Norsk Gjenvinning Group
2nd Quarter 2017

Erik Osmundsen, CEO and Dean Zuzic, CFO

Disclaimer

VV Holding AS is providing the following interim financial statements for Q2 2017 to holders of its NOK 2,235,000,000 Senior Secured Floating Rate Notes due 2019.

This report is for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy the notes or any other security.

This report includes forward-looking statements that are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this notice, including statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, including our plans for future costs savings and synergies may be deemed to be forward-looking statements.

Words such as “believe,” “expect,” “anticipate,” “may,” “assume,” “plan,” “intend,” “will,” “should,” “estimate,” “risk” and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance.

You should not place undue reliance on these forward-looking statements. In addition, any forward-looking statements are made only as of the date of this notice, and we do not intend and do not assume any obligation to update any statements set forth in this notice.

Q2 2017

Q2 is the third quarter in a row with increasing results

The results improvement comes as a result of our systematic work to industrialize Norsk Gjenvinning.

Higher effectiveness, lower costs and an improved gross margin were important contributors to the results improvement.

We expect a continued positive development for the group in the second half of 2017

Highlights Q2 and YTD 2017

- 1.5% reduction in waste volumes compared to Q2 2016; YTD waste volumes are up by 3.5%
- Reduction in operating revenue of 1.3% compared to Q2 2016; YTD revenue is up by 2.8%
- Gross profit fell by NOK 16.8 million compared to Q2 2016; YTD gross profit is up NOK 26.1 million
- Adjusted EBITDA up by NOK 13.3 million to NOK 120.7 million compared to Q2 2016; YTD adjusted EBITDA is up NOK 65.8 million
- NG200 cost and productivity initiatives implemented according to plan. Operating costs reduced by an additional NOK 21.2 million in Q2 in NG core divisions; NOK 30 million YTD.

Note: Easter in Q2 this year compared to Q1 in 2016

EBITDA snapshot for Q2 and YTD 2017

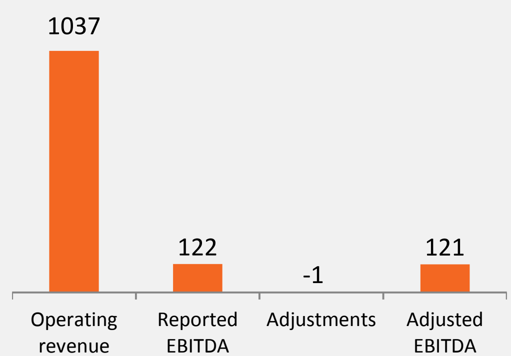
Special items in Q1:

- No special items
- Positive impact from Easter falling in Q2 in 2017 vs. Q1 in 2016 of 12-14 MNOK

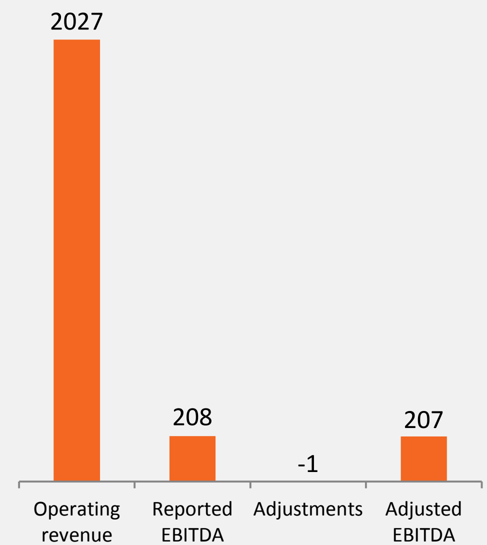
Special items in Q2:

- No special items
- Negative impact from Easter falling in Q2 in 2017 vs. Q1 in 2016 of 12-14 MNOK

Q2 2017
MNOK



YTD 2017
MNOK



Q2 2016 MNOK	1 051	108	-1	107
YTD 2016 MNOK	1 972	142	0	142

Adjusted earnings by segment Q2

Division Recycling

- High activity level ; 14.2% increase in collection assignments, 2.5% increased waste volumes
- GP expansion
- Cost and productivity improvements/ industrialization

MNOK	Revenues	Adj. EBITDA(1)
2Q 2017	598	79
2Q 2016	586	77

Division Metal

- 10% increase in ferrous volumes, 3% reduction in metal volumes
- Continued low metal content in scrap
- Cost and productivity improvements and high production utilization

MNOK	Revenues	Adj. EBITDA(1)
2Q 2017	213	8
2Q 2016	206	8

Project based businesses

- Discontinuation of loss making activities and contracts
- Cost and productivity improvements

MNOK	Revenues	Adj. EBITDA(1)
2Q 2017	90	12
2Q 2016	99	5

Division Household Collection

- Stable and steady
- No new tenders awarded in Q2
- Dispute with Karmøy municipality won

MNOK	Revenues	Adj. EBITDA(1)
2Q 2017	71	16
2Q 2016	90	13

(1) Before internal charges

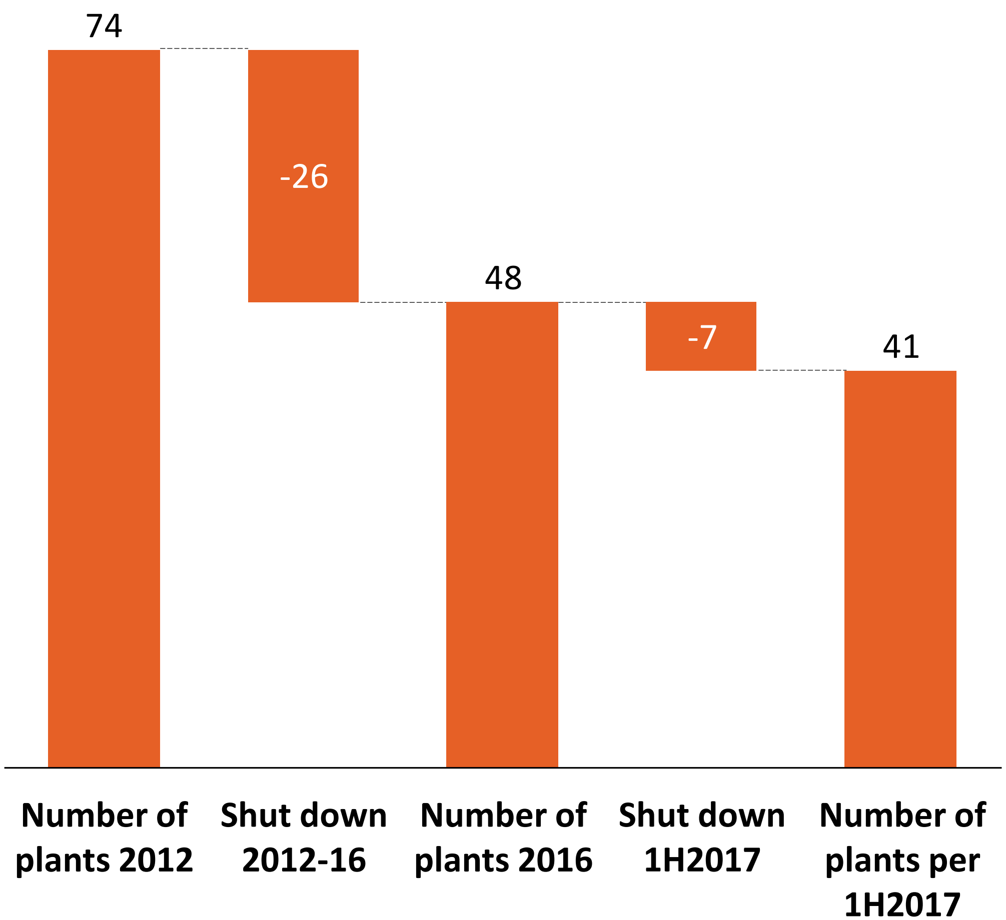
Main drivers for improved performance YTD

Our aim is to both be a leading service provider to customers in demand of waste solutions (the upstream market), and the most efficient supplier of recycled raw materials to customers in Europe and Asia (the downstream market)

Upstream market		**Downstream market**	
Sales	• 3.5% volume growth driven by recyclables and scrap metals • Operating income up by 2.8%	*Plant consolidation*	• Key part of NG200 cost reduction program driven by plant consolidation from 74 plants in 2012 to 41 at the end of Q2 • Increasing scrap metal volumes enabled new production records at our Øra plant during H1
Margin management	• Gross profit per ton improved by 10.3%, driven by high focus on margin mgmt and successful price increases upstream • Further potential as competitors also need to normalize margins	*Long haul logistics*	• Improved long haul logistics efficiency through centralizing operations and implementing Lean
SG&A costs	• Sharp reduction in SG&A costs implemented at the end of 2016 • Focus on further improvements in sales and inbound logistics effectiveness	*Downstream sales*	• Improved gate fees for fuel fractions through portfolio optimization and low inventories • Improved position on scrap metals through opening up new downstream export markets

Plant consolidation

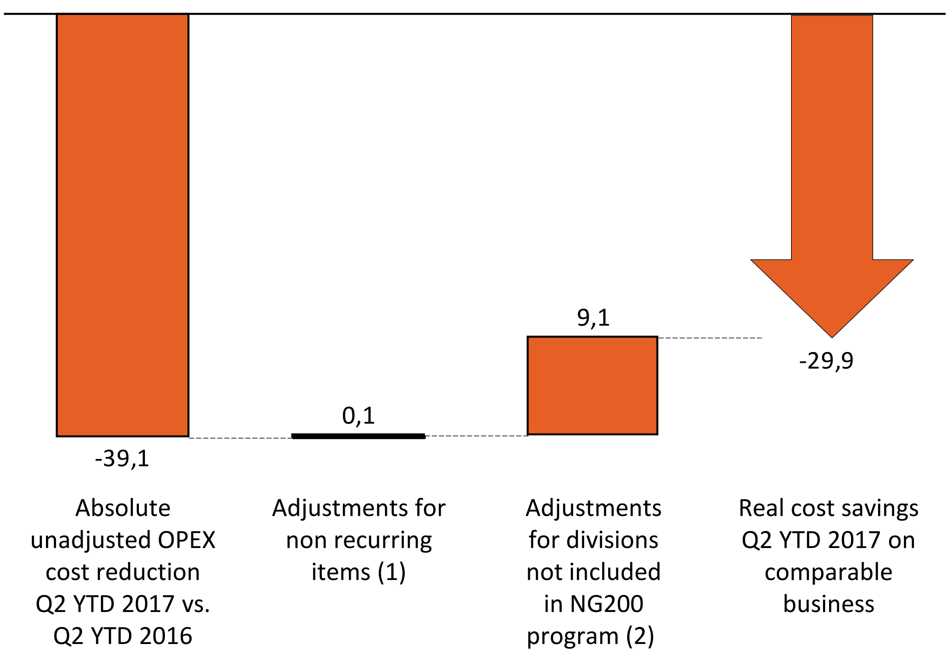
Number of plants/ unique addresses



- Plant consolidation has been one of the most important drivers of our positive results development
- We have now reduced the number of plants from 74 in 2012 to 41 at the end of Q2
- During H1 we continued to consolidate our plant footprint by closing down our plants at Ausenfjellet, Fagerstrand, Kongsvinger, Molde, Namsos, Bodø, and Balsfjord.

Development in OPEX

OPEX cost comparison Q2 YTD 2017 vs Q2 YTD 2016
MNOK



Comments

- Real cost savings of NOK 30 million Q2 YTD 2017
- Adjustments for:
    1) Reversal of charges for onerous contract in Division Household collection;
    2) Adjustments for non core divisions not included in cost reduction program; and M&A's (Sortera)

NG response to market dev'l – fuels

Market development

Refuse Derived Fuel (RDF)

- RDF markets remained at high levels in H1 2017
- Imports of UK volumes continued to grow in H1 2017, but we expect normalization of inventories at incineration plants and improved pricing environment for Nordic waste management companies

Woodchips

- The woodchips market continued to weaken in Q2, but somewhat less than expected
- We expect an improvement in downstream markets with stable prices in Q3 and Q4, and we see new capacity coming online in Sweden and UK for 2018

NG response

Refuse Derived Fuel (RDF)

- Focus on increased quality of finished products, more efficient freight solutions to downstream customers and increased sales of ancillary services to outweigh the negative gross profit effects from the increase in gate fees in 2016
- NG kept inventories low compared to last year
- NG continues to increase upstream prices until normalized gross margin levels are achieved

Woodchips

- Focus on increased quality of finished products and more efficient freight solutions to downstream customers
- We held a good position with low inventories and were therefore able to maintain stable prices
- Optimization of customer portfolio downstream further strengthens gross margin
- Our inventories are at satisfactory levels and we have secured contracts for all inventory and next heat seasons' production

NG response to market dev'l– recyclables

Norsk Gjenvinning

Market development

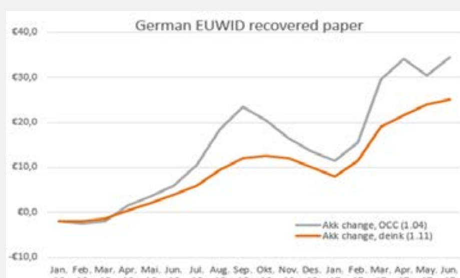
Metals

- Ferrous market prices (CELSA index) 22% above Q2 2016 on average – prices stable around 1 140 - 1 245 NOK/ton level in Q2
- Metal prices stayed high in Q2, aluminum at approximately 40% above 2016 Q2 levels; copper at approximately 30% above 2016 Q2 levels

- Nickel prices were on a downward trend in Q2, with average prices matching those of Q2 2016. Uncertainty about China's stainless steel production expected to keep prices on the low end.
- Physical markets stable, with steady demand for aluminum and copper

Paper

- Prices for recovered paper continued up in Q2 and are now at record levels. Strong demand for all paper grades, and low inventories
- We expect relatively high price levels to continue, albeit we do expect a slight price reduction towards the end of 2017
- Uncertainties around import quotas to China remain unsettled



NG response

Metals

- Improved collection logistics efficiency led to increased catchment area for Øra
- Increased volumes led to new production records which drives down unit costs
- Improved long haul logistics efficiency has opened up new export markets
- We will continue our attempts to optimize sourcing and adjust upstream prices to mitigate the lower quality of ferrous volumes.

Paper

- We held a good position with low inventories
- Good quality of finished products
- Mix of different price mechanisms enabled us to take advantage of a bullish market
- Optimization of customer portfolio downstream further strengthens gross margin

Outlook

In H2 we expect a continued improvement in our bottom line as we will continue to see the effects of our cost cutting and a range of other measures that will increase productivity and efficiency along the full value chain, combined with efforts to further improve gross margins through increased upstream prices.

- Adjusted outlook for 2017:
  - 2-3% increase in top line* compared to 2016
  - Expect gross margins** to be 0.0-0.2% higher than in 2016
  - We expect normal RDF and woodchips inventories, and metals volumes
  - Net opex reductions of 45-55 million compared to 2016
- FY 2017 Maintenance Capex expectations reduced to 100-110 MNOK
- Growth capex***, i.e. investment in vehicles for the Household Collection business of 60 MNOK
- Comfortable liquidity position

* Commodity prices higher than expected
** GM expectations reduced due to higher commodity prices and changes in product mix
*** Growth investments in environmental projects of 30 MNOK postponed until 2018

Financials P&L Q2 2017 [1]

INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(NOK'000)	Q2 2017	Q2 2016	YTD Q2 2017	YTD Q2 2016
Revenue	1 030 325	1 050 420	2 017 805	1 969 806
Other income	6 833	561	9 113	2 180
Total operating income	**1 037 159**	**1 050 981**	**2 026 919**	**1 971 986**
Cost of goods sold	509 915	506 987	1 000 744	971 889
Employee benefits expense	231 086	247 372	465 865	499 306
Depreciation and amortization expense	54 522	55 263	109 980	114 480
Other operating expenses	175 096	189 230	350 575	356 334
Other (gains)/losses - net	(659)	(147)	1 395	1 962
Operating profit	**67 200**	**52 275**	**98 360**	**28 013**
Finance income	976	4 768	1 787	9 356
Finance costs	68 386	52 972	129 825	102 824
Net income from associated companies	468	1 434	468	1 434
Profit / (loss) before income tax	**257**	**5 505**	**(29 211)**	**(64 021)**
Income tax expense	1 239	(4 498)	(4 648)	(23 923)
Profit / (loss) for the period from continuing operations	**(982)**	**10 003**	**(24 563)**	**(40 098)**
Profit / (loss) attributable to:				
Owners of the parent	(3 971)	7 583	(29 084)	(42 916)
Non-controlling interests	2 990	2 420	4 521	2 818

[1] The interim financial information has not been subject to audit

Balance sheet Q2 2017[1]

ASSETS

(NOK'000)	**30.06.2017**	**31.12.2016**
Non-current assets		
Property, plant & equipment	962 064	1 015 748
Intangible assets	109 486	124 649
Goodwill	1 235 986	1 235 986
Deferred tax assets	95 406	96 262
Investments in associated companies	21 587	15 119
Other receivables	45 543	39 487
Total non-current assets	**2 470 072**	**2 527 251**
Current assets		
Inventories	97 951	85 065
Trade and other receivables	674 235	607 663
Other financial assets	-	3 581
Cash and cash equivalents	88 734	167 724
Total current assets	**860 920**	**864 034**
Total assets	**3 330 992**	**3 391 284**

[1] The interim financial information has not been subject to audit

Balance sheet Q2 2017[1]

EQUITY AND LIABILITIES

(NOK'000)	**30.06.2017**	**31.12.2016**
Equity		
Share capital and reserves attributable to owners of parent	49 453	75 125
Non-controlling interest	17 118	17 952
Total equity	**66 571**	**93 077**
Non-current liabilities		
Loans and borrowings	2 427 459	2 431 168
Other financial liabilities	15 602	24 885
Deferred income tax liabilities	31 493	31 794
Post-employment benefits	9 017	7 919
Provisions for other liabilities and charges	90 844	93 531
Total non-current liabilities	**2 574 415**	**2 589 298**
Current liabilities		
Trade and other payables	589 960	608 619
Current income tax	9 231	11 971
Loans and borrowings	66 024	65 432
Other financial liabilities	12 697	-
Provisions for other liabilities and charges	12 094	22 886
Total current liabilities	**690 006**	**708 909**
Total liabilities	**3 264 421**	**3 298 207**
Total equity and liabilities	**3 330 992**	**3 391 284**

[1] The interim financial information has not been subject to audit

Consolidated cash flow statement Q2 2017[1]

INTERIM CONSOLIDATED STATEMENT OF CASH FLOW

(NOK'000)	YTD Q2 2017	YTD Q2 2016
Profit / (Loss) before income tax	**(29 211)**	**(64 021)**
Adjustments for:		
Income tax paid	(2 686)	(2 457)
Depreciation and amortization charges	109 980	114 480
Items reclassified to investing and financing activities	100 966	92 544
Other P&L items without cash effect	18 804	(8 339)
Changes in other short term items	(116 459)	(90 594)
Net cash flow from operating activities	**81 394**	**41 613**
Payments for purchases of shares and businesses	(9 000)	(12 940)
Proceeds from sale of business	1 600	-
Payments for purchases of non-current assets	(43 458)	(112 112)
Proceeds from sale of non-current assets	12 456	9 257
Net other investments	(11 420)	-
Net cash flow from investing activities	**(49 822)**	**(115 795)**
Repayment of borrowings	(1 595)	(2 682)
Debt related expenses	(3 217)	-
Net change in credit facility	(13 435)	16 803
Dividend paid to non-controlling interest	(5 355)	(2 757)
Net interest paid	(88 247)	(84 112)
Net cash flow from financing activities	**(111 849)**	**(72 747)**
Net increase in cash and cash equivalents	**(80 277)**	**(146 929)**
Effect of exchange rate changes	1 287	(1 107)
Cash and cash equivalents at beginning of period	167 724	219 819
Cash and cash equivalents at end of period	**88 734**	**71 783**

[1] The interim financial information has not been subject to audit

Events after reporting period

- No significant events

Thank you!
Q&A