

The new Postal Act in Denmark

19 April 2024

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- The desire for a new postal agreement regarding the USO in Denmark has been underway for a long time
- The old agreement from 2016 to 2019 was prolonged a couple of times and run out by the end of 2023
- The new Postal Act is based on a political agreement of 27 June 2023
- The new Postal Act was passed in the Danish Parliament on 30 November 2023
- Effective from January 1, 2024



Main points of the Postal Act

- The universal service is terminated for an appointed designated operator. The market is expected to provide the nationwide postal service
- A tender will be issued for the provision of postal services to smaller islands, items for the blind and international mail. PostNord Denmark handle these tasks until a tender and an agreement is concluded
- A safety net is established to ensure that the state's obligations are complied with by the Danish Ministry of Transport



PostNord has been critical regarding the new Postal Act

- Critical of the existence of a well-functioning postal market
- We pointed out that the market should have been analyzed in more details before a legislative proposal was tabled
- - far too short a time for conversion for both customers and us as a postal business.
- Other authorities in Sweden and Finland have been more careful to examine the market before major decisions were taken



We adapt to the new reality

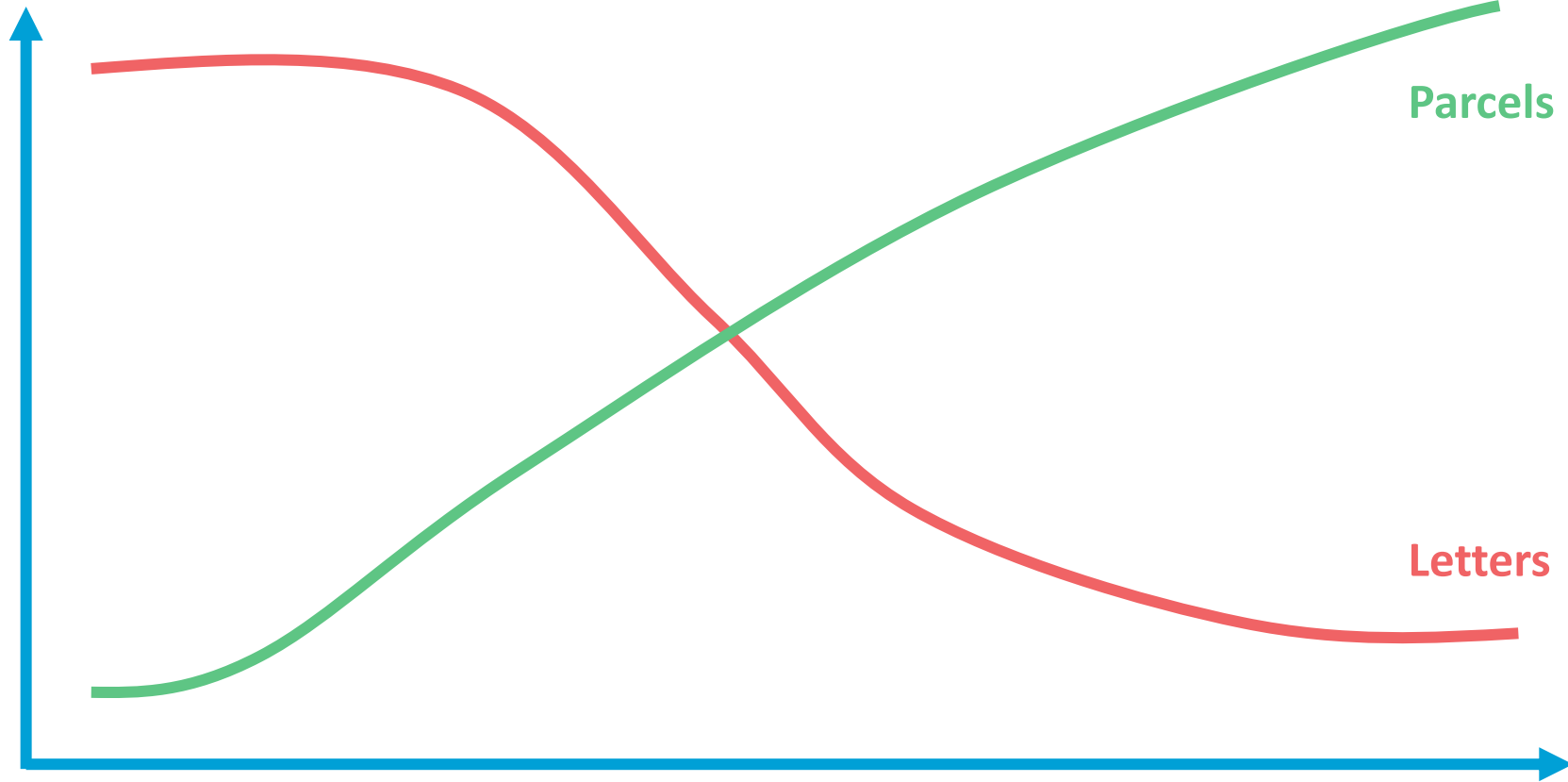
- VAT on all non-universal service items
- Prices for single piece letters has raised from 1,6 EUR to 3,35 EUR
- Postage stamps were until December 31, 2023, exempted from VAT. With the new legislation all old postage stamps can only be used for international mail.
- All postage stamps issued before 31 December 2023 can now only be used for international mail as international mail remain a universal service
- We reduce the number of letterboxes from 2500 to 1500
- We have from the beginning of this year seen an acceleration in the decline of the mail volumes



400 years of proud history to build on



We have reached the breaking point - and we will take the next step on our journey



- From regulated to commercial
- We have focused our strategy from cost cutting to growth
- We have shaped our management team
- We have integrated the letter business unit into the parcel organization
- We will focus on the parcels and adapt the letters where appropriate in our production and distribution infrastructure
- We will stay in the letter market as long as there is a commercial reason to do so
- We will ensure profitability today for competitiveness tomorrow

Our purpose

PostNord – the favorite carrier of the Nordics

By being the connection between e-com business, and the world of consumers – enabling our customers to win by logistics

