



# Press release

The Hague, the Netherlands, 9 August 2021

## Strong Q2 2021 for PostNL with normalised EBIT up 17% to €63 million

Outlook for FY 2021 raised to between €280 million and €310 million

### Financial highlights

in € million	Q2 2020	Q2 2021	HY 2020	HY 2021
Revenue	789	838	1,490	1,800
Normalised EBIT	54	63	69	193
<i>assumed to be non-recurring and related to Covid-19</i>	29	26	29	69
Free cash flow	93	54	98	213
Normalised comprehensive income	35	57	64	169

### Highlights Q2 2021 and better outlook for FY 2021

- Solid performance at Parcels continued, with 95 million parcels delivered (+11.4%)
- Strong result at Mail in the Netherlands driven by 4.2% volume growth
- FY 2021 normalised EBIT raised to between €280 million and €310 million, with free cash flow between €250 million and €280 million
- Interim dividend 2021 set at €0.10 per share

### Delivering on our strategy

- Step-up in e-commerce trend leads to higher parcel volume projections
- Accelerate progress towards achieving environmental targets
- Normalised EBIT 2024 ambition increased to between €330 million and €370 million
- €450 million additional investments to facilitate execution of strategy and include capacity, network & IT infrastructure, sustainability and automated parcel lockers in 2022-24; cumulative investments of €950 million in this period

### CEO statement

Herna Verhagen, CEO of PostNL, said: “The good start of the year continued in the second quarter thanks to the efforts of our people and strong teamwork in a challenging environment as society opens up step by step. Of course, our key priority remains the health and safety of our people, customers and consumers.

“We report a strong result for Q2 2021, part of which is non-recurring. Specifically, performance at Mail in the Netherlands was strong, partly related to Covid-19, although the underlying trend of substitution continues. Volume at Parcels continues to grow, even when excluding the non-recurring part, which, as expected, has faded out as physical stores were allowed to reopen.

“Mainly due to the impact of Covid-19, consumer behaviour has changed, with a step-up in online shopping and an acceleration in e-commerce. To accommodate the stronger growth in parcel volumes we will expand our capacity earlier and more than anticipated. Furthermore, we will accelerate sustainability investments to speed up our progress towards our environmental, social and governance targets. We also intend to increase the number of automated parcel lockers to 1,500 by 2024. Combined, our total investments in the 2022-24 period are estimated to be around €950 million.

“Building on our HY performance and progress with the continuation of our successful strategy, we are increasing our financial ambition. We are raising our outlook for normalised EBIT FY 2021 to between €280 million and €310 million, which also translates into an improvement in free cash flow. Our ambition for normalised EBIT in 2024 now is between €330 million and €370 million, which is €60 million to €80 million higher than anticipated before. The uncertainty around the impact of Covid-19 remains.

“The pandemic continues to create challenging circumstances and hardship for many people across the globe. We are proud of our people, who work hard every day to be the favourite deliverer. By focusing on delivering high quality service and by accelerating the investments in our offering as announced today, we aim to leverage our growth potential, creating long-term value for all stakeholders and making a sustainable contribution to society.”

## Q2 2021 business performance

in € million	Revenue		Normalised EBIT	
	Q2 2020	Q2 2021	Q2 2020	Q2 2021
Parcels	516	589	60	56
Mail in the Netherlands	393	389	5	23
PostNL Other	26	50	(11)	(16)
Intercompany	(146)	(191)		
<b>PostNL</b>	<b>789</b>	<b>838</b>	<b>54</b>	<b>63</b>

Note: Normalised figures exclude one-offs in Q2 2020 (€1 million)

### Segment information Q2 2021

#### Parcels: 11.4% volume growth

In Q2 2021, PostNL delivered 95 million parcels (Q2 2020: 86 million) of which approximately 11 million are assumed to be non-recurring and related to Covid-19. With the easing of lock-down measures in April, the non-recurring part faded out. Volume grew by 11.4% over the quarter. Excluding the non-recurring impact, volume growth was around 10%.

Revenue grew to €589 million (Q2 2020: €516 million), mainly driven by volume development. This was partially offset by a negative price/mix effect; improved pricing was more than offset by an expected yet unfavourable shift in mix, with stronger growth at large customers while single items and import parcels were down compared with last year. Logistics and Spring also saw strong revenue performance in all business lines, benefiting from e-commerce growth and strong volumes in Asia.

Normalised EBIT came in at €56 million (Q2 2020: €60 million) of which around €14 million is assumed to be non-recurring and related to Covid-19 (Q2 2020: around €25 million). Excluding the non-recurring Covid-19 impact, normalised EBIT increased by €6 million compared with Q2 2020.

The development in normalised EBIT is explained by €45 million from volume growth, partly offset by a negative price/mix effect of €12 million and volume-dependent costs up by €26 million. Organic costs, including indexation of both own personnel and delivery partners, rose by €4 million. Other costs increased by €18 million, mainly due to extra operational measures necessary to accommodate higher volumes and some extra costs related to new capacity. Other results were up €12 million, reflecting improving business performance particularly at Logistics, partly non-recurring and related to Covid-19.

#### Mail in the Netherlands: 4.2% volume growth

Mail volumes increased by 4.2% in the quarter, with the underlying substitution rate continuing at around 7% in Q2 2021. Substitution was more than balanced by non-recurring items related to Covid-19 (around 9%), including vaccination mail as well as the recovery in direct mail. In addition, one additional working day and some other factors also had a positive impact on volume development (around 2%).

Revenue was down slightly to €389 million (Q2 2020: €393 million). Higher volumes resulted in additional revenue of €10 million. The price/mix effect was slightly positive, with the impact of price increases almost fully offset by a less favourable mix compared with last year, related to the recovery of direct mail among other factors. This positive volume/price/mix impact was more than offset by a decline of €15 million in other revenues following the sale of Cendris earlier this year.

Normalised EBIT came in at €23 million (Q2 2020: €5 million) of which around €12 million is assumed to be non-recurring and related to Covid-19 (Q2 2020: around €4 million). Excluding the non-recurring Covid-19 impact, normalised EBIT increased by €11 million compared with Q2 2020.

The growth in normalised EBIT is explained by the combined volume and price/mix impact of €11 million, partly offset by volume-related costs that were up by €3 million. Organic costs were €7 million higher, reflecting collective labour agreement (CLA) wage increases. Other costs were €22 million lower, thanks to - among other factors - non-recurring integration costs for Sandd in Q2 2020 (€6 million) and structural cost savings, including efficiency improvements. Other results, mainly related to international mail, were down €5 million.

## PostNL Other

Revenue at PostNL Other amounted to €50 million (Q2 2020: €26 million). Normalised EBIT declined to €(16) million (Q2 2020: €(11) million), mainly as a result of higher pension expenses (an accounting impact only) as indicated earlier.

## Pensions

Pension expenses amounted to €41 million (Q2 2020: €37 million) and total regular cash contributions were €24 million (Q2 2020: €24 million). On 30 June 2021, the pension fund's actual coverage ratio was 122.7%. The fund's 12-month average coverage ratio was 112.6%, well above the minimum required funding level of 104.0%.

As part of the agreement with the pension fund on the settlement of the final payments for transitional plans, PostNL paid the first of five equal annual instalments of €16 million.

## Key figures

in € million	Q2 2020	Q2 2021	HY 2020	HY 2021
Revenue	789	838	1,490	1,800
Operating income	53	63	52	211
Profit for the period	41	41	28	177
Profit from continuing operations	38	42	33	155
Total comprehensive income	37	56	47	205
Free cash flow	93	54	98	213
			<b>31 December 2020</b>	<b>3 July 2021</b>
Adjusted net debt			407	239

## Development of financial and equity position

Total equity attributable to equity holders of the parent company decreased to €342 million as at 3 July 2021. This mainly reflected a net profit of €41 million and a €13 million positive impact from pension, net of tax, more than offset by the dividend payment of €84 million. Total comprehensive income rose to €56 million (Q2 2020: €37 million).

Free cash flow came in at €54 million (Q2 2020: €93 million). Aside from the improvement in result, the main drivers for this development were higher capex, more investments in working capital, partly due to phasing effects during the year, and the annual pension instalment of €16 million.

At the end of Q2 2021, the adjusted net debt position was €239 million, compared with €224 million at the end of Q1 2021.

## Environmental, social and governance (ESG)

PostNL is aware of its impacts on the environment, its people and society at large, and takes responsibility for these by embedding ESG into its strategy and business model and by setting ambitious targets.

One of PostNL's ambitions is to deliver emission-free in 25 Dutch city centres by 2025. The long-term objective is emission-free last-mile delivery in the Benelux region by 2030. In the first half of 2021, PostNL improved the carbon efficiency of its own fleet by 13% compared with full year 2020. Progress made was partly offset by higher than expected parcel volumes.

PostNL and the trade unions have reached an agreement in principle on a new social plan. The plan aims to encourage employees to keep developing themselves, thereby creating opportunities and enhancing security in times of change.

## Acceleration of digital transformation

PostNL is accelerating its digital transformation to support business performance and create value for stakeholders. It aims to strengthen its competitive position by further building on its platform and connecting customers, consumers and solutions through simple and smart digital journeys. The planned investment of around €80 million in accelerating its digital transformation in the 2021-24 period, approximately 50% of this in capex and 50% in operating costs, is proceeding according to schedule. PostNL intends to spend around €25 million in 2021, mainly visible in the second half of the year.

## Outlook FY 2021 and progress towards 2024

in € million	2020	2021 outlook	2021 revised outlook (26 April 2021)	2021 revised outlook (9 August 2021)	remarks
<b>Outlook</b>					
Normalised EBIT	245	205 - 225	>250	280 - 310	including ~-(30)-(35) for Digital NEXT and increase in non-cash pension expenses
Free cash flow*	186	200 - 230	>225	250 - 280	including ~-(20)-(25) for Digital NEXT and subject to ability to utilise deferred tax assets
<b>Other main financial indicators</b>					
<b>2021 indicative</b>					
Capex	(78)	(140) - (160)	(140) - (160)	(160)	
Changes in pension liabilities**	(166)	~55	~55	~55	Δ pension expense and pension cash contribution
Normalised comprehensive income	197	~200	>225	250 - 280	developing in line with normalised EBIT

\* Cash flow before dividend, acquisitions, bond redemption/other financing activities, after payment of leases

\*\* Including payment for settlement of transitional plans of €200m in 2020 and €16m in 2021

### Outlook FY 2021

PostNL expects FY 2021 normalised EBIT to come in between €280 million and €310 million with around €70 million assumed to be non-recurring and related to Covid-19 (HY 2021: €69 million). Free cash flow is expected to be between €250 million and €280 million. The strong free cash flow performance in the first half of 2021 includes the €44 million impact of the sale of Cendris and positive phasing effects that will revert in the second half of the year. Some uncertainties remain, related to the implications of the adjusted VAT regulation and the impact of Covid-19.

### Delivering on the strategy towards 2024

The step-up in the e-commerce trend has led to increased volumes at Parcels as well as a higher growth rate, currently expected to be between 11% and 13% as of 2022. To accommodate this higher volume level, PostNL is pushing ahead with its expansion of its capacity and network infrastructure earlier and more than initially anticipated. It also aims to accelerate the trajectory towards its environmental targets through measures including the use of renewable fuels and electrification of its fleet.

PostNL continues to deliver on its strategy and pathway towards 2024. For 2022, PostNL expects normalised EBIT below the FY 2021 result (which is expected to include a non-recurring impact of around €70 million). Underlying business performance is expected to continue to improve. The main drivers for business performance will be volume growth at Parcels and volume decline at Mail in the Netherlands (the latter projected to be around 8% in 2022), both starting from a higher 2021 level than anticipated before. Business performance includes start-up costs related to expansion of capacity at Parcels, further impact from the acceleration of digitalisation and the announced speed-up in reaching the ESG targets.

Taking into account the increased volume growth rate at Parcels and a higher base both for Parcels and for Mail in the Netherlands in 2021, the ambition for 2024 is to achieve normalised EBIT between €330 million and €370 million. This implies a step-up of €60 million - €80 million compared with earlier expectations. Overall, PostNL will invest an additional €450 million in the 2022-24 period, while ensuring sufficient flexibility in timing to adjust the level of investments in capacity expansion with volume growth expectations. This brings cumulative investments (capex and lease additions) at around €950 million for this period. The step-up in investments is not expected to impact the leverage ratio materially. The Digital Next programme is running on schedule and estimated to become accretive to ROIC as of 2023. The exact consequences of the pandemic remain uncertain going forward.

### 2021 interim dividend

The 2021 interim dividend has been set at €0.10 per ordinary share, equalling one-third of the dividend for 2020. The dividend will be paid, at the choice of the shareholder, either in ordinary PostNL shares or in cash (default option). The dividend in shares will be paid out of additional paid-in capital as part of the distributable reserves, free of withholding tax in the Netherlands. The conversion rate will be based on the volume-weighted average share price (VWAP) for all PostNL shares traded on Euronext Amsterdam over the period of three trading days from 25 August 2021 up to and including 27 August 2021. The value of the stock dividend, based on this VWAP, will, subject to rounding, be targeted at but not be lower than the cash dividend. There will be no trading in stock dividend rights.

## 2021 Interim dividend calendar

11 August 2021	Ex-dividend date
12 August 2021	Record date
13 - 27 August 2021 (3.00 PM CET)	Election period
30 August 2021	Announcement conversion rate
31 August 2021	Payment date

## Financial calendar

8 November 2021	Publication of Q3 2021 results
28 February 2022	Publication of Q4 & FY 2021 results

## Working days by quarter

	Q1	Q2	Q3	Q4	Total
2020	62	60	65	68	255
2021	65	61	65	65	256

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## Audio webcast and conference call on Q2 2021 results

On 9 August, at 11.00 am CET, the conference call for analysts and investors will start. It can be followed live via an audio webcast at [www.postnl.nl/en/about-postnl/investors/results-reports-presentations/](http://www.postnl.nl/en/about-postnl/investors/results-reports-presentations/).

## Additional information

Additional information is available at [www.postnl.nl](http://www.postnl.nl). This press release contains inside information within the meaning of article 7(1) of the EU Market Abuse Regulation.

Note that the numbers presented in this press release (tables and result explanations) may not sum precisely to the totals provided and percentages may not precisely reflect the absolute figures due to rounding.

## Caution on forward-looking statements

Some statements in this press release are 'forward-looking statements'. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are outside of our control and impossible to predict, and that may cause actual results to differ materially from any future results expressed or implied. These forward-looking statements are based on current expectations, estimates, forecasts, analyses and projections about the industries in which we operate and management's beliefs and assumptions about possible future events. You are cautioned not to put undue reliance on these forward-looking statements, which only apply as of the date of this press release and are neither predictions nor guarantees of possible future events or circumstances. We do not undertake any obligation to release publicly any revisions to these forward-looking



statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events, except as may be required under applicable securities law.

### **Use of non-GAAP information**

In presenting and discussing the PostNL Group operating results, management uses certain non-GAAP financial measures. These non-GAAP financial measures should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used in conjunction with the most directly comparable IFRS measures. Non-GAAP financial measures do not have a standardised meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The main non-GAAP key financial performance indicator is normalised EBIT. Normalised EBIT is derived from the IFRS-based performance measure operating income adjusted for the impact of project costs and incidentals.

## Consolidated interim financial statements

PostNL Consolidated income statement in €million					
	notes	Q2 2020	Q2 2021	HY 2020	HY 2021
Revenue from contracts with customers		784	833	1,482	1,790
Other operating revenue		4	5	8	10
<b>Total operating revenue</b>		<b>789</b>	<b>838</b>	<b>1,490</b>	<b>1,800</b>
<b>Other income</b>		<b>0</b>	<b>2</b>	<b>1</b>	<b>23</b>
Cost of materials		(14)	(16)	(29)	(32)
Work contracted out and other external expenses		(373)	(417)	(691)	(883)
Salaries, pensions and social security contributions		(282)	(283)	(575)	(572)
Depreciation, amortisation and impairments		(41)	(36)	(89)	(71)
Other operating expenses		(26)	(25)	(55)	(54)
<b>Total operating expenses</b>		<b>(736)</b>	<b>(776)</b>	<b>(1,439)</b>	<b>(1,612)</b>
<b>Operating income</b>		<b>53</b>	<b>63</b>	<b>52</b>	<b>211</b>
Interest and similar income		0	0	1	1
Interest and similar expenses		(4)	(5)	(8)	(10)
<b>Net financial expenses</b>		<b>(4)</b>	<b>(4)</b>	<b>(7)</b>	<b>(10)</b>
<b>Results from investments in JVs /as sociates</b>		<b>0</b>	<b>(1)</b>	<b>(0)</b>	<b>(1)</b>
<b>Profit/(loss) before income taxes</b>		<b>49</b>	<b>58</b>	<b>44</b>	<b>201</b>
<b>Income taxes</b>	(9)	<b>(12)</b>	<b>(15)</b>	<b>(11)</b>	<b>(46)</b>
<b>Profit/(loss) from continuing operations</b>		<b>38</b>	<b>42</b>	<b>33</b>	<b>155</b>
<b>Profit/(loss) from discontinued operations</b>	(4)	<b>3</b>	<b>(1)</b>	<b>(5)</b>	<b>23</b>
<b>Profit for the period</b>		<b>41</b>	<b>41</b>	<b>28</b>	<b>177</b>
Attributable to:					
Non-controlling interests		(0)	(0)	(0)	0
Equity holders of the parent		41	41	28	177
Earnings per ordinary share (in €cents) <sup>1</sup>		8.2	8.0	5.7	35.5
Earnings from continuing operations per ordinary share (in €cents) <sup>1</sup>		7.6	8.3	6.6	31.0
Earnings from discontinued operations per ordinary share (in €cents) <sup>1</sup>		0.6	(0.3)	(0.9)	4.5

<sup>1</sup> Based on an average of 498,721,148 outstanding ordinary shares (2020: 494,260,165).

PostNL Consolidated statement of comprehensive income in €million				0	
	note	Q2 2020	Q2 2021	HY 2020	HY 2021
<b>Profit for the period</b>		<b>41</b>	<b>41</b>	<b>28</b>	<b>177</b>
Impact pensions, net of tax	(5)	(3)	13	20	27
Change in value of financial assets at fair value through OCI	(12)	(1)	1	(1)	1
<b>Other comprehensive income that will not be reclassified to the income statement</b>		<b>(4)</b>	<b>14</b>	<b>19</b>	<b>28</b>
Currency translation adjustment, net of tax		(0)	(0)	(0)	0
Gains/(losses) on cashflow hedges, net of tax		1	1	0	(1)
<b>Other comprehensive income that may be reclassified to the income statement</b>		<b>0</b>	<b>1</b>	<b>(0)</b>	<b>(0)</b>
<b>Total other comprehensive income for the period</b>		<b>(4)</b>	<b>15</b>	<b>19</b>	<b>28</b>
<b>Total comprehensive income for the period</b>		<b>37</b>	<b>56</b>	<b>47</b>	<b>205</b>
Attributable to:					
Non-controlling interests		(0)	(0)	(0)	0
Equity holders of the parent		37	56	47	205
<b>Total comprehensive income attributable to the equity holders of the parent arising from:</b>					
Continuing operations		34	57	52	183
Discontinued operations		3	(1)	(5)	23



**PostNL Consolidated statement of cash flows** in € million

	notes	Q2 2020	Q2 2021	HY 2020	HY 2021
<b>Profit/(loss) before income taxes</b>		<b>49</b>	<b>58</b>	<b>44</b>	<b>201</b>
Adjustments for:					
Depreciation, amortisation and impairments		41	36	89	71
Share-based payments		1	1	2	1
(Profit)/loss on disposal of assets		(0)	(1)	(1)	(3)
(Profit)/loss on sale of Group companies		-	-	-	(16)
Interest and similar income		(0)	(0)	(1)	(1)
Interest and similar expenses		4	5	8	10
Results from investments in JVs/associates		(0)	1	0	1
<b>Investment income</b>		<b>4</b>	<b>4</b>	<b>7</b>	<b>(8)</b>
Pension liabilities		13	2	20	20
Other provisions		(5)	1	(28)	(0)
<b>Changes in provisions</b>		<b>9</b>	<b>3</b>	<b>(8)</b>	<b>20</b>
Inventory		0	0	0	0
Trade accounts receivable		(12)	52	(15)	(7)
Other accounts receivable		2	3	11	5
Other current assets excluding taxes		(5)	9	(4)	30
Trade accounts payable		3	(32)	(53)	(35)
Other current liabilities excluding short-term financing and taxes		40	(37)	83	(6)
<b>Changes in working capital</b>		<b>28</b>	<b>(5)</b>	<b>22</b>	<b>(12)</b>
<b>Cash generated from operations</b>		<b>132</b>	<b>96</b>	<b>156</b>	<b>273</b>
Interest paid		(2)	(4)	(3)	(7)
Income taxes received/(paid)	(9)	(8)	(0)	(8)	(21)
<b>Net cash (used in)/from operating activities</b>	(10)	<b>122</b>	<b>92</b>	<b>144</b>	<b>246</b>
Interest received		0	0	1	1
Disposal of subsidiaries		(0)	-	6	44
Investments in JVs/associates		(0)	0	0	(1)
Capital expenditure on intangible assets		(7)	(12)	(12)	(24)
Capital expenditure on property, plant and equipment		(4)	(14)	(8)	(25)
Proceeds from sale of property, plant and equipment		0	4	1	7
<b>Net cash (used in)/from investing activities</b>	(10)	<b>(11)</b>	<b>(22)</b>	<b>(10)</b>	<b>2</b>
Dividends paid		-	(84)	-	(84)
Changes related to non-controlling interests		(1)	0	(1)	0
Proceeds from short-term borrowings		0	(4)	(0)	0
Repayments of short-term borrowings		0	(0)	(1)	(1)
Repayments of lease liabilities		(17)	(16)	(35)	(34)
<b>Net cash (used in)/from financing activities</b>	(10)	<b>(18)</b>	<b>(104)</b>	<b>(37)</b>	<b>(118)</b>
<b>Total change in cash from continuing operations</b>		<b>93</b>	<b>(34)</b>	<b>97</b>	<b>129</b>
<b>Cash at the beginning of the period</b>		<b>485</b>	<b>843</b>	<b>480</b>	<b>651</b>
Cash transfers related to discontinued operations		(4)	(3)	(4)	26
<b>Total change in cash from continuing operations</b>		<b>93</b>	<b>(34)</b>	<b>97</b>	<b>129</b>
<b>Cash at the end of the period</b>		<b>573</b>	<b>806</b>	<b>573</b>	<b>806</b>
<b>Total change in cash from discontinued operations</b>	(4)	<b>(4)</b>		<b>(11)</b>	

PostNL Consolidated statement of financial position in €million		notes	31 December 2020	3 July 2021
<b>Assets</b>				
Goodwill			208	207
Other intangible assets			132	137
<b>Intangible fixed assets</b>	(1)		<b>339</b>	<b>344</b>
Land and buildings			210	210
Plant and equipment			106	114
Other equipment			10	10
Construction in progress			44	24
<b>Property, plant and equipment</b>	(2)		<b>370</b>	<b>358</b>
<b>Right-of-use assets</b>	(3)		<b>243</b>	<b>291</b>
Investments in joint ventures/associates			3	4
Loans receivable			27	16
Deferred tax assets			10	8
Financial assets at fair value through OCI			15	16
<b>Financial fixed assets</b>			<b>54</b>	<b>44</b>
<b>Total non-current assets</b>			<b>1,007</b>	<b>1,037</b>
Inventory			3	3
Trade accounts receivable			336	340
Accounts receivable			18	11
Income tax receivable			28	1
Prepayments and accrued income			111	82
Cash and cash equivalents	(7)		651	806
<b>Total current assets</b>			<b>1,148</b>	<b>1,243</b>
<b>Assets classified as held for sale</b>	(4)		<b>55</b>	<b>9</b>
<b>Total assets</b>			<b>2,210</b>	<b>2,289</b>
<b>Equity and liabilities</b>				
Equity attributable to the equity holders of the parent	(6)		219	342
Non-controlling interests			2	2
<b>Total equity</b>			<b>222</b>	<b>345</b>
Deferred tax liabilities			23	30
Provisions for pension liabilities	(5)		86	70
Other provisions	(8)		30	32
Long-term debt	(7)		696	696
Long-term lease liabilities	(7)		231	281
<b>Total non-current liabilities</b>			<b>1,065</b>	<b>1,109</b>
Trade accounts payable			141	102
Other provisions	(8)		21	20
Short-term debt	(7)		12	0
Short-term lease liabilities	(7)		63	63
Other current liabilities			145	134
Income tax payable			2	9
Contract liabilities			69	50
Accrued current liabilities			445	457
<b>Total current liabilities</b>			<b>898</b>	<b>835</b>
<b>Liabilities related to assets classified as held for sale</b>	(4)		<b>25</b>	<b>0</b>
<b>Total equity and liabilities</b>			<b>2,210</b>	<b>2,289</b>

**PostNL Consolidated statement of changes in equity** in €million

	Issued share capital	Additional paid in capital	Currency translation reserve	Hedge reserve	Financial assets at fair value OCI	Other reserves	Retained earnings	Attributable to equity holders of the parent	Non-controlling interests	Total equity
<b>Balance at 1 January 2020</b>	<b>40</b>	<b>160</b>	<b>0</b>	<b>(2)</b>	<b>14</b>	<b>(115)</b>	<b>(118)</b>	<b>(21)</b>	<b>3</b>	<b>(18)</b>
Total comprehensive income	-	-	(0)	0	(1)	20	28	47	(0)	47
Appropriation of net income	-	-	-	-	-	(432)	432	0	-	0
Share-based compensation	0	1	-	-	-	0	-	2	-	2
Minority buy-out and other	-	-	-	-	(6)	6	-	0	(1)	(1)
<b>Balance at 27 June 2020</b>	<b>40</b>	<b>161</b>	<b>1</b>	<b>(2)</b>	<b>7</b>	<b>(521)</b>	<b>342</b>	<b>28</b>	<b>2</b>	<b>31</b>
<b>Balance at 1 January 2021</b>	<b>40</b>	<b>161</b>	<b>0</b>	<b>(2)</b>	<b>7</b>	<b>(514)</b>	<b>527</b>	<b>219</b>	<b>2</b>	<b>222</b>
Total comprehensive income	-	-	0	(1)	1	27	177	205	0	205
Appropriation of net income	-	-	-	-	-	(305)	305	0	-	0
Final dividend previous year	1	(1)	-	-	-	-	(84)	(84)	-	(84)
Share-based compensation	0	3	-	-	-	(2)	-	1	-	1
<b>Balance at 3 July 2021</b>	<b>41</b>	<b>164</b>	<b>1</b>	<b>(2)</b>	<b>8</b>	<b>(794)</b>	<b>925</b>	<b>342</b>	<b>2</b>	<b>345</b>

## General information and description of our business

The interim financial statements have been prepared in accordance with IAS 34 'Interim financial reporting'.

PostNL N.V. ('PostNL' or the 'company') is a public limited liability company with its registered seat and head office in The Hague, the Netherlands.

PostNL provides businesses and consumers in the Benelux with an extensive range of services for their mail and parcels needs. Through our international sales network Spring, we connect local businesses around the world to consumers globally. PostNL's services involve collecting, sorting, transporting and delivering letters and parcels for the company's customers within specific timeframes. The company also provides services in the area of data management, direct marketing and fulfilment.

## Auditor's involvement

The content of this interim financial report has not been audited or reviewed by an external auditor.

## Basis of preparation

The interim financial statements are reported on a year-to-date basis ending 3 July 2021. The information should be read in conjunction with the 2020 Annual Report of PostNL N.V. as published on 1 March 2021.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2020 Annual Report of PostNL N.V. for the year ended 31 December 2020. There are no IFRS standards, amended standards or IFRIC interpretations taking effect for the first time for the financial year beginning 1 January 2021 that would be expected to have a material impact on the 2021 accounts of the Group.

Note that the numbers presented in the financial statements and disclosures thereto may not sum precisely to the totals provided and percentages may not precisely reflect the absolute figures due to rounding.

## Sale of Nexive

On 1 July 2020, PostNL completed the sale of 80% of the activities of Nexive to Mutares. On 29 January 2021, PostNL and Mutares closed the sale of Nexive to Poste Italiane, whereby PostNL divested its retained minority interest of 20% in the entity acquiring the Nexive business. PostNL also terminated the joint venture agreement with Mutares, which resulted in the release of the remaining part of the related committed cash contributions. The transaction resulted in a net result from discontinued operations of €24 million (including final settlement) and cash proceeds of €27 million in HY 2021.

## Sale of Cendris

On 23 February 2021, PostNL completed the sale of Cendris, a specialist in customer contact services in the Netherlands and part of the segment Mail in the Netherlands, to Yource, market leader in customer contact within the Benelux region. The transaction resulted in a book profit of €16 million recorded within other income and net cash proceeds of €44 million.

## Covid-19 impact assessment

In Q2 2021, management updated its assessment of the impact of Covid-19 on all material assets and liabilities. The assessment did not reveal any need for significant negative adjustments to the accounts for HY 2021. Given the current uncertainties, management will reperform its assessment in HY2 2021.

## Acquisition of Sandd

On 27 September 2019, the State Secretary of Economic Affairs cleared the merger between PostNL and Sandd. Legal appeals have been filed by a number of parties against the approval. On 11 June 2020 the court (Rechtbank Rotterdam) annulled the approval for consolidation in the Dutch postal market. The government has appealed against the court decision. PostNL has also decided to appeal. On 9 April 2021, the earlier approval of the merger was confirmed by a new decision taken by the State Secretary. This new decision, which has retroactive effect, will be included in the appeal procedure. Awaiting next steps, PostNL will continue to adhere to the conditions imposed in relation to the acquisition. As we have obtained control as of the acquisition date of 22 October 2019, we have fully consolidated Sandd in our financial statements as of that date going forward.

## Segment information

PostNL operates its businesses through the reportable segments Parcels, Mail in the Netherlands and PostNL Other.

The following table presents the segment information relating to the income statement and total assets and total liabilities of the reportable segments for the first six months of 2021 and 2020. In HY 2021, 85% of revenue from contracts with customers was generated in the Netherlands, 7% in the rest of Europe and 8% in the rest of the world (HY 2020: 89%, 6% and 5% respectively).

PostNL Segmentation in €million						
HY 2021 ended at 3 July 2021	Parcels	Mail in NL	PostNL Other	Eliminations	Total	
Revenue from contracts with customers	1,117	671	2	0	1,790	
Intercompany sales	128	181	96	(405)	-	
Other operating revenue	6	3	0	0	10	
<b>Total operating revenue</b>	<b>1,251</b>	<b>855</b>	<b>99</b>	<b>(405)</b>	<b>1,800</b>	
Other income	0	23	(0)	-	23	
Depreciation/impairment property, plant and equipment	(13)	(6)	(2)	-	(21)	
Amortisation/impairment intangibles	(4)	(6)	(9)	-	(19)	
Depreciation/impairment right-of-use assets	(19)	(6)	(7)	-	(31)	
<b>Total operating income</b>	<b>148</b>	<b>100</b>	<b>(37)</b>	-	<b>211</b>	
<b>Normalised EBIT</b>	<b>148</b>	<b>82</b>	<b>(37)</b>	-	<b>193</b>	
Total assets	785	560	945	-	2,289	
Total liabilities	463	711	770	-	1,945	
<b>HY 2020 ended at 27 June 2020</b>						
Revenue from contracts with customers	836	645	1	0	1,482	
Intercompany sales	90	139	49	(279)	-	
Other operating revenue	4	3	0	0	8	
<b>Total operating revenue</b>	<b>930</b>	<b>788</b>	<b>51</b>	<b>(279)</b>	<b>1,490</b>	
Other income	(0)	1	0	-	1	
Depreciation/impairment property, plant and equipment	(11)	(13)	(2)	-	(27)	
Amortisation/impairment intangibles	(9)	(10)	(5)	-	(24)	
Depreciation/impairment right-of-use assets	(17)	(14)	(7)	-	(38)	
<b>Total operating income</b>	<b>85</b>	<b>(5)</b>	<b>(29)</b>	-	<b>52</b>	
<b>Normalised EBIT</b>	<b>85</b>	<b>9</b>	<b>(26)</b>	-	<b>69</b>	
Total assets at 31 December 2020	793	667	750	-	2,210	
Total liabilities at 31 December 2020	478	727	783	-	1,988	

The key financial performance indicator for management of the reportable segments is normalised EBIT. Normalised EBIT is derived from the IFRS-based performance measure operating income adjusted for the impact of project costs and incidentals. Normalised EBIT is reported on a monthly basis to the chief operating decision-makers.

## Notes to the consolidated interim financial statements

### 1. Intangible assets

in € million	HY 2020	HY 2021
<b>Balance at 1 January</b>	<b>364</b>	<b>339</b>
Additions	13	24
Amortisation and impairments	(24)	(19)
Other		(1)
<b>Balance at end of period</b>	<b>353</b>	<b>344</b>

At HY 2021, the intangible assets of €344 million consist of goodwill for an amount of €207 million and other intangible assets for an amount of €137 million. Goodwill resulted from acquisitions in the past in the segments Mail in the Netherlands (€174 million) and Parcels (€33 million).

The additions to the intangible assets of €24 million mainly relate to software, including prepayments for software. In HY 2020, costs included an amount of €1 million for the accelerated amortisation of related assets from Sandd and an impairment of €4 million related to the customer list of PS Nachtdistributie.

### 2. Property, plant and equipment

in € million	HY 2020	HY 2021
<b>Balance at 1 January</b>	<b>414</b>	<b>370</b>
Additions	11	20
Disposals	(1)	(11)
Depreciation and impairments	(27)	(21)
<b>Balance at end of period</b>	<b>398</b>	<b>358</b>

Of the additions of €20 million in HY 2021 €5 million relates to investments in the new head office and for €2 million to new sorting and delivery centres within Parcels. The remainder relates to various other investments. The disposals of €11 million in HY 2021 mainly relate to a new finalised parcel sorting and delivery centre that has been converted into a lease. In HY 2020, depreciation costs included an amount of €2 million for the accelerated write-down of related assets from Sandd.

### 3. Leases

Right-of-use assets		
in € million	HY 2020	HY 2021
<b>Balance at 1 January</b>	<b>259</b>	<b>243</b>
New leases	19	82
Depreciation and impairments	(38)	(31)
Disposals	(1)	(3)
<b>Balance at end of period</b>	<b>239</b>	<b>291</b>

The new leases of €82 million in HY 2021 mainly relate to the new head office (€40 million), a new sorting and delivery centre within Parcels (€20 million) and replacement/expansion of vans and trucks. In HY 2020, the depreciation costs included an amount of €9 million for the accelerated write-down of related assets from Sandd.

Lease liabilities		
in € million	31 Dec 2020	3 Jul 2021
Long-term lease liabilities	231	281
Short-term lease liabilities	63	63
<b>Total</b>	<b>294</b>	<b>344</b>

In HY 2021, repayments of lease liabilities amounted to €34 million (HY 2020: €35 million).

## 4. Assets classified as held for sale

At 3 July 2021, assets classified as held for sale amounted to €9 million (31 December 2020: €55 million) and related to buildings held for sale in the Netherlands (31 December 2020: €14 million related to buildings, €41 million to Cendris and €0 million to the minority interest of 20% in Nexive). The liabilities related to assets classified as held for sale amounted to €0 million (31 December 2020: €25 million related to Cendris).

### Sale of Nexive

On 1 July 2020, PostNL completed the sale of 80% of the activities of Nexive to Mutares. On 29 January 2021, PostNL and Mutares closed the sale of Nexive to Poste Italiane, whereby PostNL divested its retained minority interest of 20% in the entity acquiring the Nexive business. PostNL also terminated the joint venture agreement with Mutares, which resulted in the release of the remaining part of the related committed cash contributions. The transaction resulted in a net result of €24 million (including final settlement) and cash proceeds of €27 million in HY 2021.

The following table presents the financial performance and cash flow information for the discontinued operations for the first half of 2020 and 2021. In HY 2020, the figures include the business results of Nexive.

Financial performance and cashflow		
in € million	HY 2020	HY 2021
Revenues	91	
Expenses	(107)	(2)
<b>Operating income</b>	<b>(16)</b>	<b>(2)</b>
Income taxes	(0)	
<b>Profit(loss) after taxes</b>	<b>(16)</b>	<b>(2)</b>
Adjustments to fair value less costs to sell	12	
Net result related to the sales transaction with Poste Italiane		24
<b>Profit(loss) from discontinued operations</b>	<b>(5)</b>	<b>23</b>
Net cash from operating activities	(8)	
Net cash used in investing activities	1	
Net cash used in financing activities	(3)	
<b>Changes in cash and cash equivalents from discontinued operations</b>	<b>(11)</b>	

In HY 2021, the net result of €24 million related to the sales transaction with Poste Italiane includes a negative tax effect of €6 million.

As a specific contingent tax liability, per HY 2021 a tax dispute exists relating to the years 2012, 2013, 2014 and 2015 which can be estimated, using a probability-weighted assessment, at €15 million. Although we believe that this risk is in the possible range (20%-30%), supported by external advice, the outcome of the matter will depend upon the result of any negotiations with the relevant tax authorities and the outcome of related litigation. The outcome hereof will also determine whether additional tax notices for the years 2016 onwards may follow.

## 5. Pensions

In HY 2021, the provision for pension liabilities decreased by €16 million due to the payment of the first of five annual instalments of the €80 million deferred payment obligation. The decrease in provision from HY 2020 to 31 December 2020 mainly relates to the final payment for transitional plans of €200 million at year-end 2020.

in € million	HY 2020	HY 2021
<b>Balance at 1 January</b>	<b>283</b>	<b>86</b>
Operating expenses	67	75
Interest expenses	1	0
Employer contributions and early retirement payments	(47)	(55)
Actuarial losses/(gains)	(26)	(36)
<b>Balance at end of period</b>	<b>278</b>	<b>70</b>

The increase in operating expenses from €67 million in HY 2020 to €75 million in HY 2021 is mainly explained by the lower discount rate at year-end 2020 compared to year-end 2019, which resulted in a higher defined benefit obligation at year-end 2020 and higher service costs for 2021.

Excluding the first instalment of €16 million related to the deferred payment obligation, the regular employer contributions decreased from €47 million in HY 2020 to €39 million in HY 2021, mainly as a result of the cessation of soft pension payments in HY 2021.

Under IAS 19, the pension provision is updated quarterly for changes in the discount rate, expected long-term benefit increases and actual return on plan assets. Compared to year-end 2020, the IAS 19 discount rate rose from 0.3% to 0.9% and the expected long-term benefit increases assumption increased from 0.8% to 1.5%. The changed financial assumptions resulted in an actuarial loss on the defined benefit obligation. The return on plan assets was higher than assumed. The total effect on the net pension position in HY 2021 was a gain of €36 million (HY 2020: €26 million). Within OCI, the pension impact net of tax in HY 2021 amounted to €27 million (HY 2020: €20 million).

During the first half of 2021 the 12-month average coverage ratio of the main fund increased to 112.6% from 104.4% as at 31 December 2020. The month-end coverage ratio increased to 122.7% from 111.1% as at 31 December 2020.

The expenses for defined contribution plans in HY 2021 were €6 million (HY 2020: €7 million).

## 6. Equity

During HY 2021, consolidated equity attributable to the equity holders of the parent increased from €219 million at 31 December 2020 to €342 million at 3 July 2021. The increase of €123 million in HY 2021 is primarily explained by the profit for the period of €177 million and the positive impact of pensions within OCI of €27 million, partly offset by the dividend payment of €84 million.

in million	HY 2020	FY 2020	HY 2021
Number of issued and outstanding shares	495.0	495.0	508.4
of which held by the company	0.0	0.0	0.0
Year-to-date average number of ordinary shares	494.3	494.6	498.7
Year-to-date diluted number of ordinary shares	-	1.0	-
Year-to-date average number of ordinary shares on a fully diluted basis	494.3	495.6	498.7

In May 2021, PostNL issued 12,708,861 ordinary shares following the pay-out of the final 2020 dividend and 747,526 ordinary shares for the settlement of its incentive schemes, increasing the issued share capital and additional paid-in capital by €3 million in total. As a result, the number of issued and outstanding shares increased from 495.0 million at 31 December 2020 to 508.4 million at 3 July 2021.

## 7. Adjusted net debt

in € million	31 Dec 2020	3 Jul 2021
Short- and long-term debt	708	696
Long-term interest-bearing assets	(27)	(16)
Cash and cash equivalents	(651)	(806)
<b>Net debt</b>	<b>31</b>	<b>(126)</b>
Pension liabilities	86	70
Lease liabilities (on balance)	294	344
Lease liabilities (off balance)	66	17
Deferred tax assets on pension and operational lease liabilities	(70)	(67)
<b>Adjusted net debt</b>	<b>407</b>	<b>239</b>

At 3 July 2021, the adjusted net debt position amounted to €239 million. Compared to 31 December 2020, the improvement of €168 million was mainly explained by the positive cash flow during HY 2021 (see note 10), increasing the cash and cash equivalents position by €155 million in the first half of 2021.



## 8. Other provisions

The other provisions consist of long-term and short-term provisions for restructuring, claims and indemnities and other employee benefits. In HY 2021, the related provisions increased by €1 million.

in € million	HY 2020	HY 2021
<b>Balance at 1 January</b>	<b>79</b>	<b>51</b>
Additions	11	7
Withdrawals	(34)	(3)
Releases	(6)	(3)
<b>Balance at end of period</b>	<b>51</b>	<b>52</b>

The additions of €7 million in HY 2021 mainly related to restructuring programmes (€1 million), expected disability costs following the decision to become self-insured (“eigenrisicodrager”) for the WGA benefits as from 1 January 2021 (€3 million) and other employee benefit obligations (€1 million).

The withdrawals of €3 million in HY 2021 related mainly to settlements for restructuring programmes (€1 million) and payment of other employee benefit obligations (€1 million). The withdrawals of €34 million in HY 2020 related mainly to the execution of the restructuring programme and settlement of onerous contracts within Sandd (€30 million).

The releases of €3 million in HY 2021 mainly related to changes in cost savings programmes (€2 million).

## 9. Taxes

Effective tax rate	HY 2020	HY 2021
Dutch statutory tax rate	25.0%	25.0%
Other statutory tax rates	-0.1%	-0.1%
<b>Average statutory tax rate</b>	<b>24.9%</b>	<b>24.9%</b>
Non/partly deductible costs	2.5%	0.5%
Exempt income	-1.9%	-2.3%
Other	0.4%	-0.1%
<b>Effective tax rate</b>	<b>25.9%</b>	<b>23.0%</b>

The tax expense in PostNL’s statement of income in HY 2021 amounted to €46 million (HY 2020: €11 million), or 23.0% (HY 2020: 25.9%) of the profit/(loss) before income taxes of €201 million (HY 2020: €44 million).

In HY 2021, the line item Exempt income (-2.3%) consisted mainly of the book profit on the sale of Cendris. In HY 2020, the impact of one-off results from former participations was slightly smaller in relative terms (-1.9%). In HY 2020, the line Non/partly deductible costs (2.5%) included costs in connection with the acquisition of Sandd.

Income taxes paid in HY 2021 amounted to €21 million (HY 2020: €8 million) and included predominantly Dutch payments for the full year 2021 and settlements related to prior years.

Per HY 2021, the deferred tax asset related to the Dutch tax credit potential upon realising (liquidation) losses in connection with the sale of the Nexive businesses amounted to €32 million (FY 2020: €38 million).

## 10. Cash flow statement

Net cash from operating activities increased by €102 million from €144 million in HY 2020 to €246 million in HY 2021. Cash generated from operations increased by €117 million and was partly offset by an increase in income taxes paid of €13 million and an increase in interest paid of €4 million. The increase in cash generated from operations of €117 million was mainly due to higher operational (cash) results and lower cash out from other provisions (€31 million), partly offset by a negative change in working capital (€34 million).

Net cash used in investing activities of €2 million in HY 2021 was positively impacted by the net cash proceeds from the sale of Cendris of €44 million. Excluding this impact, net cash used in investing activities increased by €32 million to €(42) million in HY 2021 from €(10) million in HY 2020, mainly due to higher capital expenditure of €29 million in HY 2021.

Net cash used in financing activities amounted to €(118) million in HY 2021 (HY 2020: €(37) million) and mainly related to the payment of the 2020 final dividend of €84 million and repayments of lease liabilities of €34 million (HY 2020: €35 million).

## 11. Labour force

Headcount	31 Dec 2020	3 Jul 2021
Parcels	7,716	8,033
Mail in the Netherlands	31,498	28,873
PostNL Other	1,327	1,456
<b>Total</b>	<b>40,541</b>	<b>38,362</b>

The number of employees working at PostNL at 3 July 2021 was 38,362. The decrease of 2,179 compared to 31 December 2020 is mainly the result of the sale of Cendris and the extra temporary employees hired in December 2020 to handle Christmas mail within Mail in the Netherlands, partly offset by an increase due to business growth within Parcels.

Average FTEs	HY 2020	HY 2021
Parcels	5,914	6,697
Mail in the Netherlands	15,386	14,093
PostNL Other	1,187	1,354
<b>Total</b>	<b>22,488</b>	<b>22,144</b>

The average number of full-time equivalents (FTEs) working at PostNL during the first six months of 2021 was 22,144. The decrease of 344 compared to the same period last year is mainly related to the sale of Cendris, partly offset by business growth within Parcels.

## 12. Financial instruments

The fair value of financial instruments is based on foreign exchange and interest rate market prices, if applicable. PostNL uses derivative financial instruments solely for the purpose of hedging currency and interest exposure. PostNL uses commonly practised fair value valuation methods for its derivatives. The valuations represent a best approximation of the trading value of these derivatives at their valuation moment. The derivatives within the financial instruments are grouped within level 2 of the fair value measurement hierarchy.

The carrying value of PostNL's outstanding Eurobonds is measured at amortised cost and amounted to €696 million at 3 July 2021 (31 December 2020: €696 million). The fair value of the outstanding Eurobonds amounted to €721 million at 3 July 2021 (31 December 2020: €728 million). The outstanding Eurobonds are all at fixed interest rates.

The investments in financial assets at fair value through OCI of €16 million at 3 July 2021 (31 December 2020: €15 million) relate to investments in equity shares of non-listed companies.

The fair value of the other financial instruments approximates the carrying amount of these assets and liabilities.

## 13. Related parties

During HY 2021, PostNL's purchases from and sales to joint ventures and associated companies amounted to €0 million (HY 2020: €0 million). The net amounts due to joint ventures and associated companies amounted to €0 million (HY 2020: €0 million).

## Reporting responsibilities and risks

### Board of Management compliance statement

In conjunction with the EU Transparency Directive as incorporated in the Dutch Financial Markets Supervision Act (Wet op het Financieel Toezicht) the Board of Management confirms to the best of its knowledge that:

- The consolidated interim financial statements for the six months ended 3 July 2021 give a true and fair view of the assets, liabilities, financial position and profit or loss of PostNL N.V. and its consolidated companies, and
- The interim report of the Board of Management gives a true and fair view of the information required pursuant to section 5:25d(8)/(9) of the Dutch Financial Markets Supervision Act (Wet op het Financieel Toezicht).

Herna Verhagen – Chief Executive Officer The Hague, 9 August 2021

Pim Berendsen – Chief Financial Officer

### Risks

Understanding strategic, operational, legal and regulatory, and financial risks, including risks relating to corporate responsibility, is a vital element of our management's decision-making process. Management reviewed the risks regularly throughout the first half year of 2021 and will continue to do so during 2021. PostNL's risk management and control programme is to be considered as a process to further support management. No matter how comprehensive a risk management and control system may be, it cannot be assumed to be exhaustive, nor can it provide certainty that it will prevent negative developments from occurring in a company's business and business environment or that risk responses will be fully effective.

It is important to note that new, unknown and/or unforeseen risks may be identified and/or occur. PostNL will react to changes in our risk profile and/or risk responses with due care and we will continuously analyse possible alternatives that may be included in our risk management and control framework.

Notwithstanding the above, any of the disclosed risks both individually and/or in aggregate, could have a material adverse effect on PostNL's financial position, results of operations, liquidity, solvency and the actual outcome of matters referred to in the forward-looking statements contained in this half year report.

The Board of Management has reviewed PostNL's risk profile and confirms that the key risks originally disclosed in Chapter 11 of the 2020 PostNL N.V. Annual Report (pages 80 - 90) have been updated and will continue to require focused and decisive management attention in the second half of 2021. With reference to the disclosure in the Annual Report 2020, the risks which have the highest risk level are: competition, substitution, regulatory requirements, and execution of cost savings initiatives.

Additionally, the Board of Management is of the view that, considering the annually updated strategic plan and forecasts, in the current situation, it is justified that PostNL's financial reporting has been prepared on a going concern basis and that the Annual Report 2020 states those material risks and uncertainties that are relevant for the expectation of PostNL's continuity for the period of twelve months after the preparation of the Annual Report. This, however, does not imply that PostNL can provide certainty as to the realisation of strategic business and financial objectives.

More details on how PostNL deals with risk management can be found in our Annual Report 2020, Chapter 11 Risk and opportunity management.