



POSTI GROUP CORPORATION FINANCIAL STATEMENTS BULLETIN, FEBRUARY 17, 2022 AT 9:00 A.M. (EET)

# Posti Group Corporation Financial Statements Bulletin January–December 2021



# Posti Group 2021: increased demand for parcel and logistics services drew continued growth of net sales, profitability developed positively

## Posti Group Corporation Financial Statements Bulletin January–December 2021

Unless otherwise stated, the figures in brackets refer to the corresponding period in the previous year.

### October–December

#### Financial highlights

- Net sales grew by 0.5% to EUR 444.2 (441.8) million.
- Adjusted EBITDA decreased to EUR 50.3 (60.8) million, or 11.3% (13.8%) of net sales.
- EBITDA decreased to EUR 50.1 (57.0) million, or 11.3% (12.9%) of net sales.
- Adjusted operating result decreased to EUR 18.7 (31.4) million, representing 4.2% (7.1%) of net sales.
- Operating result decreased to EUR 14.8 (27.6) million, representing 3.3% (6.2%) of net sales.

### January–December

#### Financial highlights

- Net sales grew by 2.5% to EUR 1,595.0 (1,555.4) million.
- Adjusted EBITDA increased to EUR 181.6 (173.5) million, or 11.4% (11.2%) of net sales.
- EBITDA increased to EUR 180.5 (165.7) million, or 11.3% (10.7%) of net sales.
- Adjusted operating result decreased to EUR 59.8 (60.5) million, representing 3.7% (3.9%) of net sales.
- Operating result increased to EUR 55.0 (50.5) million, representing 3.4% (3.2%) of net sales.
- Net debt to adjusted EBITDA was 0.8x (1.3x).
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 32.0 million, i.e. EUR 0.8 per share, will be distributed for the financial year 2021.

#### Operational highlights

- In February, Posti launched its renewed strategy. According to its strategy, Posti's goal is to become a modern delivery and fulfillment company with progressive profitability. The core of Posti's growth is in parcels and logistics in Finland, Sweden, and the Baltics, along the entire delivery and fulfillment value chain.
- The combined external net sales of Parcel and eCommerce and logistics businesses represented 62% (59%) of the Group's net sales.
- In January-December, total parcel volume in Finland and the Baltic countries increased by 11% (27%).
  - To answer the increasing demand, Posti develops its service network continuously. For example, the number of parcel lockers grew by 12% and the number of individual parcel locker doors by 20% during 2021.
- The number of addressed letters continued to decline and decreased by 8% (16%) in Finland.
  - The share of mail items covered by the universal service obligation accounted for 3.3% (3.4%) of all Posti's mail items delivered.
- During the Christmas season, or the weeks from the Black Friday week till Christmas (weeks 47–51), around 7.4 million parcels were delivered and around 16 million Christmas cards and letters were sent via Posti.

- In August, the multi-year collective agreement for the mail communications and logistics industry as well as the collective agreement applicable to the parcel sorters of Posti Palvelut Oy were approved.
- In December, Posti Group completed the divestment of Itella Russia business group. The divestment of Itella Russia supports Posti's strategy of seeking growth from its Parcel and eCommerce as well as logistics businesses in Finland, Sweden, and the Baltics. After the divestment, Posti has no operations in Russia.
- The altering market situation affected the fourth quarter profitability: Parcel volume growth leveled off to pre-pandemic levels, the general shortage of workforce, increased energy prices, and absences due to the COVID-19 virus required overtime hours and temporary workforce.

## Outlook for 2022

In 2022, Posti is expecting its net sales to remain at the previous year's level. The Group's adjusted EBITDA in 2022 is expected to decrease from the previous year. In 2021, Posti's net sales from continuing operations were EUR 1,595.0 million and adjusted EBITDA was EUR 181.6 million.

The potential continuing inflation and the increase in interest rates may impact consumer demand. The changes in consumer behavior affect Posti's business and could impact our actual results.

The Group's business is characterized by seasonality. The net sales and operating result in the segments are not accrued evenly over the year. In consumer parcels and Postal Services, the first and fourth quarters are typically strong, while the second and third quarters are weaker. The postal service volume decline is expected to continue.

Key figures of Posti Group				
	10-12 2021	10-12 2020	1-12 2021	1-12 2020
Net sales*, EUR million	444.2	441.8	1,595.0	1,555.4
Adjusted EBITDA*, EUR million	50.3	60.8	181.6	173.5
Adjusted EBITDA margin*, %	11.3%	13.8%	11.4%	11.2%
EBITDA*, EUR million	50.1	57.0	180.5	165.7
EBITDA margin*, %	11.3%	12.9%	11.3%	10.7%
Adjusted operating result*, EUR million	18.7	31.4	59.8	60.5
Adjusted operating result margin*, %	4.2%	7.1%	3.7%	3.9%
Operating result*, EUR million	14.8	27.6	55.0	50.5
Operating result margin*, %	3.3%	6.2%	3.4%	3.2%
Result for the period*, EUR million	10.2	20.0	38.7	25.9
Return on capital employed (12 months)*, %			8.4%	7.7%
Net debt, EUR million			145.0	228.7
Net debt / adjusted EBITDA*			0.8x	1.3x
Operative free cash flow, EUR million			23.1	77.6
Personnel, end of period*			21,128	19,902
Personnel on average*, FTE	15,316	15,108	15,042	15,113
Earnings per share, continuing operations, EUR	0.26	0.50	0.97	0.65
Earnings per share, basic, EUR***	-1.23	0.45	-0.40	0.74
Dividend per share, EUR			0.80**	0.78
Dividend, EUR million			32.0**	31.3

\* Continuing operations – the results of Itella Russia presented as discontinued operations.

\*\* Board of Directors' proposal to the Annual General Meeting.

\*\*\*In December 2021, Posti Group completed the divestment of the Itella Russia business group. Following the divestment, Itella Russia segment result, including the result of the divestment is presented as discontinued operations. Earnings per share includes the full net result of the group, including discontinued operations.

## Turkka Kuusisto, President and CEO

At the beginning of 2021, we introduced our revised strategy. Despite the challenging circumstances, the execution of our strategy has had an excellent start which is reflected in our last year's results.

Our net sales in 2021 grew by 2.5% to EUR 1,595.0 million and the development of our profitability was strong. Our adjusted EBITDA grew by 4.7% from last year, driven by the increased net sales and operational efficiency, and it represented 11.4% of net sales. The net sales of Postal services continued to decline with the decreasing volumes, but the growing customer demand for parcel and logistics services drew the growth of our net sales. The overall logistics volumes were high as the positive market development after the logistics high season continued throughout the year.

Although we can be very pleased with the full-year result in 2021, the altering market situation was visible in the fourth quarter result. Parcel volume growth has leveled off and extremely strong growth rates similar to the ones we saw in the earlier stages of the pandemic are not in sight in the very near future. Our profitability in the fourth quarter was affected by the general shortage of workforce, increased energy prices, and absences due to the COVID-19 virus that required overtime hours and temporary workforce. Our adjusted result in the fourth quarter also included a non-recurring expense resulting from Posti's re-assessment of calculation method related to VAT-exempt activities.

Year 2021 was important for streamlining our operations around the core of our business and future growth. The engine of the growth is the parcels and logistics services in Finland, Sweden, and the Baltics, along the entire delivery and fulfillment value chain.

In addition to seeking organic growth, we also aim to grow through acquisitions as we believe the M&A front offers us opportunities to strengthen our capabilities, and to actively participate in the rapid logistics market development. The divestment of the Itella Russia operations in December 2021 was one important step that allows us to focus on growth according to our strategy. This year started with an acquisition of the Swedish logistics company Veddestagruppen, which will be integrated into Aditro Logistics. Aditro Logistics is a forerunner of delivery and fulfillment services in Sweden, and the acquisition accelerates our transition into a stronger fulfillment player within eCommerce.

Looking ahead to this year, the overall situation poses many questions. In 2021, inflation accelerated, and we can expect this to continue to affect consumption also this year. Uncertainties related to the COVID-19 pandemic remain, and the situation can change quickly, as we have seen before. The infections are estimated to keep causing absences from work, while we already have a constant need for new employees.

With the changing circumstances, our success depends on our customer-centricity and on our ability to work together towards our joint goals at Posti. My confidence in our people and organization is strong, and I have no doubts that we are moving in the right direction. We continue to develop our services and our vast investment program in line with our strategic focus area of delivery and fulfillment.

I would like to thank all Posti employees for their work and flexibility during the past year, which was again exceptional and demanding. I am confident that this strong performance will also continue this year. Our strategy brings us clarity and direction, and by continuing its systematic execution, we have all the ingredients for success.

### APPENDICES

Posti Group's Financial Statement bulletin January-December 2021 in full (PDF)

### FURTHER INFORMATION

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### DISTRIBUTION

Key media

[www.posti.com/financials](http://www.posti.com/financials)

## IMAGES AND LOGOS

[www.posti.com/media](http://www.posti.com/media)

*Posti is the leading postal and logistics service company in Finland. Our core business includes postal services, parcels, freight and logistics solutions. We have the widest network coverage in Finland, and we visit about three million households and companies every weekday. We have operations in seven countries. Our net sales in 2021 amounted to some EUR 1.6 billion and we have approximately 21,000 employees. [www.posti.com](http://www.posti.com).*

## Market situation and business environment

The COVID-19 pandemic continued to cause some uncertainty on the overall situation and on the effects of possible new variants. The global demand for goods and services varied considerably during 2021 following the changes in the pandemic situation. The rapid changes strained the supply chains, and this has also had an effect on Posti's operations. In general, statistics indicate growth in retail which is visible in the increase of Posti's freight and logistics volumes.

The growth of eCommerce in Finland and Sweden continued during the second year of COVID-19 but the growth slowed down and approached the pre-pandemic levels in 2021. The e-retailers were affected by the shortage of goods caused by supply chain challenges. With the vaccinations and the opening up of the society, consumers have started to shift their consumption also to services instead of goods. According to a study conducted by Posti in cooperation with Kantar TNS, customers have grown used to the convenience of online shopping during the pandemic, and over 30% enjoy eCommerce as much as shopping at brick-and-mortar stores. Almost 30% of Finns shopped online on a weekly basis, and the importance of the delivery experience further increased during 2021. In Finland, parcel lockers are the most preferred method for receiving parcels, but the popularity of home deliveries has increased. Posti develops its delivery network and services to respond to the changing customer preferences.

Due to the nature and scale of Posti's operations, the changes in the GDP and the development of economy it portrays have an impact on Posti's business. The Bank of Finland forecasts that the Finnish GDP grew by 3.5% in 2021, but the growth rate is predicted to drop to 2.6% in 2022 and then to 1.5% and 1.3% in the following years. Riksbank forecasts that the GDP in Sweden grew by 4.7% in 2021 and that the growth rate is forecasted to drop to 3.8% in 2022.

## Net sales and profitability (continuing operations)

### October–December 2021

#### Net sales

The Group's net sales grew by 0.5% to EUR 444.2 (441.8) million. Net sales grew by 0.4% in Finland and by 1.9% in other countries. The share of international operations in the continuing operations of Posti's business remained at the previous year's level and accounted for 10.6% (10.5%) of net sales in the fourth quarter of the year.

Net sales decreased in the Mail, Parcel and Logistics Services segment by 0.3%. Within the segment, net sales increased in Freight and Transval but decreased in Postal Services and Parcel and eCommerce.

Aditro Logistics' net sales increased by 12.5% to EUR 32.7 (29.1) million.

Operations under the universal service obligation decreased and amounted to EUR 44.2 (44.7) million, or 9.9% (10.1%) of the Group's net sales and 5.3% (5.4%) of delivery volumes.

The combined external net sales of Parcel and eCommerce and logistics businesses represented 61% (59%) of the Group's net sales.

#### Profitability

The Group's adjusted EBITDA decreased to EUR 50.3 (60.8) million, or 11.3% (13.8%) of net sales mainly due to the decreased operational efficiency and increased costs related to temporary workforce adjustments caused by the COVID-19 pandemic and increased volumes. EBITDA decreased to EUR 50.1 (57.0) million, or 11.3% (12.9%) of net sales. The adjusted operating result decreased to EUR 18.7 (31.4) million, or 4.2% (7.1%) of net sales. The operating result declined to EUR 14.8 (27.6) million, or 3.3% (6.2%) of net sales.

Our adjusted result in the fourth quarter also included a non-recurring EUR 5.3 million expense resulting from Posti's re-assessment of calculation method related to VAT-exempt activities, partly applicable to previous years.

Special items affecting the operating result in the fourth quarter were EUR -3.9 (-3.8) million.

### January–December 2021

#### Net sales

The Group's net sales grew by 2.5% to EUR 1,595.0 (1,555.4) million. Net sales grew by 1.7% in Finland and by 10.2% in other countries. The share of international operations in the continuing operations of Posti's business increased and accounted for 10.1% (9.4%) of net sales in January-December

Net sales grew in the Mail, Parcel and Logistics Services segment by 0.3%. Within the segment, net sales increased in all other businesses but decreased in Postal Services.

Aditro Logistics' net sales developed well. Aditro Logistics was integrated into Posti's financials as of April 2020.

Posti has continued its growth in logistics solutions in accordance with its strategy. The external net sales of Parcel and eCommerce and logistics businesses (i.e., Freight Services, Transval and Aditro Logistics) increased to 62% (59%) of the Group's net sales.

Operations under the universal service obligation amounted to EUR 108.9 (113.0) million, or 6.8% (7.3%) of the Group's net sales and 3.3% (3.4%) of delivery volumes.

## Profitability

The Group's adjusted EBITDA increased to EUR 181.6 (173.5) million, or 11.4% (11.2%) of net sales mainly due to the overall improvement of operational efficiency. EBITDA increased to EUR 180.5 (165.7) million, or 11.3% (10.7%) of net sales. The adjusted operating result decreased to EUR 59.8 (60.5) million, or 3.7% (3.9%) of net sales. The operating result grew to EUR 55.0 (50.5) million, or 3.4% (3.2%) of net sales.

Special items affecting the operating result in January-December were EUR -4.8 (-10.0) million.

### Special items affecting the operating result in 1-12 2021\*

#### EUR million

Personnel restructuring costs	-1.5
Gain from sale of real estate assets	0.8
Impairment of assets	-4.2
Other special items	0.1
<b>Total</b>	<b>-4.8</b>

\* Previously disclosed special items adjusted for discontinued operations.

## Changes in reporting

After the divestment of Itella Russia in December 2021, Posti's two reportable segments are Mail, Parcel and Logistics Services (MPLS), and Aditro Logistics. MPLS consists of four operating segments: Postal Services, Parcel and eCommerce, Transval, and Freight Services.

Following the divestment of Itella Russia, the segment result, including the result of the divestment and previously sold real estate companies, is presented as discontinued operations. Comparison period 2020 is restated accordingly.

From January 1, 2021, Posti has re-assigned some business activities between its operating segments and assigned certain group-level functions to the operating segments. 2020 reporting has been restated accordingly, leading to minor adjustments between MPLS and Other and unallocated.

## Mail, Parcel and Logistics Services

### October–December 2021

The year-on-year development of Posti's product volumes was as follows:

- The number of addressed letters decreased by 5% to 122 (129) million.
- The total number of parcels delivered by Posti in Finland and the Baltic countries increased by 2% to 21 (20) million. The figure does not include letter-like eCommerce items.
- Freight volumes measured in waybills increased by 5%.

### Net sales

The net sales of Mail, Parcel and Logistics Services decreased by 0.3% to EUR 411.6 (413.0) million. Net sales are itemized by operating segment in the following table.

### Net sales of Mail, Parcel and Logistics Services

Net sales, EUR million	10-12 2021	10-12 2020*	Change
Postal Services	175.4	180.9	-3.1%
Parcel and eCommerce	135.6	139.5	-2.8%



Transval	59.0	53.6	10.1%
Freight Services	49.3	44.8	10.1%
Other and eliminations**	-7.6	-5.8	
<b>Total</b>	<b>411.6</b>	<b>413.0</b>	<b>-0.3%</b>

\* Restated due to the re-assignment of some business activities between the operating segments of MPLS.

\*\* Other and eliminations includes internal sales between Transval and other Mail, Parcel and Logistics businesses.

The net sales of **Postal Services** decreased mainly due to the continued mail volume decline. The overall volume of addressed letters decreased by 5% in the fourth quarter. On December 23, Posti announced that Posti and Ilkka-Yhtymä Group have concluded an extension agreement for delivery services in the South Ostrobothnia area and part of the Ostrobothnia region until 2026. Posti will continue to produce the seven-day delivery services needed for the newspaper published by Ilkka-Yhtymä Group, as well as the delivery services needed for the less frequently published local newspapers in urban areas and sparsely populated areas.

The net sales of **Parcel and eCommerce** decreased in the fourth quarter. The decrease was mainly due to the lower volumes in Finland compared with last year and the decline in shipment volumes from outside the EU after the VAT reform that entered into force on July 1, 2021.

In November, Posti started using a dynamic parcel routing system throughout Finland. In the future, artificial intelligence and machine learning will predict changes to the filling rate of Posti Parcel Lockers. The AI added to the parcel lockers can already predict with an accuracy of 96% which parcels will be picked up within 24 hours. With a prediction model capable of learning, parcels can be delivered without unnecessary driving and to a location near the consumer. The number of parcels passing through Posti parcel lockers grew by 10% in the fourth quarter compared with last year.

The net sales of **Freight Services** grew. The growth was mainly due to the increased volumes resulting from the overall market growth.

**Transval** business group's net sales increased, driven by sales growth in in-house and contract logistics.

### Profitability

The adjusted EBITDA of Mail, Parcel and Logistics Services decreased to EUR 54.4 (60.0) million, or 13.2% (14.5%) of net sales. The decline was mainly due to the segment's decreased net sales and increased costs. Mail, Parcel and Logistics Services' EBITDA decreased to EUR 53.5 (55.8) million. The adjusted operating result decreased to EUR 28.1 (36.3) million, or 6.8% (8.8%) of net sales.

The operating result decreased to EUR 24.9 (32.1) million. Special items affecting the operating result in the fourth quarter amounted to EUR -3.2 (-4.2) million.

### January–December 2021

The year-on-year development of Posti's product volumes was as follows:

- The number of addressed letters decreased by 8% to 410 (446) million.
- The total number of parcels delivered by Posti in Finland and the Baltic countries increased by 11% to 71 (64) million. The figure does not include letter-like eCommerce items.
- Freight volumes measured in waybills increased by 7%.

## Net sales

The net sales of Mail, Parcel and Logistics Services increased by 0.3% to EUR 1,486.0 (1,481.6) million. Net sales are itemized in the following table.

Net sales of Mail, Parcel and Logistics Services			
Net sales, EUR million	1-12 2021	1-12 2020*	Change
Postal Services	610.9	647.1	-5.6%
Parcel and eCommerce	492.4	477.6	3.1%
Transval	219.8	201.7	9.0%
Freight Services	189.2	172.6	9.6%
Other and eliminations**	-26.3	-17.4	
<b>Total</b>	<b>1,486.0</b>	<b>1,481.6</b>	<b>0.3%</b>

\* Restated due to the re-assignment of some business activities between the operating segments of MPLS.

\*\* Other and eliminations includes internal sales between Transval and other Mail, Parcel and Logistics businesses

The net sales of **Postal Services** decreased mainly due to the continued mail volume decline. The overall volume of addressed letters decreased by 8% to 410 (446) million in 2021. On January 28, 2021, Posti and Sanoma Media Finland announced they had concluded a long-term extension agreement on the early-morning delivery of newspapers in the capital region. The agreement guarantees the delivery of printed media in the capital region until the end of 2029. On September 30, 2021, Posti and the Karjalainen newspaper announced they had signed a contract extension running until the end of 2026 for the early-morning delivery of newspapers.

The net sales of **Parcel and eCommerce** increased in January–December. The increase was mainly due to the continued volume growth of eCommerce and online shopping. However, the growth is slowing down. The total number of parcels delivered by Posti in Finland and the Baltic countries increased by 11% to 71 (64) million. The figure does not include letter-like e-commerce items. In particular, the shipment volumes from outside the EU have declined after the VAT reform that entered into force on July 1, 2021.

In order to meet the increasing demand, Posti is continuously expanding and developing its service network. In 2021, Posti opened around 5 to 10 parcel lockers each week which increased the total number of Posti parcel lockers by 12% compared to the end of 2020. In addition, 100 new personal service points were opened, which brings the total number of Posti's service points in Finland to almost 3,300. On November 22, Posti opened a fully modernized main post office in the Postitalo building in Helsinki. The new main post office has extended opening hours and provides all of Posti's services under the same roof.

The net sales of **Freight Services** grew. The growth was mainly due to the increased volumes driven by the overall positive market development.

**Transval's** net sales increased, mainly due to the positive impact of growing online shopping volumes. After the disruptions in global logistics, demand for logistics services has been strong in warehousing, logistics, and industrial services. In addition, the demand for staffing services grew.

## Profitability

The adjusted EBITDA of Mail, Parcel and Logistics Services increased to EUR 180.2 (168.0) million, or 12.1% (11.3%) of net sales. The improvement was due to the increased net sales of the segment and good operational efficiency development. EBITDA increased to EUR 177.5 (162.9) million. The adjusted operating result improved to EUR 79.0 (72.9) million, or 5.3% (4.9%) of net sales.

The operating result improved to EUR 73.9 (67.8) million. Special items affecting the operating result in January–December amounted to EUR -5.1 (-5.0) million.

## Aditro Logistics

Aditro Logistics was integrated into Posti's financials as of April 2020.

### October–December 2021

#### Net sales

In the fourth quarter, Aditro Logistics' net sales increased by 12.5% and were EUR 32.7 (29.1) million. The increase was driven by the growth of the staffing business.

#### Profitability

The adjusted and reported EBITDA decreased to EUR 2.6 (3.6) million, or 8.0% (12.4%) of net sales. The result was affected by the temporary increase in costs associated with the exceptionally high handling volumes and availability of workforce. The adjusted and reported operating result was EUR -2.1 (-0.5) million.

### January–December 2021

#### Net sales

In January-December 2021, Aditro Logistics' net sales were EUR 110.2 million.

#### Profitability

The adjusted and reported EBITDA was EUR 12.7 million, or 11.5% of net sales. The adjusted and reported operating result was EUR -4.8 million.

Key figures for segments – restated***				
EUR million	10-12 2021	10-12 2020**	1-12 2021	1-12 2020**
<b>Net sales</b>				
Mail, Parcel and Logistics Services	411.6	413.0	1,486.0	1,481.6
Aditro Logistics*	32.7	29.1	110.2	74.7
Other and unallocated	0.0	0.3	1.1	1.7
Intra-Group sales	-0.1	-0.7	-2.3	-2.7
<b>Posti Group</b>	<b>444.2</b>	<b>441.8</b>	<b>1,595.0</b>	<b>1,555.4</b>
<b>Net sales change-%</b>				
Mail, Parcel and Logistics Services	-0.3%	11.6 %	0.3%	0.0 %
Aditro Logistics*	12.5%		47.4%	
<b>Posti Group</b>	<b>0.5 %</b>	<b>12.4 %</b>	<b>2.5 %</b>	<b>-0.6 %</b>
<b>Adjusted EBITDA</b>				
Mail, Parcel and Logistics Services	54.4	60.0	180.2	168.0
Aditro Logistics*	2.6	3.6	12.7	10.2
Other and unallocated	-6.7	-2.8	-11.2	-4.7
<b>Posti Group</b>	<b>50.3</b>	<b>60.8</b>	<b>181.6</b>	<b>173.5</b>

<b>Adjusted EBITDA, %</b>				
Mail, Parcel and Logistics Services	13.2%	14.5%	12.1%	11.3%
Aditro Logistics*	8.0%	12.4%	11.5%	13.6%
<b>Posti Group</b>	<b>11.3%</b>	<b>13.8%</b>	<b>11.4%</b>	<b>11.2%</b>
<b>EBITDA</b>				
Mail, Parcel and Logistics Services	53.5	55.8	177.5	162.9
Aditro Logistics*	2.6	3.6	12.7	10.2
Other and unallocated	-6.0	-2.4	-9.7	-7.5
<b>Posti Group</b>	<b>50.1</b>	<b>57.0</b>	<b>180.5</b>	<b>165.7</b>
<b>EBITDA, %</b>				
Mail, Parcel and Logistics Services	13.0%	13.5%	11.9%	11.0%
Aditro Logistics*	8.0%	12.4%	11.5%	13.6%
<b>Posti Group</b>	<b>11.3%</b>	<b>12.9%</b>	<b>11.3%</b>	<b>10.7%</b>

### Key figures for segments – restated\*\*\*

EUR million	10-12 2021	10-12 2020**	1-12 2021	1-12 2020**
<b>Adjusted operating result</b>				
Mail, Parcel and Logistics Services	28.1	36.3	79.0	72.9
Aditro Logistics*	-2.1	-0.5	-4.8	-2.0
Other and unallocated	-7.3	-4.4	-14.4	-10.4
<b>Posti Group</b>	<b>18.7</b>	<b>31.4</b>	<b>59.8</b>	<b>60.5</b>
<b>Adjusted operating result, %</b>				
Mail, Parcel and Logistics Services	6.8%	8.8%	5.3%	4.9%
Aditro Logistics*	-6.5%	-1.9%	-4.4%	-2.6%
<b>Posti Group</b>	<b>4.2%</b>	<b>7.1%</b>	<b>3.7%</b>	<b>3.9%</b>
<b>Operating result</b>				
Mail, Parcel and Logistics Services	24.9	32.1	73.9	67.8
Aditro Logistics*	-2.1	-0.5	-4.8	-2.0
Other and unallocated	-7.9	-4.0	-14.1	-15.4
<b>Posti Group</b>	<b>14.8</b>	<b>27.6</b>	<b>55.0</b>	<b>50.5</b>
<b>Operating result, %</b>				
Mail, Parcel and Logistics Services	6.0%	7.8%	5.0%	4.6%
Aditro Logistics*	-6.5%	-1.9%	-4.4%	-2.6%
<b>Posti Group</b>	<b>3.3%</b>	<b>6.2%</b>	<b>3.4%</b>	<b>3.2%</b>

\* Aditro Logistics was integrated into Posti's financials as of April 2020.

\*\* Restated, due to changes in the assignment of activities between segments on January 1, 2021.

\*\*\* Itella Russia results presented as discontinued operations.

## Cash flow, financial position and major investments

In January–December, the consolidated cash flow from operating activities was EUR 160.9 (191.8) million, the cash flow from investing activities EUR -6.6 (-56.5) million, and the cash flow from financing activities EUR -148.1 (-98.3) million.

At the end of December, liquid assets amounted to EUR 151.1 (160.1) million and undrawn committed credit facilities totaled EUR 150.0 (150.0) million. The Group prepaid its EUR 60.0 million bilateral bank loan in December. The Group's interest-bearing borrowings were EUR 306.1 (388.8) million. Net debt totaled EUR 145.0 (228.7) million. Equity ratio was 42.1% (36.9%).

Posti will continue to invest in digital and eCommerce services, expanding its parcel locker network and improving the competitiveness of its core business to respond to the changing market and to support Posti's transformation. With the increasing volumes, Posti has invested in expanding its warehouse capacity (a new warehouse in Sipoo that will be completed in 2022), in green fleet such as new electric trucks, and in the development of digital services to improve the customer experience.

## Share capital and shareholding

At Posti, the Finnish State exercises the shareholder's decision-making power. The State's direct ownership of Posti Group Corporation is 100%. Posti Group Corporation's share capital consists of 40,000,000 shares of equal value.

The company holds no treasury shares and does not have subordinated loans. No loans have been granted to related parties, and no commitments have been given on their behalf. The company has not issued shares, stock options, or other rights with entitlement to company shares. The Board of Directors is not authorized to issue shares, stock options, or other rights with entitlement to company shares.

## Leadership team

On November 26, 2020, Posti announced the appointment of Anna Salmi as Senior Vice President, Brand, Communications and Sustainability of Posti Group Corporation and a member of Posti Group's Leadership Team as of January 25, 2021.

On January 11, 2021, Posti announced the appointment of Timo Karppinen as CFO of Posti Group Corporation and a member of Posti Group's Leadership Team as of February 1, 2021. The previous CFO Tom Jansson left his position and Posti on January 21, 2021.

On January 11, 2021, Posti also announced the appointment of Timo Koskinen as the Group's Senior Vice President, Human Resources and a member of the Leadership Team. Koskinen began in his new role on April 1, 2021. Koskinen's predecessor Hanna Reijonen left her position and Posti on March 12, 2021.

On June 2, 2021, Posti announced the resignation of Johannes Gussander from his position as the CEO of Aditro Logistics and as a member of Posti Group's Leadership Team. Gussander continued in his role until the end of August 2021 and as Special Advisor until October 31, 2021.

On September 8, 2021, Posti announced that Per Zandrén had been appointed as CEO of Aditro Logistics and a member of Posti Group's Leadership Team as of September 8, 2021. Zandrén had already acted in the interim role alongside the previous CEO Johannes Gussander.

On December 6, 2021, Jussi Kuutsa, President of Itella Russia, left his position as a member of the Leadership Team of Posti Group, following the divestment of Itella Russia.

On December 31, 2021, Posti's Leadership Team consisted of Turkka Kuusisto, President and CEO; Yrjö Eskola, SVP, Postal Services; Arttu Hollméus, SVP, Parcel and eCommerce; Timo Karppinen, CFO; Sakari Kiiskinen, SVP, Transval; Timo Koskinen, SVP, Human resources; Petteri Naulapää, SVP, ICT and Digitalization; Anna Salmi, SVP, Brand,

Communications and Sustainability; Kaarina Ståhlberg, SVP, General Counsel and M&A, and Per Zandrén, CEO, Aditro Logistics.

## Annual General Meeting and Extraordinary General Meeting

### Annual General Meeting

Posti Group Corporation's Annual General Meeting was held in Helsinki on April 9, 2021. In line with the Board of Directors' proposal, the Annual General Meeting decided to distribute a dividend of EUR 31.3 million based on the result in 2020.

The meeting adopted the 2020 financial statements and discharged the members of the Supervisory Board, Board of Directors and President and CEO from liability.

The Annual General Meeting decided that the following persons will continue as members of the Board of Directors: Raija-Leena Hankonen-Nybom, Harri Hietala, Sirpa Huuskonen, Frank Marthaler, Satu Ollikainen (employee representative), Minna Pajumaa, Per Sjödel, Sanna Suvanto-Harsaae, and Hanna Vuorela. Kari-Pekka Laaksonen was elected as a new member of the Board of Directors. Sanna Suvanto-Harsaae was re-elected as the Chair of the Board of Directors and Per Sjödel as the Deputy Chair.

The Annual General Meeting also decided that the following persons will continue as members of the Supervisory Board: Sari Essayah, MP, Christian Democrats; Atte Harjanne, MP, The Greens in Finland; Eeva Kalli, MP, Centre Party; Kimmo Kiljunen, MP, Social Democratic Party; Mia Laiho, MP, National Coalition Party; Rami Lehto, MP, Finns Party; Aki Lindén, MP, Social Democratic Party; Pia Lohikoski, MP, Left Alliance; Mari Rantanen, MP, Finns Party; Veronica Rehn-Kivi, MP, Swedish People's Party; Ari Tornainen, MP, Centre Party; Paula Werning, MP, Social Democratic Party.

Aki Lindén continued as the Chair of the Supervisory Board and Atte Harjanne as the Deputy Chair of the Supervisory Board.

The fees of the members of the Board of Directors and the Supervisory Board remained unchanged. The members of the Board of Directors will receive a monthly remuneration and a meeting fee. The meeting fee will be paid in double for the Board members residing outside Finland. The employee representative will receive a meeting fee. The members of the Supervisory Board will also receive a meeting fee.

PricewaterhouseCoopers Oy (PwC), authorized public accountants, was elected to continue as Posti Group Corporation's auditor, with Authorized Public Accountant Mikko Nieminen as the principal auditor.

### Extraordinary General Meeting

The Extraordinary General Meeting of Posti Group was held on December 2, 2021, in Helsinki.

The General Meeting accepted Atte Harjanne's, MP, resignation from the Supervisory Board. Heli Järvinen, MP, was elected as a new member and the Deputy Chair of the Supervisory Board by the General Meeting.

On December 31, 2021, the Supervisory Board comprises the following members: Aki Lindén (Chair), Heli Järvinen (Deputy Chair), Sari Essayah, Eeva Kalli, Kimmo Kiljunen, Mia Laiho, Rami Lehto, Pia Lohikoski, Mari Rantanen, Veronica Rehn-Kivi, Ari Tornainen, and Paula Werning.

## Employees

The Group's personnel*				
	10-12 2021	10-12 2020	1-12 2021	1-12 2020
Personnel at the end of period			21,128	19,902
<i>Finland</i>			18,571	17,666
<i>Other countries of operation</i>			2,557	2,236
Personnel on average, FTE**	15,316	15,108	15,042	15,113

\*Continuing operations - Itella Russia personnel not included

\*\*Full time equivalent personnel on average

In January–December, the Group's personnel expenses amounted to EUR 682.0 (671.7) million, growing by 1.5% from the previous year. The personnel expenses included EUR 1.5 (5.6) million of restructuring costs.

In August 18, Service Sector Employers PALTA and Finnish Post and Logistics Union PAU announced they had approved the collective agreement for the mail communications and logistics industry as well as the collective agreement applicable to the parcel sorters of Posti Palvelut Oy. In both collective agreement negotiations, an agreement was reached already on June 24, 2021, and approved in August. The reached negotiation result for both contracts spans over four years, with the fourth year being a so-called option year. The previous contract periods ended on October 31, 2021, and on January 31, 2022.

## Cooperation negotiations

On January 11, 2021, Posti announced that Postal Services was planning changes to deliveries in some parts of Central Finland and Ostrobothnia and initiated cooperation negotiations concerning basic deliveries on January 14, 2021. As an outcome of the negotiations, 113 employees were shifted to part-time work.

On January 14, 2021, Posti announced that changes were planned in the administration of Posti's early morning delivery in the Helsinki metropolitan area and Uusimaa, in Eastern Finland (excluding North Karelia) and in Western Finland. Cooperation negotiations were initiated on January 22, 2021. As an outcome of the negotiations, the employer terminated the employment relationship of nine employees.

On February 4, 2021, Posti announced that it will update the operational-level management model for the Parcel and eCommerce business group's sorting operations. At the end of the cooperation negotiations, it was concluded that most of the sought-after changes can be achieved by other means than personnel reduction. Sorting personnel roles could be offered to all personnel in the target group of the negotiations.

On March 3, 2021, Posti announced its plans to temporarily close the Santa Claus' Main Post Office 96930 in Rovaniemi, Finland. The cooperation negotiations were concluded on March 22, and the post office was temporarily closed on April 29. The employees of the Arctic Circle post office were offered work in Posti's other units while the office was closed. The office was reopened on November 8, 2021.

On May 26, 2021, Posti announced that delivery in the Espoo and Kauniainen area will be implemented as an every-other day delivery model from the beginning of September onwards. The goal of the related cooperation negotiations was to keep the personnel's working hours full-time and to reduce part-time tasks. As an outcome of the negotiations, the employer terminated the employment relationship of four employees.

## Acquisitions, divestments, and changes in the corporate structure

In December 2021, Posti Group completed the divestment of the Itella Russia business group. The divestment of Itella Russia supports Posti's strategy of seeking growth from its parcel and eCommerce as well as logistics businesses in Finland, Sweden, and the Baltics. After the divestment, Posti has no operations in Russia.

On December 21, 2021, Posti announced that Posti Group associate company Stella Care is selling its business activities to healthcare service company 9Lives. Through the transaction, Posti will divest its entire ownership in Stella Care after a transfer period.

## Legal proceedings

Posti is party to some legal proceedings related to its customary business operations. None of those proceedings, separately or collectively, have a material impact on its financial position.

## Business risks

To accelerate business transformation Posti updated its strategy, purpose, and values in early 2021. Posti's company-wide and cross-business vision is to be a modern delivery and fulfillment company. The next few years will be a critical time for accelerating Posti's renewal and securing its competitiveness in the changing market. The goal is to increase agility and productivity and at the same time offer customer focused and integrated service in the entire eCommerce value chain.

The main risks in Posti's business transformation are two-fold and relate to the declining mail volumes in the postal business and the growing parcel volumes in the ecommerce market with continuously intensifying competition. The COVID-19 pandemic that started in 2020 further accelerated the market transformation during 2021. Success in the declining postal business depends on the company's ability to implement the planned operating model changes to decrease costs in line with the declining volume. In the coming years, the regulation environment plays an important role in this as the volumes continue to decline. Updates to the postal regulations are crucial. The new regulations must enable cost-effective distribution and the fulfillment of universal service obligation without public subsidies. The planned fixed-term State aid for newspaper delivery to ensure distribution in areas without early morning delivery is important to both newspaper publishers and distributors. Posti manages its most significant business risks through careful operational planning and active communication.

The eCommerce market continued its growth, but the growth rate slowed down and approached pre-pandemic levels. The main risks in the eCommerce business relate to increasing market competition and disruptive business models by new competition especially in the last mile delivery and e-fulfillment. Increasing competition could lead to decreased competitiveness and a loss of market share to which Posti must be able to react quickly enough by developing its offering and processes. Posti is managing these risks by systematically monitoring and reviewing the actions of executing the chosen delivery and fulfillment strategy. The importance of digital and automation solutions increases even further, and Posti must ensure the capability to deploy new solutions in the changing market.

As a large employer, Posti is facing challenges with securing personnel in some areas and is carefully managing actions to mitigate these risks. The management of the COVID-19 pandemic and its impacts on Posti's operations due to additional safety precautions among personnel continued throughout the year. Posti managed to keep the number of infections under control in its own facilities and there were no infection outbreaks. However, during the last weeks of 2021, the general worsening of the pandemic situation started to affect processes in the Helsinki Metropolitan area due to a rapid increase of sick leaves. This created delays in deliveries.

At Posti, sustainability is a part of day-to-day work, management, and risk management. Sustainability-related expectations toward companies increase continuously. Posti has identified sustainability risks related to its business, and sustainability is integrated into Posti's strategy and business even more strongly than before.

Posti is seeking to strengthen its presence in the Nordics and the Baltic Sea region. Aditro Logistics has an important role in achieving Posti's strategic goal of growing through parcel business and logistics in Finland, Sweden, and the Baltics. To



grow and succeed in these markets, Posti needs to capture the synergies of acquired companies and find ways to accelerate its transformation into a strong fulfillment player within eCommerce.

## Events after the reporting period

On January 1, Transval closed the sale of Humanlink Estonia store services business and Humanlink Baltic Latvia SIA shares to the operative management of the companies.

On January 13, Posti announced that it plans to merge its business groups Parcel & eCommerce and Freight Services into a new business group. The planned change is estimated to have an impact on organizational structures, working practices and job roles. The change enhances cross-business co-operation in line with Posti's strategy execution.

On January 17, Posti announced it had signed an agreement with the owners of the Swedish logistics company Veddestagruppen, under which Posti Group acquires the entire share capital of Veddestagruppen AB. The acquisition was completed on January 31. Veddestagruppen will be integrated with Posti Group's Swedish subsidiary Aditro Logistics.

## Board of Directors' proposal for the distribution of profit

In the financial statements, the parent company's distributable funds total EUR 370,138,409.12 of which the profit for the financial year 2021 is EUR 87,839,084.38.

No material changes have taken place in the Group's financial standing since the end of the financial period, nor does the solvency test, as referred to in Section 2 of Chapter 13 of the Limited Liability Companies Act, affect the proposed distributable profit.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 32.0 million, or a dividend of EUR 0.8 per share, will be distributed for the financial year 2021.

## Outlook for 2022

In 2022, Posti is expecting its net sales to remain at the previous year's level. The Group's adjusted EBITDA in 2022 is expected to decrease from the previous year. In 2021, Posti's net sales from continuing operations were EUR 1,595.0 million and adjusted EBITDA was EUR 181.6 million.

The potential continuing inflation and the increase in interest rates may impact consumer demand. The changes in consumer behavior affect Posti's business and could impact our actual results.

The Group's business is characterized by seasonality. The net sales and operating result in the segments are not accrued evenly over the year. In consumer parcels and Postal Services, the first and fourth quarters are typically strong, while the second and third quarters are weaker. The postal service volume decline is expected to continue.

Helsinki, February 16, 2022

Posti Group Corporation  
Board of Directors

## APPENDICES

Calculation of key figures  
Financial Statements Bulletin January-December 2021 tables

## Calculation of key figures

In addition to IFRS-based performance measures, Posti Group discloses alternative performance measures as additional information to financial measures presented in the consolidated income statement, consolidated balance sheet, consolidated statement of cash flows and in the notes disclosures. Management believes that adjusted performance measures provide meaningful supplemental information to both management and stakeholders regarding the business performance. Adjusted EBITDA and adjusted operating result are also essential key figures in Posti Group's management reporting.

The calculation of key figures return on capital employed and net debt / adjusted EBITDA has been changed so that income statement items are according to Group's continuing operations. Earlier calculation method used Group's income statement items including both continuing and discontinued operations. Change takes effect in the disclosures related to 2021 financial statements and the comparison periods key figures has been changed correspondingly. With the modification, management improves the informativeness and comparability of the key figures.

EBITDA*		Operating result excluding depreciation, amortization and impairment losses.
Adjusted EBITDA*		EBITDA excluding special items.
Adjusted operating result*		Operating result excluding special items.
Special items*		Special items are defined as significant items of income and expenses, which are considered to incur outside the ordinary course of business. Special items include restructuring costs, significant impairment losses on assets, impairment on goodwill, significant gains or losses on sale of shares, real estates or business operations and changes in contingent purchase considerations originated from business combinations.
Equity ratio, %	100 x	$\frac{\text{Total equity}}{\text{Total assets - advances received}}$
Return on capital employed, %*	100 x	$\frac{\text{Operating result (12 months rolling)}}{\text{Capital employed (average of opening and closing balance of the previous 12 months)}}$
Capital employed		Non-current assets less deferred tax assets plus inventories and trade and other receivables less other non-current liabilities, less advances received, less provisions, less defined benefit pension obligations, less trade and other payables.
Net debt		Interest bearing borrowings - liquid funds - debt certificates.
Net debt / adjusted EBITDA*		$\frac{\text{Net debt}}{\text{Adjusted EBITDA (12 months rolling)}}$
Interest-bearing borrowings		Non-current and current interest-bearing borrowings and lease liabilities.
Liquid funds		Cash and cash equivalents + money market investments + investments in bonds.
Personnel on average, FTE*		Full time equivalent personnel on average.
Operative free cash flow		Cash flow from operating activities as presented in the consolidated statement of cash flows less purchase of intangible assets and property, plant and equipment as presented in the consolidated statement of cash flows and less payments of lease liabilities.

\* *Continuing operations*

## Financial statement release tables January-December 2021

### Consolidated Income statement and consolidated Statement of comprehensive income

#### Consolidated income statement

##### Continuing operations

EUR million	10-12 2021	10-12 2020	1-12 2021	1-12 2020
<b>Net sales</b>	<b>444.2</b>	<b>441.8</b>	<b>1,595.0</b>	<b>1,555.4</b>
Other operating income	3.0	3.5	12.6	15.1
Materials and services	-135.5	-131.4	-474.0	-457.4
Employee benefits	-184.5	-183.9	-682.0	-671.7
Other operating expenses	-77.1	-72.9	-271.1	-275.8
Depreciation and amortisation	-29.9	-29.4	-119.5	-112.9
Impairment losses	-5.4	0.0	-6.1	-2.3
<b>Operating result</b>	<b>14.8</b>	<b>27.6</b>	<b>55.0</b>	<b>50.5</b>
Finance income	1.1	1.0	2.2	2.5
Finance expenses	-2.9	-1.9	-8.9	-9.0
<b>Result before income tax</b>	<b>13.1</b>	<b>26.6</b>	<b>48.3</b>	<b>44.0</b>
Income tax	-2.8	-6.7	-9.6	-18.1
<b>Result for the period from continuing operations</b>	<b>10.2</b>	<b>20.0</b>	<b>38.7</b>	<b>25.9</b>
Result for the period from discontinued operations	-59.5	-1.9	-54.7	3.8
<b>Result for the period</b>	<b>-49.2</b>	<b>18.1</b>	<b>-15.9</b>	<b>29.7</b>
<b>Earnings per share (EUR per share)</b>				
Group total	-1.23	0.45	-0.40	0.74
Continuing operations	0.26	0.50	0.97	0.65
Discontinued operations	-1.49	-0.05	-1.37	0.10

As Posti currently has no dilutive instruments outstanding, diluted earnings per share is the same as basic earnings per share.

#### Consolidated Statement of comprehensive income

<b>Result for the period</b>	<b>-49.2</b>	<b>18.1</b>	<b>-15.9</b>	<b>29.7</b>
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit or loss:</b>				
Change in fair value of cash flow hedges	0.4	0.2	0.6	0.2
Translation differences	88.2	12.8	93.6	-3.9
Income tax relating to these items	-0.1	0.0	-0.1	0.0
<b>Items that will not be reclassified to profit or loss:</b>				
Remeasurements of post-employment benefit obligations	-4.2	0.1	-4.2	0.1
Income tax relating to these items	0.8	0.0	0.8	0.0
<b>Comprehensive income for the period</b>	<b>35.9</b>	<b>31.1</b>	<b>74.8</b>	<b>26.0</b>

## Consolidated Balance Sheet

### Assets

EUR million	Dec 31, 2021	Dec 31, 2020
<b>Non-current assets</b>		
Goodwill	189.9	190.7
Other intangible assets	84.3	89.7
Investment property	3.5	3.5
Property, plant and equipment	233.6	273.6
Right-of-use assets	239.2	262.8
Investments in associated companies	0.9	1.9
Other non-current investments	1.0	1.0
Non-current receivables	1.5	0.2
Deferred tax assets	25.7	7.7
<b>Total non-current assets</b>	<b>779.6</b>	<b>831.2</b>
<b>Current assets</b>		
Inventories	4.0	4.6
Trade and other receivables	296.4	288.8
Current income tax receivables	0.9	0.6
Current financial assets	64.5	69.1
Cash and cash equivalents	97.2	91.0
<b>Total current assets</b>	<b>462.9</b>	<b>454.1</b>
<b>Total assets</b>	<b>1,242.5</b>	<b>1,285.3</b>
<b>Equity and liabilities</b>		
EUR million	Dec 31, 2021	Dec 31, 2020
<b>Equity attributable to the shareholders of the parent company</b>		
Share capital	70.0	70.0
General purpose reserve	142.7	142.7
Fair value reserve	-0.7	-1.2
Translation differences	-0.6	-94.2
Retained earnings	273.1	323.7
<b>Total shareholders' equity</b>	<b>484.5</b>	<b>441.1</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	12.1	20.0
Non-current interest-bearing borrowings	60.4	121.2
Non-current interest-bearing lease liabilities	193.4	214.9
Other non-current payables	7.2	9.7
Advances received	12.9	13.2
Non-current provisions	3.0	4.0
Defined benefit pension plan liabilities	11.1	7.2
<b>Total non-current liabilities</b>	<b>300.1</b>	<b>390.3</b>
<b>Current liabilities</b>		
Current interest-bearing borrowings	0.9	1.4
Current interest-bearing lease liabilities	51.4	51.3
Trade and other payables	324.7	312.8
Advances received	80.1	76.3
Current income tax liabilities	0.3	11.1
Current provisions	0.5	1.1
<b>Total current liabilities</b>	<b>458.0</b>	<b>453.9</b>
<b>Total liabilities</b>	<b>758.0</b>	<b>844.2</b>
<b>Total equity and liabilities</b>	<b>1,242.5</b>	<b>1,285.3</b>

## Condensed consolidated Statement of Cash Flows

EUR million	1-12 2021	1-12 2020
<b>Result for the period</b>	<b>-15.9</b>	<b>29.7</b>
Adjustments to cash flow	192.9	139.9
Change in net working capital	-1.0	29.6
<b>Cash flow before financial items and income tax</b>	<b>175.9</b>	<b>199.2</b>
Financial items (net)	-6.5	-5.8
Income tax paid	-8.5	-1.6
<b>Cash flow from operating activities</b>	<b>160.9</b>	<b>191.8</b>
Purchase of intangible assets	-27.6	-29.7
Purchase of property, plant and equipment	-54.7	-27.2
Proceeds from sale of intangible and tangible assets	2.7	11.8
Business acquisitions, net of cash acquired	-0.5	-48.8
Proceeds from business disposals less cash and cash equivalents	68.0	4.8
Cash flow from financial assets	5.1	32.5
Cash flow from other investments	0.4	0.2
<b>Cash flow from investing activities</b>	<b>-6.6</b>	<b>-56.5</b>
Increases in current loans	-	60.0
Repayment of current loans	-0.2	-69.9
Repayment of non-current loans	-61.2	-1.3
Payments of lease liabilities	-55.5	-57.3
Dividends paid	-31.3	-29.8
<b>Cash flow from financing activities</b>	<b>-148.1</b>	<b>-98.3</b>
<b>Change in cash and cash equivalents</b>	<b>6.2</b>	<b>37.0</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>91.0</b>	<b>54.9</b>
Effect of exchange rates changes	0.0	-1.0
<b>Cash and cash equivalents at the end of the period</b>	<b>97.2</b>	<b>91.0</b>

### Operative free cash flow, reconciliation

Cash flow from operating activities	160.9	191.8
Purchase of intangible assets and property, plant and equipment	-82.3	-56.9
Payments of lease liabilities	-55.5	-57.3
<b>Operative free cash flow</b>	<b>23.1</b>	<b>77.6</b>

*Group statement of cash flows includes both continuing and discontinued operations.*

## Consolidated Statement of Changes in Equity

EUR million	Share capital	General purpose reserve	Fair value reserve	Translation differences	Retained earnings	Total equity
<b>Jan 1, 2021</b>	<b>70.0</b>	<b>142.7</b>	<b>-1.2</b>	<b>-94.2</b>	<b>323.7</b>	<b>441.1</b>
<b>Comprehensive income</b>						
Result for the period					-15.9	-15.9
Other comprehensive income:						
Changes in the fair value of cash flow hedges, net of tax			0.5			0.5
Translation differences				93.6		93.6
Remeasurements of post-employment benefit obligations, net of tax					-3.4	-3.4
<b>Comprehensive income for the period</b>			<b>0.5</b>	<b>93.6</b>	<b>-19.3</b>	<b>74.8</b>
<b>Transactions with equity holders</b>						
Dividends paid					-31.3	-31.3
<b>Dec 31, 2021</b>	<b>70.0</b>	<b>142.7</b>	<b>-0.7</b>	<b>-0.6</b>	<b>273.1</b>	<b>484.5</b>
<b>Jan 1, 2020</b>	<b>70.0</b>	<b>142.7</b>	<b>-1.3</b>	<b>-90.3</b>	<b>323.8</b>	<b>444.9</b>
<b>Comprehensive income</b>						
Result for the period					29.7	29.7
Other comprehensive income:						
Changes in the fair value of cash flow hedges, net of tax			0.1			0.1
Translation differences				-3.9		-3.9
Remeasurements of post-employment benefit obligations, net of tax					0.1	0.1
<b>Comprehensive income for the period</b>			<b>0.1</b>	<b>-3.9</b>	<b>29.8</b>	<b>26.0</b>
<b>Transactions with equity holders</b>						
Dividends paid					-29.8	-29.8
<b>Dec 31, 2020</b>	<b>70.0</b>	<b>142.7</b>	<b>-1.2</b>	<b>-94.2</b>	<b>323.7</b>	<b>441.1</b>

### Dividends

Posti Group Corporation's Annual General Meeting was held in Helsinki on April 9, 2021. In line with the Board of Directors' proposal, the Annual General Meeting decided to distribute a dividend of EUR 31.3 million based on the result in 2020.

## Notes

### 1. Accounting Policies

The financial statement release has been prepared in accordance with IAS 34 Interim financial reporting. In the preparation of this financial statement release, Posti Group (the "Group") has applied the same accounting policies, methods of computation and presentation as in the consolidated financial statements for 2020. Amendments to IFRS standards effective as of 1 January 2021 had no impact on consolidated income statement or balance sheet. The figures shown have been rounded, which is why the sum total of individual figures may differ from totals presented. The financial statement release is unaudited.

### 2. Foreign exchange rates

	<b>1-12 2021</b>	<b>1-12 2020</b>
<b>Average rate</b>		
RUB	87.6	82.6
SEK	10.1	10.5
NOK	10.2	10.7
	<b>Dec 31, 2021</b>	<b>Dec 31, 2020</b>
<b>Closing rate</b>		
RUB	85.3	91.5
SEK	10.3	10.0
NOK	10.0	10.5

### 3. Operating segments

The Group's business is characterized by seasonality. Net sales and operating result of the segments do not accrue evenly over the year. In postal services and consumer parcels, the first and fourth quarters are typically strong, while the second and third quarters are weaker.

In the end of financial year 2021, Posti has 2 reporting segments that consist of five operating segments: Postal Services, Parcel and eCommerce, Transval, Freight services, and Aditro Logistics.

From 1 January 2021, Posti has re-assigned some business activities between its operating segments and assigned certain group-level functions to the operating segments. 2020 reporting has been restated accordingly, leading to minor adjustments between MPLS and Other and unallocated.

In December 2021 Posti Group completed the divestment of Itella Russia business group. After the divestment Posti has no operations in Russia. Following the divestment, Itella Russia segment result, including result of the divestment and previously sold real estate companies, is presented as discontinued operations. Comparison period 2020 is restated accordingly. More information is presented in note acquired and divested businesses.

Postal Services operating segment consists of corporate messaging, media, retail and consumer mail services. Parcel and eCommerce operating segment offers parcel and eCommerce services to both corporate and private customers, in Finland and internationally. Parcel and eCommerce also offers and develops Posti's new digital services. Posti Home services was part of this operating segment until its divestment in September 2020. Transval offers a large scale of supply chain outsourcing and transportation services including warehousing and in-house logistics services. The services can be delivered in own premises or in the client's premises such as warehouses, shops or production sites. Freight Services offers a wide range of transportation services to its customers. Freight Services are also part of the Mail, Parcel and Logistics Services segment's common production process. Aditro Logistics is one of the leading logistics companies in the Nordic countries, supporting Posti's target to grow as parcel, e-commerce and logistics company.

10-12  
2021

EUR million	Mail, Parcel and Logistics Services	Aditro Logistics	Segments total	Other and unallocated	Elimi- nations	Group total
External sales	411.5	32.7	444.2	0.0		444.2
Inter-segment sales	0.1	0.0	0.1	0.0	-0.1	
Net sales	<b>411.6</b>	<b>32.7</b>	<b>444.3</b>	<b>0.0</b>	<b>-0.1</b>	<b>444.2</b>
<b>EBITDA</b>	<b>53.5</b>	<b>2.6</b>	<b>56.1</b>	<b>-6.0</b>		<b>50.1</b>
<b>Special items included in EBITDA:</b>						
Personnel restructuring costs	0.2		0.2	-0.6		-0.4
Disposals of subsidiaries, real estates and businesses, net gain (-) /loss (+)						
Other	0.6		0.6	0.0		0.5
<b>Special items included in EBITDA total</b>	<b>0.8</b>		<b>0.8</b>	<b>-0.7</b>		<b>0.2</b>
<b>Adjusted EBITDA</b>	<b>54.4</b>	<b>2.6</b>	<b>57.0</b>	<b>-6.7</b>		<b>50.3</b>
<b>Operating result</b>	<b>24.9</b>	<b>-2.1</b>	<b>22.7</b>	<b>-7.9</b>		<b>14.8</b>
<b>Special items included in operating result:</b>						
Special items included in EBITDA	0.8		0.8	-0.7		0.2
Impairment losses	2.4		2.4	1.3		3.7
<b>Special items total</b>	<b>3.2</b>		<b>3.2</b>	<b>0.6</b>		<b>3.9</b>
<b>Adjusted operating result</b>	<b>28.1</b>	<b>-2.1</b>	<b>26.0</b>	<b>-7.3</b>		<b>18.7</b>
Financial income and expense						-1.8
Income tax						-2.8
<b>Result for the period from continuing operations</b>						<b>10.2</b>
Result for the period from discontinued operations						-59.5
<b>Result for the period</b>						<b>-49.2</b>



10-12  
2020  
restated\*

EUR million	Mail, Parcel and Logistics Services	Aditro Logistics	Segments total	Other and unallocated	Elimi- nations	Group total
External sales	412.7	29.1	441.8	0.0		441.8
Inter-segment sales	0.3	0.0	0.3	0.3	-0.7	
Net sales	<b>413.0</b>	<b>29.1</b>	<b>442.1</b>	<b>0.3</b>	<b>-0.7</b>	<b>441.8</b>
<b>EBITDA</b>	<b>55.8</b>	<b>3.6</b>	<b>59.4</b>	<b>-2.4</b>		<b>57.0</b>
<b>Special items included in EBITDA:</b>						
Personnel restructuring costs	2.3		2.3	-0.4		2.0
Disposals of subsidiaries, real estates and businesses, net gain (-) /loss (+)						
Onerous contracts						
Changes in contingent purchase considerations						
Other	1.9		1.9	0.0		1.9
<b>Special items included in EBITDA total</b>	<b>4.2</b>		<b>4.2</b>	<b>-0.4</b>		<b>3.8</b>
<b>Adjusted EBITDA</b>	<b>60.0</b>	<b>3.6</b>	<b>63.6</b>	<b>-2.8</b>		<b>60.8</b>
<b>Operating result</b>	<b>32.1</b>	<b>-0.5</b>	<b>31.6</b>	<b>-4.0</b>		<b>27.6</b>
<b>Special items included in operating result:</b>						
Special items included in EBITDA	4.2		4.2	-0.4		3.8
Impairment losses						
<b>Special items total</b>	<b>4.2</b>		<b>4.2</b>	<b>-0.4</b>		<b>3.8</b>
<b>Adjusted operating result</b>	<b>36.3</b>	<b>-0.5</b>	<b>35.8</b>	<b>-4.4</b>		<b>31.4</b>
Financial income and expense						-1.0
Income tax						-6.7
<b>Result for the period from continuing operations</b>						<b>20.0</b>
Result for the period from discontinued operations						-1.9
<b>Result for the period</b>						<b>18.1</b>

\* Restated on the basis of re-assignment of activities between MPLS and Other and unallocated

1-12  
2021

EUR million	Mail, Parcel and Logistics Services	Aditro Logistics	Segments total	Other and unallocated	Elimi- nations	Group total
External sales	1,484.8	110.1	1,595.0	0.0		1,595.0
Inter-segment sales	1.1	0.0	1.2	1.1	-2.3	
Net sales	<b>1,486.0</b>	<b>110.2</b>	<b>1,596.1</b>	<b>1.1</b>	<b>-2.3</b>	<b>1,595.0</b>
<b>EBITDA</b>	<b>177.5</b>	<b>12.7</b>	<b>190.2</b>	<b>-9.7</b>		<b>180.5</b>
<b>Special items included in EBITDA:</b>						
Personnel restructuring costs	2.2		2.2	-0.7		1.5
Disposals of subsidiaries, real estates and businesses, net gain (-) /loss (+)				-0.8		-0.8
Other	0.4		0.4	0.0		0.4
<b>Special items included in EBITDA total</b>	<b>2.6</b>		<b>2.6</b>	<b>-1.5</b>		<b>1.1</b>
<b>Adjusted EBITDA</b>	<b>180.2</b>	<b>12.7</b>	<b>192.9</b>	<b>-11.2</b>		<b>181.6</b>
<b>Operating result</b>	<b>73.9</b>	<b>-4.8</b>	<b>69.1</b>	<b>-14.1</b>		<b>55.0</b>
<b>Special items included in operating result:</b>						
Special items included in EBITDA	2.6		2.6	-1.5		1.1
Impairment losses	2.4		2.4	1.3		3.7
<b>Special items total</b>	<b>5.1</b>		<b>5.1</b>	<b>-0.3</b>		<b>4.8</b>
<b>Adjusted operating result</b>	<b>79.0</b>	<b>-4.8</b>	<b>74.2</b>	<b>-14.4</b>		<b>59.8</b>
Financial income and expense						-6.7
Income tax						-9.6
<b>Result for the period from continuing operations</b>						<b>38.7</b>
Result for the period from discontinued operations						-54.7
<b>Result for the period</b>						<b>-15.9</b>

1-12  
2020  
restated\*\*

EUR million	Mail, Parcel and Logistics Services	Aditro Logistics*	Segments total	Other and unallocated	Elimi- nations	Group total
External sales	1,480.6	74.7	1,555.4	0.1		1,555.4
Inter-segment sales	1.0	0.0	1.0	1.7	-2.7	
Net sales	<b>1,481.6</b>	<b>74.7</b>	<b>1,556.4</b>	<b>1.7</b>	<b>-2.7</b>	<b>1,555.4</b>
<b>EBITDA</b>	<b>162.9</b>	<b>10.2</b>	<b>173.1</b>	<b>-7.5</b>		<b>165.7</b>
<b>Special items included in EBITDA:</b>						
Personnel restructuring costs	4.5		4.5	1.1		5.6
Disposals of subsidiaries, real estates and businesses, net gain (-) /loss (+)	-1.4		-1.4			-1.4
Onerous contracts						
Changes in contingent purchase considerations				-0.9		-0.9
Other	1.9		1.9	2.7		4.5
<b>Special items included in EBITDA total</b>	<b>5.0</b>		<b>5.0</b>	<b>2.8</b>		<b>7.8</b>
<b>Adjusted EBITDA</b>	<b>168.0</b>	<b>10.2</b>	<b>178.1</b>	<b>-4.7</b>		<b>173.5</b>
<b>Operating result</b>	<b>67.8</b>	<b>-2.0</b>	<b>65.9</b>	<b>-15.4</b>		<b>50.5</b>
<b>Special items included in operating result:</b>						
Special items included in EBITDA	5.0		5.0	2.8		7.8
Impairment losses				2.2		2.2
<b>Special items total</b>	<b>5.0</b>		<b>5.0</b>	<b>5.0</b>		<b>10.0</b>
<b>Adjusted operating result</b>	<b>72.9</b>	<b>-2.0</b>	<b>70.9</b>	<b>-10.4</b>		<b>60.5</b>
Financial income and expense						-6.5
Income tax						-18.1
<b>Result for the period from continuing operations</b>						<b>25.9</b>
Result for the period from discontinued operations						3.8
<b>Result for the period</b>						<b>29.7</b>

\* The operations of Aditro Logistics have been included in Posti's financials as of April 2020

\*\* Restated on the basis of re-assignment of activities between MPLS and Other and unallocated

## Net sales of Mail, Parcel and Logistics Services

	10-12 2021	10-12 2020 restated*	1-12 2021	1-12 2020 restated*
<b>EUR million</b>				
Postal Services	175.4	180.9	610.9	647.1
Parcel and eCommerce	135.6	139.5	492.4	477.6
Transval	59.0	53.6	219.8	201.7
Freight Services	49.3	44.8	189.2	172.6
Other and eliminations**	-7.6	-5.8	-26.3	-17.4
<b>Total</b>	<b>411.6</b>	<b>413.0</b>	<b>1,486.0</b>	<b>1,481.6</b>

\* Restated due to re-assignment of some business activities between operating segments of MPLS

\*\* Other and eliminations includes internal sales between Transval and other Mail, Parcel and Logistics businesses

### Dec 31, 2021

EUR million	Mail, Parcel and Logistics Services				Segments total	Other and unallocated	Eliminations	Group total
	Logistics Services	Itella Russia	Aditro Logistics					
Assets	828.9	-	170.5	999.4	256.1	-13.0	<b>1,242.5</b>	
Liabilities	412.9	-	29.4	442.3	328.7	-13.0	<b>758.0</b>	
Capital expenditure*	61.7	-	8.7	70.4	46.0		<b>116.4</b>	
Depreciation and amortization*	99.9	-	17.1	117.0	2.5		<b>119.5</b>	
Impairment losses*	3.7	-	0.5	4.1	1.9		<b>6.1</b>	
Personnel, end of period*	18,930	-	1,751	20,681	447		<b>21,128</b>	
Personnel on average, FTE*	13,548	-	1,022	14,571	471		<b>15,042</b>	

\* Continuing operations

### Dec 31, 2020

EUR million	Logistics Services	Itella Russia	Aditro Logistics	Segments total	Other and unallocated	Eliminations	Group total
Assets	828.6	71.2	176.6	1,076.4	210.1	-1.1	<b>1,285.3</b>
Liabilities	378.7	6.5	19.8	405.0	440.4	-1.1	<b>844.2</b>
Capital expenditure*	63.1	-	2.4	65.6	84.5		<b>150.1</b>
Depreciation and amortization*	95.0	-	12.1	107.1	5.7		<b>112.9</b>
Impairment losses*	0.1	-		0.1	2.2		<b>2.3</b>
Personnel, end of period*	17,973	-	1,427	19,400	502		<b>19,902</b>
Personnel on average, FTE*	13,976	-	659	14,635	478		<b>15,113</b>

\* Continuing operations

#### 4. Net sales by geographical area

EUR million	10-12 2021	10-12 2020	1-12 2021	1-12 2020
Finland	364.6	333.0	1,308.2	1,288.8
Other Nordic countries	55.3	69.3	179.6	164.9
Russia	0.1	0.0	0.3	0.3
Other countries	24.2	39.4	106.9	101.4
<b>Total</b>	<b>444.2</b>	<b>441.8</b>	<b>1,595.0</b>	<b>1,555.4</b>

Disaggregated information on the net sales is presented in the note 3. Operating segments.

#### 5. Acquired and divested businesses

No business acquisitions were carried out during 2021.

##### Discontinued operations

In December 2021 Posti Group completed the divestment of Itella Russia business group. The divestment of Itella Russia supports Posti's strategy of seeking growth from its parcel and e-commerce as well as logistics businesses in Finland, Sweden and the Baltics. After the divestment Posti has no operations in Russia. Following the divestment, Itella Russia segment result, including result of the divestment and previously sold real estate companies, is presented as discontinued operations. Comparison period 2020 is restated accordingly.

Result from discontinued operations includes translation losses of EUR 90.3 million, accumulated over the period of ownership and previously reported as changes in equity according to IFRS. The disposal of real estate entities resulted in tax-deductible losses, for which deferred tax asset was recognised. The change of deferred tax is reported as part of discontinued operations. Consideration received on the sale was all cash and did not include any contingent consideration.

##### Result for the period from discontinued operations

EUR million	10-12 2021	10-12 2020	1-12 2021	1-12 2020
Net sales	10.4	14.3	49.3	58.9
Other operating income	2.6	2.8	10.6	13.2
Materials and services	-5.0	-7.0	-23.7	-25.7
Employee benefits	-3.0	-3.3	-13.7	-15.9
Sale result net of sale costs excluding translation differences	2.2	1.5	2.8	1.3
Translation differences from equity to sale result	-88.6	-5.9	-90.3	-5.9
Other operating expenses	-4.8	-3.4	-15.9	-13.9
Depreciation, amortization and impairment losses	-0.8	-1.2	-4.4	-7.5
<b>Operating result</b>	<b>-86.9</b>	<b>-2.2</b>	<b>-85.4</b>	<b>4.5</b>
Finance expenses	0.5	-0.7	1.4	-3.0
Income tax	26.9	1.0	29.3	2.4
<b>Result for the period from discontinued operations</b>	<b>-59.5</b>	<b>-1.9</b>	<b>-54.7</b>	<b>3.8</b>

##### Cash flow from discontinued operations

EUR million	1-12 2021	1-12 2020
Cash flow from operating activities	5.4	8.3
Cash flow from investing activities	72.6	0.2

##### Net assets sold

###### Sold assets

EUR million	2021
Intangible assets	0.8
Property, plant and equipment	50.7
Deferred tax asset	0.6
Receivables	14.8
Cash and cash equivalents	7.2
<b>Assets total</b>	<b>74.1</b>

###### Sold liabilities

EUR million	2021
Deferred tax liability	6.0
Interest bearing liabilities	7.5
Trade payables and other liabilities	7.7
<b>Liabilities total</b>	<b>21.2</b>
<b>Net assets sold</b>	<b>52.9</b>

## 6. Property, plant and equipment and right-of-use assets

The changes in the carrying amount of property, plant and equipment:

EUR million		Dec 31, 2021	Dec 31, 2020
<b>Carrying amount</b>	<b>Jan 1</b>	<b>273.6</b>	<b>314.0</b>
Acquired businesses		0.0	6.2
Additions		52.8	27.5
Business divestments		-56.4	-4.1
Disposals and transfers between items		-2.1	-11.9
Depreciation, continuing operations		-33.6	-33.1
Impairment, continuing operations		-1.0	-0.2
Depreciation and impairment, discontinued operations		-4.1	-5.4
Translation differences		4.4	-19.4
<b>Carrying amount, end of the period</b>		<b>233.6</b>	<b>273.6</b>

The changes in the carrying amount of right-of-use assets:

EUR million		Dec 31, 2021	Dec 31, 2020
<b>Carrying amount</b>	<b>Jan 1</b>	<b>262.8</b>	<b>190.5</b>
Acquired businesses		0.0	97.4
Additions		36.7	36.7
Business divestments		0.0	-1.8
Disposals and transfers between items		-0.7	-1.5
Depreciation		-58.0	-58.1
Translation differences		-1.6	-0.4
<b>Carrying amount, end of the period</b>		<b>239.2</b>	<b>262.8</b>

Specification of right-of-use assets:

EUR million		Dec 31, 2021	Dec 31, 2020
Land		-	0.1
Buildings		197.6	229.6
Vehicles		33.4	24.5
Machinery and other		8.2	8.6
<b>Carrying amount, end of the period</b>		<b>239.2</b>	<b>262.8</b>

## 7. Goodwill and other intangible assets

The changes in the carrying amount of a total of goodwill and other intangible assets:

EUR million		Dec 31, 2021	Dec 31, 2020
<b>Carrying amount</b>	<b>Jan 1</b>	<b>280.4</b>	<b>210.4</b>
Acquired businesses		0.0	66.5
Additions		27.6	29.7
Business divestments		-0.7	-2.4
Disposals and transfers between items		0.5	1.7
Amortization, continuing operations		-27.4	-23.0
Impairment, continuing operations		-4.5	-2.2
Amortization and impairment, discontinued operations		-0.3	-0.4
Translation differences		-1.4	0.0
<b>Carrying amount, end of the period</b>		<b>274.1</b>	<b>280.4</b>

## 8. Net debt and liquid funds

EUR million		Borrowings	Interest bearing liabilities	Interest bearing lease borrowings total	Liquid funds	Debt certificates	Net debt total
<b>Carrying amount</b>	<b>Jan 1, 2021</b>	<b>122.6</b>	<b>266.2</b>	<b>388.8</b>	<b>160.1</b>	<b>0.0</b>	<b>228.7</b>
Cash flows		-61.5	-55.5	-117.0	-9.0	10.0	-117.9
Business acquisitions		0.0	0.0	0.0	0.0	0.0	0.0
Effect of exchange rates changes		0.0	1.6	1.6	0.0	0.0	1.6
Other non-cash items		0.1	32.5	32.6	0.0	0.0	32.6
<b>Carrying amount</b>	<b>Dec 31, 2021</b>	<b>61.3</b>	<b>244.8</b>	<b>306.1</b>	<b>151.1</b>	<b>10.0</b>	<b>145.0</b>
<b>Fair value</b>	<b>Dec 31, 2021</b>	<b>61.4</b>	<b>244.8</b>	<b>306.3</b>			

EUR million		Borrowings	Interest bearing liabilities	Interest bearing lease borrowings total	Liquid funds	Debt certificates	Net debt total
<b>Carrying amount</b>	<b>Jan 1, 2020</b>	<b>128.5</b>	<b>192.5</b>	<b>321.0</b>	<b>141.7</b>	<b>15.0</b>	<b>164.3</b>
Cash flows		-11.5	-57.3	-68.8	19.4	-15.0	-73.2
Business acquisitions		5.0	93.3	98.3	0.0	0.0	98.3
Effect of exchange rates changes		0.0	-3.5	-3.5	-1.0	0.0	-2.5
Other non-cash items		0.6	41.2	41.8	0.0	0.0	41.8
<b>Carrying amount</b>	<b>Dec 31, 2020</b>	<b>122.6</b>	<b>266.2</b>	<b>388.8</b>	<b>160.1</b>	<b>0.0</b>	<b>228.7</b>
<b>Fair value</b>	<b>Dec 31, 2020</b>	<b>123.0</b>	<b>266.2</b>	<b>389.2</b>			

EUR million	Dec 31, 2021	Dec 31, 2020
Cash and cash equivalents	97.2	91.0
Money market investments and investments in bonds	53.9	69.1
<b>Liquid funds</b>	<b>151.1</b>	<b>160.1</b>

## 9. Fair value hierarchy of financial assets and liabilities measured at fair value

EUR million	Total	Level 1	Level 2	Level 3
<b>Dec 31, 2021</b>				
<b>Financial assets measured at fair value</b>				
Non-current receivables				
Other non-current investments	1.0			1.0
Current financial assets				
Derivative contracts				
Currency derivatives, non-hedge accounting	0.6		0.6	
<b>Total</b>	<b>1.6</b>		<b>0.6</b>	<b>1.0</b>
<b>Financial liabilities measured at fair value</b>				
Other non-current liabilities				
Derivative contracts				
Interest rate derivatives, hedge accounting	0.9		0.9	
Trade payables and other liabilities				
Derivative contracts				
Currency derivatives, non-hedge accounting	0.0		0.0	
<b>Total</b>	<b>0.9</b>		<b>0.9</b>	
<b>Dec 31, 2020</b>				
<b>Financial assets measured at fair value</b>				
Non-current receivables				
Other non-current investments	1.0			1.0
Current financial assets				
Derivative contracts				
Currency derivatives, non-hedge accounting	0.0		0.0	
<b>Total</b>	<b>1.0</b>		<b>0.0</b>	<b>1.0</b>
<b>Financial liabilities measured at fair value</b>				
Other non-current liabilities				
Derivative contracts				
Interest rate derivatives, hedge accounting	1.4		1.4	
Trade payables and other liabilities				
Derivative contracts				
Currency derivatives, non-hedge accounting	0.5		0.5	
<b>Total</b>	<b>1.9</b>		<b>1.9</b>	

No transfers between the fair value hierarchy levels have been made during the reporting periods. The Group identifies and recognizes transfers between different levels as the transaction is exercised or at the moment when the parameters change materially.

Hierarchy levels:

**Level 1:** Fair values are based on the quoted prices of identical asset groups or liabilities in active markets.

**Level 2:** Fair values are, to a significant degree, based on data other than quoted prices included in level 1, but on data that can be either directly or indirectly verified for the asset group or liability in question.

To determine the fair value of these instruments, the Group uses generally accepted valuation models that are, to a significant degree, based on verifiable market data.

**Level 3:** Fair values are based on data regarding the asset group or liability that is not based on verifiable market data.

The fair values of currency forward contracts are calculated by valuing forward contracts at the present value of the forward rates on the reporting date. The fair values of interest rate swaps are calculated by discounting the forecasted cash flows of the contracts with the market interest rate curves on the reporting date. The fair values of zero interest rate floors related to interest rate swaps are based on the generally used option pricing models.

The group also has a number of financial instruments which are not measured at fair value in the balance sheet. The fair value of investments in bonds was EUR 24.7 million and their carrying value EUR 24.5 million. For the other instruments, the fair values are not materially different to their carrying amounts, since the instruments are short-term in nature.



## 10. Pledges, commitments and other contingent liabilities

### Pledges

EUR million	Dec 31, 2021	Dec 31, 2020
Pledges for own behalf		
Bank guarantees	8.9	9.1
Guarantees	3.4	3.6
Pledges	1.3	0.9
<b>Total</b>	<b>13.6</b>	<b>13.7</b>

### Lease commitments not recognized in balance sheet

EUR million	Dec 31, 2021	Dec 31, 2020
Maturity of minimum lease payments:		
Less than a year	10.9	9.6
1-5 years	0.5	1.2
<b>Total</b>	<b>11.4</b>	<b>10.9</b>

### Other contingent liabilities

The Group has a potential environmental liability of EUR 19.9 million, related to cleaning the land area in Pohjois-Pasila. Negotiations on the use of land and the related cleaning liability are pending between Posti and third parties. Posti expects that such negotiations will result to a clarification of the actual liability of each party.

### Derivative contracts

EUR million	Dec 31, 2021	Dec 31, 2020
<b>Currency derivatives</b>		
Non-hedge accounting		
Fair value	0.6	-0.5
Nominal value	23.2	18.9
<b>Interest rate derivatives</b>		
Hedge accounting		
Fair value	-0.9	-1.4
Nominal value	60.0	60.0

## 11. Events after the reporting period

On January 1, Transval closed the sale of Humanlink Estonia store services business and Humanlink Baltic Latvia SIA shares to the operative management of the companies.

On January 13, Posti announced it plans to merge its business groups Parcel & eCommerce and Freight Services into a new business group. The planned change is estimated to have an impact on organizational structures, working practices and job roles. The change enhances cross-business co-operation in line with Posti's strategy execution.

On January 17, Posti announced it had signed an agreement with the owners of the Swedish logistics company Veddestagruppen, under which Posti Group acquires the entire share capital of Veddestagruppen AB. The acquisition was completed on January 31. Veddestagruppen will be integrated with Posti Group's Swedish subsidiary Aditro Logistics.