





The rail network in numbers in 2022



4 247

Kilometres of railway track
2021: 4 221

2 622 Bridges
2021: 2 618

725 Tunnels
2021: 723



335

Stations/stops
2021: 335

4 360 Properties
2021: 4 360

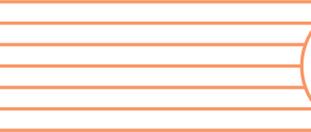


15

Freight terminals
2021: 15

15 Workshops
2021: 14

15 Timber terminals
2021: 15



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We predict a sustainable
transport sector
developed by us



As the newly appointed Acting Group CEO of Bane NOR, I would like to start by saying thank you to the outgoing Group CEO, Gorm Frimannslund. He has made great efforts on behalf of the railway and Bane NOR. Plenty of excellent work has been put in to strengthen both the company and our facilities since the company launched in 2017. This work will continue.

As the former CEO of Spordrift, I am very familiar with society's high expectations for the railway. Bane NOR will renew, modernise and manage day-to-day train services. This might seem a simple task from the outside. However, by taking a closer look, it becomes clear just how complex and challenging it is to maintain and improve current facilities. At the same time, it is completely understandable that passengers want to receive the train services they pay for. We need to acknowledge the fact that the railway has not lived up to people's expectations.

Last year ended with issues on the new Follo Line. The official launch on 12 December was a day of celebration, but we were forced to close the line only seven days later. For more than two months, there were no train services running through the Blix tunnel. This had a negative impact on commuters, other passengers and train operators alike.

In 2022, passengers also experienced numerous delays and cancellations. The aim is to always deliver infrastructure that ensures stable and reliable train

services. This was something we failed to achieve last year. The investigations on the Follo Line are fully under way. We will learn from what happened, but we also need to look towards the future. Bane NOR has a significant social responsibility, which requires us to set our sights higher and perform our duties. Despite the challenges on the railway, society is dependent upon a functional, climate-friendly, energy-efficient and space-efficient transport sector. Norway needs the railway. Our country needs more zero-emission transport of both freight and passengers. This is something we will deliver on, together with the train operators.

The efforts put in by Bane NOR employees last year were also noticeable to me as an outsider.

I can see that there is expertise, professionalism and a will to succeed. I therefore have great faith in the future of the Norwegian railway and Bane NOR. Our organisation consists of talented and knowledgeable professionals. We do our bit for one another. I am surrounded by people with wise heads, capable hands and a passion for the railway. Our organisation has a culture that has been passed down over time from experienced employees to new colleagues. We are highly committed to both the railway and our social mission. This is something everyone at Bane NOR recognises.

I look forward to seeing the effects of the many punctuality initiatives we are currently working on. This work is a

marathon, not a sprint. Over time, the work will reduce the failures caused by the current obsolete infrastructure. Together with our contracting authority and owner, we must ensure that our single-track railway does not become increasingly run-down. We need to increase our investments in renewal. It will take several years, but when these initiatives work together, complementing one another, we will experience a new reality in the railway.

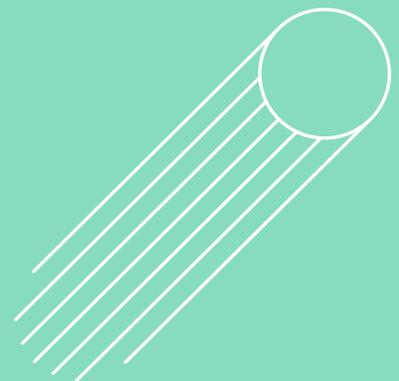
We therefore predict a more sustainable future for the transport sector. We predict improved punctuality. We predict a future in which more people travel on the railway and more freight is moved from road to rail. This is the future we predict because we will help develop it ourselves.



Henning Bråtebæk,
Acting Group CEO

1.0 About Bane NOR

1.1 Bane NOR: Past, present, future and objectives 8



Bane NOR: Past, present, future and objectives



We come from a country divided by high mountains and the valleys between them. We come from a country with extensive forest belts and numerous lakes. We have one of the longest coastlines in the world, with fjord arms and areas of rocky terrain exposed to the weather. In earlier times, the sea was often the quickest way to travel between regions. On land, we could only travel by foot or horse and cart. The journey would proceed from one coach station to the next, along the main route of the time. There were limited, simple roads, while

the landscape seemed to go on forever. In the 1800s, society was evolving. The population experienced strong growth and the industrial revolution brought technological and economic progress. An efficient mode of transport became a necessity. We needed something to transport people and larger amounts of goods across greater distances.

The railway builds urban communities

The history of the Norwegian railway started when the first spade went into





One third of the country's emissions originate from the transport sector, especially car traffic. Additionally, the roads cause microplastics, particulate matter and the use of salt and chemicals.

Emissions from the railway are virtually zero





the ground between Oslo and Eidsvoll 172 years ago. In 1854, the Main Line was completed, having been funded by English and Norwegian private capital. Three years later, it was decided that the Norwegian government would be responsible for the development of the railway. This became the start of a major investment that continued until the 1920s.

The railway became important for transporting people between urban and suburban areas and the railway became important for freight and retail deliveries. It allowed for a completely new mobility throughout the country. Norway was evolving. People from the old farming communities were able to travel to the cities, where there were industrial jobs available.

The areas around the train stations were developed. These were the areas where

city centres grew up. Hammering from the construction of frameworks became the new pulse of the country. Jobs were created, homes were built and families moved in. This is how the railway contributed to the development of urban and suburban areas. This is how stations became engines for urban development. This is why we say that the railway builds urban communities.

Proud past, proud future

The history of the train is old, but the history of Bane NOR is more recent. On 1 January 2017, we took up the baton from the Norwegian National Rail Administration to become the infrastructure owner and responsible for the operation, maintenance and modernisation of the railway. Our assignments are issued by the Norwegian Railway Directorate and Bane NOR is wholly owned by the Ministry of Transport.

For many people, travelling by train is an experience in itself, whether the experiences take place outside the train or in your own thoughts.



FACTS | About Bane NOR

- Bane NOR is a state-owned enterprise. We are owned by the Norwegian government, represented by the Ministry of Transport, and we were established as part of the Railway Reform on 1 January 2017.
- We are responsible for the infrastructure in the Norwegian railway, which we operate, maintain and develop.
- This includes 4,200 kilometres of track, 335 stations and stops and more than 4,300 properties.
- We employ 3,400 employees and we are headquartered in Oslo.
- The enterprise is organised into four divisions, which are responsible for their own fields: Operations and Technology, Development, Customer and Marketing and Property.
- There are four corporate staff teams responsible for the specialist fields across the divisions:
- HR and Organisation, Corporate Governance, Communications and Public Relations and Safety and Quality.
- Bane NOR adheres to the Norwegian government's principles for good corporate governance. Our working environment will be inclusive and diverse.

We celebrated our five-year anniversary as a state-owned enterprise in 2022. Nevertheless, we can trace our history all the way back to the people who built the railway, when the tools available were wheelbarrows, picks and dynamite.

Today, most of the work is carried out using machines. We have gone from being casual labourers to engineers and drone pilots. We plan our work using three-dimensional simulators and we work to reduce the climate footprint at our construction sites. But our greatest strength remains the same as it was in the era of casual labourers - the people who work here. Our combined expertise and great commitment to improving the railway. That is why we like to say that the railway has a proud past and a proud future.

The great challenge of our time

In the olden days, we relied on the railway to develop the country. Today, society faces different challenges. However, today's need for public transport solutions is greater than ever. Most journeys in Norway take place by car. There are 3.3 million of them and the number is rising. Goods are largely transported by road using combination vehicles and heavy goods vehicles. This is practical, quick and easy and the traffic volume is growing.

However, for the sake of nature, we cannot continue this way. One third of the country's emissions originate from the transport sector, especially car traffic. Additionally, the roads cause microplastics, particulate matter and the use of salt and chemicals. Emissions from the railway are virtually zero

Our objectives

We need to maintain the shared heritage of our 4,200 kilometres of railway tracks. Passengers must receive a more reliable

and punctual service. Trains must run on time. This is why we are now renewing and modernising the infrastructure so that passengers will have a better service in the future. It is crucial that we develop new infrastructure. Capacity has been exceeded on several of our lines and there is no more room for additional trains. This is because most of the Norwegian railway has been operating on a single track, but traffic is now increasing.

Large investments are required to improve capacity. We are working to ensure that more people will be able to choose climate-friendly transport between urban and suburban areas. We are working to ensure that more freight can be moved using climate-friendly modes of transport from terminals and throughout the country or exported by rail across national borders.

Major challenges and tasks lie ahead for Bane NOR. We will solve these challenges and perform these tasks. This will require sound financial management. It requires cost-effective solutions. We must ensure that each Norwegian krone spent results in infrastructure that provides greater benefits to society. We must ensure that we get more railways for our money!

When many people choose to travel by train, we save large amounts of energy and we significantly reduce emissions. We also save the environment and land, as the railway takes up less space than road traffic. Investing in the railway is therefore an investment in a sustainable future. That is why we want to see you at our stations.

Because when we travel on the tracks, we leave fewer traces behind.

Services from Bane NOR

Bane NOR has a great social responsibility: we manage the railway on behalf of the Norwegian government. The enterprise supplies nine main service categories to all regions in Norway. This means that we are one of the largest service providers in the country.



Railway tracks

Bane NOR is responsible for the operation and maintenance of railway infrastructure. We maintain the necessary facilities to ensure that train operators can run their services on the railway.



Workshops

We have 15 workshops, at which train operators can have their locomotives and carriages repaired and maintained.



Train parking (stabling)

Trains must be stabled in dedicated spaces outside of the operational tracks when not in service. While stabled, trains are also subject to simple maintenance, cleaning and heating.



Power supply

Trains run on green energy that we buy and supply. We also buy electricity for our own consumption.



Traffic management

Our traffic management centres ensure the safety and punctuality of the railway. When faults are detected, work is undertaken to minimise the number of delays and cancellations.



Customer and traffic information system

We ensure that passengers receive appropriate information at stations and via the app, both when trains are running on time and when there are deviations.



Stations

Passengers will find it convenient and enjoyable to travel by train. Waiting rooms, train information and parking spaces are some of what passengers will encounter at stations.



Timetable

There is a large number of freight trains, passenger trains and work trains running on the railways. The work undertaken on the timetable ensures that there are fixed times in place for services between stations.



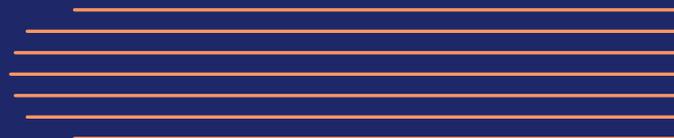
Freight terminals

Freight train operators can load and unload goods from their customers at our 15 freight terminals. Rail freight provides climate-friendly transport solutions.

2.0 Safety

2.1 We put safety first

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We comply with laws and regulations at Bane NOR. We care about people, local communities, fairness and sustainable development. But the most important thing is to ensure that you and I are safe. We must all arrive safely at our destination. We must all arrive home safely.



We put safety first



In the latest report from the European Railways Agency (ERA), the Norwegian railway is highlighted as one of the safest railways in Europe.



A safe and reliable railway is a prerequisite for maintaining fundamental national functions. Safety is therefore at the foundation of Bane NOR's Corporate Strategy for 2021-2025. There are many things we do well, but we always strive to do even better.

In 2022, we conducted a maturity assessment of the safety work at all operational units. On the basis of the results, work is now ongoing at group level and in the assessed units to improve the safety culture. We initiated the work in order to develop a more process-based and user-friendly management system inspired by our social mission and core activities. The purpose is to clarify requirements and responsibilities in the organisation in a simple and user-friendly manner. The system helps facilitate best practices and continuous improvement. This is an important initiative to streamline operations and strengthen safety in everything that we do. The work will continue into 2023.

We have a stated goal for no lives to be lost or anyone to be seriously injured as a result of our activities and there are fortunately few fatalities on the railway. The overarching safety risk picture consists of the company's ten most significant risks and there has been a downtrend since 2018. This is positive. The number of incidents at level crossings and on the tracks did, however, increase in 2022. Improving safety barriers and redeveloping level crossings was therefore a priority area throughout much of the previous year.



We work continuously on safety in the railway, whether underground, on the tracks or in control centres.



The group management adopted a ten-point action plan for safety last autumn. This work will take several years and will affect all levels of the enterprise. The action plan consists of culture-building activities, both internally and externally. Internally, we are working on encouraging employees to report dangerous situations and near-accidents, as well as any non-conformities relating to regulations and requirements. Externally, the work will primarily focus on the use of level crossings and people entering the prohibited areas belonging to the railway.

We also record statistics on personal injuries suffered by employees and contractors. These are measured as LTI and LTI2 injuries, referencing internationally recognised values. LTI values represent personal injuries resulting in absence,

measured per million hours worked. LTI2 values represent the total number of personal injuries, measured per million hours worked. The injury statistics for our own employees remained stable at a low level throughout 2022 (LTI = 0.7 and LTI2 = 1.1). For contractors, there was a slight increase in the LTI value to 5.2, but the LTI2 value remained stable at 12.4. This is somewhat higher than the targets set for the previous year and we will focus on improving this area in 2023.

The work to identify risks at operational units within the divisions is an important part of preventive work. These are processes that are carried out using a "bottom-up" approach.

There was one fatality in 2022, when an individual was hit by a train at Nærbø station in Rogaland. There were also two

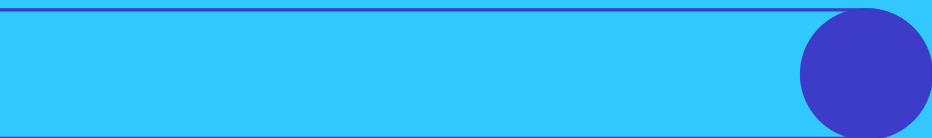
serious personal injuries. One electrical accident and one forklift truck collision. Incidents such as these are always tragic. Primarily for the affected individuals and their families, but also for Bane NOR as an employer and contracting authority. Especially when it leads to lives being lost.

The war in Ukraine has also clarified the importance of the railway and why it is more relevant than ever. This gives rise to obligations for an undertaking such as ours and illustrates why the railway has been adopted as a fundamental national function. ●



3.0 Sustainable social development

3.1 How we will contribute towards a green society 20



We are currently putting down the premises for the future of our children. The choices we make will have consequences well beyond our own lifetimes.

The railway ensures zero-emission transport – including for future generations.





How we will contribute towards a green society

Many people equate the railway with a climate-friendly future. We place great demands on ourselves and sustainable social development is one of the principal objectives of our corporate strategy.

When the work on the new railway tunnel at Eidsvoll started in 2019, we also constructed a new dam for salamanders. The small creatures, who were at risk of becoming homeless, moved in, made homes and thrived in the lush clay soil.



A sustainable society developer meets the needs of the current population without compromising on those of future generations. By providing a mode of transport that is environmentally friendly, space-saving and climate-friendly and in which the majority of activities take place on electrified lines, the railway and Bane NOR are well equipped to deliver on this promise.

Nevertheless, we must acknowledge the fact that there are significant greenhouse gas emissions originating from our value chain and we need to work purposefully to cut these. We also cannot hide behind the established truth that the train is an environmentally friendly transport solution, as the majority of emissions occur during the construction of new infrastructure and we continue to carry out a lot of con-

struction projects. The most sustainable infrastructure is the infrastructure that is not being built. The best thing we can do for the climate and environment is therefore to look after what we already have and utilise existing infrastructure ahead of developing new infrastructure.

Sometimes new developments are required and we are committed to ensuring that we identify suitable solutions to minimise emissions. This autumn, we carried out extensive development work in our climate accounts to obtain a better overview of the emission sources for which initiatives would produce the best results. We have also increased the level of our ambitions and we are planning to cut 50 per cent of direct and indirect greenhouse gas emissions by 2030 compared to the 2019 level.

Sustainability is about more than the climate and environment. As an employer of thousands of people and with a value chain comprising several thousand more, we also have a great responsibility when it comes to social sustainability.





Snow and ice are cleared from train tracks every day from November to April. This is necessary to ensure that the environmentally friendly railway remains open so that people and freight can be transported safely throughout the winter.

In order to ensure that we are moving in the right direction, we decided this autumn that all major development projects would use the international environmental certification system BREEAM Infrastructure. This system requires us to use a third party to verify that the projects we undertake have been developed sustainably, from the planning and project engineering phase through to completion. This also helps ensure that we leave no stone unturned in the search for solutions, which results in more sustainable project execution.

Sustainability is about more than the climate and environment. As an employer of thousands of people and with a value chain comprising several thousand more, we also have a great responsibility when it comes to social sustainability.

In 2022, among other things, we launched a collaboration with the enterprise “Sammen om en jobb”, which works to get immigrants with university and university college qualifications into work.

We also conducted several communications activities to ensure that the area was prioritised throughout the organisation and to increase expertise on inclusion and diversity. We marked Pride, International Women’s Day and World Mental Health Day. Diversity is also covered in Bane NOR’s annual training course on ethics and social responsibility, which is completed by all employees. The work on inclusion and diversity at Bane NOR will receive greater focus and will be further developed in 2023.

Significant cuts to carbon emissions are being made through our property activities, especially through densification in urban areas, with the associated reduction in the number of available parking spaces. Densification involves making better use of existing developed areas, for example by building at height. Degradation of the environment, forests and land is therefore reduced. Hub development is also a central aspect of this work and contributes to more people choosing to travel by public transport. When many people live and work near a public transport hub, car use decreases, while climate-friendly journeys by train and bus increase. Densification in city centres therefore has more positive ripple effects than most people would think.

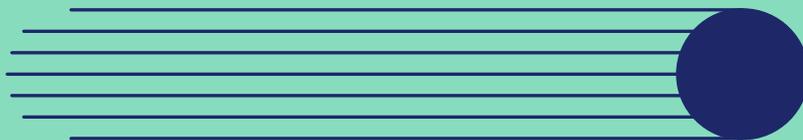
Energy and energy efficiency are becoming increasingly important agenda items, not only at Bane NOR. This is a positive, but far from simple development. However, it is very necessary and something we all need to deal with. This is precisely why we take great care to perform this work well. ●

Read more about Bane NOR’s sustainability work here:
banenor.no/barekraft

4.0 Focus on customers

4.1 When we stop traffic, it is for the purpose of providing a more reliable service

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When we stop traffic, it is for the purpose of providing a more reliable service

Rail replacement bus services are a solution offered in the event of stoppages or scheduled work on the tracks, but also in connection with necessary renewal and improvement work.



Extensive work is undertaken every Easter and summer in order to improve train services in Eastern Norway. Fewer people travel by train during the general holiday period and Bane NOR takes this opportunity to carry out work in and adjacent to railway tracks.

From a single point in the capital, railway tracks run out in all directions: Oslo Central Station. More than 1,000 trains transport people and freight to, from and through the city every day. This takes its toll on the infrastructure and regular maintenance is required. There are also several major construction projects in progress in Eastern Norway and these necessitate work in and adjacent to the tracks for periods spanning several weeks.

Maintenance and rail replacement bus services

Anyone with a home, car or boat knows that the need for maintenance never ends. This is also the case for the railway. In order to carry out work that makes a difference, we need a period of several successive weeks in which the tracks are not in service. Trains are therefore stalled for several weeks and replaced by rail replacement bus services. "Upgrades to tracks, construction of new stations

85 out of 100
The number of passengers who state that they are satisfied with our traffic information when trains are running on time.



and double tracks and, not least, improvements to the signalling systems are some of the most important activities carried out by Bane NOR when passengers have to use the rail replacement bus service. In 2023, we will complete the work on the Follo Line, which will lead to greater flexibility in services and, from December 2023, passengers will no longer need to change trains at Oslo Central Station,” explains Victor Hansen, Head of Customer and Traffic Information at Bane NOR.

A positive collaboration across the transport family

New double tracks and stations will help increase capacity through more trains, improved punctuality and shorter journey times on several lines. All in all, this requires a high number of working hours and significant efforts. The actual work performed on the tracks is carried out by our talented suppliers and contractors. Bane NOR is responsible for the planning.

We collaborate with the Norwegian Public Roads Administration, the train operators and Ruter to ensure that passengers receive information. The train operators arrange rail replacement bus services and we help ensure that passengers receive appropriate information and are able to get from the train stations to the temporary bus stops. This involves measures such as signage, posters, banners and information on the screens.

We also issue information to neighbours, cultural life and business and the local press in advance. The aim is to ensure that as many people as possible are



informed of which lines are closed, why they are closed and how they can travel using alternative modes of transport. Bane NOR also chairs coordination meetings for traffic management in Oslo, Bergen, Trondheim and Drammen. These meetings are attended by representatives from the local authorities, the counties and the Norwegian Public Roads Administration, as well as the emergency services, train operators and other public transport operators. During these meetings, we coordinate the scheduled works on the railway and roads throughout the year so that we can ensure that people have access to public transport even when parts of the railway are closed.

Many satisfied passengers

The Norwegian Railway Directorate conducts annual surveys on board trains.

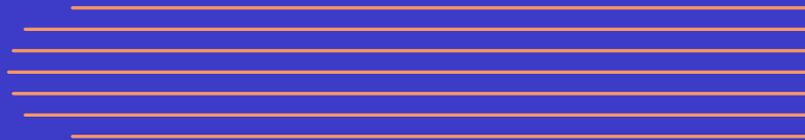
During the surveys, passengers are asked whether they received appropriate information about train services and about their experience of stations. In 2022, 85 out of 100 passengers stated that they were satisfied with the traffic information they received when their train was running on time. Naturally, this proportion declined in the event of delays or cancellations. Nevertheless, 73 out of 100 were still satisfied.

“This is great news and shows that we are heading in the right direction. The results come on the back of outstanding work across Bane NOR for the purpose of improving customer information,” says Hansen, who promises that Bane NOR will continue working to further improve the results.

5.0 More railway for the money

5.1 We want to improve punctuality

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When we spend money, it benefits society, as more efficient transport solutions provide great benefits to society, while also contributing towards a sustainable future. This is why we need to ensure that we get as much railway for our money as possible.

We want to improve punctuality

Every day. Every hour. Every departure. We affect people's everyday life. In 2022, we made another move in relation to our maintenance work. The goal is for more trains to run on time.





By reusing, for example, sleepers, point switches, rails and other railway materials, Bane NOR carried out fewer development projects and more modification projects in 2022.

90%
of the railway was
constructed more
than 60 years ago.

One of the three strategic goals set out in Bane NOR's Corporate Strategy is to ensure more railway for the money. Increased revenues and cost savings in all divisions will contribute to value creation that will result in better train services. A green and sustainable service that is both punctual and predictable.

Efficient operations and proper maintenance are crucial when it comes to improving punctuality. This is why Bane NOR launched several initiatives in 2022 that, together, will contribute to improving punctuality and providing more railway for our money.

Fixing faults before they occur

We are working on several modernisation projects, with the goal of fewer delays and cancellations. The track monitoring app is part of this initiative and is being developed by Bane NOR's ICT environment. The technology is aimed

in particular at faults in drive machines, earth faults and track field faults. These are faults that, for various reasons, issue the train driver with a red light and are often explained as signal faults or faults in the point switches.

We want to stay abreast of any issues by using sensor and monitoring data. We are working to detect and fix problems before the problems turn into faults that stop train traffic.

"Anyone using the railway should know that we are always working to avoid delays and deliver the best possible railway," says Sverre Kjenne, Group Executive Vice President of Operations and Technology at Bane NOR.

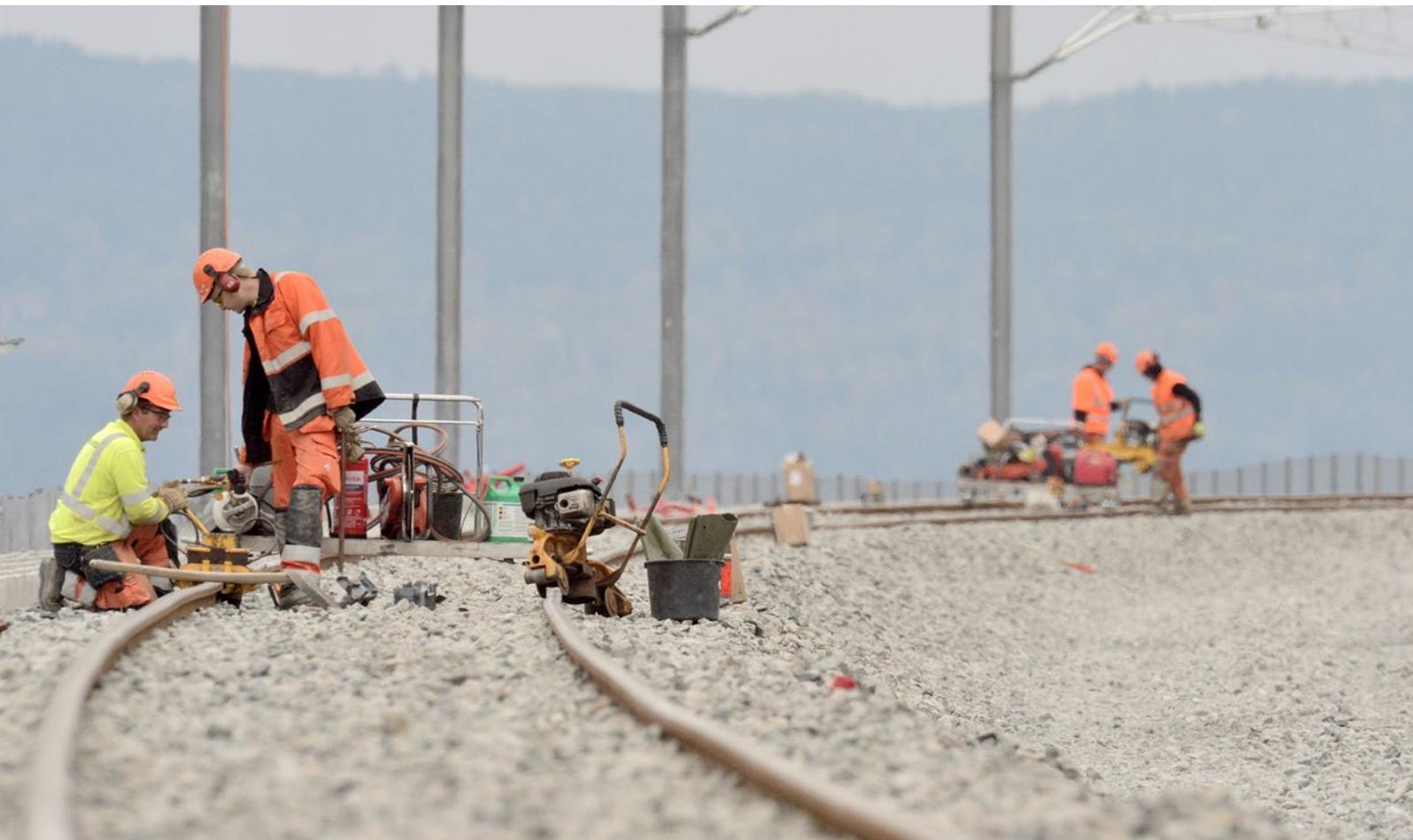
There are no quick and easy solutions Bane NOR is working on major projects that will contribute to an upgrade to the railway. Some of the initiatives span



many years, such as the nationwide development of the new digital signalling system, ERTMS.

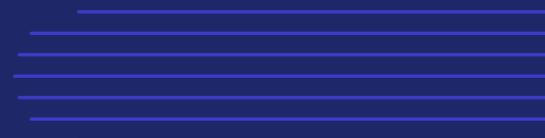
“We are focusing on a combination of several initiatives to ensure that trains run on time. The projects we are currently working on will slowly but surely provide passengers with a better train service,” the Group EVP says. He emphasises that the work on maintenance, modernisation and strengthening of the railway is not a sprint but a marathon.

“There are no quick and easy solutions. All infrastructure must be maintained. That is also the case for the railway. It takes money, time, smart solutions and great efforts,” Kjenne adds. The track monitoring app and preventive maintenance are now being tested in Eastern Norway and will also be put into use on more lines. In 2022, we also launched two modernised traffic management centres, which are crucial to the work on modernising the railway. ●



6.0 Annual Report, group management and the Board of Directors

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Annual Report

Highlights

2022 was an eventful but also challenging year for Bane NOR. The Group achieved progress in several areas, but the year was still characterised by a number of serious incidents. These included the problems associated with the launch of the Follo Line, the Supreme Court ruling following the tragic accident at Filipstad in 2019, the incident involving a train breakdown in Romeriksporten in December and the delays to the ERTMS programme. Punctuality was also at its lowest level since 2010 last year. The Board of Directors and the senior executives of Bane NOR have adopted a number of initiatives to improve goal attainment at Bane NOR in relation to the core activities of safe and efficient train operations and the development of the rail network.

Punctuality for passenger trains in 2022 ended up at 87.8 per cent, while punctuality for freight trains was 76.2 per cent. By comparison, punctuality in 2021 was 90.3 per cent for passenger trains and 79.9 per cent for freight trains. Bane NOR has an ambition for at least 90 per cent of passenger trains and 80 per cent of freight trains to run on time. One of Bane NOR's strategic priorities for 2023 is to implement initiatives to increase punctuality to the expected level.

Both the Supreme Court ruling following the tragic accident at Filipstad in 2019 and the incident in Romeriksporten,

in which a Vy train ended up stuck in the tunnel for four hours before it was rescued, serve as strong reminders that the work to improve safety needs to be prioritised. Orders and lessons learned in connection with these two incidents are followed up closely. The Board of Directors and management consider it important for Bane NOR to have a strong safety culture in place.

In the coming years, Bane NOR will install ERTMS¹ on the entire rail network. The programme will be gradually completed by 2034. However, there have been some delays to the installation of ERTMS equipment on board train sets, partly due to the global supply crisis affecting IT equipment. Additionally, there are progress challenges associated with the development of the new system for the management and monitoring of train traffic (TMS). The delays led to the postponement of the introduction of ERTMS on the Gjøvik Line and Nordland Line from 2022 to 2023 and 2024 respectively. A revised and quality-assured progress schedule for the programme as a whole will be published during the first half of 2023. The Board of Directors and management are monitoring the programme closely and will continuously consider further initiatives to ensure progress in the project.

As part of the Railway Reform, Spordrift AS was established as a subsidiary of Bane NOR SF in 2019 to provide operation and maintenance services.

FACTS | Other key events in 2022

- The contractor NCC Norge, which was working on the Venjar-Langset investment project, delivered seven months before the deadline and below budget. The entire Eidsvoll-Langset project is scheduled to launch in October 2023. When it launches, there will be a continuous double track running from Oslo to Kleverud, which will contribute towards reduced journey times and improved punctuality.
- At Alnabru Freight Terminal, two large new energy-efficient cranes were installed, contributing to a capacity improvement of around 10%, as well as reduced handling costs for freight traffic.
- A new workshop and stabling facility launched at Støren in Trøndelag, with nine stabling spaces, and the Traffic Management Centre North in Trondheim also launched.
- A new and expanded freight terminal launched in Narvik, which has also been adapted to serve the needs of the armed forces. The terminal capacity has therefore increased by around 50%.
- Bane NOR drew up a national strategy for the stabling of trains, saving both the environment and land, as well as providing a saving of NOK 2 billion for society on planned investments.

¹ERTMS: The European Rail Traffic Management System is a standardised European system for digitalised signalling and traffic management in the railways. The system will replace the current signalling system, which uses outdated technology in most installations

Spordrift AS was transferred to the Ministry of Transport on 1 January 2021. As announced in the press release issued on 19 December 2022, the merger of Spordrift AS and Bane NOR SF was agreed at the corporate assembly on 13 March 2023. The minister emphasised in the corporate assembly records that Spordrift AS had achieved both significant cost savings in the operation and maintenance of the railway, as well as identifying further potential for efficiency improvements. The merger will be completed in 2023 and the integration is expected to provide grounds for further efficiency improvements within operations and maintenance.

The work on Bane NOR's large investment portfolio continued in 2022. During the year, NOK 17.9 billion was invested in the new railway, including several large and complex infrastructure projects in the Inter City investment.

The Follo Line was opened on 11 December 2022, but had to be closed again on 19 December due to issues with the high-voltage installation. Following extensive improvements, the line reopened on 5 March. The Board of Directors has initiated an external investigation into the Follo Line project, focusing on the events that led to the closure in December. The investigation will be conducted by PwC and is expected to be completed by summer 2023. The Board of Directors and management will ensure that improvements and lessons learned that are identified are followed up within the organisation. The opening of the Follo Line provides a significantly improved service to passengers and the journey time between Ski and Oslo Central Station has been halved to only 11 minutes. The completion of the works at Oslo Central Station

during the summer of 2023 will enable further improvements to the services available to passengers.

On the Østfold Line, the Sandbukta-Moss-Såstad project, combined with the Follo Line, will allow for an improved train service with four trains per hour to Moss during peak hours, as well as shorter journey times. As a result of significant challenges associated with the ground conditions and stability in the centre of Moss, the Sandbukta-Moss-Såstad project cannot be completed within the approved framework. Safety is a top priority and the work in the city centre was stopped in February 2021. The construction work associated with the centre of Moss was cancelled by the contractor in 2022. A new contract strategy and construction concept were established, taking into account new knowledge regarding the ground conditions, which form the basis for the safe execution of the construction. Preparatory works for area stabilisation initiatives have also been initiated. The proposed new framework for the project will be considered by the Board of Directors during the summer/autumn of 2023.

On the Dovre Line, the Venjar-Langset and Kleverud-Sørli-Åkersvika projects will allow for improved train services in 2027, with two train departures to Hamar every hour and shorter journey times. The Venjar-Langset project looks set to open as scheduled in October 2023. The contracts for the Hestnes Tunnel and Tangenvika Bridge in Kleverud-Sørli-Åkersvika started in 2022 and the project is scheduled for completion in 2027.

On the Vestfold Line, the Drammen-Kobbervikdalen and Nykirke-Barkåker projects will allow for an improved train

service in 2025, with four trains an hour to Tønsberg and shorter journey times. Both projects experienced significant activity in 2022 and both have achieved excellent progress.

About Bane NOR

Bane NOR SF is a state-owned enterprise that operates, maintains and develops the state-owned infrastructure and associated facilities. As of 31 December 2022, the Group comprised Bane NOR SF and Bane NOR Eiendom AS, with subsidiaries.

Bane NOR will be a forward-thinking social stakeholder that delivers a well-functioning, reliable and safe infrastructure for train operations, in which the development of lines, stations, hubs and freight terminals facilitates traffic growth in the railway. The enterprise is also responsible for traffic management in the national rail network. This involves allocating capacity, scheduling and operational traffic management. The enterprise must help to ensure that the value of the railway infrastructure is maintained and further developed and that the best possible use is made of it.

Hub development involves facilitating seamless travel and densification around train stations by building attractive commercial and residential properties and providing premises for relevant service offerings. Passengers will be offered excellent facilities at stations, helping to increase the competitiveness of the railway. Bane NOR also offers train operators functional and modern workshops, terminals and operations buildings. Commercial properties are generally developed for sale in the market.

Bane NOR's head office is in Oslo.

Economy and finance

The Group's total operating revenue in 2022 amounted to MNOK 15,793 (2021: MNOK 14,299). The Group's profit for the year was MNOK 573 (2021: MNOK 363).

Operating revenue increased by MNOK 1,494 from 2021 to 2022. Recognised remuneration from the Norwegian Railway Directorate amounted to MNOK 5,317 (2021: MNOK 5,455). Compensation for wear and age (deferred revenue recognition of grants) amounted to MNOK 5,405 (2021: MNOK 5,498).

Other operating revenue amounted to MNOK 5,071 (2021: MNOK 3,346) and primarily consisted of road and route taxes, energy revenues from the sale of traction current to train operators and rental income from real estate and other rental revenues. This increase is largely due to external framework conditions, including the energy crisis and the war in Ukraine. Nevertheless, Bane NOR has limited exposure to fluctuations in energy prices, as energy purchases are hedged through forward contracts and the sale of traction current is hedged in relation to train operators. Total operating expenses in 2022 amounted to MNOK 9,476 (2021: MNOK 8,397). There was a significant increase in costs for goods, energy and diesel in 2022 and this amounted to just under MNOK 700 of the cost increase.

In 2022, depreciation and write-downs amounted to MNOK 5,888 (2021: MNOK 5,968).

Financial revenue for the year amounted to MNOK 322 (2021: MNOK 98) and largely consisted of interest revenue on bank deposits.

Of financial expenses of MNOK 202 (2021: MNOK 138), interest on loans taken out by Bane NOR Eiendom amounted to MNOK 111, compared to MNOK 85 in 2021. The ordinary profit before income tax (EBIT) amounted to MNOK 647 (2021: MNOK 449). Profit after income tax amounted to MNOK 573 (2021: MNOK 363). The parent company Bane NOR SF's profit for the year amounted to MNOK 516 (2021: MNOK 13). This includes financial revenue consisting of MNOK 50 in dividends from Bane NOR Eiendom AS.

Bane NOR's investments primarily consist of the development and renewal of railway infrastructure. The investments are capitalised on the enterprise's balance sheet. Total investments in 2022 amounted to MNOK 21,620 (2021: MNOK 19,418).

The Group's equity as of 31 December 2022 was MNOK 12,866. The enterprise's capital structure is a consequence of the funding model the state has chosen for the company.

The Group's cash position as of 31 December 2022 was MNOK 3,816. The Group also had MNOK 2,127 in market-based financial instruments. At year-end, the Group's interest-bearing liabilities amounted to MNOK 6,733 (2021: MNOK 5,344) and were related to Bane NOR Eiendom AS. Cash and cash equivalents on the balance sheet were mainly recognised in Bane NOR SF, which also has MNOK 500 in unused operating credit at Norges Bank.

Pursuant to section 3-3(a) of the Accounting Act, the Board confirms that the basis for assuming that the

enterprise is a going concern exists. The annual financial statements for 2022 were prepared on this basis.

The Board will propose the following allocation of Bane NOR SF's MNOK 516 profit to the corporate assembly: Proposed dividend: MNOK 50
To other equity: MNOK 466

Sustainable Safety and HSE

Bane NOR manages critical national infrastructure. The Board of Directors places great emphasis on safe operations and ensuring high levels of emergency response preparedness in the event of accidents. The enterprise's historically high investment programme also entails risks associated with safety, health and the working environment at construction sites and thereby also the enterprise's responsibility to protect workers against hazards in accordance with the Construction Client Regulations. These factors mean that the requirements for risk management and emergency response are particularly high. The prioritisation of initiatives follows a risk-based approach and the risk analyses include line analyses, condition assessments and landslide/avalanche surveys.

The management's annual review of safety work, cf. Section 4-3 of the Safety Regulations, shows that safety and quality work is developing in the right direction. The work is carried out systematically, on the basis of risk and with an emphasis on preventive measures. Methods and requirements at group level are established and developed based on the experiences continuously acquired by the organisation. Safety

work is a continuous process involving the entire organisation.

In 2022, a maturity assessment was conducted in relation to safety work at all operational units. Work is currently under way in accordance with the improvement programmes established to further improve the safety culture both at group level and in the assessed units. The work on developing a more process-based and user-friendly management system started in 2022. This work will continue into 2023.

Ongoing further work on culture-building activities will be carried out both internally and externally. Externally, this work will focus in particular on the use of level crossings and preventing people from accessing railway areas to which there must be no unauthorised access. Internally, work is undertaken to ensure that employees continue to report dangerous situations and near-accidents, as well as non-conformities with regulations and requirements.

Bane NOR has a goal for there to be no fatalities or accidents involving serious personal injuries resulting from its activities. The overall risk picture, which is an overall assessment of the Group's ten most important safety risks, has shown a positive trend since 2018. Unfortunately, the number of incidents at level crossings and on the tracks increased in 2022. Improving safety barriers and redeveloping level crossings has therefore been a priority area in the past year. Following the Filipstad accident in 2019, in which there was one fatality and two

serious injuries, Bane NOR was convicted in 2022 of having negligently caused death and bodily injury, as well as of violating the regulations relating to safety management in connection with railway activities. Following the accident, Bane NOR has adopted a number of specific initiatives to prevent something similar from happening again, including a ten-point action plan to boost safety work within the Group. This work will also continue in 2023.

There was one fatality in 2022, when a person was hit by a train. There were also two serious personal injuries, one electric shock accident and one collision at one of our terminals. Both of the personal injuries involved third-party employees.

The injury rate for own employees remained stable at a low level throughout 2022 (LTI²= 0.7 and LTI²³ = 1.1). For contractors, there was a slight increase in the LTI value to 5.2, but the LTI² value remained stable at 12.4. This is higher than the targets established for 2022 and a focus area in 2023 will be to bring down the injury statistics.

Bane NOR takes a systematic approach to designing and improving working conditions in order to avoid accidents at work, work-related illnesses and absences due to illness caused by physical and psychosocial risk factors in the working environment. The average absence due to illness in 2022 was, however, 5.2 per cent (up 1.1 percentage points from 2021).

Sustainable Financial and operational risks

Bane NOR has a funding model that entails the majority of the company's annual capital requirement being granted through the national budget. Access to liquidity for the parts of the enterprise based on agreements with the Norwegian Railway Directorate is largely determined by the allocations made by the government. Liquidity in the subsidiary Bane NOR Eiendom AS, which accounts for most of the commercial aspects of the Group, is hedged through unused funds in long-term credit facilities and short-term drawing rights. The financing and liquidity risk for the enterprise is considered to be low.

Risks are associated with the achievement of the goals for infrastructure accessibility. The enterprise's goals are subject to the allocations for maintenance ensuring that the need for renewal does not continue to grow. In the event that funds for the renewal of railway infrastructure do not increase, a continually growing need for maintenance and renewal will lead to increased costs over time and less accessible infrastructure due to more faults. Facilities that have already reached the end of their technical service lifetime require increased maintenance in order to maintain their intended function. Infrastructure with a high need for renewal is associated with more faults and creates more unforeseen operational disruptions. The result of this is that the number of faults increases causing more disruptions to operations, more slow running, more hours of

²The number of work-related personal injuries resulting in absence per million hours worked

³The number of work-related personal injuries per million hours worked

delay and poorer punctuality. This will affect the possibility of achieving the established targets for punctuality and regularity.

Bane NOR's project portfolio contains economic risk. Major development projects in particular are complex and rely heavily on external actors and demanding execution, in many cases with challenging ground conditions. Targeted efforts are being made to improve data for investment decisions, as well as on risk and financial management in projects in order to improve the management of risk and ensure that the associated initiatives are implemented. It is important to ensure that Bane NOR is involved in the planning of new development projects at an early stage, before concept studies are conducted, so that the enterprise is better able to manage project risks.

The Covid-19 pandemic resulted in increased risk of additional costs and delays to progress for parts of the project portfolio, partly due to travel restrictions for foreign workers. This risk was reduced in 2022 after global society largely reopened. The war in Ukraine and the high energy prices have contributed to great uncertainty surrounding costs in the construction market.

The signalling and traffic management project, ERTMS, involves significant risk. The project includes a significant element of development of new technical solutions and is associated with high complexity and a number of dependencies between sub-projects and other projects, as well as activities within the railway sector. This includes traffic companies and train owners. The implementation necessitates excellent collaboration with such stakeholders, as

well as with the programme's suppliers.

Bane NOR's revenues are mainly earned in NOK while in the Follo Line project the enterprise makes some payments to main contractors in EUR. However, it has been contractually agreed with the Norwegian Railway Directorate that Bane NOR will not bear the currency risk for either this project or the ERTMS programme, because the budget was established before 1 January 2017. Bane NOR bears the currency risk associated with other projects, but the exposure is limited in relation to the total share of Bane NOR's project portfolio. Currency hedging is used for several projects to further reduce the total currency exposure for the Group. Through the subsidiary Bane NOR Eiendom AS, the Bane NOR Group is exposed to interest rate risk. Interest rate hedging agreements are used to reduce the interest rate risk in the Group.

Bane NOR has hedged purchases of power through forward contracts. At the same time, sales of power for train operations are hedged in relation to the train companies. This means that Bane NOR has little exposure to fluctuations in power prices.

Sustainable Corporate governance in Bane NOR

Bane NOR adheres to the state's principles for good corporate governance and the enterprise complies with the Norwegian Code of Practice for Corporate Governance (www.nues.no), wherever appropriate.

The Board bears overarching responsi-

bility for corporate governance in Bane NOR and has established a corporate governance policy. The corporate governance policy forms part of Bane NOR's governing documents. It is intended to help the Group deliver on its social mission by clarifying the allocation of roles, between the owner, the Board and the management, as well as establishing a framework for how the Group is managed and controlled.

For further information about corporate governance, please refer to the Board of Directors' report on corporate governance at Bane NOR, which has been included as a separate section in the annual report and published via www.banenor.no under the Investor Relations tab.

Bane NOR has taken out directors' liability insurance for the Group and subsidiaries. The insurance covers the Board of Directors and the Group CEO's personal liability for pure property damage caused in the performance of their duties.

Sustainable value creation

Bane NOR's social mission and role

Bane NOR's sustainability work reflects the Norwegian government's goals for sustainable development within the Group's core activities.

Ambitions, targets and strategies

The overall sustainability focus at Bane NOR in 2022 was to contribute towards increased support for the railway so that more passengers would travel by train. The ambition for this work is reflected in Bane NOR's vision of "More on track

leaves fewer traces”, which originates from the environmental advantages of the railway and the enterprise’s contribution to a more sustainable society. By moving more transport to the railway, the transport sector becomes more sustainable, as the railway uses less energy and takes up less space, while also having a lower carbon footprint relative to capacity than other modes of transport. The railway is therefore part of the answer to one of the greatest global challenges.

Bane NOR’s sustainability roadmap constitutes the Group’s plan to realise the strategy and targets for sustainability. The roadmap is structured around the topics that have been deemed most significant to Bane NOR.

- 1.0 Further developing the environmental advantages of the railway.
- 2.0 Ensuring punctuality and dependability
- 3.0 Improving hub development and seamless travel

In addition to the prioritised topics, a further seven topics have also been defined as important. The other topics and objectives described in the roadmap contribute towards the railway “leaving fewer traces” in various ways.

A complete overview of all important topics, objectives and KPIs has been included in the separate Bane NOR Sustainability Report for 2022.

Throughout the year, significant work has been put in towards increasing the contribution ratio in the climate accounts, which could indicate that there was an increase in Bane NOR’s total direct and indirect carbon emissions in

2022. The 2022 measurement shows emissions of 1,129,583 tonnes of CO₂, providing a more accurate starting point for a fair assessment of goal attainment in future years.

The amount of environmental damage in 2022 shows a decline from 2021. The same applies to electricity consumption, both per train and per square kilometre.

Climate, environment and biodiversity

Efforts are under way to increase the contribution ratio in Bane NOR’s climate accounts in line with the expectations set out in the State Ownership Report. Bane NOR has drawn up greenhouse gas accounts in line with the Greenhouse Gas Protocol standard, which have been enclosed with the annual report in Chapter 6. In 2023, the focus will be on establishing the starting point for the actual situation in 2019 and preparing climate accounts from 2019–2021 using the same method, so that the trend over time can be measured. The decision was made in 2022 for Bane NOR to certify all major development projects under BREEAM Infrastructure. Experience gained from completed BREEAM Infrastructure projects in Norway shows that the use of the scheme leads to lower costs and significant climate and environmental gains in the form of reduced emissions, smart material choices and soil and rock management.

Responsible business, human rights and decent working conditions

Bane NOR strives to promote equal opportunities and diversity and to prevent all forms of discrimination and harassment. This is made clear in Bane NOR’s values and governing documents

and underscored in, for example, management training activities, recruitment and pay and working conditions, as well as by striving for equal development opportunities for all. Through clear guidelines, preventive work and good follow-up, the Group wants to prevent harassment and unwanted behaviour among both permanent and contract staff. The topic of diversity is included as part of the annual employee survey and all employees undergo annual e-learning courses on ethics and social responsibility that highlight diversity. Culture and values are central elements of Bane NOR’s management programmes.

In accordance with the enhanced activity and reporting requirements set out in Section 26 of the Norwegian Equality and Anti-Discrimination Act, Bane NOR reports on how the Group actively works to promote equality and anti-discrimination through a separate report, published at www.banenor.no under the Investor Relations tab. This covers how any equality challenges that exist in the enterprise can be detected, the actual situation surrounding gender equality and what has been done to fulfil the activity duty. The total proportion of female employees, as well as women in management positions, has remained stable compared to the previous year. The same applies to salary levels for women compared to men. Regular risk assessments have been conducted and infection control measures introduced in connection with the Covid-19 pandemic. This has included training in infection control for all employees. Risk assessments were also conducted in relation to working from home with follow-up measures aimed at addressing the working environment. Regular status

surveys have enabled us to introduce targeted measures to ensure a proper working environment for employees. The flexibility to work from home during the pandemic has been continued and formalised in accordance with HSE regulations. Bane NOR practices flexibility using the office as the core base and has entered into agreements with employees who work from home. Skills are a top priority and Bane NOR has, among other things, representatives on the boards of the Training Office for Railway Subjects and Konnekt (a national resource centre for transport established by the Norwegian Railway Directorate). Bane NOR has a comprehensive HCM system, in which employee development is a key element. In 2022, a network of digital security ambassadors was established to support the organisation and raise awareness of potential cyberattacks aimed at Bane NOR. Important initiatives affecting the everyday digital life of employees are the further development of the HCM system, including analysis, the management dashboard and mandatory use of development plans.

For further information about Bane NOR's work on human rights and integrity due diligence in accordance with the Norwegian Transparency Act, please refer to the Integrity Due Diligence Report, published at www.banenor.no under the Investor Relations tab.

Research and innovation

The work on research and innovation at Bane NOR will ensure high levels of expertise and future-oriented technological solutions. The work is intended to support the goals of safe and efficient traffic management with a high degree of punctuality and predictability. Bane

NOR often conducts research and development activities together with partners, such as other infrastructure managers (e.g. the Norwegian Public Roads Administration, Nye Veier, Statnett), research organisations (e.g. SINTEF, NGI, Ruralis) or universities (e.g. NTNU, UiO, OsloMet).

Future outlook and framework conditions

In 2021 and 2022, Bane NOR has signed new agreements with the Ministry of Transport and the Norwegian Railway Directorate. These agreements constitute key premises for Bane NOR's strategic goals of more railway for the money and reduced development costs. The new framework provides greater room for manoeuvre, financial flexibility and predictable financing. The enterprise is carrying out development work within portfolio and ownership management in order to be able to deliver on the new framework conditions. The development work comprises a number of initiatives for the development and implementation of the new framework so that Bane NOR can deliver on expectations. The Board of Directors and management also prioritise improvements to the overall risk and project management for larger projects.

The Board of Directors and management of Bane NOR will closely monitor the merger with Spordrift in order to ensure the realisation of improved operations and more maintenance for the money, which will contribute to improved infrastructure uptime.

Bane NOR will work purposefully to achieve the expected punctuality of 90 per cent in the year to come. Going forward, the Board of Directors will have

FACTS |

Some of the research and innovation activities that took place in 2022

- Bane NOR participates in the ClimDesign project (part-financed by the Norwegian Research Council and led by NVE). The aim of the project is to translate theories on increased precipitation to practical use, including generating user-friendly design values for climate-adapted infrastructure. Three measurement stations were also installed in Trøndelag to measure the water level at the inlets to three culverts.
- In 2022, Bane NOR worked on the Rail Heating System project, the purpose of which is to increase heat supply to rails and avoid the use of additional heating cables for protecting switch points against ice formation.
- Image processing using artificial intelligence is also being worked on in connection with preventive maintenance. The aim is to report non-conformities and faults, automatically and digitally, and to allow for the possibility of detecting non-conformities before they turn into faults. This work will continue until 2024, in order to harmonise practices with other infrastructure managers in Europe and develop more algorithms for relevant railway systems

an increased focus on stable operations and train services and ensuring that the initiatives that will contribute towards these yield the desired effect.

Bane NOR's 2023 sustainability efforts have an overall objective of operationalising the Norwegian government's expectations as clarified in the State Ownership Report for 2022-2023. This involves, among other things, conducting new stakeholder and materiality analyses within all sustainability topics. Internal control relating to non-financial matters will be strengthened and sustainability will be integrated into the corporate strategy, business operations and risk management.

The guidelines for the framework for the railway will be laid down in the work on the National Transport Plan for the 2025-2036 period. Bane NOR is participating in the work, which is being led by the Ministry of Transport and will continue throughout 2023. Bane NOR proposes to prioritise an increased investment in operations and maintenance of the existing rail network rather than initiating investments aimed at increased capacity. This is an important prerequisite for ensuring more stable operations and train services.

The Board of Bane NOR believes that it is important to ensure predictabil-

ity and framework conditions for the enterprise that provide a basis for the good development and operation of Norwegian railway infrastructure. Work on ensuring that the railways are constructed, operated and maintained in as systematic, safe and cost-effective a manner as possible will also continue at full speed in the future.

Oslo, 22 March 2023

Cato Hellesjø
Chair
(signed electronically)

Olaf Trygve Melbø
Deputy Chair
(signed electronically)

Hildegunn Naas-Bibow
Board Member
(signed electronically)

Baard Haugen
Board Member
(signed electronically)

Renate Larsen
Board Member
(signed electronically)

Adele Norman Pran
Board Member
(signed electronically)

Terje Wold
Board Member
(signed electronically)

Bente Langeland Roheim
Board Member
(signed electronically)

Eli Giske
Board Member
(signed electronically)

Henning Bråtebæk
Acting Group CEO
(signed electronically)

Group management

Bane NOR's Group Management team consists of one Group CEO and nine Group EVPs.



Henning Bråtebæk
Acting Group CEO

Henning Bråtebæk (born 1967) was appointed Acting Group CEO in March 2023. He is a graduate engineer from NTNU in Trondheim. His background is from the Norwegian National Rail Administration, where he worked as a railway manager and property manager. He moved to Avinor Oslo Airport in 2008 and was the CEO of Spordrift between April 2019 and March 2023



Sverre Kjenne
Group EVP, Operations and Technology

Sverre Kjenne (born 1964) is a graduate engineer from Manchester (UMIST), with an MBA from Lausanne (IMD). Kjenne has broad experience from managing listed and privately owned industrial and technology companies in Norway and abroad. He joined the Norwegian National Rail Administration in 2011 as Head of Technology.



Birger Steffensen
Acting Group EVP, Business Management

Birger Steffensen (born 1971) is a graduate engineer from the Department of Marine Technology at NTNU and holds an MBA in Finance from ESADE. He joined Bane NOR in 2017 and serves on the Board of Directors of the Green Building Alliance and the Business Circle (Construction and Environment, NTNU). He has management experience from Aker Solutions and the shipping industry.



Jon-Erik Lunøe
Group EVP, Property

Jon-Erik Lunøe (born 1962) is a graduate engineer in building and construction from Manchester (UMIST) and also holds a master's in Project Management from the same institution. Lunøe has broad experience from the property and contractor industry, most recently as the head of a property development company, Ulven AS.



Stine Undrum
Group EVP, Construction

Stine Undrum (born 1969) is a graduate engineer from the Norwegian University of Science and Technology, Institute for Building and Construction Technology. Undrum joined the Norwegian National Rail Administration in 2007 as a project manager for the construction of the Holm-Nykirke stretch. She also has long experience from companies such as Veidekke and Asplan Viak.



Henning Scheel
Group EVP, Customer and Marketing

Henning Scheel (born 1980) is a social scientist with a joint master's degree in Innovation and International Management. He joined Bane NOR in 2017 as the Head of Contract and Marketing. He has worked on several major projects at Hydro, REC and Equinor, at the latter of which he held several management positions.



Torild Lid Uribarri
Group EVP, Communications and Public Relations

Torild Lid Uribarri (born 1964) holds a master's in Business and Marketing from BI Norwegian Business School, management course at INSEAD and leadership course from the Norwegian Defence University College. She has many years of management experience from Telenor and Telenor-owned companies, international experience in salmon farming and PR, as well as business consultancy at Bergen Bank (now DnB). She joined Bane NOR in 2018.



Karsten Boe
Group EVP, Safety and Quality

Karsten Boe (born 1970) is a graduate engineer from the Norwegian University of Science and Technology (NTNU). Boe joined Bane NOR in January 2017 and has more than 20 years' experience of HSE, quality and project management, national and international, from Norsk Hydro and the Aker Group.



Beate Hamre Deck
Group EVP, HR and Organisation

Beate Hamre Deck (born 1967) holds a master's in Business and Economics from France. She worked for Arthur Andersen & co for a number of years, as well as at Statkraft as the Head of Internal Audit and Head of HR. She was the Head of HR for the international production and development business area at Equinor before joining Bane NOR in 2017.



Hans Gunnar Dokken
Acting Group EVP, Spordrift

Hans Gunnar (born 1967) is the Acting Group EVP at Spordrift. He holds a degree in business administration and started his career with Det Norske Veritas in the early 1990s. He held various roles at Veidekke and Norsk Ståldrift before joining Norsk Jernbanedrift AS in 2013 as the CEO. He launched his own consultancy firm in 2019, before joining Spordrift on 15 September 2022 as the Regional Director for the South-West.

Board of Directors

The Board of Directors of Bane NOR consists of nine board members and three observers, including in the Chair and Deputy Chair.



Cato Hellesjø
Chair of the Board of Directors

Cato Hellesjø (born 1956) has been the Chair since June 2020. He has a master's in Business and Economics from BI Norwegian Business School and has been the Group CEO of Sporveien AS since 2009. He is the former Group CEO of Dagbladet and has been a director in Ringnes and head of department in Aftenposten. Hellesjø is the chair of the board of a number of companies and has held several board positions in Norwegian business.



Olaf Melbø
Deputy Chair

Olaf Melbø (born 1949) has been the Deputy Chair since 2016. He is a graduate engineer from the Norwegian University of Science and Technology (NTNU) and has 35 years' experience from heading major onshore development projects. Melbø has board experience from Baneservice, AF-Gruppen and Norway at Expo2000.



Renate Larsen
Board Member

Renate Larsen (born 1975) has been a board member since June 2021. She holds a master's degree in business administration from NHH and has more than 20 years of experience in management and board work. Larsen is the Chair of the Board of Directors of Oceanfood AS and Helse Nord RFH. She was the CEO of the Norwegian Seafood Council and has been the Chair of the Board of Hålogaland Theatre. She has board experience from the Norwegian Insurance Fund, Nofima, NHO Troms and Svalbard and the Lerøy Group.



Hildegunn Naas-Bibow
Board Member

Hildegunn Naas-Bibow (born 1972) has been a board member since June 2021. She has a master's in Business and Economics from NHH Norwegian School of Economics and an MBA from Harvard Business School. She was formerly a partner in PwC Consulting and a consultant in BCG. Naas-Bibow is also the CEO of Furuset Farm, a board member at GK Gruppen AS and Unibuss.



Baard Haugen
Board Member

Baard Haugen (born 1955) has been a board member since 2017. He holds a master's degree in business and economics from NHH Norwegian School of Economics and has held several management positions in economics and finance at Elkem, Torvald Klaveness and Elopak. Haugen is currently the CFO of DN Media Group.



Adele Norman Pran
Board Member

Adele Norman Pran (born 1970) has been a board member since June 2021. She is a lawyer and has a master's degree in auditing and extensive experience of private equity and corporate development. Pran has a background in finance, experience from serving on the board of directors of listed, state-owned and private companies and has chaired boards of directors and audit committees.



Eli Giske
Board Member

Eli Giske (born 1964) is a newly appointed board member at Bane NOR. She is the Chair of the Board of Directors of Sykehusapotekene HF and Bredvid AS, the Vice President of Nye Veier AS and serves on the boards of directors of several enterprises. Her previous experience includes working as the CFO of EVRY ASA and Posten Norge AS, as well as serving as the Chair of the Board of Directors of Spordrift AS. She holds a master's degree in Business and Marketing from the Oslo School of Economics (BI).



Terje Wold
Board Member/Employee Representative

Terje Wold (born 1961) has been a board member since the summer of 2021 and is also a union representative. He trained as a railway officer and has worked in the railways since 1978. He has experience of customs clearance and probate service and currently works as a traffic controller at Bane NOR.



Bente Langeland Roheim
Board Member/Employee Representative

Bente Langeland Roheim (born 1972) has been a board member since summer 2021. She holds a master's degree in electrical power engineering from NTNU in Trondheim from 1997 and started working for the Norwegian National Rail Administration in 1998. Since then, she has worked on a variety of tasks relating to projects at Bane NOR.



Lars Øyvind Sannes
Observer/Employee Representative

Lars Øyvind Sannes (born 1975) has been an observer since summer 2021. He trained at the Polytechnic University College. Sannes joined the Norwegian National Rail Administration in 2000 and has been a union representative since 2005. He also holds positions in local associations and national councils within the Norwegian Railway Association.



Morten Tannum
Observer/Employee Representative

Morten Tannum (born 1958) has been an observer on the Board of Directors since the summer of 2021. He trained as an electrical engineer at Oslo Engineering College and studied market economics at Oslo Market College. From 1982 until 2009, Tannum held various engineering roles relating to ICT and electrical engineering. He has been working for the Norwegian National Rail Administration since 2009 as a Senior Engineer.



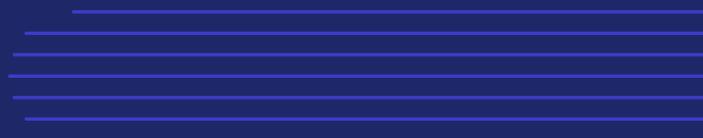
Ola Rune Kleiven
Observer/Employee Representative

Ola Rune Kleiven (born 1971) is a new observer and employee representative on the Board of Directors. He has been an employee-elected Board Member at Spordrift and was also the main union representative for the Norwegian Union of Railway Workers at Spordrift. Kleiven is a works planner and is the Chair of the National Council of Railway Personnel in the Norwegian Union of Railway Workers. Kleiven has experience as a construction worker, supervisor, examiner, team leader, site manager and inspector.

7.0 Accounts

7.1 Annual financial statements,
notes and accounting policies

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Income statement

(Figures in NOK millions)

Bane NOR SF				Bane NOR Group	
2022	2021		Notes	2022	2021
5,317	5,455	Remuneration from the Norwegian Railway Directorate	1	5,317	5,455
5,397	5,490	Compensation for wear and age (deferred revenue recognition of grants)	1	5,405	5,498
0	0	Sales revenue, property projects	1.2	152	27
3,926	2,442	Other operating revenue	1	4,919	3,318
14,640	13,388	Total operating revenue		15,793	14,299
0	0	Project expenses, property projects	2	132	13
909	462	Cost of goods		1,122	565
2,069	1,911	Personnel expenses	3,4	2,037	1,873
3,484	3,522	Machinery rental, equipment and maintenance	5	3,588	3,646
2,452	2,206	Other operating expenses	5	2,597	2,300
8,914	8,101	Total operating expenses before depreciation and write-downs		9,476	8,397
5,514	5,572	Depreciation and write-downs	6.7	5,888	5,968
212	-286	Operating profit		428	-65
0	0	Profit from investments in joint ventures	8	99	555
393	357	Financial revenue	9	322	98
87	50	Financial expenses	9	202	138
305	306	Net financial result		219	514
518	20	Ordinary profit before income tax		647	449
1	7	Income tax on ordinary profit	10	74	86
516	13	Profit for the year		573	363

Balance sheet

(Figures in NOK millions)

Bane NOR SF			Bane NOR Group		
2022	2021	Assets	Notes	2022	2021
19	0	Deferred tax asset	10	0	0
544	390	Other intangible assets	6	574	390
563	390	Total intangible assets		574	390
32,128	31,907	Land, buildings, etc.	7	41,280	40,430
89,960	86,172	Infrastructure	7	89,960	86,172
76,280	65,492	Construction in progress	7	77,695	67,083
975	1,040	Operating equipment, machinery, transport equipment, etc.	7	1,068	1,160
199,343	184,611	Total property, plant and equipment		210,003	194,844
8,261	8,261	Investments in subsidiaries	8	0	0
0	0	Investments in joint ventures	8	740	732
0	0	Investments in shares and units		6	6
1,646	550	Other receivables and other financial non-current assets	11,12,13	218	169
9,907	8,811	Total financial non-current assets		963	907
209,814	193,812	Total non-current assets		211,540	196,141
0	0	Development properties	14	5,880	5,256
1,067	852	Inventories	14	1,072	855
650	345	Accounts receivable	11	856	475
2,249	4,430	Other receivables	11, 12, 13, 15	2,492	3,452
2,127	400	Market-based financial instruments	11	2,127	400
3,753	3,056	Bank deposits	16	3,816	3,115
9,845	9,084	Total current assets		16,243	13,554
219,658	202,897	Total assets		227,783	209,695

Balance sheet

(Figures in NOK millions)

Bane NOR SF				Bane NOR Group	
2022	2021	Equity and liabilities	Notes	2022	2021
8,809	8,802	Invested capital	17	8,809	8,802
8,809	8,802	Total paid-up equity		8,809	8,802
3,791	2,807	Other equity	17	4,057	3,017
3,791	2,807	Total retained earnings		4,057	3,017
12,600	11,610	Total equity		12,866	11,819
198,109	183,389	Performance obligation	18	198,461	183,749
2,510	3,073	Pension liabilities	4	2,510	3,073
0	12	Deferred tax	10	325	367
123	310	Other provisions for liabilities	19	123	310
200,742	186,784	Total provisions for liabilities		201,419	187,499
0	0	Non-current interest-bearing liabilities	20	5,200	4,100
0	0	Total other non-current liabilities		5,200	4,100
0	0	Current interest-bearing liabilities	20	1,533	1,244
1,374	1,165	Accounts payable	12,13	1,500	1,397
28	9	Tax payable	10	92	94
132	127	Public charges due		132	127
4,783	3,202	Other current liabilities	12,21	5,042	3,414
6,316	4,503	Total current liabilities		8,298	6,277
207,058	191,287	Total liabilities		214,917	197,876
219,658	202,897	Total equity and liabilities		227,783	209,695



Oslo, 22 March 2023

Cato Hellesjø
Chair
(signed electronically)

Olaf Trygve Melbø
Deputy Chair
(signed electronically)

Hildegunn Naas-Bibow
Board Member
(signed electronically)

Baard Haugen
Board Member
(signed electronically)

Renate Larsen
Board Member
(signed electronically)

Adele Norman Pran
Board Member
(signed electronically)

Terje Wold
Board Member
(signed electronically)

Bente Langeland Roheim
Board Member
(signed electronically)

Eli Giske
Board Member
(signed electronically)

Henning Bråtebæk
Acting Group CEO
(signed electronically)

Cash flow statement

(Figures in NOK millions)

Bane NOR SF			Bane NOR Group	
2022	2021		2022	2021
		Cash flow from operating activities		
518	20	Profit before income tax	647	449
-6	-8	Income tax paid for the period	-91	-56
-8	-35	Gain/loss from sales of non-current assets and development properties	-5	-203
5,514	5,572	Depreciation and write-downs	5,888	5,968
-5,397	-5,490	Revenue recognition, performance obligation	-5,405	-5,498
0	0	Profit contributions from joint ventures	-99	-555
-215	22	Change in inventories	-217	19
-305	-100	Change in accounts receivable	-380	0
2,038	2,461	Claim for remuneration from the Norwegian Railway Directorate	2,038	2,461
209	-248	Change in accounts payable	102	-146
-46	-5	Difference in expensed pension and contributions/disbursements	-46	-5
0	-13	Calculated interest on non-current receivable	0	-13
654	198	Change in other accruals and deferred items	758	-239
2,956	2,374	Net cash flow from operating activities	3,190	2,182
		Cash flow from investing activities		
84	107	Sales of development properties and property, plant and equipment	206	858
-20,728	-17,724	Investments in development properties and property, plant and equipment	-22,192	-20,911
0	0	Receipts from sales of shares and units in other enterprises	0	951
0	-271	Payments upon investments in shares and units in other enterprises	-91	-90
-1,727	-100	Payments upon purchases of other investments	-1,727	-400
2	16	Receipts from other loan receivables (current/non-current)	2	17
0	0	Payments for other loan receivables (current/non-current)	-51	-63
-22,369	18,272	Net cash flow from investing activities	-23,853	-19,638
		Cash flow from financing activities		
20,110	17,223	Remuneration from the Norwegian Railway Directorate used for investments	20,110	17,223
0	0	Receipts from new liabilities	3,783	3,080
0	0	Payments on repayment of liabilities	-2,603	-2,380
0	0	Receipts from dividends and group contributions	74	113
20,110	17,223	Net cash flow from financing activities	21,364	18,036
697	1,325	Net change in cash and cash equivalents	701	580
3,056	1,731	Cash and cash equivalents at the start of the period	3,115	2,535
3,753	3,056	Cash and cash equivalents at the close of the period	3,816	3,115

Notes

1. Revenue
2. Property projects
3. Personnel expenses FTEs, fees, etc.
4. Pensions
5. Operating expenses
6. Intangible assets
7. Property, plant and equipment
8. Subsidiaries and joint ventures
9. Financial revenue and financial expenses
10. Tax
11. Receivables
12. Intra-group balances
13. Transactions with related parties
14. Inventories and development properties for sale
15. Hedging using financial derivatives
16. Restricted bank deposits
17. Equity and ownership information
18. Performance obligation
19. Other provisions for liabilities
20. Interest-bearing liabilities
21. Other current liabilities
22. Business transfers
23. Events after the balance sheet date

Note 01

Revenue

Bane NOR SF			Bane NOR Group	
2022	2021	Revenue by category	2022	2021
5,317	5,455	Recognised remuneration from the Norwegian Railway Directorate	5,317	5,455
5,397	5,490	Compensation for wear and age	5,405	5,498
0	0	Sales revenue, property projects	152	27
34	29	Revenue from other public enterprises	34	29
955	458	Energy revenue	955	458
1,953	1,049	Infrastructure charges	1,953	1,049
8	35	Gain on sale of assets	5	189
97	78	Training services	97	78
489	402	Rental revenue from real estate and other rental revenue	1,385	1,138
390	392	Other operating revenue	490	378
14,640	13,388	Total revenue	15,793	14,299
2022	2021	Revenue per business area	2022	2021
12,475	11,072	Operations and Technology	12,475	11,072
479	594	Construction	479	594
391	418	Customer and Marketing	391	418
1,161	1,105	Property	2,314	2016
134	199	Administration and support functions	134	199
14,640	13,388	Total revenue	15,793	14,299

Remuneration from the agreements with the Norwegian Railway Directorate are accrued for accounting purposes as follows:

2022	Revenue recognised operating grants	Capitalised performance obligation	Total
A1	4,545	3,246	7,792
A2	772	16,872	17,643
Total remuneration	5,317	20,118	25,435
2021			
K01	4,600	2,401	7,001
K02	29	0	29
K03	233	1,035	1,268
K04	394	13,634	14,027
K03/K04 hybrid	200	407	607
Total remuneration	5,455	17,478	22,933

Note 02

Property projects

The Group is involved in a number of development projects through its subsidiaries in the Bane NOR Eiendom Group. An overview is provided below of the most significant projects that have generated construction client gains upon realisation/sale or ongoing settlement.

The Bane NOR Eiendom Group's development projects are capitalised in the balance sheet as development properties for sale, cf. note 14. Revenue from commercial buildings and residential buildings is not recognised as an ongoing settlement until a sales contract has been signed (in line with revenue recognition for construction contracts), cf. the policy note on construction contracts. Any associated value added is included in the calculation of the degree of completion and net project result.

The Bane NOR Eiendom Group is also involved in a substantial number of projects organised as joint ventures with other property developers. These projects (companies) are not consolidated. They are instead recognised using the equity method, cf. note 8.

Bane NOR Group

2022	Sales revenue	Project costs	Total net profit
Proffen Elageby (residential properties, Drammen)	152	-132	20
Total	152	-132	20
2021			
Riverside (residential, Fredrikstad)	27	-13	14
Total	27	-13	14

Note 03

Personnel expenses FTEs, fees, etc.

Bane NOR SF			Bane NOR Group	
2022	2021	Personnel expenses	2022	2021
2,801	2,646	Salaries	2,801	2,646
380	361	Employer's national insurance contributions	380	361
364	338	Pension expenses	364	338
44	16	Other benefits	44	16
-1,520	-1,450	Capitalised personnel expenses	-1,552	-1,488
2,069	1,911	Total personnel expenses	2,037	1,873
3,321	3,335	FTEs employed in the accounting year	3,321	3,335

Please refer to the Salary Report for information about benefits to the Board of Directors and management. No loans/guarantees were provided to the Group CEO, Chair of the Board of Directors or other related parties.

Bane NOR SF			Bane NOR Group	
2022	2021	Expensed auditor's fees (figure excl. VAT)	2022	2021
1.1	1.0	Statutory audit	2.3	2.7
0.1	0.2	Other attestation services	0.2	0.3
0.0	0.0	Tax advice	0.0	0.0
0.0	0.0	Other services	0.0	0.0
1.1	1.2	Total expensed	2.6	3.0

Note 04

Pensions

Only Bane NOR SF has employees and the Group's pension costs therefore comprise the company's pension costs. The enterprise has a defined contribution scheme that applies to new employees after 1 January 2017. Defined contribution pensions, inclusive of employer's national insurance contributions, are expensed on an ongoing basis. The enterprise also has a closed collective defined benefit scheme in the Norwegian Public Service Pension Fund for employees transferred from the Norwegian National Rail Administration on 1 January 2017, as well as employees transferred from Bane NOR Eiendom AS and the Norwegian Railway Academy.

The private contractual early retirement (AFP) scheme is regarded as a benefit-based multi-enterprise scheme. The administrator is unable to obtain reliable calculations of the earned liabilities. The AFP scheme is therefore treated in the financial statements as a defined contribution-based scheme and is included in expenses for defined contribution schemes including employer's national insurance contributions.

The enterprise's pension schemes satisfy the requirements of the Mandatory Occupational Pensions Act.

Number of schemes as at 31 December 2022

Defined benefit scheme, active	1,363
Defined benefit scheme, pensioners	727
Defined benefit scheme, set up	1,431
Defined contribution scheme	2,003

Balance sheet

	2022	2021
Pension liability 1 January.	6,457	7 024
Present value of pension accrual for the year	154	158
Interest expense on pension liability	121	96
Pension payments	-157	-148
Change in pension liability (Spordrift AS)	0	-1 310
Actuarial losses (gains)	-427	638
Total calculated gross pension liability at the end of the period	6,148	6 457
Pension assets 1 January.	3,764	4 451
Interest revenue on pension assets	72	62
Receipts incl. administration expenses	246	199
Administration expense	-3	-4
Pension payments	-156	-147
Change in pension assets (Spordrift AS)	0	-811
Actuarial losses (gains)	26	14
Total pension assets at the end of the period	3,949	3 764

Net pension liability	2,200	2 693
Employer's NI contributions on net pension liability	310	380
Total net capitalised pension liability incl. employer's NI contributions	2,510	3 073
Result	2022	2021
Present value of pension accrual for the year	154	158
Employer's national insurance contributions	29	28
Interest expense on pension liability	121	96
Expected return on pension assets	-72	-62
Administration expense	3	4
Total pension expense, defined benefit scheme, in the income statement	235	222
Actuarial losses (gains)	-453	624
Employer's NI contributions on actuarial losses (gains)	-64	88
Total pension expenses (actuarial gains/losses) recognised directly against equity	-517	712
Total pension expense, defined benefit scheme, in the income statement	235	222
Expenses from defined contribution scheme incl. employer's NI contr.	130	116
Total net pension expense in the income statement	365	338
Reconciliation of pension liability and pension expenses for the year	2021	2021
Net pension liability at the start of the period	3,073	2 936
Change in net pension liability, incl. employer's NI contributions	0	-570
Annual premiums, incl. administration expense and employer's NI contr.	-281	-227
Total pension expenses (actuarial gains/losses) recognised directly against equity	-517	712
Total pension expense, defined benefit scheme, in the income statement	235	222
Total net capitalised pension liability incl. employer's NI contributions	2,510	3 073

Economic, demographic and actuarial assumptions	2022	2021
Discounting interest rate	3.00%	1.90%
Expected return on pension assets	3.00%	1.90%
Expected annual wages growth	3.50%	2.75%
Expected annual adjust. of retirement and survivor's pension over 67 years old	2.60%	1.75%
Expected annual adjust. of G (NI basic amount), AFP, disability and survivor's pensions	3.25%	2.50%
Average employer's NI contribution factor	14.1%	14.1%
Number of active workers	1,363	1,600
Average age – active workers	55	54
Total pension basis (NOK millions)	986	1,114
Average pay (NOK thousands)	724	696
Number of pensioners	727	621
Number of deferred	1,431	1,323
Mortality	K2013	K2013
Disability	200% * K63	200% * K63
Survivors/probability of marriage, etc.	K2013	K2013
Voluntary departure < 50 years old	10.0%	10.0%
Voluntary departure > 50 years old	3.0%	3.0%
Early withdrawal trend (AFP) (equal both years)		Age limit 70 years old: 36% at 62 years old, Special age 65 years old: 100% at 62 years old.

Note 05

Operating expenses

Bane NOR SF			Bane NOR Group		
2022	2021		2022	2021	
		Machinery rental, equipment and maintenance			
39	37	Rental of machinery, fixtures, etc.	40	37	
269	242	Tools, fixtures and operating machinery	269	242	
293	330	Repairs and maintenance	440	477	
2,883	2,913	Contractor and engineering services	2,839	2,890	
3,484	3,522	Total machinery rental, equipment and maintenance	3,588	3,646	
		Other operating expenses			
2	1	Freight and shipping expenses	2	1	
238	140	Production-related energy expenses	238	140	
876	785	Office premises and public areas, etc.	617	580	
171	139	Consultancy services	180	149	
530	489	Other external services	526	489	
60	34	Course, meeting and office expenses	67	35	
36	55	Telephony, computer communications, postage, etc.	39	58	
57	47	Operation of own transport equipment and machinery	57	47	
61	34	Travel, daily allowances, car allowances	61	34	
328	316	Compensation for train operators	328	316	
93	166	Other expenses	482	451	
2,452	2,206	Total other operating expenses	2,597	2,300	

Note 06

Intangible assets

Bane NOR SF	Licences, rights	Goodwill	Total
Acquisition cost 1 January	569	37	606
Additions	200	0	200
Transfers to/from property, plant and equipment	20	0	20
Acquisition cost 31 December	789	37	826
Accumulated depreciation 1 January	188	28	216
Depreciation for the year	57	9	66
Accumulated depreciation 31 December	245	37	282
Total carrying amount 31 December	544	0	544

The amortisation period for intangible assets is five years, except where the lifetime of the asset is deemed to be significantly longer.

Bane NOR Group	Licences, rights	Goodwill	Total
Acquisition cost 1 January	569	19	588
Additions	230	0	230
Transfers to/from property, plant and equipment	20	0	20
Disposals	0	0	0
Acquisition cost 31 December	819	19	838
Accumulated depreciation 1 January	188	10	198
Depreciation for the year	57	9	66
Disposals	0	0	0
Accumulated depreciation 31 December	245	19	264
Total carrying amount 31 December	574	0	574

Note 07

Property, plant and equipment

Bane NOR SF	Land, buildings, etc.	Infrastructure	Construction in progress	Operating equipment, machinery, etc.	Total
Acquisition cost 1 January.	32,369	112,512	65,492	1,641	212,015
Additions	0	0	20,509	18	20,528
Transfers between assets groups	497	8,884	-9,437	56	0
Transfers to/from intangible assets	0	0	-20	0	-20
Disposals	-186	-69	-265	-5	-525
Acquisition cost 31 December.	-32,680	121,326	76,280	1,711	231,997
Accumulated depreciation 1 January.	463	26,340	0	601	27,404
Depreciation for the year	133	5,053	0	139	5,324
Disposals	-43	-26	0	-5	-74
Accumulated depreciation 31 December.	553	31,366	0	735	32,654
Total carrying amount 31 December.	32,128	89,960	76,280	975	199,343
Expected economic lifetime	20-50 years	20-50 years		3-10 years	
Depreciation plan	Straight-line	Straight-line		Straight-line	

Annual rent for non-capitalised fixed assets:

Fixed asset	Annual rent
Machinery	40
Buildings	860

Through its social mission, Bane NOR SF is responsible for the development of new railway infrastructure in Norway and has a number of ongoing development projects. Accrued expenses related to development projects are capitalised on an ongoing basis as construction in progress.

Bane NOR Group	Land, buildings, etc.	Infrastructure	Construction in progress	Operating equipment, machinery, etc.	Total
Acquisition cost 1 January.	45,870	112,512	67,143	1,993	227,518
Additions	863	0	20,509	18	21,390
Transfers between assets groups	370	8,884	-9,310	56	0
Transfers to/from development properties	0	0	0	0	0
Transfers to/from intangible assets	0	0	-20	0	-20
Disposals	-223	-69	-265	-5	-562
Acquisition cost 31 December.	46,880	121,327	78,057	2,062	248,326
Accumulated depreciation 1 January.	5,440	26,340	60	833	32,673
Depreciation for the year	203	5,053	303	166	5,725
Write-downs for the year	0	0	0	0	0
Disposals	-43	-26	-1	-5	-75
Accumulated depreciation 31 December.	5,600	31,367	362	994	38,323
Total carrying amount 31 December.	41,280	89,960	77,695	1,068	210,003

Expected economic lifetime	10-50 years	20-50 years	2-10 years
Depreciation plan	Straight-line	Straight-line	Straight-line

Annual rent for non-capitalised fixed assets:

Fixed asset	Annual rent
Machinery	40
Buildings	602

At year-end 2022, an assessment was made of the need to write down the Group's value added, including value added for land and buildings. The write-down assessment was based on valuations conducted by an independent party.

Note 08

Subsidiaries and joint ventures

Bane NOR SF

All subsidiaries have their registered office in Oslo and the stake/voting rights are 100%

Subsidiaries

Bane NOR Eiendom AS

Bn Lysaker Elveveien AS

Bne S-22 AS

Bane NOR Group

The Group's other subsidiaries and joint ventures are owned by Bane NOR Eiendom AS, the parent company in the Bane NOR Eiendom Group.

Subsidiaries in the Bane NOR Eiendom Group:

All subsidiaries have their registered office in Oslo and the stake/voting rights are 100%

Company	Company	Company
Bane NOR Serviceeiendom AS	Bne Orkanger AS	Fosnagaten 12 AS
Bne 20legend AS	Bne Paradis 1 AS	Grenstølveien 40 AS
Bne 254 Vikersund AS	Bne Parkering AS	Grønland 21 AS
Bne Asker AS	Bne Porsgrunn Overgangen 7 AS	Inkubator Sundland AS
Bne Baneveien 57 AS	Bne Riverside AS	Jernbanebrygga 63 AS
Bne Brueland AS	Bne Sandefjord Rosenvoldsgate AS	Jernbaneveien 27 AS
Bne C6 AS	Bne Schweigaardsgate 40-46 AS	Kammerherreløkka AS
Bne Cecilienborg AS	Bne Schweigaardsgate 41-51 AS	Lierstranda Tomteselskap AS
Bne Egersund AS	Bne Schweigaardsgate 51 I AS	Moss Tomteselskap AS
Bne Foss Eikeland AS	Bne Schweigaardsgate 51 II AS	Mysen S16 Næring AS
Bne Frodegaten 23 AS	Bne Schweigaardsgate 51 III AS	Mysen S16 Utvikling AS
Bne Ganddal AS	Bne Schweigaardsgate 51 IV AS	Paradis Boligutvikling 1B AS
Bne Horten AS	Bne Ski Jernbanesvingen AS	Paradis Boligutvikling 2 AS
Bne Hovemoen Eiendom AS	Bne Ski Vestveien AS	Paradis Næring 1 AS
Bne Hvalstad Bolig AS	Bne Ski Vestveien Parkering AS	Professor Smiths Hage Utvikling AS
Bne Hvalstad Næring AS	Bne Ski Vestveien Sør AS	Pshu Næring AS
Bne Hvalstad Parkering AS	Bne Slagmarken AS	Quadrum AS
Bne Kanalhotellet AS	Bne Strandgata 19 AS	Quadrum Bygg A AS
Bne Kløfta Bolig AS	Bne Stryn AS	Quadrum Bygg B AS
Bne Kongsvinger Elvebredden AS	Bne Strømmen AS	Quadrum Bygg C AS
Bne Lagårdsveien felt G AS	Bne Tangen AS	Quadrum Bygg D AS
Bne Lagårdsveien felt I AS	Bne Voss Knutepunktet AS	Skien Brygge AS
Bne Lagårdsveien Veiareal AS	Bne X6 AS	Skøyen Knutepunkt Utvikling AS
Bne Langhus AS	Bne Økern AS	Stabæk Torg Utvikling AS
Bne Lensmannslia AS	Bne Årnes AS	Strandgata Moss 25 og 27 AS
BNE LFC	Brakerøya Tomteselskap AS	Sundland Eiendom AS
Bne Lisleby Utvikling AS	Byterminalen Stavanger AS	Togdiesel AS
Bne Nordfjordeid AS	Drammen Stasjon A1 AS	Trolløya Eiendom AS
Bne Nordisk Lys AS	Drammen Stasjon A3 AS	Trondheim Stasjonscenter AS
Bne Nye Nybyen AS	Flekkefjordbanen Utvikling AS	Trondheim Stasjonscenter Gryta AS

Joint ventures and associated companies in the subsidiary group the Bane NOR Eiendom Group:

Name	Registered office	Stake/voting rights, %
Bellevue Utvikling AS	Fredrikstad	50 %
Bne Holmestrand Bolig AS	Oslo	50 %
Devoldholmen Utvikling AS	Oslo	50 %
Drammen Helsepark AS	Drammen	50 %
Eidos Eiendomsutvikling AS	Lier	23 %
Grefsen Utvikling AS	Oslo	50 %
HAL 12 D AS	Oslo	50 %
Hinna Stasjon Utvikling AS	Stavanger	50 %
Hokksund Vest Utvikling AS	Oslo	50 %
Hommelvik Stasjonsby AS	Malvik	50 %
Innlandet Næringsutvikling AS	Gjøvik	50 %
Jessheim Byutvikling AS	Ullensaker	50 %
Kjærlighetsstien Bolig AS	Levanger	50 %
Knutepunkt Porsgrunn AS	Porsgrunn	50 %
Lagårdsveien Utvikling AS	Oslo	50 %
Lurhaugen Utvikling AS	Oslo	50 %
Nyhavna Hotell AS	Hamar	50 %
Oslo S Parkering Holding AS	Oslo	50 %
Oslobolig AS	Oslo	25 %
Paradis Boligutvikling 1 AS	Stavanger	50 %
Paradis Stasjon Bolig AS	Stavanger	50 %
Perleporten Asker AS	Asker	50 %
Sagtomta Utvikling Mysen AS	Indre Østfold	33 %
Sjøsidan Moss AS	Moss	50 %
Skien Brygge Utvikling AS	Skien	50 %
Snipetorp AS	Oslo	50 %
Stasjonsgarasjen Voss AS	Oslo	50 %
Stasjonskvartalet Utvikling AS	Oslo	50 %
Steinkjer Fylkeshus AS	Hamar	33 %
Strandsonen Utvikling AS	Hamar	50 %
Tangenkaia AS	Drammen	37 %
Vikersund Utvikling AS	Modum	50 %
Voss Stasjon - Hotell AS	Oslo	50 %
Årnes Brygge AS	Oslo	50 %
Åstadveien ABC Utvikling AS	Asker	50 %

The profit contributions for the year from joint ventures and associated companies:

	Grefsen Utvikling AS	Jessheim Byutvikling AS	Oslo S Parkering Holding AS	Eidos Eiendomsutvikling AS	Others	Total
Profit contribution	40	19	10	1	34	104
Internal gains	0	0	0	0	0	0
Value added	0	0	0	0	-5	-5
Profit contribution for the year	40	19	10	1	29	99

Specification of carrying amount as at 31 December for joint ventures and associated companies:

	Grefsen Utvikling AS	Jessheim Byutvikling AS	Oslo S Parkering Holding AS	Eidos Eiendomsutvikling AS	Others	Total
Carrying amount 1 January	79	88	139	121	305	732
Other additions/disposals in the period	0	0	0	0	35	35
Profit contribution for the year	40	19	10	1	29	99
Change in internal gain/value added	0	0	0	0	-108	-108
Dividends	-29	-20	-25	0	0	-74
Equity contributions/disbursements	0	0	0	0	56	56
Total carrying amount 31 December.	90	87	124	122	317	740

Note 09

Financial revenue and financial expenses

Bane NOR SF			Bane NOR Group	
2022	2021	Financial revenue	2022	2021
258	35	Interest revenue from external parties	280	44
42	19	Interest revenue from group companies	0	0
0	13	Financial revenue, leasing fibre cables	0	13
36	37	Foreign exchange gains	36	37
50	250	Dividends from Bane NOR Eiendom AS	0	0
7	3	Other financial revenue	6	4
393	357	Total financial revenue	322	98
2022	2021	Financial revenue	2022	2021
0	0	Debt interest payments	111	85
0	0	Interest expenses to other group companies	0	0
0	0	Other interest expenses	0	0
36	43	Foreign exchange gains	36	43
51	7	Other financial expenses	55	10
87	50	Total financial expenses	202	138

Note 10

Tax

Tax policy

In principle, the Bane NOR SF Group strives to be a responsible taxpayer. The Group will, to the best of its ability, comply with tax rules, recognised practices and reporting and disclosure requirements. If necessary, advice will be obtained from external advisers. This is to make sure that the Group remains within the applicable tax rules.

As far as tax is concerned, the Group seeks to optimise its business affairs within the applicable rules for this area. This means that the Group will exercise its right to make legal group contributions between companies in the Group, utilise established depreciation opportunities and make other tax-related disposals within the applicable tax rules.

Bane NOR is covered by and reports to the Central Tax Office for Large Enterprises with respect to income tax and VAT. The Group's goal is to contribute to an open dialogue with the tax authorities, including by providing complete, accurate and timely information in tax returns and other correspondence with the tax authorities. This is especially true in those cases where the enterprise has made its own assessments of how tax rules and practices should be understood.

Calculation of tax payable and deferred tax for the year

The parent company, Bane NOR SF, has a tax exemption pursuant to section 2-32, paragraph one, of the Taxation Act. Acquisitions are not one of the enterprise's purposes. Nonetheless, the enterprise has limited tax liability for financial activities pursuant to section 2-32, paragraph two, of the Taxation Act. Taxable revenue in the parent company mainly involves the commercial leasing of property, revenue from power sales that are not related to the enterprise's infrastructure activities, contracting of employees to the subsidiary group Bane NOR Eiendom and revenue from leasing fibre infrastructure.

Other group companies are liable for ordinary tax.

Bane NOR SF			Bane NOR Group	
2022	2021		2022	2021
		Income tax for the year in the income statement		
33	9	Tax payable	114	95
-32	-2	Change in deferred tax	-40	-9
1	7	Income tax in the income statement	74	86
		Tax payable on the balance sheet		
33	9	Tax payable for the year	114	95
-5	0	Too little/too much set aside for tax in previous years	-22	-1
28	9	Tax payable on the balance sheet	92	94

Bane NOR SF			Bane NOR Group	
2022	2021	Reconciliation from nominal to actual tax rate	2022	2021
518	20	Ordinary profit before income tax	654	449
114	4	Expected income tax based on nominal tax rate (22%)	144	99
Adjusted for tax effects of following items:				
-11	-55	Permanent differences (exemption method)	0	-105
0	0	Permanent differences (profit contributions from joint ventures)	12	-26
-97	58	Tax exemption pursuant to section 2-32, paragraph one of the Taxation Act.	-97	58
-5	0	Too little/too much set aside for tax in previous years	-5	0
0	0	Other items	20	60
1	7	Income tax	74	86
0%	35%	Effective tax rate	11%	19%

Calculation of deferred tax:

Bane NOR SF			Bane NOR Group	
2022	2021	Temporary differences	2022	2021
41	51	Non-current assets	-538	-471
-128	0	Current assets	1 759	1 777
0	0	Profit and loss account	343	400
0	0	Pension liabilities	0	0
0	0	Deficit carried forward	-27	-3
0	5	Other items	-59	-34
-87	56	Basis for deferred tax	1 478	1 669
-19	12	Deferred tax on the balance sheet	325	367

Provisions are not made for deferred tax related to value added concerning properties whose usage is restricted to railway purposes.

Note 11

Receivables

Bane NOR SF			Bane NOR Group	
2022	2021		2022	2021
		Accounts receivable		
653	347	Accounts receivable at nominal value	865	483
-3	-2	Provision for losses on accounts receivable	-9	-7
650	345	Total accounts receivable	856	475
		Other receivables		
0	1,420	Claim for remuneration from the Norwegian Railway Directorate, cf. note 1	0	1,420
830	633	VAT credit	901	677
133	1,150	Receivables from group companies	0	0
719	412	Prepaid expenses and accrued revenue	968	492
567	816	Other current receivables	624	864
2,249	4,430	Total other receivables	2,492	3,452
		Market-based financial instruments		
2,127	400	Money market unit trust	2,127	400
2,127	400	Total other receivables	2,127	400
		Receivables due later than one year		
1 635	537	Loans to group companies	0	0
0	0	Loans to joint ventures and associated companies	208	157
11	13	Other non-current receivables	11	13
1,646	550	Total receivables due later than one year	218	169

Note 12

Intra-group balances

Bane NOR SF			Bane NOR Group	
2022	2021	Receivables from:	2022	2021
133	1,150	Subsidiaries	0	0
0	0	Joint ventures	0	0
133	1,150	Total	0	0
Loans to:				
1,635	537	Subsidiaries	0	0
0	0	Joint ventures	208	157
1,635	537	Total	208	157
Debt to:				
76	27	Subsidiaries	0	0
0	0	Joint ventures	0	0
76	27	Total	0	0
Loans from:				
0	0	Subsidiaries	0	0
0	0	Joint ventures	0	0
0	0	Total	0	0

Note 13

Transactions with related parties

Bane NOR SF is a wholly stated-owned enterprise under the Ministry of Transport. The Norwegian state and underlying companies, directorates and agencies are consequently related parties of the enterprise. Furthermore, the companies in the Group, including joint ventures and board members and members of the enterprise's and subsidiaries' management teams are also related parties.

Equity transactions with the Ministry of Transport are discussed in notes 17 and 22, as well as in the notes regarding accounting policies.

Benefits to senior executives have been addressed in the Senior Executive Salary Report and intra-group balances are addressed in note 12.

For the Group, no information is provided about transactions that have been eliminated in the consolidated financial statements.

The Group's transactions with related parties, beyond those stated in other notes:

a) Revenue and government grants received:

<u>Bane NOR SF</u>			<u>Bane NOR Group</u>	
2022	2021	Remuneration (government grants)	2022	2021
25,435	22,933	Norwegian Railway Directorate	25,435	22,933
<u>Sales of good and services</u>				
12	17	Norwegian Railway Directorate	12	17
1,878	1,137	Operators that are subsidiary agencies of the Ministry of Transport	2,087	1,176

b) Purchase of goods and services:

<u>Bane NOR SF</u>			<u>Bane NOR Group</u>	
2022	2021		2022	2021
1	0	Norwegian Railway Directorate	1	0
2,589	2,312	Operators that are subsidiary agencies of the Ministry of Transport	2,589	2,315

c) Outstanding balances with related parties outside the Group (cf. Note 12 for further information within the Group):

<u>Bane NOR SF</u>			<u>Bane NOR Group</u>	
<u>2022</u>	<u>2021</u>	<u>Current receivables</u>	<u>2022</u>	<u>2021</u>
0	1,420	Norwegian Railway Directorate	0	1,420
114	85	Operators that are subsidiary agencies of the Ministry of Transport	152	145
<u>Current liabilities</u>				
620	0	Norwegian Railway Directorate	620	0
37	105	Operators that are subsidiary agencies of the Ministry of Transport	37	105

Note 14

Inventories and development properties for sale

Bane NOR SF			Bane NOR Group	
2022	2021	Inventories and development properties for sale	2022	2021
331	245	Regional inventories	334	245
822	692	Central inventories	822	692
9	8	Other inventories	12	11
0	0	Development properties for sale, incl. value added	5,880	5,256
-96	-93	Write-down for redundant railway-related inventories	-96	-93
1,067	852	Total inventories and development properties for sale	6,952	6,111

Regional inventories concern components for ongoing rail maintenance and operation. Central inventories concern components for long-term material requirements linked to existing rail infrastructure.

At year-end 2022, an assessment was made of the need to write down the Group's value added, including value added for development properties.

The write-down assessment was based on valuations conducted by an independent party. On the basis of these assessments, a net reversal of previous years' write-downs amounting to MNOK 12 at fair value was carried out.

Note 15

Hedging using financial derivatives

Energy hedging

The enterprise hedges purchase prices for power for both onward sale to train operators and internal use. Price hedging for onward sale takes place in consultation with the train operators and the full loss or gain related to the hedging is included in the price the train operators pay for train operating power. The train operators have chosen a strategy with a longer horizon (up to six years) and a gradual build-up of predictability. The train operators have also chosen to currency-hedge their exposure to the euro. For hedging of power for internal use, a shorter horizon (up to three years) has been chosen.

As of 31 December 2022, the holding of forward contracts for the enterprise's own consumption had a real negative value of MNOK 24. Maturity is in 2023. As of 31 December 2022, the holding of forward contracts (power and currency) for onward sale to the train operators had a positive fair value of MNOK 683. Maturity is in 2023-2027.

Interest rate hedging

The subsidiary group the Bane NOR Eiendom Group has raised external debt to finance its property activities. The loan agreements with external lenders state that part of the debt must be interest rate hedged. Interest rate swap contracts for a total of MNOK 4,970 have been entered into. The average remaining lifetime of the interest swap agreements was four years at the end of 2022. The hedging agreements at Bane NOR Eiendom are treated as cash flow hedging and are subject to hedging accounting, such that the ongoing interest expenses that are recognised correspond to the fixed rate in the hedging agreement.

Currency hedging

Some currency hedging agreements have been entered into in connection with the company's projects. The hedging agreements are treated as cash flow hedging and are subject to hedging accounting, such that the project expenses that are recognised correspond to the fixed currency amount in the hedging agreement. As of 31 December 2022, the following currency hedging agreements have been entered into: MEUR 145 and MCHF 9.

Bane NOR SF			Bane NOR Group	
2022	2021	Fair value of hedging instruments	2022	2021
659	192	Energy hedging instruments	659	192
0	0	Interest rate hedging instruments	150	46
-8	-36	Currency hedging instruments	-8	-36
651	156	Total fair value of hedging instruments	801	202
2022	2021	Fair value of hedging instruments	2022	2021
659	192	Energy hedging instruments	659	192
0	0	Interest rate hedging instruments	150	46
-8	-36	Currency hedging instruments	-8	-36
651	156	Total unposted gains(+)/losses(-) on hedging instruments	801	202

Note 16

Restricted bank deposits

Bane NOR SF			Bane NOR Group	
2022	2021	Restricted bank deposits	2022	2021
135	126	Tax deduction funds	135	126

Note 17

Equity and ownership information

The enterprise is a wholly stated-owned enterprise under the Ministry of Transport.

Bane NOR SF

Change in equity	Invested capital	Other equity	Total
Equity 31 December 2020	9,002	3,506	12,508
Withdrawal in kind 23.01.2021	-200	0	-200
Profit for the year	0	13	13
Actuarial gains and losses, pensions	0	-712	-712
Total equity 31 December 2021	8,802	2,808	11,610
Contribution in kind 1 October 2022	7	0	7
Provisions for dividends	0	-50	-50
Profit for the year	0	516	516
Actuarial gains and losses, pensions	0	517	517
Total equity 31 December 2022	8,809	3,791	12,600

Bane NOR Group

Change in equity	Invested capital	Other equity	Total
Equity 31 December 2020	9,002	3,302	12,304
Withdrawal in kind 23.01.2021	-200	64	-136
Profit for the year	0	363	363
Actuarial gains and losses, pensions	0	-712	-712
Total equity 31 December 2021	8,802	3,017	11,819
Contribution in kind 1 October 2022	7	0	7
Provisions for dividends	0	-50	-50
Profit for the year	0	573	573
Actuarial gains and losses, pensions	0	517	517
Total equity 31 December 2022	8,809	4,057	12,866

On 16.10.2020, the corporate assembly passed the following resolution: "The invested capital in Bane NOR SF shall be reduced by NOK 200,110,000, from NOK 9,002,291,516 to NOK 8,802,181,516. The decrease shall be used for repayment to the state. Ref. section 16, paragraph one, no. 2 of the Act relating to State-Owned Enterprises, by the enterprise's shares in Spordrift AS, measured at NOK 200,110,000, being transferred to the state."

The decrease in invested capital was registered with final effect in the Norwegian Register of Business Enterprises on 23.01.2021.

With effect from 1 October 2022, the enterprise acquired the assets associated with recovery and emergency response activities from Vygruppen AS.

Note 18

Performance obligation

The performance obligation arises due to the gross transfer of public grants and is the cross-entry for capitalised expenses relating to railway infrastructure financed by government grants. The performance obligation is recognised in revenue in line with the depreciation of the assets financed by government grants.

Bane NOR SF			Bane NOR Group	
2022	2021	Year's change in performance obligation	2022	2021
183,389	171,978	Performance obligation 1 January.	183,749	172,346
20,118	17,478	Procurement of property, plant and equipment financed using grants	20,118	17,478
0	-576	Reclassification	0	-576
-5,397	-5,490	Year's revenue recognition	-5,405	-5,498
198,109	183,389	Total	198,461	183,749

Note 19

Other provisions for liabilities

Bane NOR SF			Bane NOR Group	
2022	2021	Year's change in performance obligation	2022	2021
78	305	Contingent liabilities in connection with disputes and claims	78	305
45	5	Other contingent liabilities	45	5
123	310	Total recognised contingent liabilities	123	310

Contingent liabilities in connection with disputes and claims

Provisions for the best estimate of the future settlement of contingent liabilities in connection with various types of disputes.

Polluted ground

Surveys indicate that properties owned by the Bane NOR Eiendom Group have latent environmental obligations. When development projects are identified, expenses related to preparing the ground, including expenses related to polluted soil, are taken into account. The expenses are included in the project expenses. For this reason, no provisions have been made in relation to polluted ground in development properties being developed for sale.

Note 20

Interest-bearing liabilities

Bane NOR SF			Bane NOR Group	
2022	2021	Interest-bearing liabilities	2022	2021
0	0	Bonds	4,083	2,750
0	0	Bank loans	1,500	1,350
0	0	Certificate loans	800	950
0	0	Used overdrafts	350	294
0	0	Total interest-bearing liabilities	6,733	5,344
0	0	of which non-current liabilities	5,200	4,100
0	0	of which current liabilities	1,533	1,244

Bane NOR SF Group

Maturity structure	2023	2024	2025	2026	2027	> 2028
Interest-bearing liabilities 1,533	1,533	200	1,450	971	1,145	1,434

Covenant requirements (Bane NOR Eiendom Group)	Requirement	2022	2021
Loan-to-asset value ratio in relation to market value	< 65,0 %	32,2 %	28,2 %

Credit facilities/drawing rights

The Bane NOR Eiendom Group has a total of MNOK 2,000 in committed and available facilities, of which MNOK 500 is an operating credit line in a corporate account arrangement and the remaining MNOK 1,500 is a revolving credit facility. The revolving credit facility is not used for day-to-day operations and is regarded as security for the coverage of funding needs. Bane NOR SF also has an operating credit line in Norges Bank, with a total limit of MNOK 500.

The operating credit was unused as of 31 December 2022.

Collateral and guarantees:

Neither Bane NOR SF nor other companies in the Group have mortgaged or pledged property or other assets as collateral, as of 31 December 2022.

Note 21

Other current liabilities

Bane NOR SF			Bane NOR Group	
2022	2021	Other current liabilities	2022	2021
286	129	Unearned revenue	348	174
3,235	2,249	Accrued expenses	3,405	2,405
593	548	Salary owed, holiday pay and tax deducted	593	548
618	0	Consideration liabilities to the Norwegian Railway Directorate, cf. Note 1	618	0
50	0	Provisions for dividends	50	0
1	276	Other current liabilities	28	287
4,783	3,202	Total other current liabilities	5,042	3,414

Note 22

Business transfers

As at 31 December 2020, the company owned 100 per cent of the shares in Spordrift AS. The book value of the shares was MNOK 200. Ownership of Spordrift AS was transferred to the state in 2021. The transfer was carried out by writing down the business capital in Bane NOR SF through a withdrawal in kind of the shares at their carrying value, cf. note 17. The transaction is treated in the financial statements as an equity transaction in 2021.

Note 23

Events after the balance sheet date

The corporate assembly adopted the following resolution on 13 March 2023: "The invested capital in Bane NOR SF shall be increased by NOK 200,110,000, from NOK 8,809,381,516 to NOK 9,009,516". The deposit consists of all shares in Spordrift AS.

Besides this, no material events of significance are known to have occurred after the balance sheet data for the accounting year 2022.

Accounting policies

General information

The annual financial statements of Bane NOR SF and the Bane NOR Group are prepared in accordance with the provisions of the Accounting Act and good accounting practices in Norway.

All figures are presented in whole NOK millions unless otherwise specified.

Bane NOR SF is a wholly state-owned enterprise. The state's ownership is administered by the Ministry of Transport. The enterprise was established as part of the decision by the Storting (the Norwegian parliament) to reorganise the railway sector and introduce competition for passenger transport by rail, commonly referred to as the "Railway Reform".

Most of the former Norwegian National Rail Administration's assets and liabilities were transferred to Bane NOR SF on 02.01.2017. The transfer was carried out as a contribution in kind at fair value and the enterprise's opening balance showed the value of the enterprise's assets and liabilities on the transfer date.

In preparing the enterprise's opening balance, the Ministry of Transport, in consultation with external advisers, estimated the value of the assets and liabilities transferred from the Norwegian National Rail Administration to the enterprise. The valuations were carried out in accordance with the Accounting Act and principles for good accounting

practices in Norway. The fixed assets that were transferred included land,- infrastructure, buildings, machinery and transport equipment, operating equipment and ICT. The transferred assets are specialised and do not generally generate revenue on their own. Nor is there, for most of the assets, an existing functioning second-hand market with reference prices. Therefore, most of the assets were valued based on a cost-based approach, which is normal when valuing assets in state-owned enterprises where the ownership is due to sectoral policy considerations. The reacquisition cost was based on prices at the time of acquisition and thereafter adjusted for wear, age, other reduction in value and technical development.

On 20 June 2017, 100 per cent of the shares in Rom Eiendom (now: Bane NOR Eiendom AS) were deposited as a contribution in kind in Bane NOR SF. The transfer took place as part of the Railway Reform and meant that the property stock, including railway property such as stations, workshops and terminals, that had previously been owned by NSB was transferred to the Bane NOR SF infrastructure manager. The contribution in kind was carried out at fair value and with accounting effect from 1 January 2017.

Performance obligation

The transfer of non-current assets from the state to Bane NOR SF, supplied the

enterprise with assets linked to historical investments in railway-related infrastructure, measured at reacquisition cost. However, the state set clear guidelines for the use of the non-current assets transferred to Bane NOR SF via the contribution in kind. The enterprise's articles of association also specify that the purpose of the enterprise is railway activities. The owner consequently expects the non-current assets that were received to be managed for the benefit of society and in line with the guidelines issued to the enterprise in the delivery agreements. Both ongoing future remuneration from the state and the contribution in kind must be used to fulfil this obligation and perform this social mission. This is shown on the balance sheet through the capitalisation of a performance obligation. On the date the contribution in kind involving railway-related property was made, this matched the fair value of the assets that were deposited and whose usage was restricted to railway purposes.

Reductions in value due to wear, age and using the enterprise's property, plant and equipment in the enterprise's social mission are reflected through depreciation. Use of the property, plant and equipment to fulfil the enterprise's social mission results in corresponding reductions being made in the performance obligation in the accounts. Reductions in the performance obligation are recognised as revenue on the line "Compensation for wear and age (deferred revenue recognition of grants)". Also see the

description of the policy concerning remuneration from the Norwegian Railway Directorate and other revenue.

If an asset's usage is no longer restricted to railway purposes, the asset's residual related performance obligation is recognised as revenue on the aforementioned accounting line since eliminating the usage restriction means the asset no longer has any related performance obligation.

Remuneration from the Norwegian Railway Directorate and other operating revenue

The main source of revenue for the enterprise is remuneration from the government, received in accordance with agreements with the Ministry of Transport and the Norwegian Railway Directorate. The Group also receives other revenue related to the parent company's social mission, primarily from train operators, as well as commercial revenue that primarily consists of rental revenue and gains on sales of assets from the Group's property activities. New agreement regime from 2022

A new governance regime has been introduced with effect from 2022

The governance model now consists of three agreements with the state:

- Agreement with the Ministry of Transport, governing the disbursement frequency and minimum level for the enterprise's liquidity supply from the Norwegian Railway Directorate to finance deliveries to the Norwegian government in accordance with the agreements entered into with the Ministry.
- Two agreements with the Norwegian Railway Directorate, which set requirements for Bane NOR's deliveries:

- Main Agreement A1 on the delivery of access to existing infrastructure (operation and maintenance) and studies, as well as general provisions between the parties
- Agreement A2 on the delivery of new and modified infrastructure (investments) This agreement, as well as any other agreements entered into with the Norwegian Railway Directorate shall be subordinate to Main Agreement A1. The impact package provisions are included with targets for train services, based on the structure of the National Transport Plan.

Remuneration from the Norwegian Railway Directorate

The enterprise recognises remuneration from the Norwegian Railway Directorate as revenue in line with NRS 4 Government Grants. This implies that the remuneration is recognised and accrued over the same period as the costs to which it relates. Remuneration for operating activities (operating grants) is recognised as revenue in the same period in which the operating expenses accrue. Remuneration for investments (investment grants) is accrued as deferred revenue that is capitalised and called a performance obligation. This is subsequently recognised as revenue in line with the depreciation of the fixed asset. The enterprise recognises operating grants at their gross amount since this best reflects the enterprise's level of activity. However, this does not apply to non-depreciable fixed assets, which are presented net in line with the standard. The enterprise has entered into two agreements with the Norwegian Railway Directorate that regulate the remuneration the enterprise will receive and the performance the enterprise has to deliver. The purpose of the Main Agreement

(A1) is, in addition to regulating access to existing infrastructure and studies, to determine the general framework applicable to the agreement entered into between the Norwegian Railway Directorate and the enterprise, as well as to regulate the general collaboration between the parties. The scope of the two agreements is addressed below maintenance and renewal of existing infrastructure. A total amount of remuneration is allocated which is then redistributed by the enterprise to operating activities (which include operating expenses, operational investments, corrective maintenance and preventive maintenance) as well as refurbishment, respectively. Any efficiency improvements in operations and a more long-term and efficient approach to maintenance work in the enterprise could release funds for renewal.

- *Operations:* Remuneration for operating activities is generally considered an operating grant. Revenue recognition of the year's operating remuneration takes place during the financial year in which the remuneration is awarded, except for any operating investments that are deferred. Remuneration for operational investments is treated in the same way as remuneration for A1 renewal, cf. description below. Since the remuneration for A1 is fixed, the enterprise can experience an accounting surplus or deficit in relation to the agreement depending on how efficiently the enterprise is operated.
- *Renewal:* Remuneration for refurbishments is generally considered an investment grant. The remuneration is capitalised and treated as deferred revenue until the non-current asset has been completed and is ready to be used. Revenue recognition takes place from the date when the non-current asset is ready to be used and depreciation commences.

Revenue recognition takes place in line with the related depreciation.

Studies

Agreements entered into concerning studies shall be negotiated between the enterprise and the Norwegian Railway Directorate and shall be formalised using call-off orders under the agreement. The remuneration for the implementation must be agreed in connection with each call-off order. The agreed remuneration for studies is not covered by the annual financing provided to the enterprise. The extent to which the deliveries from the enterprise provide grounds for separate remuneration shall be agreed. The enterprise shall invoice the remuneration for each call-off order in accordance with the prerequisites agreed in the call-off order.

Other services

The responsibility for inspections and examinations of tracks in the Directorate's museum areas is managed by the enterprise and covered by the remuneration.

In 2023, the enterprise will complete its work to establish a digital infrastructure model (DIM) to support the functionality required to meet the needs of the Directorate. Until the model is in place, manual processes must be performed to ensure that the necessary capacity calculations and simulations can be carried out.

Interface with infrastructure charges
In the event of changes to government purchases of passenger transport services resulting from changed infrastructure charges for passenger train operators, the remuneration to the enterprise may be adjusted accordingly so that the net effect of the charges is zero for the

enterprise. Settlement shall be made by 31 January the following year.

A2 - Agreement concerning new and modified infrastructure

Agreement concerning the planning and construction of new or modified infrastructure

This agreement consists of a main document with appendices. Appendix Series E constitutes a specification of the enterprise's performance obligations under the agreement. Appendix Series E has primarily been structured in accordance with the impact packages in the Report to the Storting on the National Transport Plan 2022-2033 (NTP).

In addition, there is also an appendix relating to investment projects that fall under "Minor investment projects in the railway".

When entering into impact package agreements, the enterprise assumes comprehensive responsibility for the realisation of the bundle. Each appendix regulates the requirements that must be taken into account by the enterprise in connection with planning and construction so that the impact packages can be realised in accordance with the contractual commissioning, effect targets and assumptions, etc.

The remuneration relates to grants for planning and project engineering agreements until a decision is made, as well as the construction of infrastructure following an investment decision. The remuneration is generally treated as investment grants, ref. description of A1 refurbishments above. Projects that involve engineering after a main plan has been adopted are regarded as qualifying for capitalisation.

Projects that involve engineering before a main plan has been adopted are not regarded as meeting the criteria for capitalisation from an accounting perspective. The related remuneration is treated as an operating grant and the revenue is recognised in line with accrued expenses.

For administration expenses that are not directly linked to projects and for expenses that do not meet the criteria for capitalisation, revenue is recognised in line with the expenses incurred in the relevant year.

Portfolio management

The enterprise can freely use the overall financial framework to implement the agreed train services (effect targets) under this agreement, provided the agreed performance requirements and results are achieved. In the event that the Norwegian parliament passes a resolution that places limitations on the use of funds, this must be set down in Appendix Series E. If the enterprise implements the agreed train services (effect target) at a lower cost than the agreed fixed price, the enterprise shall retain the difference. Such funds can be used for the planning or construction of new or modified infrastructure implemented at a higher cost than the agreed fixed price. If the enterprise implements agreed initiatives at a higher cost than the agreed fixed prices, the difference shall be financed by the enterprise through savings.

Revenue from train operators

Revenue from train operators is split into three main categories.

Infrastructure charges

Infrastructure charges are what users pay for using the track, which is a service the enterprise is required to deliver to train operators. Infrastructure charge rates are set by the enterprise and the revenue is paid by train operators directly to the enterprise. Infrastructure charges are recognised as revenue as they are earned, i.e. in line with the number of gross tonne kilometres train operators have driven on the track.

Performance scheme (remuneration for the train companies)

A performance scheme has been introduced that is intended to encourage train operators and the enterprise to reduce disruptions on the rail network to a minimum and improve the performance of the rail network. Revenue from the performance scheme is recognised as it is earned, i.e. when the enterprise has accrued a claim against a train operator for such remuneration.

Other statutory services

This is revenue from other services offered to train operators by the enterprise in line with the Railway Regulations and the Authorisation Regulations and generally concerns the delivery of power and service offerings. Sales of services are recognised through profit or loss when the service has been delivered and the revenue earned.

Other revenue

The Group's other revenue mainly comes from leasing and sales of real estate, sales of power to parties other than train operators, and sales of individual other services to third parties.

Sales of power and services are recognised through profit or loss when the

service has been delivered and the revenue earned.

Revenue from leasing real estate is recognised through profit or loss over the duration of the lease. Gains from sales of properties are recognised through profit or loss in the period when the risk and control is transferred to the buyer (transfer date) with the exception of gains from sales related to property that are constructed for sale (construction contracts).

Revenue from properties that are constructed for sale, including residential and commercial projects, are recognised in line with the degree of sale and degree of completion of the property. Ongoing settlement revenue amounts to expected project revenue multiplied by degree of sale and degree of completion.

Also see the description of construction contracts in the separate policy description. In Bane NOR Eiendom AS's contribution in kind, all of the Group's property projects were deposited at their fair value as at 20 June 2017. Therefore, at a group level, results from ongoing settlement are eliminated by offsetting them against the relevant ongoing projects' related value added up to the value assigned to a project when it was deposited via the contribution in kind.

Use of estimates

In preparing the consolidated financial statements, the company's management has to use its judgement and make estimates and assumptions that affect items in the income statement, balance sheet and notes. Estimates and assumptions are based on previous experience and other factors, including expecta-

tions concerning future events that are regarded as reasonable. Estimates and assumptions may change over time and are subject to continuous assessment. Meanwhile, actual figures may differ from recognised estimates. The effects differences in relation to actuarial gains and losses and changed estimates and assumptions have on the results are recognised in the period when the change occurs or are accrued over the periods affected by the change.

Estimates and assumptions that are of material significance for the consolidated financial statements include:

Assessments of the fair value of non-current assets and some current assets
The Group has significant capitalised value added linked to the Bane NOR Eiendom Group's contribution in kind. This relates to assets in non-current assets linked to investment properties, including in land, buildings, etc. and development properties classified under current assets. These assets are tested for write-downs when there are indications of a potential fall in value that would mean there is a risk that the recognised value exceeds the recoverable amount. The recoverable amount for cash generating units is determined by calculating the utility value of non-current assets and the realisation value of current assets. These calculations require the use of estimates.

Recognised assets in the property portfolio are tested annually for falls in value. The outcome of the test for a fall in value may be a significant loss linked to capitalised assets that must be recognised through profit or loss. The property portfolio in the Bane NOR Eiendom Group consists of two portfolios divided between properties needed for operat-

ing activities (investment properties) and development properties being developed for sale. The properties needed for operating activities (investment properties) mainly consist of station areas, railway workshops, engine sheds and terminal buildings. Development properties are mainly located in project development areas, either already started or in the planning stage. Pending zoning plans, development properties, both land and buildings, are leased out on shorter and flexible leases.

Contingent liabilities and other long-term liabilities

The enterprise makes provisions for contingent liabilities where the enterprise believes it is likely that the liability will have to be settled. Provisions are made based on the best estimate of the liability.

Consolidation policies

The consolidated financial statements cover the parent company Bane NOR SF and its subsidiaries Bane NOR Eiendom AS, Bne S-22 AS and Bn Lysaker Elveveien AS. The subsidiary Bane NOR Eiendom AS is in turn the parent company of the Bane NOR Eiendom Group, which consists of around 100 wholly and partly-owned companies.

The consolidated financial statements are prepared as if the Group was a single financial unit. Transactions and outstanding balances between the legal entities in the Group have been eliminated. In the consolidated financial statements, the item line for shares in subsidiaries has been replaced by the subsidiaries' assets and liabilities. The consolidated financial statements are prepared based on uniform policies in that the Bane NOR

Eiendom Group is restated to comply with good Norwegian accounting practices, which is the parent company's accounting language. The subsidiary group prepares its consolidated financial statements based on simplified IFRS.

The subsidiaries are recognised in the consolidated financial statements based on the parent company's acquisition cost. For Bane NOR Eiendom AS, acquisition cost is equal to the fair value of the shareholding upon the contribution in kind carried out on 20.06.2017. Acquisition cost is allocated to identifiable assets and liabilities in the subsidiary, which are stated in the consolidated financial statements at fair value on the date the Group was established. Value added in the consolidated financial statements is depreciated over the asset's expected lifetime. Value added related to land is not depreciated.

The Group's joint ventures are recognised based on the equity method. Using this method results in recognised values on the balance sheet corresponding to the share of equity in the joint venture, corrected for any value added since the purchase and unrealised internal gains. The profit contribution in the accounts is based on the share of profit after income tax in the joint venture and is corrected for the depreciation of value added and unrealised gains. The income statement shows the profit contribution as separate operating revenue.

Main rule for classifying assets and liabilities

Assets intended for permanent ownership or use are classified as non-current assets. Other assets are classified as current assets. Receivables that will be repaid within one year are classified as

current assets. Equivalent criteria are used for classifying current and non-current liabilities.

Non-current assets are measured at acquisition cost but written down to fair value when a fall in value is not expected to be temporary. For non-current assets related to railway-related infrastructure and used for the enterprise's purpose, assessments will be made of fair value and any need for writing down based on the non-current asset's utility value for the enterprise. Assuming that the asset is used for the enterprise's purpose and fulfils the conditions in the remuneration agreement with the Norwegian Railway Directorate, the asset's utility value is generally assumed to have been retained.

Non-current assets with limited financial lifetimes are depreciated according to a schedule. Current assets are measured at the lower of acquisition cost and fair value. Current and non-current liabilities are capitalised at their nominal received amount at the time of establishment.

Acquisition cost

The acquisition cost of assets includes the asset's purchase price, less any discounts and similar, plus any addition for purchase expenses. For purchases in foreign currency, the asset is capitalised at the exchange rate on the transaction date. Interest related to the manufacture of non-current assets is capitalised.

Property, plant and equipment

Land is not depreciated. Other property, plant and equipment is capitalised and depreciated on a straight-line basis to its residual value over the fixed asset's

expected useful lifetime. Self-produced fixed assets are broken down into the significant component parts with different lifetimes and capitalised upon completion. Maintenance of fixed assets is expensed on an ongoing basis under operating expenses. Embellishments and improvements, which in Bane NOR SF are referred to as "refurbishments", are added to the fixed asset's cost price and depreciated over the lifetime of the improvement (broken down).

Significant leased fixed assets are capitalised as fixed assets if the lease is deemed financial. Such assets have a corresponding cross entry in the form of a capitalised liability.

Shares in subsidiaries, joint ventures and associated companies

Subsidiaries are enterprises over which the parent company has a direct or indirect controlling influence. Normally a stake of more than 50 per cent will in any case result in a company being deemed a subsidiary. Joint ventures are enterprises over which the parent company has a direct or indirect joint control with other owners. No single owner has a controlling influence, instead the parties have established joint control of the enterprise through an agreement. Associated companies are companies in which the Group has a significant influence, but which are not subsidiaries or joint ventures. A significant influence normally exists with stakes in excess of 20 per cent.

Shares in subsidiaries, joint ventures and associated companies are recognised at acquisition cost in the parent company's financial statements, although they are written down to fair value if a fall in value occurs that is not considered to be

temporary. Write-downs are reversed if the basis for the write-down no longer exists. The cost price is increased when funds are added through capital increases or when a group contribution is made to a subsidiary. Received dividends are generally recognised through profit or loss as revenue in the parent company. Disbursements that exceed the share of retained earnings after the purchase are recognised as a reduction in acquisition cost. Dividends/group contributions from subsidiaries are recognised in the same year as the subsidiary allocates the amount. Dividends from other companies are recognised as financial revenue when the dividends are approved.

Other shares

Other long-term shareholdings are shareholdings where the enterprise's stake is less than 20 per cent. Such shareholdings are recognised at acquisition cost in the consolidated financial statements but are written down to fair value if a fall in value occurs that is not deemed to be temporary. Write-downs are reversed if the basis for the write-down no longer exists.

Inventories

Properties, including land and projects, that are under development and intended for subsequent sale are classified as development properties in the consolidated financial statements and included on the line "Inventories".

The enterprise's inventories consist of equipment and components that are intended for use in the ongoing maintenance and operation of existing railway infrastructure.

Holdings of purchased inventories are measured at the lower of acquisition value and fair value. Inventories and development properties are written down if the fair value of the inventories is deemed to be lower than the acquisition cost. For inventories that are intended to be used for railway purposes, the enterprise's utility value of the inventories is used to measure fair value.

Construction contracts

Works under construction, related to the Group's residential projects and other property projects under construction for customers, are measured using the ongoing settlement method. The degree of completion is calculated as accrued expenses as a percentage of the expected total cost. The total cost is reassessed continuously. For projects where it is assumed that the result will be a loss, the calculated loss is expensed immediately.

Currency

Receivables and liabilities, as well as monetary items in foreign currency are measured at the exchange rate on the balance sheet date.

Pensions

The enterprise has a defined contribution pension scheme that applies for new employees. The scheme covers people employed by the enterprise after 01.01.2017. The enterprise also has a closed collective defined benefit scheme in the Norwegian Public Service Pension Fund (closed scheme for employees who were transferred from the Norwegian National Rail Administration and Bane NOR Eiendom AS).

The defined contribution pension scheme is expensed in line with deposits into the employees' pension savings accounts. The enterprise has no further payment obligations once the deposits have been paid.

The private contractual early retirement (AFP) scheme is regarded as a benefit-based multi-enterprise scheme. The administrator is unable to obtain reliable calculations of the earned liabilities. The AFP scheme is therefore treated in the financial statements as a defined contribution-based scheme and is included in expenses for defined contribution schemes including employer's national insurance contributions.

The enterprise uses the option in NRS 6 Pensions to recognise pensions in line with IAS 19 Employee Benefits.

A linear earnings model based on expected final pay is used to calculate pension expenses. The calculations are also based on expectations concerning the discounting interest rate, future wage adjustments, pensions and benefits from the National Insurance Scheme, future returns on pension assets and actuarial assumptions concerning mortality, voluntary departure and early departure due to the special age limit in Bane NOR SF.

Bane NOR SF recognises actuarial gains and losses directly against equity. Changes in the pension liability and assets due to changes and deviations in relation to calculation assumptions (actuarial changes) are recognised against equity.

With effect from 1 January 2018, the Ministry of Labour and Social Affairs introduced amended provisions for adjusting deferred rights in state-owned enterprises. Financing deferred pension

rights for employees who leave the enterprise remains the responsibility of the enterprise.

Financial and operational leases

Leases that transfer most of the financial risk and control from the lessor to the lessee are treated as financial leases. Other leases are treated as operational leases.

Hedging

The enterprise hedges purchases of power for both onward sale to train operators and internal use. Price hedging for onward sale takes place in consultation with the train operators and is included in the cost basis invoiced to these back-to-back. The Group has entered into so-called swap contracts to interest rate hedge loans that have been raised in the Group's subsidiaries.

Only interest rate hedging entered into for the purpose of hedging cash flows for specific loans is treated as interest rate hedging.

The Group has entered into forward exchange contracts to hedge currency purchases in some projects.

The Group's hedge accounting is carried out in line with NRS 18, option 2, such that realised and unrealised gains and losses on hedging instruments are not recognised before the hedging instrument is realised. The value of the hedging object is not capitalised. Accumulated gains and losses not recognised through profit or loss are shown in the disclosures in the notes to the financial statements.

Tax liability

The parent company, Bane NOR SF, has a tax exemption pursuant to section 2-32, paragraph one, of the Taxation Act. Acquisitions are not one of the enterprise's purposes and it does not distribute dividends to the owner. Nonetheless, the enterprise has limited tax liability for financial activities pursuant to section 2-32, paragraph two, of the Taxation Act. Other group companies are liable for tax.

The income tax in the income statement includes both the tax payable for the period and the change in deferred tax. Deferred tax is calculated based on the temporary differences that exist between accounting and tax-related values, as well as tax deficits that can be carried forward at the end of the accounting year. Tax increasing and tax reducing temporary differences that are reversed or could be reversed in the same period are offset. Deferred tax and tax assets that can be capitalised are recognised net on the balance sheet.

Cash flow

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include the Group's cash and bank deposits.

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