



Norske  
tog

# Quarterly report Q1 2020



## About Norske tog

The purpose of the company is to **procure, own** and **manage** rolling stock, to be used mainly for the execution of rail passenger transport as a public service obligation. The company's rolling stock is to be offered on non-competitive terms. The company also has an advisory function to the Norwegian state.

Norske tog AS is 100 per cent owned by the Norwegian state, via the Ministry of Transport and Communications, and is a category 3 company. This means that the state ownership is based on sectoral policy, and that the company has targets for efficient operations in relation to this.

This quarterly report has not been audited.

### Highlights, 1<sup>st</sup> quarter 2020

- The competitive tendering procedure for new local trains was announced on 31 January
- No trains were phased out in the 1<sup>st</sup> quarter, but 3 new Flirt trains were received from Stadler
- Corona-related measures have so far not had any serious impact on Norske tog's operations

### Financial indicators

Financial indicators (MNOK)	1 <sup>st</sup> quarter 2020	1 <sup>st</sup> quarter 2019	Year 2019
Profit/loss from operations	71	105	392
Pre-tax profit	-7	74	285
Profit/loss for the period	-5	58	222
Net cash flow	-1,489	-1,242	-638
Working capital	457	-201	1,232
Equity	3,059	2,892	3,065
Equity ratio	26.5 %	23.0 %	22.5 %
Return on equity*	5.8 %	9.5 %	7.8 %

\* Return on book equity is for the last 12 months



## Economic development in Norske tog

For the 1<sup>st</sup> quarter of 2020, Norske tog has a net profit after tax of MNOK -5 (58). Compared to the same period last year, this is a decrease of MNOK 63, due mainly to a change in the fair value of bonds (MNOK 43 (no cash effect), lower earnings (approx. MNOK 7) and increased modification costs (approx. MNOK 7).

The result gives a return on book equity of 5.8 per cent over the last 12 months. In the long term, the company aims to deliver a return of 5 per cent. The annual return will fluctuate in line with the scale of planned investment projects.

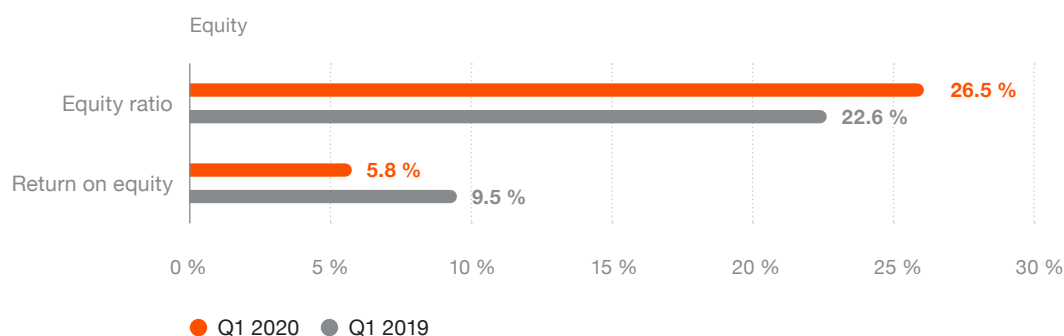
Revenue growth is expected in the coming years from deliveries of new Flirt trains. These are to replace old stock and cater for the growth in passenger numbers.

### Change in financial indicators Q1 2019 to Q1 2020

Sales analysis

	1 <sup>st</sup> quarter 2020	1 <sup>st</sup> quarter 2019
Leasing income	306,127	313,999
Other operating income	782	277

Leasing income decreased by TNOK 7,872 compared to the first quarter of 2019. The income is calculated from the book value of the trains. The main reason for this reduction was that delivery of the Flirt trains had a break in deliveries for a few months in the spring and the summer of 2019 (all in accordance with the contract), and that the trains are depreciated on a monthly basis.



The equity ratio for Norske tog increased from 22.6 per cent in the first quarter of 2019 to 26.5 per cent in the first quarter of 2020. This is mainly due to the repayment of loans in CHF in February 2020, which were recognised at fair value and therefore reduced outstanding debt.

## Financing

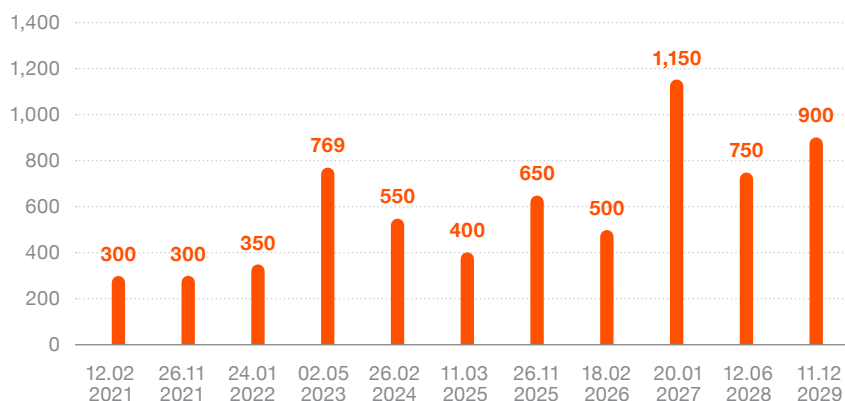
Norske tog has good creditworthiness. Standard & Poor's has given the company a credit rating for long-term borrowing of A+ (stable).

The company issues bonds under the Euro Medium Term Note (EMTN) programme. The EMTN programme does not include any financial covenants, but there is an ownership clause stipulating that the state must own 100 per cent of Norske tog.

As at 31.03.2020, the company has outstanding bonds of MNOK 300 maturing over the next 12 months. The company plans to refinance this amount in 2021.

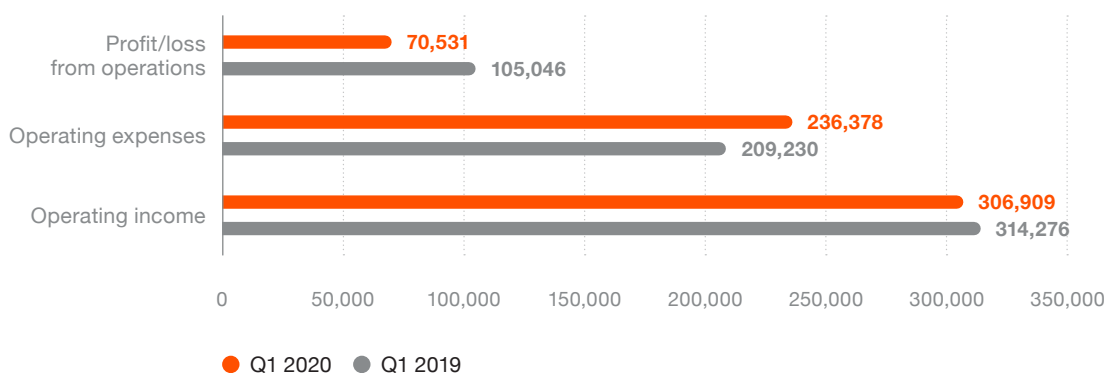
## Non-current liabilities

Outstanding amount MNOK



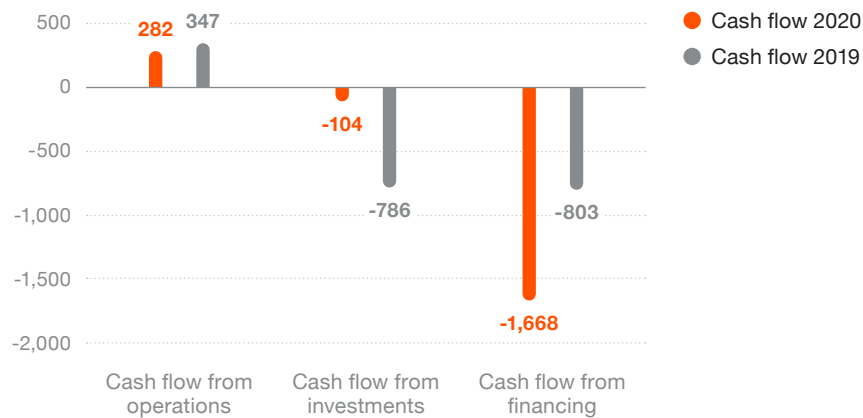
## Profit/loss

Profit/loss 1<sup>st</sup> quarter



## Cash flow

### Cash flow 1<sup>st</sup> quarter



Net cash flow from operations is MNOK 282 (347). Net cash flows used for investments total MNOK 104 (786), with the funds mainly used to purchase new trains. In the first quarter of 2019, a payment of MNOK 572 was made to exercise option 5 on the Stadler contract. In addition, a bond of MNOK 1,517 was repaid in February with funds from the issuance of bonds in November 2019 (MNOK 1,300).

# Risk

## Financial risk

The company's overall risk management plan focuses on the unpredictability of the capital markets and seeks to minimise the potential negative impact on the company's financial performance. The company uses financial derivatives to hedge against changes in interest and exchange rates.

Norske tog borrows capital in markets and currencies that provide the most favourable terms overall. Borrowings in foreign currencies are swapped to Norwegian kroner using combined interest rate and currency swaps. If agreements for major purchases are entered into in foreign currencies, the currency risk is hedged over the term of the agreement.

Norske tog is exposed to interest rate changes. The company uses interest rate swaps to reduce interest rate risk and to achieve the desired interest structure for the debt.

According to its objectives, borrowing requirements in the next 12-month period should be covered through free cash flow and established credit facilities.

Norske tog has developed a framework for issuing green bonds. In 2020, the company will produce a detailed report on the green investment projects to be financed and the actual environmental and climate impact of these.

## Operational risk

Systematic analyses are conducted of operational risk and achievement of economic targets. Based on the risk analyses, control activities have been established to reduce identified risks, including automated controls and audits and extended follow-up analyses related to specific risk areas.

Norske tog expects deliveries of new trains and critical components and the rollout of new mobile repeaters to be somewhat delayed as a result of the corona crisis.

## Significant events

Norske tog's employees have had a hectic first quarter in 2020. Traffic Package 1 South started up in December with Go-Ahead as train operator. This made Go-Ahead the first operator other than Vy (the former NSB) to operate regular passenger traffic in Norway on behalf of the State.

Preparations for the start of Traffic Package 2 North, Oslo-Bodø, won by SJ Norway, is well under way and proceeding to plan. Start-up here will be in June. Norske tog and SJ Norge are working together to analyse the state of the trains and obtain all the approvals needed for train passengers to have the best possible experience with the new operator.

Vy Tog has been awarded the contract for Traffic Package 3 West, Oslo-Bergen, and the lease agreement with Norske tog will be signed in the second quarter of 2020. Norske tog will use the experience from the other two traffic packages to make the launch of this package as seamless as possible for rail passengers. Start-up of Traffic Package 3 will be in December.

Norske tog is assisting in preparing the documentation for Traffic Package 4 East as regards rolling stock. The Norwegian Railway Directorate plans to send out the invitation to tender for Traffic Package 4 in September 2020. The contract will be awarded during the autumn 2021, to start in December 2022. Start-up of Traffic Package 4, which covers local and regional traffic in Eastern Norway, will coincide with the opening of the Follobanen line.

The procurement of critical components for the trains remains challenging for Norske tog as several of these components are no longer in production. Norske tog is in discussions with several suppliers, as well as looking at different engineering solutions to meet the need. The corona crisis may cause some delays in deliveries. Norske tog is working to put in place a temporary component pool for operators to avoid adjustments to train services due to a lack of components.

On 31 January, Norske tog announced the tendering procedure for new local trains on line L2 Stabekk - Oslo - Ski. New local trains will provide more capacity for an increasing number of travellers, with a total capacity of 700-800 passengers or more.

In the first quarter, Norske tog took delivery of three new Type 75 Flirt trainsets under option 4. The fourth trainset is in Norway for testing, and will be taken over by Norske tog in May. The last trainsets in option 4 are scheduled for delivery in September, but there may be delays because of the corona crisis. Any delays caused by this are not considered critical for Norske tog.

The first trainset under Flirt option 5 will arrive in Norway for testing in November, with a planned takeover in May 2021.

Norske tog is managing the midlife upgrade of Type 72, the local trains that serve Eastern Norway and the Jærbanen line. An upgrade of these trains will lead to improved comfort for passengers, as well as reducing the risk of train breakdowns by extending the service life of components and systems.

The rollout of mobile repeaters on trains running on the Østfoldsbanen and Sørlandsbanen lines has been slightly delayed. This is partly due to the corona situation, and various options are being worked on to make up the lost time. New mobile repeaters will give passengers better mobile coverage on board and are a high priority project for Norske tog.

In the national budget for 2020, funds were allocated to expand the provision of sleeper seats on trains. Norske tog has announced the procurement procedure for a framework contract with one or more suppliers of reclining seats. Norske tog has received tenders and will choose the supplier(s) at the beginning of May. The reclining seats are expected to be installed during the second quarter of 2021. The new reclining seats will be an addition to the existing 20 sleeper carriages in Norway today.

The corona crisis and strict infection control measures have affected Norway since 12 March. Large parts of Norway were locked down. This has had an impact on public transport, with a dramatic decrease in the number of passengers. For Norske tog's two customers, Vy and Go-Ahead, the reduction in the number of passengers has led to reduced revenues. However, the operators have had some of their losses covered by rescue packages from the State, enabling them to pay leasing costs for the vehicles. This means that the drop in passenger numbers has not affected Norske tog's revenues. Nor have other corona-related measures had any serious impact on Norske tog's operations so far, except that there may be delays on some deliveries.



## Outlook

There is broad political agreement in Norway on continuing to develop the rail sector and on the importance of being able to offer travellers a good range of passenger services. Work on the next National Transport Plan (2022-2033) is well under way.

Norske tog is continuing to work on the procurement of new local trains with the intention of signing a contract in early 2021. Norske tog is currently well funded and will not have financing needs until 2021.

### Events after the closing date

There have been no significant events after the interim date beyond those discussed in this report.

## Conclusion

This quarterly report has been prepared in accordance with the requirements in IAS 34 Interim Financial Reporting.

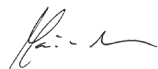
The Board of Directors and CEO confirm that, to the best of their knowledge, the report provides a description of significant transactions conducted with related parties during the current period and the main risk factors facing the business in the coming period.

The Board of Directors and the CEO confirm that, to the best of their knowledge, the financial statements for the first quarter of 2020 have been prepared in accordance with prevailing accounting standards, and the disclosures in the financial statements provide a true and fair view of the company's assets, liabilities and financial position and profit or loss as a whole at the end of the period, as well as a true and fair view of key events during the reporting period and their impact on the financial statements. The financial statements for the first quarter 2020 have not been audited.

Oslo, 14 May 2020



Annette Malm Justad  
Chair of the Board



Marianne Abeler  
Board Member



Espen Opedal  
Board Member



Vidar Larsen  
Board Member



Øystein Risan  
CEO

# Income Statement

All numbers in TNOK	Notes	1 <sup>st</sup> quarter 2020	1 <sup>st</sup> quarter 2019	Year 2019	Last 12 months
<b>Operating revenue</b>	2	<b>306,909</b>	<b>314,276</b>	<b>1,256,002</b>	<b>1,248,635</b>
Payroll and related expenses		11,732	10,042	51,034	52,724
Depreciation and impairment		176,117	176,276	702,417	702,258
Other operating expenses		48,529	22,912	110,775	136,392
<b>Total operating expenses</b>		<b>236,378</b>	<b>209,230</b>	<b>864,226</b>	<b>891,374</b>
<b>Operating profit</b>		<b>70,531</b>	<b>105,046</b>	<b>391,776</b>	<b>357,261</b>
<b>Financial posts</b>					
Financial income		41,161	36,228	138,144	143,077
Financial expenses		-78,211	-69,997	-278,667	-286,881
Net financial expenses - pensions		-	-	-900	-900
Unrealised fair value changes	1	-40,521	2,560	34,163	-8,918
<b>Net financial items</b>		<b>-77,571</b>	<b>-31,209</b>	<b>-107,260</b>	<b>-153,622</b>
<b>Profit before income tax</b>		<b>-7,040</b>	<b>73,837</b>	<b>284,518</b>	<b>203,641</b>
Income tax expense		-1,549	16,244	62,636	44,843
<b>Profit for the period</b>		<b>-5,491</b>	<b>57,593</b>	<b>221,882</b>	<b>158,798</b>
Attributable to					
Equity holders		-5,491	57,593	221,882	158,798
<b>Other comprehensive income</b>					
Profit for the year		-5,491	57,593	221,882	158,798
<b>Items that will not be reclassified to profit or loss</b>					
Deviation retirement benefit obligations		-	-	10,646	10,646
Tax related to items that will not be reclassified		-	-	-2,342	-2,342
<b>Total comprehensive income for the period</b>		<b>-5,491</b>	<b>57,593</b>	<b>230,186</b>	<b>167,102</b>
Attributable to					
Equity holders		-5,491	57,593	230,186	167,102

# Statement of financial position

All numbers in TNOK	Notes	31.03.2020	31.03.2019	31.12.2019
<b>Assets</b>				
Property, plant and equipment	3	10,535,986	10,504,044	10,608,420
<b>Total non-current assets</b>		<b>10,535,986</b>	<b>10,504,044</b>	<b>10,608,420</b>
Trade and other receivables		79,652	2,160	32,096
Derivative financial assets		669,909	1,139,870	1,235,475
Cash and bank deposits		244,137	1,129,741	1,733,834
<b>Total current assets</b>		<b>993,698</b>	<b>2,271,771</b>	<b>3,001,405</b>
<b>Total assets</b>		<b>11,529,684</b>	<b>12,775,815</b>	<b>13,609,825</b>
<b>Equity and liabilities</b>				
Ordinary shares and share premium		2,400,000	2,400,000	2,400,000
Retained earnings		659,294	492,192	664,784
<b>Total equity</b>		<b>3,059,294</b>	<b>2,892,192</b>	<b>3,064,784</b>
Borrowings	4	7,173,707	6,693,478	7,196,235
Deferred tax obligation		723,567	676,382	725,115
Retirement benefit obligations		28,754	31,905	29,130
Other accruals		8,123	9,429	8,420
<b>Total long term liabilities</b>		<b>7,934,151</b>	<b>7,411,194</b>	<b>7,958,900</b>
Trade and other payables		95,903	122,211	47,609
Borrowings	4	402,946	2,287,661	2,530,792
Derivative financial instruments		37,391	62,557	7,739
<b>Total short term liabilities</b>		<b>536,239</b>	<b>2,472,429</b>	<b>2,586,140</b>
<b>Total equity and liabilities</b>		<b>11,529,684</b>	<b>12,775,815</b>	<b>13,609,825</b>

Oslo, 14 May 2020

  
Annette Malm Justad  
Chair of the Board

  
Marianne Abeler  
Board Member

  
Espen Opedal  
Board Member

  
Vidar Larsen  
Board Member

  
Øystein Risan  
CEO

## Cash flow statement

All numbers in TNOK	1 <sup>st</sup> quarter 2020	1 <sup>st</sup> quarter 2019	Year 2019
Profit for the period before income tax expense	-7,039	73,837	284,518
Net financial items	112,665	116,148	107,260
Depreciation and impairment in the income statement	176,117	176,276	702,417
Net changes to obligations and retirement benefit oblig.	-376	-391	6,580
Changes to working capital*	440	-19,322	-124,868
<b>Net cash flow from operating activities</b>	<b>281,807</b>	<b>346,548</b>	<b>975,907</b>
Purchase of PPE	-103,682	-785,701	-1,416,220
<b>Net cash flow from investment activities</b>	<b>-103,682</b>	<b>-785,701</b>	<b>-1,416,220</b>
Interest paid on borrowings	-182,394	-179,030	-303,324
Interest income	69,729	62,882	117,869
Other financial items	-37 428	-87,053	-12,389
Proceeds from borrowings	-	-	1,300,000
Repayment of borrowings	-1,517,500	-600,000	-1,300,000
<b>Net cash flow from financial activities</b>	<b>-1,667,593</b>	<b>-803,201</b>	<b>-197,844</b>
<b>Net change in cash and bank deposits for the period</b>	<b>-1,489,468</b>	<b>-1,242,354</b>	<b>-638,157</b>
Cash and bank deposits as at the beginning of the period	1,733,834	2,372,091	2,372,091
Foreign exchange gain/loss on cash and bank deposits	-228	3	-100
<b>Cash and bank deposits as at the end of the period</b>	<b>244,137</b>	<b>1,129,741</b>	<b>1,733,834</b>

\*This line shows the change in trade and other receivables as well as changes in accounts payable and other current liabilities (adjusted for changes in current liabilities arising from IFRS 16).

Financial items have been deducted from operating activities in 2020. The same has been done for the 1<sup>st</sup> quarter of 2019 for the purposes of comparison.



# Equity

<b>As at 31<sup>st</sup> of March 2020 (All numbers in TNOK)</b>	<b>Ordinary shares</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 <sup>st</sup> of January 2020	100,000	2,300,000	664,784	3,064,784
Profit for the period	-	-	-5,491	-5,491
From other comprehensive income	-	-	-	-
<b>Equity 31<sup>st</sup> of March 2020</b>	<b>100,000</b>	<b>2,300,000</b>	<b>659,294</b>	<b>3,059,294</b>

<b>As at 31<sup>st</sup> of March 2019 (All numbers in TNOK)</b>	<b>Ordinary shares</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 <sup>st</sup> of January 2019	100,000	2,300,000	434,599	2,834,599
Profit for the period	-	-	57,593	57,593
From other comprehensive income	-	-	-	-
<b>Equity 31<sup>st</sup> of March 2019</b>	<b>100,000</b>	<b>2,300,000</b>	<b>492,192</b>	<b>2,892,192</b>

<b>2019 (All numbers in TNOK)</b>	<b>Ordinary shares</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 <sup>st</sup> of January 2019	100,000	2,300,000	434,599	2,834,599
Profit for the period	-	-	221,882	221,882
From other comprehensive income	-	-	8,303	8,303
<b>Equity 31<sup>st</sup> of December 2019</b>	<b>100,000</b>	<b>2,300,000</b>	<b>664,784</b>	<b>3,064,784</b>

# Notes – reporting information

## Policies and accounting principles

The financial statements for Norske tog AS have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretation Committee (IFRIC) as adopted by the EU.

The financial statements have been prepared on the historical cost principle, except for financial derivatives and some financial assets and liabilities which are measured at fair value.

The company has noncurrent liabilities, financial derivatives and some financial assets recognised at fair value. The calculation of fair value uses estimates based mainly on observable prices which can change over time. Changed assumptions will result in changes in recognised values

with the differences reported through profit/loss.

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements must be viewed in conjunction with the company's most recent annual report, which contains a full description of the company's accounting principles.

The tax expenses for the period are based on the nominal tax rate in Norway. Accounting principles applied for the first quarter of 2020 are consistent with the accounting principles used for the financial statements in 2019.

## Measurement of fair value

The company measures several financial

assets and liabilities at fair value. For the classification of fair value, the company uses a system which reflects the significance of the input used to make the measurements, broken down as follows:

### Level 1

Fair value is measured using quoted prices from active markets for identical assets or liabilities.

### Level 2

Fair value is determined from input based on other observable factors, either direct (price) or indirect (derived from prices), than the quoted price (used in level 1) for the asset or liability.

### Level 3

Fair value is measured using input which is not based on observable market data.

# 1. Unrealised fair value changes

The breakdown of unrealised changes in the value of assets, liabilities and derivatives measured at fair value is shown below.

Unrealised fair value changes	31.03.2020	31.03.2019	31.12.2019
Unrealised value changes derivatives used for hedging	-569,711	-86,156	35,341
Unrealised value changes bonds	529,190	88,716	-1,177
<b>Total unrealised value changes financial items</b>	<b>-40,521</b>	<b>2,560</b>	<b>34,164</b>

# 2. Sales analysis by category

Norske tog AS has only one operating segment – leasing of trains.

Analysis of operating income by category	31.03.2020	31.03.2019	Year 2019	Last 12 months
Leasing revenue	306,127	313,999	1,255,228	1,247,356
Other revenue	782	277	774	1,279
<b>Total</b>	<b>306,909</b>	<b>314,276</b>	<b>1,256,002</b>	<b>1,248,635</b>

## Information on key customers

The company has two customers for leasing of passenger rolling stock, Vy AS and Go-Ahead AS, which accounts for 100 per cent of the leasing income.

### 3. Property, plant and equipment

	Machin- ery and equipm.	Trans- portation	Partially delivered trains	Under construc- tion	Right-to- use other assets	Total
<b>At 1<sup>st</sup> of January 2020</b>						
Accumulated acquisition cost	47,880	11,730,461	978,076	15,373	10,824	12,782,613
Accumulated depreciation	-41,867	-2,131,031	-	-	-1,296	-2,174,193
<b>Total</b>	<b>6,013</b>	<b>9,599,430</b>	<b>978,076</b>	<b>15,373</b>	<b>9,528</b>	<b>10,608,420</b>

<b>1<sup>st</sup> quarter 2020</b>						
Opening net book value	6,013	9,599,430	978,076	15,373	9,528	10,608,420
Implementation effect IFRS 16	-	-	-	-	-	-
Additions	-	-	42,449	61,233	-	103,682
Transfers within PPE	162	174,001	-35,374	-138,789	-	-
Depreciations	-511	-175,282	-	-	-324	-176,116
<b>Total</b>	<b>5,664</b>	<b>9,598,149</b>	<b>985,151</b>	<b>-62,183</b>	<b>9,204</b>	<b>10,535,986</b>

<b>At 31<sup>st</sup> of March 2020</b>						
Accumulated acquisition cost	48,042	11,904,462	985,151	-62,183	10,824	12,886,295
Accumulated depreciation	-42,378	-2,306,312	-	-	-1,620	-2,350,310
<b>Total</b>	<b>5,664</b>	<b>9,598,149</b>	<b>985,151</b>	<b>-62,183</b>	<b>9,204</b>	<b>10,535,986</b>

	Machin- ery and equipm.	Trans- portation	Partially delivered trains	Under construc- tion	Right-to- use other assets	Total
<b>At 1<sup>st</sup> of January 2019</b>						
Accumulated acquisition cost	46,693	10,803,140	480,053	15,287	-	11,345,173
Accumulated depreciation	-36,385	-1,424,995	-	-	-	-1,461,380
<b>Total</b>	<b>10,308</b>	<b>9,378,145</b>	<b>480,053</b>	<b>15,287</b>	<b>-</b>	<b>9,883,793</b>

<b>1<sup>st</sup> quarter 2019</b>						
Opening net book value	10,308	9,378,145	480,053	15,287	-	9,883,793
Implementation effect IFRS 16	-	-	-	-	10,824	10,824
Additions	-	-	617,962	167,739	-	785,701
Transfers within PPE	59	147,820	-70,271	-77,607	-	-
Depreciations	-1,932	-174,018	-	-	-326	-176,276
<b>Total</b>	<b>8,435</b>	<b>9,351,947</b>	<b>1,027,744</b>	<b>105,418</b>	<b>10,498</b>	<b>10,504,044</b>

<b>At 31<sup>st</sup> of March 2019</b>						
Accumulated acquisition cost	46,752	10,950,960	1,027,744	105,419	10,824	12,141,699
Accumulated depreciation	-38,317	-1,599,013	-	-	-326	-1,637,656
<b>Total</b>	<b>8,435</b>	<b>9,351,947</b>	<b>1,027,744</b>	<b>105,419</b>	<b>10,498</b>	<b>10,504,044</b>

	Machin- ery and equipm.	Trans- portation	Partially delivered trains	Under construc- tion	Right-to- use other assets	Total
<b>At 1<sup>st</sup> of January 2019</b>						
Accumulated acquisition cost	46,693	10,803,140	480,053	15,287	-	11,345,173
Accumulated depreciation	-36,385	-1,424,995	-	-	-	-1,461,380
<b>Total</b>	<b>10,308</b>	<b>9,378,145</b>	<b>480,053</b>	<b>15,287</b>	<b>-</b>	<b>9,883,793</b>
<b>Annual accounts 2019</b>						
Opening net book value	10,308	9,378,145	480,053	15,287	-	9,883,793
Implementation effect IFRS 16	-	-	-	-	10,824	10,824
Additions	-	-	960,198	456,022	-	1,416,220
Transfers within PPE	1,187	916,924	-462,175	-455,936	-	-
Depreciations	-5,482	-695,639	-	-	-1,296	-702,416
<b>Total</b>	<b>6,013</b>	<b>9,599,430</b>	<b>978,076</b>	<b>15,373</b>	<b>9,528</b>	<b>10,608,420</b>
<b>At 31<sup>st</sup> of December 2019</b>						
Accumulated acquisition cost	47,880	11,720,064	978,076	15,373	10,824	12,772,217
Accumulated depreciation	-41,867	-2,120,634	-	-	-1,296	-2,163,797
<b>Total</b>	<b>6,013</b>	<b>9,599,430</b>	<b>978,076</b>	<b>15,373</b>	<b>9,528</b>	<b>10,608,420</b>



## 4. Financial instruments

A comparison of the recognised values and the fair value of the company's interest-bearing debt is given below:

<b>Interest bearing debt - long term</b>	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>31.12.2019</b>
Bonds measured at fair value	1,630,331	2,800,101	1,352,859
Bonds measured at amortized cost	5,543,376	3,893,376	5,843,376
<b>Total interest bearing debt - long term</b>	<b>7,173,707</b>	<b>6,693,477</b>	<b>7,196,235</b>
<b>Interest bearing debt - short term</b>	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>31.12.2019</b>
Bonds measured at fair value	402,946	2,287,661	2,530,792
Bonds measured at amortized cost	-	-	-
<b>Total interest bearing debt - short term</b>	<b>402,946</b>	<b>2,287,661</b>	<b>2,530,792</b>
<b>Total interest bearing debt</b>	<b>7,576,652</b>	<b>8,981,138</b>	<b>9,727,027</b>
<b>Nominal values</b>	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>31.12.2019</b>
Bonds measured at fair value	768,750	3,636,250	2,286,250
Bonds measured at amortized cost	5,843,376	3,893,376	5,843,376
<b>Total interest bearing debt - nominal values</b>	<b>6,612,126</b>	<b>7,529,626</b>	<b>8,129,626</b>

<b>Financial assets and liabilities at fair value through profit or loss as at 31<sup>st</sup> March 2020:</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivatives	-	669,909	-	669,909
<b>Total assets</b>	-	<b>669,909</b>	-	<b>669,909</b>
Borrowings and accrued interest	-	1,684,336	-	1,684,336
Derivatives	-	37,391	-	37,391
<b>Total liabilities</b>	-	<b>1,721,727</b>	-	<b>1,721,727</b>

<b>Financial assets and liabilities at fair value through profit or loss as at 31<sup>st</sup> March 2019:</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivatives	-	1,139,870	-	1,139,870
<b>Total assets</b>	-	<b>1,139,870</b>	-	<b>1,139,870</b>
Borrowings and accrued interest	-	5,036,182	-	5,036,182
Derivatives	-	62,557	-	62,557
<b>Total liabilities</b>	-	<b>5,098,739</b>	-	<b>5,098,739</b>

<b>Financial assets and liabilities at fair value through profit or loss as at 31<sup>st</sup> December 2019:</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivatives	-	1,235,475	-	1,235,475
<b>Total assets</b>	-	<b>1,235,475</b>	-	<b>1,235,475</b>
Borrowings and accrued interest	-	3,803,926	-	3,803,926
Derivatives	-	7,739	-	7,739
<b>Total liabilities</b>	-	<b>3,811,665</b>	-	<b>3,811,665</b>

At 31 March 2020, the fair value of bond issued at amortised cost is TNOK 5,543,376 (31 March 2019: TNOK 3,893,376).

All existing bond issues have been issued under the Euro Medium Term Note loan programme (EMTN-Programme). The EMTN-programme does not contain any financial covenants, except for an optional clause that the State of Norway shall own 100 % of Norske tog.

The fair value of the credit margin on bonds is based on market observations from banks and the pricing/exchange of the bonds in the secondary market.

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