



POSTI GROUP CORPORATION INTERIM REPORT, APRIL 28, 2022 AT 9:00 A.M. (EET)

Posti Group Corporation Interim Report January–March 2022



Posti Group 1–3/2022: net sales growth continued, the challenging operating environment impacted profitability

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

January–March

Financial highlights

- Net sales grew by 1.8% to EUR 391.1 (384.3) million.
- Adjusted EBITDA decreased to EUR 36.5 (44.6) million, or 9.3% (11.6%) of net sales.
- EBITDA decreased to EUR 34.4 (44.6) million, or 8.8% (11.6%) of net sales.
- Adjusted operating result decreased to EUR 6.6 (14.8) million, representing 1.7% (3.9%) of net sales.
- Operating result decreased to EUR 4.4 (14.9) million, representing 1.1% (3.9%) of net sales.
- Net debt to adjusted EBITDA was 1.4x (1.2x).

Operational highlights

- The war in Ukraine has no direct effect on Posti's financial position. Posti has no operations in Russia, Belarus, or Ukraine. Russia's invasion of Ukraine affects Posti through market situation and business environment.
- The difficult operating environment affected Posti Group in the first quarter of 2022. The war in Ukraine has increased energy prices and accelerated inflation further. The war impacts consumers' behavior resulting in lower consumption of goods which reduced parcel volume growth. Due to the COVID-19 pandemic, absences continued, requiring overtime hours and use of additional temporary workforce.
- In January-March, total parcel volume in Finland and the Baltic countries remained at last year's level.
- The number of addressed letters continued to decline and decreased by 7% (14%) in Finland.
 - The share of mail items covered by the universal service obligation accounted for 2.5% (3.1%) of all Posti's mail items delivered.
- The combined external net sales of eCommerce and Delivery Services, and Fulfillment and Logistics Services represented 62.5% (59.9%) of the Group's net sales.
- On January 17, Posti announced that it had signed an agreement with the owners of the Swedish logistics company Veddestagruppen, under which Posti Group acquired the entire share capital of Veddestagruppen AB. The acquisition was completed on January 31. Veddestagruppen is integrated with Posti Group's Swedish subsidiary Aditro Logistics.
- Posti has changed its segment reporting to align with the company strategy and organizational structure and to improve visibility on performance and results. As of January 1, 2022, Posti has three reportable segments: eCommerce and Delivery Services, Fulfillment and Logistics Services and Postal Services. Comparison period 2021 has been restated accordingly.

Outlook for 2022

Posti's outlook for 2022 remains unchanged. 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			
	1-3 2022	1-3 2021	1-12 2021
Net sales*, EUR million	391.1	384.3	1,595.0
Adjusted EBITDA*, EUR million	36.5	44.6	181.6
Adjusted EBITDA margin*, %	9.3%	11.6%	11.4%
EBITDA*, EUR million	34.4	44.6	180.5
EBITDA margin*, %	8.8%	11.6%	11.3%
Adjusted operating result*, EUR million	6.6	14.8	59.8
Adjusted operating result margin*, %	1.7%	3.9%	3.7%
Operating result*, EUR million	4.4	14.9	55.0
Operating result margin*, %	1.1%	3.9%	3.4%
Result for the period*, EUR million	1.0	11.1	38.7
Return on capital employed (12 months)*, %	6.5%	8.4%	8.4%
Net debt, EUR million	236.9	221.9	145.0
Net debt / adjusted EBITDA*	1.4x	1.2x	0.8x
Operative free cash flow, EUR million	-13.5	-6.7	23.1
Personnel, end of period*	20,135	19,777	21,128
Personnel on average*, FTE	14,688	14,762	15,042
Earnings per share, continuing operations*, EUR	0.03	0.28	0.97
Earnings per share, basic, EUR	0.03	0.29	-0.40
Dividend per share*, EUR			0.80
Dividend, EUR million			32.0

* Continuing operations – as a result of divestment, the 2021 results of Itella Russia are presented as discontinued operations.

Changes in reporting

Posti has changed its segment reporting to align with the company strategy and organizational structure and to improve visibility on performance and results.

As of January 1, 2022, Posti has three reportable segments: eCommerce and Delivery Services, Fulfillment and Logistics Services, and Postal Services. Comparison period 2021 has been restated accordingly.

eCommerce and Delivery Services offers parcel, transportation, and e-commerce services to corporate and private customers in Finland, Sweden, and Baltics. eCommerce and Delivery Services also develops Posti's digital services for an improved customer experience.

Fulfillment and Logistics Services consists of two operating segments: Transval and Aditro Logistics. Transval is the market leader in providing logistics outsourcing solutions in Finland. Aditro Logistics is one of the leading logistics companies in Sweden and the Nordics.

Postal Services offers mail delivery services as well as supporting digital and multichannel solutions.

Turkka Kuusisto, President and CEO

Our growth continued in the first quarter of 2022. Net sales grew by 1.8% to EUR 391.1 (384.3) million driven by the growth of eCommerce and Delivery Services, and Fulfillment and Logistics Services. The overall volumes of Logistics Services were high, and the acquisition of Veddestagruppen increased our sales in Sweden. However, the parcel volumes did not grow as consumers increased consumption of services instead of goods, and the war in Ukraine reduced consumers' confidence in economy. Furthermore, the decline of Postal Service's net sales continued.

Our adjusted EBITDA decreased to EUR 36.5 (44.6) million. The declining net sales of Postal Services combined with the increased costs affected the Group's profitability. Growing energy and fuel prices, inflation, and absences due to the COVID-19 virus that required overtime hours and temporary workforce increased costs. In contrary, eCommerce and Delivery Services, and Fulfillment and Logistics Services improved their profitability. The improvement was due to promptly implemented profitability measures that brought results already at the end of the quarter.

In February, the war in Ukraine changed the lives of millions and our operating environment overnight. The situation has shocked us all and Posti has wanted to do its part to support and help Ukrainians. We assist various organizations and other parties in the transportation of humanitarian aid within Finland and to Ukrainians. We also donated EUR 50,000 to Unicef Finland and the Finnish Red Cross. Furthermore, as of April 11, we suspended all letter and parcel traffic between Finland and Russia as well as between Finland and Belarus until further notice.

Even though our operating environment is changing, we continue to work towards our long-term goals. We continue to develop the company in line with our strategy. For example, our warehouse capacity is expanding through Transval's new warehouse in Sipoo, which will be opened this month. Also, the expansion of our green fleet continues, as we deploy over 200 new green vehicles this year.

Sustainability is at the heart of our strategy, and I am very pleased that consumers chose Posti as Finland's most sustainable parcel and logistics brand in the 2022 Sustainable Brand Index™ survey. Our sustainability report 2021 was published in March, and we were again able to show very strong progress. Our emissions declined by 10 percent and the Group's accident frequency was 23 percent, improving by 32 percent from the previous year.

I would like to thank all Posti employees for their hard work that has made the continuation of smooth services to our customers possible. While the current situation will continue to challenge us and require flexibility and extra effort from us all, our outlook for the year 2022 remains unchanged. Our direction is clear, and we continue to develop our services in line with our strategic focus area of delivery and fulfillment.

APPENDICES

Posti Group's Interim Report January-March 2022 in full (PDF)

FURTHER INFORMATION

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DISTRIBUTION

Key media

www.posti.com/financials

IMAGES AND LOGOS

www.posti.com/media

Posti is one of the leading delivery and fulfillment companies in Finland, Sweden and Baltics. Our core business includes parcels, freight, postal services, and logistics solutions. Our goal is to have fossil-free transport by 2030. We have operations in seven countries. Our net sales in 2021 amounted to EUR 1,595.0 million and we have approximately 21,000 employees. www.posti.com

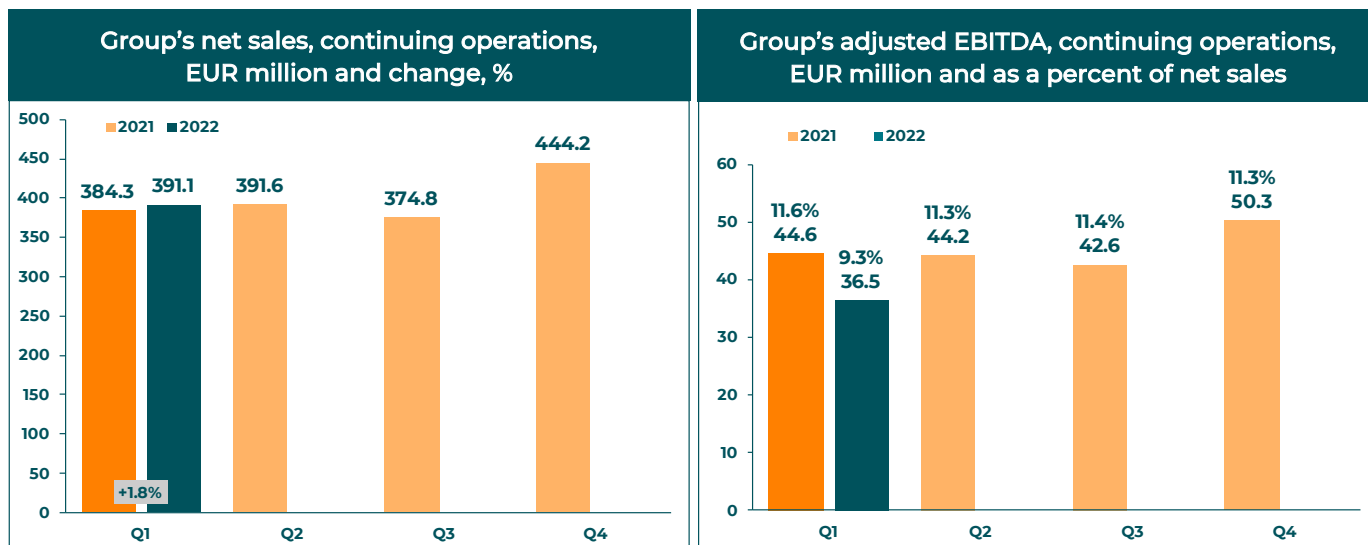
Market situation and business environment

The COVID-19 pandemic continues, but the lifting of restrictions gave positive signs of economic recovery. However, Russia's invasion of Ukraine brought high uncertainty to economic outlook. The war causes great uncertainty for households and businesses about future economic developments. The Economic Sentiment Indicator (ESI) published by Eurostat has dropped substantially in both EU and in the euro area mainly due to plummeting consumer confidence. The sanctions imposed against Russia have raised energy prices, and the risk of high inflation is increasing, which was reflected also in Posti's operations.

The corona restrictions have been lifted, and the growth of eCommerce has slowed down, as consumers have been able to shift their consumption to services instead of goods. According to Statistics Finland, the working day adjusted turnover in services has increased significantly during the first months of 2022, and at the same time the volume of retail sales has decreased. The decline of goods consumption impacts Posti's parcel volumes negatively.

The Bank of Finland has made different calculations on the effects of the Ukrainian war for the Finnish economy, and based on scenario calculations, Finland's GDP growth is expected to slow to 0.5–2.0 per cent this year because of the war. The war in Ukraine also impacts the Swedish economy even though Sweden's direct economic relations with Russia and Ukraine are limited. According to Swedbank's forecast, GDP growth in Sweden for 2022 will be 2.8%. The effects of the war are not yet visible in the economic statistics, but the war will have long-term effects on the Finnish and global economies. In addition, indirect effects on Posti's operations are expected to continue.

Net sales and profitability



January–March 2022

Net sales

The Group's net sales grew by 1.8% to EUR 391.1 (384.3) million. Net sales decreased by 0.2% in Finland and grew by 20.1% in other countries. The growth in other countries is mainly due to the acquisition of Veddestagruppen. The share of Posti's business operations outside Finland increased and accounted for 11.4% (9.7%) of net sales.

In the eCommerce and Delivery Services segment, net sales increased by 2.3% to EUR 162.2 (158.6) million.

Net sales increased in the Fulfillment and Logistics Services segment by 14.7% to EUR 87.5 (76.3) million. Posti acquired Veddestagruppen in January 2022, and the company has been part of the segment since February.

The combined external net sales of eCommerce and Delivery, and Fulfillment and Logistics Services represented 62.5% (59.9%) of the Group's net sales.

Net sales decreased in the Postal services segment by 4.8% to EUR 147.5 (154.9) million.

Operations under the universal service obligation decreased and amounted to EUR 20.9 (26.7) million, or 5.3% (6.9%) of the Group's net sales and 2.5% (3.1%) of delivery volumes.

Profitability

The Group's adjusted EBITDA decreased to EUR 36.5 (44.6) million, or 9.3% (11.6%) of net sales mainly due to the decreased profitability of Postal Services. EBITDA decreased to EUR 34.4 (44.6) million, or 8.8% (11.6%) of net sales. The adjusted operating result decreased to EUR 6.6 (14.8) million, or 1.7% (3.9%) of net sales. The operating result declined to EUR 4.4 (14.9) million, or 1.0% (11.4%) of net sales.

Special items affecting the operating result in January-March were EUR -2.1 (0.1) million.

Special items affecting the operating result in 1-3 2022

EUR million

Personnel restructuring costs	-1.7
Other special items	-0.4
Total	-2.1

eCommerce and Delivery Services

Key figures, eCommerce and Delivery Services

	1-3 2022	1-3 2021	1-12 2021
Net sales, EUR million	162.2	158.6	681.1
<i>Net sales change-%</i>	2.3%	7.3%	4.8%
Adjusted EBITDA, EUR million	14.2	13.4	62.0
<i>Adjusted EBITDA margin, %</i>	8.8%	8.5%	9.1%
EBITDA, EUR million	13.6	12.9	62.0
<i>EBITDA margin, %</i>	8.4%	8.1%	9.1%

January–March 2022

The parcel and freight volumes developed as follows:

- The total number of parcels delivered by Posti in Finland and the Baltic countries remained at the previous year's level at 16 (16) million. The figure does not include letter-like eCommerce items.
- Transportation volumes measured in waybills increased by 2%.

Net sales

The net sales of eCommerce and Delivery Services increased by 2.3% to EUR 162.2 (158.6) million mainly due to the increased net sales of transportation services.

The growth of total parcel volumes slowed down to 0%. Since the beginning of the war in Ukraine, consumers' confidence in economy has declined, resulting in lower consumption of goods that affects parcel volumes. With the removal of COVID-19 restrictions, consumers have also spent more money on services instead of goods. In addition, the comparison period in 2021 was exceptionally strong.

Profitability

The adjusted EBITDA of eCommerce and Delivery Services increased to EUR 14.2 (13.4) million, or 8.8% (8.5%) of net sales. The growth was driven by the increased net sales of the segment and the improved profitability of transportation services. However, the reduced growth of parcel volumes decreased overall profitability. EBITDA increased to EUR 13.6 (12.9) million.

Fulfillment and Logistics Services

Key figures, Fulfillment and Logistics Services			
	1-3 2022	1-3 2021	1-12 2021
Net sales, EUR million	87.5	76.3	330.0
<i>Transval</i>	55.6	50.8	219.8
<i>Aditro Logistics</i>	31.8	25.4	110.2
Net sales change-%	14.7%	-*	19.4%*
Adjusted EBITDA, EUR million	7.4	7.1	32.6
Adjusted EBITDA margin, %	8.4%	9.3%	9.9%
EBITDA, EUR million	7.4	7.1	32.1
EBITDA margin, %	8.4%	9.3%	9.7%

*Aditro Logistics has been part of Posti since April 2020

January–March 2022

On January 17, Posti announced that 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 is integrated with Posti Group's Swedish subsidiary Aditro Logistics.

Net sales

Fulfillment and Logistics Services' net sales increased by 14.7% and were EUR 87.5 (76.3) million. The growth of **Transval**'s net sales was mainly due to the increased sales of inhouse logistics and volumes of contract logistics. **Aditro Logistics**' net sales growth was mainly due to the acquisition of Veddestagruppen in Sweden, as well as improved warehousing storage volumes.

Profitability

The adjusted EBITDA of Fulfillment and Logistics Services increased to EUR 7.4 (7.1) million, or 8.4% (9.3%) of net sales. The improvement was mainly due to the acquisition of Veddestagruppen. EBITDA increased to EUR 7.4 (7.1) million.

Postal Services

Key figures, Postal Services			
	1-3 2022	1-3 2021	1-12 2021
Net sales, EUR million	147.5	154.9	610.9
Net sales change-%	-4.8%	-10.6%	-5.6%
Adjusted EBITDA, EUR million	18.1	25.9	99.1
Adjusted EBITDA margin, %	12.3%	16.7%	16.2%
EBITDA, EUR million	16.8	25.6	96.8
EBITDA margin, %	11.4%	16.5%	15.8%

January–March 2022

The decline of Postal volumes continued, and the number of addressed letters decreased by 7% to 100 (107) million.

Net sales

The net sales of Postal Services decreased by 4.8% to EUR 147.5 (154.9) million mainly due to the continued mail volume decline.

Profitability

The adjusted EBITDA of Postal services decreased to EUR 18.1 (25.9) million, or 12.3% (16.7%) of net sales. The profitability was affected by the declining net sales of the segment and the higher operational costs due to the increase in energy prices, the exceptional winter conditions and absences due to the COVID-19 virus that required overtime hours and temporary workforce. EBITDA decreased to EUR 16.8 (25.6) million.

Cash flow, financial position, and major investments

In January–March, the consolidated cash flow from operating activities was EUR 17.5 (22.3) million, the cash flow from investing activities EUR -39.8 (-14.1) million, and the cash flow from financing activities EUR -31.5 (-13.9) million.

At the end of March, liquid assets amounted to EUR 103.6 (159.9) million and undrawn committed credit facilities totaled EUR 150.0 (150.0) million. The Group's interest-bearing borrowings were EUR 340.5 (381.8) million. Net debt totaled EUR 236.9 (221.9) million. Equity ratio was 39.3% (38.1%).

Posti will continue to invest in digital and eCommerce services and improving the competitiveness of its core business to respond to the changing market and to support Posti's transformation. Posti has invested in expanding its warehouse capacity (a new warehouse in Sipoo that will be completed in April 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

There have been no changes in the leadership team.

Annual General Meeting

Posti Group Corporation's Annual General Meeting was held in Helsinki on March 28, 2022. In line with the Board of Directors' proposal, the Annual General Meeting decided to distribute a dividend of EUR 32.0 million based on the result in 2021. The dividend will be paid in two parts during the year 2022.

The meeting adopted the 2021 financial statements and discharged the members of the Supervisory Board, Board of Directors and President and CEO from liability.

Board of Directors

The Annual General Meeting decided that Sanna Suvanto-Harsaae will continue as the Chair of the Board of Directors and Per Sjödel as the Deputy Chair.

The following persons will continue as members of the Board of Directors:

- Raija-Leena Hankonen, Board professional
- Harri Hietala, Master of Laws with court training, Master of Laws
- Kari-Pekka Laaksonen, CEO
- Frank Marthaler, Board professional
- Satu Ollikainen as an employee representative
- Minna Pajumaa, Senior Financial Counsellor
- Hanna Vuorela, Vice President, Strategic Development

The following person was elected as a new member of the Board of Directors:

- Jukka Leinonen, EVP and Head of Nordics, Telenor ASA

Sirpa Huuskonen will leave her position in the Board of Directors.

Supervisory Board

Annual General Meeting elected Kimmo Kiljunen (Social Democratic Party) as the new Chair of the Supervisory Board. The previous Chair, Aki Lindén will leave his position at the Supervisory Board. Heli Järvinen (the Greens in Finland) will continue as the Deputy Chair of the Supervisory Board.

The Annual General Meeting decided that the following persons will continue as members of the Supervisory Board:

- Sari Essayah, MP, Christian Democrats
- Eeva Kalli, MP, Centre Party
- Mia Laiho, MP, National Coalition Party
- Rami Lehto, MP, Finns 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

The following person was elected as a new member of the Supervisory Board:

- Seppo Eskelinen, MP, Social Democratic Party

Board of Directors' and Supervisory Board's fees

The fees of the members of the Board of Directors and the Supervisory Board remained unchanged. 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.

Members of the Supervisory Board will receive a meeting fee.

Auditor

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

Employees

The Group's personnel			
	1-3 2022	1-3 2021	1-12 2021
Personnel at period-end*	20,135	19,777	21,128
Finland*	17,646	17,529	18,571
Other countries of operation*	2,489	2,248	2,557
Personnel on average, FTE */**	14,688	14,762	15,042

*Continuing operations

**Full-time equivalent personnel on average

In January–March, the Group's personnel expenses amounted to EUR 177.3 (170.4) million, growing by 4.0% from the previous year. The personnel expenses included EUR 1.7 (0.9) million of restructuring costs.

Acquisitions, divestments, and changes in the corporate structure

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 change that came to force on April 1 enhances cross-business co-operation in line with Posti's strategy execution.

On January 17, Posti announced that 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 is integrated with Posti Group's Swedish subsidiary Aditro Logistics.

On March 31, Posti signed an agreement on the acquisition of the early-morning delivery operations of Mediatalo Keski-suomalainen Oyj's subsidiaries Jakelusepät Oy and Ilves Jakelu Oy in the areas of Pohjois-Savo, Päijät-Häme and Kanta-Häme. The transaction is aimed at strengthening the future of the delivery market and ensuring quality service for customers in early-morning delivery.

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

Posti's vision is to be a modern delivery and fulfillment company. The goal is to increase agility and productivity and at the same time, offer customer-focused and integrated service throughout the entire delivery and fulfillment value chain. To grow and succeed in the increasing competition, Posti needs to find ways to accelerate its transformation. The main risks in Posti's business transformation are two-fold and relate to the declining mail volumes in the postal business and the growth of eCommerce in the parcel business. As a large employer, Posti is also facing challenges with the availability of skilled labor.

The growth of eCommerce has stagnated, as the COVID-19 restrictions have been lifted and consumers have been able to shift their spending towards services instead of goods. Consumer confidence has also plummeted due to the uncertainty caused by Russia's aggression against Ukraine. Posti needs to carefully monitor consumer behavior related to eCommerce, help its customers to succeed and find ways to further accelerate the growth of the eCommerce market. At the same time, Posti is facing continuously increasing market competition and disruptive business models by competitors especially in the last mile delivery and e-fulfillment. Increased competition could lead to a loss of market share. Posti is managing this by continuously monitoring and reviewing its actions to execute the chosen delivery and fulfillment strategy.

The sanctions against Russia have raised commodity and energy prices and caused supply chain shocks which will impact primarily the industrial production. In addition to production challenges, rising prices also decrease household income and private consumption. Due to the nature and scale of Posti's operations, the general development of economy and demand of goods has a direct impact also on Posti's business.

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. If the regulation sets Posti a new delivery obligation without ensuring a pricing that is cost-based with a reasonable margin, it would cause rigidity to Posti's operations and have a negative impact on company profitability. In addition to which such requirement, as currently proposed, may also be against applicable laws. Posti manages its most significant business risks through careful operational planning and active communication.

The risks related to cyber security have somewhat increased. Given the increased importance of data in Posti's business and business continuity, potential risks related to cyber security and data need to be addressed carefully. Potential data breaches could lead to financial losses and severe long-term reputational risk for Posti's brand and future business.

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 succeed in its transformation into a fulfillment player within eCommerce, Aditro Logistics needs to carefully manage the execution of its digital initiatives.

Events after the reporting period

There have been no significant events after the reporting period.

Outlook for 2022

Posti's outlook remains unchanged. 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, April 27, 2022

Posti Group Corporation
Board of Directors

APPENDICES

Calculation of key figures

Interim Report January-March 2022 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

Interim report tables January-March 2022

Consolidated Income statement and consolidated Statement of comprehensive income

Consolidated income statement

Continuing operations

EUR million	1-3 2022	1-3 2021	1-12 2021
Net sales	391.1	384.3	1,595.0
Other operating income	2.1	3.8	12.6
Materials and services	-111.7	-108.6	-474.0
Employee benefits	-177.3	-170.4	-682.0
Other operating expenses	-69.9	-64.5	-271.1
Depreciation and amortisation	-29.9	-29.7	-119.5
Impairment losses	0.0	0.0	-6.1
Operating result	4.4	14.9	55.0
Finance income	0.4	0.7	2.2
Finance expenses	-2.7	-2.4	-8.9
Result before income tax	2.2	13.3	48.3
Income tax	-1.2	-2.2	-9.6
Result for the period from continuing operations	1.0	11.1	38.7
Result for the period from discontinued operations	0.0	0.3	-54.7
Result for the period	1.0	11.4	-15.9
Earnings per share (EUR per share)			
Group total	0.03	0.29	-0.40
Continuing operations	0.03	0.28	0.97
Discontinued operations	0.00	0.01	-1.37

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

Result for the period	1.0	11.4	-15.9
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Change in fair value of cash flow hedges	0.7	0.0	0.6
Translation differences	0.4	0.8	93.6
Income tax relating to these items	-0.1	0.0	-0.1
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations			-4.2
Income tax relating to these items			0.8
Comprehensive income for the period	2.1	12.3	74.8

Consolidated Balance Sheet

Assets

EUR million	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Non-current assets			
Goodwill	210.3	189.8	189.9
Other intangible assets	90.8	88.5	84.3
Investment property	3.5	3.5	3.5
Property, plant and equipment	234.5	276.5	233.6
Right-of-use assets	274.6	255.5	239.2
Investments in associated companies	0.1	1.8	0.9
Other non-current investments	1.0	1.0	1.0
Non-current receivables	1.0	0.2	1.5
Deferred tax assets	28.2	9.2	25.7
Total non-current assets	844.0	826.0	779.6
Current assets			
Inventories	3.7	4.0	4.0
Trade and other receivables	293.4	284.5	296.4
Current income tax receivables	0.9	1.0	0.9
Current financial assets	61.0	74.6	64.5
Cash and cash equivalents	43.3	85.3	97.2
Total current assets	402.3	449.4	462.9
Total assets	1,246.4	1,275.4	1,242.5
Equity and liabilities			
EUR million	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Equity attributable to the shareholders of the parent company			
Share capital	70.0	70.0	70.0
General purpose reserve	142.7	142.7	142.7
Fair value reserve	-0.1	-1.1	-0.7
Translation differences	-0.1	-93.4	-0.6
Retained earnings	242.1	335.1	273.1
Total shareholders' equity	454.5	453.3	484.5
Non-current liabilities			
Deferred tax liabilities	13.2	19.4	12.1
Non-current interest-bearing borrowings	60.0	120.9	60.4
Non-current interest-bearing lease liabilities	224.0	209.0	193.4
Other non-current payables	4.4	7.0	7.2
Advances received	12.4	13.3	12.9
Non-current provisions	3.6	3.7	3.0
Defined benefit pension plan liabilities	10.8	7.0	11.1
Total non-current liabilities	328.4	380.2	300.1
Current liabilities			
Current interest-bearing borrowings	0.0	1.2	0.9
Current interest-bearing lease liabilities	56.6	50.7	51.4
Trade and other payables	323.9	312.6	324.7
Advances received	78.5	72.0	80.1
Current income tax liabilities	3.9	4.3	0.3
Current provisions	0.6	1.2	0.5
Total current liabilities	463.5	442.0	458.0
Total liabilities	791.8	822.1	758.0
Total equity and liabilities	1,246.4	1,275.4	1,242.5

Condensed consolidated Statement of Cash Flows

EUR million	1-3 2022	1-3 2021	1-12 2021
Result for the period	1.0	11.4	-15.9
Adjustments to cash flow	34.3	32.6	192.9
Change in net working capital	-15.1	-9.0	-1.0
Cash flow before financial items and income tax	20.2	35.1	175.9
Financial items (net)	-2.1	-1.2	-6.5
Income tax paid	-0.6	-11.5	-8.5
Cash flow from operating activities	17.5	22.3	160.9
Purchase of intangible assets	-6.7	-5.8	-27.6
Purchase of property, plant and equipment	-10.1	-9.8	-54.7
Proceeds from sale of intangible and tangible assets	0.1	2.0	2.7
Business acquisitions, net of cash acquired	-27.0	-	-0.5
Proceeds from business disposals less cash and cash equivalents	0.0	4.8	68.0
Cash flow from financial assets	3.5	-5.5	5.1
Cash flow from other investments	0.4	0.2	0.4
Cash flow from investing activities	-39.8	-14.1	-6.6
Repayment of current loans	-0.9	-0.2	-0.2
Repayment of non-current loans	-0.4	-0.3	-61.2
Payments of lease liabilities	-14.2	-13.4	-55.5
Dividends paid	-16.0	-	-31.3
Cash flow from financing activities	-31.5	-13.9	-148.1
Change in cash and cash equivalents	-53.8	-5.7	6.2
Cash and cash equivalents at the beginning of the period	97.2	91.0	91.0
Effect of exchange rates changes	-0.1	0.0	0.0
Cash and cash equivalents at the end of the period	43.3	85.3	97.2
Operative free cash flow, reconciliation			
Cash flow from operating activities	17.5	22.3	160.9
Purchase of intangible assets and property, plant and equipment	-16.8	-15.6	-82.3
Payments of lease liabilities	-14.2	-13.4	-55.5
Operative free cash flow	-13.5	-6.7	23.1

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
Jan 1, 2022	70.0	142.7	-0.7	-0.6	273.1	484.5
Comprehensive income						
Result for the period					1.0	1.0
Other comprehensive income:						
Changes in the fair value of cash flow hedges, net of tax			0.6			0.6
Translation differences				0.4		0.4
Comprehensive income for the period			0.6	0.4	1.0	2.1
Transactions with equity holders						
Dividend					-32.0	-32.0
Mar 31, 2022	70.0	142.7	-0.1	-0.1	242.1	454.5

Jan 1, 2021	70.0	142.7	-1.2	-94.2	323.7	441.1
Comprehensive income						
Result for the period					11.4	11.4
Other comprehensive income:						
Changes in the fair value of cash flow hedges, net of tax			0.0			0.0
Translation differences				0.8		0.8
Comprehensive income for the period			0.0	0.8	11.4	12.3
Mar 31, 2021	70.0	142.7	-1.1	-93.4	335.1	453.3

EUR million	Share capital	General purpose reserve	Fair value reserve	Translation differences	Retained earnings	Total equity
Jan 1, 2021	70.0	142.7	-1.2	-94.2	323.7	441.1
Comprehensive income						
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
Comprehensive income for the period			0.5	93.6	-19.3	74.8
Transactions with equity holders						
Dividend					-31.3	-31.3
Dec 31, 2021	70.0	142.7	-0.7	-0.6	273.1	484.5

Dividends

Posti Group Corporation's Annual General Meeting was held in Helsinki on March 28, 2022. In line with the Board of Directors' proposal, the Annual General Meeting decided to distribute a dividend of EUR 32.0 million based on the result in 2021. The dividend will be paid in two parts during the year 2022.

Notes

1. Accounting Policies

Interim report has been prepared in accordance with IAS 34 Interim financial reporting. In the preparation of this report, Posti Group (the "Group") has applied the same accounting policies, methods of computation and presentation as in the consolidated financial statements for 2021. Amendments to IFRS standards effective as of 1 January 2022 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 interim report is unaudited.

Additional information on Russia-Ukraine war in financial reporting

Russia's invasion to Ukraine affects Posti through market situation and business environment. Posti has no operations nor investments in Russia, Ukraine or Belarus after the divestment of Russian operations in 2021. Therefore, the war in Ukraine has no direct effect on Posti's financial position. The suspension of letter and parcel traffic between Finland and Russia and Belarus has no material financial impact for the Group.

2. Foreign exchange rates

	1-3 2022	1-3 2021	1-12 2021
Average rate			
SEK	10.5	10.1	10.1
NOK	9.9	10.3	10.2
	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Closing rate			
SEK	10.3	10.2	10.3
NOK	9.7	10.0	10.0

3. Segment reporting

As of 1st January, 2022 Posti has three reportable segments: **eCommerce and Delivery Services, Fulfillment and Logistics Services and Postal Services**. Fulfillment and Logistics Services consists of two operating segments: Transval and Aditro Logistics.

Until the end of 2021, Posti had two reportable segments: Mail, Parcel and Logistics Services and Aditro Logistics. Mail, Parcel and Logistics Services included operating segments Postal Services, Parcel and eCommerce, Freight services and Transval.

Operating segments Postal Services and Parcel and eCommerce are separated into two reportable segments, since they do no longer have similar economic characteristics, for example growth prospects. Due to operational change, Parcel and eCommerce and Freight services are combined into a single operating segment, eCommerce and Delivery Services.

Transval and Aditro Logistics will continue as separate operating segments, but are combined into one reportable segment, Fulfillment and Logistics Services. Transval and Aditro Logistics are engaged in similar business in Finland, Sweden and Norway and they have similar economic characteristics, nature of services and customer types.

Operating and reportable segments 2022 and 2021

2022

Operating segment

eCommerce and Delivery Services
Transval
Aditro Logistics
Postal Services

Reportable Segment

eCommerce and Delivery Services
Fulfillment and Logistics Services
Fulfillment and Logistics Services
Postal Services

2021

Operating segment

Parcel and eCommerce
Freight Services
Postal Services
Transval
Aditro Logistics

Reportable Segment

Mail, Parcel and Logistics Services
Mail, Parcel and Logistics Services
Mail, Parcel and Logistics Services
Mail, Parcel and Logistics Services
Aditro Logistics

In December 2021 Posti Group completed the divestment of Itella Russia business group, which is reported as discontinued operations in comparison periods' income statement.

As of 1st January, 2022, Posti will align its segment reporting with the strategy and present segments' profitability at the EBITDA level. Both EBITDA and adjusted EBITDA will be disclosed by segment. Other key figures are net sales, capital expenditure, net assets and headcount.

Description of operating segments

eCommerce and Delivery Services offers parcel, transportation and e-commerce services to corporate and private customers in Finland, Sweden and Baltics. eCommerce and Delivery Services also develops Posti's digital services for an improved customer experience.

Transval is the market leader in providing logistics outsourcing solutions in Finland. The services cover supply chain solutions from transportation to warehousing, as well as in-house logistics solutions and human resources services for logistics professionals. The services can be delivered in Transval's premises or in the client's premises such as warehouses, shops or production sites.

Aditro Logistics is one of the leading logistics companies in Sweden and the Nordics. Aditro Logistics' offering consists of a broad service in stock management, logistics, supply chain management, transport procurement, staffing and consulting for businesses specializing in e-commerce, retail and fast-moving consumer goods.

Postal Services offers mail delivery services as well as supporting digital and multichannel solutions.

In addition to operating segments, Posti has group headquarters, centralized support functions as well as real-estate company Posti Kiinteistöt Oy which owns the facilities in Finland and offers facility management services to the businesses. These centralized Group functions and related corporate level costs including financing are reported under "**Other and unallocated**". Balance sheet items allocated to the segments include non-current and current operating assets and liabilities, including non-interest bearing liabilities and provisions.

Seasonality

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.

1-3 2022 EUR million	eCommerce and Delivery Services	Fulfillment and Logistics Services	Postal Services	Other and un- allocated	Posti Group
Net Sales	162.2	87.5	147.5		397.1
Net Sales, internal	-0.6	-4.6	-0.8		-6.0
Net Sales, external	161.6	82.9	146.7	0.0	391.1
Adjusted EBITDA	14.2	7.4	18.1	-3.2	36.5
Special items (impacting EBITDA)	0.7	0.0	1.3	0.2	2.1
EBITDA	13.6	7.4	16.8	-3.4	34.4
Depreciation & amortization					29.9
Impairment losses					0.0
Adjusted operating result					6.6
Special items (impacting EBIT)					2.1
Operating result					4.4
Financial income & expenses					-2.2
Taxes					-1.2
Result for the period from continuing operations					1.0
Result for the period from discontinued operations					0.0
Result for the period					1.0
Capital Expenditure, continuing operations	8.7	21.7	3.5	39.5	73.5
HeadCount	3,681	6,971	8,989	494	20,135
Net Assets	266.4	359.7	18.1	-189.8	454.5

1-3 2021 EUR million	eCommerce and Delivery Services	Fulfillment and Logistics Services	Postal Services	Other and un- allocated	Posti Group
Net Sales	158.6	76.3	154.9		389.7
Net Sales, internal	-0.6	-3.9	-0.9		-5.3
Net Sales, external	158.0	72.4	154.0	0.0	384.3
Adjusted EBITDA	13.4	7.1	25.9	-1.8	44.6
Special items (impacting EBITDA)	0.5	0.0	0.3	-0.9	-0.1
EBITDA	12.9	7.1	25.6	-0.9	44.6
Depreciation & amortization					29.7
Impairment losses					0.0
Adjusted operating result					14.8
Special items (impacting EBIT)					-0.1
Operating result					14.9
Financial income & expenses					-1.6
Taxes					-2.2
Result for the period from continuing operations					11.1
Result for the period from discontinued operations					0.3
Result for the period					11.4
Capital Expenditure, continuing operations	6.7	2.5	1.1	15.8	26.1
HeadCount	3,363	6,630	9,273	511	19,777
Net Assets	243.8	316.5	39.6	-146.7	453.3

1-12 2021	eCommerce and Delivery Services	Fulfillment and Logistics Services	Postal Services	Other and un-allocated	Posti Group
EUR million					
Net Sales	681.1	330.0	610.9		1,621.9
Net Sales, internal	-2.6	-20.3	-4.0		-26.9
Net Sales, external	678.5	309.7	606.9	0.0	1,595.0
Adjusted EBITDA	62.0	32.6	99.1	-12.0	181.6
Special items (impacting EBITDA)	-0.1	0.5	2.3	-1.6	1.1
EBITDA	62.0	32.1	96.8	-10.4	180.5
Depreciation & amortization					119.5
Impairment losses					6.1
Adjusted operating result					59.8
Special items (impacting EBIT)					4.8
Operating result					55.0
Financial income & expenses					-6.7
Taxes					-9.6
Result for the period from continuing operations					38.7
Result for the period from discontinued operations					-54.7
Result for the period					-15.9
Capital Expenditure, continuing operations	41.5	14.5	14.3	46.0	116.4
HeadCount	3,798	7,616	9,260	454	21,128
Net Assets	262.8	287.2	9.0	-74.6	484.5

4. Net sales by geographical area

EUR million	1-3 2022	1-3 2021	1-12 2021
Finland	317.5	316.8	1,308.1
Sweden	40.8	34.9	137.5
Baltics	9.2	7.7	24.6
Other countries	23.6	24.9	124.8
Total	391.1	384.3	1,595.0

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

5. Acquired and divested businesses

On January 2022 Posti acquired all the shares in Swedish logistics company Veddestagruppen AB. Veddestagruppen has been consolidated from February on and will be integrated to be part of Aditro Logistics. Aditro Logistics is a forerunner of delivery and fulfillment services in Sweden and with Veddestagruppen we can expand and strengthen our capabilities even further to better serve our customers. In 2021, the company had net sales of around 23 million euros. The company employs around 300 people. A goodwill of EUR 20.5 million was recognized in the acquisition. Acquisition supports Posti's strategic goals of growing through parcel business and logistics in Finland, Sweden and the Baltics. Acquisition-related costs of EUR 0.3 million were recognized in other operating expenses.

The assets and liabilities recognized as a result of the acquisitions are as follows

Effect on assets EUR million	Veddestagruppen Fair value
Intangible assets	6.7
Property, plant and equipment	0.3
Right-of-use assets	22.2
Receivables	4.8
Cash and cash equivalents	2.9
Effect on assets	36.8
Effect on liabilities EUR million	
Deferred tax liability	1.8
Interest bearing liabilities	22.2
Trade payables and other liabilities	3.5
Effect on liabilities	27.4
Net assets acquired	9.4
Components of acquisition cost EUR million	
Cash considerations	29.9
Total cost of acquisition	29.9
Fair value of net assets acquired	9.4
Goodwill	20.5
Cash flow effect of the acquisition EUR million	
Purchase price paid in cash	29.9
Cash and cash equivalents of the acquired subsidiary	2.9
Cash flow	27.0

No business acquisitions were carried out during 2021.

Discontinued operations

In December, 2021, Posti Group completed the divestment of Itella Russia business group. After the divestment Posti has no operations in Russia. Itella Russia segment result 2021, including result of the divestment and previously sold real estate companies, is presented as discontinued operations.

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

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

EUR million		Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Carrying amount	Jan 1	233.6	273.6	273.6
Acquired businesses		0.3	0.0	0.0
Additions		9.1	11.9	52.8
Business divestments		0.0	0.0	-56.4
Disposals and transfers between items		0.0	-1.1	-2.1
Depreciation, continuing operations		-8.3	-8.6	-33.6
Impairment, continuing operations		0.0	0.0	-1.0
Depreciation and impairment, discontinued operations		0.0	-1.1	-4.1
Translation differences		-0.2	1.9	4.4
Carrying amount, end of the period		234.5	276.5	233.6

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

EUR million		Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Carrying amount	Jan 1	239.2	262.8	262.8
Acquired businesses		22.2	0.0	0.0
Additions		28.1	8.5	36.7
Business divestments		0.0	0.0	0.0
Disposals and transfers between items		0.1	0.2	-0.7
Depreciation		-14.9	-14.5	-58.0
Translation differences		-0.1	-1.6	-1.6
Carrying amount, end of the period		274.6	255.5	239.2

Specification of right-of-use assets:

EUR million		Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Land		-	0.1	-
Buildings		230.5	224.0	197.6
Vehicles		35.1	23.2	33.4
Machinery and other		9.0	8.2	8.2
Carrying amount, end of the period		274.6	255.5	239.2

7. Goodwill and other intangible assets

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

EUR million		Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Carrying amount	Jan 1	274.1	280.4	280.4
Acquired businesses		27.6	0.0	0.0
Additions		6.7	5.8	27.6
Business divestments		0.0	0.0	-0.7
Disposals and transfers between items		0.0	0.1	0.5
Amortization, continuing operations		-6.8	-6.6	-27.4
Impairment, continuing operations		0.0	0.0	-4.5
Amortization and impairment, discontinued operations		0.0	-0.1	-0.3
Translation differences		-0.4	-1.1	-1.4
Carrying amount, end of the period		301.1	278.3	274.1

8. Net debt and liquid funds

EUR million		Borrowings	Interest bearing lease liabilities	Interest bearing borrowings total	Liquid funds	Debt certificates	Net debt total
Carrying amount	Jan 1, 2022	61.3	244.8	306.1	151.1	10.0	145.0
Cash flows		-1.3	-14.2	-15.4	-47.4	-10.0	41.9
Business acquisitions		0.0	22.2	22.2	0.0	0.0	22.2
Effect of exchange rates changes		0.0	0.1	0.1	-0.1	0.0	0.2
Other non-cash items		0.0	27.6	27.6	0.0	0.0	27.6
Carrying amount	Mar 31, 2022	60.0	280.5	340.5	103.6	0.0	236.9
Fair value	Mar 31, 2022	60.1	280.5	340.6			

EUR million		Borrowings	Interest-bearing lease liabilities	Interest bearing borrowings total	Liquid funds	Debt certificates	Net debt total
Carrying amount	Jan 1, 2021	122.6	266.2	388.8	160.1	0.0	228.7
Cash flows		-0.5	-13.4	-13.9	-0.3	0.0	-13.7
Business acquisitions		0.0	0.0	0.0	0.0	0.0	0.0
Effect of exchange rates changes		0.0	1.5	1.5	0.0	0.0	1.5
Other non-cash items		0.0	5.3	5.3	0.0	0.0	5.3
Carrying amount	Mar 31, 2021	122.1	259.6	381.8	159.9	0.0	221.9
Fair value	Mar 31, 2021	122.3	259.6	382.0			

EUR million		Borrowings	Interest bearing lease liabilities	Interest bearing borrowings total	Liquid funds	Debt certificates	Net debt total
Carrying amount	Jan 1, 2021	122.6	266.2	388.8	160.1	0.0	228.7
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
Carrying amount	Dec 31, 2021	61.3	244.8	306.1	151.1	10.0	145.0
Fair value	Dec 31, 2021	61.4	244.8	306.3			

EUR million	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Cash and cash equivalents	43.3	85.3	97.2
Money market investments and investments in bonds	60.3	74.6	53.9
Liquid funds	103.6	159.9	151.1

9. Financial assets and liabilities measured at fair value

The Group categorizes financial assets and liabilities into three hierarchy levels according to the information used in fair value measurement. Information on hierarchy levels and principles on fair value measurement can be found on note Financial instruments and financial risk management in financial statements. No transfers between the fair value hierarchy levels have been made during the reporting periods.

Financial assets and liabilities measured and recognized at fair value

EUR million	Level	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Financial assets				
Non-current investments	3	1.0	1.0	1.0
Currency derivatives, non-hedge accounting	2	0.7	0.0	0.6
Total		1.7	1.0	1.6
Financial liabilities				
Interest rate derivatives, hedge accounting	2	0.1	1.4	0.9
Currency derivatives, non-hedge accounting	2	0.1	0.1	0.0
Total		0.2	1.5	0.9

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 24.2 million and their carrying value EUR 24.4 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. Commitments and other contingent liabilities

EUR million	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Guarantees	13.6	13.8	13.6
Total	13.6	13.8	13.6

Lease commitments not recognized in balance sheet

EUR million	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Maturity of minimum lease payments:			
Less than a year	11.2	9.8	10.9
1-5 years	0.6	1.0	0.5
Total	11.9	10.8	11.4

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.

11. Events after the reporting period

There have been no significant events after the reporting period.