Debt Investor Presentation

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AVINOR

APRIL 2024

Agenda

- This is Avinor
- Sustainability
- Operational performance and outlook
- Capital structure and financing

- Appendix

This is Avinor

Key figures 2023

49
million passengers

721 000
Take-offs/landings

83 %
Punctuality

11.5 bnNOK
Operating revenues

47.8 bnNOK
Total assets

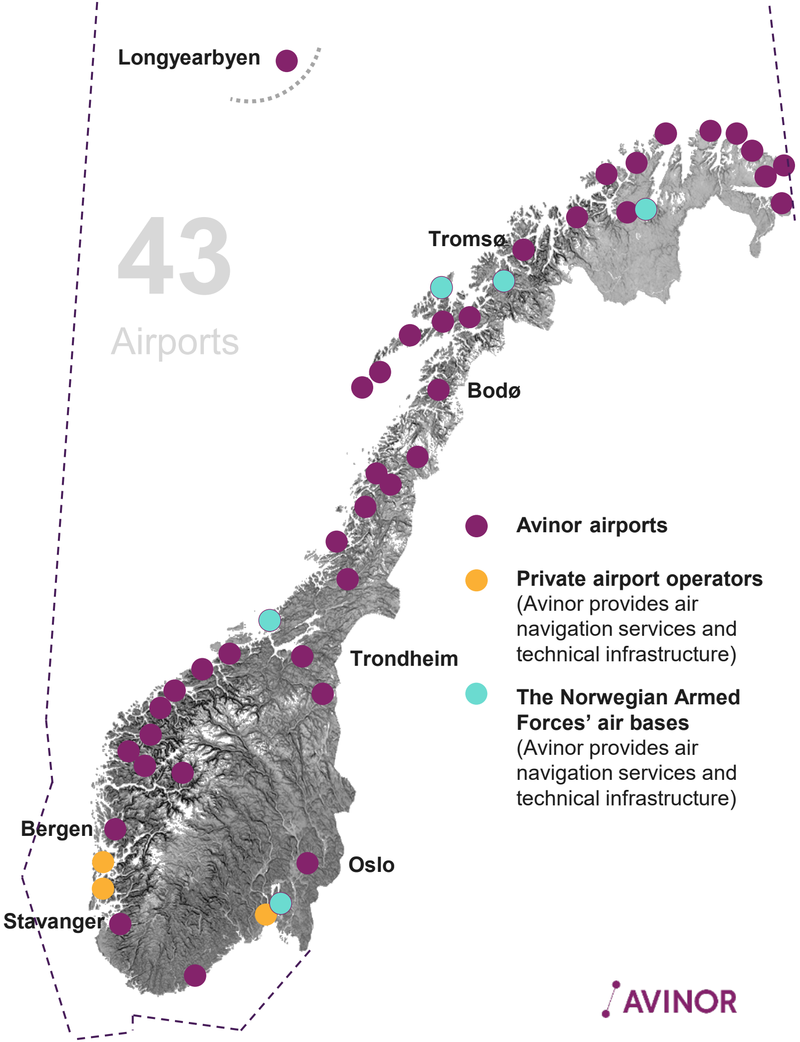
Photo: Avinor/Espen Solli

Aviation is essential in Norway

City	Population	Distance to Oslo*	Travel time to Oslo by*		
			Car	Train	Air
Bergen	289 k	464 km	7h 15min	7h 3 min	**50 min**
Trondheim	213 k	492 km	6h 21min	7 h 49 min	**50 min**
Tromsø	78 k	1 740 km	22h 20min	Not available	**1h 40 min**

Population: 5.5 million | Distance North - South (Nordkapp - Lindesnes) 1 700 km

Source: Webpage of the municipality
* Google maps estimates.



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Avinor history

October 1992	The Norwegian Parliament approved the construction of a new national airport located at Gardermoen
October 1998	Construction complete, regular operations started
1997/1998	26 regional airports transferred from local municipalities to the Norwegian state
January 2000	The Norwegian Civil Aviation Authority was established
October 2002	The Norwegian parliament approved the establishment of Avinor as a state-owned limited liability company

Key drivers behind current structure:

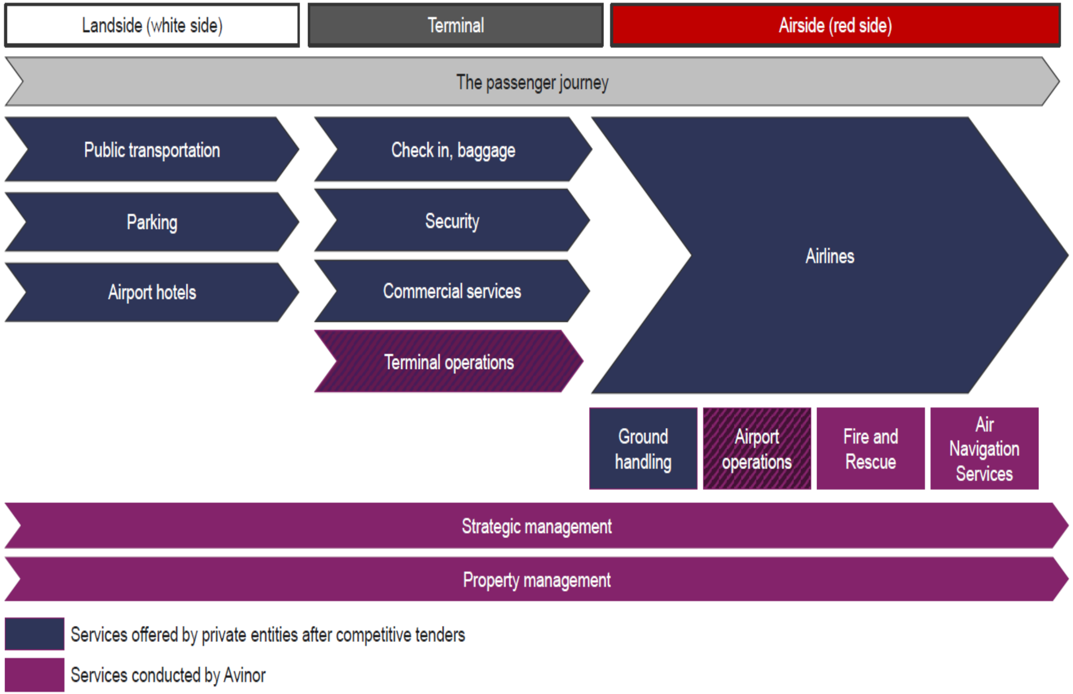
→ A national infrastructure consistent with EASA certification standards

→ Improved ability to manage large and complex development projects

→ Ensure cost-effective operations and capacity utilisation

→ Predictable financial framework and funding

Airport value chain



Key drivers

Traffic income

Drivers:
- Passenger volume incl. mix domestic/internat.
- Number and type of aircraft movements
- Air navigation service units

Concession income

Drivers:
- Passenger volume incl. mix domestic/internat.
- Penetration/market share
- Basket value
- Concession rate

OPEX

Drivers:
- Service quality
- Policy and political obj.
- Regulatory requirements
- Public sector costs

CAPEX

Drivers:
- Capacity requirements
- Political decisions

Norwegian state policy goals

Category 1	Category 2
Highest possible return over time in a sustainable manner	Sustainable and most efficient possible attainment of public policy goals

Examples

DNB Equinor Flytoget Norsk Hydro Statkraft	AVINOR Bane NOR Statnett Statskog Gassco

*Meld. St. 6 (2022–2023): Greener and more active state ownership

Key guidelines for Avinor

- Safe and reliable airport operations and air navigation services with adequate capacity and service quality
- Cost effective operations
- Financially sustainable
- Compliance with safety and environmental standards
- Facilitate and accelerate the green transition

Sustainability

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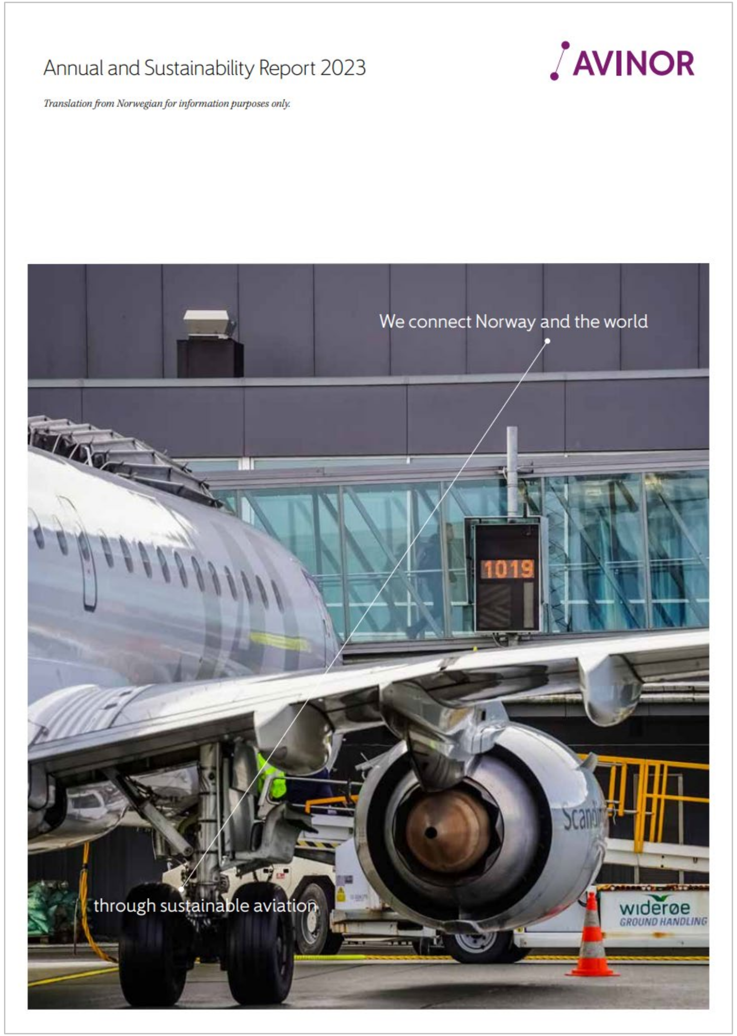
Reporting and management

- ISO 14001 certified since 2014
- Carbon disclosure (GHG Protocol) since 2006
- GRI reporting since 2014
- Sustainability integral part of group strategy
- Climate change risk assessment (TCFD) ongoing
- Science based targets (SBTi) ongoing
- Nature risk assessment (TNFD) Q2-Q4 2024
- Corporate Sustainability Reporting Directive (CSRD) from FY24



Climate change (ESRS E1)

Paris goals must be achieved

- Technological solutions under development
- Cooperation with government(s), the energy sector and across the aviation ecosystem is crucial

Avinor activities on climate adaptation since 2001

Science-based targets (SBTi) ongoing:

01 Commit	02 Develop	03 Submit	04 Communicate	05 Disclose
Submitted «Commitment letter».	Completed GHG inventory of scope 1, 2 and 3 in accordance with GHG-protocol. Set target.	Ongoing development of action plan to reach 2030 and 2050 goals. Plan to submit target for validation Q2 2024.	Announce target. Internal/external communication.	Disclose GHG emissions and progress against targets annually. Annual Report/CSRD, webpage etc.
12 June 2023	Q3-Q4 2023	Q2 2024	Annually	Annually

Greenhouse gas emissions 2023

Scope 1: Avinor's direct emissions

Around 5 700 tonnes of CO2 equivalents (2022: 6 200 tonnes)

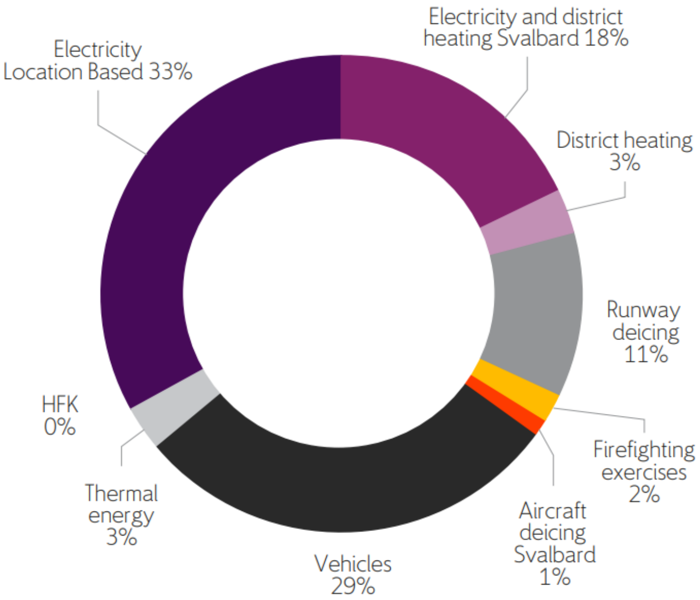
- Electrification of vehicles
- Increased use of advanced biodiesel
- R&D for non-fossil runway de-icing chemicals

Scope 2: Avinor's indirect emissions

Around 6 890 tonnes of CO2 equivalents (2022: 6830 tonnes)

- Conversion from coal to biogas at Svalbard airport
- Energy management and solar farms

➔ Year on year reductions



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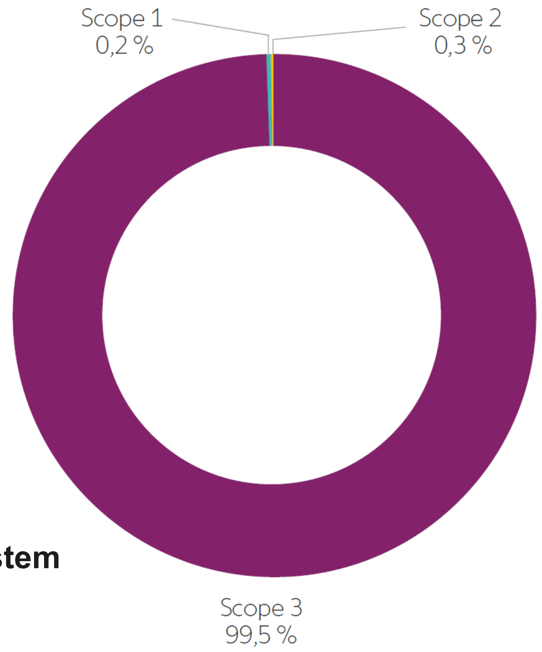
Active driver for sustainable aviation

Scope 3: Indirect emissions upstream and downstream in the value chain

Initiatives to mitigate Scope 3 GHG emissions (approx. 2.5 million tonnes):

- More efficient airspace
  - Curved approaches
  - Continuous descent/climb operations
- Sustainable aviation fuels (SAF) – Jet biofuel and electrofuels
  - Catalyst for increased production and uptake
  - Knowledge provider for Ministry of Transport and other stakeholders
- Zero and low emission technologies (electrified and hydrogen aircraft)
  - Preparing for charging and hydrogen infrastructure
  - Test arena in Norway?



Cooperation with government, the energy sector and across the aviation ecosystem

➔ Reducing transitional risks

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Photo: Ole Andreas Vekve / Forsvaret

Pollution (ESRS E2)

Emissions to water and soil

- Runway and aircraft de-icing
- Fire drills
- Construction projects
- Environmental permits at all airports

PFAS

- Ceased use of PFAS in 2012
- Contamination from historic firefighting drills at all Avinor airports
- Clean-up activities started. High priority
- Latest best cost-estimate approx. 1200 mNOK

Aircraft noise

- National noise regulations mandate strategic noise mapping at all Avinor airports
- A combination of civil and military traffic
- Challenges related to helicopter noise

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Biodiversity and Ecosystems (ESRS E4)

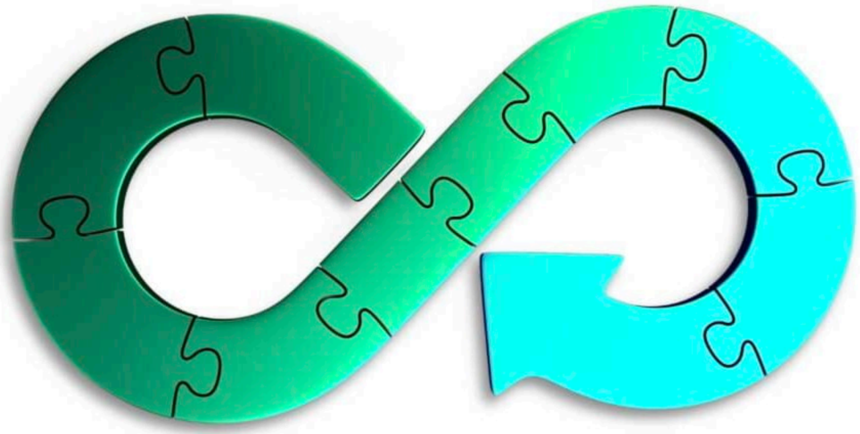
- Many airports are located in or in close proximity to areas of high biodiversity significance
- Airport operations and development projects affect biodiversity
- Comprehensive biodiversity surveys at all airports over the period 2009 – 2014
- This information is used in operations, masterplans and projects
- Governmental Nature Risk Commission published recommendations in February 2024*
- Avinor will conduct a nature risk assessment in 2024

*NOU 2024: 2, In interaction with nature


Photo: Avinor/Terje Fogelstrand

Resource Use and Circular Economy (ESRS E5)

- Best possible use of natural resources
- Optimizing waste handling procedures
- Establishing reuse as a norm
  - New parking facilities at Stavanger Airport were constructed using materials salvaged from the previous facility, which was destroyed in a fire



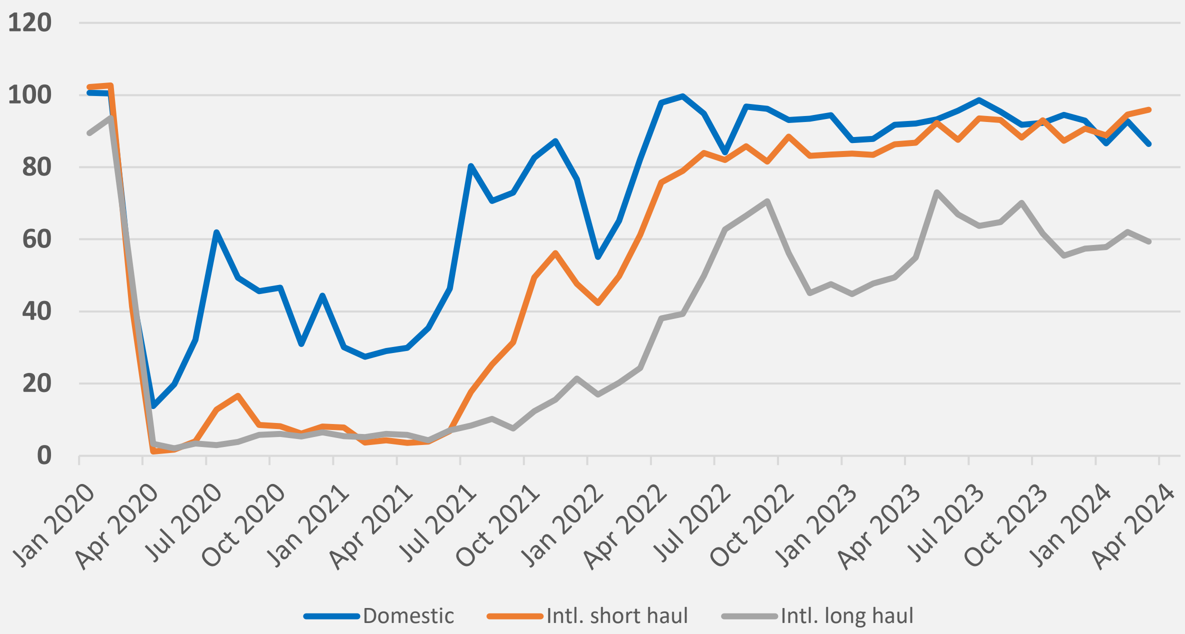
Operational performance and outlook

Domestic travel recovered quickly post covid but has since levelled out

Recovery in international short- and long-haul still lagging

Passengers by segment

Compared to 2019-levels. Index, 2019 = 100. January 2020 – March 2024



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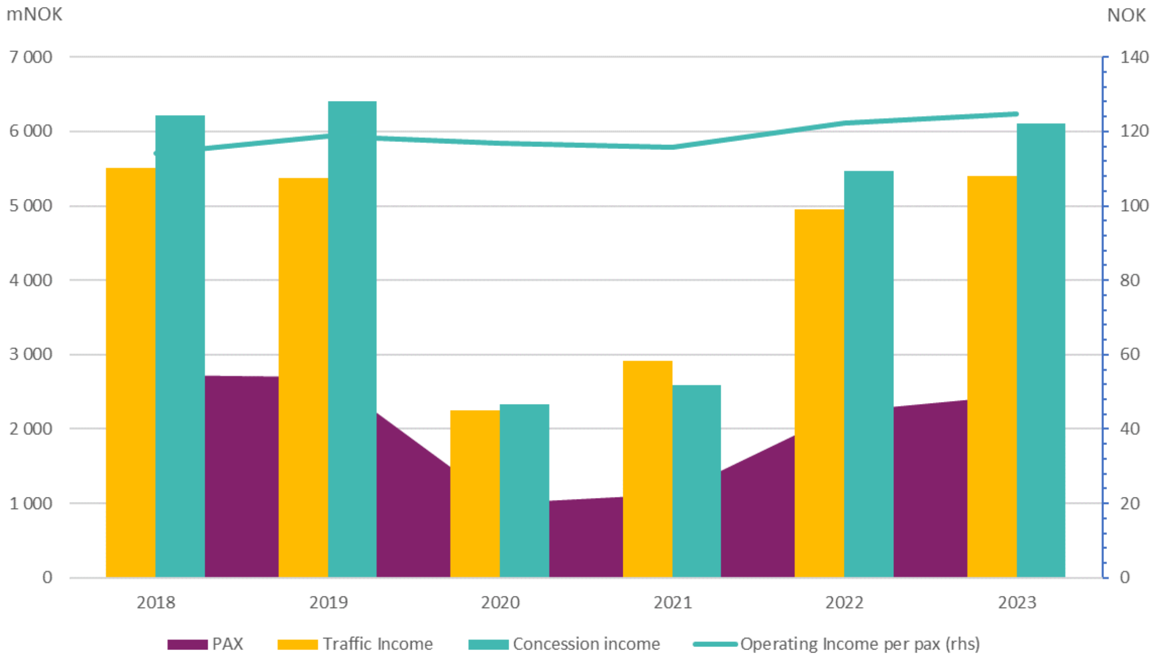
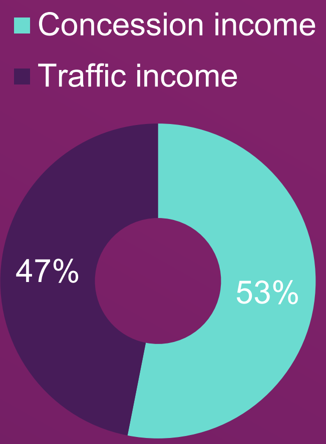
Operating revenues driven by underlying traffic volume



* Figures do not include Government grants in 2020 (3 800 mNOK) and 2021 (3 600 mNOK)

Revenue distribution
(FY 2023)



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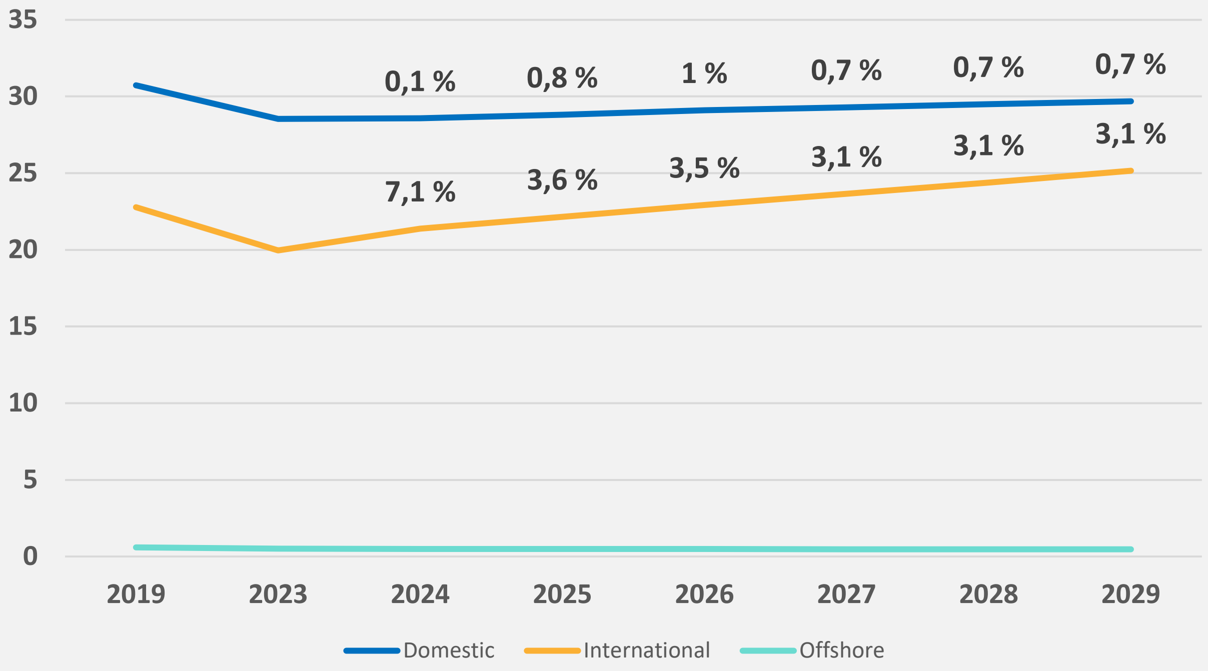
International traffic expected to be the main driver for growth

Passenger forecasts per segment

Million PAX, annual growth rates



Sources: Avinor, Norwegian Centre for Transport Research

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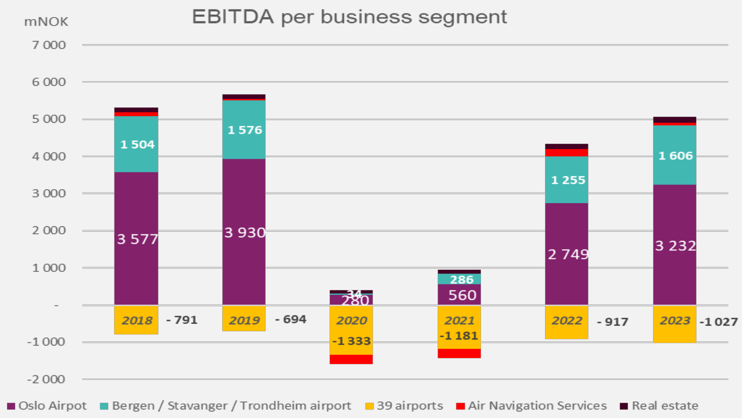
EBITDA / cash flow

- EBITDA development:
  - Approx. 16.5 bnNOK lost revenue driven by Covid-19 of which 7.4 bnNOK compensated by government support
  - Good recovery from 2022

- Solid cash position:
  - 2020: Issued 10 bnNOK in bond and CP
  - 2024: Issued CP to bridge new bond issue



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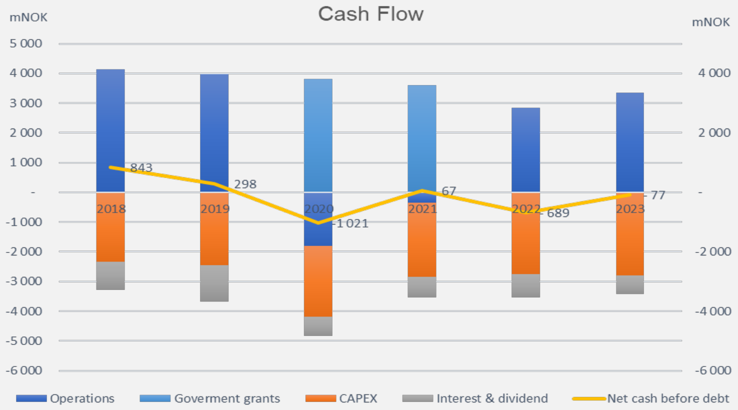

* Figures **include** Government grants in 2020 / 2021

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Ongoing process with Ministry of Transport to ensure a reinforced financial framework long term

- No announced changes to the current Avinor structure
- Airport charges to be increased by 200 mNOK in 2024 (insufficient to cover costs)
- State funding of public sector costs will be evaluated
- Current regulatory framework for separation of dutyfree and non-dutyfree sales to be reviewed
- Review of OPEX and CAPEX reductions within the current scope of Avinor operations
- Evaluation of a possible redistribution of fiscal charges to airport charges from 2025

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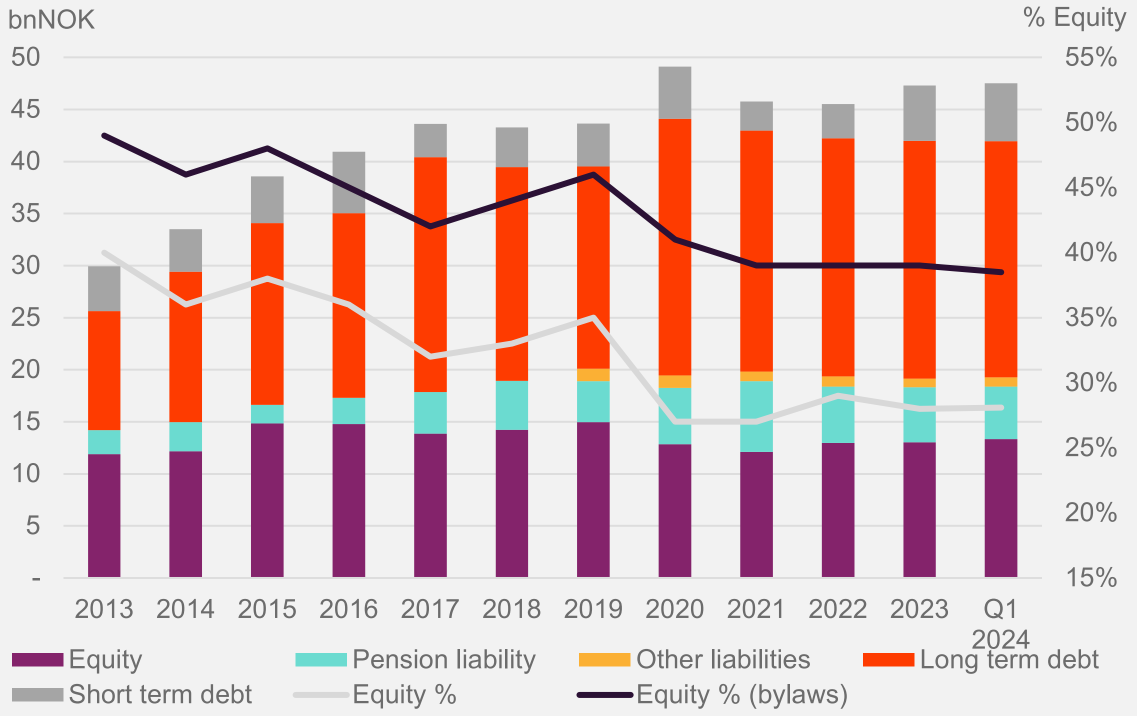
Capital structure and financing

Capital structure

- Bylaws: Minimum equity ratio requirement of 40 %
- Temporary permission to operate with an equity ratio at minimum 35 % till year end 2024
- By year end 2023 the statutory equity ratio was 39.2 %
- No dividend has been distributed since 2019



Statutory equity is defined as a percentage of total equity and net interest-bearing debt, as specified in the articles of association

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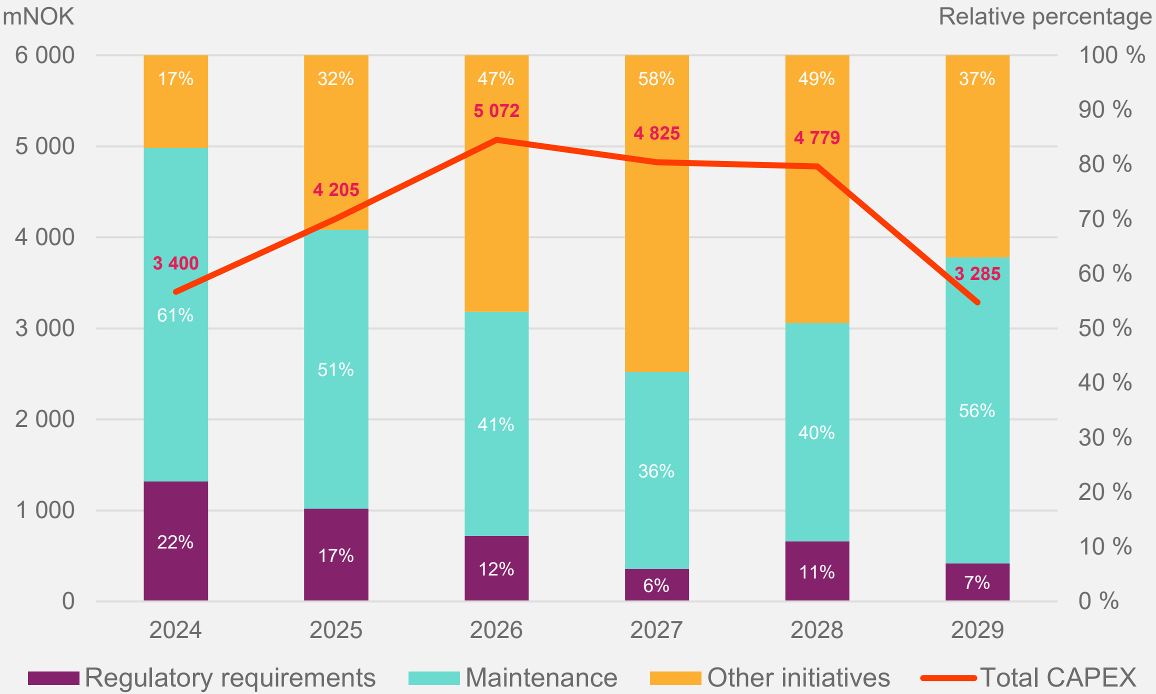
CAPEX forecast 2024 - 2029



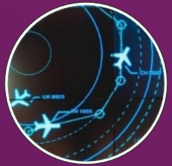
Other initiatives:


New terminal Tromsø


Replacement of baggage handling system at Oslo Airport


New airport Mo i Rana


New airport Bodø


Future ATM system

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Moody's A1 (stable)
S&P A (stable)

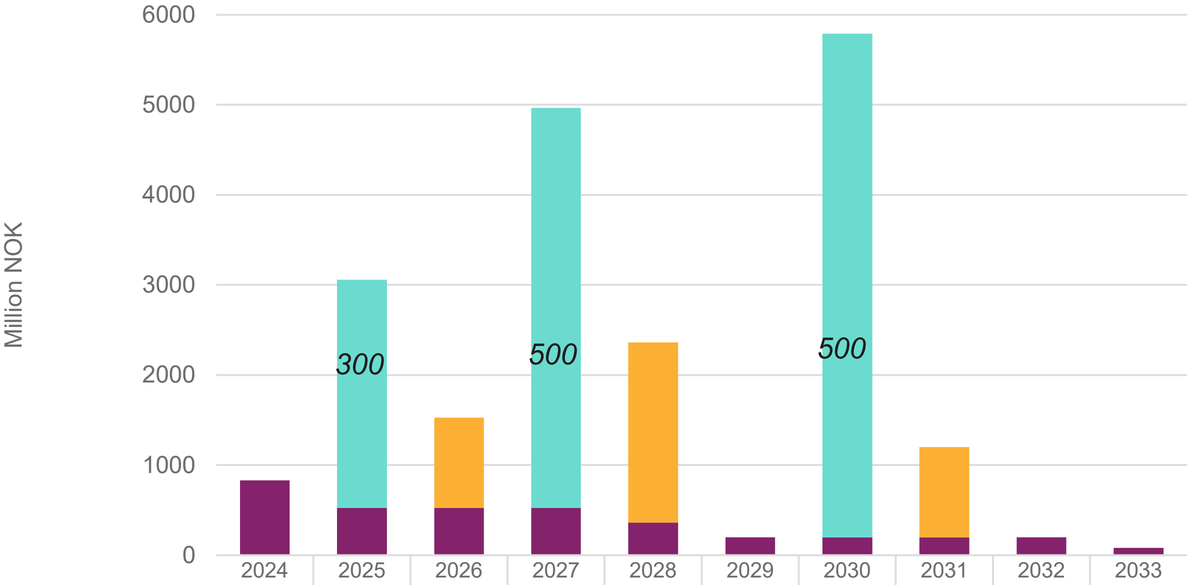
Moody's August 2023

- Four notches uplift due to ownership in December 2022
- Avinor considered important to meet economic, social and political objectives
- Few other transport alternatives for domestic medium/long distance travel
- Assuming 2023 traffic volumes around 90 – 92 % of 2019 volumes

S&P Global Ratings October 2023

- Four notches uplift due to ownership
- The ongoing air traffic recovery towards pre-pandemic levels by 2025 should continue to lift earnings and cash flow. Recovery path YTD 2023 in line with other regional airports in Europe
- Avinor considered a government related entity with a very high likelihood of government support

Debt maturity profile



	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
NOK bonds			1 000		2 000			1 000		
EUR bonds (NOK)		2 530		4 440			5 589			
Bank loans (NOK)	832	527	527	527	363	200	200	200	200	80

EUR bonds has been hedged to NOK at issuance

Funding sources

- Euro bonds
- Norwegian bonds
- Commercial paper
- Bank loans

All new debt to be issued by Avinor AS with financing of wholly-owned subsidiaries covered by internal loans from Avinor AS

4 300 mNOK in undrawn RCF and line of credit

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Summary / credit highlights

- ✓ **Aviation is essential in Norway.** Airports and air navigation services are vital for multiple sectors including trade, health care and defence.
- ✓ **Avinor 100 % state-owned** with continued support from the Norwegian government. Ongoing process with Ministry of Transport to ensure a resilient financial framework.
- ✓ Consistent with state ownership directions, **Avinor pursue sustainable aviation goals**
- ✓ **Operational performance** in recovery post Covid-19
- ✓ **Significant CAPEX with funding requirements** next five years

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Appendix

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Ownership and legal structure

Norwegian Ministry of Transport

Board of directors

Avinor AS
42 airports

- Svalbard lufthavn AS (Svalbard airport)
- Avinor Flysikring AS (Air Navigation Services)
- Avinor Utvikling AS (commercial real estate)

Avinor's smallest airport compared to other non-Avinor airports in Norway

Limited domestic competition

	Stord Airport	Ørlandet Airport	Sandefjord Airport	Røst Airport
Ownership	Local county and municipality 100 %	Local municipality 100 %	Local county / municipality 86.5 % Private investors 13.5 %	Avinor
Traffic Passengers on commercial flights (departure and arrival)	2022: 21 000	2022: 17 000	2023: 1.9 million	2023: 10 700
Other	Runway: 1 460 m	Commercial flights	Runway: 2 669 m	Runway: 880 m

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