



Presentation of the Norsk Gjenvinning Group

Pareto Securities Corporate Bond Conference

January 21 2016



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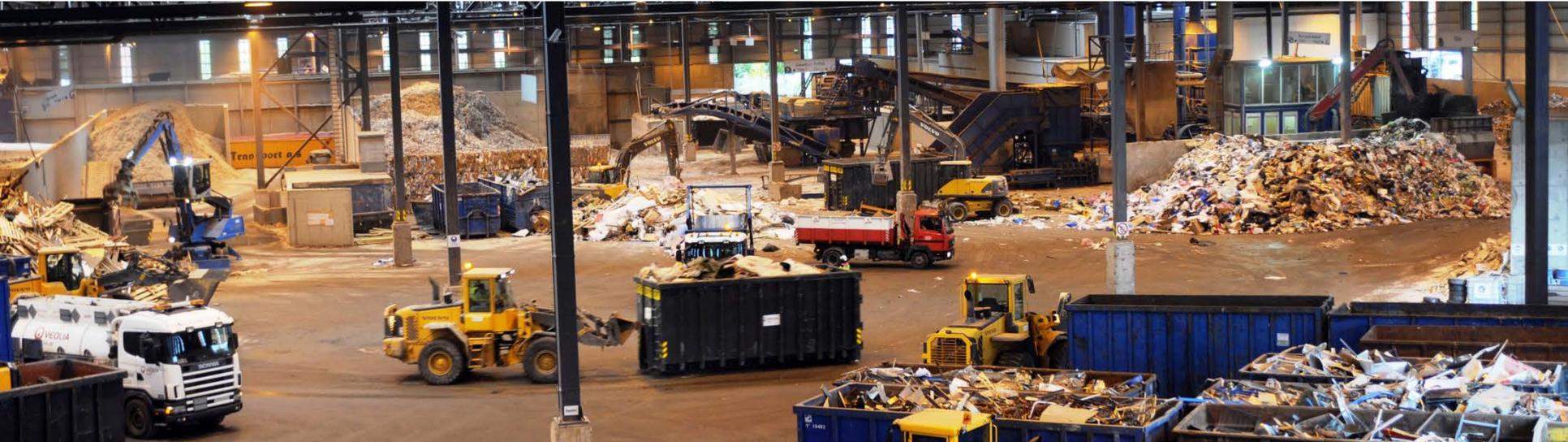
This presentation includes forward-looking statements which are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this notice, including statements regarding our future financial position, risks and uncertainties 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 presentation, and we do not intend and do not assume any obligation to update any statements set forth in this presentation.

VV Holding AS is a wholly owned subsidiary of POS Holding AS (and is part of the Norsk Gjenvinning-group). The consolidated financial statements of VV Holding AS have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS. For the submitted consolidated financial statements there are no differences between IFRS as adopted by the EU and the IASB. The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3 of VV Holding's annual report for 2014. The consolidated financial statements have been prepared on a going-concern basis. The consolidated financial statements for 2011 and 2012 have not been audited or subject to a review by the auditors.

The interim consolidated financial statements in this report, wherever shown, have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the Annual Reports 2014. The condensed consolidated interim financial statements have not been audited or subject to a review by the auditors. Accounting principles applied in the preparation of these condensed consolidated interim financial statements for the period ended June 30, 2015, are consistent with those applied in the annual consolidated financial statements for 2014.

The presentation also includes adjusted EBITDA figures. Adjusted EBITDA figures, when shown, are clearly specified, and represent EBITDA as adjusted for certain non-recurring and/or non-cash costs. Adjusted EBITDA is presented because it may be a relevant measure for assessing underlying performance for a given period. This measure is not a defined financial indicator under IFRS. The adjustments reconciling EBITDA and adjusted EBITDA, shown in the appendix of this presentation, represent an illustration of how underlying operational EBITDA has been affected by, what the company perceives to be one-time items.

The leading waste management company in Norway

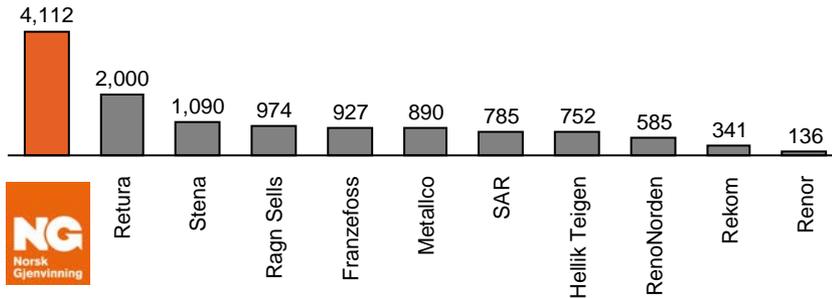


- Norway's largest waste management company with approximately 1,400 employees, 40,000 customers, 1.8 million tonnes of waste and NOK 4.1 billion in revenues
- A key part of society's infrastructure, handling approximately 25% of Norway's waste and recycling 85% of this into raw materials and energy to industries globally
- Relentless cost reduction and capex management program well underway to meet challenging market conditions
- High focus on compliance, sustainability and risk management

The Norsk Gjenvinning Group – overview

The largest waste management company in Norway

Revenues
MNOK¹

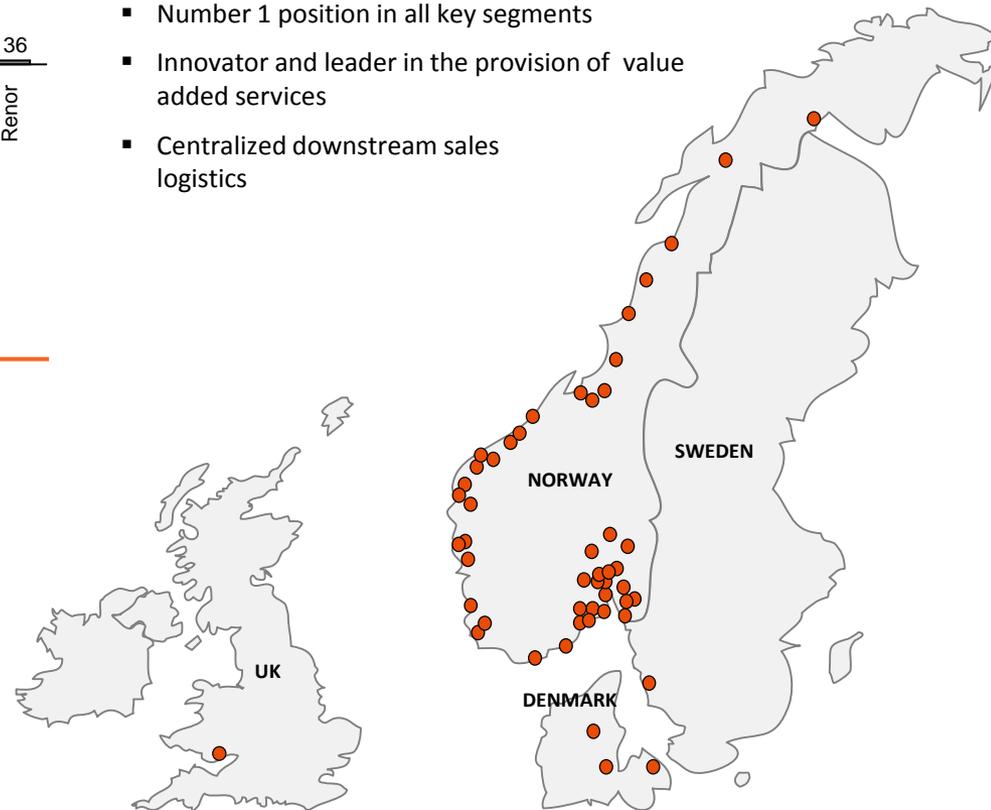


Key facts

- Volumes: 1.8 million tons
- Market share: ~25%
- Recycling rate: 85%
- Number of customers: 40,000
- Number of employees: 1,400
- Number of vehicles: 610²
- Number of transports: 3.36 million per year
- ISO-certified operations

Broad geographic coverage and strong local presence

- Unparalleled, comprehensive geographic coverage from North to South with a large number of sites across Norway
- Broadest range of services in Norway; the only player with total waste management business model
- Number 1 position in all key segments
- Innovator and leader in the provision of value added services
- Centralized downstream sales logistics



¹ Source: Proff.no, based on latest available data (2014 and 2013), Retura is a franchise company of which revenue is sourced from the company's website, and is not an exact figure

² Including subcontractors

A key part of society's infrastructure



What would happen if we were not here?

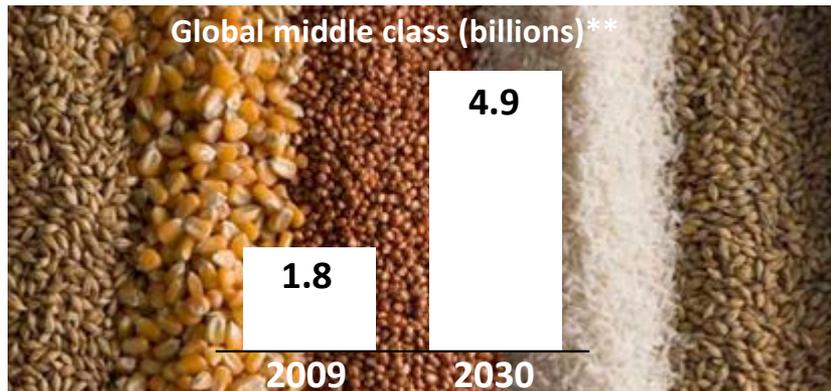


A key part of society's infrastructure - addressing the global resource squeeze

The squeeze on global resources



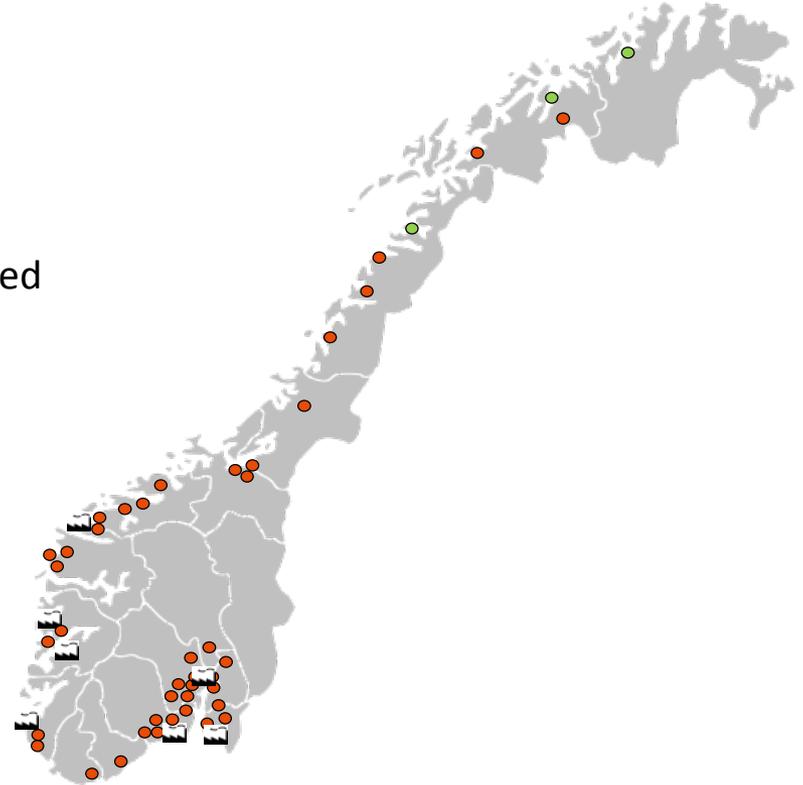
- Fundamental need for resource preservation
- Legislators placing increasing requirements on material recycling and resource efficiency
- The waste management industry has a critical role to play in ensuring efficient and high quality processing and downstream solutions



A key part of society's infrastructure – processing plants and reloading facilities

Unmatched hub-and-spoke plant infrastructure

- Strategic locations close to urban centers and industrial clusters
- ~NOK 6 billion mark-to-market in properties and fixed infrastructure
- Scale and cost-per-tonne at plant level increasingly important
- Upside potential from further plant consolidation and LEAN operations



Groruddalen Miljøpark



Øra Miljøpark



Mongstad Miljøpark



A key part of society's infrastructure – one of Norway's largest logistics operators

Vehicles

- ~300 own vehicles
 - ~220 waste collection vehicles
 - ~80 specialized vehicles for industrial cleaning services
- ~320 vehicles operated by subcontractors



Containers and bins

- ~34 000 waste containers
- ~56 000 waste bins

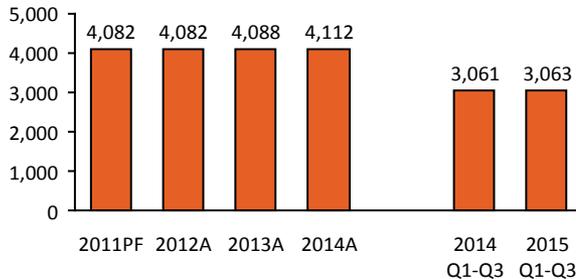


Major logistics operation

- Large fleet of vehicles and containers
- Point-to-point logistics, route collection and specialized service vehicles
- Upside potential from implementing electronic fleet management and general improvement of operations

Overview of financials – group total adjusted*

Adjusted revenue, MNOK



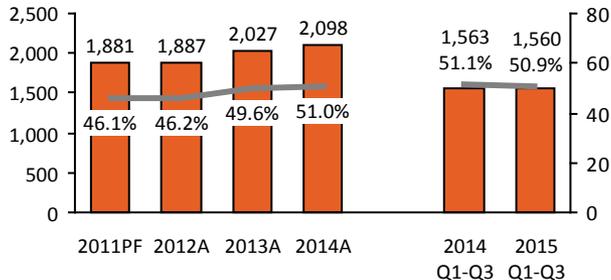
Development 2012-2014

- Volumes grow with GDP - slow volume growth lately due to lower industrial activity
- Falling commodity prices for recyclables and price pressure on mixed waste
- Stable revenues due to focus on ancillary services acquisitions

2015 and the road ahead

- 2015 revenues expected to come in flat compared to 2014
- Focus on organic growth based on improved cost position and sales
- Continued focus on pricing and ancillary services

Adjusted gross margin, MNOK / %



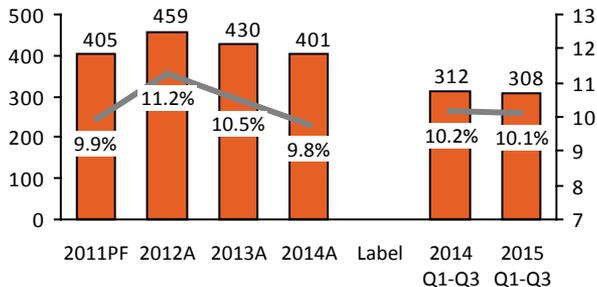
Development 2012-2014

- Increase in gross margin based on:
 - Margin mgmt, including back-to-back pricing and ope and financial hedging
 - Better logistics mgmt
 - Increased ancillary services

2015 and the road ahead

- Overall, we expect downward pressure on gross margins
- Continued focus on margin management, logistics and ancillary services

Adjusted EBITDA, MNOK / %



Development 2012-2014

- Increased cost levels based on:
 - Cost creeps and acquisitions
 - Substantial compliance related costs
- NG 200 cost reductions initiated 2H2014

2015 and the road ahead

- Focus will be on cost reductions going forward
- Goal to establish NG as industry cost leader

Key business areas

Recycling



- Collection, sorting and treatment/recycling of mixed industrial waste, paper, plastics, wood chips and other non-hazardous waste fractions
- Operation of municipal recycling stations

Key competitors



Metals



- Collection, sorting and treatment/recycling of all kinds of ferrous and non ferrous materials, including vehicles and electrical waste

Key competitors



Industry & Offshore



- Collection and treatment of hazardous waste
- Industrial services, including tank cleaning, maintenance stops, cleaning of oil separators, and high pressure suction
- Emergency services

Key competitors



Household collection

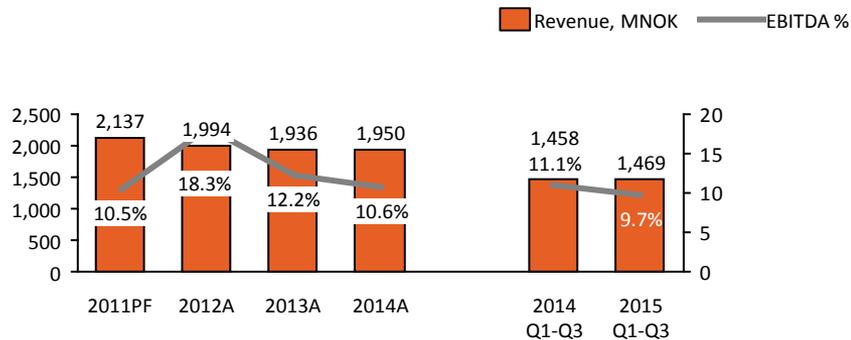


- Collection of household waste from Norwegian and Swedish municipalities
- Pure logistics service based on public tender contracts with 5-7 year duration

Key competitors



Key financials



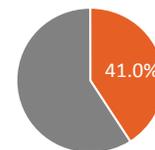
- Benefitted early from integration synergies plus gain from lawsuit in 2012
- Compliance and leadership issues - stable for more than 18 months now
- Margin squeeze lately due to waste mix and unfavorable commodity prices

Growth and value drivers

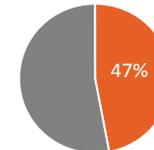
- Industry volume growth driven by GDP and net revenue growth driven by degree of processing
- Key value drivers:
 - Broadest geographical coverage and product range
 - Scale in production and downstream
 - Optimization of profitability trade-offs, e.g. degree of processing to increase value-add
 - Cost effectiveness: Route management, fleet maintenance, plant operations

Overview

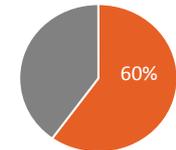
Share of employees



Share of sales



Share of EBITDA



| | |
|------------------------|---|
| Employees | 555 |
| Waste treated (tonnes) | 1.18 million |
| Number of assignments | 3.4 million |
| Number of facilities | 5 main processing sites; ~70 reloading sites |
| Main site | Groruddalen Miljøpark in Oslo, treating 300,000 tonnes annually |

Waste management business model – simplified value chain and P&L



Transportation + Mixed waste

| Upstream | NOK/t |
|-------------------|--------|
| Mixed waste | +1,500 |
| Inbound transport | +1,000 |
| Equipment rental | +150 |

| Processing |
|------------------------------------|
| Sorting out metals (10% of weight) |
| Processing waste-to-energy product |

| Downstream | NOK/t |
|----------------|--------|
| Shredded waste | -500 |
| Metals | +1,000 |

Simplified P&L

| | |
|------------------------|---------------|
| Inbound transport | +1,000 |
| Equipment rent | +150 |
| Mixed waste (upstream) | +1,500 |
| Revenue (metals sale) | +100 |
| Cost (waste-to-energy) | -450 |
| Gross margin | +2,300 |

- Recycling generates revenue and gross margin from transportation, equipment rental and the waste
- NG handles all types of waste both negative waste types (NG gets paid for waste) and positive fractions (NG pays for waste)

Recycling division - Customers and contracts

Highlights

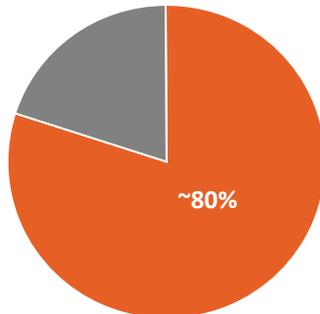
- Customer base contains main Norwegian industrial and service companies, municipalities and other public customers
- Customer base is highly fragmented
 - Top 10 customers account for 12% of total division revenue
 - Customer base is highly diversified from large to medium/small companies, public entities/municipalities and private households
- Large share of revenues is contracted (~80%)
- High level of returning customers/recurring revenues (~90%)³

Top 10 upstream customers



Contracted revenues

Share of division revenue from upstream contracts¹



Type:

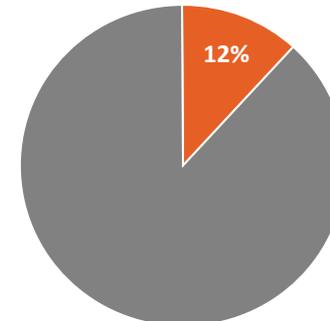
- Mainly exclusive binding contracts

Duration:

- Usually 1 year (often with extension)

Concentration of customers

Share of division revenue from top 10 upstream customers²



¹ Management estimates

² Based on Q2 2015 numbers

³ Based on comparison of customer base H1 2014 and H1 2015

Shredder



- ~70% Ferrous
- ~7% Non-Ferrous
- ~23% Waste

Cable Granulation



- ~15-95% Non-Ferrous
- ~5-85% Waste & Plastic

Bottom Ash from incinerators



- ~9% Ferrous
- ~1% Non-Ferrous
- ~90% Landfill

Simplified value chain and P&L example for the Metals division



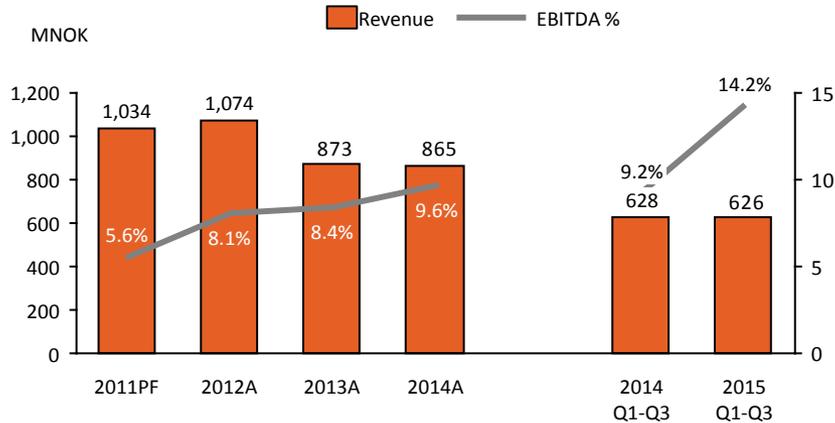
Positive fraction (upstream customers get paid for waste) – shredder material example

| Upstream | NOK/t | Processing | Downstream | NOK/t | Simplified P&L | |
|--------------------|-------|---|------------|---------|---------------------------------|---------------|
| Mixed steel/metals | -825 | Shredding into smaller parts Sorting into: | Steel | +1,375 | 1 ton mixed steel/metals | NOK |
| | | — Steel 70% of weight | Metals mix | +10,500 | Revenue (steel sale) | +962,5 |
| | | — Metals 7% of weight | Waste | -1,500 | Revenue (metals sale) | +735 |
| | | — Waste 23% of weight | | | Cost (upstream purchase) | -825 |
| | | | | | Cost (waste downstream) | -345 |
| | | | | | Gross margin | +527,5 |

- Raw material prices are a key driver for top line revenues; revenues may fluctuate even as volumes remain stable – NG’s focus is on the gross margin management!
- EBITDA growth is driven by a) maximizing gross margin through optimal degree of sorting and ensuring index pricing of positive fractions, and b) efficient logistics and processing operations along the value chain

The Metals division-Key financials and overview

Key financials



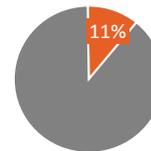
Growth and value drivers

- Industry growth driven by international demand for steel and metals and increased sorting at source
- Key value drivers:
 - Hedging inventories based on LME
 - Operational efficiency and plant utilization
 - Ability to separate out high value fractions/materials
 - Geographical presence for scale

- Declining revenues due to int'l commodity prices
- Segment with most dramatic margin squeeze initially
- Focus on gross margin mgmt. – ope. and financial hedge
- Cost cutting through structural consolidation and process improvements

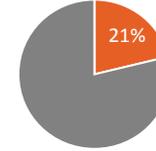
General data

Share of Group's employees



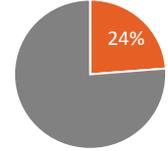
Employees

Share of Group's sales



Metals treated (tonnes)

Share of Group's EBITDA



Number of facilities

Main site

150

260,000 (+90,000 bottom ash)

2 main processing sites; 9 reloading sites

Shredder and metal separating facility at Øra; capacity 250,000 tonnes

The Metals Division - Risk management

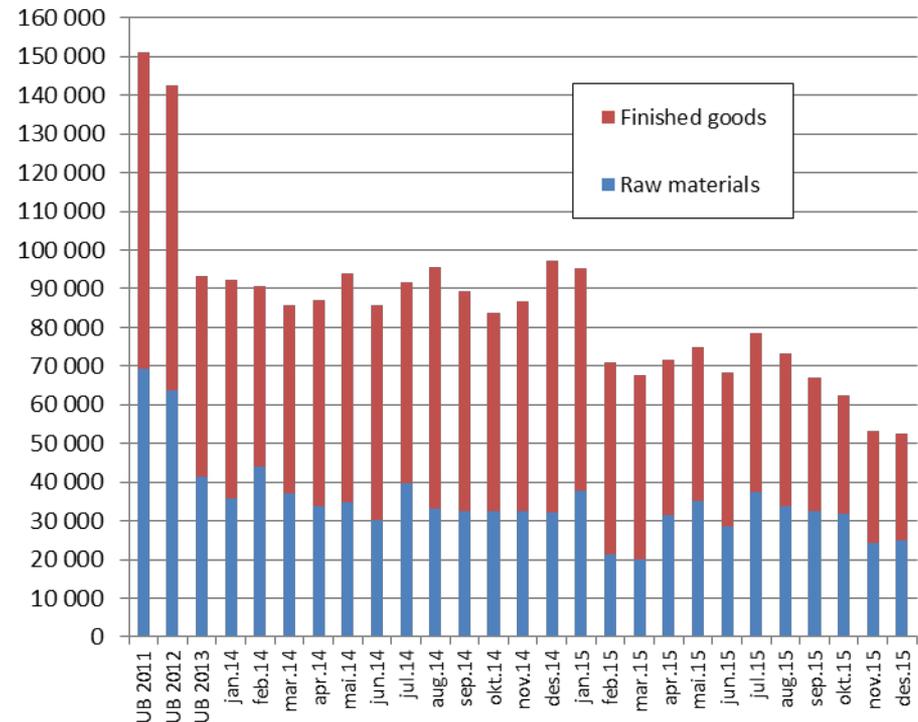
Operational

- Stock reduction from 150 MNOK 2011 to <50 MNOK Aug 2015
 - Lean management production
 - Sales strategy
 - Stock control
- Both upstream and downstream volumes are price based on LME and Celsa Index
- Compliance

Financial

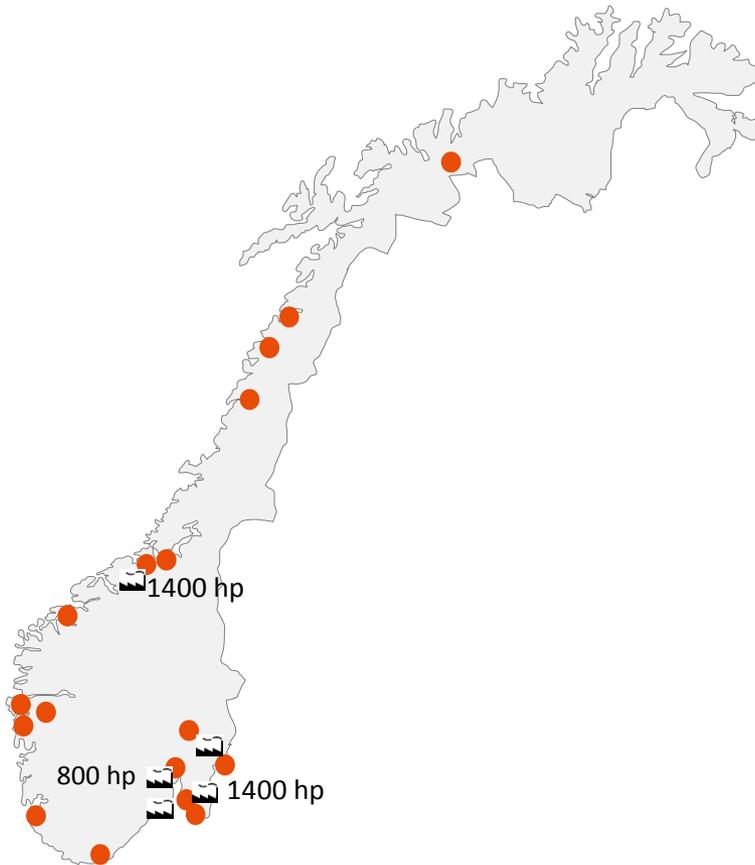
- Hedging towards LME based on stock levels
- Continuously review of market conditions and hedging strategy
- Up front payments on high risk customers
- Closely monitoring of payment and payment delays
- Monitoring solidity of downstream customers

Stock reduction (NOK 000)

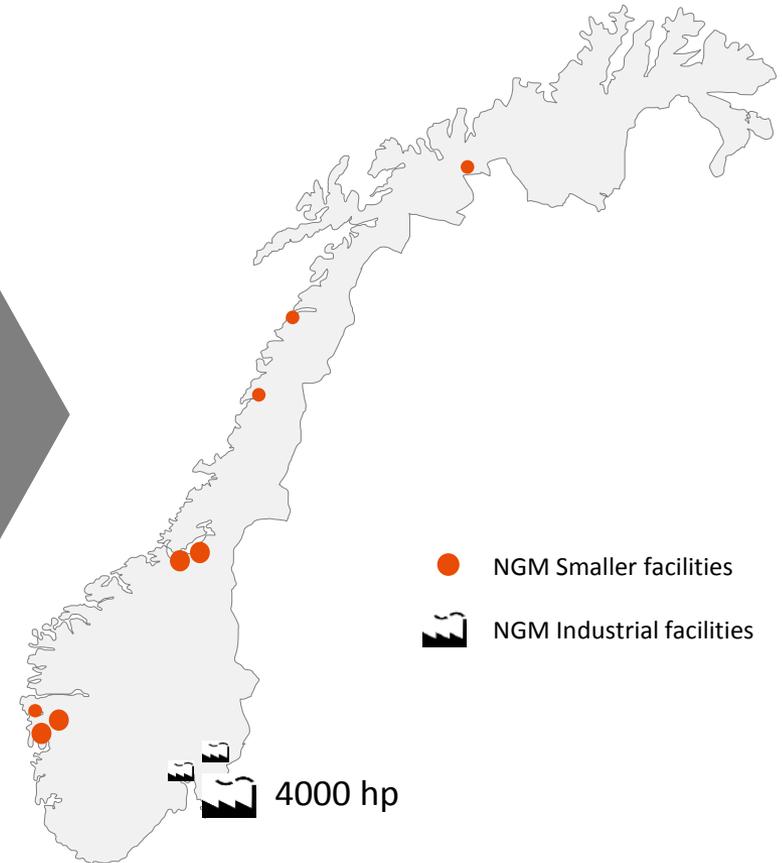


The Metals division - Our journey

From scrap dealer with many small facilities...



...to industrial player



Division Industry & Offshore -Business Areas

Industrial Service

- Cleaning of industrial tanks, incl. removal of residue waste i.e. oil contaminated water etc.
- Providing high pressure jetting and vacuum suction
- Cleaning sand traps and oil separators



Hazardous Waste

- Collection, sorting, and treatment of hazardous waste
- Safe treatment of NORM (Natural Organic Radioactive Material)
- Secure safe downstream solutions for hazardous waste



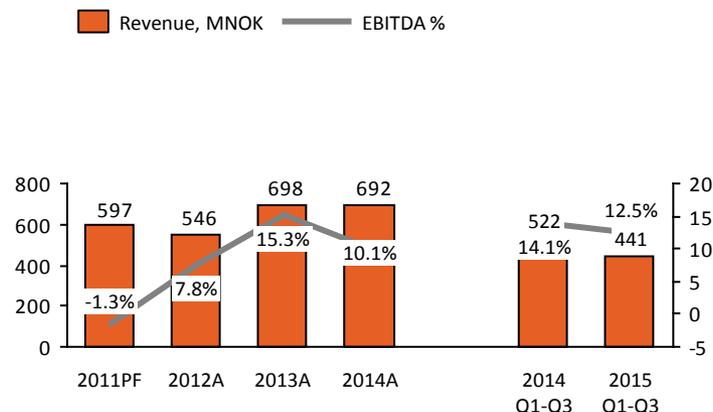
Offshore

- Receiving and handling of all waste (hazardous and industrial) arriving at offshore bases at Mongstad and in Kristiansund
- Cleaning of tanks on supply vessels, incl. removal and handling of residue waste



Division Industry & Offshore: Overview

Key financials



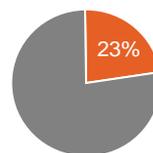
- Initial focus on refocusing to a healthy core
- Continuous improvement on the cost side
- Benefited from build up of offshore activities at Mongstad
- Compliance issue at Mongstad from Aug '14 to April '15
- Challenged by current offshore downturn

Growth and value drivers

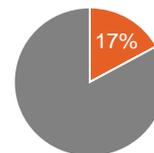
- Growth driven by wider regulatory definition of hazardous waste and increased offshore activities
- Key value drivers:
 - Project and project pipeline management
 - Specialized equipment and highly skilled personnel
 - Capacity utilization and project margins
 - Ability to offer “total waste management” solutions
 - Plant technology and operations
 - Capacity tailored to handling seasonal demand and larger “one-off” projects

Overview

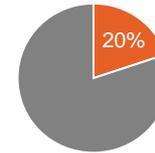
Share of employees



Share of sales



Share of EBITDA



| | |
|--|--|
| Employees | 320 |
| Hazardous waste (tonnes) treated at facilities | 74,000 |
| Assignment hours | 410,000 |
| Number of facilities | 11 receiving facilities, 2 base facilities |
| Main asset | Base facility at Mongstad |

Highlights

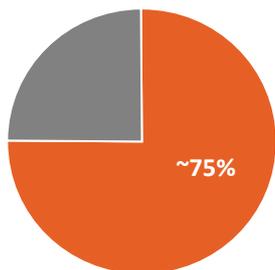
- Customer portfolio mainly contains large Norwegian industrial companies (oil & gas sector and other industries), and public entities
- Customer base is semi-fragmented with top 10 customers representing 37% of the Division's total revenue
- Large share of revenue is contracted (~75%), mainly with binding exclusive agreements, and a smaller fraction of frame agreements
- Majority of revenue is recurring/from same customer base (>85%)³

Top 10 customers



Contracted revenues

Share of division revenue from contracts¹



Type:

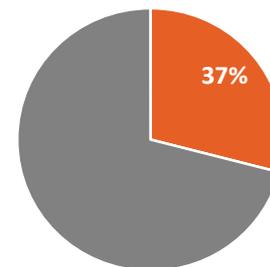
- Mainly exclusive binding contracts and a smaller fraction general agreements

Duration:

- Usually 1-2 years

Concentration of customers

Share of division revenue from top 10 customers²

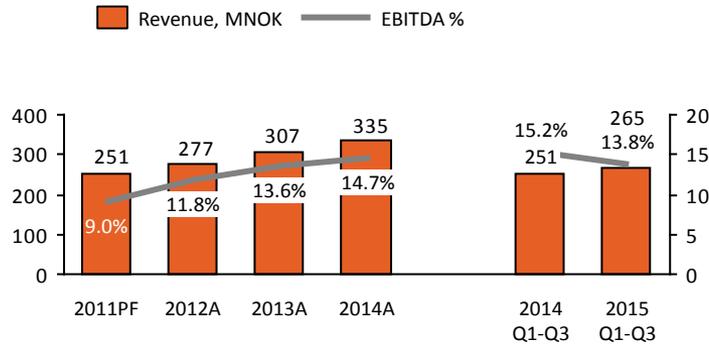


¹ Management estimate

² Based on 2013 numbers

³ Based on comparison of customer base Q1 2013 and Q1 2014

Key financials



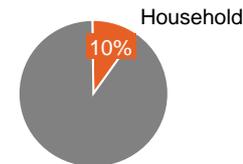
- Initial focus on closing the gap to focused competitor
- Managed for margin, not market share
- Continuous improvement on the cost side
- Start up of two new contracts pulls on 2015 EBITDA YTD

Growth and value drivers

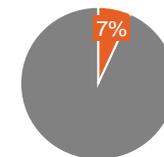
- Industry growth driven by number of households and degree of outsourcing by municipalities
- Key value drivers:
 - Number of municipal contracts
 - Margin on contracts determined by tendering competence and daily operations
 - Operational efficiency: Route planning, route manning, workforce motivation and equipment, etc.

Overview

Share of employees



Share of sales



| | |
|-------------------------------------|-------------------------------------|
| Employees | ▪ 250 (of which 50% subcontractors) |
| Number of waste collection vehicles | ▪ 130 (of which 50% subcontractors) |

Household Collection: Customers and contracts

Highlights

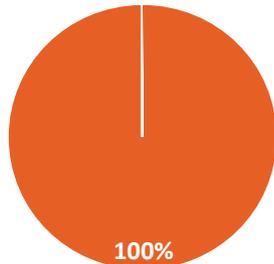
- Customer portfolio is based on municipalities in Norway and Sweden
 - 51 municipalities in Norway
 - 3 municipalities in Sweden
- All revenues/customers are contracted through 5-7 years exclusive and binding contracts

Top 10 customers



Contracted revenues

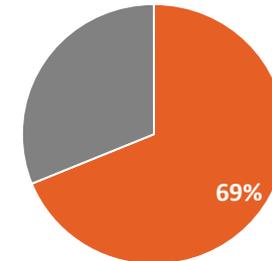
Share of division revenue from contracts



- Type:**
- Exclusive contracts (public tenders)
- Duration:**
- Usually 5-7 years

Concentration of customers

Share of division revenue from top 10 customers



An industrialized and professional value chain is a key success factor going forward

The winners in the waste management industry will be companies that:

- **Have the lowest cost**
 - Scale in production to bring down unit costs and allow for state of the art automation
 - Scale in logistics from purchasing to route optimization
 - Scale in downstream sales
 - Scale to handle compliance costs

- **Are customer centric innovators**
 - Innovative technology to ensure efficient sorting, material recycling and logistics mgmt
 - Innovation in other technology, partnerships and business models
 - Advice and solutions for efficient resource usage and higher recycling levels

- **Manage risk and apply solid standards for compliance and control**
 - Margin management and industrialization vs. commodity price speculation
 - Traceability and control of waste streams
 - Environmental and financial compliance

- 1. No. 1 waste management company in Norway and a key part of society's infrastructure**
- 2. Attractive and diversified customer base, healthy financials and stable cash flow**
- 3. Attractive long term market fundamentals and outlook:**
 - a) Reduction of global carbon emissions**
 - b) Adressing society's waste problem**
 - c) Adressing the global resource squeeze**





metso

SL2
TB02