Annual and sustainability report 2021

Vy Group

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Challenges and opportunities

Vy made progress and improvements in many important areas in 2021. At the same time, the pandemic resulted in substantial financial losses, the framework conditions for Norwegian rail services changed significantly and we face many challenges, but also opportunities going forward.

Covid-19 and financial losses

We can look back on another year of lower passenger numbers and financial losses. On average, we saw 45 per cent fewer journeys taken on our trains and buses compared with a normal year like 2019. We started 2022 with a new virus variant, a new period of restrictions and working from home and a continued drop in international tourism. Because of this we have, like the rest of the sector, relied on government compensation schemes to maintain good, safe services for customers.

When things return to normal, our main task will be to get customers to use eco-friendly public transport services again, after two years of a pandemic that have resulted in new travel habits and increased car use.

Our vision for 2025

When we look ahead, we can see Vy is well positioned for future growth in public transport. Between 2013 and 2018, Vy, which at that time was called NSB, achieved passenger growth of more than 30 per cent. We believe that our passengers will return and that we will continue to grow after the pandemic, in spite of new travel habits.

One of the positive developments, is that our freight division, CargoNet, experienced growth in 2021. The fall in demand for transport of aviation fuel has been more than offset by increased demand for transport of groceries and packages. This development is promising, as rail freight is greener and far safer than road transport.

Cancelled rail competition, poor infrastructure and low punctuality

The best way to ensure good rail services in Eastern Norway is to operate it as a whole, without splitting it up. This allows the limited capacity around Oslo to be utilised as efficiently as possible. The government's cancellation of rail competitions in Eastern Norway was, therefore, good news for rail customers.

However, the cancellation does not mean that Vy is cutting back on its ambition of leading the way in both cost-effectiveness and customer orientation. Vy will continue to focus on delivering stable and cost-effective operations, being the best in class on customer service and providing good information to customers.

In addition to competition with other transport companies, Vy is in fierce competition with private cars. Such competition motivates and challenges us to continuously improve our services.

In 2021, overall punctuality for passenger rail services in Norway was 87,8 per cent. Our target is 92 per cent. Unfortunately, the rail infrastructure in Eastern Norway experienced numerous problems in autumn 2021 and customers experienced frequent cancellations and delays. Such situations are also particularly difficult for our employees. Despite enormous investment in improving rail services, the maintenance lag is unfortunately increasing. These problems cannot continue, and we are in close dialogue with Bane NOR, which is responsible for the infrastructure, about what can be done to improve punctuality.

The part of punctuality that we can affect is operator-dependent punctuality. This measures punctuality when we exclude infrastructure problems and other factors that we do not control. In the same period, it was around 98 per cent and this was the result of hard work by our capable drivers, conductors and planners who make it all work together every day. We are constantly working to improve operator-dependent punctuality, while at the same time looking forward to new double tracks, new train sets and ever-improving rail services for customers.

Good customer experiences, every day

Our goal is to win customers' hearts, and this depends on factors within, but also beyond, Vy's control. Good customer service is within our control, and it is pleasing to see that we score well here in Norway and Sweden, both for bus and rail services. Kantar's major travel company survey found that Vy ranks among the top three travel companies in Norway when it comes to customer service, and in Sweden our rail services achieved top scores in two important areas in the annual Swedish Brand Award survey, namely The customer meeting and A comfortable journey.

Vy also does well in the Norwegian Railway Directorate's Norwegian rail customer satisfaction surveys. Between 80 and 90 per cent of customers say they received good service from the personnel on their journey. We see similarly good results in Sweden, where in the Swedish Quality Index our products Vy Bus4You, Vy Express and Vy Flygbussarna took all three places on the winner's podium in the last survey from 2020.

Bransjeledende innovasjon

Crises can put you on the right track to innovation and new ways of thinking and, in spite of everything, changed travel habits offer exciting opportunities. In Vy we are continuously adjusting to the new normal of reduced travel and more working from home. We have therefore developed and tested, among other things, the Smartprice ticket concept in Norway and Flex tickets in Sweden as alternatives to monthly cards for those who only travel occasionally.

We are also developing services that make it easier to get to and from stations and stops in order to make it easier to travel green. The holiday home shuttles in Geilo and from Gol to Hemsedal, as well as booking taxis directly in the Vy app, are two examples of this. The ability to rent a Vy city car for short journeys or a Vy long range car for longer journeys makes it easier to manage without a car in the Oslo region. Our groundbreaking work on autonomous buses is also worth mentioning.

Vy makes choosing green easy

The future is being created now. Even when life has been put on hold and every day is unpredictable. For Vy this means that the day-to-day management of exceptional situations, strict infection control measures and problems do not overshadow our vision that it should be easy to choose green. The fact that more passengers and more goods on our trains and buses both contribute to Vy's financial results and us, as a society, achieving our climate goals are important driving factors for us. That is why we will continue to win contracts and customers' hearts.

Gro Bakstad
CEO, Vy

This is Vy

The Vy Group is the largest road and rail transport group in the Nordic region, operating bus, rail, freight, car share and tourism services in Norway and Sweden.

Number of employees
12 450

Bus

Vy Buss is Norway's largest bus company and operates in Norway and Sweden. The company's operations consist of contract services and commercial express bus services.

Number of journeys 2021
77,1 million

Turnover
6 410 MNOK

Number of employed FTEs
5 904

Passenger train

Vy's passenger rail division operates local trains, intercity trains and regional trains on a total of 15 routes in Norway. Vy operated five contracts in Sweden: night train services in Övre Norrland, Norrtåg, X-tåg, Värmlandståg and Krösatågen. However, operation of Krösatågen was handed over to SJ in December.

Number of journeys in 2021
35,8 million

Turnover
7 023 MNOK

Number of employed FTEs
2 733

Customer Experience and Innovation

The Customer Experience and Innovation unit in the Vy Group aims to improve the customer experience and develop new solutions for customers, including introducing new technology and digitalisation. The unit is responsible for Vy's digital customer services, market and customer services, mobility and business development, tourism and Vybil car share schemes.

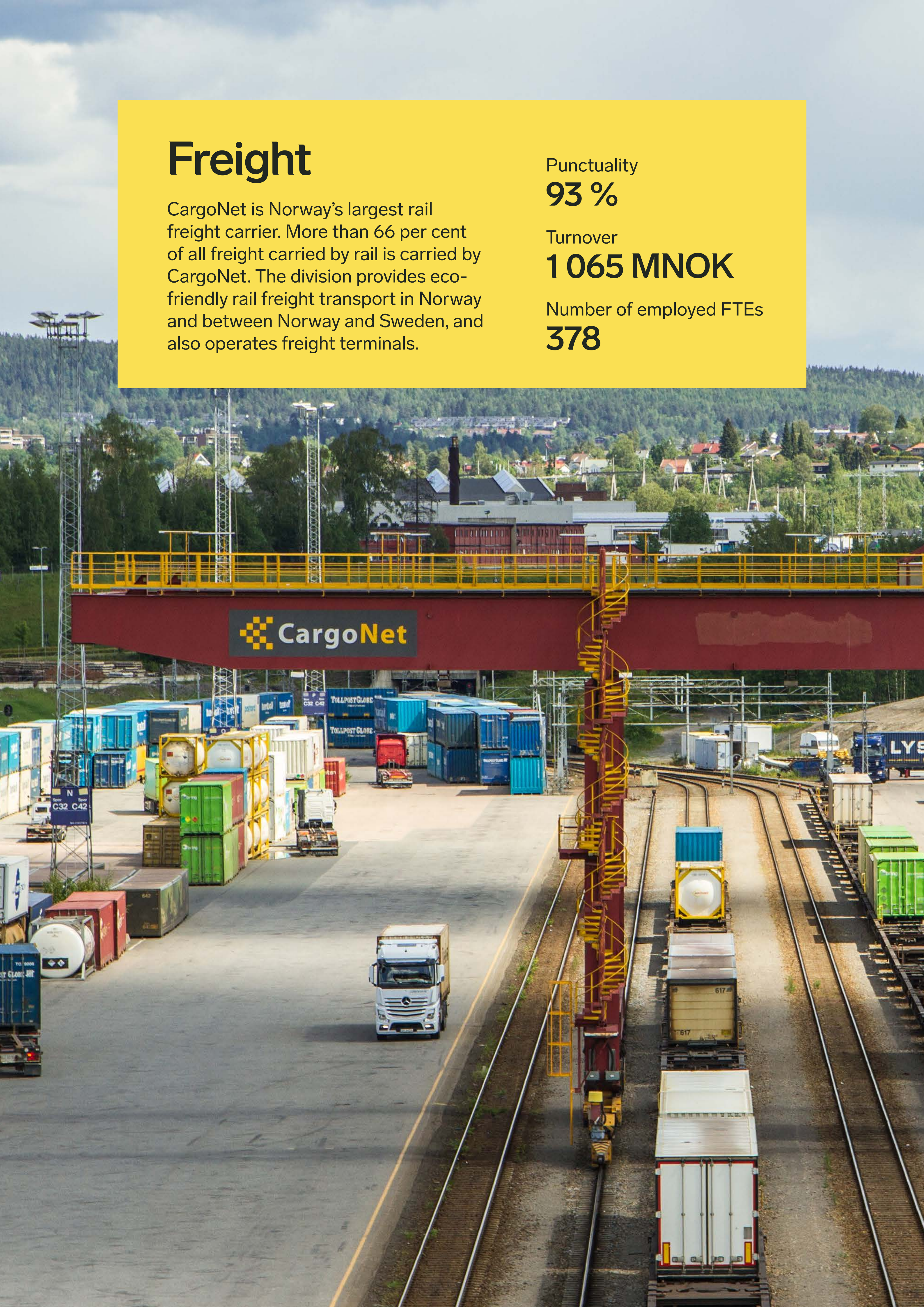
Freight

CargoNet is Norway's largest rail freight carrier. More than 66 per cent of all freight carried by rail is carried by CargoNet. The division provides eco-friendly rail freight transport in Norway and between Norway and Sweden, and also operates freight terminals.

Punctuality
93 %

Turnover
1 065 MNOK

Number of employed FTEs
378



Group management

As of 31.12.2021

Gro Bakstad
CEO
Vy

Erik Røhne
Executive director
Passenger train

Ole Engebret Haugen
Executive director
Bus

Ingvild Storås
Executive director
CargoNet

Synne Homble
Executive director
Customer experience and innovation

Morten Müller-Nilssen
Executive director
Organization and HR

Irene Katrin Thunshelle
CFO

Marius Holm
Executive director
Communication and public affairs

Kristian Kolind
Executive director
Strategy and IT

Highlights

The Covid-19 pandemic resulted in significantly fewer rail and bus passengers. Vy implemented a range of infection control measures to prevent the spread of infection and at times also reduced public rail and express bus services.

Vy Buss competed and wonand renewed a number of tenders during the year. Vy Tog worked hard to win the tender to operate rail services in Eastern Norway. The competition was cancelled in November following the change of government. CargoNet developed and expanded its services on the Nordland Line and to Europe.

Passenger Train
Bus
Freight
Customer Experience and Innovation

2021

January

New period in Ålesund
Vy Buss won the new tender and will continue to operate bus services in Ålesund and the surrounding area.

February

More freight trains to Europe
CargoNet increased the frequency of freight trains between Oslo and Skåne. From February, services will operate six times a week in both directions.

April

Vy acquired Minibuss 24-7
Vy Buss signed an agreement to purchase the remaining 51 per cent of shares in the company Minibuss 24-7 AS, after holding a 49 per cent stake since 2010.

June

City Car became Vybil and Turbil
Vy City Car became Vybil and purchased 30 Tesla model 3 cars that are now part of a car rental concept for longer journeys. This service is additional to the 250 'free flow' cars in the car sharing scheme in Oslo. In total, the service offers 280 electric cars under the Vybil brand.

Started in Jönköping and new period in Indre Østfold
Vy Buss started city services in Jönköping in Sweden and a new period in Indre Østfold.

The Green Journey rewards programme was launched
Green Journey is a new rewards programme focusing on the environment. It provides benefits for both rail and bus passengers in Norway, with an increased focus on environmental measures.

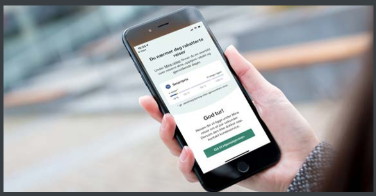
Vy Buss AS acquired Geilo Turbusser AS
Vy Buss AS signed an agreement to acquire all of the shares in the company Geilo Turbusser AS.

Celebrated 15 years of the Gjøvik Line
June 11th marked the 15th anniversary of the first train on the Gjøvik Line operated by NSB Anbud. The occasion was marked by a scaled down Covid-19 appropriate celebration at Oslo S.

August

Started the largest bus tender in Vy's history
During the summer, Vy Buss started services in Hallingdal and Trøndelag. Trøndelag consists of three separate packages and is the largest start of a new contract in the company's history.

Vy received diversity award
The bus division in Gjøvik won the Innlandet Diversity Award in the major and medium-sized enterprises category. The Diversity Award is presented to companies that have excelled in making outstanding use of immigrants' skills.



September

Flex tickets in Sweden
Norrtåg launched the ticket products Flex 10, Flex 20 and Flex 40. These tickets are designed to accommodate commuters' new travel habits following Covid-19.

Flexible tickets tested
In 2021, Vy tested a flexible ticket concept for commuters, Smartprice, designed to accommodate new needs and changed travel patterns due to the pandemic.

October

Cross-border trains after Covid-19 shutdown
On 18 October, Vy restarted train services to Gothenburg. The services were halted at the start of the pandemic.

November

Further rail competitions cancelled in Norway
The new government decided to cancel the ongoing competitions for rail passenger services in Eastern Norway. The Norwegian Railway Directorate will now negotiate a direct purchase agreement.

More freight services on the Nordland Line
In partnership with its customers, CargoNet decided to increase its services with a further daily departure on the Nordland Line. This took place just a year after the previous increase in capacity.

December

More trains in the west
From December 12th, Vy increased the number of train services from Bergen to Arna, Voss and Oslo. This enables even more people to use green public transport. The number of services between Oslo and Bergen increased from three to five each way during the day, in addition to the ordinary night train service.

Reuse of old compartment carriages
Vy started using eight recently refurbished carriages on the Bergen Line. Each carriage has six compartments with space for up to six people. The carriages are in operation both day and night, and also provide long-awaited space for bicycles on the route.

Recharging electric buses on the go
Vy Flygbussarna in Gotland can recharge its electric buses while they are driving on a 'Smartroad'. Vy is a partner in the project, which recharges both electric bus and lorry batteries while they are in motion. On December 13th, Vy carried the first paying passengers on board the bus while it recharged on the go.

Fresh seafood on rails to Europe
In partnership with stakeholders in the seafood industry and transport sector, CargoNet is developing direct train services from Northern Norway to Padborg on Denmark's southern border. This will ensure fresh Norwegian seafood the fastest possible access to the European market.

Krösatågen handed over to a new operator
On December 12th, Krösatågen was handed over to another train operator. During the three years Vy Tog operated the route, both punctuality and customer satisfaction improved.

2022

Vy simplifies green travel and transport

Vy's social mission is to provide attractive public transport solutions. Our strategy entails working to ensure that current and future transport solutions are as sustainable as possible and that more passengers share the same means of transport.

Vy believes that green public transport solutions are a prerequisite for the society of the future. When we travel and transport sustainably, we end up with space and energy efficient solutions, cleaner air, fewer road accidents and less time loss due to fewer traffic jams. If you want more people to choose public transport solutions, it must be an easy choice to make.

Our ***vision*** is 'Vy makes choosing green easy'.

Our ***main goal*** is growth through more sustainable journeys and rail freight and the greatest possible profitability over time.

We will achieve our vision and main objectives by:

1. Ensuring good customer experiences, every day
2. Being an industry leader in innovation
3. Being efficient and reliable in everything we do
4. Having committed and customer-oriented staff

When we deliver in these four areas, more customers will choose to travel and transport goods with us and Vy will be an attractive employer with good internal ambassadors.

Vy's values are ***customer satisfaction, accountability*** and ***interaction***.

These values provide a basis for Vy's operations and everything we do.

Vys values		Vys customer promise
Customer satisfaction		**We see you** • You meet friendly and attentive staff who see you and your needs • You experience understanding and flexibility when you need help
Responsibility		**We take care of you** • You feel safe when you travel with us • You get the information you need, before, during and after your travel
Interaction		**We give you good advice** • You receive good advice when you travel with us • You meet employees who guide you through Vy's comprehensive travel offer

Sustainability report

Sustainable transport solutions – for today and the future

Our mission at Vy is to offer attractive public transport solutions, and we want to do this sustainably. Sustainability is an integral part of our strategy and operations. This is reflected in both our vision, 'Vy makes choosing green easy', and our main goal: to reduce greenhouse gas emissions by getting more people to choose public transport for their travel needs. Vy operates passenger rail, rail freight and bus services, mobility solutions and tourism activities in Norway and Sweden.

113 million
passenger journeys with our trains and buses in 2021

62 percent
of Vy's buses uses non-fossil fuel

1 310 trucks
are replaced by CargoNet's freight trains every day

600 cars
are in average replaced by a full passenger train in rush traffic

Vy helps to reduce greenhouse gas emissions

731 376 tonne
CO_2-equivalent[1] reduced greenhouse gas emissions in 2021 compared to alternative transport by cars and trucks.

This corresponds to the annual emissions from

400 000 cars

Even if the means of transport of the future are electrified, public transport is still the most space-efficient and sustainable way of transporting people.

Vy saves and reduces:

- **Area**
- **Noise**
- **Resources**
- **Traffic jams**
- **Accidents**
- **Microplastic**

(1) Source: Asplan Viak Note: CO_2-equivalent is a unit used in greenhouse gas accounting and corresponds to the effect a given amount (usually one tonne) of CO2 has on global warming over a given period of time (usually 100 years)

This section of the annual report describes Vy's work on sustainability and is based on the four pillars of our strategy. For each part of the strategy, we describe the UN's Sustainable Development Goals (SDGs) we are helping to achieve and our most important focus areas and contributions in 2021.

Kantar's Climate Barometer 2021 shows that more and more people are becoming concerned about the impact of climate change. Even though future means of transport will be electrified, public transport will remain the most efficient and sustainable way of carrying people and freight. Almost one third of Norway's greenhouse gas emissions come from transport, half of it from road traffic. According to the government's Climate Report 2021, Norway's goal is to halve transport sector emissions by 2030. While the car fleet is becoming increasingly electrified, public transport will continue to save society the space taken up by parked cars and reduce traffic jams, accidents, the resources needed for production and microplastics from tyres. More people need to choose public transport to resolve these challenges and that will require a greater effort on public transport and sustainable transport solutions.

The National Transport Plan (NTP) for 2022-2033 sets targets that Vy and the rest of the transport sector must deliver on:

- New city buses must be zero emission vehicles or use biogas by 2025
- 75 per cent of new long-haul buses must be zero emission vehicles by 2030
- 30 per cent of freight transport over distances of more than 300 kilometres must be transferred from road to water and rail by 2030

Vy is helping to achieve the SDGs

Our main goal is to get more people to choose sustainable means of travel and freight transport. We measure this in terms of net saved emissions for society and number of journeys/TEU (standard container).

In 2021, Vy saved Norway 731,3761* tons of CO_2 equivalents by carrying our customers on public transport and freight by rail. This is equivalent to the annual emissions of 400,000 cars. CO_2 equivalent is a unit of measure used in greenhouse gas accounts and is equivalent to the effect a given quantity (usually a ton) of CO_2 has on global warming over a given period (usually 100 years). Vy's most important contribution to the SDGs is getting more people to choose sustainable public transport solutions and freight transport. Vy is constantly striving to make it easier to use public transport, for example by offering door-to-door journeys rather than just from a stop or a station.

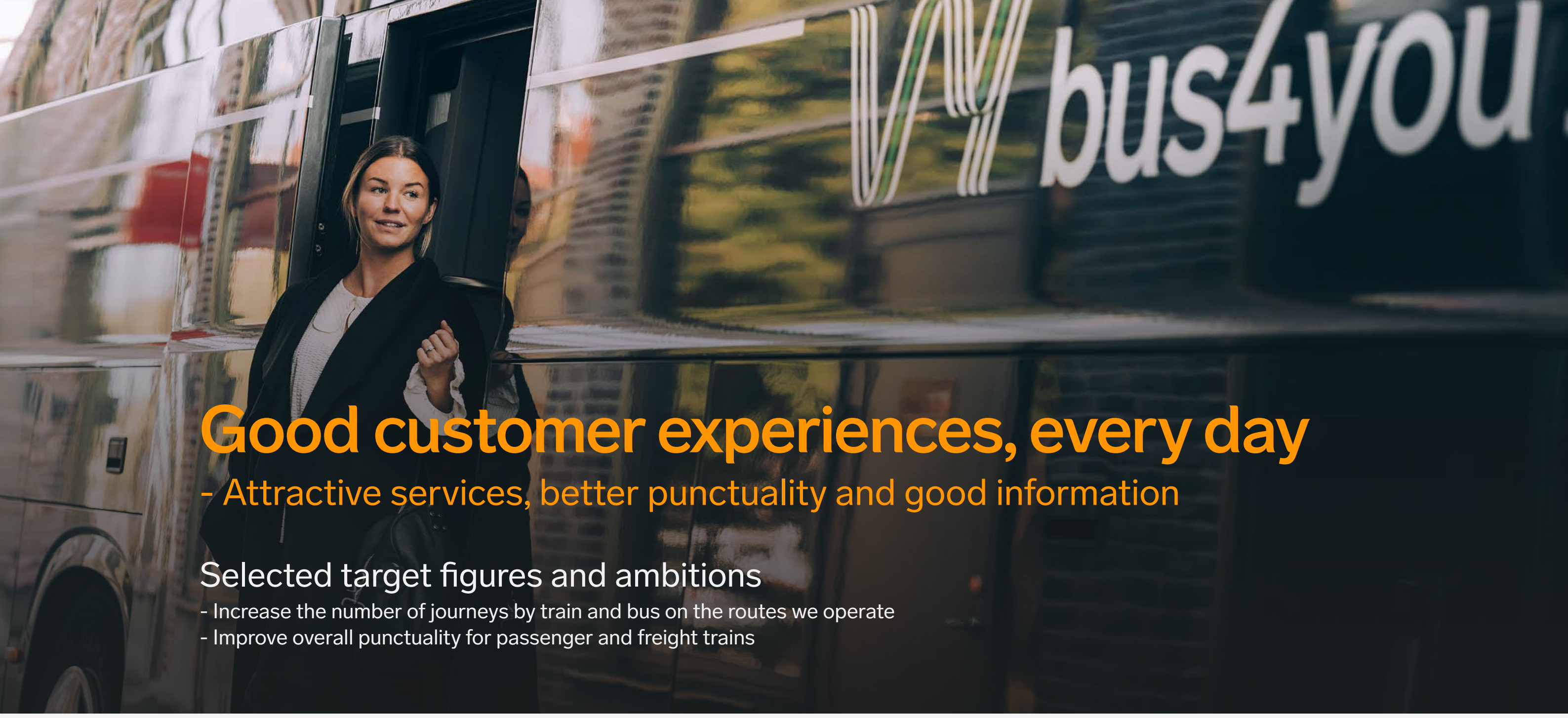
We have an ambitious goal of saving society a total of 1 million tons of CO_2 equivalents in 2025. Vy is helping to achieve several of the SDGs, and have identified our most important contribution as being to SDG 13, 'Climate action', through significantly reducing transport sector emissions.

Sustainability is about more than just the climate and environment; it is also about social and societal conditions. Vy helps to ensure that more people can share the same resources by eliminating the need for everyone to own a car. We also reduce traffic jams and road haulage, which reduces accidents and results in substantially less local emissions and noise. Additionally, we encourage our suppliers to make sustainable choices and constantly strive to make the most efficient possible use of resources. Diversity is another key element of our sustainability work, and we are proud to employ people from many different backgrounds who work together and share their knowledge every day.

This sustainability work will continue to lay the foundations for everything Vy does in the years to come. 2021 has been a difficult year, nevertheless we have continued our systematic work on sustainability in our operations. We have also made sure that it has been safe to travel on public transport during the pandemic, for both our passengers and our staff.

**Assuming normal seat occupancy in trains and buses*

Main goal	**Growth through more sustainable journeys and rail freight and the greatest possible profitability over time**		*Our social contribution is measured in terms of **net saved emissions for society and number of journeys/TEU*** **Our contributions to the SDGs:**
Good customer experiences	Good delivery quality and reliability, plus customer interactions that meet the customer's expectations, every day	• Increase services and frequency • Improve our app and website to make it easier to use public transport • Offer services that reduce the need to own a car	3 GOOD HEALTH AND WELL-BEING, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
Industry leading innovation	Business-driven innovation that benefits the customer cuts our emissions and makes us more competitive	• Reduce energy consumed by driving • Utilise and adopt new technology • Reduce and recover waste • Reduce consumption of water and chemicals used for cleaning	3 GOOD HEALTH AND WELL-BEING, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 17 PARTNERSHIPS FOR THE GOALS
Efficient and reliable in everything we do	Systematic work on internal processes and cooperation with others in the sector to ensure competitiveness, quality, and better deliveries for our customers	• Improve and streamline processes • Increase capacity utilisation for freight • Invest in new business	8 DECENT WORK AND ECONOMIC GROWTH, 11 SUSTAINABLE CITIES AND COMMUNITIES, 17 PARTNERSHIPS FOR THE GOALS
Engaged and customer focused staff	Safe, responsible workplaces with an open and inclusive culture, and engaged staff who always see things from the customer's perspective	• Focus on traffic safety, both in operations and when training new employees • Increase the Group's HSE monitoring internally and towards suppliers • Targeted recruitment to ensure diversity	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH



Good customer experiences, every day

- Attractive services, better punctuality and good information

Selected target figures and ambitions

- Increase the number of journeys by train and bus on the routes we operate
- Improve overall punctuality for passenger and freight trains

3 GOOD HEALTH AND WELL-BEING

With our safe services, Vy is helping to reduce the number of road traffic accidents and injuries, and with our green transport options we are improving air quality and reducing vehicle numbers on the roads

11 SUSTAINABLE CITIES AND COMMUNITIES

We provide safe, accessible, and sustainable transport solutions at an affordable price. We facilitate the use of public transport by people in vulnerable situations such a seniors and people with disabilities

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Vy will reduce the use of resources, degradation of the environment and greenhouse gas emissions. We will reduce waste quantities and emissions of chemicals and waste to air, water, and land

13 CLIMATE ACTION

The Vy Group has incorporated climate action into our strategy, and, through good customer experiences and industry leading innovation, we are making it easier for people and institutions to make climate-friendly choices

Vy is always working to improve the travel options we offer to make it easier to use eco-friendly public transport solutions. We are helping to resolve capacity challenges faced by road traffic and always want to provide our customers with good customer experiences with high punctuality and predictability.

Customer satisfaction as a temperature gauge

Vy regularly measures customer satisfaction. It is an important indicator of whether we are meeting the customer's needs and expectations, and whether we are a competitive alternative to other means of transport. The results are used in improvement work, as well as actively in the recruitment and training programme for bus and rail staff.

Several customer satisfaction surveys were not conducted in 2021 because of the pandemic. Therefore, we must settle for referring to the 2020 results. In Sweden, Vy Buss Bus4You had Sweden's most satisfied customers for the tenth year in a row in the annual survey conducted by the Swedish Quality Index. Incidentally, our three brands, Vy Express, Vy Bus4You and Flygbussarna, took all three top spots. In 2020, Flygbussarna also won TripAdvisor's prestigious Travellers' Choice Award.

Our express bus operations in Norway achieved a very high satisfaction score of 84 points in 2021. This proves that our employees are successfully creating positive customer experiences every day.

Our passenger train customers are more satisfied

Our annual survey shows that our rail customers' overall satisfaction, in both Eastern and Western Norway, rose from 69 to 74 points in autumn 2021 compared with autumn 2020. Our most satisfied customers are those who travel on the Gjøvik Line. Two key reasons for this improvement were good punctuality and good customer service in the event of interruptions in train traffic.

Customers have also told us that they expect fast, informative, recognisable, and understandable information from us. As a result, Vy has simplified and upgraded our public information so that we can promptly communicate all relevant information to our passengers. We have also improved the Vy app to ensure that it provides, for example, better information on service changes and seat occupancy. This feature shows when there is normally plenty of space on board and which carriages have the most available seats.

Vy's onboard staff score highly in the annual customer survey. Our employees work hard every day to ensure that customers have the best possible travel experience, and it is, therefore, pleasing to see that our customers recognise this. We want to boost rail customer satisfaction even further and have focused on improvements in this area in 2021 This includes close cooperation and dialogue with Bane NOR and the Swedish Transport Administration aimed at reducing delays due to infrastructure faults. In Norway, Vy was responsible for 16.2 per cent of all delay hours for the railway in 2021.

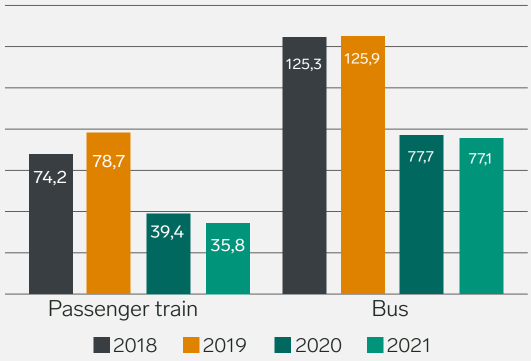
Significant falls in passenger numbers due to Covid-19

After several years of significant growth in the number of journeys taken on our passenger trains in Norway, we saw a continued substantial decrease of 47 per cent in 2021 compared with 2019, which was a normal year. While this was partly caused by the transfer of the North and South tender packages, we were clearly hardest hit by the travel restrictions imposed due to Covid-19. In Sweden, the number of journeys by train decreased by 55 per cent compared with 2019. Nevertheless, we have laid the foundations for growth in the coming years by further developing services on the Bergen Line and winning more tender competitions for bus services. Our freight operations also facilitated the transport of significantly higher volumes both to and from Northern Norway, as well as new volumes to and from Southern Sweden.

Covid-19 is still hitting bus operations hard. The number of journeys by bus decreased by 39 per cent in Norway and by 40 per cent in Sweden compared with 2019, a normal year. The number of journeys is a combination of actual figures from commercial operations and estimated figures from tender contracts. We have little access to journey numbers for tender contracts since these are held by the principals and are not satisfactorily shared with the operators.

Vy saw our largest contract start-up ever in 2021. Three major contracts for AtB in the Trøndelag region started on 8 August. Vy Bus also started two other contracts in the

Number of journeys in Norway and Sweden (mill.)



summer: in Indre Østfold for ØKT and in Hemsedal/Hallingdal for Innlandstrafikk. We now have a total fleet of 2,788 buses in Norway, an increase from 2,496 at the end of 2020. This makes Vy Bus by far the largest bus operator in Norway.

The number of journeys for commercial express buses has been reduced to 61 per cent of the normal (2019 level). It improved in the summer months and in the autumn when the most stringent infection measures were phased out. Following a new wave of infections late autumn, travel activity again fell back.

Rail freight developed more stably and in 2021 we successfully increased the number of cargo units (TEU) carried by CargoNet's container shuttle trains by 8.7 per cent. In addition to our new freight solutions, such as carrying fish on the Nordland Line, growth within the transport of groceries and parcel goods helped achieve this positive development.

Vy improving services on the Bergen Line

Vy won the tender competition to operate the Bergen Line, Voss Line and Arna local services for the next nine years. During the term of the contract, the number of services will be increased significantly with, for example, a fixed half-hour frequency between Bergen and Arna, and six daily services on the Bergen Line. The night train service will also be improved and expanded to include a new type of product between a sleeping compartment and seat in a carriage. Since 12 December 2021, customers have been able to travel together in groups of up to six people with Compartment in the daytime and Rest at night. Vy is the only operator in Norway offering this service on long-haul trains.

Other measures designed to make rail services in Western Norway more attractive during the contract period:

- Collaborations with tourism operators in and between Oslo and Bergen where rail journeys are included in package holidays
- Launch of Pluss – an improved, more comfortable option on the Bergen Line
- Closer cooperation with local public transport operators for simpler commuting with corresponding routes
- Opening of a new workshop in Bergen

Launch of a new service between Oslo and Trondheim

Vy has launched a new service for our customers that combines rail and bus routes between Oslo and Trondheim, where the Oslo-Lillehammer stretch is served by train and the Lillehammer-Trondheim stretch is served by bus. At the same time, we also launched a direct night bus service between Oslo and Trondheim. We operate new double deckers on both night and daytime services. These buses are more comfortable and give passengers the option of reserving a seat.

Launch of a new service between Oslo and Stavanger

The VY190 express service has operated between Oslo and Kristiansand for many years. The route was extended to Stavanger on 18 June 2021. The route is operated using very comfortable double deckers. It started with five new services between Kristiansand and Stavanger each way on weekdays and four at weekends. It is a good service both for those who want to travel between Oslo and Stavanger and for those who live along the route.

Digital services are making the customer's journey even easier

We hope that making it easier to plan and pay for your journey, and providing good information underway, will result in more people choosing public transport for their travel needs rather than privately owned cars. Passengers can now buy tickets for public transport in multiple regions such as Østfold, Buskerud, Rogaland, Hordaland, and Vestfold og Telemark in the Vy app. The Vy app now also enables users to buy rail and bus tickets for Sweden. All Swedish operators' routes and stops were added to the app in 2021. The Vy app was downloaded 3.6 million times in 2021 and has around 590,000 users every month. In the second half of 2021, Vy was seeing the same number of users it had before the shutdown in winter 2020. The increase was due to fewer passengers buying monthly season tickets, thereby increasing the number of single transactions.

During 2021, we added several new features and services to the Vy app to make it even easier and more comfortable to travel on public transport:

- Sending tickets to others, especially from parents to children
- Self-service options such as ticket cancellations and changes
- Return trips in the same purchase
- Vipps as a logging in method for the Vy app
- Lighting quick purchases of zone tickets
- Sale of Compartment and Rest tickets for the Bergen Line
- Green Journey, a new rewards programme with entertainment and environmental measures

Vy has launched the Green Journey rewards programme

In 2021, Vy launched a slightly different kind of rewards programme called Green Journey, which can be found in the Vy app. Green Journey differs from more traditional, credit card-based rewards programmes in that it encourages positive environmental contributions and outdoor excursions in the forests and mountains, while also offering newspapers, magazines and audio books that are easily available in the Vy app. Environmental contributions are measures that Vy supports financially and that we ensure are carried out through partnerships with many different organisations. In the last round, measures like 'Clearing ghost rocks in Oslo Fjord' and 'Planting trees at Kjelsås and Tøyen stations' received many votes.

Work on developing our door-to-door services continues

In 2021, we took further steps to offer our customers door-to-door services. Flexible mobility services are important additions to our core operations and make it easier to use public transport and travel in more eco-friendly ways.

In 2019, we launched City Car, Norway's first 'free flow' car sharing service. In 2021, the company changed its name to Vybil and its goal is to contribute to less car ownership through car sharing. Research shows that a single shared car can replace ten privately owned cars (source: Norwegian Institute of Transport Economics). This means, for example, that at least 60,000 privately owned cars in Oslo's inner city (source: Norwegian Information Council for Road Traffic) could in theory be replaced by 6,000 shared cars. Some 250 of the shared Bybil cars are small electric cars that take up little space in a city. Another 30 are larger electric Turbil cars with a range of around 500 kilometres that are intended to make it easier to go on trips in Norway without having to own your own car. In a survey of 3,000 of Vybil's users in autumn 2021, 12 per cent said that Vybil was a contributory factor to them selling their privately owned car and 30 per cent said that they have delayed buying a privately owned car because of Vybil.

We have also launched several reservation-only bus services, including pilot projects in Gol, Geilo, Sjusjøen and Hafjell. Together with local partners, these offer carriage from a hub to your destination, either a virtual stop or right to the door. A virtual stop is a stop marked on the map in the app, which is not a real stop with signs and bus pockets. This enables denser networks of stops and ease change of these based on demand / needs and suitable for smaller vehicles, minibuses etc. This makes it easier to choose a green alternative for transport from a station to a ski resort or to and from a holiday home.

The Vy app's taxi service has now been expanded to include 61 taxi companies and is available in most counties. The service offers fare comparisons when multiple taxi companies are available, and you can use a map to pinpoint a pickup location and monitor the taxi's position until it arrives. We have had 11,000 unique users of the service. Some 30 per cent were advance bookings and 38 per cent of the journeys ended with a final fare below the maximum fare, which is the reserved amount. Users of the service rate the taxi companies highly.

Vy wants to grow within sustainable tourism

Vy is focusing on developing sustainable tourism based on public transport to strength our core business. We are doing this in part through the part-owned companies the Fjord Tours Group and Flåm Utvikling. We are constantly striving to develop more attractive tourism concepts and packages together with local tourism operators based on transport by rail, bus, and boat. These are made available via the Fjord Tours Group's digital tourism portal. In May 2021, the Fjord Tours Group acquired a stake in the northern Norwegian tourism company Best Arctic. The company has a bus-based transport network in Northern Norway, which is coordinated with Vy's Stockholm-Narvik night train service through the Arctic Route concept. Through its partnership with Best Arctic, the Fjord Tours Group wants both to help make more destinations in Northern Norway and the Cap of the North region accessible and to ensure that more tourists can experience the region in a sustainable manner. The Fjord Tours Group started a major upgrade of its digital tourism portal in 2021, which is designed to make it even easier for tourists in Norway to find, customise and buy attractive, sustainable tourism experiences.

Growth and new business opportunities in CargoNet

Fresh seafood on rails to Europe

In December, CargoNet drove a test train fully loaded with Norwegian seafood from Narvik in Northern Norway down to Padborg in the south of Denmark. This represents further development of ARE Seafood, which currently runs to Malmö. A fully loaded seafood train has capacity for around 700 tons of seafood and can with daily services eliminate the need for more than 10,000 HGV (heavy goods vehicle) journeys and reduce CO2 emissions by more than 20,000 tons a year. The ambition is to operate three weekly services carrying fresh fish from Narvik by the end of 2022 and thereafter increase this to five services per week in line with the demand and growth in Norwegian seafood exports. In Padborg, the train will be loaded with import goods that also require temperature control. The return journey to Norway will run to Oslo with these import goods where groceries and other goods for Northern Norway will be loaded.

Continued strong growth for the Nordland Line

CargoNet won the Confederation of Norwegian Enterprise's Logistics and Transport Environmental Award in 2020 for our work on transferring freight transport in Nordland from road to rail. In 2021 CargoNet continued this work unabated. Freight transport on the Nordland Line has almost doubled in the space of a few years and is exceeding all the calculations on which the NTP is based. Rail freight volumes have already reached the targets for 2030 set in the NTP. In addition to the sustainable transport of groceries to the region and transport of fresh seafood southwards, the increased rail services are addressing the transport needs of local industry and contributing to local value creation.

Increase in international volumes

The international focus on sustainable rail freight is also strong and increasing. CargoNet increased our services between Skåne and Oslo from six to nine weekly departures in 2021 and will continue to grow in 2022 with more weekly services. The volumes transported on the route have doubled in two years (2019-2021), a trend that is expected to continue in line with the development of services on the route and the shortage of HGV drivers in Europe. Rail freight transported into Norway will largely be forwarded by rail and this is therefore contributing to more eco-friendly transport and greater traffic safety, not just on the E6 highway via the main border crossing in Svinesund, but throughout the country. The same is true for exports of goods out of the country.

One exciting international development is the large increase in freight trains between China and Europe (well over 10,000 trains in 2021). Early in 2021, CargoNet contributed to the transport between Hamburg and Oslo of a full train of containers. It was loaded with medicines/infection control equipment that had been transported by rail from China to Europe. An increase in volumes from Asia arriving in Europe by rail will contribute to more rail freight between Norway and the continent.

Industry leading innovation

– Reductions in emissions and the development of tomorrow's transport solutions

Selected target figures and ambitions

- Rail: Reduce energy kWh/gross ton-kilometre by 5 per cent prior to 2026 (2021 as a basis)
- Buses: Reduce greenhouse gas emissions (g/seat kilometre) by 13 per cent prior to 2026 (2021 as a benchmark)
- Buses: Reduce idling by more than 1 per cent prior to 2026

3 GOOD HEALTH AND WELL-BEING

We are improving air quality and reducing vehicle numbers on the roads thanks to green transport alternatives.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Vy is helping to develop reliable, sustainable, and solid infrastructure. Vy is working on a more efficient use of resources and more extensive use of cleaner and more eco-friendly forms of technology.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Vy will reduce the use of resources, degradation of the environment and greenhouse gas emissions. We will reduce waste quantities and emissions of chemicals and waste to air, water, and land.

13 CLIMATE ACTION

Vy has incorporated climate action into our strategy, and, through good customer experiences and industry leading innovation, we are making it easier for people and institutions to make climate-friendly choices.

17 PARTNERSHIPS FOR THE GOALS

Vy is contributing to well-functioning partnerships between stakeholders in the transport sector and we are always looking for ways that partnerships can contribute to sustainable development.

The government's goal is to halve transport sector emissions by the end of 2030. Even though our most important climate contribution is getting more people to choose eco-friendly public transport solutions, we are also always trying to reduce our own direct emissions and those of our suppliers.

Fossil fuel consumption from operating our buses and freight trains is the Vy Group's greatest source of greenhouse gas emissions. Therefore, we are constantly looking for ways to increase our use of renewable energy and to operate more energy efficiently. Vy has significantly cut our greenhouse gas emissions in recent years. This has been achieved by switching to newer and more energy-efficient buses and trains, more energy efficient driving, and switching to renewable fuels or electricity for buses. The Vy Group's total greenhouse gas emissions from transport services decreased by 8 per cent in 2021, compared with 2020.

As Vy grows within eco-friendly transport, our total direct emissions will increase somewhat. At the same time, however, the overall saving for society compared with other means of transport, such as privately owned cars and HGVs, will increase significantly. The total amount saved in 2021 is estimated to be 731,376 tons of CO2 equivalents, which corresponds to the annual greenhouse gas emissions of more than 400 000* cars. On average, 600 cars could be eliminated from rush hour traffic by a full train. In addition to these direct climate-related emissions, the Vy Group's freight business area, CargoNet, helped to keep more than 478,000 HGV journeys off the roads in 2021. This is equivalent to more than 1,310 HGVs a day.

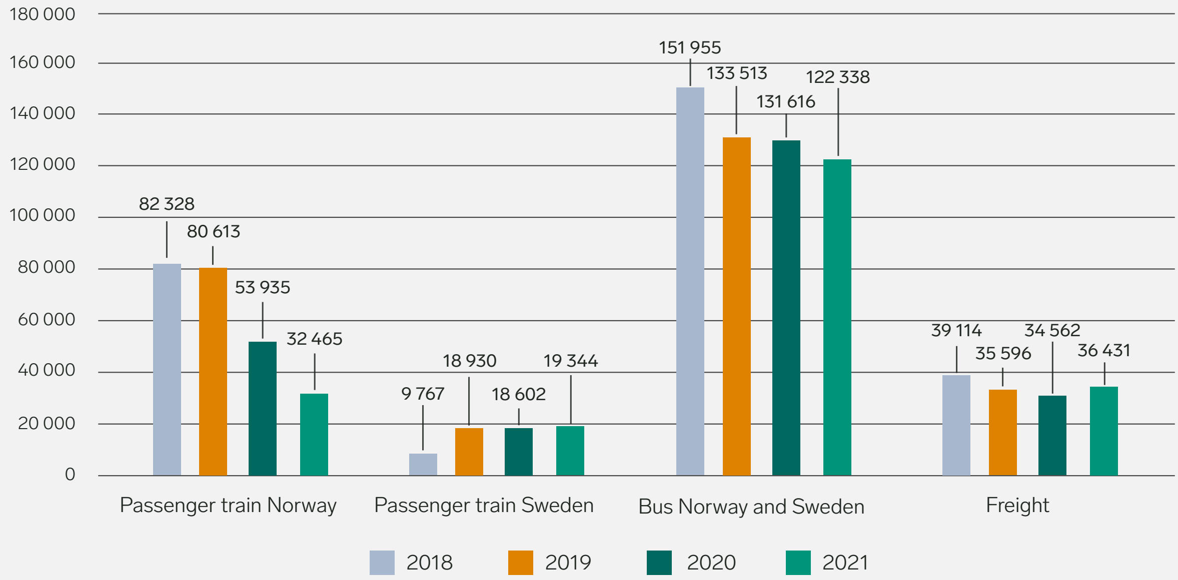
While the proportion of electric privately owned cars is increasing in Norway, public transport is still the most sustainable means of transporting large numbers of people:

Vy buys electricity with guarantees of origin to operate our electric passenger and freight trains. These guarantee that the electricity we use is renewable energy produced by a Norwegian hydropower plant. Almost all our trains also have the ability to generate and feed power back into the power network when braking. An estimated 17 per cent of the electricity consumed by Vy Passenger Train in Norway is supplied by electricity generated by braking.

We use two different formula to report on greenhouse gas emissions from our electricity consumption: (1) a location-based method that calculates the emissions in relation to where the electricity was produced, for which our accounts are based on combined sources from the Nordic region; and (2) a market-based method that takes guarantees of origin into account so that, in our case, the emissions coefficient

Assuming normal seat occupancy in trains and buses

Emissions to air - tonnes of CO_2 equivalents



for 100 per cent renewable energy can be used. In both cases, the 'well to wheel' model is used so that any emissions associated with the production of the energy itself are also included. Previously, we only reported our emissions using a location-based method. However, in this year's report, the emissions we recorded using the market-based method are also included. By including the guarantees of origin, our total savings increase to 766 849 tons of CO2 equivalents.

Reduced train emissions

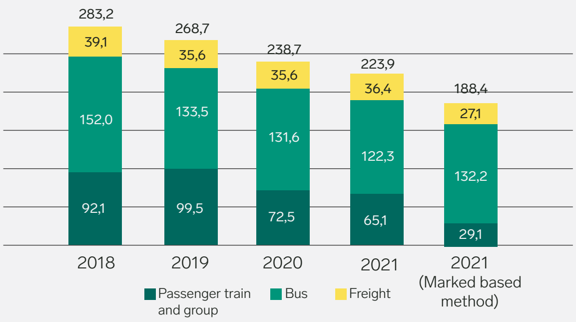
Total greenhouse gas emissions from passenger trains in Norway fell by 40 per cent in 2021. This was mainly because since June 2020 we have exclusively run electric passenger trains, completely without the diesel stretches, on the Nordland Line, although the 4 per cent lower energy consumption per seat kilometre driven also contributed. CargoNet increased its total emissions by 5.4 per cent, mainly due to an 8.8 per cent increase in production. These emissions are largely influenced by the routes operated, as well as the combined use of both diesel and electric operation. In 2021, relative electricity consumption (kWh per net ton-kilometre) was on a par with 2020.

CargoNet is continually striving to improve our footprint on the external environment. In 2021, the company signed a lease agreement, which includes maintenance, for two new locomotives that will reduce emissions. These locomotives will be phased into CargoNet's production in November 2022. The leasing of these locomotives is a result of a long-term project to replace older diesel locomotives with far more energy efficient locomotives on the Nordland Line. CargoNet's customers want and expect us to be proactive with respect to the environment and sustainable solutions. On the terminal side, the process of renewing the machine park is ongoing. Newly procured equipment satisfies the newest and strictest environmental requirements. In 2021, an agreement was signed for the delivery of new terminal machinery, which will be delivered in 2022. In 2022, the Alnabru Freight Terminal will test electric terminal machinery in cooperation with a supplier of such machinery.

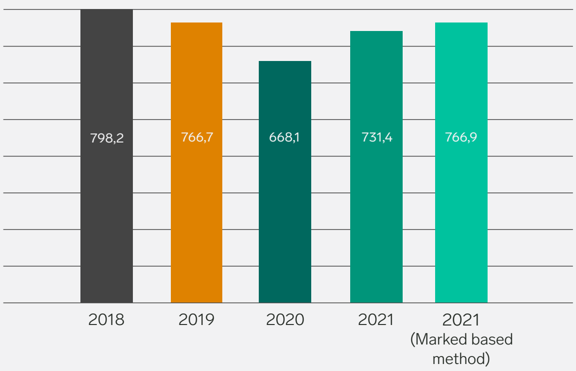
Most of our work vehicles at the Alnabru Terminal are now electric and good charging facilities have been established. Other vehicles owned by CargoNet are being replaced with electric vehicles on an ongoing basis.

Energy efficient driving is a topic in locomotive driver meetings. Work is also being done on the company's locomotive strategy. This work continued in 2021 and will continue in 2022. The strategy includes phasing out the old El 14 electric locomotives and replacing them with modern electric locomotives that feed electricity back into the network when they brake.

Greenhouse gas emission from transport (1 000 tonnes CO2-eq.)



Greenhouse gas emissions saved (1 000 tonnes CO2-eq.)



Vy Bus continues to cut their emissions

Bus operations switching to renewable energy

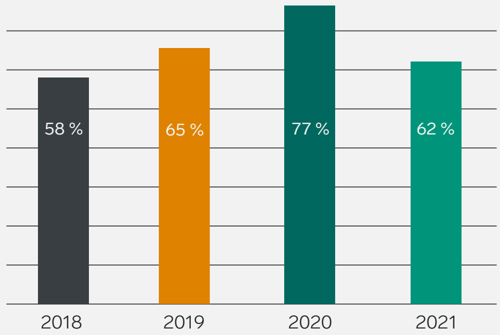
Vy Bus's greenhouse gas emissions have also been significantly reduced in the last few years. The main reason for this is the transition to electricity and renewable energy as fuel. We have also started using a fleet management system that can, among other things, record fuel consumption, the period of time vehicles are left idling, and driving behaviour.

We took receipt of eleven more electric buses in connection with the start-ups in 2021 and the tender contract in Hemsedal/Hallingdal is the first in Norway to use electric buses outside an urban area. In our commercial bus operations, Vy Bus took delivery of three electric tour buses and a further six have been ordered for delivery in 2022 and will replace previously planned investments in ordinary tour buses. There are tens of electric bus manufacturers in China and Vy Bus monitors the market continuously. We want to renew the bus fleet as soon as the technology is in place to reduce energy costs and emissions. We expect this to happen before the target date in the current NTP. Vy's electric buses drove 2 million kilometres in 2020 and this increased to 9.2 million kilometres in 2021.

The use of renewable fuels such as electricity, HVO100 biodiesel, biogas and biodiesel for buses has increased steadily in recent years, from 46 per cent in 2016 to 77 per cent in 2020. In 2021, higher duty on biofuel resulted in a 25 per cent price rise. This resulted in several of our principals switching back from using HVO100 biodiesel to diesel. This in turn resulted in our share of kilometres driven with emission free fuel dropping from 77 per cent in 2020 to 62 per cent in 2021.

In spring 2021, the government adopted a new climate plan in which it requires public procurements of transport services to be based on all city buses being emissions

Share of bus km. run by HVO/biodiesel/gas/electricity



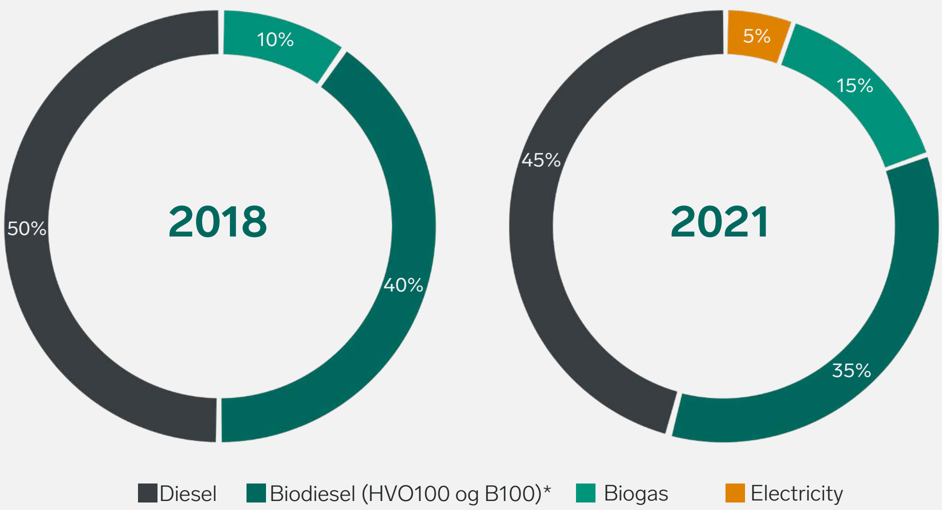
neutral from 2025 onwards. It is likely that this will require mainly electric operation. The most recent tender competitions also indicate a significant switch to electricity, especially in the Oslo region. Furthermore, Viken (Ruter) has, for example, set itself the goal of exclusively using zero emission buses from 2028 onwards.

Greenhouse gas emissions from Vy Bus's operations have also been cut significantly in the last few years. This is mainly due to the switch to more renewable energy in bus operations and the Nordic electricity mix becoming 'cleaner' in recent years.

At the end of 2021, Vy Bus operated more than 110 electric buses and more than 250 biogas buses. This makes Vy Bus one of the largest operators of buses running on renewable energy in Norway. The number of such buses is increasing in Sweden as well. In summer 2021, a further 51 electric buses were put into service in Jönköping. Our focus on electric buses affords us unique insight and experience, making Vy a leading player in the technology shift.

Our subsidiary Minibuss 24/7 won the tender competition for transport service (TT) operations for those unable to use public transport in Oslo, which will start on 1 October 2022. We won the tender due to our focus on electric vehicles, the

Share of diesel, biodiesel*, biogas og electricty (in % of seat km.)



Note: Biodiesel* = HVO100 (produced by waste primarily from the fish and meat industry) and B100 (by-product of rapeseed production where half of the rapeseed is produced for animal feed).

From the Vy Bus Championship

quality of our equipment and our environmental awareness.

Vy Flygbussarna is a partner in the 'Smartroad Gotland' project in which buses are recharged wirelessly on a normal road. This revolutionary technology is based on inductive charging, which entails a bus wirelessly recharging while its drives over so-called coils beneath the surface of the road.

The Vy Bus Championship helps cut emissions

Vy Bus organises an annual driving championship that focuses on efficient, customer-friendly, and safe driving. The goal is for drivers to drive as safely and eco-friendlily as possible. This year, 16 drivers with top scores in customer and eco-friendly driving made it to the final, three Swedish and 13 Norwegian drivers.

Good results for Norway's first Nordic Swan Ecolabel washing facility

In 2020, our large vehicle washing facility in Eidsvoll became Norway's first washing facility to receive Nordic Swan Ecolabel certification. The Nordic Swan Ecolabel outlines strict requirements for water consumption and wastewater purification. We saw good results from the certification related measures in 2021: The washing facility saved the municipality 3 million litres of water and more than 90 per cent of the washing water is reused. The Nordic Swan Ecolabel requirement is a maximum of 270 litres of water per washed bus and the result from Eidsvoll was about 78 litres of water per washed bus. The Nordic Swan Ecolabel's requirements also include a requirement to remove oil fractions, heavy metals, and other pollutants. Vy Bus has a total of 57 washing facilities and the washing facilities in Hamar and Brumunddal have also been awarded Nordic Swan Ecolabel certification. These officially opens in spring 2022.

CargoNet is actively working to cut emissions

CargoNet is electrifying aviation fuel trains from the Port of Oslo to Gardermoen

CargoNet carries aviation fuel from the Port of Oslo to Gardermoen using special trains. This service has been operated with a diesel locomotive for many years because the final stretch out to Sjursøya is not electrified. In January 2021, CargoNet started using an electric locomotive with a small diesel motor that is used on the final unelectrified stretch. This reduced noise, CO_2, and NOX in one of Norway's most densely populated areas. The reduction in CO_2 emissions is estimated to be around 900 tons per year.

CargoNet gets new hybrid locomotives

CargoNet has signed an agreement to lease two Stadler EURODUAL hybrid locomotives. These are electric locomotives that also have a diesel motor. They can thus be used both on electrified and unelectrified stretches. The locomotives will be delivered towards the end of 2022 and will go into service on the Oslo-Fauske route to cover the increased services on the Nordland Line. This will increase flexibility and optimise resource utilisation because a single locomotive will be able to run the entire route. Emissions will also be cut further once the Trondheim-Stjørdal stretch is electrified.

Zero emission lifting equipment at CargoNet's terminals

CargoNet is working closely with the suppliers of our terminal lifting equipment on the development of, and transition to, zero emission lifting equipment. Two of our suppliers will test prototypes starting in 2022-2024. This will make Vy the first terminal operator in Europe to test zero emission machinery produced by European suppliers with a lifting capacity of up to 45 tons. We are very proud of having the opportunity to participate in this development at such an early stage.

CargoNet testing battery powered wagons to cut diesel consumption

Large quantities of fruit, vegetables, medicines, seafood, and other products that require temperature control are carried on Norwegian railways every day. The cooling units use diesel as their energy source during transport. CargoNet has been testing a new type of wagon in collaboration with ASKO. These wagons generate and store electricity that can supply the cooling units with eco-friendly energy and help cut CO_2 emissions even further. Together we are now assessing the potential for expanding the use of battery powered wagons and will be testing a new, lager wagon with similar technology that can also carry HGVs.

Smarter train tickets for commuters who travel ‘now and then’

The pandemic and increase in working from home changed travel patterns and created new customer needs. A train ticket designed for the new normal was introduced as a pilot in 2020. Smartprice is a flexible, discounted ticket that provides a larger discount the more you travel and never costs more than a 30-day season ticket. Smartprice started as a pilot on the Moss-Oslo S route and in summer 2021 was expanded to ten routes in Eastern Norway. Vy was nominated for the Public Transport Award 2021 for our work on Smartprice. Smartprice is an important contribution to the work on retaining public transport passengers and avoiding more people choosing their car. Our surveys show that one in three pilot customers believe they have travelled more by train and that one in six believe they have travelled less by car due to Smartprice.

As little waste as possible

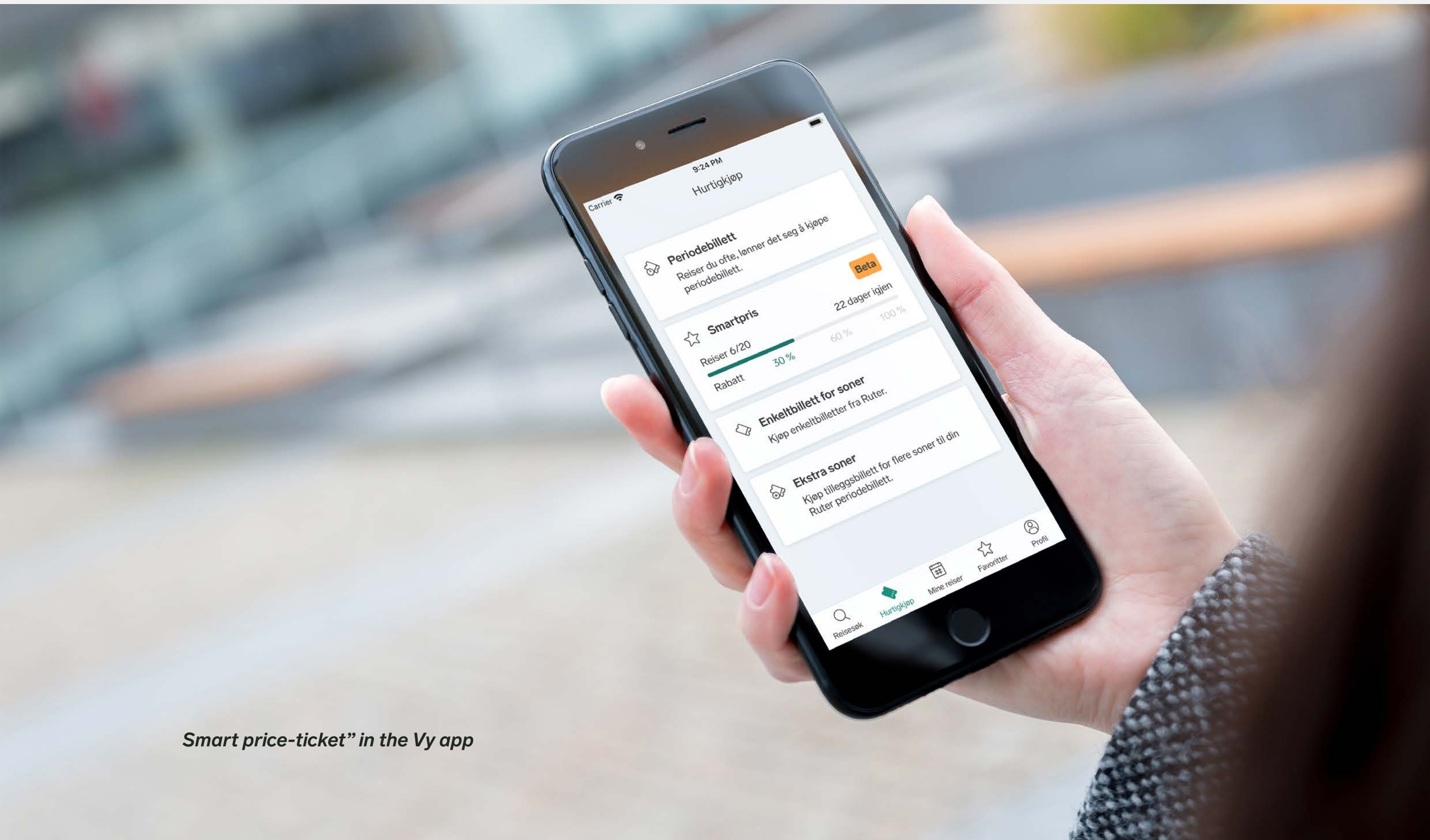
We want to help reduce unnecessary waste. This can be done by preventing the generation of waste in the first place. Next, the waste must be reused or recovered if possible. It is important that the waste is not sent to a landfill site and that it is not incinerated in a manner that fails to make use of the energy released. We are constantly looking for new ways of reusing waste and increasing our source separation rate, including:

- Source separation on the trains where paper is recovered and where residual waste goes to energy recovery
- Reducing plastics in food service on trains and interior plastic as protection in new buses
- Setting requirements for, and monitoring, suppliers’ workshops and cleaning services to reduce the amount of chemicals used
- Reusing or recycling used uniforms

The bus operations registered a waste volume of 1,071 tons, a fall of around 7 per cent from 2020. The source separation rate was unchanged from 2020 at 79 per cent. Our freight operations achieve 100 per cent source separation.

There were no significant emissions of chemicals or leaks related to our passenger train or freight operations in 2021. As far as Vy Bus is concerned, we only had a few internal spills that were caught by oil traps. A spill from an external neighbouring workshop was also caught by our sand trap and connected oil trap. The oil trap was subsequently emptied, but it is assumed that some of it entered the public network. Vy Bus caught this due to a recently established purification plant that experienced problems due to the incident.

Team Verksted, our independent chain of workshops, has waste management agreements for all workshops and makes great efforts to recycle. The sand traps in the washing facilities are also emptied by Norva, which treats it as hazardous waste. This is an environmental responsibility that very few in the industry take.



Smart price-ticket” in the Vy app

The head office is one of Norway's most eco-friendly buildings

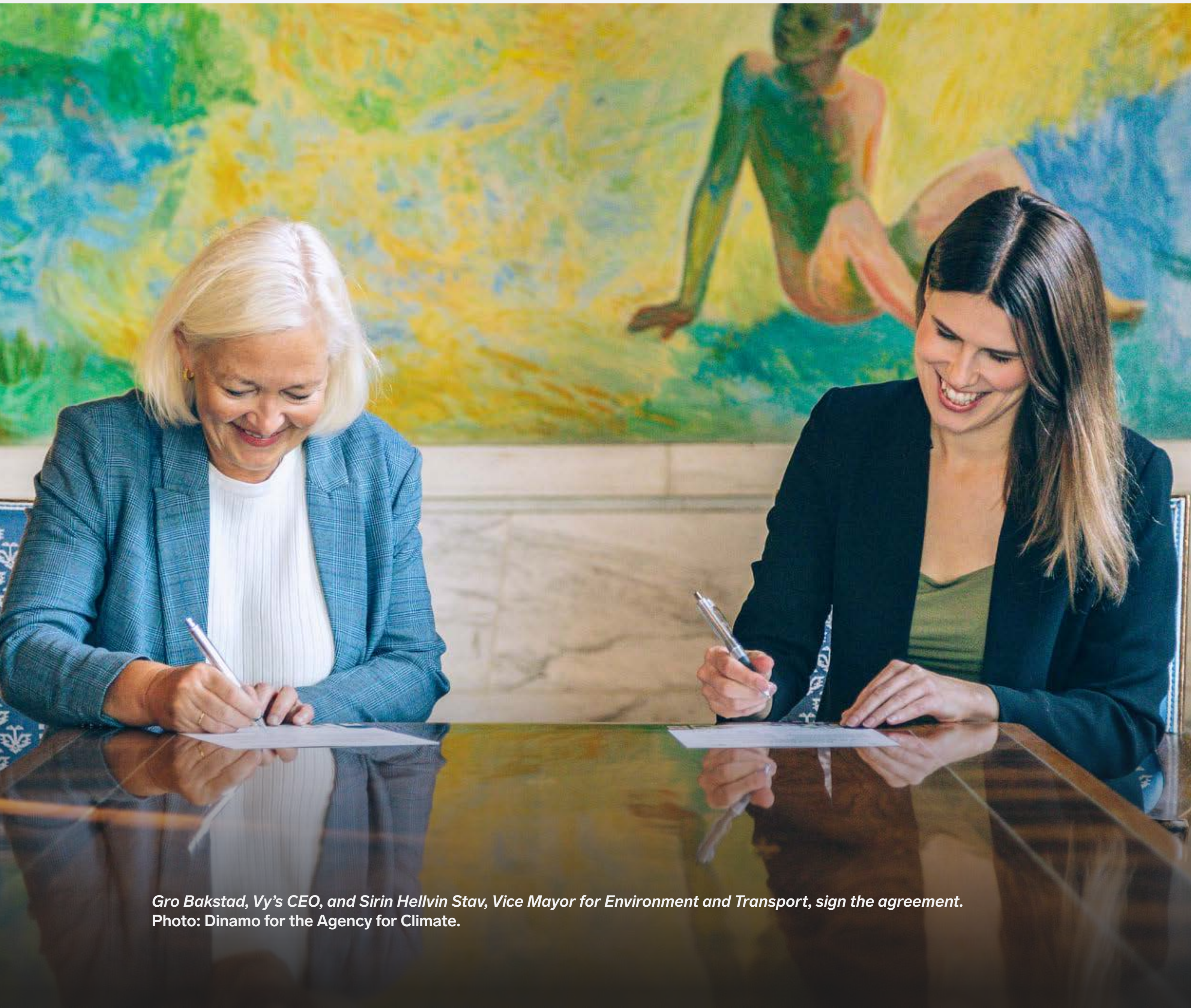
The head office was Norway's first building to gain an 'Excellent' environmental certification from BREEAM-NOR, Norway's leading environmental certification systems for buildings. The building is space efficient, flexible, and future-oriented, and provides great extra value for tenants, owners, and society. The cellar has 364 bike spaces. Employees can also book electric bikes, and there are very few parking spaces.

We have reduced our supplier's greenhouse gas emissions (Scope 3)

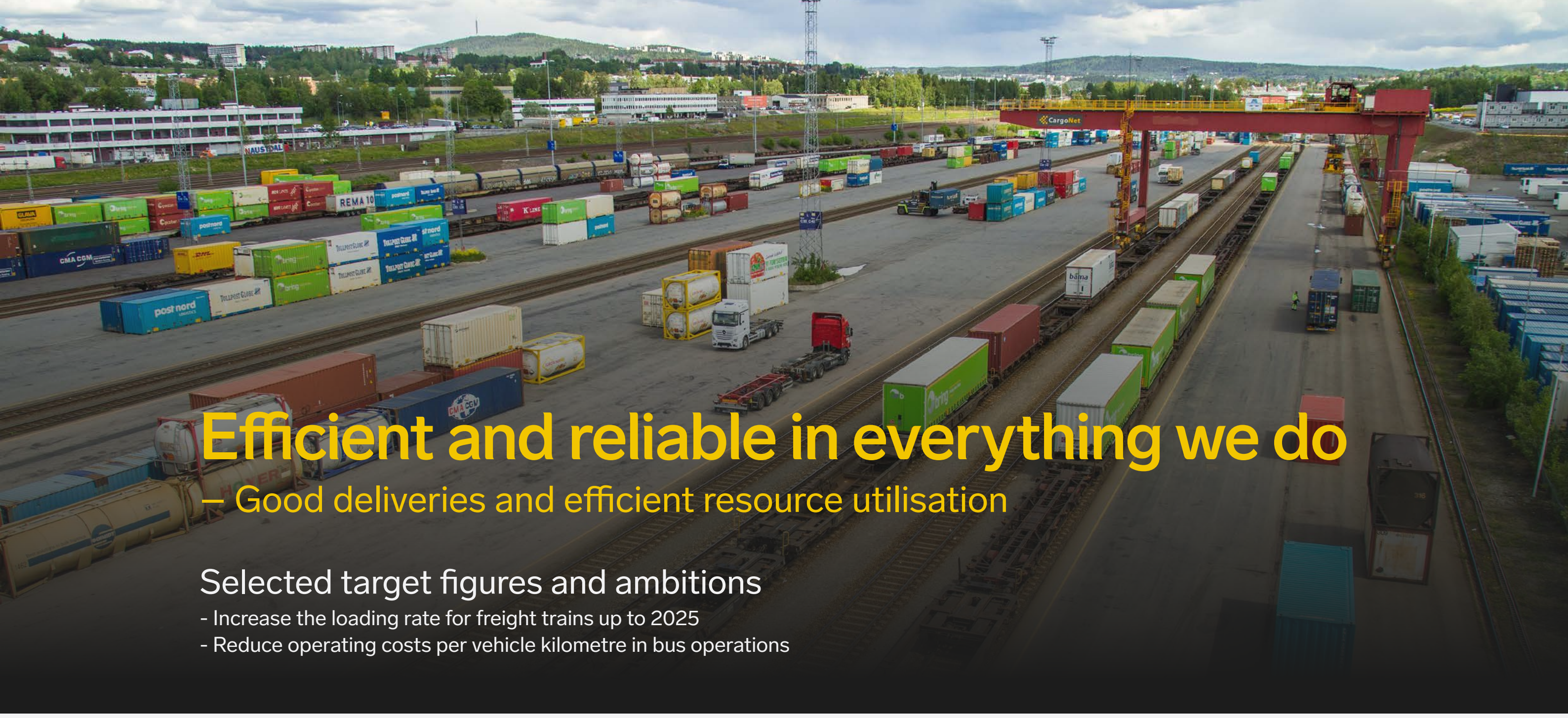
In accordance with the international greenhouse gas reporting standard, Greenhouse Gas Protocol, Scope 3, we also report on our suppliers' greenhouse gas emissions. In 2021, alternative travel (rail replacement bus service) reported greenhouse gas emissions of 8,200 tons of CO2 equivalents, a drop of 24 per cent from 2020. Emissions from alternative travel account for 16 per cent of passenger train emissions in Norway. Total Scope 3 emissions are estimated to be 12,602 tons of CO2 equivalents. This accounts for about 6 per cent of emissions from our operations (Scopes 1 and 2, location-based method).

Vy has become a member of 'Næring for Klima'

'Næring for Klima' is a climate partnership between the City of Oslo and businesses in the Oslo region. Vy signed an agreement with the City of Oslo in October 2021. By signing the climate contract, members demonstrate that they will actively work to cut the city's emissions. 'Næring for Klima' comprises more than 100 companies that are working to reduce Oslo's greenhouse gas emissions and help achieve the city's climate targets.



Gro Bakstad, Vy's CEO, and Sirin Hellvin Stav, Vice Mayor for Environment and Transport, sign the agreement.
Photo: Dinamo for the Agency for Climate.



Efficient and reliable in everything we do

– Good deliveries and efficient resource utilisation

Selected target figures and ambitions

- Increase the loading rate for freight trains up to 2025
- Reduce operating costs per vehicle kilometre in bus operations

8 DECENT WORK AND ECONOMIC GROWTH

Vy will promote a safe, decent working environment for all employees. We are constantly striving to achieve better resource utilisation, especially within energy consumption, to help end the link between economic growth and environmental degradation. Vy promotes a sustainable tourism industry that creates jobs and promotes local culture and products

11 SUSTAINABLE CITIES AND COMMUNITIES

We provide safe, accessible, and sustainable transport solutions at an affordable price

17 PARTNERSHIPS FOR THE GOALS

Vy is contributing to well-functioning partnerships between stakeholders in the transport sector and we seek partnerships between more stakeholders that can contribute to sustainable development

Vy is state-owned because of the need of a provider that can meet the government's requirements for transporting passengers and freight by rail. The state's objective as the owner is to achieve the highest possible return over time, contingent on the value creation being sustainable. This means making the most efficient use of resources, while also generating economic growth.
Vy is taking a systematic approach to transition and constantly introducing improvements throughout the Group in order to deliver properly for our customers. In addition to improving and simplifying operational and support processes, we facilitate the sharing of best practice and training across our operations. Greater digitalisation and automation will be key to improving quality and reducing costs going forward.

Vy is working on quality in all parts of our operations and ensuring a sustainable value chain. Good customer experiences require good, reliable basic deliveries. Safety, punctuality and the proper management of adverse situations are especially important for the rail operations. Vy's deliveries require good, constructive cooperation with other stakeholders in the sector and we want the end customer to be a top priority for our suppliers as well.

Punctual trains make for satisfied customers

When it comes to passenger rail services, there is a difference between operator-dependent punctuality and overall punctuality. Operator-dependent punctuality (in which only delays caused by Vy are counted) totalled 98.1 per cent in 2021. This is on a par with the 98.2 per cent score for the year before and is something we are always looking to improve. Overall punctuality, which includes all delays regardless of cause, ended up at 87.8 per cent for Vy's passenger trains. This represents a decrease from 90.5 per cent in 2020.

The poor overall punctuality is a major challenge for our customers. We are completely dependent on good deliveries from Bane NOR, which is responsible for the infrastructure, when it comes to delivering good rail services. That is why we have cooperative forums for punctuality with Bane NOR at several levels. These are forums that involve senior management from both companies, forums that deal with the various areas in the east, west and the Gjøvik Line, local meetings about specific routes and punctuality meetings every second week where we, based on analyses, discuss specific priorities and improvements.

For freight trains, punctuality and regularity have improved when compared with 2020, partly because of the targeted efforts to improve our winter preparedness. 2021 was another good year for CargoNet's delivery punctuality with overall punctuality of 93.46 per cent, a decrease from 96 per cent in 2020 but well above the target of 92 per cent.

Efficiency gains and subsidies for rail freight are providing more capacity and moving more freight from road to rail

CargoNet is taking a structured and targeted approach to improving resource utilisation, cutting costs, and raising quality. Continuously improving internal processes and developing digital tools are key to achieving this. Examples of improvements include acquiring a new customs system, automating document flow, services for better communication and interaction with suppliers and partners, as well as tools for better train optimisation.

The temporary subsidy scheme for moving freight from road to rail will be continued in 2022. This funding scheme covers combined transport and wagon load forms of rail transport , where the competition with road haulage is at its strongest. The funding is paid based on net ton-kilometres of freight transported by rail. The scheme will last for up to three years and is helping to ensure both that more goods are being transported by rail and that provision is being strengthened.

New digital solutions for Vy Bus

In 2021, Vy Bus started remotely controlling additional heat in several tender contracts. Prior to this it was controlled manually, and a lot of fuel was used to heat buses. The time it takes to warm up a bus is now calculated based on the outside temperature and the size of the bus. This considerably reduces heating times and fuel consumption.

In the three tender packages in Trøndelag, which started up in August 2021, Vy Bus is using a new digital solution that improves correspondence between the buses. The system makes it easy for drivers to see whether a bus they must correspond with is on schedule or not. This allows the drivers to provide customers with better information and reduce discrepancies in the correspondence of buses. This is part of the IT system for buses that provides real-time information to Vy Bus and principals.

Vy Bus completed the rollout of around 7,000 tablet computers in Norway and Sweden in 2021. The drivers now have a proper tool that reduces the time spent on completing paperwork. All the information is available in one place and drivers can also use their tablet to, for example, take photos of any damage to their bus. This digitalisation improves efficiency and reduces unnecessary time usage for drivers, operating centres, and local management.

Responsible procurement

The Vy Group is a responsible buyer. Our code of conduct for suppliers specifies requirements regarding protecting basic human and labour rights, the environment, and business conduct practices in all procurements and contracts. Vy's procurement strategy sets out goals and specific measures regarding sustainable procurement.

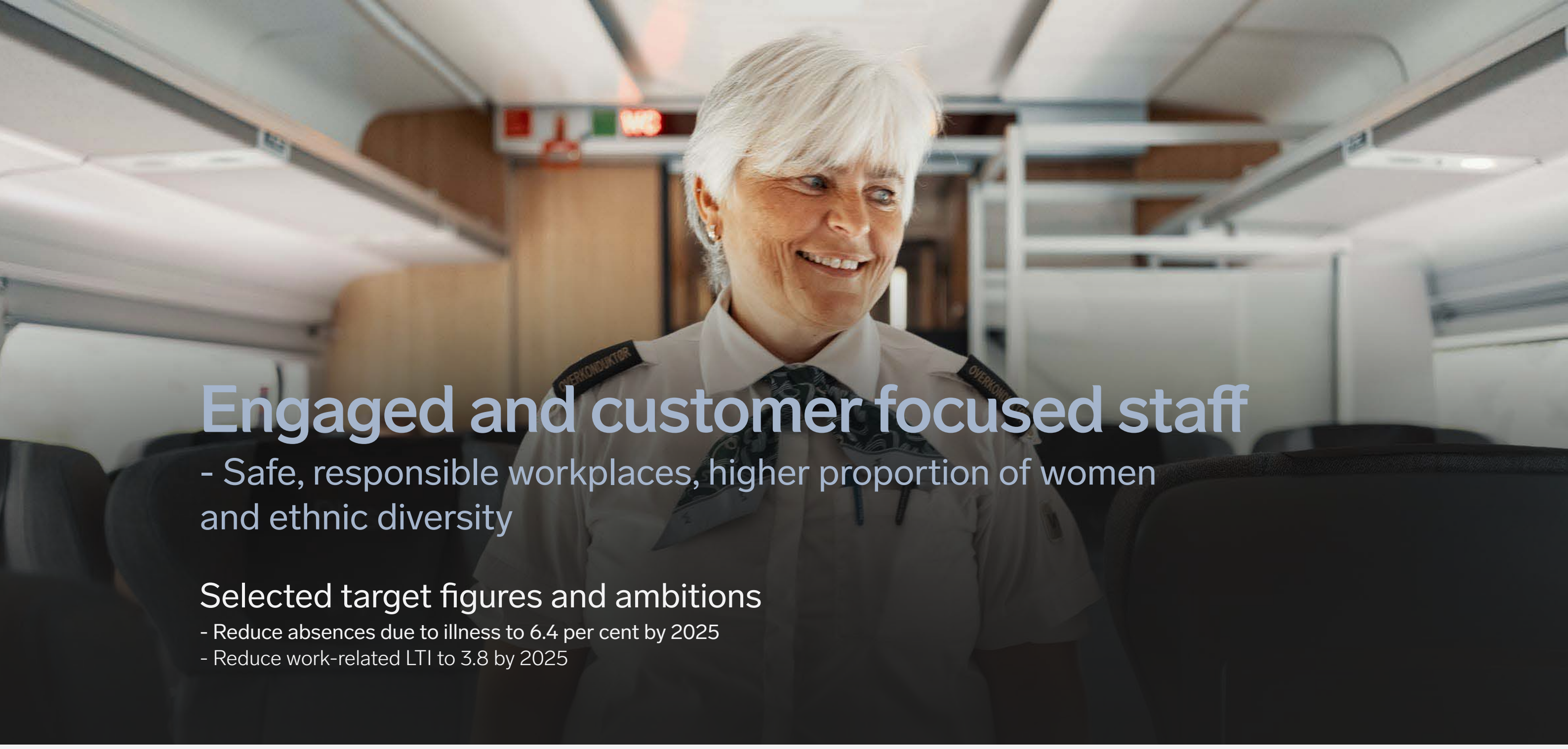
The Group buys goods and services worth around NOK 7 billion a year. It also procures and leases fixed assets, mainly rolling stock and buses, worth around NOK 3 billion. Vy conducts annual risk analyses of environmental, social, and ethical conditions in our procurement plans and agreement portfolios. The risk associated with agreements is defined as high in several areas, such as textiles, IT equipment, cleaning, catering, and vehicles, to mention just a few. In these areas, we set further sustainability requirements for procurements and specifically assess whether our requirements are being complied with during the term of a contract. In 2021, risk assessments were conducted of around 220 suppliers and suppliers were followed up with respect to sustainability in many different risk areas. If we find non-conformities, we make clear demands concerning improvements.

The work we carry out to ensure compliance with our sustainability goals throughout our value chain is a vital element of our contribution to society. We strive to comply with the OECD's due diligence methods in our procurement processes and have started specific work on this in more of our agreements. Our revised code of conduct for suppliers contains a requirement for due diligence assessments in line with the OECD's guidelines and the new Norwegian Transparency Act. The procurement function is tasked with ensuring that Vy uses our purchasing power to achieve the best possible terms and conditions, and that the agreements protect Vy's interests and comply with our sustainability standards. Vy is a member of Ethical Trade Norway whose mission is to promote responsible supply chains.

Partnerships in the transport sector

Good cooperation between stakeholders in the transport sector ensures good quality and better resource utilisation in that more people travel by public transport and in an eco-friendly manner. Vy works closely with suppliers, principals, and others in the sector. We are working together with others such as Bane NOR to improve punctuality. Together with Norske Tog AS we will be offering a new, modern sleeping option on the Bergen Line when comfortable new seats are installed in special carriages in 2022. In 2021, we tested the world's first, scheduled autonomous bus in normal traffic (with no host on board) in cooperation with Brakar and Applied Autonomy. In Stavanger we are partnering on autonomous buses with Kolumbus. We were the first in Europe to test large autonomous buses registered for 21 passengers, plus standing places, and that are more than 8 metres long. The bus will be put into service in spring 2022. We want to contribute to technological advances and projects like this may also make choosing to become a bus driver more attractive as a career path for young people. Within freight operations we are working with ASKO to reduce emissions from diesel generators by switching from diesel to electricity.

A Vy train on the Bergen line



Engaged and customer focused staff

- Safe, responsible workplaces, higher proportion of women and ethnic diversity

Selected target figures and ambitions

- Reduce absences due to illness to 6.4 per cent by 2025
- Reduce work-related LTI to 3.8 by 2025

5 GENDER EQUALITY

Vy is actively working to increase diversity and equal opportunities for everyone

8 DECENT WORK AND ECONOMIC GROWTH

Vy will promote a safe, decent working environment for all employees

Vy wants to be an industry leader in traffic safety and HSE. We are working on three focus areas to ensure that all customers can travel safely and that employees are well looked after:

- *Traffic safety:* Vy will help to ensure that people and freight can travel more safely
- *Safe customers:* Customers must be able to complete their journeys safely. Their journeys must be predictable with respect to times and quality, and they must be confident that their personal data is being processed securely.
- *Safe and happy colleagues:* Our employees benefit from safe workplaces that are always evolving and motivating them

Traffic safety is central to Vy's corporate culture, and our employees have high levels of expertise and are proud of this. We are striving to further reduce adverse incidents and dangerous situations to avoid injuries and fatalities throughout the Group. In 2021, one of our bus drivers died in a tragic accident in difficult winter driving conditions. We are doing our utmost to avoid anything similar happening again.

Rail traffic safety

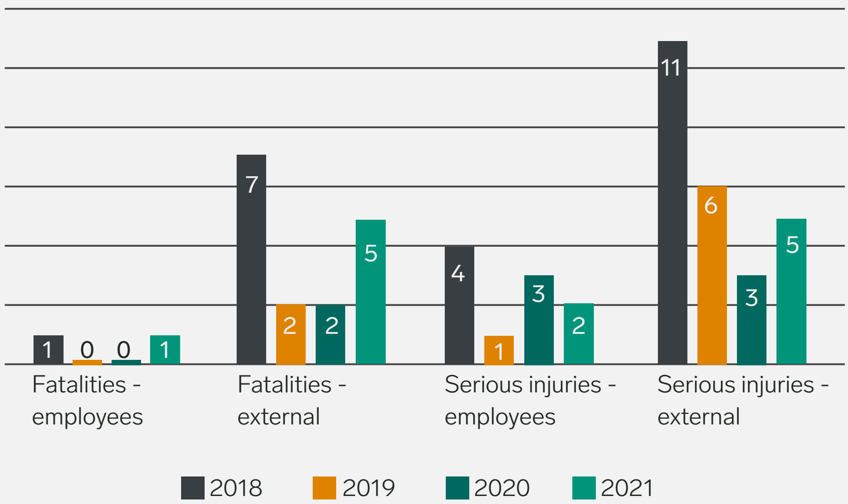
Vy experienced 17 incidents defined as railway accidents pursuant to the Regulations in 2021. This is five fewer than the year before. Accidents are followed up in line with established procedures, and internal investigations are initiated as required. Investigations show that many accidents are caused by factors outside Vy's control. We systematically register adverse incidents and report these to the infrastructure manager. Traffic safety is a high priority and audits, risk management and result-oriented management are used to mitigate risk, both internally and in cooperation with others. The work on preparedness aims to minimise any harm.

Vy Passenger Train has been ISO 45001 certified since 2019. This is a new standard for working environments and defines minimum requirements for systems to protect employees from illness and accidents due to conditions in the workplace.

There were 2,111 collisions with animals on Norwegian railways in 2021. The statistics do not show the proportion that involved Vy. This is 414 more than in 2020. Bane NOR has implemented an action plan to reduce the number of collisions between animals and trains. Preventive measures aimed at reducing collisions are currently being implemented. These include clearing vegetation and setting up reindeer fences.

The greatest risks to freight operations come from activities at the terminals. This is a priority area. In 2021, the total recordable injury frequency (TRIF) rate (injuries with and without absence) was on a par with 2020.

Injuries and fatalities



Bus traffic safety

Vy Bus monitors traffic safety closely and the topic is the first agenda item in all management meetings. All serious incidents are evaluated. We are still focusing extra heavily on following up collision safety in the driver's compartment of class 1 buses. The safety service has contacted the ministry regarding the requirements for driver safety. Based on this, the Norwegian authorities have raised the matter with the Working Party on General Safety Provisions (GRSG) in the EU. Traffic safety is also a priority for our principals, and they now include stricter requirements concerning bus safety in their tender competitions. As a consequence of this work, it seems that more manufacturers are enhancing safety measures with reinforcements around the driver's seat, independent of the legal requirements.

In 2021, we suffered one fatality among our employees. Vy Bus has defined traffic safety targets linked to driving style deviations and injuries. These are followed up at company, departmental and individual level. Local traffic safety risk assessments are updated annually. Vy Bus is ISO 39001 Road Traffic Safety certified. Vy Buss is also ISO 45001 certified, a standard for the working environment that requires a system to protect workers against accidents and illness caused by conditions in the workplace.

Since 2019, Vy Bus has offered voluntary health checks to all drivers aged over 60 who are in the middle of their driving licence renewal period. In other words, health check intervals are being reduced from 5 years to approx. 2.5 years.

Safe workplaces help reduce sick leave and injuries

Customer safety starts with staff safety. A safe, evolving workplace is a fundamental factor in being able to ensure the safety of our passengers. We are therefore systematically and constantly working on sick leave and preventing personal injuries.
Sick leave was reduced by 0.3 percentage points to 7.8 per cent. This is 0.6 percentage points higher than the target of 7.2 per cent for 2021. One of the main reasons why we did not achieve this year's target is that the Covid-19 pandemic has dragged on and employees have been encouraged to practise a low threshold when it comes to staying home if they display symptoms of illness. Vy's goal is to reduce sick leave to 6.3 per cent by the end of 2026. We also have a target for lost time injuries (LTI), in other words injuries that result in absences beyond the day of injury (self-certified and/or doctor certified). The LTI index shows 5.2 for the entire group and is on a par with last year. The LTI target is 3.6 by the end of 2026 .

We have introduced the following measures to achieve this:

- Strengthening of HSE follow-up procedures both internally and at suppliers and reducing injuries among employees.
- Closer follow-up of sick leave, with an emphasis on sharing knowledge and joint efforts to reduce sick leave, for example through lifestyle courses. Identifying best practices internally and, through this, standardising follow-up procedures for sick leave.
- The number of occupational injuries leading to absences was both low and stable for the passenger train and bus operations for most of the year, albeit with an increase towards the end of the year. This was mainly due to slippery conditions that led to fall-related injuries among our operational personnel. We therefore did not achieve the targeted reduction in 2021.

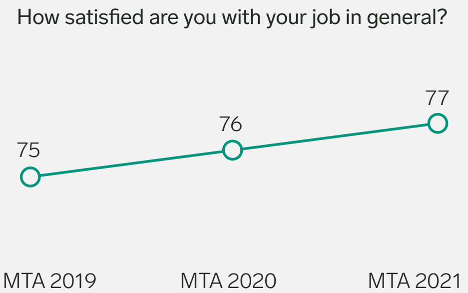
The sick leave rate for trains is slightly above the target figure. Actual sick leave is currently 6.9 per cent.
The bus operations are working on the prevention and follow-up of sick leave through specific activities in the 'Best Practice' programme. All front-line managers have a duty to take steps that we know from experience result in less sick leave and all employees were asked in an internal survey whether they were seeing the desired changes in their department.

In 2021, CargoNet's total sick leave rate was 4.2 per cent. This represents a positive drop of 1.3 percentage points from last year.

Our employees are satisfied and secure

At the end of the year, Vy had 12,457 employees, of which 3,012 were temporary employees and 2,614 were part-time employees. The bus operations employ the largest proportion of part-time and temporary employees. The number of FTEs was 9,760. Some 2,716 of the Group's employees work in Sweden.

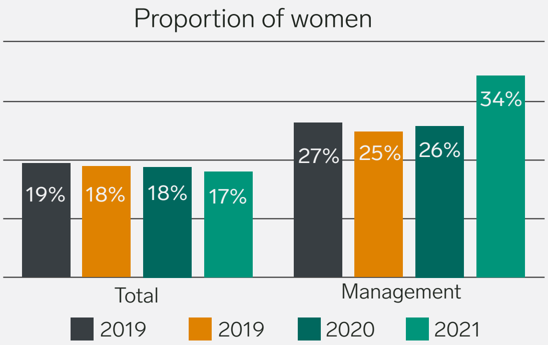
The employees in Vy build our reputation when meeting our customers. Therefore, the employees' assessment of Vy as a workplace is important to us. We have conducted annual employee surveys for a long time, with good results. From 2021 onwards, we will move to four-month, pulse-based measurements. One of the questions we always ask is also included in the group's strategic scorecard. We have developed well over the last three years on the question: "How satisfied are you with your job in general?"

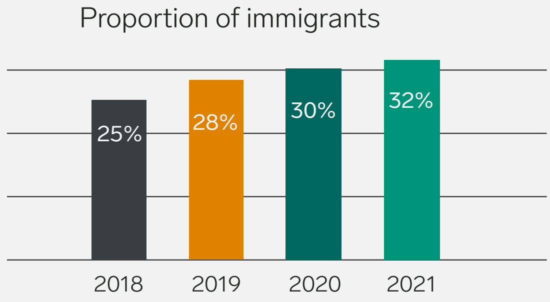


Figures for 2021 show that both job satisfaction and loyalty have increased steadily throughout the Vy Group. In particular, the employees' perception of Vy's reputation and Vy's provision of a safe workplace during the Covid-19 pandemic have had a positive effect.

We are working to increase the proportion of women employed by Vy

The proportion of women working within the Group varies considerably depending on the role and business area. This is especially true when it comes to driving personnel, as the proportion of women working in these roles is lower than those working in administrative positions. We are actively striving to improve this. The proportion of women in management positions was 34 per cent, which is higher than the proportion of female employees as a whole





** Definition Statistics Norway: Immigrants are defined as persons who have immigrated to Norway themselves, and who were born abroad by foreign-born parents and four foreign-born grandparents.*

Our ethnic diversity continues to rise

People from ethnic minorities now account for 32 per cent of all of Vy's employees, an increase of 2 percentage points from 2020. The largest proportion of people from ethnic minorities work in positions within bus and cleaning operations. This proportion is growing across all of the Group's business areas.

We are very proud that Vy Bus Gjøvik won the regional Diversity Award for Innlandet in 2021. The award is presented to companies that have excelled in making outstanding use of the skills of people from ethnic minorities. The citation states that Vy Bus Gjøvik is a workplace with great diversity and that purposefully works to ensures that there is space for everyone.

Vant Mangfoldsprisen

VY Buss Gjøvik og Koan Lillehammer AS vant den regionale Mangfoldsprisen for Innlandet.

Juryen roser vinnerne for at de hver på sin måte har bidratt til å skape varige arbeidsplasser for etniske minoriteter i fylket.

Mangfoldsprisen deles ut til virksomheter som har utmerket seg ved fremragende bruk av innvandreres kompetanse. VY Buss Gjøvik vant prisen i kategorien for store og mellomstore virksomheter.

- VY Buss Gjøvik gikk helt til topps på grunn av sitt systematiske arbeid med å rekruttere innvandrere. Juryen vektlegger blant annet den utradisjonelle ansettelsen av tre kvinner i bussjåførstillinger, sier juryleder og seksjonssjef for Næring og internasjonalt samarbeid i Innlandet fylkeskommune, Trond Carlson.

Sjåfør Natsenet Tekie hos VY Buss Gjøvik mottok plakett og blomster.
Foto: VY Buss Gjøvik

Facsimile: innlandetfylke.no

Vy is working on a number of different ethnic diversity measures:

- Seminars with the Norwegian Labour and Welfare Administration (NAV) in which we speed interview candidates with ethnic minority backgrounds who want to become drivers.
- If candidates are rejected due to poor language skills, we ask them to apply again after they improve their Norwegian skills. Many of those we interviewed took a Norwegian language course through NAV. A year later, 98 per cent of those who were sent on the course got a job with us. Vy also offers continued language training.
- We have introduced various social measures like canteen food from all parts of the world.

Vy's Christmas gift went to good causes

All of Vy's employees had an opportunity to vote for which non-profit organisations would receive our Christmas gift this year. A total of 745 Vy employees voted on how the NOK 150,000 should be distributed. When the voting ended, the results showed that the Sykehusklovnene hospital clowns received 59 per cent of the votes, Doctors Without Borders received 20 per cent, the Red Cross Rescue Corps got 16 per cent and an organisation for vulnerable children, Maskrosbarn, got 5 per cent.

Code of conduct and rights

Vy has a clear code of conduct regarding ethics and corporate social responsibility. It describes human rights, labour rights and our work on anti-corruption. Our work on equality and equal opportunities is described in more detail in the principles of the Group's personnel policy. This policy states, among other things, that:

- All employees of the Vy Group are equal, regardless of gender, age, disability, sexual orientation or religious, ethnic and cultural background.
- We want to maintain a broad and diverse range of managers and staff where individual qualities are respected and valued.
- We are working to improve gender balances at all levels of the Group. This is emphasised in recruitment and skills development.

The Vy Group received eight reports of wrongdoing in the organisation in 2021. This is four fewer reports than in 2020. The reports received concerned matters related to problems working together, harassment and bullying, and were followed up in line with the Vy Group's whistleblowing procedures. An external whistleblowing channel was also established for the Vy Group in 2021 as a supplement to the internal whistleblowing channel.

It is important that Vy ensures a good dialogue between the employer and employee so that together we can find the best and most long-term solutions to ensuring compliance with rights and agreements. Vy has permanent forums and procedures for addressing this. Our employees' rights are well-defined in collective agreements and contracts. Employees are represented on the Group's Board of Directors and working environment committees regularly hold meetings in the business areas and in the companies. Vy also has a long tradition of, and good routines for, facilitating the work.

We operate in Norway and Sweden. Human rights and labour rights are well-protected here and our employees have rights that are well-defined in laws and agreements. Employees are represented on the Group's Board of Directors. We have an European Workers Council (EWC) that meets twice a year where the employees' representatives from both countries meet the Group's senior management for information and discussions about the Group's strategy and activities. The management, chief employee representatives and chief safety representatives meet between eight and ten times a year in central Norway. Monthly local cooperation meetings are held with participants from the departmental management, employee representatives and safety representatives.

For our bus operations, the code of conduct can be found in our managers handbook on the intranet, staff handbook and in the bus drivers handbook, which are the work rules for bus drivers.

Internal control and anti-corruption work

We continually work on internal control in order to minimise risk. This includes risk analyses regarding irregularities and corruption. The code of conduct forms part of new employees' contract of employment and is available to all employees on the intranet.

Key personnel in all business areas have received anti-corruption training and reviewing our values and code of conduct is a mandatory part of new employees' training. Our whistleblowing procedure is publicised on a simplified warning poster and complies with the requirements of the Norwegian Working Environment Act. An e-learning course on our code of conduct has been introduced in the rail freight business area. We have established a whistleblowing channel to ensure that the threshold for reporting any wrongdoing is low.

Based on data we have collected from our internal control system, we have analysed statuses and given recommendations for improvements regarding our systems, routines and practices. No serious errors or incidents linked with errors or incidents have been found during this work, although the analyses have provided a basis for improving our data and internal processes. Moreover, we are not aware of any criminal cases involving corruption that are being brought against our companies or employees. Vy's management teams and Boards of Directors were notified of the statuses and development of their own reviews of internal inspections over the course of the year.

Our performance – Collective table

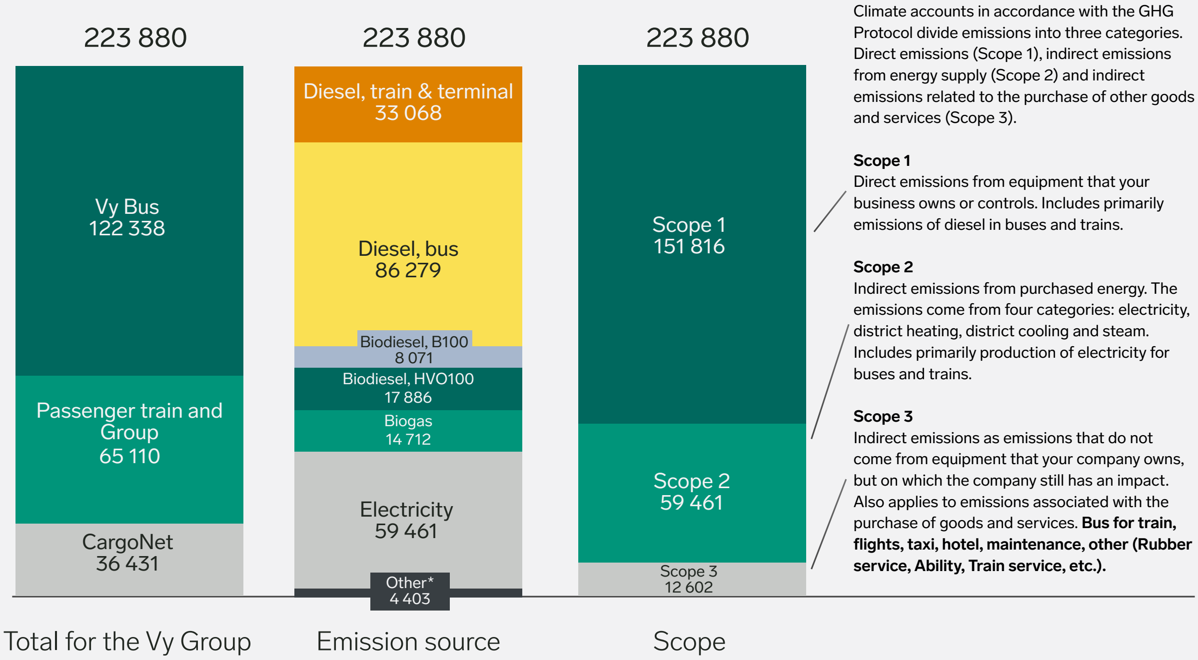
	2021	2020	2019
Passenger train journeys (mill.)	35,8	39,4	78,7
Bus journeys (mill.)	77,1	77,7	125,9
Transported TEU - freight train (1 000)	369	340	333
Punctuality - passenger train (Norway)	87,8 %	90,5 %	86,3 %
Punctuality - freight tain	93,4 %	96,0 %	95,2 %
Customer satisfaction - passenger train (index 0-100)	74	69	67
Customer satisfaction - expressbus (index 0-100)	84	85	NA
Energy consumption passenger train - electricity(MWh)	399 251	409 607	480 797
Energy consumption passenger train - diesel (mill.litre)	2,4	6,1	11,6
Energy consumption bus - diesel (mill.litre)	26,6	18,9	24,4
Energy consumption bus - biodiesel (mill.litre)	4,2	9,7	10,6
Energy consumption bus - HVO (mill.litre)	18,4	18,5	17,2
Energy consumption bus - gas (mill. m3)	11,8	18,2	10,6
Energy consumption bus - electricity (MWh)	9 155	2 771	635
Energy consumption freight train - electricity (MWh)	99 936	92 663	111 965
Energy consumption freight train - diesel (mill.litre)	7,8	7,0	6,5
Energy consumption passenger train - (kWh/seatkm.)	0,0382	0,0397	0,0415
Energy consumption bus - (litre/buskm.)	0,335	0,364	0,344
Energy consumption freight train - (kWh/tonnekm)	0,042	0,042	0,042
Emissions to air passenger train - tonnes CO2e (GHG scope 1&2)	51 810	72 537	99 543
Emissions to air bus - tonnes CO2e (GHG scope 1&2)	122 338	131 616	133 513
Emissions to air freight train - tonnes (GHG scope 1&2)	36 431	34 562	35 596
Emissions GHG scope 3 tonnes CO2e	12 602	17 048	18 697
Fatalities - employees	1	0	0
Fatalities - external	5	2	2
Serious injuries - employes	2	3	1
Serious injuries - external	5	3	6
Railway accidents	17	24	29
Number of employees	12 457	11 284	11 666
Man years	9 760	9 250	9 308
Employee satisfaction	77	73	72
Sick leave ratio	7,8 %	8,1 %	7,1 %
Proportion of women	17 %	18 %	18 %
Proportion of female managers	34 %	26 %	25 %
Proportion of immigrants*	32 %	30 %	28 %
Notices on discriminatory behaviour	8	12	5

** Definition Statistics Norway: Immigrants are defined as persons who have immigrated to Norway themselves, and who were born abroad by foreign-born parents and four foreign-born grandparents.*

Climate accounts for the Vy Group 2021

Emissions distributed by source and scope

Tonnes CO_2-equivalents



Climate accounts in accordance with the GHG Protocol divide emissions into three categories. Direct emissions (Scope 1), indirect emissions from energy supply (Scope 2) and indirect emissions related to the purchase of other goods and services (Scope 3).

Scope 1
Direct emissions from equipment that your business owns or controls. Includes primarily emissions of diesel in buses and trains.

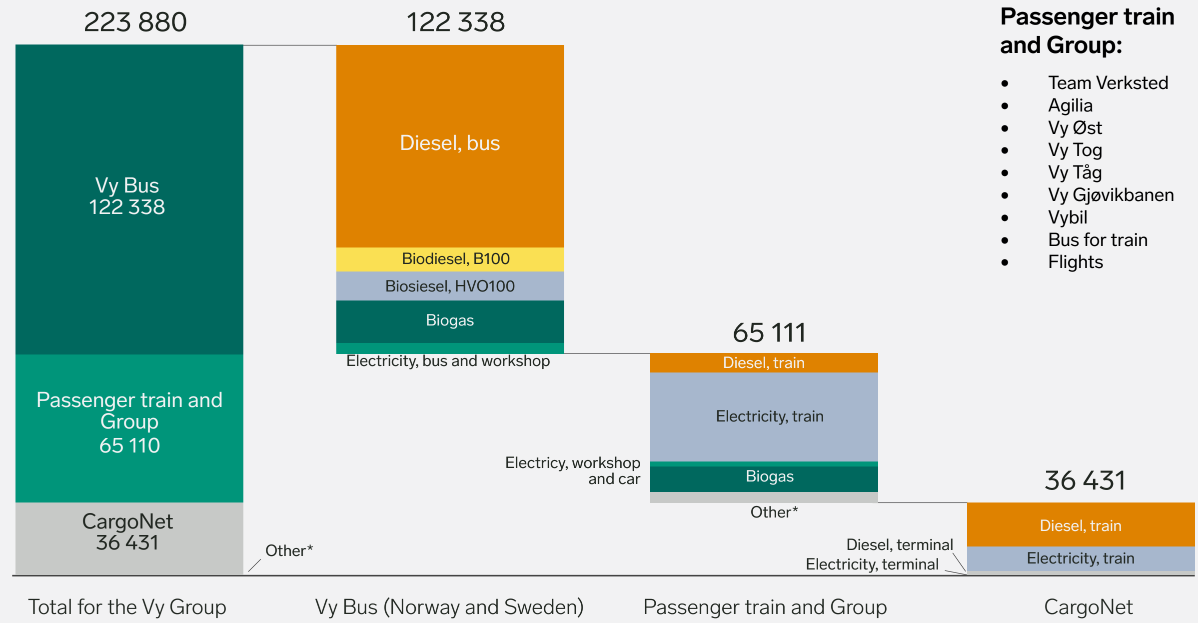
Scope 2
Indirect emissions from purchased energy. The emissions come from four categories: electricity, district heating, district cooling and steam. Includes primarily production of electricity for buses and trains.

Scope 3
Indirect emissions as emissions that do not come from equipment that your company owns, but on which the company still has an impact. Also applies to emissions associated with the purchase of goods and services. **Bus for train, flights, taxi, hotel, maintenance, other (Rubber service, Ability, Train service, etc.).**

Note: Other: Flights, taxis, hotels, maintenance and heating oil
Source: Asplan Viak

Emissions distributed by business segments

Tonnes CO_2-equivalents



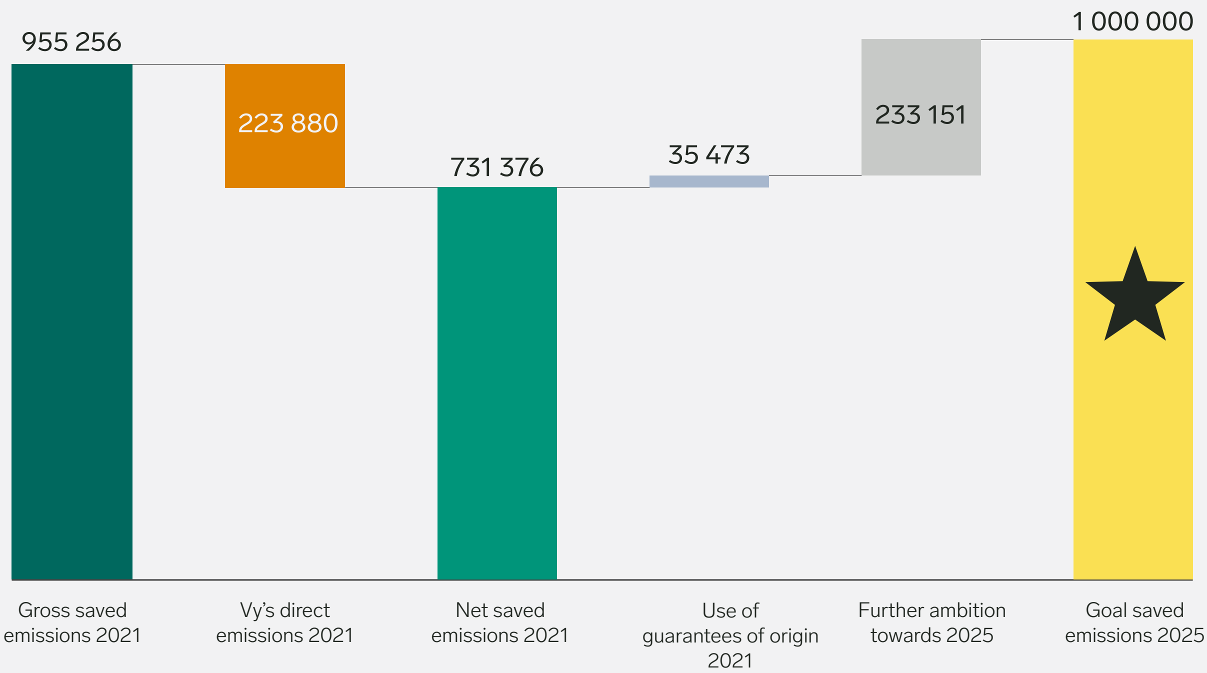
Passenger train and Group:

- Team Verksted
- Agilia
- Vy Øst
- Vy Tog
- Vy Tåg
- Vy Gjøvikbanen
- Vybil
- Bus for train
- Flights

Note: Other: Flights, taxis, hotels, maintenance and heating oil
Source: Asplan Viak

Saved C0₂ emissions in 2021 including goal for 2025, guarantees of origin og further ambition.

Vy Group, tonnes CO_2 equivalents



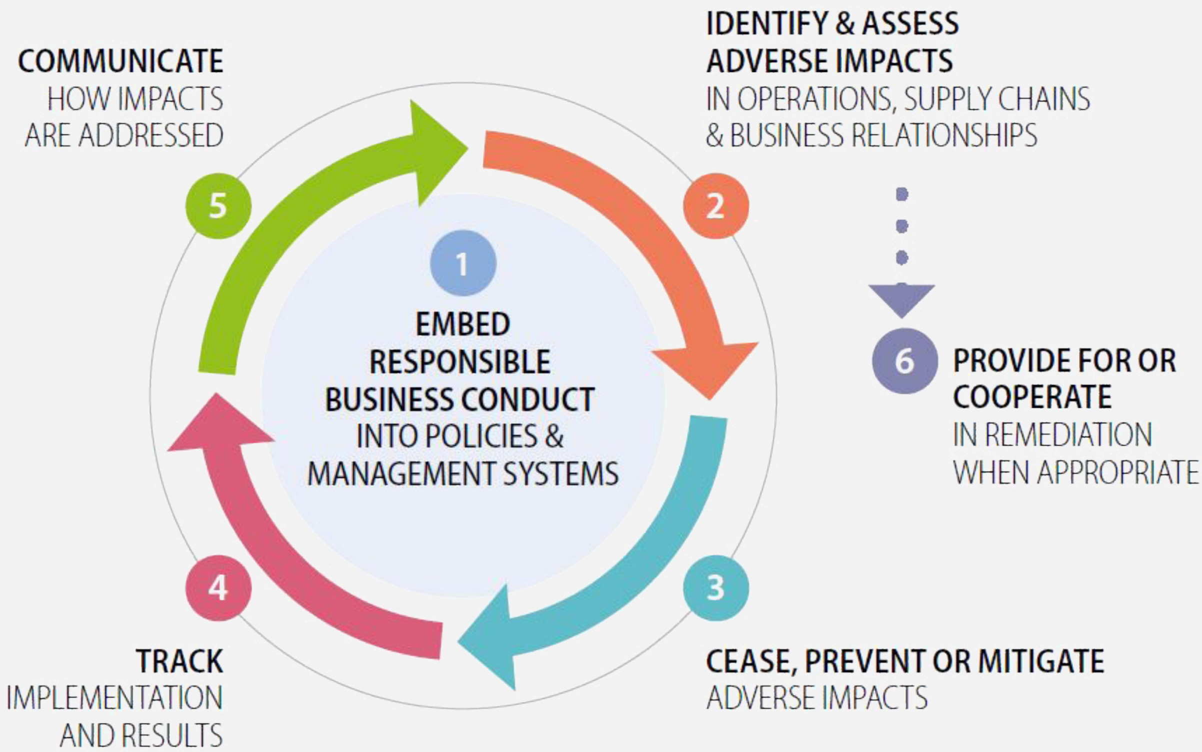
Source: Asplan ViakNote: Use of guarantees of origin: For the propulsion of electric passenger and freight trains, Vy buys electricity with guarantees of origin, emission coefficient related to 100% renewable energy is used. In both cases, "well to wheel" is used so that emissions related to energy production are also included. Further ambition: Ex. Win more tenders, start up Follobanen, transport more goods etc.

Due diligence assessments, principles and reporting standards

In Vy, we work according to an established annual cycle and management systems that in an appropriate manner adhere to the recommendations in the OECD's guidelines for due diligence assessments. Through internal reporting and risk assessments, we map and monitor negative impacts. Through measures and action plans, we stop, prevent or reduce negative effects, and we are open about goals, measures and results in our annual and sustainability report.

The Vy Group has established our own corporate social responsibility guidelines and ethical guidelines. These have been incorporated into our management system. Our corporate social responsibility therefore involves the Group following these fundamental principles:

- All company managers are responsible for ensuring that their unit observes our sustainability objectives and corporate social responsibility in the way in which the unit conducts its operations
- Sustainability and corporate social responsibility must be incorporated into our strategic foundation and our values.
- Vy is helping to achieve the SDGs.
- We support the principles of the UN's Declaration of Human Rights and the ILO core conventions.
- We actively work to prevent all forms of corruption.
- We must work actively to reduce the environmental impact of the transport sector.
- We report annually on the status and development of our corporate social responsibility via separate annual and sustainability reports.



Figur: Due diligence process OECD
Source: OECD's guide for due diligence assessments for responsible business

The Vy Group uses an established framework to ensure compliance with the sustainability requirements

What	Who		How
Reporting standards	GRI	Global Reporting Initiative	The Vy Group's annual report was prepared in compliance with the GRI Standard Core option.
	GREENHOUSE GAS PROTOCOL	GHG Protocol	The Vy Group reports our greenhouse gas emissions and those of our suppliers in accordance with the international greenhouse gas reporting standard, Greenhouse Gas Protocol, Scopes 1, 2 and 3.
Certification	ISO	ISO	Our operations have various certifications within: Environment 14001, Quality 9001 and Working Environment 45001, Road Traffic Safety 39001.
Guidelines	THE GLOBAL COMPACT WE SUPPORT	Global Impact	Guidelines that encourage organisations to implement sustainable and socially responsible solutions.
		OECD Guidelines	The guidelines set clear expectations regarding business's due diligence in relation to human rights, labour rights, the environment, anti-corruption and transparency.
Membership	Grønnvaskingsplakaten	Grønnvaskings-plakaten	A guide that can be compared to the Ethical Code of Practice for the Norwegian Press. It is not just about the climate; it also accommodates all of the SDGs.
	Grønt Punkt Norge	Grønt Punkt Norge	The Vy Group is a control member of Green Dot Norway and fulfils our statutory respon-sibility to collect and recover packaging.
	etisk handel norge	Etisk handel Norge	The Vy Group is a member of Ethical Trade Norway whose mission is to promote respon-sible supply chains.
	Oslo	Næring for klima	Vy is a member of 'Næring for Klima' and has signed a climate contract with the City of Oslo to actively contribute to achieving Oslo's climate goals and lead the way as a climate responsible business in the capital.

We apply the precautionary principle when dealing with corporate social responsibility. This is achieved by using risk analyses as a basis for our management of the company and implementing measures to manage the risk.

We have implemented stakeholder and materiality assessments in order to identify and prioritise the areas that we need to work on and to ensure that we have taken into account our own assessments and the assessments of others as regards to the Group's exercising of sustainability and corporate social responsibility. We have divided our stakeholders into the following groups:

- Owners
- National and local authorities
- Suppliers and other partners
- Customers
- Employees and employee organisations
- Interest groups and local communities

Overviews of typical discussions and the number of meetings, along with a summary of topics, have been compiled for each of these. We commenced a major initiative in the autumn of 2020, as a way of revising our core sustainability targets. By conducting interviews and surveys with key figures across the corporation and holding discussions with selected external stakeholders, we were able to prepare an updated materiality matrix.

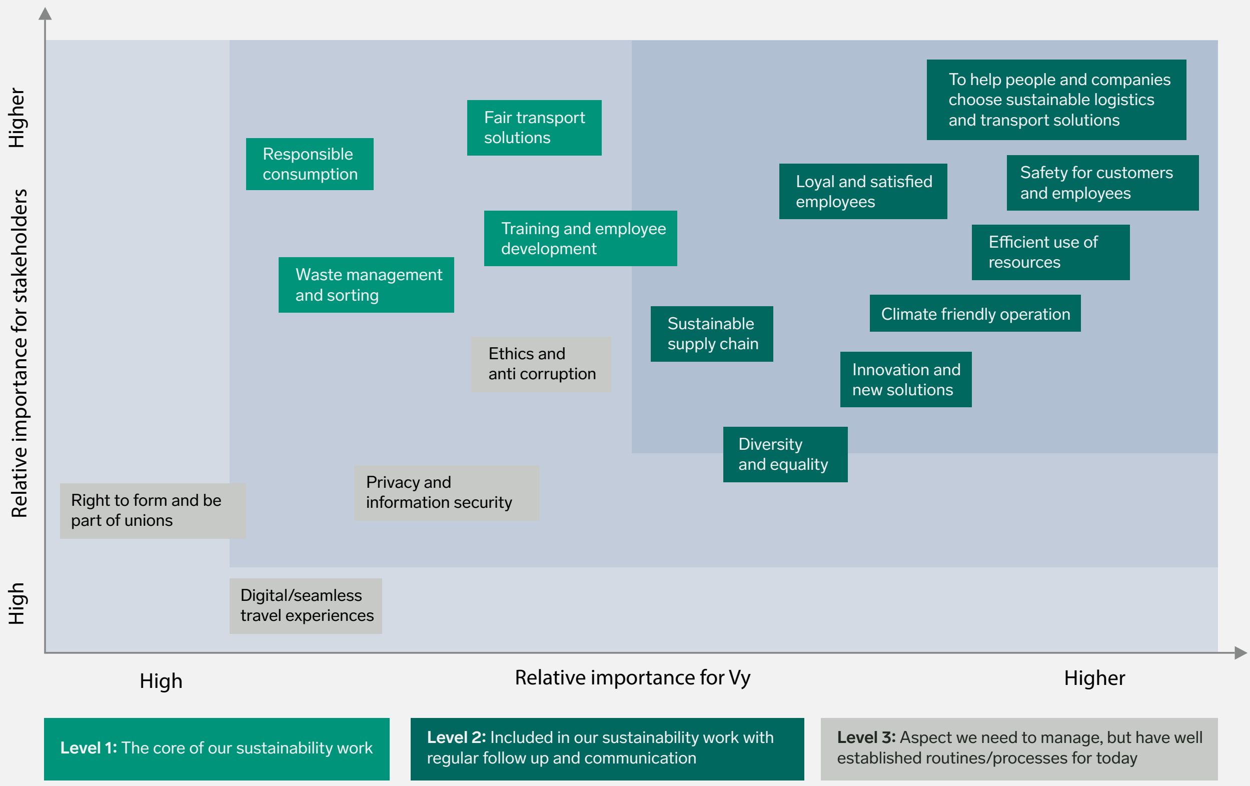
The safety of our customers and employees is one of the most important areas for both Vy and our stakeholders, as are our efforts in facilitating the increased use of sustainable logistics and transport solutions. The materiality assessment also highlighted the effective utilisation of resources and loyalty and job satisfaction in the workplace as other key elements for realising our goals. The priorities outlined in the materiality assessment above are reflected in our strategy and are actively utilised when carrying out the follow-up procedures across the Group's various divisions.

We have also performed an overall climate risk analysis. The main elements of this analysis included:

- Closed/damaged tracks and roads caused by landslides/floods etc.
- Extreme weather that make driving conditions more difficult and thus negatively impact quality
- Regulations, increased climate taxes and climate shame may lead to a reduced demand for our services

At the same time, however, climate change and measures taken to tackle this may provide an increased demand for our eco-friendly options and transport services. Framework conditions, in the form of more support and the improvement of public transport services, could also have positive effects for Vy. As part of our comprehensive risk assessments for 2021, we will conduct a more detailed climate risk assessment at a divisional level, followed by a review of the necessary measures we will take to mitigate any risks.

The Vy Group has been reporting on environmental and corporate social responsibilities since the early 2000s. Our sustainability report and its core emphasis has been based on previously conducted risk and materiality assessments linked to the challenges and expectations facing the Group. As a large corporation, the Vy Group must account for corporate social responsibility in accordance with the Accounting Act, sections 3-3 a and c, and the report has been prepared and submitted according to these requirements. This report has been compiled in compliance with the GRI Core option standard.



Report of the Board of Directors

Summary of the Year 2021

(Last year's figures in brackets)

The Covid-19 pandemic has had a significant impact on the group's operations in 2021. Easing of the authorities' restrictions has led to increased travel activity, but the autumn of 2021 was characterised by stabilisation at lower levels than before the pandemic. With new outbreaks and restrictions in December, travel numbers went down again. The comparative figures with the same period last year are affected by the fact that the first two months of 2020 passed before the pandemic occurred.

The authorities decided that public transport will be maintained in 2021, especially to ensure that employees working within critical functions will be able to get to and from work in a safe way. Public purchasing authorities (county municipalities and the Norwegian Railway Directorate) have therefore largely upheld the production of public transport services.

The Norwegian authorities have contributed with support schemes that have partially compensated for the loss of income within the passenger train business.

The commercial bus business has had a large loss of income due to Covid-19, even though support schemes have compensated for part of the loss. Vy has increased the level of scheduled services this summer and autumn in line with the authorities' easing of restrictions.

Vy's investment in tourism has been hit hard by the corona pandemic. Fjord Tours Group and the Flåm railway have lost large parts of their revenues from international customers.

Demand for freight transport by rail has increased in 2021, and Vys' freight business, CargoNet, is showing revenue growth and profit improvement in 2021.

Vy has implemented several measures to make it safe to travel, improve customer offerings and reduce losses:

- Infection control measures to ensure a safe journey
- Continue to work with the authorities to put in place and extend support and compensation schemes
- Improve customer offerings to make it more attractive to make environmentally friendly choices
- Customise the offer based on customer needs
- Continue streamlining of operations and support functions
- Re-negotiate agreements where possible

Developments in important management parameters for the year:

- Decrease in the number of journeys by passenger train of -9 per cent compared to last year, and -54 per cent compared to 2019
- Decrease in the number of journeys by bus of -1 per cent compared to last year, and -39 per cent compared to 2019
- The punctuality of the passenger train business is 87.8 per cent (90.5 per cent)
- Punctuality in the freight business is 93.4 per cent (96 per cent)
- Absence due to sickness in the period is 7.8 per cent (8.1 per cent)
- H1 is 5.2 (5.1)
- Emissions of CO_2e for buses and trains reduced by 12 percent in 2021

Financial development:

- Operating profit is -1 026 MNOK (-781 MNOK)
- Profit after tax is -1 026 MNOK (-858 MNOK)
- The return on equity over the last 12 months is –27,1 percent (-18.7 percent)
- Weakened results in the passenger train business compared to last year
- Significantly improved results in the bus business compared with to last year
- Improved results in the freight business
- Net future losses on contracts of 553 MNOK, mainly due to covid-19, which leads to an expectation of weaker market and profit development during the period covered by the contracts.

Summary of Results and Trends for the Business Areas

Passenger Train Operations

Vy operates traffic package West as well as the train traffic in Eastern Norway. The government has decided to cancel the competitive tendering of train traffic in Eastern Norway. The direct consequences of this for Vy have not been clarified, but an agreement for 2023 is being negotiated.

Operating revenues for the passenger train business in 2021 are 7,023 MNOK (7,269 MNOK), a decrease of -3.4 per cent from the previous year. The revenues include extra compensation from the Norwegian Railway Directorate for loss of income due to the pandemic of 746 MNOK (480 MNOK). In addition, the reduction in the number of journeys in Eastern Norway is partly offset by extra remuneration for the Oslo region from the public transport organisation Ruter. The total number of journeys in the Norwegian passenger train business is 33.3 million, which is a reduction of -3.5 per cent compared to last year, and a reduction of 47% compared with the previous normal (2019 level). The main reason for the decline is infection control measures and changed travel habits due to the pandemic.

In addition, Vy operates train contracts in Sweden. The Swedish business has also experienced significantly lower travel activity than normal due to the pandemic. Support/compensation schemes for passenger trains in Sweden are at a lower level than in Norway and amounted to NOK 43 million.

The operating profit for the passenger train business is -860 MNOK (-305 MNOK). The main reason for the decline is the effects of the pandemic, compensation schemes that only compensate for parts of the loss of income, and the fact that unprofitable contracts have been written down with a net effect on profit of -562 MNOK (-149 MNOK) due to Covid-19 and expectations of a lower future travel volume.

In Norway, Vy passenger trains achieved a punctuality of 87.8 percent; 2.7 percentage points weaker than last year. The main reason is several infrastructure failures. Operator-dependent punctuality (measurement of punctuality deviations that are directly due to Vy) is 98.1 per cent, which is in line with the target.

Bus Operations

Vy buss performs scheduled services on tenders or contracts with county municipalities in Norway and Sweden, as well as express bus and airport shuttle services and tour bus services on a commercial basis. The number of regular bus services in Norway and Sweden has been significantly reduced due to the pandemic, but the scheduled service has largely been maintained by agreement with the county municipalities throughout 2021. During the year, Vy Buss has started several new assignments after winning tenders, among another three contracts in Trøndelag and one contract in Jönköping.

The number of journeys for commercial express buses has been reduced to 38 per cent from the normal (2019 level), but with improved development in the summer months and in the autumn, following the removal of the strictest infection control measures. Following a new wave of infections and new infection control measures, travel activity has fallen back.

Total operating revenues are 6,410 MNOK (5,627 MNOK). Operating profit is -4 MNOK (-331 MNOK). The main reason is reduced travel activity due to Covid-19, which has largely been offset by cost reductions related to reduced route offers and compensation schemes from the Norwegian and Swedish authorities related to the pandemic of 118 MNOK (43 MNOK). Included in the financial result is a write-down of assets in contracts of NOK 68 million. Operating profit for the previous year was significantly affected by write-downs on contracts and goodwill due to the pandemic.

Freight Operations

CargoNet has increased its turnover through the pandemic. The number of transported container units has increased by 8.7 per cent compared to last year. There is growing interest in the market for moving goods from road to rail, and the customer offer has increased significantly with more departures on the Nordlandsbanen (food and fish) and towards southern Sweden. Although demand for the transport of aviation fuel has fallen significantly, this has been offset by increased demand for the transport of groceries and packages.

The average punctuality for freight trains has decreased slightly to 93.4 per cent (96 per cent) delivery within 15 minutes, which is still significantly better than the target of 92 per cent.

Operating revenues are 1,065 MNOK (975 MNOK), and operating profit is 71 MNOK (-20 MNOK). The main reason for the improvement in results is increased demand, improved route offer and the effects of business improvement measures. The financial result for the previous year was negatively affected by the effect of a new industry standard for calculating pension obligations.

Customer experience and innovation
The goal of the business area Customer experience and innovation is to develop and offer good user experiences and good customer information, as well as contribute to a sustainable tourism. The operating profit is -166 MNOK (-212 MNOK). A good travel planner and mobility services strengthen the bus and train services and make it easier to travel by public transport.

In tourism, Vy sells fjord, mountain and cultural experiences to Norwegian customers, tourists and international tour operators. The main part of the business is in our partly owned companies Fjord Tours Group and Flåm Utvikling. We are working to develop more attractive tourism packages by train, bus and boat, together with local tourism businesses.

Tourism has been hit hard by the pandemic, and there has been an 83 percent decrease in travel with Flåmsbana compared to a normal year, and cancellations in future bookings for Fjord Tours Group. The summer months showed improvement, but the increase in domestic travellers has only partially compensated for the shortfall in foreign tourists for these offerings.

In September, Vy, Fjord1, and the four owners of Aurland Ressursutvikling signed an agreement in principle with the aim of establishing a joint company for tourism in Norway to strengthen Norwegian tourism, and enable restructuring, development and new growth.

Vy's car sharing service, with 250 free flow electric city cars in Oslo, developed largely according to plan before the pandemic. Following the authorities' introduction of infection control measures, however, the volume has been lower than in the corresponding period before the pandemic. In June, Vybil introduced 30 cars suited for long distance journeys to the market. These have been well received and have partly offset the lower volume of city cars.

Corporate Governance and Management

Vy is one of the Nordic region's largest mobility transport groups with operations in passenger trains, buses, freight and tourism in Norway and Sweden. The parent company Vygruppen AS is owned by the Norwegian state represented by the Ministry of Transport and Communications.

The Vy Group has adopted a separate framework for internal control, and has established internal control systems that include values, guidelines for ethics and social responsibility, organisation, authorisation structure and governing documents.

The board annually reviews the Group's vision and main goals, values, its strategies and plans. Annual risk analyses are carried out in the Group and in the business areas. The risk of errors in financial reporting is assessed through separate risk analyses and periodic follow-up meetings with the business areas.

On the basis of the risk analyses, the internal control system is revised as necessary, including management documents, guidelines, procedures and key controls.

A board liability insurance has been taken out for the Group. The insurance covers liability for claims made against the insured as a result of acts or omissions by the insured in his/her capacity as general manager, board member, member of the management or equivalent board body in the group.

The board has considered and adopted a report on corporate governance, which is part of this annual and sustainability report.

A Sustainable Strategy

The Board reviews the Group's strategy annually, and such a review has been made in 2021. The assessment is based on, among other things, risk analyses and choice of risk level, materiality analyses related to sustainability, assessments of the market and development of competition, as well as internal analyses.

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

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 the Vy Group's action plans, and the board monitors progress and status for goal achievement.

We will increase the number of climate-friendly journeys through good customer experiences every day, created by our committed and customer-oriented employees. Through efficient production and industry-leading innovation, we will create an offer that makes more people choose to travel with Vy, which in turn reduces emissions and costs for society.

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

Risk

Financial Risk

The Group's activities entail various 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 focuses on the capital markets' unpredictability and seeks to minimise the potential negative effects on the Group's financial results. The Group can use financial derivatives to hedge against certain risks within a specified framework.

In the Vy Group, the main part of revenues and expenses are in NOK and SEK. In day-to-day operations, the group is exposed to currency risk in connection with operations abroad as well as purchases with settlement in foreign currency.

Surplus liquidity is invested in banks, Norwegian certificates and bonds with short remaining maturities, as well as money market and corporate bond funds.

The Vy Group focuses on counterparty risk in financial transactions by having established limits for exposure and regular follow-up 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

Operational risk analyses are carried out systematically, including in the field of traffic safety, environmental impact, procurement and the achievement of financial targets. In addition, comprehensive risk analyses are carried out for the Group's activities as part of the annual long-term plan and budget work, where both potential negative and positive effects are identified, and measures are implemented to manage the risk level. These analyses include assessments of changes in framework conditions, competition and market situation, consequences of environmental requirements, and climate challenges.

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

The most important risk elements are loss of tenders and reduced profitability in major tender contracts for passenger train services due to weak expected travel development. During and after the pandemic, there is a particular risk of reduced income as a result of temporary or permanent changes in travel patterns, and the removal of support schemes that compensate for this. The risk in this area is now significantly higher than desired, and measures are being implemented to limit the consequences and adjust future risk levels.

Vy must have a capital structure that is appropriate according to the Group's business scope, risk in contracts, size, and ambitions. Because of the pandemic and the authorities' restrictions, demand for Vy's services has been significantly affected, and the company is now in a situation where its capital structure is weaker than has been stipulated in internal and external targets.

To ensure competitiveness, the equity ratio should be at the same level as the peer group (comparable companies), and at a level that makes it possible to invest in the development of the company. This level has previously been set at a minimum of 25 percent in a normal situation. The business-specific risk is also significant for assessing the necessary capitalisation, depending on, among other things, the company's contract and business portfolio.

In the work with risk assessments, positive opportunities have also been identified, such as the development of tourism, increased growth for trains and buses because of changed framework conditions and the authorities' investment in public transport, as well as re-negotiation of agreements where new travel habits have led to shifts in demand.

Vy is exposed to physical and regulatory climate risk. More frequent climate-related events such as landslides, floods and forest fires may lead to the disruption of operations. Climate policy instruments may limit the travel activity of foreign tourists from planes and cruise ships and may affect energy prices. On the other hand, a more ambitious climate policy could increase demand for public transport and rail freight, and increase investment in infrastructure, which would strengthen the railway's quality and competitiveness.

Financial development

Net profit for the Vy Group is -1,026 MNOK (-858 MNOK), a decrease of 168 MNOK compared to last year. Operating profit is -1 026 MNOK (-781 MNOK).

Profit after tax for the parent company Vygruppen AS is -824 MNOK (-229 MNOK). Group contributions and dividends from subsidiaries are included in the parent company's annual profit of NOK 58 million (NOK 163 million). The operating profit in the parent company is -213 MNOK (-132 MNOK)

The Group's net cash flow from operating activities is 1,544 MNOK (1,216 MNOK), and depreciation of leasing assets amounts to 1,803 million MNOK (1,635 MNOK). Net investments excluding leasing are -225 MNOK (125 MNOK). The investments are mainly used to increase capacity and profitability within the Group's business areas passenger trains and buses. Change in cash and bank deposits during the period is -391 MNOK (-238 MNOK).

No dividend has been paid to the owner. For the Group, equity is 2,992 MNOK (4,196 MNOK), which gives an equity ratio of 16.9 per cent (24.8 per cent). For the parent company, the equity is 3,395 MNOK (4,295 MNOK) and the equity ratio is 35 percent (40 percent).

The Group's return on equity in 2021 is -27.1 per cent (-18.7 per cent).

The owner, represented by the Ministry of Transport and Communications has assumed an expectation of a 50 per cent dividend on the Vy Group's annual profit after tax, where the dividend level in each year must be assessed specifically. Because of the negative financial result and lack of unrestricted equity, no dividend has been planned for 2021. The following allocation of the profit for the year is proposed for the parent company Vygruppen AS:

Dividend	0 MNOK
Transferred other equity	-824 MNOK
Total net profit	-824 MNOK

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

Outlook

The pandemic will continue to affect society and travel volumes. Most restrictions were lifted during the autumn, but a new virus variant led to increased restrictions again in early December and creates great uncertainty into 2022. There is also uncertainty about future travel patterns and use of home offices. We are continuously considering how to adapt the offer, in collaboration with our clients. Our main goal is to re-establish profitability from 2023 and ensure future competitiveness.

Vy has entered into long-term agreements on the provision of passenger train services where Vy is responsible for traffic revenues and which oblige the company to maintain services even if revenues fall sharply as a consequence of the pandemic and new travel patterns. The profitability of these contracts depends on the market being normalised, or the agreements being re-negotiated or compensated through additional remuneration or other compensation schemes.

In the bus business, we expect that the service offering, and thus also Vy's revenues, will to a large extent be maintained in accordance with agreements with the public transport companies. For the commercial bus routes, the supply is adapted in line with the development in demand. This summer, Vy buss has started up new contracts, which contribute to secure income for several years, including in Trøndelag and in Sweden. Vy will continue to participate in bus tenders in both Norway and Sweden in the coming years.

Vy operates passenger train traffic in Eastern Norway, the Bergen line and local traffic around Bergen. The agreement for passenger train traffic Oslo-Bergen and Vossabanen applies until December 2029. The new government has decided to stop further competitive tendering of railway packages and intends to directly allocate agreements for train services in Eastern Norway. It is still uncertain what conditions Vy will face when the current traffic agreements in Eastern Norway expire in 2022, but there is reason to expect strict requirements for efficiency and supply improvement regardless of the allocation method. The government has also announced a review of the organisation of the railway in order to obtain a less complex structure.

In order to deliver a good train service with high punctuality, we are completely dependent on a good and stable infrastructure. Vy is therefore focusing on having a good collaboration with Bane NOR, which is responsible for the infrastructure.

In CargoNet, the focus on new solutions for customers and improvement measures will be upheld to improve profitability. Better and predictable framework conditions, including the continuation of the environmental support scheme, are very important for long-term profitability and investments in freight transport by rail. Positive and binding signals from the Government give reason for optimism.

In tourism, we have adapted the offer and marketing to Norwegian tourists and are preparing for growth when international tourism picks up again.

Investment in public transport is an important part of a good development of society. Efficient public transport reduces climate emissions and the consumption of resources and releases space for human development and nature. Increased transport of goods by rail rather than road is also important for Norway to achieve its climate goals. Our vision is that Vy will make it easy to make environmentally friendly choices.

The board would especially like to thank our employees who every day carry out important work to maintain a good offer to our travellers and our freight customers.

Board of directors of the Vy Group

Berit Svendsen
Chairman of the board

Åsne Havnelid
Vice chairman of the board

Geir Inge Stokke
Member of the board

Wenche Teigland
Member of the board

Semming Semmingsen
Member of the board

Ove Sindre Lund
Staff representative

Petter Louis Pettersen
Staff representative

Grethe Therese Thorsen
Staff representative

Oslo, 17th of february 2022

Board of directors of the Vy Group

Berit Svendsen/ Chairman of the board

Åsne Havnelid

Geir Inge Stokke

Wenche Teigland

Semming Semmingsen

Ove Sindre Lund

Petter Louis Pettersen

Grethe Therese Thorsen

Gro Bakstad / CEO

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Income statement

	Notes	2021	2020
Operating revenue	**5**	**15 289**	**14 506**
Payroll and related expenses	23	6 668	6 266
Depreciation and impairment	7	2 280	2 389
Other operating expenses	28	7 340	6 613
Total operating expenses		**16 288**	**15 268**
Share of loss(-)/profit of joint ventures	11	-26	-24
Share of loss(-)/profit in associates	10	-1	5
Operating profit		**-1 026**	**-781**
Financial items			
Financial income	29	41	58
Financial expenses	29	-181	-236
Net financial expenses - pensions	24, 29	-16	-25
Change in unrealised fair value	29	-	9
Net financial items		**-156**	**-194**
Profit before income tax		**-1 182**	**-975**
Income tax expense	22	156	117
Profit for the year		**-1 026**	**-858**
Attributable to			
Non-controlling interest		-	-
Equity holders		-1 026	-858
Total		**-1 026**	**-858**
Other comprehensive income			
Profit for the year		-1 026	-858
Items that will not be reclassified to profit or loss			
Actuarial gain/loss	24	-139	95
Tax on items that will not be reclassified	22	31	-21
Items that may be reclassified in net income in future periods			
Currency translation differences		-70	106
Total comprehensive income for the year		**-1 204**	**-678**
Attributable to			
Non-controlling interest		-	-
Shareholders equity		-1 204	-678
Total comprehensive income for the year		**-1 204**	**-678**

Statement of financial position

	Notes	31.12.21	31.12.20
Assets			
Intangible assets	9	1 088	1 202
Deferred Tax Assets	22	387	221
Property, plant and equipment	7	10 928	9 974
Investments in associates	10	16	35
Financial fixed assets		109	81
Total non-current assets		**12 528**	**11 513**
Investments in joint ventures	11	133	133
Inventories	12	519	589
Trade and other receivables	8, 14	1 827	1 635
Financial assets	17	1 875	1 861
Cash and bank deposits	19	783	1 177
Total current assets		**5 137**	**5 395**
Total assets		**17 665**	**16 908**

Equity and liabilities			
Ordinary shares and share premium	20	3 686	3 686
Retained earnings		-694	510
Total equity		**2 992**	**4 196**
Debt	21	7 669	6 529
Deferred tax	22	105	118
Retirement benefit obligations	24	1 385	1 293
Provisions for other liabilities and charges	26	456	262
Total long term liabilities		**9 615**	**8 202**
Trade and other payables	25, 26	3 194	2 752
Tax payable	22	17	23
Debt	21	1 844	1 735
Derivative financial instruments	16	3	0
Total short term liabilities		**5 058**	**4 510**
Total equity and liabilities		**17 665**	**16 908**

Oslo, 17th of february 2022

Board of directors of the Vy Group

Berit Svendsen
Berit Svendsen/ Chairman of the board

Åsne Havnelid

Geir Inge Stokke

Wenche Teigland

Semming Semmingsen

Ove Sindre Lund

Petter Louis Pettersen

Grethe Therese Thorsen

Gro Bakstad /CEO

Group cash flow statement

	Notes	2021	2020
Profit for the period before income tax		**-1 182**	**-975**
Depreciation and impairment	7	2 280	2 389
Gain/loss on sale of property, plant and equipment (PPE)		-13	-19
Difference between exp. and paym. made/receiv. for pensions	24	-47	-128
Change in provisions for other liabilities and charges	26	454	149
Change in unrealised fair value	29	-	-9
Interest items		-17	5
Shares of profit/loss (-) from associates and joint ventures	10, 11	27	19
Change in working capital		41	-211
Taxes paid		1	-4
Net cash flow from operating activities		**1 544**	**1 216**
Acquisition of subsidiaries, less cash acquired	33	14	-1 174
Changes in financial non-current assets		-26	1 617
Purchase of PPE and investment property	7, 8	-288	-397
Proceeds from sale of assets		75	79
Net cash flow to investment activities		**-225**	**125**
Proceeds from borrowings		1	-
Repayment of borrowings		-13	-2
Lease payments		-1 698	-1 577
Net cash flow from financial activities		**-1 710**	**-1 579**
		-3	
Net change in cash and bank deposits for the year		**-391**	**-238**
Cash and bank deposits as at the beginning of the year	19	1 177	1 395
Foreign exchange gain/loss on cash and bank deposits		-3	20
Cash and bank deposits as at the end of the year	**19**	**783**	**1 177**

Statement of changes in equity

2021	Notes	Ord. shares and share premium	Restricted equity, value changes	Acc. currency translation	Retained earnings	Total
Equity 1st of January	20	3 686	1	100	409	4 196
Profit for the year		-	-	-	-1 026	-1 026
From other comprehensive income		-	-	-70	-108	-178
Equity 31st of December		**3 686**	**1**	**30**	**-725**	**2 992**

2020	Notes	Ord. shares and share premium	Restricted equity, value changes	Acc. currency translation	Retained earnings	Total
Equity 1st of January	20	3 686	1	-6	1 193	4 874
Profit for the year		-	-	-	-858	-858
From other comprehensive income		-		106	74	180
Equity 31st of December		**3 686**	**1**	**100**	**409**	**4 196**

Segment information

Business segments
As of 31 December 2021, 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

In line with changes in the management reporting structure the Group has adjusted the segment reporting as of 1 January 2021 so that Mobility and Travel has changed name to Customer experience and Innovation. At the same time some Group functions have been transferred to the Other segment. Comparative figures for 2020 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.

2021	Train	Bus	Freight	Customer experience and Innovation	Other/elim	Group
Sales revenue	2 680	6 277	1 024	1	616	10 598
Public purchases	3 957	-	-	-	-	3 957
Other revenue	386	133	41	167	7	734
Operating revenue	**7 023**	**6 410**	**1 065**	**168**	**623**	**15 289**
Operating expenses	6 758	5 482	867	275	626	14 008
Depreciation, impairment	1 125	931	127	33	64	2 280
Total operating cost	**7 883**	**6 413**	**994**	**308**	**690**	**16 288**
Share of profit/loss in joint ventures and associated companies	-	-1	-	-26	-	-27
Operating profit	**-860**	**-4**	**71**	**-166**	**-67**	**-1 026**
Segment assets	5 647	7 579	1 103	226	2 713	17 268
Investments	963	2 203	111	12	34	3 323

2020	Train	Bus	Freight	Customer experience and Innovation	Other/elim	Group
Sales revenue	2 627	5 461	938	1	565	9 592
Public purchases	4 141	-	-	-	-	4 141
Other revenue	501	166	37	139	-70	773
Operating revenue	**7 269**	**5 627**	**975**	**140**	**495**	**14 506**
Operating expenses	6 422	4 947	877	290	343	12 879
Depreciation, impairment	1 152	1 016	118	38	65	2 389
Total operating cost	**7 574**	**5 963**	**995**	**328**	**408**	**15 268**
Share of profit/loss in joint ventures and associated companies	-	5	-	-24	0	-19
Operating profit	**-305**	**-331**	**-20**	**-212**	**87**	**-781**
Segment assets	6 027	6 286	1 111	170	3 091	16 685
Investments	1 535	1 678	65	7	2	3 287

Please refer to note 5 for further details.

Notes

All figures in the report are in MNOK.

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The consolidated financial statements were approved by the Board of Directors on 17th of February 2022.

Note 1
Vy Group accounting principles

1. General information and Group accounting principles

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 2021 were approved by the Board of Directors on 17th February 2022.
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 2021 are consistent with the accounting principles that were used for the financial statements in 2020.

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 standard takes effect on 1st of January 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 continuously 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 2021 is based on a fixed and agreed split of revenues, which also includes government grant received by Ruter.

Provision for costs of periodic maintenance
The Group prepares an ongoing provision for accrued costs for periodic maintenance in accordance with the obligation in the lease agreement. This is based on estimated cost per kilometer driven, the Group's route and maintenance plan and regulation in the lease agreement. These assessments involve the use of judgment and estimates. Please see note for periodic maintenance for further details.

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.

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 remaining life of the contract.

Financial assets held for trading purposes
A financial asset is classified as held for trading purposes if its primary reason for acquiring is to result in gains due to short-term changes in fair value.

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.

The cost of finished goods and work in progress comprises of design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Incurred borrowing costs that are directly related to the acquisition or manufacture of the goods, is included in the cost price of the goods.

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

The companies in the Group operate various pension schemes; both defined benefit plans and defined contribution plans.

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.

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Note 2

Shares of subsidiaries

The table shows the parent company's directly owned investments at 31.12.21.
The group also owns companies and interests indirectly.

Datterselskap	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	1 453	1
Agilia AS	1st October 2001	Oslo	100 %	61	5	-0
Finse Forsikring AS	1st December 2001	Oslo	100 %	59	304	34
CargoNet AS	1st January 2002	Oslo	100 %	103	-24	52
Vy Gjøvikbanen AS	1st April 2005	Oslo	100 %	30	62	19
Vy Tåg AB	1s January 2007	Gävle	100 %	-	-289	-445
Vy Tog AS	16th June 2016	Oslo	100 %	150	110	-355
Vy Mobility AS	14th May 2018	Oslo	100 %	74	91	-109
Tømmervogner AS*	31st December 2008	Oslo	45 %	2	10	0
TOTAL				**1 812**	**1 722**	**-802**

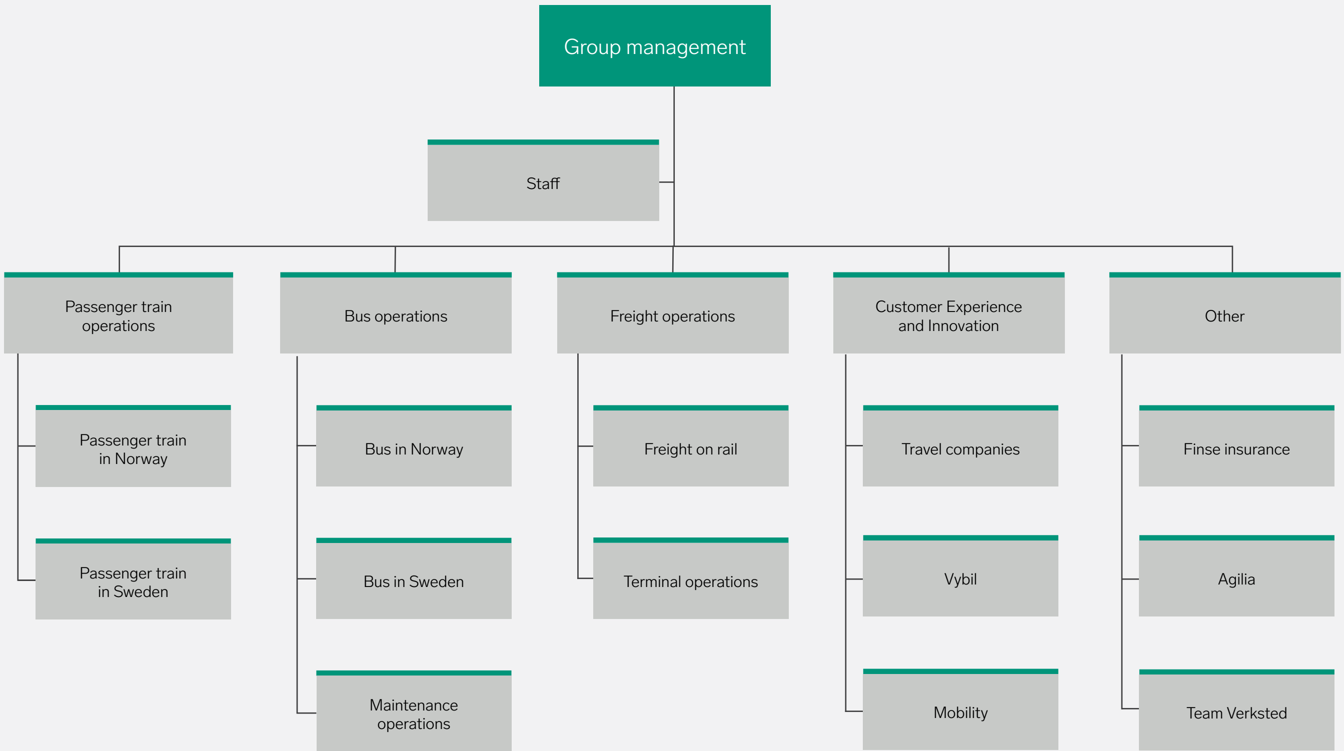
** Vygruppen AS owns 45% and CargoNet AS owns 55%.*

The equity presented is 100 % of the equity recognized in the subsidiary's statement of financial position as of 31st of December 2021.

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:

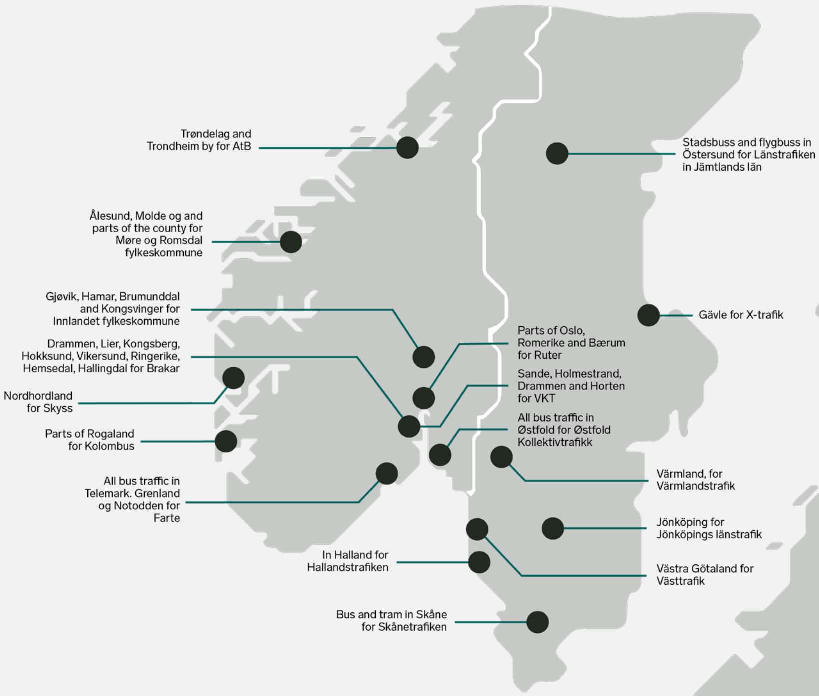
- Vy Gjøvikbanen AS, Vy Tåg AB, Vy Tog AS and part of Vygruppen AS are included in the Train segment.
- The Bus segment consists of the Vy buss group operations.
- The Cargo segment consists of the CargoNet group operations.
- Customer experience and Innovation consists of mobility solutions together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

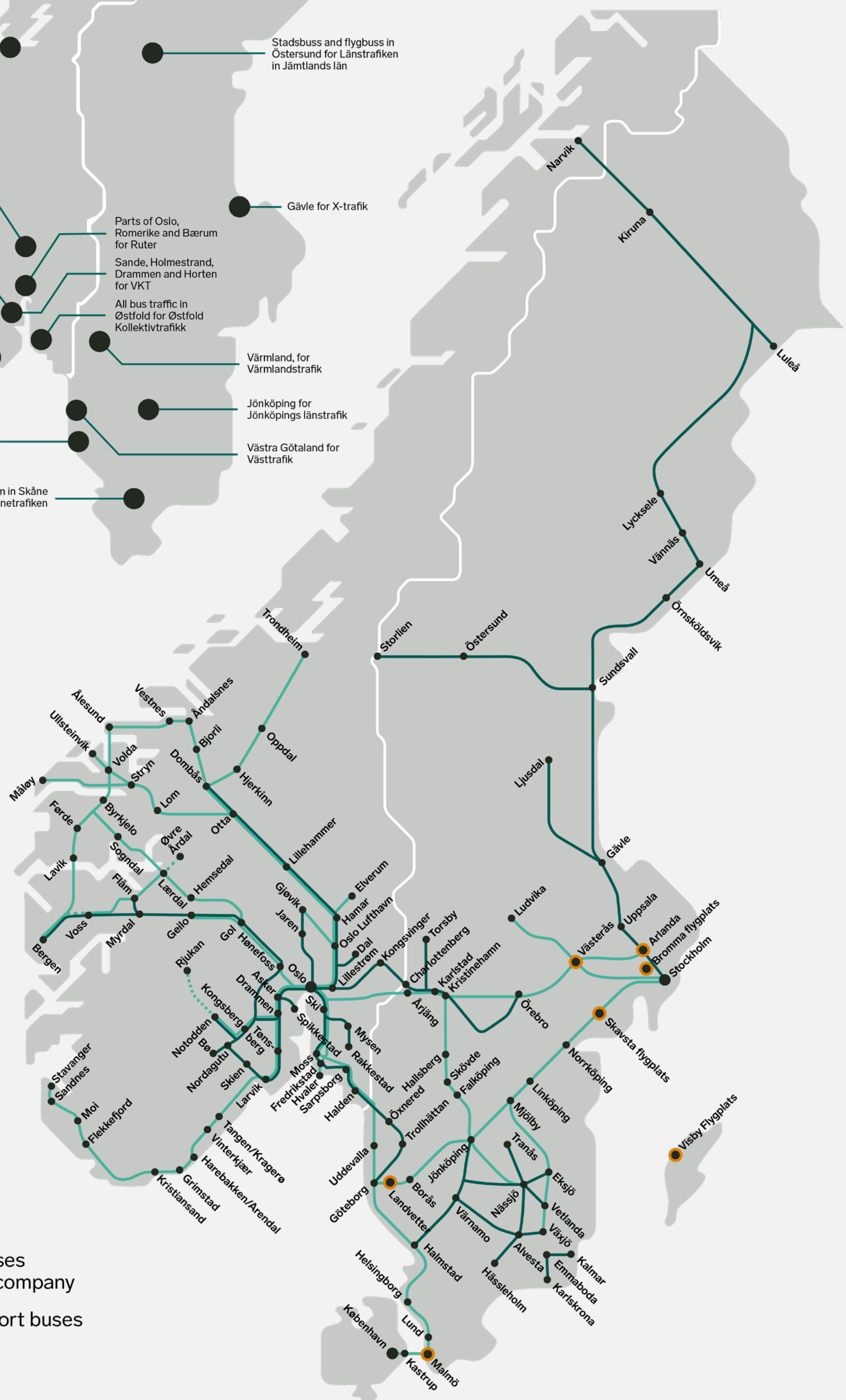


Note 4

Vy Group's passenger operations in the Nordic Region

Local bus contracts in Norway and Sweden





Note 5
Segment information

Analysis of Operating income by category	2021	2 020
Transport revenue	13 930	13 218
Other revenue	1 359	1 288
Total	**15 289**	**14 506**

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.

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.

Type	Segment	IFRS 15 behandling
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
Total opening Balance right-to-use assets / lease obligations as per 1 January 2021	**8 251**	**8 028**
Lease payments	-1 707	-
Depreciations	-	-1 870
Additions and changes in agreements	3 026	2 988
Other / currency effects	-80	-35
Total Closing Balance as of 31 December 2021	**9 490**	**9 111**

Interest expenses on the leasing obligation amounted to 188 MNOK in 2021.

	Liability	Assets
Total opening Balance right-to-use assets / lease obligations as per 1 January 2020	**6 903**	**6 763**
Lease payments	-1 581	-
Depreciations	-	-1 636
Additions and changes in agreements	2 865	2 873
Other / currency effects	64	28
Total Closing Balance as of 31 December 2020	**8 251**	**8 028**

Interest expenses on the leasing obligation amounted to 168 MNOK in 2020.

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

Liabilities	2021	2020
Short-term liability	1 844	1 733
Long-term liability	7 646	6 518
Total	**9 490**	**8 251**

Future nominal lease obligations amounting to approximately 397 MNOK are not recognized. This relates primarily to leases of assets commited, but not yet received.
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	2021	2 020
Short term agreements (between one month and one year)	62	45
Costs aligned to low-value items	31	20
Total	**93**	**65**
P&L		
Revenue from sub-lease	8	6
Cash Flows		
Total cash flows on leases	1 894	1 795

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

At 1st of January 2021	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
Accumulated acquisition cost	1 751	12 555	232	47	9 794	2 305	62	26 746
Accumulated depreciation	-1 593	-10 888	-157	-	-3 386	-716	-32	-16 772
Total	**158**	**1 667**	**75**	**47**	**6 408**	**1 589**	**30**	**9 974**
Year ended 31st of December 2021								
Opening net book value	158	1 667	75	47	6 408	1 589	30	9 974
Exchange differences	-3	-23	-0	1	-31	-4	-	-60
Acquisition of subsidiary	5	42	19	0	130	-	-	197
Accumulated depr. acq. of subsidiary	-4	-19	-2	-	-42	-	-	-67
Additions	131	66	1	85	2 194	699	18	3 194
Disposals at acquisition cost	-51	-544	-2	-	-32	-56	-9	-693
Accumulated depreciation disposals	51	489	1	-	21	56	8	627
Transfers within PPE	10	68	-	-78	-	-	-	-
Depreciations	-49	-314	-9	-	-1 449	-342	-12	-2 175
Impairments	-0	-1	-	-	-68	-	-	-69
Total	**248**	**1 432**	**83**	**55**	**7 132**	**1 942**	**36**	**10 928**
At 31st of December 2021								
Accumulated acquisition cost	1 843	12 165	250	55	12 055	2 944	71	29 384
Accumulated depreciation	-1 595	-10 733	-167	-	-4 923	-1 002	-36	-18 456
Total	**248**	**1 432**	**83**	**55**	**7 132**	**1 942**	**36**	**10 928**
Deprecation period	5 - 30 years	5 - 30 years	3 - ever-last.		1 - 10 years	1 - 20 years	1 - 10 years	

At 1st of January 2020	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
Accumulated acquisition cost	1 652	13 056	233	14	7 800	2 050	50	24 855
Accumulated depreciation	-1 537	-11 322	-150	-	-2 653	-460	-24	-16 146
Total	**114**	**1 735**	**84**	**14**	**5 147**	**1 590**	**25**	**8 709**
Year ended 31st of December 2020								
Opening net book value	114	1 735	84	14	5 147	1 590	25	8 709
Exchange differences	2	42	1	-	18	7	-	70
Acquisition of subsidiary	5	130	-	-	-	-	-	136
Accumulated depr. Acq. of subsidiary	-1	-5	-	-	-	-	-	-6
Additions	85	269	2	37	2 605	271	18	3 287
Disposals at acquisition cost	6	-946	-3	-	-629	-24	-6	-1 602
Accumulated depreciation disposals	-7	891	2	-	629	4	6	1 525
Transfers within PPE	-	4	-	-4	-	-	-	-
Depreciations	-46	-411	-9		-1 362	-260	-13	-2 101
Impairments	-2	-42	-	-	-	-	-	-44
Total	**158**	**1 667**	**75**	**47**	**6 408**	**1 589**	**30**	**9 974**
At 31st of December 2020								
Accumulated acquisition cost	1 751	12 555	232	47	9 794	2 305	62	26 746
Accumulated depreciation	-1 593	-10 888	-157	-	-3 386	-716	-32	-16 772
Total	**158**	**1 667**	**75**	**47**	**6 408**	**1 589**	**30**	**9 974**
Deprecation period	5 - 30 years	5 - 30 years	3 - ever-last.		1 - 10 years	1 - 20 years	1 - 10 years	

Depreciation, amortization and impairment	2021	2 020
Depreciation charges PPE	2 175	2 101
Impairment charges PPE	69	44
Amortization and impairment of intangible assets (note 9)	49	244
Negative goodwill arising from acquisitions (note 33)	-13	-
Total	**2 280**	**2 389**

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 2021 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 remaining life of the contract. 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:

Growth rate of	1,7 %
Discount rate	5,4 % evaluations according to IAS 36
Borrowing rate	2,6-6,0% evaluations according to IAS 37

Based on the main assumptions, the Group has made impairment on assets in 2021 by MNOK 69 (2020: MNOK 16). The Group has cash-generating units where the assets are valued at value in use as at 31 December 2021 and in total written down by MNOK 69 (2020: 0).. The Group also has cash-generating units where the assets are valued at the fair value of transport equipment as at 31 December 2021, which are written down by MNOK 12 (2020: MNOK 21). For contracts where the assets are written down to fair value, total value in use is MNOK 19, which was approximately MNOK 9 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	Estimated accumulated impairment*
Interest rate +1%	-4	80	84
Interest rate -1%	4	80	80

EBITDA Change in factors	Change in present value	Actual accumulated impairment	Estimated accumulated impairment*
EBITDA + 1 MNOK per contract	9	80	80
EBITDA - 1 MNOK per contract	-9	80	89

* 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

Periodic maintenance on leased trains	2021	2020
Prepaid maintenance as of 1st of January	25	9
Accrual for incurred maintenance cost through the year	-85	-104
Performed maintenance through the year	74	137
Change in provision	-	-17
Prepaid maintenance as of 31st of December	**14**	**25**

As a train lessee, the Group is under the lease agreement responsible for carrying out heavy maintenance. Provisions for maintenance costs are continuously recorded on the basis of estimated costs per kilometer driven, and the route- and maintenance plan. Costs are estimated based on existing maintenance contracts, and experience with historic maintenance work. Actual incurred maintenance costs are offset against the provision. Upon return of the leased equipment, the Group will have to compensate, or will be entitled to a compensation from the lessor, based on the equipment's maintenance level, assessed at the end of the lease period. The assessment involves use of judgment and estimates.
The amount of prepaid maintenance is included in the balance sheet within prepayments (see note 14).

Note 9
Intangible assets

	Goodwill		Other		Total	
	2021	2 020	2 021	2 020	2 021	2 020
At 1st of January						
Accumulated acquisition cost	693	184	846	50	1 539	234
Accumulated amortization and impairments	-225	-64	-112	-22	-337	-86
Total	**468**	**120**	**734**	**28**	**1 202**	**148**
Changes during the year						
Opening net book value	468	120	734	28	1 202	148
Exchange differences - acquisition cost	-34	26	-53	44	-87	70
Exchange differences - amortization and impairments	10	-	6	-	16	-
Acquisitions	-	479	-	747	-	1 226
Additions	-	1	6	1	6	2
Impairments	-	-158	-	-46	-	-204
Amortization and depreciation	-	-	-49	-40	-49	-40
Total	**444**	**468**	**644**	**734**	**1 088**	**1 202**
At 31st of December						
Accumulated acquisition cost	659	693	799	846	1 458	1 532
Accumulated amortization and impairments	-215	-225	-155	-112	-370	-330
Total	**444**	**468**	**644**	**734**	**1 088**	**1 202**

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. See note 33 for additional description of intangible assets arising from acquisitions.

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 it's 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 2021. During year 2020, it was recognised 204 MNOK impairment charges relating to goodwill and other intangible assets. 180 MNOK was relating to Flygbussarna and 20 MNOK to GoMobile.

Note 10
Investments in associates

	2021	2020
Book value 1st of January	35	30
Disposals/ -sale of associates	-18	-
Share of profit/loss	-1	5
Net book value 31st of December	**16**	**35**

On 9 April 2021, the Vy Group acquired the remaining 50,67% shares in Minibuss 24-7 AS for a cash consideration of 19 MNOK. As from the same date, the company became a fully owned subsidiary of the Vy Group. The aquisition was formally approved by The Norwegian Competition Authority in May, and the company was accounted for as an associated company in the Group figures from that date. The ownership in Minibuss 24-7 was as of 31.12.2020 accounted to MNOK 21, and in connection with the transaction a loss of the original ownership interst of MNOK 3 was accounted (included in the row "Disposals/-sale of associates"). See note 33 regarding the effect of the acquisition.

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

2021	Registered office	Assets	Liabilities	Revenues	Profit/Loss	% Interest held
Nordlandsbuss AS	Bodø	63	21	102	-12	34%
Peer Gynt Tours AS	Oslo	5	3	14	-1	34%
Sjøholt Last og Buss AS	Ørskog	6	4	15	-	49%
Total		**74**	**28**	**131**	**-13**	

Andel av resultat er etter fradrag for skatt og det tilknyttede selskapets ikke-kontrollerende eierinteresser, samt fradrag for utbetalt utbytte.

2020	Registered office	Assets	Liabilities	Revenues	Profit/Loss	% Interest held
Nordlandsbuss AS	Bodø	111	60	251	4	34%
Peer Gynt Tours AS	Oslo	11	8	69	-	34%
Minibuss 24-7 AS	Våler	130	104	161	12	49%
Sjøholt Last og Buss AS	Ørskog	5	3	14	-	49%
Total		**257**	**175**	**495**	**16**	

Note 11
Investments in joint ventures

	2021	2020
Book value 1st of January	133	157
Acquisition of joint venture	-	-
Share of profit/loss	-26	-24
Other equity movements	26	-
Net book value 31st of December	**133**	**133**

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 %	55	-15	56
Fjord Tours Group AS	2019	Oslo	50 %	270	-11	298

The amounts below show the Group's share of assets and liabilities as well as revenue and expenses in joint ventures.

Assets	2021	2020
Non-current assets	138	123
Current assets	39	54
Total	**177**	**177**
Liabilities		
Long term liabilities	7	11
Short term liabilities	8	7
Total	**15**	**18**
Net assets	**162**	**159**

Income/expenses	2021	2020
Operating revenue	50	53
Operating expenses	-76	-77
Profit after tax	**-26**	**-24**

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.

Fjord Tours Group AS
Fjord Tours Group AS was founded in April 2019 and owned 50 % each by Vygruppen AS and Fjord1 AS. Together with the subsidiary Fjord Tours AS, the company shall combine and sell combined tours with public transport. 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 accomodation, activities and other experiences. In 2021 Fjord Tours Group bought 34% of the shares in the north norwegian travel company Best Artic, with the purpose of developing the tourism in the nothern part of norway to a year-round travel destination.

Note 12
Inventory

	2021	2020
Components	513	583
Not completed parts	6	6
Total inventory	**519**	**589**

Note 13
Guarantees

The Group has bank guarantees in connection with the normal operations. As per 31 December 2021 the upper limit on these guarantees is 1 613 MNOK (1 084 MNOK).

Note 14
Trade and other receivable

	2021	2020
Trade receivables	1 147	1 040
Less: provision for impairment of receivables	-14	-11
Trade receivables - net	1 133	1 029
Prepayments	480	405
Other receivables	214	201
Total trade and other receivables	**1 827**	**1 635**

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

Maturity of receivables:	2021	2020
Matured receivables on balance sheet date	182	104
Matured between 0 - 2 mnths ago	137	92
Matured between 2 - 6 mnths ago	10	4
Matured more than 6 mnths ago	35	8

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. 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.

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 has no outstanding certificates and bond loans. The excess liquidity was invested in the Norwegian money market and was therefore exposed to changes in Norwegian money market rates. The management of excess liquidity has a short average interest duration and therefore the fair value changes due to changes in money market rates are moderate.

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 are 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 BBB+ (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 2021:

Liquidity risk	< 1 year	1 - 2 years	2 - 5 years	> 5 years
Short term liabilities	3 194	200	-	-
Debt	5	4	7	8
Lease obligations	1 720	1 641	3 279	2 219
Property, plant and equipment	138	-	-	-

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.

Vy assesses maximum credit risk to be the following:	2021	2020
Cash and bank deposits	783	1 177
Placements	1 875	1 861
Trade receivable and other short term receivables	1 827	1 635
Total	**4 485**	**4 673**

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 additon there are established guidelines for moneymarketfunds 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 46 % gives a calculated portfolio risk of -30 MNOK (2020: 39 % -26 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

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Interest and exchange rate swaps	-	-3	-	-1
Total	**-**	**-3**	**-**	**-1**

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

Changes derivatives fair value:	2021	2020
This period's change in fair value:	-3	-
Accumulated change in fair value:	-3	-

Interest rate and foreign exchange swaps

The nominal principal on outstanding interest rate swaps as of December 31st 2021 was 0 MNOK (2020: 10 MNOK).

Note 17

Other financial assets at fair value through profit or loss

Securities	2021	2020
Stocks and other fixed income securities/ Funds – Norway	1 731	1 716
Stocks and other fixed income securities/ Funds – Globally	66	68
Deposits	78	77
Total	**1 875**	**1 861**

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 1,03 % as at 31st of December 2020 (2020: 0,58 %).

Changes in fair value of securities	2021	2020
This period's change in fair value	3	9
Accumulated change in fair value	41	38

Note 18

Financial instruments by category

Assets at 31st of December	Loans and receivables		Assets at fair value through profit and loss		Total	
Year	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Financial fixed assets	109	81	-	-	109	81
Trade and other receivables (excl. prepayments)	1 348	1 231	-	-	1 348	1 231
Financial assets at fair value through profit or loss	-	-	1 875	1 861	1 875	1 861
Cash and bank deposits	783	1 177	-	-	783	1 177
Total	**2 240**	**2 489**	**1 875**	**1 861**	**4 115**	**4 350**

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 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	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Debt (excl. financial lease liabilities)	23	13	1	2	24	15
Lease liabilities IFRS 16	9 490	8 251	-	-	9 490	8 251
Derivatives	-	-	3	-	3	-
Trade and other payables (excl. statutory liabilities)	2 992	2 752	-	-	2 992	2 752
Total	**12 505**	**11 016**	**4**	**2**	**12 509**	**11 018**

Financial assets and liabilities at fair value through profit and loss per 31st of December 2021:

	Level 1	Level 2	Level 3	Total
Derivatives used for hedging	1 875	-	-	1 875
Total assets	**1 875**	**-**	**-**	**1 875**
Debt and accrued interest	-	1	-	1
Derivatives used for hedging	-	3	-	3
Total liabilities	**-**	**4**	**-**	**4**

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 2020:

	Level 1	Level 2	Level 3	Total
Derivatives used for hedging	1 861	-	-	1 861
Total assets	**1 861**	**-**	**-**	**1 861**
Debt and accrued interest	-	2	-	2
Derivatives used for hedging	-		-	-
Total liabilities	**-**	**2**	**-**	**2**

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

Note 19
Cash and bank deposits

	2021	2020
Cash and bank deposits	783	1 177

Includes restricted funds of 155 MNOK (2020: 179 MNOK).

Note 20
Share capital and share premium

	No. of shares	Ordinary shares	Share premium MNOK	Total MNOK
Shares at 1st of January 2021	3 685 500	3 685 500	-	3 686
Shares at 31st of December 2021	3 685 500	3 685 500	-	3 686

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

In 2021 no dividend payment was made for the fiscal year 2020. No dividend for the fiscal year 2021 is proposed . The decision will be made at the General Assembly in 2022.

Note 21
Interest bearing debt

Long term liabilities	31.12.2021	31.12.2020
Lease obligations IFRS 16	7 646	6 518
Mortgage loan	18	-
Other loans	5	11
Total	**7 669**	**6 529**
Short term liabilities		
Lease obligations IFRS 16	1 844	1 733
Other current debt	-	2
Total	**1 844**	**1 735**
Total debt	**9 513**	**8 264**

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		2021	2020
6 months or less		3 072	1 946
Over 6 months			-
Non-current borrowings expire in:		**2021**	**2020**
Between 1 and 2 years		472	334
Between 2 and 5 years		983	890
Over 5 years		1 615	730
Effective interest rate at the balance sheet date in %:		**2021**	**2020**
Other loans	NOK	1,44	1,30
Other loans	SEK	1,00	2,27

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:	2021	2020
NOK	2 325	1 653
SEK	747	303
Total	**3 072**	**1 956**

The Group has the following unused loan facilities:	2021	2020
Floating interest rate		
- Expiring within one year	400	400
Total	**400**	**400**

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:	**2021**	**2020**
Current income tax payable	17	25
Changes in deferred tax	-173	-142
Total income tax expense	**-156**	**-117**

Tax payable on the balance sheet are as follows:	**2021**	**2020**
Current payable tax expense	17	25
Insufficient/ too much tax provision prior years	-	-2
Tax payable on the balance sheet	**17**	**23**

Tax payable in the balance sheet will partly be offset by proposed group contributions which will to be decided by the general assembly in 2022.

Reconciliation between nominal and actual tax expense rate:	**2021**	**2020**
Profit before income tax	-1 182	-975
Expected income tax using the nominal tax rate	-286	-212
Tax effect from the following items:		
Other permanent differences related to investments (exemption method)	1	13
Other non-deductible expenses	132	32
Other non-taxable income	-3	-1
Effect of change deferred tax asset not recognized	-	57
Effect of change in income tax rate	-	-5
Income tax expense	**-156**	**-117**
Effective tax rate	**13 %**	**12 %**

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.

2020	**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	-1 189	0	-12	188	-	-	-	-	-1 013
Intangible assets	-715	47	-	33	-	-	-	-	-635
Financial assets	-31	-	-0	-33	-	-	-	-	-65
Inventories	36	-	-	29	-	-	-	-	65
Receivables	-1	-	-	5	-	-	-	-	4
IFRS 16	219	-	-14	90	-	-	-	-	295
Value changes to financial current assets	-131	-	-	21	-0	-	-	-	-111
Retirement benefit obligations	1 306	-	-	-7	139	-	-	-	1 438
Provisions for other liabilities and charges	234	-	-	290	-	-	-	-	524
Gains (losses)	-51	-	-	7	-	-	-	-	-44
Losses carried forward	1 304	-62	-	635	-	-	-96	-30	1 751
Other	25	3	-	-14	-	-	-	-	14
Total gross temporary differences	1 006	-12	-26	1 242	138	-	-96	-30	2 223
Off-balance sheet deferred tax benefits	-578	53	-	-448	0	-	-	-	-974
Net temporary differences	427	41	-26	794	139	-	-96	-30	1 249
Net deferred tax asset/liability balance sheet 22%	103	8	-6	173	31	-	-21	-7	282

2020	01.01.	Exchange diff.	Acq. of subsidiary	Income statement charge	Charge to other compr. Income	Charged directly to equity	Tax effect Group contr.	31.12.
Benefit (+) / Liability (-)								
Fixed assets	-1 446	-5	-	262	-	-	-	-1 189
Intangible assets	-9	-46	-731	72	-	-	-	-715
Financial assets		-	-	-31	-	-	-	-31
Inventories	29	-	-	7	-	-	-	36
Receivables	5	-	-	-6	-	-	-	-1
Value changes to investment property	128	-	-	92	-	-	-	219
Value changes to financial current assets	-143	-	-	12	-	-	-	-131
Retirement benefit obligations	1 487	-	-	-86	-95	-	-	1 306
Provisions for other liabilities and charges	276	-	-	-43	-	-	-	232
Gains (losses)	-44	-	-	-7	-	-	-	-51
Losses carried forward	842	38	-	624	-	-	-200	1 304
Other	66	4	-	-5	-	-	-40	25
Total gross temporary differences	1 191	-10	-731	891	-95	-	-240	1 006
Off-balance sheet deferred tax benefits	-286	-33	-	-259	0	-	-	-578
Net temporary differences	905	-43	-731	632	-95	-	-240	427
Net deferred tax asset/liability	199	-8	-157	138	-21	-	-53	98
Effect from changes in tax rate	-	-	-	5			0	5
Net deferred tax asset/liability balance sheet 22%	199	-9	-157	142	-21	-	-53	103

Deferred income tax assets	2021	2020
Deferred income tax assets to be recovered after more than 12 months	557	512
Deferred income tax assets to be recovered within 12 months	131	56
Total	**688**	**567**

Deferred tax liabilities	2021	2020
Deferred income tax liabilities to be recovered after more than 12 months	-403	-460
Deferred income tax liabilities to be recovered within 12 months	-3	-4
Total	**-406**	**-464**
Total net deferred income tax asset as shown in the balance sheet	**282**	**103**

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 214 MNOK (101 MNOK) in respect of losses carried forward amounting to 998 MNOK (473 MNOK).

Note 23
Payroll and related expenses

	2021	2020
Wages and salaries, including employment taxes	6 171	5 812
Pension costs – defined contribution plans (note 24)	364	345
Pension costs – defined benefit plans (note 24)	72	62
Other employee benefit expenses	61	47
Total	**6 668**	**6 266**

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

	2021	2020
Average full-time equivalent	9 760	9 542
Average number of employees	12 238	12 088

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 companies in the Group have several collective pension agreements that are handled by the Norwegian Public Service Pension Fund (SPK) or insurance companies. The Norwegian companies comply with the law on public pension. The plan covers benefits from the pension basis up to 12G and results in a age- and disablity pension of 66 % of the pension basis when fully vested. The obligations connected to these agreements covers 523 (701) active members, 2,419 (2,414) retirees and 1,692 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 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 523 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 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 1 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. For Vy Buss AS there is a planned transfer from the defined benefit plan to the defined contribution scheme related to the operator contracts with Fylkeskommunen.

As of 31st of December 2021, 2,767(2,653) employees are active members in the defined contribution scheme in Storebrand.

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 9,194 employees (8,180 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 fiscal 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 (notional numbers) are included for both gross obligations and this year's expense.

Specification of net defined benefit pension plan obligations	2021	2020
Present value of earned pension rights for funded collective pension plans	5 606	5 543
Fair value of plan assets	-4 268	-4 271
Present value of unfunded obligations	1 338	1 272
Unrecognised actuarial losses	47	22
Net pension obligation on the balance sheet	**1 385**	**1 294**
Changes in pension retirement obligations:		
Book value net pension obligation 1st of January	1 294	1 517
This years' actuarial deviations	116	-96
This years net return on assets/increase in obligation	79	71
Net financial expenses - pensions	16	26
Curtailments	-	-84
Payments to plan	-120	-189
Plan change	-	49
Book value 31st of December	**1 385**	**1 294**
Pension expenses included in the accounts, defined benefit pension plan		
Present value of current pension earnings	73	105
Plan changes in the period	-	57
Curtailments	-	-99
Employee contribution	-1	-1
Total return on pension plan, incl. in payroll and related expenses – see note 23	**72**	**62**
Total financial items in the accounts	**16**	**25**
Total pension expenses defined benefit pension plan	**88**	**87**
Defined contribution plan		
Employer's contribution, included as payroll and related expense – see note 23	364	345
Total pension expenses	**452**	**432**

A change in the public service pension plan was made during 2020 which has been accounted for as plan changes in the period. The change related to coordination of pension rights between Statens Pensjonskasse and the National Insurance scheme.

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 %*	(17-19)%	8-10%	6-8%	(6-8%)	24-26%	(20-22%)
Increase (+)/decrease (-) net pension obligation at 31st of December in %	(12-14)%	16-18%	1-3%	(1-3)%	13-15%	(11-13%)

** Net pension expense through ordinary resultat in 2022*

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

Financial assumptions (defined benefit plans in Norway)

	2021	2020
Discount rate	2,20 %	1,50 %
Expected return on plan assets	2,20 %	1,50 %
Average salary growth	2,50 %	1,75 %
G-regulation	2,50 %	1,75 %
Annual reg. of pension increases	1,75 %	1,00 %
Average social security tax	14,10 %	14,10 %

Explanation to chosen assumptions as per 31 December 2021
The discount rate is set at 2.2% (1.5%) 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 0,75 % and inflation of 1.75 %. Pension adjustments disbursement primarily follows average salary growth (equivalent to G regulation) less a fixed factor of 0.75 %.

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 20,7 years
Female 24,2 years

Acturial deviations in 2021 are mainly due to changes in economic and actuarial parameteres as well as return on funds in one of the schemes is higher than expected.

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

	2021	2020
Trade payables	801	556
Social security and other taxes	202	175
Other short term liabilities (including provisions for other liabilities and charges)	2 191	2 021
Total	**3 194**	**2 752**

The amount due to related parties is in 2021: 164 MNOK (2020: 103 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

2021	Reorganization obligation	Provision for contract losses (see note 25)	Other	Total
At 1st of January	197	172	10	379
Change in provision during the year	1	676	1	678
Used during the year	-97	-123	-7	-227
Exchange differences	-	-15	-	-15
Total	**101**	**710**	**4**	**815**

2020	Reorganization obligation	Provision for contract losses (see note 25)	Other	Total
At 1st of January	218	1	11	230
Change in provision during the year	-	172		172
Used during the year	-21	-1	-1	-23
Total	**197**	**172**	**10**	**379**

Classification in the statement of financial position:	2021	2020
Non-current liabilities	456	262
Current liabilities (included in note 25)	359	117
Total	**815**	**379**

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 43 (139) MNOK at the end of 2021. The accruals include in addition 58 (58) MNOK as compensation according to changed pension.

Note 27
Contract losses

676 MNOK (149 MNOK) has been expensed for future losses in train tender in Norway and Sweden and in addition 0 MNOK (23 MNOK) regarding future losses in bus tender in Norway. A previous loss provision is reversed with 114 MNOK (0 MNOK) regarding train operation and 9 MNOK (1 MNOK) regarding bus operation in Norway. Net expense for future contracts, taking into account reversal of previous loss provisions, is consequently 553 MNOK in 2021. The contracts are long-term and small changes in the assumptions can lead to major changes in the values. There is great risk and great room for maneuver. It is the income estimate that is the most important parameter, and the uncertainty is high. A change of +/-1% in trafic revenues each year on the largest contract in Norway will amount to about 70 MNOK in value. In Sweden a change of +/-1% in trafic revenues will result in a change in value of 18 MSEK and 9 MSEK respectively for the two largest contracts. It is expected that the most significant part of the installment flows will take place in the next two years. See note 7 and 25 for further information.

Note 28
Other expenses

	2021	2020
Sales- and overhead expenses	1 344	1 350
Energy used in operations	1 260	970
Repair and maintenance, machinery rental, property expenses	2 323	2 171
Other operating expenses	2 413	2 122
Total	**7 340**	**6 613**

Auditing fees total operations (excluding VAT):	2021	2020
Statutory audit fee	5	5
Other services	1	1
Total fee to auditor	**6**	**6**

Note 29
Financial income and expenses

	2021	2020
Interest income	26	22
Other financial income	13	-
Net foreign exchange gains	2	36
Total financial income	**41**	**58**
Interest expense	-190	-171
Other financial expenses	-5	-18
Net foreign exchange losses	14	-47
Total financial expenses	**-181**	**-236**
Net financial expenses - pensions	-16	-25
Unrealised value changes	-	9
Total financial items	**-156**	**-194**

Note 30
Liabilities from financing activities

	Liabilities	Asset held to hedge liabilities	Financial lease liabilities	Total
Liabilities as per 1 January 2021	**13**	**-**	**8 252**	**8 264**
Cash flow from financial activities	-13	-	-1 707	-1 720
Non-cash changes	**-**	**-**	**-**	**-**
Acquisition lease liabilities	23	-	2 986	3 009
Other transactions	-	3	40	43
Currency translation differences	-	-	-81	-81
Liabilities as per 31 December 2021	**23**	**3**	**9 490**	**9 515**

	Liabilities	Asset held to hedge liabilities	Financial lease liabilities	Total
Liabilities as per 1 January 2020	**15**	**-**	**6 903**	**6 917**
Cash flow from financial activities	-2	-	-1 581	-1 583
Non-cash changes	**-**			
Acquisition lease liabilities	-	-	2 939	2 939
Other transactions	-	-	-74	-74
Currency translation differences	-	-	65	65
Liabilities as per 31 December 2020	**13**	**-**	**8 252**	**8 264**

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 excecutive 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:

Sale of goods and services:	2021	2020
Public purchase of passenger traffic services	3 422	3 962
Sales of other goods and services	290	164
Total	**3 712**	**4 126**
Purchases of goods and services:	3 146	3 450

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

	2021	2020
Receivables		
Entities owned by the Ministry of Transportation	216	124
Total	**216**	**124**
Debts		
Entities owned by the Ministry of Transportation	199	131
Total	**199**	**131**

There are no related party loans.

Guarantees
The Group has issued a guarantee of 150 MSEK to Norrtåg AB.

The Group has issued a guarantee of 400 MNOK to Jernbanedirektoratet regarding the contract Trafikkpakke 3 Vest.

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

Board members	Title	2021	2020
Berit Svendsen	Chairman of the board (from 20.06.20)	496	172
Åsne Havnelid	Vice chairman of the board	301	298
Wenche Teigland	Member of the board	300	297
Semming Semmingsen	Member of the board	270	268
Geir Inge Stokke	Member of the board	230	227
Ove Sindre Lund	Staff representative	250	248
Grethe Therese Thorsen	Staff representative	230	227
Petter Louis Pettersen	Staff representative (from 15.06.21)	97	-
Jan Audun Strand	Staff representative (untill 15.06.21)	183	268
Dag Mejdell	Chairman of the board (untill 20.06.20)	-	320
Total		**2 357**	**2 325**

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 470 (456) TNOK, Vice Chairman 286 (277) TNOK and the other board members 234 (227) TNOK each. In addition, fees for members of the audit committee with 72 (70) TNOK for the leader, and 42 (41) TNOK for each of the other members, and the compensation committee with 36 (35) TNOK for the leader and 22 (21) TNOK for each member. Fees for the staff representatives exclude their employee wages .

2021 (Figures i TNOK)	Title	Salary	Variable salary	Other benefits	Total benefits payed	Calcul. Pension expence*
Gro Bakstad	Chief Executive Officer (from 07.09.20)	3 739	-	250	3 989	333
Irene Katrin Thunshelle	Chief Financial Officer	2 530	-	130	2 660	-
Synne Homble	Executive Director Mobility and Travel	2 811	-	130	2 941	-
Morten Müller-Nilssen	Executive Director HR, Organization	2 359	-	130	2 489	-
Ole Engebret Haugen	General Manager Vy buss	2 788	-	120	2 908	-
Arne Fosen	CEO, Director of Vy Passenger Train (untill 31.01.21)	253	-	11	264	-
Erik Røhne	General Manager CargoNet (untill 31.01.21)and then CEO Vy Passenger Train	2 980	-	130	3 110	-
Marius Holm	Executive Director Communications and Public affairs (from 01.08.21)	792	-	54	846	-
Kristian Kolind	Executive Director Strategy and IT (from 01.02.21)	2 063	-	119	2 182	-
Total		**20 314**	**-**	**1 074**	**21 389**	**333**

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

No severance pay or severance pay has been paid in 2021 that exceeds the principles in the executive pay declaration

2020 (Figures in TNOK)	Title	Salary*	Variable salary	Other benefits	Total benefits payed	Calcul. Pension expence**
Gro Bakstad	Chief Executive Officer (from 07.09.20)	1 172	-	79	1 251	113
Geir Isaksen	Chief Executive Officer (until 03.09.20)	2 607	980	125	3 712	838
Irene Katrin Thunshelle	Chief Financial Officer	2 420	362	135	2 917	-
Synne Homble	Executive Director Mobility and Travel	2 688	402	135	3 225	-
Morten Müller-Nilssen	Executive Director HR, Organization	2 256	338	135	2 729	-
Ole Engebret Haugen	General Manager Vy buss	2 686	285	159	3 130	-
Arne Fosen	CEO, Director of Vy Passenger Train	2 940	412	135	3 487	-
Erik Røhne	General Manager CargoNet	2 677	453	135	3 265	-
Total		**19 446**	**3 232**	**1 038**	**23 716**	**951**

**The salary for executives have been reduced with 20% for two months due to the covid-19 pandemic.*
*** Calculated pension expenses for executives are related to pension arrangements in addition to collective arrangements, for further description see point d) in the text below. Some of the participants have been compensated for exiting the arrangements. These costs have earlier been accrued for in the Group and shown in the table above.*

Executive salary and benefits policy:

These guidelines apply to executives as this term is defined in the Public Limited Liability Companies Act and the Accounting Act. This means that they also applies to employees who are members of the board, CEO and group management in Vy. The CEO and the group management are stated in these guidelines as "senior emplyees". Guidelines and principles as expressed in this statement, are applied in setting executive salaries in Group subsidiaries.

Main principles for executive salaries in Vy
Principles for remuneration to senior executives in the Vy Group are determined by the Group Board and follow Guidelines for salaries and other remuneration of senior executives in enterprises and companies with state ownership interest determined by the Ministry of Industry and Fisheries with effect from 30th of April 2021.

The policy of the Vy Group is to have most openness about salaries and terms for executive management only limited to competitive conditions

The Board annually evaluates the CEO's salary and terms and the Group's Executive Salary Declaration. The CEO determines the remuneration of the other members of the Group Management.

Executive compensation in the Vy Group is determined using the following main principles:

- Executive compensation should be competitive, but Vy will not be a market leader in compensation when compared to equivalent companies. To ensure this, an annual external compensation evaluation on central executive positions is performed including benchmarking with compara-tive positions outside Vy.
- Total executive compensation in Vy shall reflect the level of responsibility, results and development, and take into consideration the size and complexity of the operation. The main part of the compensation shall be fixed salary.
- The compensation shall promote the achievement of the company's goals and sustainable value creation for the owners. The compensation shall also contribute to the company's strategy,long-term interests and financial sustainability.
- The compensation must not take form or be at a level where it impairs the Groups' reputation.The compensation system shall attract and keep skillfull leaders.
- The compensation system should be perceived as understandable and acceptable both internally and externally.
- The work of ensuring moderation in executive salaries and compliance with company guidelines is part of the annual cycle of the boards's com-pensation commitee.This work is discussed in committee meetings in December,Janauary and February. In addition,the board reviews these guidelines annually.

The compensation to executive management in Vy consist of the following elements:
The total level of executive management compensation is composed of fixed salary and other benefits. Benefits are: fringe benefits, bonus, right to severance under given conditions and pension.

a) Fixed salary
The fixed salary is assessed once a year. At hiring of executives, the grandfather-principle should apply and be discussed among executives a level above before the candidate is given an offer. The CEO must consult the Chairman of the Board before hiring and setting executive salaries. No executives are compensated for Board participation within the Vy-Group.

b) Board positions
In addition to employee-elected board representatives, no senior executives receive special compensation for board positions within the group. Employee board remuneration is stated in a separate note in the annual accounts.

c) Fringe benefits
Examples are free phone, free internet service, car compensation and free newspapers.

d) Bonus
The CEO and the other executives have a bonus arrangement. The company's practice is that the group management has the same goals as the CEO. The maximum bonus for CEO is four months salary. For other executives maximum bonus is limited to three months salary.

The bonus is linked to achievement of the companies goals as they are defined in the yearly strategy- and budget process. The bonus targets are establised for one year at a time and shall be described and based on objective, definable and measurable criteria which the leader may influence. The bonus to executive management will change from year to year depending on achievement of objectives, but will average through several years be betweeen 50 % and 75 % of maximum bonus for the individuals. The basis for calculation of bonus may consist of both Group common goals and specific goals for the individual leader. Any bonus payment requires delivery on ambitious targets. Bonus goals are graded and full bonus achievement presupposes delivery that is significantly better than goals.

Annual bonus goals are announced as part of the executive pay statement as long as this does not conflict with the company's need to protect competition sensitive information. Vy seeks access to claim back performance-based compensation granted on a manifestly incorrect basis or misleading information

e) Pension
The pension conditions for senior executives shall be in line with other employees' terms except CEO (see below). There are no former senior employees continues to earn occupational pensions after leaving the Group.

All employees are members of a collective pension scheme. The pension scheme in the SPK was ended 1.1.2019 ,and closed for employees over 55 year as of 31th of December 2018. For all other employees, a new deposit scheme is established in Storebrand.
This scheme has a 5.5 percent deposit rate up to 7.1G, and 15 percent between 7.1 and 12G. The pension scheme contains a private AFP, childrens pension and a group life insurance. The disability coverage is the same as in the scheme previously in SPK.

The CEO's pensionable age is 70 years and is included in the regular collective pension arrangement. The arrangement carries rights to a pension of maximum 12 G. On top of that, according to the employment contract ,the CEO is partly compensated with a wage supplement for lapse of defined benefit pension scheme by previous employer. The wage supplement is regulated yearly at the same time and with the same percentage as fixed salary.

f) Severance arrangements
The CEO has the right to six months of severance in addition to six months salary. Any other salary in this severance period will reduce the severance compensation.

For senior employees who are not the top manager in the company, an agreement can be entered for a reasonable severance pay. For the CEO severance pay is given against waiver of job security see the Working Environment Act §15-16(2). For other senior executives, the severance pay will be paid if the employee does not dispute the dismissal.

The total salary including severance cannot exceed 12 months of fixed salary. Compensation for a possible non-compete clause will be added.

The severance pay is reduced krone by krone if the employee in the severance pay period joins a new position, gets paid positions or receives income from business activities where he or she is an active owner.

Previous agreement with senior executives are made under previous guidelines, and may deviate from the revised guidelines from 2021. The discrepancies are not considered significant.

Bonus criteria for 2021
For 2021, the board changed the bonus criteria for senior executives in Vy to further highlight the connection between bonus goals and the company's long-term value creation. It is possibele to pay out per bonus criterion, and there is no dependence on whether the target for operating profit has been achieved. This is done to enable more balanced priorities related to the strategic goals. In this way this will facilitate long-term loadbearing capacity.

The bonus scheme is based on goal achievment within the following areas:

- Customer and reputation (weighed 40% - target set for customer satisfaction and reputation)
- Economy and efficiency (weighed 30% - target set for operating profit (regarding profit for the third trimester due to the pandemic) and improvement initiatives)
- Employees - job satisfaction and HMS (weighed 10% - target set for sick leave, injuries and employee engagement)
- Strategy (weighed 20% - to be assessed discretionary by the board. The assessment will include work with the new corporate strategy and tender work)

In addition, the board makes an overall discretionary assessment of the bonus achievement in its entirety.

If the result is weaker than the set threshold value per criteria, no bonus is given. Full bonus per criteria requires that the company delivers significantly better than target.
The other members of the group management have bonus criteria with similar target.
The pandemic situation and the consequenses for the Group means that for 2021 no bonus will be paid even if some of the bonus citeria have been met.

For 2022,the board has set bonus criteria based on main areas that are considered central in meeting the company's challenges and which are all rooted in the group's strategy:

1) Economic (weighed 30%). The pandemic has hit Vy's economy hard, and will affect the results in 2022. The goal is a developement through the year 2022 which entails the reestablishment of a positive operating result for 2023. Bonus targets have been set related to financial results in the last four-month period, which reflect the goal of reestablishing profitable operations. In addition, there is a need to continuously deliver on targeted improvements in operations, and these are included in the bonus targets.

2) Customer and reputation (weighed 40%). Vy wants satiesfied customers and a better reputation. We achieve this through good operations and high-quality customer meetings. Bonus targets have been set in connection with average results for measurements of customer satisfaction throughout the year. In addition, bonus targets have been set in connection with quantified improvement ambitions for Vy's reputation.

3) Employees (weighed 10%). Bonus goals have been set in connection with the employees' evaluation of their own well-being (organizational surveys), reduction in injuries with absence and implementation of management training for all managers. All three areas are considered to be key indicators of whether Vy is able to take care of and develope its employees in a good way.

4) Strategic initiative (weighed 20%). Vy's strategy " Our views for 2025" defines four main focus areas: Good customer experiences every day, Sector-leading innovation, Efficient and reliable in everything we do and Committed and customer-oriented employees. The board assesses strategic priorities and intiatives within these four areas, and evaluates the administration's deliveries. Based on this a qualitativ and discretionary assessment of bonus achievement is made.

If the result is weaker than the set threshold value per criteria, no bonus is given. Full bonus per criteria requires that the company delivers significantly better than target. In addition, the board makes an overall discretionary assesssment of the bonus achievment in its entirety.

The board*s statement on the implementation of the remuneration scheme for senior executives in Vy in 2021

The executive compensation policy for 2021 has been completed in accordance with abovementioned guidelines.
The fixed salary for the CEO was adjusted by 1,1% in 2021 to NOK 3.739.476. Members of the group mangement got regulated their fixed salary with the same percentage.

In addition, four new employment agreements have been made in 2021 in the group management:new manager for the passenger train business, new manager of freight operations (begins in January 2022), new manager of strategy and IT and new manager for communication and public relations. Fixed salary in all employment agreements entered into is based on an established framework for salary assessment to ensure moderation in salary developement. Reference is also made to note information that provides an overall overview of salaries and other remuneration paid to senior executives in 2021. No severance pay or severance pay has been paid that exceeeds the principles in the current guidelines.
Current guidelines and principles for salary to executives also applies for the determination of executive salaries in group companies. All group companies have in 2021 followed these principles without exception.

Employees who are members of the board of Vygruppen AS are elected by employees. The have received board fees that have been approved by the general meeting, in addition to payroll through their position in the group.

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
Business combinations

On 6 May 2021, Vy Buss AS acquired the remaining 50,67% shares in Minibuss 24-7 AS for a cash consideration of 19 MNOK. As from the same date, the company became a fully owned subsidiary of Vy Buss AS. Up until 5. mai 2021, Minibuss 24-7 AS was accounted for as an associated company in the Group figures. See also note 10. On the 29 th of September Vy Buss AS acquired 100% of the shares in Geilo Turbusser AS for a cash condideration of 25 MNOK.

On 1 March 2020, Vy Buss AS acquired 100% of the shares in Flygbussarna AB, a leading bus company in Sweden within airport transportation. The company operates bus lines to and from seven airports in Sweden and about five million journeys were made by Flygbussarna in 2019. The purchase consideration for the shares was a cash payment of 1 198 MNOK.

Cash flow regarding acquisition

	2021	2020
Consideration paid	44	1 198
Cash and bank deposit in the company at acquisition date	-58	-24
Net cashflow regarding acquisition	**-14**	**1 174**

Identified assets and liabilities on the balance sheet recognized from the acquisition:	2021	2020
Current assets	90	40
Property, plant and equipment	125	130
Intangible assets	-	15
Current liabilities	-46	-41
Lease liability IFRS 16	-72	-
Borrowings	-22	-
Deferred tax benefit	-4	-
Total net identifiable assets	**71**	**144**
Intangible assets	-	732
Property, plant and equipment	5	
Deferred tax regarding property, plant and equipment/intangible assets	-1	-157
Goodwill	-	-
Previous value of the shares in Minibuss 24-7 AS	-18	-
Negative goodwill	-13	479
Total	**44**	**1 198**

Negative goodwill arose in connection with the acquisition of the remaining shares in Minibuss 24-7 AS. The amount has been recognised in "Depreciation and impairment" in the income statement.

In connection with the acquisition of Flygbussarna, the Group recognised intangible assets such as brand,contracts and relationships, customer database and dedicated parking lots at the airports. Goodwill was mainly related to the profitability of the company. Expected cost synergies were allocated to goodwill.

Note 34
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.

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Income statment

	Notes	2021	2020
Operating revenue	**4**	**5 539**	**6 520**
Payroll and related expenses	18	1 763	2 168
Depreciation and impairment	22	945	1 093
Other operating expenses	23, 25	3 044	3 391
Total operating expenses		**5 752**	**6 652**
Operating profit		**-213**	**-132**
Financial items			
Financial income	24	127	217
Financial expenses	24	-763	-389
Net financial expenses - pensions	19, 24	-7	-12
Change in unrealised fair value	24	-2	100
Net financial items		**-645**	**-84**
Profit before income tax		**-858**	**-216**
Income tax expense	17	34	-13
Profit for the year		**-824**	**-229**
Attributable to			
Equity holders		**-824**	**-229**
OTHER COMPREHENSIVE INCOME			
Profit for the year		-824	-229
Items that will not be reclassified to profit or loss			
Actuarial gain/loss	19	-97	39
Tax on items that will not be reclassified	17	21	-9
Total comprehensive income for the year		**-900**	**-199**
Attributable to			
Equity holders		**-900**	**-199**

Overview financial position

	Notes	31.12.2021	31.12.2020
ASSETS			
Deferred tax assets	17	92	47
Property, plant and equipment	6,22	3 152	3 208
Investments in subsidiaries	2	1 812	2 249
Financial fixed assets	13	113	160
Loans to group companies	26	1 291	1 291
Total non-current assets		**6 460**	**6 955**
Investments in joint ventures	8	126	100
Inventories	9	343	408
Trade and other receivables	10, 11, 12	752	775
Financial assets	11	1 506	1 492
Cash and bank deposits	11,13, 14	492	997
Total current assets		**3 219**	**3 772**
TOTAL ASSETS		**9 679**	**10 727**

EQUITY AND LIABILITIES			
Ordinary shares and share premium	15	3 685	3 685
Retained earnings		-290	610
Total equity		**3 395**	**4 295**
Interest bearing liabilities	5, 7, 16	2 521	2 477
Retirement benefit obligations	19	660	559
Provisions for other liabilities and charges	21	101	197
Total long term liabilities		**3 282**	**3 233**
Trade and other payables	20	2 106	2 226
Interest bearing liabilities	5, 7, 16	896	973
Total short term liabilities		**3 002**	**3 199**
TOTAL EQUITY AND LIABILITIES		**9 679**	**10 727**

Oslo, 17th of february 2022

Board of directors of the Vy Group

Berit Svendsen
Berit Svendsen/ Chairman of the board

Åsne Havnelid
Åsne Havnelid

Geir Inge Stokke
Geir Inge Stokke

Wenche Teigland
Wenche Teigland

Semming Semmingsen
Semming Semmingsen

Ove Lund
Ove Sindre Lund

Petter Louis Pettersen
Petter Louis Pettersen

Grethe Thorsen
Grethe Therese Thorsen

Gro Bakstad
Gro Bakstad / CEO

Cash flow statement

	Notes	2021	2020
Profit for the period before income tax		**-858**	**-216**
Depreciation and impairment	6,22	945	1 093
Impairments of shares in subsidiaries and joint ventures	2	698	277
Gain/loss on sale of assets		8	4
Net changes to obligations and retirement benefit oblig.	19	5	-144
Change in provisions for other liabilities and charges	21	-96	-120
Change in unrealised fair value	24	2	-
Interest items		-30	-19
Change in working capital		-44	-421
Taxes paid		7	-
Net cash flow from operating activities		**637**	**454**
Acquisition of subsidiaries	2	-261	-102
Loans paid to/from associated companies	8	-26	-
Changes in financial non-current assets		-	1 621
Purchase of PPE	6	-16	-13
Dividends received	24	14	0
Net cash flow from investment activities		**-289**	**1 506**
Lease payments received from group companies		64	60
Lease payments		-919	-1 095
Loans to subsidiaries	10	-	-1 197
Group contributions paid to subsidiaries		-11	-
Net cash flow from financial activities		**-866**	**-2 232**
Net change in cash and bank deposits for the year		**-518**	**-272**
Cash and bank deposits as at the beginning of the period	14	997	1 249
Foreign exchange gain/loss on cash and bank deposits		13	20
Cash and bank deposits as at the end of the year	**14**	**492**	**997**

Statement of changes in equity

2021	Notes	Ord. shares and share premium	Retained earnings	Total
Equity 1st of January	15	3 685	610	4 295
Profit for the year		-	-824	-824
From other comprehensive income		-	-76	-76
Equity 31st of December		**3 685**	**-290**	**3 395**

2020	Notes	Ord. shares and share premium	Retained earnings	Total
Equity 1st of January	15	3 685	809	4 494
Profit for the year		-	-229	-229
From other comprehensive income		-	30	30
Equity 31st of December		**3 685**	**610**	**4 295**

Notes

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
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14. Cash and bank deposits
15. Share capital and share premium
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

The financial statements were approved by the Board of Directors on 17th of February 2022.

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:

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 during the year 2021.

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	2021	2020
Transport revenue	5 124	5 988
Other revenue	415	532
Total	**5 539**	**6 520**

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 2021	3 450	3 142
Total opening Balance right-to-use assets / lease obligations	**3 450**	**3 142**
Lease payments	-919	-
Depreciations	-	-929
Additions and changes in existing agreements	886	875
Total Closing Balance 31. December 2021	**3 417**	**3 088**

Interest expenses leaseobligation amounted to 57 MNOK in 2021

Specification of changes in the period	Liability	Assets
Total opening Balance right to use assets/lease obligations per 1 January 2020	4 040	3 783
Total opening Balance right-to-use assets / lease obligations	**4 040**	**3 783**
Lease payments	-1 095	-
Depreciations	-	-1 074
Additions and changes in existing agreements	505	433
Total Closing Balance 31. December 2020	**3 450**	**3 142**

Interest expenses leaseobligation amounted to 80 MNOK in 2020

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

Liabilities	2021	2020
Short term liabilities	896	973
Long term liabilites	2 521	2 477
Total liabilities	**3 417**	**3 450**

Supplementary information

Leases not recognized	2021	2020
Short term agreements (between one month and one year)	15	11
Costs aligned to low-value items	1	1
Total	**16**	**12**

P&L	2021	2020
Revenue from sub-lease	64	65

Cash Flows	2021	2020
Total cash flows on leases	978	1175

Future lease payments	2021	2020
Future nominal lease obligations related to lease of passenger trains not yet received	143	-

Note 6
Property, plant and equipment

At 1st of January 2021	Machinery and equipm.	Transportation	Under construction	Right-to-use transportation assets	Right-to-use buildings	Total
Accumulated acq.cost	731	332	21	4 873	875	6 832
Accumulated depreciation	-720	-299	-	-2 278	-327	-3 624
Total	**11**	**33**	**21**	**2 595**	**548**	**3 208**
Year ended 31st of December 2021						
Opening net book value	11	33	21	2 595	548	3 208
Additions	-	-	15	449	424	888
Disposals at acquisition cost	8	7	-15	-	-22	-22
Accumulated depreciation disposals	-	-	-	-	23	23
Depreciations continuing operations	-7	-10		-751	-177	-945
Total	**12**	**30**	**21**	**2 293**	**796**	**3 152**
At 31st of December 2021						
Accumulated acq.cost	738	339	21	5 323	1 277	7 698
Accumulated depreciation	-726	-309	-	-3 030	-481	-4 546
Total	**12**	**30**	**21**	**2 293**	**796**	**3 152**
Depreciation period (years)	5 - 30 years	5 - 30 years		1 - 6 years	1 -20 years	

At 1st of January 2020	Machinery and equipm.	Transportation	Under construction	Right-to-use transportation assets	Right-to-use buildings	Total
Accumulated acq.cost	687	365	8	5 046	870	6 976
Accumulated depreciation	-667	-322	-	-1 932	-200	-3 121
Total	**20**	**43**	**8**	**3 114**	**670**	**3 855**
Year ended 31st of December 2020						
Opening net book value	20	43	8	3 114	670	3 855
Additions	-	-	13	436	-3	446
Disposals at acquisition cost	43	-33	-	-609	9	-590
Accumulated depreciation disposals	-43	33	-	610	-10	590
Depreciations continuing operations	-9	-10	-	-956	-118	-1 093
Total	**11**	**33**	**21**	**2 595**	**548**	**3 208**
At 31st of December 2020						
Accumulated acq.cost	731	332	21	4 873	875	6 832
Accumulated depreciation	-720	-299	-	-2 278	-327	-3 624
Total	**11**	**33**	**21**	**2 595**	**548**	**3 208**
Depreciation period (years)	5 - 30 years	5 - 30 years		1 - 6 years	1 -20 years	

Note 7
Liabilities from financing activities

	Liabilities
Liabilities 1. January 2021	3 450
Cash flow from financial activities	-919
Non-cash changes	
Additions to liabilities	886
Liabilities 31 December 2021	**3 417**

Note 8
Investments in joint ventures

	2021	2020
Book value 1st of January	100	119
Addition of associates	26	-
Write-down		-19
Net book value 31st of December	**126**	**100**

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 %	55	-30	56
Fjord Tours Group AS	2019	Oslo	50 %	236	-6	243
Total				**291**	**-36**	**299**

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 (prev.Vy Fjord1 Reiseliv AS) was founded in April 2019 and owned 50% each by Vygruppen AS anfd Fjord1 AS. Together with the subsidiary Fjord Tours AS the company shall combine and sell combined tours with public transport. 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 accomoda-tion, activities and other experiences. In 2021 Fjord Tours Group bought 34% of the shares in the north norwegian travel company Best Arctic, with the purpose of developing the tourism in the northern part of Norway to a year-round travel destination.

Note 9
Inventory components

	2021	2020
Components	343	408
Total inventory	**343**	**408**

Note 10
Trade and other receivables

	2021	2020
Trade receivables	192	290
Group internal trade receivables	272	194
Less: provision for impairment of receivables	-	-1
Trade receivables - net	464	483
Prepayments	169	166
Other receivables	119	126
Total trade and other receivables	**752**	**775**
Loans to group companies	-	-
Total	**752**	**775**

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

Maturity of receivables:	2021	2020
Matured receivables on balance sheet date	21	13
Matured between 0 - 2 mnths ago	-9	9
Matured between 2 - 6 mnths ago	2	-
Matured more than 6 mnths ago	28	4

Note 11
Financial risk management

This table shows future maturities for the Company's liabilities as of 31st of December 2020:

Liquidity risk	< 1 year	1-2 year	2-5 year	> 5 year
Short term liabilities	2 106	-	-	-
Lease obligations train	795	790	957	-
Lease obligations property	107	103	296	572
Property, plant and equipment	-	-	-	-

Vygruppen AS assesses maximum credit risk to be the following:	2021	2020
Cash and bank deposits	492	997
Financial assets	1 506	1 492
Trade receivable and other short term receivables	752	775
Total	**2 750**	**3 264**

Note 12
Periodic maintenance on leased trains

Periodic maintenance on leased trains	2021	2020
Prepaid maintenance as of 1st of January	36	17
Accrual for incurred maintenance cost through the year	-82	-101
Conducted maintenance through the year	74	137
Change in accrual	-	-17
Prepaid maintenance as of 31st of December	**28**	**36**

As a train lessee, the Company is under the lease agreement responsible for carrying out heavy maintenance. Provisions for maintenance costs are continuously recorded on the basis of estimated costs per kilometer driven, and the route- and maintenance plan. Costs are estimated based on existing maintenance contracts, and historic maintenance work. Actual incurred maintenance costs are offset against the provision. Upon return of the leased equipment, the Company will have to compensate, or will be entitled to a compensation from the lessor, based on the equipment's maintenance level, assessed at the end of the lease period. The assessment involves use of judgment and estimates. The balance is included in Trade and other receivables (see note 10).

Note 13
Financial instruments by category

Assets at 31st of December	Loans and receivables		Assets at fair value through profit and loss		Total	
Year	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Financial fixed assets	112	160	-	-	112	160
Trade and other receivables (excl. prepayments)	1 874	1 899	-	-	1 874	1 899
Financial assets at fair value	-	-	1 506	1 492	1 506	1 492
Cash and bank deposits	492	997	-	-	492	997
Total	**2 478**	**3 056**	**1 506**	**1 492**	**3 984**	**4 548**

Liabilities at 31st of December	Other financial liabilities at amortised cost		Liabilities at fair value through profit and loss		Total	
Year	**2021**	**2020**	**2021**	**2021**	**2021**	**2020**
Financial lease liabilities	3 417	3 450	-	-	3 417	3 450
Trade and other payables excl. statutory liabilities	2 031	2 154	-	-	2 031	2 154
Total	**5 448**	**5 604**	**-**	**-**	**5 448**	**5 604**

Financial assets and liabilities at fair value through profit or loss at 31st of December 2021:

	Level 1	Level 2	Level 3	Total
Derivatives used for hedging	1 506	-	-	1 506
Total assets	**1 506**	**-**	**-**	**1 506**

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

Financial assets and liabilities at fair value through profit or loss at 31st of December 2020:

	Level 1	Level 2	Level 3	Total
Derivatives used for hedging	1 492			1 492
Total assets	**1 492**	**-**	**-**	**1 492**

Note 14
Cash and bank deposits

	2021	2020
Cash and bank deposits	492	997

Includes restricted funds of 81 MNOK (2020: 120 MNOK).

Note 15
Share capital and share premium

See note 20 in Vy group report.

Note 16
Debt

The Group has the following undrawn borrowing facilities:	**2021**	**2020**
Floating interest rate		
- Expiring within one year	400	400
Total	**400**	**400**

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	**2021**	**2020**
Current income tax payable	-	-
Changes in deferred tax	-34	13
Total income tax expense	**-34**	**13**

Tax payable on the balance sheet are as follows:	**2021**	**2020**
Current payable tax expense	-	-
Tax on group contribution received this year	-	-
Tax payable on the balance sheet	**-**	**-**

Reconciliation between nominal and actual tax expense rate:	**2021**	**2020**
Net income before tax	-858	-216
Expected income tax using the nominal tax rate (22 %)	-168	-48
Tax effect of the following items:		
Other non-deductible expenses	134	61
Income tax expense	**-34**	**13**
Effective tax rate	**4 %**	**-6 %**

2021	**Book value 01.01.**	**Rece.tax ded. for losses**	**Acquisition of subsidiary**	**Income state-ment charge**	**Charge to other comprehensive income**	**Charged directly to equity**	**Tax effect Group contribution**	**Book value 31.12.**
Benefit (+) / Liability (-)								
Fixed assets		-	-	206	-	-	-	-596
Inventories		-	-	20	-	-	-	37
Receivables		-	-	2	-	-	-	-5
Lease obligations		-	-	82	-	-	-	168
Value changes to financial current assets		-	-	2	-	-	-	1
Retirement benefit obligations		-	-	8	97	-	-	658
Provisions for other liabilities and charges		-	-	-96	-	-	-	101
Gains (losses)		-	-	5	-	-	-	-18
Losses carried forward		-30	-	-75	-	-	-14	77
Total gross temporary differences	214	-30	-	153	97	-	-14	421
Net temporary differences	**214**	**-30**	**-**	**153**	**97**	**-**	**-14**	**421**
Net deferred tax asset/liability on the balance sheet 22%	**47**	**-7**	**-**	**34**	**21**	**-**	**-3**	**92**

2020	Book value 01.01.	Rece.tax ded. for losses	Acquisition of subsidiary	Income state-ment charge	Charge to other comprehensive income	Charged directly to equity	Tax effect Group contribution	Book value 31.12.
Benefit (+) / Liability (-)								
Fixed assets	-996	-	-	194	-	-	-	-802
Inventories	22	-	-	-5	-	-	-	17
Receivables	-8	-	-	1	-	-	-	-7
Lease obligations	43	-	-	43	-	-	-	86
Value changes to financial current assets	4	-	-	-6	-	-	-	-2
Retirement benefit obligations	718	-	-	-127	-39	-	-	552
Provisions for other liabilities and charges	263	-	-	-66		-	-	197
Gains (losses)	-9	-	-	-14		-	-	-23
Losses carried forward	278	-	-	-82	-	-		196
Total gross temporary differences	315	-	-	-62	-39	-	-	215
Net temporary differences	**315**			**-62**	**-39**		**-**	**215**
Net deferred tax asset/liability on the balance sheet 22%	**69**			**-14**	**-9**	**-**	**-**	**47**

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:

Deferred income tax assets	2021	2020
Deferred income tax assets to be recovered after more than 12 months	221	232
Deferred income tax assets to be recovered within 12 months	8	-
Total	**229**	**232**

Deferred tax liabilities	2021	2020
Deferred income tax liabilities to be recovered after more than 12 months	-134	-182
Deferred income tax liabilities to be recovered within 12 months	-2	-3
Total	**-136**	**-185**
Total deferred income tax assets (net)	**92**	**47**

Note 18

Payroll and related expenses

	2021	2020
Wages and salaries, including employment taxes	1 562	1 999
Pension costs – defined contribution plans (note 19)	121	129
Pension costs – defined benefit plans (note 19)	45	25
Other employee benefit expenses	35	15
Total	**1 763**	**2 168**

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

	2021	2020
Average man-labour year	1 926	2 318
Average number of employees	2 316	2 767

31st of December man-labour year 1.912 and number of employees 2 259.

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 disablity pension of 66 % of the pension basis when fully vested. The obligations connected to these agreements covers 302 active members, 337 retirees and 127 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 302 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 2021, 1.903 employees are active members in the defined contribution scheme in Storebrand.

Specification of net defined benefit pension plan obligations	**2021**	**2020**
Present value of earned pension rights for funded collective pension plans	2 198	2 129
Fair value of plan assets	-1 562	-1 593
Present value of unfunded obligations	636	536
Unrecognised actuarial losses	24	23
Net pension obligation on the balance sheet	**660**	**559**
Changes in pension retirement obligations:		
Book value net pension obligation 1st of January	559	742
This years' actuarial deviations	85	-35
This years net return on assets/increase in obligation continued operations	51	39
Net financial items in the acount from discontinued operations	7	13
Curtailments/transfer	-	-112
Payments to plan	-41	-134
Plan change	-	46
Book value 31st of December	**660**	**559**
Pension expenses included in the accounts, defined benefit pension plan		
Present value of current pension earnings	45	71
Curtailments/transfer	-	-46
Total return on pension plan, incl. in payroll and related expenses – see note 18	45	25
Total financial items in the accounts	**7**	**12**
Total pension expenses defined benefit pension plan	**52**	**37**
Contribution plans		
Total return on pension plan, incl. in payroll and related expenses – see note 18	**121**	**129**
Total pension expenses	**173**	**166**

Changes in regular pension is due to changes in coordination betwen SPK and National Insurance and is stated as plan change in 2020. Shortening/settelement regards effect of reduced number of members due to business transfer. The settlement with SPK led to some 170 MNOK higher expenses than expected (net after the contribution from Norwegian state).

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 %	(19-20%)	11-12%	8-9%	(8-9%)	22-23%	(18-19%)
Increase (+)/decrease (-) net pension obligation at 31st of December in %	(13-14%)	17-18%	2-3%	(2-3%)	14-15%	(11-12%)

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:

	2021	2020	2019	2018	2017	2016
INCOME STATEMENT						
Present value of current pension earnings	45	71	90	220	232	191
Curtailments/transfer	-	-46	91	-	-	-
Plan changes during the year	-	-	-	60	-	-
Tot.cost in the income statment	45	25	181	280	232	191
Tot.financial.items in the acc.	7	12	18	29	33	25
Tot.pension cost in the acc.	**52**	**37**	**199**	**309**	**265**	**216**

Financial position						
Total obligations	2 198	2 129	2 682	7 072	6 808	6 558
Pension assets	-1 562	-1 593	-1 962	-5 420	-5 297	-4 909
Total net pension obligations	636	536	720	1 652	1 511	1 649
Non-recognised actuarial losses	24	23	22	39	46	-
Net pension oblig. at the balance sheet date	**660**	**559**	**742**	**1 691**	**1 577**	**1 649**

	2021	2020	2019	2018	2017	2016
Discount rate	2,20 %	1,50 %	2,05 %	2,85 %	2,50 %	2,60 %
Expected return on plan assets	2,20 %	1,50 %	2,05 %	2,85 %	2,50 %	2,60 %
Average salary growth	2,50 %	1,75 %	2,70 %	2,50 %	2,25 %	2,55 %
G-regulation	2,50 %	1,75 %	2,10 %	2,60 %	2,40 %	2,50 %
Annual reg. of pension increases	1,75 %	1,00 %	1,35 %	1,85 %	1,65 %	1,75 %
Average social security tax	14,10 %	14,10 %	14,10 %	14,10 %	14,10 %	14,10 %

Explanation to selected assumptions 31st of December 2021

The discount rate has been set at 2.2 % (1.5%) 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 0.75 % and inflation of 1.75 % with some individual adjustments. Regulation of pensions during disbursements mainly follows average salary growth (equivalent to G-regulation) less a fixed factor of 0,75 %.

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 24,2 years
Male 20,7 years

Actuarial deviations in 2021 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

	2021	2020
Trade payables	222	165
Group internal trade payables	1 326	1 316
Social security and other taxes	75	72
Other current liabilities	483	673
Total	**2 106**	**2 226**

Total trade and other payables include liabilities to related parties in 2021: 125 MNOK (97 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

Provisions for other liabilities 2021	Reorganization obligation	Other	Total
At 1st of January	197	-	197
Used during the year	-96	-	-96
Total	**101**	**-**	**101**

Provisions for other liabilities 2020	Reorganization obligation	Other	Total
At 1st of January	217	-	217
Used during the year	-20	-	-20
Total	**197**	**-**	**197**

Analysis of total provisions:	2021	2020
Non-current liabilities	101	197

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. The purpose of the restructuring is to adapt to the changes required by the railway reform . The restructuring provision amounted to 43 (139) MNOK at the end of 2021, and is mainly due to downsizing. The accruals at 31.12.2021 includes in addition a compensation related to changed pension plans. This remaining accruals for this is 58 (58) MNOK at the end of 2021.

Note 22
Depreciation, amortization and impairment

	2021	2020
Depreciation charges (note 6)	945	1 093
Total	**945**	**1 093**

Note 23
Other expenses

	2021	2021
Sales- and overhead expenses	777	777
Energy used in operations	229	229
Repair and maintenance, machinery rental, property expenses	828	828
Other operating expenses	1 210	1 210
Total	**3 044**	**3 044**

Auditing fees for total operations (excluding VAT):	2021	2
Statutory audit fee	2	0
Other services	-	2
Total fee to auditor	**2**	**3**

Note 24
Financial income and expenses

	2021	2020
Interest income	54	32
Group contribution	58	163
Net foreign exchange gains	15	22
Total financial income	**127**	**217**
Interest expense	-62	-88
Other financial expenses	-2	-16
Write-dowvn shares in subsidiaries *)	-698	-277
Net foreign exchange losses	-1	-8
Total financial expenses	**-763**	**-389**
Net financial expenses - pensions	-7	-12
Change in unrealised fair value	-2	100
Total financial items	**-645**	**-84**

*) Write-down shares in subsidiaries relates to:	
Vy Mobility AS	-71
Vy Tåg AB	-261
Vy Tog AS	-366

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:

Sale of goods and services:	2021	2020
Public purchase of passenger traffic services	2 839	3 453
Sales of other goods and services	269	125
Sales to other companies within the Group	296	589
Total	**3 404**	**4 167**
Purchases from companies in the Group:	2 494	198
Purchases of goods and services:	322	3 224
Total	**2 816**	**3 422**

Intercompany balances with related parties as a result of buying and selling of goods and services:

Receivables:	2021	2020
Group internal trade reveivables	207	282
Associated companies	0	4
Entities owned by the Ministry of Transportation	82	123
Total	**289**	**409**

Debts	2021	2020
Group internal trade payables	1 326	1 316
Entities owned by the Ministry of Transportation	125	97
Total	**1 451**	**1 413**
Loans to related parties		
Other companies in the Group	1 291	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.

Vygruppen AS has in 2020 sold its business Trafic, which includes trafic operations, to its subsidiary Vy Tog AS. Vygruppen AS has recognized a profit of 19 MNOK related to this transaction in 2020.

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 2021

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 2020 to 31 December 2020 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.

Oslo, 17th of february 2022

Board of directors of the Vy Group

Berit Svendsen/ Chairman of the board	Åsne Havnelid	Geir Inge Stokke
Wenche Teigland	Semming Semmingsen	Ove Sindre Lund
Petter Louis Pettersen	Grethe Therese Thorsen	Gro Bakstad / CEO

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. Sutainability

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.

Deloitte.

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To the General Meeting of Vygruppen AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

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 2021, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Vygruppen AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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 laws and regulations 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 appears 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 legal requirements.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting 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 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 or 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 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.

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, 17 February 2022
Deloitte AS

Eivind Skaug
State Authorised Public Accountant

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

Gender equality statement

Vys personnel policy guidelines set the framework for our work with gender equality:

All employees in the Vy Group are equal, regardless of gender, age, disability, sexual orientation or religious, ethnic and cultural background. We want a wide and diverse range of managers and employees, where individual qualities must be respected and valued. Improved gender balance and increased diversity (ethnicity, age and functional ability) are desirable at all levels in the group, and should be emphasized in recruitment and competence development.

State of gender equality
Below is numerical documentation for the gender equality situation in Vy pr. year-end 2021, divided into the main part of the various legal companies that are part of the group and which are subject to the activity and reporting obligation for equality and non-discrimination.

- Vygruppen AS includes the majority of the passenger train business, as well as group functions and new mobility initiatives.
- Vy Tog AS includes employees who work at the train lines won through competition package 3.
- Vy Gjøvikbanen AS includes employees who work at Vy Gjøvikbanen

Vygruppen AS	**Gender distribution at different job levels / groups**		**Women's percentage of men's payout**			
	Men	**Women**	Total salary	Agreed/ fixed salary	Work shift compensation	Overtime compensation
Total	1 348	576				
Level 3	13	13	99 %	98 %		
Level 4	52	44	90 %	91 %	90 %	
Level 5	79	42	94 %	95 %	35 %	7 %
Admin in colllective agreements	145	88	92 %	93 %	76 %	79 %
Train driver	625	57	95 %	99 %	93 %	66 %
Train driver during basic training	27	7	102 %	101 %	116 %	86 %
Chief train conductor	407	325	96 %	97 %	104 %	104 %

Vy Tog AS	**Gender distribution at different job levels / groups**		**Women's percentage of men's payout**			
	Men	**Women**	Total salary	Agreed/ fixed salary	Work shift compensation	Overtime compensation
Total	223	82				
Level 3	0	1				
Level 4	6	4	90 %	93 %	41 %	
Admin in collective agreements	51	23	81 %	97 %	54 %	
Chief train driver	16	0				
Train driver	82	7	100 %	103 %	93 %	105 %
Chief train conductor	68	47	89 %	95 %	80 %	72 %

Gjøvikbanen AS	Gender distribution at different job levels / groups		Women's percentage of men's payout			
	Men	Women	Total salary	Agreed/ fixed salary	Work shift compensation	Overtime compensation
Total	65	21				
Level 4	3	1	88 %	99 %	68 %	
Admin in collective agreements	1	0				
Train driver	36	5	95 %	100 %	101 %	63 %
Chief train conductor	25	15	97 %	99 %	103 %	81 %

CargoNet AS	Gender distribution at different job levels / groups		Women's percentage of men's payout			
	Men	Women	Total salary	Agreed/ fixed salary	Work shift compensation	Overtime compensation
Total	363	25				
Level 3	6	0				
Level 4	17	0				
Level 5	6	1	86 %			
Chief train driver	8	0				
Admin in collective agreements	30	12	82 %	90 %	57 %	32 %
Terminal worker	153	7	99 %	104 %	76 %	89 %
Train driver	121	5	80 %	77 %	115 %	24 %
Machine operator	22	0				

Vy Buss AS	Gender distribution at different job levels / groups		Women's percentage of men's payout			
	Men	Women	Total salary	Agreed/ fixed salary	Work shift compensation	Overtime compensation
Total	5217	598				
Level 3	6	4	82 %	82 %		
Level 4	28	9	99 %	99 %		
Level 5	270	78	93 %	95 %	45 %	73 %
Mechanic	70	1	91 %	93 %		15 %
Cleaning worker	73	95	94 %	97 %	55 %	44 %
Driver	4770	411	99 %	100 %	98 %	74 %

We have divided job categories according to natural divisions in the various companies. The benefit categories are divided according to fixed and variable benefits, where the latter include shift allowances and overtime allowances. All figures are for the financial year 2021.

The wage differences have been discussed with union representatives in CargoNet, Vy tog and Vy bus. For the train companies, we believe that the wage differences are not due to discrimination and/ or lack of equality. The small difference is explained by reduced working hours, since train drivers have the same basic salary.

In Vy bus, it is first and foremost the amount of variable allowances (working hours) and overtime (willingness and opportunity to say yes) that cause the differences among employees that are covered by the working hours regulations. Female drivers generally have lower seniority and therefore have a somewhat lower average basic salary than men, but the real difference appears within variable allowances and overtime. Female cleaners are clearly lower paid than male cleaners. They are covered by a minimum wage part of the Bus Industry Agreement which provides for individual wage formation. Here, the administration discusses measures in collaboration with union representatives.

The composition of the labor force in Vy reflects in many ways the population in Norway in general, and the proportion of immigrants (as defined by Statistisk Sentralbyrå) has increased steadily over the last ten years, from just over 15 per cent in 2010 to about 32 per cent in 2021.

Involuntary part-time work

Vy has full-time positions as its main principle. In the autumn of 2021, we made an analysis of the extent of involuntary part-time work in the group, in collaboration with our staff organisations. In Vy's train operations, we are not aware of the existence of involuntary part-time positions. The parties jointly agree that the analysis of any involuntary part-time work has been sufficiently carried out after discussion in ordinary information and interaction meetings.

In the bus business, on the other hand, approx. 25% of employees who work part-time want to increase their employment percentage. In Vy buss, the parties agree that involuntary part-time work is a challenge within the bus industry as a whole. The development in the tenders, i.e. the combination of strict financial frameworks and production patterns, especially in the district contracts, means that the share of part-time work is increasing. As of today, 11% of the employees in the bus business work part-time. The topic is up for discussion between the parties in the industry. The challenge must be solved in a collaboration between the employers, employees and clients. It is also a political issue, which is related to the allocations and investment in public transport by local authorities.

Our work for equality and against discrimination

Vys' ethical guidelines, which all employees sign upon employment in the group, state in section 11 on Human Dignity, Gender Equality and Integration:

The Vy Group's employees must treat everyone they come in contact with through their work or through work-related activities, with courtesy and respect. Employees must refrain from behavior that may have a negative impact on colleagues, the working environment or the Vy Group. This includes any form of harassment, discrimination or other conduct that colleagues or business associates may perceive as threatening or degrading.
The Vy Group shall ensure equal treatment in recruitment, promotion, the development of competence and further education. Likewise, the Vy Group will emphasize diversity that reflects a cross-section of society. The recruitment work must be characterised by all applicants experiencing equal opportunities for employment, regardless of age, gender, disability, sexual orientation or religious, ethnic and cultural background.

In addition, the work with equality and ensuring non-discrimination is anchored in Vy's personnel policy guidelines, which state, among other things:

The Vy Group must be an attractive employer. Our employees are the Vy Group's most important resource. We must attract, develop and retain managers and employees with the right skills. Therefore, we have the following personnel policy principles:

Recruitment
- *The Vy Group wants to attract and hire the best applicants regardless of gender, age, disability, faith, sexual orientation and cultural differences.*
- *We want an active internal labour market where employees are given the opportunity to compete for vacancies.*
- *Recruitment must be carried out in a way that ensures our candidates an individual, objective and confidential assessment, and gives applicants a positive experience of our business.*

Wages and working condition
- *The Vy group shall offer competitive and stimulating salaries and working conditions, in order to recruit, develop and retain well-qualified employees and managers. We must be neither wage leaders nor contribute to a general exessive increase in wages in our industries.*
- *Wages and working conditions are determined through guidelines and collective agreements in the various companies.*

Competence development
- *The Vy Group will facilitate targeted competence development based on business needs so that the group attracts, develops and retains the competence needed to realize our strategy.*
- *The most important form of competence development is learning in the work situation. Courses, online training and other organized forms of training are used as a supplement when needed.*
- *The individual employee has a special responsibility for maintaining and developing their competence, while it is the manager's responsibility to plan and facilitate competence development within their area of responsibility.*
- *It is expected that all employees actively share their knowledge and experience with colleagues.*

Work environment
- *The Vy group will be the Nordic industry leader in HSE. Our employees must have a safe workplace, which*

is motivating and developing for the individual. Our working environment shall facilitate good health and safety against physical and mental harmful effects.
- *When organising the work, we will take into account the age and life situation of the individual employee.*
- *We must have an inclusive working environment, drug-free and free from violence and harassment.*

Equality
- *All employees in the Vygruppen are equal, regardless of gender, age, disability, sexual orientation or religious, ethnic and cultural background.*
- *We want a wide and diverse range of managers and employees, where individual qualities must be respected and valued.*
- *Improved gender balance and increased diversity (ethnicity, age and functional ability) are desirable at all levels in the group, and should be emphasized in recruitment and competence development.*

The work of identifying the risk of discrimination in Vy takes place as an integral part of the emplyer and employee cooperation, the HSE work and the administration's work with reporting and improvement initiatives. In addition, diversity, gender equality and development is a separate topic in the mandate of the group board's compensation committee, and the matter is discussed annually in the committee with emphasis on the administration's measures to ensure greater diversity in management, better framework conditions for talent development in the group, and a review of the current status in Vy on gender equality.

When recruiting, there may be a risk of a lack of willingness to facilitate for employees with disabilities. There may also be negative expectations of female employees due to absence, pregnancy and leave. Based on our current understanding, we do not see that these risks materialise today. We manage the risk by ensuring that ethical guidelines and values are well known and practiced in everyday life, as well as through good recruitment routines.

When it comes to promotion, development opportunities/training, there is little risk of discrimination for drivers, while the risk may be higher for administrative staff and managers. We manage risk by working towards more transparency in promotion processes and succession planning (both at level 3 and lower management levels) as well as through compliance with our internal routines for job postings. A separate KPI has been defined for 2022 for the proportion of female employees in administrative and leading functions to ensure positive development in this area.

In addition to measures that are implemented to proactively ensure better equality and non-discrimination, we have a well-established notification channel which in 2021 was supplemented with the possibility of direct external notification.

Corporate governance

1. Reporting on corporate governance

This statement is prepared according to the chapters in the Norwegian Code of Practise for Corporate Governance. Vygruppen AS and the

Vygruppen (the Vy Group) follows the Code, with exceptions because the Group is not listed on a stock exchange, is owned 100 % by the Norwegian State and has certain limits in the articles of association.

The Code is composed to ensure that companies listed on the stock exchange shall have ownership control and corporate governance that clarifies the roles between share owners, the Board of Directors and management in addition to what is included in the legislation. The recommendation shall strengthen the confidence the share holders, the capital markets and other interested parties have towards the company.

The Group Board has adopted a set of values and guidelines for ethics and social responsibility which are published on vy.no.

2. Nature of business

Vy is a transport group with activity in Norway and other Nordic countries. The parent company, Vygruppen AS, is owned by the Norwegian Government represented by the Ministry of Transport and Communication. The Group's headquarter are in Oslo.

The groups business as stated in the articles of association:

- The company social mission is to provide efficient, available, secure and environment friendly passenger and freight transport
- The company business is passenger traffic by rail in Norway, transport of passengers and goods in Norway and other Nordic countries as well as business connected to the above
- The business can be run by the company itself, by wholly owned subsidiaries, through other partly owned companies or cooperating companies. The company can do business in other Nordic countries as far as this helps to strengthen the company effectiveness on the Norwegian market and/or helps to strengthen the company's ability to solve the social duties which is the reason for state ownership

3. Equity and dividends

Vygruppen AS is a State Limited Liability company. This is a type of limited liability company where the state owns 100 % of the shares. The responsible minister or whom he gives authority safeguards the rights of the shareholders in the general meeting.

Important special rules for such companies are:

- The general assembly is not bound by the dividend recommendation given by the board of directors
- The Office of the Auditor General of Norway audits the management of state ownership and has a right to demand information from CEO, the board and the external auditor

The government expects that the dividend level should be 50 % of the Group profit after tax, but the exact level will be decided annually. The board has not been given mandate to approve the distribution of dividends or to increase the number of shares.

4. Equal treatment of shareholders and transactions with close associates

The company has only one class of shares. They are not listed on a stock exchange and there are no share transactions.

The Norwegian Railway Directorate, governed by The Ministry of Transport and Communication, and Vygruppen AS have entered into an agreement about public purchase of passenger traffic services on non-profitable lines that are not exposed to competition. Similarly, the Ministry of Transport and Communication has entered into an agreement with Vy's subsidiary Vy Gjøvikbanen AS regarding operation of the Gjøvik line.

Guidelines on how to treat material transactions between the company and members of the Board of Directors or management are included in the Group's ethical guidelines and in the instructions for the Board of Directors and President and CEO.

5. Freely negotiable shares

The articles of association do not include any restrictions on negotiability.

6. General assembly

The general assembly consists of the government represented by the Ministry of Transport and Communication. The ministry calls the meeting. An annual ordinary meeting is held before the end of June.
The members of the Board, CEO and the auditor have the right to attend the General Assembly meetings.

The other recommendations in the code regarding the general assembly are not applicable due to the state ownership.

7. Nomination committee

The general assembly consists of the government represented by the Ministry of Transport and Communication. The general assembly has not appointed a nomination committee.

8. The Board of directors: composition and independence

The board is elected by the general assembly. Two or three board members with deputies are elected by and among the employees.
An agreement has been made not to have a corporate assembly, and therefore the employees elect a board member with deputy in addition to the above representatives.
The members of the Board of Directors are chosen based on experience, competence, diversity and ability to contribute to the development of the company. Company management cannot be a member of the Board of Directors and do not own shares in the company. Information on board members is published on vy.no.

9. The work of the Board of Directors

The Board's work is governed by the Norwegian Companies Act, which is to manage the company's values on the behalf of the owners. The task of the Board has been determined in separate instructions. The Board works according to an annual activity plan. The work plan is based on the Board's main tasks with emphasis on goals, strategy, organisation and control of the business. The board evaluates its activities annually.

The Board has established a separate set of instructions for the CEO.

The board shall ensure that there are satisfactory systems for internal control of the company's activities, and that risk analyses are carried out regularly with follow-up preventive measures and emergency measures.

The Board shall according to the principles of association ensure that the company acts socially responsible.

The Board has established audit and remunerations committees.

10. Risk management and internal control

To ensure the quality of internal control, a separate governing system has been implemented. This includes leadership documents, preparedness plans, safety procedures and processes to govern and control operations. Guidelines, routines, handbooks and authorization matrixes are in place to ensure the quality of the company's economics, accounting and financing issues.

Risk analysis of the different activities of the Group are evaluated on an annual basis, and measures are taken to control the risks. The board annually reviews the company risk management and internal control.

11. Remuneration of the Board of Directors

Information on the compensation of the board and key management is included in notes to the financial statement. The remuneration if the board is not linked to the company´s performance. The shareholder elected members of the Board of Directors do not normally take on specific assignments for the company.

12. Remuneration of executive personnel

The Board of Directors hires the CEO and decides the remuneration. The board evaluates the CEO's performance and salary conditions on an annual basis, and reviews the compensation of key management. The board has prepared a statement on the determination of salaries and other remuneration for senior executives. The CEO is authorized to determine salaries and other compensation for the company / group's top management within the state's "Guidelines for salaries and other remuneration to senior executives in companies and companies with state ownership" and the principles for executive salaries set by the board. The guidelines for remuneration of management are on the agenda of the general assembly. Information on the compensation of the board and key management is included in notes to the financial statement.

13. Information and communications

Public information is communicated by the senior management of the Group. Dates for important events and publication of financial information are posted on the company's website.
Through § 10 in the articles of association, Vy has a distinct duty to inform the shareholder about the Group's operation. Matters of principle or social significance should be communicated to the Minister of Transport and Communication before the Board of Directors makes their final decision.

Every year the Board of Directors is obliged to present to the Minister of Transport and Communication a plan for the operations of the Vy Group which includes the following aspects:

1. An assessment of the market and the Vy Group, including the development since the last plan.
2. The Group's main activities for the next few years, including plans for major restructuring, further development and unwinding of existing operations and development of new ones.
3. The level of investments, major investments and their financing.
4. The Group's economic development.
5. A report on measures and results regarding the company's social mission

The Board of Directors has to submit information regarding material changes of already communicated plans to the Minister of Transport and Communication

14. Take-overs

Based on the state ownership this part of the code is not considered relevant for the company.

15. Auditor

The auditor is elected by the general assembly. The auditor submits an annual plan to the board for the audit work. The auditor submits annually a Management Letter to the Board of Directors, reporting the main findings from the audit of the company and status regarding management and internal control. The Board of Directors hosts an annual meeting with the auditor where the CEO will not be present.
The auditor participates in board meetings that deal with reporting and other issues on which the board is to comment. The auditor attends the General Assembly.

Vy has adopted a policy with guidelines for the purchase of additional services from the auditor, which is to ensure that the auditor appears, and is perceived as, independent and objective.

The remuneration of the auditor is included in notes to the financial statement.