



Norske  
tog

# Quarterly report Q3 2022



## About Norske tog

Norske tog **procures, owns** and **manages** vehicles for rail passenger transport in Norway. The company enters into agreements with train operating companies that have a traffic agreement with the Norwegian Railway Directorate for the lease of train sets. This leads to the efficient procurement and management of trains and ensures that specialist expertise can be found in one place.

Norske tog AS is owned by the Ministry of Transport and Communications and is a category 2 company. The state's rationale for ownership of Norske tog is to have a provider of vehicles for rail passenger traffic on competition-neutral terms. The state's goal as owner is cost-effective procurement and leasing of trains.

This quarterly report has not been audited.

### Highlights, 3<sup>rd</sup> quarter 2022

- Operating income increased to 332 MNOK during the 3<sup>rd</sup> quarter of 2022 (301 MNOK). This represents an increase of 31 MNOK and is primarily due to the use of new trains which has increased lease income (including hybrid trains that run on electricity and diesel).
- Norske tog's financial situation is good. Its leases provide stable, predictable income and the company is in a good position to issue loans on reasonable terms.
- A preliminary design review of the new class 77 local trains has been initiated in accordance with the business plan.
- Norske tog has prepared a mock-up of the class 77 design to display to a range of stakeholders (trade unions, disability associations, etc.), and feedback has been very positive.
- Norske tog has carried out a series of repairs on multiple trains in order to maintain their service lives and upkeep standards.

### Financial key figures

Financial key figures (MNOK)	As of Q3 2022	As of Q3 2021	Year 2021
Income	967	901	1,230
Operating profit	249	240	336
Pre-tax profit	134	154	206
Profit/loss for the period	105	120	161
Net cash flow*	-157	-106	497
Working capital	-865	-426	994
Equity	3,418	3,267	3,297
Equity ratio	25.4 %	28.6 %	25.3 %
Return on book equity**	3.9 %	4.5 %	4.9 %

\* The negative net cash flow is due to an advance payment on new local trains and receipt of the new trains (Stadler trains).

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

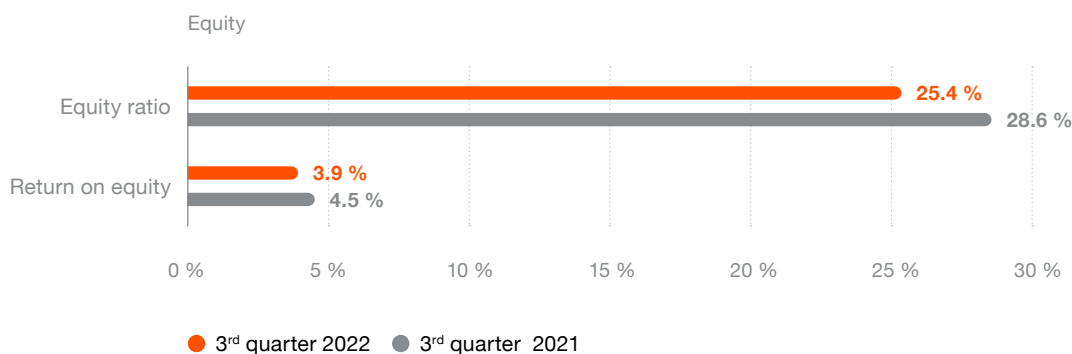
## Financial developments in Norske tog

For the 3<sup>rd</sup> quarter of 2022, Norske tog achieved a net profit before tax of 134 MNOK (154 MNOK). Compared with the same period last year, this is a decrease of 20 MNOK, which is primarily due to an increase in operating income of 66 MNOK, increased operating expenses of -57 MNOK, and a negative development in terms of net financial expenses in the amount of -29 MNOK.

The delivery of new trains has also led to a large increase in the company's balance sheet, which at the end of the 3<sup>rd</sup> quarter of 2022 stands at 13,449 MNOK (11,424 MNOK).

The result gives a rolling 12-month return on book equity value of 3.9 per cent. In the long run, the goal is to deliver a rolling 12-month return of 5 per cent.

Norske tog uses considerable resources on upcoming train procurements. Norske tog is helping to boost the railway sector by means of these investments. Norske tog's annual return will fluctuate in line with the scale of planned investment projects.



The equity ratio for Norske tog decreased from 28.6 per cent in the third quarter of 2021 to 25.4 per cent in the third quarter of 2022. This is mainly due to increased planned investment in trains.

### Financing

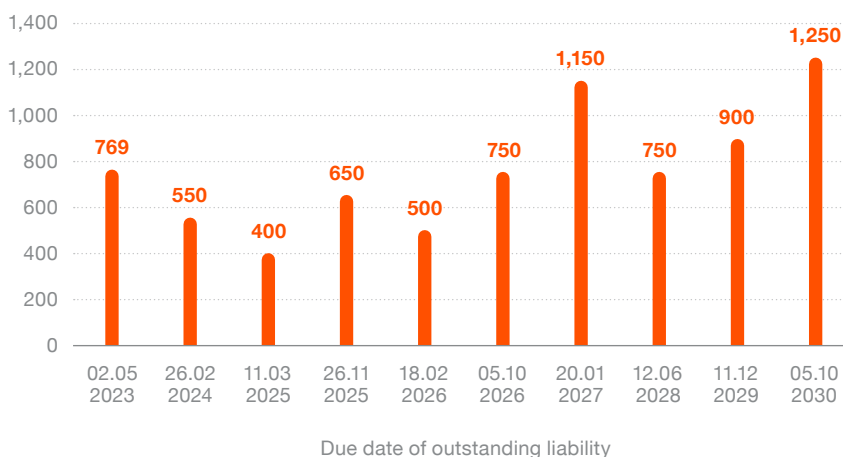
Norske tog has good creditworthiness. Standard & Poor's has given the company a credit rating for long-term borrowing of A+ (stable).

The company borrows through the Euro Medium Term Note (EMTN) programme. The EMTN programme does not include any financial requirements, but there is an ownership clause stipulating that the state must own 100 per cent of Norske Tog.

As of 30 September 2022, the company has one bond due in the next 12 months, the next maturity is a loan of 125 MCHF in May 2023.

### Noncurrent liabilities

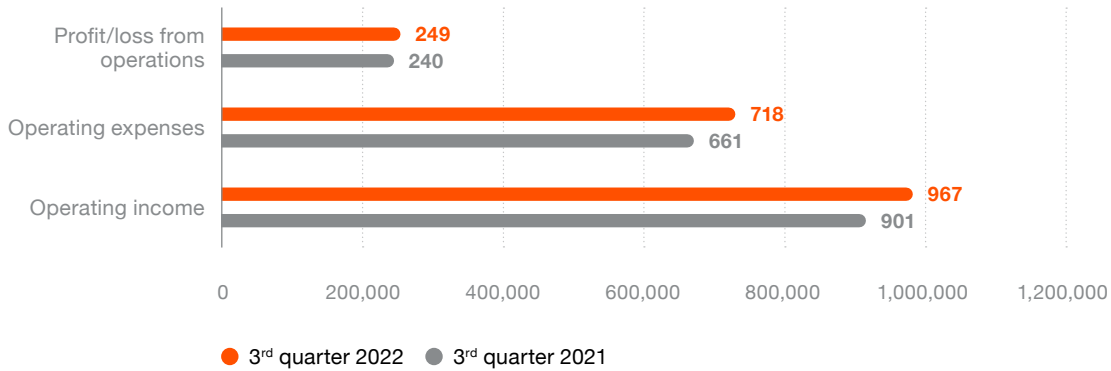
Amounts outstanding in MNOK



**Profit/loss**

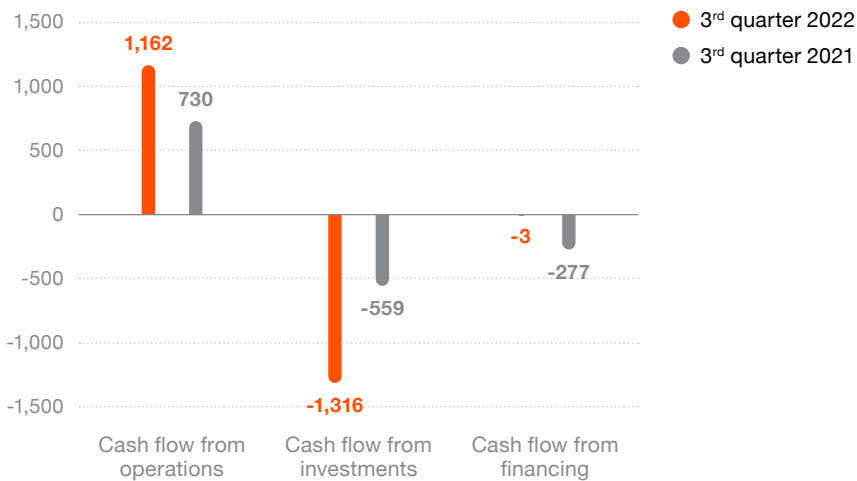
**Profit/loss, 3<sup>rd</sup> quarter**

All figures in MNOK



**Cash flow**

**Cash flow, 3<sup>rd</sup> quarter**



Net cash flow from operations is 1,162 MNOK (730 MNOK). Net cash flow used for investments is 1,326 MNOK (559 MNOK), where the funds have mainly been used for entering into contracts for new local trains as well as the purchase of new trains through existing contracts with Stadler.

# 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.

Norske tog takes out loans in the markets and currencies that are believed to provide the most favourable conditions overall. Loans in foreign currency are converted to NOK through combined interest rate and currency swaps.

The company has had limited exposure to foreign currency risk, as the majority of costs have been in NOK. The new contract for the procurement of local trains has been signed and is denominated in EUR but will not be subject to currency hedging as the Norwegian government self-insures transactions of this kind.

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. Targets have been set regulating the proportion of loans that shall be interest adjusted for a twelve-month period, and for the fixed interest rate on the portfolio. The aim is to achieve a mix of approximately 70% at fixed and 30% at floating rates.

According to established targets, 150 per cent of the company's capital requirement in the next twelve-month period will be covered through free cash flow and established credit facilities.

Norske tog has developed a framework for issuing green bonds. In 2022, the framework will be updated, and the company will produce a detailed report on the green investment projects to be financed and the actual environmental and climate impact of these. Norske tog strives to follow market best practice in its reporting and is working on an ongoing basis to improve the company's environmental impact reporting. The company is monitoring the EU's Green Bond Standard and will work to transition from its current reporting practices in accordance with ICMA to the EU's Green Bond Standard once the latter framework is finalised.

### Operational risk

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

Norske tog has an internal auditor who annually carries out audits with a particular focus on management and control. Two years of the Covid-19 pandemic, closely followed by the war in Ukraine, lead to several challenges, particularly related to access to raw materials and increased raw material prices. For Norske tog, there are particular challenges with deliveries related to steel, aluminium and raw materials used in various electronics that could affect operations.

The war in Ukraine is still ongoing, and as of 30 September 2022 there appears to be no imminent resolution to the conflict, which has contributed to widespread unrest throughout the world. The supply of raw materials has declined, raw material prices have risen, exchange rates are unstable and interest rates are on the rise. Additionally, there is currently an energy crisis in Europe. Norske tog has several ongoing projects, both for the procurement of new trains and the upgrading of vehicles that depend on good access to raw materials such as steel, aluminium and other sought-after raw materials that are needed in electronics. The situation will therefore affect both the economy and delivery time for the projects.

As a result of delivery challenges, delays have occurred in the installation of ERTMS. The commencement of traffic on lines fitted with ERTMS infrastructure has thus been postponed to ensure that these delays do not impact regular traffic.

In addition, a shortage of raw materials may contribute to delaying the delivery time for the procurement of new local trains. It is currently unclear how and to what extent the delivery schedule will be affected, and work is continuing on an ongoing basis to implement measures that will recoup any potential delays.

Norske tog is closely monitoring the situation. At the present time, it is difficult to say how and to what extent the growing unrest in the world will affect Norske tog. Any delays will be handled through ongoing dialogue with the company's suppliers. In addition, the company maintains close dialogue with rail operators, the Norwegian Railway Directorate and Bane NOR to ensure that any adjustments to finances and plans do not have an impact on regular traffic on the Norwegian rail network.







## Significant events

The first half-year has been characterised by a high level of activity in the company with the procurement of new local and long-distance trains, as well as a number of other ongoing management projects.

### **New local trains, Class 77**

Work on the procurement of new local trains is fully under way both within Norske tog and Alstom. The project organisation has now reached the design phase (detailing, colour choices, interior designs, materials, flooring, etc.). The Concept Design Review (CDR) has been completed, while the project embarked upon the next part of the design phase – the Preliminary Design Review – during the third quarter in accordance with the progress plan.

During the third quarter, Norske tog for the first time displayed the train's design to various stakeholders, including trade unions, disability associations and operators (Vy and Flytoget). The project received positive feedback and plenty of helpful input in relation to changes that we are now working on.

### **Upgrades to trains**

During the third quarter, Norske tog completed a range of upgrades to various types of train – both in order to improve technical standards and reduce faults, as well as measures designed to improve the user experience and accessibility. Initiatives included: improvements to toilet facilities, with the replacement of pipes to prevent future rust-related issues; the replacement of compressors which are a key component for the supply of air to brakes; and the installation of new doors on the disabled toilets on board our sleeper trains to adhere to current universal design requirements that make access easier for all.

## Outlook

In the 2022 national budget, Norske tog has been allocated an investment budget for the procurement of 17 new long-distance trains that will operate on the Dovre Line, Bergen, Sørland and Nordland lines. The tendering deadline passed on 3 June, and Norske tog is now working to assess the tenders received. Signing of contracts is expected to take place over the course of 2023.

Norske tog's revenues come from lease income from train operators. Over time, Norske tog has drawn up a proposal for a new lease pricing model with the aim of being able to take into account changing costs.

It remains a challenge for Norske tog to get a hold of critical maintenance data from certain operators. This makes it challenging for the company to follow up on systematic errors that involve major modifications to the train maintenance programme, or to set requirements for everyday maintenance and so ensure that trains have the longest possible lifespan. Norske tog has significantly increased its efforts to gain access to up-to-date maintenance data.

### **Events after the balance sheet date**

There have been no significant events after the closing 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.

In the best judgement of the Board of Directors and the CEO, the report reflects significant transactions conducted with related parties in the current period and the most important risk factors facing the business in the coming period.

In the best judgement of the Board of Directors and the CEO, the financial statements for the third quarter of 2022 have been prepared in accordance with applicable accounting standards, and the information in the financial statements gives an accurate picture of the company's assets, liabilities and financial position and overall results at the end of the period, as well as a fair overview of important events during the reporting period and their influence on the financial statements. The financial statements for the third quarter of 2022 have not been audited by the company's auditor.

Oslo, 5 December 2022



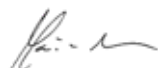
Annette Malm Justad  
Chair of the Board



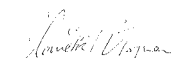
Espen Opedal  
Board Member



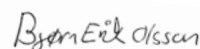
Jan Morten Ertsaas  
Board Member



Marianne Abeler  
Board Member



Henriette Torgersen  
Board Member



Bjørn Erik Olsson  
Board Member



Øystein Risan  
CEO

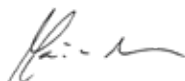
# Income Statement

All numbers in TNOK	Notes	3 <sup>rd</sup> quarter 2022	3 <sup>rd</sup> quarter 2021	Year to date 2022	Year to date 2021	Year 2021	Last 12 months
<b>Operating revenue</b>	2	<b>331,813</b>	<b>300,943</b>	<b>966,759</b>	<b>900,888</b>	<b>1,230,464</b>	<b>1,296,335</b>
Payroll and related expenses		13,953	12,790	31,901	33,027	41,008	39,882
Depreciation and impairment		190,461	174,498	569,960	523,990	708,574	754,544
Other operating expenses		38,776	36,015	115,838	104,152	144,963	156,649
<b>Total operating expenses</b>		<b>243,190</b>	<b>223,303</b>	<b>717,699</b>	<b>661,169</b>	<b>894,545</b>	<b>951,075</b>
<b>Operating profit</b>		<b>88,623</b>	<b>77,640</b>	<b>249,060</b>	<b>239,719</b>	<b>335,919</b>	<b>345,260</b>
<b>Financial posts</b>							
Financial income		24,329	22,865	48,193	53,173	59,704	54,724
Financial expenses		-65,043	-52,636	-180,365	-158,543	-213,254	-235,076
Net financial expenses – pensions		-	-	-	-	-39	-39
Unrealised fair value changes	1	-1,257	6,149	17,248	19,591	23,841	21,498
<b>Net financial items</b>		<b>-41,971</b>	<b>-23,622</b>	<b>-114,924</b>	<b>-85,779</b>	<b>-129,748</b>	<b>-158,893</b>
<b>Profit before income tax</b>		<b>46,652</b>	<b>54,018</b>	<b>134,135</b>	<b>153,939</b>	<b>206,171</b>	<b>186,367</b>
Income tax expense		10,263	11,884	29,510	33,867	45,381	41,024
<b>Profit for the period</b>		<b>36,389</b>	<b>42,134</b>	<b>104,625</b>	<b>120,072</b>	<b>160,789</b>	<b>145,343</b>
Attributable to							
Equity holders		36,389	42,134	104,625	120,072	160,789	145,343
<b>Other comprehensive income</b>							
Profit for the year		36,389	42,134	104,625	120,072	160,789	145,343
<b>Items that will not be reclassified to profit or loss</b>							
Currency hedging-realised	5	4,742	-22,480	18,262	-22,480	-36,250	-17,988
Tax related to items that will not be reclassified		-1,044	4,946	-4,018	4,946	7,975	
Deviation retirement benefit obligations						-28	-28
Tax related to items that will not be reclassified						6	6
<b>Total comprehensive income for the period</b>		<b>40,087</b>	<b>24,600</b>	<b>118,869</b>	<b>102,538</b>	<b>132,492</b>	<b>127,333</b>
Attributable to							
Equity holders		40,087	24,600	118,869	102,538	132,492	127,333

## Overview financial position

All numbers in TNOK	Noters	30.09.2022	30.09.2021	31.12.2021
<b>Assets</b>				
Property, plant and equipment	3	12,152,989	10,767,574	11,406,830
<b>Total non-current assets</b>		<b>12,152,989</b>	<b>10,767,574</b>	<b>11,406,830</b>
Trade and other receivables		36,840	31,270	359,214
Derivative financial assets	4	637,382	440,445	476,499
Cash and bank deposits		622,097	184,461	787,493
<b>Total current assets</b>		<b>1,296,319</b>	<b>656,176</b>	<b>1,623,206</b>
<b>Total assets</b>		<b>13,449,308</b>	<b>11,423,750</b>	<b>13,030,035</b>
<b>Equity and liabilities</b>				
Ordinary shares and share premium		2,400,000	2,400,000	2,400,000
Retained earnings		1,018,224	866,896	896,730
<b>Total equity</b>		<b>3,418,224</b>	<b>3,266,896</b>	<b>3,296,730</b>
Borrowings	4	7,002,778	6,244,194	8,266,945
Deferred tax obligation		825,160	782,005	790,601
Retirement benefit obligations		2,643	2,373	2,406
Other accruals		38,760	46,522	43,927
<b>Total long term liabilities</b>		<b>7,869,340</b>	<b>7,075,094</b>	<b>9,103,879</b>
Trade and other payables		90,035	54,449	82,099
Borrowings	4	2,055,537	991,246	499,104
Derivative financial instruments	4	16,172	36,065	48,223
<b>Total short term liabilities</b>		<b>2,161,744</b>	<b>1,081,760</b>	<b>629,426</b>
<b>Total equity and liabilities</b>		<b>13,449,308</b>	<b>11,423,750</b>	<b>13,030,035</b>

Oslo, 5 December 2022


Annette Malm Justad  
Chair of the Board

Marianne Abeler  
Board Member

Espen Opedal  
Board Member

Jan Morten Ertsaas  
Board Member

Bjørn Erik Olsson  
Board Member

Henriette Torgersen  
Board Member

Øystein Risan  
CEO

## Cash flow

Cash flow statement (All figures in TNOK)	3 <sup>rd</sup> quarter 2022	3 <sup>rd</sup> quarter 2021	Year to date 2022	Year to date 2021	Year 2021
Profit for the period before income tax expense	46,652	54,018	134,135	153,939	206,171
Net financial items	-918	-6,380	128,947	121,967	164,248
Depreciation and impairment in the income statement	190,461	174,498	569,960	523,990	708,574
Net changes to obligations and retirement benefit oblig.	-149	-150	237	-262	-295
Changes to working capital*	87,307	-17,738	328,790	-70,001	-372,887
<b>Net cash flow from operating activities</b>	<b>323,353</b>	<b>204,248</b>	<b>1,162,069</b>	<b>729,633</b>	<b>705,811</b>
Purchase of PPE	-109,162	-291,257	-1,325,917	-558,942	-1,388,790
Proceeds from sale of PPE	-	-	-	-	730
Gain/(loss) on sale of PPE	6,864	-	9,796	-	5,278
<b>Net cash flow from investment activities</b>	<b>-102,298</b>	<b>-291,257</b>	<b>-1,316,121</b>	<b>-558,942</b>	<b>-1,382,782</b>
Interest paid on borrowings	-9,069	-2,973	-169,370	-162,931	-215,768
Interest income	9,986	9,353	40,423	40,964	51,520
Other financial items	37,745	28,230	-24,374	-54,592	-61,350
Proceeds from borrowings	-	200,003	1,300,000	900,000	2,900,000
Repayment of borrowings	-300,000	-350,000	-1,150,000	-1,000,000	-1,500,000
<b>Net cash flow from financial activities</b>	<b>-261,338</b>	<b>-115,387</b>	<b>-3,321</b>	<b>-276,559</b>	<b>1,174,402</b>
<b>Net change in cash and bank deposits for the period</b>	<b>-40,283</b>	<b>-202,396</b>	<b>-157,373</b>	<b>-105,868</b>	<b>497,431</b>
Cash and bank deposits as at the beginning of the period	662,394	386,976	787,493	290,329	290,329
Foreign exchange gain/loss on cash and bank deposits	-14	-120	-8,023	-1	-267
<b>Cash and bank deposits as at the end of the period</b>	<b>622,097</b>	<b>184,461</b>	<b>622,097</b>	<b>184,461</b>	<b>787,493</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, as well as new leases according to IFRS 16).



# Equity

<b>30.09.2022 (All figures in TNOK)</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Specification hedge accounting reserves</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 <sup>st</sup> of January 2022	100,000	2,300,000	-27,861	924,590	3,296,730
Profit for the year	-	-	-	104,625	104,625
From other comprehensive income	-	-	14,244	-	14,244
Reclassified to asset under construction after tax	-	-	2,625	-	2,625
<b>Equity 30<sup>th</sup> of September 2022</b>	<b>100,000</b>	<b>2,300,000</b>	<b>-10,992</b>	<b>1,029,215</b>	<b>3,418,224</b>

<b>30.09.2021 (All figures in TNOK)</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Specification hedge accounting reserves</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 <sup>st</sup> of January 2021	100,000	2,300,000	-	763,823	3,163,823
Profit for the year	-	-	-	120,072	120,072
From other comprehensive income	-	-	-17,534	-	-17,534
Reclassified to asset under construction after tax	-	-	535	-	535
<b>Equity 30<sup>th</sup> of September 2021</b>	<b>100,000</b>	<b>2,300,000</b>	<b>-16,999</b>	<b>883,895</b>	<b>3,266,896</b>

<b>2021 (All figures in TNOK)</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Specification hedge accounting reserves</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 <sup>st</sup> of January 2021	100,000	2,300,000	-	763,823	3,163,823
Profit for the year	-	-	-	160,789	160,789
From other comprehensive income	-	-	-27,861	-22	-27,883
<b>Equity 31<sup>st</sup> of December 2021</b>	<b>100,000</b>	<b>2,300,000</b>	<b>-27,861</b>	<b>924,590</b>	<b>3,296,730</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 third quarter of 2022 are consistent with the accounting principles used for the financial statements in 2021.

## Hedge accounting

### Description of principles

Foreign currency futures contracts have been entered into in order to currency-hedge future payments in accordance with the contract entered into for mid-life upgrades to Class 72 (local train) train sets entered into in Euro. The foreign currency futures contracts have been recognised at fair value. Hedge accounting managed through cash flow hedging is used in the company.

The part of the change in value of the hedging instrument considered to be effective hedging is recognised in other income and costs (extended profit and loss) and classified as cash flow hedging reserve in equity. Upon payment, the corresponding value change is reclassified from cash flow hedging reserve to Property, plant and equipment (classified as plant under construction until the mid-life upgrades have been completed).

## 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 changes in value

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

Unrealised fair value changes	3 <sup>rd</sup> quarter 2022	3 <sup>rd</sup> quarter 2021	Year to date 2022	Year to date 2021	31.12.2021
Unrealised value changes derivatives used for hedging	81,225	16,509	167,660	-37,809	-2,449
Unrealised value changes bonds	-82,482	-10,360	-150,412	57,400	26,289
<b>Total unrealised value changes financial items</b>	<b>-1,257</b>	<b>6,149</b>	<b>17,248</b>	<b>19,591</b>	<b>23,841</b>

## 2. Sales analysis by category

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

Analysis of operating income by category	3 <sup>rd</sup> quarter 2022	3 <sup>rd</sup> quarter 2021	Year to date 2022	Year to date 2021	Year 2021	Last 12 months
Leasing revenue	331,813	300,607	966,296	899,760	1,225,206	1,291,742
Other revenue	0	336	463	1,128	5,258	4,593
<b>Total</b>	<b>331,813</b>	<b>300,943</b>	<b>966,759</b>	<b>900,888</b>	<b>1,230,464</b>	<b>1,296,335</b>

### Information about key customers

The company has four customers for leasing of passenger rolling stock, VyGruppen AS, Go-Ahead AS, SJ Norge AS and Vy tog AS, which account for 100 per cent of the leasing income.

### 3. Property, plant and equipment

	Machinery and equipm.	Transportation	Partially delivered trains	Assets under construction	Right-to-use other assets	Total
<b>At 1<sup>st</sup> of January 2022</b>						
Accumulated acquisition cost	130,079	13,893,869	192,628	710,890	59,280	14,986,746
Accumulated depreciation	-60,229	-3,508,916	-	-	-10,771	-3,579,916
<b>Total</b>	<b>69,850</b>	<b>10,384,953</b>	<b>192,628</b>	<b>710,890</b>	<b>48,509</b>	<b>11,406,830</b>
<b>3<sup>rd</sup> quarter 2022</b>						
Opening balance	69,850	10,384,953	192,628	710,890	48,509	11,406,830
Additions	-3,267	41,034	1,012,951	268,496	6,703	1,325,917
Disposals	-164	-69,595	-	-	-	-69,759
Disposals accumulated Depreciation	139	59,824	-	-	-	59,963
Transfers within PPE	4,792	1,380,053	-535,499	-843,774	-5,572	-
Depreciations for the year	-13,043	-552,042	-	-	-4,875	-569,960
<b>Total</b>	<b>58,307</b>	<b>11,244,226</b>	<b>670,080</b>	<b>135,612</b>	<b>44,764</b>	<b>12,152,989</b>
<b>At 30<sup>th</sup> of September 2022</b>						
Accumulated acquisition cost	131,440	15,245,360	670,080	135,612	60,411	16,242,904
Accumulated depreciation	-73,133	-4,001,134	-	-	-15,646	-4,089,913
<b>Total</b>	<b>58,308</b>	<b>11,244,226</b>	<b>670,080</b>	<b>135,612</b>	<b>44,764</b>	<b>12,152,989</b>
<b>At 1<sup>st</sup> of January 2021</b>						
Accumulated acquisition cost	81,995	12,516,006	893,834	83,545	46,764	13,622,144
Accumulated depreciation	-44,583	-2,839,651	-	-	-5,287	-2,889,521
<b>Total</b>	<b>37,412</b>	<b>9,676,355</b>	<b>893,834</b>	<b>83,545</b>	<b>41,477</b>	<b>10,732,622</b>
<b>3<sup>rd</sup> quarter 2021</b>						
Opening net book value	37,412	9,676,355	893,834	83,545	41,477	10,732,622
Additions	802	-1,185	86,627	459,096	13,602	558,942
Transfers within PPE	43,705	49,433	-232,994	139,856	-	-
Depreciations	-10,990	-509,152	-	-	-3,849	-523,990
<b>Total</b>	<b>70,930</b>	<b>9,215,451</b>	<b>747,467</b>	<b>682,497</b>	<b>51,230</b>	<b>10,767,574</b>
<b>At 30<sup>th</sup> of September 2021</b>						
Accumulated acquisition cost	126,502	12,564,254	747,467	682,497	60,366	14,181,086
Accumulated depreciation	-55,573	-3,348,803	-	-	-9,136	-3,413,513
<b>Total</b>	<b>70,930</b>	<b>9,215,451</b>	<b>747,467</b>	<b>682,497</b>	<b>51,230</b>	<b>10,767,574</b>

	<b>Machinery and equipm.</b>	<b>Transportation</b>	<b>Partially delivered trains</b>	<b>Assets under construction</b>	<b>Right-to-use other assets</b>	<b>Total</b>
<b>At 1<sup>st</sup> of January 2021</b>						
Accumulated acquisition cost	81,995	12,516,006	893,834	83,545	46,764	13,622,144
Accumulated depreciation	-44,583	-2,839,651	-	-	-5,287	-2,889,521
<b>Total</b>	<b>37,412</b>	<b>9,676,355</b>	<b>893,834</b>	<b>83,545</b>	<b>41,477</b>	<b>10,732,622</b>
<b>Annual accounts 2021</b>						
Opening balance	37,412	9,676,355	893,834	83,545	41,477	10,732,622
Additions	2,253	-1,161	256,177	1,119,005	12,516	1,388,790
Disposals	-	-24,187	-	-	-	-24,187
Disposals accumulated Depreciation		18,179				18,179
Transfers within PPE	45,831	1,403,212	-957,383	-491,659	-	-
Depreciations for the year	-15,646	-687,444	-	-	-5,484	-708,574
<b>Total</b>	<b>69,850</b>	<b>10,384,954</b>	<b>192,628</b>	<b>710,891</b>	<b>48,509</b>	<b>11,406,830</b>
<b>At 31<sup>st</sup> of December 2021</b>						
Accumulated acquisition cost	130,079	13,893,870	192,628	710,891	59,280	14,986,747
Accumulated depreciation	-60,229	-3,508,916	-	-	-10,771	-3,579,916
<b>Total</b>	<b>69,850</b>	<b>10,384,954</b>	<b>192,628</b>	<b>710,891</b>	<b>48,509</b>	<b>11,406,830</b>

## Note 4 Financial instruments

### Measurement of fair value

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>30.09.2022</b>	<b>30.09.2021</b>	<b>31.12.2021</b>
Bond loan measured at fair value	109 402	1 350 818	1 373 569
Bonds measured at amortised cost	6 893 376	4 893 376	6 893 376
<b>Total interest-bearing debt – long-term</b>	<b>7 002 778</b>	<b>6 244 194</b>	<b>8 266 945</b>
<b>Interest-bearing debt – short-term</b>	<b>30.09.2022</b>	<b>30.09.2021</b>	<b>31.12.2021</b>
Short-term portion of long-term liabilities	1 555 537	791 246	499 104
Other loans	500 000	200 000	-
<b>Total interest-bearing debt – short-term</b>	<b>2 055 537</b>	<b>991 246</b>	<b>499 104</b>
<b>Total borrowings</b>	<b>9 058 315</b>	<b>7 235 440</b>	<b>8 766 048</b>
<b>Nominal values</b>	<b>30.09.2022</b>	<b>30.09.2021</b>	<b>31.12.2021</b>
Bond loan measured at fair value	768 750	768 750	768 750
Certificate loan at amortised cost	500 000	200 000	-
Bonds measured at amortised cost	6 893 376	5 543 376	7 243 376
<b>Total</b>	<b>8 162 126</b>	<b>6 512 126</b>	<b>8 012 126</b>



<b>Financial assets and liabilities at fair value through profit or loss as at 30<sup>th</sup> of September 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivative instruments	-	637,382	-	637,382
<b>Total assets</b>	-	<b>637,382</b>	-	<b>637,382</b>
Borrowings and accrued interest	-	1,660,013	-	1,660,013
Derivative instruments	-	16,172	-	16,172
<b>Total liabilities</b>	-	<b>1,676,185</b>	-	<b>1,676,185</b>

<b>Financial assets and liabilities at fair value through profit or loss as at 30<sup>th</sup> of September 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivative instruments	-	440,445	-	440,445
<b>Total assets</b>	-	<b>440,445</b>	-	<b>440,445</b>
Borrowings and accrued interest	-	1,392,085	-	1,392,085
Derivative instruments	-	36,065	-	36,065
<b>Total liabilities</b>	-	<b>1,428,150</b>	-	<b>1,428,150</b>

<b>Financial assets and liabilities at fair value through profit or loss as at 31<sup>st</sup> of December 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivative instruments	-	476,455	-	476,455
<b>Total assets</b>	-	<b>476,455</b>	-	<b>476,455</b>
Borrowings and accrued interest	-	1,485,770	-	1,485,770
Derivative instruments	-	48,223	-	48,223
<b>Total liabilities</b>	-	<b>1,533,993</b>	-	<b>1,533,993</b>

The fair value of bond loans at amortised cost is 6,893,376 TNOK (30 September 2021: 5,543,376 TNOK) as of 30 September 2022.

All existing bond loan issues have been taken out under the Euro Medium Term Note (EMTN) programme. The EMTN programme does not include any financial covenants, but has an optional ownership clause stipulating that the State should own 100 per cent of Norske Tog AS. All bond loans are classified at level 2.

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

## 5. Hedge accounting

As at 30 September 2022, the company has recognised the following hedging instruments in the balance sheet:

Fair value Forward exchange	Maturity			Total
	1-6 months	6-12 months	More than 1 year	
Assets	-	-	3,090	3,090
Liabilities	-773	-911	-10,618	-12,302

As at 30 September 2021, the company has recognised the following hedging instruments in the balance sheet:

Fair value Forward exchange	Maturity			Total
	1-6 months	6-12 months	More than 1 year	
Assets	-	-	-	-
Liabilities	-1,768	-1,759	-18,418	-21,945

As of 31 December 2021, the company has recognised the following hedging instruments in the balance sheet:

Fair value Forward exchange	Forfall			Totalt
	1-6 mnd	6-12 mnd	Mer enn 1 år	
Assets	44	-	-	44
Liabilities	-	-5,734	-27,233	-32,967

Specification hedging reserve	As at 3 <sup>rd</sup> quarter 2022	As at 3 <sup>rd</sup> quarter 2021	Year 2021
Balance as at 1 <sup>st</sup> of January 2021	-27,744	-	-
Change in fair value	18,262	-22,480	-36,250
Reclassified to assets under construction when paid	2,625	535	531
Deferred tax	-4,018	4,946	7,975
Balance as at 30 <sup>th</sup> of September	-10,875	-16,999	-27,744

## **Norske tog AS**

### **Visiting address**

Drammensveien 35, N-0271 Oslo

### **P.O. Box**

Postboks 1547 Vika, N-0117 Oslo

### **E-mail**

[post@norsketog.no](mailto:post@norsketog.no)

### **Web**

[norsketog.no](http://norsketog.no)