



Report for 1st interim period 2024

Vy Group





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Key information

Financial key figures

	Year to date	
	2024	2023
All figures in MNOK		
Group profit		
Operating revenue	6 173	6 178
Operating profit	-166	-140
Profit before income tax	-372	-314
Group cash flow		
Net cash flow from operations	678	476
Group balance sheet		
Net interest bearing debt *	11 591	5 752
Equity		
Return on equity (ROE) (last 12 months)	0,5%	3,8%
Equity ratio	14,0%	22,1%

* Net interest-bearing debt includes net pension liabilities

Key performance indicators

	Year to date	
	2024	2023
Vy Group		
Sick leave ratio (last 12 months)	8,1%	7,8%
H1 (Lost Time Injury per million work hours)	6,7	8,7
Passenger train		
Number of train journeys - Norway (mill.)	21,3	21,1
Produced seat kilometers - Norway (mill.)	2 994	3 135
Punctuality - passenger train - Norway	85 %	85 %
Bus transport		
Number of bus journeys (mill.)	49,1	48,2
Produced carriage kilometres (mill.)	66,1	68,6
Freight transport		
Number of transported TEU - freight train (1.000)	117	119
Net tonn km. (mill.)	962	1 077
Punctuality in Norway - freight train	N/A	91 %

Board of director's report

Summary for the first four months of 2024

(Last year's figures in brackets)

The number of passengers using public transport services has stabilised at the same level as in the period before the pandemic. For commercial bus traffic, the growth continues, and the supply is adapted to the growth in demand. For Vy's tourism investment, there is increased demand from Norwegian and foreign tourists and both our tourism businesses - Fjord Tours Group and Flåm Utvikling are experiencing a positive travel development.

A severe winter with demanding weather conditions and challenging driving conditions has affected the size and quality of the service for both buses and trains and resulted in more demanding operating conditions than the corresponding winter season last year. The development in revenues and profit is affected by this.

In addition to difficult driving conditions, rail freight has been negatively affected by the closure of railway lines in Gudbrandsdalen, on the Ofotbanen and the Bergen Line. Volumes and profitability are negatively affected by this.

Developments in key management parameters per 1st interim period:

- Increase in the number of journeys by passenger trains in Norway by 1.1 per cent compared to last year.
- Increase in the number of journeys by bus of 2 per cent compared to last year
- Punctuality for passenger train operations is 85 per cent (85 per cent)
- Sick absence so far this year is 8.4 per cent (8.9 per cent)
- LTI is 8 (8.7)

Financial development:

- Operating profit is -166 MNOK (NOK -140 MNOK)
- Profit after tax is -291 MNOK (NOK -256 MNOK)
- The return on equity over the past 12 months is 0.5 per cent (3.8 per cent)

Summary of results and trends for the business areas

Passenger Train

Vy tog operates train traffic in Eastern Norway and traffic package West. Operation of the new contracts for Østlandet 1 (Eastern Norway 1) and Østlandet 2 (Eastern Norway 2) started in December last year. Vy tog also operates 4 train contracts in Sweden.

Operating revenues for passenger train operations as of the first interim period of 2024 are 2,642 MNOK (2,685 MNOK), a reduction of 1.6 per cent from the previous year. The total number of journeys in passenger train operations in Norway is 21.3 million, an increase of 1.1 per cent compared to last year.

The operating profit for passenger trains is -38 MNOK (-39 MNOK) as of the 1st interim period.

In Norway, Vy achieved a punctuality of 85 per cent; The same level as the corresponding period last year, but lower than the target of 91 per cent. A severe winter with icing that caused damage to the trains has resulted in lower capacity, frequency (regularity) and punctuality than planned.

Bus

Vy Buss carries out regular services on tenders or contracts with county municipalities in Norway and Sweden, as well as commercial routes in Norway and Sweden. Passengers are now on their way back, and there has been a growth in the number of trips by bus from the same period last year of 2%.

Total operating revenues as of the 1st interim period are 2,751 MNOK (2,782 MNOK). Operating profit period is -17 MNOK (32 MNOK). The bus business has also been negatively affected by demanding winter and driving conditions. This has resulted in increased damage and repair costs and increased use of overtime to maintain traffic and services.

Rail freight

Production challenges due to winter conditions, closed railway lines and challenges with older rolling stock park have limited the volume development in CargoNet. This has also had a negative impact on profit development. Operating revenues in the first interim period are 433 MNOK (429 MNOK), and the operating profit is -64 MNOK (-46 MNOK).

Tourism

Vy delivers tourism products in the form of public transport based tours with fjord, mountain and cultural experiences to Norwegian customers, tourists and international tour operators. The main part of the investment is done through our part-ownership in Fjord Tours Group and Flåm Utvikling. We are working to develop more attractive tourism packages by train, bus and boat together with local tourism operators.

Tourism has been severely affected by the pandemic and it has taken time to return to pre-2020 levels. We are seeing a significant improvement in demand, and the number of journeys on the Flåm Railway per first interim period has increased by 10 per cent compared with last year.

Governance and management

The Board of Directors assesses Vygruppen's strategy annually, and the assessments are based on, among other things, risk analyses, materiality analyses related to sustainability, assessments of market and competitor development, as well as internal analyses.

Our vision is that Vy makes it easy to choose environmentally friendly. Vy's main goal is growth through more sustainable travel and freight transport by rail, and the highest possible profitability over time within a sustainable framework.

In order to deliver on our vision and main goals, Vy will prioritize four main areas:

- Great customer experiences every day
- Industry-leading innovation
- Efficient and reliable in everything we do
- Engaged and customer-oriented employees

The strategy has been operationalized and incorporated into Vygruppen's action plans, and the board follows up on progress and status of goal achievement.

For a detailed account of our work with sustainability, goals and results, we refer to the chapter on sustainability and the GRI report in the annual and sustainability report for 2023.

Financial development

Profit after tax as of the 1st interim period for Vygruppen is NOK -291 MNOK (-256 MNOK), a decrease of 35 MNOK compared to last year. Operating profit is -166 MNOK (-140 MNOK), a decrease of 26 MNOK.

The Group's net cash flow from operational activities is 678 MNOK (476 MNOK). The purchase of fixed assets is 86 MNOK.

For the Group, equity as of the 1st interim period is 2,995 MNOK, which gives an equity ratio of 14 per cent.

The Group's return on book equity over the past 12 months is 0.5 per cent (3.8 per cent).

The accounts have been prepared under the assumption of going concern, and the Board of Directors confirms that the assumption is met.

Outlook

In Norway, the number of train journeys in connection with work and leisure is back at pre-pandemic levels, and we expect further growth ahead. We observe a good demand for cross-border travel, and we expect revenues from international tourists to be back at the 2019 level during 2024 – 2025. The main focus going forward is to deliver well on the contracts signed for the operation of trains.

In the bus business, we expect that the route service, and thus also Vy's revenues, will mainly be maintained in accordance with agreements with the public transport companies. At the same time, there have been significant price increases in the public transport sector, including energy and fuel prices. Our clients, the public transport companies and the counties, are dependent on funding to ensure the maintenance and development of the public transport service. In the event of a lack of financing, there is a risk of production reductions in many of our agreements. For the commercial bus routes, the offer is adapted in line with the development in demand.

For CargoNet, the main goal going forward is to re-establish the freight service after the reopening of the Dovre Line in May and to restore profitability through growth and cost reductions. Work on improvement measures will continue to improve profitability,

in addition to dialogue with the authorities to ensure better and predictable framework conditions for rail freight.

In tourism, we have adapted our offer and marketing to the gradual return of international tourists. We expect international tourists to be back at 2019 levels in 2024/2025.

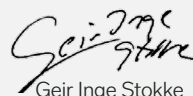
Investing in public transport is an important part of good sustainable development. The work to get more people to choose climate-friendly is essential for Norway to achieve its climate goals and for Vy, as a transport and freight operator, to win tenders and get more customers. Our vision is therefore that Vy will make it easy to choose environmentally friendly.

Oslo, 30th of May 2024

Board of directors of the Vy Group



Berit Svendsen/Chairman of the board



Geir Inge Stokke



Espen Almlid



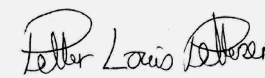
Dina Elverum Aune



Morten Henriksen



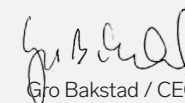
Ove Sindre Lund



Petter Louis Pettersen



Line Steinseth



Gro Bakstad / CEO

Accounts

Group income statement

Figures in MNOK

	Notes	Year to date		Year	Last 12
		2024	2023	2023	months
Operating revenue	1	6 173	6 178	19 063	19 058
Payroll and related expenses		2 754	2 653	7 851	7 952
Depreciation and impairment		749	770	2 378	2 357
Other operating expenses	2	2 822	2 880	8 497	8 439
Total operating expenses		6 325	6 303	18 726	18 748
Share of profit of joint ventures		-13	-16	34	37
Share of profit in associates		-1	-	7	6
Operating profit		-166	-140	378	352
Financial items					
Financial income		65	40	193	218
Financial expenses		-285	-224	-496	-557
Net financial expenses - pensions		-5	-8	-10	-7
Unrealised fair value changes		19	18	14	15
Net financial items		-206	-174	-299	-331
Profit before income tax		-372	-314	79	21
Income tax expense		81	59	-26	-4
Profit for the year		-291	-256	53	18
Attributable to					
Equity holders		-291	-256	53	18
Total		-291	-256	53	18
Other comprehensive income					
Profit for the year		-291	-256	53	18
Items that will not be reclassified to profit or loss					
Deviation retirement benefit obligations		-	-	-583	-583
Tax related to items that will not be reclassified		-	-	128	128
Items that can be reclassified in net income in later periods					
Currency translation differences		-10	98	67	-41
Total comprehensive income for the period		-301	-158	-334	-477
Attributable to					
Equity holders		-301	-158	-334	-477
Total comprehensive income for the period		-301	-158	-334	-477

Group balance sheet

Figures in MNOK

	Notes	30.04.2024	31.12.2023	30.04.2023
Assets				
Intangible assets		1 076	1 084	1 120
Deferred tax assets		443	367	279
Property, plant and equipment	3, 4	14 283	14 742	8 324
Investments in associates		18	20	19
Financial fixed assets		127	127	98
Plan assets		94	94	210
Total non-current assets		16 041	16 434	10 051
Investment in joint ventures		197	210	160
Inventories		466	469	461
Trade and other receivables		1 988	2 379	2 382
Financial assets		2 105	2 057	1 883
Derivative financial instruments		9	1	13
Cash and bank deposits		626	584	523
Total current assets		5 391	5 700	5 423
Total assets		21 432	22 134	15 474
Equity and liabilities				
Share capital		3 387	3 387	3 387
Retained earnings		-392	-91	27
Total equity		2 995	3 296	3 413
Debt	3	11 410	11 750	5 630
Deferred tax liabilities		151	152	103
Retirement benefit obligations		809	820	800
Provisions for other liabilities and charges	5	124	127	225
Total long term liabilities		12 494	12 849	6 757
Trade and other payables		3 843	3 889	3 569
Tax payable		35	45	18
Debt	3	2 065	2 055	1 717
Total short term liabilities		5 943	5 989	5 304
Total equity and liabilities		21 432	22 134	15 474

Oslo, 30th of May 2024

Board of directors of the Vy Group

Berit Svendsen
Berit Svendsen/Chairman of the board

Geir Inge Stokke
Geir Inge Stokke

Espen Almlid
Espen Almlid

Dina Elverum Aune
Dina Elverum Aune

Morten Henriksen
Morten Henriksen

Ove Sindre Lund
Ove Sindre Lund

Petter Louis Pettersen
Petter Louis Pettersen

Line Steinseth
Line Steinseth

Gro Bakstad
Gro Bakstad / CEO

Group cashflow statement

Figures in MNOK

	Notes	Year to date		Year
		2024	2023	2023
Profit before income tax		-372	-314	79
Depreciation and impairment		749	770	2 378
Gain on sale of property, plant and equipment (PPE)		-12	-1	-66
Difference between exp. and paym. made/receiv. for pensions		-11	-8	-294
Changes in provisions for other liabilities and charges		-48	-16	-8
Change in unrealised fair value		-19	-18	-8
Interest and other financial items		30	77	-22
Shares of profit from associated and joint ventures		14	16	-41
Changes in working capital		348	-26	162
Taxes paid		-1	-4	-4
Net cash flow from operating activities		678	476	2 176
Changes in financial non-current assets		-5	-103	-205
Purchase of property, plant and equipment		-86	-75	-342
Proceeds from sale of assets		19	3	90
Dividends received		-	-	6
Net cash flow used in investment activities		-72	-175	-451
New debt		1	-	1
Repayment of debt		-4	-2	-4
Repayment on leases debt	3	-560	-682	-1 952
Dividends paid to company's shareholders		-	-	-67
Net cash flow used in financial activities		-563	-684	-2 022
Net change in cash and bank deposits for the period		43	-383	-297
Cash and bank deposits as at the beginning of the period		584	905	905
Foreign exchange gain/loss on cash and bank deposits		-1	1	-24
Cash and bank deposits as at the end of the period		626	523	584

Development in equity

Figures in MNOK

As of 1st interim period 2024	Share capital	Retained earnings		Total
		Acc. currency translation	Retained earnings	
Equity 1st of January 2024	3 387	70	-161	3 296
Profit for the interim period	-	-	-291	-291
From other comprehensive income	-	-10	-	-10
Equity 30th of April 2024	3 387	60	-453	2 995

As of 1st interim period 2023	Share capital	Retained earnings		Total
		Acc. currency translation	Retained earnings	
Equity 1st of January 2023	3 387	3	182	3 572
Profit for the interim period	-	-	-256	-256
From other comprehensive income	-	98	-	98
Equity 30th of April 2023	3 387	101	-75	3 413

2023	Share capital	Retained earnings		Total
		Acc. currency translation	Retained earnings	
Equity 1st of January 2023	3 387	3	182	3 572
Profit for the year	-	-	53	53
From other comprehensive income	-	67	-455	-388
Effect of changing retirement pension scheme *)	-	-	126	126
Dividend	-	-	-67	-67
Equity 31st of December 2023	3 387	70	-161	3 296

*) In the new traffic agreement in Vygruppen AS from 2023 and subsequent agreements, the Directorate of Railways must cover obligations to the performance scheme in SPK that exceed what a contribution scheme would cost the company. The obligation to the members included in this agreement is therefore subtracted from the net pension obligation on the balance sheet. The entering balance effect of this amounted to MNOK 161 and previously charged estimate deviations in other equity were credited. Later years coverage of the difference is carried over the result together with the ordinary pension.

Operating segments

Figures in MNOK

Business segments

As of 30 April 2024, the Group has its main activities in the following segments:

- (1) Train: passenger train operations
- (2) Bus: passenger bus operations
- (3) Freight: freight train operations
- (4) Other: Other entities and Group functions (see also accounting principles)

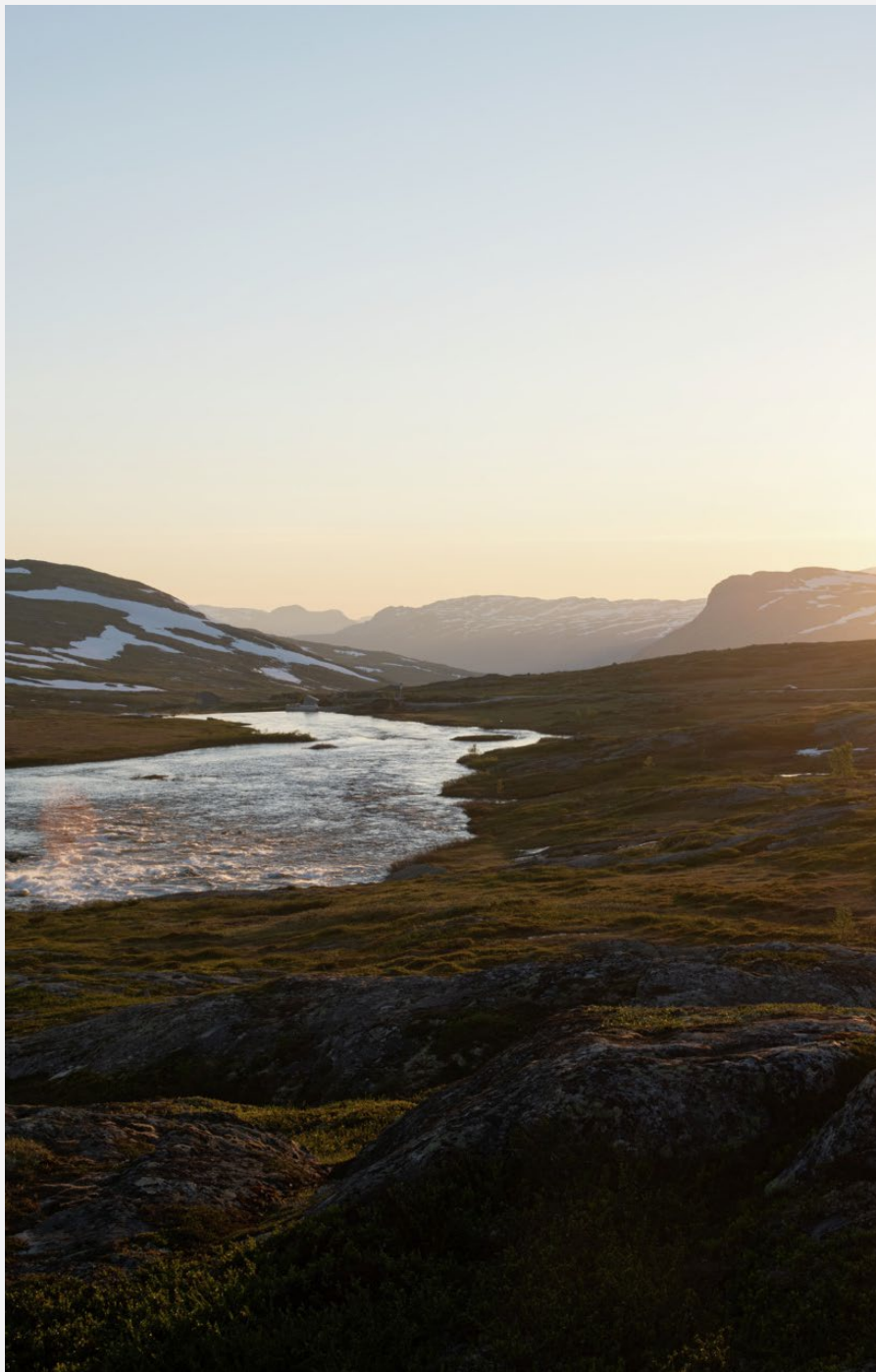
According to changes in the management reporting structure, the Customer experience and Innovation segment is no longer reported as a separate segment but moved into Other segment as from 1 January 2024. Comparative figures for 2023 are adjusted accordingly.

Segment assets in the tables below consist mainly of property, plant and equipment, intangible assets, inventories and other assets and cash, while deferred tax asset and derivative instruments are not included.

Year to date 2024	Train	Bus	Freight	Other/elim	Group
Sales revenue	1 399	2 710	416	293	4 818
Public purchases	1 180	-	-	-	1 180
Other revenue	63	41	17	53	174
Operating revenue	2 642	2 751	433	346	6 173
Operating expenses	2 361	2 432	430	352	5 576
Depreciation, impairment	319	335	67	28	749
Total operating cost	2 680	2 767	497	380	6 325
Share of profit/loss in joint ventures and associated companies	-	-1	-	-13	-14
Operating profit	-38	-17	-64	-47	-166
Segment assets	9 663	7 727	1 414	2 059	20 863
Investments	42	216	14	24	296

Year to date 2023	Train	Bus	Freight	Other/elim	Group
Sales revenue	1 280	2 756	420	250	4 706
Public purchases	1 299	-	-	-	1 299
Other revenue	106	26	9	33	174
Operating revenue	2 685	2 782	429	282	6 178
Operating expenses	2 351	2 433	417	332	5 533
Depreciation, impairment	373	318	58	20	770
Total operating cost	2 724	2 751	475	352	6 303
Share of profit/loss in joint ventures and associated companies	-	1	-	-17	-16
Operating profit	-39	32	-46	-87	-140
Segment assets	3 684	7 449	1 493	2 334	14 960
Investments	62	79	210	49	399

2023	Train	Bus	Freight	Other/elim	Group
Sales revenue	4 079	8 298	1 228	767	14 372
Public purchases	3 972	-	-	-	3 972
Other revenue	378	168	40	133	719
Operating revenue	8 429	8 466	1 268	900	19 063
Operating expenses	7 038	7 155	1 162	993	16 348
Depreciation, impairment	1 116	1 015	185	62	2 378
Total operating cost	8 154	8 170	1 347	1 055	18 726
Share of profit/loss in joint ventures and associated companies	-	7	-	34	41
Operating profit	275	303	-79	-121	378
Segment assets	9 960	7 816	1 435	2 438	21 649
Investments	6 903	1 276	307	52	8 538



Notes and reporting information

Figures in MNOK

Framework and accounting principles

The Vy Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations from the IFRS interpretations committee (IFRIC) as determined by EU.

The consolidated financial statements for the Group have been prepared on a historical cost basis except for derivative financial instruments, certain financial assets and liabilities which are carried at fair value.

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements should be viewed in conjunction with the last published annual report containing a full description of the Group's accounting principles.

Accounting principles applied in 2024 are consistent with the accounting principles that were used for the financial statements in 2023.

The consolidated financial statements have been prepared on a going concern basis.

Segment Reporting

The Group reports its operating segments according to how Group management, which is the chief operating decision-maker, adopts, follow-ups and evaluates decisions which is in line with the internal reporting which is regularly evaluated by the management, and which is the basis for allocation of resources and achievement of objectives.

The Group has the following operating segments:

Passenger train: passenger train operations

Bus: passenger bus operations

Freight: freight train operations

The Other segment consists of other activities in the Group such as cleaning of trains, a captive, Team Verksted and Group functions (business development, IT, marketing, tourist services, strategy etc).

1. Revenues

Analysis of Operating income by category

	Year to date 2024	Year to date 2023	Year 2023
Transport revenue	5 853	5 812	17 498
Other revenue	320	366	1 565
Total	6 173	6 178	19 063

Analysis of Operating income by country

	Year to date 2024	Year to date 2023	Year 2023
Norway	5 251	5 215	16 004
Sweden	922	963	3 059
Total	6 173	6 178	19 063

Information of important customers

The Group has one customer that constitutes more than 10 % of operating income. The Government's public purchase from the Vy Group is 1 039 MNOK (1 205 MNOK) as of 30th of April 2024.

Type

	Segment	IFRS 15 accounting treatment
Personnel transport	Passenger train and bus	Revenue recognition at transport date
Food and on board services	Passenger train and bus	Revenue recognition at the date of sale
Agreements with counties and municipalities	Bus	Revenue recognition at transport date
Workshop services	Bus	Revenue recognition when the service is delivered
Agreements with counties and municipalities	Passenger train and bus	Revenue recognition at transport date
Traffic agreement with the state of Norway and public purchaser abroad	Passenger train and bus	Revenue recognition at transport date
Fees	Passenger train and bus	Revenue recognition at date of issuance
Freight and terminal services	Freight	Revenue recognition when the service is delivered
Other services - sale of ad hoc services, renting premises etc.	All	Revenue recognition when the service is delivered

2. Other expenses

	Year to date 2024	Year to date 2023	Year 2023
Sales- and overhead expenses	559	544	1 659
Energy used in operations	591	718	1 777
Property expenses, repair and maintenance	973	904	2 673
Other operating expenses	699	713	2 388
Total	2 822	2 878	8 497

3. Leases

Specification of the changes in right of use assets

	Year to date 2024	Year to date 2023	Year 2023
Opening balance right of use assets	13 269	7 074	7 074
Depreciations	-627	-643	-2 000
Addition and changes in agreements	217	327	8 131
Other/currency effects	-7	91	64
Total closing balance	12 852	6 849	13 269

Specification of the changes in liabilities

	Year to date 2024	Year to date 2023	Year 2023
Opening balance leasing obligation	13 793	7 506	7 506
Lease payments	-562	-681	-1 954
Addition and changes in agreements	208	327	8 124
Other/currency effects	26	181	117
Total closing balance	13 465	7 333	13 793

Further, there is a future lease liability of approximately NOK 1 385 million (nominal) for lease of buses, which are ordered, but not delivered. Lease liabilities and right of use assets will be recognized when the trains and buses are delivered and made available for use by the Group.

Liabilities

	Year to date 2024	Year to date 2023	Year 2023
Short-term liabilities	2 063	1 717	2 055
Long-term liabilities	11 402	5 616	11 738
Total	13 465	7 333	13 793

Finance costs

	Year to date 2024	Year to date 2023	Year 2023
Finance costs leasing liabilities	234	105	353

Cash-Flow

	Year to date 2024	Year to date 2023	Year 2023
Total cash-flow lease payments	796	786	2 307

Tax policy

Background

In line with expectations from the owner enshrined in Eierskapsmeldingen (Meld.St.8 2019–2020), Vygruppen AS has prepared a policy for the group's tax behaviour. The policy has been communicated to all our subsidiaries.

About Vygruppen and our tax policy

Vygruppen is a transport and tourism group owned by the Norwegian state via the Ministry of Transport. We will ensure customers the best journey by providing environmentally friendly, smart, cost-effective and safe transport. In addition, the Group provides freight of goods on track.

All our activities are carried out with a focus on safety and are based on environmental solutions.

Our tax policy rests on three fundamentals:

1. Sustainability

Tax revenues are a prerequisite for sustainable development.

Profitable companies contribute to increased tax revenues, which in turn contributes to the financing of the individual state's development. Through success in our work, we will indirectly contribute to the funding of key institutions such as health, welfare and education, as well as fixed assets and infrastructure.

2. Origin and transparency

Our companies must pay taxes to the country where the values are created.

Vygruppen operates in Norway and Sweden. Regardless of where the business is located, all our companies shall pay tax to the host country where the values are generated. In addition, all our companies are expected to act transparently towards each host country's tax authorities, including providing timely and correct information to form the basis for taxation of the company. Our companies are expected to follow the tax laws of the countries in which they operate, both in terms of the letter and intent of the law.

Through active follow-up, Vygruppen will ensure that our companies are operated responsibly and professionally. This also means that we will contribute to increased awareness of tax legislation and compliance with the rules that apply to the individual company.

3. Integrity and fairness

We are not participating in artificial schemes to reduce taxes.

Vygruppen should not knowingly contribute to harmful tax practices. We will to the best of our ability ensure that our companies do not engage in harmful or potentially harmful tax behavior. At the same time, we consider it appropriate that the companies within the group are taking advantage of the tax incentives that exist for its businesses.

Our companies are further encouraged to:

a) Comply with tax legislation

Companies must comply with all applicable laws and regulations in the countries in which they operate.

b) Do not participate in undermining the country's tax base or encourage to transfer of profits

Companies must not adopt artificial schemes, such as the use of internal pricing to move taxable profits from where they have their business.

c) Do not take part in aggressive tax planning

Companies should not take part in any kind of aggressive tax planning that drains the local tax base.

