raising and internal control for compliance with universal design.

The key theme *End Users* can be linked to the UN Sustainable Development Goal 11 "Sustainable Cities and Communities" Sub-goal 11.6.

New service for inclusion of the elderly
Through 2023, we have developed and piloted a service to help increase the inclusion of seniors in the community. In 2021, Posten signed a cooperation agreement with the Norwegian Association of Local and Regional Authorities (KS) under the auspices of their Programme for Radical Innovation (PRI). The collaboration aims to explore how, with our nationwide delivery network, we can contribute to solving demographic challenges. This particularly concerns

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how we can safeguard an aging population as well as ensure attractive communities in all parts of the country.

In several municipalities, we have piloted a solution where older residents are offered personalised delivery of mail and a weekly information letter from the municipality. The goal is for people to be able to stay at home as long as possible and for municipalities and other public actors to reach out with useful information to many residents who would not otherwise be able to get the information via digital channels. The effects so far show that the recipients of the service largely read the information from the authorities and that they participate more in the local community. The side effects are that they experience greater security and belonging to the community. Work on developing these services is led by the Mail division with dedicated development resources.

Custom parcel boxes
In 2023, we have adapted our parcel box solution so that people with disabilities can choose which hatch they want to have their packages delivered in, via the Posten app.

Packages will be delivered at a height of 38 to 122 centimetres in the middle doors of the parcel boxes. The service ensures that people who have a need for adaptation, or a disability, such as wheelchair users, can easily retrieve their packages.

Newspaper distribution
Throughout 2023, Posten Bring has been responsible for newspaper distribution in those parts of the country where there are no other distributors, which is approximately 15 per cent of the country's households. Posten Bring won a tender competition under the auspices of the Ministry of Transport and Communications in 2020, thus safeguarding the delivery of newspapers to all subscribers from Monday to Friday in these areas. From 1 July 2024, the area will expand to about 40 per cent of households for newspaper distribution on Tuesday, Thursday and Friday.

Security measures
In order to get an adequate sense of security on the business, we work preventively on three types of measures: Administrative, technological and human.

Administrative measures: For many years, Posten Bring has developed processes and routines for good handling and delivery of services. The security work done today is largely integrated into these documents. Corporate security is responsible for preparing guidance related directly to this subject area, including the Security Manual and Administrative follow-up of criminal offences.

Technological measures: This applies to “traditional” measures such as cameras, access control and alarms. At the same time, other equipment and systems will

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For general service development, we are currently in dialogue with the Norwegian Federation of Organisations of Disabled People, the Norwegian Association of the Blind and Partially Sighted and the Norwegian Association of Disabled.

provide a strengthened sense of security, such as electronic tracking systems, keys, customer processing systems, PULS and uniforms.

Human measures: Even if you have good procedures and strong physical security, there is little that is more preventive than a good working environment with dedicated and loyal employees who understand why they should follow the procedures. It is important to create good arenas that raise awareness for the individual employee, especially those who work in the first line. Corporate security therefore participates in department meetings, Teams meetings and whiteboard meetings with operations, customer service and Post in Shops, to raise awareness of this. But first and foremost, local managers need to make sure that security is regularly on the agenda. Measures have also been taken to prevent users from being scammed.

Online fraud course

Cybercrime is a major societal problem, and Posten Bring's brand name is often misused. In order to help fight crime and prevent customers and others from being deceived, we have established a separate online course on online fraud for the general population. About 17 000 people have completed the course. The Group is regularly in the press and on social media and warns against online fraud and provides security advice.

CONTACT WITH STAKEHOLDERS

For general service development, we are currently in dialogue with the Norwegian Federation of Organisations of Disabled People, the Norwegian Association of the Blind and Partially Sighted and the Norwegian Association of Disabled. This contributes to increased internal competence and motivation to work on previously described measures. In addition, we conduct user testing with those with functional diversity and older residents, which gives us insights to create more inclusive services that benefit everyone. We also include municipalities and other public actors in our service development to jointly find Posten's role in the future.

Awareness give results. In recent years, we have had several cases where the police, through Posten's police response service, have been notified of suspected criminal offences. This has led to the investigation of criminal individuals and networks specialising in drug distribution or fraud. In fraud cases, the victims live in different places in the country and the amounts are relatively small. This often leads to police reports being dismissed. However, we can see patterns that reveal many victims and conditions that in total amount to a large sum of money for the fraudster.

OUR ASSESSMENT AND THE WAY FORWARD

We are pleased that we have been able to maintain stable operations throughout 2023 and thus take care of the responsibility we have for nationally important infrastructure with the opportunity to reach everyone. Posten Bring has a high level of confidence and a strong position among the Norwegian population. The good results in Ipso's

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reputation underapplication are one of several pieces of evidence for this.

Customer loyalty measured as Net Promotor Score (NPS) was 54 in 2023. This is the same level as the previous year.

With regard to customers' privacy, we can report the following breaches in 2023:

- The Group has received 30 complaints from customers or third parties and these have been confirmed by us. We have not received any complaints from regulators.
- In total, 40 cases have been identified where the customer's personal data has been lost or gone astray. These were handled in accordance with applicable laws and guidelines.

We are proud to have developed new services and solutions that help make everyday life easier for the country's citizens and businesses, as well as working to explore how we can contribute to solving future challenges related to an ageing population.

In a declining letter market, Posten must continue the necessary restructuring of the business and adapt to new user needs. We are actively working to shape the delivery network of the future. Major changes in the provision of statutory postal services will require changes in the law. After the restructuring of postal distribution every other day in 2020, small parcels are still delivered every weekday to mailboxes in large parts of the country. A large number of parcel boxes that supplement delivery at Post in Shops and contribute to more sustainable package delivery.

G Governance

Good business conduct and governance are essential to ensure that the Group is operating in an ethical, legal and sustainable manner.

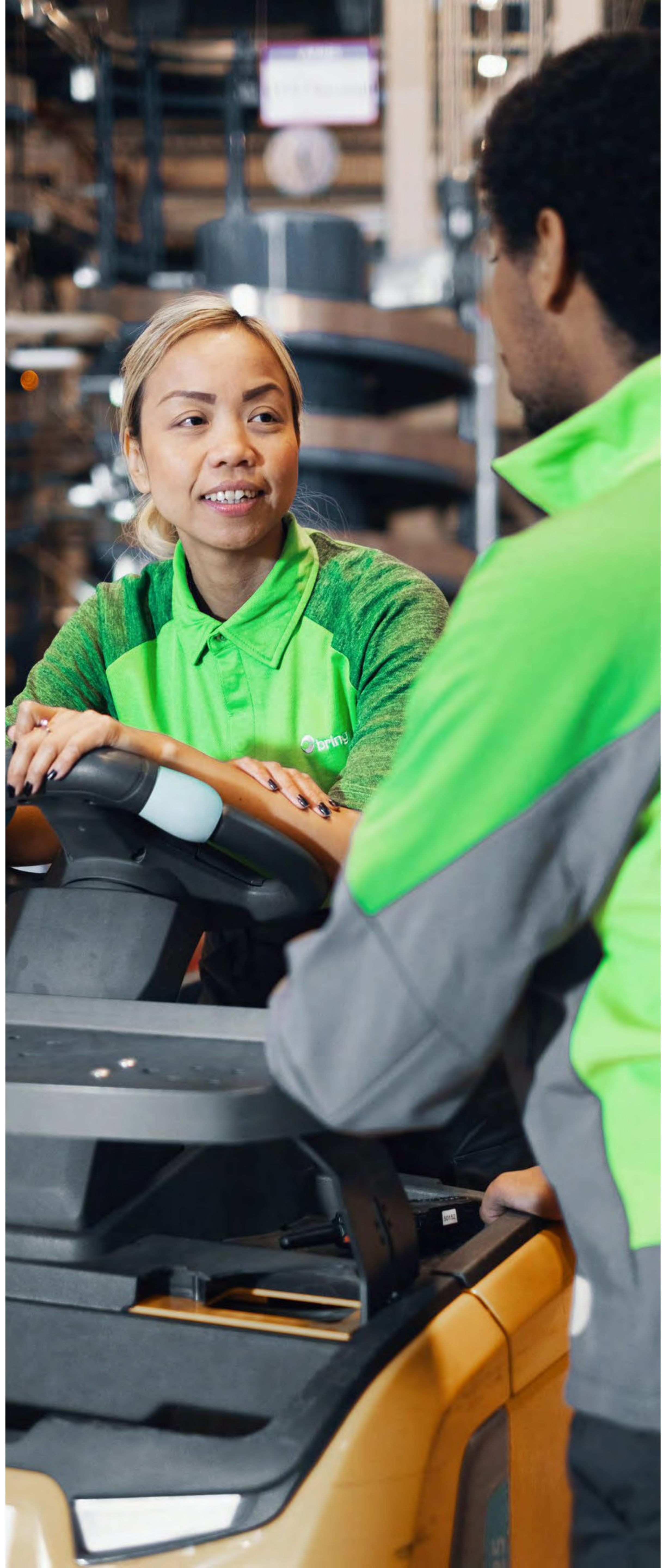
INTELLECTUAL CAPITAL

SOCIAL CAPITAL

At Posten Bring, we are constantly working to ensure that employees perform their work in line with legislation and internal guidelines. This builds trust among employees, customers and society, which in turn contributes to long-term value creation and stability. Good business conduct also promotes a culture of integrity and accountability, which is important for maintaining high performance and quality in all aspects of the business. An important part of this work is prioritising and targeting cyber security measures. With increasing numbers of cyberattacks, we need robust security measures in place to protect ourselves from potential threats.

Our key areas in *Governance* can be linked to the UN Sustainable Development Goal 8 'Decent Work and Economic Growth', sub-goals 8.5 and 8.8, as well as UN Sustainable Development Goal 9 'Innovation and Infrastructure', sub-goal 9.4.

In the fact booklet "Sustainability at Posten Bring" (attachment) you will find detailed information about guidelines, responsibilities and detailed tables.



Connection to our strategy:

At the forefront of technology and innovation:

Best at sustainable value creation

- A responsible social actor and employer.

Measured by:

- Compliance with the integrity standard
- Violations of anti-corruption and competition laws.

Our stakeholders believe we can make a difference within these material topics:

- G1 Business ethics
- Cyber security

Output:

A good business culture that builds trust with customers, employees and partners.

How we meet our targets:

- No confirmed corruption incidents or competition law violations in 2023.

Business conduct

Impact, risks and opportunities
A good business culture builds trust with customers, employees and partners. As a large group, we are responsible for acting ethically and legally, ensuring that everyone is heading in the same direction. Violation of anti-corruption and competition laws, or privacy regulations, can have serious consequences for the Group and the individuals involved, in the form of administrative and legal sanctions as well as loss of reputation.

HOW WE WORK ON THE TOPIC

The Group has a clear and explicit attitude to anti-corruption and competitive practices. The Group has zero tolerance of corruption and distances itself completely from all behaviour that may be affected by anti-corruption legislation. We also make it clear that current competition legislation and privacy regulations must be complied with in all parts of the business.

The Group's attitudes to anti-corruption and competitive practices form a central part of our integrity standard. The integrity standard is strict and the we have a significant focus on ensuring that it is complied with internally. The ethical guidelines also means that we set strict requirements for our subcontractors and partners. These must undertake to comply with the Group's Code of Conduct for Suppliers, which stipulates, among other things, that corruption is not acceptable and that suppliers should actively work against all forms of corruption. Our experience is that the Group's standards and requirements contribute to creating good attitudes internally for us and positive relationships with our partners.

Violations of anti-corruption and competition laws are serious forms of economic crime, and can cause significant social harm. Violations of the laws in these areas may result in financial losses in the form of infringement fines, liability and loss of customers. Violations may also have consequences for the individual employee, as well as weaken the Group's reputation.

Failure to comply with the privacy regulations may have negative consequences for the privacy of individuals who use the Group's various services and of individuals such as the Group's employees. As with violations of anti-corruption and competition laws, failure to comply with privacy regulations can also result in significant financial losses.

In order to ensure that we comply with the integrity standard and current regulations, it is important to create a high level of awareness and competence within the Group. We have a particular focus on providing managers and other key personnel with information about and training in the integrity standard and privacy regulations. Training includes presentations and dilemma training, and takes place mainly under the auspices of the Group's internal lawyers. In addition, the data protection officer at Posten Bring AS contributes with training in the area of data protection. Managers and other key personnel are central when it comes to communicating the standard, applicable regulations and the Group's expectations to the rest of the business.

Integrity programme

The Group has established a separate integrity programme that helps to support the Group's integrity standard for areas such as anti-corruption and competition law. The programme is based on our Code of Conduct, which has been adopted by the Board. Continuous work is being done to update and further develop the programme. In the area of competitive practices, a separate competition law programme has also been prepared with detailed and topic-based guidelines.

In 2023, the Group has conducted competition law training in the form of presentations and dilemma discussions in smaller groups. The training has been aimed specifically at top level managers and sales environments.

Guidelines for all employees

All new employees receive the Code of Conduct. Together with the specific guidelines for competitive practices, these are available on the Group's intranet pages. We have a continuous focus on the integrity programme and the guidelines through course activities and other training measures in various parts of the business. In recent years, e-learning and digital dissemination have been used to an increasing degree, something we aim to continue and further develop in the coming years. In the autumn of 2023, we have been working on the development of mandatory e-learning modules that deal with anti-corruption, interest and impartiality issues, as well as whistle-blowing. The course package will be rolled out throughout the Group in the first half of 2024.

Mandatory e-learning courses and further development of the data protection management system
The Group's basic course in privacy was updated in 2022. Since then, annual implementation has been mandatory for selected employees and will be compulsory on an annual basis going forward.

The data protection management system consists of a corporate action rule and a number of intercompany procedures and procedures. The management system shall ensure that we follow the privacy regulations.

Posten Bring has significant annual purchases and can thus affect the supplier market. This has a financial, environmental and social impact. Purchasing affects the entire value chain, as it involves suppliers, operations and ultimately our customers. Read more about procurement processes under the topic «Climate change» on page 22.

CONTACT WITH STAKEHOLDERS

As part of the work on the materiality analysis in the autumn of 2023, a number of internal and external interviews were conducted with stakeholders. The stakeholders indicate that it is important to work for good working conditions and a safe working situation. To achieve this, it is necessary to have a clear and responsible management model, good internal control and to conduct regular risk assessments. Several mention the importance of ethics in the supply chain.

The Group has regular dialogue with the supplier market, both during the procurement process and during the contract period. This is done through category management to ensure that new and innovative sustainable products and solutions can be tested, then improved and scaled up. It also involves environmental investments in own terminals and buildings.

OUR ASSESSMENT AND THE WAY FORWARD

In general, the employees' knowledge of the Group's Code of Conduct and the privacy regulations appears to be good.

We are committed to identifying and assessing the risk of breaches of anti-corruption, competition and privacy legislation. We therefore regularly conduct anonymous internal surveys for the areas of anti-corruption, competition law and privacy.

> **In general, the employees' knowledge of the Group's Code of Conduct and the privacy regulations appears to be good.**

Posten Bring occasionally conducts transportation to countries where corruption is widespread, which in itself may pose a risk. We are particularly concerned that employees in risk-exposed parts of the business become aware of the regulations and integrity standards.

We have a comprehensive privacy management system. Internal roles have been established that have a particular responsibility for compliance with the regulations, and the tasks are clearly described.

Our overarching goal with internal guidelines and standards, with clear roles and responsibilities, is to prevent violations of anti-corruption, competition and privacy laws. At the same time, we are keen to uncover any violations.

The Group has a whistleblowing scheme to handle cases of alleged violations of anti-corruption or competition legislation, or any other censurable circumstances. Our position is that suspicion of such violations should be taken very seriously. Through 2023, the Group has prepared for us to have an external group joint whistleblowing scheme as of December as a replacement for our current scheme. We have established internal procedures and a separate internal reception point for internal reporting of breaches of personal data security. The procedures also safeguard statutory reporting to the supervisory authorities. There were no confirmed corruption incidents in 2023. We received no fines or sanctions for non-compliance with competition laws or privacy regulations during 2023. There have also been no other significant instances of non-compliance with laws and regulations where the company has been fined in 2023.

With regard to procurement processes, we are satisfied that through both procurement and category management, we are constantly testing new products and solutions with a focus on sustainability, and are upscaling several of these. We will continue to cooperate with internal stakeholders and have a good dialogue with the supplier market to gain knowledge about new products and solutions that can support our goal of sustainable value creation.

Cyber security

Impact, risks and opportunities
Information security is essential to ensure the Group's delivery capacity and quality. The Group must have the ability to prevent, detect and limit the consequences of undesirable information security incidents. National security and intelligence authorities consider the threat landscape to be more serious. A successful cyber attack may result in a downtime or loss of information, such as customer data. With good safety measures, the likelihood of operations being affected will be reduced.

HOW WE WORK ON THE TOPIC

The purpose of information security is to support and secure the operation of the business. Our delivery capacity depends on having the correct information throughout the entire value chain and that it is available when needed. Customers, partners, recipients and employees should find that the Group provides adequate protection of their business data and personal information.

We must be able to prevent, detect and limit the consequences of undesirable incidents. From a societal perspective, it is important to assess and understand the risk that any stoppage of transport poses for other value chains in society. The threat landscape is more complex than before, and hybrid threats where both physical and digital conditions are affected are now part of everyday life.

In line with the Group's development and use of new, digital solutions, the need to secure an increasing amount of data that is collected and managed by the Group is highlighted. Digital value chains are growing and strongly dependent on each other. This leads to increased requirements and expectations for information security from all our stakeholders.

Security efforts can be linked to UN Sustainable Development Goal 9, “Industry, Innovation and Infrastructure”, and Goal 16 on combating crime.

The work follows the Group’s corporate governance and security management system. In 2023, efforts have been made to establish an integrated management system for information security, physical security and emergency preparedness. The new management system helps to strengthen the Group in consistent efforts against physical and digital threats, and shall integrate requirements from relevant laws. The actions are in line with the direction chosen in 2022, when the disciplines were organisationally assembled into one entity, Corporate Security.

From 2022 to 2023, an information security strategy has been implemented, with divisions and staff taking action on everything from business continuity to training. The work on information security is central, and in 2023 Posten Bring has highlighted the area “Security and preparedness” as one of ten key areas for the Group. Work on managing security, monitoring and incident management will be strengthened in the years to come. Communication and training will also be further emphasised.

Comprehensive security
It is important to see information security as part of our core business. Cyber attacks often exploit vulnerabilities where the value chain is weakest and then go on to impact more important business processes. It is thus important to see security measures in context in order and achieve good interaction between these through good security management. The Group bases its security measures on good risk assessments, and updating of technical security measures is ongoing to strengthen its capacity to prevent and handle incidents.

The Group works with information security throughout the value chain, across business processes and suppliers. We require information security for all procurement and this requirement is included in agreements. During the contract period, we follow up the security work of our main IT suppliers in the form of risk assessment, vulnerability tests and safety reviews. We consider collaboration to be particularly important in following up risk-reducing security measures and information security breaches.

In monthly meetings, security coordinators at our main IT suppliers have provided the status on their work on information security. Updated risk assessments and the status of the follow-up of safety measures are the basis for this reporting.

Competence and awareness
All employees with access to the Group's information constitute an important defence against information security breaches. Therefore, great emphasis is placed on training and awareness for those who are given access to the Group's information and IT systems, including mandatory training for all PC users employed in the Group. We have communicated internally in various channels to strengthen awareness among employees.

In October, Posten and Bring marked National Security Month, an annual campaign to strengthen knowledge and awareness of information security. There are a number of skills development measures for employees in the form of, among other things, seminars, specialised courses and intranet articles. Presentations were also given during the Group's annual threat assessment, which departments can order from "Corporate Security".

The Group is regularly in the press and on social media, warning against online fraud and providing security advice.

Identified vulnerabilities and actual breaches of information security are handled through the Group's "Incident Management Process".

For more information about the Group's work on privacy, see the chapter on «Business conduct» on page 75.

Quality assurance of the work on information security
The quality of the security work is checked through internal control and checks performed by Corporate Security as well as collaboration and evaluations with our largest IT suppliers. Risk is regularly reported to the internal control committee, Group management and the Board.

Technical intrusion tests are conducted against the Group's IT systems which help us to detect vulnerabilities and rectify them. Our ability to detect information security breaches is monitored by tools that monitor endpoints continuously. This is supported by suppliers who have 24/7 Security Operations Center (SOC) and Incident Response Team (IRT), services that are continuously evolving.

CONTACT WITH STAKEHOLDERS
The security work is essentially carried out in divisions and corporate staff, and there is good cooperation between these and the security environments. In both the preparation of the Group strategy and the follow-up of the measures, the divisions and corporate staff are in close dialogue with "Corporate Security".

There is also good cooperation with the police and security authorities in Norway, professional forums and other relevant external stakeholders in the security area.

OUR ASSESSMENT AND THE WAY FORWARD
Vulnerability reduction measures are central to preventing or minimising the impact of activities that threaten security in the digital space. The combination of a complex threat landscape and a rapid rate of digital development means that today's security solutions must be developed continuously.

In the autumn of 2023, Posten Bring had a serious security incident involving an advanced threat actor. a number of measures were identified and carried out. The incident was handled in consultation with the IT suppliers, security authorities and police. The situation was reported to the police. The incident had no serious business consequences.

Posten Bring's overall need for information security work now and in the future has been reviewed and expressed in the new Group strategy. The need is related to increasing digital services and data, customer needs for security, new forms of work, expertise, changed IT management and a sharpened threat landscape. Implementation of measures in the strategy will be key in 2024.

In the autumn of 2023, we had a serious security incident involving an advanced threat actor. **To address the incident, a number of measures were identified and carried out.** The incident had no serious business consequences.

Part 3

The work of the Board

The Board of Posten Bring manages good and long-term ownership.

Good corporate governance is a prerequisite for a sustainable, profitable and vigorous company

Finn Kinserdal	Gerd Øiahals	Ann Elisabeth Wirgeness	Liv Fiksdahl	Anne Carine Tanum	Lars Nilsen	Tina Stiegler	Patrik Berglund	Tove Gravdal Rundtom	Pål Wibe
BOARD MEMBER	BOARD MEMBER	BOARD MEMBER	BOARD MEMBER	CHAIR OF THE BOARD	BOARD MEMBER	BOARD MEMBER	BOARD MEMBER	BOARD MEMBER	BOARD MEMBER
Shareholder representative	Employee representative	Employee representative	Shareholder representative	Shareholder representative	Employee representative	Shareholder representative	Shareholder representative	Employee representative	Shareholder representative
since 2018	since 2020	since 2012	since 2018	since 2018	since 2016	since 2019	since 2022	since 2020	since 2023

READ RESUMES FOR THE BOARD OF DIRECTORS

Board of Directors report 2023

Posten Bring can point to increased revenue, improved earnings and a parcel record in 2023.

The year 2023 has been characterised by market turmoil, high inflation and increased interest rates that have curbed consumption in Norway. In Sweden, too, the economy has been weak and consumption has fallen. Nevertheless, Posten Bring has achieved high growth in parcels from the online shopping industry and greater growth than other logistics operators. For the first time, the Group handled over 100 million parcels from online shopping in a year.

Adjusted operating profit for 2023 was NOK 716 million, which is NOK 310 million higher than the previous year. Successful new sales and increased market share have been crucial in a demanding market.

Uncertainty in the market and high inflation have affected the Group's costs and good work has been done to achieve increased productivity and cost efficiency, which have had particularly visible results in the Norwegian network. The Group has provided high-quality services. Customers are satisfied, and the population has high confidence in Posten Bring.

The Group's sales revenues in 2023 were NOK 24 394 million, an increase of NOK 965 million compared with 2022. Organic growth in 2023 was 0.5 per cent. As mail volumes continue to drop, parcels achieved good growth. E-commerce parcels are a strategically important growth area for the Group, and the growth curve has been uninterruptedly positive over time.

In 2023, the company changed its name to Posten Bring AS. The name highlights the important role the logistics business plays, and it reflects the breadth of the entire business. The Group is undergoing transformation from historically being a postal company to a leading Nordic logistics player.

The Nordic region is one market where the flow of goods into Norway often goes via Sweden. The major customers demand Nordic solutions and negotiate Nordic agreements

The logistics market is growing but sensitive to economic fluctuations. Growth is driven by the digitisation of society, changing user habits and growth in the economy over time. Although 2023 has been characterised by frequent interest rate hikes by central banks that have cooled down the economy, curbed inflation and private consumption, the interest rate peak is expected to be reached in 2024 and the year is expected to have low economic growth.

Online shopping will continue to increase and take shares from retail. Customer-friendly and simple services will win in the competition for online retailers. Digitisation and data drive development and pace, and are becoming increasingly important in order to be relevant and succeed in competition.

The Group's competitiveness comes from high delivery quality, good customer service, a broad range of services, efficient operations – and sustainable development. Posten Bring is one of the few Norwegian companies that cuts greenhouse gas emissions in line with the Paris Agreement. This has attracted attention.

The Norwegian people have a high level of confidence in Posten Bring. In Ipsos' 2023 Reputation Survey, Posten came in at 10th place among Norway's largest companies with 69 per cent of the population having a good impression, compared with 68 per cent the year before. In environmental awareness, Posten is the best in the industry and ranks number three among Norway's largest companies, according to Ipso's reputation survey.

Customer satisfaction and loyalty are good. The customer's vote, as measured by NPS (Net Promotor Score), was 53.6 for 2023 which is the same as the previous year.

The quality of delivery is high for both mail and parcel services, but storms and winter weather have sometimes posed challenges. For mail, the quality of delivery in 2023 was 91.3 per cent – which is well above the licence requirement of 85 per cent delivered within three days.

In the autumn of 2023, Posten Bring had a serious security incident involving an advanced threat actor. A number of measures were identified and implemented to address the incident. The incident was handled in consultation with IT suppliers, security authorities and the police. The situation was reported to the police. The incident had no serious business consequences.

The customer's first choice

Being the customer's first choice is about offering the best customer experience with high quality and trust, a seamless digital and physical customer journey, as well as holistic logistics solutions and value proposition. To make everyday life easier for our customers, parcel boxes are being deployed at a rapid pace. This has brought increased availability and freedom of choice for recipients and online stores. We have a Nordic delivery network with over 6 900 locations. Parcel boxes are growing the most, and the Group will continue deploying parcel boxes going forward.

A research project under the auspices of the Norwegian Centre for Transport Research (TØI) shows that CO_2 emissions are reduced by 30 per cent for delivery to parcel boxes instead of home delivery.

In 2023, the service offering for parcel boxes was expanded so that it is now also possible to ship and return parcels from a box. Customer satisfaction with the parcel box is greatly increasing with an NPS score of 67 at the end of 2023, compared to 52 the previous year.

The Group is expanding capacity in the network. The new terminal in Stokke will open in 2024. In Sweden, a new terminal is being built in Jønkjøping, which will open in 2025 and provide twice the capacity of today.

Shelfless, which is the Group's focus on third-party logistics, was expanding with a new fully automated warehouse in Denmark in 2023. In Oslo, Shelfless will open a new facility at Østlandsterminalen in 2024.

At the forefront of technology and innovation

Customer expectations are increasing. This helps to drive new services and increased freedom of choice. Innovation, development and renewal are crucial for us to be relevant, competitive and profitable in the future.

Over time, the Group has built up innovation capacity and has been named Norway's most innovative business several times. Innovation is now part of the Group's DNA. We have a good foundation with our culture, organisation, methodology and technology. Now is the time to take innovation to the next level and gain even more power in launching and scaling.

In 2023, the Group carried out an important technological change to our core systems. Two outdated and costly mainframe systems have been replaced with a new, modern cloud-based production system, Parcel Hub, which manages our entire automatic parcel production from sorting to tracking and invoicing. Parcel Hub will help realise business strategy and new customer needs more easily and quickly, and reduce technology costs.

The Group continues to invest in ventures to create innovation together with others and strengthen existing business. No investments have been made in new companies in 2023, only follow-up investments.

Sustainable value creation
The Group's strategy is to be a driving force in the transition to a low-emission society. We shall be a responsible corporate citizen and employer, with the highest possible return over time, within sustainable limits.

In 2023, the Group has issued a further NOK 2.5 billion in green bonds to ensure financing of climate and environment work on favourable terms. This confirms our commitment to reduce emissions in line with the Paris Agreement. The funds finance our new BREEAM-certified terminals in Tromsø and Kristiansand, as well as investments in new vehicles running on fossil-free energy sources and charging infrastructure.

In 2023, the Group reached an important milestone in its environmental work with 50 per cent of the Group's vehicles using renewable energy sources only. At the end of 2023, 2 972 vehicles were powered by renewable energy. More than half of Norway's inhabitants now receive mail and packages delivered by electric vehicles. The focus is on heavier electric lorries moving forward. This will require more of the infrastructure and for the charging technology to be adapted to new electric vehicle technology. Here, the Group is committed to working with partners to successfully build completely new infrastructure.

Posten Bring was named winner of the NHO Logistics and Transport Environmental Award 2023 for having worked systematically, invested and achieved a great deal in transitioning to the green shift. According to Europe's largest brand survey on sustainability, the Sustainable Brand Index, Posten was recognised as the brand within the parcel and logistics industry perceived as most sustainable by Norwegians in 2023. Bring came second.

The Board is committed to social sustainability. There are strict ethical requirements for employees and suppliers throughout our value chain and the Group is engaged in the debate about unorganized working life.

Most attractive workplace
Our employees are the Group's most important resource. "Most attractive workplace" is therefore highlighted as one of the Group's main objectives. This is about a common culture characterised by commitment and openness

with co-workers who are always developing, as well as a health-promoting and inclusive working environment.

2023 has shown good development in the HSE area with a sickness absence rate of 6.7 per cent which is an improvement of 0.2 percentage points from the previous year. The number of injuries decreased and the injury rate (H2) ended at 6.4, compared to 7.0 in 2022. The improvement is a result of systematic and long-term work on risk management and improved safety culture, among other things.

For more information about working conditions, equal treatment and equal opportunities for employees, see chapter 2: «Own workforce» on page 52.

MARKET TRENDS
The business consists of two segments: Logistics and Mail. The Logistics segment is largest and accounted for about 80

per cent of the Group's revenues in 2023, while the Mail segment accounted for about 20 per cent.

Logistics segment
Sales for the Logistics segment amounted to NOK 19 407 million in 2023, an increase of NOK 517 million compared to the previous year. Organic growth was 1.3 per cent. The Group increased the volume of parcels within e-commerce (Business to Consumer – "B2C") despite weak market growth in both Norway and Sweden. Successful new sales have been critical to increased market share and high growth.

The turnover in e-commerce has turned from capital goods and luxury items to essential goods and low prices. The falling value of the shopping cart in the e-commerce industry has helped maintain good developments in parcel volumes for B2C. Low shopping cart value means customers want cost-effective packaging services. Euromonitor expects volume growth for e-commerce in 2024 of 2.3 per cent in Sweden and 9.7 per cent in Norway.

Through price increases in 2023, the Group has reduced the effect of increased inflation.

Business to business (B2B) parcels increased by 2.4 per cent in 2023. Revenue from freight forwarding was lower than in 2022 and was driven by a weaker market inside and outside Norway.

The international business consists of specialised logistics solutions for customers with advanced requirements. The business complements the Group's logistics portfolio and adds volumes to the Nordic networks.

Mail segment
The Mail segment consists of traditional postal services in Norway, as well as parcels between private individuals (Norgespakken). Revenue for the Mail segment was NOK 5 835 million in 2023, an increase of NOK 437 million compared to the previous year.

Volumes within addressed mail continue to fall and decreased by 12.6 per cent, while unaddressed mail fell by 10.7 per cent in 2023. This was counteracted by growth from Norgespakken as well as an increase in the government purchases of unprofitable statutory postal services for 2023.

The Norgespakken had a positive volume development of 30 per cent in 2023 driven by high activity from the used platforms. We see that private individuals increasingly send parcels directly between themselves, and Norgespakken is well adapted to increased interest in reuse and circular economy.

In 2023, government purchases of unprofitable statutory postal services of NOK 1 176 million were made in line with the amount granted in the state budget for 2023, as well as NOK 128 million for newspaper distribution in rural areas.

In 2023, Posten's digital mailbox, Digipost saw an increase of 190 000 new users and the total user base surpassed 3 million registered users.

Over 5 000 new businesses created Digipost accounts. More than 26 000 businesses can now send digital mail through the platform. The total digital mail volume reached 51 million letters during the year.

PROFITABILITY

Operating profit (EBIT) amounted to NOK 599 million in 2023, an increase of NOK 742 million compared with 2022. Total assets were written down by NOK 139 million in the logistics segment in 2023, of which NOK 134 million was a write-down of goodwill in the Logistics segment.

In 2023, other income/expenses was positive at NOK 13 million, compared to 2022, where it was negative by NOK 371 million. The amount in 2022 was mainly related to the recognition of a pension obligation (the "Struggler Scheme" agreed in the tariff settlement 2018) of NOK 307 million.

The financial result in 2023 was negative at NOK 285 million, NOK 85 million lower than 2022. This was due to higher interest costs related to loans and lease obligations, as well as unrealised losses related to investments in shares measured at fair value. This was partially countered by higher unrealised gains from fund placements.

The Group's profit before tax was NOK 314 million in 2023, an increase of NOK 657 million compared to the previous year. Profit after tax was NOK 178 million, an increase of NOK 454 million compared to the year before.

In 2023, the return on equity (ROE) was 3.1 per cent, an increase of 7.3 percentage points compared to the previous year. The return on invested capital (ROIC) for 2023 was 6.1 per cent, which is an increase 2.3 percentage points compared to 2022.

Logistics segment

Adjusted operating profit for the Logistics segment was NOK 689 million in 2023, a reduction of NOK 51 million from the previous year. Financial performance was characterised by demanding market conditions, with weak market developments and a higher cost level throughout the year. Ongoing cost adjustments and implementation of measures have helped keep cost developments down. Low electricity prices and a weak krone exchange rate have also contributed positively.

Operating profit (EBIT) amounted to NOK 559 million in 2023, an increase of NOK 177 million compared with 2022. Total assets were written down by NOK 139 million in the Logistics segment, of which NOK 134 million was a write-down of goodwill associated with courier and express operations in Norway, as well as parts of the logistics business in Denmark. In 2022, total assets were written down by NOK 185 million. Other income/expenses in 2022 was negative, at NOK 179 million, mainly as a result of the recognition of the pension obligation related to the "Struggler Scheme".

Mail segment

Adjusted operating profit for the Mail segment was NOK 294 million in 2023, an increase of NOK 326 million compared to 2022. The positive performance trend was driven by increased prices, profitable import volumes and currency effects in addressed mail, increased productivity that has led to lower costs in the network, and subsequent payment of government purchases from 2022.

Operating profit (EBIT) for the Mail segment was NOK 307 million in 2023, a reduction of NOK 503 million from 2022. Other income/expenses in 2022 was negative, at NOK 164 million, mainly as a result of the recognition of the pension obligation related to the "Struggler Scheme" as well as the costs for restructuring of letter sorting from Bodø and Tromsø to Østlandsterminalen.

INVESTMENTS AND CASH FLOW

Cash flow from operating activities in 2023 was positive, at NOK 1 760 million. This was mainly due to positive operating profit before depreciation. Cash flow was reduced by, among other things, increased accounts receivable, as well as a reduction in other working capital that was driven by mainly a change in earned income associated with mail from abroad and increased advance payments to suppliers.

Net cash flow from investing activities was negative, at NOK 1 201 million. This was mainly due to net investments in fixed assets.

Cash flow from financing activities was negative at NOK 1 337 million. This was mainly as a result of lease obligations, as well as repayment of loans and credit facilities, counteracted by the taking out of new bond loans.

The Group still expects a high level of investment in the next few years, and investment activities will be adapted to financial performance. The plan is to utilise financing using foreign capital as cash flow from operational activities is not expected to be sufficient to finance the period's investments.

FINANCIAL FREEDOM

In 2023, the Group had net financial expenses of NOK 285 million, which is an increase from net financial expenses of NOK 200 million in 2022. The Group's long-term had satisfactory long-term liquidity reserves of NOK 3.9 billion as at 31 December 2023, compared with NOK 3.2 billion the previous year. These reserves consisted of fund investments and available credit facilities. The Group places importance on financial flexibility, the ability to take advantage of opportunities in the market, and the ability to undertake strategically important investments. During 2023, the Group issued four new green bonds totalling NOK 2.5 billion, where the funds will be used for environmentally certified terminals, the electric vehicle fleet and charging infrastructure.

As of 31 December 2023, the Group's equity amounted to NOK 5 876 million and our equity ratio was 29.9 per cent, which was the same as in 2022.

The parent company's equity as of 31 December 2023 was NOK 4 226 million. The Group and the parent company have satisfactory liquidity reserves.

Credit and counterparty risk are deemed to be limited as Posten Bring's counterparties generally have high ratings. The Group's financial platform provides good conditions for handling a situation of extraordinarily high uncertainty, and future investments will be adapted to financial capacity.

Some of Posten Bring's loan agreements contain debt covenants that limit net interestbearing liabilities/EBITDA to a maximum of 3.5 and require a minimum equity ratio of 20 per cent. Compliance with the clauses is calculated based on the Group's accounting figures. Throughout 2023 and at the end of the year, the Group complied with clauses in the loan agreements.

RISK

Risk management and internal control processes are described in more detail in the statement concerning the company's principles for corporate governance, as well as the section on «Risk management» in chapter 3.

The Group uses derivatives to manage financial market risks that arise as a result of ordinary operations. The derivatives used are forward contracts, interest rate swaps and currency swaps. Detailed information on derivatives and hedging is provided in the notes to the consolidated financial statements (see note 13 Overview of financial assets and liabilities, note 14 Financial risk and capital management, as well as note 21 Derivatives and hedging).

ALLOCATION OF PROFIT FOR THE YEAR

In 2023, the Group's profit after tax amounted to NOK 178 million, compared to negative NOK 277 million in 2022. Profit after tax in the parent company Posten Bring AS was NOK 183 million in 2023, compared to negative NOK 375 million in 2022.

The annual dividend is determined after an independent assessment of the Group's and the parent company's financial situation and future prospects is carried out. The Board proposes that a dividend of NOK 125 million be distributed for 2023. The actual dividend will be determined at the 2024 general meeting.

The financial statements have been prepared on the basis of a going concern assumption. The Board confirms the validity of this assumption.

THE WORK OF THE BOARD

Good corporate governance is a prerequisite for Posten Bring to be profitable within a sustainable framework. The Group complies with Norwegian standards and best practice for corporate governance, based on Norwegian law and the government's ownership policy at any given time. A corporate governance report for the company is included as part of chapter 3 - The work of the Board of Directors. In addition, the Group's corporate social responsibility is explained in chapter 2: «Our value creation» on page 20 and for the EU taxonomy from page 43. A report of work on basic human rights and decent working conditions under the Transparency Act is found in chapter 2: «Workers in the value chain» on page 59.

The Board evaluates its work, qualifications, and methods annually. It also discusses relevant topics that require special follow-up. The results of the self-assessment have gradually increased from an average score of 3.9 in 2021 to 4.1 in the evaluation that was ready in January 2024. In 2023, the Board has focused on a mutual understanding of the company's strategic platform, insight into the market and competitive situation and specific topics for developing its own expertise.

The rules of procedure for the Board are updated annually. In addition to exercising its responsibilities under the Limited Liability Companies Act, the Board contributes actively to the development of the Group with regard to the company's strategies, market conditions, business models and value chain. In 2023, the Board has been committed to revising the strategy, expanding the capacity of the network, as well as strengthening the Group's long-term profitability and competitiveness.

The Board believes Posten Bring has a major impact on social development and works with the goal of being the best at sustainable value creation. The Board has engaged in the work, including through the processing of new climate targets, the materiality analysis and integrated annual report. In addition, the Board is kept continuously informed of issues that affect climate/environment, economic and social sustainability. This is then reported to the owner. The Group's governing documents set guidelines for how to follow up on significant sustainability topics, as well as roles and responsibilities.

The Board has also discussed topics such as responsible employer and client, climate, safety and emergency preparedness. The Group's integrated report for 2023 has been prepared in accordance with the framework for Integrated Reporting and the Global Reporting Initiative (GRI) and provides a comprehensive and coherent explanation of the Group's strategy, business model and value creation today, tomorrow and in the long term. Posten Bring AS has taken out board liability insurance. This applies to Posten Bring AS and subsidiaries where Posten owns more than 50 percent and includes former, current or future board members, the general manager and members of management or equivalent body of the company with subsidiaries.The insurance has also been extended to cover employees who have been appointed by Posten Bring to be board members of other companies, but where these companies do not have their own board liability insurance in place. The insurance covers liability that they may legally incur for damage caused to the company, the company's shareholders or third parties. The insurance covers personal liability, legal costs and indemnity.

At the 2023 general meeting, Pål Wibe was elected as a new board member.

The proportion of women on the Board is 60%. Among the shareholder-appointed board members, the proportion of women is 50%. The Board supports work on diversity and equality, please refer to chapter 2: «Our value creation» on page 20 and the «Equality Statement» in the Fact Booklet on page 16.

The Group's head office is in Oslo and our primary market is Norway, while our largest market outside Norway is Sweden.

FUTURE PROSPECTS

The group's ambition is for Posten Bring to be the leading logistics player in the Nordic region. The goals of being the customer's first choice, a leader in technology and innovation, the best in sustainable value creation and the most attractive workplace shows direction and guide our work going forward.

The economic outlook remains uncertain. Interest rates are high, inflation has declined, and although unemployment has increased somewhat, it is still low.

Norges Bank believes that the market must be prepared for larger and more frequent shifts in the economy going forward as climate change will require restructuring, geopolitical tensions affect trade and cooperation between countries, and technological innovations and artificial intelligence can lead to major upheavals. According to Norges Bank, a decisive factor will be trust – and that we maintain a high degree of trust in society.

The logistics market is attractive and the Group is well positioned, has a high level of expertise, willingness and ability to expand and a high level of trust in the market. But the logistics market is cyclically sensitive. Impaired purchasing power is expected to have a negative impact on demand for logistics services from both the private and corporate markets going forward. However, in the long run, e-commerce is expected to continue to grow.

Posten Bring has an ambitious growth strategy and is working aggressively in the Nordic market, especially in Sweden. We will strengthen our Nordic position, win customers and take market shares in a market that sets high demands.

Investments in new technology, new services, parcel boxes and terminal capacity will continue.

In order to meet market uncertainty and continued high inflation, we have started a profitability program that will strengthen the Group's financial platform and ensure long-term competitiveness.

The Board is working to reorganise postal operations in Norway and adapt the service offering to the digital society and new needs. Letter volumes have decreased by more than 80 per cent since the turn of the millennium and are projected to continue to fall by about 10-15 per cent annually. In January 2024, the government appointed an expert committee to look at the future of postal services and whether Posten Bring will be given new tasks in the future to meet other societal needs than mail distribution alone. The Board is positive about this and looks forward to the committee's report which will arrive within the next twelve months. In 2024, Posten Bring will continue to test different options for statutory postal services in the future, including two-way communication through doorstep visits in collaboration with the Norwegian Association of Local and Regional Authorities (KS).

A large part of Posten Bring's value creation depends on digital solutions.

This entails vulnerabilities that could be exploited by global threat perpetrators. The risk of cyberattacks is high, and Posten Bring's threat assessment points out that state actors also pose a threat to the logistics industry. Such attacks can have major operational, economic and reputational consequences. The Group therefore works continuously and in a targeted way on information security. Together with Posten Bring's partners, security measures and emergency preparedness have been established to reduce risk.

To be a driving force in the transition to the low-emission society, Posten Bring is raising its ambitions further and setting new climate targets in line with Science Based Target's Net Zero standard. The aim is for all Group vehicles to run on electricity or biogas by 2030 and that by 2040 the Group will have net zero emissions. Total CO_2 emissions shall be 38 per cent lower by 2030, although the Group expects growth and increased volumes in the years to come. For more information about Posten Bring's climate work, see chapter 2: «Climate change» on page 22.

The Group has created a foundation and culture of innovation. Going forward, we will be investing further in increasing the pace of service development, launches and scaling.

The fight for critical labour is increasing. We depend on talented and committed employees and our employee promise is "Always developing". Posten Bring is an attractive employer that invests in employees and skills development. We mirror the diversity of society and strive for an inclusive and health-promoting working environment.

In January 2024, Petter-Børre Furberg was appointed as new CEO of Posten Bring AS and will take up his position on 1 August. He will thus take over after Tone Wille, who in October informed the board that she wished to leave after seven years as CEO and a total of 17 years at Posten Bring. The Board would like to thank Tone Wille for her excellent work and good leadership. For seven years, Wille has left her mark on Posten Bring's development so that today the Group is a competitive and leading Nordic logistics company that is well positioned for the future. Tone Wille will hold the position of CEO until 1 October, allowing Furberg to spend the first two months getting to know the people and the business.

The Board would like to thank all employees, managers and shop stewards for the good cooperation in 2023.

Oslo, 21 March 2024

Anne Carine Tanum (chair)

Finn Kinserdal

Liv Fiksdahl

Pål Wibe

Tina Stiegler

Patrik Berglund

Gerd Øiahals

Ann Elisabeth Wirgeness

Tove Gravdal Rundtom

Lars Nilsen

Tone Wille (CEO)

Corporate Governance

Each year the Board of Posten Bring AS (Posten Bring) submits a report on our compliance with the Norwegian Code of Practice for Corporate Governance (Code of Practice).

An account of how the Code of Practice has been followed up in Posten Bring is provided in sections 1-16 below, including details of how the principles have been met, the reason for any deviations, if applicable, and how Posten Bring rectified any deviations from the recommendations. The report complies with the structure of the Code of Practice.

The Norwegian State is the company's sole owner. As a result of this, Posten Bring's corporate governance deviates from section 6 of the Code of Practice on general meetings, section 7 on nomination committees and section 14 on takeovers.

Responsibility for managing the Norwegian State's ownership lies with the Ministry of Trade, Industry and Fisheries.

Posten Bring follows the state's principles for good ownership described, as well as elsewhere, in White Paper 6 (2022-2023) (Ownership Report). Posten Bring is also subject to the reporting requirements in section 3-3b of the Accounting Act on corporate governance, and an overview of where the required information can be found under section 16.

SECTION 1 IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

The Board believes it is important to maintain and further develop a high standard for corporate governance, equivalent to Norwegian standards for best practice, including the Code of Practice.

Posten Bring is a limited company wholly owned by the Norwegian state. The Group's corporate governance follows Norwegian law and the state's ownership policy in force at any given time.

Good corporate governance is a prerequisite for a sustainable, profitable and vigorous company. The Board of Posten Bring believes there is a clear link between good corporate governance and creating value for the company's owner, other stakeholders and society as a whole.

SECTION 2 OPERATIONS

The articles of association state that Posten Bring shall run postal and logistic operations on a commercial basis, as well as other activities directly related thereto. Furthermore, the company shall be a provider that can meet the society's need for nationwide postal services.

Posten Bring's statutory postal services are described in the Postal Service Act and Posten Bring's licence granted by the Ministry of Transport and Communications. The current licence is valid from 1 July 2020 and until it is succeeded by agreements or decisions concerning statutory postal services pursuant to section 6 of the Postal Service Act.

The Board establishes goals, strategies and the risk profile, both on a Group-wide level and for each segment. These support the Group's goals. Goals and strategies are set based on regular assessments and processes (at least once per year) that are intended to ensure that the Group has a well-founded and operational strategy at all times. Goals, strategies and risk profiles are decided based on these evaluations and processes. See also section 10 Risk management and internal control.

Through its operations, Posten Bring is a prominent social actor, which entails a special responsibility for how the company's activities are performed.

The Group's shared core values create an important foundation for the business and the Board's work – with regard to employees and its external environment, such as customers, suppliers and business partners. The shared values are: “take responsibility”, “be a team player” and “strive for more”. In addition to this platform of shared values, ethical guidelines and management principles have been established.

Posten Bring takes responsibility for how the business impacts people, the environment and society, so that the business can create value in a sustainable manner. This is achieved by reducing the negative impact of our activities on the external climate and environment, as well as by developing the Group as an attractive workplace with a diverse and inclusive working environment. Posten Bring uses external transport providers as part of its business. As the responsible contracting authority, Posten Bring is committed to ensuring that employees of its suppliers have decent working conditions. As part of this, suppliers are expected to comply with the Group's Code of Conduct. In the opinion of the Board, fulfilling our social responsibilities contributes to Posten Bring's good reputation and positive development. Attitudes towards corporate social responsibility is described in the Board of Directors' Report and in the Group's sustainability report, in accordance with section 3-3b of the Accounting Act. The documents are available on the Group's website, see postenbring.no.

Posten Bring's business is labour-intensive. In total, the Group employs around 12 650 full-time equivalents. Health, Safety and the Environment (HSE) is therefore a high priority within corporate social responsibility work. The company's aim is to ensure that nobody is injured or becomes sick as a result working in or for the Group. Continuous and targeted work is being carried out on preventive and health-promoting measures.

A code of conduct has been developed that is included in the Group's integrity programme. The aim of the integrity programme is to increase awareness and knowledge about how to handle typical ethical dilemmas. This will help to ensure that the Group always takes human rights, anti-corruption, competitive practices, working conditions, HSE, discrimination and sustainability into consideration.

As well as ensuring that Posten Bring runs profitably on commercial terms, the Group must fulfil its delivery obligation, meet its owner's required rate of return and adapt its activities to the structural changes that take place in the market. This also means that the client must pay for the required unprofitable services.

The following fundamental principles form the basis for the development of the Group:

- Posten Bring shall develop strong, profitable and sustainable market positions within the areas in which the Group operates.
- Posten Bring shall ensure a satisfactory return on all investments and competitive value development over time.
- Posten Bring shall provide services to meet its universal service obligations.
- Posten Bring's business shall be customer-oriented, meet customers' requirements efficiently, and be available where customers are.
- Posten Bring shall have a balanced portfolio of activities that strengthens our capacity to serve the customers' needs.
- Posten Bring shall be a trusted third party for customers.
- Posten Bring shall ensure a unified culture and shared values, which also provide room for diversity.
- Posten Bring shall work to extract cost benefits through efficiency measures, coordinating the value chain, industrialisation and continuously improving processes, as well as transparent and integrated business management.
- Posten Bring shall work actively to reduce the company's impact on the external environment.
- Posten Bring shall develop good, attractive workplaces.

Continuous improvement is an important common denominator in the development of the Group. This entails continuously working on product and services portfolios, structures, processes and systems, to increase the overall customer value and reduce the unnecessary use of resources.

SECTION 3 EQUITY AND DIVIDENDS

Capital structure

The Group's equity was NOK 5 876 million as of 31 December 2023. The decline in letter volumes for addressed mail has increased in recent years and been further accelerated by the Covid-19 pandemic. At the same time, e-commerce has increased sharply, resulting in large volumes. There have been cost increases due to the geopolitical situation, but parts of this have been compensated through price increases. This has led to the Group's margins, earnings and solvency increasing somewhat from 2022. The investment level has been adapted to the ongoing developments in the Group's results in 2023 to ensure the Group adequate financial freedom. The equity ratio is at the level of last year and is 30 per cent as of 31 December. The key figures for solvency and profitability are sensitive to changes in earnings (EBITDA).

Dividends

Posten Bring's general meeting is not bound by the Board's proposal for the distribution of dividends, cf. section 20-4 (4) of the Companies Act, and the company is thus subject to the dividend expectations in force at any given time. The government's long-term expectation of annual dividends is 50-70 per cent of Group profit after tax. Before the annual dividend is determined, an independent assessment of the Group's equity and liquidity must be carried out. The Board of Directors shall carry out an overall assessment to determine a prudent dividend level.

SECTION 4 EQUAL TREATMENT OF SHAREHOLDERS

All shares in Posten Bring are owned by the state, and the Code of Practice's recommendation concerning share issues is not deemed relevant to Posten.

SECTION 5 SHARES AND NEGOTIABILITY

All shares in Posten Bring are owned by the Norwegian State, and the Code of Practice's recommendation is thus not deemed relevant for Posten Bring.

SECTION 6 GENERAL MEETING

The state, through the Minister of Trade and Industry, is the company's general meeting.

In accordance with section 8 of the company's articles of association, the ordinary general meeting must be held by the end of June each year.

Section 20-5 (1) of the Limited Liability Companies Act states that the Ministry of Trade, Industry and Fisheries is responsible for sending notification of both ordinary and extraordinary general meetings and for deciding the method of notification. Posten Bring deviates from this section of the Code of Practice.

The Board, chief executive, company auditor and the Office of the Auditor General are invited to the general meeting.

SECTION 7 NOMINATION COMMITTEE

The state is the sole shareholder and the company therefore has no nomination committee. The shareholder-appointed board members are nominated by the Ministry of Trade, Industry and Fisheries and are elected by the general meeting in accordance with section 20-4 (1) of the Limited Liability Companies Act. Posten deviates from this section of the Code of Practice.

Four members of the Board are chosen by and from the Group's employees in Norway. A group-wide scheme was established for the election of employee representatives to the Board of Posten Bring. This means that all employees in the Norwegian part of the Group can be elected and have voting rights.

SECTION 8 BOARD OF DIRECTORS, COMPOSITION AND INDEPENDENCE

Composition of the Board

As the sole shareholder, the Norwegian state designates and selects all the shareholder-appointed Board members, including the Chair of the Board. There are no deputies for the shareholder-appointed representatives on the Board. By virtue of the agreement the employees have the right to elect up to four members of the Board with deputies. Board members are elected for terms of two years at a time.

The Board of Directors is deemed to safeguard the company's expertise, capacity and diversity. The Board members' backgrounds are described in more detail in the annual report and on the Group's website.

Until the Annual General Meeting on 6 June 2023, the Board of Directors has consisted of five shareholder-elected directors (two of whom are men and three are women), and four employee-elected directors (one of whom is a man and three are women), and after the Annual General Meeting consisted of six shareholder-elected directors (three of whom are men and three are women), and four employee-elected directors (one of whom is a man and three are women).

Independence of the Board

The Board acts as a collegial body and not as individual representatives of various interest groups. The Board of Directors assesses the independence of its members on a continuous basis. As at 31 December 2023, all of the shareholder-appointed board members were deemed to be independent board members, since they were not considered to have commercial, family or other relationships that could be deemed to affect their evaluations or decisions as board members of Posten Bring.

SECTION 9 THE WORK OF THE BOARD OF DIRECTORS

The Board's duties

The Board of Posten Bring is responsible for the overall management of the Group and supervises the Group's activities in general.

This overall responsibility is described in detail in the adopted instructions for the Board of Directors and in the Board's plan for its own work. Both of these documents are revised on an annual basis. The guidelines for the chief executive's work form part of the rules of procedure for the Board.

Together these documents clarify the tasks and responsibilities of the Board and the chief executive, including which matters shall, can and should be handled by the Board. This also includes the limits of the CEO's authority. Matters that typically appear on the agenda of the Board on a regular basis are the preparation and implementation of the Group's strategies, the processing and approval of quarterly and annual reports, monthly performance reports, HSE issues, investments and related follow-up work, evaluation of the Group's risks and internal control as well as HR and organisational issues.

Transactions with related parties shall be based on commercial terms and principles. Information regarding such transactions is provided in the annual report, see Note 24. As Posten Bring is a limited liability company that does not have listed shares and only one owner, the provisions of the Public Limited Liability Companies Act on agreements with associated parties are not considered relevant.

The Board's responsibility for reviewing and reporting risk management and internal control is described in more detail under section 10. Posten Bring does not allow Board members or employees to participate in the processing of a case or attempt to influence decisions when special circumstances exist that may weaken confidence in their independence. Anyone who becomes aware of potential conflicts of interest must immediately report this to their immediate superior.

The Board's work and its meetings are led by the Chair of the Board and based on presentations by the chief executive. The company expects these presentations to provide a good and satisfactory basis for considering matters. The Board has appointed a Vice-chair of the Board who functions as the chair if the Chair of the Board cannot or ought not lead the work of the Board.

The Board held a total of eleven board meetings in 2023, of which three were extraordinary board meetings.

The Board conducts an annual evaluation of its work and its competence. The Board is also evaluated by the company's owner.

The Board's audit committee
The Board has established an audit committee which is subject to a separate mandate. The audit committee consists of two shareholder-appointed Board members. The audit committee meets at least five times a year. The audit committee shall operate as a case preparation body for the Board and support the Board in carrying out its responsibility for financial reporting, risk management, internal control and external auditing. The committee's main duties are: to prepare the Board's follow-up work on reporting processes for the financial accounts (including ongoing contact with the company's external auditor regarding the audit of the annual financial statements), to supervise the systems for internal control and risk management and to supervise the work and independence of the external auditor.

The audit committee held seven meetings in 2023.

The external auditor is present for all relevant points on the agenda in meetings of the audit committee.

The Board of Directors' remuneration committee
The Board has established a remuneration committee which is subject to a separate mandate. In 2023, the remuneration committee consisted of the Chair of the Board and one board member (employee elected) up to 20 June, and after 20 June 2023 consisted of the Chair of the Board and two board members (one shareholder elected and one employee elected). The remuneration committee holds regular meetings throughout the year. The committee prepares and recommends proposals to the Board related to the terms and conditions for the chief executive, management remuneration policies and remuneration structure, as well as central organisational and management development.

The remuneration committee held five meetings in 2023.

SECTION 10 RISK MANAGEMENT AND INTERNAL CONTROL
The Board ensures that the company has good internal controls and appropriate systems for risk management, and monitors these regularly. The Board emphasises the importance of a good and efficient control environment in addition to good control processes. This work is based on the company's articles of association, the rules of procedure for the Board, and other internal governing documents, as well as general laws and clear recommendations based on best practices.

The Group's governing documents establish how the management and control of the Group shall be carried out. The documents set out Group-wide requirements with regard to conduct in important areas and processes.

Risk management and internal control must be integrated into the Group's processes. Managers on all levels are responsible for ensuring that risk management and good internal control systems are established within their respective areas, that these have the necessary effect, and that they are automated to the extent this is considered expedient.

An internal control committee has been established to ensure adequate and effective internal control of specified risk areas. The internal control committee is responsible for ensuring progress and deliveries related to the centrally mandated internal control reviews and is responsible for reporting these to the CEO, the audit committee and the Board. Annual internal control reviews are conducted of priority areas. The reviews result in proposals concerning specific measures aimed at improving internal control. The implementation of proposed measures is the responsibility of line management.

There is each year conducted an overall assessment of the Group's risk. This risk assessment is based on strategies, business plans and targets. The process is based on COSO's framework for risk management. The aim is to evaluate risks affecting strategy, finance, operations and reputation, as well as climate and environmental risks and risks associated with information security. The results of this process are consolidated to form an assessment of the main risks to which the Group is exposed. An annual assessment of the willingness and capacity to assume risk is also conducted, which is described in the Group's risk assessment. Risk is managed partly through the operational management, partly through preventive measures from central control functions, and partly through independent, external supervision. The annual risk assessment is followed up with actions and recommendations in order to manage and control the individual risk factors and avoid events that can adversely affect the Group's operations and reputation.

Posten Bring's consolidated accounts are presented in accordance with the current IFRS regulations. The Group's reporting process for the financial accounts is described in the Group's governing documents, which includes procedures and rules for monthly, quarterly and annual reporting. The Group's accounting policies are described in more detail in the Group's accounting manual. The reporting and consolidation of financial accounting information is carried out in a common reporting system. The Group utilises a common Group account plan and the Group accounts department makes use of both built-in system controls and manual controls to ensure complete and consistent accounting information. The consolidation of accounting information takes place at multiple levels within the Group. Subsidiaries are responsible for their Group/Company accounts being reported in accordance with the Group's policies and routines.

The Group has established an advisory investment committee which handles all cases that entail investment and sales in accordance with specified authorisation limits.

A common code of conduct applies to all of the Group's employees. This is continually being promoted. This standard is a part of the Group's integrity programme which shall help to ensure a high and precise ethical standard with regard to anti-corruption, competitive practices, social dumping and the handling of information. The Group's suppliers and partners must sign the Group's "Code of Conduct for suppliers" when contracts are signed and thereby commit themselves to living up to the same ethical standards. In addition to this, systematic risk assessments are conducted of suppliers and checks/audits carried out.

Openness is a significant element in the company's general risk management and internal control. Openness is especially important for the prevention and rectification of non-compliance. All employees and business partners are therefore encouraged to report any censurable or illegal conditions as soon as possible. This is a part of the individual's responsibility.

Until the end of December 2023, the Group had a Group-wide internal whistleblowing scheme. On the basis of legislative changes in the EU and upcoming new whistleblowing legislation in Norway, a new Group-wide external whistleblowing channel was established in December, which is led by PwC. The Group's complete whistleblowing scheme now consists of this external whistleblowing channel and the handling of alerts that come from the line. The corporate unit safeguards the secure reception and follow-up of alerts and ensures that the reports are not met with negative reactions or sanctions. The Board's audit committee reviews the report from the Group's corporate unit for misconduct every six months. The audit committee informs the Board to the extent deemed necessary. The number of notifications received under the scheme has been stable in recent years.

SECTION 11 REMUNERATION OF THE BOARD OF DIRECTORS

The board members' fees are set at the general meeting each year. Remuneration is not dependent on results and none of the shareholder-appointed board members has share options, a pension scheme or agreement on salary after leaving his/her position from the company. Shareholder-appointed board members do not normally have additional duties for the company. To the extent that the board members undertake such duties, this shall be clarified with the other board members in advance. Details of the remuneration for the Board members in 2023 are presented in the Executive Salary Report which is available at postenbring.no, as an attachment to the Integrated Annual Report 2023.

SECTION 12 SALARIES AND OTHER BENEFITS TO SENIOR EXECUTIVES

The Board has prepared guidelines concerning the determination of salaries and other benefits for the chief executive and other senior executives. The guidelines shall support the Group's strategy, long-term interests and financial sustainability. The guidelines have been prepared in accordance with section 7 of the articles of association and are in line with the principles in the Government's guidelines for management remuneration in companies owned by the state. Furthermore, the Board has prepared a statement on management remuneration that has been followed in the preceding financial year. Both the guidelines and the statement shall be presented to the ordinary general meeting.

Information about total remuneration and the Board's guidelines concerning the determination of salaries and other benefits for senior executives is discussed in the Executive Salary Report which is available at postenbring.no, as an attachment to the Integrated Annual Report 2023.

SECTION 13 INFORMATION AND COMMUNICATIONS

The Group follows an open communications strategy to support the business strategies, goals and values. Good communication shall contribute to a good reputation, strong brands, satisfied customers and proud employees. Guidelines for a code of conduct have been established to ensure that Posten Bring acts professionally and uniformly in its communications.

Financial information is reported quarterly at stipulated times as set out on the company's website in accordance with the Oslo Stock Exchange's information requirements, so that the owner and the financial markets are treated equally.

The Board also emphasises the importance of good communication with the company's owner outside the general meeting.

SECTION 14 TAKE-OVERS

Posten Bring is a limited company wholly owned by the Norwegian state, where the state's rationale for its ownership interest in Posten Bring is, among other things, to have a supplier who can meet the state's need for nationwide postal services. The Board therefore deems this section of the Code of Practice not to be relevant. Posten Bring deviates from this section of the Code of Practice.

SECTION 15 AUDITOR

Posten has an independent external auditor selected by the general meeting on the recommendation of the Board.

The auditor takes part in Board meetings that handle the annual financial statements in order to improve the Board's basis for making decisions. The Board's audit committee reviews the arrangements and plan for the audit together with management and the auditor, including risk assessment and the scope of the audit. In the meeting with the audit committee and with the Board, respectively, the auditor presents the audit and gives his view of the Group's accounting policies, risk areas, internal control procedures and the Group's bookkeeping. The report is summarised in an annual supplementary report to the audit committee.

The Group's policy allows the use of the auditor in audit-related tasks that meet the applicable independence requirement, in addition to the statutory audit. Tasks that are not audit-related must be approved by the audit committee.

SECTION 16 REQUIREMENTS PURSUANT TO SECTION 3-3B OF THE ACCOUNTING ACT

The Board must provide information on corporate governance in accordance with section 3-3b of the Accounting Act. Below is an overview of where in the above report this information is provided.

1. *"details of the recommendations and rules on corporate governance which cover the enterprise or which the enterprise otherwise decides to follow"*
   - see the report's «Section 1 Implementation And Reporting On Corporate Governance»
2. *"information about where the recommendations and rules mentioned in no. 1 are publicly available"*
   - see the report's «Section 1 Implementation And Reporting On Corporate Governance»
3. *"reasons for any non-compliance with the recommendations and rules mentioned in no. 1"*

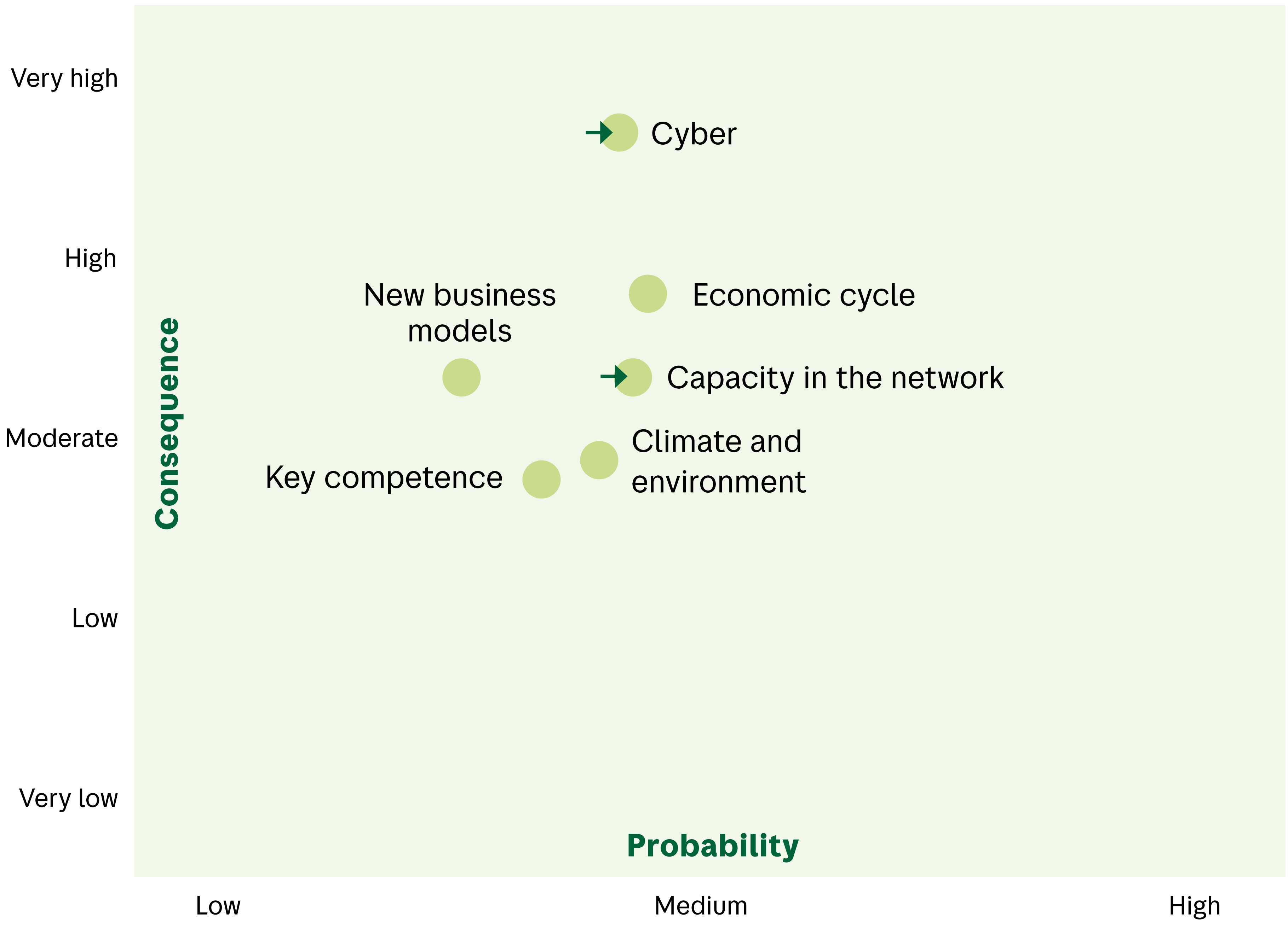
There are three instances of non-compliance described in more detail in «Section 6 General Meeting»,»Section 7 Nomination Committee» and «Section 14 Take-Overs».

4. *"a description of the main elements in the company's, as well as the Group's if consolidated accounts are also prepared, systems for internal control and risk management related to the accounts reporting process".*
   See «Section 10 Risk Management And Internal Control»
5. *"provisions of the Articles of Association which fully or partly expand or exclude provisions of chapter 5 of the Public Limited Companies Act":*
   See the report's «Section 6 General Meeting»
6. *"the composition of the Board of Directors, corporate assembly, representative and control committee; if applicable any working committee for these bodies, as well as a description of the main elements in the applicable instructions and guide-lines for the bodies' and, if applicable, the committees' work"*
   See the report's «Section 8 Board Of Directors, Composition And Independence» and «Section 9 The Work Of The Board Of Directors».
7. *"provisions of the Articles of Association which regulate the appointment and replacement of Board members"*
   See the report's «Section 8 Board Of Directors, Composition And Independence».
8. *"provisions of the articles of association and powers of attorney which give the Board the power to decide that the company shall buy back or issue shares or equity certificates"*
   Posten Bring does not have any provisions in the articles of association or powers of attorney that give the Board the power to decide that the company shall buy back or issue shares or equity certificates. See also the report's «Section 3 Equity And Dividends» and «Section 4 Equal Treatment Of Shareholders».
9. *"a description of the company's guidelines for gender equality and diversity with regard to, for example, age, gender and educational and professional background for the composition of boards, management and control bodies and, if applicable, subcommittees. The objectives of the guidelines, how they have been implemented and their effects during the reporting period shall be stated. If the company does not have such guidelines, this must be justified."*
   See the Group's Integrated Annual Report chapter 2: «Our value creation» on page 20 and the «Equality Statement» in the Fact Booklet on page 16.

Risk management

Risk management and internal control are integrated into the Group's business processes and are central elements of Posten Bring's corporate governance. When developing goals, strategies and business plans, the aim is to create value by balancing growth against profitability targets and risks to the Group's activities.

Worst-case effect on the Group's goal achievement



The Board emphasises good risk management and internal control, and it has a central function in corporate governance. The Board evaluates the Group's total risk every six months, including the measures to be imple mented. The risk analysis is an integral part of the Group's business processes and is linked to the strategic main objectives. It is an important part of the Group's investment decisions and forecasting process.

The emphasis is on a quantitative risk approach. Risk-mitigating measures are implemented to ensure that the Group achieves our goals, and these are regularly evaluated to ensure that they are having the desired effect. The Board and management actively follow up the Group's risk exposure within the areas of strategic, operating, financial, reputational and climate risk, as well as information security.

Risk management and internal control processes are described in more detail in the Group's corporate governance reporting.

Risk management
Posten Bring uses the COSO framework as the basis for the risk analysis itself, where each risk is measured withregard to the Group's risk appetite and risk capacity, based on the consequence and probability of each risk.

Risk appetite is defined as maximum desired risk exposure from an earnings and solvency perspective, while risk capacity is defined as the maximum risk exposure that the company can withstand before the company is "forced" to change the business model. Read more about our lines of defence to meet risks at the next page.

COSO
COSO is a recognised framework for holistic risk management and internal control in an enter- prise. The framework is intended to help companies achieve their strategies, and not just reduce incidents that can have a negative impact. COSO has influenced the requirements for internal control in the state's financial regulations, and is used by several audit and advisory groups in their work with municipal, state and private enterprises.

The organisation of risk management and internal control

Third Line Defence
- Independent control/audit

Second Line Defence
- Control functions / internal control committee
- Implementation of guidelines and procedures
- Internal control/monitoring process

First Line Defence
- Culture and attitudes
- Adequate assessments in business decisions/day-to-day operations
- Measures to manage risk
- Reporting, follow-up and control

External auditor

Board / Audit Committee

The central monitoring process

Group CEO

Internal control committee, chaired by CFO

External resources[1]

Areas with special reporting
- Corporate social responsibility in the supply chain
- Whistleblowing scheme
- Information security
- Safety
- Privacy

Divisions with subsidiaries

Corporate staff members

Governing documents

[1] External resources are used for the implementation of selected internal control projects

Posten Bring has established three lines of defence to meet risk.

The first line works with frequent, minor incidents, which are typically day-to-day situations that have to be followed up by operational management.

Larger and more serious incidents are mainly handled through preventive measures via second-line defence and supervision of auditor/independent controls in the third line of defence.

Risk analysis

Climate-related risk

Development of risk level: **Stable**

Risk Category: **Strategic**

What is the risk
Society expects the business sector to adapt to contribute to the global community's goals of reducing emissions and global warming. Expectations come from all stakeholders and are expected to increase in the years ahead. In the transition towards a low-emission society, Posten may experience a loss of customers if we cannot offer logistics solutions with lower emissions and clearly document our footprint and resource consumption.

For a more detailed description of climate-related risks, see chapters on see «Climate change» on page 22 and see «Climate risk» on page 37.

Measures employed by Posten Bring
Among the most important climate measures for Posten Bring is to reduce the Group's emissions and strengthen the offer of services with a smaller footprint, driven by conversion to fossil-free power for both owned and hired transport. The commitment to the Science Based Targets Initiative ("SBTi") confirms our ambitions to cut emissions in line with the Paris Agreement. We also work purposefully to increase the reporting precision of our deliveries so that customers can easily get an overview of emissions from their deliveries.

Read more about our climate-friendly investments in "Green Bonds" (attachment).

Scenario
Requirements from customers and authorities will increasingly punish companies that are more emissions, energy and resource intensive than their competitors. If Posten Bring is unable to reduce its footprint and develop new logistics solutions, we will justifiably lose market share. In addition, people are becoming more aware of the footprint of their consumption, and the volume of linear consumption may first level off, then decline.

Posten Bring's opportunities
Given Posten Bring's size and position in the Nordic region, we have both the opportunity and an obligation to lead the way in the work on emission cuts. By investing in new technology, both in vehicles and infrastructure, we can help maintain the necessary pace of change. In addition, in dialogue with the authorities and decision-makers, we can help facilitate faster restructuring.

We have the opportunity to strengthen our position in the Nordic logistics market if we continue to succeed in reducing emissions. With increased attention to sustainability, rogue players will drop out, which in the long term could strengthen both Posten's volumes and margins.

Market and economic developments

Development of risk level: **Stable**

Risk Category: **Operational**

What is the risk
that 2023, like the year before, characterised by inflation and economic uncertainty. These developments affect both businesses and consumers, which in turn can negatively impact the Group's volume and margins. The risk is exacerbated by persistent demanding geopolitical conditions, with war and friction in world trade.

Measures employed by Posten Bring
It is therefore important to facilitate as much flexibility as possible operationally and financially, with the possibility of ongoing adaptation of operations and strategic initiatives. Through close dialogue with our customers and suppliers, we try to capture tendencies to change as quickly as possible, and then adapt accordingly. In addition, we collect input from external professional environments to enhance our insight into possible economic scenarios.

Scenario
A longer and deeper period of decline than expected will put further pressure on our volumes through the weakened purchasing power of our customers. With a network structure scaled for high volumes, margins will come under pressure with low volumes. In addition, disruptions in the value chain may cause delays in the electrification of our fleet of vehicles.

Posten Bring's opportunities
If we succeed in maintaining the necessary flexibility, and effectively adapt to volume development, we will be able to cope relatively better than our competitors in a demanding time. We will then be able to increase our market share and further strengthen our position in the Nordic market.

Human capital · Manufactured capital · Intellectual capital · Social capital · Natural capital · Financial capital

Cyber attacks

Development of risk level: **Increasing relevance**

Risk Category: **Operational**

What is the risk
The Group faces a broad and consolidated threat landscape. As a result of organised crime and persistent geopolitical unrest, the risk of external threats is also increasing. We are at risk of being put out of play because we operate in countries that are far ahead in terms of digitalisation, and have increasingly digitalised and data-driven production.

Read more about this risk in the chapter «Cyber security» on page 77.

Measures employed by Posten Bring
Posten Bring continues its systematic work on information security, which isa key area of the Group's strategy. The strengthening of management of security, incident management and monitoring of the systems are central to this work. The ability of divisions and staff to comply with security requirements and manage risk is critical. To ensure the quality of the security work, Corporate Security strengthens its second-line control function by establishing an improvement function, which will evaluate how the divisions and staff comply with security requirements and provide improvement proposals. Support tools are also established for the security work.

Scenario
A successful attack on operations as a result of the exploitation of vulnerabilities and failure to comply with security requirements could bring much of the business to a halt, as could attacks on more administrative targets. In addition, indirect attacks threaten the trust our customers have in us. If such an attack is successful, we will lose confidence in the market, which will affect our volumes.

Posten Bring's opportunities
With good procedures for security against cyber attacks, the likelihood of operations being affected will be reduced. If Posten Bring is able to maintain its credibility towards customers while under a high risk of attack, our market position could be further strengthened. A solid defence against cyber attacks will consolidate, and possibly strengthen, our position as a serious and safe logistics provider.

Key competence

Development of risk level: **Stable**

Risk Category: **Strategic**

What is the risk
In order to be able to deliver on our strategy, as well as efficiently run daily operations, we depend on committed and competent employees. To achieve this, we need a high level of driving and chartering competence, combined with cutting-edge expertise in everything from advanced analysis to creativity and technology. The risk lies primarily in two factors; a generally tight labour market, and whether we as a Group are able to be an attractive employer that attracts, develops and retains key competence.

See the chapter see «Own workforce» on page 52 for a more detailed description.

Measures employed by Posten Bring
In order to attract key competence, Posten Bring works to increase visibility in the labour market and have an active role in the recruitment and training of new drivers and charterers. The Group also has a recognised trainee programme that ensures the supply of new talents. At the same time, targeted efforts are made to further develop the competence of today's employees through, for example, internal and external training, making provision for time for employees for learning and specific professional environments.

Scenario
Persistent shortages of operational competence will significantly weaken the capacity and productivity of our network. In particular, a lack of technological and business development expertise may impact our strategic position in innovation and technology. Without the right competence internally, our service to the customer will be weakened compared to our competitors.

Posten Bring's opportunities
If we are able to further develop and recruit the necessary key competence, we are well equipped to deliver quality and productivity, as well as develop new services in line with customer expectations. This could potentially provide a lasting competitive advantage in the market.

Human capital · Manufactured capital · Intellectual capital · Social capital · Natural capital · Financial capital

Capacity in the network

Development of risk level: **Increasing risk**

Risk Category: **Strategic**

What is the risk
The Group's investments in increased capacity in the network are based on an expectation of continued increased volumes, both through general market growth and increased market share. At the same time, we are in a time of major economic uncertainty, which could negatively impact our volumes in the short term. We are dependent on making the necessary long-term capacity investments in the network, while at the same time maintaining sufficient flexibility to handle more short-term volume fluctuations in a cost-effective manner. If not, we risk excessively high unit costs in both the short and long picture.

Measures employed by Posten Bring
Capacity to handle expected volumes will be secured through new terminal investments in the Nordic region, as well as expansion of the existing structure. To ensure sufficient flexibility, the Group follows the Nordic markets closely in order to quickly adapt production to unforeseen volume fluctuations. We also work purposefully to use our network to effectively smooth out volume, to avoid over and under capacity at our terminals.

Scenario
Lower volumes than expected may create a risk of overcapacity in our network, which may increase our unit costs and put pressure on Posten's margins. At the same time, unexpectedly high volumes will entail a risk that we do not have sufficient capacity, which will create bottlenecks that affect both productivity and quality.

Posten Bring's opportunities
If we continue to expand the capacity of the network, while being able to keep unit costs down, we will be able to continue to grow without further pressure on margins. With a shortage of land for logistics in the Nordic region, especially around important hubs, we will be able to create lasting competitive advantages if we manage to further develop our efficient land utilisation in these areas.

New business models

Development of risk level: **Stable**

Risk Category: **Strategic**

What is the risk
We have a wide range of competitors, with both technology-driven niche players and international logistics players, and are entirely dependent on our services being perceived as competitive in order to retain and increase our market share. To succeed in this, we rely entirely on effectively developing and implementing new business models.

Measures employed by Posten Bring
Posten Bring works continuously to renew and further develop services and concepts. We aim to be present wherever the customer wants, and have recently worked extensively with the use of technology, big data and machine learning to deliver on business models that the customers expect, both today and tomorrow. Agile ways of working, combined with an organisation that enables fast decision-making processes help us reduce time-to-market for our products. In addition to further developing our current postal and logistics services, we have also been clearly present throughout 2023 in the Nordic start-up environment.

Scenario
If we are unable to further develop our service portfolio according to customer needs and the competitive situation, our customers will deprioritise us and reduce both our volume and margins.

Posten Bring's opportunities
If we succeed in creating, developing and improving our business models, in line with what our customers demand of us, we will be able to retain and expand our shares in the market. By being at the forefront of development, we will also be able to challenge new and modern concepts in an increasingly fragmented and challenging market. Especially within the circular economy, there are a lot of logistics services to be developed, which could potentially give us a new service leg to stand on. If customers find that Posten Bring offers new, attractive business models, this could also strengthen the Group's attractiveness in the labour market.

Human capital · Manufactured capital · Intellectual capital · Social capital · Natural capital · Financial capital

Part 4

Financial statements

Economic cycles influence the growth and profitability of the logistics market.

Our business performance

Our financial freedom and the opportunity to further develop Posten Bring's operations depend on an efficient cost structure.

FINANCIAL CAPITAL

Market turmoil, high inflation and increased interest rates led to curbed consumption in Norway in 2023. In Sweden, the economy has also been weak and consumption has fallen. Nevertheless, Posten Bring has grown particularly in e-commerce packages, and can show increased revenues and better results than the previous year.

The Group's revenue ended at NOK 24.4 billion, approximately one billion more than in 2022. Adjusted operating profit was NOK 716 million, which is NOK 310 million better than the previous year. Parcels from e-commerce (B2C) increased by 8.4 per cent and in 2023 we passed 100 million parcels for the first time. We have succeeded in increasing productivity and cost-effectiveness and we are investing to manage further growth.

Read more about our green bonds and green framework in a separate report published on postenbring.no

8 DECENT WORK AND ECONOMIC GROWTH

Our financial sustainability (Financial capital) can be linked to the UN Sustainable Development Goal 8 "Decent Work and Economic Growth", sub-goal 8.8.

Connection to our strategy:

Leading Nordic logistics actor
- The highest possible return over time, within a sustainable framework

Measured by:

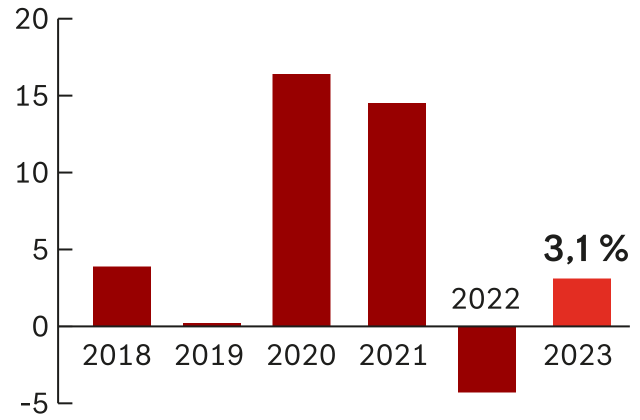
Return on equity after tax

Output:

Increased profitability, sustainable value creation and financial capital for future investments, development of own value creation capacity.

How we meet our targets:

Goal 2023: **> 10%**
Goal 2024: **> 10%**



Integrated Report 2023

Financial statements and notes

for Posten Bring Group

INCOME STATEMENT

Amounts in MNOK

	Note	2023	2022
Revenue	1,2	**24 394**	**23 429**
Costs of goods and services	1	9 977	10 072
Payroll expenses	3,4	9 062	8 518
Depreciation and amortisation	10,18	1 600	1 384
Impairment	9,10,18	139	185
Other operating expenses	5	3 039	3 050
Operating expenses		**23 818**	**23 208**
Other income/(expenses)	6	13	(371)
Share of profit from associated companies	11	10	7
Operating profit/(loss)		**599**	**(143)**
Financial income	7	346	334
Financial expenses	7	631	534
Net financial income/(expense)		**(285)**	**(200)**
Profit/(loss) before tax		**314**	**(343)**
Tax expense	8	137	(66)
Profit/(loss) for the year		**178**	**(277)**
Controlling interests		185	(271)
Non-controlling interests		(7)	(5)

STATEMENT OF COMPREHENSIVE INCOME

Amounts in MNOK

	Note	2023	2022
Profit/(loss) for the year		**178**	**(277)**
Pension remeasurement	4,8	(85)	47
Items that will not be reclassified to income statement		**(85)**	**47**
Translation differences		114	(25)
Hedging of net investment	8,21	(35)	13
Total translation differences		**79**	**(12)**
Cash flow hedging	8,21		**(17)**
Items that will be reclassified to income statement		**79**	**(29)**
Other comprehensive income		**(6)**	**18**
Total comprehensive income		**172**	**(259)**
Total comprehensive income is distributed as follows:			
Controlling interests		179	(253)
Non-controlling interests		(7)	(5)

BALANCE SHEET

Amounts in MNOK

	Note	31.12.2023	31.12.2022
ASSETS			
Intangible assets	9,10	1 986	2 027
Deferred tax assets	8	319	251
Tangible fixed assets	9,10	7 071	6 498
Right-of-use assets	9,18	3 698	3 266
Investments in associated companies	11	69	59
Investments in shares	11,13	222	251
Interest-bearing non-current receivables	13,15,18	54	73
Other financial non-current assets	13,21	27	23
Non-current assets		**13 447**	**12 449**
Interest-free current receivables	13,16,21	4 137	3 895
Interest-bearing current receivables	13,15,18	95	116
Liquid assets	13,17	1 947	2 683
Current assets		**6 179**	**6 694**
Assets		**19 625**	**19 143**
EQUITY AND LIABILITIES			
Share capital		3 120	3 120
Other equity		2 709	2 529
Non-controlling interests		47	66
Equity		**5 876**	**5 715**
Deferred tax liabilities	8	49	43
Other provisions for liabilities	4,12	969	936
Provisions for liabilities		**1 018**	**979**
Non-current lease liabilities	13,18	3 140	2 837
Interest-bearing non-current liabilities	13,19	3 500	1 111
Interest-free non-current liabilities	13,20,21	28	29
Non-current liabilities		**6 668**	**3 976**
Current lease liabilities	13,18	892	743
Interest-bearing current liabilities	13,19	586	3 187
Interest-free current liabilities	12,13,20,21	4 554	4 524
Tax payable	8	32	19
Current liabilities		**6 064**	**8 473**
Equity and liabilities		**19 625**	**19 143**

Oslo, March 21st 2024

Anne Carine Tanum (Chair)

Finn Kinserdal

Liv Fiksdahl

Pål Wibe

Tina Stiegler

Patrik Berglund

Gerd Øiahals

Ann Elisabeth Wirgeness

Tove Gravdal Rundtom

Lars Nilsen

Tone Wille (Group CEO)

CASH FLOW STATEMENT

Amounts in MNOK

	Note	2023	2022
Profit/(loss) before tax		314	(343)
Tax paid in the year	8	(103)	(213)
(Gain)/loss from sales of non-current assets and subsidiaries		(15)	(11)
Ordinary depreciation and impairment	9,10,18	1 740	1 568
Share of profit/(loss) from associated companies	11	(10)	(7)
Net interest reclassified from operating activities		205	216
Financial items without cash-effect		9	(3)
Changes in receivables and payables		(86)	(127)
Changes in other working capital [1]		(267)	328
Changes in other accruals		(28)	(26)
Cash flows from operating activities [3]		**1 760**	**1 384**
Investments in non-current assets	10	(1 394)	(1 276)
Cash-effect from investments in businesses	23		(191)
Cash-effect from investments and sale of other shares	11	(5)	(136)
Cash-effect from investments in associated companies	11		(22)
Proceeds from sale of non-current assets	10	35	21
Cash-effect from sale of businesses	23	(6)	6
Received dividends from associated companies		5	
Payments related to sublease receivables [2]	18	19	21
Interest received and return on investments [3]		159	9
Changes in other financial non-current assets		(15)	13
Cash flows used in investing activities		**(1 201)**	**(1 554)**
Payment of lease liabilities	18	(882)	(778)
Proceeds from non-current and current debt raised	19	2 500	2 000
Repayment of borrowings	19	(2 710)	(461)
(Decrease)/increase in bank overdraft	19	111	159
Interest paid [3]		(356)	(197)
Dividends paid			(1 315)
Cash flows used in financing activities		**(1 337)**	**(592)**
Change in liquid assets		**(778)**	**(761)**
Liquid assets at the start of the year		2 683	3 448
Currency differences		42	(4)
Liquid assets at the end of the year	17	**1 947**	**2 683**

1) In 2022, the recognition of pension obligations in the Group was expensed, please refer to note 4 for further information.
2) In 2023, "payments related to sublease receivables" were reclassified from "payment of lease liabilities" under financing activities to investment activities. The comparative figures for 2022 have been adjusted accordingly.
3) Interest received and paid in 2023 were reclassified from operational activities to either investment activities or financing activities. The comparative figures for 2022 have been adjusted accordingly.

The Group prepares the cash flow statement according to the indirect method. Cash flows from investments and financing activities are reported gross, whereas the accounting result is reconciled against net cash flows from operating activities.

STATEMENT OF CHANGES IN EQUITY

The share capital and share premium constitute the paid-in capital in Posten Bring AS.

The hedging reserve includes the total net change in the fair value of the hedging instrument in a cash flow hedge, until the hedged cash flow occurs or is no longer expected to occur.

Translation differences arise in connection with currency differences in the consolidation of foreign subsidiaries, and hedging of net investment in foreign subsidiaries. Currency differences on monetary items (debt or claim if settlement is neither planned nor likely in the foreseeable future) which in reality are part of a company's net investment in foreign subsidiaries, are treated as translation differences. Upon disposal of a foreign entity, accumulated translation differences related to the entity will be reclassified to the result in the same period as the gain or loss on the disposal is recognized.

Transaction costs directly related to equity transactions are recognized directly in equity after deduction for tax.

The shares in the parent company Posten Bring AS are wholly owned by the state through the Ministry of Trade, Industry and Fisheries. Share capital as of December 31, 2023 consisted of 3 120 000 shares with a nominal value of NOK 1 000.

In Norwegian groups, equity in the parent company is the calculation basis for the distribution of dividend. Before the annual dividend is determined, an independent assessment of the financial situation and outlook for the Group is made. The proposed dividend is MNOK 125 for the financial year 2023 (which corresponds to NOK 40,06 per share).

It was decided at the general meeting in May 2023 that no dividend should be paid for the financial year 2022.

Amounts in MNOK

	Controlling interests							
	Share capital	Share premium reserves	Hedging reserve	Translation differences	Retained earnings	Other equity	Non-controlling Interests	Total equity
Equity 01.01.2023	**3 120**	**992**	**(23)**	**136**	**1 423**	**2 529**	**66**	**5 715**
Profit/(loss) for the year					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-controlling interests					1	1	1	2
Equity 31.12.2023	**3 120**	**992**	**(23)**	**215**	**1 524**	**2 709**	**47**	**5 876**

	Controlling interests							
	Share capital	Share premium reserves	Hedging reserve	Translation differences	Retained earnings	Other equity	Non-controlling Interests	Total equity
Equity 01.01.2022	**3 120**	**992**	**(6)**	**149**	**2 969**	**4 104**	**49**	**7 273**
Profit/(loss) for the year					(271)	(271)	(5)	(277)
Other comprehensive income			(17)	(12)	47	18		18
Total comprehensive income			**(17)**	**(12)**	**(225)**	**(253)**	**(5)**	**(259)**
Dividend					(1 315)	(1 315)	(3)	(1 318)
Changes in non-controlling interests				(1)	(5)	(7)	26	19
Equity 31.12.2022	**3 120**	**992**	**(23)**	**136**	**1 423**	**2 529**	**66**	**5 715**

Integrated Report 2023

Notes for Posten Bring Group

General information

The consolidated financial statements of Posten Bring for the year 2023 were approved by the board and the CEO of Posten Bring on March 21, 2024.

Posten Bring AS was established as a company on December 1, 1996, and is today 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 is a Nordic mail and logistics group developing and delivering overall solutions within mail, communication and logistics in the Nordics. Posten Bring AS' address is Biskop Gunnerus gate 14A, 0001 Oslo, Norway.

BASIS FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of Posten Bring are prepared in accordance with IFRS® Accounting Standards as approved by the EU. Additionally, information is provided in accordance with the Norwegian Accounting Act (regnskapsloven).

The financial statements are primarily based on a historical cost principle, except for certain financial assets and liabilities (including derivatives) which are measured at fair value.

Assets and liabilities are classified as short-term when they are part of the group's normal operating cycle, when they are held primarily for trading purposes, or when the group does not have an unconditional right to defer settlement for at least 12 months. Other items are long-term. Dividends are recognized as a liability only when they have been formally approved by the annual general meeting.

The financial statements are presented in Norwegian kroner (NOK), rounded to the nearest million, unless otherwise stated. As a result of rounding, it may occur that the numbers in one or more lines or columns of the consolidated financial statements do not add up to the total in the line or column.

After the publication of the draft annual result in the group's quarterly report for the 4th quarter of 2023, the tax expense was reduced by MNOK 50 due to new information about a matter that existed on the balance sheet date.

Consolidation principles

The consolidated financial statements present the total financial result and position for the parent company Posten Bring AS and the companies over which Posten Bring AS has control. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are consolidated from the time control is established and deconsolidated when control ceases. Upon deconsolidation, any gain or loss is recognized in the results. Any remaining investment is measured at fair value at the time of deconsolidation. Transactions that do not result in a loss of control are treated as equity transactions.

The consolidated financial statements are prepared according to uniform accounting principles for similar transactions and other events under similar circumstances. The classification of items in the income statement and balance sheet is carried out according to uniform definitions. Transactions and balances between the companies in the group, including internal profit and unrealized gains and losses, are eliminated.

The share of non-controlling interests in equity is shown on a separate line in the group's equity.

For non-controlling interests, the share of the annual result after tax is shown in the income statement and the share of the total result is shown in the statement of comprehensive income.

Functional currency and presentation currency

The parent company Posten Bring AS's functional currency is Norwegian kroner, and Posten Bring's consolidated financial statements are presented in Norwegian kroner.

Subsidiaries and associated companies that have a different functional currency than Norwegian kroner are converted to Norwegian kroner for consolidation purposes. Assets and liabilities are converted based on the exchange rate at the balance sheet date. Revenues and expenses are converted based on the monthly average exchange rate. Translation differences are recognized in comprehensive income and specified separately in equity. Upon the sale of foreign subsidiaries and associated companies, accumulated translation differences related to the entity are reclassified over the result and included as part of the gain or loss.

An overview of the group's key exchange rates can be found in Note 14 Financial Risk and Capital Management.

ACCOUNTING PRINCIPLES

Significant accounting principles are listed below and incorporated in the individual notes.
The accounting principles are marked by P.

Significant Accounting Principles	Note	IFRS/IAS standard
Segment reporting	Note 1 Segments	IFRS 8
Revenue from contracts with customers	Note 2 Revenue	IFRS 15
Pensions	Note 4 Pensions	IAS 19
Taxes	Note 8 Taxes	IAS 12
Impairment of non-financial assets	Note 9 Impairment of Non-Financial Assets	IAS 36
Intangible assets and tangible fixed assets	Note 10 Intangible Assets and Tangible Fixed Assets	IAS 38, IAS 16
Investments in subsidiaries and associated companies	Note 11 Investments in Companies and Businesses	IFRS 10, IFRS 11, IFRS 12, IAS 28
Provisions for liabilities and contingent liabilities and assets	Note 12 Provisions for Liabilities	IAS 19, IAS 37
Financial instruments	Note 13 Overview of Financial Assets and Liabilities	IFRS 7, IFRS 9, IFRS 13, IAS 32
Accounts receivable	Note 16 Interest-Free Current Receivables	IFRS 7, IFRS 9, IFRS 13, IFRS 15, IAS 32
Cash and cash equivalents	Note 17 Liquid Assets	IFRS 7, IFRS 9, IFRS 13, IAS 7, IAS 32
Leasing	Note 18 Leases	IFRS 16
Borrowings	Note 19 Interest-Bearing Non-Current and Current Liabilities	IFRS 7, IFRS 9, IFRS 13, IAS 32
Derivates and hedging	Note 21 Derivatives and Hedging	IFRS 7, IFRS 9, IFRS 13, IAS 32
Business combinations	Note 23 Changes in the Group's structure	IFRS 3

Changes in Accounting Principles

The group has not changed its presentation, accounting principles, or adopted new standards that significantly affect the financial reporting in 2023 or the comparison with previous periods.

New Accounting Standards

At the time of preparing the financial statements for 2023, there are no changes in standards, interpretations of standards, or issued but not yet effective standards, that are expected to significantly affect the group's financial statements.

USE OF JUDGMENT AND ACCOUNTING ESTIMATES

Management makes significant accounting considerations (judgments) in the application of the group's accounting principles.

The preparation of the group's financial statements requires management to make estimates and assumptions that affect revenues, expenses, assets, and liabilities, as well as related information. Estimates and underlying assumptions are based on historical experience and other factors considered reasonable under the circumstances. Actual results may vary from these estimates. Most balance sheet items will be affected to some extent by estimation uncertainty. Where this is significant, it is described and included in the related note.

Significant use of judgement and estimation uncertainty is marked with E.

The group faces significant risks and opportunities as a result of climate change, as well as new requirements and regulations intended to reduce greenhouse gas emissions. Climate risk is divided into transition risk and physical risk. Transition risk is the risk that arises from the transition to a low-emission society. Physical risk is the risk that geographical and climatic changes directly affect the group's assets and operations. The risks and opportunities are integrated into the group's risk management, and the group has set ambitious climate goals in line with Science Based Targets (SBTi). For a more detailed description of this, refer to chapter 2 Our Value Creation - Environment in the integrated report.

Climate risk may cause significant changes in the balance sheet value of assets and liabilities. This may be due, among other things, to future reassessment of the useful life of tangible fixed assets and intangible assets, as well as changed assumptions used in the assessment of impairment of assets. Assessing these changes may require a significant degree of judgement. At the end of 2023, it was considered that the current and future economic consequences of climate risk for Posten Bring were very uncertain. This uncertainty has been assessed and described in the relevant notes.

Climate risk is mentioned in the individual note where it is considered particularly relevant and is marked with C.

The list below summarizes asset and liability items that are significantly based on judgement, estimates, and assumptions about the future. These items have an increased risk of changes in carrying values during the next financial year.

It is also indicated in which notes climate risk is specifically mentioned.

Asset/Liability	Note	Accounting judgements and/or estimates/assumptions
Pension liabilities	Note 4 Pensions	Present value of pension liabilities determined by a number of actuarial assumptions
Deferred tax assets	Note 8 Taxes	Assessment of the amount of deferred tax asset that can be utilised
Intangible assets and tangible fixed assets	Note 9 Impairment of Non-Financial Assets Note 10 Intangible Assets and Tangible Fixed Assets	Present value of future cash flows Assessment of climate risk
Provisions for liabilities	Note 12 Provisions for Liabilities	Calculated provisioning needs based on present obligation and estimated timing of future settlement Assessment of climate risk
Lease liabilities	Note 18 Leases	Assessment of lease period, extension options and discount rate

Integrated Report 2023

NOTE 1 SEGMENTS

For financial reporting purposes, the Group has divided the business into two segments, Logistics and Mail. Logistics segment consists of division E-commerce and logistics, International logistics, and Next. In addition, division Shelfless reports as part of the segment. Mail segment consists of division Mail. Division Network Nordic is divided between segments Logistics and Mail based on the services delivered to the different segments. The division shall ensure cost-effective operation for letters, parcels, and freights in the Nordic region and provides no significant external services. The divisions are central units in the management of the Group and develop and implement business strategies within their own business areas, thereby supporting the group strategy. The divisions are responsible for developing and delivering services of high quality.

Segment Logistics consists of groupage and part loads, parcels, forwarding, warehousing services, home delivery and express services. The transport services include national and international transport. The various services in the segment are described below.

Freight transport is the transport of goods exceeding 35 kilos. The delivery can be by car, boat, train, or plane, internationally and nationally. The service consists of the following categories:

- Groupage and part loads which are mainly freight by cars or trains
- Air freight
- Routine deliveries to installations on the mainland and at sea on the Norwegian shelf
- Special transport with a carrying capacity of up to 130 tons

Sea transport is large shipments that are carried by ship on fixed routes.

Parcel transport is shipments of parcels, both internationally and nationally. The service mainly consists of the following categories:

- Business parcels, parcels directly to third parties
- E-commerce parcels, parcels from online stores to private consumers, including delivered to pick-up points, at the door or in the postbox

Warehouse services includes receipt, storage, handling, pick up and packing services, as well as return handling. The service consists of the following categories:

- Complete solution for online stores
- Third-party logistics for operators within industry, food and commodity trading
- Return and customs handling for operators
- Terminal services for import, export, and transshipment of goods and temporary storage in container depot and haulage

The segment also includes the Group's Norwegian and international operation of vehicles and equipment.

Division E-commerce and logistics is responsible for all parcels products, in addition to groupage and part loads and home delivery.

Division International logistics is responsible for international freight by road, rail, air, and sea as well as industrial direct freight and industry solutions for industrial and offshore customers.

Division Next is responsible for financial and strategic value development by investing in venture businesses, innovation, building its own start-up companies and developing independent holding companies.

Division Shelfless is a complete solution for efficient and green warehousing services for companies with online stores. The Posten Bring Group handles the entire logistics and warehousing operations for the companies.

Segment Mail consists of letter services (addressed and unaddressed) and parcels between private consumers (Norgespakken). The segment includes the division Mail and the company Bring Mail Nordic.

Division Mail is responsible for the mail services in Norway (including services covered by licenses). The mail services consist of the following categories:

- Mail and newspaper distribution
- Sales and customer service

Accounting principles

Reporting segments are aggregated from underlying divisions based on an assessment of risk and earnings relating to the type of product or service, production process, customer groups, distribution channels, statutory or other requirements and management reporting. The division of reporting segments is prepared in accordance with areas whose operating results are regularly reviewed by Posten Bring's Board so that the Board can make decisions about resources to be allocated to the segment and assess its earnings. The Group defines Posten Bring's Board as the highest decision-maker.

The accounting principles of the segments are the same as those used in the preparation and presentation of the consolidated financial statements for the Group.

For financial reporting purposes, the Group has divided the business into two segments, Logistics and Mail.

Revenues, assets, and investments are also reported by geography divided in Norway, Sweden, Denmark and other countries.

- Post in Stores
- Post offices
- Rural post agency
- Norgespakken

In addition, the division is responsible for the Group's efforts on digital services, for example through Digipost.

Other consists of the owner function and group-shared functions (Group Staffs). The Group has established group staffs with responsibility for management, professional development within Human resources and organization, Strategy, sustainability and communication, Economy and finance, as well as Digital technology and security. The group staffs develop and professionalize the professional environments in the Group, are driving forces and contribute to realizing the business strategies.

Elimination consists of eliminations of internal transactions. Internal revenues are from transaction between the segments in the Group. The pricing of transactions with other segments is done on an arm's length basis. Internal revenues are eliminated against internal costs.

RESULTS FOR SEGMENTS

Operating revenue for segments is described in more detail in Note 2 Revenue.

External expenses including depreciation, as part of operating expenses include costs for goods and service, costs for wages and personnel, depreciation, and other operating costs. Costs for goods and service consist of the input factors that directly included in the goods and services that are sold, mainly transport costs and remuneration for Post in Store services. Other operating expenses consist of other purchasing, sales, and administrative costs that relate to ordinary operations, but which cannot be classified as costs for goods and service, wages and personnel costs, or depreciation. Note 3 Payroll Expenses and Other Remuneration and Note 5 Other Operating Expenses has additional information.

2023	Logistics	Mail	Other	Eliminations	Group
External revenue	18 997	5 398			24 394
Internal revenue	410	437	1 087	(1 935)	
Total revenue	**19 407**	**5 835**	**1 087**	**(1 935)**	**24 394**
External expenses including depreciation	17 491	4 833	1 354		23 677
Internal expenses	1 227	708		(1 935)	
Impairment of intangible assets and tangible fixed assets	139				139
Operating expenses	**18 857**	**5 541**	**1 354**	**(1 935)**	**23 818**
Other income/(expenses)		13			13
Share of profits from associated companies	10				10
Operating profit/(loss)	**559**	**307**	**(267)**		**599**
Net financial items					(285)
Taxes					137
Profit/(loss) for the year					**178**

2022	Logistics	Mail	Other	Eliminations	Group
External revenue	18 471	4 958			23 429
Internal revenue	419	441	1 505	(2 364)	
Total revenue	**18 890**	**5 398**	**1 505**	**(2 364)**	**23 429**
External expenses including depreciation	16 790	4 641	1 593		23 024
Internal expenses	1 361	790	213	(2 364)	
Impairment of intangible assets and tangible fixed assets	185				185
Operating expenses	**18 336**	**5 431**	**1 806**	**(2 364)**	**23 208**
Other income/(expenses)	(179)	(164)	(28)		(371)
Share of profits from associated companies	7				7
Operating profit/(loss)	**383**	**(196)**	**(329)**		**(143)**
Net financial items					(200)
Taxes					(66)
Profit/(loss) for the year					**(277)**

INVESTMENTS PER SEGMENT

2023	Logistics	Mail	Other	Group
Investments in non-current assets	1 058	351		1 409
Depreciation	1 065	496	41	1 600
Impairment	139			139

2022	Logistics	Mail	Other	Group
Investments in non-current assets	942	334		1 276
Depreciation	929	421	32	1 384
Impairment	185			185

Note 10 Intangible Assets and Tangible Fixed Assets has additional information on investments.

Geographical information
Posten Bring's headquarters is in Oslo, Norway, and The Group has operations also in other countries, mainly in other Nordic countries. The table below is an overview of the distribution of revenue and assets between Norway, Sweden, Denmark and other countries.

	2023	2022
External revenue		
Norway	15 728	15 662
Sweden	4 123	3 926
Denmark	1 409	1 271
Other countries	3 135	2 570
Total revenue	**24 394**	**23 429**
Assets		
Norway	16 384	16 047
Sweden	2 257	2 172
Denmark	697	419
Other countries	287	504
Total assets	**19 625**	**19 143**
Investments		
Norway	1 149	1 097
Sweden	165	136
Denmark	66	33
Other countries	28	9
Total investments	**1 409**	**1 276**

NOTE 2 REVENUE

	2023	2022[1)]
Parcel services	8 817	8 026
Freight and forwarding	8 818	9 344
Warehousing	955	674
Other business in Logistics segment	407	427
External revenue Logistics segment	**18 997**	**18 471**
Addressed/Unadressed mail	3 036	3 302
Norgespakken	441	383
Government procurements	1 264	731
Other business in Mail segment	656	543
External revenue Mail segment	**5 398**	**4 958**
Revenue	**24 394**	**23 429**

1) Some reallocations have been made between areas In 2023 and the comparison figures have been adjusted accordingly.

The Group's revenues are mainly generated by terminal and transport services of parcels, freight and forwarding, and mail.

The Group's revenue was MNOK 24 394 in 2023 with an increase of MNOK 965 compared with 2022. Organic growth in 2023 was 0,5 percent.

Parcels services mainly include E-commerce parcels and corporate parcels. The positive development in revenue was mainly due to volume growth in E-commerce, as well as a smaller volume growth in corporate parcels.

Freight and forwarding include national groupage and part load deliveries, national and international forwarding and special/project logistics. The negative development was due to a weaker market both internationally and domestically.

Warehousing services includes Shelfless service, a fulfillment solution with receipt, storage, pick and pack that is under establishment and development, in addition to traditional third-party logistics within warehousing services. The increase in revenue was mainly driven by volume growth in the Shelfless service.

Other business in Logistics segment includes mainly Y3 Group and the Group's car fleet operation.

Addressed and unaddressed mail are

Accounting principles

The recognition of income shall reflect the transfer of goods or services to the customer. Revenue is recognised when a customer gains control over goods or services and thereby can determine the use of them and receive the benefits from the goods or services.

Sales revenue is measured at fair value of the consideration exclusive value added tax and discounts.

The Group's revenue is mainly generated by terminal and transport services of parcels, freight and forwarding deliveries, sale of warehouse services in addition to letter services delivered over time. Deliveries can include a number of associated additional services but are mainly considered as individual delivery obligations, and the consideration for the services is therefore not decomposed. The Group's assets related to the contracts are primarily accounts receivable, with reference to Note 16 Interest-Free Current Receivables. According to the contracts applied, the Group's ongoing delivery obligations are current (less than one year). Accordingly, the Group does not disclose balance sheet items related to ongoing deliveries.

Terminal and transport services comprise national and international freight forwarding and transport, together with express deliveries and home deliveries of parcels and freight. Freight forwarding involves carrying out transport, forwarding or receipt of goods on behalf of another party, but in one's own name, against a consideration. Freight forwarding also includes dispatching, customs clearance, storing, reloading and forwarding of goods. Transport services can include a number of associated additional services, but the fulfillment of the delivery obligation related to additional services is largely considered to occur in conjunction with the fulfillment of the delivery obligation related to transport services. The services are recognised as income over time, as the customer is considered to benefit from the fact that the goods are coming increasingly nearer the agreed delivery point. If Posten Bring had transported the goods only part of the way, another forwarder taking over the assignment would not have needed to transport the goods where Posten Bring had already transported the goods. Most transport services are delivered within 1-7 days, and provisions are made for incomplete transport.

Warehouse services comprise several separate delivery obligations, including receipt, storage, handling and pick-and-pack services in addition to unloading of vehicles, sealing of pallets, installation/repair of equipment and rebuilding of pallets. Allocation of transaction prices to each delivery obligation will normally be derived directly from a related agreement. The storage of goods is recognised as income over time, as the customer is considered to benefit from each day the goods are stored. Warehouse management, however, is recognised as income when the service has been delivered and control transferred to the customer.

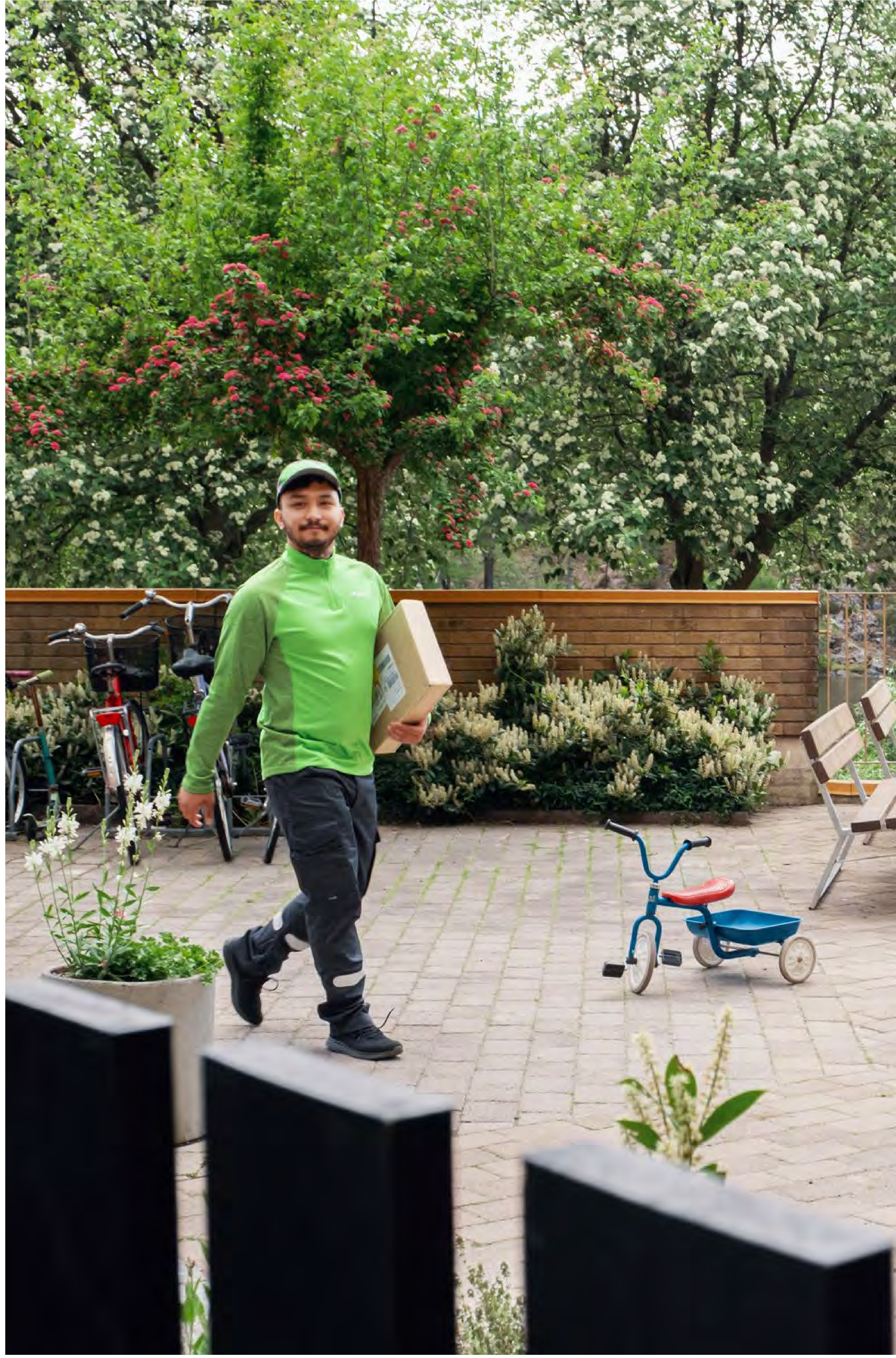
Mail services, including delivery of letter products is mainly recognised over time. However, letter services often have very short delivery time, 3-5 days, and the recognition of income is therefore normally made when the letter is delivered to the post office/in the mailbox. Mail services also includes sale of stamps, Norgespakken, franking and international mail. Sale of stamps and Norgespakken are considered as prepayment for the deliveries of letter and parcel products and are recognised as income when the service delivery takes place. Franking machines (pre-paid franking) are recognised as income based on the customer's postage consumption, and other postage sales are recognised as income when letter products are delivered. International mail includes income from foreign postal services. This is recognised as income continuously based on the settlement of volumes and preliminary prices and is adjusted the following year when final prices are received from the International Post Cooperation. In addition, Posten Bring receives payment for state procurement of unprofitable delivery obligation postal services with delivery obligation, which are recognised as income over time (monthly) and limited to an amount equivalent to the current year's estimated additional expenses regarding licensing requirements.

mainly deliveries to people's mailboxes at home. The decline in revenue was mainly due to a decrease in addressed mail volume in line with increased digitalization in society, as well as weaker market development resulting in a significant decrease in volumes for unaddressed mail.

Norgespakken increased revenue due to positive volume growth which was driven by high activity from second-hand trading platforms.

In the government budget for 2023, MNOK 1 176 was granted for government procurement of unprofitable postal services in accordance with Posten's pre-calculations. For 2022, Posten received MNOK 755 for government procurement of unprofitable postal services. In line with the scheme and Posten's recalculation for 2022, the Group has recognised a repayment of compensation for 2022 with MNOK 88 in 2023. A total of MNOK 1 264 (MNOK 731 in 2022) was hence recognised in the 2023 for the government procurement of unprofitable postal services. In addition, MNOK 128 (the same as in 2022) was recognized from government payment according to a tender contract for newspaper distribution in parts of the country where there are no commercial newspaper distribution networks.

Other operations in Mail segment include Digipost, Bring Mail Nordic (beyond addressed and unaddressed mail), as well as postal services such as franking, stamps, and Post in store.



NOTE 3 PAYROLL EXPENSES AND OTHER REMUNERATION

The note shows the Group's payroll and personnel costs. Payroll includes all types of remuneration to its own employees and board members in the Group. Ordinary salary can be both fixed salary, hourly wage, and bonus that is earned continuously. Social security tax is calculated and expensed for all salary-related costs. Pensions are earned according to separate rules (Note 4 Pensions). Other benefits mainly include costs for welfare, meetings, canteen, and group life insurance. Board remuneration is earned continuously based on its own agreements approved by the Annual General Meeting. Information on expensed remuneration to the Group's board and executives, bonus and pension schemes, and statement of determination of salary and other remuneration are shown in the Group's annual report on executive salaries which is available at postenbring.no.

In addition, the note shows expensed costs to the auditor.

	2023	2022
Salaries	7 177	6 798
Social security tax	1 054	965
Pension expenses[1)]	631	563
Other benefits	200	192
Payroll expenses	**9 062**	**8 518**
Number of full-time equivalent positions	12 448	12 502
Number of employees 31.12[2)]	12 649	12 750

1) Social security tax on pensions is classified as pension expenses (details in note 4).
2) The number of employees is the number of permanent and temporary employees that generated salary expenses in December. Hired hourly-paid substitutes are not counted in the number of employees but are included in the number of full-time equivalent positions in the row above.

	2023	2022
Board fees[1)]	**3 251**	**2 826**
Deloitte		
Fees for the statutory audit-Group auditor[2)]	5 097	
Fees for other attestation services	373	
EY		
Fees for the statutory audit-Group auditor[3)]	3 528	6 918
Fees for other attestation services	655	1 090
Fees for tax advisory services	171	28
Fees for other non-audit services	117	207
Fees for the statutory audit to other audit firms	171	575
Total auditors' fees	**10 112**	**8 819**

(All amounts in TNOK and exludsive of social security tax and VAT)
1) Inkludes board fee to external board members in partly owned subsidaries.
2) Deloitte became the new group auditor from July 1, 2023, and the costs apply for this period.
3) EY was the group auditor until June 30, 2023, and the costs apply for this period.

The Group Management has earned remuneration during the year according to the table below.

				Fixed remuneration		Variable remuneration	Pension compensation	Total remuneration
	Accounting year	Basic salary[1)]	Paid bonus (earned in the previous financial year)[2)]	Paid basic salary holiday pay[3)]	Benefits in kind[4)]	Earned bonus from short-term incentive programme (≤ 1 year)[5)]		
Remuneration to Group CEO[6)]	2023	6 162		6 223	362		143	6 728
	2022	5 879		5 928	297		135	6 360
Remuneration to other Group directors	2023	28 609	1 593	29 168	1 780	4 892	2 323	38 164
	2022	29 810	3 806	25 181	1 597	1 660	2 067	30 504

(All amounts in TNOK and exclusive of social security tax)

1) Basic salary per year-end or per date of resignation from the Group Management.
2) Bonus paid in the financial year (earned in the previous financial year). The difference between the bonus earned in 2022 and the bonus paid in 2023 is due to the currency effect for an executive vice president who receives salary in SEK.
3) Basic salary and holiday pay paid in the year presented.
4) Other benefits consiste of all other cash and non-cash benefits received in the year, and include free car and car allowance, telecommunications, and pension compensation. Car salary was adjusted by 22% in line with SSB's statistics for the consumer price development for the main group Transport, subgroup Operation of personal vehicles in the last two years.
5) Earned bonus is for the year being presented and for the period as a member of the Group Management, provided for in the accounting and does not include holiday pay and social security tax.
6) The Group CEO's salary terms were set at MNOK 6 162 in 2023. There is also free telephone/Internett, car salary of TNOK 360 per year, and parking at the workplace. Furthermore, she is a member of the company's pension and staff insurances in line with the collective arrangements in Posten Bring AS that are in effect at any given time.

NOTE 4 PENSIONS

	2023	2022
Pension costs:		
Present value of the pensions earned for the year	119	120
Net interest expense on net liability	27	9
Gross pension costs incl. social security tax (benefit based)	**146**	**129**
Interest element reclassified to finance items	(24)	(8)
Net pension costs incl. social security tax (benefit based)	**122**	**121**
Defined contribution pension schemes	623	551
Employee contributions	(114)	(109)
Total pension expenses included in the operating profit for the year	**631**	**563**
Defined contribution pension schemes		
Number of members	15 612	15 408
Share of salary	2-39 %	1-39 %
Defined benefit pension schemes		
Number of members[2)]	6 863	7 478
Net pension liabilities:		
Estimated accrued secured liabilities	(308)	(283)
Estimated value of the pension assets	263	247
Net estimated secured pension liabilities	**(46)**	**(36)**
Estimated accrued unsecured pension liabilities	(894)	(833)
Net pension liabilities in balance sheet	**(940)**	**(869)**
Pension liabilities recognised as provisions for liabilities	940	869
Changes in liabilities:		
Net liabilities at 1.1.	(869)	(680)
First-time recognition "Sliterordningen"		(307)
Gross pension expenses	(146)	(129)
Premium payments and benefits paid	185	188
Changes in pension estimates recognised in other comprehensive income	(108)	58
Translation differences	(3)	
Net pension liabilities at 31.12.	**(940)**	**(869)**

P Accounting principles

The pension liability is presented as a part of Other provisions for liabilities in the balance sheet.

Pension costs are calculated according to IAS 19 Employee Benefits.

The cost of providing pensions in a defined benefit plan is calculated for each scheme as the present value of the accrued benefits (projected unit credit method). Net pension costs for defined benefit plans include the period's pension earnings, including future wage growth and interest cost on the calculated obligation, less contributions from the employees and the expected return on the pension funds. In the case of overfunding, prepaid pension is carried as a long-term receivable if it is likely that the overfunding can be utilized or refunded.

For defined contribution plans, the premium is expensed continuously less employee contributions over salary. Multi-employer defined benefit plans where available information is not sufficient to account for the plan as a defined benefit plan, are accounted for as if it were a defined contribution plan.

Net pension costs are classified as payroll expenses in the income statement except for the interest element which is classified as financial cost. The effect on previously earned rights as a result of changes in the plan's benefits is recognized immediately in the income statement. Actuarial gains and losses are recognized in other comprehensive income in the period they occur and will not be reclassified to profit or loss in later periods.

E Estimation uncertainty

There is uncertainty related to the estimation of pension liabilities. The present value of the pension liabilities depends on a number of factors determined by actuarial assumptions. Any changes in these assumptions will impact the carrying amount of pension liabilities.

Assumptions used in the calculation of net pension cost include the discount rate. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension liabilities. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the pension will be paid, and that have terms to maturity approximating the terms of the related pension liability.

The Group has both defined contribution and defined benefit plans. The defined benefit schemes are predictable for the employee, as the benefits have been agreed in advance. The premium payments depend on factors such as the members' service time, age and salary level. In the contribution schemes, the payments are determined as a percentage of the employee's salary. The size of the pension assets determines how much pension the employee is entitled to, and consequently, the employees bear the return risk on what has been paid into the scheme. The majority of the Group's pension schemes are defined as contribution plans.

	2023	2022
Main categories of pension assets at fair value		
Equity instruments (shares, bonds)	182	161
Debt instruments	57	62
Property	15	17
Other assets	9	7
Total pension assets	**263**	**247**
Pension estimate (loss)/gain at 01.01.	**507**	**450**
Changes in pension plans, pension liabilities		
Changes in discount rate, pension liabilities	(11)	191
Changes in other financial assumptions, pension liabilities	1	(65)
Changes in demographic assumptions, pension liabilities	(3)	(10)
Change in other factors, pension liabilities[1)]	(92)	(30)
Changes in financial assumptions, pension assets	2	(26)
Changes in demographic assumptions, pension assets	(2)	
Changes in other factors, pension assets	(3)	(3)
(Loss)/gain for the year in total comprehensive income	**(108)**	**58**
Pension estimate (loss)/gain at 31.12.	**399**	**507**
Defined benefit pension schemes		
Number of members[2)]	6 863	7 478
Actuarial assumptions		
Discount rate	3,1-4,4%	3-3,2%
Expected salary regulation	2,5-3,5%	2-3,8%
Expected G regulation	3,25%	3,3-3,5%
Expected pension regulation	1,8-2,8%	1,5-2%
Expected yield	3,1-4,8%	3-4,9%
Expected voluntary retirement (below 50 years)	2%	3-3,3%
Expected voluntary retirement (over 50 years)	0,5%	1-1,5%
Expected use of AFP	40-60%	40-60%
Demographic assumptions on mortality rate	K2013	K2013

1) Changes in other factors was affected by salary and pension regulation, the number of pensioners, withdrawal age, and the number of withdrawals.
2) Number of members from 2022 was not correct, and has been updated in 2023.

Defined contribution schemes
The Group has defined contribution schemes for most of the employees in Norway, Sweden and Denmark.

The Norwegian subsidiaries generally have somewhat lower contribution rates and lower pension bases than the parent company (see note 3 for Posten Bring AS).

Some companies in the Group's Swedish operations had defined benefit schemes, which, pursuant to IAS 19, do not qualify for recognition in the balance sheet. In accordance with Swedish rules, the pension liability is covered by capital insurance and accounted for as a contribution scheme in the consolidated financial statements. The defined contribution pension schemes in Sweden and Denmark had variable contribution rates based on different calculation bases and rate ranges.

Multi-enterprise schemes

"AFP" (early retirement) scheme in private sector
The Group has an AFP scheme administered by Fellesordningen (the joint scheme) for AFP. The scheme entails that employees receive a supplement to their pension as a lifelong benefit. The benefit can be taken from the age of 62, even while remaining employed. The AFP scheme is a defined benefit multi-company scheme financed by premiums determined as a percentage of the salary, in addition to a state contribution. For the time being, however, there is inadequate information available to measure the pension obligation in a reliable manner as it cannot be allocated between the participating enterprises. The scheme is therefore accounted for as a contribution plan.

According to the AFP scheme's annual report for 2022, the scheme's pension fund amounted to approximately NOK 56,7 billion as at 31 December 2022. Income through premiums in 2022 was NOK 8,3 billion whilst payments amounted to approximately NOK 4,3 billion. The premium to Fellesordningen was 2,6 percent of the employees' salary in 2022 and 2023. The premium increased to 2,7 percent from 1 January 2024. The total premium for the parent company in 2023 was MNOK 92 and is estimated to be MNOK 90 in 2024. In the past years, the parent company's share has been 1,1 percent of Fellesordningen's total income from premiums.

"Sliterordningen" (early retirement supplement) in Spekter (SO Spekter)
SO Spekter's objective is to give the employees in the member firms an additional monetary benefit (a so-called "sliter" supplement) if they retire to collect contractual early retirement (private AFP) at the age of 62, 63 or

64 years without any additional earned income. The sliter supplement is available to employees born in 1957 or later and ends at the age of 80 or on death.

The background for the sliter supplement is that the life expectancy adjustment in the National Insurance Scheme has a stronger effect than expected. Some employees cannot compensate for this by remaining in their job because it is not possible for them or their health does not allow it. The sliter supplement is meant as a compensation for this group of employees. The background of SO Spekter is the Wage Agreement between the the Norwegian Confederation of Trade Unions (LO), the Confederation of Vocational Unions (YS) and the Confederation of Norwegian Enterprises (NHO) in 2018, where such a sliter scheme was agreed. In the collective wage agreements concerning member firms in Spekter with private AFP, a corresponding scheme was agreed. SO Spekter was then established with effect from 1 January 2019.

The size of the sliter supplement varies depending on year of birth and age at the collection date. A full annual benefit is provided when retiring at 62 years, for those born in 1963 or later and amounts to 0,25 G (the base amount of the National Insurance Scheme). The annual benefit is reduced by a third for each year until retirement at 64 years. Retirement at a later age does not qualify for any benefit.

It is uncertain how long the scheme will last. In the scheme concerning the LO/YS area, only limited capital is available, and it is assumed that when the LO/YS scheme ends, the Spekter scheme will also be closed. On the basis of available capital and withdrawal frequency so far, Posten has estimated that those born in 1973 will be the last to benefit. This assumption is made annually on the basis of how many applicants there are to the sliter benefit in the various schemes.

Defined benefit schemes

The majority of the Group's defined benefits schemes relate to the fact that Posten Bring AS withdrew from the Norwegian Public Service Pension Fund on 1 January 2006, giving those employed at the transition date the right to various compensation schemes. These schemes were closed on that date, implying that the obligations will be phased out over time. At the implementation of the pension reform from 2011, three new compensation schemes were agreed, recognised as obligations in the balance sheet. The company also has significant obligations related to salaries in excess of 12 G. Pension obligations related to salaries exceeding 12 and early retirement are financed by operations. The pension funds in the scheme are managed by life insurance companies. Pension funds in the Group basically relate to benefit schemes in Bring Cargo in Great Britain.

Assumptions

Changes have been made to the financial assumptions in 2023, mainly in accordance with recommendations from the Norwegian Accounting Standards Board (NRS). The assumptions as of 31 December 2023 were applied in the Norwegian companies' calculation of pension obligations. Posten Bring AS uses covered bonds (OMF) as its basis for the discount rate, set to 3,1 percent in 2023 (3,2 percent in 2022.)

The estimate deviation of MNOK -108 for 2023 was mainly due to higher rates for salary and pension regulation, more actual withdrawals than expected, an increased number of pensioners compared to last year's expectation, and a lower discount rate. The estimate deviation in 2022 was mainly due to higher discount rate, partly offset by higher rates for salary and pension regulations and an increased number of new pensioners compared with last year's expectation. The pension age for the Norwegian employees is generally 67 years.

Inflation and salary growth risk

The Group's pension obligation has risk related to both inflation and salary development, even though the salary development is closely connected to inflation. The assumptions applied in the calculation of the Group's pension obligations were basically in line with the recommendations from Norsk RegnskapsStiftlese (NRS). The longterm inflation component was estimated to approximately 2,25 percent. According to NRS, however, there is a high degree of uncertainty related to the determination of this due to the lack of precise market data. Higher inflation and salary development than the basis of the pension calculations imply increased obligations for the Group.

	Discount rate		G-regulation		Inflation		Salary regulation		Voluntary retirement	
Change (percentage points)	1%	(1%)	1%	(1%)	1%	(1%)	1%	(1%)	1%	(1%)
Change in gross pension liabilities (reduction)/increase	(95)	109	65	(57)	15	(12)	8	(7)	(8)	5
Percentage change	(11%)	12%	7%	(7%)	2%	(1%)	1%	(1%)	(1%)	1%

Sensitivity
The table above shows estimated effects of changes in some assumptions for defined benefit pension schemes. The estimates are based on facts and circumstances at 31 December 2023 with the assumption that all other premises are unchanged. The actual figures can deviate from these estimates.

Expected premium payments and disbursements related to the Group's pension schemes amount to MNOK 89 in 2024. The weighted average duration of the Group's pension obligation as at 31 December 2023 is 24 years and has the following expected maturity structure (undiscounted amounts):

	Amount	Percentage
Less than 1 year	89	7%
1-2 years	82	7%
2-3 years	82	7%
3-4 years	74	6%
More than 4 years	875	73%
Total	**1 202**	**100%**

NOTE 5 OTHER OPERATING EXPENSES

Other operating expenses are costs not directly related to the sale of goods and services or salaries and personnel costs.

	2023	2022
IT services	1 053	1 032
Cost of premises [1)]	557	587
Other external services	493	559
Marketing	156	151
Tools, fixtures, operating materials	136	142
Repair and maintenance of equipment	134	117
Short term leasing of machine and equipment [1)]	109	103
Insurance, guarantee and compensation expenses	97	98
Travel expenses	80	76
Other expenses	224	185
Other Operating expenses	**3 039**	**3 050**

1) Includes cost for short term leasing and leasing of low value assets.

The increase in IT service costs was mainly due to increased IT license costs driven by increased price and more users, higher costs related to business improvements of systems, somewhat counteracted by fewer ongoing projects and lower data communication costs.

The change in costs of premises was a net effect of reduced energy prices and increased shared costs for premises.

The reduction in other external services was due to less use of external consultants and temporary services, as a result of a planned strategy and cost reduction in 2023.

Other costs consisted of accounting and payroll services, telephone and postage costs, freight costs, office and IT supplies, member fees, and losses on receivables.

NOTE 6 OTHER INCOME/(EXPENSES)

Other income and costs are significant income and costs that are outside the Group's normal operations and are considered to have limited predictive value. This includes restructuring costs and profit and loss on the sale of fixed assets and subsidiaries among other things. Please refer to Note 12 Provisions for Liabilities for more information.

	2023	2022
Restructuring expenses	13	(36)
Other income/(expenses)		(335)
Total other income/(expenses)	**13**	**(371)**

Restructuring costs
The restructuring costs in 2023 were mainly related to reversed provisions for earlier closure of post offices and the relocation of letter production and route preparation from Bodø and Tromsø to Østlandsterminalen. The reversal was mainly due to change of withdrawal rate from the preliminary estimation. Restructuring costs in 2022 were mainly restructuring costs for moving letter production and route preparation from Bodø and Tromsø to Østlandsterminalen, effective from April 1, 2023.

Total provisions for restructuring costs are included in Note 12 Provisions for Liabilities.

Other Costs
Other costs in 2022 were mainly related to the recognition of pension liabilities for the "Sliterordningen" which was determined in the wage agreement in 2018.

NOTE 7 FINANCIAL INCOME/(EXPENSES)

The note provides an overview of the Group's financial income and expenses, including income and expenses related to the Group's financing, interest costs on lease liabilities, currency translation effects from receivables and debt in foreign currencies, as well as gains and losses from financial derivatives. Note 13 Overview of Financial Assets and Liabilities has additional information.

	2023	2022
Interest income	31	9
Currency gains	105	284
Gain on values of shares		27
Gain on derivatives		1
Gain on loans at fair value through profit and loss[1)]	79	11
Other financial income	131	2
Finansinntekter	**346**	**334**
Interest expenses	222	108
Interest expenses on lease liabilities	148	116
Currency losses	138	278
Loss on derivatives	79	11
Loss on values of shares	31	
Other financial expenses	13	21
Financial expenses	**631**	**534**
Net financial income/(expense)	**(285)**	**(200)**

1) Change in value on loans in Japanese yen where the "fair value option" has been applied, corresponding to value changes in combined interest rate and currency swaps recognised as «Loss on derivatives». Note 21 has more information.

Interest income in 2023 consisted mainly of interest on bank deposits. Other financial income consisted mainly of returns on money market funds. The return increased significantly as a consequence of the rise in financial markets in 2023.

Interest expenses concerned financing. Higher interest expenses compared with last year were due to a higher average NIBOR interest rate in 2023 compared with 2022. In 2023, interest expenses on pension liabilities were included, which amounted to MNOK 24 for the Group (MNOK 8 in 2022). Note 18 Leases has more details on interest expenses on lease liabilities. Other financial expenses consisted mainly of bank fees, facilitation fees and other types of fees.

Net Currency losses, gains on loans at fair value and losses on derivatives were mainly caused by the development of exchange rate of the Norwegian krone, as well as the settlement of combined interest and currency swap related to loans in Japanese yen in 2023. Note 21 Derivatives and Hedging has more information on derivatives.

Note 14 Financial Risk and Capital Management has more information as well.

NOTE 8 TAXES

The note concerns the government's taxation of the group's companies. The tax expense includes the period's tax payable and the changes in deferred tax/tax asset.

	2023	2022
Income tax		
Tax payable	116	35
Change in deferred tax/(deferred tax assets)	21	(101)
Tax expense	**137**	**(66)**
Tax payable for the year	124	39
Adjustments of payments in previous years	(8)	(4)
Tax payable	**116**	**35**
Effective tax rate in %	**44%**	**19%**
Reconciliation of the effective tax rate with the Norwegian tax rate:		
Profit before tax	314	(343)
22% tax	69	(75)
Impairment of goodwill	29	35
Non-deductible expenses	17	22
Non-taxable income	(8)	(26)
Profit share in associated companies after tax	(2)	(1)
Effect from tax rates in other countries	(1)	(2)
Adjustment previous years	(10)	(23)
Change in deferred tax assets not recognised in balance sheet	44	5
Tax expense	**137**	**(66)**
Tax payable in the balance sheet		
Tax payable for the year	124	39
Prepaid tax as of 31. december[1)]	(92)	(20)
Booked tax payable	**32**	**19**

1) Primarily related to Swedish companies that pay a preliminary tax payable regularly throughout the tax year.

P Accounting principles

Tax payable is calculated based on the tax result for the year. The calculation of deferred tax is based on the liability method in accordance with IAS 12 Income Taxes. Deferred tax and deferred tax asset are classified as long-term liability and fixed asset, respectively, and are calculated based on temporary differences between accounting and tax values of assets and liabilities, as well as tax loss carryforwards.

Temporary differences that increase or reduce taxes, which are reversed or can be reversed, are offset.

Taxes are not offset across national borders. Deferred tax and deferred tax asset that can be recognized are carried at nominal value and presented net when there is a legal right to offset.

If changes to tax settlements from previous years are notified, the claim is normally recognized in the tax expense for the year.

E Use of judgment

Management exercises judgment to assess the value of the deferred tax asset. The value is based on expected future taxable profits and the expected timing of realization. The deferred tax asset is recognized when it is probable that the group will have sufficient taxable profits in the future to realize the tax benefit. These circumstances are uncertain, and the assessment may change in future periods.

	2023	2022
Changes in pension estimates	(23)	11
Result of hedging of foreign entities	(10)	5
Cash flow hedging		(5)
Other		6
Change in deferred tax recognised in other comprehensive income for the year[1)]	**(33)**	**18**

1) The net negative amount corresponds to the taxable income in the comprehensive income statement.

The effective tax rate ended at 44 percent. The main reasons for the high tax rate are that the group has written down goodwill by MNOK 134 and has an increase in not recognized tax asset related to tax losses carried forward. Other non-deductible costs consisted mainly of fair value adjustments of equity investments (not realized).

There has been no change in the ordinary tax rate for companies domiciled in Norway or other countries that have affected the calculated deferred tax/tax asset in 2023. A tax rate of 22 percent was used as the basis for calculating the value of the deferred tax/tax asset for the group's Norwegian companies. For the group's Swedish companies, a tax rate of 20.6 percent was used as the basis for calculating the value of the deferred tax/tax asset.

The deferred tax asset increased by MNOK 68, this was mainly related to a correction of deferred tax on the added value of purchased land. In addition, there was an increase in negative temporary differences related to pensions. The line "Other" mainly includes accrual funds in Sweden, as Swedish companies have the opportunity to accrue taxable income over a five-year period. Deferred tax assets that were not recognized mainly concerned carryforward losses where management has assessed that there is a low probability of realizing the benefit. There is no time limit associated with the losses. Temporary differences related to the group's companies in Sweden and the Netherlands are positive at the end of 2023 and deferred tax related to this is therefore classified as deferred tax in the group's balance sheet as of December 31, 2023. The change in deferred tax amounted to MNOK 7.

In a review of the group's tax positions, missing tax depreciation in Posten Bring AS related to business transfers in the group from 2015 and 2016, as well as a corresponding incorrect group adjustment, were uncovered. These issues have been corrected in 2023, and the effects partially offset each other with a net effect of MNOK 12 in reduced deferred tax asset.

Legislation on supplementary tax on under-taxed income in the group (Pillar Two income tax) has been adopted in several countries where Posten Bring operates. The provisions will take effect from January 1, 2024. Posten Bring is covered by this regulation and has assessed the potential effect of the new rules. The assessment was based on the latest tax reporting and country-by-country reporting to the tax authorities, and showed that the effective tax rate was over 15 percent in most countries. Posten Bring therefore expects no or limited increase in group tax as a result of this legislation.

Changes in deferred tax/(tax asset)

	01.01.2023	Recognised in income statement	Recognised in OCI	Additions, purchased subsidiaries	Other[1]	Translation differences	31.12.2023
Tangible fixed assets	107	5		(2)	(187)	1	(76)
Gains and losses account	(86)	(10)			137		40
Receivables	11	(3)					8
Pensions	(188)	4	(23)			(2)	(207)
Contribution fund	19	(5)				1	14
Provisions	(7)	9				(5)	(1)
Financial instruments	(4)	5	(10)				(9)
Lease agreements	(69)	(2)					(71)
Other	43	(17)			1	3	29
Tax losses carried forward[2)3)]	(208)	6			8	(26)	(221)
Total deferred tax/(tax asset)	**(382)**	**(7)**	**(33)**	**(1)**	**(41)**	**(28)**	**(491)**
Total deferred tax assets not recognised in balance sheet[3)]	174	29			(6)	25	221
Total deferred tax asset in balance sheet	**(251)**	**21**	**(33)**	**(1)**	**(54)**	**(3)**	**(319)**
Total deferred tax in balance sheet	**43**				**7**		**49**

1) Correction of deferred tax asset on the added value of land, as well as a reclassification related to previous years.
2) Tax losses carried forward are mainly related to Denmark.
3) The opening balance for 2023 changed from the closing balance of 2022 for carryforward losses and unrecognized deferred tax asset. This is due to corrections from 2022. Net zero effect on balance sheet deferred tax asset/tax payable.

	01.01.2022	Recognised in income statement	Recognised in OCI	Additions, purchased subsidiaries	Other[1]	Translation differences	31.12.2022
Tangible fixed assets	58	9		35	5		107
Gains and losses account	(77)	(9)					(86)
Receivables	7	4					11
Pensions	(147)	(53)	11				(188)
Contribution fund	18	1					19
Provisions	(11)	1			3	1	(7)
Financial instruments	1	(5)	1				(4)
Lease agreements	(51)	(18)					(69)
Other	35	7	6		(5)	(1)	43
Tax losses carried forward[2)3)]	(242)	(40)			19	4	(260)
Total deferred tax/(tax asset)	**(409)**	**(101)**	**18**	**35**	**22**	**4**	**(434)**
Total deferred tax assets not recognised in balance sheet[3)]	230				(3)	(3)	226
Total deferred tax asset in balance sheet	**(179)**	**(101)**	**18**	**35**	**(24)**	**1**	**(251)**
Total deferred tax in balance sheet					**43**		**43**

1) The changes in tax losses carried forward and deferred tax asset not recognised in balance sheet was related to Group contributions in 2022
2) Tax losses carried forward are mainly related to Denmark

NOTE 9 IMPAIRMENT OF NON-FINANCIAL ASSETS

P Accounting principles

Impairment of non-financial assets
There is a need for impairment if the carrying amount of an assessment unit exceeds the recoverable amount. The recoverable amount is the highest of fair value less sales costs and value in use, where value in use is the present value of estimated cash flows related to future use. If cash flows related to an individual asset are independent of cash flows related to other assets, each asset constitutes an assessment unit. If not, an assessment unit is identified at a higher level, called a cash-generating unit. A cash-generating unit should be consistently delimited over time. A cash-generating unit is defined as the smallest identifiable group of assets that generate incoming cash flows, which are largely independent of incoming cash flows from other assets or groups of assets.

Impairment: Goodwill and other assets with indefinite useful lives
For goodwill and intangible assets under development, an annual impairment test is carried out, regardless of whether there are indications of impairment. If there are indications of impairment during the year, goodwill and other assets with indefinite useful lives are tested when such indications exist.

Impairment: Assets with a definite useful lives
If there are indications of impairment, a test of the need for impairment of the assets is carried out. If an operating asset has fallen in value, the operating asset is written down to the recoverable amount, if this is lower than the carrying amount.

Recoverable amount
The Group uses value in use as the recoverable amount for goodwill. The Group calculates future cash flows based on estimated results (forecasts and long-term plans) normally over a period of three years, adjusted for depreciation, investments and change in working capital. The projection period contains a projection of cash flows after the forecast period with a constant growth rate. The present value of the cash flows is calculated with a weighted return requirement on total capital (WACC – weighted average cost of capital) and is calculated before tax.

Forecasts (operating income)
The forecasts and long-term plans of the Group's units are prepared and approved by management based on the last known economic and market expectations, and are assessed against strategic objectives, history, climate risk and other factors.

Other assumptions (growth and return requirements)
The projection period contains a calculation of cash flows after the forecast period with a constant growth rate. The growth rate does not exceed the long-term average rate in the areas the Group operates in.

The return requirement used is a weighted average of the costs of equity and interest-bearing debt (WACC). The equity return requirement is calculated using the capital value model (CAPM). The return requirement for debt is estimated based on long-term risk-free interest plus a credit margin derived from the Group's average long-term loan margin. The Group's return requirement per segment is assessed each year for significant changes in factors that affect the requirement. The Group mainly operates in the Norwegian and Swedish market with cash flows in Norwegian and Swedish kroner.

The table below summarizes the impairment of non-financial assets recognized in the Group's financial statements.

	2023	2022
Goodwill	134	161
Other intangible assets	5	3
Fixed assets	1	1
Right-of-use assets		19
Impairment of non-financial assets	**139**	**185**

E Use of judgment and/or Estimation uncertainty

The carrying value of non-financial assets may be subject to significant estimation uncertainty since calculations of recoverable amounts require the use of future assumptions. There is uncertainty linked to assumptions and parameters in connection with the estimation of future cash flows for impairment assessments, as well as the choice of discount rate for calculating the present value of cash flows.

These estimates are particularly relevant for the assessment of goodwill and other intangible assets. Additional information about key assumptions used in calculating a cash-generating unit's recoverable amount, including sensitivity analyses, is further described in this note.

C Climate risk

Climate risk can lead to changes in the assumptions underlying the assessment of impairment of assets. The Group takes this risk into account by using scenario analyses to investigate whether climate risk gives rise to indicators of impairment for selected cash-generating units or groups of cash-generating units.

The Group bases its assessment of climate risk on two scenarios. A "successful climate policy", where climate policy is significantly strengthened in line with the assumptions of the Paris Agreement, is used as the base scenario. This is because the Group aligns its operations to contribute to achieving the goals of the Paris Agreement. In addition, the scenario of "insufficient climate policy", where climate policy is not significantly strengthened in line with the assumptions of the Paris Agreement, is considered.

For each scenario, risk factors are identified, and the consequence for future results is assessed for three different time horizons (short term, medium term, and long term). The risk is considered greatest if the world's climate policy is successful as this will entail major changes in society, and it is assumed that this will have a greater consequence for the Group than physical risk. The focus is particularly on the consequences of regulatory and market risk. For a detailed description of the Group's assessment of climate risk, please refer to Climate Risk under Chapter 2 Our Value Creation - Environment in the integrated report.

Climate risk can also result in assets not being fully utilized throughout their technical lifetime. The Group continuously assesses whether assets are exposed to significant climate risk ("stranded assets"), and whether this constitutes an impairment indicator.

Any current and future economic consequences of climate risk for Posten Bring AS are considered highly uncertain.

Impairment of goodwill
The annual impairment test of cash-generating units or groups of cash-generating units with allocated goodwill was conducted during the fourth quarter of 2023 and 2022. Based on the criteria described below, goodwill items were written down by MNOK 134 as of December 31, 2023 (MNOK 161 for 2022). The impairments were primarily a result of historically achieved results, challenging market conditions in 2023, and weakened economic growth prospects going forward. The impairments of MNOK 134 were made in Bring Courier & Express and Bring E-commerce & Logistics and are limited to goodwill items. The Group's cash-generating units or groups of cash-generating units with allocated goodwill are summarized below.

	Opening balance 01.01.23	Additions	Allocation	Impairment	Translation differnces	Closing balanse 31.12.23
Posten Bring AS - divisjon E-commerce and logistics	522					522
Bring Cargo International Sweden	208				15	223
Bring Cargo	181				1	182
Bring Courier & Express	132			(101)	2	32
Y3 Group	75	2				77
Bring Parcels	72		40		7	118
Bring E-commerce & Logistics	68		(40)	(33)	4	
Total Logistics segment	**1 257**	2		(134)	29	**1 154**
Bring Mail Nordic	25				2	27
Total Mail segment	**25**				2	**27**
Posten Bring Group	**1 283**	2		(134)	31	**1 181**

	Opening balance 01.01.23	Additions	Allocation	Impairment	Translation differnces	Closing balanse 31.12.23
Posten Bring AS - divisjon E-commerce and logistics	522					522
Bring Cargo International Sweden	214				(6)	208
Bring Cargo	180				1	181
Bring Courier & Express	131					132
Y3 Group	75					75
Bring Parcels			72			72
Bring E-commerce & Logistics	102			(34)		68
Bring Intermodal	10			(10)		
DreamLogistics	194		(72)	(117)	(5)	
Total Logistics segment	**1 428**			(161)	(10)	**1 257**
Bring Mail Nordic	26				(1)	25
Total Mail segment	**26**				(1)	**25**
Posten Bring Group	**1 455**			(161)	(11)	**1 283**

Allocation
In 2023, a business transfer was made in Sweden from Bring E-commerce & Logistics to Bring Parcels. The business transfer resulted in goodwill that was previously allocated to the cash-generating unit Bring E-commerce & Logistics being reallocated to Bring Parcels. The goodwill that was reallocated was measured at the relative values of the transferred business against the value of the original cash-generating unit.

Forecasts
For the Logistics segment, 2023 was characterized by an increase in package volume within e-commerce by 8,4 percent in 2023 compared to last year, despite weak market growth in both Norway and Sweden. Successful new sales have been crucial for increased market shares and high growth, despite weak underlying development. The Group also had growth in the business market for packages by 2,4 percent in 2023 compared to last year, a growth that mainly came in the first half of 2023. Revenues within freight forwarding in 2023 were reduced from last year, and were driven by a weaker market in and outside Norway. The logistics market is sensitive to economic cycles, and weakened purchasing power is expected to have a negative impact on the demand for logistics services from both the private and business market going forward. Going forward, the expectation is that the Group's position within the logistics segment is strengthened through new sales and continuous cost adjustment and that Posten Bring AS will continue to grow with or more than the market within all main services. In the long term, it is expected that the business segment will grow in line with economic activity, and that e-commerce will continue to grow in line with the digitalization of society and changed user habits, and take market shares from physical trade.

The Mail segment is characterized by falling mail volumes and increasing deficits in the obligatory services. Significant cost elements are wages and external service and operating costs that are influenced by price negotiations and inflation.

For both segments, the Group has considered the margins used as reasonable in relation to the industry the cash-generating unit operates in.

Overview of goodwill and key assumptions per segment:

		Long-term growth rate		Discount rate before tax (WACC)	
Segment	Goodwill	2023	2022	2023	2022
Logistics[1)]	1 154	2,0 %	2,0 %	9,8 %	9,7 %
Mail	27	0,0 %	0,0 %	8,6 %	8,5 %
Total Group	**1 181**				

1) Discount rate before tax (WACC) for the Y3 Group, which operates in a differnt market from other logistics operations, was 11,0 percent in 2023 (9,9 percent in 2022).

Sensitivity analyses
Analyses were conducted related to the sensitivity in key assumptions for the cash-generating units in the Group. Assumptions that were analyzed were return requirements, cash flow in the projection period, and long-term growth rate. The effect of changes in assumptions that were analyzed was:

- Return requirement
  - + 0,5 percentage points
- Return requirement
  - + 1,0 percentage points
- Cash flow in the projection period
  - - 10 percentage
- Cash flow in the projection period
  - - 25 percentage
- Long-term growth rate
  - From 2,0 to 0 percentage

For the cash-generating units that had a remaining carrying value of goodwill at the end of 2023, the analysis showed that a change in the assumptions above would not have resulted in a need for impairment.

Scenario Analysis of Climate Risk
Climate risk can cause significant changes in assumptions underlying the assessment of impairment of assets. The Group has taken this risk into account by using scenario analyses in impairment tests. The scenario analyses in 2023 included cash-generating units for the largest goodwill items in the

Group. These are considered representative of the Group's goodwill.

The units are:
- Posten Bring AS – division E-commerce and logistics division (goodwill MNOK 522)
- Bring Cargo (goodwill MNOK 182)
- Bring Cargo International Sweden (goodwill MNOK 223)
- Bring Parcels (goodwill MNOK 118)

Together, the four units represent 88 percent of the Group's total goodwill.

Two scenarios have been identified in line with the Group's climate risk analysis, where "successful climate policy" is the base scenario:

1. A "successful climate policy", where climate policy is significantly strengthened, in line with the assumptions in the Paris Agreement. Global temperature in 2100 is kept below 2°C warming. Emissions are halved between 2030 and 2040, and no self-reinforcing mechanisms are triggered.
2. An "insufficient climate policy" where climate policy is not significantly strengthened, but follows today's promises from the world's states, on a line that does not meet the assumptions in the Paris Agreement. Self-reinforcing mechanisms are triggered, and it is unlikely that emissions will be kept below 2°C warming by 2100.

For each of the two scenarios, risk factors have been identified. The risk is considered greatest if the world's climate policy is successful as this will entail major changes in society, and it is assumed that this will have a greater consequence for the Group than physical consequences as a result of an insufficient climate policy.

Significant risk factors have primarily been identified within market and regulatory risk.

Within market risk, these risk factors have been identified:

- Transport suppliers convert to renewable vehicles too slowly
- Lower consumption due to increased climate awareness
- Lost purchasing power due to measures to curb the climate crisis
- Stricter and rapidly changing requirements from corporate customers
- New business models and disruption
- Raw material shortage and delivery problems

Within regulatory risk, these risk factors have been identified:

- Unpredictable and sudden shifts in EU climate policy
- Worse conditions for road transport
- Quota obligation/CO2 charges for road/sea/air/rail
- Stricter regulation of the Group's corporate customers

Although it is fraught with great uncertainty, the Group has at a high level assessed the monetary consequences for each scenario in the short, medium and long term.

Each scenario is weighted based on the assessed probability of it occurring (probability-weighted cash flow).

The cash flows in the impairment test are then adjusted as follows:

- The profit effect identified in the short term is included in the forecast period
- The profit effect identified in the medium term is included in the terminal year
- The profit effect identified in the long term is not incorporated, as it reflects very uncertain effects 15-30 years into the future

The purpose of such a calculation has been to investigate whether there are indications of impairment of the Group's assets, and whether climate risk could have a negative impact on cash flows in the cash-generating units.

Overall, the Group has not identified impairment needs as a result of climate risk.

Impairment of other assets with indefinite useful lives
The annual impairment test of projects under development was conducted during the fourth quarter of 2023 and 2022. Projects under development were written down by MNOK 5 in 2023 (MNOK 3 for 2022).

Impairment of other assets with definite useful lives
In the event of indications of impairment, a test of impairment needs has been carried out for other cash-generating units and individual assets.

Right to use assets
In 2023, no impairments of Right to use assets were made (MNOK 19 in 2022).

Other assets with definite useful lives
In 2023, no significant impairments of IT systems or tangible fixed assets were made (the same in 2022).

Stranded assets
An assessment was made as to whether the Group has assets that are exposed to significant climate risk ("stranded assets"). The Group has not identified effects that affected the value of tangible fixed assets or the need to change the remaining life or depreciation profile in 2023 (see Note 10 Intangible Assets and Tangible Fixed Assets).

NOTE 10 INTANGIBLE ASSETS AND TANGIBLE FIXED ASSETS

P Accounting principles

Intangible assets
Intangible assets are recognized in the balance sheet if probable future economic benefits can be proven and attributed to the asset, and the cost of the asset can be reliably measured. Intangible assets are recognized in the balance sheet at their acquisition cost after deduction for any accumulated depreciation and impairment (see note 9). Acquisition cost also includes in-house payroll costs if the recognition criteria are met.

Goodwill and other intangible assets with indefinite useful lives are not amortized. Intangible assets with a definite useful lives are depreciated linearly over the expected useful life. Amortization is made from the time the intangible asset is available for its intended use.

Intangible assets: Development costs
Development costs in the Group are primarily related to the development of IT systems where the intention is to complete the system for internal use. Development expenses are recognized in the balance sheet if all of the following criteria are met:

- the product or process is clearly defined and cost elements can be identified and reliably measured
- the technical solution for the product has been demonstrated
- the product or process will be sold or used in the business
- it is likely that the asset will generate future economic benefits
- sufficient technical, financial and other resources to complete the project are present

Only when all the criteria are met, the expenses related to the development can be recognized in the balance sheet. Otherwise, such costs are expensed as incurred.

Intangible assets: Goodwill
Goodwill arises from the acquisition of businesses, see further description in Note 23 Changes in the Group's structure.

Tangible fixed assets
Tangible fixed assets are recognized in the balance sheet at acquisition cost after deduction for accumulated depreciation and impairment (see note 9). The acquisition cost of fixed assets includes expenses directly related to the acquisition, manufacture, or installation of the assets. For larger investments with a long manufacturing time, interest is capitalized as part of the acquisition cost if these are directly attributable. Decomposition of the cost price on fixed assets is carried out when the fixed asset consists of components with different usage times. Costs related to normal maintenance and repairs are expensed continuously. Costs for replacements and renewals that significantly increase the useful lives of the assets are recognized in the balance sheet. In an analysis of fair value in connection with acquisitions, the difference between acquisition cost and carrying value is allocated to the relevant assets and carried in the balance sheet at the Group's acquisition cost , see note 23.

Tangible fixed assets are depreciated linearly over the expected useful life. When calculating the useful life, assessments are made, among other things, on changes in external framework conditions, including changes in technology, regulations, markets, and social habits. Depreciation is made from the time the asset is available for its intended use. Assets with an unlimited lifespan are not depreciated (land and similar).

The assets' possible residual value, depreciation method, and useful life are assessed annually.

C Climate risk

In line with the Group's climate and environmental strategy, the Group invests in a network of renewable energy sources and climate-efficient buildings. Of the capitalized buildings and real estate, there were 14 environmentally certified buildings and of the capitalized transport means, 50% of the vehicles were on renewable and fossil-free energy sources.

Climate risk can mean that assets cannot be fully utilized throughout their technical lifetime. The Group continuously assesses whether assets are exposed to significant environmental risk or climate risk ("stranded assets"), and whether this necessitates a change in remaining lifetime (or depreciation profile).

	IT systems	IT-projects in progress	Goodwill	Total Intangible assets	Machinery	Vehicles, furniture, equipment	Buildings and property	Plant under constr., machinery and in-stallations	Plant under constr. build-ings	Total fixed assets
Carrying amount 01.01.2023	**452**	**292**	**1 283**	**2 027**	**747**	**918**	**4 254**	**248**	**331**	**6 498**
Additions	40	159	2	200	67	315	426	314	58	1 180
Additions in-house developed intangible assets	9	22		31						
Disposals						(30)	(1)			(31)
Depreciation	(159)			(159)	(102)	(256)	(205)			(562)
Impairment	(5)		(134)	(139)						
Cost price adjustment/ scrapping	(2)	(3)		(5)	(8)	16	(52)	(1)		(46)
Exchange differences	30	(30)	30	31	9	7	9	6	1	32
Transfers	228	(228)			31	126	256	(157)	(256)	
Carrying amount 31.12.2023	**594**	**211**	**1 181**	**1 986**	**744**	**1 095**	**4 686**	**411**	**134**	**7 071**
Cost 01.01.2023	2 447	309	2 453	5 209	1 475	2 138	6 396	248	331	10 588
Accumulated depreciation and impairment 01.01.2023	(1 995)	(17)	(1 170)	(3 182)	(728)	(1 221)	(2 141)			(4 090)
Cost 31.12.2023	2 656	211	2 486	5 353	1 559	2 327	7 030	411	134	11 461
Accumulated depreciation and impairment 31.12.2023	(2 062)		(1 304)	(3 367)	(815)	(1 232)	(2 343)			(4 390)
Carrying amount 31.12.2023	**594**	**211**	**1 181**	**1 986**	**744**	**1 095**	**4 686**	**411**	**134**	**7 071**
Depreciation method	Linear				Linear	Linear	Linear			
Estimated useful lives	3 - 10 years				3 - 20 years	3 - 15 years	3 - 50 years			

Cost and accumulated depreciation and impairment are adjusted for discared assets.

	IT systems	IT-projects in progress	Goodwill	Total Intangible assets	Machinery	Vehicles, furniture, equipment	Buildings and property	Plant under constr., machinery ans in-stallations	Plant under constr. build-ings	Total fixed assets
Carrying amount 01.01.2022	**297**	**327**	**1 455**	**2 079**	**608**	**794**	**3 807**	**129**	**403**	**5 743**
Additions	21	207		228	84	259	28	347	311	1 029
Additions in-house developed intangible assets	7	12		18						
Disposals						(14)	(1)			(14)
Acquisition of companies (note 23)							236			236
Depreciation	(123)			(123)	(88)	(222)	(187)			(497)
Impairment	(3)		(161)	(164)						(1)
Cost price adjustment/ scrapping					27	(11)	(16)			
Exchange differences			(11)	(11)	1	(2)	3	(1)		2
Transfers	254	(254)			115	112	384	(228)	(383)	
Carrying amount 31.12.2022	**452**	**292**	**1 283**	**2 027**	**747**	**918**	**4 254**	**248**	**331**	**6 498**
Cost 01.01.2022	2 362	444	2 499	5 304	1 418	1 947	5 806	129	403	9 704
Accumulated depreciation and impairment 01.01.2022	(2 065)	(116)	(1 044)	(3 225)	(809)	(1 153)	(1 998)			(3 961)
Cost 31.12.2022	2 447	309	2 453	5 209	1 475	2 138	6 396	248	331	10 588
Accumulated depreciation and impairment 31.12.2022	(1 995)	(17)	(1 170)	(3 182)	(728)	(1 221)	(2 141)			(4 090)
Carrying amount 31.12.2022	**452**	**292**	**1 283**	**2 027**	**747**	**918**	**4 254**	**248**	**331**	**6 498**
Depreciation method	Linear				Linear	Linear	Linear			
Estimated useful lives	3 - 10 years				3 - 20 years	3 - 15 years	3 - 50 years			

Cost and accumulated depreciation and impairment are adjusted for discared assets.

Intangible assets
Intangible assets are non-physical assets and mainly relate to IT development carried in the balance sheet, including customized software, as well as goodwill in connection with the acquisition of businesses.

Additions IT-systems
Total additions of MNOK 49 mainly related to production support systems and Digipost.

Additions projects in progress
Of total additions of MNOK 181, about MNOK 93 was investment in production support system and MNOK 49 was Group common ERP and HR system.

Goodwill
There have not been significant additions in 2023 (similar in 2022). For further information on goodwill impairment, see note 9.

The excess value related to properties was reduced in 2023 on the basis that some acquisitions must be considered as purchases of plots, not acquisitions of businesses as previously assumed. In total, this represents a reduction of excess values by MNOK 50.

Tangible fixed assets
Tangible fixed assets represent various types of properties and operating assets that are necessary for the business the Group operates. The largest values are represented by mail and logistics terminals.

Additions fixed assets
Of MNOK 1 180 invested in fixed assets, about MNOK 484 concerned buildings and real estate, while the remainder mainly concerned terminal equipment, vehicles, and other operating equipment.

The largest projects in 2023 concerned the extension of the logistics center at Robsrud and the expansion of the terminal in Stokke. The extension was handed over in October 2023. The construction of the extension was capitalized with MNOK 403 as of December 31, 2023. The expansion of the terminal in Stokke has a frame of MNOK 224 and as of December 31, 2023, MNOK 210 has been incurred. The terminal was put into use in October 2023.

In May 2022, the Group purchased a plot in Moss. The development of the plot is underway and will be completed by the 2nd quarter of 2026 at the latest. As of December 31, 2023, MNOK 58 has been incurred in the first construction phase, and the start of construction for the 2nd phase is planned for the 1st quarter of 2024.

In February 2017, the Group purchased a plot at Kokstad near Flesland Airport in Bergen. The plot will be used to build a new terminal for parcels and goods. A process for rezoning the plot at Kokstad is underway. Bergen municipality has approved the zoning plan, but there are appeal options, and the Group is waiting for clarification. On the plot, it is planned that a new joint terminal for Posten and Bring will be erected. Incurred costs of MNOK 33 as of 31.12.2023 concern regulatory costs, project planning site preparation, and building.

Disposal of tangible fixed assets
This year's disposal of fixed assets amounted to MNOK 31 and mainly concerned the sale of machines, furniture, and equipment.

Other matters

Construction Loan Interest
Fixed assets in the Group included capitalized construction loan interest of MNOK 86 as of December 31, 2023 (MNOK 76 as of December 31, 2022), and mainly concerned the mail terminal at Robsrud (Eastern Terminal) and the logistics center at Alnabru in Oslo. Total access to construction loan interest in 2023 was MNOK 15, of which MNOK 11 concerned the extension at Robsrud and MNOK 4 concerned the expansion of the terminal at Stokke.

Insurance
The Group has secured significant parts of its business and material values through traditional insurance coverage. For vehicles, the Group only has statutory liability coverage. The Group is self-insurer for the part concerning collision damage waiver.

Climate stranded assets
An assessment has been made as to whether the Group has assets that are exposed to significant environmental risk or climate risk ("stranded assets"). The review in 2023 (similar for 2022) has not identified effects that affected the value of fixed assets (see note 9) or the need to change the remaining lifetime or depreciation profile.

NOTE 11 INVESTMENTS IN COMPANIES AND BUSINESSES

Accounting principles

An associated company is defined as a company where the Group has significant influence. Significant influence normally exists when the Group owns between 20 and 50 percent of the voting capital. Investments in associated companies are accounted for using the equity method in accordance with IAS 28.

Shares and financial investments represent investments of a financial nature and are recognized at fair value with both value changes and gains/losses recorded as financial items. Received dividends are recognized in ordinary income when they are not considered a form of capital repayment from the company.

Investments in associated companies

Entity	Location	Ownership share	Carrying value 01.01.23	Additions/ disposals 2023	Share of profit/(loss) 2023	Carrying value 31.12.23
Norbjørn AS	Tromsø	34%	21		2	23
Materiallageret AS	Longyearbyen	34%	13		2	15
Borlaug & Brosvik Transport AS	Frekhaug	34%	17		6	23
Okse AS	Stavanger	33%	7			7
Other			1			0
Associated companies			**59**		**10**	**69**

Entity	Location	Ownership share	Carrying value 01.01.22	Additions/ disposals 2022	Share of profit/(loss) 2022	Carrying value 31.12.22
Norbjørn AS	Tromsø	34%	18		2	21
Materiallageret AS	Longyearbyen	34%	12		1	13
Borlaug & Brosvik Transport AS	Frekhaug	34%		15	3	17
Okse AS	Stavanger	33%		7		7
Other			1			1
Associated companies			**31**	**22**	**7**	**59**

Condensed financial information for associated companies (100 percent basis)[1)]

Entity	Assets	Liabilities	Equity	Revenue	Profit for the year
Norbjørn AS	55	4	51	26	7
Materiallageret AS	38	1	36	10	6
Borlaug & Brosvik Transport AS	190	147	43	236	17
Okse AS	9	5	3	26	
Netlife Bergen AS	7	7		27	3

1) Preliminary, non-audited.

For information on transactions with associated companies, see note 24.

Investments in other shares
As of December 31, 2023, the Group had investments in other shares totaling MNOK 222. Investments where the Group's ownership constituted 10 percent or more are specified in the table below.

Investments in other shares

Entity	Ownership share	Carrying value 31.12.23
Tise AS	10%	85
Nor-Log Gruppen AS	10%	33
Addimotion Service AB	17%	25
Sharefox AS	14%	6
Crossborderit AB	14%	3
Lemonator Industries AB	15%	2
Wanda Group AS	10%	1
Other	<10%	67
Other shares		**222**

Entity	Ownership share	Carrying value 31.12.22
Tise AS	10%	85
Nor-Log Gruppen AS	10%	38
Addimotion Service AB	17%	24
Wanda Group AS	10%	23
Crossborderit AB	10%	2
Lemonator Industries AB	11%	1
Other	< 10 %	79
Other shares		**251**

NOTE 12 PROVISIONS FOR LIABILITIES

The Group's provisions consist of provisions related to restructuring, pensions, and other liabilities.

2023	Restructuring	Pension	Other	Total
Balance 01.01.	**87**	**869**	**7**	**963**
Provisions made during the year			1	
Reversal of previous year's provisions	(13)		(1)	(14)
Translation differnces		4		4
Provisions utilised during the year	(33)			(32)
Change in pension liabilities during the year		67		67
Balance 31.12.	**41**	**940**	**7**	**988**
Current part of provisions	20			20
Non-current part of provisions	21	940	7	969

2022	Restructuring	Pension	Other	Total
Balance 01.01.	**92**	**680**	**53**	**825**
Provisions made during the year	36		8	44
Reversal of previous year's provisions	13			13
Translation differnces		1		1
Provisions utilised during the year	(54)		(53)	(108)
Change in pension liabilities during the year		188		188
Balance 31.12.	**87**	**869**	**7**	**963**
Current part of provisions	23		4	26
Non-current part of provisions	64	869	3	936

P Accounting principles

Provisions for liabilities
Provisions are recognized when the Group has incurred an obligation (legal or actual) as a result of a past event and it can be demonstrated (more likely than not) that an economic settlement will occur as a result of the obligation, and the size of the amount can be measured reliably. Provisions are reviewed at each balance sheet date and the level reflects the best estimate of the obligation. When the effect of the time value of money is significant, the obligation is accounted for at the present value of future cash flows.

Restructuring
Restructuring costs are costs the Group incurs as a result of a decision that entails a significant change within the company's defined business areas, either in the scope of the business or the way the business is operated. Provisions for restructuring are expensed when the restructuring is decided and announced, and the costs are identifiable, quantifiable, and not covered by associated revenues.

Pension obligation
For a description of the provision for pension obligations, please refer to Note 4 Pensions.

E Estimation uncertainty

In assessing the fair value of restructuring provisions and other provisions, assumptions and estimates have been made in relation to discount rates, expected future settlement value, and expected settlement date.

C Climate risk

In the application of the Group's accounting principles for provisions for liabilities, the Group assesses whether it has incurred liabilities as a result of greenhouse gas emissions or other environmental impacts. At the end of 2023, such obligations were not identified. The Group's operations were not covered by the carbon quota system at the end of 2023.

Restructuring
Reversed provisions in 2023 of MNOK 13 were mainly related to refunded restructuring costs for moving mail production and route preparation from Bodø and Tromsø to the Østlandsterminalen, as well as the closure of post offices. The refund was largely due to a changed withdrawal rate from previously estimated. The provision used throughout the year mainly constituted payments related to the relocation of route preparation, as well as reduced distribution frequency of MNOK 18, closure of post offices of MNOK 6, and staff support downsizing with MNOK 4.

The liabilities as of 31 December are specified below:

	2023	2022
Personnel related measures	41	87
Other measures		
Total wrestructuring	**41**	**87**

It is expected that the payments in the Group will be distributed as follows:

Restructuring provision expected settled:	
0-1 years	20
1-2 years	11
2-3 years	5
3-4 years	3
Over 4 years	2
Total restructuring provisions	**41**

Pension
Pensions are further described in note 4.

Disputes
In 2023, the Group has not registered any disputes with significant risk exposure for the Group.

NOTE 13 OVERVIEW OF FINANCIAL ASSETS AND LIABILITIES

P Accounting principles

FINANCIAL INSTRUMENTS
Financial instruments are recognised in the balance sheet when the Group has become a party to the instrument's contractual terms. Financial instruments are derecognised when the contractual rights or obligations have been fulfilled, cancelled, transferred or have expired.

Financial instruments are initially measured at fair value at the settlement date, normally at the transaction price. Transaction costs are of insignificant scale and are expensed directly.

Subsequent measurements depend on the classification of the financial asset or liability. The classification is determined by the Group's business model for managing financial instruments and the characteristics of the cash flows of each instrument.

Financial assets are classified as subsequently measured at either amortised cost, fair value over comprehensive income or fair value over profit and loss. Financial liabilities are classified as subsequently measured at either amortised cost or fair value over profit and loss.

Financial instruments are classified as non-current when their expected realisation date is more than 12 months after the balance sheet date. Other financial instruments are classified as current assets or liabilities.

Financial assets
The Group's financial assets mainly comprise debt instruments (receivables), fixed income funds and investments in equity instruments (financial non-current assets). The receivables' cash flows only include the principal and any interest, and all receivables are held only to receive contractual cash flows (no intention of sale exists). The receivables are classified as subsequently measured at amortised cost. Fixed income funds are measured at fair value with both value changes and gain/loss over profit and loss. Investments in shares are also measured at fair value with both value changes and gain/loss over profit and loss.

Financial liabilities
The group's financial liabilities mainly consist of short-term interest-free debt related to ongoing operations and short-term and long-term interest-bearing debt related to the financing of the group. Financial liabilities are primarily classified as subsequently measured at amortized cost. None of the group's financial liabilities are held for trading purposes. Significant changes due to own credit risk are recognized in comprehensive income. The obligations also do not contain embedded derivatives.

Impairment: Financial assets
For financial assets measured at amortized cost, the group provides for expected credit losses. The group's financial assets mainly consist of receivables, including trade receivables, without significant financing components. For financial assets without significant financing components, a simplified model is used, where expected credit losses over the entire lifetime are recognized (using simple methods to estimate credit losses). The simplified model does not require tracking changes in credit risk. If an incurred (actual) credit loss is identified, due to the group not having reasonable expectations of recovering either the whole or parts of a financial asset, the gross carrying amount of the financial asset is directly reduced. Impairments of financial assets assessed at amortized cost are recognized in the results.

Information on fair value
Applied methods for determining fair value are defined in three categories reflecting varying levels of valuation uncertainty, based on how objective the measurement method is:

- Level 1: Use of listed prices in active markets. Only fixed income funds are measured at level 1.
- Level 2: Use of valuation methods with observable market data as input. This includes non listed investments and financial derivatives. In 2022 this also included a loan in Japanese yen which was measured at fair value.
- Level 3: Use of valuation methods where input is based on a significant degree of non-observable market data.

The note gives an overview of the classification of the Group's financial assets and liabilities and their carrying amount (ref. also to Note 21 Derivatives and Hedging.)

The tables below are the basis for further information about financial assets and liabilities with references to the relevant notes. In addition to showing the classification in categories pursuant to IFRS 9, the tables also show at which level the Group's financial instruments at fair value were assessed.

Information on fair value
No financial assets or liabilities have been reclassified in 2023 in such a way that the valuation method changed from amortised cost to fair value, or vice versa. There were no transfers between level 1 and level 2 of fair value measurements in 2023, and no registrations of financial assets or liabilities on level 3 in 2023.

Fair value of financial instruments measured at amortised cost in the balance sheet
The fair value of receivables and other financial liabilities at 31 December 2023 was approximately the same as carrying value (amortised cost).

			At fair value			At amortised cost		
2023	Note	Valuation hierarchy level	Fair value over income statement	Derivatives at fair value over income statement	Derivatives at fair value over OCI	Receivables	Other financial liabilities	31.12.2023
Assets								
Shares and other investments	11	2	222					222
Interest-bearing non-current receivables	15					54		54
Other financial non-current assets	21	2			1	26		27
Interest-free current receivables	16,21	2			2	4 134		4 137
Interest-bearing current receivables	15					95		95
Liquid assets	17	1,2	1 835			112		1 947
Financial assets								**6 482**
Liabilities								
Non-current lease obligations	18						3 140	3 140
Interest-bearing non-current liabilities	19						3 500	3 500
Interest-free non-current liabilities	20,21	2			28		1	28
Current lease obligations	18						892	892
Interest-bearing current liabilities	19						586	586
Interest-free current liabilities, incl. tax payable	8,20,21	2			15		4 571	4 586
Financial liabilities								**12 732**
Total value hierarchy level 1 (net)			1 835					1 835
Total value hierarchy level 2 (net)			222		(39)			183
Total value hierarchy level 3 (net)								

			At fair value			At amortised cost		
2022	Note	Valuation hierarchy level	Fair value over income statement[1)]	Derivatives at fair value over income statement	Derivatives at fair value over OCI	Receivables	Other financial liabilities	31.12.2022
Assets								
Shares and other investments	11	2	251					251
Interest-bearing non-current receivables	15					73		73
Other financial non-current assets	21	2			1	21		23
Interest-free current receivables	16,21	2		79	11	3 805		3 895
Interest-bearing current receivables	15					116		116
Liquid assets	17	1,2	2 581			101		2 683
Financial assets								**7 041**
Liabilities								
Non-current lease obligations	18						2 837	2 837
Interest-bearing non-current liabilities	19						1 111	1 111
Interest-free non-current liabilities	20,21	2			28		1	29
Current lease obligations	18						743	743
Interest-bearing current liabilities	19	2	377				2 810	3 187
Interest-free current liabilities, incl. tax payable	8,20,21	2			1		4 542	4 543
Financial liabilities								**12 449**
Total value hierarchy level 1 (net)			2 581					2 581
Total value hierarchy level 2 (net)			(126)	79	(16)			(63)
Total value hierarchy level 3 (net)								

1) Includes fair value option for interest-bearing current liabilities

NOTE 14 FINANCIAL RISK AND CAPITAL MANAGEMENT

The note describes the Group's financial risks, including market risk (currency and interest rate risk), credit risk and liquidity risk. The Group uses derivatives to reduce market risk. Note 21 provides detailed information about derivatives and hedging (see also Note 13 Overview of Financial Assets and Liabilities).

Posten Bring has a centralised finance function with the principal objective of securing the Group's financial flexibility, as well as monitoring and managing financial risk.

Categories of financial risk
Market risk: Arises as a consequence of the Group's open positions in currency and interest rate instruments. The risk is related to variations in profit or loss due to changes in market prices or exchange rates.
Credit risk: Risk of loss caused by a counterparty/customers who fail to fulfil payment obligations to the Group. Credit risk concerns all financial assets with counterparties/customers, mainly trade accounts receivable, interest-bearing securities, granted but not yet utilised credit/overdraft facilities, as well as counterparty risk from derivatives and currency contracts.
Liquidity risk: The risk that the Group cannot fulfil its financial obligations.

Market risk

Use of financial derivatives and risk management strategy
Financial derivatives are agreements made to determine interest terms, exchange rates and the value of equity instruments for specific periods. Financial derivatives in Posten Bring are used to manage market risk arising from the Group's ordinary operations.

The following derivatives are used by the Group for hedging purposes:

Forwards: An agreement to buy/sell currency on a future date at a specified rate. Posten Bring primarily uses currency forwards to hedge investments in and loans to subsidiaries in foreign currencies.

Swaps: Agreement where two parties exchange cash flows over an agreed period. The most important forms of swaps utilised by Posten Bring are:

- **Interest rate swaps:** Exchange of interest rate terms related to an agreed principal for a determined period. In the agreed period, the parties in the swap exchange fixed and floating interest in the same currency.
- **Currency swaps:** An agreement between two parties to exchange one currency with another and at the same time agreeing to exchange these back on a future date at an agreed rate.

Currency risk
The currency risk is limited by reducing the effects of changes in the exchange rate by using forward contracts. Foreign currency balances in bank accounts are minimised at the subsidiary level and actively managed at Group level in order to avoid large positive/negative effects. As the Norwegian krone (NOK) is the Group's functional and presentation currency, Posten Bring is exposed to currency risks for the Group's net investments in foreign businesses. In order to reduce this currency risk, Posten Bring enters into forward contracts.

The parent company finances the subsidiaries by providing non-current financing in the subsidiaries' functional currencies. As a consequence, the parent company is exposed to currency risk if the loans are made in currencies other than the Norwegian krone. Forward contracts are used to manage this exposure. As of 31 December 2023, there were no significant loans to subsidiaries in other currencies than Norwegian kroner, hence no associated forward contracts.

The Group's most important exchange rates:	Exchange rate 01.01.2023	Average exchange rate 2023	Exchange rate 31.12.2023
Swedish kroner (SEK)	0,945	0,996	1,013
Danish kroner (DKK)	1,414	1,533	1,508
Euro (EUR)	10,514	11,424	11,241
British pound (GBP)	11,854	13,136	12,934
US dollar (USD)	9,857	10,563	10,172

Interest rate risk

Interest rate risk is mainly related to the Group's debt portfolio. This type of risk is managed at group level. The Group's goal over time is to have 20-70 percent of the non-current loan portfolio at fixed interest rates (including long-term debt to credit institutions due within one year but excluding lease obligations, value adjustments of loans and other interest-bearing debt). As of 31 December 2023, fixed interest rate agreements had been entered into for MNOK 1 556 (43 percent) of the group's long-term interest-bearing debt portfolio (MNOK 410 (27 percent) in 2022). See also note 19 on interest-bearing debt. Note 21 has more information on hedging of interest terms.

2023 Sensitivity analysis market risk

	Purchase currency	Currency amount	Sales currency	Currency amount	Maturity	Effect of changes +/- 20% (NOK)[1]	
						Through income statement	Through OCI
Hedging of investments in foreign entities	NOK	641	SEK	643	2024		+/-156

1) Forward exchange rate at 31.12.2023.

	Carrying amount	Effect of change +/- 150 basis points	
		Through income statement	Through OCI
Net interest-bearing debt (receivable) with floating interest rate[2]	583	+/-9	

2) Net interest-bearing debt (receivable) with floating interest rates is calculated as interest-bearing debt with floating interest rates reduced by liquid assets.

2022 Sensitivity analysis market risk

	Purchase currency	Currency amount	Sales currency	Currency amount	Maturity	Effect of changes +/- 20% (NOK)[1]	
						Through income statement	Through OCI
Hedging of investments in foreign entities	NOK	723	SEK	753	2023		+/-142

1) Forward exchange rate at 31.12.2022.

	Carrying amount	Effect of change +/- 150 basis points	
		Through income statement	Through OCI
Net interest-bearing debt (receivable) with floating interest rate[2]	1 216	+/-18	

2) Net interest-bearing debt (receivable) with floating interest rates is calculated as interest-bearing debt with floating interest rates reduced by liquid assets.

The table above shows the sensitivity of the Group's currency and interest rate derivatives.

The accounting effect from a change in market risk is classified over the income statement or other comprehensive income pending on where the effect is initially recognised.

The currency sensitivity shows the effect over the income statement or other comprehensive income by changing the exchange rate at 31 December 2023 by +/- 20 percent. Forward currency contracts related to hedging foreign investments are recognised in other comprehensive income.

The interest rate sensitivity shows the result effect of changes in the floating interest by +/- 1,5 percentage points for the Group's net interest-bearing debt exclusive of lease obligations.

Credit risk
The Group has the following guidelines to reduce the various risk sources:

Trade accounts receivable
The group has guidelines to ensure that credit sales are only made to customers with satisfactory payment ability, and that outstanding amounts do not exceed established credit limits, see also Note 16 Interest-Free Current Receivables. The group has no significant credit exposure to a single counterparty as of December 31, 2023.

Fixed income funds
As part of the liquidity management, the group has significant placements in low-risk fixed income funds. As of December 31, 2023, the group had MNOK 1 835 placed in various fixed income funds (MNOK 2 581 in 2022). The group's guidelines stipulate that the bond funds used should be liquid and have a minimum rating of BBB-.

Bank deposits
The Group's principal bank connection has an AA-rating.

Derivatives
To reduce credit risk, the Group has guidelines to enter into derivative contracts only with counterparties with ratings equal to or better than A-.

Maximum risk exposure
The Group had no financial assets outside the balance sheet at 31 December 2023 (as in 2022), and the maximum risk exposure is considered to be represented by the book value of the financial assets in the balance sheet.

The Group has provided various forms of guarantees such as guarantees for rent, contracts, debt and other payment guarantees. The guarantees are provided in connection with current operations. The Group has not pledged any assets of significant value as security (see note 22 concerning guarantees/assets pledged as security).

Liquidity risk
Available liquidity and any currency exposure are followed up by the Group's finance function on a daily basis. The Group's short-term capital requirement is covered by overdrafts (see note 17) in addition to certificate loans and overdraft facilities.

Overdraft facilities
The group has one overdraft facility of MEUR 200 expiring in December 2028. The facility is agreed with Nordic banks rated A- or better and is defined as a sustainable drawing right where the terms are linked to the group's fulfillment of its science-based targets (SBT). The facility was unused as of December 31, 2023.

During 2023, the group also had access to two short-term overdraft facilities totaling MNOK 2 000. These facilities were established to ensure sufficient liquidity reserves until new long-term financing was in place. The drawing facilities were phased out during 2023 in line with the issuance of new green bonds, so that the group had no remaining short-term overdraft facilities as of December 31, 2023.

The table above shows the maturity structure of the Group's debt exclusive of leasing obligations. The maturity structure for the Group's leasing obligations is included in note 18.

Capital management
The Group has centralised the management of the capital structure and the overall responsibility for the Group's liquidity management in order to secure

Maturity structure of the Group's loans/financial obligations

	2024	2025	2026	2027	2028	2029	2030	Over 7 years	Total
Debt to credit institutions	586								**586**
Bond loans			1 500		450		1 000	550	**3 500**
Financial derivatives (interest rate swaps)	9	9	9						**28**
Financial derivatives (currency forwards)	15								**15**
Other debt excl. financial derivatives	4 571								**4 571**
Total Group	**5 181**	**9**	**1 509**		**450**		**1 000**	**550**	**8 149**
Expected future interest payments[1)]	179	174	147	100	94	74	44	21	**833**
Average interest rate									**4,9 %**

1) Based on interest rate level at 31.12.2023.

an effective use of the Group's capital, financial safety and flexibility.

The Group's goal is to have maximum accessibility, flexibility and return on liquid assets and at the same time limit credit risk. This is achieved by concentrating as much available liquidity as possible in the Group's cash pool, and by having a conservative management profile, with emphasis on liquid investments.

A sufficient liquidity reserve contributes to ensuring and maintaining the group's financial freedom of action. The liquidity reserve consists of fixed income funds and unused drawing rights minus certificate loans (see alternative performance measures), and should over time constitute about 15 percent of the group's operating income for the last 12 months. The group's long-term liquidity reserve as of December 31, 2023, was MNOK 3 883 (MNOK 3 184 in 2022), which corresponds to 16 percent of the group's operating income.

The group has long-term drawing facilities that constitute a good financing reserve. In addition, the group has diversified its capital sources through bonds, bilateral agreements with Nordic financial institutions, and in the certificate market. Subsidiaries are not allowed to establish external financing but receive financing through group-internal long-term loans or drawing facilities and

Key figures for capital management

	2023	2022
Interest-bearing debt	8 118	7 878
Interest-bearing liquid assets	1 947	2 683
Net interest-bearing debt	6 171	5 195
Total equity	5 876	5 715
Total capital	19 625	19 143
Debt ratio[1)]	**1,1**	**0,9**
Equity ratio	**29,9 %**	**29,9 %**
Operating profit before depreciation (EBITDA)	2 316	1 790
Net interest-bearing debt/Operating profit before depreciation (EBITDA)	**2,7**	**2,9**

1) Debt ratio is calculated as net interest-bearing debt/total equity, further details can be found in the APMs.

short-term drawing frames within the group's cash pooling system.

The group measures capital utilization by using the debt-to-equity ratio, which is net interest-bearing debt divided by equity. Net interest-bearing debt consists of interest-bearing short-term and long-term debt minus liquid assets in the form of cash, bank balances, and fixed income funds. In addition, net interest-bearing debt divided by operating profit before depreciation (EBITDA) is used to measure whether the result from operations is sufficient to service the group's external debt.

There were no significant changes in the group's objectives, principles, or processes related to capital management during 2023.

An agreement has been entered into with SEB for a change to a new main banking connection from the first quarter of 2024.

Credit rating

Posten Bring received its first official credit rating (A+) from Scope Ratings in March 2021. Scope Ratings conducts an annual update of Posten Bring's credit rating, and in last year's update (March 2023), the group's rating was downgraded to (A/negative) due to weaker results in 2022. However, in this year's credit assessment (February 2024), the rating was upgraded to (A/stable) as a result of positive developments in the group's results and balance sheet. The rating is well within "Investment Grade," and contributes to ensuring the group sufficient access to capital.

Debt covenants

The group has debt covenants in connection with external financing. Compliance with the covenants is calculated based on the group's financial statements.

The group has a credit facility and a bank loan, both of which have a covenant stating that net interest-bearing debt cannot exceed 3,5 times the 12-month rolling operating result before depreciation (EBITDA). As of December 31, 2023, the group had net interest-bearing debt corresponding to 2,7 times the operating result before depreciation (EBITDA). The corresponding figure in 2022 was 2,9.

Furthermore, Posten Bring has loan agreements with covenants that require a minimum equity ratio of 20 percent. The group had an equity ratio as of December 31, 2023, of 30 percent (30 percent in 2022).

In addition, the following covenants apply to most loan agreements:

- **«Change of control»:** a minimum of 51 percent state ownership
- **«Negative pledge»:** prohibition against pledging assets
- **«Cross default»:** default on one loan agreement results in all agreements being considered defaulted

Breach of loan covenants may entail demands for the repayment of all interest-bearing debt or possibly renegotiation of loan agreements. There are no covenants for annual adjustment of the levels of the covenants in the loan agreements. The level of financial key figures in the loan covenants is followed up and reported to the management regularly. The group has throughout 2023 and at the end of the year complied with the covenants in the loan agreements.

NOTE 15 INTEREST-BEARING NON-CURRENT AND CURRENT RECEIVABLES

The note gives an overview of the Group's interest-bearing non-current and current receivables, including sublease receivables. Information on the Group's lease agreements is included in Note 18 Leases. Note 13 Overview of Financial Assets and Liabilities has more information.

	2023	2022
Non-current sublease receivables	44	53
Other non-current receivables	10	20
Interest-bearing non-current receivables	**54**	**73**
Current sublease receivables	14	17
Other current receivables	81	99
Interest-bearing current receivables	**95**	**116**

The Group's other interest-bearing current receivables consisted mainly of prepayments to deposit and premium funds in Storebrand.

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NOTE 16 INTEREST-FREE CURRENT RECEIVABLES

The note provides an overview of the Group's interest-free current receivables, including accounts receivables. The ageing of account receivables and provision for losses on accounts receivables are also included. More information is included in Note 13 Overview of Financial Assets and Liabilities.

	2023	2022
Accounts receivable	3 139	3 072
Accrued income	465	370
Prepaid expenses	361	271
Receivables from employees	4	4
Current derivatives	2	90
Other receivables	165	89
Interest-free current receivables	**4 137**	**3 895**
Accounts receivable by due date:		
Not due	2 642	2 653
0 - 30 days	460	388
31 - 60 days	48	35
61 - 90 days	11	14
Over 90 days	38	25
Provisions for losses on receivables	(60)	(45)
Total accounts receivable	**3 139**	**3 072**
Expected credit losses		
Balance at 01.01	(45)	(38)
Change in provision for losses	(13)	(7)
(Over)/underfunded accruals in previous years	1	(1)
Translation differences	(3)	
Balance at 31.12	**(60)**	**(45)**
Total actual losses on receivables	31	18
Provisions for losses on receivables by:		
Individual receivables	(39)	(26)
General provision	(21)	(20)
Total	**(60)**	**(45)**

Accounting principles

Accounts receivables are initially recognised at fair value and subsequently measured at amortized cost, less provisions for losses. The Group applies a simplified method to provide for expected credit losses on accounts receivables and measures the loss provision at an amount corresponding to the expected lifetime credit loss. This is made by a combination of individual assessments and a general consideration based on maturity analysis and historical data. Accrued (actual) credit losses reduce balance sheet value of accounts receivables directly.

The Group's carrying amounts of accounts receivables was approximately equal to fair value as of December 31, 2023.

The increase in accounts receivables was due to increased activity in the Group.

The Group had no significant credit risk associated with a single counterparty or several counterparties that could be seen as a group due to similarities in credit risk.

The Group has guidelines to ensure that credit sales are only made to customers with adequate payment ability and that outstanding amounts do not exceed established credit limits.

Other interest-free current receivables are due within one year, and nominal value is considered to be equal to fair value.

Accrued income were mainly income from foreign post offices, as well as delivered but unbilled logistics services.

Prepaid expenses consisted mainly of costs which accrue in future periods.

Other receivables were mainly receivables related to social security refunds, advance taxes, Post in store and other provisions.

Current derivatives were described in Note 21 Derivatives and Hedging relationships.

NOTE 17 LIQUID ASSETS

Liquid assets include cash in hand, bank deposits, and low-risk money market funds.

	2023	2022
Cash and cash equivalents	112	101
Fixed income fund	1 835	2 581
Liquid assets	**1 947**	**2 683**

P Accounting principles

Cash and cash equivalents are short-term liquid investments that can be converted to a known amount in cash within 3 months and are without significant risk.

The reduction in liquid assets was mainly due to investments, payment of ordinary installments on debt to credit institutions, repayment of overdraft facilities, repayment of certificate loans, partially compensated by four new green bond loans and increased utilization of overdraft facilities.

A group cash pool is used for Norway, Sweden, Denmark, Finland, and England with Posten Bring AS as the group account holder. The bank can offset withdrawals and deposits against each other so that the net position represents the balance between the bank and the group account holder. As of December 31, 2023, Posten Bring had an unused overdraft facility of MNOK 225 on the group cash pool account in Nordea, out of a total facility of MNOK 500.

In addition, the Group has a credit facility MEUR 200, which was unused As of December 31, 2023. The Alternative performance management (APM) has more information on non-current and current liquidity reserves.

The Group also had placements in low-risk money market funds. The placements constituted an important part of the Group's liquidity reserve. Information about the money market funds is also mentioned in Note 14 Financial Risk and Capital Management.

Posten Bring AS has established a bank guarantee up to MNOK 280 in Nordea as security for the employees' withheld tax in Posten Bring AS.

NOTE 18 LEASES

The note shows the effect of the Group's leases agreements on the Group's financial position and financial earnings, both as lessee and lessor.

The Group as Lessee
The Group's lease agreements mainly concerned the lease of buildings, office premises, and vehicles.

The largest right-of-use assets concerned the lease of the Posthuset, Biskop Gunnerus' street 14A, terminals in Norway, Sweden, and Denmark, as well as buildings in the warehousing business. The Group had also just under 5000 leases agreements for vehicles.

P Accounting principles

The Group as lessee
The Group has chosen not to caplitalise leases for leasing assets that fall under the definition of "low-value assets", short-term leases where the non-cancellable lease period is under or equal to 12 months and leases for intangible assets. The rental costs for these are directly recognized in the income statement.

Several of the Group's leases agreements include other services and components such as shared costs, fuel and charges. Non-leasing components are separated from the leases and recognised as operating costs in the consolidated financial statement.

The Group as lessor
For leases where the Group is lessor, each lease is classified as either operating or finance lease.

Finance lease
The Group has no significant finance lease as lessor.

Operating lease
For operating leases, the Group recognises lease payments as other operating income, mainly on a straight-line basis, unless another systematic basis better reflects the pattern whereby the benefit of the underlying asset is reduced. The Group recognises expenses incurred in the earning of the lease income as operating expenses.

E Use of judgment

Assessment of leases agreements in the Group complies with the definition and requirement for recognition under IFRS standards
To meet the requirements, the agreement must satisfy the definition of a lease. The assets must be identifiable, and the lessee must have the right to control the use of the assets in a given period.

Significant leases agreements in the Group mainly concern lease agreements for buildings and terminals, in addition to the Group's car fleet. Leasing of real estate and vehicles will generally be encompassed by the definition in the standard and classified as leases.

The Group has performed a review of agreements with transporters (transport agreements). Most of them in the Group are either of such a character that no specific asset can be identified, or they are short-term, and these contracts are therefore outside the definition of a lease.

Assessment of lease period
Several of the Group's significant lease agreements, especially for property, include renewal options for extending the lease agreements. It is the noncancellable period of the lease (including the period of notice) and any options reasonably certain to be exercised that are recognised in the lease liabilities. The Group assumes that "reasonably certain" is a probability level significantly higher than 80 percent. In the consideration of whether the exercise of an option is reasonably certain, it has been emphasized whether the asset is important for operations and part of the Group's strategic plans.

The Group has also taken into account the date of excising of option, as the degree of certainty is considered to decrease if the date is far ahead.

Assessment of lease payments
Lease payments include fixed payments and any payments varying by an index or interest rate, but not variable lease payments depending on the use of the asset. Lease payments include also residual value guarantees, purchase options and any termination expenses. Wear and tear and any damage caused by normal use of the leased asset is expensed as incurred.

Discount rate
The present value of the lease payments shall be discounted at the lessee's incremental borrowing rate when the implicit interest rate in the lease agreement cannot be easily determined.

The Group calculates the incremental borrowing rate as follows: NIBOR rate + the Group's credit margin + risk margin.

The risk margin is a discretionary assessment with consideration of the type and the lifetime of the asset, and possibly the location of the asset. The NIBOR interest rate and credit margin reflect the different lengths of the lease period.

Right-of-use assets

	Property	Vehicles	Machinery and equipment	Total
Carrying amount 01.01.2023	**2 473**	**775**	**19**	**3 266**
New leases	619	651	29	1 299
Changes in existing leases	17	73	1	91
Disposals	(40)	(84)	(6)	(130)
Depreciation for the year	(463)	(406)	(12)	(881)
Translation differences	37	4	11	52
Carrying amount 31.12.2023	**2 643**	**1 013**	**42**	**3 698**

	Property	Vehicles	Machinery and equipment	Total
Carrying amount 01.01.2022	**2 293**	**675**	**13**	**2 981**
New leases	496	350	18	864
Changes in existing leases	275	76	1	352
Disposals	(123)	(18)	(4)	(145)
Depreciations for the year	(431)	(326)	(8)	(765)
Impairments for the year	(19)			(19)
Translation differences	(18)	18	(1)	(2)
Carrying amount 31.12.2022	**2 473**	**775**	**19**	**3 266**

Right-of-use assets are depreciated on a straight-line basis over their useful life. Leasing periods for property vary from 1 year and up to 40 years for some leasehold plots. Leases of vehicles and machinery have usually a duration of between 3 to 7 years.

Lease liabilities

	2023	2022
Lease liabilities 01.01	**3 580**	**3 237**
New leases	1 299	892
Changes in existing leases	88	358
Disposals	(121)	(129)
Lease payments	(1 030)	(891)
Interest cost	148	116
Translation differences	68	(3)
Lease liabilities 31.12	**4 032**	**3 580**
Non-current lease liabilities	3 140	2 837
Current lease liabilities	892	743
Total lease liabilities	**4 032**	**3 580**

Total outgoing cash flows related to lease agreements in 2023 were MNOK 1 206 (MNOK 1 069 in 2022) including interest payments. MNOK 882 of this concerned net payment of lease liabilities (MNOK 778 in 2022). The rest were short-term leases and lease of low-value assets.

The weighted average interest rate on Posten Bring's outstanding lease liabil-ities was 4,1 percent as of December 31, 2023.

Maturity of Group's undiscounted lease liabilities

Less than 1 year	1 024
1-2 years	879
2-3 years	678
3-4 years	516
4-5 years	378
5-10 years	902
10-20 years	144
More than 20 years	68
Total undiscounted lease liabilities at 31.12.2023	4 589

Effects concerning leases in the income statement

	2023	2022
Depreciation	881	765
Interest costs	148	116
Interest income	2	3
Rental costs related to short-term leases 1)	150	131
Rental costs related to leases of low value assets 1)	26	47
Income related to operating sublease of right-of use assets	29	44

1) Rental costs related to short-term leases and leases of low value assets recognised as either costs of goods and service or other operating expenses in the income statement based on whether leasing assets were vehicles or others.

Renewal options

The Group's leases for property have lease periods varying between 1 and 40 years. Several of the agreements contain a renewal option that can be exercised during the last period of the agreement. When an agreement is made, the Group has assessed whether it seems reasonably certain to exercise the renewal options. The Group's potential future undiscounted lease payments related to renewal options not included in the lease liabilities were MNOK 1 885 as of December 31, 2023 (MNOK 1 208 in 2022). Approximately 75 percent of this amount is related to large logistics terminals in Norway and Denmark, as well as the Posthuset in Oslo.

The Group as a Lessor

In 2023, the Group had some minor lease agreements related to office buildings and properties not used by the Group. There were also various lease agreements related to the leases of the Group's vehicles. This included both operating and financial lease agreements.

NOTE 19 INTEREST-BEARING NON-CURRENT AND CURRENT LIABILITIES

Interest-bearing non-current and current liabilities include liabilities to credit institutions, bond loans, certificate loans, and other interest-bearing liabilities. Planned repayments and the part of non-current liabilities that are due within one year are included in interest-bearing current liabilities. Note 13 Overview of Financial Assets and Liabilities has more information.

Accounting principles

Loans are initially recognised at fair value when paid, net of transaction costs. In subsequent periods, the loans are recognised at amortized cost using the effective interest method. Amortized cost is the amount at which the financial obligation is initially measured less repayments (instalments, interest and service charges), including effective interest.

	2023	2022
Bond loans	3 500	1 000
Non-current liabilities to credit institutions		111
Interest-bearing non-current liabilities	**3 500**	**1 111**
Non-current liabilities to credit institutions due within one year	111	488
Certificate loans	200	1 250
Current liabilties to credit institutions		1 250
Other current liabilities	275	199
Interest-bearing current liabilities	**586**	**3 187**

Reconciliation of liabilities from financing activities

	2023	2022
Liabilities at 1.1.	**4 298**	**2 587**
Cash flows from debt raised	2 500	2 000
Cash flows from repayment of borrowings	(2 710)	(461)
Cash flows from (decrease)/increase in bank overdrafts	111	159
Change in fair value	(79)	(11)
Other changes	(35)	24
Liabilities at 31.12.	**4 086**	**4 298**

In 2023, Posten Bring AS took up four new green bond loans of MNOK 2 500. Ordinary installments and down payments of loans in 2023 were total MNOK 1 660. In addition, net repayment of certificate loans was MNOK 1 050 in 2023.

As of December 31, 2023, the Group had non-current liabilities (including the part of non-current liabilities that are due within one year) with fixed interest rates amounting to MNOK 1 556. These had a weighted average interest rate of 4,2 percent and are due in the period 2026–2031. At the same time, the Group had non-current liabilities of MNOK 2 056 (including the part of non-current liabilities that are due for payment within one year) with floating interest rates with a weighted average interest rate of 5,5 percent as of December 31, 2023. These are due in the period 2026-2030.

As of December 31, 2023, the group had certificate loans of MNOK 200. The certificate loans were classified as current interest-bearing liabilities, and the outstanding balance was reduced by MNOK 1 050 from 2022.

As of December 31, 2023, none of the Group's credit facilities had been used. As of December 31, 2023, MNOK 275 had been drawn on the Group's overdraft facility. The withdraw have an expected duration of less than 1 year.

Note 14 Financial Risk and Capital Management has more information on the maturity structure of the Group's loans and financial liabilities.

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NOTE 20 INTEREST-FREE NON-CURRENT AND CURRENT LIABILITIES

The Group's interest-free liabilities mainly comprised current items such as accounts payable, other provisions regarding salaries, public charges and other accrued costs. Note 13 Overview of Financial Assets and Liabilities includes more information.

	2023	2022
Non-current derivatives	28	28
Other non-current liabilities	1	1
Interest-free non-current liabilities	**28**	**29**
Provisions for payroll expenses and public charges	1 846	1 739
Accounts payable	1 160	1 171
Provisions for accrued expenses	1 086	1 073
Prepaid revenue	339	413
Restructuring	20	23
Current derivatives	15	1
Other current liabilities	87	104
Interest-free current liabilities	**4 554**	**4 524**

Provisions for payroll expenses and public charges mainly included provision for holiday pay, earned but unpaid salaries and public dues.

Provision for accrued expenses mainly included provisions for transport, remuneration for Post in Store services, provisions for foreign postal offices, provisions for IT development, as well as maintenance and service related to the Group's car fleet.

Prepaid revenue was mainly related to advance billing of franking machines, income from foreign postal offices, and sold but unused stamps.

Note 12 Provisions for Liabilities has more information on provision for restructuring costs.

Other current liabilities included accrued interest costs, settlement for postal collection services, and other interest-free current liabilities. The reduction from 2022 was mainly due to the termination of security deposits for financial instruments.

NOTE 21 DERIVATIVES AND HEDGING

All derivatives are used in the hedging of market risk (currency and interest rate risk). The value of the derivatives fluctuates in relation to the underlying prices, and the note shows the fair value of derivatives at the balance sheet date. See also Note 14 Financial Risk and Capital Management.

2023	Assets	Liabilities	Nominal value[1]
Cash flow hedging			
Interest-rate swaps NOK	1	(28)	805
Hedging of net investment			
Forward currency contracts SEK	2	(15)	643
Total	**3**	**(42)**	

1) Amounts in transaction currencies

2022	Assets	Liabilities	Nominal value[1]
Cash flow hedging			
Interest-rate swaps NOK	1	(28)	610
Hedging of net investment			
Forward currency contracts SEK	11	(1)	753
Other financial hedges (derivatives not included in hedge accounting according to IFRS)			
Interest-rate swaps NOK			100
Combined interest-rate/currency swaps NOK	79		299
Total	**92**	**(29)**	

1) Amounts in transaction currencies.

The derivatives in the table above are classified by type of hedging for accounting purposes, with the objective of the derivatives described below.

P Accounting principles

Financial instruments: Hedging
The Group uses derivatives to manage currency and interest rate risk.

The Group's criteria for classifying a derivative as a hedging instrument, and either the whole or parts of an individual item or a group of items as a hedging object, are as follows:

- the derivative is applied to hedge an expected transaction, a net investment in a foreign business or a recognised asset or obligation,
- the hedge is earmarked and documented,
- the requirement for hedge effectiveness is met.

Hedge effectiveness is analysed on an ongoing basis and is met when:

- there is a financial relation between the hedge object and instrument, i.e., the Group normally expects that the values systematically change in line with changes in the underlying risk,
- credit risk does not dominate the changes in value and
- the degree of hedging reflects the actual quantity hedged and used to hedge.

Hedge accounting ceases when:

- the hedging instrument expires, is sold, terminated or exercised, or
- the hedge no longer meets the criteria for hedge accounting as described above.

Cash flow hedging
The effective part of changes in fair value of a hedging instrument in a qualifying cash flow hedge is recognised in other comprehensive income. The ineffective part of the hedging instrument is recognised directly in the income statement.

If the hedged cash flow results in the recognition of an asset or liability, the gains and losses previously recognised in other comprehensive income are reclassified and recognised together with the asset or liability. For other cash flow hedges, gains and losses previously recognised in other comprehensive income and accumulated in equity are reclassified to the income statement in the same period as the cash flow constituting the hedged item is recognised. When a hedging instru- ment ceases to be highly effective, hedge accounting is prospectively discontinued. In this case, the accumulated gain or loss on a hedging instrument in equity will not be reversed until the hedged transaction occurs. If it is no longer expected that the hedged transaction will occur, previously accumulated gain or loss on the hedging instrument in equity will be reversed and recognised in the income state immediately.

Hedging of net investment in foreign entities
The Group uses currency futures to hedge net investments in foreign entities. Changes in currency futures designated for hedging purposes are recognised in other comprehensive income together with translation differences related to the investment until any sale of the investment, whereby the accumulated translation differences related to the investment are recognised in the income statement. The ineffective part of the hedge instrument is recognised directly in the income statement.

Fair value hedging
Derivatives that qualify as fair value hedges are measured at fair value, and changes in fair value are recognised in the income statement. Correspondingly, changes in fair value related to hedged risk in the hedged item are recognised in the income statement.

Financial instruments: Derivatives that are not hedging instruments
Derivatives not classified as hedging instruments are measured at fair value through profit and loss. Changes in fair value of such derivatives are recognised in the income statement.

Information on fair value
The fair value of forward currency contracts is determined by applying the forward exchange rate on the balance sheet date.

The fair value of interest rate and currency swaps is primarily determined by discounting future cash flows at discount rates derived from observable market data.

Information on fair value
For all derivatives, the fair value is confirmed by the finance institutions with which the Group has made agreements.

Cash flow hedging

Interest rate swaps
Almost all critical terms (the dates for interest determination, calculation methods, reference interest etc.) related to the derivatives described above are in accordance with underlying loan agreements. The cash flows of the interest rate swaps will therefore in all material respects correspond with the interest payments on the loans. Hence, there are no significant sources for hedging ineffectiveness.

Hedge reserve in equity
The Group's statement of changes in equity shows net movements in hedge reserves.

Hedging of net investment in foreign entities
Posten Bring uses forward currency contracts for hedging investments in foreign subsidiaries and has entered into rolling forward contracts totalling MSEK 643 in 2023 (MSEK 753 in 2022). The changes in the value of the contracts including realised loss/gain due to settlements on rollover are recognised in other comprehensive income and offset the translation differences from the investments until the investments are disposed of. In 2022, this constituted a loss of MNOK 35 (a gain of MNOK 13 in 2022). In the event of excess hedging, the value change is recognised in the income statement. In 2023, no hedging ineffectiveness was recognised in the income statement.

Loan agreement	Issue date	Maturity date	Outstanding amount (MNOK) as of 31.12.2023	Loan interest terms	Interest rate hedging
Bilateral loan	2017	2024	111	Variable	Half of the loan has been swapped to a fixed interest rate
Green bond (ISIN NO0011157299)	2021	2026	300	Variable	No
Green bond (ISIN NO0011157281)	2021	2026	700	Fixed	Of the MNOK 700, MNOK 500 has been swapped to a variable interest rate
Green bond (ISIN NO0012841818)	2023	2026	500	Variable	No
Green bond (ISIN NO0012897398)	2023	2030	1 000	Fixed	Of the MNOK 1 000, MNOK 250 has been swapped to a variable interest rate
Green bond (ISIN NO0013019786)	2023	2028	450	Variable	No
Green bond (ISIN NO0013019844)	2023	2031	550	Fixed	No

NOTE 22 GUARANTEES / ASSETS PLEDGED AS SECURITY

The Group has provided various forms of guarantees, including rental guarantees, contract guarantees, debt guarantees, and other payment guarantees. The guarantees are provided in connection with ongoing operations. The Group has not pledged assets of significant value as collateral.

	2023	2022
Guarantees for group companies	1 373	681
Other guarantees	12	49
Total guarantees	**1 385**	**730**

Guarantees for group companies consisted mainly of guarantees that Posten Bring AS has provided for its subsidiaries in Norway, Sweden, and Denmark related to rent and car rental. Posten Bring AS has also provided a guarantee to Nordea and SEB, to indemnify the banks for any payments in connection with bank guarantees provided for the group's subsidiaries.

The increase in guarantees compared to 2022 was mainly due to the conclusion of long-term rental contracts in a subsidiary where Mail Bring AS guarantees. There has also been a significant increase in guarantee liability for car leasing, as a result of lease agreements being transferred from Posten Bring AS to, among others, Posten Bring Bildrift AS.

Other guarantees apply to leased vehicles for remaining leases for companies that previously belonged to Posten Bring AS.

As of December 31, 2023, Posten Bring AS has provided a delivery guarantee to Equinor for Bring Cargo AS and to Stockholm City and Swedish Radio for Bring Courier & Express AB. These are not quantified.

NOTE 23 CHANGES IN THE GROUP'S STRUCTURE

The note provides information about significant changes in the Group's structure through acquisitions and disposals of companies and businesses. In addition, other significant changes in the Group's structure are shown when relevant.

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Accounting principles

Subsidiaries
The Group applies the acquisition method to account for business combinations.

In the event of loss of control and consequent deconsolidation of a subsidiary, any gain or loss should be recognized in the income statement. Any remaining investment is measured at fair value at the time of the transaction.

For more information, please refer to the general information at the beginning of the notes.

The following significant changes in the Group's structure took place in 2023 (for information about changes in the Group's structure that took place in 2022, please refer to note 23 in the Annual Report and notes for Posten Norge Group from 2022):

Companies Acquired in 2023
There have been no significant acquisitions of subsidiaries.

Companies Disposed of in 2023
A letter of intent was signed for the disposal of Espeland Transport AS in December 2022, and in this connection, an expected loss of MNOK 12.5 was set aside as a self-imposed obligation in the 2022 annual accounts. The disposal was completed at the beginning of 2023, and there was no significant adjustment of the loss at the time of disposal.

Other Changes in the Group's Structure in 2023
There have been no other significant changes in the Group's structure in 2023.

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NOTE 24 RELATED PARTIES

This note discusses the Group's significant transactions with related parties. Two parties are considered related if one party can influence the other party's decisions. Relationships with related parties are considered normal in business operations.

Posten Bring AS is the parent company and has direct and indirect control over approximately 90 companies, mainly in the Nordic region. Directly owned subsidiaries are presented in note 10 in the financial statements of Posten Bring AS. Internal trade in the Group is carried out in accordance with separate agreements and the principle of arm's length. Subsidiaries are presented in Note 27 Group Structure.

In 2023, services were purchased from associated companies for MNOK 230 (MNOK 216 in 2022). This was mainly related to the purchase of services from Borlaug & Brosvik Transport AS with MNOK 196 (MNOK 175 in 2022), from Norbjørn AS with MNOK 27 (MNOK 27 in 2022), and from Materiallageret AS with MNOK 5 (MNOK 5 in 2022). Borlaug & Brosvik Transport AS has 24 trucks that operate in offshore traffic (in collaboration with Bring), indoor and outdoor storage, and transport. Norbjørn AS owns the freight ship M/S Norbjørn which operates sea transport between the mainland and Svalbard. As of December 31, 2023, there were no significant balances with associated companies. The Group has no significant outstanding receivables or liabilities in relation to associated companies.

Some of the board members of the Posten Group have board or executive positions in other enterprises. Some members of the Posten Group's management also have board positions in other enterprises. Board or leadership positions in other enterprises have not influenced the Group's decisions.

NOTE 25 REGULATORY ISSUES

Postal Regulations
Postal regulations comprise the Postal Services Act with associated regulation and the delivery requirements of the license awarded to Posten Bring.

From July 2020, Posten Bring AS's ordinary mail distribution to mailboxes were reduced to every other day. At least 85 percent of the mail shall be delivered within three working days after submission and at least 97 percent within five working days. Posten Bring AS met these requirements in 2023.

After the transition to mail distribution every other day, newspaper distribution takes place 6 days a week in areas without an alternative newspaper distribution through contracts with the Ministry of Transport after a tender competition. Posten Bring AS has a contract for newspaper distribution on weekdays (Monday-Friday) until the end of June 2024.

Product accounts and government procurements of commercially non-viable Postal Services
Required to be Delivered According to the Postal Act, Posten Bring AS must keep a product account for regulatory purposes. The accounts must be submitted to the National Communications Authority annually. Posten Bring AS's pointed auditor performs control actions of the accounts' compliance with the requirements. The auditor's report is submitted to the National Communications Authority along with the accounts.

Posten Bring AS's net costs associated with the duty to deliver postal services that are commercially non-viable shall, according to the Postal Act, be covered by government procurements granted over the state budget. The annual advanced grant to government procurements is adjusted the following year, based on a recalculation of the need in connection with the submission of the product accounts. The recalculation shall secure against over- or under-compensation.

For 2023, Posten Bring AS received MNOK 1 176 for government procurements of commercially non-viable postal services. This was in line with Posten Bring AS's pre-calculations. For 2022, Posten Bring AS received MNOK 755 for government procurements of commercially non-viable postal services.

In accordance with the scheme and Posten Bring AS's recalculation, the Group has recognized a repayment of compensation for 2022 of MNOK 88 (plus interest of MNOK 4) in 2023. A total of MNOK 1 268 (MNOK 731 in 2022) in the government procurements of commercially non-viable postal services required to be delivered was thus recognized in the financial year 2023. In addition, MNOK 128 (the same in 2022) was recognized in state payment in accordance with a tender contract for newspaper delivery in parts of the country where there are no commercial newspaper networks.

Future Prospects
For 2024, the Norwegian Parliament has granted MNOK 1 490 for government procurements of commercially non--viable postal services, of which the main part concerns the net costs for mail delivery every other day (MNOK 1 485). In addition, MNOK 127 was granted to Posten Bring AS's newspaper delivery in parts of the country where there are no commercial newspaper networks in accordance with the contract entered into with the Ministry of Transport after a tender competition. The grant applies for the whole of 2024, but the current contract expires on June 30, 2024. In December 2023, a new tender competition for newspaper distribution from July 1, 2024, was announced. The duration of the contracts will be one year with the possibility of extending one year, i.e., potentially until the end of June 2026.

Mail distribution every other day, as implemented from July 2020, is not sufficient to ensure acceptable profitability. The postal services must be further adjusted in line with changing market conditions and customer needs. For Posten Bring AS, it is vital that the government in the future reimburses Posten Bring AS for the net costs of the commercially non-viable services if no room is allowed for continued adjustments to the services level in line with falling mail volumes and changing customer needs. Without changes in the delivery requirements, the levels of the governments payments for commercially non-viable postal services (governmental purchases) will increase rapidly. Therefore, the government appointed an expert committee in January 2024 to assess and make recommendations for the future design of postal policy and the distribution requirements.

In 2020, VAT was introduced on all e-commerce import of goods, regardless of value. In this connection, a simplified registration and reporting scheme (VOEC - VAT on E-commerce) was established for foreign providers for calculation and payment of VAT on goods up to a value of NOK 3 000. At the same time, a transitional scheme with declaration exemption for low-value goods up to NOK 350 was set up. The transitional scheme was decided to be abolished from January 1, 2024, in June 2023. Posten Bring AS has cooperated with the customs and tax authorities to ensure the most efficient and consumer-friendly customs/VAT handling after the expiry of the transitional scheme.

NOTE 26 EVENTS OCCURRED AFTER THE REPORTING PERIOD

There were no significant events after the reporting period until the time when the financial statements are approved for publication.

P Accounting principles

New information about the company's positions on the balance sheet date is taken into account in the annual accounts. Events after the reporting period are the events that take place between the end of the reporting period and the time when the financial statements are approved for publication. There may be events that provide new knowledge about conditions that existed at the end of the reporting period and events that concern conditions that arose after the reporting period. Events after the reporting period that do not affect the company's position on the balance sheet date, but which will affect the company's position in the future, are disclosed if this is significant.

NOTE 27 GROUP STRUCTURE

The table shows which companies are included in the consolidated annual accounts. Most of the subsidiaries are 100 percent owned. In some companies, there are non-controlling ownership interests, but these are not considered significant.

Subsidiaries	Business office	Segment	Voting- and ownership share
Bring Parcels AB	**Sweden**	**Logistics**	**100,0 %**
Bring Parcels Filial Norge	Norway	Logistics	100,0 %
Bring Parcels Filial Danmark	Denmark	Logistics	100,0 %
Bring Parcels Filial Finland	Finland	Logistics	100,0 %
Bring Warehousing AS	**Norway**	**Logistics**	**100,0 %**
Bring Cargo AS	**Norway**	**Logistics**	**100,0 %**
Bring Cargo BV	Netherlands	Logistics	100,0 %
Bring Belgium BVBA	*Belgium*	*Logistics*	*100,0 %*
Bring Trucking a.s	Slovakia	Logistics	100,0 %
Bring Eiendom Haugesund AS	Norway	Logistics	100,0 %
Nor-Cargo Eiendom AS	Norway	Logistics	100,0 %
Bring Cargo Svalbard AS	Svalbard	Logistics	81,0 %
Bring Cargo Limited	England	Logistics	100,0 %
Bring Logistics Hong Kong Ltd	Hong Kong	Logistics	100,0 %
Posten Eiendom Robsrud AS	**Norway**	**Mail**	**100,0 %**
Posten Eiendom Alnabru AS	**Norway**	**Logistics**	**100,0 %**
Posten Eiendom Alnabru Utvikling AS	Norway	Logistics	100,0 %
Posten Eiendom Bodø AS	**Norway**	**Mail**	**100,0 %**
Posten Eiendom Molde AS	**Norway**	**Logistics**	**100,0 %**
Posten Eiendom AS	**Norway**	**Logistics**	**100,0 %**
Posten Eiendom Bergen AS	Norway	Logistics	100,0 %
Posten Eiendom Stavanger AS	Norway	Logistics	100,0 %
Posten Eiendom Trondheim AS	Norway	Logistics	100,0 %
Posten Eiendom Vestfold AS	Norway	Logistics	100,0 %
Posten Eiendom Tromsø AS	Norway	Logistics	100,0 %
Posten Eiendom Narvik AS	Norway	Logistics	100,0 %
Posten Eiendom Kristiansand I AS	Norway	Logistics	100,0 %
Posten Eiendom Narvik AS	Norway	Logistics	100,0 %
KOV 1 AS	Norway	Logistics	100,0 %
Kokstad IL2 AS	Norway	Logistics	100,0 %
Kokstad Næringstomt II AS	Norway	Logistics	100,0 %
Kokstad Næringstomt III AS	Norway	Logistics	100,0 %
Kokstad Utvik1 AS	Norway	Logistics	100,0 %
Kokstad Utvik2 AS	Norway	Logistics	100,0 %
Kokstad IL3 AS	Norway	Logistics	100,0 %
Kongsåsen Eiendom AS	Norway	Logistics	100,0 %
Posten Eiendom Borgeskogen AS	Norway	Logistics	100,0 %
Moss Næringspark Øst 1 AS	Norway	Logistics	100,0 %
Bring Mail Nordic AB	**Sweden**	**Mail**	**100,0 %**
Bring Cargo International A/S	**Sweden**	**Logistics**	**100,0 %**
Bring Intermodal AS	**Norway**	**Logistics**	**100,0 %**
Bring Intermodal AB	Sweden	Logistics	100,0 %
Bring Intermodal GmbH	Germany	Logistics	100,0 %
Bring Intermodal z o.o	Poland	Logistics	100,0 %
Bring Shared Services AB	**Sweden**	**Other**	**100,0 %**
Bring Cargo Inrikes AB	**Sweden**	**Logistics**	**100,0 %**
Bring Freight Forwarding AB	Sweden	Logistics	100,0 %
Bring Åkeri AB	Sweden	Logistics	100,0 %
Bring Cargo International AB	**Sweden**	**Logistics**	**100,0 %**
CombiTrans Hellas Ltd	Greece	Logistics	100,0 %
Posten Bring Bildrift AS	**Norway**	**Logistics**	**100,0 %**
Y3 Gruppen AS	**Norway**	**Logistics**	**73,7 %**
Conteir AS	Norway	Logistics	51,0 %
Bas Kommunikasjon AS	Norway	Logistics	100,0 %
Netlife Design AS	Norway	Logistics	79,0 %
Data Factory AS	Norway	Logistics	50,1 %
Optinn AS	Norway	Logistics	66,9 %
Posten og Bring Holding 2 AS	**Norway**	**Logistics**	**100,0 %**
Bring Courier og Express Norge AS	Norway	Logistics	100,0 %
Bring Courier og Express A/S	Denmark	Logistics	100,0 %
Bring Courier og Express AB	Sweden	Logistics	100,0 %
Posten og Bring Holding 1 AS	**Norway**	**Logistics**	**100,0 %**
Bring Home Delivery Norge AS	Norway	Logistics	100,0 %
Bring E-Commerce and Logistics AB	Sweden	Logistics	100,0 %
Neaktiva 1 AB	Sweden	Logistics	100,0 %
Bring E-commerce and Logistics A/S	*Denmark*	*Logistics*	*100,0 %*
Bring E-commerce and Logistics OY	**Finland**	**Logistics**	**100,0 %**

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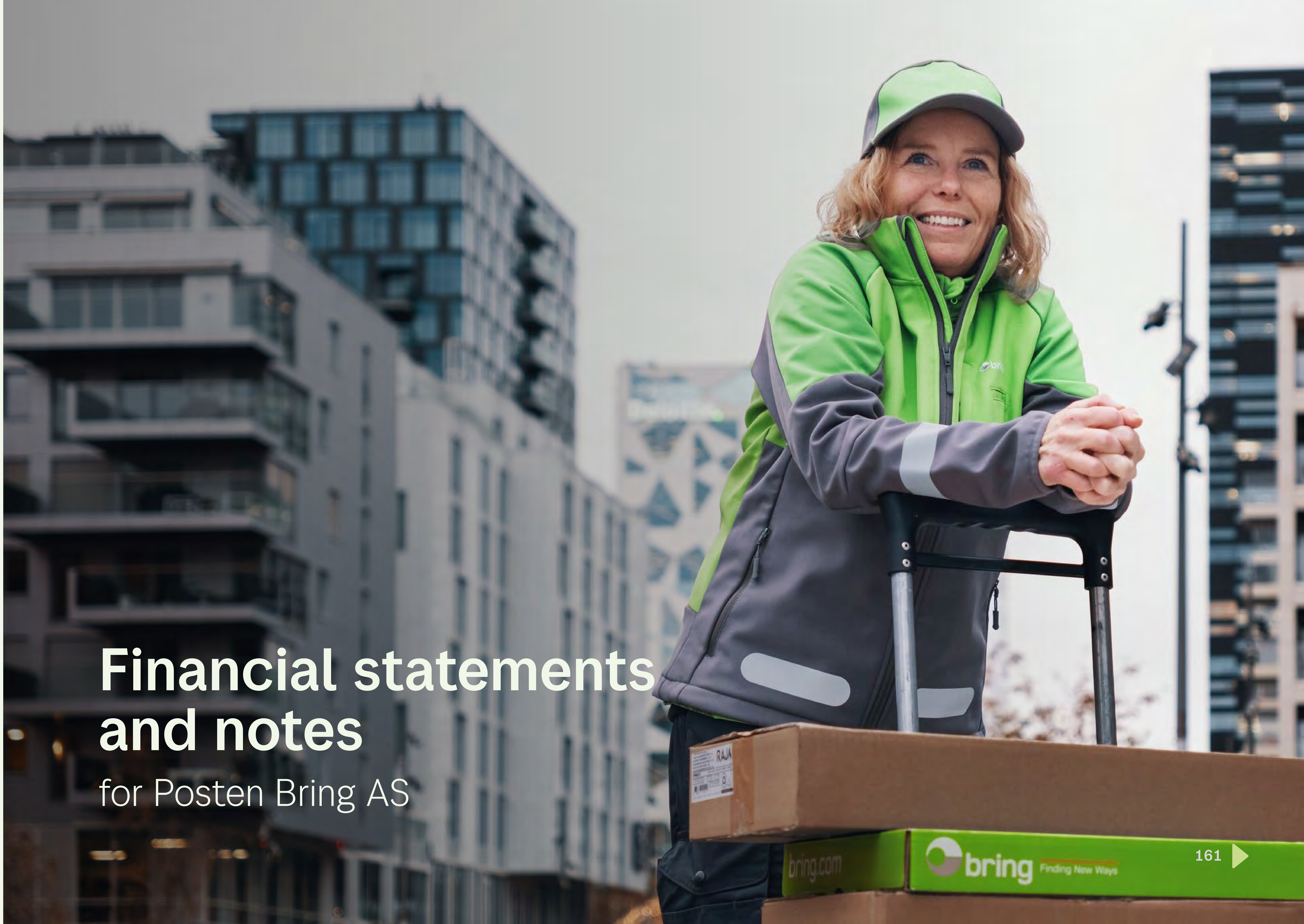
Bring Equipment AS	**Norway**	**Logistics**	**100,0 %**
Bring Cargo International Norge AS	**Norway**	**Logistics**	**100,0 %**
BCI Toll Filial Sverige AB	Sweden	Logistics	100,0 %
Bring Linehaul Bildrift AS	**Norway**	**Logistics**	**100,0 %**
Bring Ventures AS	**Sweden**	**Logistics**	**100,0 %**
Amoi AS	Norway	Logistics	100,0 %
Amoi Sverige AB	*Sweden*	*Logistics*	*100,0 %*
GLOW Technology AS	Norway	Logistics	100,0 %
Bring Ventures AB	**Sweden**	**Logistics**	**100,0 %**
GLOW Technology AB	Sweden	Logistics	100,0 %
Bring Før7 AS	**Norway**	**Logistics**	**100,0 %**
Bring Shelfless Nordic Holding AS	**Norway**	**Logistics**	**100,0 %**
Bring Shelfless Nordic AB	Sweden	Logistics	100,0 %
Bring Shelfless Danmark A/S	Denmark	Logistics	100,0 %
Shelfless Sverige AB	Sweden	Logistics	75,9 %
Bring Shelfless Stockholm AB	*Sweden*	*Logistics*	*100,0 %*
Shelfless Engelholm AB	*Sweden*	*Logistics*	*100,0 %*
Shelfless Habo AB	*Sweden*	*Logistics*	*100,0 %*
Shelfless Rework AB	*Sweden*	*Logistics*	*100,0 %*
Shelfless Communications AB	*Sweden*	*Logistics*	*100,0 %*
Shelfless Jönköping AB	*Sweden*	*Logistics*	*100,0 %*
Shelfless Borås AB	*Sweden*	*Logistics*	*100,0 %*

1)The statement shows the Group's ownership interests in directly owned subsidiaries and the subsidiaries' ownership interests in their directly owned companies.



Financial statements and notes

for Posten Bring AS

INCOME STATEMENT

Amounts in MNOK

	Note	2023	2022
Revenue	1	**13 987**	**12 994**
Costs of goods and services		3 124	3 053
Payroll expenses	2,3	6 810	6 535
Depreciation and amortisation	9,17	1 196	1 024
Impairment	8,9,17	5	4
Other operating expenses	4	2 395	2 522
Operating expenses		**13 530**	**13 139**
Other income/(expenses)	5	(237)	(438)
Operating profit/(loss)		**220**	**(583)**
Financial income	6	841	517
Financial expenses	6	828	474
Net financial income/(expense)		**13**	**43**
Profit/(loss) before tax		**233**	**(540)**
Tax expense	7	50	(166)
Profit/(loss) for the year		**183**	**(375)**

STATEMENT OF COMPREHENSIVE INCOME

Amounts in MNOK

	Note	2023	2022
Profit/(loss) for the year		**183**	**(375)**
Pension remeasurement	3,7	(70)	(1)
Items that will not be reclassified to income statement		**(70)**	**(1)**
Cash-flow hedging	7,20		(17)
Items that will be reclassified to income statement			**(17)**
Other comprehensive income		**(70)**	**(18)**
Total comprehensive income		**113**	**(392)**

BALANCE SHEET

Amounts in MNOK

	Note	31.12.2023	31.12.2022
ASSETS			
Intangible assets	8,9	1 202	1 194
Deferred tax assets	7	218	267
Tangible fixed assets	8,9	1 491	1 340
Right-of-use assets	17	6 952	6 833
Investments in subsidiaries	10	3 247	3 493
Investments in associated companies	10	16	16
Investments in shares	10,12	33	38
Interest-bearing non-current receivables	12,14,17	2 782	1 292
Other financial non-current assets	12,20	3	4
Non-current assets		**15 946**	**14 476**
Interest-free current receivables	12,15,20	2 014	1 857
Interest-bearing current receivables	12,14,17	2 313	3 003
Liquid assets	12,16	1 855	2 592
Current assets		**6 182**	**7 452**
Assets		**22 128**	**21 928**
EQUITY AND LIABILITIES			
Share capital		3 120	3 120
Other equity		1 106	994
Equity		**4 226**	**4 114**
Provisions for liabilities	11	**898**	**887**
Non-current lease liabilities	12,17	7 003	6 860
Interest-bearing non-current liabilities	12,18	3 500	1 111
Interest-free non-current liabilities	12,19,20	28	28
Non-current liabilities		**10 531**	**7 999**
Current lease liabilities	12,17	766	630
Interest-bearing current liabilities	12,18	2 571	5 139
Interest-free current liabilities	11,12,19,20	3 135	3 160
Current liabilities		**6 473**	**8 929**
Equity and liabilities		**22 128**	**21 928**

Oslo, March 21st 2024

Anne Carine Tanum (Chair)

Finn Kinserdal

Liv Fiksdahl

Pål Wibe

Tina Stiegler

Patrik Berglund

Gerd Øiahals

Ann Elisabeth Wirgeness

Tove Gravdal Rundtom

Lars Nilsen

Tone Wille (Group CEO)

CASH FLOW STATEMENT

Amounts in MNOK

	Note	2023	2022
Profit/(loss) before tax		233	(540)
Tax paid in the year	7		(29)
(Gain)/loss from sales of non-current assets and shares		4	1
Ordinary depreciation and impairment	8,9,17	1 201	1 028
impairment of shares in subsidiaries	10	250	79
Dividends received from financial investments	6		(305)
Net interest reclassified from operating activities		216	295
Financial items without cash-effect		23	(29)
Changes in receivables and payables		3	33
Changes in other working capital [1]		(293)	259
Changes in other accruals		(77)	(11)
Cash flows from operating activities [3]		**1 561**	**781**
Investments in non-current assets	8,9	(563)	(614)
Cash-effect from investments of shares	10		(4)
Cash-effect from capital increases	10	(5)	(50)
Proceeds from sale of non-current assets	9	31	5
Cash-effect from sale of shares	10		60
Dividends received from subsidiaries and associated companies	6	5	305
Payments related to sublease receivables [2]	17	32	30
Interest received and return on investments [3]		408	115
Changes in loans to subsidiaries	14	(1 506)	(134)
Cash flows used in investing activities		**(1 596)**	**(287)**
Payment of lease liabilities [2]	17	(728)	(646)
Proceeds from non-current and current debt raised	18	2 500	2 000
Repayment of borrowings	18	(2 710)	(461)
(Decrease)/increase in bank overdrafts	18	111	159
Interest paid [3]		(610)	(384)
Dividend paid			(1 315)
Change in group account balance		735	(606)
Cash flows used in financing activities		**(702)**	**(1253)**
Change in liquid assets		**(737)**	**(759)**
Liquid assets at the start of the year		2 592	3 351
Liquid assets at the end of the year	16	**1 855**	**2 592**

1) In 2022, the recognition of pension obligations in the company was expensed, please refer to note 3 for further information.
2) In 2023, "payments related to sublease receivables" were reclassified from "payment of lease liabilities" under financing activities to investment activities. The comparative figures for 2022 have been adjusted accordingly.
3) Interest received and paid in 2023 were reclassified from operational activities to either investment activities or financing activities. The comparative figures for 2022 have been adjusted accordingly.

The Company prepares the cash flow statement according to the indirect method. Cash flows from investments and financing activities are reported gross, whereas the accounting result is reconciled against net cash flows from operating activities.

STATEMENT OF CHANGES IN EQUITY

The share capital and share premium constitute the paid-in capital in Posten Bring AS.

The hedging reserve includes the total net change in the fair value of the hedging instrument in a cash flow hedge, until the hedged cash flow occurs or is no longer expected to occur.

Transaction costs directly related to equity transactions are recognized directly in equity after deduction for tax.

The shares in the parent company Posten Bring AS are wholly owned by the state through the Ministry of Trade, Industry and Fisheries. Share capital as of December 31, 2023 consisted of 3 120 000 shares with a nominal value of NOK 1 000.

Before the annual dividend is determined, an independent assessment of the financial situation and outlook for the Group and Posten Bring AS is made. The proposed dividend is MNOK 125 for the financial year 2023 (which corresponds to NOK 40,06 per share).

It was decided at the general meeting in May 2023 that no dividend should be paid for the financial year 2022.

Amounts in MNOK

	Share capital	Share premium reserves	Hedging reserve	Retained earnings	Other equity	Total equity
Equity 01.01.2023	**3 120**	**992**	**(23)**	**24**	**994**	**4 114**
Profit/(loss) for the year				183	183	183
Other comprehensive income				(70)	(70)	(70)
Total comprehensive income				**113**	**113**	**113**
Equity 31.12.2023	**3 120**	**992**	**(23)**	**137**	**1 106**	**4 226**

	Share capital	Share premium reserves	Hedging reserve	Retained earnings	Other equity	Total equity
Equity 01.01.2022	**3 120**	**992**	**(6)**	**1 694**	**2 681**	**5 801**
Profit/(loss) for the year				(375)	(375)	(375)
Other comprehensive income			(17)	(1)	(18)	(18)
Total comprehensive income			**(17)**	**(375)**	**(392)**	**(392)**
Dividend				(1 315)	(1 315)	(1 315)
Other changes in equity[1)]				21	21	21
Equity 31.12.2022	**3 120**	**992**	**(23)**	**24**	**994**	**4 114**

1) Gain on transaction with related party at fair value.

Notes for Posten Bring As

General information

Posten Bring AS was established as a company on December 1, 1996, and is today 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 the parent company in the Posten Bring group. Posten Bring is a Nordic mail and logistics group developing and delivering overall solutions within mail, communication and logistics in the Nordics. Posten Bring AS' address is Biskop Gunnerus gate 14A, 0001 Oslo, Norway.

BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of Posten Bring are prepared in accordance with IFRS® Accounting Standards as approved by the EU. Additionally, information is provided in accordance with the Norwegian Accounting Act (regnskapsloven).

The financial statements are primarily based on a historical cost principle, except for certain financial assets and liabilities (including derivatives) which are measured at fair value.

Assets and liabilities are classified as short-term when they are part of the company's normal operating cycle, when they are held primarily for trading purposes, or when the company does not have an unconditional right to defer settlement for at least 12 months. Other items are long-term. Dividends are recognized as a liability only when they have been formally approved by the annual general meeting.

The financial statements are presented in Norwegian kroner (NOK), rounded to the nearest million, unless otherwise stated. As a result of rounding, it may occur that the numbers in one or more lines or columns of the consolidated financial statements do not add up to the total in the line or column.

Functional currency and presentation currency

The financial statements are presented in Norwegian kroner(NOK), which is also the company's functional currency.

ACCOUNTING PRINCIPLES

The group's accounting principles are in all material respects applicable for Posten Bring AS.

Significant accounting principles are listed below and described in the individual notes to the consolidated financial statements. Supplementary information or where accounting principles deviate from the consolidated financial statements are also stated below and incorporated in the individual notes to the financial statements of the parent company.

The accounting principles are marked by P.

Significant Accounting principles	Note Posten Bring group	Note Posten Bring AS	IFRS-standard
Revenue from contracts with customers	Note 2 Revenue		IFRS 15
Pensions	Note 4 Pensions		IAS 19
Taxes	Note 8 Taxes		IAS 12
Impairment of non-financial assets	Note 9 Impairment of Non-Financial Assets		IAS 36
Intangible assets and tangible fixed assets	Note 10 Intangible Assets and Tangible Fixed Assets		IAS 38, IAS 16
Investments in subsidiaries and associated companies		Note 10 Investments in companies and businesses	IFRS 10, IFRS 11, IFRS 12, IAS 28
Provisions for liabilities and contingent liabilities and assets	Note 12 Provisions for Liabilities		IAS 19, IAS 37
Financial instruments	Note 13 Overview of Financial Assets and Liabilities	Note 14 Interest-bearing non-current and current receivables	IFRS 7, IFRS 9, IFRS 13, IAS 32
Accounts receivable	Note 16 Interest-Free Current Receivables		IFRS 7, IFRS 9, IFRS 13, IFRS 15, IAS 32
Cash and cash equivalents	Note 17 Liquid Assets		IFRS 7, IFRS 9, IFRS 13, IAS 7, IAS 32
Leasing	Note 18 Leases	Note 17 Leases	IFRS 16
Borrowings	Note 19 Interest-Bearing Non-Current and Current Liabilities		IFRS 7, IFRS 9, IFRS 13, IAS 32
Derivates and hedging	Note 21 Derivatives and Hedging		IFRS 7, IFRS 9, IFRS 13, IAS 32

Changes in Accounting principles
The company has not changed its presentation, accounting principles, or adopted new standards that significantly affect the financial reporting in 2023 or the comparison with previous periods.

New Accounting Standards
At the time of preparing the financial statements for 2023, there are no changes in standards, interpretations of standards, or issued but not yet effective standards, that are expected to significantly affect the company's financial statements.

USE OF JUDGMENT AND ACCOUNTING ESTIMATES

Areas where management use considerable judgment, where there is significant estimation uncertainty and where climate risk is considered particularly relevant are the same for Posten Bring AS as for the group.

Significant use of judgement and estimation uncertainty is marked with E, and climate risk is marked with C.

The list below summarises assets and liabilities that to a significant degree are based on judgment, estimates and assumptions of the future. These items have an increased risk of significant changes in carrying values during the next financial year. References are also made to the notes in the consolidated financial statements where climate risk has been given special attention.

Asset/Liability	Note Posten Bring Group	Accounting judgements and/or estimates/assumptions
Pension liabilities	Note 4 Pensions	Present value of pension liabilities determined by a number of actuarial assumptions
Deferred tax assets	Note 8 Taxes	Assessment of the amount of deferred tax asset that can be utilised
Intangible assets and tangible fixed assets	Note 9 Impairment of Non-Financial Assets Note 10 Intangible Assets and Tangible Fixed Assets	Present value of future cash flows Assessment of climate risk
Provisions for liabilities	Note 12 Provisions for Liabilities	Calculated provisioning needs based on present obligation and estimated timing of future settlement Assessment of climate risk
Lease liabilities	Note 18 Leases	Assessment of lease period, extension options and discount rate

NOTE 1 REVENUE

	2023	2022[1)]
Parcel services	4 751	4 286
Freight and forwarding	3 766	3 634
Addressed/Unaddressed mail	3 038	3 304
Norgespakke	441	383
Government procurements	1 264	731
Other mail services	262	255
Other services	465	401
Revenue	**13 987**	**12 994**

1) Some reallocations have been made between areas In 2023 and the comparison figures have been restated accordingly.

Accounting principles

Accounting principles concerning revenue from contracts with customers are described in Note 2 Revenue in the financial statements of the Group.

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

The company's revenue was MNOK 13 987 in 2023 with an increase of 7,6 percent compared with 2022.

The company's parcel services mainly include E-commerce parcels and business parcels. The positive revenue development was mainly due to a volume growth in E-commerce.

Freight and forwarding include national groupage and part load deliveries. The positive development was mainly due to price growth within part load deliveries.

Addressed and unaddressed mail are mainly deliveries to people's mailboxes at home. The decline in revenue was mainly due to a decrease in addressed letter volume in line with increased digitalization in society, and that weaker market development has resulted in a significant decrease in the volumes for unaddressed mail.

The Norgespakken shows an increased revenue due to positive volume growth. The growth was driven by high activity from the second-hand trading platforms.

In the government budget for 2023, MNOK 1 176 was granted for government procurement of unprofitable postal services, in accordance with the Posten's pre-calculations. For 2022, Posten received a net payment of MNOK 755 in government procurement of unprofitable postal services. In line with the scheme and the Posten's recalculation, the company has recognised a repayment of compensation of MNOK 88 for 2022 in 2023. A total of MNOK 1 264 (MNOK 731 in 2022) for the government procurement of unprofitable postal services was thus recognized in year 2023. In addition, MNOK 128 (the same as last year in 2022) was recognised from government payment according to a tender contract for newspaper distribution in parts of the country where there are no commercial newspaper distribution networks.

Other services in Mail segment include Digipost, as well as postal services such as franking, stamps and Post in store.

Other services include group-shared functions for all group companies. The company has established group-shared Group staffs responsible for management and professional development within Human resources and Organization, Strategy, Sustainability and Communication, Economy and finance, and Digital Technology and Security. The Group staffs develop and professionalize the professional environments in the group, are driving forces and contribute to realizing the business strategies.

NOTE 2 PAYROLL AND OTHER REMUNERATION

The note shows the Company's salary and personnel costs. Payroll includes all types of remuneration to its own employees and board members in the Company. Information on expensed remuneration to the board and executives, as well as bonus and pension schemes, and statement on the determination of salaries and other remuneration is shown in the Group's annual report on executive salaries available at postenbring.no, as an attachment to the Integrated annual report. In addition, the note shows expensed remuneration to the auditors.

	2023	2022
Salaries	5 437	5 219
Social security tax	738	684
Pension expenses[1)]	468	422
Other benefits	167	210
Payroll expenses	**6 810**	**6 535**
Number of full-time equivalent positions	9 342	9 415
Number of employees 31.12[2)]	9 485	9 537

1) Social security tax on pensions is classified as pension expenses (details in note 3).
2) The number of employees is the number of permanent and temporary employees that generated salary expenses in December. Hired hourly-paid substitutes are not counted in the number of employees but are included in the number of full-time equivalent positions in the row above.

	2023	2022
Board fees	**2 986**	**2 791**
Deloitte		
Fees for the statutory audit[1)]	1 253	
Fees for other attestation services	373	
Fees for tax advisory services		
Fees for other non-audit services		
EY		
Fees for the statutory audit[2)]	758	1 882
Fees for other attestation services	565	1 005
Fees for tax advisory services	76	28
Fees for other non-audit services	90	167
Total auditors' fees	**3 115**	**3 082**

(All amounts in TNOK and exclusive of VAT).
1) Deloitte became the new auditor from July 1, 2023, and the costs apply for this period.
2) EY was the auditor until June 30, 2023, and the costs apply for this period.

NOTE 3 PENSIONS

	2023	2022
Pension costs:		
Present value of the pensions earned for the year	118	112
Net interest expense on net liability	24	7
Gross pension costs incl. social security tax (benefit based)	**143**	**119**
Interest element reclassified to finance items	(22)	(6)
Net pension costs incl. social security tax (benefit based)	**121**	**113**
Defined contribution pension schemes	451	409
Employee contributions	(103)	(100)
Total pension expenses included in the operating profit for the year	**468**	**422**
Defined contribution pension schemes		
Number of members	13 038	13 103
Share of salary	5,9-21,5%	5,9-21,5%
Defined benefit pension schemes		
Number of members	6 485	7 087
Net pension liabilities:		
Estimated accrued secured liabilities	(22)	(23)
Estimated value of the pension assets	22	22
Net estimated secured pension liabilities		
Estimated accrued unsecured pension liabilities	(873)	(817)
Net pension liabilities in balance sheet	**(873)**	**(818)**
Changes in liabilities:		
Net liabilities at 1.1.	(818)	(569)
First-time recognition "Sliterordningen"		(307)
Gross pension expenses	(143)	(119)
Premium payments and benefits paid	178	178
Changes in pension estimates recognised in other comprehensive income	(90)	(1)
Net pension liabilities at 31.12.	**(873)**	**(818)**

P Accounting principles

Accounting principles regarding pensions are described in Note 4 Pensions in the consolidated financial statements. The note also includes information about significant use of judgement and estimation uncertainty.

The company has both defined contribution and defined benefit plans. The defined benefit schemes are predictable for the employee, as the benefits have been agreed in advance. The premium payments depend on factors such as the members' service time, age and salary level. In the contribution schemes, the payments are determined as a percentage of the employee's salary. The size of the pension assets determines how much pension the employee is entitled to, and consequently, the employees bear the return risk on what has been paid into the scheme. More information is available in note 4 in the consolidated financial statements.

	2023	2022
Main categories of pension assets at fair value		
Equity instruments (shares, bonds)	1	1
Debt instruments	15	15
Property	3	3
Other assets	4	3
Total pension assets	**22**	**22**
Pension estimate gain/(loss) at 01.01.	**402**	**403**
Changes in discount rate, pension liabilities	(7)	94
Changes in other financial assumptions, pension liabilities	1	(63)
Changes in demographic assumptions, pension liabilities	(4)	(10)
Changes in other factors, pension liabilities[1)]	(80)	(23)
Changes in other factors, pension assets		
Gain/(loss) for the year in total comprehensive income	**(90)**	**(1)**
Pension estimate gain/(loss) at 31.12.	**312**	**402**
Actuarial assumptions		
Discount rate	3,10%	3,20%
Expected salary regulation	3,50%	3,75%
Expected G regulation	3,25%	3,50%
Expected pension regulation	2,25-3,25%	2,0-3,5%
Expected yield	4,80%	4,90%
Expected voluntary retirement (below 50 years)	2,00%	3,00%
Expected voluntary retirement (over 50 years)	0,50%	1,00%
Expected use of AFP	40-60%	40-60%
Demographic assumptions on mortality rate	K2013	K2013

1) Changes in other factors was affected by salary and pension regulation, the number of pensioners, withdrawal age, and the number of withdrawals.

Defined contribution schemes

The main part of the company's pension costs relates to defined contribution pension and disability pension, which are expensed with the amount paid to the pension provider each year. Employees are deducted from their salary and contribute to the contributions. For 2023, the contribution rates were 5,9 percent for incomes up to 7,1 times the National Insurance basic amount (G) and 21,5 percent for incomes in the range of 7,1 to 12 G. The rates were not changed in 2023. The company also has a disability pension scheme without any paid-up policy earnings, which is accounted for as a defined contribution plan, with benefits corresponding to the maximum allowed under the Occupational Pensions Act.

Multi-enterprise schemes

"AFP" (early retirement) scheme in private sector

The company has an AFP scheme administered by Fellesordningen (the joint scheme) for AFP. The scheme entails that employees receive a supplement to their pension as a lifelong benefit. The benefit can be taken from the age of 62, even while remaining employed. The AFP scheme is a defined benefit multi-company scheme financed by premiums determined as a percentage of the salary, in addition to a state contribution. For the time being, however, there is inadequate information available to measure the pension obligation in a reliable manner as it cannot be allocated between the participating enterprises. The scheme is therefore accounted for as a contribution plan.

According to the AFP scheme's annual report for 2022, the scheme's pension fund amounted to approximately NOK 56,7 billion as at 31 December 2022. Income through premiums in 2022 was NOK 8,3 billion whilst payments amounted to approximately NOK 4,3 billion. The premium to Fellesordningen was 2,6 percent of the employees' salary in 2022 and 2023. The premium increased to 2,7 percent from 1 January 2024. The total premium for the parent company in 2023 was MNOK 92 and is estimated to be MNOK 90 in 2024. In the past years, the parent company's share has been 1,1 percent of Fellesordningen's total income from premiums.

"Sliterordningen" (early retirement supplement) in Spekter (SO Spekter)

SO Spekter's objective is to give the employees in the member firms an additional monetary benefit (a so-called "sliter" supplement) if they retire to collect contractual early retirement (private AFP) at the age of 62, 63 or 64 years without any additional earned income. The sliter supplement is available to employees born in 1957 or later and ends at the age of 80 or on death.

The background for the sliter supplement is that the life expectancy adjustment in the National Insurance Scheme has a stronger effect than expected. Some employees cannot compensate for this by remaining in their job because it is not possible for them or their health does not allow it. The sliter supplement is meant as a compensation for this group of employees. The background of SO Spekter is the Wage Agreement between the the Norwegian Confederation of Trade Unions (LO), the Confederation of Vocational Unions (YS) and the Confederation of Norwegian Enterprises (NHO) in 2018, where such a sliter scheme was agreed. In the collective wage agreements concerning member firms in Spekter with private AFP, a corresponding scheme was agreed. SO Spekter was then established with effect from 1 January 2019.

The size of the sliter supplement varies depending on year of birth and age at the collection date. A full annual benefit is provided when retiring at 62 years, for those born in 1963 or later and amounts to 0,25 G (the base amount of the National Insurance Scheme). The annual benefit is reduced by a third for each year until retirement at 64 years. Retirement at a later age does not qualify for any benefit.

It is uncertain how long the scheme will last. In the scheme concerning the LO/YS area, only limited capital is available, and it is assumed that when the LO/YS scheme ends, the Spekter scheme will also be closed. On the basis of available capital and withdrawal frequency so far, Posten has estimated that those born in 1973 will be the last to benefit. This assumption is made annually on the basis of how many applicants there are to the sliter benefit in the various schemes.

Defined benefit schemes

The majority of the company's defined benefits schemes relate to the fact that Posten Bring AS withdrew from the Norwegian Public Service Pension Fund on 1 January 2006, giving those employed at the transition date the right to various compensation schemes. These schemes were closed on that date, implying that the obligations will be phased out over time. At the implementation of the pension reform from 2011, three new compensation schemes were agreed, recognised as obligations in the balance sheet. The company also has significant obligations related to salaries in excess of 12 G. Pension obligations related to salaries exceeding 12 and early retirement are financed by operations. The pension funds in the scheme are managed by life insurance companies.

Assumptions

Changes have been made to the financial assumptions in 2023, mainly in accordance with recommendations from the Norwegian Accounting Standards Board (NRS). The assumptions as of 31 December 2023 were applied in the Norwegian companies' calculation of pension obligations. Posten Bring AS uses covered bonds (OMF) as its basis for the discount rate, set to 3,1 percent in 2023 (3,2 percent in 2022.)

The estimate deviation of MNOK -90 for 2023 was mainly due to higher rates for salary and pension regulation, more actual withdrawals than expected, an increased number of pensioners compared to last year's expectation, and a lower discount rate. The estimate deviation in 2022 was mainly due to higher discount rate, partly offset by higher rates for salary and pension regulations and an increased number of new pensioners compared with last year's expectation. The pension age for the Norwegian employees is generally 67 years.

Inflation and salary growth risk

The company's pension obligation has risk related to both inflation and salary development, even though the salary development is closely connected to inflation. The assumptions applied in the calculation of the company's pension obligations were basically in line with the recommendations from Norsk RegnskapsStiftlese (NRS). The longterm inflation component was estimated to approximately 2,25 percent. According to NRS, however, there is a high degree of uncertainty related to the determination of this due to the lack of precise market data. Higher inflation and salary development than the basis of the pension calculations imply increased obligations for the company.

Sensitivity
The table below shows estimated effects of changes in some assumptions for defined benefit pension schemes. The estimates are based on facts and circumstances at 31 December 2023 with the assumption that all other premises are unchanged. The actual figures can deviate from these estimates.

	Discount rate		G-regulation		Inflation		Salary regulation		Voluntary retirement	
Change (percentage points)	1%	(1%)	1%	(1%)	1%	(1%)	1%	(1%)	1%	(1%)
Change in gross pension liabilities (reduction)/increase	(66)	77	64	(56)	9	(7)	6	(6)	(8)	5
Percentage change	(8%)	9%	8%	(7%)	1%	(1%)	1%	(1%)	(1%)	1%

Expected premium payments and disbursements related to the company's pension schemes amount to MNOK 72 in 2024. The weighted average duration of the company's pension obligation as at 31 December 2023 is 27 years and has the following expected maturity structure (undiscounted amounts):

	Amount	Percentage
Under 1 year	72	8%
1-2 years	66	7%
2-3 years	62	7%
3-4 years	57	6%
More than 4 years	638	71%
Total	**895**	**100%**

NOTE 4 OTHER OPERATING EXPENSES

Other operating expenses are costs not directly related to the sale of goods and services or salaries and personnel costs.

	2023	2022
IT services	1 057	1 029
Cost of premises 1)	358	466
Other external services	260	312
Marketing	134	132
Repair and maintenance of equipment	122	106
Tools, fixtures, operating materials	101	113
Insurance, guarantee and compensation expenses	63	63
Short term leasing of machine and equipment 1)	58	57
Travel expenses	49	48
Other expenses	193	197
Other Operating expenses	**2 395**	**2 522**

1) Includes cost for short term leasing and leasing of low value assets.

The increase in IT services costs was mainly due to increased IT license costs driven by increased price and more users, higher costs related to business improvements of systems, somewhat counteracted by fewer ongoing projects and lower data communication costs.

The change in costs of premises was mainly due to reduced energy prices.

The reduction in other external services was due to less use of external consultants and temporary services, as a result of a planned strategy and cost reduction in 2023.

Other costs mainly consisted of group shared costs, telephone costs, office and IT supplies, accounting and payroll services, freight costs, member fees, and losses on receivables.

NOTE 5 OTHER INCOME/(EXPENSES)

Other income and other costs are significant income and costs that are outside the Group's normal operations and are considered to have limited predictive value. This includes restructuring costs, impairments of shares and profit and loss on the sale of fixed assets and subsidiaries among other things. Please refer to Note 11 Provisions for Liabilities for more information.

	2023	2022
Restructuring expenses	13	(36)
Impairment of shares in subsidiaries	(250)	(79)
Other income/(expenses)		(322)
Total other income/(expenses)	**(237)**	**(438)**

Restructuring costs
The restructuring costs in 2023 were mainly related to reversed provisions for earlier closure of post offices and the relocation of letter production and route preparation from Bodø and Tromsø to Østlandsterminalen. The reversal was mainly due to change of withdrawal rate from the preliminary estimation. Restructuring costs in 2022 were mainly restructuring costs for moving letter production and route preparation from Bodø and Tromsø to Østlandsterminalen, effective from April 1, 2023.

Total provisions for restructuring costs are shown in Note 11 Provisions for Liabilities.

Impairment of shares in subsidiaries
Impairment of shares in subsidiaries in 2023 concerned the subsidiaries Posten and Bring Holding 2 AS (MNOK 145), Posten and Bring Holding 1 AS (MNOK 96), Bring Ventures AB (MNOK 3) and Bring Ventures AS (MNOK 5).

In 2022, shares in subsidiaries Bring Shelfless Nordic Holding AS (MNOK 50), Posten & Bring Holding 2 AS (MNOK 24) and Espeland Transport AS (MNOK 5) were written down.

Note 10 Investments in Companies and Businesses has more information on impairment of shares in subsidiaries.

Other Costs
Other costs in 2022 were mainly related to the recognition of pension liabilities ("Sliterordningen" which was determined in the wage agreement in 2018).

NOTE 6 FINANCIAL INCOME/(EXPENSES)

The note provides an overview of the Company's financial income and expenses, including income and expenses related to the Company's financing, interest costs on lease liabilities, currency translation effects from receivables and debt in foreign currencies, as well as gains and losses from financial derivatives. Note 13 Overview of Financial Assets and Liabilities has more information.

	2023	2022
Interest income from group companies	243	101
Interest income	28	5
Interest income on financial subleases	9	9
Currency gains	39	29
Gain on values of shares		29
Gain on derivatives		26
Gain on loans at fair value through profit and loss[1)]	79	11
Dividends received from subsidiaries	12	305
Group contributions received from subsidiaries	300	
Other financial income	130	2
Financial income	**841**	**517**
Interest expenses to group companies	90	29
Interest expenses	219	104
Interest expenses on group lease liabilities	232	208
Interest expenses on lease Liabilities	83	69
Currency losses	52	34
Loss on derivatives	125	12
Other financial expenses	26	18
Financial expenses	**828**	**474**
Net financial income/(expense)	**13**	**43**

1) Change in value on loans in Japanese yen where the "fair value option" has been applied, corresponds to value changes in combined interest rate and currency swaps recognised as «Loss on derivatives». Note 20 has more information.

Interest income from group companies was mainly related to loans and group cash pool. Increased interest income was due to higher lending, in addition to a higher average NIBOR interest rate in 2023 compared with 2022. Interest income in 2023 consisted of interest on bank deposits. Interest income on financial sublease is described in Note 17 Leases.

Dividends received concerned dividends from the subsidiary Y3 Gruppen AS. Group contributions received were mainly from real estate companies, in addition to Bring Courier & Express AS, Bring Cargo AS and Bring Equipment AS. Other financial income consisted mainly of returns on money market funds. The return increased significantly in 2023, as a consequence of the rise in financial markets.

Interest expenses concerned financing. Higher interest expenses compared to last year were due to a higher average NIBOR interest rate in 2023 compared with 2022. In 2023, it included interest expenses on pension liabilities which amounted to MNOK 22 for the company (MNOK 6 in 2022). Interest expenses on lease liabilities are described in Note 17 Leases. Other financial expenses consisted mainly of bank fees, guarantee and commission expenses.

Net currency losses, gains on loans at fair value and losses on derivatives were mainly due to the development in exchange rate of the Norwegian krone, as well as the settlement of a combined interest and currency swap related to loans in Japanese yen in 2023. Note 20 Derivatives and hedging relationships has more information.

Note 14 Financial Risk and Capital Management in the Group's financial statements has more information as well.

NOTE 7 TAXES

The note details the authorities' taxation of the Company.

Accounting principles

Accounting principles concerning tax are described in note 8 in the group financial statements. The note also includes information on significant use of judgment and estimation uncertaintly.

	2023	2022
Income tax		
Tax payable	(18)	
Change in deferred tax/(deferred tax assets)	68	(166)
Tax expense	**50**	**(166)**
Årets betalbare skatt		
Adjustments of payments in previous years	(18)	
Tax payable	**(18)**	
Effective tax rate in %	**22%**	**31%**
Reconciliation of the effective tax rate with the Norwegian tax rate:		
Profit/(loss) before tax	233	(540)
22% tax	51	(119)
Impairment of shares in subsidiaries	55	17
Other non-deductible expenses	1	13
Non-taxable dividend	(3)	(67)
Non-taxable income		(9)
Adjustment previous years	(54)	(1)
Tax expense	**50**	**(166)**

	2023	2022
Changes in pension estimate	(20)	
Cash flow hedging		(5)
Change in deferred tax recognised in comprehensive income for the year	**(20)**	**(5)**

The effective tax rate ended at 22 percent. Posten Bring AS did not have a deductible impairment of shares amounting to MNOK 250 (tax effect of MNOK 55). In a review of the group's tax positions, missing tax depreciations related to business transfers from 2015 and 2016 were discovered. This was corrected and recognized in 2023, reducing the tax expense and the effective tax rate.

Changes in deferred tax assets

	01.01.2023	Recognised in income statement	Recognised in OCI	31.12.2023
Tangible fixed assets	100	(8)		92
Gains and losses account	7	(1)		5
Receivables	49	13		61
Pensions	(180)	8	(20)	(192)
Contribution fund	19	(5)		15
Provisions	(10)	9		(1)
Financial instruments	(3)	(5)	(0)	(9)
Lease agreements	(145)	(35)		(180)
Tax losses carried forward	(104)	93		(11)
Total deferred tax assets in the balance sheet	**(267)**	**68**	**(20)**	**(218)**

	01.01.2022	Recognised in income statement	Recognised in OCI	31.12.2022
Tangible fixed assets	84	16		100
Gains and losses account	4	2		7
Receivables	54	(5)		49
Currency	(125)	(55)		(180)
Pensions	18	1		19
Contribution fund	(4)	(6)		(10)
Provisions	1		(5)	(3)
Financial instruments	(129)	(16)		(145)
Lease agreements		(104)		(104)
Total deferred tax assets in the balance sheet	**(96)**	**(166)**	**(5)**	**(267)**

The deferred tax asset was reduced by MNOK 49. The reduction was mainly due to the utilization of the tax losses carried forward from 2022.

NOTE 8 IMPAIRMENT OF NON-FINANCIAL ASSETS

The table below summarizes the impairment of non-financial assets recognized in the company's financial statements.

	2023	2022
Other intangible assets	5	3
Fixed assets		1
Impairment of non-financial assets	**5**	**4**

Impairment of goodwill
Annual impairment tests of cash-generating units or groups of cash-generating units with allocated goodwill were carried out during the fourth quarter of 2023 and 2022. Posten Bring AS had goodwill of MNOK 522 as of December 31, 2023 (MNOK 522 in 2022), and it was entirely related to E-commerce and logistics.

Based on the criteria described below, no need for impairment of goodwill was identified in 2023 (similarly in 2022).

Forecasts
The economic conditions in Norway are important drivers for growth and profitability for E-commerce and logistics. Weakened purchasing power is expected to affect the demand for logistics services from both the private and business market going forward. Furthermore, margins will be pressured due to falling activity in combination with a significantly higher cost level for the transport industry. This was taken into account in the division's forecasts.

The company has assessed the margins used as reasonable in relation to the industry the division operates in.

Sensitivity Analyses
Analyses related to the sensitivity in key assumptions for the cash-generating unit in the company were carried out. Assumptions analyzed were the required rate of return(increase of 0,5 and 1,0 percentage points), cash flow in the projection period (reduction of 10 and 25 percent) and growth (reduced from 2,0 to 0 percent). No need for impairment was identified by changing any of the assumptions. The value in use is considered to be significantly higher than the carrying value for the cash-generating unit.

Scenario Analysis of Climate Risk
Climate risk can cause significant changes in assumptions underlying the assessment of impairment of assets. Therefore, the company has carried out scenario analysis to assess whether climate risk can constitute an indicator of impairment. Although the uncertainty is considerable, the company has at a high level assessed the monetary consequences for two scenarios in the short, medium and long term. The outcome of the analysis indicates that climate risk could have a negative impact on cash flows in the cash-generating unit, but still not to such an extent that it indicates a need for impairment. See also Group Note 9 Impairment of Non-Financial Assets for further information.

Impairment of Other Assets with Indefinite Life
Annual impairment tests of projects under development were carried out during the fourth quarter of 2023 and 2022. The tests showed no indications of a need for impairment.

Impairment of Other Assets with definite useful life
The Group has also performed tests of impairment needs for other cash-generating units and individual assets when there are indications of impairment.

Intangible assets with a definite useful life were written down by MNOK 5 in 2023 (MNOK 3 for 2022).

Climate stranded assets
An assessment was made as to whether the company has assets that are exposed to significant climate risk ("stranded assets"). The company has not identified effects that affected the value of fixed assets or the need to change the remaining useful life or depreciation profile in 2023 (see Note 9 Intangible Assets and Tangible Fixed Assets).

Overview of goodwill and key assumptions:		Long-term growth rate		Pre-tax discount rate (WACC)	
	Goodwill	2023	2022	2023	2022
E-commerce and logistics	522	2,0 %	2,0 %	9,8 %	9,7 %
Total	**522**				

Accounting principles

Accounting principles regarding the impairment of non-financial assets are described in note 9 in the Group's financial statements. The note also includes information about significant estimation uncertainty and assessment of climate risk.

NOTE 9 INTANGIBLE ASSETS AND TANGIBLE FIXED ASSETS

Accounting principles

Accounting principles regarding intangible assets and tangible fixed assets are described in note 10 of the Group's financial statements. The note also includes information about the assessment of climate risk.

	IT systems	IT-projects in progress	Goodwill	Total tangible assets	Machinery	Veicles, furniture, equipment	Buildings and property	Plant under constr. machinery and installations	Plant under constr. Buildings	Total fixed assets
Carrying amount 01.01.2023	**404**	**268**	**522**	**1 194**	**583**	**495**	**60**	**190**	**12**	**1 340**
Additions	33	132		165	2	169	22	165	24	382
Additions in-house developed intangible assets		15		15						
Disposals		(31)		(31)						
Depreciation	(136)			(136)	(80)	(138)	(13)			(231)
Impairment	(5)			(5)						
Cost price adjustment/ scrapping						2	(2)			
Transfers	193	(193)			1	81	7	(82)	(7)	
Carrying amount 31.12.2023	**489**	**191**	**522**	**1 202**	**506**	**608**	**75**	**273**	**29**	**1 491**
Cost 01.01.2023	2 309	268	522	3 098	1 279	1 167	139	190	12	2 787
Accumulated depreciation and impairment 01.01.2023	(1 905)			(1 905)	(696)	(672)	(79)			(1 448)
Cost 31.12.2023	2 428	191	522	3 141	1 266	1 326	164	273	29	3 058
Accumulated depreciation and impairment 31.12.2023	(1 939)			(1 939)	(760)	(717)	(89)			(1 567)
Carrying amount 31.12.2023	**489**	**191**	**522**	**1 202**	**506**	**608**	**75**	**273**	**29**	**1 491**
Depreciation method	Linear				Linear	Linear	Linear			
Estimated useful lives	3 - 10 years				3 - 20 years	3 - 15 years	3 - 20 years			

	IT systems	IT-projects in progress	Goodwill	Total tangible assets	Machinery	Veicles, furniture, equipment	Buildings and property	Plant under constr. machinery and installations	Plant under constr. Buildings	Total fixed assets
Carrying amount 01.01.2022	**276**	**320**	**522**	**1 118**	**548**	**442**	**52**	**95**	**2**	**1 139**
Additions	12	176		188	30	83	17	272	12	414
Additions in-house developed intangible assets		12		12						
Disposals	(10)			(10)	(2)	(1)	(1)			(4)
Depreciation	(110)			(110)	(75)	(125)	(9)			(209)
Impairment	(3)			(3)						(1)
Transfers	240	(240)			81	97	2	(178)	(2)	
Carrying amount 31.12.2022	**404**	**268**	**522**	**1 194**	**583**	**495**	**60**	**190**	**12**	**1 340**
Cost 01.01.2023	2 220	437	522	3 178	1 348	1 093	133	95	2	2 670
Accumulated depreciation and impairment 01.01.2023	(1 944)	(116)		(2 060)	(799)	(651)	(81)			(1 532)
Cost 31.12.2023	2 298	285	522	3 105	1 279	1 167	139	190	12	2 787
Accumulated depreciation and impairment 31.12.2023	(1 894)	(17)		(1 911)	(696)	(672)	(79)			(1 448)
Carrying amount 31.12.2023	**404**	**268**	**522**	**1 194**	**583**	**495**	**60**	**190**	**12**	**1 340**
Depreciation method	Linear				Linear	Linear	Linear			
Estimated useful lives	3 - 10 years				3 - 20 years	3 - 15 years	3 - 20 years			

Intangible assets
Intangible assets are non-physical assets and mainly relate to IT development carried in the balance sheet, including customized software, as well as goodwill in connection with the acquisition of businesses. See note 10 in the Group's financial statements.

Additions IT-systems
Of the total access of MNOK 33, approximately MNOK 12 was an investment related to Digipost.

Additions projects in progress
Of the total access of MNOK 147, approximately MNOK 93 was an investment in the production support system and MNOK 49 concerned the Group's common ERP and HR system.

Goodwill
There were no accessions or disposals in 2023 (similarly in 2022). For further information on acquisitions, see note 23 in the Group's financial statements.

Tangible fixed assets
Tangible fixed assets represent various types of operating assets that are necessary for the company's operations. The largest values are represented by equipment associated with mail and logistics terminals. For more information, refer to note 10 in the Group's financial statements.

Addition tangible fixed assets
Of the total access of MNOK 382 in 2023, approximately MNOK 49 was an investment in new parcel boxes and MNOK 151 in sorting machines. The remainder mainly concerned the reconstruction of rented premises, IT equipment, transport equipment, and furniture.

Climate stranded assets
An assessment has been made as to whether the company has assets that are exposed to significant environmental risk or climate risk ("stranded assets"). The review in 2023 (similarly in 2022) did not identify effects that affected the value of fixed assets (see note 8) or the need to change the remaining lifetime or depreciation profile.

NOTE 10 INVESTMENTS IN COMPANIES AND BUSINESSES

Investments in subsidiaries

Subsidiary	Acquired/ established	Address	Primary activity	Voting- and ownership 31.12.23	Carrying value 31.12.23	Carrying value 31.12.22
Bring Cargo AS	10.06.2004	Oslo	Transport	100%	1 137	1 137
Posten Eiendom Robsrud AS	08.06.2006	Oslo	Property	100%	480	480
Posten & Bring Holding 1 AS	07.10.2019	Oslo	Transport	100%	449	546
Posten & Bring Holding 2 AS	07.10.2019	Oslo	Courier and Express	100%	368	513
Bring Cargo International AB	23.03.2011	Sweden	Transport	100%	233	233
Bring Parcels AB	1999/2008	Sweden	Transport	100%	91	91
Y3 Gruppen AS	31.07.2016	Oslo	Dialouge services	100%	87	87
Bring Mail Nordic AB	01.09.2005	Sweden	Mail	100%	86	86
Bring Warehousing AS	12.04.2000	Oslo	Third-party logistics	100%	62	62
Posten Eiendom Alnabru AS	01.01.2008	Oslo	Property	100%	57	57
Bring Ventures AS	04.02.2021	Oslo	Venture	100%	45	50
Posten Bring Bildrift AS	30.06.2016	Oslo	Transport	100%	44	44
Bring Intermodal AS	2000/2009	Jaren	Transport	100%	37	37
Bring Cargo International Norge AS	24.09.2019	Oslo	Transport	100%	30	30
Bring Express Suomi OY	01.07.2003	Finland	Express	100%	16	16
Bring Equipment AS	31.10.2019	Oslo	Transport	100%	10	10
Bring Linehaul Bildrift AS	31.05.2020	Oslo	Transport	100%	7	7
Bring Ventures AB	31.12.2020	Sweden	Venture	100%	7	5
Bring Shared Services AB	07.06.2011	Sweden	Shared services	100%	1	1
Posten Eiendom AS	08.06.2006	Oslo	Property	100%		
Posten Eiendom Bodø AS	04.05.2015	Oslo	Property	100%		
Posten Eiendom Molde AS	04.05.2015	Oslo	Property	100%		
Bring Før7 AS	11.04.2021	Oslo	Transport	100%		
Bring Cargo International A/S	18.11.2010	Denmark	Transport	100%		
Bring Cargo Inrikes AB	30.11.2012	Sweden	Transport	100%		
Bring AS	08.03.2005	Oslo	None	100%		
Bring Shelfless Nordic Holding AS	01.08.2021	Oslo	Warehousing	100%		
Total investments in subsidiaries					**3 247**	**3 493**

Accounting principles

In accordance with IAS 27, Posten Bring AS's investments in subsidiaries and associated companies are accounted for at historical acquisition cost.

If there are indications of a decrease in value, a test for impairment needs for the investments is conducted. An impairment need exists if the carrying value exceeds the recoverable amount. The recoverable amount is the highest of the fair value of net assets less sales costs and the utility value of net assets, where utility value is the present value of estimated cash flows related to future use.

Capital contributions and impairment

In cases where the carrying value of shares exceeded the utility value of net assets in a defined cash-generating unit, impairments were carried out.

When assessing impairment, cash-generating units are determined. It is considered that the Swedish business owned by Posten and Bring Holding 1 AS is allocated to the same cash-generating unit as Parcels AB, and these are therefore tested together for impairment. Otherwise, the cash-generating units represent the investments (companies) and their subsidiaries.

Capital contributions were given to certain companies that were recorded as an addition to the investment. The overview below shows impairments and capital contributions in 2023 and 2022.

2023	Impairment	Capital contribution
Bring Ventures AB	3	5
Bring Ventures AS	5	
Posten og Bring Holding 1	145	
Posten og Bring Holding 2	97	
Total	**250**	**5**

2022	Impairment	Capital contribution
Posten & Bring Holding 2 AS	24	
Espeland Transport AS	5	
Bring Shelfless Nordic Holding AS	50	50
Total	**79**	**50**

The impairment in Posten and Holding 1 AS was mainly due to reduced utility value for the Home Delivery business.

The impairment in Posten and Holding 2 AS was mainly due to reduced utility value for the Bud and Express business.

Investments in associated companies

	Acquired	Address	Primary activity	Voting and ownership 31.12.23	Carrying value 31.12.23	Carrying value 31.12.22
Norbjørn AS	17.12.2019	Tromsø	Sea transport	34%	16	16
Total					**16**	**16**

Investments in other shares

As of December 31, 2023, Posten Bring AS had investments in other shares totaling MNOK 33 (MNOK 38 in 2022).

NOTE 11 PROVISIONS FOR LIABILITIES

The company's provisions consist of provisions related to restructuring, pensions, and other types of provisions.

2023	Restructuring	Pension	Other	Total
Balance 01.01.	**87**	**818**	**5**	**910**
Provisions made during the year				
Reversal of previous year's provisions	(13)			(13)
Provisions utilised during the year	(33)		(1)	(34)
Change in pension liabilities during the year		55		55
Balance 31.12.	**41**	**873**	**4**	**918**
Current part of provisions	20			20
Non-current part of provisions	21	873	4	898

2022	Restructuring	Pension	Other	Total
Balance 01.01.	**87**	**569**	**9**	**665**
Provisions made during the year	36			36
Reversal of previous year's provisions	13			13
Provisions utilised during the year	(50)		(5)	(55)
Change in pension liabilities during the year		249		249
Balance 31.12.	**87**	**818**	**5**	**909**
Current part of provisions	22			22
Non-current part of provisions	64	818	5	887

Restructuring
Reversed provisions in 2023 of MNOK 13 were primarily related to refunded restructuring costs for the relocation of letter production and route preparation from Bodø and Tromsø to the Østlandsterminalen, as well as the closure of post offices. The refund was largely due to a changed withdrawal rate from previously estimated. The provision used throughout the year mainly constituted payments in connection with the relocation of route preparation, as well as reduced distribution frequency of MNOK 18, closure of post offices of MNOK 6, and staff support downsizing with MNOK 4.

Accounting principles

Accounting principles regarding provisions for liabilities and contingent liabilities and assets are described in note 12 of the Group's financial statements. The note also includes information about significant use of judgment, estimation uncertainty, and assessment of climate risk.

The liabilities as of 31 December are specified below:

	2023	2022
Personnel related measures	41	87
Other measures		
Total wrestructuring	**41**	**87**

It is expected that the payments will be distributed as follows:

Restructuring provision expected settled:	
0-1 years	20
1-2 years	11
2-3 years	5
3-4 years	3
Over 4 years	2
Total restructuring provisions	**41**

Pension
Pensions are further described in note 3.

Disputes
The company has not registered any dispute cases with significant risk exposure in 2023.

NOTE 12 OVERVIEW OF FINANCIAL ASSETS AND LIABILITIES

The note gives an overview of the classification of the Company's financial assets and liabilities and their carrying amount.

The tables below are the basis for further information about financial assets and liabilities with references to the relevant notes. In addition to showing the classification in categories pursuant to IFRS 9, the tables also show at which level the Company's financial instruments at fair value were assessed.

Information on fair value
No financial assets or liabilities have been reclassified in 2023 in such a way that the valuation method changed from amortised cost to fair value, or vice versa. There were no transfers between level 1 and level 2 of fair value measurements in 2023, and no registrations of financial assets or liabilities on level 3 in 2023.

Fair value of financial instruments measured at amortised cost in the balance sheet
The fair value of receivables and other financial liabilities at 31 December 2023 was approximately the same as carrying value (amortised cost).

Accounting principles

Accounting principles concerning financial instruments are described in note 13 in the group accounts.

2023	Note	Valuation hierarchy level	At fair value: Fair value over income statement[1]	At fair value: Derivatives at fair value over income statement	At fair value: Derivatives at fair value over OCI	At amortised cost: Receivables	At amortised cost: Other financial liabilities	31.12.2023
Shares and other investments	10	2	33					33
Interest-bearing non-current receivables	14					2 782		2 782
Other financial non-current assets	21	2			1	2		3
Interest-free current receivables	15, 20	2		2		2 012		2 014
Interest-bearing current receivables	14					2 313		2 313
Liquid assets	16	1,2	1 835			20		1 855
Financial assets								**10 835**
Liabilities								
Non-current lease obligations	17						7 003	7 003
Interest-bearing non-current liabilities	18						3 500	3 500
Interest-free non-current liabilities	19	2			28			28
Current lease obligations	17						766	766
Interest-bearing current liabilities	18						2 571	2 571
Interest-free current liabilities, incl. tax payable	8, 19	2		15			3 120	3 135
Financial liabilities								**17 004**
Total value hierarchy level 1 (net)			1 835					1 835
Total value hierarchy level 2 (net)			33	(13)	(27)			(6)
Total value hierarchy level 3 (net)								

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2022	Note	Valuation hierarchy level	At fair value: Fair value over income statement[1]	At fair value: Derivatives at fair value over income statement	At fair value: Derivatives at fair value over OCI	At amortised cost: Receivables	At amortised cost: Other financial liabilities	31.12.2022
Shares and other investments	10	2	38					38
Interest-bearing non-current receivables	14					1 292		1 292
Other financial non-current assets	21	2			1	3		4
Interest-free current receivables	15, 20	2		90		1 767		1 857
Interest-bearing current receivables	14					3 003		3 003
Liquid assets	16	1,2	2 581			10		2 592
Financial assets								**8 786**
Liabilities								
Non-current lease obligations	17						6 860	6 860
Interest-bearing non-current liabilities	18						1 111	1 111
Interest-free non-current liabilities	19	2			28			28
Current lease obligations	17						630	630
Interest-bearing current liabilities	18	2	377				4 762	5 139
Interest-free current liabilities, incl. tax payable	8, 19	2		1			3 159	3 160
Financial liabilities								**16 928**
Total value hierarchy level 1 (net)			2 581					2 581
Total value hierarchy level 2 (net)			(339)	90	(26)			(276)
Total value hierarchy level 3 (net)								

1) Includes fair value option for interest-bearing current liabilities.

NOTE 13 FINANCIAL RISK AND CAPITAL MANAGEMENT

Posten Bring AS has a centralised finance function with the principal objective of securing the Group's financial flexibility, as well as monitoring and managing financial risk.

The Group's note 14 describes the Group's financial risks and applies to Posten Bring AS, including market risk (currency and interest rate risk), credit risk and liquidity risk. The Company uses derivatives to reduce market risk, and note 20 provides detailed information about derivatives and hedging.

NOTE 14 INTEREST-BEARING NON-CURRENT AND CURRENT RECEIVABLES

The note gives an overview of the Group's interest-bearing non-current and current receivables, including sublease receivables. Information on the Company's lease agreements is included in Note 17 Leases. Note 12 Overview of Financial Assets and Liabilities has more information.

Accounting principles

The financing of and loans to the Company's subsidiaries are measured at amortised cost, and the Company provides for credit losses.

The Company recognises either the next 12 months' expected losses or expected losses over the lifetime if there has been a significant increase in credit risk after the initial recognition of the financial asset. The assessment of a change in credit risk is made for each reporting period. Risk drivers for internal loans may be short-term and repeated defaults, the development of the utilisation of the group account and delayed instalments payment.

	2023	2022
Non-current loans to group companies	2 509	1 072
Non-current sublease receivables	263	210
Other non-current receivables	10	10
Interest-bearing non-current receivables	**2 782**	**1 292**
Current loans to group companies	2 217	2 883
Current sublease receivables	25	25
Other current receivables	71	95
Interest-bearing current receivables	**2 313**	**3 003**

Interest-bearing non-Current and current receivables consisted mainly of loans from Posten Bring AS to other group companies. Note 22 Related Parties provides more information.

The change in non-Current loans to group companies from 2022 to 2023 was mainly due to a net increase in lending of MNOK 1 401 to Posten Bring's real estate companies. Posten Bring AS has provided MNOK 3 for losses on non-Current loans to group companies (MNOK 2 in 2022).

The Company's current loans to group companies consisted of receivables related to the group cash pool, as well as the part of non-Current receivables that are due within one year.

The Company's other interest-bearing current receivables consisted mainly of prepayments to deposit and premium funds in Storebrand.

NOTE 15 INTEREST-FREE CURRENT RECEIVABLES

The note provides an overview of the Company's interest-free current receivables, including accounts receivables. The ageing of account receivables and provision for losses on accounts receivables are also shown.

	2023	2022
Accounts receivable	1 177	1 136
Receivables from group companies	189	185
Accrued income	321	231
Prepaid expenses	257	169
Receivables from employees	2	3
Short-term derivatives	2	90
Other receivables	66	44
Interest-free current receivables	**2 014**	**1 857**
Accounts receivable by due date:		
Not due	1 084	1 019
0 - 30 days	89	112
31 - 60 days	7	7
61 - 90 days	2	2
Over 90 days	7	6
Provisions for losses on receivables	(12)	(11)
Total accounts receivable	**1 177**	**1 136**
Expected credit losses		
Balance at 01.01	(11)	(7)
Change in provision for losses	(1)	(4)
Balance at 31.12	**(12)**	**(11)**
Total actual losses on receivables	**18**	**12**
Provisions for losses on receivables by:		
General provision	(12)	(11)

Accounting principles

Accounting principles regarding accounts receivables are described in note 16 in the Group's financial statements.

The Company's carrying amounts of accounts receivables was approximately equal to fair value as of December 31, 2023.

The increase in accounts receivables was due to increased activity in the Company.

The Company had no significant credit risk associated with a single counterparty or several counterparties that could be seen as a group due to similarities in credit risk. The Company has guidelines to ensure that credit sales are only made to customers with adequate payment ability and that outstanding amounts do not exceed established credit limits. The Company applies a simplified method to provide for expected credit losses on the accounts receivables and measures the loss provision at an amount corresponding to the expected Lifetime credit loss. This is made by a combination of individual assessments and a general consideration based on maturity analysis and historical data.

Other interest-free current receivables are due within one year, and nominal value is considered to be equal to fair value.

Accrued income were mainly income from foreign post offices.

Prepaid expenses consisted mainly of costs which accrue in future periods.

Other receivables were mainly receivables related to social security refunds.

Current derivatives were described in Note 20 Derivatives and Hedging relationships.

NOTE 16 LIQUID ASSETS

Likvide midler inkluderer kontanter, bankinnskudd og kortsiktige rentefond med lav risiko.

Accounting principles

Accounting principles regarding liquid assets are described in note 17 in the Group's financial statements.

	2023	2022
Cash and cash equivalents	20	10
Fixed income fund	1 835	2 581
Liquid assets	**1 855**	**2 592**

The reduction in liquid assets was mainly due to investments, payment of ordinary installments on debt to credit institutions, repayment of overdraft facilities, repayment of certificate loans, partially compensated by four new green bond loans and increased utilization of overdraft facilities.

A group cash pool is used for Norway, Sweden, Denmark, Finland, and England with Posten Bring AS as the group account holder. The bank can offset withdrawals and deposits against each other so that the net position represents the balance between the bank and the group account holder. As of December 31, 2023, Posten Bring had an unused overdraft facility of MNOK 225 on the group cash pool account in Nordea, out of a total facility of MNOK 500.

In addition, Posten Bring AS has a credit facility MEUR 200, which was unused As of December 31, 2023. The Alternative performance management (APM) has information on non-current and current liquidity reserves.

The Company had also placements in low-risk money market funds. The placements constituted an important part of the Company's liquidity reserve. Information about the money market funds is also mentioned in Note 14 Financial Risk and Capital Management in the Group's financial statements.

Posten Bring AS has established a bank guarantee up to MNOK 280 in Nordea as security for the employees' withheld tax in Posten Bring AS.

NOTE 17 LEASES

The note shows the effect of leases agreements on Posten Bring AS's financial position and financial earnings, both as a lessee and lessor.

Posten Bring AS as a Lessee
The Company's lease agreements mainly concerned the lease of buildings, office premises and vehicles.

The largest right-of-use assets concerned the lease of Østlandsterminal at Robsrud, Posten Bring's logistics centers at Alnabru, in Trondheim, Stavanger and Tromsø, and the Posthuset, Biskop Gunnerus' gate 14A.

In addition, Posten Bring AS had leases just under 3 400 for vehicles.

Accounting principles

Posten Bring AS as lessor

<u>Finance sublease agreements</u>
For financial sublease agreements, the Company recognises a sublease receivable in the balance sheet at the implementation date at an amount corresponding to the net investment in the lease agreement. The lease agreement's implicit interest rate shall be applied at the initial measurement of the net investment. For subleases, the discount interest in the main agreement can be applied if the sublease agreement's implicit interest rate cannot be easily determined.

Lease payments included in the measurement comprise fixed payments and any payments subject to index or interest rate variations, but not lease payments that vary depending on the use of the asset. In addition, lease payments include residual value guarantees, purchase options and any termination costs.

When a sublease of an asset is classified as a finance lease agreement, the Company derecognise the right-of-use asset and recognises the net investment as a sublease receivable. Any difference between the value of the right-of-use asset and the sublease receivable is recognised directly in the income statement.

At subsequent measurements, the Company recognises finance income on the sublease receivable based on a pattern reflecting a periodic return.

Other accounting principles concerning leases
Other accounting principles concerning leases are described in note 18 in the Group's financial statement, which also includes information on significant use of judgment and estimation uncertainty.

Right-of-use assets

	Property	Vehicles	Machinery and equipment	Total
Carrying amount 01.01.2023	**6 279**	**553**	**1**	6 833
New leases	724	348	9	1 081
Changes in existing leases	(177)	56		(121)
Disposals	(12)			(12)
Depreciations for the year	(557)	(271)	(1)	(829)
Carrying amount 31.12.2023	**6 257**	**686**	**9**	**6 952**

	Property	Vehicles	Machinery and equipment	Total
Carrying amount 01.01.2022	**6 418**	**453**	**2**	**6 872**
New leases	6	255		261
Changes in existing leases	424	76		500
Disposals	(89)	(6)		(95)
Depreciations for the year	(480)	(224)	(1)	(705)
Carrying amount 31.12.2022	**6 279**	**553**	**1**	**6 833**

Right-of-use assets are depreciated on a straight-line basis over their useful life. Leasing periods for property vary from 2 year and up to 40 years. Leases periods for vehicles and machinery have usually a duration of between 3 to 7 years.

Lease liabilities

	2023	2022
Lease liabilities 01.01	**7 490**	**7 459**
New leases	1 164	261
Changes in existing leases	(103)	500
Disposals	(21)	(82)
Lease payments[1)]	(1 075)	(924)
Interest cost	315	278
Lease liabilities 31.12	**7 770**	**7 490**
Non-current lease liabilities	7 003	6 860
Current lease liabilities	766	630
Total lease liabilities	**7 770**	**7 490**

1) MNOK 32 is related leasepayment in 2022.

Total outgoing cash flows related to lease agreements in 2023 were MNOK 1 179 (MNOK 1 052 in 2022) including interest payments. MNOK 728 of this concerned net payment of lease liabilities (MNOK 646 in 2022). The rest were short-term leases and leases of low-value assets.

The weighted average interest rate on Posten Bring's outstanding lease liabilities was 4,0 percent as of December 31, 2023.

Maturity of Company's undiscounted lease liabilities

Less than 1 year	1 123
1-2 years	990
2-3 years	874
3-4 years	776
4-5 years	717
5-10 years	3 009
10-20 years	3 159
More than 20 years	787
Total undiscounted lease liabilities at 31.12.2023	**11 435**

Effects concerning leases in the income statement

	2023	2022
Depreciation	829	705
Interest costs	315	278
Rental costs related to short-term leases	121	89
Rental costs related to leases of low value assets	15	39
Income related to operating sublease of right-of use assets	39	21

Rental costs related to short-term leases and leases of low value assets recognised as either cost of goods and service or other operating expenses in the income statement based on whether leasing assets were vehicles or others.

Renewal options

The company's leases for property have lease periods varying between 2 and 40 years. Several of the agreements contain renewal options that can be exercised during the last period of the agreement. When an agreement is made, the Company has assessed whether it seems reasonably certain to exercise the renewal options. The company's potential future undiscounted lease payments related to renewal options not included in the lease liabilities were 8, 4 billion as of December 31, 2023 (5,9 billion in 2022). 7,4 billion of this amount was related to lease agreements with other group companies, as some properties are owned by investment in subsidiaries. The largest amounts were related to Østlandsterminalen at Robsrud, Posten Bring's logistics center at Alnabru, Tromsø, Trondheim and Stavanger and terminal at Berger.

Posten Bring AS as lessor
Posten Bring AS has two significant sublease agreements, related to terminal at Berger (made in 2007) and Robsrud (made in 2023). Both buildings are subleased to subsidiary Bring Warehousing AS, mainly on the same terms as those of the headlease agreements.

The Company didn't have other significant lease agreements as lessor.

Effects of finance subleases

	2023	2022
Gains/(losses) on changes in subleases	(4)	
Finance income on sublease receivables	9	9
Total incomes from finance lease agreements	**5**	9

Maturity of the Company's non-discounted lease income payment:

Less than 1 year	49
1-2 years	49
2-3 years	49
3-4 years	49
4-5 years	49
More than 5 years	85
Total non-discounted lease payments at 31.12.	332
Unearned finance incomes related to outstanding lease income payments	44
Net sublease receivables at 31.12.2022[1)]	**288**

1) Net sublease receivables at 31 December 2022 were MNOK 235.

NOTE 18 INTEREST-BEARING NON-CURRENT AND CURRENT LIABILITIES

Interest-bearing non-current and current liabilities include liabilities to credit institutions, bond loans, certificate loans, and other interest-bearing liabilities. Planned repayments and the part of non-current liabilities that are due within one year are included in interest-bearing current liabilities.

	2023	2022
Bond loans	3 500	1 000
Non-current liabilities to credit institutions		111
Interest-bearing non-current liabilities	**3 500**	**1 111**
Bond loans due within one year	111	488
Certificate loans	200	1 250
Current liabilities to credit institutions		1 250
Liabilities to group companies	1 986	1 987
Other current liabilities	275	164
Interest-bearing current liabilities	**2 571**	**5 139**

In 2023, Posten Bring AS took up four new green bond loans of MNOK 2 500. Ordinary installments and down payments of loans in 2023 were total MNOK 1 660. In addition, net repayment of certificate loans was MNOK 1 050 in 2023.

As of December 31, 2023, Posten Bring AS had non-Current liabilities (including the part of non-Current liabilities due within one year) with a fixed interest amounting to MNOK 1 556. These had a weighted average interest rate of 4,2 percent and are due in the period 2026–2031. At the same time, Posten Bring AS had in non-Current liabilities of MNOK 2 056 (including the part of non-Current liabilities due within one year) with a floating interest rate and a weighted average interest rate of 5,5 percent as of December 31, 2023. These are due in the period 2026-2030.

As of December 31, 2023, Posten Bring AS had certificate loans of MNOK 200. The certificate loans were classified as current interest-bearing liabilities, and the outstanding balance was reduced by MNOK 1 050 from 2022.

Liabilities to group companies concerned the Group cash pool. Note 14 Financial Risk and Capital Management includes information on the maturity structure of the Group's loans and financial liabilities.

As of December 31, 2023, none of Posten Bring AS's credit facilities had been used. As of December 31, 2023, MNOK 275 had been drawn on the company's overdraft facility. The withdraws have an expected duration of less than 1 year and are classified as interest-bearing current liabilities.

Reconciliation of liabilities from financing activities

	2023	2022
Liabilities at 1.1.	**4 264**	**2 577**
Cash flows from debt raised	2 500	2 000
Cash flows from repayment of borrowings	(2 710)	(461)
Cash flows from (decrease)/increase in bank overdrafts	111	159
Change in fair value	(79)	(11)
Liabilities at 31.12.	**4 086**	**4 264**

NOTE 19 INTEREST-FREE NON-CURRENT AND CURRENT LIABILITIES

Interest-free liabilities mainly comprised current items such as accounts payable, other provisions regarding wages, public charges and other accrued costs. Note 12 Overview of Financial Assets and Liabilities includes more information.

	2023	2022
Non-current derivatives	28	28
Interest-free non-current liabilities	**28**	**28**
Provisions for payroll expenses and public charges	1 437	1 403
Accounts payable	632	568
Provisions for accrued expenses	590	574
Prepaid revenue	305	390
Liabilities to group companies	83	126
Restructuring	20	22
Current derivatives	15	1
Other current liabilities	54	75
Interest-free current liabilities	**3 135**	**3 160**

Provisions for payroll expenses and public charges mainly included provision for holiday pay, earned but unpaid salaries and public dues.

Provision for accrued costs mainly included provisions for transport, remuneration for Post in Store services, provisions for foreign postal offices, provisions for IT development, as well as maintenance and service related to the Group's car fleet.

Prepaid revenue was mainly related to advance billing of franking machines, income from foreign postal offices and sold but unused stamps.

Note 22 Related parties includes information on liabilities to group companies and Note 11 Provisions for liabilities includes information on provision for restructuring costs.

Other current liabilities included accrued interest costs, settlement for postal collection services, and other interest-free current liabilities. The reduction from 2022 was mainly due to the termination of security deposits for financial instruments.

NOTE 20 DERIVATIVES AND HEDGING

All derivatives are used in the hedging of market risk (currency and interest rate risk). The value of the derivatives fluctuates in relation to the underlying prices, and the note shows the fair value of derivatives at the balance sheet date. See also Note 13 Financial Risk and Capital Management.

2023	Assets	Liabilities	Nominal value[1)]
Cash flow hedging			
Interest-rate swaps NOK	1	(28)	805
Other financial hedges (derivatives not included in hedge accounting according to IFRS)			
Forward currency contracts SEK	2	(15)	643
Total	**3**	**(42)**	

1) Amounts in transaction currencies

2022	Assets	Liabilities	Nominal value[1)]
Cash flow hedging			
Interest-rate swaps NOK	1	(28)	610
Other financial hedges (derivatives not included in hedge accounting according to IFRS)			
Interest-rate swaps NOK			100
Forward currency contracts SEK	11	(1)	753
Combined interest-rate/currency swaps NOK	79		299
Total	**92**	**(29)**	

1) Amounts in transaction currencies

Loan agreement	Issue date	Maturity date	Outstanding amount (MNOK) as of 31.12.2023	Loan interest terms	Interest rate hedging
Bilateral loan	2017	2024	111	Variable	Half of the loan has been swapped to a fixed interest rate
Green bond (ISIN NO0011157299)	2021	2026	300	Variable	No
Green bond (ISIN NO0011157281)	2021	2026	700	Fixed	Of the MNOK 700, MNOK 500 has been swapped to a variable interest rate
Green bond (ISIN NO0012841818)	2023	2026	500	Variable	No
Green bond (ISIN NO0012897398)	2023	2030	1 000	Fixed	Of the MNOK 1 000, MNOK 250 has been swapped to a variable interest rate
Green bond (ISIN NO0013019786)	2023	2028	450	Variable	No
Green bond (ISIN NO0013019844)	2023	2031	550	Fixed	No

Accounting principles

Accounting principles concerning derivatives and hedging are described in note 21 in the group financial statements.

The derivatives in the table above are classified by type of hedging for accounting purposes, with the objective of the derivatives described below.

Information on fair value

For all derivatives, the fair value is confirmed by the finance institutions with which the company has made agreements.

Cash flow hedging

Interest rate swaps

Almost all critical terms (the dates for interest determination, calculation methods, reference interest etc.) related to the derivatives described above are in accordance with underlying loan agreements. The cash flows of the interest rate swaps will therefore in all material respects correspond with the interest payments on the loans. Hence, there are no significant sources for hedging ineffectiveness.

Hedge reserve in equity

The company's statement of changes in equity shows net movements in hedge reserves.

Other financial hedges (derivatives not included in hedging relations according to IFRS)

Forward currency contracts SEK

Investments in foreign subsidiaries are hedged at group level through forward currency contracts in Posten Bring AS. As of 31 December 2023, the company had entered into contracts of MSEK 643 (MSEK 753 in 2022).

NOTE 21 GUARANTEES / ASSETS PLEDGED AS SECURITY

The company has provided various forms of guarantees, including rental guarantees, contract guarantees, debt guarantees, and other payment guarantees. These guarantees are provided in connection with ongoing operations. The company has not pledged assets of significant value as collateral.

As of December 31, 2023, only Posten Bring AS had provided guarantees on behalf of itself and other companies in the Group. Therefore, the guarantees mentioned in Group Note 22 Guarantees / Assets Pledged as Security apply only to Posten Bring AS, and reference is made to this note for further information.

NOTE 22 RELATED PARTIES

The note discusses the company's significant transactions with related parties. Two parties are related if one party can influence the other party's decisions. Relationships with related parties are considered normal in business operations.

The company's related parties are primarily subsidiaries in the Group. Posten Bring AS is the parent company and has direct and indirect control over approximately 90 companies, mainly in the Nordic region. Subsidiaries are presented in Note 27 Group Structure in the consolidated financial statements, and ownership interests in associated companies are presented in Note 10 Investments in Companies and Businesses. For transactions with subsidiaries and other related parties, see the table below.

Internal trade in the Group is carried out in accordance with separate agreements and at arm's length terms, and common costs in Posten Bring AS are distributed to the Group companies according to distribution keys, depending on the different cost types.

	2023	2022
Purchases of goods and services from		
Subsidiaries	2 022	1 842
Associated companies		1
Sales of goods and services to		
Subsidiaries	637	623
Associated companies[1)]	28	28
Lease payments for property to		
Subsidiaries	72	65
Lease payments for property from		
Subsidiaries	498	468

1) Transactions with the associated company Norbjørn AS amount to MNOK 27 (MNOK 27 in 2022).

The balance sheet included the following amounts as a result of transactions with related parties:

	2023	2022
Finance sublease receivables	284	230
Accounts receivables	136	105
Other receivables	4 778	4 035
Lease liabilities	5 611	5 424
Accounts payables	29	19
Other payables	2 039	2 093
Net	**(2 481)**	**(3 166)**

Other receivables and other liabilities
Other receivables and other liabilities mainly concerned the Group account scheme and loans to subsidiaries. Also see Note 14 Interest-Bearing Non-Current and Current Receivables and Note 16 Liquid Assets.

Remuneration to the board and management
For remuneration to the board and management, see the Group's annual executive pay report available at postenbring.no. Some of the board members have board positions or leadership positions in other companies.

Some of the members of Posten Bring AS's Group management also have board positions in other enterprises. Board positions or leadership positions in other enterprises have not influenced the company's decisions.

NOTE 23 REGULATORY ISSUES

Regulatory issues describe relevant matters and regulations not mentioned in other notes.

The Group's Note 25 Regulatory Issues describes the postal regulations, product accounting, and state purchases of unprofitable mail services required to be delivered, as well as regulatory future prospects applicable to Posten Bring AS.

NOTE 24 EVENTS AFTER THE REPORTING PERIOD

Events concerning conditions that arose after the reporting period
Posten Bring AS entered into an agreement with Posten Bring Bildrift AS in January 2024 about the transfer of the vehicle operation business in Posten Bring AS to Posten Bring Bildrift AS. The transfer took place at the beginning of March 2024. The agreement includes the transfer of employees, driving assignments, assets, liabilities, and obligations related to the operation. The total consideration for the business was calculated to negative MNOK 380 and is mainly related to employees.

P Accounting principles

Accounting principles regarding events after the reporting period are described in note 26 in the Group accounts.

Integrated Report 2023

Alternative performance measures (APM)

Posten Bring Group

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.

Organic growth

Organic growth provides the Group's management and other users of the financial information with the opportunity to analyse the underlying growth of operations.

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

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

	Year 2023	Year 2022
Organic change in revenue	127	1 015
/ Adjusted revenue (last year) [1)]	23 270	22 453
= Organic growth	**0,5 %**	**4,5 %**

1) Adjusted revenue (last year) is revenue adjusted for currency effects and acquisitions and sale of companies.

Group

	Year 2023	Year 2022
Revenue	24 394	23 429
- Costs of goods and services	9 977	10 072
- Payroll expenses	9 062	8 518
- Other operating expenses	3 039	3 050
= Operating profit before depreciation (EBITDA)[1)]	**2 316**	**1 790**

1) EBITDA = Earnings before interest, taxes, depreciation and amortisation.

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

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

	Year 2023	Year 2022
Adjusted operating profit/(loss)	716	406
- Impairment	139	185
+/- Other incomes and (expenses)	13	(371)
+ Share of profit or loss from associated companies	10	7
= Operating profit/(loss) (EBIT)[1)]	**599**	**(143)**

1) EBIT = Earnings before interest and taxes.

	Year 2023	Year 2022
Operating profit/(loss) (EBIT)	599	(143)
/ Revenue	24 394	23 429
= EBIT margin	**2,5 %**	**(0,6 %)**

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

Per segment

	Logistics	Mail	Other	Elimination	Group	Logistics	Mail	Other	Elimination	Group
	Year 2023	Year 2023	Year 2023	Year 2023	Year 2023	Year 2022	Year 2022	Year 2022	Year 2022	Year 2022
Revenues	19 407	5 835	1 087	(1 935)	24 394	18 890	5 398	1 505	(2 364)	23 429
- Operating expenses excluding impairment	18 718	5 541	1 354	(1 935)	23 677	18 150	5 430	1 806	(2 364)	23 024
= Adjusted operating profit/(loss)	**689**	**294**	**(267)**		**716**	**740**	**(32)**	**(301)**		**406**

	Logistics	Mail	Other	Elimination	Group	Logistics	Mail	Other	Elimination	Group
	Year 2023	Year 2023	Year 2023	Year 2023	Year 2023	Year 2022	Year 2022	Year 2022	Year 2022	Year 2022
Adjusted operating profit/(loss)	689	294	(267)		716	740	(32)	(301)		406
- Impairment	139				139	185				185
+/- Other incomes and (expenses)		13			13	(179)	(164)	(28)		(371)
+ Share of profit or loss from associated companies	10				10	7				7
= Operating profit/(loss) (EBIT)	**559**	**307**	**(267)**		**599**	**383**	**(196)**	**(329)**		**(143)**

Net interest-bearing debt 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 by the group's centralised finance function. The liquidity reserve is also a metric that can be used to assess the group's liquidity requirements.

Net interest-bearing debt comprises 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.

	31.12.2023	31.12.2022
Interest-bearing non-current liabilities	6 640	3 947
+ Interest-bearing current liabilities	1 478	3 930
- Fixed income fund	1 835	2 581
- Cash	1	1
- Bank deposits	111	100
= Net interest-bearing debt (NIBD)	**6 171**	**5 195**

	31.12.2023	31.12.2022
Net interest-bearing debt/(receivables)	6 171	5 195
/ Equity on the balance sheet date	5 876	5 715
= Debt/equity ratio	**1,1**	**0,9**

	31.12.2023	31.12.2022
Net interest-bearing debt/(receivables)	6 171	5 195
/ EBITDA	2 316	1 790
= Net interest-bearing debt (NIBD)/EBITDA	**2,7**	**2,9**

	31.12.2023	31.12.2022
Fixed income fund	1 835	2 581
+ Revolving credit facilities	2 248	1 853
- Certificate loans	200	1 250
= Non-current liquidity reserve	**3 883**	**3 184**

	31.12.2023	31.12.2022
Non-current liquidity reserve	3 883	3 184
+ Deposits outside group account	111	100
+ Bank overdraft not utilised	225	336
= Current liquidity reserve	**4 219**	**3 620**

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.

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

	31.12.2023	31.12.2022
Intangible assets	2 055	2 111
+ Tangible fixed assets	10 230	9 130
+ Current assets	6 193	7 032
- Total liquid assets	2 226	3 230
- Interest-bearing current assets	107	115
- Interest-free current liabilities	4 380	4 332
+ Tax payable	4	57
+ Dividends and group contributions	1	102
= Invested capital	**11 770**	**10 756**

Rolling 12 months' figures.

	31.12.2023	31.12.2022
Last 12 months' accumulated adjusted operating profit	716	406
/ Invested capital	11 770	10 756
= Return on invested capital (ROIC)	**6,1 %**	**3,8 %**

Other alternative performance measures

The group uses and presents other standalone 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 monitored by the owner.

These metrics are shown in the tables below.

	Year 2023	Year 2022
Total investments in owned tangible fixed assets	1 411	1 512
- Investments due to acquisitions	2	236
= Investments before acquisitions	**1 409**	**1 276**

	31.12.2023	31.12.2022
Profit/(loss) after tax last 12 months	178	(277)
/ Average equity on balance sheet date[1)]	5 795	6 494
= Return on equity after tax (ROE)	**3,1 %**	**(4,3 %)**

1) (OB+CB)/2

	31.12.2023	31.12.2022
Equity at balance sheet date	5 876	5 715
/ Equity and liabilities (total capital)	19 625	19 143
= Equity ratio	**29,9 %**	**29,9 %**

STATEMENT OF THE BOARD OF DIRECTORS

We confirm that, to the best of our knowledge, the financial statements have been prepared in accordance with approved accounting standards and give a true and fair view of the Group and parent company's consolidated assets, liabilities, financial position, and results of operations.

The Integrated annual report for 2023 has been prepared in accordance with the framework for Integrated Reporting and complies with the information requirements in the Norwegian Accounting Act with regards to the board report and statement on corporate governance and social responsibility.

The Integrated annual report provides a true and fair view of the development, the performance and position of the Group and parent company in addition to a description of the most significant risks and uncertainty factors the Company is facing.

Oslo, March 21st 2024

Anne Carine Tanum (Chair)

Finn Kinserdal

Liv Fiksdahl

Pål Wibe

Tina Stiegler

Patrik Berglund

Gerd Øiahals

Ann Elisabeth Wirgeness

Tove Gravdal Rundtom

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To the General Meeting of Posten Bring AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Posten Bring AS, which comprise:

- The financial statements of the parent company Posten Bring AS (the Company), which comprise the balance sheet as at 31 December 2023, statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.
- The consolidated financial statements of Posten Bring AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Posten Bring AS for 1 year from the election by the general meeting of the shareholders on 6 May 2022 for the accounting year 2023.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Valuation of Goodwill

Description of the Key Audit Matter	How the matter was addressed in the audit
Posten Bring AS has recorded goodwill with a carrying amount of NOK 1 181 million at 31 December 2023. Reference is made to management's assessment of goodwill in note 9 to the consolidated financial statements. Goodwill is assessed at least annually for impairment indicators. In this context, management prepare an estimate of the recoverable amount by each CGU. These calculations are based on management's judgment about important assumptions, and in particular the estimation of future margins, growth rate and the determination of discount rates are considered as key assumptions that are subject to uncertainty. Due to this uncertainty, in combination with the fact that goodwill constitutes a significant share of total assets in the balance sheet, this has been identified as a key audit matter.	Our actions included: • Assessment of the Group's processes and relevant controls for the valuation of goodwill • We assessed the methodology and appropriateness of management's impairment model against the requirements of the accounting standard IAS 36 Impairment of assets. • We developed an understanding of, and challenged, the most important assumptions relating to expected future cash flows and the basis for these, including expected future margins and growth rate. • Assessment of applied discount rates, including benchmarking against our own estimate and independent sources. • We assessed the mathematical accuracy of management's impairment models. We utilized internal valuation specialist to assess the appropriateness of the valuation model, assessment of the applied discount rate and test of the mathematical integrity of the model used to estimate the recoverable amount. We assessed the adequacy of the related disclosures in the financial statements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Oslo, 21 March 2024
Deloitte AS

Eivind Skaug
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.