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NORSK
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NORGE AS

Directors' report 2022

About the report

Norsk Gjenvinning Norge AS (referred to as NGN Group) is the leading player in the Norwegian waste management and recovery market and consists of a portfolio of companies within the circular economy. The group of companies has a long history and encompasses 68 companies at the end of 2022. Norsk Gjenvinning Norge AS is controlled by NG Topco AS. Norsk Gjenvinning Norge AS is controlled through an investment structure by Summa Equity AB. NGN Group is headquartered at Lysaker outside of Oslo. Its geographical reach includes facilities in Norway, as well as an increasingly strong position and breadth of service offerings and operations in Sweden, Denmark, Finland, Poland and the United Kingdom.

Activities under the NGN Group play an important role for the Nordics to achieve their climate goals and transition to a circular economy. Activities center around making available the materials embedded in waste streams and offering services related to reuse, waste management, environmental services, and material extraction throughout entire industrial value chains. Extension of usable life, reuse, and downstream merchandise production are becoming increasingly important areas for the group. Through the group's business activities, discarded materials are directed into new products, mitigating the need for primary materials, thereby lowering the environmental and climate footprint of manufacture. As such, the NGN Group facilitates sustainable industrial development and a sustainable supplier industry. Services related to recycling still comprise the largest part of the business in terms of revenue. On an annual basis, 2.5 million tons of waste are processed for more than 40,000 customers, and recycled raw materials are produced which are returned in the production of new goods or energy. Waste is collected, processed, and sold as recycled raw materials to industry in Scandinavia, Europe, and Asia. The service portfolio includes waste management, sorting and recycling of different types of commercial waste. Some of the key activities and services in the group are, recycling of metals and electronic equipment, medical equipment, cables, plastic recovery and production, sustainable construction services, demolition and decontamination, industrial services, reception and professional handling of hazardous waste, material storage and infrastructure, paper, security shredding, sensorics and software, as well as logistics for household renovation.
To meet the growing need for knowledge about circular solutions and how waste plays a critical role in keeping materials in the loop, the group has also set up an advisory team, to contribute to the shift needed for an efficient circular economy. Most of the companies in the group are wholly owned subsidiaries, while some are partly owned and operated together with strategic partners. Today the company has established a position as a waste processor with processing sites across the Nordics, and world-leading waste management technology.

Message from the CEO

2022 was an eventful year, the global pandemic is fading, and war returned to Europe when Russia invaded Ukraine. Combined with energy crises and rising inflation, this has created an uncertain future for the society. Despite the difficult geopolitical situation, last year NGN Group still delivered solid results and took strong measures to prepare for the future. This was a joint effort from employees, customers, partners, and owners. Going forward the main task is to adapt the business model for the future. Built on competitiveness and developed step by step in partnership with customers across geographies and industries, the purpose is clear: Leading the circular economy by decarbonizing NGN Group's footprint through keeping materials in the loop. In 2026 the Group will have operated for 100 years. This coincides with the expansion of the Group's position downstream by developing infrastructure to produce green raw materials and energy with global impact. From today onwards, sustainability will not only be a part of the strategy but will serve as the foundation, the very core, for all the Group's companies. Such claims are useless without determined, solid, and measurable actions with concrete, transparent goals. To deliver the expected level of transparency, this year's sustainability report refers to the GRI standards. These standards will serve as a platform to adopt the new CSRD reporting directive in the coming years. In addition, NGN Group is committing to the Science Based Targets initiative, having signed as a Business Ambition for 1.5 C campaign member. In 2023 NGN Group will also commit to SBTs through a sustainability linked loan, further committing the group towards a sustainable future.

The fundamentals of the material economy are changing, and material value chains are being reshaped. The capital market is transforming towards a more green and circular economy, driven by new EU politics and regulation, rising CO2 prices, and companies' demands for recycled material and value-chain decarbonization efforts. NGN Group's response to the shift is to deliver through new technology, scale and industrialization, digitization of the waste industry, business innovation and collaboration in and across value chains. NGN Group will continue to work systematically to move waste upwards in the resource pyramid and reduce the climate footprint, so that it will both directly and indirectly contribute to customers and countries reaching their climate goals. The history has proven the Group's capability to lead necessary transformation by challenging themselves, the industry, the customers, and the subcontractors to improve. Continuous improvement is a pillar in the Group's operations and central in leadership principles. NGN Group will continue working to ensure safety for the employees and transparency and traceability in the value chain to ensure that the activities do not harm the environment or people. NGN Group will increase the effort to deliver, guided by "Cooling the planet".

Organizational structure

Activities under the NGN Group play an important role for the Nordics to achieve their climate goals and transition to a circular economy. Through the group's business activities, discarded materials are directed into new products, mitigating the need for primary materials, thereby lowering the environmental and climate footprint of manufacture. As such, the NGN Group facilitates sustainable industrial development and a sustainable supplier industry. The NGN Group sustains a high pace of innovation to meet customer needs and enable climatefriendly choices. In 2022 NGN Group embarked on defining a new strategy to take a stronger position in the circular economic transition. As resources grow scarce and high emissions become more costly, the value of materials produced from recycled feedstock will increase. This will alter the core activities of waste management companies. Going forward, NGN Group is aiming to expand downstream activities to valorize waste and connect the current end and starting points for materials in the economy - closing the loop. To meet new ambitions and changing markets, NGN Group decided to alter its organizational structure. From 01.01.2023, the group subsidiaries will be reorganized into six platforms designed to secure upstream control, enable downstream expansion, and give value to data. These platforms will be Recycling and Sustainable Resources, Green Metals, Urban Reuse, Global Zirqular Solutions, Green Transition and Technology and Digitation Solutions. Throughout 2022, NGN Group has prepared to implement the new platform-based structure. The platforms will capture NGN Group's current activities and are also intended to be the bedrock for innovation, new business models, expansion, and acquisitions in the Nordics.

For 2022 NGN Group consists of four business units, Recycling, Metal, Nordic Demolition and Environmental Services.

Recycling

The Recycling division conducts upstream collection, sorting, processing and downstream disposal of mixed other non-hazardous and hazardous fractions. The division has two main sources of revenue and gross profit, Waste Handling and Logistics, where waste handling contribute with approximately 60% of revenue generation in the division. The former relates to recycling and trade of various waste fractions, while latter related to paid upstream waste collection. Over historical period, Waste Handling has been main contributor to gross profit growth.

In 2022 the division consisted of two major processing plants, approximately 30 logistics hubs and approximately 722 employees. Services related to recycling still comprise the largest part of the business in terms of revenue. The division's total operating income was NOK 4 049 million in 2022 compared to NOK 4 185 million in 2021.

During 2022 the division experiences a positive margin effect across several fractions, most notably hazardous waste, paper and metals, partly offset by negative margin development for residual waste. The margin improvements are mainly driven by i) re-negotiated upstream prices, ii) more complex waste mix (more processing gives higher margin) iii) improved output quality and iv) improved sorting and processing (improves upstream control). The positive margin effect is further supported by favorable price development for metals and paper where the division has partial price exposure. However, there has been a shift from small to larger customers with slightly lower margins.

Further, the division had increased operating expenses in 2022, which is largely explained by increased rental expenses, cost of fuel, other energy costs and maintenance.

Metal

The Metal division purchases and recycles metal waste, which is sorted and processed to extract clean metal fractions which are sold downstream. As opposed to Recycling, the Metal division solely handles positive fractions and does not do logistics operations. Upstream sourcing comprises end-of-life vehicles, electronic equipment and industrial waste.

In 2022 the division had approximately 264 employees and 12 plants. The total operating income was NOK 2 985 million in 2022 compared to NOK 2 143 million in 2021. The fraction volumes and the spread between upstream and downstream raw material prices is the primary driver of gross profit. The steel and metal prices increased as Russia invaded Ukraine in the end of February 2022. The following months, the prices decreased and bottomed out end of summer. The prices were relatively stable throughout the rest of the year. This resulted in an increase of gross profit in 2022 compared to 2021.

Nordic Demolition

Nordic Demolition is a project based business, which performs demolition services, environmental consulting, site remediation, concrete sawing and core drilling. The division is working to rebrand from demolition to rehabilitation and restoration. Through new technologies and solutions, they contribute to reduced volume of waste and increased level of reuse in their projects. They reduce CO_2 emissions by increased level of reuse and reduced emissions from their operations through increased level of non-fossil machinery & equipment, and efficient logistics. As a large producer of construction waste, the division also provides the Recycling and Metal divisions with upstream feedstock.

In 2022 the division had approximately 515 employees. The total operating income was NOK 1 190 million in 2022 compared to NOK 1 040 million in 2021. Earnings was driven by the achieved profitability on their project portfolio comprising a mixture of fixes price and target price projects. One major project for Fredensborg, the old American embassy, materially impacted revenue and profitability FY21 and FY22. Further, the mix of personnel expenses and COGS has shifted towards a slightly higher share of personnel expenses, due to increases share of own /hired personnel compared to use of subcontractors.

Over the last few years, the division has mase multiple acquisitions with a strategy to consolidate and professionalize smaller demolition and remediation businesses. In 2022 Sørvest Betongsaging, Drillcon, Diamant Wire Teknikk & EC Svenska and AIP Betongsaging & AIP Sanering were aquired.

Environmental Services

Nordic Industrial Services, NG Household collection, NGm3 og NG Secure are all part of the Group and are providers of a wide range of environmental services. Total operating income was NOK 934 million in 2022 compared to NOK 939 million in 2021, and a total of 531 employees.

Nordic Industrial Services is a provider of cleaning service, underground infrastructure service and raw material recovery in Northern Europe.

NG household collection collect household waste in Norway and Sweden, serving eight municipal contracts in Norway, and eight in Sweden.

NGm3 aim to become Norway's leading actor in sustainable mineral waste handling and storage. Through reuse, recycling, and sustainable landfilling, they reduce the need for virgin materials and ensure responsible handling of mineral waste.

Acqusitions
NGN Group completed several strategic acquisitions in 2022, acquiring Letbek AS, Outercore and Letbek SP along with Diamant Wire Teknikk and EC Svenska, Drillcon, Sørvest Betonsaging, and AIP Betongsaging AS & AIP Sanering, and Zero Emission Energy. These acquisitions into NGN Group's divisions will facilitate growth in key market segments and as well as expansion into new, targeted markets. Some acquisitions enable vertical integration, increasing the potential to trace key materials and their abilities. More information is presented in note 28 in the Consolidated Financial Statement.

Sustainability at NGN Group

At NGN Group, circularity is seen as the foundation for the business activities, and the group takes an integrated approach to its sustainability work. Both the group's mission to "accelerate the world's transition to an efficient circular economy", and its vision; "there is no such thing as waste", are based in sustainability. The development of circular solutions improves global resource efficiency, reduces greenhouse gas emissions, and protects nature.

The Group publishes yearly a sustainability report on nggroup.no. This report contains more information about the Groups sustainability work, circular economy, minimizing own footprint, safe and inclusive working environment, safe and sustainable local communities and ethics and transparency in the value chains. The report describes ambitions, goals, and results on selected sustainability indicators.

NGN Group is working to develop and commercialize new technology to facilitate a global circular economy and to become the leading industrial supplier of sustainable solutions in the Nordic region. The group knows that waste holds value, and that resources must be kept in the economy to the greatest extent possible. An essential part of the group strategy is extending the useful life of materials and products that will minimize our burden on nature and planet.

Strategic focus areas for sustainability
NGN Group's divisions each have their own priorities and address different sustainability challenges with different strategies. Looking at the group, the strategic focus areas reflect the NGN Group as fundamentally sustainable. The following strategic areas were important in 2022:
• Continuous improvement and industrialization of own business.
• Consolidation and selective geographical expansion, where it makes commercial sense.
• Further reduction of the business' footprint.
• Taking a leading position on extension of usable life and reuse.
• Production of competitive materials and end products based on recycled raw materials.
• Increases the proportion of material recovery and limits the incineration and disposal of valuable raw materials.

• Ensuring responsible and sustainable handling of fractions that are leaving the cycle.
• Promoting and developing digitalization as a catalyst for the circular economy.
• Strengthening customer interfaces and collaboration in the value chain through concept development and partnerships with our customers and partners.
• Developing employees' skills and attracting talent.

In 2022 the Group developed a new sustainability strategy. This strategy builds on key sustainability areas, based in the results of and focus areas selected in NGN Group's 2021 project to define the material topics.
Going forward, there is still a potential to ensure even closer interconnectedness between the group sustainability strategy and the strategic focus of each of the platforms. The new Group Sustainability Network will have a key role in ensuring the coherency, and facilitate knowledge sharing, and discussions across all areas starting in 2023.

Impact on the environment, people, and society

The group's business operations have both positive and negative impacts on the environment, people, and society. The group has a positive impact on society's overall sustainability through its services, ensuring high recycling rates, creating new secondary raw materials, ensuring environmentally friendly renovation and demolition of buildings, and performing environmentally friendly renewal of industrial and municipal infrastructure. The group also uses the data gathered from its services to provide insights and promote environmentally friendly behaviour. On the other hand, waste transportation and handling activities generate their own greenhouse gas emissions, which have a negative impact on society. Some of the activities may pose a threat to the local environment, for example through the risk of pollution to the air, water, or ground in case of chemical leaks or fires at waste treatment facilities. Additionally, transportation and waste handling are inherently high-risk activities, and NGN Group's operations can negatively impact its employees and society, should accidents occur. The group's impacts and potential impacts on the environment, people, and society must be considered in decision-making at all levels, from individual employees performing their daily operations to the Board and Group management level.

Employees, organization and diversity

Safe and inclusive work environment

"We never compromise on safety"

NGN Group's operations include activities in construction and transportation, which were the industries with the highest number of fatal workplace accidents in Norway in 2022. This, combined with the fact that NGN Group has a higher-than-average proportion of foreign workers, means that the group has a statistically high risk for occupational injuries and fatal workplace accidents. Much of NGN Group's activity takes place on roads or in interaction with external actors. These activities, and the corresponding safety work in NGN Group, affect the group's customers' and partners' workplaces, the surrounding environment, and everyone who encounters NGN Group.

NGN Group has a zero accident and injury vision. The group puts Health, Safety, and Environment (HSE) at the forefront of its work, and continuously strives to develop and maintain a safety culture that ensures that all employees return home safely from work - every day. NGN Group has integrated HSE work at all levels and the corporate emergency preparedness team works closely with the individual divisions to develop common safety measures and industry specific risk management. HSE is an integrated part of NGN Group, with close collaboration between management, employees, shop stewards, safety representatives, and the working environment committee (AMU in Norwegian) to assess and identify all work-related hazards. One example of focus on facility specific risks is the use of signage and traffic planning to ensure the safe handling of heavy machinery. NGN Group has 13 "lifesaving rules", which cover the full range of the group's activities and are used in rotation. This ensures that the rules are regularly revisited in meetings and receive extra attention at sites with high-risk activities. Some of NGN Group's divisions have further adapted the rules to ensure they are relevant for their own activities. The group ensures continual attention to and development of safety through the active use of adverse events and regular training. NGN Group strives to ensure that all types of adverse events are registered in the system, and systematically follows up on these incidents to identify dangerous conditions or practices and areas for improvement. Training is essential to ensuring a strong safety culture. Safety representatives and members of the Workplace Environment Committee (AMU in Norwegian) are required by law to take a 40-hour safety course, which the group also requires all operative managers to complete. The course includes a two day gathering where key leaders, AMU members, and other key employees share their experience to create cross-function and cross-divisional learning, and a holistic approach HSE throughout the group. The group is particularly proud of its so-called "safety walks", which are conversations where managers walk with employees through production sites to discuss safety culture, positive operational conditions, and challenges the employees face in their daily work. The overall goal is to build safety culture and increased risk awareness, highlight good safety practices, and uncover opportunities for improvement.

Throughout 2022 NGN Group took several measures to strengthen its HSE work. This included the establishment of monthly HSE-meetings with the group management with a set agenda including each division's HSE status, the discussion one specific incident, and the status of the open safety talks. The open safety talks were an explicit focus area for top group management in 2022, and this has led to a large increase in the number of open safety talks across the divisions from 2021 to 2022. NG Metal took the occasion of the World Mental Health Day to incorporate questions related to employee's mental health in the open safety talks, adding the important focus to the psychological aspects of safety and the working conditions.

For more information about fundamental human rights and decent working conditions related to the Transparancy Act, see the Sustainability report 2022 on nggroup.no.

Injuries and sick-leave

The Lost Time Injury Frequency Rate (LTIFR) is a statistic which refers to the number of lost-time injuries per million hours worked. The NGN Group's goal was to have an LTIFR of less than 3.4 in 2022, which would represent a halving of the number of lost-time injuries in the group from 2021. The group is proud to have reached this goal. NGN Group views this improvement as the result of its prolonged focus on safety work and efforts to build a safety culture. The group has a zero-vision for incidents and accidents and aims, eventually, to reach a zero LTIFR and will continue working towards this in the future. LTIFR is volatile in nature, thus NGN Group will base new target for LTIFR on a 3-year rolling average and aim for a 5% annual improvement from the 2022 level going forward. There were no incidents with fatal injuries in NGN Group in 2022, and there was a decrease in serious injuries resulting in absence. In 2022, the group had a total of 13 injuries that resulted in at least one day of absence, so-called lost-time injuries, which resulted in a total of 390 days of absence. This is a reduction from 2021. The target set for sick leave was not reached, and the group will increase the focus on reducing sick leave through leadership training and safety to reduce work related sick leave. In 2022 the number of basic HSE training courses was back to normal, after two years with challenging times for conducting trainings during the Covid-19 pandemic. The group's network for health, safety, environment, and quality (HSEQ) was reorganized and strengthened in 2022., This included the anchoring of a new structure in the Board of Directors, where HSEQ-leaders and other relevant employees were appointed in all divisions to ensure complete representation in the network. The network meets monthly, is led by NGN Group's Compliance Manager, and is used to share best practices, implement and improve HSEQ processes, and be a sounding board for the CEO and the Executive Committee. In 2022 there were two extended network meetings in addition to the annual HSE-day. HSE-day was organized and coordinated across all divisions for the first time in 2022 and focused on safe travel in traffic and at group facilities.

The group will continue to focus on HSE and improved safety across all business areas and believes that it will continue to see improvement based on the work it has done over the past few years. Further, efforts will be put into defining and adjusting the key indicators for safety and setting dedicated revised targets that will apply for the coming years. Measures will be tailored to the challenges in the various business areas based on the nature of the work and the area's risk assessments. In 2023 digitalization will be a focus area for HSE work, as access to more data will improve analysis and create a better foundation for decision-making.

Number of injuries and consequential days of absence

Indicator	2020 Result	2021 Result	2022 Result
Number of work-related fatalities	0	0	0
Number of days lost to injuries	397	411	390
Number of incidents resulting in absence	19	25	13
Number of incidents resulting in injury	103	129	131
Sick leave	5%	7%	7%

Diversity and equal opportunity
The global business community must take an active role in reducing inequality and poverty by working on inclusion and providing job opportunities for everyone. Norway is known for being one of the world's most equal countries, but there are still systematic differences between genders, cultures, and nationalities that affect actual opportunities in the labor market. Women and men often work in different sectors and industries and are hired for different positions. Women work parttime more often than men and take more parental leave which affects their career trajectories. At the same time, many foreign workers and people from different cultures struggle to break into the employment market due to a lack of a local network, employer preference for references from Norwegian workplaces, and having non-Norwegian sounding names. In addition to being the right thing to do, embracing diversity is important for sustainability, innovation, and value creation in business. A versatile workforce with complementary experience and skills is a competitive advantage. Diversity and equality are profitable, creating positive development on many levels, and benefit the whole society.

NGN Group is a large employer with 2,178 employees across 68 companies, across Norway and the Nordics. The group has a responsibility to facilitate equal opportunities for the employees and aims to recruit women into the traditionally male-dominated recycling industry and hire employees and managers of different nationalities and backgrounds. Once these people are employed, the group has the opportunity to offer career advancement through trainings, formal courses, and networking.
NGN Group has zero tolerance for harassment and discrimination and aims to be a good workplace for everyone, regardless of background. The group treats all employees equally, regardless of age, gender, disability, cultural background, religious belief, or sexual orientation, both in recruitment processes and under employment. The group works actively to promote the purpose of the Gender Equality Act through recruitment, pay and working conditions, promotion, development opportunities, and protection against harassment. NGN Group makes individual arrangements for workplaces and work tasks due to disability when needed. Divisions such as NG Recycling and NG Metal collaborate with NAV and employ people with employment gaps, contributing to the achievement of full and productive employment. The group works continuously to broaden employees' skills and competency through the NG Academy, an internal channel for training and courses. Additionally, many divisions have their own skills and competency initiatives. HSE is a major focus for all divisions in the NGN Group. Nordic Demolition has successfully implemented a learning management system with relevant courses available to all employees alongside custom-made courses for new employees. Some of the courses offered throughout the year include: training in HSE and risk mapping, waste regulations, hazardous waste, characterization of waste to landfill, notification and NGN Group's guidelines, competition law, corruption prevention, and sick-leave.

NGN Group offers Norwegian language classes and training in cultural understanding in an effort to integrate foreign and employees. Language is an especially important element in the group's safety work, and the group works actively to address this challenge by offering Norwegian courses for drivers and operative personnel, and by using an interpreter when needed. NGN Group is an approved apprenticeship company and offers adapted practical training in close collaboration with educational institutions. Being a major player within the industry, it is vital that the group contributes to educating the future generation in how to carry out safe and sustainable operations. Taking care of, challenging, and inspiring employees to take new paths and take on more responsibility is profitable and creates a good learning culture. This is an important part of the group's strategic focus on continuous improvement, which then contributes in turn to increasing employee satisfaction. Therefore, NGN Group facilitates internal career development and encourages internal recruitment as a means of employee development. The group aims to attract, develop, and retain younger employees and makes an effort to give these employees new challenges and opportunities. NGN Group carries out an annual employee survey to track employee satisfaction. NG Recycling and NG Metal conduct additional, regular pulse surveys tracking employee satisfaction and professional development.
In 2022, the number of employees in NGN Group increased from 1,862 to 2,178 while the number of full-time equivalents (FTEs) increased from 1,792 to 2,052. This is a positive development, as the group strives to have as many full-time employees as possible.

More details will also be made available in the NGN Group's reporting on "Aktivitets- og redegjørelsesplikten", which is available on the group's website.

Number of employees and FTEs

Indicator	2020 Result	2021 Result	2022 Result
Number of employees	1680	1862	**2178**
Number of FTEs	1623	1792	**2052**
Number of female employees	235	279	**356**
Number of female FTEs	239	278	**343**
Number of male employees	1445	1583	**1822**
Number of male FTEs	1468	1514	**1709**

Share of female managers

Indicator	2020 Result	2021 Result	2022 Result
Number of managers	224	217	**244**
Number of female managers	39	39	**61**
Share of female managers	17 %	18 %	**25%**

At the end of the year 17 percent of the group's employees were women, which is a two percent increase from 2021. In 2022, both the number and the share of women among managers was largely increased, reaching 25 percent which is well above the 19 percent target. There are many positions in the NGN Group with leadership tasks, but without personnel responsibilities. To capture the gender ratio and trends in these roles, the title of "specialist" was created in 2022. As of 2022, women hold almost 33 percent of these specialist functions. As the tasks and responsibilities in these roles are similar to those of management with personnel responsibilities, the group counts the two roles together – giving a total of women holding 29.5 percent of them.
NGN Group is proud to employ many nationalities. At the end of 2022, NGN Group employees represent 35 different nationalities. Employees from non-Nordic countries makes up 12.7 percent of the workforce, a statistic which gives the group great diversity in terms of language, experience, and culture. This forms an important part of the group's identity and culture. Turnover in the group includes both normal turnover and undesirable turnover. The total group turnover was reduced from 14 percent in 2021 to 12 percent in 2022. NGN Group considers it to be a positive thing that its employees are attractive in the labor market, however, the group must take measures to prevent unwanted turnover where the loss of competency prevents the desired development. In 2022, the NGN Group strengthened the youNG program, which was launched in 2021 with the aim of taking care of the younger generation in the group. The program's facilitation of network building and collaboration across the group will give younger employees broad insight into the NGN Group strategy and business areas. In 2022 parts of the NGN Group rolled out Winningtemp, an automated employee feedback tool which was piloted in 2021. The Winningtemp pulse meter uses artificial intelligence and AI technology to give management the ability to immediately identify problems and respond to employees. During 2022, the program was implemented across the entire NG Recycling division - with the exception of two regional offices – as well as in NG Metal. Winningtemp-surveys are sent out every 14 days and yield high response rates, with the results being presented to managers and followed-up on a regular basis. The group also uses a "net promoter score" indicator, which measures the extent to which employees will recommend jobs in the group to others. This indicator showed clear improvement from 2020 to 2021, but was calculated using a new methodology in 2022 such that it is not relevant to compare to earlier years.

Employee satisfaction
Annual survey for employee satisfaction Prompted by Summa Equity, the altus employee survey was conducted by Humatica in autumn of 2022. The survey measures management behaviors that enable the organization to adapt and implement change, and the results are benchmarked against Humatica's past clients across industries. All employees in the NGN Group received the survey and the overall response rate was 80 percent. The results were summarized in areas of strengths and areas of improvement.
Areas of greatest strengths:
• a general belief in senior leadership and clarity of vision
• employees enjoy coming to work and feel there are good development opportunities
• meetings are productive with good team collaboration
Areas for improvement:
• performance management could be more effective
• decision making processes with the right people involved
• lead by example
• more effective communications from the leadership team

Courses, training and development of employees
A series of courses focused on 'power skills' for managers and employees – launched in 2021 – were held in 2022. A total of nine courses were attended by a total of 560 employees, which is an increase from six courses and 471 participants in 2021. In NG Recycling, a management course was initiated in 2021, for all operational and middle managers, where focus was development and training on defined management skills that will provide safer and more qualified leaders. The same course was carried out in 2022. NGN Group underwent an extensive reorganizing and restructuring process in 2022. Many employees were relocated from the central group level out into the different divisions. There were also significant changes at the group leadership level, which took full effect in January 2023. In line with this, the Group CEO created a management development program for the executive committee in 2022. The group sees this as an investment in the transformation process and the adaptation to the new organization and strategy, building a strong culture for innovation, technology, and growth. A new initiative called Refuel was also started in 2022

and included over 60 employees, with the aim of connecting leadership teams and key employees during the building of the new organization.

In the coming years, NGN Group will significantly increase its focus on the proportion of women and men in different positions, departments, and teams in order to ensure a good gender balance. Additionally, the ongoing management and development alignment initiative for the executive committee will be extended into 2023 and 2024, along with the Refuel initiative, which will hopefully be extended into platform specific initiatives. The group will also focus on courses and training in 2023. The courses on power skills will be expanded to include new topics, and NG Recycling will develop its own management training courses focused on general management skills as well as the specific skills certain management positions need. This focus on training is not limited to management, however. NGN Group will also continue to focus on its younger employees through the youNG network. Additionally, the group will strive to give more employees access to free certifications – especially in NG Recycling – and will continue to offer Norwegian language courses to foreign employees. Going forward, the group will also focus on educating personnel in automation and digital tools in the waste management industry. Different digital solutions will be implemented across NGN Group, and specific digitalization courses will be necessary. This will include further developing the WorkING system with more modules such that it will form the basis for employee information and further development of employees.

Corporate governance and compliance
Corporate governance is the foundation for profitable, sustainable business operations. For NGN Group, it is crucial that the entire group strives to follow good corporate governance practice and complies with applicable laws and regulations in all business areas. To ensure compliance, relevant frameworks, policies, and procedures for governance and compliance are available in the management system NG-Pro. NGN Group systematically assesses risk, trains employees and managers, records and learns from non-conformance incidents, and conducts internal audits and audits of customers, suppliers, and partners in the value chain. Good governance and compliance are management responsibilities but are carried out at all levels in the group. A dedicated department targets governance and compliance as its key task and ensures learning and development across all divisions. Significant updates in procedures, approaches, and relevant actions carried out by the group in 2022 are presented in the Sustainability report 2022, with the five sustainability focus areas. The group is raising its ambitions to share more information and data about its impacts on the environment, people, and society throughout the value chain with customers and other stakeholders. To reach these ambitions, NGN Group must disclose information with high credibility, openness, and precision. As an important step in this journey, the NGN Group has worked to align more closely with international reporting frameworks and the Sustainability report for 2022 is written in reference to the GRI standards. The group continuously assesses and monitors existing sustainability issues and is eager to identify and refine its approach to material topics. The group plans to conduct a new double materiality assessment in 2023 or 2024. The assessment will be in accordance with new standards and guidance from the EU through the Corporate Sustainability Reporting Directive (CSRD) and the corresponding European Sustainability Reporting Standards (ESRS).

Governance structure
A well-functioning governance structure is essential for achieving NGN Group's strategic objectives and ensuring long-term sustainability. NGN Group's governance framework is designed to respond to quickly changing markets and ensure effective decision-making and transparency in all activities
The Board of Directors is the group's highest governing body. Through the Group Chief Executive Officer, the Board is responsible for ensuring a sound organization. The group's owner, Summa Equity, takes an active, collaborative approach to ownership, with Summa representative as chairmen of the board and the only member in 2022. Women comprised 100 percent of board representatives.

The Board is responsible for ensuring that the group has suitable systems for internal controls and risk management, based on the nature and scope of the group's activities. The Board receives quarterly reviews on the development within different risk areas, as well as any identified instances of non-compliance. The board is held to high ethical standards in the Rules of Procedure for the Board of Directors, which dictates conduct and procedures to prevent and mitigate conflicts of interest. There are no current statutes or procedures for nominating or changing members of the board elected by the shareholders, beyond what follows from the Norwegian Limited Liability Companies Act. Decisions regarding nominating or changing members of the board are made by the General Assembly.

The group's management is employed in NG Group AS and has responsibility for financial reporting within the group and governs its subsidiaries through group policies and representation on the directly owned subsidiaries' boards. These policies and any other Group direction are then implemented by leadership in each directly owned subsidiary, which thereafter implements them further down to the indirectly owned subsidiaries. Group management reports on economics, HSEQ, and ESG to the Board of Directors in each of the main board meetings. In addition to the Chief Executive Officer, the group management consisted of Chief Financial Officer, Director of Strategy and M&A, Director for Sustainability and Compliance and six Divisonal Directors in 2022.

Financial Reporting

The consolidated financial statement of Norsk Gjenvinning Norge AS have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRIC), as determined by the EU. In the Board's opinion, the submitted profit and loss account, cash flow statement, balance sheet and notes give a true and fair view of the company's operations and position at the end of the year.

Income Statement

The Group's total operating income was MNOK 7 824 (2021: MNOK 6 995), and the total operating costs was MNOK 7 476 (2021: MNOK 6 762). The Group's operating profit was MNOK 348 in 2022 (2021: MNOK 239). Increase in operating income is partly driven by raw material prices, and partly driven by increases in activity across all business areas. The acquired companies during the year contributes with appr. 70 MNOK in operating income. Operating costs are increasing in line with activity and inflation, but the Group is able to keep cost increases as low as possible, thereby gaining an uplift in operating profit.

The Group's net financial income was MNOK -315 in 2022 (2021: MNOK -213). The Group's financial expenses primarily relate to interest on bank financing and interest on lease liabilities of MNOK 106 (MNOK 105). The Group has had a negative effect on hedging instruments equals to MNOK -27 (MNOK 54,6), which is included in Net Currency loss.

The Group's profit before tax was MNOK 33 in 2022 (2021: MNOK 23). The consolidated profit of the year was MNOK 11 (2021: MNOK 13).

Balance, Financing and liquidity

By year end 2022, total non-current assets were MNOK 6 006 (2021: MNOK 5 531). Out of this, intangible assets were MNOK 3 087 (2021: MNOK 2 735). Additions related to property, plant and equipment was MNOK 291 in 2022, where of MNOK 74 was related to acquisitions (2021: MNOK 276).
By year end 2022, total current assets were MNOK 1 193 (2021: MNOK 1 101). Out of this, receivables were MNOK 766 (MNOK 759) and Cash and Cash equivalents were MNOK 124 (2021: MNOK 87).
The Group's equity as of 31.12.22 was MNOK 1 284 (2021: MNOK 1 268), indicating an equity share of 18% (2021: 19%).
By year end 2022, total liability was MNOK 5 915 (MNOK 5 365). For more information about Borrowings, see note 21.

NGN Group AS signed a loan agreement on 9 November 2022. The loan agreement concerns a senior facilities agreement of MNOK 3 737, including a revolving credit facility (RCF) for MNOK 685 and a capex facility of MNOK 790. Included in the MNOK 3 737 is also a facility B of MNOK 2 262 which mainly has been used to refinance previous loans. At the year-end NG had utilized credit lines of MNOK 2,546. Taking the company's relatively stable cash flow, balance and unrealized credit facility into consideration we have the necessary financial flexibility to take advantage of possible growth opportunities in addition to changes in working capital.

Cash Flow

The Group's cash flow from operating activities was MNOK 819 (MNOK 734). The difference between the cash flow from operating activities and the Group's operating profit is MNOK 472 (MNOK 495), which is mainly due to adjustment related to depreciation and amortization.

Net cash flow from investing activities was MNOK -592 (MNOK -464). The group has invested MNOK -282 (MNOK -271) in non-current assets and sold non-current assets for MNOK 24 (MNOK 26). Remaining amount is mainly related to purchases of subsidiaries and associated companies.

Net cash flow from financial activities was MNOK -188 (MNOK -373), which mainly relates to payment of interest and repayment of borrowings.

At the end of 2022, total cash and cash equivalents was MNOK 124 (MNOK 87).

Going Concern

In connection with the Accounting Act §3-3a (Regnskapsloven §3-3a), we hereby confirm going concern. The Financial statements 2022 and forecasts do not indicate any issues related to the Group's going concern.

Statement of the parent company's Financial Statement

Nature of business

Norsk Gjenvinning Norge AS is the holding company in the Group. The company's role is to manage ownerships in the subsidiaries.

Income Statement

The holding company's total operating costs was MNOK -0,6 (2021: MNOK -1,3) and the result before tax was MNOK -77 (2021: MNOK -24) in 2022.

Equity and Solvency
By the end of 2022, the holding company's equity was MNOK 240 (2021: MNOK 299). The balance consists mainly of equity and investments in subsidiaries.

Allocation of net income
The Board of Directors has proposed the total loss of Norsk Gjenvinning Norge AS of MNOK -59 to be transferred from other equity.

Risk management

Risk management in the Group, is an integral part of the company's business activity. Risk management is divided between the operational entities, which has the main responsibility of operational and commercial risk management including compliance of laws and rules within their business area, and the Group's finance department, which has the main responsibility that the financial risk managements are in line with approved guidelines from the board. The Group's management establish guidelines and routines for how to handle compliance risk, including coordinates and carries out an overall risk assessment.
Below is a description of risks factors that may affect our business and economic position in short term and long term.

Operational risk and risk management

Political risk and risk management
The Group operates in a strictly regulated business. During normal operation, changes in laws, regulations and permits and changes in planned implementation of new emission requirements might have significant impact on the Group's operations and financial results. Furthermore, the Group sells its waste-based raw materials internationally and is therefore influenced by international political, legal and economic conditions.

Dependence on key personnel
Further development of the Group is dependent on access to qualified personnel, especially in key management positions and in areas with special skills needs. Loss of key personnel can have a negative impact on the Group's operating results and financial position. The Group works purposefully to look after key personnel as far as possible. Access to labor in general is not considered a high risk for the group.

Operational gearing and loss of revenue
A large part of the Group's cost base consists of wages. Consequently, a large part of the cost base should be considered fixed in the medium term. Any decrease in income will largely affect net profit before tax in the same order of magnitude as the gross contribution from such lost income.

Insurance risk
The Group's insurance policies cannot necessarily cover all potential liabilities in the Group. There is a risk that the Group will suffer large losses that will not be covered by any insurance. Fire incidents at waste facilities in Norway are a growing problem in the industry. Consequently, most insurance companies do not want to insure this risk. Despite this, the Group has satisfactory insurance for all its facilities, equipment and operations. This is a result of the Group's strategy of continuous improving operations, increased focus on internal control and significant investments within fire-reducing.

Health, Safety and Environment

The Group is involved in collection and handling of industrial, commercial and household waste (both hazardous and non-hazardous), demolition and environmental remediation (asbestos, PCBs etc.), has operations with a lot of energy (pressure, voltage, height) and has a significant transport business. Therefore, employees in the Group are to a greater or lesser extent exposed to health, safety and environmental risks when carrying out their work. The same applies to hired personnel, subcontractors and other visitors and passers-by, who are in contact with the Group's operations. The Group can be held financially responsible for accidents and other HSE-related incidents.

The Group's operations can lead to significant pollution of the air, soil or water. The group can also be held financially responsible for such environmental pollution or damage.

Risk associated with fraud, bribery and corruption
There is a relatively high inherent risk of fraud, bribery and corruption in several of the Group's business areas. The Group is particularly exposed to such risks in connection with the use of agents abroad, including Asia. Although the Group has established routines and several comprehensive risk-reducing measures to prevent the occurrence of fraud, bribery and corruption, there will be some residual risk associated with such offences. Involvement in corruption or other illegal activities by the Group's board

members, employees, agents, business partners or customers may have a significant negative impact on the Group's operations, such as civil or criminal sanctions, exclusion from public tenders and/or loss of reputation.

Risk related to import and export restrictions
The Group is exposed to the risk of incorrect application of import and export regulations. Any breaches of such rules, as a consequence of incorrect classification of products or otherwise, can have a negative impact on the Group's operations.

Risk of losing licenses and permits
The Group has several licenses and permits from the authorities in various jurisdictions that allow the Group to operate in the waste industry and/or produce recycled raw materials, and to handle, transport, export and import various types of waste. Loss of such licenses and permits can have a significant negative impact on the business in the Group.

Cyber Security
The last years, the Group has gone through extensive digitalization and the digitalization development is continuing. With other words, the Group's infrastructure and data are increasingly depending on technology and internet connection. Undesirable events can occur through criminal acts or through errors. Failure to manage these risks can result in financial losses, as well as service availability and competitiveness. The Group has started to develop a new strategy for cyber security to ensure a robust and secure digitalization.

Financial risk and risk management

Currency risk
The Group has international operations and is exposed to foreign currency risk that arises due to transactions in several currencies, especially EUR, SEK, DKK and USD. To mitigate currency risk, efforts are made to establish long-term loans, generally in the same currencies as the underlying exposure and cash generation. Forward currency contracts are used for main currencies to mitigate the impact of changes in exchange rates.

Interest rate risk
The Group's interest rate risk arises from non-current liabilities. Debt issued on the basis of variable rates entails the Group being exposed to interest rate risk that impacts the cash flows. The Group manage interest rate risk linked to cash flows using interest rate swap contracts. The Group's guidelines entail hedging a minimum of 60 per cent of its long-term loans entered into with variables rates that are also anchored in the Group's loan agreements.

Liquidity risk
The finance department monitors rolling forecasts of the Group's liquidity requirements to ensure that it has enough cash on hand to meet operational needs and always maintains a satisfactory margin in relation to the unused loan facility to ensure that the Group does not breach requirements set out in the loan agreement. The Group's financing needs are covered through bank loans.

Credit risk
Credit risk is managed at a group level. Credit risk arises from bank deposits, financial instruments, deposits in banks, financial institutions and through exposure to customers. The Group has experienced few losses related to outstanding trade receivables the last years. The credit risk associated with each new customer is analyzed and rated before payment and delivery terms are offered. Individual risk limits are determined based on internal and external ratings based on guidelines set by the Group.

Price risk
The Group is exposed to price risk linked to raw materials. To mitigate the price risk, the Group enters concurrent downstream contracts for volumes from upstream activities wherever possible. Price risk linked to metals are hedged in financial markets. The development in raw material prices through 2022:

- **Steel and metals:** We saw a sharp increase in prices as Russia invaded Ukraine in the end of February. Prices then came down the following months and bottomed out end of summer. Prices were relatively stable in the rest of the year.
- **Residual waste**: In 2022 there was a shortage of residual waste to energy, which was mainly due to demanding import conditions from rest of Europe into Scandinavia. Cost to deliver waste to energy to downstream plants decreased in fourth quarter of 2022. In Norway, the CO_2 fee came into force. The CO_2 fee (EU/ETS) in Sweden and Denmark was high throughout the year.
- **Transportation/delivery**: Decrease in supply in the shipping marked resulted in sharp increase in prices. We experienced generally good availability of transportation by road throughput the year, however due to EU mobility package and increase in fuel there was significant increase in transport costs.
- **Plastic**: The markets for recycled plastic were very unstable in 2022. In the first half of the year, we operated in an insatiable marked, before demand was sharply reduced through Q3 and Q4. The price correction came as a result of runaway inflation, reduced trade (reduced need for plastic raw materials) in a markedly increasing production costs (high electricity and gas costs).

- **Paper**: The market for recycled paper had a historically high price development in the first seven months of 2022. High consumption in the market led to high demand and extremely high prices into the paper mills. In August/September, the market changed and demand for finished paper fell rapidly, which turned to a big price drop for recycled paper the last months of the year
- **Waste wood**: Waste wood experienced a rapid increase in demand due to the energy crisis in Europe, and consequently incurred rising gate-fees throughout 2022. The rise in gate-fees have mainly become visible from 2023 as the majority of 2022 volumes were fixed in annual contracts.

General market risk
The Group is exposed to economic cycles beyond the Group's control. Changes in the business, as a result of general economic conditions, affect resource consumption and waste volume, and consequently the demand for the Group's products and services, even though the Group benefits from differentiation through a large geographical area and wide range of activities.

- **Competition in the market**

  All business areas where the Group is active are exposed to competition.

- **Client risk**

  The Group is generally dependent on orders under framework agreements with customers for the sale of its products and services. This creates an uncertainty regarding future income. Although the group has a diversified customer base, lower sales volumes linked to one or more of the existing framework agreements, or the loss of customers or framework agreements for whatever reason, can have a significant negative impact on the Group's financial results. The group is also dependent on participating in and being awarded assignments in public tenders. No guarantees can be given that the group will be awarded assignments under such public tenders in the future. The group has over 40 000 customers, which results in a low degree of customer concentration.

- **Estimated risk in tender processes**

  The Group may fail to effectively calculate risk, costs or timing when preparing tenders. Errors and deficiencies in tender processes can have a significant negative impact on the Group's profitability.

Liability insurance for the Board and Executive Committee

Both the member of the Board and the executive committee are covered by a Liability Insurance. The insurance covers personal legal liabilities including defence and legal costs. The insurance provides protection when compensation claims are made against the insured as a result of an actual or alleged error/omission that he has incurred as a result of his assignment for the group. The insurance covers both damage/liability and defense costs up to a total annual sum of SEK 100 million. An example of an exception in the insurance is an intentional criminal act.

Expected financial development

The Groups financial results had a solid improvement in 2022, mainly driven by normalized activity level in the Norwegian economy post the last Covid shutdown, operational improvements across several divisions, particular in Metal, Zirq and Nordic Demolition and increased prices in line with contractual terms. As the last Covid restrictions was eased during first half of 2022 the economies in the Nordics returned to normalized levels. However, inflation became an issue during the year impacting cost bases negatively across all divisions in the Group from mid 2022 and onwards. With operational improvements and price increases the Group was able to counter the impact on the cost bases and had a positive earnings development in 2022.
The Group continues to expect higher than normal inflation in 2023, but with continued price increases for our services and projects, a flexible cost base which enables mitigating negative effects from decreased activity and volumes and continued operational improvements, the NGN Group expect earnings to develop positive during 2023. To ensure further profitability growth and continued increase in margins the Group has launched an efficiency program across all platforms with an ambition to generate 50 MNOK in annual net effects. The Group was refinanced in Q4 2022 as the old loan agreement was expiring in January 2023. With the new loan facility in place the Group has sufficient liquidity to handle all scenarios which management view as realistic.

Lysaker 10 May 2023

Bjørn Arve Ofstad
CEO

Hannah Gunvor Jacobsen
Chair of the board

Consolidated financial statements

Consolidated Income Statement

(NOK thousands)	Notes	2022	2021
Revenue	4, 5	7 791 169	6 971 768
Other income	6	33 289	22 980
Total operating income		**7 824 458**	**6 994 748**
Cost of goods sold	5, 16	4 298 430	3 830 546
Employee benefits expense	7	1 696 436	1 537 953
Depreciation and amortization expense	12, 13, 14	539 166	553 833
Other operating expenses	8	941 477	839 121
Other (gains)/losses – net	9	8 343	(199)
Share of profit/(loss) from associated companies	15	7 370	6 182
Operating profit		**347 976**	**239 278**
Finance income	10	3 586	9 146
Finance costs	10	291 303	262 446
Net currency gain/(loss)	10	(27 352)	36 823
Profit before income tax		**32 907**	**22 801**
Income tax expense	11	21 771	9 670
Profit (loss) for the period		**11 136**	**13 131**
Profit attributable to:			
Owners of the parent	20	(9 297)	(3 549)
Non-controlling interests	27	20 433	16 680

Consolidated Statement of Comprehensive Income

(NOK thousands)	**Notes**	**2022**	**2021**
Profit (loss) for the period		**11 136**	**13 131**
Items that will be reclassified to profit or loss			
Currency translation differences	20	(4 065)	(2 337)
Other comprehensive income		**(4 065)**	**(2 337)**
Total comprehensive income		**7 071**	**10 794**
Total comprehensive income attributable to:			
Owners of the parent	20	(13 746)	(5 693)
Non-controlling interests	27	20 817	16 487

Consolidated Statement of Financial Position

ASSETS

(NOK thousands)	**Notes**	**31.12.2022**	**31.12.2021**
Non-current assets			
Property, plant and equipment	13	948 652	867 825
Right of use assets	14	1 658 993	1 652 929
Intangible assets	12	323 330	272 884
Goodwill	12	2 763 789	2 461 653
Deferred tax assets	11	217 241	213 195
Investments in associated companies	15	58 310	54 640
Pension asset		1 711	-
Other non-current receivables	17	33 649	8 311
Total non-current assets		**6 005 675**	**5 531 437**
Current assets			
Inventories	16	302 110	255 071
Trade receivables	5, 17	492 119	478 115
Other receivables	5, 17	273 766	280 550
Other financial assets	26	1 231	-
Cash and cash equivalents	18	123 636	87 255
Total current assets		**1 192 862**	**1 100 991**
Total assets		**7 198 537**	**6 632 428**

Consolidated Statement of Financial Position **EQUITY AND LIABILITIES**

(NOK thousands)	**Notes**	**31.12.2022**	**31.12.2021**
Equity			
Total equity attributable to owners of the parent	19, 20	1 127 660	1 132 607
Non-controlling interests	27	156 059	135 223
Total equity		**1 283 719**	**1 267 830**
Non-current liabilities			
Non-current borrowings	21	2 473 689	2 077 290
Non-current lease liabilities	14	1 463 292	1 468 815
Non-current derivative financial instruments	26	22 829	22 681
Deferred tax liabilities	11	71 810	80 250
Post-employment benefits	7	19 220	19 955
Non-current provisions	22	58 981	67 776
Total non-current liabilities		**4 109 821**	**3 736 767**
Current liabilities			
Trade payables	5, 25	423 573	480 689
Other payables	5, 23	779 892	685 098
Current income tax	11	51 139	24 038
Current borrowings	21	154 621	80 438
Current lease liabilities	14	344 054	333 935
Current derivative financial instruments	26	29 216	654
Current provisions	22	22 502	22 979
Total current liabilities		**1 804 997**	**1 627 831**
Total liabilities		**5 914 818**	**5 364 598**
Total equity and liabilities		**7 198 537**	**6 632 428**

Lysaker 10 May 2023

Bjørn Arve Ofstad
CEO

Hannah Gunvor Jacobsen
Chair of the board

Consolidated Statement of Cash Flows

(NOK thousands)	**Notes**	**2022**	**2021**
Profit (loss) before income tax		**32 907**	**22 801**
Income tax paid		(29 739)	(5 420)
Depreciation, amortization and impairment losses	12, 13, 14	539 166	553 833
Net (gain) loss on sale of non-current assets and businesses		(11 578)	(8 790)
Net financial items without cash effect		34 600	68 755
Items classified as investing and financing activities		256 386	118 682
Changes in post employment benefits		(2 446)	4 646
Changes in provisions for other liabilities and charges		(15 702)	(25 414)
Change in inventories		(10 142)	(61 233)
Changes in trade and other receivables		58 606	(38 441)
Changes in trade and other payables		(32 471)	104 971
Net cash flow from operating activities		**819 587**	**734 390**
Payments for purchases of non-current assets	12, 13, 14	(282 265)	(270 980)
Proceeds from sale of non-current assets		24 386	26 267
Proceeds from sale of businesses	15	-	2 500
Payment for acquisition of subsidiaries and associated companies, net of cash acquired	28, 15	(337 528)	(190 267)
Payment for business acquisitions	28	-	(36 099)
Dividends from associated companies	15	4 000	4 217
Net cash flow from investing activities		**(591 407)**	**(464 362)**
Repayment of borrowings	21	(2 155 817)	(85 787)
Proceeds from borrowings	21	2 571 842	201 615
Repayment of financial leasing liability	14	(270 936)	(241 324)
Transactions with non-controlling interests		11 809	(22 700)
Dividends paid to non-controlling interests		(988)	(24 182)
Payment of interest	14, 21	(343 701)	(223 410)
Net cash flow from financial activities		**(187 791)**	**(373 088)**
Net increase in cash and cash equivalents		**40 389**	**(103 060)**
Foreign currency effects on cash		(4 007)	(103)
Cash and cash equivalents at beginning of period	18	87 255	190 419
Cash and cash equivalents at end of period		**123 636**	**87 255**

Consolidated Statement of Changes in Equity

	Share capital	Share Premium	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2022	**95 624**	**1 677 604**	**(640 715)**	**1 132 607**	**135 164**	**1 267 830**
Profit for the year	-	-	(9 297)	(9 297)	20 433	11 136
Other comprehensive income	-	-	(4 449)	(4 449)	384	(4 065)
Total comprehensive income	**-**	**-**	**(13 746)**	**(13 746)**	**20 817**	**7 071**
Dividends paid to non-controlling interests	-	-	-	-	(988)	(988)
Other transactions with non-controlling interests	-	-	8 894	8 894	1 066	9 960
Total transactions with owners	**-**	**-**	**8 894**	**8 894**	**78**	**8 972**
Balance at 31 December 2022	**95 624**	**1 677 604**	**(645 567)**	**1 127 660**	**156 059**	**1 283 719**

	Share capital	Share Premium	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2021	**95 624**	**1 677 604**	**(618 320)**	**1 154 908**	**126 311**	**1 281 219**
Profit for the year	-	-	(3 549)	(3 549)	16 680	13 131
Other comprehensive income	-	-	(2 144)	(2 144)	(193)	(2 337)
Total comprehensive income	**-**	**-**	**(5 693)**	**(5 693)**	**16 487**	**10 794**
Dividends to non-controlling interests	-	-		-	(1 482)	(1 482)
Other transactions with non-controlling interests	-	-	(16 607)	(16 607)	(6 093)	(22 700)
Total transactions with owners	**-**	**-**	**(16 607)**	**(16 607)**	**(7 575)**	**(24 182)**
Balance at 31 December 2021	**95 624**	**1 677 604**	**(640 620)**	**1 132 607**	**135 223**	**1 267 830**

See notes 19 and 20 for additional information on equity allocated to the shareholders in the parent company and note 27 for information related to non-controlling interests.

Notes to the consolidated financial statements

1 General information

Norsk Gjenvinning Norge AS is controlled by NG Topco AS. NG Topco AS is owned by an equity investment fund, Summa Equity. Norsk Gjenvinning Norge AS was founded on 29 November 2017 and through a share acquisition in 2018 gained control of Norsk Gjenvinning Norge AS, which is the parent company of the Norsk Gjenvinning Group.

In March 2023, due to strategic changes in the Group, there was a change of company names. NG Group AS was renamed to Norsk Gjenvinning Norge AS, and Norsk Gjenvinning Norge AS was renamed to NG Group AS.

The Norsk Gjenvinning Group is Norway's largest supplier of recycling and environmental services. The services provided include waste management, metal recycling, industry cleaning services, hazardous waste management, downstream solutions, household waste collection, demolition, environmental remediation, and secure shredding services.

The Company's corporate office is in Lysaker, Norway. The Group has business interests in Norway, Sweden, Denmark, Finland, Poland and the UK.

2 Summary of significant accounting policies

The following description of significant accounting policies are relevant for 2022 consolidated financial statements and comparative figures, unless specifically stated otherwise.

Basis for preparation and estimates and assumptions

The consolidated financial statements of Norsk Gjenvinning Norge AS and its subsidiaries are prepared in accordance with International Financial
Reporting Standards (IFRS) as endorsed by the European Union (EU) and Norwegian authorities and effective as of 31 December 2022.

The consolidated financial statements are prepared on a historical cost basis, with a few exceptions. Certain assets, liabilities and financial instruments are measured at fair value through profit or loss, or at fair value over other comprehensive income.

The preparation of annual financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported. Actual results may differ. The consolidated financial statements are presented in thousands of Norwegian kroner. The Norwegian krone (NOK) is the functional currency of the parent company. As a result of rounding differences, amounts and percentages may not add up to the total. Areas in which uncertainties tend to exist regarding material estimates and critical accounting assumptions and assessments are described in note 3.

New standards and changes to accounting policies

No material changes have been made to standards and interpretations that have had a material effect on the Group's consolidated financial statements.

Consolidated subsidiaries and investments in associated entities

The Group's consolidated financial statements include the following consolidated subsidiaries and equity-accounted associates:

Parent enterprises and subsidiaries	Office	Ownership	Business units
Norsk Gjenvinning Norge AS (Parent)	Lysaker	100%	HQ
NG Group AS	Lysaker	100%	HQ
Norsk Gjenvinning AS	Lysaker	100%	Recycling
Norsk Gjenvinning Metall AS	Lysaker	100%	Metal
Norsk Gjenvinning Miljøeiendommer AS	Lysaker	100%	HQ
Norsk Gjenvinning Renovasjon AS	Tønsberg	100%	Environmental Services
Norsk Gjenvinning Downstream AS	Lysaker	100%	Recycling
Norsk Gjenvinning M3 AS	Lysaker	100%	Environmental Services
NG Secure AS	Lysaker	100%	Recycling
NG Vekst AS	Lysaker	100%	Environmental Services
Nordisk Återvinning Service AB (Sweden)	Gothenburg	100%	Environmental Services
NG Metall Holding AB (Sweden)	Gothenburg	100%	Metal
Humlekjær og Ødegaard AS	Fredrikstad	100%	Recycling
Tomwil Miljø AS	Lysaker	100%	Recycling
Løvås Transportfirma AS	Alnabru	100%	Recycling
Norsk Gjenvinning Transport AS	Alnabru	100%	Recycling
NG Oppstrømtransport AS	Alnabru	100%	Recycling
iSekk AS	Oslo	100%	Recycling
IBKA Norge AS	Lysaker	100%	Environmental Services
Mortens Rørinspeksjon AS	Kodal	50.6%	Environmental Services
Eivind Koch Rørinspeksjon AS	Lillestrøm	50.6%	Environmental Services
IBKA A/S (Denmark)	Vordingborg	100%	Environmental Services
IBKA AB (Sweden)	Kungelv	100%	Environmental Services
IBKA UK Ltd (United Kingdom)	Cardiff	100%	Environmental Services
Asak Massemottak AS	Lysaker	100%	Environmental Services
Midt-Norge Massemottak AS	Lysaker	100%	Environmental Services
Kopstad Massemottak AS	Lysaker	100%	Environmental Services
Borge Massemottak AS	Lysaker	100%	Environmental Services
Eikefet Massemottak AS	Lysaker	100%	Environmental Services
NG Markets AS	Lysaker	100%	Environmental Services
Revise AS	Lysaker	100%	HQ
Nordic Demolition AS	Slemmestad	60.15%	Nordic Demoliton
R3 Entreprenør AS	Oslo	60.15%	Nordic Demoliton
Norprodukter-Miljø AS	Oslo	60.15%	Nordic Demoliton
Øst-Riv AS	Slemmestad	60.15%	Nordic Demoliton
O Tenden Holding AS	Stryn	75%	Recycling
Tenden Miljø AS	Stryn	75%	Recycling
Miljøkvalitet AS	Ikornnes	75%	Recycling
Jarnes Miljøpark AS*	Ikornnes	50%	Recycling
Reen AS	Larvik	68.66%	HQ
Reen Technology OY (Finland)	Helsinki	68.66%	HQ
Reen Technologies Ltd. (United Kingdom)	Nottingham	68.66%	HQ
Zirq Solutions AS	Lysaker	77.27%	Metal
Zirq Cables AS	Revetal	77.27%	Metal

Zirq Medical A/S (Denmark)	Præstø	77.27%	Metal
Zirq Cables Denmark A/S (Denmark)	Præstø	77.27%	Metal
Østfold Gjenvinning AS	Fredrikstad	100%	Recycling
Holmen Massemottak AS	Lysaker	100%	Environmental Services
Metodika Miljøpark AS	Lysaker	100%	Recycling
Saneringsteknikk AS	Steinholt	60.15%	Recycling
Nordic Industrial Services AS	Lysaker	100%	Environmental Services
Hauka Deponi AS	Lysaker	100%	Environmental Services
Rec Met AS	Lysaker	50.1%	Metal
Kaupang Markets AB	Täby	100 %	Recycling
NG Metall AB (Sweden)	Katrineholms	100%	Metal
Sims Recycling Solutions AS	Sarpsborg	100%	Metal
Aip Betongsaging AS	Oslo	60.15%	Nordic Demolition
Aip Sanering AS	Oslo	60.15%	Nordic Demolition
Sørvest Betongsaging AS	Bjerkreim	60.15%	Nordic Demolition
Diamant Wire Teknikk AS	Halden	60.15%	Nordic Demolition
EC Svenska AB (Sweden)	Bagarmossen	60.15%	Nordic Demolition
Zero Emission Energy AS	Lysaker	60%	Environmental Services
Letbek Holding ApS (Denmark)	Tistrup	77.27%	Metal
Letbek A/S (Denmark)	Tistrup	77.27%	Metal
Outercore ApS (Denmark)	Tistrup	77.27%	Metal
Micollect ApS (Denmark)	Tistrup	50%	Metal
Letbek Sp.Z.o.o (Poland)	Komorniki	77.27%	Metal

*The Group's ownership share in Jarnes Miljøpark is 50%. The Group has control and accounts for the investment as a fully consolidated subsidiary.

Associated companies 31 December 2022

Østlandet Gjenvinning AS	50%
Pasa AS	38%
New West Gipsgjenvinning AS	50%
Micollect ApS (Denmark)	50%

a) Subsidiaries

Subsidiaries are all entities (including structural entities) that are controlled by the Group. Control of an entity arises when the Group is exposed to variability of returns from the entity and can influence these returns based on its authority over the entity. Subsidiaries are consolidated from the date control is obtained sand until there is a loss of control.

The acquisition method is used for business acquisitions. The remuneration is measured at the fair value of the transferred assets, incurred liabilities and issued equity instruments. The remuneration also includes the fair value of all assets or liabilities resulting from agreements concerning contingent consideration. Identifiable assets, liabilities and contingent liabilities are recognized at their fair value on the acquisition date. Non-controlling interests in the acquired company are measured, at either their fair value or their share of the acquired company's net assets, as appropriate for the specific acquisition.

Expenses linked to acquisitions are recognized as costs as they are incurred.

When an acquisition takes place in multiple stages, the assets from previous purchases are measured at fair value on the date control occurs with changes in value recognized through profit or loss.

Contingent remuneration is measured at fair value on the acquisition date. Subsequent changes in the fair value of the contingent remuneration are recognized through profit or loss or recognized as a change in the statement of comprehensive income as long as it is classified as an asset or liability. No new measurement of contingent remuneration classified as equity is performed and subsequent remuneration is recognized against equity.

If the remuneration (including any non-controlling interests and the fair value of previous ownership interests) exceeds the fair value of identifiable assets and liabilities in the acquisition, it is recognized as goodwill. If the remuneration (including any non-controlling interests and the fair value of previous ownership interests) amounts to less than the fair value of the net assets of the subsidiary as a result of a purchase made on favourable terms, the difference is recognized as a gain in the income statement.

Intergroup transactions, outstanding balances and unrealized gains/losses between group companies are eliminated. Figures that have been reported by the subsidiaries are restated if this is necessary to comply with the Group's accounting policies.

b) Changes in ownership interests in subsidiaries without loss of control

Transactions with non-controlling owners in subsidiaries that do not result in a loss of control are treated as equity transactions. In the event of further purchases, the difference between the remuneration and the shares' proportional share of the book value of the net assets of the subsidiary is recognized against the equity of the parent company's owners. Gains or losses on sales to non-controlling owners are correspondingly recognized against equity.

c) Disposals of subsidiaries

In the event of a loss of control, any remaining ownership interest is measured at fair value with changes recognized through profit or loss. The fair value recognized thereafter will constitute the acquisition cost, as either an investment in an associated company or joint venture or a financial asset. Amounts related to this company that were previously recognized through other comprehensive income will be treated as though the Group had disposed of the underlying assets and liabilities. This could entail the amount that was previously recognized through other comprehensive income being reclassified to the income statement.

d) Associates

Associates are entities in which the Group has significant influence but does not have control. Significant influence normally exists when the Group owns been 20-50 per cent of the voting rights. Investments in associates are recognized using the equity method. Investments are recognized on their acquisition date at their acquisition cost, and the Group's share of the result in subsequent periods is recognized as income or an expense. The investment in associates includes recognition of any implicit goodwill identified on the acquisition date.

If the ownership interest in an associate is reduced but the Group maintains significant influence, only a proportional share of the amount that was previous recognized through other comprehensive income is reclassified to the income statement.

The Group's share of the profit or loss in an associate is recognized through profit or loss and added to the book value of the investment. The Group's share of the other comprehensive income in the associated company is recognized through other comprehensive income in the Group and also added to the capitalized amount of the investment. The Group does not recognise its share of a deficit in the income statement if this results in a negative capitalized amount for the investment (inclusive of unsecured claims on the entity), unless the Group has assumed labilities or made payments on behalf of the associated company.

At the end of each accounting period, the Group evaluates whether the investment in the associate is impaired. If there is an impairment, the amount of the write-down is calculated as the difference between the investment's recoverable amount and the book value, with the difference recognized through profit or loss as a separate line item "Net profit/loss from associates".

If a gain or loss arises from transactions between the Group and its associates, only the proportional share related to the shareholders outside of the Group is recognized. Unrealized losses are eliminated unless there is a requirement to write-down the asset that was the subject of the transaction. Where necessary, the accounts of the associates are restated to comply with the Group's accounting policies.

Gains or losses related to changes in the ownership percentage in associates are recognized through profit or loss.

Translation of foreign currency

a) Functional currency and presentation currency

The accounts of the individual entities in the Group are measured in the currency used where the entity generally operates (functional currency). The consolidated financial statements are presented in Norwegian krone (NOK), which is both the parent company's functional currency and the Group's presentation currency.

b) Transactions and statement of financial position items

Transactions in foreign currency are translated into the functional currency at the transaction exchange rate. Realised foreign exchange gains or losses upon the settlement and translation of monetary items in foreign currency at the exchange rate on the statement of financial position date are recognized through profit or loss.

Foreign exchange gains and losses from loans, forward contracts and cash and cash equivalents are presented as "Net currency gain / (loss) in the income statement".

c) Group companies

Income statements and statements of financial position for group companies (none of the group entities are in a hyperinflationary economy) with a functional currency other than the presentation currency are translated in as follows:

(a) Statements of financial position are translated at the exchange rate on the statement of financial position date.
(b) Income statements are translated at the average exchange rate (if the average does not provide a generally reasonable estimate of the transaction exchange rate used, the transaction exchange rate is used).
(c) Translation differences are recognized through other comprehensive income and specified separately in equity as a separate item.

Property, plant and equipment

Land and buildings consists of production facilities, warehouse locations and offices. Property, plant and equipment are recognized at acquisition cost less depreciation. Acquisition cost includes costs directly linked to the acquisition of the property, plant or equipment. Acquisition cost also includes gains or losses transferred from equity on the acquisition date and that are due to cash flow hedges in foreign currency upon purchases of property, plant or equipment.

Subsequent cost expenditures are added to the book value of the property, plant or equipment or recognized as a separate asset when it is likely that future financial benefits from the expenditure will accrue to the Group, and the expenditure can be reliably measured. Depreciation on the separately recognized assets is recognized in profit or loss based on the useful life of the specific asset- Other repair and maintenance expenses are recognized in profit or loss in the period when the expenses are incurred.

Land is not depreciated. Other non-current assets are depreciated on a straight-line basis such that the acquisition cost of the non-current asset, or value-adjusted book-value, is depreciated to its residual value over the asset's expected useful life, which is:

- Buildings and other tangible property 10-50 years.
- Machines and production facilities 3-15 years.
- Movable assets, inventories, tools, and office machines 3-10 years.

The useful life, as well as the residual value, of a non-current asset is assessed annually at the balance sheet date and estimates are revised if deemed appropriated.
If the book value of a non-current asst is higher than the estimated recoverable amount, the carrying amount is written down to the recoverable amount.

Gains and losses upon disposal are recognized through profit or loss, and measured as the difference between the sales price and the book value at the date of the disposal.

Property, plant and equipment that are no longer being used in operations and are expected to be sold are classified and presented separately as in the balance sheet as a held for sale assets. Held for sale assets meet the classification criteria that the asset is available for immediate sale in its current condition, and that it is highly probable that a sale will be carried mase in the next 12 months. Property, plant and equipment held for sale are measured at the lower of book value and fair value less sales costs.

Intangible assets

a) Goodwill

Goodwill arises when a business is acquired and the consideration paid is less the Group's share of the fair value of net identifiable assets and liabilities in the acquired business. Goodwill can also arise from acquisitions when there is a policy choice to measure non-controlling interests at fair value on the acquisition date. Negative goodwill is recognized immediately as other income.

In subsequent impairment tests, goodwill is assigned to the cash generating units (CGUs) or groups of cash generating units that are expected to benefit from the acquisition in which goodwill arose. Each unit or group of units to which goodwill has been allocated represents the lowest level in the entity where goodwill is followed up for internal management purposes.

Potential impairment of goodwill is assessed annually, or more often if events or changes in circumstances indicate a possible impairment. Book value is compared with the recoverable amount, which is the higher of use value and fair value less sales costs. Any write-downs are recognized as costs and are not reversed in subsequent periods.

b) Trademarks
Trademarks are recognized at acquisition cost. Trademarks acquired via a business combination are recognized at fair value on the acquisition date. Trademarks are deemed to have an indefinite useful life and are therefore not amortized. Trademarks are tested annually for possible impairment.

c) Customer contracts and relationships

Customer contracts and relationships arise when a business is acquired. The fair value of a customer relationship is calculated based on expected turnover, adjusted for contractual turnover, and reduced for expected customer turnover. Recognized customer contracts and relationships are amortized on a straight-line basis over their expected useful life of between 5-10 years.

d) Software
Software maintenance expenditure are expensed when the cost is incurred. Development expenses that are directly attributable to the design and testing of identifiable and unique software controlled by the Group are capitalized as an intangible asset when all of the following criteria are met:

- it is technically possible to complete the software such that it is available for use;
- management intends to complete the software and use it or sell it;
- it is possible to use or sell the software;
- adequate technical, financial and other resources are available to complete and deploy or sell the software; and
- the expenses can be reliably measured.

Other development expenditures that do not meet these criteria are expensed as the cost is incurred. Development costs that have been expensed cannot subsequently be capitalized.

Capitalized software is amortized on a straight-line basis over its expected useful life (over a maximum of 6 years).

Impairment of non-financial assets
Intangible assets with an indefinite useful life and goodwill are not amortized; instead they are tested annually for impairment. Property, plant and equipment and intangible assets with definite lives are tested for impairment when there are indications of possible impairment, where it is possible that future earnings cannot justify the asset's carrying amount. The amount of the impairment is the difference between the book value of the asset and its recoverable amount. The recoverable amount is the higher of fair value less sales costs and value-in-use (VUI). When assessing any need for an impairment, non-current assets are grouped at the lowest level where it is possible to separate out independent input cash flows (cash generating units). The possibility of reversing previous write-downs on non-financial assets (excluding goodwill) is assessed at each reporting date.

Financial assets
Financial assets are initially recognized when the Group becomes contractually obligated to the transaction. Financial assets are classified as measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss. Classification upon initial recognition depends on the Group's intentions with respect to the asset and the properties of the agreed cash flows.

An ordinary purchase or sale of a financial asset held as an investment is recognized on the date of the agreement, which is the date the Group commits to purchasing or selling the asset. All financial assets that are not initially recognized at fair value through profit or loss are initially recognized at fair value plus any transaction costs. Financial assets that are recognized at fair value through profit or loss are recognized upon acquisition at fair value and transaction costs are expensed immediately. Financial assets are derecognized from the statement of financial position when all rights to receive cash flows from the investment cease or when these rights have been transferred and the Group has transferred all of the risk and rewards connected with ownership of the asset.

The Group's financial assets consist of assets at amortized cost, fair value through profit or loss and financial assets at fair value through other comprehensive income.

a) Assets at amortized cost
The Group measures financial assets at amortized cost if the following conditions are met:
- The financial asset is held in a business model where the purpose is to receive contractual cash flows; and
- The financial asset's contract terms and conditions generate cash flows consisting exclusively of the payment of principal and interest on given dates.

Subsequent measurement of financial assets measured at amortized cost is made using the effective interest rate method and includes any expected credit loss impairment allowance. Gains and losses are recognized through profit or loss when the asset is derecognized, modified or impaired. Assets at amortized cost comprise other receivables, trade receivables, and cash and cash equivalents.

Assets in this category are classified as current assets if they are expected to be settled within 12 months, otherwise they are classified as non-current assets.

b) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss comprise derivatives not being used for hedging purposes. The category includes forward currency contracts and metal derivatives.

Assets in this category are classified as current assets if they are expected to be settled within 12 months, otherwise they are classified as non-current assets.

c) Financial assets at fair value through other comprehensive income
The Group measures assets at fair value with changes in value through other comprehensive income if the following conditions are met:
- The financial asset is held in a business model intended both to receive contractual cash flows and for sales;
- The financial asset's contract terms and conditions generate cash flows consisting exclusively of the payment of principal and interest on given dates.

Upon derecognition, the accumulated change in fair value included in other comprehensive income is recognized through profit or loss.

The Group's financial assets at fair value with changes in value through other comprehensive income consists of customer receivables that are sold to a third party (factoring).

Impairment of financial assets
At the end of each reporting period, the Group assesses and recognizes a loss allowance for any expected credit loss on financial assets at amortized cost. If there has been a significant increase in credit risk since initial recognition, the loss provision is measured based on the expected loss of useful life. If the credit risk has not increased significantly, the loss provision is measured as the expected loss in the next 12 months.

For trade receivables and contract assets, the expected credit loss allowance is measured based on the expected lifetime credit-loss.

Derivatives and hedging
Derivatives are initially recognized at fair value on the date the derivative contract is entered into, and subsequently recognized at fair value on an ongoing basis. The recognition of changes in fair value depends on whether the derivative is designated a hedging instrument and, if so, the type of hedge. The Group earmarks certain derivatives as hedging for variability in cash flows related to a particular risk in a capitalized asset, liability or highly likely planned transaction (cash flow hedging).

When a hedging relationship is entered into, the Group documents the relationship between hedging instruments and the hedged items, as well as the goal of the risk management and the strategy behind the various hedging transactions. The Group also documents its assessments of whether the derivatives used are expected to be highly effective in offsetting the changes in fair value or cash flow associated with the hedged items. Such assessments are documented both when the hedging relationship is entered into and on an ongoing basis during the hedging period.

The fair value of the derivatives used in hedging relationships is shown in note 25. Changes in equity resulting from hedge accounting are recognized through other comprehensive income. The fair value of a derivative designated as a hedging instrument is classified as a non-current asset or non-current liability if the remaining term for the hedged item is longer than 12 months, and as a current asset or current liability if the remaining term for the hedged item is less than 12 months. Derivatives held for trading purposes are classified as current assets or current liabilities.

Interest rate swap contracts related to long-term financing are recognized as cash flow hedges. The effective component of the change in the fair value of derivatives earmarked and eligible as hedging instruments in cash flow hedging are recognized through other comprehensive income. Gains and losses on the ineffective part are recognized through profit or loss in “Other (gains)/losses”.

Hedging gains or losses that are recognized through other comprehensive income and accumulated in equity are reclassified to the income statement in the period when the hedged item affects the result (for example when the planned hedged sale takes place). Gains or losses linked to the effective part of interest rate swap contracts that hedge variable rate loans are recognized through profit or loss under “Finance costs”. Gains or losses linked to the ineffective part are recognized through profit or loss in “Other (gains)/losses”. When the planned transaction that is hedged results in recognition of a non-financial asset (for example inventory or property, plant and equipment), the gain or loss previously recognized through other comprehensive income is reclassified as an adjustment to the asset’s acquisition cost. This adjustment to the asset’s acquisition cost is then included in any cost of goods or depreciation of property, plant and equipment expensed in later periods over profit or loss.

When a hedging instrument expires or is sold, or when the hedge no longer satisfies the hedge accounting criteria, the total gain or loss recognized through other comprehensive income remains in equity and is reclassified to the income statement at the same time as the hedged transaction is recognized through profit or loss. If a hedged transaction is no longer expected to be completed, the amount recognized in equity is immediately reclassified to the income statement as “Other (gains)/losses - net”.

Metal derivatives related to hedging the risk related to commodity prices are accounted for at fair value through profit or loss. Changes in the fair value of derivatives are presented on the accounting line “Other (gains)/losses - net”. Derivatives are presented as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

Forward currency contracts related to hedging the risk in exchange rates are recognized at fair value through profit or loss. Changes in the fair value of derivatives are presented net on the accounting lines “Finance income” and “Finance costs”, depending on whether they resulted in a net gain or loss, respectively. Derivatives are presented as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

Inventory

Inventories of raw materials are measured at the lower of average acquisition cost and fair value. Finished goods are measured at the lower of full production cost and fair value.

Landfill

Investments related to landfill sites for inert matter on leased land before and after a project are accounted for as a lease under IFRS 16, and investments during a project are accounted for as tangible assets under IAS 16. Provisions are made for expenses related to the ongoing post-operation of landfill sites and are included as part of the provisions for environmental obligations in accordance with IAS 37. At the inception date, leases are recognized as a right-of-use asset and a corresponding lease liability in the statement of financial position, with the additional recognition of a provision for the removal liability.

Trade receivables

Trade receivables arise from sales of goods or services within the ordinary operating cycle. If settlement is expected within one year or less, a receivable is classified as a current asset. If this is not the case, the receivable is classified as a non-current asset.

Trade receivables are recognized in the statement of financial position net of any loss allowance for expected credit losses (lifetime ECL). The loss allowance is based on an expected credit loss matrix derived from historical credit losses and other relevant known information.

Cash and cash equivalents

Cash and cash equivalents comprise cash, bank deposits and other short-term, easily negotiable investments with a maximum 3-month original term. Overdrafts on the statement of financial position are included in loans under current liabilities.

Share capital, share premium and other paid-in equity

Ordinary shares are classified as equity. Expenses directly related to the issuance of new shares or options, less tax, are recognized as reductions in the received remuneration against equity.

Other paid-in equity is capital invested from owners, but which is not included in share capital and share premium. Received group contributions from owners in the same tax group are recognized as funds and included in other paid-in equity.

Trade payables

Trade payables are obligations to pay for goods or services delivered by suppliers for ordinary operations. Trade payables are classified as current if they fall due within 1 year or less. If this is not the case, they are classified as non-current.

Trade payables are measured at fair value upon initial recognition. Subsequent period recognition of trade payables is at amortized cost.

Borrowings

Borrowings are recognized at fair value less transaction costs when the cash is received. In subsequent periods, borrowings are measured at amortized cost using the effective interest method. The difference between the cash proceeds received (less any transaction costs) and the maturity value of the loan is recognized through profit or loss over the term of the loan as part of measurement of the effective interest expense.

Compound financial instruments with both a debt and an equity component are separated at initial recognition and both elements are recognized at fair value. In subsequent periods, the liability part of a compound instrument is measured at amortized cost using the effective interest rate method. The equity component is not revalued in subsequent periods.

Borrowing costs

Borrowing costs arising from general and specific financing related to the acquisition, construction or production of eligible assets, which are assets that will take a significant amount of time to complete for their intended use or sale, are capitalized as part of the asset's acquisition cost up to the date when the asset is ready for its intended use or sale.

All other interest costs are expensed as incurred.

Tax payable and deferred tax

Income tax expense consists of taxes payable and deferred tax. Tax expense is recognized through profit or loss, expect when it relates to items that are recognized through other comprehensive income or directly against equity. In the situation, the tax expense is also recognized through other comprehensive income or directly against equity, respectively.

The tax payable for the period is calculated in accordance with the applicable tax legislation and taxation regulations that have been adopted, or essentially adopted, as of the end of the reporting period in the countries where the company and the subsidiaries operate and generate taxable revenue. Management continuously assesses the judgements applied in the tax returns where the tax legislation is especially open to interpretation. Based on management's judgment, provisions are made for the expected tax payments when deemed appropriate and reasonable.

Deferred tax is calculated based on the temporary differences between taxable and IFRS accounting carrying amounts for assets and liabilities. Deferred tax is not calculated for goodwill. If a temporary difference arises upon the initial recognition of a liability or asset in a transaction that is not a business combination and that on the transaction date affects neither the accounting result nor the taxable result, the deferred tax is not recognized. Deferred tax is determined using the tax rates and tax legislation that has been adopted, or essentially adopted, as of the reporting date, and which it is assumed will be used when the deferred tax assets are realized or when the deferred tax liability is settled.

Deferred tax assets are recognized to the extent it is likely that future taxable income will allow for the utilization of the tax reducing temporary differences.

Deferred tax is calculated on temporary differences from investments in subsidiaries and associates, apart from when the parent entity has control over the timing of the reversal of the temporary differences, and it is likely that they will not be reversed in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset assets due to payable tax against liabilities due to payable tax, and deferred tax assets and deferred tax liabilities relate to income tax imposed by the same tax authority for either the same entity liable for the tax or different entities that are liable for the tax that intend to settle liabilities and assets due to payable tax on a net basis.

Employee benefits

The company has several pension schemes, both defined contribution schemes and defined benefit schemes. The Group is subject to the Norwegian requirements for mandatory occupational pensions. The Group's pension schemes meet the legislated pension requirements.

a) Pension liabilities

In a defined contribution scheme, a company pays into a public or private scheme an amount that they have contractually agreed to, are obliged to by law or contribute on a voluntary basis. The company then has no further obligation beyond this contribution. The contribution is recognized as an employee benefits expense as it is incurred. Advance payments are recognized as an asset (prepaid pensions) to the extent that the advance payment can be used to cover future premiums or will be repaid.

A portion of the current contribution pension expense is not paid into a scheme and is recognized as a pension liability. When the pension is made at a future point in time, the pension liability is derecognized.

A defined benefit pension scheme is defined as a scheme that is not a defined contribution pension plan. The pension liability for a defined benefit scheme is measured as the present value of the liability as of the balance sheet date, net of the fair value of the pension funds, if there is a pension fund. The gross liability is discounted to its present value using the interest rate for high-quality corporate bonds issued in the currency in which the pension liability will be paid out and that have an approximately similar term to maturity as the payment horizon for the pension liability. In countries that do not have a liquid market for such bonds, the rate for government bonds is used.

The current period's change in the pension accrual is recognized as an employee benefit expense. This expense includes the increase in the pension liability due to accruals in the current year, changes, reductions and settlement. The effect on previously earned rights due to changes in the scheme's benefits are recognized through profit or loss immediately. Gains and losses that arise from recalculating the pension liability due to estimate deviations and changes in actuarial assumptions are recognized against equity through other comprehensive income in the reporting period in which they occur.

The group has entered into individual pension agreements for certain senior group management employees. These pension agreements are supplementary to the group's employee pension plan and are financed by group operations.

b) Severance pay

Severance pay is paid when an employment relationship is terminated by the company before normal retirement age, or when an employee voluntarily accepts redundancy in return for compensation. The Group recognizes severance pay at the earlier of the following dates: a) when the offer of severance pay can no longer be withdrawn; or (b) when the company recognizes the costs associated with restructuring as defined in IAS 37 and the restructuring includes severance pay. In cases where severance pay is offered to encourage voluntary departure, the liability is measured based on the number of employees expected to accept the offer.

Provisions

The Group recognizes provisions for environmental obligations, onerous contracts, restructuring processes and legal claims. Legal claims are recognized when a legal or self-imposed obligation exists as a result of previous events, and the obligation will, on the balance of probabilities, be settled by a transfer of financial resources, and the magnitude of the liability can be estimated with sufficient reliability. Provisions are calculated based on a probability-weighted, discounted future cash flows models.

In those cases where multiple liabilities of a similar nature exist, the probability of the liabilities being settled is determined by assessing liabilities of this type using a portfolio approach. Provisions are therefore made even if the probability of settlement associated with the individual obligation is assessed as low.

For waste material that have been received but not yet delivered to a final downstream solution, a provision is made for the incurred treatment and downstream costs. This is classified as other current liabilities in the statement of financial position.

Revenue from customer contracts

The Group recognizes sales revenues when the performance obligations in an individual customer contracts have been met through the transfer of goods or services. Sales revenue is measured as the consideration that the Group expects to receive in exchange for the transfer of goods or services.

a) Upstream sales of services

The Group's activities in the upstream market mainly consist of collecting and treating various kinds of waste materials. Revenue from customer contracts is recognized over time, typically in line with the collection of waste materials from customers or when the waste material is delivered to the processing facilities.

The Group also provides other specialized demolition services, a broad range of industrial cleaning services and other environmental services. Revenue from customer contracts is recognized over time, typically in line with delivery to customers. For some projects, revenue recognition is based on measurements of progress using estimates.

b) Downstream sales of recycled raw materials
The Group produces recycled raw materials that are sold in the downstream market based on source-separated waste collected in the upstream market and purchased goods. The Group's main products are ferrous and non-ferrous metals and paper. Revenue from sales of recycled raw materials is recognized when control is transferred to the customer. This typically happens upon delivery of the goods to the customer.

Interest income
Interest income is recognized through profit or loss based on the effective interest rate method. When loans and receivables are written down, the receivable's book value is reduced to the recoverable amount.

Dividends
Dividend payments and group contributions to the parent company's shareholders are classified as liabilities from the date the dividend is determined by the general meeting. Dividend income is recognized through profit or loss when the right to receive payment arises.

Leases
For contracts that constitute or contain a lease, the Group separates components of the lease if it can benefit from the use of an underlying asset, either on its own or in conjunction with other resources that are readily available to the Group, and the underlying asset is neither highly dependent on nor closely associated with other underlying assets in the contract. Thereafter, the Group recognizes each component of the lease in the contract as a lease separate from the non-lease components of the contract.

On the date a lease commences, the Group recognizes a lease liability and a corresponding right-of-use asset for all leasing contracts with the exception of the following applied exceptions:

- Short-term leases (lease period of 12 months or shorter)
- Low value assets

For these short-term leases and leases of low value assets, the Group recognizes the lease payments as other operating expenses in the income statement when the payments are due and payable.

Lease liabilities are measured at the present value of the contractual lease payments over the period of the lease. Index linked payments or similar CPI adjustments are based on the relevant index factor at lease inception or at the payment readjustment date. When available the discount rate used is the implicit rate in the lease, or if not determinable, the incremental borrowing rate is used as the discount rate. The lease term is determined on the basis of the non-cancellable lease period adjusted for any extension options and termination rights where it is reasonably certain these options will be exercised by the lessee. Subsequent measurement of the lease liability takes into account the accrual of interest, lease payments and any reassessments or changes to the lease term, as well as to reflect adjustments in the variable lease payments due to changes in the index rates.

The Group initially recognized a right-of-use asset at acquisition cost, and subsequent measurement includes any accumulated depreciation and impairment, as well as any adjustments to the right-of-use asset for corresponding changes in the lease liability.

3 Critical accounting estimates and key sources of estimation uncertainty

Estimates and discretionary assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations concerning future events that are deemed reasonable given the current circumstances. The Group prepares estimates and makes assumptions regarding the future. The resulting critical accounting estimates will, by definition, rarely completely match the final outcome. Estimates and assumptions that represent a significant risk of material changes in the book value of assets and liabilities during the next financial year are discussed below.

Impairment of goodwill and intangible assets
The Group conducts an annual impairment test on goodwill and other intangible assets with an indefinite life. The recoverable amount from cash generating units is determined by calculating the value-in-use (VIU). Budgets and calculated terminal values for perpetual future cash flows are used to calculated future cash flows. Management estimates the appropriate discount rate when calculating the present value of the future cash flows. See note 12 for details related to the estimates and sensitivity calculations.

Deferred tax liabilities and deferred tax assets

The Group recognizes deferred tax assets related to tax loss carry forwards- that arise when the Group's income tax expense exceeds taxable revenue. Recognition requires an assumption related to the existence of future earnings that will be at a sufficient level to allow the tax loss carry forward to be utilized. Management's assessment of any future utilization of tax loss carry forwards is based on budgets for estimates future revenues and expenses. Budgets are based on the most recent strategic plans for the next two years. Considerable uncertainty is associated with the estimates with respect to these budgets and the timing of the expected date on which the tax loss carry forwards will be able to be utilized. See note 11 for a specification of the components of the deferred tax assets.

Provisions for environmental obligations

The Group performs activities that over time may have environmentally negative impact on the land areas where these activities take place. This could give rise to restoration and clean-up obligations that will have to be fulfilled at a future date. Provisions for these environmental liabilities are based on management's assessment of the likelihood of an environmental clean-up obligation arising and the best estimate available of the future expenditures required to meet this obligation. Considerable uncertainty is associated with assessments of whether such an obligation exists, estimates of the future expenditure required, and the timing of these expenditures. See note 22 for further information on provisions for environmental obligations at year-end.

Landfill

The Group operates landfill sites where the period's results depend on future investment estimates. Estimates are based on the best estimate of future liabilities. Some uncertainty is associated with estimates with respect to the timing of settlement and magnitude of liabilities.

Restructuring provisions

The Group implemented measures in both 2020 and 2021 to control costs. The restructuring provisions involve judgement and are determined based on best estimates of the expenses expected to be incurred. Any estimated future operating losses are not included in the restructuring provision. A detailed plan must exist that identifies which parts of the business will be restructured, and steps must be taken to ensure that those who will be affected have a realistic expectation that the restructuring will be carried out. One important assumption is that the restructuring will materially change the scope of the activities or how they are operated. If the impact is material, the expected future cash flows will be discounted using a pre-tax rate that reflects the risk associated with the provision. See note 22 for further information.

Leases

When the lease term is determined for an individual contract, the Group assesses whether any extension options exist that should be taken into account when determining the lease term. Such an assessment involves a high degree of judgement related to the extension options and whether it is reasonably certain or not if the Group will exercise the option. When exercise is reasonably certain the extension option time period is included in the lease term. Determining the discount interest rate that will be used as a basis for calculating the present value of future lease liabilities also requires the use of judgment. Procedures have been established for this process.

4 Revenue

The Group's business units consist of Recycling, Metal, Environmental Services and Nordic Demolition. HQ and eliminations consist of holding entities together with property and eliminations.

Revenue per business unit 2022

	Recycling	Metal	Environmental Services	Nordic Demolition	HQ and eliminations	Total
Norway	2 533 588	24	497 083	1 052 315	5 268	4 088 278
Other Nordics	8 815	61 508	283 064	-	896	354 283
Other Europe	-	1 181	12 775	-	8 620	22 576
Intra segment	43 300	169 461	141 203	116 998	(470 962)	-
Total upstream	**2 585 703**	**232 174**	**934 125**	**1 169 313**	**(456 178)**	**4 465 137**
Norway	417 940	705 979	-	13 123	-	1 137 042
Other Nordics	139 756	647 060	-	-	-	786 816
Other Europe	309 801	800 708	-	-	-	1 110 509
Asia	2 649	289 016	-	-	-	291 665
Intra segment	592 706	310 126	-	7 189	(910 021)	-
Total downstream	**1 462 852**	**2 752 889**	**-**	**20 312**	**(910 021)**	**3 326 032**
Total revenue	**4 048 555**	**2 985 063**	**934 125**	**1 189 625**	**(1 366 195)**	**7 791 169**

Revenue per business unit 2021

	Recycling	Metal	Environmental Services	Nordic Demolition	HQ and eliminations	Total
Norway	2 438 210	-	764 494	981 394	(324 268)	3 859 830
Other Nordics	13 636	2 998	-	-	303 086	319 720
Other Europe	-	-	(5 060)	-	14 072	9 012
Intra segment	453 428	-	30 649	50 012	(534 089)	-
Total upstream	**2 905 274**	**2 998**	**790 083**	**1 031 406**	**(541 199)**	**4 188 562**
Norway	232 488	798 097	106 740	8 814	(53 370)	1 092 769
Other Nordics	144 358	334 548	-	-	-	478 906
Other Europe	254 760	787 461	-	-	-	1 042 221
Asia	17 910	151 343	-	-	-	169 253
Intra segment	630 188	68 819	42 584	-	(741 534)	57
Total downstream	**1 279 704**	**2 140 268**	**149 324**	**8 814**	**(794 904)**	**2 783 206**
Total revenue	**4 184 978**	**2 143 266**	**939 407**	**1 040 220**	**(1 336 103)**	**6 971 768**

The Group's business units are focused on being local service providers for customers who need waste-related services (upstream market) and selling recycled raw materials to industrial customers (downstream market).

(NOK thousands)	**2022**	**2021**
Upstream – sales of services	4 465 137	4 188 562
Downstream – sales of recycled raw materials	3 326 032	2 783 206
Revenue from customer contracts	**7 791 169**	**6 971 768**

The table below summarises revenue from customer contracts based on the customer's location. No one in the Group accounts for more than 10% of total revenue.

(NOK thousands)	**2022**	**2021**
Norway	5 225 320	4 952 599
Other Nordics	1 141 098	798 626
Other Europe	1 133 085	1 051 233
Asia	291 665	169 253
Revenue from customer contracts	**7 791 169**	**6 971 768**

Upstream sales of services

The Group offers a wide range of waste management services in Norway and the rest of the Nordic region. Sales activities mainly involve the collection and treatment of all types of waste, as well as other specialized services. The services in these local markets are primarily within Recycling, Environmental Services and Nordic Demolition. Sales of services are recognized over time, typically when the waste materials are collected from customers or services are performed.

Downstream sales of recycled raw materials

Two of the Group's business units, Metal and Recycling, sell recycled raw materials that are produced from source-separated waste collections in the upstream market and purchased goods. The Group's main products are ferrous and non-ferrous metals and paper. Sales revenue from the downstream market is heavily affected by commodity prices and exchange rates, since the Group delivers goods to the global market. Sales of recycled raw materials are typically recognized when goods are delivered to the customer.

5 Related parties

Transactions with related parties are based on the same prices and terms as those with third parties. Such transactions involve both the sales and the purchases of goods and services to and from related parties. The Group has had the following transactions with related parties:

Transactions and balances with related parties

(NOK thousands)	**2022**	**2021**
Operating revenue	16 836	16 577
Operating expenses	66 174	52 077
Trade receivables and other receivables	1 740	1 556
Trade payables and other payables	3 369	1 402

6 Other Income

(NOK thousands)	2022	2021
Rental income from real estate	18 922	13 955
Gain on sale of non-current assets	14 374	9 240
Other operating income	(7)	(250)
Other Income	**33 289**	**22 980**

7 Employee benefits expense

(NOK thousands)	2022	2021
Wages	1 381 506	1 278 337
Employer's national insurance contributions	189 614	158 859
Pension costs	44 726	38 279
Other expenses	80 590	62 578
Restructuring payments to employees	-	(100)
Total employee benefits expense	**1 696 436**	**1 537 953**

Average number of employees	1 827	1 734

The average number of employees has increased primarily as a result of acquisitions in 2021 and 2022.

Post-employment benefits liability as of 31 December *(NOK thousands)*	2022	2021
Defined benefit obligation	1 187	1 187
Provision for defined contribution plans	18 033	18 768
Total post-employment benefits liability	**19 220**	**19 955**

Remuneration of chief executive officer 2022 *(NOK thousands)*	Salary	Bonus	Pension costs	Other benefits	Total	Severance pay
Bjørn Arve Ofstad	3 756	3 174	606	180	7 716	
Astrid Skarheim Onsum	3 700	688	176	135	4 699	12 mnd

Bjørn Arve Ofstad became Chief Executive Officer (CEO) after Astrid Skarheim Onsum in April 2022.

Remuneration of chief executive officer 2021 *(NOK thousands)*	Salary	Bonus	Pension costs	Other benefits	Total	Severance pay
Astrid Skarheim Onsum	1 038	-	64	53	1 155	12 months
Erik Osmundsen	3 810	6 161	81	72	10 124	-
Bjørn Arve Ofstad	1 356	1 000	105	75	2 536	

Astrid Skarheim Onsum started as a CEO in September 2021. Erik Osmundsen left the CEO position 30 April 2021. Bjørn Arve Ofstad served as interim CEO.

The CEO receives a salary and other benefits from NG Group AS. No loans or guarantees have been given to either the CEO or any members of the Board. No remuneration has been paid to the Board of Norsk Gjenvinning Norge AS in 2021 or 2022.

The CEO's bonus for the year presented is the amount of the bonus payment.

8 Other operating expenses

(NOK thousands)	2022	2021
Premises costs	71 693	51 866
Operating equipment costs	541 976	491 842
External services	111 928	95 571
Office costs	74 235	63 326
Operating costs, landfill	2 756	9 099
Insurance	36 638	36 565
Sales and marketing costs	16 053	15 231
Losses on receivables and contracts	9 267	8 287
Restructuring costs	-	15 675
Other costs	76 931	51 659
Total other operating expenses	**941 477**	**839 121**

Auditor's fees (excl. VAT) *(NOK thousands)*	2022	2021
Statutory audit fees (including technical assistance with financial statements)	7 291	6 743
Assurance services	257	194
Tax advisory fees (including technical assistance with tax returns)	641	121
Other services	7 276	3 191
Total fees to auditor	**15 465**	**10 249**

9 Other (gains) / losses - net

(NOK thousands)	2022	2021
Financial assets at fair value though profit or loss:		
Metal derivatives	8 343	(1 311)
Other gains/losses:		
Termination of leases	-	1 112
Other gains + / losses - net	**8 343**	**(199)**

10 Financial income and expenses

The Group’s financial expenses primarily relate to interest on bank financing. See note 21 for a description and the terms of the various borrowings. The Group also has separate credit facilities for leasing, overdraft and guarantees.

(NOK thousands)	2022	2021
Interest & debt related expenses on borrowings from credit institutions	134 992	115 263
Interest expense on shareholder loans	1 515	1 595
Interest expense on lease liabilities	116 926	118 911
Other interest expenses	4 379	2 713
Other financial expenses	33 491	23 964
Total financial expenses	**291 303**	**262 446**

(NOK thousands)	2022	2021
Interest income	2 709	1 509
Other financial income	877	7 637
Total financial income	**3 586**	**9 146**

(NOK thousands)	2022	2021
Foreign currency gains	294 710	105 544
Foreign currency losses	(322 062)	(68 721)
Net currency gains (losses)	**(27 352)**	**36 823**

11 Tax

Income tax expense

(NOK thousands)	2022	2021 restated	
Taxes payable	50 440	18 288	*
Change in deferred tax	(29 149)	(8 977)	*
Changes in estimates related to prior years	480	359	
Total income tax expense	**21 771**	**9 670**	

Reconciliation of tax expense

(NOK thousands)	2022	2021
Profit before taxes	32 907	22 801
Income tax expense at Nominal tax rate	7 240	5 016
Permanent differences	15 800	4 143
Effect of tax rates outside Norway	(1 749)	152
Changes in estimates related to prior years	480	359
Total income tax expense	**21 771**	**9 670**
Effective tax rate in %	64,4 %	32,7 %

Material components of deferred tax assets and liabilities

Deferred tax assets

(NOK'000)	2022	2021 restated	
Property, plant and equipment		14 229	
Provisions	18 617	23 911	
Accounts Receivables	2 264		
Other differences	28 387	28 865	
Interest deduction limitation cut-off	6 916	6 916	
Tax loss carry forward	172 530	143 784	*
Subtotal	**228 714**	**217 705**	
Not recognized deferred tax assets	(15 417)	(7 128)	
Total deferred tax assets	**213 297**	**210 577**	
Set-off of deferred tax liabilities pursuant to set-off provisions**	3 944	2 616	
Net deferred tax assets	**217 241**	**213 193**	

Deferred tax liabilities

(NOK'000)	***2022***	***2021***
Property, plant and equipment	1 121	
Gains and losses	10 000	18 349
Accounts receivable	-	3 482
Deferred tax acquired in business combinations	56 196	55 803
Total deferred tax liabilities	**67 866**	**77 634**
Set-off of deferred tax liabilities pursuant to set-off provisions**	3 944	2 616
Net deferred tax liabilities	**71 810**	**80 250**
Total net deferred tax assets	**145 431**	**132 943**

Movement in net deferred tax balances

(NOK'000)	***2022***	***2021***	
Net balance at 1 January	**(132 943)**	**(136 924)**	
Tax effect of Acquisitions of subsidiaries	16 799	11 284	
Changes due to Covid-19 measures		1 527	
Changes in deferred tax expense	(29 149)	(8 977)	*
Currency translation differences	(139)	148	
Net balance at 31 December	**(145 431)**	**(132 943)**	

Taxes payable

(NOK'000)	**2022**	**2021 restated**	
Taxes payable	50 440	18 288	*
Tax payable Acquired subsidiaries	8 993	5 839	
Net of prepaid tax and tax payable previous years	(8 371)	(89)	
Translation differences	77	-	
Total tax payable	**51 139**	**24 038**	

*) reclassification between tax payable and deferred tax assets and deferred tax assets and liabilities
**) NG Group and its wholly-owned subsidiaries have applied the tax consolidation legislation, which means that these entities are taxed as a single entity. As a consequence, the deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

Tax rates outside Norway	**2022**	**2021**
Sweden	20.6%	20.6%
Denmark	22%	22%
Finland	20%	20%
UK	19%	19%
Poland	19%	19%

12 Intangible assets

Intangible assets 2022 *(NOK thousands)*	**Trade-marks**	**Customer contracts**	**Landfill rights**	**Other intangible assets**	**Goodwill**	**Total**
Balance at 1 January	**66 082**	**105 814**	**47 808**	**53 179**	**2 461 653**	**2 734 536**
Acquisitions through business combinations		33 187	-	19 982	303 307	356 476
Disposals	(85)	-	-	(864)	-	(949)
Additions	10	-	-	57 355	-	57 365
Amortization and impairment losses	(217)	(42 324)	(2 404)	(18 478)	-	(63 423)
Reclassification*		-	-	5 128	-	5 128
Foreign currency translation effect	-	(431)	-	(413)	(1 171)	(2 015)
Balance at 31 December	**65 790**	**96 246**	**45 404**	**115 889**	**2 763 789**	**3 087 118**
Useful life	Indefinite	5-10 year	1-10 year	3-5 year	Indefinite	
Depreciation method		Straight-line	Landfill capacity	Straight-line		
Accumulated cost 31 December	66 084	471 228	102 200	157 822	2 763 789	**3 561 123**
Accumulated amortization 31 December	(294)	(374 982)	(56 796)	(41 933)	-	**(474 005)**

* Reclassification from “Other intangible assets” to “Property, plant and equipment” in note 13. Reduction of goodwill due to previous acquisitions.

Intangible assets 2021 *(NOK thousands)*	**Trade-marks**	**Customer contracts**	**Landfill rights**	**Other intangible assets**	**Goodwill**	**Total**
Balance at 1 January	**65 790**	**140 594**	**51 503**	**9 147**	**2 343 607**	**2 610 642**
Acquisitions through business combinations	-	24 850	-	39 627	119 281	183 758
Disposals	-	-	-	(5)	-	(5)
Additions	369	9 628	-	9 863	-	19 860
Amortization and impairment losses	(77)	(68 987)	(3 695)	(7 059)	-	(79 818)
Reclassification*	-	-	-	1 573	(1 235)	338
Foreign currency translation effect	-	(271)	-	33	-	(238)
Balance at 31 December	**66 082**	**105 814**	**47 808**	**53 179**	**2 461 653**	**2 734 537**
Useful life	Indefinite	5-10 years	1-10 years	3-5 years	Indefinite	
Depreciation method		Straight-line	Landfill capacity	Straight-line		
Accumulated cost 31 December	66 082	438 571	102 200	76 703	2 461 653	**3 145 209**
Accumulated amortization 31 December	-	(332 756)	(54 392)	(23 524)	-	**(410 671)**

* Reclassification from “Other intangible assets” to “Property, plant and equipment” in note 13. Reduction of goodwill due to previous acquisitions.

The Group acquired Letbek Holding ApS with subsidiaries, Diamant Wire Teknikk AS, Sørvest Betongsaging AS, Drillcon AS, Zero Emission Energy AS, Aip Sanering AS and Aip Betongsaging AS in 2022. These acquisitions resulted in an increase of NOK 33.2 million in customer contracts, NOK 19.7 million in customer relationships, and NOK 303.3 million in goodwill.

Trademarks
With the acquisition of POS holding AS in 2018, the Group acquired the rights to the trademarks Norsk Gjenvinning, iSEKK, R3, NG M3 and IBKA. In 2019, the Group also acquired the rights to the trademarks Nordic Demolition, Norprodukter-Miljø, Øst-Riv and KMT.

Customer contracts and relationships
The excess value of customer contracts consists of specific contracts in the Group's various business areas, whereas all material long-term contracts have been subject to individual assessments.

Value is also assigned to the Group's customer relationships. Analyses of historical data show that the Group enjoys a high level of customer loyalty and low customer turnover. The value of a customer relationship is calculated based on expected revenue, adjusted for contractual revenue, and expected customer turnover.

Other intangible assets
Other intangible assets mainly relates to the capitalized cost of ERP systems for the Group.

Goodwill
Goodwill is assigned to separate business units (cash generating units). The business units are defined at the lowest level for testing impairment of goodwill. Goodwill stems mainly from the acquisition of POS holding AS in 2018 and acquisitions in the following years, see note 28.
For information on the Group's division into business units see note 4. A breakdown of goodwill allocation per business unit is provided below.

Goodwill per business unit 2022 *(NOK thousands)*	**1 January**	**Additions**	**Disposals**	**Reclassification & Currency adjustments**	**31 December**
Recycling	1 405 674	-	-	-	1 405 674
Metal & Zirqular Solutions	326 020	139 644	-	(1 171)	464 493
Environmental Services	402 052	29 960	-	-	432 012
Nordic Demolition	327 907	133 703	-	-	461 610
Total goodwill	**2 461 653**	**303 307**	**-**	**(1 171)**	**2 763 789**

Goodwill per business unit 2021 *(NOK thousands)*	**1 January**	**Additions**	**Disposals**	**Reclassification & Currency adjustments**	**31 December**
Recycling	1 405 674	-	-	-	1 405 674
Metal	207 975	119 281	-	(1 236)	326 020
Environmental Services	402 052	-	-	-	402 052
Nordic Demolition	327 907	-	-	-	327 907
Total goodwill	**2 343 607**	**119 281**	**-**	**(1 236)**	**2 461 653**

Impairment testing of goodwill and trademarks
The Group performs annual impairment tests on goodwill and trademarks since these assets have an indefinite useful life. The recoverable value is the higher of net realizable value and value-in-use. The book value is not recoverable if it exceeds the recoverable amount. To determine the value in use, the Group has discounted the expected cash flow from the various cash generating units. The Group has defined the various business units as cash generating units to test for the impairment of goodwill. The impairment tests revealed no need for impairment.

Discounted cash flow model
The model is based on a 5-year financial forecast of discounted cash flow based on the Group's business plans with a terminal value calculated using Gordon's formula. The Group has implemented different strategies for each business unit by identifying its current status and the specific priorities for the next three years. These strategies provide the basis for the financial forecasts used in the cash flow model. Annual growth of 2% is expected for the next two years, which is in line with long-term annual growth. The model is based on the following assumptions:

Cash flow
A strategic plan has been developed for 2023-2025 based on the Group's underlying goals and current market conditions. The strategic plan is used as a basis for the 3-year financial forecasts. Annual growth is set at 2% to estimate the cash flows after the 3-year period and for the terminal value.

WACC (weighted average cost of capital)
The Group uses the CAPM discount rate method to calculate discount rates. The cost of capital is calculated based on 10-year Norwegian government bonds, adjusted for an assessed group-specific risk premium and illiquidity premium. The cost of debt is based on the Group's financing and the industry gearing. The calculated WACC after tax was 9.3% for Recycling and Metal, 10.6% for Nordic Demolition and 9.4% for other project based businesses. A 1% reduction in annual growth in the terminal value would not affect the conclusion of the impairment test. The same applies to a 1% increase in WACC.

13 Property, plant and equipment

Property, plant and equipment 2022 *(NOK thousands)*	**Land and buildings**	**Machinery, equipment, fixtures, and tools etc.**	**Landfill**	**Assets under construction**	**Total**
Balance at 1 January	**154 145**	**624 786**	**49 608**	**39 287**	**867 825**
Reclassifications*	11 417	9 929	-	(27 850)	(6 504)
Additions from business acquisitions	12 078	61 252	-	692	74 022
Additions	12 660	167 867	13 550	23 038	217 115
Depreciation for the year	(16 420)	(150 280)	(25 795)	(123)	(192 618)
Impairment losses	-	-	-	(699)	(699)
Disposals	-	(11 277)	-	(56)	(11 333)
Foreign currency translation effect	(2)	703	-	144	845
Balance at 31 December	**173 878**	**702 980**	**37 363**	**34 432**	**948 652**
Useful life	10 years/ indefinite	5-10 years	3-10 years		
Depreciation method	Straight-line	Straight-line	Straight-line		
Accumulated cost 31 December	232 606	1 160 893	122 605	35 254	1 551 358
Accumulated amortization 31 December	58 728	457 913	85 242	822	602 705

Property, plant and equipment 2021 *(NOK thousands)*	**Land and buildings**	**Machinery, equipment, fixtures, and tools etc.**	**Landfill**	**Assets under construction**	**Total**
Balance at 1 January	**165 653**	**547 283**	**59 148**	**11 071**	**783 153**
Reclassifications*	1 035	8 322	1	(8 738)	620
Additions from business acquisitions	-	37 986	-	-	37 986
Additions	5 113	191 711	4 545	36 955	238 324
Depreciation for the year	(17 185)	(143 927)	(14 086)	-	(175 198)
Impairment losses	(467)	(2 097)	-	-	(2 564)
Disposals	-	(11 321)	-	-	(11 321)
Foreign currency translation effect	(4)	(3 171)	-	-	(3 175)
Balance at 31 December	**154 145**	**624 786**	**49 608**	**39 287**	**867 825**
Useful life	10 years/ indefinite	5-10 years	3-10 years		
Depreciation method	Straight-line	Straight-line	Straight-line		
Accumulated cost 31 December	196 425	944 671	109 055	39 287	1 289 438
Accumulated amortization 31 December	42 280	319 885	59 447	-	421 612

* The reclassifications are between intangible asset classifications and right-of-use assets, as well as reclassifications within the tangible asset categories.

The Group has contractual commitments for the purchase of property, plant and equipment. Outstanding commitments as of year-end for assets not yet delivered:

Capital expenditure commitments

(NOK thousands)	2022	2021
Property, plant and equipment	75 521	115 200
Total capital expenditure commitments	**75 521**	**115 200**

14 Leases

Right-of-use assets 2022 *(NOK thousands)*	Buildings	Machinery and equipment	Landfill	Total
Balance at 1 January	**1 272 387**	**349 760**	**30 782**	**1 652 929**
Reclassifications*	(57)	1 433		1 376
Additions	175 535	87 949	9 892	273 377
Additions from business acquisitions	-	24 413	-	24 413
Disposals	(5 058)	(4 594)	-	(9 651)
Depreciation and impairment losses	(157 219)	(118 724)	(6 484)	(282 426)
Foreign currency translation effect	1 129	(2 153)	-	(1 024)
Balance at 31 December	**1 286 718**	**338 085**	**34 190**	**1 658 993**

Right-of-use assets 2021 *(NOK thousands)*	Buildings	Machinery and equipment	Landfill	Total
Balance at 1 January	**1 332 898**	**401 112**	**21 073**	**1 755 083**
Reclassifications*	-	(2 191)	-	(2 191)
Additions**	91 780	101 635	13 366	206 781
Disposals	(380)	(4 534)	-	(4 915)
Depreciation and impairment losses	(151 270)	(141 327)	(3 657)	(296 253)
Foreign currency translation effect	(641)	(4 935)	-	(5 576)
Balance at 31 December	**1 272 387**	**349 760**	**30 782**	**1 652 929**

*Reclassifications from Right-of- use assets to Intangible assets and Property, plant and equipment in notes 12 and 13.
**Whereof NOK 12 797 thousand was the amount invested prior to the start of the landfill project.

Lease liabilities *(NOK thousands)*	2022	2021
Balance at 1 January	**1 802 750**	**1 874 004**
Reclassifications	951	
Additions from business acquisitions	18 615	-
New and updated leases recognized during the period	267 269	193 415
Lease payments of principal	(270 936)	(241 324)
Lease payments of interest	(117 217)	(119 366)
Interest expense related to lease liabilities	117 218	118 682
Disposals	(9 961)	(15 911)
Foreign currency translation effect	(1 338)	(6 750)
Balance at 31 December	**1 807 351**	**1 802 750**
Current lease liability	344 054	333 935
Non-current lease liability	1 463 292	1 468 815
Net cashflow effect from changes in lease liabilities (Principal and interest)	(388 153)	(360 690)

Undiscounted lease payments maturity analysis *(NOK thousands)*	**2022**	**2021**
Less than one year	168 033	274 566
1-2 years	154 485	246 198
2-3 years	139 911	221 886
3-4 years	124 399	194 022
4-5 years	110 547	177 681
More than five years	2 790	1 253 495
Total undiscounted future lease liability payments as of 31 December	**700 165**	**2 367 848**

Lease payments expensed through profit or loss in 2022 was NOK 82 839 thousand for short-term and low value leases.

For a further description of the Group's leases and assessments please see section 2, "Summary of significant accounting policies".

15 Investments in associates and joint ventures

The Group has investments in the following associates and joint ventures:

	Office	**Ownership share***
Østlandet Gjenvinning AS	Hamar	50.0%
Pasa AS	Porsgrunn	38.0%
New West Gipsgjenvinning AS	Holmestrand	50.0%
MiCollect ApS	Tistrup	50.0%

*) Share ownership and voting share ownership are equivalent percentages.

Change in book value of the Group's shares:

(NOK thousands)	**01.01.2022**	**Dividends**	**Share of profits**	**31.12.2022**
Østlandet Gjenvinning AS	50 395	(4 000)	6 712	53 107
Other entities	4 245	-	658	5 203
Total	**54 640**	**(4 000)**	**7 370**	**58 310**

With the acquisitions of POS holding AS in 2018, the Group also received invested shares in Østlandet Gjenvinning AS, Egersund Omsetningsgård AS, Pasa AS and New West Gipsgjenvinning AS. Egersund Omsetningsgård AS was sold in April 2021.
The identified goodwill in Pasa AS was measured at NOK 500 thousand, while the identified excess value in Østlandet Gjenvinning AS amounted to NOK 33 201 thousand. The following excess values were identified at the time of the acquisition:

(NOK thousands)	
Trademarks	916
Customer contracts	344
Customer relationship	3 632
Goodwill	28 309
Total	**33 201**

Book value of the excess value on Østlandet Gjenvinning AS is as follows:

Østlandet Gjenvinning AS *(NOK thousands)*	**2022**	**2021**
Trademarks	916	916
Customer relationships*	-	151
Goodwill	28 309	28 309
Total	**29 225**	**29 376**

* Customer relationships are amortized over 4 years, and total amortization in 2022 was TNOK 151 (2021: TNOK 908).

Key financial figures for Østlandet Gjenvinning and its subsidiaries

(NOK thousands)	**2022**	**2021**
Operating income	278 571	234 227
Profit for the period	15 143	14 117
Current assets	63 368	63 519
Non-current assets	73 528	66 022
Total assets	**136 896**	**129 541**
Equity	97 678	96 713
Current payables	36 816	30 534
Non-current payables	2 402	2 294
Total equity and liabilities	**136 896**	**129 541**

16 Inventories

(NOK thousands)	**2022**	**2021**
Raw materials	178 403	144 734
Finished goods	104 999	93 275
Spare parts	18 708	17 062
Total	**302 110**	**255 071**

(NOK thousands)	**2022**	**2021**
Inventory measured at cost	302 110	255 071
Total	**302 110**	**255 071**

Inventories consist of positive fractions where the Group has purchased materials from upstream suppliers. The financial statement item “Cost of goods sold” contains the cost of purchased positive fractions that were sold during the year.

NOK 1 915 million was recognized in cost of goods sold from sold goods in 2022 (2021: NOK 1 834 million). These costs are included under the financial statement item “Cost of goods sold”. The financial statement item consists of the cost of purchased good as described above, as well as the cost of goods sold to downstream solutions for negative fractions.

17 Trade and other receivables

(NOK thousands)	**2022**	**2021**
Trade receivables (gross)	328 676	299 942
Trade receivables (factoring)	173 870	189 598
Loss allowance	(10 427)	(11 425)
Total trade receivables	**492 119**	**478 115**

(NOK thousands)	**2022**	**2021**
Prepaid expenses	52 188	56 536
Earned income that has not been invoiced	195 306	207 185
Other current receivables	26 272	16 829
Total other receivables	**273 766**	**280 550**

(NOK thousands)	**2022**	**2021**
Other non-current receivables	33 649	8 311
Total other non-current receivables	**33 649**	**8 311**

The Group has a factoring agreement in which a major part of the trade receivables are sold immediately after issuance of the invoice, see notes 24 and 25 for more information.

The fair value of trade receivables and other receivables is not considered to be materially different from their book value.

18 Cash and cash equivalents

(NOK thousands)	**2022**	**2021**
Cash and deposits	120 875	85 809
Restricted bank deposits	2 761	1 446
Total cash and cash equivalents	**123 636**	**87 255**

(NOK thousands)	**2022**	**2021**
NOK	(708 870)	(514 490)
DKK	(9 779)	466
EUR	760 085	806 307
USD	75 870	30 248
SEK	5 687	(227 195)
GBP	643	(8 081)
Total cash and cash equivalents	**123 636**	**87 255**

19 Share capital and premium

	2022	**2021**
Number of shares 31 December	7 355 675	7 355 675
Par value (NOK)	13.00	13.00

(NOK thousands)	**2022**	**2021**
Share capital	95 624	95 624
Share premium	1 677 604	1 677 604

All shares in Norsk Gjenvinning Norge AS have the same rights and are 100% owned by NG Midco AS.

20 Retained earnings

Movements in retained earnings 2022 *(NOK thousands)*	**Translation differences**	**Pension**	**Retained earnings**	**Total Retained earnings**
Balance at 1 January	**(2 623)**	**(1 233)**	**(636 761)**	**(640 715)**
Profit for the period	-	-	(9 297)	(9 297)
Total comprehensive income				
Currency translation differences	(4 449)	-	-	(4 449)
Transactions with owners				
Other transactions with non-controlling interests	-	-	8 894	8 894
Balance at 31 December	**(7 072)**	**(1 233)**	**(637 164)**	**(645 567)**

Movements in retained earnings 2021 *(NOK thousands)*	**Translation differences**	**Pension**	**Retained earnings**	**Total Retained earnings**
Balance at 1 January	**(480)**	**(1 233)**	**(616 605)**	**(618 320)**
Profit for the period	-	-	(3 549)	(3 549)
Total comprehensive income				
Currency translation differences	(2 144)	-	-	(2 144)
Transactions with owners				
Other transactions with non-controlling interests	-	-	(16 607)	(16 607)
Balance at 31 December	**(2 623)**	**(1 233)**	**(636 761)**	**(640 620)**

The table only show movements for the majority share ownership of retained earnings.

21 Borrowings

(NOK thousands)	**2022**	**2021**
Shareholder loans	17 615	22 197
Borrowings from credit institutions	2 437 000	2 028 047
Other loans	19 071	27 046
Total non-current borrowings	**2 473 689**	**2 077 290**

(NOK thousands)	**2022**	**2021**
Borrowings from credit institutions	126 790	62 616
Other loans	27 831	17 822
Total current borrowings	**154 621**	**80 438**

The following table shows the relationship between the book value and fair value of borrowings:

	Book value		**Fair value**	
(NOK thousands)	**2022**	**2021**	**2022**	**2021**
Shareholder loans	17 618	22 197	17 618	22 197
Borrowings from credit institutions	2 563 790	2 090 663	2 563 790	2 090 663
Other loans	46 902	44 868	46 902	44 868
Total borrowings	**2 628 310**	**2 157 728**	**2 628 310**	**2 029 086**

The following tables show the movement in borrowings split between changes with cash effects and with non-cash effects:

2022 *(NOK thousands)*	**Borrowings**
Balance at 1 January	**2 157 728**
Proceeds from borrowings	2 571 842
Transaction cost	(85 731)
Repayment of borrowings	(2 155 817))
Paid interests	(122 388)
Cash flows, net	**207 906**
Interest expense	121 926
Loans and hold back-amounts related to acquisitions	114 708
Capitalized transaction costs related to borrowings	26 042
Other Changes	**262 676**
Balance at 31 December	**2 628 310**

2021 *(NOK thousands)*	**Borrowings**
Balance at 1 January	**2 029 086**
From business combinations	
Proceeds from borrowings	201 615
Repayment of borrowings	(85 787)
Paid interests	(104 044)
Cash flows, net	**11 784**
Interest expense	106 949
Capitalized transaction costs related to borrowings	9 909
Other changes	**116 858**
Balance at 31 December	**2 157 728**

Loan agreements
Norsk Gjenvinning Norge AS signed a loan agreement on 9 November 2022. The loan agreement concerns a senior facilities agreement of NOK 3 737 million, including a revolving credit facility (RCF) for NOK 685 million and a capex facility of NOK 790 million.

Revolving credit facility (RCF)
The RCF consists of a cash overdraft limit of NOK 240 million, a leasing facility of NOK 300 million, a guarantee limit of NOK 30 million and a separate RCF for NOK 115 million. The latter is subject to interest of 3-month NIBOR with a 3.75% margin and has similar maturity to other borrowings to the original lenders. At the end of 2022, there was no overdraft on the separate RCF.

Capex Facility
The Capex Facility has a limit of NOK 790 million and may be used towards funding of capital expenditures projects and acquisitions. At year end the Utilisation of this facility was NOK 175 million.

Other loans
Other loans contain multiple smaller loans from other credit institutions and some hold back amounts regarding acquisitions transacted in December 2022. The loans are issued on market terms consistent with other financing. The fair value of borrowings and accrued interest are equal to book value since the agreed interest is on market terms.

Credit facility
The credit overdraft facility has a limit of NOK 240 million (NOK 205 million) and at the end of the year there was a NOK 109 million overdraft drawn on this facility (NOK 0 million)

The table below shows relevant information concerning the various facilities related to the aforementioned loan agreement and other loans:

2022
(NOK thousands)

Credit Issuer	Type of Facility	Maturity	Interest	Principal at 31 Dec 2020	Currency	Principal at 31 Dec 2021	Principal at 31 Dec 2022
DnB/Nordea	Facility A	10.01.2023	3 mnd Nibor + 3.5 %	298 078	NOK	242 847	0
DnB/Nordea	Facility B	10.01.2023	3 mnd Nibor + 3.75 %	1 310 000	NOK	1 310 000	0
DnB/Nordea	Facility C	10.01.2023	3 mnd Nibor +2.75 %	228 000	NOK	228 000	0
DnB, Danske Bank, Sparebank 1 SR-Bank, Swedbank	Bank overdraft	15.11.2027	3 mnd Nibor +3.75 %	0	NOK	0	109 129
DnB	Facility A1	10.01.2023	3 mnd Nibor +3.25 %		SEK	29 466	
Dnb	Facility B1	10.01.2023	3 mnd Nibor +3.25 %		SEK	137 508	
DnB	Liquidity Facility	10.01.2023	3 mnd Nibor +3.25 %	75 000	NOK	70 713	0
Nordea	Liquidity Facility	10.01.2023	3 mnd Nibor +3.50 %	75 000	NOK	72 129	0
DnB, Danske Bank, Sparebank 1 SR-Bank, Swedbank	Facility B	15.11.2027	3 mnd Nibor +4.25 %		NOK		2 262 000
DnB, Danske Bank, Sparebank 1 SR-Bank, Swedbank	Capex Facility	15.11.2027	3 mnd Nibor +4.25 %		NOK		175 000
Various banks	Other loans			43 008	NOK	67 065	82 181
Total						**2 157 728**	**2 628 310**

2021
NOK thousands)

Credit issuer	Type of facility	Principal at 31 December 2019	Maturity	Interest	Principal at 31 December 2020	Currency	Principal at 31 December 2021
DNB/Nordea	Facility A	330 000	10.01.2023	3-mth NIBOR + 3.25%	298 078	NOK	242 847
DNB/Nordea	Facility B	1 310 000	10.01.2023	3-mth NIBOR + 3.75%	1 310 000	NOK	1 310 000
DNB/Nordea	Facility C	229 065	10.07.2020	3-mth STIBOR +2.75%	-	SEK	-
DNB/Nordea	Facility C	-	10.01.2023	3-mth NIBOR +2.75%	228 000	NOK	228 000
DNB/Nordea	Bank overdraft	98 801	10.01.2023	3-mth NIBOR +3.25%	-	NOK	-
DNB	Facility A1		10.01.2023	3-mth NIBOR + 3.25%	0	SEK	29 466
DNB	Facility B1		10.01.2023	3-mth NIBOR + 3.75%	0	SEK	137 508
DNB	Liquidity Facility	-	10.01.2023	3.38%	75 000	NOK	70 713
Nordea	Liquidity Facility	-	10.01.2023	3.50%	75 000	NOK	72 129
Various banks	Other loans	20 012	15.06.2024		43 008	NOK	67 065
Total					**2 029 086**		**2 157 728**

As part of the financing of the Group, the largest entities have a on demand guarantees for loan agreements and credit facilities:

(NOK thousands)	**Book value**	**Secured amount**
Shares	0	4 500 000
Property, plant and equipment	742 145	4 500 000
Trade receivables	408 475	4 500 000
Inventories	254 741	4 500 000

The Group has the following operational guarantees per 31 December:

(NOK thousands)	**2022**	**2021**
Operational guarantees	108 811	103 499
Rent guarantees	17 208	10 466
Contract guarantees	69 547	102 568
Tax withholdings guarantees	62 400	60 004

Loan covenants
The Group has financial covenants related to net interest-bearing debt from their main financing issuer. The covenants' terms for the above-mentioned borrowings are linked to the adjusted EBITDA to net financial cost ratio and the adjusted EBIDA to net interest bearing debt ratio. The first time of reporting covenants is during the first quarter of 2023.

22 Provisions

2022 *(NOK thousands)*	**Onerous contracts**	**Environmental and site restoration**	**Restructuring**	**Other provisions**	**Total**
Balance at 1 January	**-**	**40 546**	**47 193**	**3 016**	**90 755**
Provisions made during the year	-	8 856	-	-	8 856
Provisions used during the year	-	(5 854)	(10 200)	(2 919)	(18 973)
Unwinding of discount	-	846	-	-1	845
Balance at 31 December	**-**	**44 394**	**36 993**	**96**	**81 483**
Classified as:					
-Non-current	-	32 093	26 888	-	**58 981**
-Current	-	12 300	10 106	96	**22 502**

2021 *(NOK thousands)*	**Onerous contracts**	**Environmental and site restoration provisions**	**Restructuring**	**Other provisions**	**Total**
Balance at 1 January	**265**	**56 156**	**59 277**	**471**	**116 169**
Provisions made during the year	-	600	15 923	3 016	19 539
Provisions reversed during the year	-	-	(348)	-	(348)
Provisions used during the year	(265)	(11 682)	(27 659)	(471)	(40 077)
Unwinding of discount	-	(4 528)	-	-	(4 528)
Balance at 31 December	**-**	**40 546**	**47 193**	**3 016**	**90 755**
Classified as:					
-Non-current	-	36 305	31 471	-	**67 776**
-Current	-	4 241	15 722	3 016	**22 979**

Provisions for liabilities contain estimation uncertainty and are recognized based on management's best estimates based on the information available as per the date of the financial statements.

Onerous contracts
An onerous contract was identified in the household waste collection division that was valid until August 2019, with an option to extend by 1+1 years for the counterparty. The contract was terminated in August 2021, hence there are no onerous contracts at year end 2021.

Environmental and site restoration provisions
Pursuant to the relevant business regulations, the Group is subject to providing funding for restoration requirments related to landfills, site restoration and potential liabilities in relation to hazardous environmental emissions. To the extent where a legal or self-imposed funding requirement exists, the Group makes provisions based on the estimated value of these funding needs.

Restructuring
The business unit Recycling worked to consolidate its construction business in multiple locations in 2021. In Trondheim, a strategic decision was made to reorganise the construction business to ensure increased competitiveness in the region. Work related to this is expected to continue until 2023. The consolidation in Kristiansund was started in 2020 and was completed around the beginning of 2022.

The remaining projects concern the consolidation of the construction business in the Vestfold region and changes to the operating model in a small part of the Eastern region.

Other provisions
Other provisions includes provisions not specifically related to the above-mentioned categories.

23 Other payables

(NOK thousands)	**2022**	**2021**
Accrued expenses	417 954	355 266
Payroll related liabilities	160 524	119 088
Public duties payable	154 248	122 847
Accrued downstream expenses*	21 029	21 864
Other current liabilities	26 137	66 033
Total other current payables	**779 892**	**685 098**

* Accrued downstream expenses: the Group accrues expected expenses for transport and processing for received waste materials not delivered to a final downstream destination by year end.

24 Financial risk management

24.1 Financial risk factors

The Group's activities result in exposure to several financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictable nature of the financial markets and tries to minimize any potential negative impact on the Group's financial figures. The Group uses financial instruments in the form of derivatives to hedge against certain types of risk exposure.

24.1.1 Market risk

Currency risk

The Group has international operations and is exposed to foreign currency risk that arises due to transactions in several currencies. Currency risk arises because of transactions linked to operations, assets and liabilities in foreign currency and net investments in foreign operations. Downstream transactions are particularly exposed to changes in exchange rates.

Currency risk is managed. In order to mitigate currency risk, efforts are made to establish long-term loans, generally in the same currencies as the underlying exposure and cash generation. Such assessments are partly based on the attractiveness of the terms and conditions that can be achieved in relation to the various foreign currencies. Forward currency contracts are used for main currencies to mitigate the impact of changes in exchange rates.

The Group has various investments in foreign operations where net assets are exposed to currency risk. Such currency exposures are not assessed as having a significant impact and are therefore not hedged. The table below summarises the impact on the Group's profit after tax of a change in the foreign currencies to which the company is exposed. The analysis is based on an assumption that the foreign exchange rate will increase (NOK weaken) by 10 percent on average throughout the year, with all other variables remaining constant and without using derivatives for hedging purposes. The Group's currency risk is limited both by inherent hedging (income and expenses in foreign currency) and by using derivatives.

(NOK thousands)	**2022**	**2021**
NOK/USD	24 762	16 055
NOK/EUR	39 620	71 151
NOK/SEK	(4 172)	(18 939)
NOK/DKK	16 993	20 286

Interest rate risk

The Group's interest rate risk arises from non-current liabilities. Debt issued on the basis of variable rates entails the Group being exposed to interest rate risk that impacts the cash flows. The Group manages interest rate risk linked to cash flows using interest rate swap contracts. The financial effect of interest rate swap contracts comes from converting variable rates to fixed rates. The Group generally borrows on a long-term basis at variable rates and swaps them to fixed rates. In an interest rate swap contract, the Group enters into an agreement with a counterparty to swap the difference between the fixed and variable rates at their nominal values every quarter. The Group's guidelines entail hedging a minimum of 50 percent of its loans entered into with variables rates that are also anchored in the Group's loan agreements. New hedging has been implemented in line with the new loan agreements.

This was done through the creation of a cross currency swap. The purpose of this is to turn NOK debt into EUR debt in order to achieve a better match between debt and EBITDA

If the rate for liabilities and bank deposits had averaged 100 basis points higher/lower throughout the year, and all other variables had remained constant, profit after tax would have been NOK 24,7 million lower/higher. This sensitivity calculation takes account of open interest rate swap contracts.

Price risk
The Group is exposed to price risk linked to raw materials. Fluctuations in commodity prices have generally increased significantly in recent years and can have a significant impact on the Group's results. The Group's results are primarily affected by prices for our main products: ferrous and non-ferrous metals, paper and refuse derived fuel (RDF).

Our principal risk management strategy is to limit our exposure to price changes. This is achieved by entering into concurrent downstream contracts for volumes from upstream activities wherever possible. Price risk linked to metals discovered during the waste source separation process (it is not possible to reliably estimate these volumes) may be hedged in financial markets and revised on a monthly basis. These hedges are based on estimated volumes and timing and are thus not perfectly aligned economic hedges and the effects are recognized through profit or loss. About 80 % of the volume has a hedging mechanism, in addition the operational units run a "no stock" strategy, i.e. buy and sell in the same market.

The table below shows the sensitivity associated with price fluctuations and their effect on sales revenue from our main products. Annual sensitivity is based on a normal volume over a year and an assumed 10 percent increase in downstream commodity prices, with all other variables remaining constant (including upstream prices). Effects linked to metal derivatives have not been taken into account.

(NOK thousands)	**2022**	**2021**
Paper	52 923	45 678
Non-ferrous metals	39 816	35 407
Ferrous metals	100 343	78 705
Residual waste	(49 746))	(47 912)

24.1.2 Credit risk
Credit risk is managed at a group level. Credit risk arises from bank deposits, financial instruments and deposits in banks and financial institutions. It also arises through exposure to customers, including outstanding receivables and contractual transactions. As far as banks and financial institutions are concerned, only individual counterparties with a minimum A rating are accepted. The credit risk associated with each new customer is analyzed and rated before payment and delivery terms are offered. If customers are rated individually in their credit score, these ratings used as a basis. If no individual credit rating is available, credit quality will be assessed by taking account of the customer's financial position, previous experience and other relevant factors. Individual risk limits are determined based on internal and external ratings based on guidelines set by the Group. The utilization of credit limits is monitored regularly.

There is credit risk associated with derivatives. This risk is minimized by only trading with financial institutions with a credit rating of AA or better.

24.1.3 Liquidity risk
Estimates of future cash flows are conducted by the Group's corporate finance department. The finance department monitors rolling forecasts of the Group's liquidity requirements to ensure that it has enough cash on hand to meet operational needs and always maintains a satisfactory margin in relation to the unused loan facility to ensure that the Group does not breach requirements set out in the loan agreement. Such estimates of future cash flows take into account the Group's plans for debt financing, loan agreement terms and conditions and compliance with internal ratio requirements for the statement of financial position. Surplus liquidity in each individual company, in excess of the requirements set for working capital, are deposits on interest bearing accounts with financial institutions.

The table below specifies the Group's financial liabilities that are not derivatives classified in accordance with the due date structure. Classification is determined based on the due date of the contract. The amounts in the table below are the contractually agreed undiscounted cash flows. Non-current loans are presented without future interest payments.

31.12.2022 *(NOK thousands)*	**Less than 1 year**	**Between 1 and 5 years**	**Later than 5 years**
Loans (excl. financial leases)	154 621	2 473 689	
Trade payables and other liabilities	1 203 465		
Financial guarantees	62 400		

31.12.2021 *(NOK thousands)*	**Less than 1 year**	**Between 1 and 5 years**	**Later than 5 years**
Loans (excl. financial leases)	80 438	2 077 290	
Trade payables and other liabilities	1 165 787		
Financial guarantees	60 004		

24.2 Capital management

The Group's capital management goals are to secure its ability to continue operations in order to provide owners and other stakeholders with a return on their investment and to maintain an optimal capital structure in order to reduce the cost of capital.

To maintain or adjust the capital structure, the Group can distribute capital to its owners, issue new shares or sell assets to reduce debt. In connection with the signing of a new loan agreement in November 2022, a new asset strategy was also established for the Group. The Group monitors capital based on the covenants defined in the loan agreement.

The relevant covenants are calculated as net liabilities divided by adjusted EBITDA and adjusted EBITDA over net finance costs. The loan agreement defines how adjusted EBITDA, net finance costs and net interest-bearing debt should be calculated. Net liabilities is based on total liabilities (including interest-bearing liabilities before admission costs, and non-interest-bearing liabilities as shown on the consolidated statement of financial position) less loans guaranteed by owners, less IFRS 16 adjustments and finally cash/cash holdings.

Adjusted EBITDA is used to assess the underlying profitability of operations in a given period. This is a financial measure that is not defined under IFRS. The figure is calculated by adjusting EBITDA by removing any element (positive or negative) that could be characterized as being one-time, irregular or non-recurring. Adjusted EBITDA and other relevant figures related to the calculation of covenants are shown in the tables below. The Group met its covenant requirements for 2022.

(NOK thousands)	**2022**	**2021**
EBIT	**347 976**	**239 278**
Depreciation and write-downs	539 166	553 833
Adjustments for companies acquired during the year and other changes	61 560	32 479
IFRS 16 adjustments	(260 680)	(241 338)
Restructuring costs	39 600	15 575
Adjusted EBITDA	**727 622**	**599 827**

(NOK thousands)	**2022**	**2021**
Cash and cash equivalents	123 636	87 255
Lease liabilities	1 807 346	1 802 750
Bank loans	2 563 790	2 090 663
Other loans	64 520	67 065
Net liabilities	**4 312 020**	**3 873 223**
IFRS 16 adjustments	(1 517 097)	(1 492 597)
Admission costs	85 731	20 128
Group loans, guaranteed loans	(17 618)	(303 197)
Adjusted net liabilities	**2 863 036**	**2 097 557**

(NOK thousands)	**2022**	**2021**
Net finance costs	**315 069**	**216 477**
Adjustments for net currency gains/losses	(27 352)	36 823
IFRS 16 adjustments	(105 887)	(104 761)
Interest and costs associated with guaranteed loans	-	(7 300)
Supplier interest and other financial items	-	(1 800)
Adjusted net finance costs	**181 830**	**139 439**
Leverage ratio	**3.93**	**3,50**

	31.12.2022	**Loan covenant**
Adjusted EBITDA	727 622	
Adjusted net finance costs	181 830	
Interest cover ratio	**4.0**	**N/A**
Adjusted EBITDA	727 622	
Adjusted net liabilities	2 863 036	
Adjusted leverage ratio	**3.93**	**N/A**

25 Financial instruments

Financial instruments by category:

(NOK thousands)	**2022**	**2021**
Financial assets at amortized cost:		
Trade receivables (gross)	328 676	299 942
Other receivables excluding prepayments	255 227	232 325
Cash and cash equivalents	123 636	87 255
Financial assets at fair value through other comprehensive income:		
Trade receivables (factoring)	173 870	189 598
Financial assets at fair value through profit or loss:		
Other financial assets	1 231	-
Total assets	**882 640**	**809 120**
Financial liabilities at amortized cost:		
Loans	2 628 310	2 157 728
Financial leases	1 807 346	1 802 750
Trade payables	423 573	480 689
Other liabilities excluding statutory obligations	625 644	562 251
Derivatives		
Fair value through profit or loss	50 814	23 335
Total liabilities	**5 535 687**	**5 026 753**

Financial assets at fair value through other comprehensive income
The majority of the trade receivables are sold immediately after the invoicing date. These trade receivables are defined in the above table as “Trade receivables (factoring)”. This arrangement is part of a business model in which the purpose is to receive contractually regulated cash flows as well as to sell the receivables, as opposed to “Trade receivables (gross)” where the purpose is only to receive contractually regulated cash flows. Trade receivables (factoring) are therefore recognized at fair value through other comprehensive income. The factoring company that buys the receivables performs its own credit ratings. Based on the trade receivables being sold immediately after the invoicing date, where the factoring company assumes all of the risk, no changes in the value of these receivables have been identified.

Credit risk trade receivable (gross)

The Group makes provisions for expected future lifetime losses on trade receivables based on provision matrices. All newly established corporate customers are credit rated. Credit checks are only carried out of private individuals in exceptional cases, although all private individuals are reviewed to verify their complete information. Credit checks are outsourced to a third party.

Customers are divided into three groups based on trade receivables:

- Group 1 – customers not past due or fewer than 30 days past due.
- Group 2 – customers between 31 and 90 days past due.
- Group 3 – customers more than 91 days past due or sent to debt recovery.

(NOK thousands)	**2022**	**2021**
Group 1	418 927	461 206
Group 2	21 248	10 859
Group 3	62 371	17 475
Total trade receivables (gross)	**502 546**	**489 540**

26 Other financial assets and liabilities

	2022		2021	
(NOK thousands)	**Asset**	**Liability**	**Asset**	**Liability**
Interest rate and currency swaps	-	52 045	-	21 538
Metal derivatives	1 231	-	-	1 797
Total book value	**1 231**	**52 045**		**23 335**
Of which non-current items:	-	22 829	-	22 681
Of which current items	1 231	29 216	-	654

Accrued interest is classified as a current liability.

Forward currency contracts
Forward currency contracts are used to reduce exposure to fluctuations in exchange rates linked to the Group's cash holdings and bridge loans. Gains and losses (net) on hedging instruments are included as part of finance costs (note 10).

Metal derivatives
Metal derivatives are held for trading purposes. Gains and losses (net) are included in other gains and losses (note 9).

Measured at fair value
The table below shows financial instruments measured at fair value, and classified by fair value measurement hierarchy.

2022

(NOK thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets/liabilities (-) at fair value through profit or loss				
Interest rate and currency swaps	-	52 045	-	52 045
Metal derivatives	-	(1 231)	-	(1 231)

2021

(NOK thousands)	***Level 1***	**Level 2**	**Level 3**	**Total**
Financial assets/liabilities (-) at fair value through profit or loss				
Interest rate and currency swaps	-	21 538	-	21 538
Metal derivatives	-	1 797	-	1 797

There were no transfers between the levels during the year. The fair value of financial instruments that are not traded in an active market (such as unlisted derivatives) is determined using the bank's estimated value of the instrument (MTM value). The Group assesses and chooses methods and assumptions that are, wherever possible, based on the market conditions as of each statement of financial position date. The different levels are defined as follows;

(a) *Level 1 financial Instruments*
The fair value of financial instruments traded in active markets is the market price on the statement of financial position date. A market is considered active if market prices are readily and regularly available from a stock exchange, broker, industry grouping, pricing service or regulatory authority, and these prices represent actual and frequent market transactions at arm's length. The market price used for financial assets is the current bid price.

(b) *Level 2 financial Instruments*
The fair value of financial instruments that are not traded in an active market (such as some OTC derivatives) is determined using valuation methods. These valuation methods maximise the use of observable data where it is available and are based as little as possible the Group's own estimates. If all the material data required to determine the fair value of an instrument is observable data, the instrument is included at level 2.

(c) *Level 3 financial Instruments*
If one or more material data are not based on observable market data, the instrument is included at level 3.
Special valuation methods used to measure financial instruments include:
- Quoted market prices or offered prices for similar instruments.
- The fair value of interest rate swap contracts is calculated as the present value of estimated future cash flows based on an observable yield curve.
- The fair value of forward contracts in foreign currency is determined by the present value of the difference between the agreed forward exchange rate and the forward rate of the currency on the statement of financial position date multiplied by the contract's volume in foreign currency. The statement of financial position date's relevant interest rate is used to calculate the present value.

27 Non-controlling ownership interests

Overview of non-controlling ownership interests at 31 December 2022

(NOK thousands)	**Registered office**	**Non-controlling interest**	**Share of profit in period**	**Accumulated ownership interest 31 December**
Nordic Demolition AS	Slemmestad	39.85%	23 383	129 812
Zirq Solutions AS	Revetal	22.73%	7 560	24 866
Other			(10 508)	1 381
Total			**20 433**	**156 059**

During the year both sub-consolidation groups, Nordic Demolition AS and Zirq Solutions AS, have been growing due to acquisitions. Through the year the non-controlling interests has been changing, but as of year-end the Groups stake in Nordic Demoliton has decreased by 2.15 per cent, and increased in Zirq Solutions AS by 7.31 per cent.

Dividends
The Group's dividends from companies in which it has non-controlling ownership interests amounted to MNOK 1 012 (2021: MNOK 1 518). Both years all dividends received were entirely from Morten Rørinspeksjon AS.

General financial information
Nordic Demolition AS and Zirq Solutions AS both have subsidiaries. The financial statements figures given below relate to consolidated figures including the subsidiaries . All of the amounts presented in the tables below are after eliminations in the subsidiary group and before the elimination of transactions with other group companies.

2022

(NOK thousands)	**Nordic Demolition AS**	**Zirq Solutions AS (KMT Gjenvinning AS)**
Income statement figures (ownership period)		
Revenue	1 121 116	857 134
Profit (loss) for the period	62 022	25 167
Statement of financial position figures at 31 December		
Non-current assets	549 331	212 218
Current assets	314 632	249 456
Total assets	**863 963**	**461 674**
Equity	411 496	26 284
Non-current liabilities	138 916	231 123
Current liabilities	313 557	204 259
Total equity and liabilities	**863 963**	**461 674**
Cash flow (ownership period)	93 414	6 429

2021

(NOK thousands)	**Nordic Demolition AS**	**KMT Gjenvinning AS**
Income statement figures (ownership period)		
Revenue	1 041 455	760 684
Profit (loss) for the period	48 568	12 188
Statement of financial position figures at 31 December		
Non-current assets	322 323	55 207
Current assets	372 341	133 788
Total assets	**694 664**	**188 995**
Equity	301 382	39 462
Non-current liabilities	92 967	55 451
Current liabilities	300 315	94 082
Total equity and liabilities	**694 664**	**188 995**
Cash flow (ownership period)	74 466	14 554

28 Business combinations

Business combinations in 2022

In 2022, the Group acquired 100 % of the issued share capital of AiP Group, Sørvestbetongsaging AS, DrillCon AS, Diamant Wire Teknikk Group and Letbek Group, and acquired 60 % of the issued share capital of Zero Emission Energy. The acquisitions were recognized using the acquisition method, where identifiable assets and liabilities are measured at fair value on the acquisition date and deferred tax is measured at nominal value.

The acquisition in two AIP entities, AIP Betongsaging AS and AIP Sanering AS was done by Nordic Demolition in February 2022. This acquisition enables growth in Nordic Demolition by bringing in competency in vibration sensitive areas, noise and adjacent infrastructure. In addition, it will reduce the company's dependency on a cyclical building market, through new growth in hydropower plants, waste and sewage systems, and rock removal services. This strengthens Nordic Demolitions position as the preferred partner within sustainable urban reuse and gives the company a strategic position below ground.

The acquisition in Sørvestbetongsaging AS was done by Nordic Demolition in September 2022. This acquisition strengthens the competency and capacity at Nordic Demolision related to concrete cutting and drilling, indoor demolition, and remediation services. Simultaneously, the acquisition gives Nordic Demolition a foothold in the Rogaland regions and creates the possibility for the company to become a market leader in the area.

The acquisition in Drillcon AS was done by Nordic Demolition in end of December 2022. Drillcon is a top-quality company with a good reputation and excellent client referrals. This acquisition reduces NG's dependency on the cyclical building market through life-expansion, small upgrade, and change-of-use-project services. There are also opportunities for growth in this area, as Drillcon has no proactive sales activity, and has had to turn down several engagements due to lack of capacity.

The acquisition in Diamant Wire Teknikk AS and its Swedish subsidiary, ECT AB, was done by Nordic Demolition in end of December 2022. This acquisition enables growth in Nordic Demolition by bringing in competency in vibration sensitive areas, noise and adjacent infrastructure. In addition, it will reduce the company's dependency on a cyclical building market, through new growth in hydropower plants, waste and sewage systems, and rock removal services. This strengthens Nordic Demolitions position as the preferred partner within sustainable urban reuse and gives the company a strategic position below ground.

Zero Emission Energy acquisition of 60 % was done stepwise by NG Markets AS in both July 2022 and November 2022. Zero Emission Energy has entered a license agreement with WasteX AS giving NG an exclusive right to commercialize and use the WX Technology within the Scope in the Nordics. The objective of the technology is to produce high and emission free energy from waste streams not suited for material recycling.

The acquisition of Letbek Group was done by Zirq Medical A/S in the beginning of December 2022. The acquisition of Letbek AS is key to support the transforming of NG Group and Zirq into a vertically integrated recycling company, which turns waste into high-end, low carbon plastic products. This integration allows for full traceability and circularity of plastics, giving Zirq a unique market position.

Purchase consideration – cash outflow

(NOK thousands)	**AiP Group**	**Sørvest Betongsaging AS**	**Drillcon AS**	**Diamant Wire Teknikk AS & ECS AB**	**Zero Emission Energy AS**	**Letbek Group**	**Total**
Cash remuneration	15 013	25 987	23 236	59 014	30 000	139 101	292 351
Bank deposits acquired	389	3 094	4 559	1 775		361	10 178
Net cash remuneration – investment activities	**14 624**	**22 893**	**18 677**	**57 239**	**30 000**	**138 741**	**302 529**

Total purchase consideration

(NOK thousands)	**AiP Group**	**Sørvest Betongsaging AS**	**Drillcon AS**	**Diamant Wire Teknikk AS & ECS AB**	**Zero Emission Energy AS**	**Letbek Group**	**Total**
Cash remuneration	15 013	25 987	23 236	59 014	30 000	139 101	292 351
Shares issued	-	17 325	15 489	23 218			56 032
Contingent consideration	2 795		1 000	14 512		53 390	71 697
Internal loan transfer from previous owner	-	-	-	-	-	- 13 391	-
Total purchase consideration	**17 808**	**43 312**	**39 726**	**96 744**	**30 000**	**179 100**	**420 080**

The assets and liabilities recognised as a result of the acquisition are as follows:

(NOK thousands)	**AiP Group**	**Sørvest Betongsaging AS**	**Drillcon AS**	**Diamant Wire Teknikk AS & ECS AB**	**Zero Emission Energy AS**	**Letbek Group**	**Total**
Customer contracts	758	1 900	-	24 778	-	5 751	33 187
Customer relationships	1 012	-	4 042	-	-	14 599	19 652
Other intangible assets	-	-	-	330	-	-	330
Deferred tax assets	-	592	-	-	-	-	592
Property, plant and equipment	1 683	3 913	4 443	22 223	-	41 749	74 010
Right of use assets	3 948	-	6 869	4 394	-	5 307	20 518
Non-current receivables	207	850	450	166	-	287	1 960
Investments in Associated entities	-	-	-	-	-	139	139
Identified fixed assets acquired	**7 608**	**7 255**	**15 803**	**51 890**	**-**	**67 832**	**150 387**
Inventories	- 29	-	449	3 820	-	32 657	36 897
Trade receivables	3 464	4 552	5 393	32 483	40	28 010	73 941
Other receivables	2 237	1 571	844	1 199	-	1 934	7 786
Bank deposits	389	3 094	4 559	1 775	-	361	10 178
Identified current assets acquired	**6 061**	**9 217**	**11 245**	**39 277**	**40**	**62 962**	**128 801**
Deferred tax	422	418	857	6 656	-	8 997	17 350
Internal loan	-	-	-	-	-	12 509	12 509
Other loans	541	-	-	17 837	-	21 339	39 717
Lease liability	3 948	-	7 019	4 521	-	3 023	18 510
Identified non-current liabilities acquired	**4 911**	**418**	**7 876**	**29 014**	**-**	**45 868**	**88 086**
Trade payables	1 950	1 327	955	2 434	-	15 759	22 424
Taxes payable	-	741	1 506	3 284	-	3 403	8 935
Other financial liabilities	-	88	-	-	-	14 593	14 681
Other current liabilities	6 189	- 78	8 139	10 815	-	10 423	35 488
Other short term provisions for liabilities	-	4 900	-	-	-	1 291	6 191

Identified current liabilities acquired	**8 139**	**6 978**	**10 600**	**16 533**	**-**	**45 469**	**87 719**
Net identified assets acquired	**619**	**9 075**	**8 573**	**45 620**	**40**	**39 456**	**103 383**
Goodwill	17 189	34 237	31 153	51 124	29 960	139 644	303 307
Net assets acquired	**17 808**	**43 312**	**39 726**	**96 744**	**30 000**	**179 100**	**406 690**

The fair value of trade receivables is displayed above. Below follows the breakdown of gross value of trade receivable and provision for losses:

(NOK thousands)	**AiP Group**	**Sørvest Betongsaging AS**	**Drillcon AS**	**Diamant Wire Teknikk AS & ECS AB**	**Zero Emission Energy AS**	**Letbek Group**	**Total**
Fair value of Trade receivables	3 464	4 552	5 393	32 483	40	28 010	**73 941**
Provisions for losses	-	30	67	933	-	208	**1 238**
Gross value of trade receivable	**3 464**	**4 582**	**5 459**	**33 415**	**40**	**28 218**	**75 179**

Transaction costs amounting to NOK 6 402 000 are included in other operating expenses in the consolidated income statement.

The acquisitions (from the acquisition date until 31 December 2022) contributed total sales revenue and a profit before tax of the following:

(NOK thousands)	**AiP Group**	**Sørvest Betongsaging AS**	**Drillcon AS**	**Diamant Wire Teknikk AS & ECS AB**	**Zero Emission Energy AS**	**Letbek Group**	**Total**
The acquisitions contributed total sales revenue	28 792	27 360	-	1	-	7 659	**63 812**
Profit before tax	945	4 006	-	(3)	-	(235)	**4 713**

If the business combinations had been completed on 1 January 2022, the consolidated sales revenue and profit before tax for the year ending 31 January 2022 would have been the following:

(NOK thousands)	**AiP Group**	**Sørvest Betongsaging AS**	**Drillcon AS**	**Diamant Wire Teknikk AS & ECS AB**	**Zero Emission Energy AS**	**Letbek Group**	**Total**
The acquisitions contributed total sales revenue	28 792	57 842	42 419	101 640	-	210 529	**441 222**
Profit before tax of	1 025	7 375	6 699	17 395	-	9 287	**41 781**

Business combinations in 2021

In 2021, the Group acquired 100 % of the shares in Mirec Recycling Solutions AB via NG Metal AB. The acquisitions were recognized using the acquisition method, where identifiable assets and liabilities are measured at fair value on the acquisition date and deferred tax is measured at nominal value.

Mirec Recycling Solutions AB is a Swedish company with a long history and expertise in recycling and reusing waste electrical and electronic equipment (WEEE). The acquisition was in line with the NG Group’s strategy of strengthening its presence in the Nordics and establishing a leading position in the WEEE market segment.

REEN Technologies Ltd was part of the business acquisitions the REEN Group completed in 2021. The acquisition strengthens REEN’s position within technology solutions that will help streamline and modernise waste management worldwide. Parts of the purchase price were allocated to shares in REEN Technologies Ltd.

(NOK thousands)	**Mirec Recycling Solutions AB**	**REEN Technologies Ltd**	**Total**
Customer contracts	20 562	4 288	24 850
Customer relationships	26 019	-	26 019
Deferred tax assets	26	-	26
Property, plant and equipment	20 662	333	20 995
Non-current receivables	49	-	49
Identified fixed assets acquired	**67 318**	**4 621**	**71 939**
Inventories	24 909	-	24 909
Trade receivables	19 425	336	19 761
Other receivables	6 463	484	6 947
Other financial assets	10 833	-	10 833
Bank deposits	13 100	-	13 100
Identified current assets acquired	**74 729**	**820**	**75 549**
Deferred tax liabilities	10 367	944	11 311
Identified non-current liabilities acquired	**10 367**	**944**	**11 311**
Trade payables	11 185	226	11 411
Taxes payable	5 839	-	5 839
Other current liabilities	30 571	71	30 642
Identified current liabilities acquired	**47 596**	**297**	**47 893**
Net identified assets acquired	**84 085**	**4 200**	**88 285**
Goodwill	119 281	-	119 281
Net assets acquired	**203 366**	**4 200**	**207 566**

Cost price shares

	Mirec Recycling Solutions AB	REEN Technologies Ltd
Cash remuneration	203 366	-
Allocated cost price		4 200
Cost price shares	**203 366**	**4 200**

	Mirec Recycling Solutions AB
Cash remuneration	203 366
Bank deposits acquired	13 100
Net cash remuneration – investment activities	**190 267**

The fair value of trade receivables was NOK 19 954 000. The gross value of the trade receivables was NOK 19 972 000, of which provisions for losses of NOK 18 000 were made.

Transaction costs amounting to NOK 3 075 000 are included in other operating expenses in the consolidated income statement.

The acquisitions contributed total sales revenue of NOK 52 024 000 and a profit before tax of NOK 6 863 000 from the acquisition date until 31 December 2021. If the business combinations had been completed on 1 January 2021, the consolidated sales revenue and profit before tax for the year ending 31 January 2021 would have been NOK 7 239 813 000 and NOK 55 572 000 for the Group, respectively (above amounts not in NOK thousands).

Business purchases

The Group took over NKT's cable recycling department in Stenlille, Denmark. The background for the transaction was the Group's and NKT's joint ambition to ensure the ever more sustainable recycling of metals and plastics from end-of-life cables. The transaction was completed on 15 January 2021 as a purchase in which KMT Gjenvinning AS's wholly owned Danish subsidiary KMT Kabel Danmark A/S took over all operating assets, employees and customers at NKT's plant in Stenlille. The purchase price of NOK 16 991 000 was allocated in its entirety to the added value of property, plant and equipment.

REEN AS acquired the Enevo Group. The transaction was a business purchase in which REEN Technology OY, a wholly owned subsidiary of REEN AS, took over all assets, employees and customers. The acquisition is intended to help streamline and modernise waste management operations. Given its many patented volume sensors, which are of the highest quality, and the unique knowledge Enevo has built up over many years, combined with the fact that REEN is growing rapidly in the resources vertical in the Nordics, this acquisition will facilitate further growth.

The purchase price was NOK 19 108 000, of which NOK 13 608 000 was allocated to intangible assets, NOK 4 200 000 to shares in subsidiaries and NOK 1 300 000 to inventory (above amounts not in NOK thousands).

29 Subsequent Events

There are no known events occurring after the balance sheet date which would be expected to have a material effect on the Group's 2022 consolidated financial statements.

Financial statements parent company – Norsk Gjenvinning Norge AS

Income statement 1.1-31.12

(NOK'000)	Note	2022	2021
Other operating expenses	1	604	1 262
Other operating expenses		**604**	**1 262**
Operating profit		**(604)**	**(1 262)**
Financial income and financial expenses			
Income from subsidiaries and group companies	2, 3	12 606	13 707
Other interest income	2	143	1
Other financial income	2	79 990	61 037
Interest paid to group companies	2, 3	1 515	1 595
Other interest expenses	2	111 596	94 684
Other financial expense	2	55 605	1 050
Net financial items		**(75 977)**	**(22 584)**
Profit before tax		**(76 582)**	**(23 846)**
Income tax expense	4	(16 848)	(5 200)
Profit (loss) for the period		**(59 734)**	**(18 646)**
Attributable to			
Transferred from other equity		59 734	18 646
Total		**(59 734)**	**(18 646)**

Balance sheet 31.12

ASSETS			
(NOK'000)	**Note**	**31.12.2022**	**31.12.2021**
Deferred tax assets	4	130 274	113 690
Total intangible assets		**130 274**	**113 690**
Investments in subsidiaries	5	1 866 404	1 866 404
Loans to group companies	7	544 889	155 208
Total financial fixed assets		**2 411 293**	**2 021 612**
TOTAL NON-CURRENT ASSETS		**2 541 567**	**2 135 302**
Other receivables		160	930
Receivables from group companies	7	80 356	1 412
Total receivables		**80 516**	**2 342**
Cash and bank deposits	8	55 812	11 908
TOTAL CURRENT ASSETS		**136 329**	**14 250**
TOTAL ASSETS		**2 677 895**	**2 149 553**

EQUITY AND LIABILITIES

(NOK'000)	Note	31.12.2022	31.12.2021
Share capital	9, 10	95 624	95 624
Share premium	10	144 587	203 384
Total paid-in equity		**240 211**	**299 008**
TOTAL EQUITY		**240 211**	**299 008**
Non-current borrowings		2 351 269	15 488
Liabilities to group companies	6	17 713	1 739 661
Derivatives	7	47 602	22 198
Total non-current liabilities		**2 416 584**	**1 777 347**
Current borrowings	6	17 481	65 418
Trade payables		333	850
Other short-term liabilities		3 287	6 930
Total current liabilities		**21 101**	**73 198**
TOTAL LIABILITIES		**2 437 685**	**1 850 545**
TOTAL EQUITY AND LIABILITIES		**2 677 895**	**2 149 553**

Lysaker 10 May 2023

Bjørn Arve Ofstad
CEO

Hannah Gunvor Jacobsen
Chair of the board

Cash flow statement

(NOK '000)	**2022**	**2021**
Profit before income taxes	**(76 582)**	**(23 846)**
Change accrued interest income	1 595	1 746
Change accrued interest costs	(12 606)	(13 707)
Net financial items without cash effect	(21 949)	(44 889)
Change in other items	847	204
Net cash flow from operations	**(108 695)**	**(80 492)**
Net change loan from group companies	(6 000)	(423)
Net change loan to group companies	(377 075)	68 335
Net cash flow from investments	**(383 075)**	**67 912**
Proceeds from borrowings	2 386 269	-
Repayment from borrowings	(1 850 595)	(57 428)
Net cash flow from financing	**535 674**	**(57 428)**
Net change in cash and cash equivalents	**43 904**	**(70 008)**
Cash and cash equivalents at the beginning of the period	11 908	**81 916**
Cash and cash equivalents at the end of the period	**55 812**	**11 908**

Notes to the financial statements

Accounting principles

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

Norsk Gjenvinning Norge AS is part of the NG Topco Group. The company is a wholy owned by NG Midco AS.

Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Investments in other companies

Except for short term investments in listed shares, the cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.

Debtors

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current and long term, are recognised at the lower of nominal and net realisable value. Net realisable value is the present value of estimated future payments. When the effect of a writedown is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for trade debtors.

Liabilities

Liabilities, with the exception of certain liability provisions, are recognised in the balance sheet at nominal amount.

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.
Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).
Deferred tax is reflected at nominal value.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

Note 1 Payroll expenses, number of employees, remunerations, loans to employees, etc.

The company has no employees.

No remuneration have been given to the board or CEO.
Neither the chairman of the Board, nor the CEO, has any bonus agreement or any severance pay agreement.
The CEO receives payment from NG Group AS.

No loans/sureties have been granted to the general manager, Board chairman or other related parties.

Expensed audit fee (NOK thousands)

	2022	**2021**
Statutory audit	306	352
Tax advisory fee (incl. technical assistance with tax return)	1 014	-
Other non-audit services (incl. technical assistance with financial statements)	247	12
Total audit fees	**1 567**	**364**

Note 2 Specification of financial income and expenses

Financial income (NOK thousands)	**2022**	**2021**
Interest income from group companies	12 606	13 707
Other interest income	143	1
Currency gain	2 671	434
Group contributions	77 318	-
Value change derivative	-	60 603
Total financial income	**92 738**	**74 745**

Financial expenses (NOK thousands)	**2022**	**2021**
Interest expenses to group companies	1 515	1 595
Other interest expenses	111 596	94 684
Currency loss	22 209	330
Other financial expenses	1 282	720
Value change derivative	32 114	0
Total financial expenses	**168 716**	**97 329**

Note 3 Related-party transactions

The company have borrowing and lending with group companies.

Related-party transactions: (NOK thousands)	**2022**	**2021**
Interest expenses to NG Midco AS	1 515	1 595
Interest income from NG Group AS	9 003	13 707

Note 4 Taxes

Calculation of deferred tax/deferred tax benefit (NOK thousands)

	2022	2021
Temporary differences		
Other differences	85 731	19 408
Limitation of interest deduction	(22 024)	(22 024)
Interest hedging	(47 602)	(15 488)
Net temporary differences	16 105	(18 104)
Tax losses carried forward	(608 261)	(498 671)
Basis for deferred tax	**(592 155)**	**(516 775)**
Deferred tax in the balance sheet	**(130 274)**	**(113 691)**

Basis for income tax expense, changes in deferred tax and tax payable

	2022	2021
Result before taxes	(76 582)	(23 846)
Permanent differences	0	212
Basis for the tax expense for the year	**(76 582)**	**(23 634)**
Change in temporary differences	(34 209)	(50 885)
Change in tax loss carried forward	109 590	73 108
Basis for payable taxes in the income statement	**(1 202)**	**(1 412)**
+/- Group contributions received/given	1 201	1 412
Taxable income (basis for payable taxes in the balance sheet)	**0**	**0**

Components of the income tax expense

	2022	2021
Payable tax on this year's result	(264)	(311)
Adjustment in respect of priors	0	0
Total payable tax	**(264)**	**(311)**
Change in deferred tax	(16 584)	(4 888)
Tax expense	**(16 848)**	**(5 200)**

Reconciliation of the tax expense

	2022	2021
Result before taxes	(76 582)	(23 846)
Calculated tax	(16 848)	(5 246)
Tax expense	(16 848)	(5 200)
Difference	-	46
The difference consist of:		
Tax of permanent differences	0	46
Change in deferred tax due to change in tax rate	0	0
Other differences	0	46
Sum explained differences	0	46

Payable taxes in the balance sheet

	2022	2021
Payable tax in the tax charge	(264)	(311)
Tax effect of group contribution	264	311
Payable tax in the balance sheet	**0**	**0**

Note 5 Subsidiaries, associated companies, and joint ventures

Investments in subsidiaries, associated companies and joint ventures are booked according to the cost method.

Subsidiaries	**Location**	**Ownership/ voting right**	**Equity 31.12.22 (100%)***	**Result 31.12.22 (100%)***	**Balance sheet value***
NG Group AS	Lysaker	100 %	1 306 078	136 518	1 866 404
Balance sheet value 31.12.					1 866 404

* Based on estimated annual accounts

Note 6 Financial instruments by category

Financial assets: (NOK thousands)	**2022**	**2021**
Cash and bank deposits	55 812	11 908
Other receivables	160	930
Group contributions receivables	80 356	1 412
Borrowings to group companies	544 889	155 208
Total	**681 217**	**169 458**

Financial liabilities at amortized costs: (NOK thousands)	**2022**	**2021**
Liabilities to group companies	17 713	22 198
Trade payables	333	850
Loans	2 351 269	1 739 661
Unrealized currency hedge	47 602	15 488
Other short term liabilities	3 287	6 930
Short term loans	17 481	65 418
Total	**2 437 685**	**1 850 545**

Norsk Gjenvinning Norge AS signed a loan agreement on 9 November 2022. The loan agreement concerns a senior facilities agreement of NOK 3 737 million, including a revolving credit facility (RCF) for NOK 685 million and a capex facility of NOK 790 million.

The RCF consists of a cash overdraft limit of NOK 240 million, a leasing facility of NOK 300 million, a guarantee limit of NOK 30 million and a separate RCF for NOK 115 million. The latter is subject to interest of 3-month NIBOR with a 3.75% margin and has similar maturity to other borrowings to the original lenders. At the end of 2022, there was no overdraft on the separate RCF.

Note 7 Balance with group companies, etc.

Borrowings to group companies (NOK thousands)	**2022**	**2021**
NG Group AS	544 889	155 208
Total	**544 889**	**155 208**

Other receivable from group companies (NOK thousands)	**2022**	**2021**
NG Group AS	61 367	0
NG Midco AS	2 613	1 412
Norsk Gjenvinning M3 AS	15 951	0
Norsk Gjenvinning Metall AS	425	
Total	**80 356**	**1 412**

Other payables to group companies (NOK thousands)	**2022**	**2021**
NG Midco AS	15 461	19 945
NG Topco AS	2 252	2 252
Total	**17 713**	**22 198**

Note 8 Cash and bank deposits

Restricted bank deposits (NOK thousands)	**2022**	**2021**
Cash and bank deposits	55 812	11 908

No restricted bank deposits.

Note 9 Share capital and shareholder information

All shares have equal rights and is owned by NG Midco AS.
The share capital of TNOK 95 624 consists of 7 355 675 shares with nominal value of NOK 13 each.

Note 10 Shareholders' equity

Equity changes in the year (NOK thousands)	**Share capital**	**Share premium**	**Other equity**	**Total**
Equity 01.01.	95 624	203 384	0	299 008
Profit for the year	0	0	(59 734)	(59 734)
Group contribution	0	937	0	937
Reallocation	0	(59 734)	59 734	0
Equity 31.12.	**95 624**	**144 587**	**0**	**240 211**

Appendix 1 – Alternative performance measures

The Group presents result figures in the annual financial statements that are not defined under IFRS. These measurement figures are categorized as alternative performance measures (APMs).

APM	Definition	Why the APM provides useful information
Operating result	Operating result is shown directly in the income statement	Frequently used measure of profitability.
EBITDA	Abbreviation for earnings before interest, taxes, depreciation, and amortization. EBITDA is calculated directly from the line items as presented in the income statement.	Frequently used measure of profitability.
Adjusted EBITDA	= EBITDA, adjusted by removing any element (positive or negative) that could be characterized as being infrequent, uncommon or non-recurring.	The company's management is of the opinion that this adjusted performance measure provides more relevant information for the purposes of analysis and presentation. The items that are not included in Adjusted EBITDA are deemed to be of little relevance when assessing the historical and future performance of the business at the end of the period.
Net liabilities	= non-current liabilities to credit institutions + current liabilities to credit institutions + nominal value of bond issues + accrued interest on bond issues – cash and cash equivalents	Frequently used measure of a company's debt financing.
Leverage ratio	= adjusted EBITDA / net liabilities	Frequently used measure of asset management.

To the General Meeting of Norsk Gjenvinning Norge AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Norsk Gjenvinning Norge AS, which comprise:

- the financial statements of the parent company Norsk Gjenvinning Norge AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement 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 Norsk Gjenvinning Norge AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2022, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including 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 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, 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 relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. 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.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group 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. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use 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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Oslo, 10 May 2023
PricewaterhouseCoopers AS

Jone Bauge
State Authorised Public Accountant
(This document is signed electronically)

Revisjonsberetning

Signers:

Name	*Method*	*Date*
Bauge, Jone	BANKID	2023-05-16 09:59