



Report for 2nd interim period 2023

Vy Group



Table of contents

2nd interim period 2023

Key information	3
Board of Director’s report	4
Group income statement	8
Group balance sheet	9
Group cash flow statement	10
Development in equity	11
Operating segments	12
Notes – reporting information	14
Tax policy	17

The interim report is not subject to financial audit.

Key information

Financial key figures

	Year to date	
	2023	2022
All figures in MNOK		
Group profit		
Operating revenue	12 590	11 475
Operating profit	310	419
Profit before income tax	93	271
Group cash flow		
Net cash flow from operations	1 569	1 428
Group balance sheet		
Net interest bearing debt *	5 146	6328
Equity		
Return on equity (ROE) (last 12 months)	0,2 %	-15,1 %
Equity ratio	23,6 %	20,3 %

* Net interest-bearing debt includes net pension liabilities

Key performance indicators

	Year to date	
	2023	2022
Vy Group		
Sick leave ratio	8,5 %	8,4 %
H1 (Lost Time Injury per million work hours)	7,0	6,3
Passenger train		
Number of train journeys - Norway (mill.)	39,6	32
Produced seat kilometers - Norway (mill.)	5 979	5 617
Punctuality - passenger train - Norway	86%	86%
Bus transport		
Number of bus journeys (mill.)	88,9	57,6
Produced carriage kilometres (mill.)	135,6	131,1
Freight transport		
Number of transported TEU - freight train (1.000)	229	223
Net tonn km. (mill.)	2 095	2 129
Punctuality - freight train	93%	94%



Board of director's report

Summary for the first eight months of 2023

(Last year's figures in brackets)

The number of travelers using public transport services continues to increase gradually and is approaching the normal year 2019. For commercial bus traffic, growth continues, and the offer is adapted to the growth in demand. For Vy's tourism investment, customers are returning after two years in which this business has been severely affected by the corona pandemic and both of our tourism businesses - Fjord Tours Group and Flåm Utvikling are experiencing a positive travel development.

Demand for the transport of goods by rail has been developing positively, but access to railway routes, terminal capacity, infrastructure failure and challenges with an older rolling stock have limited growth. The extreme weather Hans in August has had significant consequences for freight transport with lost income and increased costs for alternative transport routes. It is expected that it will take a long time before Dovrebanen opens again.

Growth in the number of journeys and indexation of contracts leads to increased income and an improvement in the result compared to 2022, adjusted for one-off items. Last year, the result was positively affected by the reversal of previous loss provisions on contracts. Net financial items are increasing, mainly due to increased interest rates and currency loss on leasing agreements for freight train equipment.

The development in important management parameters per 2nd interim period:

- Increase in the number of journeys by passenger train in Norway by 24 per cent compared to last year.
- So far this year, travel volumes are 99 per cent of the 2019 level.
- Increase in the number of journeys by commercial bus of 31 per cent compared to last year
- Punctuality for passenger train operations is

- 86 per cent (86 per cent)
- Punctuality in freight operations is 93 per cent (94 per cent)
- Sick leave ratio in the period is 8.5 per cent (8.4 per cent)
- LTIF is 7 (6,3)

Financial development:

- Operating profit is 310 MNOK (419 MNOK)
- Excluding the effect of net reversal of previous loss provisions, the operating profit has improved by NOK 373 million in 2023.
- Profit after tax is 91 MNOK (216 MNOK)
- The return on book equity in the last 12 months is 0 percent (- 15 percent)

Summary of results and trends for the business areas

Passenger Train Operations

Vy Tog operates the train traffic in Eastern Norway and the traffic package in the West. In addition, Vy tog operates four train contracts in Sweden. In June, the Norwegian Railways Directorate and Vy entered into agreements on train traffic in Eastern Norway. The new agreements will start in December 2023.

Operating income for the passenger train business per the second interim period of 2023 is NOK 5,515 million (NOK 5,227 million), an increase of 6 per cent from the previous year. The total number of journeys in passenger train operations in Norway is 40 million, an increase of 24 per cent compared to last year. The level is now 99 per cent of the normal year 2019.

The operating profit for passenger trains is NOK 179 MNOK (NOK 494 MNOK) per 2nd interim period. Per the second term of 2022, additional remuneration was given by the Norwegian Railways Directorate due to Covid, which positively affected the result last year, while no such remuneration has been given for 2023. In addition, provisions for losses on contracts in passenger trains of NOK 522 million were reversed last year. Adjusted for these one-off effects, there is a positive development for the train business in 2023, driven by growth in the

number of journeys and income.

In Norway, Vy achieved a punctuality of 86 per cent per August; at the level of the same period last year, but lower than the target of 90 per cent. Operator-dependent punctuality is over 98 percent.

Bus Operations

Vy Buss runs routes on tender or contract with county municipalities in Norway and Sweden, as well as commercial routes in Norway and Sweden. The passengers are now back after the pandemic, and there has been a growth in the number of journeys by commercial bus from the corresponding period last year of 31 per cent. The number of journeys with our commercial buses is now well above the corresponding period in 2019.

Total operating income per 2nd interim period is NOK 5,636 million (NOK 4,922 million). Operating profit for the second term is NOK 284 million (NOK 43 million). The improvement is positively influenced by travel and income growth, as well as a more balanced indexation of cost increases in tender contracts.

Freight Operations

The growth in demand for rail freight is somewhat reduced, but has contributed to increased volumes per august. Production challenges due to winter conditions, rebuilding at Alnabru and challenges with old rolling stock have limited the volume growth in CargoNet, and have had a negative impact on the results. The extreme weather Hans at the beginning of August also resulted in closed sections of track, and Dovrebanen will be closed for a longer period. This has had significant consequences for volume, income and profit. The government has decided on a temporary compensation scheme, but the structure of the scheme has not yet been clarified. The operating income for the second interim period is NOK 849 million (NOK 799 million), and the operating profit NOK -64 million (NOK 9 million).

The average punctuality for freight trains is 93 per cent (94 per cent) arriving at the terminal within 15 minutes, which is above the target of 92 per cent.

Customer experience and innovation

Customer experience and innovation develop new solutions for customers, including through Vy's digital customer services such as the Vy app. Vy also invests in tourism through public transport-based round trips with fjord, mountain and cultural experiences for Norwegian customers, tourists and international tour operators. The main part of the investment is made via our part ownership in Fjord Tours Group and Flåm Utvikling. We are working to develop several attractive tourism packages with train, bus and boat together with local tourism companies.

Travel has been severely affected by the pandemic. We see a significant improvement in demand, and the number of journeys on the Flåm Line per second term has increased by 38 per cent compared to last year and is at 80 per cent of the level for 2019.

Governance and management

The board reviews Vygruppen's strategy annually, and the assessments are based on, among other things, risk analyses, materiality analyses relating 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 journeys and rail freight transport, and the highest possible profitability over time within a sustainable framework.

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

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

The strategy is operationalized and incorporated into Vygruppen's action plans, and the board monitors progress and the status of target achievement.

For a detailed account of our work with

sustainability, goals and results, we refer to the chapter on sustainability in the [annual and sustainability report for 2022](#).

Financial development

Profit after tax per 2nd term for Vygruppen is 91 MNOK (216 MNOK), a decrease of 125 MNOK compared to last year. Operating profit is NOK 310 million (NOK 419 million), a decrease of NOK 109 million. Last year’s result is significantly affected by positive one-off effects linked to the reversal of previous loss provisions. Excluding the effect of the reversal of previous loss provisions, the operating profit has improved by NOK 373 million in 2023.

The group’s net cash flow from operational activities is NOK 1 569 million (NOK 1 428 million). Purchase of fixed assets is NOK 215 million.

For the group, the equity per 2nd interim period is NOK 3,621 million, which gives an equity share of 23.6 per cent.

The group’s return on book equity in the last 12 months is 0 percent (- 15 percent).

The accounts have been prepared under the assumption of continued operation, and the board confirms that the assumption is present.

Outlook

The travel volume for public transport after the pandemic is now about to reach the 2019 level, but with some adjustment in travel patterns due to more use of home offices.

The Norwegian Railways Directorate and Vy have entered into agreements to operate passenger train traffic in Eastern Norway. The agreements for the traffic packages Østlandet 1 and 2 start in December 2023. The agreements are for 10 years, and Vy is now preparing to start. The agreements will provide better offers for customers in the coming years, better utilization of the infrastructure in and through the Oslo area, and are expected to contribute to significant passenger growth.

In the bus business, we expect that the route offer, and thus also Vy’s income, overall will be maintained in accordance with agreements with

the public transport companies. The number of journeys has approached the 2019 level but is still somewhat lower than before the pandemic. For the commercial bus routes, there is a positive development in demand, and Vy is increasing the offer in line with this.

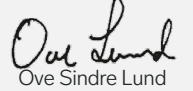
The extreme weather Hans in August led to the closure of many sections of track. Randklev bridge on Dovrebanen at Ringebru was destroyed by the flood, and train traffic Oslo-Trondheim through Dovrebanen has been suspended indefinitely. For goods on rail, this has significant effects, as alternative transport on the Røros line cannot provide as many departures and capacity and is more expensive to operate. The Directorate of Railways is in the process of establishing a compensation scheme for goods on track based on the government’s decision. In the short term, CargoNet is working to establish alternative solutions to meet the customers’ needs for the transport of goods south - north, including the acquisition of diesel locomotives to be able to pull the goods via the Rørosbanen. In the long term, better and predictable framework conditions, including the continuation of the environmental support scheme, are very important for long-term profitability in freight transport by rail.

Within tourism, we have adapted the offer and marketing as international tourists gradually return. We expect international tourists to be back at the 2019 level in 2024/2025.

Even if the passenger car and eventually the lorry become electrified, public transport and goods on rails are still the most sustainable. When more people choose to travel by public transport instead of by private car or plane, and transport goods on rails instead of by road, it saves society from greenhouse gas emissions. In addition, public transport has other positive effects, such as reduced noise, less land use, less use of resources through sharing, reduced queues, fewer accidents and reduced particulate matter and microplastics. The work to get more people to choose climate-friendly is important for Norway to reach its climate targets and for Vy, as a transport and freight operator, to win tenders and gain more customers. Our vision is therefore that Vy should make it easy to choose environmentally friendly.

Oslo, 29th of september 2023

Board of directors of the Vy Group

 Berit Svendsen/Chair of the board	 Geir Inge Stokke	 Espen Almlid
 Dina Elverum Aune	 Line Steinseth	 Ove Sindre Lund
 Petter Louis Pettersen	 Morten Henriksen	 Gro Bakstad / CEO



Group income statement

Income statement		Year to date		2nd interim period		Year	Last 12 months
	Notes	2023	2022	2023	2022	2022	
Operating revenue	1	12 590	11 475	6 412	5 996	17 631	18 746
Payroll and related expenses		5 120	4 767	2 467	2 316	7 276	7 629
Depreciation and impairment		1 594	1 514	824	796	2 282	2 362
Other operating expenses	2	5 607	4 789	2 727	2 256	7 678	8 496
Total operating expenses		12 321	11 070	6 018	5 368	17 236	18 487
Share of profit of joint ventures		36	13	52	27	9	32
Share of profit in associates		6	1	6	1	3	8
Operating profit		310	419	452	656	407	298
Financial items							
Financial income		122	37	82	23	65	150
Financial expenses		-341	-151	-117	-87	-278	-468
Net financial expenses - pensions		-15	-17	-7	-9	-24	-22
Unrealised fair value changes		17	-16	-1	-8	-12	21
Net financial items		-217	-148	-43	-81	-249	-318
Profit before income tax		93	271	409	575	158	-20
Income tax expense		-2	-55	-61	-117	-25	28
Profit for the year		91	216	348	458	133	8
Attributable to							
Equity holders		91	216	348	458	133	8
TOTAL		91	216	348	458	133	8
OTHER COMPREHENSIVE INCOME							
Profit for the year		91	216	348	458	133	8
Items that will not be reclassified to profit or loss							
Deviation retirement benefit obligations		-	-	-	-	618	618
Tax related to items that will not be reclassified		-	-	-	-	-136	-136
Items that can be reclassified in net income in later periods							-
Currency translation differences		27	-41	-71	-5	-28	40
Total comprehensive income for the period		118	175	277	453	587	530
Attributable to							
Equity holders		118	175	277	453	587	530
Total comprehensive income for the period		118	175	277	453	587	530

Group balance sheet

Overview financial position	Notes	31.08.2023	30.04.2023	31.12.2022	31.08.2022
ASSETS					
Intangible assets		1 056	1 120	1 037	1 028
Deferred tax assets		226	279	245	320
Property, plant and equipment	3, 4	8 276	8 324	8 577	9 008
Investments in associates		19	19	18	17
Financial fixed assets		98	98	95	112
Plan assets		210	210	210	-
Total non-current assets		9 885	10 051	10 182	10 485
Investment in joint ventures		213	160	176	146
Inventories		453	461	481	512
Trade and other receivables		2 014	2 382	1 838	1 648
Financial assets		2 011	1 883	1 757	1 742
Derivative financial assets		10	13	4	-
Cash and bank deposits		779	523	905	1 097
Total current assets		5 480	5 423	5 161	5 145
TOTAL ASSETS		15 365	15 474	15 343	15 630
EQUITY AND LIABILITIES					
Share capital		3 387	3 387	3 387	3 686
Retained earnings		234	27	185	-520
Total equity		3 621	3 413	3 572	3 166
Debt	3	5 901	5 630	5 566	5 917
Deferred income tax liabilities		121	103	117	106
Retirement benefit obligations		551	800	808	1 328
Provisions for other liabilities and charges	5	166	225	213	230
Total long term liabilities		6 740	6 757	6 704	7 581
Trade and other payables		3 556	3 569	3 089	2 964
Tax payable		-	18	22	-
Debt	3	1 447	1 717	1 956	1 919
Total short term liabilities		5 003	5 304	5 067	4 883
TOTAL EQUITY AND LIABILITIES		15 365	15 474	15 343	15 630

Oslo, 29th of september 2023

Board of directors of the Vy Group


Berit Svendsen/Chair of the board


Geir Inge Stokke


Espen Almlid

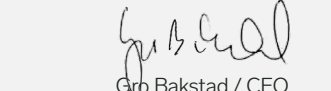

Dina Elverum Aune


Line Steinseth


Ove Sindre Lund


Petter Louis Pettersen


Morten Henriksen


Gøril Bakstad / CEO

Group cashflow statement

Cashflow statement for the group

Notes	Year to date		Year
	2023	2022	2022
Profit before income tax	93	271	158
Depreciation and impairment	1 594	1 514	2 282
Gain on sale of property, plant and equipment (PPE)	-26	-34	-42
Difference between exp. and paym. made/receiv. for pensions	-256	-57	-170
Changes in provisions for other liabilities and charges	-61	-538	-540
Change in unrealised fair value	-15	14	10
Interest and other financial items	35	-6	2
Shares of profit from associated and joint ventures	-42	-15	-12
Changes in working capital	251	287	268
Taxes paid	-4	-8	-4
Net cash flow from operating activities	1 569	1 428	1 952
Changes in financial non-current assets	-204	134	100
Purchase of property, plant and equipment	-215	-84	-169
Proceeds from sale of assets	39	41	37
Dividends received	5	-	-
Net cash flow from investment activities	-375	91	-32
Repayment of debt	-3	-9	-8
Repayment on leases debt	3 -1 317	-1 200	-1 794
Net cash flow used in financial activities	-1 320	-1 209	-1 802
Net change in cash and bank deposits for the period	-126	310	118
Cash and bank deposits as at the beginning of the period	905	783	783
Foreign exchange gain/loss on cash and bank deposits	-	5	4
Cash and bank deposits as at the end of the period	779	1 097	905

Development in equity

Development in equity

2nd interim period 2023	Share capital	Retained earnings		TOTAL
		Acc. currency translation	Retained earnings	
Equity 1 st of January 2023	3 387	3	182	3 572
Profit for the interim period	-	-	91	91
From other comprehensive income	-	27	-	27
Dividends paid	-	-	-67	-67
Equity 31st of August 2023	3 387	30	205	3 621

2nd interim period 2022	Share capital	Retained earnings		TOTAL
		Acc. currency translation	Retained earnings	
Equity 1 st of January 2022	3 686	31	-725	2 992
Profit for the interim period	-	-	216	216
From other comprehensive income	-	-41	-	-41
Equity 31st of August 2022	3 686	-11	-509	3 166

2022	Share capital	Retained earnings		TOTAL
		Acc. currency translation	Retained earnings	
Equity 1 st of January 2022	3 686	31	-725	2 992
Profit for the interim period	-	-	133	133
From other comprehensive income	-	-28	482	454
Reduction of capital to cover losses	-290	-	290	-
Reduction of share capital	-7	-	-	-7
Equity 31st of December 2022	3 387	3	182	3 572

Operating segments

Segmentinformasjon

As of 31st of August 2023, 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) Customer experience and Innovation
- (5) Other: Other entities and Group functions (see also accounting principles)

According to changes in the managment reporting structure some group functions have been transferred from Customer experience and Innovation segment to Other segment from 1 January 2023. Comparative figures for 2022 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 2023	Passenger train	Bus	Freight	Customer experience and Innovation	Other/elim	Group
Sales revenuee	2 686	5 537	827	1	492	9 543
Public purchases	2 589	-	-	-	-	2 589
Other revenue	240	99	22	58	39	458
Operating revenue	5 515	5 636	849	59	531	12 590
Operating expenses	4 585	4 676	793	71	603	10 727
Depreciation, impairment	751	682	120	-	42	1 594
Total operating cost	5 336	5 358	913	71	645	12 321
Share of profit/loss in joint ventures and associated companies	-	6	-	36	-	42
Operating profit	179	284	-64	24	-114	310
Segment assets	3 402	7 630	1 445	305	2 111	14 894
Investments	76	273	861	-	36	1 246

Year to date 2022	Passenger train	Bus	Freight	Customer experience and Innovation	Other/elim	Group
Sales revenuee	2 448	4 851	770	1	409	8 479
Public purchases	2 377	-	-	-	-	2 377
Other revenue	402	71	29	55	62	620
Operating revenue	5 227	4 922	799	56	471	11 474
Operating expenses	4 055	4 188	697	89	528	9 556
Depreciation, impairment	678	693	93	3	48	1 514
Total operating cost	4 733	4 881	790	92	576	11 070
Share of profit/loss in joint ventures and associated companies	-	2	-	13	-	14
Operating profit	494	43	9	-22	-105	419
Segment assets	4 023	7 218	1 276	217	2 564	15 298
Investments	146	134	262	1	46	589

2 nd interim period 2023	Passenger train	Bus	Freight	Customer experience and Innovation	Other/elim	Group
Sales revenuee	1 406	2 781	407	1	242	4 837
Public purchases	1 290	-	-	-	-	1 290
Other revenue	134	73	13	31	33	284
Operating revenue	2 830	2 854	420	32	275	6 411
Operating expenses	2 234	2 243	376	36	307	5 195
Depreciation, impairment	378	364	62	-	21	824
Total operating cost	2 612	2 607	438	36	328	6 019
Share of profit/loss in joint ventures and associated companies	-	5	-	52	-	56
Operating profit	218	252	-18	48	-53	448
Segment assets	3 402	7 630	1 445	305	2 111	14 893
Investments	14	194	651	-	-13	846

2 nd interim period 2022	Passenger train	Bus	Freight	Customer experience and Innovation	Other/elim	Group
Sales revenuee	1 356	2 504	404	1	197	4 462
Public purchases	1 154	-	-	-	-	1 154
Other revenue	269	39	18	31	23	380
Operating revenue	2 779	2 543	422	32	220	5 997
Operating expenses	1 910	2 049	351	39	224	4 574
Depreciation, impairment	343	377	48	2	27	797
Total operating cost	2 253	2 426	399	41	251	5 371
Share of profit/loss in joint ventures and associated companies	-	2	-	27	-	29
Operating profit	526	119	23	18	-31	655
Segment assets	4 023	7 218	1 276	217	2 564	15 298
Investments	110	87	234	1	6	438

2022	Passenger train	Bus	Freight	Customer experience and Innovation	Other/elim	Group
Sales revenuee	3 748	7 528	1 207	1	665	13 149
Public purchases	3 629	-	-	-	-	3 629
Other revenue	570	93	40	86	64	853
Operating revenue	7 947	7 621	1 247	87	729	17 631
Operating expenses	6 339	6 563	1 086	133	833	14 954
Depreciation, impairment	1 032	1 036	142	4	68	2 282
Total operating cost	7 371	7 599	1 228	137	901	17 236
Share of profit/loss in joint ventures and associated companies	-	3	-	9	-	12
Operating profit	576	25	19	-41	-172	407
Segment assets	3 871	7 192	1 257	230	2 308	14 858
Investments	270	261	284	-	62	877



Notes – reporting information

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 2023 are consistent with the accounting principles that were used for the financial statements in 2022.

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
- Customer experience and Innovation

The Other segment consists of other activities in the Group such as cleaning of trains, a captive, Team Verksted and Group functions

1. Revenues

Analysis of Operating income by category	Year to date	Year to date	Year
	2023	2022	2022
Transport revenue	11 567	10 447	16 107
Other revenue	1 023	1 028	1 524
Total	12 590	11 475	17 631

Analysis of Operating income by country	Year to date	Year to date	Year
	2023	2022	2022
Norway	10 537	9 646	14 872
Sweden	2 053	1 829	2 759
Total	12 590	11 475	17 631

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 2 441 MNOK (2 176 MNOK) as of 31st of August 2023.

In connection with the Covid-19 pandemic, the Government adopted a support scheme by allowing the Norwegian Railway Directorate to enter into temporary additional agreements regarding the state purchase of passenger train services. Income from this support scheme is included in the government’s purchase of services from the Vy Group in 2022. No such support has been received in 2023.

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 datte 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

Other expenses	Year to date	Year to date	Year
	2023	2022	2022
Sales- and overhead expenses	1 078	930	1 446
Energy used in operations	1 178	1 276	2 047
Property expenses, repair and maintenance	1 723	1 557	2 373
Other operating expenses	1 626	1 027	1 812
Total	5 607	4 789	7 678

3. Leases

Specification of the changes in right of use assets	Year to date	Year to date	Year
	2023	2022	2022
Opening balance right of use assets	7 074	9 111	9 111
Depreciations	-1 342	-1 246	-1 839
Addition and changes in agreements	1 037	-416	-170
Other	35	-43	-28
Total closing balance	6 804	7 406	7 074

Specification of the changes in liabilities	Year to date	Year to date	Year
	2023	2022	2022
Opening balance leasing obligation	7 506	9 490	9 490
Lease payments	-1 318	-1 200	-1 797
Addition and changes in agreements	1 045	-419	-185
Other/currency effects	102	-49	-2
Total closing balance	7 336	7 821	7 506

Further, there is a future lease liability of approximately NOK 942 million (nominal) for lease of passenger trains and 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	Year to date	Year
	2023	2022	2022
Short-term liabilities	1 447	1 919	1 955
Long-term liabilities	5 889	5 902	5 551
Total	7 336	7 821	7 506

Finance costs	Year to date	Year to date	Year
	2023	2022	2022
Finance costs leasing liabilities	218	144	236

Cash-Flow	Year to date	Year to date	Year
	2023	2022	2022
Total cash-flow lease payments	1 536	1 344	2 033

4. Impairment of property, plant and equipment

Impairment of property, plant and equipment - bus tenders Norway and Sweden

Operating revenue in the bus segment is mainly related to long term tender contracts which means significant investments in property, plant and equipment (PPE). In the presentation of the accounts at each interim reporting period, an evaluation of the value of the Groups' PPE is performed, where there are indications of permanent impairment (IAS 36). To test the balance sheet value, calculations using recoverable amount for cash flow generating unit (CGU) have been performed. Impairments are undertaken if the balance sheet value is lower than the recoverable amount. The recoverable amount is the higher of fair value less sales costs and value in use.

Based on the main assumptions such as growth rate and discount rate, the Group has recognised an impairment loss on property, plant and equipment by 43 MNOK.

5. Events after the reporting date

Government support scheme for freight train companies

The Norwegian government decided on 15 September to pay out support to freight train companies affected by the extreme weather “Hans” in August for those companies operating on “Dovrebanen”. An upper limit has been set for total payments of up to 75 MNOK and it has not been clarified what proportion of this accrues to the Vy group.

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.

