NG Group

Annual Report 2023

Pioneering circularity

START

Integrated annual report 2023

This is NG Group's integrated annual report for 2023. Integrated reporting is an internationally recognized framework that bridges the gap between financial and non-financial reporting. The report provides an explanation of the group's strategy, business model and value creation emphasizing how we have created value for people, the environment and society through 2023.

The report provides an overview of sustainability practices and metrics for NG Group AS, including all subsidiaries that are fully or partially owned as outlined in the Consolidated Financial Statements. It focuses on entities that are operationally controlled by NG Group, spanning the entire calendar year of 2023, from January 1st to December 31st.

Furthermore, the report contains financial data and the Consolidated Financial Statements, featuring NG Group AS as the parent company. This information is detailed in the section titled "Financial Reporting."

NG Group AS is a wholly owned subsidiary of Norsk Gjenvinning Norge AS, and the information related to sustainability policies, performance and targets for NG Group applies to Norsk Gjenvinning Norge AS.

The report meets the legal requirements for corporate reporting as stipulated in section 3-3c of the Norwegian Accounting Act ("Regnskapsloven"), related to sustainability and social responsibility.

NG Group is committed to continually improving and aligning with international standards and forthcoming reporting obligations, and this report is written with reference to the GRI framework. A key priority is to ensure compliance with the EU Corporate Sustainability Reporting Directive (CSRD) applicable to NG Group from the financial year 2025.

The Board of Directors holds the responsibility for the assessment and approval of the reported financial and sustainability information, including the material topics for sustainability reporting.

This report is structured around several key chapters, each complemented by picture slides that present the theme within a transparent field. For all numerical data, we have compiled a separate Factbook, to which references are made throughout the text. To bring stories and exemplary instances of the theme to life, we've chosen to use colorful backgrounds for illustration.

For inquiries about the financial information presented in this report, please contact the Chief Financial Officer, Espen Krey Brettås, at espen.krey.brettas@ngn.no.

Questions related to the sustainability information can be directed to the Chief Sustainability Officer, Runa Opdal Kerr, at runa.kerr@ngn.no.

NG Group

About NG Group

NG Group addresses a global challenge, turning waste into valuable resources, contributing to cutting greenhouse gas emissions and preventing resource scarcity, and reducing pressure on nature.

NG Group has 2,277 employees, handles 2.0 million tonnes of waste and is present in Norway, Sweden, Denmark, Finland, Poland, and the UK. By the end of 2023, NG Group consisted of a total of 68 companies.

The group controls and manages a critical part of the Nordic waste management infrastructure through a large modern asset base. With a strong upstream presence in waste collection, logistics, sorting, pre-processing, and trading, and downstream presence in material recycling and recovery, aiming to pioneer circularity as well as clean energy solutions.

With creative thinking and teamwork, we challenge conventional norms and regenerate resources so that we can take better care of our planet. We are proud to take a leading role, with our customers and partners, in the green transition to a circular economy in the Nordics.

NG Group's majority owner, Summa Equity, is a purpose-driven, thematic investment firm, considering global challenges as opportunities.

VISION:
Pioneering circularity

MISSION:
Regenerating resources

NG Group in brief

Founded in
1926

Number of employees
2,277

Vehicles
600

Recycling and material recovery
55%

Revenue 2023
NOK 8.4 bn

Collection & Processing sites
44

Avoided GHG emissions
-1,458,078 CO_2e

Waste handled
2.0 mill tonnes

Strategic direction

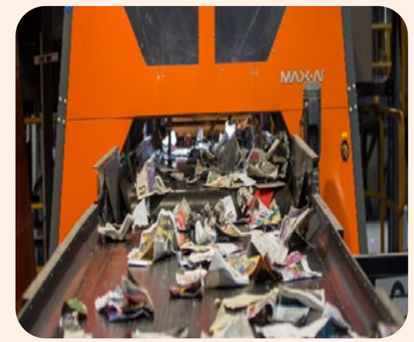
NG Group is committed to a sustainable future and accelerates the shift towards a circular economy. Our main priority remains providing a safe and healthy work environment for our employees and partners. NG Group's ambition is to strengthen the position in terms of profitability and sustainability.

The Group's growth strategy is centered on leading the transition to a circular economy in the Nordic region while also targeting specific opportunities for global growth. The strategic objective toward 2027 focuses on three key areas:

- Strengthening the group's position in upstream control through smart feedstock aggregation. Addressing the growing demand for increasingly scarce sustainable resources. Our efforts involve the collection, sorting, and processing of waste feedstock.
- Bolstering the Group's downstream expansion by increasing waste valorization and expanding into new areas of material recycling, clean energy production, and the development of end products.
- Utilize the value of data by digitizing the waste industry through scalable digital solutions for more transparency, traceability, and efficiency.

NG Group is structured around six strategic platforms, each playing a unique role in advancing the overall objectives of the group. The platforms feature leading brands within their respective market segments.

Current core



Recycling and Sustainable Resources

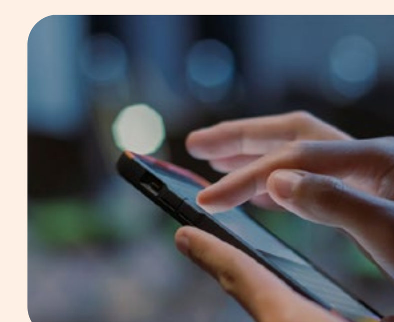
Green Metals

Urban Reuse

Growth platforms

Global Zirqular Solutions

Green Transitions and Technology



Digital Solutions

Decarbonizing to protect climate and nature
Circular solutions improve global resource efficiency, reduce greenhouse gas emissions, and protect nature. In collaboration with our clients and partners, we are committed to reducing greenhouse gas emissions across value chains and operational processes.

To limit global warming to well below 1.5°C and reaching the target of the Paris Agreement, we have to reduce emissions of greenhouse gases. NG Group's portfolio companies impact by actively participating in recycling and maintaining products in circulation. Through recycling and recovery we reduce our clients emissions by more than 1.4 million tonnes of greenhouse emissions on an annual basis.

We are equally dedicated to minimizing our own emissions, notably by decarbonizing our fleet, enhancing procedures, and discovering innovative and superior approaches throughout all our operations and value chains. We have established science-based greenhouse gas emission reduction targets, which are integrated into our sustainability-linked loan. This approach is operationalized across each platform to guarantee a unified strategy in reaching these objectives.

Empowering our customers and partners
At NG Group, we are committed to strengthening our customers and partners through circular solutions, offering tailored strategies that drive both sustainability and economic growth. Our efforts are centered around understanding and addressing the unique challenges our customers and partners face, enabling them to not only achieve their environmental goals but also enhance operational efficiency and market competitiveness.

In 2023 NG Group handled

2 million
tonnes waste

...thereby saving society from

1.4 million
tonnes CO_2e
(avoided emissions)
which corresponds to the annual emissions from:

310,000
gasoline-powered cars

Message from the Group CEO

In 2023, NG Group made significant strides toward our ambitious goal of accelerating the transition to a circular economy across the Nordics.

Amidst geopolitical unrest and challenging market conditions, it's with great pride that I share NG Group's achievement of record-high revenue, a clear indicator of our trajectory toward sustained growth. This accomplishment reflects the dedication, skill and hard work of our employees, and the robust trust and collaboration we've fostered with our customers, partners, investors, and owners. My sincere appreciation goes out to all involved.

Our people, pioneers as I like to call them, consisting of highly skilled and dedicated employees, are the cornerstone of our success at NG Group. Ensuring their safety and fostering a healthy work environment is our highest priority. We believe there's a direct correlation between the well-being of our staff and the advancement of our strategic objectives. Any injury or accident is one too many, safety demands daily effort and focus. We should take pride in our safety efforts, but we must never become complacent.

In 2023 our owners Summa Equity announced the closing of Summa Circular, an Article 9 fund. Ownership of NG Group was thus transferred from Summa Fund I to Summa Circular. The transaction will allow us to continue executing our value creation plan by capturing the expanding market opportunity stemming from the shift towards a circular economy. I am proud that our ownership structure demonstrates a strong commitment from employee shareholders and includes the integration of former minority owners at the group level, enhancing engagement across the group.

We have advanced on our strategy by improving our upstream position through smart feedstock aggregation, addressing the growing demand for increasingly scarce sustainable resources. Our efforts include the collection, sorting, and processing of waste feedstock, alongside our downstream expansion efforts, which focus on accelerating waste valorization and branching out into new areas of material recycling, sustainable energy production, and the development of end products. Furthermore, we have embraced the value of data and digitalization, offering scalable solutions that increase transparency, traceability, and efficiency.

2023 marked a pivotal year in which we developed a holistic approach to sustainability. Through our sustainability-linked loan, we committed to five measurable objectives, including aligning our emissions reduction targets with climate science, highlighting avoided emissions, advancing women into leadership and specialist roles, ensuring a safe work environment, and conducting audits of high-risk partners in our value chain. By championing sustainability, we're future-proofing our group. We have made significant strides in decarbonizing our own operations, while recognizing that we still face a considerable task ahead, one we are dedicated to accomplishing.

We have further strengthened our executive leadership by expanding the Executive Committee to include two pivotal roles: Group Chief DNA Officer and Group Chief Technology Officer. The introduction of these positions underscores our commitment to enhancing our focus on human resources and our collective 'we' culture. Additionally, it reflects our determination to accelerate the pace of the green transition through innovation and technological advancement, aiming to significantly increase the recycling rate within the group. The group was renamed NG Group to ensure a clearer distinction between the group and its companies, and to promote unified communication and branding that all companies within the group can identify with.

We stand at the circularity tipping point, bolstered by strong market fundamentals and a global push towards a more sustainable future. Recognizing that what took us here, won't get us there, we are committed to innovation. As pioneers in circularity, we know that resting on our achievements is not an option. Our nearly century-long history empowers us to take calculated risks, challenge the status quo, and push the boundaries of what's possible. Guided by our vision "pioneering circularity", NG Group is positioned for sustainable value creation, ready to shape the future together with our partners and customers.

– Bjørn Arve Ofstad

Recognizing that what took us here, won't get us there, we are committed to innovation. As pioneers in circularity, we know that resting on our achievements is not an option.

Message from the Chairman of the Board

In 2023, Summa Equity unveiled a comprehensive report on EU's circular markets, revealing that these markets could be valued at EUR 1.5 trillion by 2040, with the potential to reduce carbon emissions by 650 million metric tonnes of CO_2 equivalent per year, contributing significantly to the EU objective of net zero GHG emissions by 2050.

The circular economy presents Europe with an exceptional opportunity to establish a resilient and future-oriented economy, significantly enhancing the continent's capacity for emission reduction and creating a new age of industrial success. With urgency being vital, it is critical that we act swiftly.

NG Group is instrumental in this transition, making significant strides in 2023 with its strategy to accelerate the shift to a circular economy. This strategy involves strengthening its upstream presence, enhancing its value in downstream operations, data, and digitalization. By maximizing existing solutions and pioneering new innovations, NG Group is steering the charge towards a more circular future. This progress is due to the dedication and expertise of the individuals who work at NG Group daily.

Furthermore, Summa Equity announced the establishment of Summa Circular in 2023, an Article 9 continuation fund dedicated to NG Group, signifying the transfer of NG's ownership from Summa Fund I to Summa Circular. The completion of this approximately EUR 550 million[1] transaction bolsters NG Group's standing as a central figure in the Nordic circular economy, opening vast market opportunities.

I am confident in NG Group's unique position to continue delivering value and further its legacy of pioneering circularity.

– Bertrand Camus

1) Full equity value incl. committed capital.

”

The circular economy presents Europe with an exceptional opportunity to establish a resilient and future-oriented economy.

Executive Committee

The NG Group's executive committee has responsibility for financial and sustainability reporting within the group and governs its subsidiaries through group policies and representation on the directly owned subsidiaries' boards. These policies and any other group direction are then implemented by leadership in each directly owned subsidiary, which thereafter implements them further down to the indirectly owned subsidiaries. Executive committee reports on financial, HSEQ and ESG to the Board of Directors in each of the main board meetings.

Bjørn Arve Ofstad
Group CEO

Bjørn Arve Ofstad started at NG Group in 2013 and has held several positions including CEO of NGm3, several NG Group board positions, and Group COO. He has previous industry experience as Group CEO for Ocea Gruppen AS and Executive Director for Kverneland Group. Ofstad has an MSc. in Economics and Administration from NHH.

Espen Krey Brettås
Group CFO

Espen Krey Brettås started as CFO in NG Group in 2018. Brettås has been finance manager at EDB Business Partner ASA, and has had a long career at Telenor. Brettås is educated as a civil economist with a specialization in finance from BI Norwegian Business School.

Runa Opdal Kerr
Group Chief Sustainability Officer

Runa Opdal Kerr has a Master in Law and worked as Chief Legal in NG Group from 2007 to 2016, was member of the board from 2021-2022 and started in NG Group as CSO in January 2023. She is an experienced leader with a demonstrated history of working in private and public businesses. Strong legal professional, skilled in i.e. Environmental Law, Competition Law,change management and negotiations.

Executive Committee

Andreas Lindström
CEO Recycling & Sustainable Resources, EVP NG Group

Andreas Lindström has been with NG Group since 2014. Lindström has an MSc in Industrial Engineering and Management from Chalmers University of Technology in Sweden, and an MSc. in Management, Technology and Economics from the Swiss Federal Institute for Vocational Education and EHB in Zürich, Switzerland.

Jon Bergan
CEO Green Transition and Technology, EVP NG Group

Jon Bergan began in NG Group in 2013. He has previously been Director for Chartering and Trading in the Torvald Klaveness Group and held leadership positions at Statkraft and Norsk Hydro. Bergan is a civil economist from BI Norwegian Business School and has an MSc in Energy.

Are Strøm
CEO Urban Reuse, EVP NG Group

Are Strøm entered the group in 2020. Strøm has previous experience as CEO of the Holte Group and as head of Building Nordics in NCC Norway. Strøm is educated as a civil engineer from NTNU in Trondheim, with an Executive MBA from IE Business School in Madrid.

Thomas Mørch
CEO Global Zirqular Solution, EVP NG Group

Thomas Mørch has been with NG Group since 2013. He has held several board positions within the group and served as Director for Innovation and Sustainability. Mørch has experience as partner and portfolio manager in RS Platou Fund Management and worked for Nordea Markets. Mørch has an MSc in International Business from Skema Business School in France, and a Bachelor (BA Hons) in Social Economics from the University of Manchester in England.

Roy Hammer
CEO Green Metals, EVP NG Group

Roy Hammer started at NG Group in 2024. Hammer has an extensive background from leading industrial companies like Alcoa, Hydro, Sapa and Elkem. Hammer possesses an educational background from both MIT and the Norwegian School of Economics.

Mette Egli
Group Chief Technology Officer

Mette Egli joined NG Group in 2024, bringing experience from her previous leadership positions at REEL Norway, GE Power Norway, Alstom Power Norway, and ABB Switzerland. Her educational background includes studies at BI Norwegian Business School, Universitas Swiss German Serpong, and ETH Zurich.

Mette Hopsdal
Group Chief DNA Officer

Mette Hopsdal started at NG Group in 2024, and has previously held leadership positions within ICE Norway and Synsam, alongside experience from her business, line management, and consulting for major corporations. Her educational background include University of Bergen and Western Norway University.

Board of Directors

Name	Position	Stakeholder representation
Bertrand Camus	Chairman of the Board	Summa Equity
Reynir Kjær Indahl	Member of the Board	Summa Equity
Aurélia Carrère	Member of the Board	Summa Equity
Hannah Gunvor Jacobsen	Member of the Board	Summa Equity
Åge Nordstrøm Landro	Member of the Board	External
Elisabeth Johansen	Member of the Board	Employee representative
Gintautas Blanka	Member of the Board	Employee representative
Tom Erik Løchen	Member of the Board	Employee representative

NG Group and Platforms

NG Group

NG Group is divided in six strategic platforms. Each platform is represented with a One Pager where you will find their key indicators and performance.

What we do
NG Group is a leading Nordic provider of circular solutions and environmental services. The group controls and manages a critical part of the Nordic waste management infrastructure through a large modern asset base. With a strong upstream presence in waste collection, logistics, sorting, pre-processing, and trading, and downstream presence in material recycling and recovery, aiming to pioneer circularity as well as clean energy solutions.

The problem
Current materials system accounts for ~1/3 of global CO_2 emissions, causing damage to our biodiversity and exhausting our natural resources at an unsustainable rate. To meet the Paris Agreement's objective of limiting global warming, it is imperative to reduce greenhouse gas emissions. At the same time, global waste generation is anticipated to increase by 70% by 2050[1], amidst the backdrop of fading natural resources.

Our solution
A circular economy and materials system where waste is a valuable resource and raw material. NG Group serves more than 40 000 commercial and municipal customers, contributing to preserve and restore natural capital, and to decarbonize society enhancing access to sustainable materials.

Our impact

19,062
Scope 1+2 tonnes CO_2e

2,024,778
Waste handled in metric tonnes

-1,458,078
Avoided GHG emissions tonnes CO_2e

887,336
Scope 3 tonnes CO_2e

55%
Recycling and material recovery rate

2,277
Employees

33.6%
Women leaders and specialists

3.9*
Lost time injury frequency rate
* 4.7 Lost time injury frequency rate, 3-year rolling average

1) The World Bank.

Recycling and Sustainable Resources

What we do
We reduce reliance on primary resources. By keeping materials already available on the market in circulation we ensure that waste is handled responsibly.

The platform Recycling and Sustainable Resources leads the Norwegian market in waste management and environmental services. We offer a wide range of services including collection, sorting, processing, and waste consultation and have extensive links to international customers and partners.

The problem
Norway ranks amongst the countries with highest global overconsumption, and has associated high levels of waste generation.While landfill sites are filling up, consumption of resources is accelerating at rate that will damage the ability of future generations to meet their needs. Moreover, the climate and environmental costs of virgin resource extraction have detrimental effects on both the planet, local communities and ecosystems where these materials originate.

Our solution
We strive to transform waste streams throughout the value chain, moving towards reuse and recycling. We match our expertise and abilities with our customers' requirements, we innovate solutions, one waste stream at a time. Our aim is to generate inputs for production by producing high-quality raw materials capable of competing with virgin resources in manufacturing processes and energy production.

Our impact

8,284
Scope 1+2 tonnes CO_2e

1,354,954
Waste handled in metric tonnes

-373,386
Avoided GHG emissions tonnes CO_2e

691,912
Scope 3 tonnes CO_2e

38%
Recycling and material recovery rate

696
Employees

39.2%
Women leaders and specialists

4.3
Lost time injury frequency rate

Green Metals

What we do
We are working towards becoming one of the largest and leading metal, battery, electrical and electronic equipment recyclers in the Nordics. We offer a secure and transparent reuse and recycling solutions for our customers, actively developing our value chain through high environmental, social and governance initiatives.

The problem
We are consuming resources faster than the earth can replenish, risking depletion of vital resources. Evolving geopolitical conditions affect raw material access. 40% of all industrial greenhouse gas emissions and 10% of global energy consumption come from production of metals, the impact on nature, biodiversity and people are increasing.

Our solution
We supply an alternative to virgin resources that can reduce the raw material scarcity. Focusing on knowledge and information sharing with our stakeholders, improving the transparency and knowledge of our value chain. Investing and implementing data driven solutions that reduce our footprint effecting nature, biodiversity and people.

Our impact

2,282
Scope 1+2 tonnes CO_2e

291,970
Waste handled in metric tonnes

-1,025,773
Avoided GHG emissions tonnes CO_2e

130,778
Scope 3 tonnes CO_2e

84.26%
Recycling and material recovery rate

169
Employees

30%
Women leaders and specialists

0
Lost time injury frequency rate

Urban Reuse

What we do
The platform "Urban Reuse" is a leading partner for sustainable reuse of buildings and infrastructure in Norway. Today, Urban Reuse has approximately 750 employees across 10 companies. Urban Reuse is the leading national provider of various services within demolition, remediation and life extension of buildings, and also provides a range of services for sorting, handling, reuse and recycling of materials.

The problem
The global construction industry is responsible for a staggering forty percent of the world's CO_2 emissions, energy consumption, and waste generation. To meet global needs for improvements in sustainability, the construction industry must change for better at a fast pace. The problem highlighted here is the significant global environmental impact of the construction industry.

Our solution
Urban Reuse is a major contributor to sustainable solutions for remediation, transformation and life extension of existing buldings and infrastructure, significantly reducing CO_2 emissions and waste generation by facilitating reuse of large amounts of existing building and infrastructure. We also lead the market in sustainable demolition, sorting, reuse and recycling of materials when existing building must be replaced, reducing the environmental impact of material usage.

Our impact

5,616
Scope 1+2 tonnes CO_2e

41,971
Waste handled in metric tonnes

-3,181
Avoided GHG emissions tonnes CO_2e

13,714
Scope 3 tonnes CO_2e

69%
Recycling and material recovery rate

751
Employees

17.1%
Women leaders and specialists

2.4
Lost time injury frequency rate

Global Zirqular Solutions

What we do
Zirq Solutions exist to challenge the possibilities in waste materials and providing circularity to global industry players. We are here to accelerate the transition to an efficient circular economy through recycling. Currently we are focused on urban mining trough cables, circular solutions for the health industry and re-imagineering plastics through industrial scale circular solutions in production of products to a wide range of industries.

The problem
34% of global CO_2 emissions come from extraction and production of materials and products. A circular economy is needed for a global reduction of our CO_2 emissions and contributes to a decrease in virgin resources. We need to accelerate the transition to an efficient circular economy.

Our solution
Recycling of materials are key to achieve such a reduction and minimize virgin resource consumption. It is time to cultivate a greener world for the sake of climate, nature and coming generations. We develop imaginative solutions for hard-to-recycle materials by combining recycled post-consumer, post-industrial and virgin materials with complementary material integration to create new designs, products, and solutions.

Our impact

765
Scope 1+2 tonnes CO_2e

25,487
Waste handled in metric tonnes

-55,149
Avoided GHG emissions tonnes CO_2e

45,867
Scope 3 tonnes CO_2e

67%
Recycling and material recovery rate

203
Employees

36.4%
Women leaders and specialists

7.8
Lost time injury frequency rate

Green Transitions & Technology – Mana

What we do
Mana is developing solutions to transform non-recycled waste into clean energy and products. Together with our partners across the value chain, we are building downstream infra positions to valorize waste to drastically reduce CO_2 emissions and maximize energy output.

The problem
The world is in desperate need to reduce CO_2 emissions and increase production of clean energy. Mana addresses both challenges at once.

Our solution
Mana is working with our partners on several early-stage projects. We will produce clean energy and fuels from waste streams such as wood, wet-organic, and residual waste.

Our impact

n.a
Scope 1+2 tonnes CO_2e

n.a
Waste handled in metric tonnes

n.a
Avoided GHG emissions tonnes CO_2e

n.a
Scope 3 tonnes CO_2e

n.a
Recycling and material recovery rate

15
Employees

40%
Women leaders and specialists

0
Lost time injury frequency rate

Green Transitions & Technology – NGm3

What we do
NGm3 offers secure handling for excavated materials, construction waste, and other mineral wastes. We operate five sites across Eastern Norway.

The problem
Construction and building projects frequently generate surplus materials, some of which may be contaminated. It's crucial to repurpose these resources while preventing the spread of pollutants.

Our solution
Our sites can accommodate various degrees of clean or contaminated material, where the materials are handled correctly, and can then be used for other beneficial purposes such as the construction of new roads or backfilling of closed quarries. Example: By reutilizing mineral waste to construct a freight terminal at Kopstad and a road at Asak, we elevate these materials higher up the resource pyramid.

For waste that is either too contaminated or of insufficient quality, we ensure environmentally safe disposal at traditional landfills (Borge and Heggvin). Additionally, we enhance urban logistics through efficient mass reloading operations (H40 in Oslo).

Our impact

0.27
Scope 1+2 tonnes CO_2e

310,396
Waste handled in metric tonnes

-590
Avoided GHG emissions tonnes CO_2e

937
Scope 3 tonnes CO_2e

98%
Recycling and material recovery rate

10
Employees

30%
Women leaders and specialists

0
Lost time injury frequency rate

Digital Solutions

What we do
Our digital solutions of world-class technology provide the valuable insights needed to streamline waste management. With long-term goals set to reduce operational costs and environmental impacts, our mission is to optimize waste management and enable increased recycling rate.

The problem
In a world that is becoming increasingly digitalized, while simultaneously having demands and focus on sustainable solutions, it is important to be able to offer products and services that make it easier for both businesses and individuals to adhere to requirements focus on profitable and sustainable solutions.

Our solution
We empower waste producers to minimize waste production and maximize recycling rates, while enabling waste collectors to optimize their operations for efficiency and environmental impact reduction.

Our commitment to transparency and accountability runs deep. By providing real-time data insights throughout the upstream waste management process, from production to recycling, we ensure that every stakeholder has the information needed to make informed decisions.

Our impact

9
Scope 1+2 tonnes CO_2e

n.a.
Waste handled in metric tonnes

n.a.
Avoided GHG emissions tonnes CO_2e

386
Scope 3 tonnes CO_2e

n.a.%
Recycling and material recovery rate

40
Employees

42.9%
Women leaders and specialists

0
Lost time injury frequency rate

NG Household Collection

What we do

NG Household Collection operates in Norway and Sweden, focusing on the collection of household waste. We fulfill municipal contracts in both countries, offering comprehensive waste management services. Our efforts contribute to reducing greenhouse gas (GHG) emissions for municipalities and bolster sorting practices, thereby facilitating compliance with upcoming regulations. NG Household Collection is committed to maintaining its status as the most efficient, low-carbon-impact household collection service in our operational regions.

The problem

Household waste represents a significant portion of total waste generation in Norway and Sweden, posing a considerable challenge for municipalities. These local governments seek effective solutions to manage waste responsibly and enhance recycling rates.

Our solution

As the leading low-emission household waste collector in Norway and Sweden, NG Household Collection prides itself on a fleet comprising 75% low-emission vehicles. Our goal is to partner with municipalities, assisting them in achieving improved home sorting practices and designing efficient collection routes to minimize the local environmental footprint.

Our impact

2,105
Scope 1+2 tonnes CO_2e

n.a
Waste handled in metric tonnes

n.a
Avoided GHG emissions tonnes CO_2e

3,744
Scope 3 tonnes CO_2e

n.a
Recycling and material recovery rate

331
Employees

21.4%
Women leaders and specialists

6.3
Lost time injury frequency rate

Sustainability in NG Group

Targets and key performance indicators

Climate change

906 CO_2e

thousand metric tonnes

Total greenhouse gas emissions (scope 1, 2, 3)

Target 2027

-38%

NG Group will increase its focus on emissions reductions and greenhouse gas accounting.

READ MORE

Gender equality

33.6%

Women leaders and specialists

Target 2027

40%

NG Group will continue to focus on diversity and inclusion and increasing the proportion of women in leadership and specialist functions.

READ MORE

Safety

4.7

Lost time injury frequency rate

Target 2027

4.4

NG Group will increase its focus on workplace safety and further reduce the LTIFR value.

READ MORE

Responsible value chain

35

Total number of on-site audits of high-risk partners in the value chain

Target 2027

50

NG Group will place increased importance on ethical supply chain management and increase the number of on-site audits in the value chain.

READ MORE

Our approach

In NG Group, we see circularity as the foundation for our business activities. Our ambition and strategy is to drive the shift to a circular economy across the Nordics as a smart feedstock aggregator, accelerate waste-valorization and digitize the waste industry. Sustainability is an integrated part of our business and strategy, and our positive impact is reflected in the business models of our six strategic platforms.

We have a holistic approach to sustainability and set ambitious and quantified targets across multiple material sustainability topics; greenhouse gas emissions and decarbonization, safety, diversity, and responsible business practice in our value chain.

We manage our footprint by developing policies and procedures in line with industry best-practice and meet applicable laws and performance standards on environmental and social aspects, in addition to our obligations to being a responsible business partner.

The development of circular solutions improves global resource efficiency, reduces greenhouse gas emissions, and protects nature. NG Group is working to develop and commercialize new technology to facilitate a global circular economy and to become the leading industrial supplier of sustainable solutions in the Nordic region.

For NG Group, it is crucial that the entire group strives to follow good corporate governance practices, and comply with applicable laws and regulations for all business areas. To ensure compliance, relevant frameworks, policies and procedures are available in our management system.

Materiality analysis

Key themes	Material topics
Decarbonizing society	Circular economy Avoided emissions
Reducing the pressure on natural resources	Greenhouse gas emissions Nature and biodiversity
Safe and sustainable communities	Safe local environment Sustainable communities
Safe and inclusive work environment	"We never compromise on safety" Diversity and equal opportunities
Ethics and transparency in the value chain	Our own business Customers, suppliers and partners

Material topics
NG Group's sustainability work and reporting is based on a materiality analysis. We have prioritized topics along two dimensions, the first is the inside-out perspective, and the impact we and our operations have on the environment, people, and society. The second dimension is to provide to outside-in perspective and the impact environmental and social factors have on NG Group's current and future operations and position. NG Group's materiality analysis was performed in 2021, and is updated to reflect the current operational environment and strategies. We aim to update our materiality assessment according to the methodology described in the European Sustainability Reporting Standards during 2024.

The materiality analysis resulted in a structure of five key themes with ten most material topics. These support our vision of pioneering circularity and mission to regenerate natural resources.

Sustainability governance

NG Group's Board of Directors (BoD) and the Group CEO receive updates on sustainability matters within the group in every meeting. At the group level, EVP, Group Chief Sustainability Officer (CSO) oversees sustainability. NG Group reports on sustainability indicators to our BoD and main owner Summa Equity on a quarterly basis.

Stakeholder interaction

We have identified five stakeholder categories whose influence, needs, and expectations impact NG Group's positioning and our work. Regular, transparent dialogue with these stakeholders strengthens our position as an industry leader providing sustainable solutions, and creating value for customers, the environment, and society.

We strive to develop strong, long-lasting partnerships with customers, and ensure constructive feedback and dialogue. Our customers have high expectations for sustainability and demand sustainable waste handling and environmental services. Our employees have a great impact on sustainability through their daily operations; as i.e. operators, drivers, route planners, customer service representatives.

We work with industry associations to contribute to legislative development. We encourage the use of sustainability requirements in public procurement processes as a tool to increase circularity, in addition to increased transparency and standardized reporting. In addition, we participate in public consultations and have dialogue with policy makers to improve the framework conditions for our industry and promote a circular economy both in the Nordics and in the EU.

> We aim to drive the shift to circular economy across the Nordics.

Key stakeholders and desired positions

Customers and partners
- The ideal partner for circular solutions and decabonization, presenting relevant data to each customer.
- Innovative problem solver.
- Customer-centric and collaborative.

Employees
- Safety first.
- A value-driven employer with a purpose.
- Employer of choice within sustainability.
- Good career growth and development opportunities.
- Diverse and inclusive.

Authorities and politicians
- Adresses and solves major climate and environmental challenges.
- A preferred partner when it comes to knowledge and expertise.
- Serious and credible.

Investors
- Strong profitable growth, both organic and M&A.
- Leading in circularity and sustainability.
- Experienced and competent management team and employees.

Media
- Primary source in the field of circularity economy and sustainability.
- Relevant.

Sustainable finance

In 2023, Norsk Gjenvinning Norge AS, the parent company of NG Group AS, signed a sustainability linked loan. Sustainability linked loans aim to facilitate and support environmentally and socially sustainable economic activity and growth. We are now linking a proportion of our interest rate cost to the achievement of agreed upon sustainability targets. The sustainability performance targets for the agreement were developed in close collaboration with our banks and are rooted in NG Group's sustainability strategy.

The sustainability linked loan for NG Group is operationalized in each platform to ensure a joint approach to achieving the targets. The performance against the targets are reported annually in the Annual Report to ensure transparency and is subject to a third-party verification.

	Sustainability Performance Target	2023 targets	2024	2025	2026	2027	Status 2023
KPI 1	Science-based GHG emissons targets [1]	Scope 1-3 emissions – submission of targets to the Science-based target initiative for validation and all Leaders' approval of SPT targets for 2024-2027 by no later than 120 days after the Financial Year ending 2023.	The percentage approved by all the Leaders as set out in the Sustainability Compliance Certificate for 2023.				√
KPI 2	Share of women among leaders and specialist functions	> 30.6%	>31.7%	>32.8%	>37.0%	>40.0%	√
KPI 3	LTIFR [2]	< 5.4	< 5.1	< 4.9	< 4.6	< 4.4	√
KPI 4	On-sites audits of high risk downstream partners	34	38	42	46	50	√

1) Deadline for reporting KPI 1 and 2 is 30 April 2024 as YE 2023 is baseline for targets.
2) 5% improvement of 3-year rolling average annually.

We give computers new life

At Green Metals in Sweden, used PCs and other electrical equipment are received and prepared for resale. A job that feels most meaningful to our employees.

In Europe, we have a high consumption of electronics, and on average, we might have four unused phones in the drawer compared to those in use. It takes about 5000 liters of water in production to make a laptop, in addition to all the chemicals used.

"In the first instance, we want the products to have the longest possible lifespan by being reused before they are recycled to extract the valuable raw materials." Says says Mattias Kovacs, Sale and Marketing Manager. Green Metals' customers are primarily businesses that, for one reason or another, need to update their electronic devices.

"For example, we might receive 200 screens and laptops from companies, transported securely directly to the facility." At the facility, the equipment is checked and tested before being wiped or emptied of content in a secure manner.

"Our methods for wiping equipment of data and information are approved by NATO, the EU, and the military. Our customers can be completely confident that their information is removed in a safe and secure manner."

Our impact

Pioneering circularity generates a positive impact. Together with our partners, NG Group contributes to reducing the pressure on natural resources and decarbonizing society by enabling access to recycled materials. We provide transparent and accountable waste management, sending waste to compliant business partners. NG Group's six platforms each have their own priorities and address different sustainability challenges, that support our strategy to drive the shift to a circular economy across the Nordics, as a smart feedstock aggregator, accelerating waste-valorization and digitizing the waste industry.

Every year, we collect more than 2 million tonnes of waste and end-of-life products from more than 40,000 customers across a range of industries. We contribute to the acceleration of the circular economy by developing new solutions and technology for waste handling, to increase the rate of recycling and material recovery and move higher up the waste hierarchy. The technology NG Group is developing enables improved traceability of materials which allows our customers to accelerate their circularity and make strategic purchasing decisions.

Collaboration is essential to reach our mission of regenerating resources, in addition to increased digitalization. We are working closely with our partners and customers across the value chain to find optimal solutions to increase the recycling and material recovery rates. Increased digitalization is necessary to improve the transparency and traceability of our waste streams, both on the environmental aspects as well as the social aspects, and gives our customers crucial data in order for them to reduce their emissions.

Reducing the pressure on natural resources
The Circularity Gap Report states that the global economy is only 7.2% circular[1]. NG Group offers circular solutions to reverse the current overshoot. By promoting recycling and reuse, NG Group help reduce pressure on natural resources and hereby reduces the demand for virgin materials. This is an important step towards sustainable development. Annually, we recycle and material recover more than half of all the collected waste, including paper, concrete, plastic, glass, gypsum, and metals. Gypsum is gathered and repurposed into new construction materials. We combat the scarcity of metals like iron, steel, aluminium, and copper by collecting, sorting, and ensuring they return to the material loop. By reducing the pressure on virgin materials, and eliminating harmful substances from the cycle, we make it possible to reduce the pressure on natural resource extraction.

Pioneering Circularity generates positive impact 2023

NG Platforms:

1. Recycling and Sustainable Resources
2. Green Metal
3. Urban Reuse
4. Global Zirqulare Solutions
5. Green Transition and Technology
6. Digital Solutions

Reducing the pressure on natural recources	Decarbonizing society	Clean energy provider	Transparent and accountable waste management
1 2 3 4 5	1 2 3 4 5	1 3 5	1 2 3 4 5 6
Enabling access to recycled materials and reducing the pressure on natural resources.	Visualizing the societal benefit of increased material recycling, keeping material at their highest quality in CO_2e compared to using virgin materials.	Developing new clean energy solutions based on waste to mitigate the global energy crises.	Removing hazardous waste from the loop. Promoting transparency and traceability of waste sent to compliant business partners.
55%	1,458 CO_2e	R&D	2Mt
Material recycling and recovery	Thousand metric tonnes contribution to avoided emissions	Research and development	Waste tracked and traced through the value chain

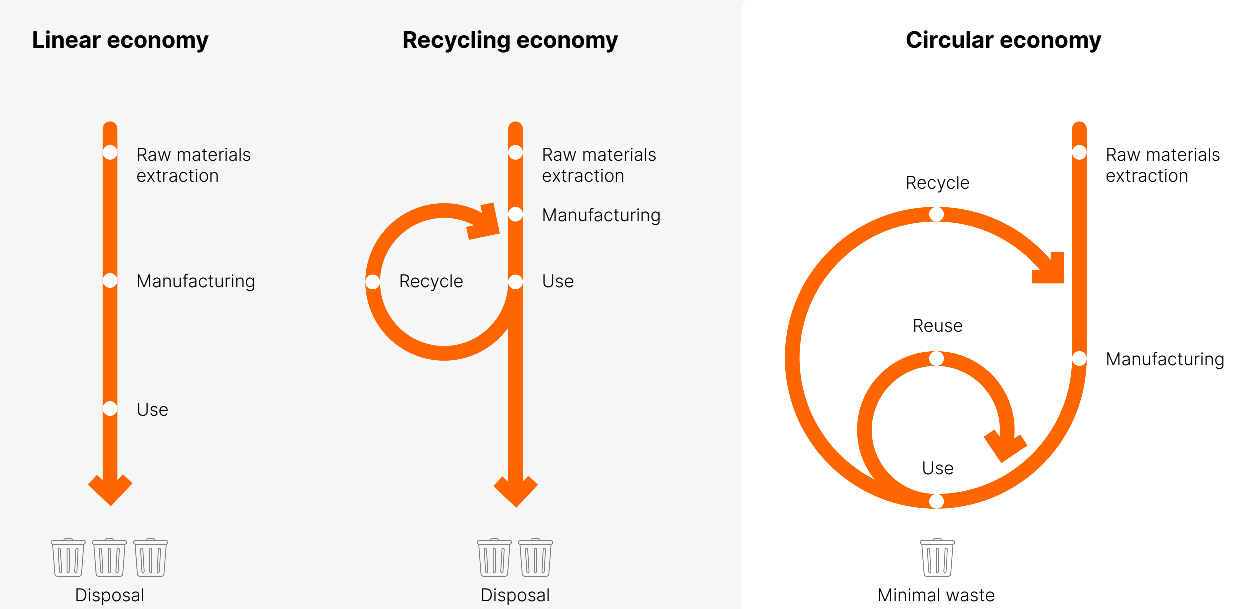
1) Circle Economy. (2024). The Circularity Gap Report 2024. Retrieved from https://www.circularity-gap.world/2024.

Decarbonizing society
To limit global warming to well below 1.5°C and achieving the goal of the Paris Agreement, we must reduce emissions of greenhouse gases. We have therefore committed to Science Based Targets (SBT), and NG Group's portfolio companies contribute by actively participating in recycling and maintaining products in circulation. Through recycling, we contribute to avoid the release of approximately 1 million tonnes of greenhouse gas emissions on an annual basis compared to the use of the marked-based share of virgin- and recycled material.

Clean energy provider
MANA, a subsidiary of NG Group is working to develop new clean energy solutions based on waste to mitigate the global energy crises. MANA exists to accelerate the shift towards a fully decarbonized and circular economy. Together with partners, they develop and scale technologies to transform waste into clean energy and products. MANA's value creation is two-fold: to deal with society's growing waste problem, and to help meeting the increasing demand for clean energy. MANA currently explores three technological pathways; biocarbon from wood waste, biomethane and fertilizer from wet-organic waste, and clean energy carriers from mixed waste.

Transparent and accountable waste management
An important part of accelerating the circular economy is transparency and traceability. We are constantly improving our processes in order to be a transparent and accountable waste management provider, by removing hazardous waste from the loop, and promoting transparency and traceability of waste sent to compliant business partners through data.

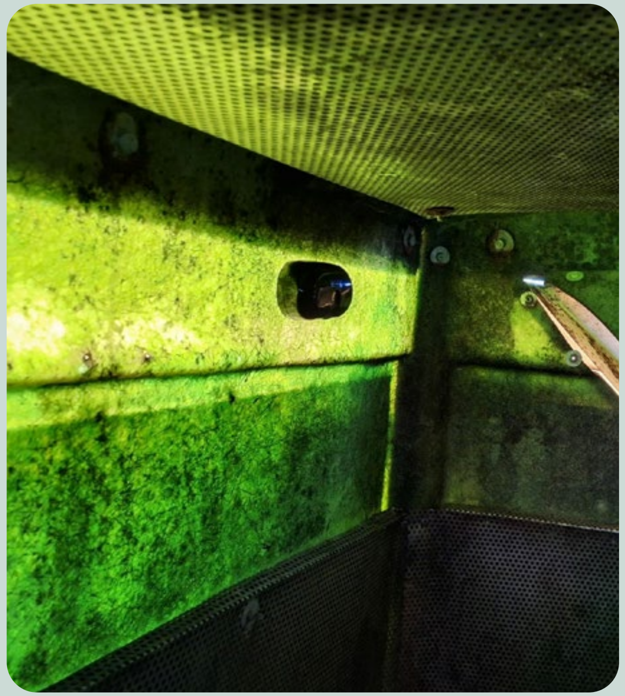
From linear to circular business models*



* Circle Economy. (2024). The Circularity Gap Report 2024. Retrieved from https://www.circularity-gap.world/2024.

From medical waste to designer chairs

Did you know that we have developed a technology that allows us to recycle medical waste? Zirq Solutions – part of NG Group - recycles medical waste in Denmark that turns into beautiful designer chairs.



REEN: Streamlining Waste Management

At REEN, we are dedicated to forging a future where profitability and sustainability intersect seamlessly. Our vision is clear: to revolutionize waste management through innovation and technology with our mission streamlining waste management.

Through our suite of services - REEN CMS, REEN Advanced Routes, and REEN Control - we empower waste producers to minimize waste production and maximize recycling rates, while enabling waste collectors to optimize their operations for efficiency and environmental impact reduction.

Our commitment to transparency and accountability runs deep. By providing real-time data insights throughout the upstream waste management process, from production to recycling, we ensure that every stakeholder has the information needed to make informed decisions.

With REEN, businesses can track CO_2 emissions, monitor waste collection volumes, reduce costs and logistical strain on the infrastructure and much more, all contributing to a more sustainable and profitable world.

We have several succsess stories: Take Amfi Larvik and Amfi Verdal, for instance, who saw their recycling rates soar to over 70% after implementing REEN Control. Not only did they achieve significant cost savings in waste handling, but they also contributed to a cleaner, greener environment.

In the UK, Salford City Council experienced a 30% increase in efficiency with REEN, alongside a remarkable reduction in litter complaints. By optimizing waste collection schedules, REEN liberated valuable resources for the council's frontline teams, allowing them to focus on essential tasks while improving overall service quality.

Meanwhile, Derby City Council in England embarked on a mission to boost recycling rates and reduce landfill waste. With REEN Technology, they slashed bin visits by an impressive 53% monthly, earning recognition for innovation and excellence in public service by The APSE awards.

Across borders, BUCH municipalities in the Netherlands are reshaping waste management paradigms with REEN and REENs commercial partner in The Benelux, TWS. Through dynamic route planning and fill-level technology, they're minimizing costs, enhancing employee engagement, and ensuring optimal resource allocation.

At REEN, we're not just reimagining waste management; we're shaping a future where sustainability and profitability go hand in hand. In REEN we believe that every action counts in our journey to a more circular economy and REEN technology is the perfect enabler.

The reuse of Randkleiv bridge

When Randklev Bridge collapsed into the Gudbrandsdalslågen river during the extreme weather event "Hans" in August 2023 , Øst Riv AS, a company within Urban Reuse, was tasked with lifting out and repairing the bridge elements. "It was a huge undertaking for us in every way, and the most complex job I've ever encountered," says Martin Folvik Johansen, project manager, regarding the work that has been done and what remains to be done with the collapsed bridge.

By the end of October, all eyes were on Ringebu, where a giant crane, brought in from abroad for the occasion, lifted out two damaged steel trusses, each weighing 270 tonnes. And that was just the beginning. "Initially, the task was to retrive the steel elements from the water. Then it was expanded to include repairing them, hoisting them back, and providing a new foundation in the river," says Johansen.

Major project

Øst-Riv AS specialize in demolition, environmental remediation, and complex rehabilitation projects with structural rebuilding, and are currently involved in major projects across the eastern part of Norway. Since Johansen joined Øst-Riv in August, he hasn't thought much about anything other than Randklev Bridge. "I was thrown into this project from day one. Ahead of the major lifts that have been done, there has been a lot of planning and many stakeholders involved. The next few months will be just as busy; in addition to the work on the railway bridge, we've also been tasked with repairing the county road bridge nearby," says Johansen. Good cooperation and all the skilled and dedicated people solved the task.

Climate and environment

Global climate change is one of the greatest risks to society. To limit global warming to 1.5°C above pre-industrial temperatures in accordance with the Paris Agreement, the world must achieve net-zero greenhouse gas emissions by 2050.

In NG Group we have the infrastructure and networks to drive circular economy solutions. NG Group's central business activities – facilitating recycling and material recovery – reduce society's total greenhouse gas emissions by keeping resources in the value chain for longer and reducing the necessity of extracting primary resources. These efforts reduce global emissions and contribute to the mitigation of climate change. In 2023 we handled more than 2 million tonnes of waste contributing to avoiding around 1.4 million tonnes CO_2e.

However, the same services generate greenhouse gas emissions from transportation of waste, and through our sorting and processing operations. The largest source of greenhouse gas emissions from NG Group's activities is indirect emissions from downstream waste handling and processing, such as incineration plants or metal remelting facilities. In 2023, we emitted around 900,000 tonnes of CO_2e, where 98% is related to purchased goods and services, purchased transportation services and downstream handling of waste (scope 3 emssions).

We are working to reduce both direct and indirect emissions from our activities. One of the dilemmas we face, is that increasing the share of waste sent to recycling and material recovery generally has higher associated greenhouse gas emissions compared to solutions lower in the waste hierarchy, thus increasing our scope 3 emissions. We are setting quantified absolute emissions reduction targets for scope 1 and scope 2, and for the non-waste related part of our scope 3 emissions. These targets are submitted to the Science Based Target Initiative (SBTi) for validation in April 2024. The emissions related to waste handling in our value chain are kept outside of the designated boundary of our SBT.

To address our scope 1 emission, we are shifting towards a low emission fleet of vehicles and equipment. At the end of 2023, 43.5% of our vehicle fleet was fossil free. Household Collection has already shifted a large share of its vehicle fleet to utilize HVO diesel, biogas and electricity as fuel. At the end of 2023, 78% of their vehicles operate without reliance on fossil fuels. RSR, our largest platform, ended 2023 with 17% of its vehicle fleet being fossil free, aiming to raise this proportion to 92% by 2026. In addition, we are streamlining our operations by route optimization, and identifying alternative transportation solutions with a lower climate impact – such as trains and ships. Our subsidiary, REEN, has developed sensors that provide real-time updates on the fill level of waste receptacles to minimize the total number of collection trips.

We are using the location-based approach to calculate our scope 2 emissions from purchased electricity, and we are working to reduce our energy use through targeted efficiency measures.

In 2023, we revised our greenhouse gas reporting regime to be in-line with the GHG Protocol, and developed a new, robust, in-house accounting tool to collect data and calculate related emissions. The accounting tool is built for a stepwise transition towards automated data collection of both activity- and spend-based data. Read more about our approach to greenhouse gas emissions accounting in our Sustainability Factbook.

Targets
In April 2024, NG Group submitted targets for validation to the Science Based Targets initiative (SBTi) and at the time of publication is awaiting review and validation. SBTi is a global initiative to validate if corporate emissions reduction targets are in line with what the latest climate science deems necessary to meet the Paris Agreement goals of limiting global warming to 1.5°C above pre-industrial levels. NG Group commits to reduce absolute scope 1 and 2 GHG emissions by 42% by 2030 from a 2023 base year[2]. NG Group also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, capital goods, fuel- and energy-related activities, business travel and upstream transportation and distribution by 25% within the same timeframe[2]. Furthermore, we have set targets to reach net zero emissions by 2050.

We are actively working towards these targets by implementing concrete, technologically and economically feasible emissions reduction plans. Our performance against these targets compared to the 2023 baseline will be disclosed in our annual report.

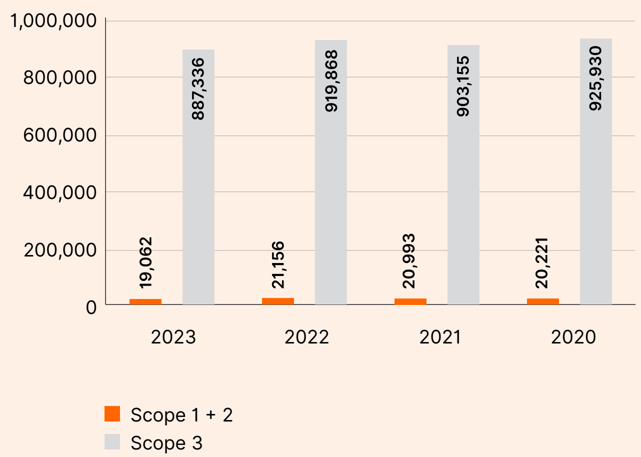
First electric crane

We have a new, fully electric crane at NG Metall in Fredrikstad. The crane weighs 44 tonnes and is used to move metal raw materials. The crane was installed summer 2023.

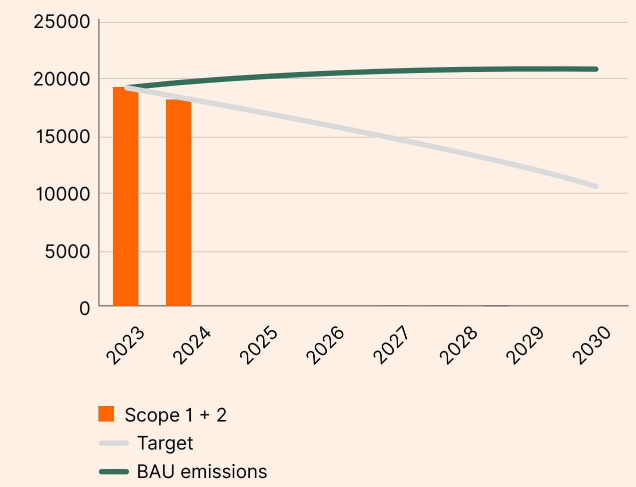
2) The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.

Reducing our own climate footprint; abatement trajectory required to meet Science Based Targets

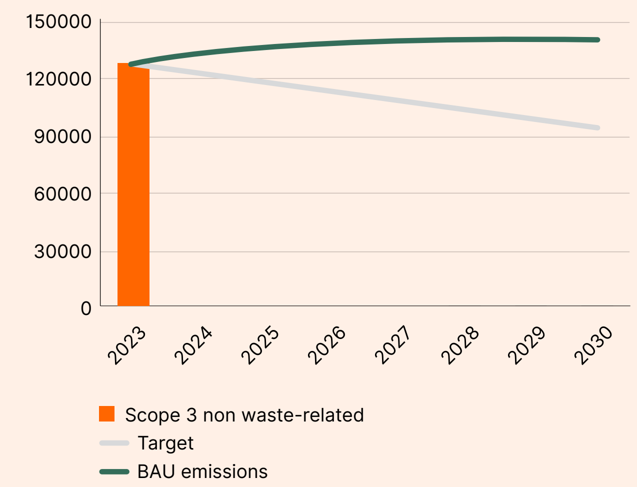
Greenhouse Gas Emissions
GHG Emissions in Consolidated Activities
tonnes CO_2e



Scope 1+2 GHG Emission Reduction
Fossil fuel combustion and purchased electricity
tonnes CO_2e



Scope 3 GHG Emission Reduction
Non-waste related scope 3
tonnes CO_2e



42%
Scope 1 + 2 absolute reduction by 2030. Annual reduction 6% from 2024.

25%
Non-waste related scope 3 absolute reduction by 2030. Annual reduction 4.2% from 2025.

90%
Net zero. Absolute reduction in scope 1+2 and non-waste related scope 3 by 2050.

Overview of Group Consolidated GHG Emissions

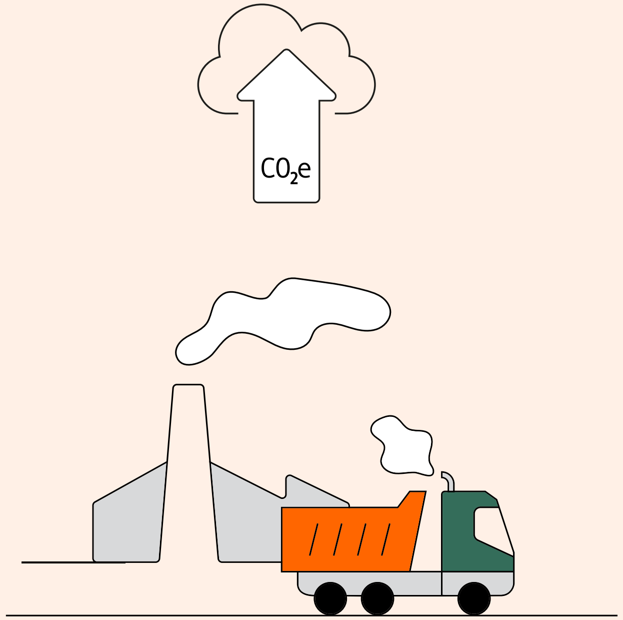
Scope 1

Direct sources

18,296

tonnes CO_2e

GHG emissions mainly derived from fossil fuel combustion



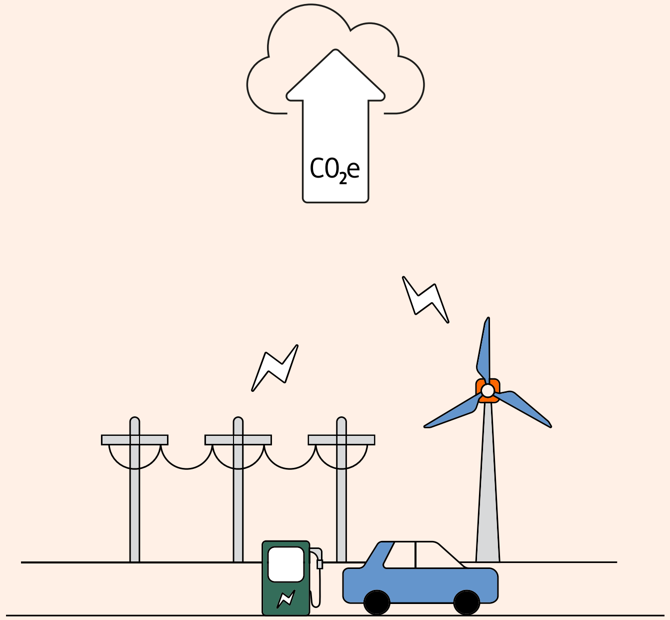
Scope 2

Indirect sources

766

tonnes CO_2e

GHG emissions calculated based on NG Group's consumption of purchased electricity and heat



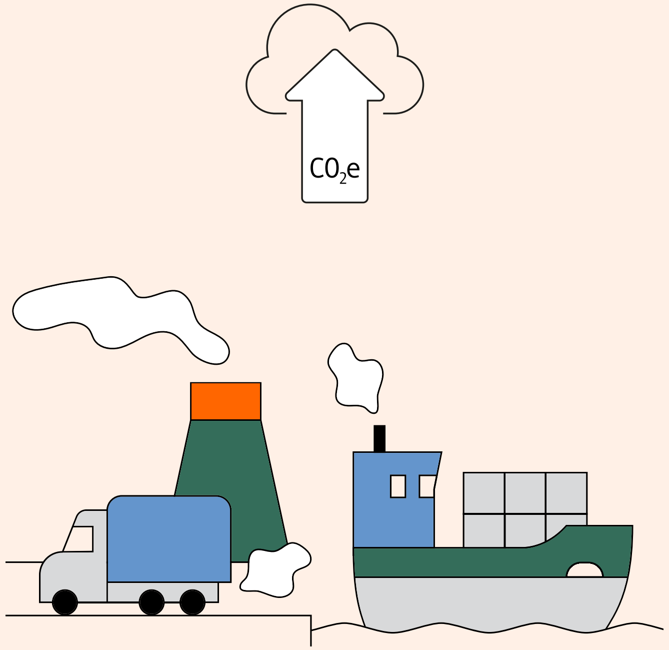
Scope 3

Value chain emissions

887,336

tonnes CO_2e

GHG emissions in the value chain mainly derived from waste processing and purchased goods and services



Contributing to avoided emissions in the society
When recycled raw materials replace the need for primary resources, significant emissions resulting from the extraction of virgin materials can be avoided. To understand this contribution to global net zero efforts, the concept of avoided emissions has been introduced. World Business Council for Sustainable Development (WBCSD) have in collaboration with Carbone 4, a consultancy, made a guidance on avoided emissions, which aims to establish a proper robust framework to prevent any misuse of this assessment, including the risk of greenwashing.

Avoided emissions refer to the reduction in greenhouse gas emissions associated with a particular solution compared to a reference solution[3]. In NG Group, we calculate our contribution to avoided emissions for recycling by considering the emissions related to the use of the marked average blend of virgin and recycled material compared to recycled material alone. Additionally, materials sent for energy recovery are factored into our calculations and reporting of. In this context, avoided emissions are calculated on the premise that the emissions from energy recovery of the material serve as a substitute for the utilization of the average blend of generating Scandinavian district heating based on fossil and non-fossil fuel sources. If this results in lower emissions compared to the emissions associated with Scandinavian district heating, it is accounted for as avoided emissions.

Norsk Industri, The Federation of Norwegian Industries, has previously developed emissions factors for avoided emissions and end-of-life treatment for the waste management sector in Norway. Presently, these factors are used as the basis for our calculations and reporting on avoided emissions. We are currently in process of refining these to better reflect our physical realities, in accordance with best practice.

In 2023, NG Group's work with recycling, material recovery and energy recovery of materials contributed to the avoidance of about 1.4 million tonnes of CO2 equivalents. One of the largest contributors to these emissions was the Group's handling of over 250,000 tonnes of metals, as the extraction of virgin metals is highly emission intensive.

Volumes
In 2023, NG Group handled 2.025 million tonnes of waste. We are committed to taking a leading role in the transition to a low-carbon future where materials are kept in the loop for as long as possible, and continuously strive to increase the share of waste handled at the higher levels of the waste hierarchy. Therefore, we have set an ambitious target of reaching a 70% recycling and material recovery rate by 2025[4]. To achieve this target, we are optimizing our sorting processes, implementing better downstream solutions through new technology, partnerships, and expanding our operations. We are working closely with our upstream and downstream customers to continuously search for innovative new solutions to enable circular value chains where resources are utilized efficiently, and waste is minimized. Succeeding will reduce waste handling emissions and the need for raw material extraction. However, for the foreseeable future, there will be a need for responsible handling of waste that cannot be kept in the loop. This includes some types of hazardous waste which are potentially harmful to the environment. NG Group is dedicated to actively seeking solutions for safely handling this type of waste with minimal emissions and impact on nature.

Currently, we are not able to separate self-generated waste from our customers' flows and these are therefore reported combined. Going forward we aim to establish processes and metrics to measure and reduce self-generated waste. Current measures to reduce waste comprise restoration of steel containers, replacement of broken components of waste receptacles and tire retreading to extend the lifespan of our equipment. Additionally, we are conducting a pilot project using smart sensors to monitor tire pressure and temperature, aiming to prolong the lifespan of tires, reduce fuel consumption and avoid breakdowns on the road. Some of our offices have implemented a weight-based tracking system to monitor and reduce waste generation.

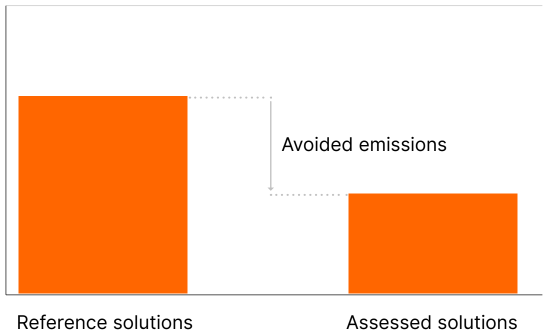
How we define waste treatment categories

1. **Recycling:** Any recovery operation by which waste materials are reprocessed into products, materials or substances for original or new purposes
2. **Recovery:** Waste serves a useful purpose by replacing other materials
   - ***Material Recovery***: Any recovery operation, excluding energy recovery and the reprocessing into materials that are to be used as fuels or energy generation. It includes inter alia, preparing for re-use, recycling and backfilling
   - ***Energy Recovery***: The conversion of non-recyclable waste materials into heat, electricity or fuel
   - ***Backfilling***: Suitable non-hazardous waste is used for reclamation in excavated areas or engineering purposes in landscaping

By reprocessing through washing and/or crushing, and providing documentation in accordance with product standards make the materials of equally good quality as virgin raw materials.

3. **Secure landfill disposal**

Avoided Emissions Definition



3) World Business Council for Sustainable Development. (2023). Guidance on Avoided Emissions.
4) Recycling and material recovery rate is defined as the percentage of material sent with the purpose of recycling or material recovery of total materials handled.

Environmental monitoring
Environmental monitoring is critical to safeguard irreplaceable nature and biodiversity, that are key drivers to the planet's health. It pushes the industry to take responsibility for its impact by setting clear targets addressing pollution and unsustainable practices.

Receiving waste and operating recycling facilities require permits from the relevant environmental authorities, and there are strict limits on emissions to air, ground, and water, as well as noise requirements. In the Nordics, sites that are subject to the emission reporting requirements, reports to their respective environment agency or authority on an annual basis. To ensure that we continuously operate in accordance with our permits, we regularly conduct conformity assessments.

The Waste Hierarchy

Within the organization, waste is managed in accordance with the waste hierarchy, a systematic approach that prioritizes environmentally beneficial practices. The environmental impact improves as waste moves higher up the hierarchy. We are constantly working to improve waste management practices by elevating waste in the hierarchy, aiming to retain as much material value as possible in a circular economy.

Waste Prevention
Consumer behavior and design choices to minimize waste generation

Reuse
Facilitate the reuse of products instead of treating them as waste

Recycling and material recovery
To maximize resource reuse in closed-loop and open-loop

Energy recovery
To utilize waste as an energy source

Final treatment

Incinerate without energy utilization or dispose in landfill

In NG Group, monitoring our impact is a part of our licence to operate and is performed by environmental specialists across the organization. Several of our companies are certified according to the ISO14001 Standard for Environmental Management.

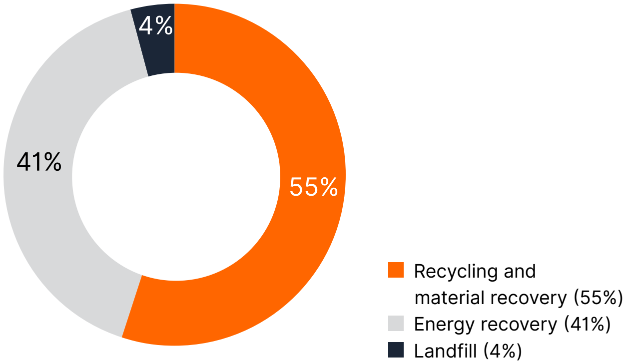
In 2024, we will develop NG Group's nature and biodiversity work to comply with the CSRD, applicable to NG Group from the accounting year 2025. The work includes assessments of climate risk and nature impact for our most significant sites, including their water consumption, pollution to water, mapping of endangered species, and presence in biodiversity sensitive- and water stressed areas. This work will further contribute to our reporting to the Task Force on Climate-Related Financial Disclosures (TCFD) and be in accordance with the Task Force for Nature-Related Financial Disclosures (TNFD).

Expanding our Green Fleet

We have ordered a record number of fossil-free vehicles. As of December 31st, we had 43.5% fossil-free cars. Bringing us closer to our goal of a green fleet.

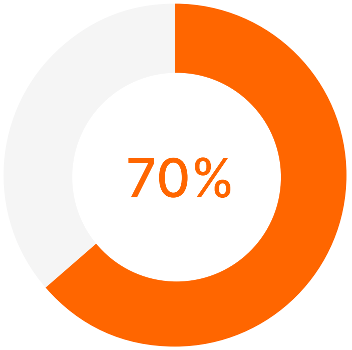
Performance and Target

Waste Volumes per Treatment Category



Target 2025

Recycling and material recovery



Arendalsuka: Highlighting the circular economy

Arendalsuka is recognized as Norway's largest and most significant gathering for those engaged in business and society development. NG Group highlighted the importance of the circular economy on the agenda through own events, in collaboration with partners from various industries and sectors, and also participated in several events organized by others. Through these gatherings, hundreds became more familiar with the importance of circular solutions. There were productive debates and discussions about the challenges and solutions, and importantly, the urgency of accelerating the transition to a circular economy was underscored. NG Group believes in and actively supports collaborative platforms that exchange knowledge and experiences and build partnerships to tackle some of the world's greatest challenges through circular solutions.

Waste today. Clean energy tomorrow.

Newly established Mana aims to address two major societal challenges in one go: reducing the volumes of waste sent to incineration and meeting the increasing demand for clean energy. One of Mana's projects involves transforming wood waste into biocarbon, which can replace fossil coal in smelters and help decarbonize metallurgical industry.

People, culture and community

We strive to attract and nurture employees who are aligned with our passion for the environment and are eager to be pioneers within circularity - while pursuing growth and realizing their aspirations. Our path to success lies in building a cohesive "WE-culture" that fosters a strong sense of belonging throughout the organization. Recognizing our employees as invaluable assets, we collaborate daily to advance towards a sustainable future guided by our core values: **caring, commited, couragous and collaborative**.

NG Group has a set goal to obtain at least 40% women in management and specialist functions within 2027.

Interview with Matilde Zebulon Riise – Customer service Manager in Norsk Gjenvinning.

Matilde, you have been a manager for 4 years. For you, what is the best part of your role?
– Being a part of someone's growth and development and seeing them find their passion and succeed. It's a lot like motherhood. But my absolute favourite part is having a voice that's being heard and using that to make a difference for the girls in our place of work. We've come far, but not there yet. Right now, we're working on getting a machine for female hygiene products in our bathrooms! It might seem like a small gesture, but for the women in the office it's a really big deal.

You have been at Norsk Gjenvinning for 6 years. What was it with Norsk Gjenvinning that attracted you when you applied?
– A friend of mine worked at our customer service center and told me about the many great colleagues she surrounded herself with every day. And she wasn't lying; my biggest flex when interviewing possible new hirings are the great work environment amongst our colleagues. Everyone is extremely passionate about their field of expertise and will gladly and proudly share their knowledge with you. NG is also a great place to start your career; it's a huge company, with endless opportunities and is big on investing in employees.

For NG Group it is important to have a fair share of female managers. What would you advise other young women who might consider a career as manager in the group?
– Female leaders are often criticized for being too sensitive or emotional. But emotionally available leaders are always the greatest. They are the ones that make their employees feel safe and heard, thus making an environment where being honest and voicing your opinion is encouraged. Besides, emotions often come hand in hand with engagement. The more emotional invested you are, the more motivated and engaged you will be.

– I encourage all young women who aspire to leading to stay true to who they are and follow their guts, even though it might not align with how your male managers or colleges act. Don't stay quite just because you grew up being called "emotional" every time you raised your voice. It's your strength and it's time we make room for it in meetings and decision making. It's the diversity we want, after all.

Where do you see yourself in 2030?
– I wish to sit in a room full of my female colleges and other female managers and talk about how far we've come with equality and diversity in our company. We've done a lot and there's still a lot to be done – but I'm sure we'll get there.

Engaged employees are the foundation for our success
At NG Group we acknowledge that engaged and content employees are the foundation for our success, and we always search for employee insight to make sure we are in touch with our organization, and that we make the right decisions.

In 2023 a new approach targeting employee engagement (EES) was introduced, and the data from this EES survey will form the baseline for the NG Group's dedicated work with employee wellbeing and employee engagement in the years to come.

The objective of the EES is to listen to our employees by establishing an organizational development process founded in real time data. The survey target cultural aspects that we believe is vital for us to succeed, such as diversity and inclusion, leadership, our previous mentioned "WE-culture", and general employee wellbeing. We put in extensive work in our EES, to make sure that the questions and areas covered were relevant for both our office-based employees as well as the magnitude of production workers across our sites and countries. The survey was distributed in ten languages to our more than 2,277 employees in the last half of 2023 with a massive response rate of 77% and an overall engagement score of 66% for the Group.

Trade certificate boom among employees

Trade certificates are a fantastic opportunity for employees with relevant work experience to receive a quality stamp on their skills, in addition to providing the company with a boost in expertise and increased professionalism within the industry.

To ensure ownership and continued focus on the results from the employee engagement survey, we work frequently with it across the whole organization, making it part of our strategic focus through workshops, our bonus models and our coming leadership training, to name a few.

In addition to our yearly EES, some of our platforms also use frequent pulse surveys to help us understand how people really feel through consistent employee feedback, with concrete insights on how to support them. This gives us a better view on what's happening in the organization from week to week, and in 2024 the remaining platforms will also implement these pulse surveys.

Diversity and equal opportunities - values that support our goals and strategy
NG Group believes that diversity will make us a more attractive employer as well as provide us with the platform needed to pioneer circularity. Diversity in gender, age, culture, and different backgrounds will contribute to a sound and dynamic working environment and harmonize with NG Group's values and strategic focus on attracting and retaining the right talent. We have a massive focus on setting

YouNG

We are lucky enough to have many ambitious and competent young employees at NG, and in that regards we are proud to present youNG. YouNG is a professional networking program with more than 250 members, that develops a unique cultural and social platform, gaining insights across units, and facilitates dialog and belonging between and towards the younger workforce. Both the content, the planning and the execution of these gatherings are handled mainly by the young employees themselves, through a sounding board. There are four annual gatherings, and the topic may vary. The last one was on diversity and inclusion.

Furthermore, the summer of 2023 we were also happy to welcome 8 students for their internship at the NG headquarters. This is of value specially to promote NG Group as an attractive employer, and we will continue to welcome students for internships in the future.

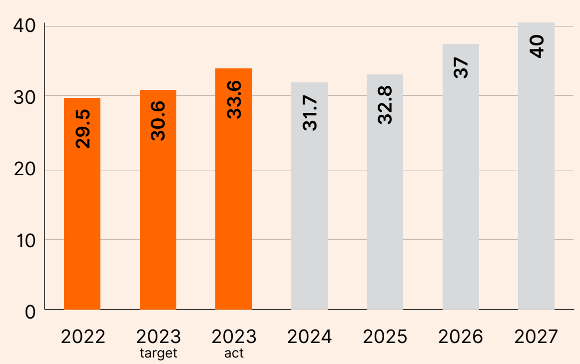
A diverse mix of voices in leadership and team

2023
- A "women feedback survey" to ensure data driven actions.
- Adjustments to our parental leave policy and bonus rules to align with our diversity and inclusion mindset.

Key actions in 2024
- Create Women Open Networking in NG Group, with the intention of building relations and creating career opportunities.
- Mentoring program for young female leaders.
- Urge women to apply to leader functions.

Women in leadership and specialist roles

Numbers in %



YouNG at City cleaning day

In collaboration with with the organisation "Hold Norge Rent" (Keep Norway Clean), the board of YouNG participated on the so-called By-ryddedagen (City cleaning day) in 2023. The aim of this voluntary work is to remove garbage in cities and townships. The day was spent cleaning along Akerselva, engaging bypassert to participate in the cleaning, in addition to spreading the work on the important work of NG.

a new industry level for gender diversity with a Group target KPI of 40% women in management and specialist functions within 2027. NG Group has a stated zero tolerance for harassment and discrimination. The purpose of the Gender Equality Act is indicative through recruitment, pay and working conditions, promotion, development opportunities, and protection against harassment. Guiding with reference to whistleblowing is easily available on both intranet and homepage, in Norwegian and in English. Link ARP.

In 2023 NG Group conducted a survey towards our female employees to get clear feedback on how we can ensure NG Group being a great place to work for women and men alike. We experienced a great response rate and received valuable and actionable data. Several measures were set in place, such as full pay and general pay increases for all during parental leave, a target for separate locker room facilities for women and dedicated facilities for nursing mothers, safety gear/clothing/shoes tailored for women, and a general mindset of flexibility to better accommodate employees' family needs. We have put formal directions on gender diversity in our succession and recruitment processes to battle unconscious bias, and all open positions are advertised internally. Equal pay is another area that sends a clear signal. Hence, during the annual review of employee salaries, a pay equity assessment for equal work or work of equal value is conducted.

Continuous training on safety

HSE is a major focus for all Platforms in the NG Group. Being a major player within the industry, it is vital that the group shows leadership in safe and sustainable operations. We do this by challenging and inspiring employees to find solutions and take on more responsibility, which in return results in continuous improvement, a good learning culture and increased employee satisfaction.

We work specifically on tightening the link between safety, language, and cultural origin. NG Group is an approved apprenticeship company (Godkjent Lærebedrift), training is offered with focus on safety and collaboration. In 2023, almost 100 employees were offered a free course in the Norwegian language.

A continuous work to broaden employees' skills and competency is done through the NG Academy, an internal channel for training and courses. Additionally, many platforms have their own initiatives.

Inclusion – visit by the Norwegian Prime Minister

The Norwegian Prime Minister Jonas Gahr Støre visited the facility of Zirq Solutions in Linnestad, Vestfold to learn more about how we work with inclusion and building job skills for people who have been outside the workforce, through a regional collaboration with the authorities and the business sector.

Top leadership talent within sustainability

Kristine Laake-Bjurquist was ranked Norway's top leadership talent within sustainability by E24, Norway's leading business newspaper.

Kristine serves as the CSO at Zirq Solutions. To accelerate the transition to a circular and greener future, we need brave and ambitious leaders. As an organization, it's crucial that we support and contribute to the development of young talents. We are lucky to have outstanding young talents in the NG Group family.

The essence of any organization's success resides in its people — individuals who bring forth their diverse skills, perspectives, and experiences to foster a vibrant community. Throughout this year, we've witnessed numerous examples that unveil the intricate connections binding individuals, fostering a significant and impactful collaboration with other pioneers.

Example of cross-platform collaboration

We actively work to strengthen cooperation across the group in key areas, one of them being to establish a more distinct and prominent position in the realm of plastics. Efforts are underway to formulate a plastic strategy for the entire group. This strategic initiative involves seeking extensive collaboration across several platforms, encouraging those interested in contributing to the future plastic strategy to participate.

The ambition is to devise a plan to explore and develop innovative ways to utilize plastics while considering sustainability and environmental factors. This includes examining how to improve the efficiency of our current plastic handling and identifying new strategic positions, similar to what has been achieved in medical plastics.

Recognizing the heightened focus on plastics from our customers and society at large, we aim to be a proactive contributor to the solution. To achieve this, we seek broad involvement across the group. We acknowledge the specific enthusiasm for plastics within our group, providing an opportunity for individuals to influence tomorrow's solutions.

– Our goal is to pioneer the circular economy, and the work in plastics represents a step towards realizing this vision. Through strategic collaboration across all platforms in the group, we have a unique opportunity to make informed decisions successful, the positive impacts will extend far beyond our group, states Thomas Mørch, who is responsible for cross-functional plastic initiatives within NG Group.

Connecting trough Viva Engage

At NG we believe in connecting with each other, creating the WE-feeling both on formal and informal arenas - in and across teams and platforms. One of these informal arenas is Viva Engage, which we introduced to the whole organisation in 2023. Viva Engage is a form of corporate version of Facebook, and connects everyone through employee communities and conversations. Viva Engage allows our employees to participate in disussion, be proud and share pictures and news from their respective workdays and, not least - to cheer each other on and to continue getting to know each other and develop relations.

We never compromise on safety

Systematic, comprehensive, and professional safety work is a prerequisite to achieve a safe working environment and to being a serious and reliable business partner.

NG Group shall be at the forefront of the industry as a serious and socially responsible company, also within HSE. Work with health and safety is equated with other management tasks.

It should be safe and health-promoting to work in NG Group. The group achieve this through systematic and targeted work on HSE and safety culture, including visible management, risk assessment of our activities, training, sharing of best practice, learning from incidents and communication across the NG Group.

We have zero vision for injuries and accidents and the overall goal is to avoid all injuries and accidents. We never compromise on safety. All employees shall return home safely from work - every day.

NG Group has integrated HSE work at all levels and the corporate emergency preparedness team works closely with the individual platform to develop common safety measures and industry specific risk management. HSE is an integrated part of NG Group, with close collaboration between management, employees, employee representatives, safety representatives, and the working environment committee (AMU in Norwegian) to assess and identify all work-related hazards. NG Group has defined a set of "lifesaving rules", as a part of the group's safety work, and the platforms communicates the rules in rotation. This ensures that the rules are regularly revisited in meetings and receive extra attention at sites with high-risk activities. Some of NG Group's platforms have further adapted the rules to ensure they are relevant for their own activities.

The group ensures continual attention to and development of safety through the active use of adverse events and regular training. NG Group strives to ensure that all types of adverse events are registered in the quality management system, and systematically follows up on these incidents to identify dangerous conditions or practices and areas for improvement. Near misses, improvements and also positive observations are registered in the system to share best practice. Training is essential to develop and ensuring a strong safety culture. Safety representatives and members of the Workplace Environment Committee are required by law to take a 40-hour HSE basic course, which the group also requires all operative managers to complete. The group has put together an internal course that includes a two-day gathering where key leaders, AMU members, safety representatives and other key employees share their experience to create learning across functions and platforms, and a holistic HSE approach throughout the group. The group sees the importance of its so-called "safety talks", which are conversations where managers walk with employees through production sites to discuss safety culture, positive operational conditions, and challenges the employees face in their daily work. The overall goal is to build safety culture and increased risk awareness, highlight good safety practices, and uncover opportunities for improvement. Platform Green Metals have also incorporated psychological aspects of safety and working condition into their safety talks.

The basic HSE training courses conducted by NG Group are essential part of the groups safety work. In 2023, two courses were conducted with approximately 50 employees in total.

Throughout 2023 NG Group have had special focus on preventive HSE work such as sharing lessoned learned and best practise, risk assessment, training and safety talks. In addition, further HSE standardization has been a focus area. High-level policies and procedures are standardized across the group, and standardization regarding minimum standard for protective equipment for employees, visitors and external personnel, as well as safety briefings for visitors were implemented at the end of 2023.

NG Group has put together a HSE network where head of HSE in the platforms participate. It is led by NG Group's head of compliance, and is used to share best practices, implement, and improve HSE processes, and be a sounding board for the CEO and the Executive Committee. In 2023 there were two extended network meetings in addition to the monthly meetings and the annual HSE-day. HSE-day was organized and coordinated across all platforms for the first time in 2022, and in 2023 the focus was on risk assessments and safe job analysis.

Incidents
The Lost Time Injury Frequency Rate (LTIFR) is a statistic which refers to the number of lost-time injuries per million hours worked. The NG Group's LTIFR increased from 3.4 in 2022, to 3.9 in 2023. The group has a zero-vision for

incidents and accidents and aims, eventually, to reach a zero LTIFR and will continue working towards this in the future, but LTIFR is volatile in nature, and as a part of the sustainability linked loan (SLL) NG Group has based target for LTIFR on a 3-year rolling average and aim for a 5% annual improvement from the 2022 level going forward. That target was achieved for 2023.

There were no incidents with fatal injuries in NG Group in 2023, but the group had a total of 14 injuries that resulted in at least one day of absence, so-called lost-time injuries, which resulted in a total of 705 days of absence.

Sick leave

NG Group had set target for short time sick leave in 2023 to 2.5%, with the result of 2.4%. The target set for total sick leave was 5.0%, with the result of 6.6%. The group will increase the focus on reducing sick leave through leadership training and safety to reduce work related sick leave.

NG Standard Fire approach

Fire risk in waste management facilities has become an increasingly important topic over the past few years. This is due to increasing quantity of lithium batteries in the waste, concern over local air pollution, runoff of from extinguishing water, and last but not least the risk fire poses to employees and firefighters. Most fires are caused by batteries and the number of batteries in waste will keep increasing the next years of what fire risk is a particular focus area for NG Group.

The group approaches fires form a prevention standpoint and works on this continuously. Since 2017 the group has been working on a new standard for facility fire protection, including training, upgrading of equipment and investments in technology. One example is NG Group's largest facility, Groruddalen Miljøpark, which invested in a larger fire extinguisher system as a supplement to the employee contingency.

In 2023 platform Recycling and Sustainable Resources had a total of 163 registered incidents in 2023, but zero serious fires. NG Standard fire approach has gone from being a project to being part of NG Group's internal quality management system. It is essential that employees understand and use the systems, and the frequent training of the employees is essential.

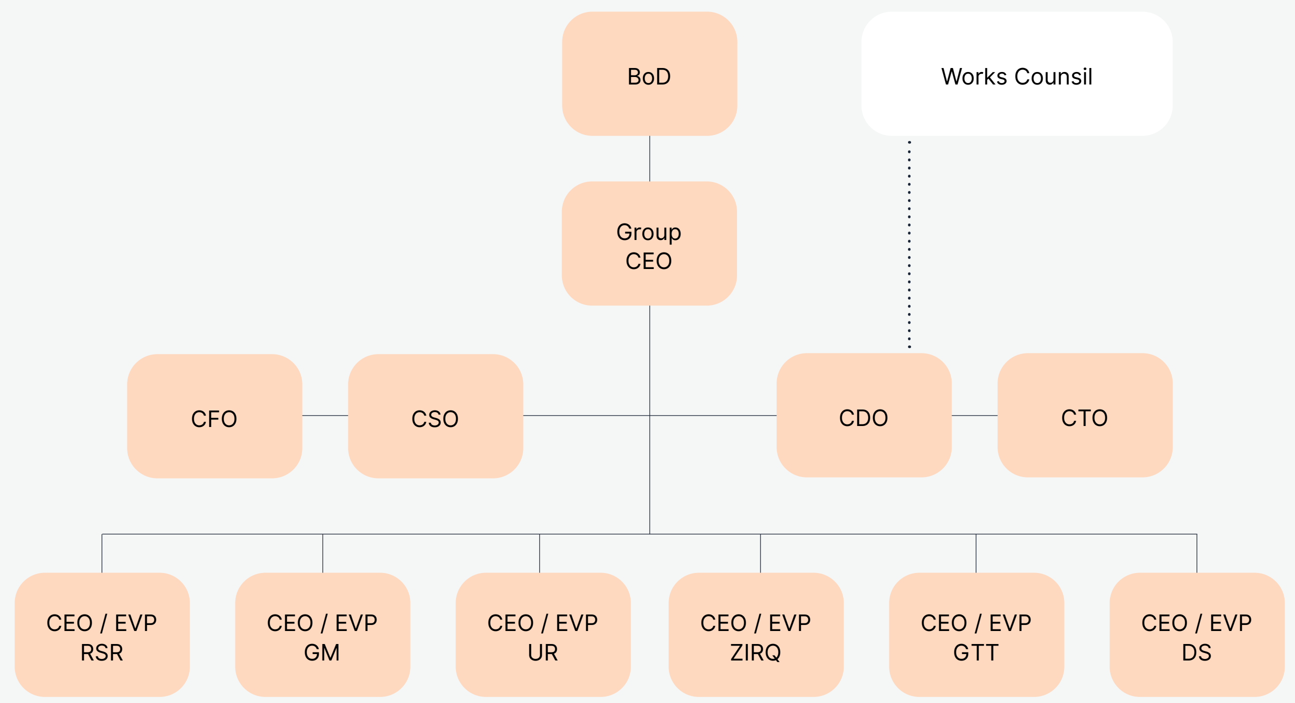
HSE Day

In recent years, there has been a decrease in the number of serious injuries and near-accidents in NG Group, but every injury and accident is one too many. The annual HSE (Health, Safety, and Environment) day aims to ensure that the positive trend continues.

The HSE day is common for everyone in the NG Group and features a different theme each year. This is the most important day of the year where we allocate extra time to discuss safety within the group. We observe an increase in the reporting of all types of incidents, which is encouraging. It is important to report incidents, as it allows us to follow up, learn, and continuously improve.

Governance, ethics and transparency

NG Group Governance



Governance and compliance program
Good governance and compliance are the foundation for profitable, sustainable business operations. For NG Group, it is crucial that the entire group strives to follow good corporate governance practice and complies with applicable laws and regulations. To ensure compliance, relevant frameworks, policies, and procedures for governance and compliance are available in the groups management system, NG Pro.

Risk management
Over the past ten years, NG Group has built a comprehensive management system for risk management. Risk management is the base of NG Group's compliance and sustainability program and is an integral part of the Group's business activities. Through risk assessments the Group define and plan measures to prevent and prepare for undesirable incidents. Risk assessments are carried out at many different levels in the Group and are a clearly defined management responsibility. The platform's CEO is responsible for the assessment and report to the platforms Bord of Directors. The Group top management and Group Board of Directors yearly review the highest risks within strategic risk, financial risks, compliance and regulatory risks, operational risk and external risks within the Group.

Code of conduct
NG Group's strict requirements for ethical behaviour, compliance with laws and regulations, health and safety protections, and environmental protection are communicated to all group employees through the Code of Conduct. The Code of Conduct will be updated in 2024 to be more aligned with specific requirements and indicators in CSRD.

In addition, the Group has a supplier code of conduct that is in use when entering into contracts with partners and suppliers. The supplier code of conduct reflects the Group's principles in areas such as ethics, anti-corruption, sanctions, HSE, human rights, labour standards, etc.

Whistle-blower protection
NG Group encourages all employees and external parties to blow the whistle on unacceptable behaviours and conditions, such as lawbreaking, breeching the employee code of conduct, and violating generally accepted ethical standards. Whistleblowing guidance and the whistleblowing channel are available on the group's website, where reports are handled in accordance with legal requirements. Whistleblowing can be done anonymously. Whistleblowing is positive for both the company and society as a whole because it means unacceptable situations can be remedied. People who are willing to whistleblow are an important resource for NG Group. In 2023 there were 5 internal cases of whistleblowing. All cases are handled.

Zero tolerance for corruption
NG Group has zero tolerance for any form of corruption. NG Group prohibits any provision, offering or accepting of bribes of any variety to any person, whether private or public, either directly or through any third party. We have adopted an anti-corruption program which includes procedures and guidance-documents. Through our risk-assessment procedures and regularly coursing of employees, we ensure that anti-corruption is continuously in focus. The Group has developed an e-learning course available for all employees through our internal learning platform "NG Academy". In 2023 there was no cases related to corruption.

Fair competition

NG Group has zero tolerance for violations of competition laws. The Group is committed to fair and open competition and to not engaging in any activities that involve unlawfully obtaining, receiving, using or sharing non-public competitively or commercially sensitive information. We have adopted internal procedures and guidelines that elaborates the requirements our business is subject to, in order to ensure no violations of competition laws. Our employees that are exposed for situations where violations of competition laws may occur, are regularly trained to identify and avoid illegal behaviour. The Group has developed an e-learning course available for all employees through our internal learning platform "NG Academy". In 2023 there was no cases related to violating of competition law.

Sanctions

NG Group is exposed for violation on sanction legislation, especially within processes like export, procurement and use of traders and agents. To reduce the risk NG Group has polices and routines in place to ensure that there is no violation on sanction legislation. An Integrity Due Diligence is carried out of all potential new business partners outside the Nordic Countries and clause regarding sanctions in contractual relationship is implemented. In 2023 NG Group conducted a workshop with special focus on sanctions risks. An e-learning course regarding sanctions risks is available for all employees through our internal learning platform "NG Academy". In 2023 there was no cases related to violating of sanctions.

Data protection

The Group handles personal data about customers, suppliers, as well as all employees in the organization as a part of its daily operations. The Group has in 2023 further described current standards and guidelines for architecture related to security, when introducing new digital solutions in NG Group, and also began working with a complete update of all GDPR policies and practices.

Ethics and transparency in the value chain

In order to truly benefit society, a company must be responsible by complying with laws and regulations as well as acting ethically and with integrity in decision-making and in the face of challenges. There is always a risk of corruption, anti-competitive behaviour, violation of sanctions legislation and other unethical business practices, regardless of where a company operates. However, when doing business on a global scale, a company faces a higher risk of getting involved with companies that violate human and labour rights. In recent years there has been an increasing focus on sustainability and ethical procurement. Many actors are beginning to require detailed, trustworthy, and confirmable information about the products and services they purchase. Additionally, disclosing this information is moving from being voluntary to being required by law, with new sustainability-related information reporting requirements being published on a seemingly continual basis. There are new legal requirements on both the European and the national levels, such as the EU's Corporate Sustainability Reporting Directive (CSRD) and the Norwegian Transparency Act. On the European level, CSRD aims to standardize sustainability reporting. On the national level, the Norwegian Transparency Act came into force on July 1, 2022. The Transparency Act requires that all impacted entities conduct Due Diligence for Human Rights in their supply-chain, in line with the OECD's guidelines for multinational companies. This involves identifying and assessing actual and potential threats to human and workers' rights throughout the company's own operations and in the value-chain. NG Group published its first Report on due diligence assessments pursuant to the requirements in the Transparency Act in June 2023.

As Norway's largest provider of recycling and environmental services, NG Group is an important contributor to providing public and private actors with insight into how waste handling affects the environment, people, and society. The group's customers expect transparency, frequently requesting information about where the waste ends up and how it is treated.

The group buys goods from and sends waste for final treatment to countries in and outside of Europe. NG Group is aware that the risks of corruption, anti-competitive behavior, human and labor rights abuses, violation of sanctions legislation and other unethical business practices can be significantly higher outside the Nordic countries.

By setting clear requirements and expectations both internally and externally, NG Group can help reduce corruption, strengthen competition, and otherwise promote ethical behaviour in the waste management industry. With this approach, the group can also help counteract forced labor and child labor, and violations of decent working conditions.

NG Group's management has a strong focus on its ethical responsibility. A solid, clear, and consistent tone from the top is crucial for creating good attitudes. The same applies to operations and middle management.

Maintaining legal compliance and high employee knowledge of ethical behaviours is essential to NG Group. To ensure that employees and managers at all levels have the necessary information and skills to conduct their work in a safe, secure, and ethical manner in accordance with statutory and internal requirements, the group holds regular internal courses through the NG Academy. NG Group organizes regular courses in HSE, anti-corruption, competition law behaviour, sanctions and waste regulations. Additionally, group employees also participate in relevant external courses, conferences, and trainings.

To ensure that all facilities operate in accordance with regulations and permits, NG Group undergoes regular internal and external audits and inspections by environmental regulators. All NG Group locations are audited within a three-year period for Internal Control Regulations, ISO standards, government requirements, and relevant internal requirements and risks. Finally, NG Group conducts annual compliance assessments of permits, governing documents, and relevant legislation.

NG Group works actively on control, ethics, and transparency in the value-chain. NG Group is committed to ethical procurement from its suppliers, and all of the group's contracts contain requirements to act in accordance with anti-corruption, trade, and human rights legislation. In line with this, NG Group has established a Supplier Code of Conduct which all suppliers are required to follow. The declaration covers a variety of compliance and sustainability-related topics and requires that suppliers communicate and enforce the NG Group's requirements to their own contractors and partners. In the declaration, NG Group also reserves the right to audit and to demand the correction of any problems uncovered.

Audits in the value chain

NG Group makes active use of its right to audit suppliers and potential customers. Several of the group's downstream partners are established in Asia, in countries with significant risks for human and labour rights violations, corruption, and environmentally damaging operations. The group conducts risk-based audits of downstream customers outside the Nordics on a regular basis. Additionally, the group conducts prequalification checks when new partnerships are established. NG Group takes additional precautions when exporting waste, since the environmental regulations in most countries are weaker than those in the Nordics. NG Group has a strict compliance program for exports to non-Nordic countries and conducts multiple independent assessments of foreign waste recipients. When assessing business partners, NG Group distributes questionnaires focused on import and export regulations, sanction lists, and other risk factors that increase the risk of the group being involved in matters which violate standards.

In 2023 NG Group conducted 35 physical audits in the value chain of so called "high-risk partners" to ensure ethics and traceability in the value chain. This is one more audit than target for 2023. The target was set through the groups establishing of a Sustainability linked loan (SLL).

High risk partners mean partners that, following a risk assessment related to the topics in The Ten Principles of the UN Global Compact, show high probability of breach and/or high consequence if breached. Environmental risk within downstream customer's production outside Europe, is assessed according to REGULATION (EC) No 1013/2006, art. 49.

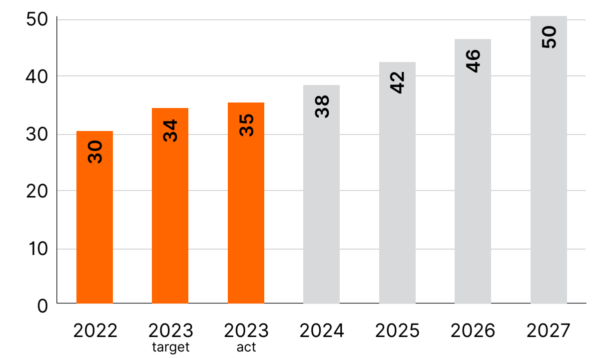
13 audits were conducted of downstream business partners or potentially new business partners in China, Thailand, and India, as a part of the group's integrity due diligence process (IDD). The focus of the audits were especially decent working condition, human rights, health and safety, environment, and export. The audit team experienced large variation between the facilities regarding working condition and use of technology.

NG Group has been in Asia on audits on regularly basis since 2014 and sees a positive development from previous audits. Even though this is the case, two of the facilities in India did not get approved as a downstream business partner in 2023 due to poor HSE and working conditions. It is essential to be on physical audits of high-risk partners in addition to the IDD checks to get a more complete overview of the business partners.

In addition to the audits performed in Asia, 22 audits were conducted of suppliers and sub-suppliers within Europa.

Responsible Value Chain

Number of audits of high-risk partners in the value chain



PwC`s Climate Index champion

The Climate Index measures the climate efforts and reporting of the 100 largest companies in Norway. The analysis assesses the companies' climate accounting according to best practices, as well as whether the companies can demonstrate a reduction in greenhouse gas emissions in accordance with the Paris Agreement.

NG Group was ranked as one of the top performers in 2023 and one of the year`s climate champions by PwC Norway.

Internal awards 2023

The NG Group has dedicated a set of internal 'awards' to a variety of accomplishments throughout 2023. The nominations and selections were made by the executive committee in NG Group - and awarded in the beginning of 2024. These awards help us amplify and highlight positive achievements made by the employees, and to share best practices across the group.

In addition to these awards, there is also a yearly award called "the Groups CEO's award", which is handed out to individuals, team or companies that over time have delivered good and sustainable results, secure operations – and contribute positively.

This year the Group CEO's award goes to NG Metal AB.

Awards 2023:

- The HSE award goes to Green Metals
- The innovation award goes to Urban Reuse
- The awards for best customer journey go to respectively RSR and to UR
- The circular economy award goes to Zirq Solutions
- The sustainability award goes to Group CSO
- The collaboration award goes to Zirq og RSR
- Team of the year goes to RSR

Ipsos Annual Reputation Index: Number 1 on environment

In the latest Ipsos reputation index, the public voted our group as the most environmentally conscious company in Norway. Not stopping there, the group also clinched a solid third place in the social responsibility category across the country.

Collaborative progress: Strengthening our strategic partnerships

The power of collaboration has never been more crucial. Through membership and participation in various organizations and forums, we build alliances spanning industries, academic institutions, local communities, and sectors. By embracing a collaborative approach, we address societal challenges and foster progress. Here are some of our partnerships:

- The Federation of Norwegian Industries
- The Confederation of Norwegian Enterprise
- INSEAD
- Skift Business Climate Leaders
- SHEconomy
- LOOP
- Norwegian Center of Circular Economy
- Norwegian Waste Management and Recycling Association
- Construction City
- Business Circle at NTNU
- Hold Norge Rent

Sustainability factbook

About the factbook

Principles for sustainability reporting
NG Group's Sustainability Factbook outlines our key non-financial performance information for the financial year 2023. For the fiscal year 2025 NG Group is required to report according to the EU Corporate Sustainability Reporting Directive (CSRD) and the applicable European Sustainability Reporting Standards (ESRS). Therefore, we will gradually report in compliance with ESRS.

The report is based on a materiality assessment performed in 2021 and is updated to reflect the current operational environment and strategies. In 2024 we will perform a materiality assessment according to the ESRS methodology.

The organizational boundary is set according to the operational control approach in line with our consolidated financial statements.

Base year and recalculation policy
In accordance with the GHG Protocol, and in order to accurately track progress towards our targets, we will adjust the base year to account for significant changes. A recalculation could be triggered by structural changes, including acquisitions, divestitures, mergers, changes in calculation methods, or identified data errors. The significance threshold for a mandated recalculation is set at 5%. We will apply adjustments to the entire year to ensure like-for-like comparison to the baseline.

Assurance principles and scope
We have engaged an independent external assurance organisation, PwC, to provide limited assurance on selected sustainability KPI's. The selected KPI's are the same as those committed to in our sustainability linked loan (listed below). The limited assurance is performed in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000). The external auditor's limited assurance report is attached.

KPI 1: Science-based GHG emissions reductions targets.
KPI 2: Share of women among leaders and specialist functions.
KPI 3: Target for lost-time injury frequency rate (LTIFR) on a 3-year rolling average and aim for a 5% annual improvement from the 2022 level going forward.
KPI 4: The number of on-site audits of High-Risk Partners in the value chain.

We are actively working to promote equality and counteract discrimination under the Equality and Discrimination Act. For information about NG Groups gender report, see Gender Equality Report 2023 here.

Sustainability note content

Note E1 Greenhouse Gas Emissions

Identification and calculation of GHG emission sources across our operations are based on the principles of the GHG Protocol developed by WRI and WBCSD. Data is collected from NG Group's operational units and is based on activity data when possible and otherwise on supplier data, spend data or estimates.

As a part of the process of aligning our GHG emission accounting with the criteria of the GHG Protocol and Science Based Targets Initiative, we have changed the way we report avoided emissions. Avoided emissions fall under a separate accounting system from corporate inventories and do not count toward our science-based emission reduction targets. We aligned our methodology for calculating avoided emissions with the sector guide developed by WBCSD (The World Business Council for Sustainable Development) and 19 of its member companies in collaboration with Carbone 4 and its Net Zero Initiative (NZI).

Formerly, NG Group kept a separate emissions account related to waste treatment, where the advantage of material recycling was netted against emissions from waste processing. In 2022 we included emissions related to waste handling as a part of our scope 3 emissions to be transparent and in line with the requirements. In the 2023 reporting, we have removed the biogenic emission from the emission factors for waste handling which are now reported separately. The group's greenhouse gas accounts for 2022 and 2021 have been recalculated to be comparable over time.

Scope 1
Scope 1 emissions are direct GHG emissions mainly derived from fossil fuel combustion. The calculations are based on emission factors from the Department for Environment, Food and Rural Affairs in UK (DEFRA) which are revised annually. For this report, DEFRA GHG conversion factors 2022 is used.

In line with Norway's biofuel turnover requirement for road transport, emissions calculations adhere to DEFRA's standard average biofuel blend factor. Duty-free fuels are calculated based on the factor for 100% mineral fuel. The non-carbon dioxide gases, methane (CH_4) and nitrous oxide (N_2O) are converted to CO_2 equivalents (CO_2e).

Direct biogenic CO_2 emissions from bioenergy are reported separately according to the recommendations from the GHG protocol and SBTi. Unlike direct CO_2 emissions, CH4 and N_2O emissions are not offset by absorption in the growth of feedstock. These emission factors for biofuels have been assumed equivalent to those produced by combusting the corresponding fossil fuels and are included in scope 1.

Well-to-tank (WTT) factors are used to account for the upstream scope 3 emissions associated with the extraction, refining and transportation of the raw fuel sources to an organisation's site (or asset), prior to combustion.

Scope 2
Scope 2 emissions are indirect GHG emissions calculated based on NG Group's consumption of purchased electricity and heat. We report indirect emissions according to the location-based method in the revised GHG Protocol Scope 2 Guidance. Emissions factors for scope 2 are mainly derived from NVE's (Norwegian Water Resources and Energy Directorate) climate declaration for physically delivered electricity (location-based), as well as emissions factors from the specific district heating suppliers (Fjernkontrollen and Energiföretagen Sweden).

The associated emissions from grid electricity in Sweden, Denmark and Poland are based on the same emission factor as in Norway. Poland has a significantly lower renewable share than the Nordic countries, but the consumption is considered insignificant (0,6% of NG Group's total electricity consumption).

The GHG Protocol recommend reporting a dual set of scope 2 emissions, both location- and market-based. Thus, we have included market-based approach in our "outside -of -scopes" emission statement.

Scope 3
The GHG protocol divides scope 3 emissions into 15 categories covering activities both upstream and downstream of our operations. Downstream emissions are predominantly driven by emissions related to further processing of waste in our value chain. Upstream emissions comprise purchased goods and services, capital goods, and the well-to-tank emissions related to fuel consumption.

Downstream Scope 3
We handle a diverse portfolio of waste fractions, and our downstream customers apply a wide range of treatment options and technologies. The activity-based approach is applied to estimate the emissions from the downstream operations and is based on volumes sent to recycling, material recovery, energy recovery and landfill. Emission factors for these volumes were developed by Asplan Viak (a Norwegian consultancy firm) on behalf of the trade association Norsk Industri in 2016. These factors are developed in SimaPro and are based on processes from the Ecoinvent 3 database, utilizing the IPCC 2013 GWP 100 environmental assessment method (excluding CO_2 uptake and biogenic CO_2 emissions). Biogenic CO_2 emissions are reported separately from our GHG emission accounts as a part of "outside of scopes" reporting.

Upstream Scope 3
Purchased transportation services (Cat. 4) are mainly related to sea- and land-based transportation of waste streams both inbound and outbound paid for by us, but not performed by us. Where possible, tonne-kilometre, distance or fuel consumption in combination with DEFRA GHG conversion factors is used to estimate emissions related to purchased transportation. Where activity-based data is not available, geographic specific economic conversion factors from Exiobase have been used.

Purchased goods and services (Cat.1), capital goods (Cat.2) and business travels (Cat.6) are estimated based on spend-data in combination with the geographic specific Exiobase factors. We continue to strive for increased precision and accuracy of scope 3 reporting and work to increase the proportion of supplier-specific, activity-based data.

Fuel and related activities (Cat. 3) comprise of Well-to-tank (WTT) emissions associated with the extraction, refining and transportation of the fuel to our operational sites and vehicles calculated based on DEFRA GHG conversion factors.

Category 3 also includes an estimate of transmission and distribution (T&D) losses, and emissions related to infrastructure processes such as materials production, installation, maintenance, and end-of-life based on Norwegian electricity mix[1].

Outside of Scopes
Outside of scopes are the direct CO_2 effect of the combustion of biofuel. At the point of use, biofuels are defined as "net carbon zero", as CO_2 emitted during burning of the fuel is cancelled out by the CO_2 absorbed in the feedstock during growth. Thus, biogenic CO_2 emissions are reported as "outside of scopes".

GHG emissions for biofuels vary significantly depending on the feedstock source and production pathway. The GHG conversion factors provided by DEFRA are mainly based on waste feedstock (advanced biofuel) which also reflects the Norwegian market where the biofuel for road traffic has a clear predominance of advanced biofuel[1].

E1.1 GHG Emissions in Consolidated Activities

NG Groups total direct, indirect and value chain (scope 1, 2 and 3) GHG emissions from consolidated activities. Note that the 2023 figures are not directly comparable to previously reported figures due to changes in the reporting principles and emission factors. Scope 1 emissions have decreased by 11% from 2022 while scope 2 emissions increased by 41%. The Group has started the transition towards a fossil-free vehicle fleet by increasing the share of biofuels.

GHG EMISSIONS IN CONSOLIDATED ACTIVITIES

(Tonnes CO_2e)	2023	2022	2021	2020
Scope 1	18,296	20,612	20,647	20,026
Scope 2	766	544	346	195
Scope 3	887,336	919,868	903,155	925,930
Scope 1 + 2	19,062	21,156	20,993	20,221

E1.2 Scope 1 and 2 GHG Emissions per Platform

Scope 1 emissions are mainly related to transportation and machinery powered by fossil fuels. The platform Recycling & Sustainable Resources operates a comprehensive logistic operation with over 100 own vehicles.

We report indirect emissions according to the location-based method. For market-based electricity see section E1.6 Outside of Scopes. The Groups scope 2 emissions are primarily linked to our sorting and processing facilities in the platform Recycling and Sustainable Resources. Urban Reuse shifted to a fleet of more electrical vehicles and electrical machinery and equipment contributing to higher electricity consumption. Green Metals has also started their electrification journey with an electrical crane.

SCOPE 1 AND 2 GHG EMISSIONS

(Tonnes CO_2e)	Scope 1	Scope 2	Total	Total in %
Recycling & Sustainable Resources	7,891	393	8,284	43%
Urban Reuse	5,565	52	5,616	29%
Green Metals	2,124	158	2,282	12%
Household collection	2,098	7	2,105	11%
Global Zirqular Solutions	610	155	765	4%
Digital Solutions	9	0	9	0%
Green Transition & Technology	-	0	0	0%
Total	**18,296**	**766**	**19,062**	**100%**

1) Environmental evaluation of power transmission in Norway (2012)Raquel S. Jorge, Edgar G. Hertwich.

E1.3 GHG Emissions Intensity Indicator

GHG emissions intensity is calculated based on total Scope 1 and Scope 2 emissions, divided by total revenue as reported in the consolidated income statement. The GHG emission intensity indicator has decreased by 38% from 2020. The decrease is primarily driven by the increase in market prices.

EMISSIONS INTENSITY INDICATOR

(tCO_2e/MNOK)	2023	2022	2021	2020	Unit
Scope 1	18,296	20,612	20,647	20,026	
Scope 2	766	544	346	195	
Scope 3	887,336	919,868	903,155	925,930	
Total emissions	**906,398**	**941,024**	**924,148**	**946,151**	
Scope 1 intensity	2.2	2.6	3.0	3.6	tCO_2e/MNOK
Scope 2 intensity	0.1	0.1	0.0	0.0	tCO_2e/MNOK
Scope 3 intensity	105.1	117.6	129.1	168.7	tCO_2e/MNOK
Total emissions intensity	**107.4**	**120.3**	**132.1**	**172.3**	**tCO_2e/MNOK**
Total operating income	**8,443.3**	**7,824.5**	**6,994.8**	**5,490.1**	**Million NOK**
Change in total emission intensity in %	-11%	-9%	-23%	n.a.	

E1.4 Scope 3 GHG Emissions by Category

Breakdown of reported value chain (scope 3) GHG emissions, by category according to the definitions in the GHG protocol.

SCOPE 3 GHG EMISSIONS BY CATEGORY

(Tonnes CO_2e)		Description
Upstream emissions		
01 - Purchased goods and services	23,695	Purchased and rented machinery and equipment, and purchased services.
02 - Capital goods	5,187	Purchased machinery and equipment recorded on the balance sheet.
03 - Fuel and energy related activities	16,290	Well-to-tank emissions related to fuels comprising extraction, refining and transportation of the raw fuel to our operational sites and vehicles. Also comprises transmission and losses on the electricity grid as well as GHG emissions related to the production of electricity.
04 - Upstream transportation and distribution	76,101	Sea- and land-based transportation of waste streams both inbound and outbound from our operations paid by us.
05 - Waste generated in operations	n.a.	Currently, we are not able to separate these flows from our customers' flows and are therefore reported combined.
06 - Business Travel	432	Business travel reimbursed by the company.
07 - Employee commuting	n.a.	Negligible – estimated to be 0.0% of total scope 3 emissions.
08 - Upstream leased assets	n.a.	Not applicable.
Downstream emissions		
09 - Downstream transportation and distribution	n.a.	Currently, we are not prioritizing calculations of transportation paid for by our customers as we have a low degree of influence on GHG reductions in this category with a wide range of customers and end destinations for our downstream materials.
10[1] - Processing of sold products	765,631	GHG emissions related to waste processing downstream in our value chain.
11 - Use of sold products	n.a.	Not applicable.
12 - End of life treatment of sold products	n.a.	Not applicable.
13 - Downstream leased assets	n.a.	Not applicable.
14 - Franchises	n.a.	Not applicable.
15 - Investments	n.a.	Negligible – associated companies outside our boundary are estimated to be 0.1% of total scope 3 emissions (calculated using the equity share method).
Total	**887,336**	

1) Emissions outside target boundary for our Science Based Target

E1.5 Scope 3 GHG Emissions Related to Waste

Emissions related to waste decreased by 4%, despite an 11% decrease in total volumes. This is due to the composition of waste where the main driver for volume decrease is excavated materials which have a relatively low GHG emission impact.

SCOPE 3 GHG EMISSIONS RELATED TO WASTE

(Tonnes CO_2e)	2023	2022	2021
Energy recovery	377,642	409,562	395,556
Landfill	3,132	3,373	2,496
Recycling	384,629	384,988	398,035
Product	191		
Material recovery	37	56	70
Total	**765,631**	**797,979**	**796,156**

E1.6 GHG Emissions Outside of Scopes

GHG EMISSIONS OUTSIDE OF SCOPES

E1.6.1 Fuel Related Biogenic GHG Emissions

(Tonnes CO_2e)	2023	in %
Biogas	54,219	35%
Biodiesel HVO	51,858	33%
Wood pellets	50,717	32%
Total	**156,794**	**100%**

Table E1.6.2 Waste Related Biogenic GHG Emissions

(Tonnes CO_2e)	2023	2022	2021
Recycling	33,109	33,598	37,745
Material recovery	10	4	8
Energy recovery	752,213	782,071	876,243
Landfill	18	15	22
Total	785,349	**815,688**	**914,018**

Table E1.6.3 illustrates a comparison between market- and location-based GHG emissions associated with electricity. For this reporting, location-based GHG emissions is used.

Table E1.6.3 Marked- and Location Based GHG Emissions

(Tonnes CO_2e)	2023	2022	2021	2020
Location based	766	544	346	195
Market based	20,122	14,406	12,751	9,793

Note E2 Waste

Waste refers to the volume treated and processed for external customers.

Internal waste is generated by our own operations. Currently, we are not able to separate these flows from our customers' flows and are therefore reported combined. Internal waste generally consists of different types of waste receptacles and collection equipment, tires, work wear and residual waste.

Going forward we aim to implement measurement processes and establish Key Performance Indicators (KPIs) and targets to reduce self-generated waste. Current measures to reduce waste comprise restoration of steel containers, replacement of broken components of waste receptacles to extend their lifespan and tire retreading. Additionally, we are conducting a pilot project using smart sensors to monitor tire pressure and temperature, aiming to prolong the lifespan of tires, reduce fuel consumption and avoid breakdowns on the road. Some of our offices have implemented a weight-based tracking system to monitor and reduce waste generation.

E2.1 Waste Volume per Category

Total waste volume decreased by 11% from 2022 to 2023. The decrease is mainly driven by a 35% year-on-year decrease in mineral masses, the combination of excavated materials and concrete/brick, explained by a slowdown in the construction sector. The increase in concrete/brick primarily stems from the reclassification of certain subfractions which previously were categorized as excavated materials. The decrease in metal volumes is a strategic decision to adapt to current market conditions.

Recycling and material recovery rate is defined as the percentage of material sent with the purpose of recycling or material recovery of total materials handled. Recycling is a stricter term than recovery and is defined according to the EU Waste Framework Directive. Recycling mainly comprises cardboard/paper, metals, gypsum and plastic. Material recovery is driven by mineral masses. Our work both upstream and downstream to achieve our ambition of 70 recycling and material recovery rate by 2025.

WASTE VOLUMES PER TREATMENT CATEGORY

(Metric tonnes)	2023	2022	2021	2023	2022	2021
Recycling	752,766	1,068,629	950,821	37%	46%	38%
Material recovery	367,596	271,552	562,811	18%	12%	23%
Energy recovery	827,082	862,108	924,254	41%	38%	37%
Landfill	76,685	84,450	60,892	4%	4%	2%
Product	648			0%	0%	0%
Total	**2,024,778**	**2,286,738**	**2,498,779**	**100%**	**100%**	**100%**
Recycling and material recovery rate				55%	58%	61%

E2.2 Avoided GHG Emissions

Avoided emissions refer to the reduction in greenhouse gas emissions associated with a particular solution compared to a reference solution. In NG Group, we calculate our contribution to avoided emissions in both a recycling and energy recovery context. For recycling, the emissions related to the use of the marked average blend of virgin and recycled material are compared to recycled material alone. While for energy recovery, the emissions related to the use of the marked blend of different energy sources in Scandinavian District Heating are compared to the use of district heating from waste incineration alone.

We are basing our avoided emissions calculations on the emission factors derived on Ecoinvent processes developed in SimaPro by Asplan Viak (a Norwegian consultancy firm) on behalf of the trade association Norsk Industri in 2016.

The significant increase in avoided GHG emissions is primarily due to the independent reporting of the fractions Zuric and Zorba in 2023, which were previously incorporated in the aluminum fraction. This highlights how large the differences in various emission factors are, and in 2024, we will continue our work to develop specific avoided GHG emissions factors that more accurately reflect our waste fractions. Historical figures are not directly comparable.

AVOIDED GHG EMISSIONS

(Tonnes CO_2e)	2023	2022	2021
Energy recovery	-69,959	-80,760	-95,457
Landfill	-	-	-
Recycling	-1,386,165	-819,380	-888,040
Product	-1,254	-	-
Material recovery	-698	-1,069	-1,324
Total	**-1,458,077**	**-901,209**	**-984,821**

Note E3 Energy

E3.1 Total Energy Consumption by Source

Total energy consumption by energy carrier converted to megajoule using DEFRA fuel property conversion factors.

TOTAL ENERGY CONSUMPTION BY SOURCE

(MJ)	2023	in %
Diesel	248,166,355	51%
Electricity	149,163,483	31%
Biogas	64,436,555	13%
Biodiesel HVO	16,681,032	3%
Gasoline	1,785,676	0%
Heating oil	1,351,820	0%
Naturgas	651,204	0%
Wood pellets	612,913	0%
Propane	107,834	0%
LPG Gas	5,798	0%
Total	**482,962,669**	**100%**

E3.2 Total Energy Consumption by Platform

TOTAL ENERGY CONSUMPTION BY PLATFORM

(MJ)	2023	in %
Recycling & Sustainable Resources	186,218,287	39%
Urban Reuse	133,627,070	28%
Household collection	62,121,138	13%
Green Metals	61,007,776	13%
Global Zirqular Solutions	39,776,959	8%
Digital Solutions	159,757	0%
Green Transition & Technology	51,682	0%
Total	**482,962,669**	**100%**

E3.3 Total Energy Consumption in Consolidated Activities per Revenue

Energy intensity is calculated based on total energy consumption and net revenue from consolidated activities.

TOTAL ENERGY CONSUMPTION IN CONSOLIDATED ACTIVITIES PER REVENUE

	2023
MWh	482,962,669
Total operating income MNOK	8,443
MWh per NOKm	**57,201**

Note E4 Other environment

E4.1 Water

Emissions to water, water usage, water recycling were calculated in 2023 in accordance with site specific permits and legislation. In 2024, we will review NG Group's water reporting processes and methodology to align with the ESRS requirements. This will give us a better understanding of our impact on water and enable us to implement measures where needed.

Emissions to water

NG Group monitors the substances described in Norwegian legislation "Norwegian list of prioritized substances", covering landfills, cable production facilities and two of our metal recycling plants. This includes prioritized heavy metals, organic pollutants such as polychlorinated biphenyl's (PCBs), polycyclic aromatic hydrocarbons (PAH's), BTEX (benzene, toluene, ethylbenzene, xylene), oil and nitrates. Water is withdrawn from municipal sources for irrigation, precipitation, and local direct fresh-water sources. Where applicable, background values are subtracted, so the reported figure reflects NG Group's impact. In total, 0.29 tonnes of the monitored pollutants were released to bodies of water in 2023. Emissions to water are within NG Group's permits issued by national and regional environmental authorities, e.g. the Norwegian County Governor (Statsforvalteren) for each operational site. Historical data may not be comparable due to changes in methodology.

Water use

Most of NG Group's operations do not consume water, i.e, water withdrawal is equal to water discharge. However, at two of our sites water is consumed and entrained in the products and moved out of the aquifer (average amount 3300 m3 in 2023). Historical data may not be comparable due to changes in methodology.

Water reclaimed or recycled

Water is recycled at one site in NG Group. In 2023, 194 m3 water was recycled in Letbek Denmark. Historical data may not be comparable due to changes in methodology.

Water stress

A screening of water stressed areas in connection to our sites was performed in 2023, using the WRI Aqueduct Country Ranking tool for all sites. The screening showed that NG group does not have any sites in water stressed areas. We will continue to monitor our sites' exposure to water stressed areas, and implement measures if needed, addressing our impact.

E4.1.1 WATER

	2023	2022
Water usage (m3)	3,300	42,451
Water reclaimed or recycled (m3)	195	417,191
Emissions to water (tonnes)	0.29	12.10

E4.1.2 EMISSIONS TO WATER PER SITE

	Kopstad Masse-mottak	Asak Masse-mottak	Hauka deponi AS	Zirq Cables, Linnestad	NG Metall Drammen	NG metall, H40	Total (Kg)
Arsenic	0.3	0.3	-	0.0	0.0	0.2	0.8
Benzene	-	-	-	-	-	-	-
Lead	-	0.0	-	1.5	0.0	1.7	3.2
Iron	24.3	-	128.3	-	0.0	-	152.6
Cadmium	-0.0	0.0	-	0.0	0.0	0.0	0.0
Copper	6.1	1.0	0.2	1.4	0.0	2.1	10.8
Chrome	3.5	0.4	0.2	0.0	0.0	1.3	5.5
Mercury	-	0.0	-	0.0	0.0	0.0	0.0
Manganese	4.9	-	61.2	-	-	-	66.1
Nickel	0.6	0.4	0.7	0.0	0.0	1.2	2.9
SumPAH-16	-	-	-	0.0	-	-	0.0
Zinc	-	0.1	0.9	2.8	0.0	9.9	13.7
Calcium	6.5	-	-	-	-	-	6.5
SumPCB7	-	-	-	0.0	-	-	0.0
Oil (C10-C40)	-	-	-	4.7	-	27.1	31.8
TBBPA	-	-	-	0.0	-	-	0.0
Pentaklorfenol	-	-	-	0.0	-	-	0.0
SumBTEX	-	-	-	0.0	-	-	0.0
Total							**293.9**

Note S1 People

S1.1 Number of Employees per Gender

S1.1.1 NUMBER OF EMPLOYEES PER GENDER

	2023	in %	2022	2021
Number of employees	2,277		2,178	1,862
Number of FTEs	2,214		2,052	1,792
Number of female employees	382	16.7%	356	279
Number of female FTEs	368		343	278
Number of male employees	1,895	83.3%	1,822	1,583
Number of male FTEs	1,846		1,709	1,514

S1.1.2 NUMBER OF EMPLOYEES PER COUNTRY 2023

Country	number of employees
Denmark	147
Finland	5
Norway	1,849
Poland	51
Sweden	218
UK	7

S1.2 Number of employees in full-time and part positions

NUMBER OF EMPLOYEES IN FULL-TIME AND PART POSITIONS

	Female	Male	Total
Full-time	353	1,821	2,174
Part-time	29	74	103
Total	**382**	**1,895**	**2,277**
Share of part-time positions	**8%**	**4%**	**5%**

S1.3 Turnover

S1.3 TURNOVER (BOTH VOLUNTARY AND INVOLUNTARY TURNOVER)

	2023	2022	2021
Turnover	19%	12%	14%

S1.4 Employee engangement

NG Group implemented a new employee engagement tool in 2023, and historical figures are not comparable and omitted.

Employee Net Promoter Score (eNPS) is a metric used to measure the level of employee satisfaction and loyalty. eNPS aims to measure the likelihood of employees recommending their workplace as a good place to work.

EMPLOYEE ENGANGEMENT

	2023	2022	2021
Engagement score	66%		
Particpation rate	77%		
eNPS	**-0,2**		

S1.5 Women in Leading and Specialist Roles

Leader and Specialist Functions means all leaders with personnel responsibility, expect operational team leaders, and all specialist function employees with a clear professional responsibility within most cases an advisory function towards management positions. An employee in a specialist function is a highly trusted employee with high competence and complete or partial independence in terms of focus and priorities of tasks.

WOMEN IN LEADING AND SPECIALIST ROLES

	2023	2022	2021	2020
Number of managers and specialists	318			
Number of female leaders and specialists	105			
Number of female leaders and specialists	33.6%	29,5%	N/A	N/A

Note S2 Safety

S2.1 Number of Injuries and Consequential Days of Absence

Lost Time Injury Frequency Rate (LTIFR) is the number of lost time injuries occurring in a workplace per 1 million hours worked.

NUMBER OF INJURIES AND CONSEQUENTIAL DAYS OF ABSENCE

	2023	2022	2021	2020
Number of work-related fatalities	0	0	0	0
Number of days lost to injuries	705	390	411	397
Number of incidents resulting in absence	14	13	25	19
Number of incidents resulting in injuries	143	131	129	103
Sick leave	6.6%	7%	7%	5%
LTIFR	3.9	3.4	6.8	6.8

Note S3 Responsible Value Chain

Audit is a methodical review within a defined area to ensure that a practice is in accordance with a set of predefined requirements.

High-risk partner is a partners that, following a risk assessment related to the topics in The Ten Principles of the UN Global Compact, show high probability of breach and/or high consequence if breached. Environmental risk within downstream customer's production outside Europe, is assessed according to REGULATION (EC) No 1013/2006, art. 49.

S3.1 Audits of High-Risk Partners in the Value Chain

AUDITS OF HIGH-RISK PARTNERS IN THE VALUE CHAIN

	2023	2022	2021	2020
Number of audits	35	30		

Of the 35 audits, 13 where new business partners in India, China and Thailand. Two potential partners were excluded.

Climate Risk Assessment

NG Group conducted a climate risk assessment in line with the recommendations from the Taskforce for Climate-related Financial Disclosures (TCFD) in 2022, to better understand and assess our climate-related risks and opportunities, related financial impacts, mitigation, and adaptation measures, and effectively communicate this information to investors and other stakeholders.

The report is planned to be revised in 2025, and local climate risk assessments will be conducted across the organization, gathering more extensive information. The complete assessment can be found on our website, while the most recent approach to governance, strategy, risk management and metrics and targets can be found in this report.

Scenarios to Assess Climate Risk and Opportunities
In NG Group, we have considered a combination of Socio-Economic Pathways (SSP) narratives and Representative Concentration Pathways (RCP) emission scenarios used by the Intergovernmental Panel on Climate Change (IPCC) and energy scenarios from the International Energy Agency's (IEA) World Energy Outlook (WEO). For the current assessment, scenarios were bundled under three groups: "Insufficient climate policy", "Middle of the road", and "Well below 2°C". Risks were evaluated for key facilities and broader climate-related impacts.

Insufficient climate policy scenario implies limited climate policy leading to a doubling of emissions by 2050 and eventually peaking around 2090. This scenario is dominated by ubiquitous exposure to severe physical climate risks.

Middle of the road scenario climate mitigation efforts help to slow the rise of GHG emissions, which will peak around 2040, eventually resulting in a global temperature increase of 2.7- 3.4°C. This scenario is characterized by a combination of moderate transition and physical risks.

Well below 2°C scenario assumes that society makes the significant transformation to curb emissions to keep global temperature rise below 2°C. Deep policy interventions result in substantial transition risks, challenging carbon-intensive legacy industries and incentivizing new business models.

The EU Taxonomy

The European Green Deal is the EU's growth strategy to make Europe the first climate-neutral region in the world by 2050. A part of the Green Deal is the Action Plan on Sustainable Finance, where the EU taxonomy provides a classification system and definitions of sustainable economic activities for investment purposes. The EU Taxonomy aims at avoiding green washing and to push investments in a greener direction.

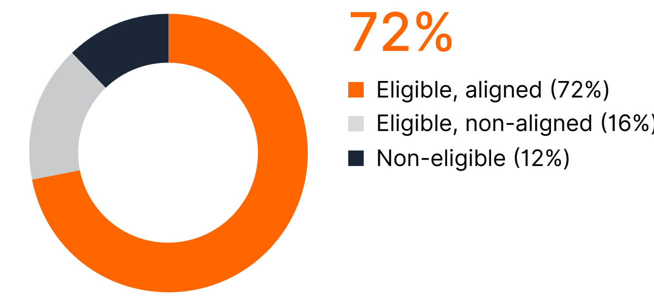
2023 Performance
Our performance is based on how our activities gives a substantial contribution to the environmental objectives set out in the taxonomy, and at the same time does no significant harm to these. The EU taxonomy requires us to report on three KPI's to measure performance: turnover, CapEx and OpEx.

In 2023, the share of NG Group's taxonomy-aligned turnover is 72%, and CapEx is 45%. This is related to material recovery operations, and the collection and transport of non-hazardous waste. In 2023, the investments in our digitalization project, ensuring better data quality across the organization, is not an eligible activity. In the future, the project will help us gain valuable insight to data streams, contributing to more eligible CapEx and turnover.

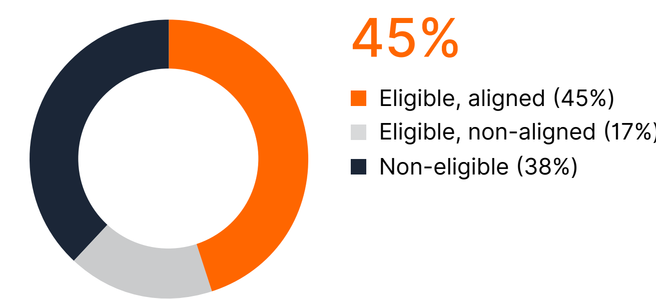
The share of aligned OpEx (52%) is mainly related to maintenance and payroll expenses in the demolition and wrecking activity in Urban Reuse. The eligible but not aligned score can be explained by not meeting the do no significant harm criteria in different activities. We are continuously working on improving this score.

In 2023, we have identified 15 activities that are eligible in the EU taxonomy. The activities make a substantial contribution to 3 of the 6 defined environmental objectives.

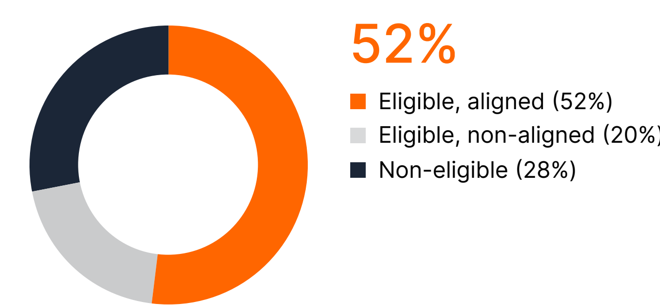
Turnover



Capex



Opex



Environmental target	Nr.	Activity	Platform	Turnover (%)	Capex (%)	Opex (%)
Climate Change Mitigation	5.5	Collection and transport of non-hazardous waste in source segregated fractions	1	21	15	14
	5.9	Material recovery from non-hazardous waste	1 2 4	28	9.8	16
	3.17	Manufacture of plastics in primary form	4	2.04	5.01	6.1
	6.6	Freight transport services by road	1	0.91	1.35	4.01
	8.2	Data-driven solutions for GHG emissions reductions	6	0.22	3.05	0.18
Pollution prevention and control	2.1	Collection and transport of hazardous waste	1	4.55	1.14	0.91
	2.4	Remediation of contaminated sites and areas	5	0.43	0.96	0.01
	2.2	Treatment of hazardous waste	4	0.91	0.07	0.18
Transition to a circular economy	2.3	Collection and transport of non-hazardous and hazardous waste	1	0.11		
	3.3	Demolition and wrecking of buildings and other structures	3	6.54	4.88	61
	7.2	Renovation of existing buildings	3	2.98	0.61	2.15
	2.4	Treatment of hazardous waste	2 4 5	2.8	1.54	2.26
	5.4	Sale of second-hand goods	2	0.08		
	2.6	Depollution and dismantling of end-of-life products	2	1.36	0.01	
	2.7	Sorting and material recovery of non-hazardous waste	5	0.15	0.96	0.01

Meeting the Criteria for Minimum Social Safeguards
NG Group's activities are carried out in compliance with the minimum social safeguards, based on the references from the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights.

Reporting Principles
Financial data is based on International Financial Reporting Standards (IFRS) and refers to NG Group's consolidated financial statements for 2023 and is presented on a group consolidated level in Norwegian Kroner (NOK).

The current disclosures are based on the existing legally binding guidance in the EU as of year-end 2023. Any changes made to the regulation with an impact on current disclosures will be taken into consideration in future reporting.

In 2023, the taxonomy assessment was performed for NG Group and all legal companies with more than 50% ownership for activities in the Climate Delegated Act and the Environmental Delegated Act, and categorized as either eligible or non-eligible, in accordance with the regulation. The assessment is performed for all activities in the company using a bottom-up approach, assessing the lowest level of reporting units, and aggregated to the top level, enabling a taxonomy assessment for NG Group, per activity and per company.

NG Group's reporting on the EU Taxonomy covers the activities defined in both the Climate Delegated Act and Environmental Delegated Act.

Turnover
The EU Taxonomy defines net turnover as "the amounts derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover".

Capital Expenditures (CapEx)
The EU taxonomy defines CapEx as the total additions to tangible and intangible assets during the financial tear considered before depreciation, amortization, and any re-measurements.

CapEx includes acquired companies based on gross figures that represent the book value of purchased fixed assets, leasing, intangible assets, and allocation of goodwill in connection with purchase price allocation.

Operational Expenditures (OpEx)
OpEx is defined in the EU Taxonomy as non-capitalized costs related to research and development, building renovation measures, short-term lease, maintenance and repair and any other direct expenditures.

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR N

2023				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		NOK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y ; N ; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
2.1. Collection and transport of hazardous waste (pollution prevention and control)	PPC+2.1	384445772	4.55%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
2.2. Treatment of hazardous waste (pollution prevention and control)	PPC+2.2	76707115	0.91%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
2.3. Collection and transport of non-hazardous and hazardous waste (transition to a circular economy)	CE+2.3	9673000	0.11%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y			
2.4. Remediation of contaminated sites and areas (pollution prevention and control)	PPC+2.4.	35958673	0.43%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
2.4. Treatment of hazardous waste (transition to a circular economy)	CE+2.4	236547970	2.80%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y			
2.6. Depollution and dismantling of end-of-life products (transition to a circular economy)	CE+2.6	114790093	1.36%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y			
2.7. Sorting and material recovery of non-hazardous waste (transition to a circular economy)	CE+2.7	12401890	0.15%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y			
3.3. Demolition and wrecking of buildings and other structures (transition to a circular economy)	CE+3.3.	551924892	6.54%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y			
3.17. Manufacture of plastics in primary form	CCM+3.17, CCA+3.17	171825240	2.04%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			T
5.4. Sale of second-hand goods (transition to a circular economy)	CE+5.4	6672000	0.08%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y			
5.5. Collection and transport of non-hazardous waste in source segregated fractions	CCM+5.5, CCA+5.5	1752176567	20.75%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
5.9. Material recovery from non-hazardous waste	CCM+5.9, CCA+5.9	2380048517	28.19%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
6.6. Freight transport services by road	CCM+6.6, CCA+6.6	76985265	0.91%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			T

PROPORTION OF TURNOVER CONT.

2023				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		NOK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y ; N ; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
7.2. Renovation of existing buildings	CCM+7.2, CCA+7.2, CE+7.2	251824233	2.98%	N	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y			
8.2. Data-driven solutions for GHG emissions reductions	CCM+8.2	18981082	0.22%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y		E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		6080962309	72.02%	52.11%	0.00%	0.00%	5.89%	14.02%	0.00%	Y	Y	Y	Y	Y	Y	Y			
Of which enabling		18981082	0.22%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y		E	
Of which transitional		248810505	2.95%	2.95%						Y	Y	Y	Y	Y	Y	Y			T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
2.1. Collection and transport of hazardous waste (pollution prevention and control)	PPC+2.1	67714388	0.80%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
2.3. Collection and transport of non-hazardous and hazardous waste (transition to a circular economy)	CE+2.3	353824306	4.19%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
3.17. Manufacture of plastics in primary form	CCM+3.17, CCA+3.17	28706760	0.34%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
5.5. Collection and transport of non-hazardous waste in source segregated fractions	CCM+5.5, CCA+5.5	168978534	2.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
5.9. Material recovery from non-hazardous waste	CCM+5.9, CCA+5.9	604751776	7.16%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
6.6. Freight transport services by road	CCM+6.6, CCA+6.6	91438956	1.08%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1315414720	15.58%																
Turnover of Taxonomy-eligible activities (A.1+A.2)		7396377029	87.60%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		1046915971	12.40%																
Total (A+B)		8443293000	100.00%																

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR N

2023				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		NOK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y ; N ; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
2.1. Collection and transport of hazardous waste (pollution prevention and control)	PPC+2.1	8317591	1.14%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
2.2. Treatment of hazardous waste (pollution prevention and control)	PPC+2.2	535004	0.07%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
2.4. Remediation of contaminated sites and areas (pollution prevention and control)	PPC+2.4.	6960046	0.96%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
2.4. Treatment of hazardous waste (transition to a circular economy)	CE+2.4	11172662	1.54%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y			
2.6. Depollution and dismantling of end-of-life products (transition to a circular economy)	CE+2.6	95603	0.01%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y			
2.7. Sorting and material recovery of non-hazardous waste (transition to a circular economy)	CE+2.7	6960046	0.96%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y			
3.3. Demolition and wrecking of buildings and other structures (transition to a circular economy)	CE+3.3.	35519809	4.88%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y			
3.17. Manufacture of plastics in primary form	CCM+3.17, CCA+3.17	36401537	5.01%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			T
5.5. Collection and transport of non-hazardous waste in source segregated fractions	CCM+5.5, CCA+5.5	112162051	15.42%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
5.9. Material recovery from non-hazardous waste	CCM+5.9, CCA+5.9	71317767	9.81%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
6.6. Freight transport services by road	CCM+6.6, CCA+6.6	9828810	1.35%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			T
7.2. Renovation of existing buildings	CCM+7.2, CCA+7.2, CE+7.2	4451623	0.61%	N	Y	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y			
8.2. Data-driven solutions for GHG emissions reductions	CCM+8.2	22191000	3.05%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y		E	

PROPORTION OF CAPEX CONT.

2023				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		NOK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y ; N ; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		325913549	44.82%	34.64%	0.00%	0.00%	2.17%	8.00%	0.00%	Y	Y	Y	Y	Y	Y	Y			
Of which enabling		22191000	3.05%	3.05%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y		E	
Of which transitional		46230347	6.36%	6.36%						Y	Y	Y	Y	Y	Y	Y			T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
2.1. Collection and transport of hazardous waste (pollution prevention and control)	PPC+2.1	5158188	0.71%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
2.3. Collection and transport of non-hazardous and hazardous waste (transition to a circular economy)	CE+2.3	69434351	9.55%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
3.17. Manufacture of plastics in primary form	CCM+3.17, CCA+3.17	21016066	2.89%	EL	EL	N/EL	N/EL	N/EL	N/EL										
5.5. Collection and transport of non-hazardous waste in source segregated fractions	CCM+5.5, CCA+5.5	9698370	1.33%	EL	EL	N/EL	N/EL	N/EL	N/EL										
5.9. Material recovery from non-hazardous waste	CCM+5.9, CCA+5.9	2566944	0.35%	EL	EL	N/EL	N/EL	N/EL	N/EL										
6.6. Freight transport services by road	CCM+6.6, CCA+6.6	14644772	2.01%	EL	EL	N/EL	N/EL	N/EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		122518691	16.85%																
CapEx of Taxonomy-eligible activities (A.1+A.2)		448432240	61.67%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		278773991	38.33%																
Total (A+B)		727206231	100.00%																

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR N

2023				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		NOK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y ; N ; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
2.1. Collection and transport of hazardous waste (pollution prevention and control)	PPC+2.1	3346653	0.91%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
2.2. Treatment of hazardous waste (pollution prevention and control)	PPC+2.2	666581	0.18%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
2.4. Remediation of contaminated sites and areas (pollution prevention and control)	PPC+2.4.	24037	0.01%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
2.4. Treatment of hazardous waste (transition to a circular economy)	CE+2.4	8310313	2.26%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y			
2.7. Sorting and material recovery of non-hazardous waste (transition to a circular economy)	CE+2.7	24037	0.01%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y			
3.3. Demolition and wrecking of buildings and other structures (transition to a circular economy)	CE+3.3.	22335866	6.07%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y			
3.17. Manufacture of plastics in primary form	CCM+3.17, CCA+3.17	22460400	6.11%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			T
5.5. Collection and transport of non-hazardous waste in source segregated fractions	CCM+5.5, CCA+5.5	51397351	13.97%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
5.9. Material recovery from non-hazardous waste	CCM+5.9, CCA+5.9	59202941	16.09%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
6.6. Freight transport services by road	CCM+6.6, CCA+6.6	14754241	4.01%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			T
7.2. Renovation of existing buildings	CCM+7.2, CCA+7.2, CE+7.2	7913453	2.15%	N	Y	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y			
8.2. Data-driven solutions for GHG emissions reductions	CCM+8.2	660000	0.18%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y		E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		191095873	51.95%	40.36%	0.00%	0.00%	1.10%	10.49%	0.00%	Y	Y	Y	Y	Y	Y	Y			
Of which enabling		660000	0.18%	0.18%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y		E	
Of which transitional		37214641	10.12%	10.12%						Y	Y	Y	Y	Y	Y	Y			T

PROPORTION OF OPEX CONT.

2023				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		NOK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y ; N ; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
2.1. Collection and transport of hazardous waste (pollution prevention and control)	PPC+2.1	500075	0.14%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
2.3. Collection and transport of non-hazardous and hazardous waste (transition to a circular economy)	CE+2.3	15154690	4.12%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
3.17. Manufacture of plastics in primary form	CCM+3.17, CCA+3.17	10281600	2.80%	EL	EL	N/EL	N/EL	N/EL	N/EL										
5.5. Collection and transport of non-hazardous waste in source segregated fractions	CCM+5.5, CCA+5.5	5043124	1.37%	EL	EL	N/EL	N/EL	N/EL	N/EL										
5.9. Material recovery from non-hazardous waste	CCM+5.9, CCA+5.9	20621937	5.61%	EL	EL	N/EL	N/EL	N/EL	N/EL										
6.6. Freight transport services by road	CCM+6.6, CCA+6.6	23285695	6.33%	EL	EL	N/EL	N/EL	N/EL	N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		74887121	20.36%																
OpEx of Taxonomy-eligible activities (A.1+A.2)		265982994	72.31%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		101857876	27.69%																
Total (A+B)		367840870	100.00%																

TAXONOMY STATEMENT RELATED TO NUCLEAR AND GAS

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

Row	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Financial reporting

Directors' report 2023

Financial Reporting

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

Income Statement

The Group's total operating income was MNOK 8 403 (2022: MNOK 7 824), and the total operating costs was MNOK 8 061 (2022: MNOK 7 465). The Group's operating profit was MNOK 342 in 2023 (2021: MNOK 374). Increase in operating income is partly driven by strategic price adjustments. Operating costs are increasing in line with activity and inflation, but the Group has had cost initiatives to mitigate the increase in costs, thereby working diligently to manage costs and safeguard profitability.

The Group's net financial income was MNOK 6,5 in 2023 (2022: MNOK 3,4). The Group's financial expenses primarily relate to interest on bank financing and interest on lease liabilities of MNOK 250,7 in 2023 (2022: MNOK 189,5). The Group has had a negative effect on hedging instruments equals to MNOK 84,2 (2022: MNOK 24,3), which is included in Net Currency loss.

The Group's profit before tax was MNOK 182 in 2023 (2022: MNOK 212). The consolidated profit of the year was MNOK 147 (2022: MNOK 151).

Balance, Financing and liquidity

By year end 2023, total non-current assets were MNOK 4 389 (2022: MNOK 4 197). Out of this, intangible assets were MNOK 1 521 (2022: MNOK 1 482). Additions related to property, plant and equipment was MNOK 277 in 2023 (2022: 217), and there were none related to acquisitions (2022: 74).

By year end 2023, total current assets were MNOK 1 449 (2022: MNOK 1 135). Out of this, receivables were MNOK 1 022 (2022: MNOK 764) and Cash and Cash equivalents were MNOK 89 (2022: MNOK 68).

The Group's equity as of 31.12.23 was MNOK 1 699 (2022: MNOK 1 346), indicating an equity share of 29% (2022: 25%).

By year end 2023, total liability was MNOK 4 140 (2022: MNOK 3 986). For more information about Borrowings, see note 21.

Cash Flow

The Group's cash flow from operating activities was MNOK 635 (2022: MNOK 796). The difference between the cash flow from operating activities and the Group's operating profit is MNOK 453 (2022: MNOK 584), which is mainly due to adjustment related to depreciation and amortization.

Net cash flow from investing activities was MNOK -314 (2022: MNOK -536). The group has invested MNOK -352 (2022: MNOK -282) in non-current assets and sold non-current assets for MNOK 23,9 (2022: MNOK 24,4). Remaining amount is mainly related to purchases of subsidiaries and associated companies.

Net cash flow from financial activities was MNOK -299 (2022: MNOK -263). The Group received equity contribution from owners, amounting to cash effect of 567 MNOK, remaining amount mainly relates to interest and repayment of borrowings.

At the end of 2023, total cash and cash equivalents was MNOK 89,2 (2022: MNOK 67,8).

Allocation of net income

The Board of Directors has proposed the total income of 147 of MNOK to be transferred to other equity.

Going Concern

In connection with the Accounting Act §3-3a (Regnskapsloven §3-3a), we hereby confirm going concern. The Financial statements 2023 and forecasts do not indicate any issues related to the Group's going concern.

Statement of the parent company's Financial Statement

Nature of business

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

Income Statement

The holding company's total operating costs was MNOK 174 (2022: MNOK 231) and the result before tax in 2023 was MNOK 61 (2022: MNOK 137).

Equity and Solvency

By the end of 2023, the holding company's equity was MNOK 2 136 (2022: MNOK 1 258). The balance consists mainly of equity and investments in subsidiaries.

Allocation of net income

The Board of Directors has proposed the total income of MNOK 48 to be transferred to other equity.

Risk management

Risk management in the Group, is an integral part of the company's business activity. Risk management is divided between the operational entities, which has the main responsibility of risk management including, strategic risk, financial risk, operational risk and compliance of laws and rules within their business area. The Group CSO has the main responsibility for overall guidelines and framework, and reports consolidated risk status annually to Group BoD. The Group CSO establish guidelines and routines for how to handle compliance risk, including coordinates and carries out an overall risk assessment. Below is a description of risks factors that may affect our business and economic position in short term and long term. For a complete disclosure related to risk and compliance, please refer to section 2.7 Governance ethics and transparency.

Health, Safety and Environment

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

The Group has several licenses and permits from the authorities in various jurisdictions that allow the Group to operate in the waste industry and/or produce recycled raw materials, and to handle, transport, export and import various types of waste. Loss of such licenses and permits can have a significant negative impact on the business in the Group. To ensure that we continuously operate in accordance with permits and regulations, we regularly conduct conformity assessments of both permits and relevant regulations. As part of NG Group's internal control, internal and external audits and inspections are also conducted. This is how we improve operations and ensure compliance with permits and relevant regulations.

The Group's operations can lead to significant pollution of the air, soil or water. The group can also be held financially responsible for such environmental pollution or damage. In order to prevent such pollution or damages, it has implemented strict risk routines and procedures, all in line with permits from the authorities.

Insurance risk

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

Compliance and Regulatory risk

The Group operates in a strictly regulated business. Changings in laws and regulations might have impact on the Group's operations and financial results. The Group implements necessary measurements in order to meet this changes in order to reduce risk of regulatory breach.

Risk associated with fraud, bribery and corruption

There is a relatively high inherent risk of fraud, bribery and corruption in several of the Group's business areas. The Group is particularly exposed to such risks in connection with the use of agents abroad, including Asia. Although the Group has established routines and several comprehensive risk-reducing measures to prevent the occurrence of fraud, bribery and corruption, there will be some residual risk associated with such offences. Involvement in corruption or other illegal activities by the Group's board members, employees, agents, business partners or customers may have a significant negative impact on the Group's operations, such as civil or criminal sanctions, exclusion from public tenders and/or loss of reputation. The group mitigate these risks by IDD checks, audits and training.

Cyber Security

The last years, the Group has gone through extensive digitalization and the digitalization development is continuing. With other words, the Group's infrastructure and data are increasingly depending on technology and internet connection. Undesirable events can occur through criminal acts or through errors. Failure to manage these risks can result in financial losses, as well as service availability and competitiveness. The Group is strengthening its cyber security measures with a security program to support the digitalization process and increase cyber resilience throughout The Group. The security program takes into account upcoming EU legislation for cyber resilience and emphasizes strengthened security measures to adapt to a heightened threat picture.

Strategic risk

The Group need to be aware of the risk of inability to keep up with significant or disruptive competitive landscape and markets leading to financial loss outside risk appetite. The Group mitigate this risks by having measures like building an innovation culture and mindset, and agile decision making within platforms, as well as implementing and leverage digital systems.

Financial risk and risk management

Currency risk

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

Interest rate risk

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

Liquidity risk

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

Credit risk

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

Price risk

The Group is exposed to price risk linked to raw materials. To mitigate the price risk, the Group enters concurrent downstream contracts for volumes from upstream activities wherever possible. Price risk linked to metals are hedged in financial markets. The development in raw material prices through 2023:

- *Residual waste*: In first half of 2023 there was a shortage of residual waste to energy, which was mainly due to demanding import conditions from rest of Europe into Scandinavia. In the second half of the year, it was again possible to build inventories when import markets functioned better and consumption was reduced due to low energy prices in the autumn. Cost to deliver waste to energy to downstream plants were low throughout 2023, but the signals towards 2024 were that these would again be pushed up due to better finances and access to quantities for imports from other countries in Europe. In Norway, the CO_2 fee increases dramatically at the start of 2024. The CO_2 fee (EU/ETS) in Sweden and Denmark was high throughout the year and seems to be more stable as 2024 progresses.

- *Steel and metals*: There was a slight increase in prices during the first quarter. Prices then came down the following two quarters and bottomed out end of summer. Prices has been relatively stable, but slightly increasing at the end of the year.
- *Waste wood*: Waste wood experienced a rapid increase in demand due to the energy crisis in Europe, and consequently incurred rising gate-fees throughout 2023. The gate-fees now appears to be at a peak at the end of 2023, this because we have reached a point of more stable energy prices and some plants are dragging down production and consumption as it is not profitable. In the second half of the year, it has been made good progress with deliveries of waste wood for material recycling, and buyers have to pay a marketable price compared to energy recovery.
- *Transportation/delivery*: There has been generally good availability of transportation by road throughout the year, however due to unstable fuel prices, decreased import due to increasing of interests, there was significant boost in transport costs, that has been stable high throughout the year. The shipping market held a stable path within the availability of vessels in the market, simultaneously with a small decrease in freight prices that kept stable throughout 2023 compared to 2022.
- *Plastic*: The market for recycled plastic has been under pressure in 2023. Low prices of virgin material in combination with weaker demand for consumer products, due to the overall market situation with higher interest rates and inflation, results in a lower need for recycled plastic materials.
- *Paper*: The market for recycled paper was under pressure in 2023. Reduced demand for paper in the market due to the lack of economic activity. Last six month in 2023, the selling price of finished paper decreased, but the market price of recycled paper increased due to good export prices and low transport rates to Asia.

General market risk

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

- ***Competition in the market***: All business areas where the Group is active are exposed to competition.
- ***Client risk***: The Group is generally dependent on orders under framework agreements with customers for the sale of its products and services. This creates an uncertainty regarding future income. Although the group has a diversified customer base, lower sales volumes linked to one or more of the existing framework agreements, or the loss of customers or framework agreements for whatever reason, can have a significant negative impact on the Group's financial results. The group is also dependent on participating in and being awarded assignments in public tenders. No guarantees can be given that the group will be awarded assignments under such public tenders in the future. The group has over 40 000 customers, which results in a low degree of customer concentration.
- ***Estimated risk in tender processes***: The Group may fail to effectively calculate risk, costs or timing when preparing tenders. Errors and deficiencies in tender processes can have a significant negative impact on the Group's profitability.

Liability insurance for the Board and Executive Committee

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

Expected financial development

The Groups financial result has decreased slightly compared to last year. It is marked by a challenging macro-economic and market environment and inflation continues to strike. Despite this, a positive development emerged as the group effectively mitigated the impact of unfavorable financial trends through strategic pricing adjustments and cost optimalization. Despite challenging market conditions, the Group maintains a resilient outlook, anticipating inflation to remain relatively moderate with fiscal policies and prudent monetary measures serving to mitigate significant spikes. The impact from the ongoing conflicts in Ukraine and the Middle East, has remained minimal on business operations. While the situations in these regions continue to be concerning, our business has not experienced material disruptions or significant adverse effects. We remain vigilant and closely monitor development. Looking forward the Group expects positive development during 2024 with improved metals market conditions and positive trends to continue for RSR. Solid order books in demolition and operational enhancements in household collection and industrial services underpin the optimism despite the ongoing market challenges faced by NG Group.

Other information that completes the disclosure of Director's report

Regulation	Content	Reference
Norwegian Accounting Act		
§3-3a (1)	Information about the nature of the business and its location, including any branches.	This is NG Group NG Group Platforms
§3-3a (9)	Information about the work environment, an overview of implemented measures relevant to the work environment, and information regarding injuries accidents and sick leaverates.	People, culture and communication
§3-3a (10)	Information about aspects of the organization, including its resources and products, which may have in a not insignificant impact on the external environment. Including details on measures that have been or are planned to be implemented to prevent or reduce negative environmental impacts.	Sustainability in NG Group
Equality and Anti-Discrimination Act		
§26 and §26a	Information regarding gender equality in the company and what is being done to fulfill the duty.	NG Group's website
Transparency Act		
§5	Statement on the work with fundamental human rights and decent working condition.	NG Group's website

Lysaker 22 April 2024

Bjørn Arve Ofstad
Group CEO

Bertrand Joseph Henri Camus
Chair of the board

Reynir Kjær Indahl
Member of the board

Åge Nordstrøm Landro
Member of the board

Hannah Gunvor Jacobsen
Member of the board

Aurelia Marie Binet
Member of the board

Elisabeth Johansen
Member of the board

Gintautas Blanka
Member of the board

Tom Erik Løchen
Member of the board

Consolidated financial statements

Consolidated Income Statement

(NOK thousands)	Note	**2023**	2022
Revenue	4, 5	8,362,409	7,791,202
Other income	6	40,142	33,289
Total operating income		**8,402,551**	**7,824,491**
Cost of materials	5, 16	4,508,503	4,298,415
Employee benefits expense	7	1,918,048	1,696,436
Depreciation and amortisation expense	12, 13, 14	578,460	513,698
Other operating expenses	8	1,092,936	940,922
Other (gains)/losses - net	9	(33,521)	8,343
Share of profit from associated companies	15	4,189	7,521
Operating profit		**342,314**	**374,198**
Finance income	10	6,518	3,443
Finance costs	10	250,700	189,516
Net currency gain/loss(-)	10	84,195	24,300
Profit before income tax		**182,327**	**212,425**
Income tax expense	11	35,427	61,231
Profit (loss) for the period		**146,900**	**151,194**
Profit attributable to:			
Owners of the parent	20	137,362	130,761
Non-controlling interests	27	9,538	20,433

Consolidated Statement of Comprehensive Income

(NOK thousands)	Note	**2023**	2022
Profit (loss) for the period		**146,900**	**151,194**
Items that will be reclassified to profit or loss			
Currency translation differences	20	4,105	(4,065)
Other comprehensive income		**4,105**	**(4,065)**
Total comprehensive income		**151,005**	**147,129**
Total comprehensive income attributable to:			
Owners of the parent	20	141,467	126,312
Non-controlling interests	27	9,538	20,817

Consolidated statement of financial position

ASSETS

(NOK thousands)	Note	**31.12.2023**	31.12.2022	01.01.2022
Non-current assets				
Property, plant and equipment	13	992,040	923,007	842,180
Right of use assets	14	1,773,615	1,658,993	1,652,929
Intangible assets	12	204,716	185,867	109,953
Goodwill	12	1,316,670	1,296,052	993,916
Deferred tax assets	11	49,763	69,247	58,319
Investments in associated companies	15	17,484	28,586	24,765
Pension asset	7	23,399	1,711	-
Other non-current receivables	17	10,995	33,649	8,311
Total non-current assets		**4,388,682**	**4,197,112**	**3,690,373**
Current assets				
Inventories	16	336,697	302,110	255,071
Trade receivables	17	726,173	492,119	478,115
Other receivables	17	295,866	272,326	279,627
Other financial assets	26	1,488	1,231	-
Cash and cash equivalents	18	89,220	67,825	75,347
Total current assets		**1,449,444**	**1,135,611**	**1,088,160**
Total assets		**5,838,126**	**5,332,723**	**4,778,533**

EQUITY AND LIABILITIES

(NOK thousands)	Note	**31.12.2023**	31.12.2022	01.01.2022
Equity				
Total equity attributable to owners of the parent	19, 20	1,712,590	1,191,942	1,057,932
Non-controlling interests	27	(14,010)	154,530	133,694
Total equity		**1,698,580**	**1,346,472**	**1,191,626**
Non-current liabilities				
Non-current borrowings	21	666,028	649,597	470,640
Non-current lease liabilities	14	1,552,148	1,463,292	1,468,815
Non-current derivative financial instruments	26	2,028	4,443	7,193
Deferred tax liabilities	11	19,856	35,479	15,213
Post-employment benefits	7	23,500	19,220	19,955
Non-current provisions	22	98,980	58,981	67,776
Total non-current liabilities		**2,362,540**	**2,231,012**	**2,049,592**
Current liabilities				
Trade payables	25	587,875	423,240	479,839
Other liabilities	23	750,583	777,105	678,175
Income tax payable	11	8,198	51,139	6,714
Current borrowings	21	65,403	137,140	15,020
Current lease liabilities	14	354,512	344,054	333,935
Current derivative financial instruments	26	2,135	-	654
Current provisions	22	8,300	22,561	22,979
Total current liabilities		**1,777,006**	**1,755,239**	**1,537,316**
Total liabilities		**4,139,546**	**3,986,251**	**3,586,908**
Total equity and liabilities		**5,838,126**	**5,332,723**	**4,778,533**

Lysaker 22 April 2024

Bjørn Arve Ofstad
Group CEO

Bertrand Joseph Henri Camus
Chair of the board

Reynir Kjær Indahl
Member of the board

Åge Nordstrøm Landro
Member of the board

Hannah Gunvor Jacobsen
Member of the board

Aurelia Marie Binet
Member of the board

Elisabeth Johansen
Member of the board

Gintautas Blanka
Member of the board

Tom Erik Løchen
Member of the board

Consolidated Statement of Cash Flows

(NOK thousands)	Note	**2023**	2022
Profit (loss) before income tax		**182,327**	**212,425**
Taxes paid		(59,175)	(29,739)
Depreciation, amortization and write-downs	12, 13, 14	578,460	513,698
Net finance cost (income)		159,987	161,773
Net (gain) loss on sale of non-current assets		(18,119)	(11,578)
Share of profit from associates		(4,189)	(7,521)
Changes in post-employment benefits		(17,408)	(2,446)
Changes in long term receivables		22,654	-
Changes in inventories		(34,587)	(10,142)
Changes in trade and other receivables		(257,594)	56,319
Changes in trade and other payables		138,113	(35,532)
Change in other provisions		(55,737)	(50,772)
Net cash flow from operating activities		**634,732**	**796,485**
Payment for intangible assets, property, plant and equipment	12, 13, 14	(352,475)	(282,265)
Proceeds from sale of fixed assets	15	23,931	24,386
Payment for acquisition of subsidiaries and associated companies, net of cash	28, 15		(282,173)
Dividends from associated companies	15	15,000	4,000
Net cash flow from investing activites		**(313,544)**	**(536,052)**

(NOK thousands)	Note	**2023**	2022
Repayment of borrowings external	21	(36,526)	(305,222)
Proceeds from borrowings	21	889	110,801
Net change in credit facility	21	(44,913)	-
Payment of principal portion of financial lease	14	(286,288)	(270,936)
Payment of interest	14, 21	(133,122)	(131,132)
Proceeds from shares issued		567,002	-
Dividends paid to non-controlling interests	27	-	(988)
Transactions with non-controlling interests	27	(304,387)	(43,546)
Group contribution to parent company		(78,405)	-
Change in borrowings from parent company	21	16,288	377,076
Net cash flow from financial activites		**(299,464)**	**(263,947)**
Net change in cash and cash equivalents		**21,724**	**(3,514)**
Foreign currency effects on cash		(329)	(4,007)
Cash and cash equivalents at beginning of period	18	67,825	75,347
Cash and cash equivalents at end of period		**89,220**	**67,825**

Consolidated Statement of Changes in Equity

	Note	Share capital	Share Premium	Retained earnings and other reserves	Not registered capital increase	Total	Non-controlling interests	Total equity
Balance at 1 January 2023		**87,687**	**42,052**	**1,062,203**		**1,191,942**	**154,530**	**1,346,472**
Profit for the year		-	-	137,362	-	137,362	9,538	146,900
Other comprehensive income		-	-	3,687	-	3,687	418	4,105
Total comprehensive income		**-**	**-**	**141,049**	**-**	**141,049**	**9,956**	**151,005**
Share capital increase	19	-	-	(5,897)	873,420	867,523	5,897	873,420
Group contribution		-	-	(61,158)	-	(61,158)	-	(61,158)
Dividends paid to non-controlling interests		-	-	-	-	-	(494)	(494)
Other transactions with non-controlling interests		-	-	(426,766)		(426,766)	(183,899)	(610,665)
Total transactions with owners		**-**	**-**	**(493,821)**	**873,420**	**379,599**	**(178,496)**	**201,103**
Balance at 31 December 2023		**87,687**	**42,052**	**709,431**	**873,420**	**1,712,590**	**(14,010)**	**1,698,580**
Balance at 1 January 2022		**87,687**	**42,052**	**928,099**		**1,057,838**	**133,635**	**1,191,473**
Profit for the year		-	-	130,761		130,761	20,433	151,194
Other comprehensive income		-	-	(4,449)		(4,449)	384	(4,065)
Total comprehensive income		**-**	**-**	**126,312**		**126,312**	**20,817**	**147,129**
Dividends paid to non-controlling interests						-	(988)	(988)
Other transactions with non-controlling interests				7,792		7,792	1,066	8,858
Total transactions with owners		**-**	**-**	**7,792**		**7,792**	**78**	**7,870**
Balance at 31 December 2022		**87,687**	**42,052**	**1,062,203**		**1,191,942**	**154,530**	**1,346,472**

Note contents

Notes to the consolidated financial statements

Note 1 General information

NG Group AS is controlled by Norsk Gjenvinning Norge AS, which holds 100 percent of the shares in NG Group AS. Norsk Gjenvinning Norge AS is controlled through an investment structure by Summa Equity AB.

In 2023 the Group has been through reorganization of ownership, where ownership is transferred from Summa Fund I to Summa Circular. As a result of this transaction NG Topco AS was liquidated, and replaced by Summa Circular Holdco AS.

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

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

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

Note 2 Basis of preparation

Basis for preparation
The consolidated financial statements of NG Group AS and its subsidiaries are prepared in accordance with IFRS accounting standards as adopted by the European Union (EU) and Norwegian authorities and effective as of 31 December 2023 and additional requirements in the Norwegian Securities Act.

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

The preparation of annual financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported. Actual results may differ. Areas in which uncertainties tend to exist regarding material estimates and critical accounting assumptions and assessments are described below.

Presentation and functional currency

The consolidated financial statements are presented in thousands of Norwegian kroner. The Norwegian krone (NOK) is the functional currency which is both the parent company's functional currency and the Group's presentation currency. As a result of rounding differences, amounts and percentages may not add up to the total. For each entity, the Group determines the functional currency based on the primary economic environment in which the entity operates, i.e., normally the one in which the entity primary generates and expends cash.

First adoption of IFRS
This is a first-time adoption of IFRS of the consolidated financial statement of NG Group AS, because the company has not published consolidated financial statments after 2018. Earlier years the consolidated financial statement has been prepared on Norsk Gjenvinning Norge AS-level, which is the parent company of NG Group AS, and this has been prepared under IFRS and audited.

Comparable figures are presented as opening balances in the balance sheet and in relevant notes. These figures presents the same basis as for the consolidated financial statement presented yearly at Norsk Gjenvinning Norge-level, adjusted for any consolidation differences in accordance with IFRS 1.D16.

New standards and changes to accounting policies
New amended standards that applied for the first time in 2023:

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclosure their "material" accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are effective for these consolidated financial statements beginning 1 January 2023. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

Voluntary changes in accounting policies:

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

Consolidated subsidiaries and investments in associated entities
The subsidiaries are divied into six strategic platforms named Recycling & Sustainable Resources (RSR), Green Metals (GM), Urban Reuse (UR), Global Zirqular Solutions (GZS), Green Transistion & Technology (GTT) and Digital Solutions (DS).

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

Parent enterprises and subsidiaries	Office	Ownership	Platforms
NG Group AS (Parent)	Lysaker	100%	HQ
Norsk Gjenvinning Miljøeiendommer AS	Lysaker	100%	HQ
Adact AS	Oslo	100%	HQ
Norsk Gjenvinning AS	Lysaker	100%	RSR
Norsk Gjenvinning Downstream AS	Lysaker	100%	RSR
NG Secure AS	Lysaker	100%	RSR
Humlekjær og Ødegaard AS	Fredrikstad	100%	RSR
Tomwil Miljø AS	Lysaker	100%	RSR
Løvås Transportfirma AS	Alnabru	100%	RSR
Norsk Gjenvinning Transport AS	Alnabru	100%	RSR
NG Oppstrømtransport AS	Alnabru	100%	RSR
iSekk AS	Oslo	100%	RSR
Revise AS	Lysaker	100%	RSR
Tenden Miljø AS	Stryn	100%	RSR
Miljøkvalitet AS	Ikornnes	100%	RSR
Østfold Gjenvinning AS	Fredrikstad	100%	RSR
NG Downstream AB (Sweden)	Täby	100%	RSR
O Tenden Holding AS	Stryn	100%	RSR
Jarnes Miljøpark AS	Ikornnes	66%	RSR
NG Vekst AS	Lysaker	100%	RSR
Nordisk Återvinning Service AB (Sweden)	Gothenburg	100%	RSR
Norsk Gjenvinning Renovasjon AS	Sem	100%	RSR
Norsk Gjenvinning Metall AS	Lysaker	100%	GM
NG Metall AB (Sweden)	Katrineholms	100%	GM
Sims Recycling Solutions AS	Sarpsborg	100%	GM
NG Metall Holding AB (Sweden)	Gothenburg	100%	GM
Norsk Gjenvinning M3 AS	Lysaker	100%	GTT
Asak Massemottak AS	Lysaker	100%	GTT
Midt-Norge Massemottak AS	Lysaker	100%	GTT
Kopstad Massemottak AS	Lysaker	100%	GTT
Borge Massemottak AS	Lysaker	100%	GTT
Eikefet Massemottak AS	Lysaker	100%	GTT
Mana Group AS	Oslo	100%	GTT

Parent enterprises and subsidiaries	Office	Ownership	Platforms
Holmen Massemottak AS	Lysaker	100%	GTT
Hauka Deponi AS	Lysaker	100%	GTT
Zero Emission Energy AS	Lysaker	60%	GTT
IBKA Norge AS	Lysaker	100%	UR
IBKA A/S (Denmark)	Vordingborg	100%	UR
IBKA AB (Sweden)	Kungelv	100%	UR
IBKA UK Ltd (United Kingdom)	Cardiff	100%	UR
IBKA NUF	Vordingborg	100%	UR
R3 Entreprenør AS	Oslo	100%	UR
Norprodukter-Miljø AS	Oslo	100%	UR
Saneringsteknikk AS	Steinholt	100%	UR
Nordic Industrial Services AS	Lysaker	100%	UR
Sørvest Betongsaging AS	Bjerkreim	100%	UR
Drillcon AS	Spydeberg	100%	UR
Diamant Wire Teknikk AS	Halden	100%	UR
EC Svenska AB (Sweden)	Bagarmossen	100%	UR
Øst-Riv AS	Slemmestad	100%	UR
Nordic Demolition AS	Slemmestad	100%	UR
Mortens Rørinspeksjon AS	Kodal	50.6%	UR
Reen Technology OY (Finland)	Helsinki	68.66%	DS
Reen Technologies Ltd. (United Kingdom)	Nottingham	68.66%	DS
Reen AS	Larvik	68.66%	DS
Zirq Cables AS	Revetal	99.8%	GZS
Zirq Medical A/S (Denmark)	Præstø	99.8%	GZS
Zirq Cables Denmark A/S (Denmark)	Præstø	99.8%	GZS
Letbek Holding ApS (Denmark)	Tistrup	99.8%	GZS
Letbek A/S (Denmark)	Tistrup	99.8%	GZS
Outercore ApS (Denmark)	Tistrup	99.8%	GZS
Letbek Sp.Z.o.o (Poland)	Komorniki	99.8%	GZS
Zirq Solutions AS	Lysaker	99.8%	GZS

Associated companies 31 December 2023	
Østlandet Gjenvinning AS	50%
Pasa AS	38%
New West Gipsgjenvinning AS	50%

Note 3 Critical accounting estimates and key sources of estimation uncertainty

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

Estimates and assumptions:

- Impairment of goodwill and intangible assets (note 12)
- Deferred tax liabilities and deferred tax assets (note 11)
- Provisions for environmental obligations (note 22)
- Landfill (note 13)
- Restructuring provisions (note 22)

A detailed description of the significant accounting judgements is included in the individual note where applicable.

Note 4 Revenue

The Group's platforms consist of Recycling & Sustainable Resources, Green Metals, Urban Reuse, Global Zirqular Solutions, Green Transition & Technology and Digitalization Solutions. HQ and eliminations consist of holding entities together with property and eliminations.

Revenue streams

a) Upstream sales of services

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

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

The Group offers a wide range of waste management services in Norway and the rest of the Nordic region. Sales activities mainly involve the collection and treatment of all types of waste, as well as other specialized services. The services in these local markets are primarily within Recycling & Sustainable Resources, Urban reuse, and Global Transition & Technology.

b) Downstream sales of recycled raw materials

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

Two of the Group's platforms, Green Metal and Recycling & Sustainable Resources, sell recycled raw materials that are produced from source-separated waste collections in the upstream market and purchased goods. Sales revenue from the downstream market is heavily affected by commodity prices and exchange rates, since the Group delivers goods to the global market.

(NOK thousands)	Recycling & Sustainable Resources	Green Metals	Urban Reuse	Global Zirqular Solutions	Green Transition & Technology	Digitalization Solutions	HQ & Eliminations	**Sum**
REVENUE PER PLATFORM 2023								
Norway	2,968,896	8	1,390,314	-	56,917	8,359	1,502	4,425,996
Other Nordics	231,949	116,890	99,030	14,267	-	996	-	463,132
Other Europe	-	6,065	44,577	-	-	9,626	-	60,268
Intra segment	425,679	1,221	189,883	364	88,594	17,987	(723,728)	-
Total upstream	**3,626,524**	**124,184**	**1,723,804**	**14,631**	**145,511**	**36,968**	**(722,226)**	**4,949,396**
Norway	321,049	353,033	10,926	189,578	-	-	-	874,586
Other Nordics	224,827	547,202	-	345,224	-	-	-	1,117,253
Other Europe	134,318	276,637	-	665,376	-	-	-	1,076,331
Asia	6,584	332,295	-	5,964	-	-	-	344,843
Intra segment	193,301	474,667	187	154,945	-	-	(823,100)	-
Total downstream	**880,079**	**1,983,834**	**11,113**	**1,361,087**	**-**	**-**	**(823,100)**	**3,413,013**
Total revenue	**4,506,603**	**2,108,018**	**1,746,226**	**1,375,718**	**145,511**	**36,968**	**(1,545,326)**	**8,362,409**
REVENUE PER PLATFORM 2022								
Norway	2,752,626	-	1,240,907	24	89,487	4,652	616	4,088,312
Other Nordics	213,489	57,064	78,390	4,444	-	896	-	354,283
Other Europe	3,369	-	9,406	1,181	-	8,620	-	22,576
Intra segment	53,746	36,621	158,513	132,840	89,242	28,913	(499,875)	-
Total upstream	**3,023,229**	**93,685**	**1,487,216**	**138,489**	**178,729**	**43,081**	**(499,259)**	**4,465,170**
Norway	417,940	455,096	13,123	250,883	-	-	-	1,137,042
Other Nordics	139,756	424,615	-	222,445	-	-	-	786,816
Other Europe	309,801	434,253	-	366,455	-	-	-	1,110,509
Asia	2,649	289,016	-	-	-	-	-	291,665
Intra segment	592,706	294,827	7,189	15,299	-	-	(910,021)	-
Total downstream	**1,462,852**	**1,897,807**	**20,312**	**855,082**	**-**	**-**	**(910,021)**	**3,326,032**
Total revenue	**4,486,081**	**1,991,492**	**1,507,528**	**993,571**	**178,729**	**43,081**	**(1,409,280)**	**7,791,202**

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

(NOK thousands)	**2023**	2022
Upstream – sales of services	4,949,396	4,465,170
Downstream – sales of recycled raw materials	3,413,013	3,326,032
Revenue from customer contracts	**8,362,409**	**7,791,202**

The table below summarises revenue from customer contracts based on the customer's location. No one client contributes to more than 10% of total revenue.

(NOK thousands)	**2023**	2022
Norway	5,300,582	5,225,354
Other Nordics	1,580,385	1,141,098
Other Europe	1,136,599	1,133,085
Asia	344,843	291,665
Revenue from customer contracts	**8,362,409**	**7,791,202**

Note 5 Related parties

Related parties include entities under significant influence by NG Group, and companies outside the Group that are under control (either directly or indirectly). It also includes key management personnel and Board of NG Group. NG Group AS is wholly owned by Norsk Gjenvinning Norge AS, which is controlled through an investment structure by Summa Equity AB. Related party transactions are negotiated and conducted according to arm's length prices. Such transactions involve sale and purchase of goods and services, leasing of property, plant and equipment, administrative personnel, accounting services, HR services, IT- and development projects. The Group has had the following transactions with related parties:

(NOK thousands)	**2023**	2022
Operating revenue	26,808	16,836
Operating expenses	54,487	66,174
Finance costs	15,000	-
Trade receivables and other receivables	3,252	1,740
Trade payables and other payables	2,252	3,369

Note 6 Other Income

(NOK thousands)	**2023**	2022
Rental income from real estate	21,069	18,922
Gain on sale of non-current assets	18,778	14,374
Other operating income	295	(7)
Other Income	**40,142**	**33,289**

Note 7 Employee benefits expense

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

Accounting policies
a) Pension liabilities
In a defined contribution scheme, a company pays into a public or private scheme an amount that they have contractually agreed to, are obliged to by law or contribute on a voluntary basis. The company then has no further obligation beyond this contribution.

A defined benefit pension scheme is defined as a scheme that is not a defined contribution pension plan. The pension liability for a defined benefit scheme is measured as the present value of the liability as of the balance sheet date, net of the fair value of the pension funds, if there is a pension fund.

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

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

(NOK thousands)	**2023**	2022
Wages	1,523,282	1,381,506
Employer's national insurance contributions	227,036	189,614
Pension costs	56,526	44,726
Other expenses	105,959	80,590
Restructuring payments to employees	5,245	-
Total employee benefits expense	**1,918,048**	**1,696,436**
Average number of employees	2,226	1,827

POST-EMPLOYMENT BENEFITS LIABILITY AS OF 31 DECEMBER

(NOK thousands)	**2023**	2022
Defined benefit obligation	1,187	1,187
Provision for defined contribution plans	22,313	18,033
Total post-employment benefits liability	**23,500**	**19,220**

REMUNERATION OF CHIEF EXECUTIVE OFFICER 2023

(NOK thousands)	Salary	Bonus	Pension costs	Other benefits	**Total**	Severance pay
Bjørn Arve Ofstad	4,052	6,661	670	188	**11,571**	

REMUNERATION OF CHIEF EXECUTIVE OFFICER 2022

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

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

The CEO receives a salary and other benefits from NG Group AS. No loans or guarantees have been given to either the CEO or any members of the Board. Remuneration has been paid to the Board of NG Group AS of TNOK 400 both in 2022 and in 2023.

The CEO's bonus for the year presented is the amount of the bonus payment and includes stay-on bonus of 3 MNOK granted in 2020 and paid in December 2023.

Note 8 Other operating expenses

(NOK thousands)	**2023**	2022
Premises costs	103,424	71,693
Operating equipment costs	567,535	541,976
External services	144,571	111,375
Office costs	91,758	74,235
Operating costs, landfill	1,112	2,756
Insurance	45,928	36,638
Sales and marketing costs	23,011	16,053
Losses on receivables and contracts	6,773	9,267
Restructuring costs	17,627	-
Other costs	91,197	76,929
Total other operating expenses	**1,092,936**	**940,922**

AUDITOR'S FEES (EXCL. VAT)

(NOK thousands)	**2023**	2022
Statutory audit fees (including technical assistance with financial statements)	10,021	6,985
Assurance services	220	257
Tax advisory fees (including technical assistance with tax returns)	646	426
Other services	8,313	6,230
Total fees to auditor	**19,200**	**13,898**

Note 9 Other (gains) / losses - net

(NOK thousands)	**2023**	2022
Other gains/losses:		
Change in estimate related to earnout	(40,779)	
Financial assets at fair value though profit or loss:		
Metal derivatives	7,258	8,343
Other (gains) / losses - net	**(33,521)**	**8,343**

Note 10 Financial income and expenses

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

Accounting policies
Interest income and interest expenses on loans and receivables are recognized through profit or loss based on the effective interest rate method.

Interest expense on lease liabilities represents the interest rate implicit in the lease, or the incremental borrowing rate used to measure the lease liabilities recognized on the balance sheet. For further information, please refer to note 14.

(NOK thousands)	**2023**	2022
Interest & debt related expenses on borrowings from credit institutions	26,257	23,396
Interest expense on shareholder loans	41,784	12,573
Interest expense on lease liabilities	133,806	116,926
Other interest expenses	1,119	4,379
Other financial expenses	47,734	32,242
Total financial expenses	**250,700**	**189,516**

(NOK thousands)	**2023**	2022
Interest income	6,014	2,566
Other financial income	504	877
Total financial income	**6,518**	**3,443**

(NOK thousands)	**2023**	2022
Foreign currency gains	248,755	292,039
Foreign currency losses	(164,560)	(267,739)
Net currency gains (losses)	**84,195**	**24,300**

Note 11 Tax

Accounting policies

Income tax

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

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

Deferred tax

Deferred tax assets are recognized to the extent it is likely that future taxable income will allow for the utilization of the tax reducing temporary differences. Deferred tax is calculated on temporary differences from investments in subsidiaries and associates, apart from when the parent entity has control over the timing of the reversal of the temporary differences, and it is likely that they will not be reversed in the foreseeable future.

Critical accounting estimates

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

INCOME TAX EXPENSE

(NOK thousands)	**2023**	2022
Tax payable	15,119	50,440
Change in deferred tax	27,011	10,312
Changes in estimates related to prior years	(6,704)	480
Total income tax expense	**35,427**	**61,231**

RECONCILIATION OF TAX EXPENSE

(NOK thousands)	**2023**	2022
Profit before taxes	182,327	212,425
Income tax expense at Nominal tax rate	40,112	46,734
Permanent differences	6,989	15,766
Effect of tax rates outside Norway	(4,970)	(1,749)
Changes in estimates related to prior years	(6,704)	480
Total income tax expense	**35,427**	**61,231**
Effective tax rate in %	19.4%	28.8%

Material components of deferred taxes

DEFERRED TAX ASSETS

(NOK thousands)	**2023**	2022	2021
Provisions	25,190	18,617	23,911
Accounts recieivables	3,348	2,264	-
Other differences	37,932	36,775	29,727
Interest deduction limitation cut off	1,813	2,071	2,071
Tax losses carry forward	7,622	21,438	16,442
Subtotal	**75,905**	**81,165**	**72,151**
Not recognized deferred tax assets	(12,734)	(15,417)	(7,128)
Total deferred tax assets	**63,171**	**65,748**	**65,023**
Set-off of deferred tax assets pursuant to set-off provisions[1]	(13,408)	3,499	(6,704)
Net deferred tax assets	**49,763**	**69,247**	**58,319**

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

DEFERRED TAX LIABILITIES

(NOK thousands)	**2023**	2022	2021
Property, plant and equipment	21,355	21,431	87
Gains and losses	11,568	10,000	18,349
Accounts receivable	-	-	3,482
Inventories	339	549	-
Total deferred tax liabilities	**33,262**	**31,980**	**21,918**
Set-off of deferred tax liabilities pursuant to set-off provisions[1]	(13,408)	3,499	(6,704)
Net deferred tax liabilities	**19,854**	**35,479**	**15,214**
Total net deferred tax assets	**29,909**	**33,768**	**43,105**

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

MOVEMENT IN NET DEFERRED TAX BALANCES

(NOK thousands)	**2023**	2022	2021
Net balance at 1 January	**(33,768)**	**(43,105)**	**(73,567)**
Tax effect of Acquisitions of subsidiaries	331	16,799	(11,284)
Tax effect on received group contribution	(20,022)	(17,469)	
Changes due to Covid-19 measures	-	-	(1,527)
Changes in deferred tax expense	27,011	10,312	43,419
Currency translation differences	(3,461)	(305)	(146)
Net balance at 31 December	**(29,909)**	**(33,768)**	**(43,105)**

TAX PAYABLE

(NOK thousands)	**2023**	2022	2021
Tax payable	15,119	50,440	964
Tax payable Acquired subsidiaries	0	8,993	5,839
Net of prepaid tax and tax payable previous years	(7,183)	(8,371)	-
Translation differences	262	77	(89)
Total tax payable	8,198	51,139	6,714

TAX RATES OUTSIDE NORWAY

(NOK thousands)	**2023**	2022
Sweden	20.6%	20.6%
Denmark	22%	22%
Finland	20%	20%
UK	20%	19%
Poland	19%	19%

Note 12 Intangible assets

Accounting policies

a) Goodwill

The Group recognizes goodwill when a business is acquired and the consideration paid is less the Group's share of the fair value of net identifiable assets and liabilities in the acquired business. Goodwill can also arise from acquisitions when there is a policy choice to measure non-controlling interests at fair value on the acquisition date. Negative goodwill is recognized immediately as other income. The Group initially measures goodwill at cost. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

In subsequent impairment tests, goodwill is assigned to the cash generating units (CGUs) or groups of cash generating units that are expected to benefit from the acquisition in which goodwill arose.

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

b) Trademarks

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

c) Customer contracts and relationships

Customer contracts and relationships arise when a business is acquired. The fair value of a customer relationship is calculated based on expected turnover, adjusted for contractual turnover, and reduced for expected customer turnover.

d) Other intangible assets

Other intangible assets mainly relates to the capitalized cost of ERP systems for the Group. Software maintenance expenditure are expensed when the cost is incurred. Development expenses that are directly attributable to the design and testing of identifiable and unique software controlled by the Group are capitalized as an intangible asset when all the recognition criteria in IAS 38 are met. Other development expenditures that do not meet these criteria are expensed as the cost is incurred.

INTANGIBLE ASSETS 2023

(NOK thousands)	Trade-marks	Customer contracts	Other intangible assets	Goodwill	**Total**
Balance at 1 January	**12,190**	**42,010**	**131,667**	**1,296,052**	**1,481,919**
Acquisitions through business combinations	-	-	-	-	-
Disposals	-	-	-	-	-
Additions[2]	-	-	73,332	2,854	76,186
Amortization and impairment losses	(4,694)	(20,728)	(39,600)	-	(65,022)
Reclassification[1]	-	7,755	(410)	-	7,345
Foreign currency translation effect	-	1,728	1,466	17,764	20,958
Balance at 31 December	**7,496**	**30,765**	**166,455**	**1,316,670**	**1,521,386**
Useful life	Indefinite	5-10 year	3-5 year	Indefinite	
Depreciation method		Straight-line	Straight-line		
Accumulated cost 31 December	12,484	138,987	248,720	1,316,670	1,716,861
Accumulated amortization 31 December	(4,988)	(108,222)	(82,265)	-	(195,475)

INTANGIBLE ASSETS 2022

(NOK thousands)	Trade-marks	Customer contracts	Other intangible assets	Goodwill	**Total**
Balance at 1 January	**12,482**	**44,291**	**53,179**	**993,915**	**1,103,867**
Acquisitions through business combinations		33,187	19,982	303,307	356,476
Disposals	(85)	-	(864)	-	(949)
Additions	10		57,355	-	57,365
Amortization and impairment losses	(217)	(34,939)	(2,794)	-	(37,950)
Reclassification[1]	-		5,128	-	5,128
Foreign currency translation effect		(529)	(319)	(1,170)	(2,018)
Balance at 31 December	**12,190**	**42,010**	**131,667**	**1,296,052**	**1,481,919**
Useful life	Indefinite	5-10 year	3-5 year	Indefinite	
Depreciation method		Straight-line	Straight-line		
Accumulated cost 31 December	12,484	128,451	173,601	1,296,052	1,610,590
Accumulated amortization 31 December	(294)	(86,441)	(41,934)		(128,671)

1) Reclassification from "Intangible assets" to "Property, plant and equipment" in note 13 and "Leases" in note 14.
2) Addition to Goodwill related to adjustment on Goodwill on UR platform from 2022.

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

The Group's classification of intangible assets

Trademarks

In 2018, the Group acquired the rights to the trademarks Norsk Gjenvinning, iSEKK, R3, NG M3 and IBKA. In 2019, the Group also acquired the rights to the trademarks Nordic Demolition, Norprodukter-Miljø, Øst-Riv and KMT. Since trademark KMT is renamed to Zirq Cabels AS, KMT is no longer in use, and is recognized as impairment loss.

Customer contracts and relationships

Customer contracts and relationships were recognized through the acquisitions during 2022 and earlier. The excess value of customer contracts consists of specific contracts in the Group's various business areas, whereas all material long-term contracts have been subject to individual assessments.

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

Other intangible assets

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

Goodwill

Goodwill is monitored at the level of an operating segment, that corresponds to the platforms disclosed in note 4. Goodwill stems mainly from acquisitions made from 2018-2022, see note 28 for more information about Business Combinations. No additional goodwill was recognized during 2023.

For information on the Group's division into platforms see note 4. A breakdown of goodwill allocation per business platform is provided below.

GOODWILL PER PLATFORM 2023

(NOK thousands)	1 January	Additions	Impairment losses	Reclassifications and currency adjustments	**31 December**
Recycling & Sustainable Resources	465,513			(1,478)	464,035
Green Metal	124,847			8,285	133,132
Urban Reuse	460,133	2,854		948	463,935
Global Zirqular Solutions	215,598			10,009	225,607
Green Transition & Technology	29,960				29,960
Digitalization Solutions	-				-
Total goodwill	**1,296,052**	**2,854**	**-**	**17,764**	**1,316,670**

GOODWILL PER PLATFORM 2022

(NOK thousands)	1 January	Additions	Impairment losses	Reclassifications and currency adjustments	**31 December**
Recycling & Sustainable Resources	465,512	-			465,513
Green Metal	128,421			(3,574)	124,847
Urban Reuse	326,430	133,703			460,133
Global Zirqular Solutions	73,552	139,644		2,402	215,598
Green Transition & Technology	-	29,960			29,960
Digitalization Solutions	-	-			-
Total goodwill	**993,916**	**303,307**	**-**	**(1,172)**	**1,296,052**

Impairment of non-financial assets
The Group evaluates external and internal indications of impairment for intangible assets, goodwill, property, plant and equipment and right of use assets.

Impairment assessment of Property, plant and equipment, right of use assets and intangible assets with definite lives

Property, plant and equipment and intangible assets with definite lives are tested for impairment when there are indications of possible impairment, where it is possible that future earnings cannot justify the asset's carrying amount.

Critical accounting estimates
Impairment assessment of intangible assets with indefinite useful life and goodwill
Intangible assets with an indefinite useful life and goodwill are not amortized; instead they are tested annually for impairment.

The amount of the impairment is the difference between the book value of the asset and its recoverable amount. The recoverable amount is the higher of fair value less cost of disposal (FVLCOD) and value-in-use (ViU). When assessing any need for an impairment, non-current assets are grouped at the lowest level where it is possible to separate out independent input cash flows (cash generating units). The possibility of reversing previous write-downs on non-financial assets (excluding goodwill) is assessed at each reporting date.

The Group performs annual impairment tests on goodwill and trademarks since these assets have an indefinite useful life. To determine the value in use, the Group has discounted the expected cash flow from the various cash generating units. The Group has defined the various platforms as cash generating units to test for the impairment of goodwill. The impairment tests revealed no need for impairment, and no reasonable changes in assumptions will change this outcome.

Discounted cash flow model
The ViU model is based on a 5-year financial forecast of discounted cash flow based on the Group's business plans with a terminal value calculated using Gordon's formula. The FVLCOD is calcualted using discounted cash flow model specific for the CGU. The Group has implemented different strategies for each platform by identifying its current status and the specific priorities for the next 3 years. These strategies provide the basis for the financial forecasts used in the cash flow model. Annual growth of 2% is expected for the next 2 years, which is in line with long-term annual growth. The model is based on the following assumptions:

Cash flow
A strategic plan has been developed for 2024-2026 based on the Group's underlying goals and current market conditions. The strategic plan is used as a basis for the 3-year financial forecasts. Annual growth is set at 2% to estimate the cash flows after the 3-year period and for the terminal value for ViU.

WACC (weighted average cost of capital)
The Group uses the CAPM discount rate method to calculate discount rates. The cost of capital is calculated based on 10-year Norwegian government bonds, adjusted for an assessed group-specific risk premium and illiquidity premium. The cost of debt is based on the Group's financing and the industry gearing. The calculated WACC after tax was 9.3% for Recycling, 10.2% for Green Metals, 10.9% for Urban Reuse, 12.3% for Global Zirqular Solutions, 12.7% for Green Transition & Technology, and 11.4% for Household Collection.

Note 13 Property, plant and equipment

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

Depreciation on the separately recognized assets is recognized in profit or loss based on the useful life of the specific asset. Other repair and maintenance expenses are recognized in profit or loss in the period when the expenses are incurred.

Accounting policies for impairment of Property, plant and equipment are described in note 12.

Property, plant and equipment that are no longer being used in operations and are expected to be sold are classified and presented separately as in the balance sheet as a held for sale assets. Property, plant and equipment held for sale are measured at the lower of book value and fair value less sales costs.

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

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

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

PROPERTY, PLANT AND EQUIPMENT 2023

(NOK thousands)	Land and buildings	Machinery, equipment, fixtures, and tools etc.	Landfill	Assets under construction	**Total**
Balance at 1 January	**148,233**	**702,980**	**37,363**	**34,431**	**923,007**
Reclassifications[1]	19,552	8,972	-	(32,086)	(3,562)
Acquisitions through business combinations	-	-	-	-	-
Additions	57,019	164,861	12,106	42,874	276,860
Depreciation for the year	(19,617)	(176,502)	(13,871)	-	(209,990)
Impairment losses	-	-	-	-	-
Disposals	385	(3,707)	-	(3,074)	(6,396)
Foreign currency translation effect	662	9,537	-	1,922	12,121
Balance at 31 December	**206,234**	**706,141**	**35,598**	**44,067**	**992,040**
Useful life	10 years/ indefinite	5-10 years	3-10 years		
Depreciation method	Straight-line	Straight-line	Straight-line		
Accumulated cost 31 December	286,699	1,375,729	134,711	44,766	1,841,905
Accumulated depreciation 31 December	(80,465)	(669,588)	(99,113)	(699)	(849,865)

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

PROPERTY, PLANT AND EQUIPMENT 2022

(NOK thousands)	Land and buildings	Machinery, equipment, fixtures, and tools etc.	Landfill	Assets under construction	**Total**
Balance at 1 January	**128,500**	**624,786**	**49,608**	**39,286**	**842,180**
Reclassifications[1]	11,417	9,929	-	(27,850)	(6,504)
Additions from business acquisitions	12,078	61,252	-	692	74,022
Additions	12,660	167,867	13,550	23,038	217,115
Depreciation for the year	(16,420)	(150,280)	(25,795)	(123)	(192,618)
Impairment losses	-	-	-	(699)	(699)
Disposals	-	(11,277)	-	(56)	(11,333)
Foreign currency translation effect	(2)	703	-	144	845
Balance at 31 December	**148,233**	**702,980**	**37,363**	**34,431**	**923,007**
Useful life	10 years/ indefinite	5-10 years	3-10 years		
Depreciation method	Straight-line	Straight-line	Straight-line		
Accumulated cost 31 December	206,830	1,160,893	122,605	35,253	1,525,581
Accumulated depreciation 31 December	(58,597)	(457,913)	(85,242)	(822)	(602,574)

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

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

CAPITAL EXPENDITURE COMMITMENTS

(NOK thousands)	**2023**	2022
Property, plant and equipment	130,400	75,521
Total capital expenditure commitments	130,400	75,521

Note 14 Leases

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

On the date a lease commences, the Group recognizes a lease liability and a corresponding right-of-use asset for all leasing contracts with the exception of the following applied exceptions:
- Short-term leases (lease period of 12 months or shorter)
- Low value assets

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

Lease liabilities are measured at the present value of the contractual lease payments over the period of the lease. Index linked payments or similar CPI adjustments are based on the relevant index factor at lease inception or at the payment readjustment date. Subsequent measurement of the lease liability takes into account the accrual of interest, lease payments and any reassessments or changes to the lease term, as well as to reflect adjustments in the variable lease payments due to changes in the index rates.

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

RIGHT-OF-USE ASSETS 2023

(NOK thousands)	Buildings	Machinery and equipment	Landfill	**Total**
Balance at 1 January	**1,286,718**	**338,085**	**34,190**	**1,658,993**
Reclassification[1]	-	(3,783)	-	(3,783)
Additions to right-of-use assets	211,895	163,994	37,058	412,947
Acquisitions	-	-	-	-
Disposals	-	(429)	-	(429)
Depreciation and impairment losses	(170,471)	(131,418)	(1,558)	(303,447)
Foreign currency translation effect	4,973	4,360	-	9,334
Balance at 31 December	**1,333,115**	**370,810**	**69,690**	**1,773,615**

RIGHT-OF-USE ASSETS 2022

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

1) Reclassifications from Right-of- use assets to Intangible assets and Property, plant and equipment in note 12 and note 13.

LEASE LIABILITIES

(NOK thousands)	**2023**	2022
Balance at 1 January	**1,807,351**	**1,802,750**
Reclassifications	-	951
Additions from business acquisitions	-	18,615
New and updated leases recognized during the period	377,029	267,269
Lease payments of principal	(288,206)	(270,936)
Lease payments of interest	(131,858)	(117,217)
Interest expense related to lease liabilities	133,806	117,218
Disposals	(433)	(9,961)
Foreign currency translation effect	8,971	(1,338)
Balance at 31 December	**1,906,660**	**1,807,351**
Current lease liability	354,512	344,054
Non-current lease liability	1,552,148	1,463,292
Net cashflow effect from changes in lease liabilities (Principal and interest)	(420,064)	(388,153)
Lease payments expensed through profit and loss	55,328	67,762

(NOK thousands)	**2023**	2022
Less than one year	383,341	427,668
1-2 years	336,714	384,724
2-3 years	284,225	353,113
3-4 years	242,186	324,807
4-5 years	215,003	300,218
More than five years	1,112,326	1,174,038
Total undiscounted future lease liability payments as of 31 December	**2,573,795**	**2,964,569**

Lease payments expensed through profit or loss in 2023 was NOK 55,328 thousand for short-term and low value leases.

Note 15 Investments in associates and joint ventures

Accounting policies
Investments in associates are recognized using the equity method. Investments are recognized on their acquisition date at their acquisition cost, and the Group's share of the result in subsequent periods is recognized as income or an expense. The investment in associates includes recognition of any implicit goodwill identified on the acquisition date.

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

The Group's share of the profit or loss in an associate is recognized through profit or loss and added to the book value of the investment. The Group's share of the other comprehensive income in the associated company is recognized through other comprehensive income in the Group and also added to the capitalized amount of the investment.

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

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

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

	Office	Ownership share[1]
Østlandet Gjenvinning AS	Hamar	50%
Pasa AS	Porsgrunn	38%
New West Gipsgjenvinning AS	Holmestrand	50%

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

Change in book value of the Group's shares:

(NOK thousands)	01.01.2023	Dividends	Share of profits	Other	31.12.2023
Østlandet Gjenvinning AS	23,732	(15,000)	3,634	-	12,366
Other entities	4,854		555	(291)	5,118
Total	**28,586**	**(15,000)**	**4,189**	**(291)**	**17,484**

MiCollect Aps was sold in December 2023.

In 2018 the Group received invested shares in Østlandet Gjenvinning AS, Egersund Omsetningsgård AS, Pasa AS and New West Gipsgjenvinning AS. Egersund Omsetningsgård AS was sold in April 2021. The identified goodwill in Pasa AS was measured at NOK 500 thousand, while the identified excess value in Østlandet Gjenvinning AS amounted to NOK 33 201 thousand.

KEY FINANCIAL FIGURES FOR ØSTLANDET GJENVINNING AND ITS SUBSIDIARIES

(NOK thousands)	2023	2022
Operating income	278,480	278,571
Profit for the period	16,213	15,143
Current assets	64,095	63,368
Non-current assets	82,437	73,528
Total assets	**146,532**	**136,896**
Equity	74,950	97,678
Current payables	38,580	36,816
Non-current payables	33,001	2,402
Total equity and liabilities	**146,532**	**136,896**

Note 16 Inventories

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

(NOK thousands)	2023	2022	01.01.2022
Raw materials	250,564	178,403	144,734
Finished goods	50,558	104,999	93,275
Spare parts	35,575	18,708	17,062
Total	**336,697**	**302,110**	**255,071**

(NOK thousands)	2023	2022	01.01.2022
Inventory measured at cost	336,697	302,110	255,071
Total	**336,697**	**302,110**	**255,071**

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

NOK 1 818 million was recognized in cost of materials from sold materials in 2023 (2022: NOK 1 915 million). These costs are included under the financial statement item "Cost of materials". The financial statement item consists of the cost of purchased good as described above, as well as the cost of goods sold to downstream solutions for negative fractions.

Note 17 Trade and other receivables

(NOK thousands)	**2023**	2022	01.01.2022
Trade receivables (gross)	525,297	328,676	299,942
Trade receivables (factoring)	211,581	173,870	189,598
Loss allowance	(10,705)	(10,427)	(11,425)
Total trade receivables	**726,173**	**492,119**	**478,115**

(NOK thousands)	**2023**	2022	01.01.2022
Prepaid expenses	63,700	52,185	56,535
Earned income that has not been invoiced	203,717	195,306	207,185
Other current receivables	28,449	24,835	15,907
Total other receivables	**295,866**	**272,326**	**279,627**

(NOK thousands)	**2023**	2022	01.01.2022
Other non-current receivables	10,995	33,649	8,311
Total other non-current receivables	**10,995**	**33,649**	**8,311**

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

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

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

Note 18 Cash and cash equivalents

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

(NOK thousands)	**2023**	2022	01.01.2022
Cash and deposits	88,760	65,064	73,901
Restricted bank deposits	460	2,761	1,446
Total cash and cash equivalents	**89,220**	**67,825**	**75,347**

(NOK thousands)	**2023**	2022	01.01.2022
NOK	(128,071)	(764,350)	(528,141)
DKK	(19,843)	(9,779)	466
EUR	202,412	759,758	804,552
USD	37,713	75,870	30,248
SEK	2,357	5,683	(223,697)
GBP	(5,348)	643	(8,081)
Total cash and cash equivalents	**89,220**	**67,825**	**75,347**

Note 19 Share capital and premium

Share capital, share premium and other paid-in equity
Ordinary shares are classified as equity. Expenses directly related to the issuance of new shares or options, less tax, are recognized as reductions in the received remuneration against equity.

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

	2023	2022	01.01.2022
Number of shares 31 December	17,968,600	17,968,600	17,968,600
Par value (NOK)	5.60	4.88	4.88

(NOK thousands)	2023	2022	01.01.2022
Share capital	87,687	87,687	87,687
Share premium	42,052	42,052	42,052
Not registered capital increase	873,420		

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

Changes in share capital for 2023 are illustrated in the table below:

Share capital	Number of shares authorized	Per value per share (NOK)	Share capital (NOK thousands)	Share capital, not registered (NOK thousands)
At 01 January 2022	**17,968,600**	**4.88**	**87,687**	-
At 31 December 2022	**17,968,600**	**4.88**	**87,687**	
Share capital increase (30 November 2023)		0.37	-	6,648
Share capital increase (21 December 2023)		0.35	-	6,289
At 31 December 2023	**17,968,600**	**5.60**	**87,687**	**12,937**

Issued capital and reserves:

Share Capital Increase 30 November 2023
At 30 November 2023, the share capital of the Company was increased by NOK 6 648 thousand and the share premium by NOK 525 712 thousand by increase of par value on the shares from NOK 4.88 to NOK 5.25 per share. The share Capital increase was registered in February 2024. The capital increase, NOK 532 361 thousand, was contributed in cash.

Share Capital Increase 21 December 2023
At 21 December 2023, the share capital of the Company was increased by NOK 6 289 thousand and the share premium by NOK 334 771 thousand by increase of par value on the shares from NOK 5.25 to NOK 5.60 per share. The share Capital increase was registered in February 2024. The capital increase was partly contributed in cash, NOK 34 641 thousand, the remaining, NOK 306 419 thousand was contributed as debt conversion.

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

Note 20 Retained earnings and other reserves

MOVEMENTS IN RETAINED EARNINGS 2023

(NOK thousands)	Translation differences	Pension	Retained earnings	**Total Retained earnings**
Balance at 1 January	**(7,072)**	**(1,233)**	**1,070,508**	**1,062,203**
Profit for the period	-	-	137,362	137,362
Currency translation differences	3,687	-	-	3,687
Share capital increase			(5,897)	(5,897)
Group contribution			(61,158)	(61,158)
Other transactions with non-controlling interests	-	-	(426,766)	(426,766)
Balance at 31 December	**(3,385)**	**(1,233)**	**714,049**	**709,431**

MOVEMENTS IN RETAINED EARNINGS 2022

(NOK thousands)	Translation differences	Pension	Retained earnings	**Total Retained earnings**
Balance at 1 January	**(2,623)**	**(1,233)**	**931,955**	**928,099**
Profit for the period	-	-	130,761	130,761
Currency translation differences	(4,449)	-	-	(4,449)
Other transactions with non-controlling interests	-	-	7,792	7,792
Balance at 31 December	**(7,072)**	**(1,233)**	**1,070,508**	**1,062,203**

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

Note 21 Borrowings

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

(NOK thousands)	**2023**	2022	01.01.2022
Intercompany Borrowings	603,813	544,891	155,208
Borrowings from credit institutions	84,912	162,198	330,452
Other loans	42,706	79,648	0
Total borrowings	**731,431**	**786,737**	**485,660**
Non Current	666,028	649,597	470,640
Current	65,403	137,140	15,020
Total borrowings	**731,431**	**786,737**	**485,660**

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

	Book value		Fair value	
(NOK thousands)	**2023**	2022	**2023**	2022
Intercompany Borrowings	603,813	544,891	603,813	544,891
Borrowings from credit institutions	84,912	162,198	84,912	162,198
Other loans	42,706	79,648	42,706	79,648
Total borrowings	**731,431**	**786,737**	**731,431**	**786,737**

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

2023

(NOK thousands)	Borrowings
Balance at 1 January	**786,737**
From business combinations	-
Proceeds from borrowings external	889
Change in borrowings from parent company	16,288
Transaction cost	-
Repayment of borrowings	(36,526)
Net change in credit facility	(44,913
Payment of interest[1]	(1,234)
Cash flows, net	**(65,496)**
Translation differences	7,285
Interest expense	43,213
New agreements	-
Loans and hold back-amounts related to acquisitions	(40,308)
Capitalized transaction costs related to borrowings	-
Other Changes	**10,190**
Balance at 31 December	**731,431**

1) Total payment of interest on borrowings from table above, NOK 1 234, and payment of interest on lease liability, NOK 131 888, refer to note 14, in total aggregate to payment of interest in Cash Flow statement, NOK 133 122.

2022

(NOK thousands)	Borrowings
Balance at 1 January	**485,660**
From business combinations	-
Proceeds from borrowings	110,801
Transaction cost	-
Change in borrowings from parent company	377,076
Repayment of borrowings	(305,222)
Paid interests	(13,914)
Cash flows, net	**168,741**
Translation differences	(7,369)
Interest expense	24,413
New agreements	-
Loans and hold back-amounts related to acquisitions	114,708
Capitalized transaction costs related to borrowings	584
Other Changes	**132,336**
Balance at 31 December	**786,737**

Interncompany Borrowings

Norsk Gjenvinning Norge AS has signed several intercompany loan agreements. The purpose was to refinance borrowings from Credit Institutions.

Borrowings from Credit Institutions

Consists of two separate cash overdraft agreements in two subsidiaries.

Other loans

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

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

Credit Issuer	Type of Facility	Maturity	Interest	Currency	**Principal at 31 Desember 2021**	Principal at 31 Desember 2022	Principal at 31 Desember 2023
DnB / Nordea	Liquidity Facility	10.01.2023	3 mnd Nibor +3.5%	NOK	108,000	0	0
Dnb / Nordea	Facility A 1	10.01.2023	3 mnd Nibor +3.25%	SEK	29,466	0	0
DnB / Nordea	Facility B 1	10.01.2023	3 mnd Nibor +3.25%	SEK	137,508	0	0
Norsk Gjenvinning Norge	Intercompany	15.11.2027	8%	NOK	155,208	544,891	603,813
DnB, Danske Bank, Sparebank 1 SR-Bank, Swedbank	Bank overdraft	01.11.2024 - 15.11.2027	3 mnd Nibor +3.75%	NOK	0	52,889	84,912
Other Loans		31.12.2024 -15.05.2026	3 mnd Nibor +3,00%	NOK	55,478	79,648	42,706
Total					**485,660**	**786,557**	**731,431**

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

The Group has financial covenants related to net interest-bearing debt from their main financing issuer (DnB, Danske Bank, Sparebank 1, SR-Bank and Swedbank). The first time of reporting covenants is during the first quarter of 2023, and is reported in Norsk Gjenvinning Norge AS.

The Group has the following operational guarantees per 31 December:

(NOK thousands)	**2023**	2022
Operational guarantees	141,989	108,811
Rent guarantees	19,053	17,208
Contract guarantees	79,872	69,548
Tax withholdings guarantees	81,900	62,400

Note 22 Provisions

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

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

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

2023

(NOK thousands)	Onerous contracts	Environmental obligations	Restructuring	Other provisions	Total
Balance at 1 January	-	44,393	**36,994**	**155**	**81,542**
Provisions made during the year	3,303	36,179	12,882	9,011	61,375
Provisions reversed during the year	(3,303)	(5,822)			(9,125)
Provisions used during the year		(7,685)	(16,096)	(2,535)	(26,316)
Unwinding of discount				-195	(195)
Balance at 31 December	-	**67,065**	**33,780**	**6,436**	**107,281**
Classified as:					
-Non-current	-	64,543	29,541	4,896	98,980
-Current	0	2,522	4,239	1,539	8,300

2022

(NOK thousands)	Onerous contracts	Environmental obligations	Restructuring	Other provisions	Total
Balance at 1 January	-	40,545	**47,194**	**3,016**	**90,755**
Provisions made during the year		8,856			8,856
Provisions reversed during the year					-
Provisions used during the year	-	(5,854)	(10,200)	(2,919)	(18,973)
Unwinding of discount		846		58	904
Balance at 31 December	-	**44,393**	**36,994**	**155**	**81,542**
Classified as:					
-Non-current	0	32093	26888	0	58,981
-Current	0	12300	10106	155	22,561

The Group's classification of provisions

Onerous contracts

No onerous contracts at year end 2023.

Environmental obligations

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

Restructuring

During the year 2023 there has been provisions made related to restructuring in platform Urban Reuse. This relates to relocation and reorganising of service areas within demolition, with the associated reduction of personnel.

In Trondheim in 2022, a strategic decision was made to reorganise the construction business to ensure increased competitiveness in the region. Work related to this continued through 2023. The consolidation in Kristiansund was started in 2020 and was completed around the beginning of 2022.

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

Other provisions

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

Critical accounting estimates

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

Provisions for environmental obligations

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

The group has changed the accounting policy for environmental obligations as the discount rate no longer includes a credit element. For further description see note 2 Basis of preparation.

Restructuring provisions

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

Note 23 Other current liabilities

(NOK thousands)	2023	2022	01.01.2022
Accrued expenses	335,757	414,606	348,335
Payroll related liabilities	161,425	160,524	119,088
Public duties payable	198,237	154,384	122,855
Accrued downstream expenses[1]	11,388	21,029	21,864
Other current liabilities	43,776	26,562	66,033
Total other current liabilities	**750,583**	**777,105**	**678,175**

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

Note 24 Financial risk management

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

Market risk

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

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

Moreover, the consistent use of identical indices across both upstream and downstream contracts mitigates currency risk. This underscores the company's exposure to low currency risk, as significant fluctuations of 20-30% would be necessary to have a notable impact. The group also pursues a back-to-back strategy where sourcing costs and fraction revenues are locked in at the same time, and the majority of these contracts are denominated in NOK. Metals and Cables also hedge certain aluminum fractions on a NOK basis.

The Group has various investments in foreign operations where net assets are exposed to currency risk. Such currency exposures are not assessed as having a significant impact and are therefore not hedged.

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

If the rate for liabilities and bank deposits had averaged 100 basis points higher/lower throughout the year, and all other variables had remained constant, profit after tax would have been NOK 1,3 million lower/higher. This sensitivity calculation takes account of open interest rate swap contracts.

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

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

Credit risk

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

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

Liquidity risk

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

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

For further information related to lease payments see note 14. For further information related to derivatives see note 26.

31.12.2023	Less than 1 year	Between 1 and 5 years	Later than 5 years
Loans (excl. financial leases)	65,403	666,028	-
Trade payables and other liabilities	1,338,458	-	-
Financial interests	62,480	143,826	-
Total financial liabilities (excl. derivatives)	**1,466,341**	**809,854**	**-**

31.12.2022	Less than 1 year	Between 1 and 5 years	Later than 5 years
Loans (excl. financial leases)	137,140	649,597	-
Trade payables and other liabilities	1,200,345	-	-
Financial interests	56,409	184,523	-
Total financial liabilities (excl. derivatives)	**1,393,894**	**834,120**	**-**

Capital management

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

To maintain or adjust the capital structure, the Group can distribute capital to its owners, issue new shares or sell assets to reduce debt.

Note 25 Financial instruments

(NOK thousands)	**2023**	2022	01.01.2022
Financial assets at amortized cost:			
Trade receivables (gross)	525,297	328,676	299,942
Other receivables excluding prepayments	243,161	253,790	231,403
Cash and cash equivalents	89,220	67,825	75,347
Financial assets at fair value through other comprehensive income:	-		
Trade receivables (factoring)	211,581	173,870	189,598
Financial assets at fair value through profit or loss:			
Other financial assets	1,488	1,231	-
Total assets	**1,070,747**	**825,392**	**796,290**
Financial liabilities at amortized cost:			
Loans	731,431	786,737	485,660
Financial leases	1,906,660	1,807,346	1,802,750
Trade payables	587,875	423,240	479,839
Other liabilities excluding statutory obligations	552,346	625,714	555,320
Derivatives			
Fair value through profit or loss	2,675	3,212	(4,443)
Total liabilities	**3,780,987**	**3,646,249**	**3,319,126**

Financial assets at fair value through other comprehensive income
The majority of the trade receivables are sold immediately after the invoicing date. These trade receivables are defined in the above table as "Trade receivables (factoring)". This arrangement is part of a business model in which the purpose is to receive contractually regulated cash flows immediately as well as to sell the receivables. Since some of the invoices are sold the last day in the month and there is some process time, we will still have some trade receivables (factoring) at year end. Trade receivables (factoring) are therefore recognized at fair value through other comprehensive income. The factoring company that buys the receivables performs its own credit ratings. Based on the trade receivables being sold immediately after the invoicing date, where the factoring company assumes all of the risk, no changes in the value of these receivables have been identified.

Customers are divided into three groups based on trade receivables:
- Group 1 – customers not past due or fewer than 30 days past due.
- Group 2 – customers between 31 and 90 days past due.
- Group 3 – customers more than 91 days past due or sent to debt recovery.

(NOK thousands)	**2023**	2022	01.01.2022
Group 1	577,483	418,927	461,206
Group 2	36,627	21,248	10,859
Group 3	122,768	62,371	17,475
Total trade receivables	**736,878**	**502,546**	**489,540**

Note 26 Other financial assets and liabilities

The derivatives are used for hedging purposes. They are measured at fair value and changes in the fair value are recognized through profit or loss.

	2023		2022		01.01.2022	
(NOK thousands)	Asset	Liability	Asset	Liability	Asset	Liability
Interest rate swap agreements for cash flow hedging						
Interest rate and currency swaps	-	2,028	-	4,443	-	7,193
Metal derivatives	1,488	2,135	1,231	-	-	654
Total book value	**1,488**	**4,163**	**1,231**	**4,443**	-	7,847
Of which non-current items:	-	2,028	-	4,443	-	7,193
Of which current items	1,488	2,135	1,231	-	-	654

Accrued interest is classified as a current liability.

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

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

Measured at fair value

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

2023

(NOK thousands)	Level 1	Level 2	Level 3	Total
Financial assets/liabilities (-) at fair value through profit or loss				
Interest rate and currency swaps	0	4,163	-	4,163
Metal derivatives	0	(1,488)	-	(1,488)

2022

(NOK thousands)	Level 1	Level 2	Level 3	Total
Financial assets/liabilities (-) at fair value through profit or loss				
Interest rate and currency swaps	-	4,443	-	4,443
Metal derivatives	-	(1,231)	-	(1,231)

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

- (a) Level 1 financial Instruments – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (b) Level 2 financial Instruments - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (c) Level 3 financial Instruments - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Note 27 Non-controlling ownership interests

OVERVIEW OF NON-CONTROLLING OWNERSHIP INTERESTS AT 31 DECEMBER 2023

(NOK thousands)	Registered office	Non-controlling interest	Share of profit in period	Accumulated ownership interest 31 December
Reen AS	Larvik	31.34%	11,482	(19,183)
Other			(1,944)	5,173
Total			**9,538**	**(14,010)**

In 2023 the group acquired the non-controlling interest in Nordic Demolition AS, Zirq Solutions AS and O Tenden AS. Purchase consideration below.

(NOK thousands)	Nordic Demolition AS	Zirq Solutions AS	O Tenden	**Total**
Cash paid	166,446	133,112	4,830	304,387
Issuance of promissory notes to sellers	283,043	23,376	-	306,419
Total purchase consideration	**449,489**	**156,489**	**4,830**	**610,807**

OVERVIEW OF NON-CONTROLLING OWNERSHIP INTERESTS AT 31 DECEMBER 2022

(NOK thousands)	Registered office	Non-controlling interest	Share of profit in period	Accumulated ownership interest 31 December
Nordic Demolition AS	Slemmestad	39.85%	23,383	129,812
Zirq Solutions AS	Reveltal	22.73%	7,560	24,866
Other			(10,510)	(148)
Total			**20,433**	**154,530**

OVERVIEW OF NON-CONTROLLING OWNERSHIP INTERESTS AT 01 JANUARY 2022

(NOK thousands)	Registered office	Non-controlling interest	Share of profit in period	Accumulated ownership interest 31 December
Nordic Demolition AS	Slemmestad	37.70%	18,310	97,868
Zirq Solutions AS	Revetal	30.04%	3,662	25,532
Other			(5,610)	(10,294)
Total			**16,362**	**133,694**

Dividends
The Group's dividends from companies in which it has non-controlling ownership interests amounted to NOK 506 (2022: NOK 1 012). Both years all dividends received were entirely from Morten Rørinspeksjon AS.

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

2023

(NOK thousands)	Reen AS
Income statement figures (ownership period)	
Revenue	30,898
Profit (loss) for the period	(36,636)
Statement of financial position figures at 31 December	
Non-current assets	47,296
Current assets	(9,619)
Total assets	**37,677**
Equity	(10,244)
Non-current liabilities	27,644
Current liabilities	20,279
Total equity and liabilities	**37,677**

2022

(NOK thousands)	Reen AS	Nordic Demolition AS	Zirq Solutions AS (KMT Gjenvinning AS)
Income statement figures (ownership period)			
Revenue	23,264	1,121,116	857,134
Profit (loss) for the period	(27,549)	62,022	25,167
Statement of financial position figures at 31 December			
Non-current assets	36,049	549,331	212,218
Current assets	14,401	314,632	249,456
Total assets	**50,450**	**863,963**	**461,674**
Equity	6,784	411,496	26,284
Non-current liabilities	33,829	138,916	231,123
Current liabilities	9,836	313,557	204,259
Total equity and liabilities	**50,450**	**863,963**	**461,674**

Note 28 Business combinations

Accounting policies

a) Subsidiaries

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

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

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

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

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

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

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

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

c) Disposals of subsidiaries

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

No acquisitions took place in 2023.

Business combinations in 2022

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

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

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

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

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

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

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

PURCHASE CONSIDERATION – CASH OUTFLOW

(NOK thousands)	AiP Group	Sørvest Betongsaging AS	Drillcon AS	Diamant Wire Teknikk AS & ECS AB	Zero Emission Energy AS	Letbek Group	**Total**
Cash remuneration	15,013	25,987	23,236	59,014	30,000	139,101	292,351
Bank deposits acquired	389	3,094	4,559	1,775		361	10,178
Net cash remuneration – investment activities	**14,624**	**22,893**	**18,677**	**57,239**	**30,000**	**138,741**	**282,173**

TOTAL PURCHASE CONSIDERATION

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

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

(NOK thousands)	AiP Group	Sørvest Betongsaging AS	Drillcon AS	Diamant Wire Teknikk AS & ECS AB	Zero Emission Energy AS	Letbek Group	**Total**
Customer contracts	758	1,900	-	24,778	-	5,751	33,187
Customer relationships	1,012	-	4,042	-	-	14,599	19,652
Other intangible assets	-	-	-	330	-	-	330
Deferred tax assets	-	592	-	-	-	-	592
Property, plant and equipment	1,683	3,913	4,443	22,223	-	41,749	74,010
Right of use assets	3,948	-	6,869	4,394	-	5,307	20,518
Non-current receivables	207	850	450	166	-	287	1,960
Investments in Associated entities	-	-	-	-	-	139	139
Identified fixed assets acquired	**7,608**	**7,255**	**15,803**	**51,890**	**-**	**67,832**	**150,387**
Inventories	(29)	-	449	3,820	-	32,657	36,897
Trade receivables	3,464	4,552	5,393	32,483	40	28,010	73,941
Other receivables	2,237	1,571	844	1,199	-	1,934	7,786
Bank deposits	389	3,094	4,559	1,775	-	361	10,178
Identified current assets acquired	**6,061**	**9,217**	**11,245**	**39,277**	**40**	**62,962**	**128,801**
Deferred tax	422	418	857	6,656	-	8,997	17,350
Internal loan	-	-	-	-	-	12,509	12,509
Other loans	541	-	-	17,837	-	21,339	39,717
Lease liability	3,948	-	7,019	4,521	-	3,023	18,510
Identified non-current liabilities acquired	**4,911**	**418**	**7,876**	**29,014**	**-**	**45,868**	**88,086**
Trade payables	1,950	1,327	955	2,434	-	15,759	22,424
Payable tax	-	741	1,506	3,284	-	3,403	8,935
Other financial liabilities	-	88	-	-	-	14,593	14,681
Other current liabilities	6,189	-78	8,139	10,815	-	10,423	35,488
Other short term provisions for liabilities	-	4,900	-	-	-	1,291	6,191
Identified current liabilities acquired	**8,139**	**6,978**	**10,600**	**16,533**	**-**	**45,469**	**87,719**
Net identified assets acquired	**619**	**9,075**	**8,573**	**45,620**	**40**	**39,456**	**103,383**
Goodwill	17,189	34,237	31,153	51,124	29,960	139,644	303,307
Net assets acquired	**17,808**	**43,312**	**39,726**	**96,744**	**30,000**	**179,100**	**406,690**

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

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

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

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

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

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

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

Note 29 Subsequent Events

There are no known events occurring after the balance sheet date which would be expected to have a material effect on the Group's 2023 consolidated financial statements.

Financial statements parent company – NG Group AS

Income statement 1.1-31.12

(NOK thousands)	Note	**2023**	2022
Revenue	1,2	135,781	270,739
Other income	1	569	58,923
Total operating income		**136,350**	**329,662**
Employee benefit expense	3,4	67,878	73,155
Depreciation and amortization expense	5	31,786	119,491
Other operating expenses	3	74,388	38,479
Operating profit		**(37,702)**	**98,537**
Financial income and financial expenses			
Income from subsidiaries and group companies	2	69,674	62,083
Other interest income		8,188	3,059
Other financial income	6	156,840	240,485
Interest paid to group companies	2	29,358	36,964
Other interest expenses		19,256	10,830
Other financial expense	6	87,018	218,665
Net financial items		**99,070**	**39,169**
Profit before tax		**61,369**	**137,705**
Income tax expence	7	13,285	30,438
Profit (loss) for det period		**48,084**	**107,266**
Attributable to			
Transferred to other equity	8	48,084	107,267
Total		**48,084**	**107,267**

Balance sheet 31.12

ASSETS

(NOK thousands)	Note	**31.12.2023**	31.12.2022
Non-current assets			
Intangible assets			
Deferred tax assets	7	14,100	14,843
Total intangible assets		**14,100**	**14,843**
Property, plant and equipment			
Machinery and equipment	5	78,062	95,798
Plant and equipment	5	5,480	8,935
Assets under construction	5	1,676	11,179
Total property, pland and equipement		**85,218**	**115,912**
Financial fixed assets			
Investments in subsidiaries	9	1,866,889	1,241,088
Loans to group companies	10	33,152	22,723
Investment in associated companies	9	241	241
Investments in financial assets		23,399	1,711
Other non-current receivables		3,125	3,029
Total financial fixed assets		**1,926,806**	**1,268,793**
Total non-current assets		**2,026,124**	**1,399,547**
Current assets			
Current receivables			
Trade receivables		1,815	1,210
Receivables from group companies	10, 11	943,443	839,012
Other current receivables		19,285	21,680
Total receivables		**964,543**	**861,902**
Cash and bank deposits	11	135,906	35
Total current assets		**1,100,449**	**861,937**
Total assets		**3,126,573**	**2,261,484**

EQUITY AND LIABILITIES

(NOK thousands)	Note	**31.12.2023**	31.12.2022
Equity			
Share capital	8,12	87,687	87,687
No registered capital increase	8	873,421	-
Share premium	8	42,051	42,051
Other paid-in equity	8	644	644
Other equity	8	1,131,787	1,128,168
Total equity		**2,135,590**	**1,258,550**
Liabilities			
Provisons			
Pension liabilities	4	23,500	19,220
Other provisions	13	32,500	37,500
Total provisions		**56,000**	**56,720**
Other non-current liabilities			
Non-current lease liability		24,581	33,735
Derivatives	14	2,028	4,443
Liabilities to group companies	10	138,752	122,272
Total other non-current liabilities		**165,361**	**160,450**
Current liabilities			
Trade payables		14,874	13,758
Current lease liability		17,631	37,460
Liabilities to financial institutions	11	0	91,372
Public duties payable		10,552	3,965
Liabilities to group companies	10	703,627	601,981
Other current liabilities		17,939	32,226
Other provisions	13	5,000	5,000
Total current liabilities		**769,624**	**785,763**
Total liabilities		**990,984**	**1,002,933**
Total equity and liabilities		**3,126,573**	**2,261,484**

Lysaker 22 April 2024

Bjørn Arve Ofstad
Group CEO

Bertrand Joseph Henri Camus
Chair of the board

Reynir Kjær Indahl
Member of the board

Åge Nordstrøm Landro
Member of the board

Hannah Gunvor Jacobsen
Member of the board

Aurelia Marie Binet
Member of the board

Elisabeth Johansen
Member of the board

Gintautas Blanka
Member of the board

Tom Erik Løchen
Member of the board

Cash flow statement

(NOK thousands)	**2023**	2022
Profit (loss) before income taxes	**61,369**	**137,705**
Adjusted for:		
Depreciation and amortization	31,786	119,491
Net (gain) loss on sale of non-current assets	(569)	(58,124)
Net financial items without cash effect	6,454	7,397
Items classified as investment- or financiang activities	6,838	4,793
Changes in post-employment benefits	(16,142)	(735)
Net (gain) on sale of subsidiaries	-	(2,978)
Changes in trade and other receivables	(295)	(379,293)
Change in trade payables	1,116	(6,887)
Change in other items	(2,214)	(12,046)
Net cash flow from operating activities	**88,343**	**(190,677)**
Payments for purchases of non-current assets	(3,220)	(121,458)
Proseeds from sale of non-current assets	1,254	597,098
Payment for purchases of intangible assets	-	(25,981)
Payment of group contribution	(137,581)	(67,327)
Payment for business acquisitions	(299,588)	(66,888)
Proceeds from sale of subsidiaries	-	3,800
Payment of borrowings to group companies	(10,428)	(41,492)
Proceeds from change in receivables cashpool	(122,266)	
Net cash flow from investing activities	**(571,799)**	**277,752**
Proceeds from borrowings	(91,372)	91,372
Repayment of borrowings to group companies	13,206	(159,148)
Repayment of financial lease liabilty	(28,836)	(40,356)
Payment of interest	(8,104)	(4,793)
Change in paid-in equity	567,001	
Proceeds from change in payables cashpool	167,432	
Net cash flow from financial activities	**619,327**	**(112,925)**
Net change in cash and cash equivalents	**135,871**	**(25,850)**
Cash and cash equivalents at the beginning of the period	35	25,885
Cash and cash equivalents at the end of the period	**135,906**	**35**

Notes to the financial statements
Accounting principles

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway. Further, the financial statements are prepared based on the going concern assumption.

The company is a wholy owned by Norsk Gjenvinning Norge AS and is part of the Norsk Gjenvinning-Group which is owned by Summa Circular Holdco AS.

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

Revenue
The company delivers administrative services for companies in the Norsk Gjenvinning-Group, as well as leasing of fixed assets to subsidiaries. Revenue is recognized when it is earned, i.e. when both risk and control have been mainly transferred to the customer. Revenue from sale of fixed assets is recognised when it is delivered. The stated amounts are reduced by VAT and other discounts and deductions.

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

Intangible assets
An intangible asset is recognized only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably. Otherwise, the costs are expensed as incurred. The capitalized development costs are amortized over their expected life.

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

Property, plan and equipment
Property, plan and equipment are depreciated on a straight-line basis such that that the acquisition cost is depreciated to its residual value over the asset's expected useful life. Additions and improvements are added to the book value of the property, plant and equipment when it is likely that future benefits from the expenditure will accrue to the company and the expenditure can be reliably measured. Other repair and maintenance expenses are recognized in profit and loss in the period when the expenses are incurred.

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

Leasing
A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Finance leases are recognized as fixed assets and a corresponding non-current lease liability on the balance sheet. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

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

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

Foreign currency
Monetary foreign currency items are translated at the exchange rate on the balance sheet date. Realised foreign exchange gains or losses on sales/purchases are recognized as operating income or other operating expense in the income statement.

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

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

In a defined contribution scheme, a company pays into a public or private scheme an amount that they have contractually agreed to, are obliged to by law or contribute on a voluntary basis. The company then has no further obligation beyond this contribution. The contribution is recognized as an employee benefits expense as it is incurred. Advance payments are recognized as an asset (prepaid pensions) to the extent that the advance payment can be used to cover future premiums or will be repaid. A portion of the current contribution pension expense is not paid into a scheme and is recognized as a pension liability. When the pension is made at a future point in time, the pension liability is derecognized.

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

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

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

Taxes
The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

Deferred tax is reflected at nominal value.

Financial risk and hedging
The company uses forward currency contracts to reduce exposure to fluctuations in exchange rates linked to the company's cash holdings and bridge loans. Derivatives are initially recognized at fair value on the date the derivative contract is entered into, and subsequently recognized at fair value on an ongoing basis. Changes in fair value are recognized through profit and loss.

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

Note contents

Note 1 Operating income

The company's operating income is related to the rental of fixed assets to the company's subsidiaries and services that are carried out on behalf of wholly and partially owned subsidiaries. All sales take place in Norway.

OPERATING INCOME

(NOK thousands)	**2023**	2022
Income from leasing of fixed assets to group companies	51,370	187,443
Income from services to group companies	82,909	75,846
Gain on sale of fixed assets	569	58,923
Other	1,502	7,449
Total operating income	**136,350**	**329,661**

Note 2 Related-party transactions

RELATED PARTY TRANSACTIONS

(NOK thousands)	**2023**	2022
Rent of administrative personnel & services	81,171	81,627
Rent of fixed assets	51,370	187,444
Cost reduction on rent of premises	64	1,315
Purchase of administration services	9,399	728
Interest income cash pool	69,674	62,083
Interest income loans	2,599	1,856
Interest expenses loans	8,869	9,003
Interest expenses cash pool	20,489	27,961

The company's group contribution with tax effect per 31.12.2023 to the following companies: TNOK 57 007 to Norsk Gjenvinning Norge AS.

The company has operating and administration agreements with parent company and subsidiaries in NG Group. This means that the company buys and sells goods and services from/to companies in the same group. The company buys fixed assets which are rented out, and rent out administrative personnel. Interest income and expenses from/to the group companies are specified on separate lines in the income statement.

Note 3 Payroll expenses, number of employees, remunerations, loans to employees, etc.

PAYROLL EXPENSES

(NOK thousands)	**2023**	2022
Wages	53,201	63,466
Hired-out employees	(738)	(5,724)
Employer's national insurance contributions	10,368	9,119
Pension costs	1,272	1,109
Other expenses	3,774	5,185
Total	**67,877**	**73,155**

Group administration is owned by the company. Parts of the group administration are leased to the group companies. Income from group administration services is classified as cost reduction and is therefore presented as a reduction of salary costs.

REMUNERATION OF CHEIF EXECUTIVE OFFICER

(NOK thousands)	Salary	Bonus	Pension costs	Other benefits	**Total**	Severance pay
Bjørn Arve Ofstad	4,052	6,661	670	188	**11,571**	0

The CEO receives a salary and other benefits from NG Group AS. No loans or guarantees have been given to either the CEO or any members of the Board. Remuneration has been paid to the Board of NG Group AS of TNOK 400 both in 2022 and in 2023.

The CEO's bonus for the year presented is the amount of the bonus payment and includes stay-on bonus of 3 MNOK granted in 2020 and paid in December 2023.

EXPENSED AUDIT FEE

(NOK thousands)	**2023**	2022
Statutory audit	195	212
Tax advisory fee (incl. technical assistance with tax return)	-	20
Other non-audit services (incl. technical assistance with financial statements)	3,558	3,878
Total audit fees	**3,753**	**4,110**

Note 4 Pensions

PENSIONS

(NOK thousands)	**2023**	2022
Defined benefit obligation	1,187	1,187
Provision for defined contribution plans	22,313	18,033
Total	**23,500**	**19,220**

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

Note 5 Property, plant & equipment

PROPERTY, PLANT AND EQUIPMENT

(NOK thousands)	Landfill	Land and buildings	Machinery, equipment, fixtures, and tools etc.	Inventory	Assets under construction	**Total**
Cost price at 01.01.23	-	-	**267,764**	**91,483**	**11,179**	**370,426**
Reclassifications		11,280			(11,280)	0
Additions					1,777	1,777
Disposals			(17,058)			(17,058)
Cost price at 31.12.23		**11,280**	**250,706**	**91,483**	**1,676**	**355,145**
Useful life	10-25	10-20	5-10	3-10	None	
Depreciation method	Straight-line	Straight-line	Straight-line	Straight-line		
Accumulated depreciation at 01.01.23	-	-	**171,968**	**82,547**	-	**254,515**
Reclassifications						
Disposal accumulated depreciation from sale			(16,373)			(16,373)
Depreciation for the year		188	28,143	3,455		31,786
Accumulated depreciation at 31.12.23		**188**	**183,738**	**86,002**		**269,928**
Accumulated cost at 31.12.23		**11,092**	**66,970**	**5,480**	**1,676**	**85,218**

Financial leases amount to NOK 69 million of total fixed assets as of 31/12/2023 and to NOK 104 million of total fixed assets as of 31/12/2022.

Yearly leasing not on the balance sheet (NOK thousands)	Rental period	Yearly mount
Rent Costs	2 years	3 846

Note 6 Other financial income/expenses

OTHER FINANCIAL INCOME

(NOK thousands)	**2023**	2022
Foreign currency gains	156,826	237,427
Other financial income	14	3,058
Total other financial income	**156,840**	**240,485**

OTHER FINANCIAL EXPENSE

(NOK thousands)	**2023**	2022
Foreign currency losses	77,128	212,345
Interest cost on leasing	8,104	4,793
Other financial expense	1,786	1,527
Total other financial expenses	**87,018**	**218,665**

Note 7 Taxes

CALCULATION OF DEFERRED TAX/DEFERRED TAX BENEFIT

(NOK thousands)	Change	**2023**	2022
Temporary differences			
Fixed assets	(3,203)	(18,276)	(21,479)
Leasing	5,501	27,371	32,872
Profit/loss	(2,540)	(10,157)	(12,697)
Pension	4,280	(23,500)	(19,220)
Other differences	(5,000)	(37,500)	(42,500)
Derivatives	(2,415)	(2,028)	(4,443)
Interest hedging		-	-
Net temporary differences	**(3,377)**	**(64,090)**	**(67,467)**
Tax losses carried forward	-	-	-
Basis for deferred tax	**(743)**	**(14,100)**	**(14,843)**
Deferred tax in the balance sheet	**(743)**	**(14,100)**	**(14,843)**

BASIS FOR INCOME TAX EXPENSE, CHANGES IN DEFERRED TAX AND TAX PAYABLE

(NOK thousands)	**2023**	2022
Result before taxes	61,369	137,705
Permanent differences	(3,400)	(955)
Correction of temporary differences	2,415	1,607
Basis for the tax expense for the year	**60,384**	**138,357**
Change in temporary differences	(3,377)	(776)
Change in tax loss carried forward	-	-
Basis for payable taxes in the income statement	**57,007**	**137,581**
+/- Group contributions received/given	(57,007)	(137,581)
Taxable income (basis for payable taxes in the balance sheet)	**-**	**-**

COMPONENTS OF THE INCOME TAX EXPENSE

(NOK thousands)	**2023**	2022
Payable tax on this year's result	12,542	30,268
Total payable tax	**12,542**	**30,268**
Change in deferred tax	743	171
Tax expense	**13,285**	**30,438**

RECONCILIATION OF THE TAX EXPENSE

(NOK thousands)	**2023**	2022
Result before taxes	61,369	137,705
Calculated tax 22%	13,502	30,295
Tax expense	13,285	30,438
Difference	**(217)**	**143**
The difference consists of:		
22% Tax of permanent differences	(217)	143
Tax effect on group contribution		-
Sum explained differences	**(217)**	**143**
Payable taxes in the balance sheet		
Payable tax in the tax charge	12,542	30,268
Tax effect of group contribution	(12,542)	(30,268)
Payable tax in the balance sheet	**-**	**-**

Note 8 Shareholders' equity

EQUITY CHANGES IN THE YEAR

(NOK thousands)	Share capital	Share premium	Other paid-in equity	Not registered capital increase	Other equity	Total
Equity 01.01.22	87,687	42,051	644		1,069,619	1,200,001
Profit for the year	-				107,267	107,267
Group contribution	-				(48,717)	(48,717)
Equity 31.12.22	**87,687**	**42,051**	**644**		**1,128,168**	**1,258,550**
Profit for the year					48,084	48,084
Group contribution					(44,446)	(44,446)
Not registered capital increase				873,421		
Equity 31.12.23	**87,687**	**42,051**	**644**	**873,421**	**1,131,787**	**2,135,590**

Note 9 Subsidiaries, associated companies, and joint ventures

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

(NOK thousands)	Location	Ownership/ voting right	Equity 31.12.23 (100%)	Result 31.12.23 (100%)[1]	**Balance sheet value**
Norsk Gjenvinning AS	Oslo	100%	153,403	29,678	422,253
Norsk Gjenvinning Metall AS	Oslo	100%	103,538	1,174	41,802
Norsk Gjenvinning Miljøeiendommer AS	Oslo	100%	1,993	(7,669)	62,295
Nordic Demolition AS	Oslo	100%	307,673	11,135	590,263
Norsk Gjenvinning Downstream AS	Oslo	100%	19,861	21,903	40,040
NG Vekst AS	Oslo	100%	27,971	(6,906)	203,698
Adact AS	Oslo	100%	(1,816)	(17,740)	4,975
Mana Group AS	Oslo	100%	30,076	(18,709)	39,830
Revise AS	Oslo	100%	555	(3,112)	2,165
Zirq Solutions	Revetal	99,7%	138,198	813	334,521
Reen AS	Larvik	69%	(32,049)	1,246	64,546
Nordic Industrial Services AS	Oslo	100%	44,224	(4,293)	60,502
Balance sheet value 31.12					**1,866,889**

1) Based on estimated annual accounts.

(NOK thousands)	Location	Ownership/ voting right	Equity 31.12.23 (100%)	Result 31.12.23 (100%)	**Balance sheet value**
Østfold Gjenvinning AS	Fredrikstad	33.0%	6,388	1,990	241
Balance sheet value 31.12					**241**

Østfold Gjenvinning is owned 33% by NG Group AS. The remaining 64% is owned by other companies in Norsk Gjenvinning Group. NG Group has significant influence over the company.

Note 10 Receivables and payables from/to group companies

NON-CURRENT RECEIVABLES

(NOK thousands)	**2023**	2022
Loans to group companies	33,152	22,723
Total non-current receivables	**33,152**	**22,723**

CURRENT RECEIVABLES

(NOK thousands)	**2023**	2022
Trade receivables	10,120	27,995
Receivables from group companies (cash pool)	933,323	811,056
Total current receivables	**943,443**	**839,011**

NON-CURRENT LIABILITIES

(NOK thousands)	**2023**	2022
Shareholder loans	138,752	122,272
Total non-current payables	**138,752**	**122,272**

CURRENT LIABILITIES

(NOK thousands)	**2023**	2022
Payables from group companies (cash pool)	629,335	461,902
Group contributions payable	57,007	137,581
Trade payables and other payables	(649)	1,813
Other short-term liabilities	17,935	686
Total current liabilities	**703,627**	**601,981**

Note 11 Guarantees

The company provides a bank guarantee for the withholding tax of TNOK 7 000. In addition, the company has issued guarantees for a total of TNOK 2 376, including TNOK 1 882 for rent guarantees.

The company owns the group's cash pool arrangement. The cash pool balances are presented as a receivable or payable from group companies.

Book value of pledged assets	**2023**	2022
Fixed assets	85,218	115,912
Investment in subsidiaries	1,866,889	1,241,088
Trade receivables	1,815	1,210
Total	**1,953,922**	**1,358,210**

The company has granted guarantees for the group's loans. The guarantee is limited to MNOK 4 500 plus any accrued interest, commission, fee or other costs in connection with the group's loan. The guarantee is given collectively by NG Group AS and its significant subsidiaries.

Bank deposits, inventories, accounts receivable, intercompany balances, investments in subsidiaries, fixed assets are pledged as security for the guarantee.

Note 12 Share capital and shareholder information

All shares have equal rights and is owned by Norsk Gjenvinning Norge AS.
The share capital of TNOK 87 687 consists of 17 968 600 shares with nominal value of NOK 4,88 each.

Note 13 Compensation of future lease obligation

In connection with the renegotiation of the lease agreement to NG Group AS at the facility in Haraldrudveien, the company received NOK 100 million in 2011 as compensation to reduce future lease obligations.

This compensation is amortized linearly as a reduction of rental costs over the term of the lease. The expiry date of the new lease is 30 August 2031.

Note 14 Derivatives

DERIVATIVES

(NOK thousands)	**2023**	2022
Forward currency contracts asset / (liability)	(2,028)	(4,443)

Forward currency contracts are measured at fair value through profit and loss.

Appendix 1 – Alternative performance measures

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

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

Independent Auditor's Report

To the General Meeting of NG Group AS

Independent Auditor's Report

Opinion

We have audited the financial statements of NG Group AS, which comprise:

- the financial statements of the parent company NG Group AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of NG Group AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise

appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Oslo, 22 April 2024
PricewaterhouseCoopers AS

Hallvard Helgetun
State Authorised Public Accountant

NG Group
Organisation number: 937270151

Lysaker torg 35
1366 Lysaker, Norway

www.nggroup.no

Design: BOLT.as