

# Board of Director's report

## Summary for the year 2023

(Last year's figures in parentheses)

The number of travellers with public transport services has increased significantly from last year, and is now close to the normal year 2019 before the pandemic. Train travel in Norway has increased by 18 per cent from 2022. For commercial bus traffic, growth continues and the supply is adapted as demand grows. For Vy's tourism initiative, customers are on their way back after two years where this business has been severely affected by the corona pandemic.

Demand for transport of goods by rail has developed positively in recent years. In 2023, however, the extreme weather Hans and the destruction of the Randklev bridge in August have had significant consequences for freight transport. A closed Dovre Line means a reduced service to freight customers. In addition, lower economic activity as well as challenges related to infrastructure and rolling stock have contributed to limiting growth this year. BaneNor has stated that they expect the Dovre Line to reopen before the summer.

Growth in the number of journeys, indexation of contracts and improvement measures result in increased revenues and an improvement in the result compared to 2022, adjusted for non-recurring items. Last year, the result was positively impacted by the reversal of previous loss provisions on contracts. Net financial items are increasing, mainly due to higher interest rates, and disagio on leasing agreements for freight rolling stock.

### Developments in key management parameters:

- Increase in the number of journeys by passenger trains in Norway by 18 per cent compared with last year.
- Travel volumes in trains are now back to 2019 levels.
- Increase in the number of journeys by commercial bus of 23 per cent compared with last year
- Punctuality for passenger train operations is 88 per cent (86 per cent)
- Absence due to illness in the period was 8.2 per cent (8.0 per cent)
- H1 (LT1) is 7.0 (6.6)

### Economic development:

- The operating profit is 378 MNOK (407 MNOK).
- Excluding the effect of reversal of previous loss provisions, operating profit improved by 509 MNOK in 2023.

- Profit after tax is 53 MNOK (133 MNOK)
- The return on book equity over the last 12 months is 1.5 per cent (4.5 per cent)

## Developments in the business

### Passenger train

Vy operates train traffic in Eastern Norway and traffic package West. In addition, Vy operates four train contracts in Sweden. In June, the Norwegian Railway Directorate and Vy entered into new agreements on train traffic in Eastern Norway, which started in December.

Operating revenues for passenger train operations in 2023 are 8 429 MNOK (7 947 MNOK), an increase of 6 per cent from the previous year. The total number of journeys in passenger train operations in Norway is 62 million, an increase of 18 per cent compared with last year. The level is now back to the normal year of 2019.

The operating profit for passenger trains is 275 MNOK (576 MNOK). In 2022, additional remuneration was given by the Norwegian Railway Directorate due to the pandemic of 275 MNOK. In addition, provisions were reversed last year for losses on passenger train contracts amounting to NOK 530 million. Adjusted for the loss reversal there is a positive profit development for the train operations in 2023 of NOK 229 million, particularly impacted by growth in the number of journeys and revenues.

In Norway, Vy achieved an overall punctuality of 88 percent, on par with the same period last year, but lower than the target of 90 percent. Operator-dependent punctuality is over 98 percent.

### Bus

Vy Buss performs scheduled services under tender or contract with county municipalities in Norway and Sweden, as well as commercial routes in Norway and Sweden. There has been an increase in the number of journeys by commercial bus from last year of 23 per cent. The number of journeys with our commercial buses is now well above the corresponding period in 2019. Challenges in ensuring adequate staffing remain a challenge for bus operations, and targeted efforts are being made to increase the recruitment of new drivers.

Total operating revenues are 8 466 MNOK (7 621 MNOK). The operating profit is 303 MNOK (25 MNOK). The improvement is positively impacted by travel and income growth, as well as a

more balanced indexation in relation to price increases in tender contracts.

### Freight train

Freight train volumes have been reduced by 3 per cent in 2023. Lower economic growth is having an impact on demand for freight transport, but at the same time there is a growing interest in rail freight as a more environmentally friendly transport choice. Production challenges due to winter conditions, reconstruction at the terminal at Alnabru and challenges with old rolling stock have also limited volume growth in CargoNet, and have had a negative impact on results. The extreme weather Hans in early August also caused the Randklev bridge at Ringebru to collapse and the Dovre Line had to be closed. The Dovre Line is expected to open towards summer 2024. Although parts of the volume can be driven via the Røros Line, this has had significant consequences for volume, revenues and profits. The Government has decided on a temporary compensation scheme, which will cover 95 per cent of direct losses as a result of the closure of the Dovre line. The operating revenues are 1 268 MNOK (1 247 MNOK), and the operating profit is -79 MNOK (19 MNOK). Capital costs in freight operations have increased and are negatively impacted by unrealised currency losses related to long-term leasing contracts.

### 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 focuses on tourism through public transport based round trips 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 actors.

Tourism has been severely affected by the pandemic. We see a significant improvement in demand, and the number of journeys on the Flåm Railway for the year has increased by 40 per cent compared to last year, and is at 83 per cent of the level of 2019.

The operating profit for the Customer Experience and Innovation business areas is 13 MNOK in 2023 (-41 MNOK).

## Governance and management

Vygruppen AS is owned by the state through the Ministry of Transport and Communications.

Vygruppen has adopted its own framework for internal control, and has established internal control systems that include values, guidelines for ethics and corporate social responsibility, organisation, authorisation structure and governing documents.

The board annually reviews Vygruppen's strategy, and the assessments include risk analyses, materiality analyses related to sustainability, assessments of market and competitor developments, as well as internal analyses.

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

In order to deliver on our vision and main goals, Vy will prioritise 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 has been operationalised and incorporated into Vygruppen's action plans, and the board follows up progress and the status of goal attainment.

The Board of Directors has considered and adopted a corporate governance report, which forms part of this annual and sustainability report. For a detailed account of our sustainability work, goals and results, please refer to the sustainability summary in this annual and sustainability report and the detailed sustainability reporting issued "in accordance with" GRI standard GRI 1 Foundation 2021

The company has also prepared a report according to requirements in the Norwegian Equality and Discrimination Act. This is included in this annual and sustainability report.

A statement in line with the requirements of the Transparency Act is included in the annual and sustainability report and will be available on the company's website as well as on the individual subsidiary's website.

## Risk

### Financial risk

The Group's activities entail different types of financial risk: market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management plan shall help ensure that unforeseen changes in the capital markets have the least possible negative impact on the Group's financial results. The Group may use financial derivatives within stipulated limits to hedge the company against certain risks.

In Vygruppen, the majority of revenues and expenses are in NOK and SEK. In day-to-day operations, the Group is exposed to foreign exchange risk in connection with operations abroad and purchases with settlement in foreign currency, in addition to currency exposure related to long-term leasing agreements in foreign currency, primarily Euro, within freight operations.

Surplus liquidity is invested in banks, Norwegian short-term paper and bonds, money market and bond funds.

Vygruppen reduces counterparty risk in financial transactions by having established limits for exposure and regular monitoring of credit quality on individual counterparties.

Further information on the Group's financial risk management is described in Note 15 to the financial statements.

### Operational risk

Vy conducts systematic analyses of operational risk, including traffic safety, environment, quality, procurement and achievement of financial goals. In addition, comprehensive risk analyses are carried out for the Group's activities as part of the annual planning and budget work, where potential negative and positive effects are identified and measures implemented to manage the risk level. These analyses include possible changes in framework conditions, market developments, the competitive situation, the consequences of environmental requirements and climate challenges.

Based on the risk analyses, objectives, measures and control activities have been established to reduce identified risks.

The most important risk elements include a decline in profitability in major tender contracts for passenger train services due to a shortfall in expected travel developments, strong competition that may result in a loss of tenders for bus operations, infrastructure failures and deliveries from sector suppliers that result in reduced quality and reduced revenues, and framework conditions for freight operations on rail. Price

increases for input factors that are not reflected in indices and change orders in tender contracts are other risk areas that may have a negative impact on profitability.

Vy must have a capital structure that is adapted to scope, risk in contracts, size and ambitions. To ensure competitiveness, the equity ratio should be at the level that makes it possible to invest in the development of the company. The business-specific risk is also significant for assessing the necessary capitalisation, depending on, inter alia, the contractual and business portfolio held by the company.

In the work on risk assessments, positive opportunities have also been identified, such as increased travel activity that leads to growth for trains and buses, digitalisation of work processes that provide increased resource efficiency, and increased access to personnel and expertise.

Vy is exposed to physical and regulatory climate risk. More frequent climate-related events such as landslides, floods and forest fires can lead to production halts. Climate policy instruments can limit travel by foreign tourists from planes and cruise ships, can affect energy prices, and stricter emission requirements for vehicles can reduce their value. On the other hand, a more ambitious climate policy may result in increased demand for public transport, climate-friendly tourism and rail freight, and increased investments in infrastructure, which reinforces the quality and competitiveness of railways.

## Economic development

Profit after tax for Vygruppen is 53 MNOK (133 MNOK), a decrease of 80 MNOK compared to last year. The operating profit is 378 MNOK (407 MNOK), a decrease of 29 MNOK. Last year's result was significantly impacted by positive non-recurring effects related to reversal of previous loss provisions. Excluding the effect of reversal of previous loss provisions, operating profit improved by 509 MNOK in 2023.

The Group's net cash flow from operating activities is 2 176 MNOK (1 952 MNOK). Purchases of property, plant and equipment amounted to MNOK 342. New leasing rights are 8 212 MNOK.

For the Group, equity is MNOK 3 296, which equates an equity ratio of 14.9 per cent.

The Group's return on book equity over the last 12 months is 1.5 per cent (4.5 per cent).

The owner represented by the Ministry of Transport and Communications normally expects a 50 per cent dividend of the Group's annual profit after tax, where the dividend level each year must be assessed in concrete terms. The board is focused on strengthening profitability and equity to provide a basis for future dividends. The pandemic years have eroded equity. Vygruppen has also received a significant increase in fixed assets linked to new train contracts in Eastern Norway and increased pension obligations which in sum results in a reduced equity share in 2023. The board proposes nevertheless a dividend of 50 per cent of the group's result after tax, in accordance with the owner's expectation, as this will not weaken equity to a significant extent.

The following allocation of the profit for the year for the parent company Vygruppen AS is therefore proposed:

Dividend	26,5 MNOK
Transferred to other equity	111,5 MNOK
Total profit for the year	138 MNOK

The accounts have been prepared on the going concern assumption, and the Board confirms that the assumption is in place.

## Future prospects

The Norwegian Railway Directorate and Vy have entered into an agreement to operate passenger train traffic in Eastern Norway for 8 years + options for 1+1 year. The agreements for the traffic packages Østlandet 1 and 2 started in December 2023. The agreements will provide better services for customers in the coming years, a better utilization of the infrastructure in and through the Oslo area, and are expected to contribute to significant passenger growth.

The Government has also initiated a review of the railway's organisation and company structure, including a study of a merger between Vy and Flytoget. At the request of the owner, the Board of Directors has provided its input and takes a positive view of a merger of the companies.

In the bus operations, we expect that the scheduled services, and thus also Vy's revenues, will mainly be maintained in accordance with agreements with the public transport companies. The number of travels is now at pre-pandemic levels.

For the commercial bus routes there is a positive development in demand, and Vy will continue to develop its customer offering in line with this.

The extreme weather in August led to the closure of many stretches of track. The Randklev bridge on the Dovre Line near Ringebru was destroyed by the flood, and the Dovre Line is expected to be closed until the summer of 2024. For rail freight, this has significant effects, as alternative transmission on the Røros Line results in significantly lower capacity and is more expensive to operate. The Norwegian Railway Directorate has established a compensation scheme for rail freight based on the Government's decision. In the short term, CargoNet works to establish alternative solutions to meet customer needs in the best possible way. In the long term, better and predictable framework conditions, including the continuation of the environmental support scheme, are very important for the long-term profitability of rail freight transport.

In tourism, we will adapt and develop the offer so that international tourists return gradually. We expect international tourists to be back to 2019 levels in 2024/2025.

Even though passenger cars and eventually the trucks will be electrified, public transport and freight on rails are still the most sustainable. When more people choose to travel by public transport instead of by private car or plane, as well as transport of goods by rail instead of road, it saves society 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 congestion, 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 goals, and for Vy as 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.





# Board of directors of the Vy Group



**Berit Svendsen**  
Chairman of the board



**Geir Inge Stokke**  
Deputy chair



**Espen Almlid**  
Member of the board



**Dina Elverum Aune**  
Member of the board



**Morten Henriksen**  
Member of the board



**Ove Sindre Lund**  
Member of the board



**Petter Louis Pettersen**  
Member of the board



**Line Steinseth**  
Member of the board

Oslo, 15<sup>th</sup> of february 2024

Board of directors of the Vy Group

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Berit Svendsen/Chairman of the board

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Ove Sindre Lund

*Petter Louis Pettersen*

Petter Louis Pettersen

*Line Steinseth*

Line Steinseth

*Gro Bakstad*

Gro Bakstad / CEO

**Accounts**

# Accounts - Vy Group

Income statement	Page	48	15 Financial risk management	Page	69
Statement of financial position	Page	49	16 Derivatives	Page	70
Group cash flow statement	Page	50	17 Other financial assets at fair value through profit and loss	Page	70
Statement of changes in equity	Page	51	18 Financial instruments by category	Page	71
Segment information	Page	52	19 Cash and bank deposits	Page	72
Notes	Page	53	20 Share capital	Page	72
1 Vy Group accounting principles	Page	54	21 Interest bearing debt	Page	73
2 Shares in subsidiaries	Page	57	22 Deferred income tax/Income tax expense	Page	74
3 Group and company structure	Page	58	23 Payroll and related expenses	Page	76
4 Vy group's passenger operations in the Nordic Region	Page	59	24 Retirement benefit obligations and similar obligations	Page	76
5 Segment information	Page	60	25 Trade and other short term payables	Page	78
6 Leases	Page	61	26 Provisions for other liabilities and charges	Page	78
7 Property, plant and equipment	Page	62	27 Contract losses	Page	79
8 Periodic maintenance	Page	65	28 Other expenses	Page	79
9 Intangible assets	Page	65	29 Financial income and expenses	Page	79
10 Investments in associates	Page	66	30 Liabilities from financing activities	Page	80
11 Investments in joint ventures	Page	67	31 Related party transactions	Page	81
12 Inventory	Page	68	32 Contingencies	Page	85
13 Guarantees	Page	68	33 Events after the reporting date	Page	85
14 Trade and other receivables	Page	68			

# Income statement

	Notes	2023	2022
<b>Operating revenue</b>	<b>5</b>	<b>19 063</b>	<b>17 631</b>
Payroll and related expenses	23	7 851	7 276
Depreciation and impairment	7	2 378	2 282
Other operating expenses	28	8 497	7 678
<b>Total operating expenses</b>		<b>18 726</b>	<b>17 236</b>
Share of loss(-)/profit of joint ventures	11	34	9
Share of loss(-)/profit in associates	10	7	3
<b>Operating profit</b>		<b>378</b>	<b>407</b>
<b>Financial items</b>			
Financial income	29	193	65
Financial expenses	29	-496	-278
Net financial expenses - pensions	24, 29	-10	-24
Change in unrealised fair value	29	14	-12
<b>Net financial items</b>		<b>-299</b>	<b>-249</b>
<b>Profit before income tax</b>		<b>79</b>	<b>158</b>
Income tax expense	22	-26	-25
<b>Profit for the year</b>		<b>53</b>	<b>133</b>
<b>Attributable to</b>			
Equity holders		53	133
<b>Total</b>		<b>53</b>	<b>133</b>
<b>Other comprehensive income</b>			
Profit for the year		53	133
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gain/loss	24	-583	618
Tax on items that will not be reclassified	22	128	-136
<b>Items that may be reclassified in net income in future periods</b>			
Currency translation differences		67	-28
<b>Total comprehensive income for the year</b>		<b>-334</b>	<b>587</b>
<b>Attributable to</b>			
Shareholders equity		-334	587
<b>Total comprehensive income for the year</b>		<b>-334</b>	<b>587</b>



# Statement of financial position

	Notes	31.12.2023	31.12.2022
<b>Assets</b>			
Deferred Tax Assets	9	1 084	1 037
Property, plant and equipment	22	367	245
Investment property	7	14 742	8 577
Investments in associates	10	20	18
Financial fixed assets		127	95
Plan assets	24	94	210
<b>Total non-current assets</b>		<b>16 434</b>	<b>10 182</b>
Investments in joint ventures	11	210	176
Inventories	12	469	481
Trade and other receivables	14	2 379	1 838
Financial assets	17	2 057	1 757
Derivative financial assets	16	1	4
Cash and bank deposits	19	584	905
<b>Total current assets</b>		<b>5 700</b>	<b>5 161</b>
<b>Total assets</b>		<b>22 134</b>	<b>15 343</b>
<b>Equity and liabilities</b>			
Share capital	20	3 387	3 387
Retained earnings		-91	185
<b>Total equity</b>		<b>3 296</b>	<b>3 572</b>
Debt	21, 30	11 750	5 566
Deferred tax	22	152	117
Retirement benefit obligations	24	820	808
Provisions for other liabilities and charges	26	127	213
<b>Total long term liabilities</b>		<b>12 849</b>	<b>6 704</b>
Trade and other payables	25, 26	3 884	3 088
Tax payable	22	45	22
Debt	21, 30	2 055	1 956
Derivative financial instruments	16	5	1
<b>Total short term liabilities</b>		<b>5 989</b>	<b>5 067</b>
<b>Total equity and liabilities</b>		<b>22 134</b>	<b>15 343</b>

Oslo, 15<sup>th</sup> of february 2024

Board of directors of the Vy Group

*Berit Svendsen*  
Berit Svendsen/Chairman of the board

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*Line Steinseth*  
Line Steinseth

*Gro Bakstad*  
Gro Bakstad / CEO

# Group cashflow statement

	Notes	2023	2022
<b>Profit for the period before income tax</b>		<b>79</b>	<b>158</b>
Depreciation and impairment	7	2 378	2 282
Gain/loss on sale of property, plant and equipment (PPE)		-66	-42
Difference between exp. and paym. made/receiv. for pensions	24	-294	-170
Change in provisions for other liabilities and charges	26	-8	-540
Change in unrealised fair value	29	-8	10
Interest items		-22	2
Shares of profit/loss (-) from associates and joint ventures	10, 11	-41	-12
Change in working capital		162	268
Taxes paid		-4	-4
<b>Net cash flow from operating activities</b>		<b>2 176</b>	<b>1 952</b>
Changes in financial non-current assets		-205	100
Purchase of PPE and investment property	7, 8	-342	-169
Proceeds from sale of assets		90	37
Dividends received		6	-
<b>Net cash flow to investment activities</b>		<b>-451</b>	<b>-32</b>
Proceeds from borrowings		1	-
Repayment of borrowings		-4	-8
Lease payments		-1 952	-1 794
Dividends paid to company's shareholders	20	-67	-
<b>Net cash flow to financial activities</b>		<b>-2 022</b>	<b>-1 802</b>
<b>Net change in cash and bank deposits for the year</b>		<b>-297</b>	<b>118</b>
Cash and bank deposits as at the beginning of the year	19	905	783
Foreign exchange gain/loss on cash and bank deposits		-24	4
<b>Cash and bank deposits as at the end of the year</b>	<b>19</b>	<b>584</b>	<b>905</b>

# Statement of changes in equity

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

\*) 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.

2022	Retained earnings			Total
	Share capital	Acc. currency translation	Retained earnings	
Equity 1st of January	3 686	31	-725	2 992
Profit for the year	-	-	133	133
From other comprehensive income	-	-28	482	454
Reduction of capital to cover losses	-292	-	292	-
Red. of capital by withdrawal of property	-7	-	-	-7
<b>Equity 31st of December</b>	<b>3 387</b>	<b>3</b>	<b>182</b>	<b>3 572</b>

# Segment information

## Business segments

As of 31 December 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 entities and Group functions

According to changes in the management 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.

	Customer experience and Innovation					
2023	Train	Bus	Freight	Innovation	Other/elim	Group
Sales revenue	4 079	8 298	1 228	1	766	14 372
Public purchases	3 972	-	-	-	-	3 972
Other revenue	378	168	40	86	47	719
<b>Operating revenue</b>	<b>8 429</b>	<b>8 466</b>	<b>1 268</b>	<b>87</b>	<b>813</b>	<b>19 063</b>
Operating expenses	7 038	7 155	1 162	108	885	16 348
Depreciation, impairment	1 116	1 015	185	0	62	2 378
<b>Total operating cost</b>	<b>8 154</b>	<b>8 170</b>	<b>1 347</b>	<b>108</b>	<b>947</b>	<b>18 726</b>
Share of profit/loss in joint ventures and associated companies	-	7		34		41
<b>Operating profit</b>	<b>275</b>	<b>303</b>	<b>-79</b>	<b>13</b>	<b>-134</b>	<b>378</b>
Segment assets	9 960	7 816	1 435	302	2 136	21 649
Investments	6 903	1 276	307	-	52	8 538

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

Please refer to note 5 for further details.

# Notes

All figures in the report are in MNOK.

1. Vy Group accounting principles
2. Shares in subsidiaries
3. Group and company structure
4. Vy group's passenger operations in the Nordic Region
5. Segment information
6. Leases
7. Property, plant and equipment
8. Periodic maintenance
9. Intangible assets
10. Investments in associates
11. Investments in joint ventures
12. Inventory
13. Guarantees
14. Trade and other receivables
15. Financial risk management
16. Derivatives
17. Other financial assets at fair value through profit and loss
18. Financial instruments by category
19. Cash and bank deposits
20. Share capital
21. Interest bearing debt
22. Deferred income tax/Income tax expense
23. Payroll and related expenses
24. Retirement benefit obligations and similar obligations
25. Trade and other short term payables
26. Provisions for other liabilities and charges
27. Contract losses
28. Other expenses
29. Financial income and expenses
30. Liabilities from financing activities
31. Related party transactions
32. Contingencies
33. Events after the reporting date

The consolidated financial statements were approved by the Board of Directors on 15th of February 2024.

# Note 1

## Vy Group accounting principles

### 1. General information

Vygruppen AS and its subsidiaries (Vy Group) operates in the following areas:

- Passenger train and bus transport
- Freight train transport
- Customer experience and Innovation

Additionally, the Group has its own insurance operation which is organized in a separate captive, Finse Forsikring AS.

All Vygruppen AS shares are owned by the Norwegian Ministry of Transport and Communication.

The Vy Group's main offices are located in Oslo.

The financial statements for year 2023 were approved by the Board of Directors on 15th February 2024.

All numbers in the report are in million Norwegian Kroner (MNOK), unless otherwise stated.

#### Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as approved by the EU.

Significant accounting principles used in the preparation of the Group financial statements are described below. These principles are used consistently for all presented periods, unless otherwise stated.

The consolidated financial statements have been prepared under the historical cost convention with the exception of financial derivatives, certain financial assets and financial liabilities which are valued at fair value.

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

The Group adopts the going concern basis in preparing its consolidated financial statements.

#### Changes in accounting principles, new standards and interpretations

##### IFRS 17 Insurance Contracts

IFRS 17 is adopted by the IASB and replaces IFRS 4 Insurance Contracts. IFRS 17 states principles for recognition, measurement, presentation and disclosure of insurance contracts. The new standard is not considered to be of importance to the Group's operations. The standards effective date was January 1, 2023.

##### Other

IASB has also adopted several small changes and clarifications in several different standards. It is not expected that any of these changes will have considerable effect for the Group.

#### Assumptions and accounting estimates

Application of the Group accounting principles implies that the management must exercise judgment through use of estimates and assumptions. Estimates and assumptions are continuously evaluated and are based on experience combined with expectations of future events that are probable at the time of evaluation.

Areas where the use of assumptions and estimates are significant for the Group accounts:

##### Leases IFRS 16

When determining the lease period for the individual contract, the Group must assess whether there are extension options and termination rights that must be taken into account when determining the lease term. These assessments involve a great deal of discretion as extension options and termination rights that it is reasonably certain that the group will use will be included. The Group has established guidelines for assessments so that all relevant issues are handled in a consistent manner. Leases for train and bus material and premises used in relevant agreements for the execution of passenger or goods transport are considered in connection with these.

Determining the discount rate as a basis for calculating the present value of future lease obligations also involves the use of judgment. A fixed methodology has been established for this process.

##### Fixed assets

The Group continues to evaluate expected useful life and expected residual value on fixed assets to determine annual depreciation. The Group reviews its fixed assets values and the need for write downs. These reviews require considerable judgment. See the note on fixed assets for a description of impairment tests and related sensitivity analysis.

##### Provisions for contract losses

The Group conducts tests annually to evaluate provisions for contract losses based on indications of impairment. For property, plant and equipment an impairment test is performed first. Then the present value of future cash flow for each separate contract is measured. These evaluations involve a large degree of judgment. We refer to the note on Provisions for a more detailed description.

##### Retirement benefit obligation

The Group has considerable liabilities related to employees' pension rights

in defined pension benefit plans. Calculations are based on economic and demographic assumptions. Changes to assumptions can considerably affect the calculated liabilities of future retirement benefit expenses. For more information on pensions and a more detailed description on the assumptions used, see the retirement benefit obligation note to the financial statements.

Included in the note is a sensitivity analysis that illustrates how sensitive the calculations are to changes in key assumptions. Actuarial gains and losses related to such changes are included in other comprehensive income with a direct effect to equity, after deducting deferred tax. Effects from plan changes, closure and settlement included in the financial accounts (P&L) constitute estimates.

##### Accrued revenue

Parts of the Groups' revenue come from a fare cooperation with other transport operators. These revenues are accrued on the number of travels, composition of ticket types and historical data. These evaluations entail a significant degree of judgment and use of estimates.

Due to the Covid-19 pandemic, the fare cooperation with Ruter for the accounting year 2020 to 2022 was based on a fixed and agreed split of revenues, which also includes government grant received by Ruter.

##### Avsetning av kostnader for periodisk vedlikehold

In connection with the lease agreement for train equipment that expired in December 2022, the company made a running provision for accrued costs for periodic maintenance. This was based on estimated cost per kilometer driven, the Group's route and maintenance plan and regulation in the lease agreement. These assessments involved the use of judgment and estimates. After the start of the new lease agreement in December 2022, no corresponding provision is made for periodic maintenance as there is no settlement of periodic maintenance against the lessor at the end of the agreement as long as the maintenance plan is followed. Some periodic maintenance related to larger components (including bogies) will be set aside in the future to ensure that the cost associated with larger components is incurred when wear and tear occurs and not when the component is replaced.

#### Consolidation principles

The Group financial statements show the total financial result and the total financial position for the parent company and its subsidiaries.

##### Subsidiaries

Subsidiaries are companies where the Group exercises control. Control occurs when the Group, as an investor, has the ability to influence variable yield that the Group has a right to or is exposed to.

Subsidiaries are consolidated from the time the Group obtain control and are excluded from consolidation when control ceases to exist.

Transactions with non-controlling owners in subsidiaries are treated as equity transactions.

#### **Joint ventures and associates**

Joint ventures are companies or entities where Vy has joint control with one or several other investors.

Share of associates are companies where Vy has considerable, but not controlling influence. Normally, considerable influence is defined as having an ownership between 20 % and 50 % of the voting rights.

Ownership in both joint ventures and associates are accounted for using the equity method of accounting.

#### **Acquisitions**

The acquisition method of accounting applies to business combinations. Compensation is measured at fair value on the transaction date which is when risk and control is transferred and will normally coincide with the implementation date. An allocation of the acquisition price is based on fair value of assets and liabilities acquired. Additional value that cannot be allocated to identifiable assets and liabilities are allocated to goodwill. If fair value of identifiable assets and liabilities is higher than consideration given, the excess is charged to income.

The principles on how to recognize acquisition of associates and joint ventures are the same as for acquisition of subsidiaries.

### **Segment information**

Vy reports its operating segments according to how Group management, which is the operating decision-maker, adopt, follow-up and evaluates decisions.

### **Currency**

#### **Functional currency and presentation currency**

The financial statements for Vy Group are presented in Norwegian kroner, which is both the functional currency and presentation currency for the parent company.

The Vy Group operates mainly in Norway, as well as in Sweden. Income statements and balance sheets from Group entities with a functional currency different from the presentation currency are converted accruing currency translation differences directly to equity through other comprehensive income.

#### **Transactions**

Operating income and –expenses, purchases as well as financing expenses are mainly in the following currencies: Norwegian Krone (NOK), Swedish Krona (SEK) and Euros (EUR). Transactions in foreign currency are re-calculated to the functional currency at the transaction date. Foreign exchange gains and losses from such transactions and from the translation of foreign currencies are recognised in the income statement.

### **Public grants**

Public grants are recognized when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Operating grants are recognized systematically during the grant period. Grants are deducted from the cost which the grant is meant to cover. Investment grants are capitalized and recognized systematically over the asset's useful life. Investment grants are recognized either as deferred income or as a deduction of the asset's carrying amount.

### **Revenue**

The Group's revenues come mainly from sale of passenger- and freight transport services.

Sale of services, including public purchase of passenger traffic services, is included in the accounting period the services are delivered. This corresponds with the transferal of services to the customer which in practice means when the journey has taken place, in line with IFRS 15. In connection with public purchase of passenger traffic services, the group has an agreement regarding sharing the profit with the Norwegian Railway Directorate (Jernbanedirektoratet). The share of profit is accounted for as a reduction of operating revenue.

Dividends received from companies other than subsidiaries, associates and joint ventures are recognized on the date when the decision was made by the distributing company.

### **Leases**

The Vy Group has an extensive number of lease arrangements of trains, buses and property directly used in the Group's transportation services. The general rule is that the lessee must recognize the lease liability and the associated "right-of-use asset" for the use of the underlying asset over the lease term. All leases that transfer the right to control the use of an identifiable asset (the lessee decides the use and receives the financial (dis-)advantages) are recognized.

The lease liability is measured as present value of future fixed lease payments. Payments that depend on an index or a rate is based on the circumstances at the recognition date.

For lease agreements entered, the discount rate equivalent to the interest rate in the lease agreement is used, if present. Alternatively, the marginal loan rate will be used.

The Group has chosen to apply the exemption rule for short-term leases up to 12 months durations and leases for which the underlying asset is of low value, as these contracts are expensed directly in the income statement.

For contracts that also include other product or service deliveries, the Group has chosen to use the main rule where "non-lease components" are expensed as operating expenses separately from the lease component.

In determining the lease period, the regular lease period is adjusted for extension options and termination rights, which with reasonable certainty is assessed that the Group will exercise.

The right-of-use assets are assessed for impairments in accordance with IAS 36 with specific judgement on how the corresponding liability is to be handled.

### **Property, plant and equipment**

Property, plant and equipment (PPE) and operating related property is shown at cost less subsequent depreciation. Cost includes expenditure which is directly attributable to the acquisition of the items such that it's ready for use.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Borrowing costs accrued during construction of PPE, are capitalized until the asset is ready for intended use.

Depreciation on other assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, as follows.

Right-to-use assets are depreciated over the period the assets are expected to be used and the lease period.

Railroad vehicle	10 – 30 years
Buses	5 – 12 years
Buildings	10 – 50 years
Other fixed assets	5 – 30 years
Right of use assets IFRS 16	2 – 20 years

The fixed assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are included in the income statement and are determined by the difference between the sales price and the balance sheet value.

### **Intangible assets**

Intangible assets that have been acquired separately are carried at cost. The costs of intangible assets acquired through an acquisition are recognized at their fair value in the Group's opening balance sheet. Capitalized intangible assets are recognized at cost less any amortization and impairment losses.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized but are expensed as occurred.

The economic life is either definite or indefinite. Intangible assets with a definite economic life are amortized over their economic life and tested for impairment if there are any indications. The amortization method and period are assessed at least once a year. Changes to the amortization method and/or period are accounted for as a change in estimate.

Intangible assets with an indefinite economic life are tested for impairment at least once a year, either individually or as a part of a cash-generating unit. Intangible assets with an indefinite economic life are not amortized. The economic life is assessed annually with regard to whether the assumption of an indefinite economic life can be justified. If it cannot, the change to a definite economic life is made prospectively.



## Research and development

Expenses relating to research activities are recognised in the statement of comprehensive income as they incur. Expenses relating to development activities are capitalised to the extent that the product or process is technically and commercially viable and the Group has sufficient resources to complete the development work. Expenses that are capitalised include the costs of materials, direct wage costs and a share of the directly attributable common expenses. Capitalised development costs are recognised at their cost minus accumulated amortisation and impairment losses.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life of the asset.

## Impairment

Depreciable intangible assets as well as property, plant and equipment are considered for impairment when there are indications that future earnings cannot justify balance sheet value.

Goodwill and intangible assets with indefinite useful life are not subject to depreciation but are tested annually for impairment.

Impairment is recognized if the carrying amount is higher than the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each reporting date, one considers the possibilities for a reversal of prior impairments (except goodwill).

## Possible contract losses

The Group's activity results in entering into long-term public contracts for delivery of public transportation. For several of the contracts, the Group assumes part of the risk for the development in several cost areas (for example salaries, interest and fuel) without any income adjustment. This could result in contract losses if future remaining costs are higher than estimated revenues. For certain contracts, the group also bears the risk of declining revenues.

Before a provision is performed for contracts that may result in losses according to IAS 37, an evaluation is completed in accordance with IAS 36 (see section for impairment above). Then the Group measures continuously the present value of future expected cash flow from operational activities in each separate contract, where estimated payments consist of all future unavoidable operating costs including wear on assets. The provision is limited to the lower of continuing the contract or to go out of the contract. The provision is reversed over the expected loss period. At each reporting date, one considers the possibilities for a reversal of prior contract losses.

## Financial assets held for trading purposes

Fair value of listed investments is based on its last registered value. If the market for the security is not active or if it concerns a security that is not listed, the Group uses evaluation methods to determine fair value.

## Inventory

Inventory is valued at the lower of acquisition cost and net realizable value. Acquisition cost is calculated using the average price method.

Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

## Receivables

Receivables include trade receivables and are initially measured at original value which is also considered to be fair value.

For subsequent measurement receivables are considered at amortised cost using the effective interest method, less provisions for probable losses.

Provisions are made for expected future losses based on the best estimate on the balance sheet date. Assessment is based on information about past, present and future estimates.

## Cash and bank deposits

Cash and bank deposits including restricted tax withholdings and restricted bank deposits in Finse Forsikring are specified in note 19.

If bank overdrafts are utilized, it will be included in borrowings under current liabilities.

## Tax

Income tax expense for a period consists of tax payable and deferred tax.

Deferred income tax is calculated on all temporary differences between tax- and book values as well as tax effect of net losses carry forwards. Deferred income tax is determined using tax rates and tax laws that apply on the balance sheet date. Deferred tax asset that are expected to be utilized are included on the balance sheet.

Deferred income tax asset and liability are offset when there is a legally enforceable right to offset, and it is related to income taxes levied by the same taxation authority for (i) the same taxable entity or (ii) for separate taxable entities where the intention is to settle taxable positions on a net basis.

## Retirement benefit obligations

**Defined benefit pension plans** are schemes where the employer commits to periodical pension benefits to the employee when he/she retires. The pension payment will mainly depend on number of years in the plan, compensation level at retirement age and the size of the benefits from the national insurance scheme.

The liability recognized on the balance sheet is the present value of the defined benefit pension plan at the balance sheet date, less the fair value of plan assets at the balance sheet date. The defined pension liability is calculated annually by an independent actuary using the projected unit credit method. The cost of pension contributions and net interest rate on the defined benefit pension plan obligation is included in net income.

Changes to the pension plan benefits (plan changes) and settlement effects are expensed or recognized as income continuously in the income statement. Actuarial gains and losses that are caused by new information and changes to the actuarial assumptions are included instantly, through

other comprehensive income.

**Defined contribution plans** are pension plans under which the employer pays contributions towards the employees' future pension without further obligations after the contribution is paid. The payments are included in the income statement as payroll and related expense.

## Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise of costs relating to severance pay and associated termination and liquidation costs. Provisions are not recognized for ongoing operations nor future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of the expected expenditure required to settle the present obligation. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability. The increase in the provision due to passage of time is recognized as interest expense.

## Other short-term debt

Other short-term debts include trade payable and are initially measured at original value which is also considered to be fair value. At later measurement dates, trade receivables will be considered at amortized cost by using the effective interest method.

## Dividend distribution

The dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements when the dividend is approved by the General Assembly.

## Fair value estimation

The Group measures several financial assets and financial liabilities at fair value. For classification of fair value, the Group uses a system that reflects the significance of the input that is utilized in the preparation with the following divisions:

### Level 1

Fair value is measured using quoted prices from active markets for identical assets and obligations.

### Level 2

Fair value is decided by using input based on other observable factors; either direct (price) or indirect (derived from prices) rather than noted prices (used in level 1) for the asset or obligation.

### Level 3

Fair value is measured using inputs that are not based on observable market data.

## Note 2

### Shares in subsidiaries

The table shows the parent company's directly owned investments at 31.12.23.  
The group also owns companies and interests indirectly.

Subsidiaries	Established- / acquisition- date	Registered office	Votes and profit share	Book value shares in subsidiaries in parent company	Equity	Profit/ loss for the year
Vy Buss AS	1st December 1996	Oslo	100 %	1 333	1 210	-21
Agilia AS	1st October 2001	Oslo	100 %	61	-0	-4
Finse Forsikring AS	1st December 2001	Oslo	100 %	60	316	33
CargoNet AS	1st January 2002	Oslo	100 %	103	-177	-157
Vy Gjøvikbanen AS	1st April 2005	Oslo	100 %	30	86	27
Vy Tåg AB	1st January 2007	Gävle	100 %	-	-65	-129
Vy Tog AS	16th June 2016	Oslo	100 %	516	444	14
Vy Mobility AS	14th May 2018	Oslo	100 %	87	113	-
Tømmervogner AS*	31st December 2008	Oslo	45 %	2	9	0
<b>Total</b>				<b>2 192</b>	<b>1 936</b>	<b>-237</b>

\*Vygruppen AS owns 45% and CargoNet AS owns 55%.

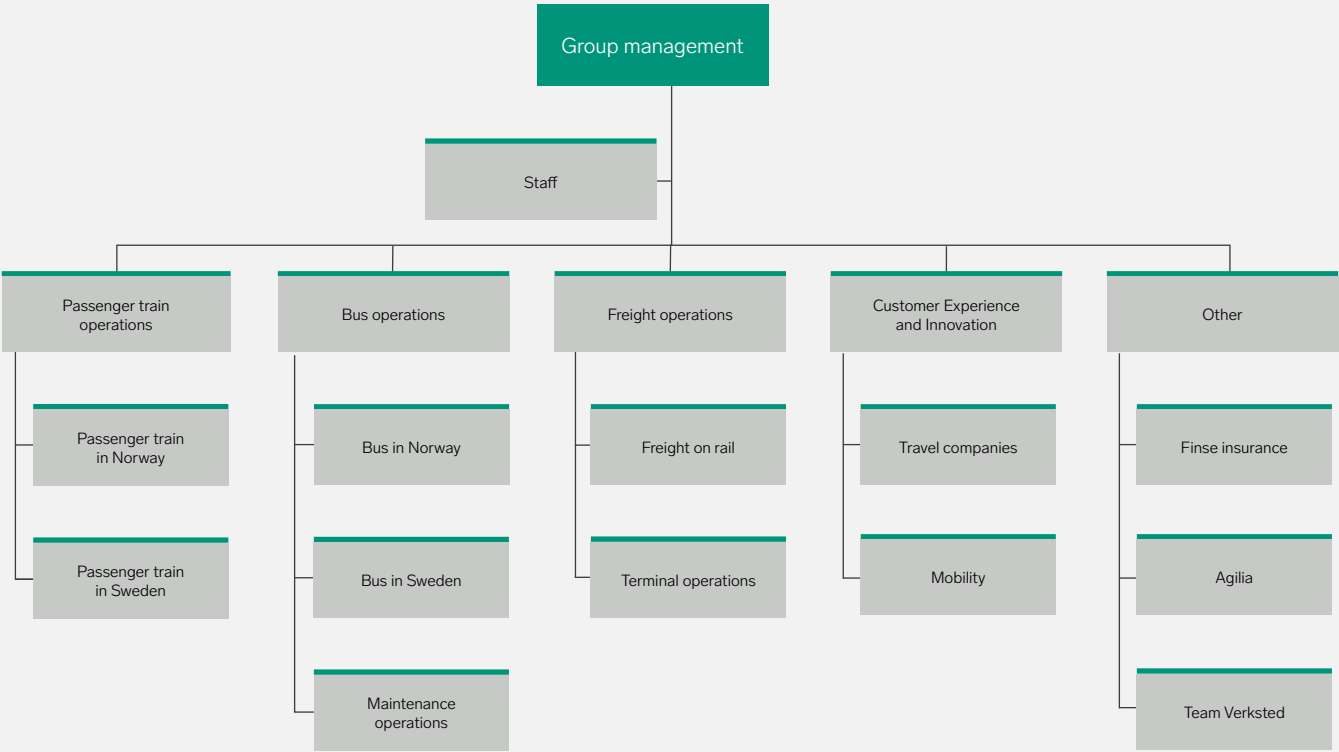
The equity presented is 100 % of the equity recognized in the subsidiary's statement of financial position as of 31st of December 2023.

# Note 3

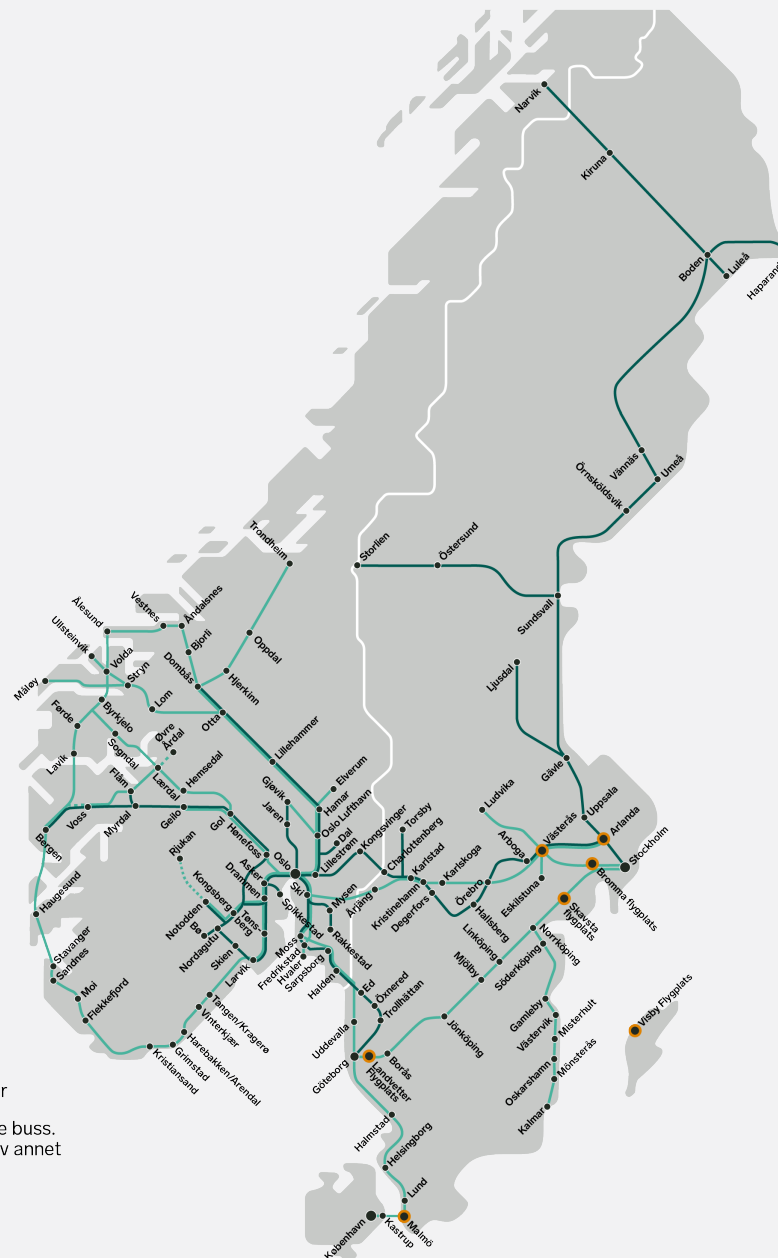
## Group- and company structure

Vy operates in Norway and Sweden. Operations are run in accordance with the Business Segments which slightly differs from the legal structure:

- Vy Gjøvikbanen AS, Vy Tåg AB, Vy Tog AS and part of Vygruppen AS are included in the Train segment
- The Bus segment consists of the Vy buss group operations.
- The Cargo segment consists of the CargoNet group operations.
- Customer experience and Innovation consists of mobility solutions together with activities connected to Flåmsbana and Fjord Tours



## Vy Group's passenger operations in the Nordic Region



## Note 5

### Segment information

<b>Analysis of Operating income by category</b>	<b>2023</b>	<b>2 022</b>
Transport revenue	17 498	16 107
Other revenue	1 565	1 524
<b>Total</b>	<b>19 063</b>	<b>17 631</b>

<b>Analysis of Operating income by country</b>	<b>2023</b>	<b>2 022</b>
Norway	16 004	14 872
Sweden	3 059	2 759
<b>Total</b>	<b>19 063</b>	<b>17 631</b>

The Group mainly operates in Norway. The Group also has some operations in Sweden.

#### Information on important customers

The Group has one customer that constitutes more than 10% of operating income. The Government's purchase from the Vy group is included in note 31. In connection with the Covid-19 pandemic, the Government has 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.

#### Operating revenue

Most of the Group operations are personnel transport by train and bus. The transport date regulates the recognition of the revenue and is thus when the service is delivered. The Group also has revenue on agreements with counties and municipalities as well as a Traffic agreement with the State of Norway. Revenue from these arrangements is also recognized at the transport date. Additionally, the Group has revenue from freight, terminal services, workshop services and various ad hoc services. For all these revenue are recognized when the services are delivered.

<b>Type</b>	<b>Segment</b>	<b>IFRS 15 accounting treatment</b>
Personnel transport	Passenger train and bus	Revenue recognition when the service is delivered (transport date)
Food and on board services	Passenger train and bus	Revenue recognition when the service is delivered
Agreements with counties and municipalities	Bus	Revenue recognition when the service is delivered
Workshop services	Bus	Revenue recognition when the service is delivered
Agreements with counties and municipalities	Passenger train	Revenue recognition when the service is delivered (transport date)
Traffic agreement with the state of Norway and public purchaser abroad	Passenger train	Revenue recognition when the service is delivered
Fees	Passenger train	Revenue recognition when the service is delivered
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

## Note 6

### Leases

Specification of changes in the period	Liability	Assets
<b>Total opening Balance right-to-use assets / lease obligations as per 1 January 2023</b>	<b>7 506</b>	<b>7 074</b>
Lease payments	-1 954	-
Depreciations	-	-2 000
Additions and changes in agreements	8 124	8 131
Other / currency effects	117	64
<b>Total Closing Balance as of 31 December 2023</b>	<b>13 793</b>	<b>13 269</b>

Interest expenses on the leasing obligation amounted to 353 MNOK in 2023.

	Liability	Assets
<b>Total opening Balance right-to-use assets / lease obligations as per 1 January 2022</b>	<b>9 490</b>	<b>9 111</b>
Lease payments	-1 797	-
Depreciations	-	-1 839
Additions and changes in agreements	-185	-170
Other / currency effects	-2	-28
<b>Total Closing Balance as of 31 December 2022</b>	<b>7 506</b>	<b>7 074</b>

Interest expenses on the leasing obligation amounted to 236 MNOK in 2022.

For more specification on the effects from right-of-use assets in the financial accounts, refer to note 7 Property, plant and equipment.

Liabilities	2023	2022
Short-term liability	2 055	1 955
Long-term liability	11 738	5 551
<b>Total</b>	<b>13 793</b>	<b>7 506</b>

There is also future rental obligations of approx. 1,141 MNOK (nominally) not included. This concerns the rental of operating assets for which an agreement has been entered into, but not delivered. The Right-of-use assets and obligation will be recognized when the assets are received and made available for the Group.

#### Supplementary information

Leases not recognized	2023	2022
Short term agreements (between one month and one year)	138	84
Costs aligned to low-value items	28	33
<b>Total</b>	<b>166</b>	<b>117</b>

#### P&L

Revenue from sub-lease	8	7
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#### Cash Flows

Total cash flows on leases	2 307	2 033
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For more information on the Group's handling of leases, refer to the principles.  
For future maturities for the Group's lease liabilities, refer to note 15.

## Note 7

### Property, plant and equipment

	Machinery and equipm.	Transport equipment	Land and buildings	Assets under construction	Right-to- use bus and train	Right- to-use buildings	Right-to- use other assets	Total
<b>At 1st of January 2023</b>								
Accumulated acquisition cost	1 743	11 757	199	31	11 534	3 070	66	28 399
Accumulated depreciation	-1 507	-10 590	-129	-	-6 334	-1 231	-31	-19 822
<b>Total</b>	<b>236</b>	<b>1 167</b>	<b>70</b>	<b>31</b>	<b>5 200</b>	<b>1 839</b>	<b>35</b>	<b>8 577</b>
<b>Year ended 31st of December 2023</b>								
Opening net book value	236	1 167	70	31	5 200	1 839	35	8 577
Exchange differences	3	13	-	-	54	12	-2	80
Additions	105	195	1	25	7 880	304	28	8 538
Disposals at acquisition cost	-28	-700	-15	-	-4 769	-57	-1	-5 570
Accumulated depreciation disposals	28	678	8	-	4 689	56	1	5 460
Transfers within PPE	14	6	-	-20	-	-	-	-
Depreciations	-59	-275	-7	-	-1 657	-287	-14	-2 299
Impairments	-	-2	-	-	-42	-	-	-44
<b>Total</b>	<b>299</b>	<b>1 082</b>	<b>57</b>	<b>36</b>	<b>11 355</b>	<b>1 867</b>	<b>47</b>	<b>14 742</b>
<b>At 31st of December 2023</b>								
Accumulated acquisition cost	1 837	11 271	185	36	14 699	3 329	91	31 447
Accumulated depreciation	-1 538	-10 189	-128	-	-3 344	-1 462	-44	-16 705
<b>Total</b>	<b>299</b>	<b>1 082</b>	<b>57</b>	<b>36</b>	<b>11 355</b>	<b>1 867</b>	<b>47</b>	<b>14 742</b>
Deprecation period	5 - 30 years	5 - 30 years	3 - everlast.		1 - 10 years	1 - 20 years	1 - 10 years	



	Machinery and equipm.	Transport equipment	Land and buildings	Assets under construction	Right-to- use bus and train	Right- to-use buildings	Right-to- use other assets	Total
<b>At 1st of January 2022</b>								
Accumulated acquisition cost	1 843	12 165	250	55	12 055	2 944	72	29 384
Accumulated depreciation	-1 595	-10 733	-167	-	-4 923	-1 002	-36	-18 456
<b>Total</b>	<b>248</b>	<b>1 432</b>	<b>83</b>	<b>55</b>	<b>7 132</b>	<b>1 942</b>	<b>36</b>	<b>10 928</b>

<b>Year ended 31st of December 2022</b>								
Opening net book value	248	1 432	83	55	7 132	1 942	36	10 928
Exchange differences	-1	-6	-	-	-23	-5	-	-35
Acquisition of subsidiary	-1	-	-48	-	-	-	-	-49
Accumulated depr. Acq. of subsidiary	1	-	42	-	-	-	-	43
Additions	52	85	-	17	548	166	9	877
Disposals at acquisition cost	-159	-498	-3	-21	-1 046	-35	-15	-1 777
Accumulated depreciation disposals	150	481	3	-	155	34	15	838
Transfers within PPE	9	11	-	-20	-	-	-	-
Depreciations	-61	-291	-7	-	-1 523	-263	-10	-2 155
Impairments	-2	-47	-	-	-43	-	-	-92
<b>Total</b>	<b>236</b>	<b>1 167</b>	<b>70</b>	<b>31</b>	<b>5 200</b>	<b>1 839</b>	<b>35</b>	<b>8 577</b>

<b>At 31st of December 2022</b>								
Accumulated acquisition cost	1 743	11 757	199	31	11 534	3 070	66	28 399
Accumulated depreciation	-1 507	-10 590	-129	-	-6 334	-1 231	-31	-19 822
<b>Total</b>	<b>236</b>	<b>1 167</b>	<b>70</b>	<b>31</b>	<b>5 200</b>	<b>1 839</b>	<b>35</b>	<b>8 577</b>

Depreciation period	5 - 30 years	5 - 30 years	3 - ever-last.		1 - 10 years	1 - 20 years	1 - 10 years	
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<b>Depreciation, amortization and impairment</b>	<b>2023</b>	<b>2022</b>
Depreciation charges PPE	2 299	2 155
Impairment charges PPE	44	92
Amortization and impairment of intangible assets (note 9)	35	35
<b>Total</b>	<b>2 378</b>	<b>2 282</b>

### Property, plant and equipment, and contract losses

Operating revenue in the Group is mainly related to long term tender contracts which means significant investments in property, plant and equipment (PPE). In the presentation of the accounts as at 31st of December 2023 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 value in use have been performed. Value in use is calculated for every cash flow generating unit (CGU). Calculation of value in use has been performed on the tenders where there is an indication of permanent impairment on PPE.

The value in use is calculated as present value of expected future cash flows for each tender. Revenue from the contracts and expected operating expenses, including overhead that can be allocated to each separate CGU, are included in the contracts' lifespan in the future cash flows. If there exists repurchase values on transport equipment, these are included in the cash flow at the end of the contract and based on experiences or residual value guarantees from suppliers. Within several of the contracts, the contracting entity has the option to extend the contracts. When it is probable that the options will be exercised, the effect of the option period is included in the cash flows. 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.

In addition to evaluating balance sheet values according to IAS 36, the contracts are also evaluated for any additional provisions according to IAS 37. In these evaluations the Group measures continuously present value of future expected cash flows from operational activities in each separate contract, where estimated payments include all future unavoidable operating expenses. The provision is limited to the lower amount of continuing or exiting the contract. The provision is released over the expected loss period. See note 27 for further details about contract losses.

In the future cashflows evaluations in accordance with IAS 36 and IAS 37, the following main assumptions are used:

I de fremtidige kontantstrømmene for vurderinger etter IAS 36 og IAS 37 er det benyttet følgende hovedforutsetninger:

Growth rate of	3.5 %	
Discount rate	9,9-11%	evaluations according to IAS 36
Borrowing rate	3,7-5,7%	evaluations according to IAS 37

Based on the main assumptions, the Group has made impairment on assets in 2023 by MNOK 44 (2022: MNOK 92). The Group has cash-generating units where the assets are valued at value in use as at 31 December 2023 and in total written down by MNOK 96 (2022: 116). The Group also has cash-generating units where the assets are valued at the fair value of transport equipment as at 31 December 2023, which are written down by MNOK 75 (2022: MNOK 35). For contracts where the assets are written down to fair value, total value in use is MNOK 1270, which was approximately MNOK 22 lower than fair value.

### Sensitivity

To describe the uncertainty that are included in the IAS 36 impairment calculations, sensitivity analysis on selected variables in the calculation have been performed. A sensitivity analysis is performed on contracts where PPE is impaired in the current year.

### Discount rate

A change in discount rate of +/- 1 % -points affects changes to present value differently across contracts. Yearly change in EBITDA of 1 MNOK per contract wil also give an effect of the calculated net present value. The overview below shows these effects.

Discount rate Change in factors	Change in present value	Actual accumulated impairment	Actual accumulated impairment
Interest rate +1%	-45	171	202
Interest rate -1%	47	171	138

EBITDA Change in factors	Change in present value	Actual accumulated impairment	Actual accumulated impairment
EBITDA + 1 MNOK per contract	27	171	154
EBITDA - 1 MNOK per contract	-27	171	188

\* Actual accumulated impairment affected by evaluations of market value of transport equipment.

The cash-generating units rated at fair value for transport equipment would be classified at Level 2 in a valuation hierarchy. The assets that are valued at value in use would be classified at level 3 in a valuation hierarchy.

## Note 8

### Periodic maintenance

	2023	2022
<b>Periodic maintenance on leased trains</b>		
Accrual for incurred maintenance cost through the year	-29	14
Performed maintenance through the year	-2	-85
Change in provision	-	42
Ending avsetning	12	-
<b>Prepaid maintenance as of 31st of december</b>	<b>-19</b>	<b>-29</b>

In connection with the commitment in the lease agreement for rolling stock, which expired in December 2022, the company made a provision for accrued costs for periodic maintenance. This was based on the estimated cost per driven kilometer, the company's route and maintenance plan, as well as adjustments in the lease agreement. The assessments involved the use of judgment and estimates. After the commencement of the new lease agreement in December 2022, a corresponding provision for periodic maintenance against lessor at the end of the agreement, as long as the maintenance plan is followed. Going forward, provisions will be made for some periodic maintenance related to major components is incurred when wear occurs and not when the component is replaced.

The balance sheet value of periodic maintenance is included in other provisions for liabilities (see note 26)

## Note 9

### Intangible assets

	Goodwill		Other		Total	
	2023	2022	2023	2022	2023	2022
<b>At 1st of January</b>						
Accumulated acquisition cost	647	659	789	799	1 436	1 458
Accumulated amortization and impairments	-212	-215	-187	-155	-399	-370
<b>Total</b>	<b>435</b>	<b>444</b>	<b>602</b>	<b>644</b>	<b>1 037</b>	<b>1 088</b>
<b>Changes during the year</b>						
Opening net book value	435	444	602	644	1 037	1 088
Exchange differences - acquisition cost	33	-12	52	-19	85	-31
Exchange differences - amortization and impairments	-10	3	-10	3	-20	6
Additions	-	-	17	9	17	9
Amortization and depreciation	-	-	-35	-35	-35	-35
<b>Total</b>	<b>458</b>	<b>435</b>	<b>626</b>	<b>602</b>	<b>1 084</b>	<b>1 037</b>
<b>At 31st of December</b>						
Accumulated acquisition cost	680	647	858	789	1 538	1 436
Accumulated amortization and impairments	-222	-212	-232	-187	-454	-399
<b>Total</b>	<b>458</b>	<b>435</b>	<b>626</b>	<b>602</b>	<b>1 084</b>	<b>1 037</b>

Goodwill is mainly related to the acquisition of Flygbussarna. Other intangible assets relate to brand, contracts and relationships, customer database and dedicated parking lots at the airports. Brand and parking lots are not being amortized.

#### Impairment testing of goodwill and intangible assets with indefinite useful lives

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment by comparing the carrying amount with the recoverable amount. The ratio is monitored based on what is considered as the natural cash-generating unit (CGU) associated with each acquisition. The recoverable amount is calculated based on the value the asset will add to its CGU. Liquidity prognosis' based on approved budgets are approved by leadership for the next five year period. The cash flows from the tender period are limited to the end of the agreement-/tender period. For the commercial agreements, the cash flows after the first five years utilize estimated growth rates. The assumptions used for calculating value is use vary between the different CGU's and the discount rates take into account the specific risk connected to each CGU.

No impairment charges relating to goodwill and intangible assets with indefinite useful lives have been recognised during year 2023.

## Note 10

### Investments in associates

	2023	2022
Book value 1st of January 35	18	16
Share of profit/loss	2	2
<b>Net book value 31st of december</b>	<b>20</b>	<b>18</b>

Share of profit/loss is after tax, non-controlling interests and dividends paid.

Profit/loss, assets and liabilities of its associates, all of which are unlisted, are as follows:

The table below shows 100% of the associated company's assets, liabilities, operating income and annual profit.

2023	Registered office	Assets	Liabilities	Revenues	Profit/Loss	% Interest held
Nordlandsbuss AS	Bodø	351	312	331	9	34%
Peer Gynt Tours AS	Oslo	11	6	56	3	34%
Sjøholt Last og Buss AS	Ørskog	5	4	16	0	49%
Applied Autonomy AS	Kongsberg	16	10	13	0	21%
<b>Total</b>		<b>367</b>	<b>323</b>	<b>403</b>	<b>12</b>	

2022	Registered office	Assets	Liabilities	Revenues	Profit/Loss	% Interest held
Nordlandsbuss AS	Bodø	345	301	196	3	34%
Peer Gynt Tours AS	Oslo	8	6	18	-0	34%
Sjøholt Last og Buss AS	Ørskog	5	4	16	0	49%
<b>Total</b>		<b>358</b>	<b>311</b>	<b>230</b>	<b>3</b>	

In 2023, Vy Group has gained significant influence in the company Applied Autonomy AS, with a ownership stake of 21% (compared to 16,9% in 2022). Applied Autonomy AS specializes in software solutions for autonomous transport.

# Note 11

## Investment in joint ventures

	2023	2022
Book value 1st of January	176	133
Share of profit/loss	34	9
Other equity movements	-	34
<b>Net book value 31st of december</b>	<b>210</b>	<b>176</b>

Share of profit and loss includes adjustments from prior years.

The Vy Group's interest in joint ventures is as follows:

Joint venture:	Year of acquisition	Registered office	Votes and profit share	Equity	Profit/loss	Book value 31st of December
Flåm Utvikling AS	2013	Aurland	50%	147	34	185
Fjord Tours Group AS	2019	Oslo	50%	261	-	300

The table above shows 100% of the joint-controlled entity's book equity including the annual resultat,- year-end result and book value.

The amounts below represent the Group's share of assets and liabilities,as well as sales and results of the investment in the total joint-controlled entity.

Assets	2023	2022
Non-current assets	134	135
Current assets	108	54
<b>Total</b>	<b>242</b>	<b>189</b>
<b>Liabilities</b>		
Long term liabilities	5	5
Short term liabilities	33	14
<b>Total</b>	<b>38</b>	<b>19</b>
<b>Net assets</b>	<b>204</b>	<b>170</b>
<b>Income/expenses</b>	<b>2023</b>	<b>2022</b>
Operating revenue	250	165
Operating expenses	-216	-156
<b>Profit after tax</b>	<b>34</b>	<b>9</b>

### Description of operations:

#### Flåm Utvikling AS

For 20 years, Flåm Utvikling AS has operated the travel product Flåmsbana with Vygruppen AS as a supplier of train transport services. Flåm Utvikling conducts product development, sales, marketing, customer relationship management and brand development of Flåmsbana, as well as the foundation for commercial year-round operations of Flåmsbana. Flåmsbana is the country's first year-round mountain/fjord railway destination.

#### Fjords Tours Group AS

Fjord Tours Group AS is owned 50% each by Vygruppen AS and Fjord1 AS, and is the companies' joint tourism venture. Together with the subsidiary Fjord Tours AS the company shall develop, market and sell sustainable collective-based round trips. In addition they sell individual train journeys and other transport products to international tour operators and agents. Today "Norway in a nutshell", with among others the Bergen Line and Flåmsbana, is the most famous round trip. The tourists travel with public transport and the package includes accommodation, activities and other experiences. In 2022 Fjord Tours Group bought the remaining shares (26%) in Fjord Tours AS, and owns now 100% of the subsidiary. Fjord Tours Group has participated in the establishment of a new, local tourism company in 2022 in Hardanger, Book Hardanger AS, and owns 33% of the company. Fjord Tours Group owns also 34% of the shares in Best Arctic AS as well as 31% of the shares in Geiranger Fjordservice.

## Note 12

### Inventory

	2023	2022
Components	469	473
Not completed parts	-	8
<b>Total inventory</b>	<b>469</b>	<b>481</b>

## Note 13

### Guarantees

The Group has bank guarantees in connection with the normal operations. As per 31 December 2023 the upper limit on these guarantees is 1 705 MNOK (1 042 MNOK).

The guarantee also covers outstanding wage withhold taxes for several companies within the group.

## Note 14

### Trade and other receivables

	2023	2022
Trade receivables	1 629	1 271
Less: provision for impairment of receivables	-13	-8
Trade receivables - net	1 616	1 263
Prepayments	606	399
Other receivables	157	176
<b>Total trade and other receivables</b>	<b>2 379</b>	<b>1 838</b>

The carrying amounts of the trade receivables, prepayments and other receivables approximate their fair value. Trade receivables include mainly passenger train revenues, freight revenues, rental revenues and non-calculated public purchase amounts due from counties.

<b>Maturity of receivables:</b>	2023	2022
Matured receivables on balance sheet date	530	162
Matured between 0 - 2 mnths ago	478	130
Matured between 2 - 6 mnths ago	42	17
Matured more than 6 mnths ago	10	15

# Note 15

## Financial risk management

### Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Group manages some of its excess liquidity in interest bearing products like deposits, commercial papers and bonds, in accordance with guidelines prepared by the Board of Directors. The Board sets the principles of risk management and gives guidelines for specific risk areas. The total risk for asset management must be low. In accordance with the guidelines' demand of security, spread of risk and liquidity, Vy should maximize the return of the managed capital.

The Group invests portions of the surplus liquidity in interest-bearing products such as bank deposits, certificates, bonds with short remaining maturity and money market funds.

### Financial risk factors

The Group's activities result in various types of financial risk: market risk (foreign exchange-, interest rate-, and price risk), credit risk and liquidity risk.

The Group's risk management policy focuses on the capital markets unpredictability and strives to minimize the potential negative effects on the Group's financial results. The Group uses financial derivatives to hedge certain risks.

Risk management is carried out by a centralized Group treasury department. Group treasury identifies, evaluates, and hedges financial risk in co-operation with the Group's operating units.

### Market risk

#### Foreign exchange risk

Currency risk is the risk that fluctuations in the exchange rate will lead to changes in the Group's income statement, statement of financial position or cash flows.

The Group operates in the Nordic region, makes purchases from foreign suppliers and is therefore exposed to currency risks. The Group minimizes currency risk associated with larger investments from foreign suppliers by mainly entering into agreements in NOK or sometimes are being hedged. The goal is to create predictability with respect to future payments measured in NOK.

Any debt in foreign currency will be hedged through foreign exchange swaps and changes in value are offset by fair value changes in the derivatives. The Group is therefore not exposed to currency risk on debt instruments.

The Group has certain investments in foreign subsidiaries, whose net assets are exposed to currency risk. This risk is not considered to be of significant importance to the Group.

#### Interest rate risk

Interest rate risk is the risk that a fair value of a financial instrument or future cash

flows will fluctuate due to changes in market interest rates.

The Group's securities in the interest rate market are exposed to changes in market rates. As the investments have a short average interest rate duration, value changes are moderate.

The Group is exposed to changes in interest rates, and uses interest rate swaps to reduce interest rate risk and to achieve its preferred duration on its debt portfolio. The goal is to reduce risk related to possible future interest rate increases, and create more predictability as to the future interest payments. Guidelines have been established to regulate the share of loans that is subject to interest rate changes within a twelve month time period, and for the interest rate duration of the portfolio.

Any swaps entered into create risk of changes to booked fair value when measuring against interest level as at the date of the statement of financial position.

#### Other price risk

The Group has a risk associated with price changes related to electric power and diesel used in its train and bus operations. The Group is only in a limited extent hedging its future electricity and diesel needs.

### Liquidity risk

Liquidity risk is the potential inability to meet short term liabilities.

Vy's management monitors the Group liquidity reserve (consists of overdraft facility and cash equivalents) through rolling forecasts based on the Group's expected cash flow.

Vy reduces liquidity risk on maturity of financial obligations by accessing a number of financing sources, as well as maintaining adequate liquidity to cover planned operating-, investing-, and refinancing needs without assuming new debt due within 12 months. Liquidity consists of bank deposits, interest rate certificates, money market funds and a credit facility.

Vy has a high credit rating. Standard & Poor's rates Vy's long-term debt at A- (stable outlook). This high credit rating gives Vy good access to external financing.

The table below shows future maturities for the Group's liabilities as at 31st of December 2023:

	< 1 year	1 - 2 years	2 - 5 years	> 5 years
<b>Liquidity risk</b>				
Short term liabilities	3 714	-	-	-
Debt	1	1	4	5
Lease obligations	1 958	1 963	5 202	6 655
Property, plant and equipment	467	-	-	-

### Credit risk

Credit risk is the potential loss if an external part cannot meet its financial obligations to Vy. The Group's exposure to credit risk is mainly related to individual customers.

Passenger train- and bus operations mainly sell its services on a cash basis.

Deferral of payment is given to public authorities based on long-term agreements. Revenue from freight operations is divided between several medium sized customers whose financial development is tracked through updated credit assessments. Other subsidiaries have its parent company as their main customer. The Group is therefore to a small degree exposed to credit risk.

Vy is exposed to credit risk through placement of excess liquidity with issuers of debt securities. The parent company has established limits for credit exposure against sectors and individual counterparties based on credit assessments.

Vy has risk against its counterparties in interest- and currency derivative agreements. Vy focuses on counterparty risk in its financial transactions.

<b>Vy assesses maximum credit risk to be the following:</b>	<b>2023</b>	<b>2022</b>
Cash and bank deposits	584	905
Placements	2 057	1 757
Financial derivatives	1	4
Trade receivable and other short term receivables	2 379	1 838
<b>Total</b>	<b>5 021</b>	<b>4 504</b>

The credit risk (counterparty risk) is reduced by diversifying exposure across several counterparties. Strict requirements are set for the counterparty's creditworthiness with a minimum A- rating from S&P, or equivalent from another international rating agency upon conclusion of the agreement. Counterparty risk is continuously monitored. The Vy Group has agreements that regulate judicial offset calculations in a bankruptcy situation (ISDA agreements) with several banks.

Excess liquidity is placed in Norwegian certificates and bonds with short-term remaining maturity, as well as Norwegian money market funds. Guidelines are established for credit exposure against several sectors, and specific issuers based on credit assessments. In addition there are established guidelines for money market funds and bond funds.

For the wholly owned subsidiary, Finse Forsikring AS, the Board of Directors has approved extended limits on placement of surplus liquidity. The company has made investments in listed mutual funds on the Oslo Exchange; "Skagen Global", Nordea Stabile Aksjer Global Etisk" and "Storebrand Global Multifactor".

A decline in value of 40 % gives a calculated portfolio risk of -23 MNOK (2022 36 % -21 MNOK). The evaluation and determination of percentage decline in value has been set in accordance with the Financial Supervisory Authority of Norway's regulations on reporting stress tests for insurance and pension companies.



## Note 16

### Derivatives

	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Interest and exchange rate swaps	1	-	4	-
Energy swaps	-	-5	-	-1
<b>Total</b>	<b>1</b>	<b>-5</b>	<b>4</b>	<b>-1</b>

Fair value changes in derivatives are continuous recognized in the income statement. Derivatives are classified as current assets or contractual obligations.

<b>Changes derivatives fair value:</b>	2023	2022
This period's change in fair value:	-7	6
Accumulated change in fair value:	-4	3

## Note 17

### Other financial assets at fair value through profit and loss

<b>Securities</b>	2023	2022
Stocks and other fixed income securities/ Funds – Norway	1 918	1 619
Stocks and other fixed income securities/ Funds – Globally	56	58
Deposits	83	80
<b>Total</b>	<b>2 057</b>	<b>1 757</b>

Fair value is based on changes in original interest rate, currency exchange and spread (at recording time) against market interest rate, currency exchange rates at the reporting date.

Effective interest rate on short term bank deposits was 4,7 % as at 31st of December 2023 (2022: 2,9 %).

<b>Changes in fair value of securities</b>	2023	2022
This period's change in fair value	19	-17
Accumulated change in fair value	43	24

# Note 18

## Financial instruments by category

Assets at 31st of December	Loans and receivables		Assets at fair value through profit and loss		Total	
Year	2023	2022	2023	2022	2023	2022
Financial fixed assets	127	95	-	-	127	95
Derivatives	-	-	1	4	1	4
Trade and other receivables (excl. prepayments)	1 773	1 439	-	-	1 773	1 439
Financial assets at fair value through profit or loss	-	-	2 057	1 757	2 057	1 757
Cash and bank deposits	584	905	-	-	584	905
<b>Total</b>	<b>2 484</b>	<b>2 439</b>	<b>2 058</b>	<b>1 761</b>	<b>4 542</b>	<b>4 200</b>

Vy Buss AS has its own pension fund for employees with public pension benefits. The equity contribution amounting 65 MNOK equals the fair value and is included in financial fixed assets.

Liabilities at 31st of December	Other financial liabilities at amortised cost		Liabilities at fair value through profit and loss		Total	
Year	2023	2022	2023	2022	2023	2022
Debt (excl. financial lease liabilities)	12	16	-	-	12	16
Lease liabilities IFRS 16	13 793	7 506	-	-	13 793	7 506
Derivatives	-	-	5	1	5	1
Trade and other payables (excl. statutory liabilities)	3 714	2 864	-	-	3 714	2 864
<b>Total</b>	<b>17 519</b>	<b>10 386</b>	<b>5</b>	<b>1</b>	<b>17 524</b>	<b>10 387</b>

### Financial assets and liabilities at fair value through profit and loss per 31st of December 2023:

	Level 1	Level 2	Level 3	Total
Financial assets	2,057	-	-	2,057
Derivatives	-	1	-	1
<b>Total assets</b>	<b>2 057</b>	<b>1</b>	<b>-</b>	<b>2 058</b>
Debt and accrued interest	-	-	-	-
Derivatives used for hedging	-	5	-	5
<b>Total liabilities</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>5</b>

For description of the different levels used, see note 1 Vy Group accounting principles.

### Financial assets and liabilities at fair value through profit and loss per. 31st of December 2022:

	Level 1	Level 2	Level 3	Total
Financial assets available-for-sale:	1 757	-	-	1 757
Derivatives	-	4	-	4
<b>Total assets</b>	<b>1 757</b>	<b>4</b>	<b>-</b>	<b>1 761</b>
Debt and accrued interest	-	-	-	-
Derivatives used for hedging	-	1	-	1
<b>Total liabilities</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>

For description of the different levels used, see note 1 Vy Group accounting principles.

## Note 19

### Cash and bank deposits

	2023	2022
Cash and bank deposits	584	905

Includes restricted funds of 11 MNOK (2022: 160 MNOK).  
See note 13 for a description of guarantees related to outstanding wage withholding tax

## Note 20

### Share capital

	No. of shares	Ordinary shares	Total MNOK
Shares at 1st of January 2023	3 387 905	3 387 905	3 387
Shares at 31st of December 2023	3 387 905	3 387 905	3 387

There is only one class of shares. The par value of a share is NOK 1,000,- which is owned by the norwegian Government (Ministry of Transport and Communication).

A dividend of 66,5 MNOK was paid in 2023 for the financial year 2022. A proposed dividend of 26,5 MNOK for the financial year 2023 has been suggested. The decision will be made at the annual General Assembly in 2024.

# Note 21

## Interest bearing debt

Long term liabilities	31.12.2023	31.12.2022
Lease obligations IFRS 16	11 738	5 551
Mortgage loan	11	13
Other loans	1	2
<b>Total</b>	<b>11 750</b>	<b>5 566</b>
Short term liabilities		
Lease obligations IFRS 16	2 055	1 955
Other current debt	-	1
<b>Total</b>	<b>2 055</b>	<b>1 956</b>
<b>Total debt</b>	<b>13 805</b>	<b>7 522</b>

The exposure of the Group's debt and lease obligations to interest rate changes and the contractual dates as at the balance sheet date are as follows:

Loans and hedgings		2023	2022
6 months or less		2 910	2 652
Over 6 months		-	-
Non-current borrowings expire in:		2023	2022
Between 1 and 2 years		852	288
Between 2 and 5 years		1 111	1 312
Over 5 years		947	1 052
Effective interest rate at the balance sheet date in %:		2023	2022
Other loans	NOK	5.10	4.37
Other loans	SEK	4.70	1.93

The carrying amounts of the non-current borrowings approximate their fair value.

The carrying amounts of the Group's loans are denominated in the following currencies:	2023	2022
NOK	2 110	2 017
SEK	800	635
<b>Total</b>	<b>2 910</b>	<b>2 652</b>
The Group has the following unused loan facilities:	2023	2022
Floating interest rate		
- Expiring within one year	400	400
<b>Total</b>	<b>400</b>	<b>400</b>

The facility that expire within one year is a bank overdraft related to the Vy Group bank account system. Credit is granted for one year at the time and is renewed annually.

## Note 22

### Deferred income tax/Income tax expense

Income tax expense:	2023	2022
Current income tax payable	41	22
Changes in deferred tax	-15	3
<b>Total income tax expense</b>	<b>26</b>	<b>25</b>
<b>Tax payable on the balance sheet are as follows:</b>	<b>2023</b>	<b>2022</b>
Current payable tax expense	45	21
Insufficient/ too much tax provision prior years	-	1
<b>Tax payable on the balance sheet</b>	<b>45</b>	<b>22</b>

Tax payable in the balance sheet will be offset by proposed group contributions which will to be decided by the general assembly in 2024.

Reconciliation between nominal and actual tax expense rate:	2023	2022
Profit before income tax	79	158
Expected income tax using the nominal tax rate	10	31
Tax effect from the following items:		
Other permanent differences related to investments (exemption method)	-3	-2
Other non-deductible expenses	-4	2
Other non-taxable income	-1	-2
Effect of change deferred tax asset not recognized	25	-2
Insufficient tax provision prior years	-1	-2
<b>Income tax expense</b>	<b>26</b>	<b>25</b>
<b>Effective tax rate</b>	<b>33%</b>	<b>16%</b>

#### Specification of the tax effect from temporary differences and losses carried forward:

Deferred income tax asset and liabilities are offset where there is a legally enforced right to offset current tax assets against current tax liabilities and where the deferred income taxes are due to the same tax authority. The deferred tax liabilities and deferred tax assets are presented net in the table below while in the balance sheet the numbers are presented gross. Recognized deferred tax liabilities relate to the operations in Sweden while recognized deferred tax assets relate to the operations in Norway.

2023	01.01.	Exchange diff.	Acq. of subsidiary	Income statement charge	Charge to other compr. Income	Charged directly to equity	Tax effect Group contr.	Tax received	31.12.
Benefit (+) / Liability (-)									
Fixed assets	-789	-3	-	-37	-	-	-	-	-829
Intangible assets	-586	-41	-	32	-	-	-	-	-595
Financial assets	-211	-	-	121	-	-	-	-	-90
Inventories	109	-	-	-16	-	-	-	-	93
Receivables	-5	-	-	5	-	-	-	-	-0
IFRS 16	353	1	-	79	-	-	-	-	433
Value changes to financial current assets	-82	-	-	-17	-	18	-	-	-81
Retirement benefit obligations	795	-	-	-405	583	-161	-	-	812
Provisions for other liabilities and charges	100	-	-	56	-	-	-	-	156
Gains (losses)	-35	-	-	-15	-	-	-	-	-50
Losses carried forward	1 852	69	-	375	-	-	-77	-	2 218
Other	-18	-	-	4	-	-	-3	-	-17
Total gross temporary differences	1 483	26	-	181	583	-143	-80	-	2 050
Off-balance sheet deferred tax benefits	-937	-69	-	-121	-	-	-	-	-1 127
Net temporary differences	546	-43	-	60	583	-143	-80	-	923
Net deferred tax asset/ liability balance sheet 22%	128	-8	-	15	128	-31	-17	-	215

2022	01.01.	Exchange diff.	Acq. of subsidiary	Income statement charge	Charge to other compr. Income	Charged directly to equity	Tax effect Group contr.	Tax received	31.12.
Benefit (+) / Liability (-)									
Fixed assets	-1 013		-4	228	-	-	-	-	-789
Intangible assets	-635	18	-	31	-	-	-	-	-586
Financial assets	-65	-	-	-146	-	-	-	-	-211
Inventories	65	-	-	44	-	-	-	-	109
Receivables	4	-	-	-9	-	-	-	-	-5
Value changes to investment property	295	-	-	58	-	-	-	-	353
Value changes to financial current assets	-111	-	-	29	-	-	-	-	-82
Retirement benefit obligations	1 438	-	-	-25	-618	-	-	-	795
Provisions for other liabilities and charges	524	-	-	-424	-	-	-	-	100
Gains (losses)	-44	-	-	9	-	-	-	-	-35
Losses carried forward	1 751	-32	-	199	-	-	-66	-	1 852
Other	14	-	-	-32	-	-	-	-	-18
Total gross temporary differences	2 223	-14	-4	-38	-618	-	-66	-	1 483
Off-balance sheet deferred tax benefits	-974	25	-	12	-	-	-	-	-937
Net temporary differences	1 249	11	-4	-26	-618	-	-66	-	546
Net deferred tax asset/liability balance sheet 22%	282	2	-1	-4	-136	-	-15	-	128

<b>Deferred income tax assets</b>	<b>2023</b>	<b>2022</b>
Deferred income tax assets to be recovered after more than 12 months	429	274
Deferred income tax assets to be recovered within 12 months	123	222
<b>Total</b>	<b>552</b>	<b>496</b>
<b>Deferred tax liabilities</b>	<b>2023</b>	<b>2022</b>
Deferred income tax liabilities to be recovered after more than 12 months	-331	-364
Deferred income tax liabilities to be recovered within 12 months	-6	-3
<b>Total</b>	<b>-337</b>	<b>-367</b>
<b>Total net deferred income tax asset as shown in the balance sheet</b>	<b>215</b>	<b>128</b>

Deferred tax assets on tax losses carried forward are recognized when it is probable that the Group will utilize the losses towards future taxable profits. The Group has not recognize deferred income tax assets in Sweden of 235 MNOK (196 MNOK) in respect of losses carried forward amounting to 1.142 MNOK (951 MNOK).

## Note 23

### Payroll and related expenses

	2023	2022
Wages and salaries, including employment taxes	7 222	6 719
Pension costs – defined contribution plans (note 24)	491	405
Pension costs – defined benefit plans (note 24)	28	70
Other employee benefit expenses	110	82
<b>Total</b>	<b>7 851</b>	<b>7 276</b>

Benefits for Chief Executive Officer and key management are covered to in the note for related-party transactions (note 31).

	2023	2022
Average full-time equivalent	9 748	9 746
Average number of employees	11 643	11 512

The calculation is based on a weighted average of the actual full-time equivalent for the year.

## Note 24

### Retirement benefit obligations and similar obligations

#### General

The Group has pension arrangements related to age-disability- and bereaved benefits for spouses and children. Below is a more detailed description of type of arrangements and how these are structured.

#### Defined benefit pension plans in Norway

The pension benefits received are coordinated with the National Insurance scheme and will also be dependent on its benefits paid out.

The companies have, through tariff agreements, retirement benefit obligations in affiliation with Early Retirement Pension Regulated by Contract (AFP). Obligations through this agreement cover 366 active members.

The additional defined benefit pension plan agreement for top leadership is not funded and will be paid through operations.

#### Closing of the defined benefit plan and changing to contribution scheme

The defined benefit plans in SPK were closed for all individuals under 55 years of age during 2018 and 2019. All individuals aged 55 and above transitioned to a closed plan on January 1, 2019, while those under 55 received vested rights and were transferred to a new defined contribution plan in Storebrand.

The employees included in the new defined contribution plan in Storebrand are also included in a private AFP pension plan. This scheme is also accounted for as a defined contribution plan.

As of 31st of December 2023, 3 126 (2 965) employees are active members in the defined contribution scheme in Storebrand.

In the new traffic agreement from 2023 and subsequent agreements, Jernbanedirektoratet will cover obligations to the defined benefit plan in SPK that exceed what a defined contribution plan would have cost the company. The obligation for these members has therefore been extracted from the recognized pension liability and the associated cost below. The total pension liability for these members amounts to MNOK 139 as of December 31, 2023. The opening balance liability for this group was MNOK 161 and is extracted in the table below.

#### Other arrangements in Norway and Sweden

There are additionally defined contribution plans in Vy buss in Norway, Vy Buss and Vy Tåg in Sweden which covers 9 377 employees (9 268 employees).

The pension plan in Sweden is a Multiemployer plan and the employer is responsible for the benefits until payments are made in full. According to the statement from Redovisningsrådet, this is a performance based settlement. It has so far not been possible to obtain sufficient information to calculate and allocate obligations and assets for this plan, and therefore it is treated as a defined contribution plan. The companies have not received actuary estimates for any of the financial years from 2007 until today. This is an issue faced by most companies with a retirement benefit obligation with the Multiemployer plan in Sweden.



In the tables below, employment taxes (nominal numbers) are included for both gross obligations and this year's expense.

Specification of net defined benefit pension plan obligations	2023	2022
Present value of earned pension rights for funded collective pension plans	4 273	4 943
Fair value of plan assets	-3 569	-4 385
Present value of unfunded obligations	704	558
Unrecognised actuarial losses	22	40
<b>Net pension obligation on the balance sheet</b>	<b>726</b>	<b>598</b>
<i>In statement of financial position</i>		
Plan assets	94	210
Pension obligation	820	808
<b>Net pension obligation on the balance sheet</b>	<b>726</b>	<b>598</b>
<b>Changes in pension retirement obligations:</b>		
Book value net pension obligation 1st of January	598	1 385
Correction opening balance Traffic agreement	-161	
This years' actuarial deviations	558	-552
This years net return on assets/increase in obligation	8	-21
Net financial expenses - pensions		24
Payments to plan	-287	-238
<b>Book value 31st of December</b>	<b>726</b>	<b>598</b>
<b>Pension expenses included in the accounts, defined benefit pension plan</b>		
Present value of current pension earnings	28	70
Employee contribution	-	-
<b>Total return on pension plan, incl. in payroll and related expenses – see note 23</b>	<b>28</b>	<b>70</b>
<b>Total financial items in the accounts</b>	<b>10</b>	<b>24</b>
<b>Total pension expenses defined benefit pension plan</b>	<b>38</b>	<b>94</b>
<b>Defined contribution plan</b>		
Employer's contribution, included as payroll and related expense – see note 23	491	405
<b>Total pension expenses</b>	<b>529</b>	<b>499</b>

#### Sensitivity analysis with change in central assumptions

The table below shows estimates for potential effects with change in assumptions that significantly affects the defined benefit pension plans in Norway. Actual results may substantially differ from these estimates.

	Discount rate		Salary growth rate		Increase in G	
	1 %	-1 %	1 %	-1 %	1 %	-1 %
Increase (+)/decrease (-) this period's net pension expense in %*	(30-33)%	24-27%	5-8%	(4-6)%	39-42%	(30-33)%
Increase (+)/decrease (-) net pension obligation at 31st of December in %	(11-13)%	14-16%	1-3%	(1-3)%	12-14%	(10-12)%

\* Net pension expense through ordinary resultat in 2024

The population is characterized by a high average age on participants that affects the sensitivity analysis.

#### Financial assumptions (defined benefit plans in Norway)

	2023	2022
Discount rate	3.95%	3.85%
Expected return on plan assets	3.95%	3.85%
Average salary growth	3.50%	3.50%
G-regulation	3.25%	3.25%
Annual reg. of pension increases	2.80%	2.50%
Average social security tax	14.10%	14.10%

#### Explanation to chosen assumptions as per 31 December 2023

The discount rate is set at 3.95% (3.85%) and is determined based on preferential bonds (OMF). The OMF-market is considered a deep and liquid marked with applicable terms to maturity that qualifies as a reference for interest rate according to IAS 19.

Salary adjustments for Norwegian schemes is primarily calculated as the total of expected real salary growth of 1,25 % and long term inflation of 2.0 %. A factor of 0,25% has also been added to take account of expected higher inflation in the short term. Pension adjustments disbursement primarily follows average expected inflation and salary growth.

On the demographic factors, the tariffs K2013 and K 63 has been used for determination of mortality rate and disability risk.

Average remaining life expectancy for a person retiring when he/she turns 65 years old is according to K2013:

Male	20,9 years
Female	24,1 years

Acturial deviations in 2023 are mainly due to changes in economic and actuarial parameters.

#### Risk evaluation of defined benefit contribution plans

The Group is exposed to a range of risks via its defined benefit contribution plans due to uncertainties in assumptions and future events. The key risks are:

##### Expected longevity

The Group has assumed an obligation to pay pension to the employees for as long as they live. An increase in life expectancy among members results in an increased obligation for the Group.

##### Yield risk

The Group is affected by a reduction in actual yield on the pension assets, which will cause an increase to the Group's obligations.

##### Inflation- and salary growth risk

The Group's pension obligation is exposed to both inflation and salary changes, even though salary development changes are closely related to inflation. Higher inflation and salary changes than used in the pension calculations, increases the Group's obligations.

## Note 25

### Trade and other short term payables

	2023	2022
Trade payables	1 180	837
Social security and other taxes	169	226
Other short term liabilities (including provisions for other liabilities and charges)	2 535	2 025
<b>Total</b>	<b>3 884</b>	<b>3 088</b>

The amount due to related parties is in 2023: 549 MNOK (2022: 161 MNOK).

Book value of trade and other payables corresponds to fair value. Other current liabilities include pre-paid revenue, accrued payroll and related expenses as well as other accrued expenses.

## Note 26

### Provisions for other liabilities and charges

	Reorgani- zation obligation	Provision for contract losses (see note 27)	Other	Total
<b>2023</b>				
At 1st of January	83	164	36	283
Change in provision during the year	4	74	-9	69
Used during the year	-	-74	-3	-77
Exchange differences	-	11	-	11
<b>Total</b>	<b>87</b>	<b>175</b>	<b>24</b>	<b>286</b>

	Reorgani- zation obligation	Provision for contract losses (see note 27)	Other	Total
<b>2022</b>				
At 1st of January	101	710	4	815
Change in provision during the year	-18	38	34	54
Used during the year	-	-577	-2	-579
Acc. currency translation	-	-7	-	-7
<b>Total</b>	<b>83</b>	<b>164</b>	<b>36</b>	<b>283</b>

<b>Classification in the statement of financial position:</b>	<b>2023</b>	<b>2022</b>
Non-current liabilities	127	213
Current liabilities (included in note 25)	160	70
<b>Total</b>	<b>287</b>	<b>283</b>

#### Legal disputes

The Vy Group is involved in legal disputes, with some being tried in the courts. Accruals are made for disputes where there is a probable and quantifiable risk of losing.

#### Restructuring

The Vy Group announced a restructuring plan in 2016. The purpose of the restructuring is to adapt to the changes required by the railway reform. The restructuring provision of 29 (25) MNOK at the end of 2023. The accruals include in addition 58 (58) MNOK as compensation according to changed pension.

## Note 27

### Contract losses

74 MNOK (38 MNOK) has been expensed for future losses in train tenders. A previous loss provision is reversed with 69 MNOK (567 MNOK) regarding train operation and 5 MNOK (9 MNOK) regarding bus operation in Norway. Reversal of previous accrued loss provisions related to train tenders primarily results from renegotiated agreements. It is expected that the most significant part of the installment flows will take place during the next year. See notes 7, 25 and 26 for further information.

## Note 28

### Other expenses

	2023	2022
Sales- and overhead expenses	1 659	1 446
Energy used in operations	1 777	2 047
Repair and maintenance, machinery rental, property expenses	2 673	2 373
Other operating expenses	2 388	1 812
<b>Total</b>	<b>8 497</b>	<b>7 678</b>

<b>Auditing fees total operations (excluding VAT):</b>	<b>2023</b>	<b>2022</b>
Statutory audit fee	6	7
Other services	1	1
<b>Total fee to auditor</b>	<b>7</b>	<b>8</b>

## Note 29

### Financial income and expenses

	2023	2022
Interest income	116	49
Other financial income	8	4
Net foreign exchange gains	69	12
<b>Total financial income</b>	<b>193</b>	<b>65</b>
Interest expense	-362	-238
Other financial expenses	-6	-6
Net foreign exchange losses	-128	-34
<b>Total financial expenses</b>	<b>-496</b>	<b>-278</b>
Net financial expenses - pensions	-10	-24
Unrealised value changes	14	-12
<b>Total financial items</b>	<b>-299</b>	<b>-249</b>

## Note 30

### Liabilities from financing activities

	Liabilities	Asset held to hedge liabilities	Financial lease liabilities	Total
<b>Liabilities as per 1 January 2023</b>	<b>15</b>	<b>1</b>	<b>7 506</b>	<b>7 522</b>
Cash flow from financial activities	-4	-	-1 954	-1 958
<b>Non-cash changes</b>				
Acquisition lease liabilities	1	-	8 074	8 075
Other transactions	-	4	51	55
Currency translation differences	-	-	116	116
<b>Liabilities as per 31 December 2023</b>	<b>12</b>	<b>5</b>	<b>13 793</b>	<b>13 810</b>

	Liabilities	Asset held to hedge liabilities	Financial lease liabilities	Total
<b>Liabilities as per 1 January 2022</b>	<b>22</b>	<b>3</b>	<b>9 490</b>	<b>9 515</b>
Cash flow from financial activities	-7	-	-1 797	-1 804
<b>Non-cash changes</b>				
Acquisition lease liabilities	-	-	428	428
Other transactions	-	-2	-613	-615
Currency translation differences	-	-	-2	-2
<b>Liabilities as per 31 December 2022</b>	<b>15</b>	<b>1</b>	<b>7 506</b>	<b>7 522</b>

# Note 31

## Related party transactions

The Vy group has the following related parties:

### Owner

As the owner of Vy, the Ministry of Transport and Communication is a related party. In addition, other businesses owned by the Ministry of Transport and Communication is also a related party to Vy.

### Companies within the same Group

All subsidiaries, associates and joint ventures as noted in notes 3, 10 and 11, as well as other Group companies that are related parties to these companies, is a related party to Vy.

### Board of Directors and executive management

Executive management and the Board of Directors are also related party to the Vy group.

Below is an overview of transactions, balances and guarantees to related parties:

	2023	2022
<b>Sale of goods and services:</b>		
Public purchase of passenger traffic services	3 530	3 295
Sales of other goods and services	425	394
<b>Total</b>	<b>3 955</b>	<b>3 689</b>
Purchases of goods and services:	3 476	3 672

Year-end balances arising from sales/purchases of goods/services:

	2023	2022
<b>Receivables</b>		
Associated companies	-	1
Entities owned by the Ministry of Transportation	178	159
<b>Total</b>	<b>178</b>	<b>160</b>
<b>Debts</b>		
Entities owned by the Ministry of Transportation	549	161
<b>Total</b>	<b>549</b>	<b>161</b>

There are no related party loans.

### Guarantees

Vygruppen AS issued a guarantee of 150 MSEK on behalf of its fully owned subsidiary Vy Tåg AB related to a contract with Norrtåg AB.

Vygruppen AS has issued a guarantee of 240 MNOK to Jernbanedirektoratet on behalf of its fully owned subsidiary Vy Tog AS, regarding the contract Trafikpakke 3 Vest

### Compensation of members of the Board and executive management (Figures in TNOK)

Board members	Board members	2023	2022
Berit Svendsen	Chairman of the board	531	513
Åsne Havelid	Vice chairman of the board (until 20.06.22)	-	189
Wenche Teigland	Member of the board (until 20.06.22)	-	210
Semming Semmingsen	Member of the board (until 12.06.23)	184	279
Geir Inge Stokke	Member of the board	324	259
Dina Aune	Member of the board (from 20.06.22)	321	100
Espen Almlid	Member of the board (from (20.06.22)	246	100
Morten Henriksen	Member of the board (from (12.06.23)	105	-
Ove Sindre Lund	Member of the board (staff representative)	269	259
Grethe Therese Thorsen	Member of the board (staff representative until 01.09.23)	204	237
Petter Louis Pettersen	Member of the board (staff representative)	289	279
Line Steinseth	Member of the board (staff representative from 01.09.23)	42	-
<b>Total</b>		<b>2 515</b>	<b>2 425</b>

All employees are included in the collective pension agreement. The agreement premium is not included above. For Vygruppen AS, the General Meeting has approved a fee for the Chairman of the Board of 507 TNOK, Vice Chairman 309 TNOK and the other board members 252 TNOK each. In addition, fees for members of the audit committee with 78 TNOK for the leader, and 45 TNOK for each of the other members, and the compensation committee with 39 TNOK for the leader and 24 TNOK for each member. Fees for the staff representatives exclude their employee wages.

2023 (figures in TNOK)	Title	Salary	Salary paid	Other benefits	Total benefits payed	Calcul. Pension expence*
Gro Bakstad	Chief Executive Officer	3 963	4 033	250	4 283	361
Irene Katrin Thunshelle	Chief Financial Officer	2 681	2 705	130	2 835	-
Synne Homble	Executive Director Mobility and Travel	2 979	3 006	130	3 136	-
Kristin Elisabeth Flagstad	Executive Director Organization and HR	2 012	2 012	130	2 142	-
Ole Engebret Haugen	Executive Director and General Manager Vy buss	2 956	3 000	120	3 120	-
Erik Røhne	CEO, Director of Vy Passenger Train	3 179	3 208	130	3 338	-
Ingvild Storås	Executive Director and General Manager CargoNet (from 01.01.22)	2 858	2 897	130	3 027	-
Marius Holm	Executive Director Communications and Public affairs	2 013	2 035	130	2 165	-
Kristian Kolind	Executive Director Strategy and IT	2 384	2 405	130	2 535	-
<b>Total</b>			<b>25 301</b>	<b>1 280</b>	<b>26 581</b>	<b>361</b>

\*Calculated pension expenses for executives are related to compensation for loss of pension scheme in previous employment.

Reference is made to guidelines on salary and other remuneration for executive personnel in the note below. No severance pay or severance pay has been paid in 2023. The difference between fixed salary and paid salary is mainly linked to the fact that paid salary takes holiday pay into account.

2022 (figures in TNOK)	Title	Salary	Salary paid	Other benefits	Total benefits payed	Calcul. Pension expence**
Gro Bakstad	Chief Executive Officer	3 840	3 887	250	4 137	342
Irene Katrin Thunshelle	Chief Financial Officer	2 598	2 623	130	2 753	-
Synne Homble	Executive Director Mobility and Travel	2 887	2 913	130	3 043	-
Morten Müller-Nilssen	Executive Director HR, Organization (until 31.01.22)	197	197	11	208	-
Kristin Elisabeth Flagstad	Executive Director Organization and HR (from 01.02.2022)	1 788	1 784	119	1 903	-
Ole Engebret Haugen	Executive Director and General Manager Vy buss	2 864	2 884	120	3 004	-
Erik Røhne	CEO, Director of Vy Passenger Train	3 081	3 114	130	3 244	-
Ingvild Storås	Executive Director and General Manager CargoNet (from 01.01.22)	2 770	2 610	130	2 740	-
Marius Holm	Executive Director Communications and Public affairs	1 951	1 888	130	2 018	-
Kristian Kolind	Executive Director Strategy and IT	2 311	2 328	130	2 458	-
<b>Total</b>			<b>24 228</b>	<b>1 280</b>	<b>25 508</b>	<b>342</b>

\*\*Calculated pension expenses for executives are related to compensation for loss of pension scheme in previous employment.

## Guidelines for the determination of salary and other remuneration for senior executives

These guidelines have been drawn up by the Board of Directors of Vygruppen AS (Vy, the Company) in accordance with Article 8 of the Articles of Association and were presented to the Company's Annual General Meeting on 12 June 2023. The guidelines shall apply to all appointments after this date.

The Board of Directors prepares an annual report on salaries and other remuneration paid to the Company's senior executives as a separate document. The report describes how the Company has complied with the instructions set out in these guidelines and provides an aggregated overview of disbursements and credits in salaries and other remuneration covered by the guidelines. The report is presented to the annual general meeting.

For employment contracts entered into prior to the effective date of the Board of Directors' guidelines, certain arrangements may depart slightly from the guidelines. Such departures will be specified in the executive salary report.

### 1. Introduction

These guidelines reflect the Norwegian government's expectations as an owner when it comes to salary and remuneration as set out in Report to the Storting no. 6 (2022-2023) and clarified in "The Norwegian government's guidelines for executive pay in companies with state ownership", established on 12 December 2022.

The guidelines apply to the Company's "senior executives" as the term is used in Section 6-16a of the Norwegian Public Limited Liability Companies Act. In accordance with the above, the guidelines shall apply to the Chief Executive Officer (Group CEO) and other senior executives. The Group CEO and executive management team are referred to as "senior executives" in these guidelines. The guidelines also apply to members of the Company's Board of Directors as elected by and from employees pursuant to Section 6-4 of the Norwegian Limited Liability Companies Act, cf. Section 6-5. Only remuneration received for board positions is included in the guidelines.

The guidelines shall also apply when determining remuneration for senior executives in the Group's subsidiaries in order to ensure that "The Norwegian government's guidelines for executive pay in companies with state ownership" are applied throughout the Group as a whole. The Board of Directors has instructed the Group CEO to follow up on subsidiaries to ensure that the principles are adhered to by the Boards of Directors in subsidiaries.

The members of the Company's Board of Directors receive an annual remuneration as determined by the annual general meeting. Company

employees who are board members in subsidiaries receive no special compensation, with the exception of employee-elected board representatives.

### 2. About Vy

Vy is the largest land-based transport company in the Nordic region, operating train, bus, freight and tourist services in Norway and Sweden. With regard to the size and complexity of the business, good management is essential in achieving results and development and to create sustainable value creation for the owners, while also ensuring the most efficient attainment of public policy goals for the part of the business to which this is relevant.

### 3. The Board of director's guidelines for remuneration for senior executives

#### 3.1 Introduction

The Board of Director's guidelines for remuneration of senior executives follows the Norwegian government's guidelines for executive pay in companies with direct state ownership, as established by the Norwegian Ministry of Trade, Industry and Fisheries on 12 December 2022. The guidelines elaborate on the Norwegian government's expectations for companies with government ownership when it comes to pay and remuneration to senior executives. The presentation of the Board of Director's guidelines for remuneration of senior executives in Sections 3.2 to 3.5 below follows the same structure as the ownership expectations set out by the Norwegian government for this area in order to ensure clarity regarding the Board of Director's consideration of these expectations and how they have shaped the Company's remuneration policy.

#### 3.2 Remuneration and other incentives at the Company shall promote attainment of the Company's and the owner's goals

The Company's and owner's objective is to achieve the highest possible return over time within a sustainable framework. For the part of the Company's activities that are directly allocated transport agreements for Eastern Norway, the owner's goals are sustainability and the most efficient attainment of public policy goals. In the long term, sustainable value creation is an overarching consideration for corporate governance and forms the basis for the Company's strategy and business plans at all times.

The Company's and owner's goals will be the main consideration when determining executive pay. The remuneration contributes to the Company's business strategy, long-term interests and financial sustainability by ensuring that salaries are competitive so that the Company can attract and retain good managers, while also ensuring that the remuneration is moderate. The total remuneration paid to senior executives shall promote the current strategy and reflect the individual

employee's responsibilities for governance and performance.

#### 3.3 Remuneration for senior executives is competitive but not market-leading and the principle of moderation is taken into account

In order to promote the Company's and owner's goal of the highest possible return over time, the Company needs to offer competitive remuneration. Outstanding leadership is crucial to achieving the Company's and owner's goal of the highest possible return over time within a sustainable framework (see Section 3.2 above). The Company's ability to recruit and retain great leaders requires the Company to be able to offer competitive remuneration. If the Company was unable to offer competitive remuneration, this would have unfortunate effects.

Nevertheless, remuneration shall still be moderate. The principle of moderation is ensured through a number of steps. Remuneration shall not be market-leading, insofar that it shall not be higher than necessary to attract and retain the desired expertise. When determining remuneration in connection with new appointments, the Board of Directors/Group CEO will consider expertise, experience, length of service and pay conditions that are common in other, similar companies. These assessments are carried out using external frameworks for position and salary assessments in combination with comparisons based on reference companies deemed relevant by the Company. The reference group includes companies that are comparable based on complexity and scope and primarily includes Norwegian companies.

When determining remuneration, the Board of Directors/Group CEO will carry out a comprehensive assessment of the collected data and will submit an offer based on this. The offers that are made will be equivalent to or lower than the remuneration levels in comparable companies.

Through the principle of moderation, the Board of Directors and CEO will consider differences in the level of remuneration paid to senior executives and other employees, overall and in relation to individual elements of remuneration. The Board of Directors emphasises that executive remuneration should not appear unreasonable in proportion to the remuneration level for other employees. An unreasonable level of remuneration for senior executives could have undesirable effects for the Company, including as a result of e.g. increased turnover and damaged reputation.

The salaries of senior executives should not be adjusted by more than the average salary adjustment percentage for the Company's other employees. In its annual assessment of salary adjustments, the Board of Directors and Group CEO will also consider salary growth in terms of kroner for other employees. The Board of Directors is aware that different salary growth levels in terms of kroner for senior executives and other employees could have a negative impact on the Company's reputation and development.

### 3.4 The Board of Directors' work on establishing guidelines

Maintaining moderate executive pay is considered ongoing work by the Board of Directors. The Compensation Committee meets every year in October or November, December, January and February. The Committee prepares the executive salary report in accordance with the salary report template drawn up in line with the shareholder rights directive and presents this to the Board of Directors. When the overview of total salary and remuneration disbursed and in credit is ready, the Compensation Committee/Board of Directors will conduct another assessment of salary levels compared to the levels at the companies included in the reference group. Based on the senior executive salary report and any appointment of members to the group executive management team in the previous financial year, the Board of Directors will consider whether or not the guidelines should be amended based on a recommendation from the Compensation Committee.

### 3.5 Overview of the various elements of the remuneration scheme: the main element is the fixed salary

#### 3.5.1 Fixed salary

The fixed salary is the main element of the remuneration scheme for senior executives.

The fixed salary is determined and assessed for annual adjustment based on the principle that remuneration must be competitive but not market-leading and the principle of moderation must be taken into account, see Section 3.3 above.

When appointing members of the group executive management team and determining their salary, the Group CEO will consult the Chair of the Board of Directors and the EVP of HR and Organisation.

The Board of Directors and the Group CEO will annually assess whether fixed salaries should be adjusted in the following financial year. The starting point for assessments will be the consideration that remuneration must promote the goals of the Company and the owner, see section 3.2 above and the Board of Directors' view that competitive but moderate remuneration is essential to achieving this goal, see Section 3.3.

#### 3.5.2 Variable remuneration

Based on the Group's current situation, the Board of Directors has decided that there will be no bonus scheme for senior executives for a temporary period until decided otherwise.

Pursuant to their employment contract, the Group CEO can be considered for a bonus but has accepted a temporary suspension of bonuses

until determined otherwise by the Board of Directors pursuant to a supplementary agreement. One of the members of the group executive management team can also be considered for a bonus but has also entered into a supplementary agreement concerning a temporary suspension of bonuses for the years 2023, 2024 and 2025. Other executive vice presidents are covered by the bonus scheme in effect for the position at any time and as determined by Vygruppen's Board of Directors and will not be entitled to a bonus for as long as the Board of Directors has not adopted any bonus scheme.

#### 3.5.3 Directorships

Other than employee-elected board representatives, no executive employees will receive any special compensation for internal directorships within the Group. This also applies to other employees not defined as senior executives in this document but who hold directorships in the Group's subsidiaries. The board remuneration for employee-elected members can be found in a separate note in the annual accounts.

#### 3.5.4 Benefits in kind

Benefits in kind include free telephone, free broadband connection, car scheme and newspapers.

#### 3.5.5 Pension

The pension scheme for senior executives is in line with the pension scheme available to all other Vy employees.

All current employees are enrolled in a collective pension scheme. The pension scheme with the Norwegian Public Service Pension Fund was discontinued as of 01/01/2019. This scheme is "closed", which means that employees of the Group who were over the age of 55 years as of 31/12/2018 retained their defined benefit pension with the NPSPF. Employees who were 54 years of age or younger as of 31/12/2018 or employees appointed after this date have a defined contribution pension scheme with Storebrand. The Storebrand scheme has a contribution rate of 5.5 per cent from the Company, up to 71 G and 15 per cent between 71 and 12 G. The pension scheme includes a private old-age retirement pension, children's pension and group life insurance. The disability coverage is equivalent to the scheme provided by the Norwegian Public Service Pension Fund.

Senior executives have a retirement age of 70 years and are included in the Company's collective pension scheme.

#### 3.5.6 Severance pay

There is a mutual notice period of six months for senior executives.

In the event of termination by the Company, senior executives shall be entitled to six months' severance pay in addition to salary and benefits during the six-month notice period. There may also be additional compensation for any non-competition clause. For the Group CEO, severance pay may be offered in exchange for a prior waiver of employment protection, cf. Section 15-16(2) of the Norwegian Working Environment Act. Severance pay for other senior executives will be disbursed only in the event that the employee does not contest the termination of employment. Severance pay will be reduced proportionally in the event that the senior executive starts a new position, takes up a new paid position or receives income from a business of which they are an active or passive owner during the severance period. Severance pay does not provide any basis for the calculation of holiday pay or pension payments.

### 3.6 The Company is transparent about the design, level and development of remuneration for senior executives, including ensuring that the remuneration schemes are clear to owners, senior executives and other stakeholders

The remuneration schemes are easily accessible to the extent that the main element is fixed salary and that the annual senior executive salary report provides an aggregated overview of eligible salary and remuneration disbursed and in credit under the guidelines. The Board of Directors' guidelines for the remuneration of senior executives and the Board of Directors' report on salary and other remuneration to senior executives are a topic in the ownership dialogue with the Norwegian government and are available via the Company's website. Overall, this ensures transparency regarding the design and development of remuneration and must be easy to understand.

## 4. The Board of director's right to temporarily depart from the guidelines

The Board of Directors may temporarily depart from the guidelines in special circumstances. These may be circumstances linked to the Company's long-term interests, reputation and financial sustainability or factors that may affect the Company's viability. The decision to depart from the guidelines will be made by the Board of Directors based on a reasoned recommendation from the Compensation Committee.



## Note 32

### Contingencies

The group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

## Note 33

### Events after the reporting date

There are no material events which have occurred after the reporting date that will affect the Groups' profit and final position.

# Accounts – Vygruppen AS

Income statement	Page	100	12 Periodic maintenance	Page	110
Overview financial position	Page	101	13 Financial instruments by category	Page	110
Cash flow statement	Page	102	14 Cash and bank deposits	Page	111
Statement of changes in equity	Page	103	15 Share capital	Page	111
Notes	Page	104	16 Debt	Page	111
1 General information and a summary of the most important accounting principles	Page	105	17 Deferred income tax/Income tax expense	Page	112
2 Shares in subsidiaries	Page	105	18 Payroll and related expenses	Page	113
3 Passenger train operations in the Nordic Region	Page	105	19 Retirement benefit obligations and similar obligations	Page	114
4 Segment information	Page	105	20 Trade and other payables	Page	116
5 Leases	Page	106	21 Provisions for other liabilities and charges	Page	116
6 Property, plant and equipment	Page	107	22 Depreciation, amortization and impairment	Page	117
7 Liabilities from financing activities	Page	108	23 Other expenses	Page	117
8 Investments in joint ventures	Page	108	24 Financial income and expenses	Page	117
9 Inventory components	Page	109	25 Related party transactions	Page	118
10 Trade and other receivables	Page	109	26 Contingencies	Page	119
11 Financial risk management	Page	109	27 Events after the reporting date	Page	119

# Income statement

	Notes	2023	2022
<b>Operating revenue</b>	<b>4</b>	<b>6 778</b>	<b>6 362</b>
Payroll and related expenses	18	2 045	1 921
Depreciation and impairment	6, 22	920	847
Other operating expenses	23	3 663	3 699
<b>Total operating expenses</b>		<b>6 628</b>	<b>6 467</b>
<b>Operating profit</b>		<b>150</b>	<b>-105</b>
<b>Financial items</b>			
Financial income	24	172	489
Financial expenses	24	-154	-412
Net financial expenses - pensions	19, 24	-5	-12
Change in unrealised fair value	24	12	-10
<b>Net financial items</b>		<b>25</b>	<b>55</b>
<b>Profit before income tax</b>		<b>175</b>	<b>-50</b>
Income tax expense	17	-37	18
<b>Profit for the year</b>		<b>138</b>	<b>-32</b>
Attributable to			
Equity holders		138	-32
<b>Other comprehensive income</b>			
Profit for the year		138	-32
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gain/loss	19	-191	237
Tax on items that will not be reclassified	17	42	-52
<b>Total comprehensive income for the year</b>		<b>-11</b>	<b>153</b>
Attributable to			
Equity holders		-11	153

# Overview financial position

	Notes	31.12.2023	31.12.2022
<b>Assets</b>			
Deferred tax assets	17	42	58
Property, plant and equipment	6, 22	7 400	1 604
Investments in subsidiaries	2	2 192	2 178
Financial fixed assets	13	32	78
Loans to group companies	25	1 288	1 291
<b>Total non-current assets</b>		<b>10 954</b>	<b>5 209</b>
Investments in joint ventures	8	160	160
Inventories	9	224	262
Trade and other receivables	10, 11, 12	1 077	707
Financial assets	11	1 677	1 391
Cash and bank deposits	11, 13, 14	431	723
<b>Total current assets</b>		<b>3 569</b>	<b>3 243</b>
<b>Total assets</b>		<b>14 523</b>	<b>8 452</b>
<b>Equity and liabilities</b>			
Ordinary shares	15	3 387	3 387
Retained earnings		202	153
<b>Total equity</b>		<b>3 589</b>	<b>3 540</b>
Interest bearing liabilities	5, 16, 7	6 604	847
Retirement benefit obligations	19	293	364
Provisions for other liabilities and charges	21	87	95
<b>Total long term liabilities</b>		<b>6 984</b>	<b>1 306</b>
Trade and other payables	20	3 000	2 617
Tax payable	17	11	-
Interest bearing liabilities	5, 16, 7	939	989
<b>Total short term liabilities</b>		<b>3 950</b>	<b>3 606</b>
<b>Total equity and liabilities</b>		<b>14 523</b>	<b>8 452</b>

Oslo, 15<sup>th</sup> of february 2024

Board of directors of the Vy Group

  
Berit Svendsen/Chairman of the board

  
Geir Inge Stokke

  
Espen Almlid

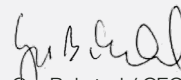
  
Dina Elverum Aune

  
Morten Henriksen

  
Ove Sindre Lund

  
Petter Louis Pettersen

  
Line Steinseth

  
Gro Bakstad / CEO

# Cash flow statement

	Notes	2023	2022
<b>Profit for the period before income tax</b>		<b>175</b>	<b>-50</b>
Depreciation and impairment	6,22	920	847
Impairments of shares in subsidiaries and joint ventures	2	-	-30
Gain/loss on sale of assets		-0	-20
Net changes to obligations and retirement benefit oblig.	19	-100	-60
Change in provisions for other liabilities and charges	21	-8	-6
Change in unrealised fair value	24	-12	10
Interest items		-46	-39
Change in working capital		48	650
<b>Net cash flow from operating activities</b>		<b>977</b>	<b>1 302</b>
Acquisition of subsidiaries	2	-4	-336
Changes in financial non-current assets	8	-200	99
Purchase of PPE	6	-11	3
<b>Net cash flow to investment activities</b>		<b>-215</b>	<b>-234</b>
Lease payments received from group companies		63	62
Lease payments		-1 008	-910
Group contributions paid to subsidiaries		-17	-
Dividends paid to company's shareholders		-67	-
<b>Net cash flow to financial activities</b>		<b>-1 029</b>	<b>-848</b>
<b>Net change in cash and bank deposits for the year</b>		<b>-267</b>	<b>220</b>
Cash and bank deposits as at the beginning of the period	14	723	492
Foreign exchange gain/loss on cash and bank deposits		-25	11
<b>Cash and bank deposits as at the end of the year</b>	<b>14</b>	<b>431</b>	<b>723</b>

# Statement of changes in equity

2023	Share capital	Retained earnings	Total
Equity 1st of January	3 387	153	<b>3 540</b>
Profit for the year	-	138	<b>138</b>
From other comprehensive income	-	-149	<b>-149</b>
Effect of changing retirement pension scheme *)	-	127	<b>127</b>
Dividend	-	-67	<b>-67</b>
<b>Equity 31st of December</b>	<b>3 387</b>	<b>202</b>	<b>3 589</b>

\*) 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. IB the 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.

2022	Share capital	Retained earnings	Total
Equity 1st of January	3 685	-290	<b>3 395</b>
Profit for the year	-	-32	<b>-32</b>
From other comprehensive income	-	185	<b>185</b>
Reduction of capital to cover losses	-290	290	<b>-</b>
Reduction of capital by withdrawel of property	-8	-	<b>-8</b>
<b>Equity 31st of December</b>	<b>3 387</b>	<b>153</b>	<b>3 540</b>

# Notes to the consolidated financial statements 2023

All figures in the report are in MNOK.

1. General information and a summary of the most important accounting principles
2. Shares in subsidiaries
3. Passenger train operations in the Nordic Region
4. Segment information
5. Leases
6. Property, plant and equipment
7. Liabilities from financing activities
8. Investments in joint ventures
9. Inventory components
10. Trade and other receivables
11. Financial risk management
12. Periodic maintenance
13. Financial instruments by category
14. Cash and bank deposits
15. Share capital
16. Debt
17. Deferred income tax/Income tax expense
18. Payroll and related expenses
19. Retirement benefit obligations and similar obligations
20. Trade and other payables
21. Provisions for other liabilities and charges
22. Depreciation, amortization and impairment
23. Other expenses
24. Financial income and expenses
25. Related party transactions
26. Contingencies
27. Events after the reporting date

## Note 1

### General information and summary of important accounting principles

We refer to note 1 in the Vy group annual report, with the exception of the following:

a) Method for incorporation of associated companies and joint ventures.

#### Associated companies and joint ventures in Vygruppen AS

Ownership in companies where Vygruppen AS has considerable, but not controlling influence, and ownership in joint venture companies, are treated using the cost method of accounting is applies. Considerable influence is considered to be when the company owns between 20 % and 50 % of the voting shares.

## Note 2

### Shares in subsidiaries

See note 2 in Vy group report.

See note 24 below for write-down for shares in subsidiaries.

## Note 3

### Passenger train operations in the Nordic Region

See note 4 in Vy group report.

## Note 4

### Segment information

Vygruppen AS has only one operating segment - passenger train.

Analysis of operating income by category	2023	2022
Transport revenue	6 029	5 737
Other revenue	749	625
<b>Total</b>	<b>6 778</b>	<b>6 362</b>

#### Information on important customers

The company has one customer, the Ministry of Transport and Communications, that constitutes more than 10 % of operating income (see note 25).



## Note 5

### Leases

Specification of changes in the period	Liability	Assets
Total opening Balance right to use assets/lease obligations per 1 January 2023	1 836	1 559
<b>Total opening Balance right-to-use assets / lease obligations</b>	<b>1 836</b>	<b>1 559</b>
Lease payments	-1 009	-
Depreciations	-	-916
Additions and changes in existing agreements	6 716	6 705
<b>Total Closing Balance 31 December 2023</b>	<b>7 543</b>	<b>7 348</b>

Interest expenses leaseobligation amounted to 62 MNOK in 2023

Specification of changes in the period	Gjeld	Eiendel
Total opening Balance right to use assets/lease obligations per 1 January 2022	3 417	3 088
<b>Total opening Balance right-to-use assets / lease obligations</b>	<b>3 417</b>	<b>3 088</b>
Lease payments	-911	-
Depreciations	-	-838
Additions and changes in existing agreements	-670	-691
<b>Total Closing Balance 31 December 2022</b>	<b>1 836</b>	<b>1 559</b>

Interest expenses leaseobligation amounted to 51 MNOK in 2022

For more specification on the effects from right-of-use assets in the financial accounts refer to note 6 "Fixed Assets"

Liabilities	2023	2022
Short term liabilities	939	989
Long term liabilities	6 604	847
<b>Total liabilities</b>	<b>7 543</b>	<b>1 836</b>

#### Supplementary information

Leases not recognized	2023	2022
Short term agreements (between one month and one year)	31	29
Costs aligned to low-value items	1	1
<b>Total</b>	<b>32</b>	<b>30</b>

P&L	2023	2022
Revenue from sub-lease	63	63

Cash Flows	2023	2022
Total cash flows on leases	1 073	966

Future lease payments	2023	2022
Future nominal lease obligations related to lease of passenger trains not yet received	565	6

## Note 6

### Property, plant and equipment

At 1st of January 2023	Machinery and equipment	Transportation	Assets under construction	Right-of-use transportation assets	Right-of-use buildings	Total
Accumulated acq.cost	627	24	18	4 470	1 315	6 454
Accumulated depreciation	-619	-5		-3 687	-539	-4 850
<b>Total</b>	<b>8</b>	<b>19</b>	<b>18</b>	<b>783</b>	<b>776</b>	<b>1 604</b>

#### Year ended 31st of December 2023

Opening net book value	8	19	18	783	776	1 604
Additions	7		11	6 630	75	6 723
Disposals at acq. cost			-7	-4 475	3	-4 479
Accumulated depreciation disposals				4 475	-3	4 472
Depreciations continuing operations	-3	-1		-827	-89	-920
<b>Total</b>	<b>12</b>	<b>18</b>	<b>22</b>	<b>6 586</b>	<b>762</b>	<b>7 400</b>

#### At 31st of December 2023

Accumulated acq.cost	634	24	22	6 625	1 393	8 698
Accumulated depreciation	-622	-6		-39	-631	-1 298
<b>Total</b>	<b>12</b>	<b>18</b>	<b>22</b>	<b>6 586</b>	<b>762</b>	<b>7 400</b>

Depreciation period (years)	5 - 30 years	5 - 30 years		1 - 6 years	1 -20 years	
-----------------------------	--------------	--------------	--	-------------	-------------	--

At 1st of January 2022	Machinery and equipment	Transportation	Assets under construction	Right-of-use transportation assets	Right-of-use buildings	Total
Accumulated acq.cost	738	339	21	5 323	1 277	7 698
Accumulated depreciation	-726	-309	-	-3 030	-481	-4 546
<b>Total</b>	<b>12</b>	<b>30</b>	<b>21</b>	<b>2 293</b>	<b>796</b>	<b>3 152</b>

#### Year ended 31st of December 2022

Opening net book value	12	30	21	2 293	796	3 152
Additions	-	-	-3	-753	62	-694
Disposals at acq. cost	-112	-315	-	-100	-12	-539
Accumulated depreciation disposals	112	308	-	100	12	532
Depreciations continuing operations	-4	-4		-757	-82	-847
<b>Total</b>	<b>8</b>	<b>19</b>	<b>18</b>	<b>783</b>	<b>776</b>	<b>1 604</b>

#### At 31st of December 2022

Accumulated acq.cost	627	24	18	4 470	1 315	6 454
Accumulated depreciation	-619	-5	-	-3 687	-539	-4 850
<b>Total</b>	<b>8</b>	<b>19</b>	<b>18</b>	<b>783</b>	<b>776</b>	<b>1 604</b>

Depreciation period (years)	5 - 30 years	5 - 30 years		1 - 6 years	1 -20 years	
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## Note 7

### Liabilities from financing activities

	2023	2022
<b>Liabilities 1st of January</b>	1 836	3 417
Cash flow from financial activities	-1 009	-911
<b>Non-cash changes</b>		
Additions to liabilities	6 628	137
Other changes	88	-807
<b>Liabilities 31st of December</b>	<b>7 543</b>	<b>1 836</b>

## Note 8

### Investments in joint ventures

	2023	2022
Addition of associates	160	126
Write-down	-	34
<b>Net book value 31st of December</b>	<b>160</b>	<b>160</b>

Vygruppen AS has interest in joint ventures as follows:

Joint venture:	Year of acquisition	Registered office	Votes and profit share	Equity	Profit/loss	Book value 31st of December
Flåm Utvikling AS	2013	Aurland	50 %	79	67	185
Fjord Tours Group AS	2019	Oslo	50 %	261	-	300
<b>Total</b>				<b>340</b>	<b>67</b>	<b>485</b>

The table above shows equity that includes this year's profit, profit/loss and book value (100 %).

#### Description of operations:

##### Flåm Utvikling AS

Flåm Utvikling has for 20 years, with Vygruppen AS as a provider of train transport services, operated the tourism product; the Flåm line. Flåm Utvikling conducts product development, sales, marketing, customer relationship management and brand development of the Flåm line, as well as develops the foundation for commercial operations of the Flåm line all year-round. The Flåm line is the country's first complete all year-round mountain/fjord destination.

##### Fjord Tours Group AS

Fjord Tours Group AS is owned 50% each by Vygruppen AS and Fjord1 AS, and is the companies' joint tourism venture. Together with the subsidiary Fjord Tours AS the company shall develop, market and sell sustainable collective-based round trips. In addition they sell individual train journeys and other transport products to international tour operators and agents. Today "Norway in a nutshell", with among others the Bergen Line and Flåmsbana, is the most famous round trip. The tourists travel with public transport and the package includes accommodation, activities and other experiences. In 2022 Fjord Tours Group bought the remaining shares (26%) in Fjord Tours AS, and owns now 100% of the subsidiary. Fjord Tours Group has participated in the establishment of a new local tourism company in 2022 in Hardanger, Book Hardanger AS, and owns 33% of the company. Fjord Tours Group owns also 34% of the shares in Best Arctic AS as well as 31% of the shares in Geiranger Fjordservice.

## Note 9

### Inventory components

	2023	2022
Components	224	262
<b>Total inventory</b>	<b>224</b>	<b>262</b>

## Note 10

### Trade and other receivables

	2023	2022
Trade receivables	366	230
Group internal trade receivables	496	228
Less: provision for impairment of receivables	-0	-0
Trade receivables - net	<b>862</b>	<b>458</b>
Prepayments	200	160
Other receivables	15	89
<b>Total trade and other receivables</b>	<b>1 077</b>	<b>707</b>
Loans to group companies	-	-
<b>Total</b>	<b>1 077</b>	<b>707</b>

The book value of trade receivables, prepayments and other receivables approximate their fair value. Trade receivables include mainly passenger train income.

<b>Maturity of receivables:</b>	2023	2022
Matured receivables on balance sheet date	11	4
Matured between 0 - 2 mnths ago	1	3
Matured between 2 - 6 mnths ago	10	1
Matured more than 6 mnths ago	0	-0

## Note 11

### Financial risk management

This table shows future maturities for the Company's liabilities as of 31st of December 2023:

<b>Liquidity risk</b>	< 1 year	1-2 years	2-5 years	> 5 years
Short term liabilities	3 000	-	-	-
Lease obligations train	848	956	2 821	4 490
Lease obligations property	117	113	330	449
Property, plant and equipment	-	-	-	-

<b>Vygruppen AS assesses maximum credit risk to be the following:</b>	2023	2022
Cash and bank deposits	431	723
Financial assets	1 677	1 391
Trade receivable and other short term receivables	1 077	707
<b>Total</b>	<b>3 185</b>	<b>2 821</b>

## Note 12

### Periodic maintenance

Periodic maintenance on leased trains	2023	2022
Prepaid maintenance as of 1st of January	-12	28
Accrual for incurred maintenance cost through the year	-	-82
Conducted maintenance through the year	-	42
Change in accrual	12	-
<b>Prepaid maintenance as of 31st of December</b>	<b>-</b>	<b>-12</b>

In connection with the commitment in the lease agreement for rolling stock, which expired in December 2022, the company made a provision for accrued costs for periodic maintenance. This was based on the estimated cost per driven kilometer, the company's route and maintenance plan, as well as adjustments in the lease agreement. The assessments involved the use of judgment and estimates. After the commencement of the new lease agreement in December 2022, a corresponding provision for periodic maintenance against lessor at the end of the agreement, as long as the maintenance plan is followed. Going forward, provisions will be made for some periodic maintenance related to major components is incurred when wear occurs and not when the component is replaced. The remaining provision from the beginning of the year has been dissolved in 2023.

## Note 13

### Financial instruments by category

Assets at 31st of December	Loans and receivables		Assets at fair value through profit and loss		Total	
Year	2023	2022	2023	2022	2023	2022
Financial fixed assets	32	78	-	-	32	78
Trade and other receivables (excl. prepayments)	2 165	1 839	-	-	2 165	1 839
Financial assets at fair value	-	-	1 677	1 391	1 677	1 391
Cash and bank deposits	431	723	-	-	431	723
<b>Total</b>	<b>2 628</b>	<b>2 640</b>	<b>1 677</b>	<b>1 391</b>	<b>4 305</b>	<b>4 031</b>

Liabilities at 31st of December	Other financial liabilities at amortised cost		Liabilities at fair value through profit and loss		Total	
Year	2023	2022	2023	2022	2023	2022
Financial lease liabilities	7 543	1 836	-	-	7 543	1 836
Trade and other payables excl. statutory liabilities	2 952	2 542	-	-	2 952	2 542
<b>Total</b>	<b>10 495</b>	<b>4 378</b>	<b>-</b>	<b>-</b>	<b>10 495</b>	<b>4 378</b>

#### Financial assets and liabilities at fair value through profit or loss at 31st of December 2023:

	Level 1	Level 2	Level 3	Total
Derivatives used for hedging	1 677	-	-	1 677
<b>Total assets</b>	<b>1 677</b>	<b>-</b>	<b>-</b>	<b>1 677</b>

The meaning of the different levels are described in the note regarding accounting principles

#### Financial assets and liabilities at fair value through profit or loss at 31st of December 2022:

	Level 1	Level 2	Level 3	Total
Derivatives used for hedging	1 391	-	-	1 391
<b>Total assets</b>	<b>1 391</b>	<b>-</b>	<b>-</b>	<b>1 391</b>

# Note 14

## Cash and bank deposits

	2023	2022
Cash and bank deposits	431	723

Includes restricted funds of 0 MNOK (2022: 82 MNOK).  
Deductions from salary in advance are, as of the year 2023, no longer considered restricted funds,instead, they are covered by tax withholding guarantee.

# Note 15

## Share capital

See note 20 in Vy group report.

# Note 16

## Debt

The Group has the following undrawn borrowing facilities:	2023	2022
<b><i>Floating interest rate</i></b>		
- Expiring within one year	400	400
<b>Total</b>	<b>400</b>	<b>400</b>

The facility that expires within one year is a bank overdraft related to Vy group bank account system: The credit is for one year at the time and is renewed annually.

# Note 17

## Deferred income tax/Income tax expense

Income tax expense	2023	2022
Current income tax payable	11	-
Changes in deferred tax	26	-18
<b>Total income tax expense</b>	<b>37</b>	<b>-18</b>
<b>Tax payable on the balance sheet are as follows:</b>	<b>2023</b>	<b>2022</b>
Current payable tax expense	11	-
<b>Tax payable in the balance sheet</b>	<b>11</b>	<b>-</b>
<b>Reconciliation between nominal and actual tax expense rate:</b>	<b>2023</b>	<b>2022</b>
Net income before tax	175	-50
Expected income tax using the nominal tax rate (22 %)	37	-11
Tax effect of the following items:		
Other non-deductible expenses	0	74
Other non-taxable income	-0	-81
<b>Income tax expense</b>	<b>37</b>	<b>-18</b>
<b>Effective tax rate</b>	<b>21%</b>	<b>36%</b>

### Specification of the tax effect from temporary differences and losses carried forward:

	Book value 01.01.	Received tax deduction for losses	Acquisition of subsidiaries	Income statement charge	Charge to other comprehensive income	Charged directly to equity	Tax effect of group contribution	Book value 31.12.
<b>2023</b>								
Benefit (+) / Liability (-)								
Fixed assets	-443	-	-	110	-	-	-	-333
Inventories	80	-	-	-13	-	-	-	67
Receivables	-11	-	-	-1	-	-	-	-12
Lease obligations	139	-	-	-30	-	-	-	109
Value changes to financial current assets	10	-	-	-15	-	-	-	-5
Retirement benefit obligations	360	-	-	-101	190	-161	-	288
Provisions for other liabilities and charges	83	-	-	7	-	-	-	90
Gains (losses)	-14	-	-	3	-	-	-	-11
Losses carried forward	60	-	-	-77	-	-	17	-
Total gross temporary differences	264	-	-	-117	190	-161	17	193
<b>Net temporary differences</b>	<b>264</b>	<b>-</b>	<b>-</b>	<b>-117</b>	<b>190</b>	<b>-161</b>	<b>17</b>	<b>193</b>
<b>Net deferred tax asset/liability on the balance sheet 22%</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>-26</b>	<b>42</b>	<b>-36</b>	<b>4</b>	<b>42</b>

	Book value 01.01.	Received tax deduction for losses	Acquisition of subsidiaries	Income statement charge	Charge to other comprehensive income	Charged directly to equity	Tax effect of group contribution	Book value 31.12.
<b>2022</b>								
Benefit (+) / Liability (-)								
Fixed assets	-596			153				-443
Inventories	37			43				80
Receivables	-5			-6				-11
Lease obligations	168			-29				139
Value changes to financial current assets	-			10				10
Retirement benefit obligations	657			-60	-237			360
Provisions for other liabilities and charges	101			-18				83
Gains (losses)	-18			4				-14
Losses carried forward	77			-17				60
Total gross temporary differences	421	-	-	80	-237	-	-	264
<b>Net temporary differences</b>	<b>421</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>-237</b>	<b>-</b>	<b>-</b>	<b>264</b>
<b>Net deferred tax asset/liability on the balance sheet 22%</b>	<b>92</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>-52</b>	<b>-</b>	<b>-</b>	<b>58</b>

Deferred income tax asset and liabilities are offset when there is a legally enforced right to offset current tax assets against current tax liabilities, and when the deferred income taxes relate to the same tax authority. The offset amounts are as follows:

<b>Deferred income tax assets</b>	<b>2023</b>	<b>2022</b>
Deferred income tax assets to be recovered after more than 12 months	107	128
Deferred income tax assets to be recovered within 12 months	15	33
<b>Total</b>	<b>122</b>	<b>161</b>
<b>Deferred tax liabilities</b>	<b>2023</b>	<b>2022</b>
Deferred income tax liabilities to be recovered after more than 12 months	-76	-100
Deferred income tax liabilities to be recovered within 12 months	-4	-3
<b>Total</b>	<b>-80</b>	<b>-103</b>
<b>Total deferred income tax assets (net)</b>	<b>42</b>	<b>58</b>

## Note 18

### Payroll and related expenses

	2023	2022
Wages and salaries, including employment taxes	1 844	1 730
Pension costs – defined contribution plans (note 19)	163	125
Pension costs – defined benefit plans (note 19)	1	40
Other employee benefit expenses	37	26
<b>Total</b>	<b>2 045</b>	<b>1 921</b>

Benefits for Chief Executive Officer and key management are referred to in the note for related-party transactions (note 25).

	2023	2022
Average man-labour year	1 916	1 939
Average number of employees	2 134	2 271

The calculation is based on a weighted average based on the true number of man-labour year throughout the year.



# Note 19

## Retirement benefit obligations and similar obligations

### General

The Group has pension arrangements related to age-disability- and bereaved benefits for spouses and children. Below is a further description of type of arrangements and how these are organized.

### Defined benefit pension plan

The companies in the Group have several collective pension agreements that are handled by the Norwegian Public Service Pension Fund (SPK) or insurance companies that for the Norwegian companies satisfy the demands according to the law on public pension. The arrangement covers benefits from the pension basis up to 12G and results in a age- and disability pension of 66 % of the pension basis when fully vested. The obligations connected to these agreements covers 215 active members, 404 retirees and 126 earned rights. The retirement benefit plans entitle defined future services that mainly are dependent on the number of contribution years and wage level at the time of retirement. The pension benefits are coordinated with the National Insurance benefits, and will depending on the size of the benefit from the National Insurance Scheme.

The companies have, through tariff agreements, retirement benefit obligations in affiliation with Early Retirement Pension Regulated by Contract (AFP). Obligations through this agreement cover 215 active members.

The additional defined benefit pension plan agreement for top leadership is not funded and will be paid through operations.

### Closing of the defined benefit plan and changing to contribution scheme

A decision was made during 2017 to close the current defined benefit plan in SPK for employees within Vygruppen AS that were older than 55 years of age by the year end of 2018/2019. These employees were included in a new, closed defined benefit plan with effect from 1st January 2019. All employees younger than 55 years of age were granted an earned right in the SPK and were included in a new defined contribution plan in Storebrand as of January 2019.

The employees included in the new defined contribution plan in Storebrand are also included in a private AFP pension plan. This scheme is also accounted for as a defined contribution plan. As of 31st of December 2023, 2077 employees are active members in the defined contribution scheme in Storebrand.

In the new traffic agreement from 2023 and subsequent agreements, the Jernbanedirektoratet will cover obligations to the defined benefit plan in SPK that exceed what a defined contribution plan would have cost the company. The obligation for these members has therefore been extracted from the recognized pension liability and the associated cost below. The total pension liability for these members amounts to MNOK 139 as of December 31, 2023.

The opening balance pension liability for this group was MNOK 161 and is extracted in the table below.

Specification of net defined benefit pension plan obligations	2023	2022
Present value of earned pension rights for funded collective pension plans	1 105	1 933
Fair value of plan assets	-833	-1 591
Present value of unfunded obligations	272	342
Unrecognised actuarial losses	21	22
<b>Net pension obligation on the balance sheet</b>	<b>293</b>	<b>364</b>
<b>Changes in pension retirement obligations:</b>		
Book value net pension obligation 1st of January	364	660
Correction opening balance Traffic agreement	-161	
This years' actuarial deviations	167	-207
This years net return on assets/increase in obligation continued operations	10	-5
Net financial items in the account from discontinued operations	5	12
Curtailments/transfer	-92	-96
<b>Book value 31st of December</b>	<b>293</b>	<b>364</b>
<b>Pension expenses included in the accounts, defined benefit pension plan</b>		
Present value of current pension earnings	1	40
Total return on pension plan, incl. in payroll and related expenses – see note 18	1	40
<b>Total financial items in the accounts</b>	<b>5</b>	<b>12</b>
<b>Total pension expenses defined benefit pension plan</b>	<b>6</b>	<b>52</b>
<b>Contribution plans</b>		
Calculated contribution plan acc.to Traffic agreement, recorded as pension expense - see note 18	13	-
Total return on pension plan, incl. in payroll and related expenses – see note 18	150	125
<b>Total pension expenses</b>	<b>169</b>	<b>177</b>

### Sensitivity analysis with change in central assumptions

The table below shows estimates for potential effects with change in assumptions that significantly affects the defined benefit pension plans in Norway. Actual results may substantially differ from these estimates.

	Discount rate		Salary growth rate		Increase in G	
	1%	-1%	1%	-1%	1%	-1%
Increase (+)/decrease (-) this period's net pension expense in %	-34%	26%	8%	-7%	11%	-8%
Increase (+)/decrease (-) net pension obligation at 31st of December in %	-12%	15%	2%	-1%	5%	-4%

The Population is affected by high average age on participants that affects the sensitivity analysis.

The last few years' development in pension expenses and pension obligations shows:

	2023	2022	2021	2020	2019	2018
<b>Income statement</b>						
Present value of current pension earnings	1	40	45	71	90	220
Curtailments/transfer	-	-	-	-46	91	-
Plan changes during the year	-	-	-	-	-	60
Total cost in the income statement	1	40	45	25	181	280
Total financial items in the accounts	5	12	7	12	18	29
<b>Total pension cost in the accounts</b>	<b>6</b>	<b>52</b>	<b>52</b>	<b>37</b>	<b>199</b>	<b>309</b>
<b>Financial position</b>						
Total obligations	1 105	1 933	2 198	2 129	2 682	7 072
Pension assets	-833	-1 591	-1 562	-1 593	-1 962	-5 420
Total net pension obligations	272	342	636	536	720	1 652
Non-recognised actuarial losses	21	22	24	23	22	39
<b>Net pension obligation at the balance sheet date</b>	<b>293</b>	<b>364</b>	<b>660</b>	<b>559</b>	<b>742</b>	<b>1 691</b>

Financial assumptions (defined benefit plans)

	2023	2022	2021	2020	2019	2018
Discount rate	3.95%	3.85%	2.20%	1.50%	2.05%	2.85%
Expected return on plan assets	3.95%	3.85%	2.20%	1.50%	2.05%	2.85%
Average salary growth	3.50%	3.50%	2.50%	1.75%	2.70%	2.50%
G-regulation	3.25%	3.25%	2.50%	1.75%	2.10%	2.60%
Annual reg. of pension increases	2.80%	2.50%	1.75%	1.00%	1.35%	1.85%
Average social security tax	14.10%	14.10%	14.10%	14.10%	14.10%	14.10%

#### Explanation to selected assumptions 31st of December 2023

The discount rate has been set at 3.95 % (3.85%) and is determined with basis in preferential bonds (OMF). The OMF-market has been assessed to represent a deep and liquid marked with relevance to maturities that qualifies to be used as a reference for interest rate according to IAS 19.

Salary adjustment for Norwegian arrangements are mainly calculated as the sum of expected nominal salary growth of 1.25 % and long term inflation of 2.00 %. In addition a faktor of 0,25% is added to take account of expected higher inflation in the short term. Regulation of pensions during disbursements mainly follows average of inflation growth and salary growth.

For the demographic factors, the tariffs K2013 and K63 has been used for determination of mortality rate and disability risk.

Average remaining life expectancy for a person retiring when he/she turns 65 years old will according to K2013 be:

Female	24.1 years
Male	20.9 years

Actuarial deviations in 2023 are mainly due to changes in economic parameters.

#### Risk evaluation of defined benefit contribution plans

The company is affected through its defined benefit contribution plans by several factors due to uncertainties in assumptions and future development. The most central factors are described as follows:

#### Expected longevity

The company has assumed an obligation to pay pension to the employees for as long as they live. An increase in life expectancy among members results in an increased obligation for the company.

#### Yield risk

The company is affected by a reduction in actual yield on the pension assets, which will cause an increase to obligations for the company.

#### Inflation- and salary growth risk

The company's pension obligation has risks related to both inflation and salary development, even though the salary development is close related to inflation. Higher inflation and salary development than what is used in the pension calculations, result in increased obligation for the company.

## Note 20

### Trade and other payables

	2023	2022
Trade payables	384	174
Group internal trade payables	1 711	1 817
Social security and other taxes	48	75
Other current liabilities	857	551
<b>Total</b>	<b>3 000</b>	<b>2 617</b>

Total trade and other payables include liabilities to related parties in 2023: 443 MNOK (156,3 MNOK).

Book value of trade and other payables corresponds to fair value. Other current liabilities include pre-paid revenue, accrued payroll and related expenses as well as other accrued expenses.

## Note 21

### Provisions for other liabilities and charges

	Reorgani- sation obligation	Other	Total
<b>Provisions for other liabilities 2023</b>			
At 1st of January	83	12	95
Used during the year	4	-12	-8
<b>Total</b>	<b>87</b>	<b>-0</b>	<b>87</b>

	Reorgani- sation obligation	Other	Total
<b>Provisions for other liabilities 2022</b>			
At 1st of January	101	-	101
Used during the year	-18	12	-6
<b>Total</b>	<b>83</b>	<b>12</b>	<b>95</b>

<b>Classification in the statement of financial position</b>	2023	2022
Non-current liabilities	87	95

#### Legal disputes

Vygruppen AS is involved in legal disputes, where some of them will be tried in court. Provisions are made for disputes where it appears to be a probable and qualified risk of losing.

#### Restructuring

Vygruppen AS announced a restructuring plan in 2016 and a new plan in 2023 acc.to the new Traffic agreement. The purpose of the restructuring is to adapt to the changes required by the railway reform and the new Traffic agreement. The restructuring provision amounted to 29 (25) MNOK at the end of 2023, and is mainly due to downsizing. The accruals at 31.12.2023 includes in addition a compensation related to changed pension plans. This remaining accruals for this is 58 (58) MNOK at the end of 2023.

## Note 22

### Depreciation, amortization and impairment

	2023	2022
Depreciation charges (note 6)	920	847
<b>Total</b>	<b>920</b>	<b>847</b>

## Note 23

### Other expenses

	2023	2022
Sales- and overhead expenses	975	857
Energy used in operations	355	531
Repair and maintenance, machinery rental, property expenses	818	795
Other operating expenses	1 515	1 516
<b>Total</b>	<b>3 663</b>	<b>3 699</b>

<b>Auditing fees for total operations (excluding VAT):</b>	2023	2022
Statutory audit fee	2	2
Other services	0	0
<b>Total fee to auditor</b>	<b>2</b>	<b>2</b>

## Note 24

### Financial income and expenses

	2023	2022
Interest income	144	71
Group contribution	20	41
Reversal of write-down shares in subsidiaries *)	-	366
Net foreign exchange gains	8	11
<b>Total financial income</b>	<b>172</b>	<b>489</b>
Interest expense	-111	-72
Other financial expenses	-2	-3
Write-down shares in subsidiaries **)	-	-336
Net foreign exchange losses	-41	-1
<b>Total financial expenses</b>	<b>-154</b>	<b>-412</b>
Net financial expenses - pensions	-5	-12
Change in unrealised fair value	12	-10
<b>Total financial items</b>	<b>25</b>	<b>55</b>

\*) Vy Tog AS 366 MNOK (year 2022)

\*\*) Vy Tåg AB - 336 MNOK (year 2022)

## Note 25

### Related party transactions

Vygruppen AS has the following related parties:

#### Owner

As the owner of Vygruppen AS, the Ministry of Transport and Communication is a related party. In addition, other businesses owned by the Ministry of Transport and Communication will also be a related party to Vygruppen AS.

#### Companies within the same Group

All subsidiaries, associates and joint ventures as noted in notes 2 and 8 as well as other Group companies that are related parties to these companies will be a related party to Vygruppen AS.

#### Board of Directors and executive management

Executive management or on the Board of Directors are also related party to Vygruppen AS.

Below is an overview of transactions, balances and guarantees to related parties:

<b>Sale of goods and services:</b>	<b>2023</b>	<b>2022</b>
Public purchase of passenger traffic services	3 060	2 751
Sales of other goods and services	269	437
Sales to other companies within the Group	409	344
<b>Total</b>	<b>3 738</b>	<b>3 532</b>
Purchases from companies in the Group:	367	329
Purchases of goods and services:	2 927	2 991
<b>Total</b>	<b>3 294</b>	<b>3 320</b>
Intercompany balances with related parties as a result of buying and selling of goods and services:		
<b>Receivables:</b>	<b>2023</b>	<b>2022</b>
Group internal trade receivables	435	166
Associated companies	-	1
Entities owned by the Ministry of Transportation	129	208
<b>Total</b>	<b>564</b>	<b>375</b>
<b>Debts</b>	<b>2023</b>	<b>2022</b>
Group internal trade payables	1 711	1 818
Entities owned by the Ministry of Transportation	443	156
<b>Total</b>	<b>2 154</b>	<b>1 975</b>
<b>Loans to related parties</b>		
Other companies in the Group	1 288	1 291

There are no borrowings from related parties

Vygruppen AS has issued a guarantee of 150 MSEK on behalf of its fully owned subsidiary Vy Tåg AB related to a contract with Norrtåg AB.

Vygruppen AS has issued a guarantee of 240 MNOK to Jernbanedirektoratet on behalf of its fully owned subsidiary Vy Tog AS, regarding the contract Trafikkpakke 3 Vest.

#### Compensation for members of the Board and executive management

See note 31 in Vy group report.

## Note 26

### Contingencies

The group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

## Note 27

### Events after the reporting date

There are no material events which have occurred after the reporting date that will affect the Groups' profit and final position.

# Statement from the Board and CEO regarding the annual report 2023

Oslo, 15<sup>th</sup> of february 2024

Board of directors of the Vy Group

The Board of Directors confirm that to the best of our knowledge the condensed set of Group financial statements and the financial statements for the parent company for the period 1 January 2023 to 31 December 2023 have been prepared in accordance with IFRS as determined by EU, with requirements of supplementary information in the Accounting Act, and that the information in the accounts give a true and fair view of the company's and Group's assets, liabilities, debt, financial position and profit or loss as a whole.

The Board of Directors confirm that the annual report give a true and fair view of the development, profit and position for the company and the Group, as well as a description of the most central risk- and uncertainty factors the company and the Group faces.

  
Berit Svendsen/Chairman of the board

  
Geir Inge Stokke

  
Espen Almlid

  
Dina Elverum Aune

  
Morten Henriksen

  
Ove Sindre Lund

  
Petter Louis Pettersen

  
Line Steinseth

  
Gøril Bakstad / CEO

To the General Meeting of Vygruppen AS

## INDEPENDENT AUDITOR'S REPORT

### Opinion

We have audited the financial statements of Vygruppen AS, which comprise:

- The financial statements of the parent company Vygruppen AS (the Company), which comprise the balance sheet as at 31 December 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.
- The consolidated financial statements of Vygruppen AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

### Responsibilities of Management for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



side 3  
Independent auditor's report  
Vygruppen AS

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 15. februar 2024  
Deloitte AS

**Elvind Skaug**  
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.



# 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.