



Investor presentation 2023

22 February 2023



Agenda

Avinor

Mandate and regulatory framework

Financial highlights

Future Avinor

- Sustainability
- Investments and projects

Funding



Credit highlights

- ✓ **100% state-owned** with a track record of support from the Norwegian government, as evidenced by financial support provided during COVID-19 crisis
- ✓ Aviation is **considered as critical infrastructure** due to long distances and challenging topography – there is limited transmodal competition
- ✓ **Leading position** in the Norwegian aviation sector with 43 airports, 44m passengers and 619 000 commercial aircraft movements
- ✓ c. 61 % of passengers accounted for by domestic travel – more resilient and **faster recovery since COVID-19** crisis
- ✓ **Well-balanced debt maturity profile** with no significant towers until 2025

Group Management



Organisation



Key facts

43 airports

3 Air Traffic Control centres

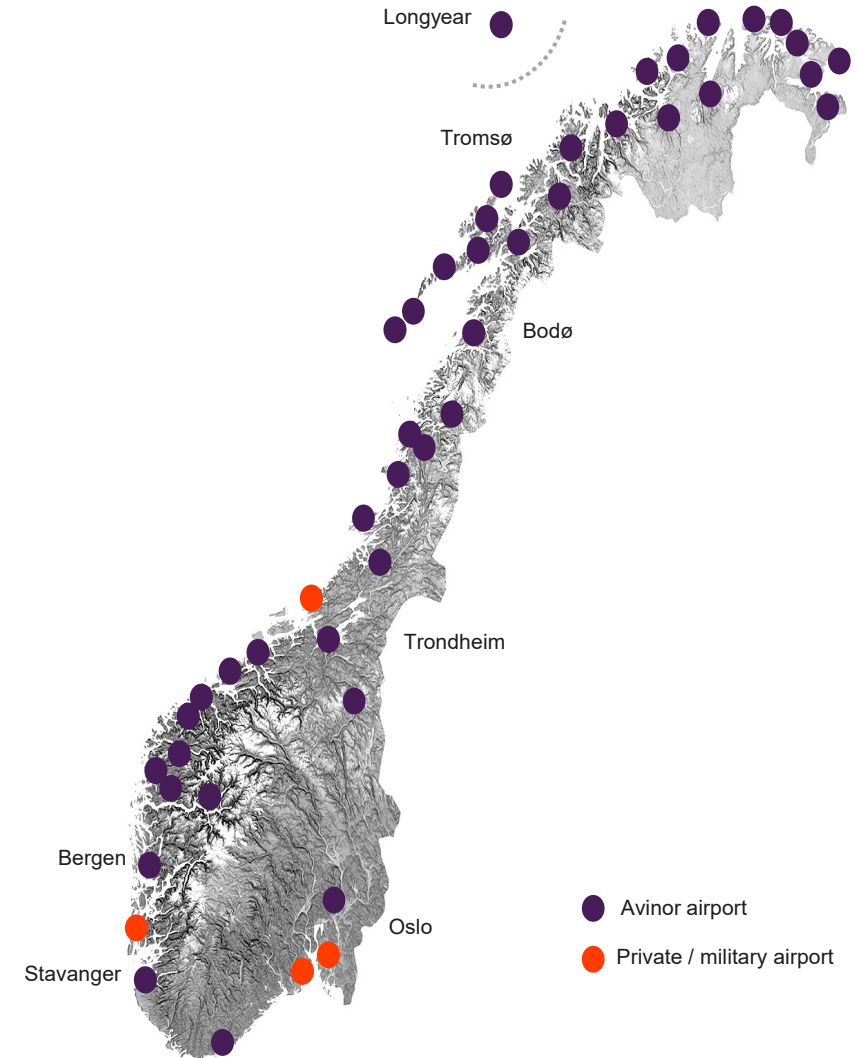
1 Remote Tower centre

Revenue NOK 10 bn. (2022)

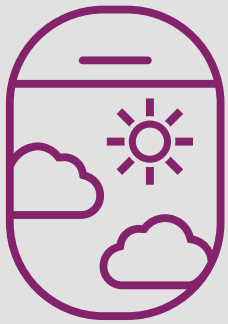
Total Assets NOK 45 bn. (2022)

CAPEX NOK 4 bn. annually

2 800 employees



Activity level at Avinor airports and airspace in 2022



44 million passengers

Domestic: 27 million
International: 17 million



619 000 commercial
aircraft movements

Domestic: 466 000
International: 153 000

Overflights: 70 000



Oslo Airport, Gardermoen

22.5 million passengers - highest
in the Nordics

Most punctual airport for on-time
departures

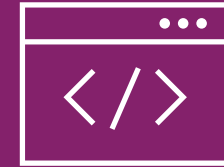
Strategic goals towards 2025



Operational safety



Sustainable aviation



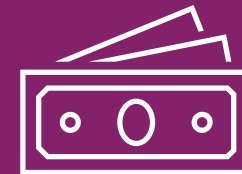
Technology driven and efficient



Customer focus

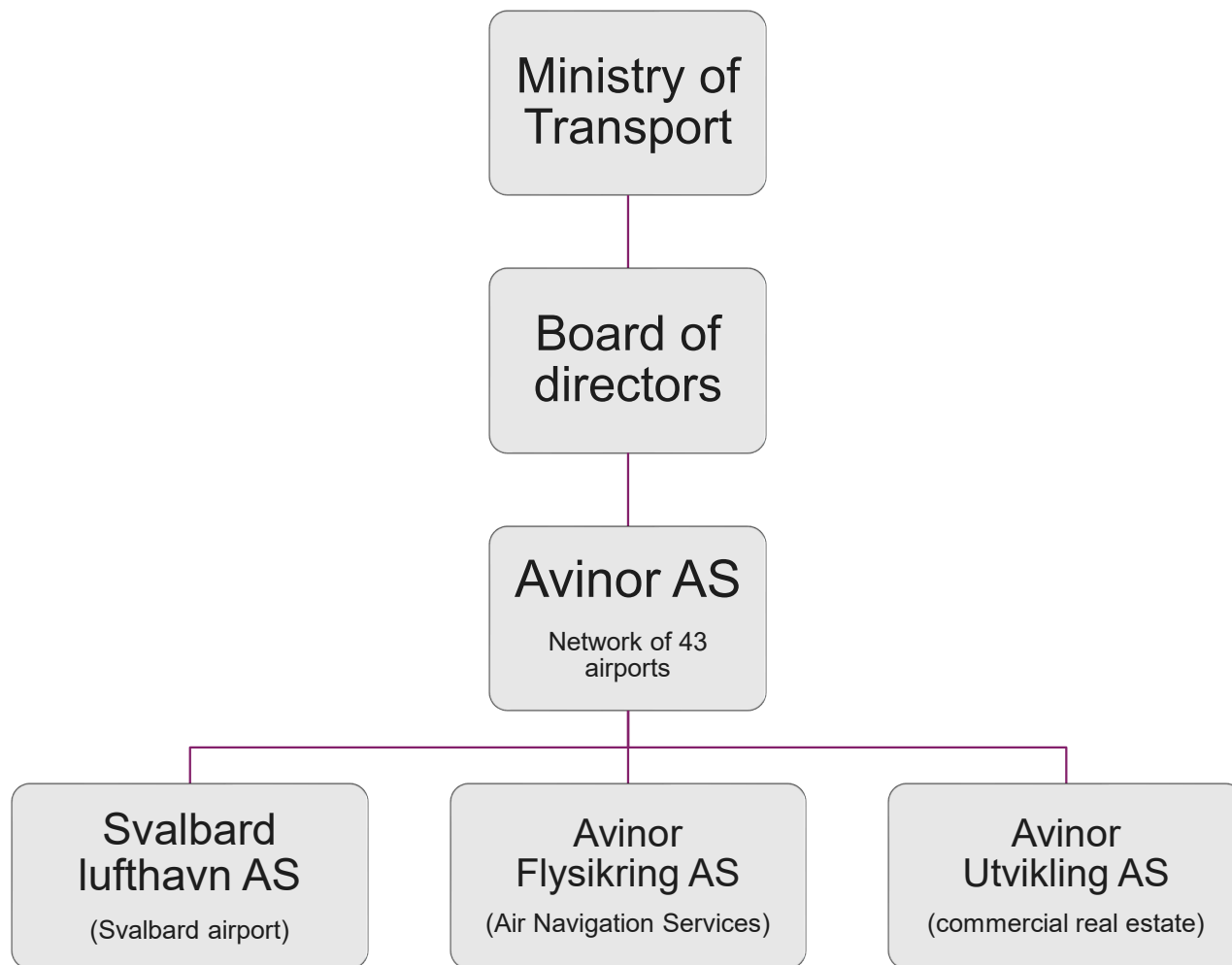


Attractive employer



Financially Sustainable

Ownership and legal structure



Air Navigation Services

Tower operations



Air Traffic Control is provided at large and regional airports (ATC)

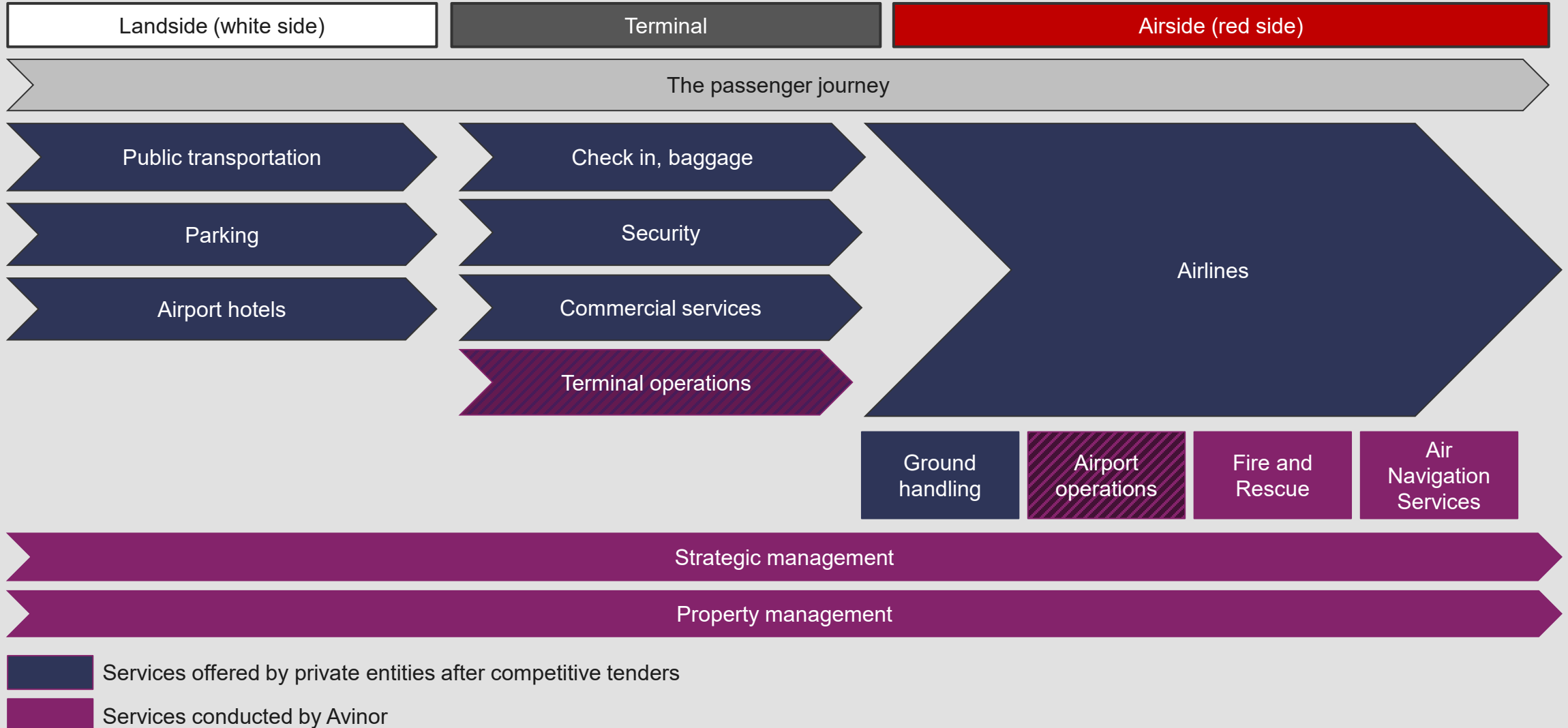
Aerodrome Flight Information Service is provided at Remote Tower Centre and at regional and local airports (AFIS)

Area Control

Polaris ACC: one unit, three locations, four sector groups

- North (Bodø)
- West (Stavanger)
- East (Oslo/Røyken)
- TMA (Oslo/Røyken)

Airport value chain





Ownership policy

The Norwegian state has two ownership categories with specific goals

Category 1

Highest possible return
in a sustainable manner

Category 2

The most sustainable
and efficient possible
attainment of public
policy goals

Examples

DNB
Equinor
Flytoget
Norsk Hydro
Statkraft

Avinor
Bane NOR
Statnett
Statskog
Gassco

The Ministry of Transport - Both regulator and sole shareholder



Shareholder objectives

Avinor serving both civil and military operations

Safe, efficient and sustainable operations

Financial profitability, capital structure and dividends

Regulatory

Airport charges single-till principle

ANS charges
Single European
Sky performance scheme

Other operational regulations
e.g. safety, security

Financial support from Norwegian State during COVID-19



Waiver

**Equity ratio requirement
waived until Dec-2023**



NOK 7.4 bn.

Direct financial grants



NOK 440 mill.

**No instalments in 2020
on state loan**



**No dividend
for
2019 - 2021**

Norway is a country of long distances and challenging topography

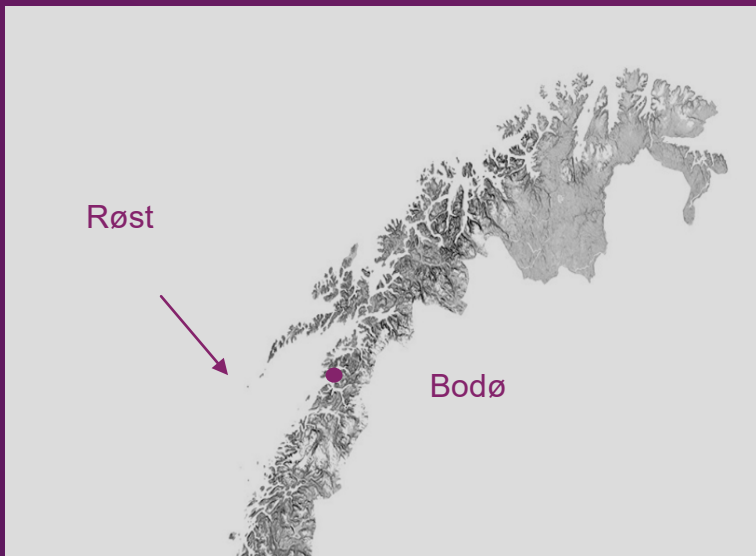
Population 5.5 million
Coastline 2 532 km



Norwegians are **internationally orientated** and **dependent** on aviation

Airports and air navigation services are **key national infrastructure**

Aviation is key
national infrastructure
– a glimpse from Røst
airport



AVINOR

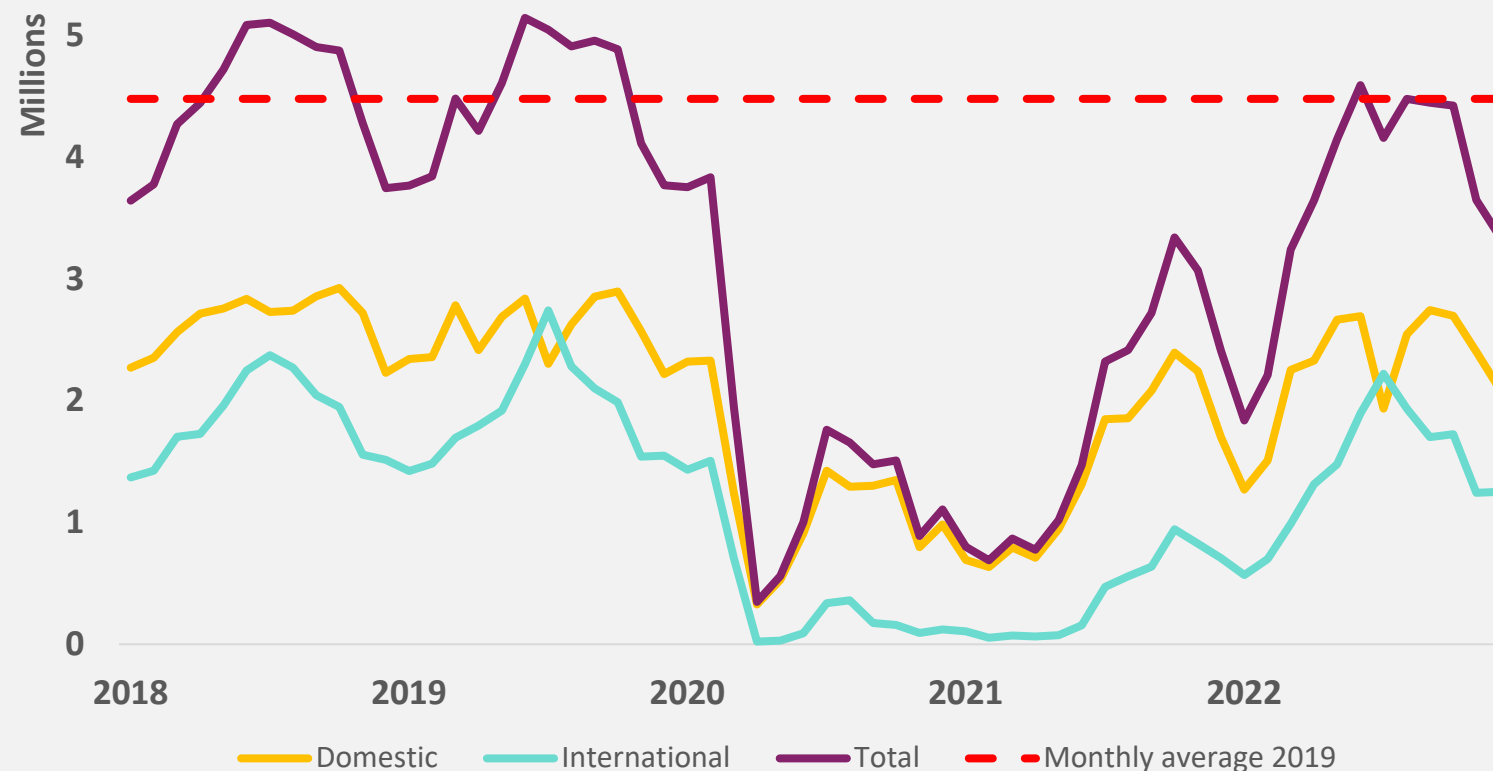
Faster recovery in domestic than international traffic

Russian invasion of Ukraine

- No impact on domestic passenger volumes
- Limited impact on international passenger volumes

Monthly passenger volume

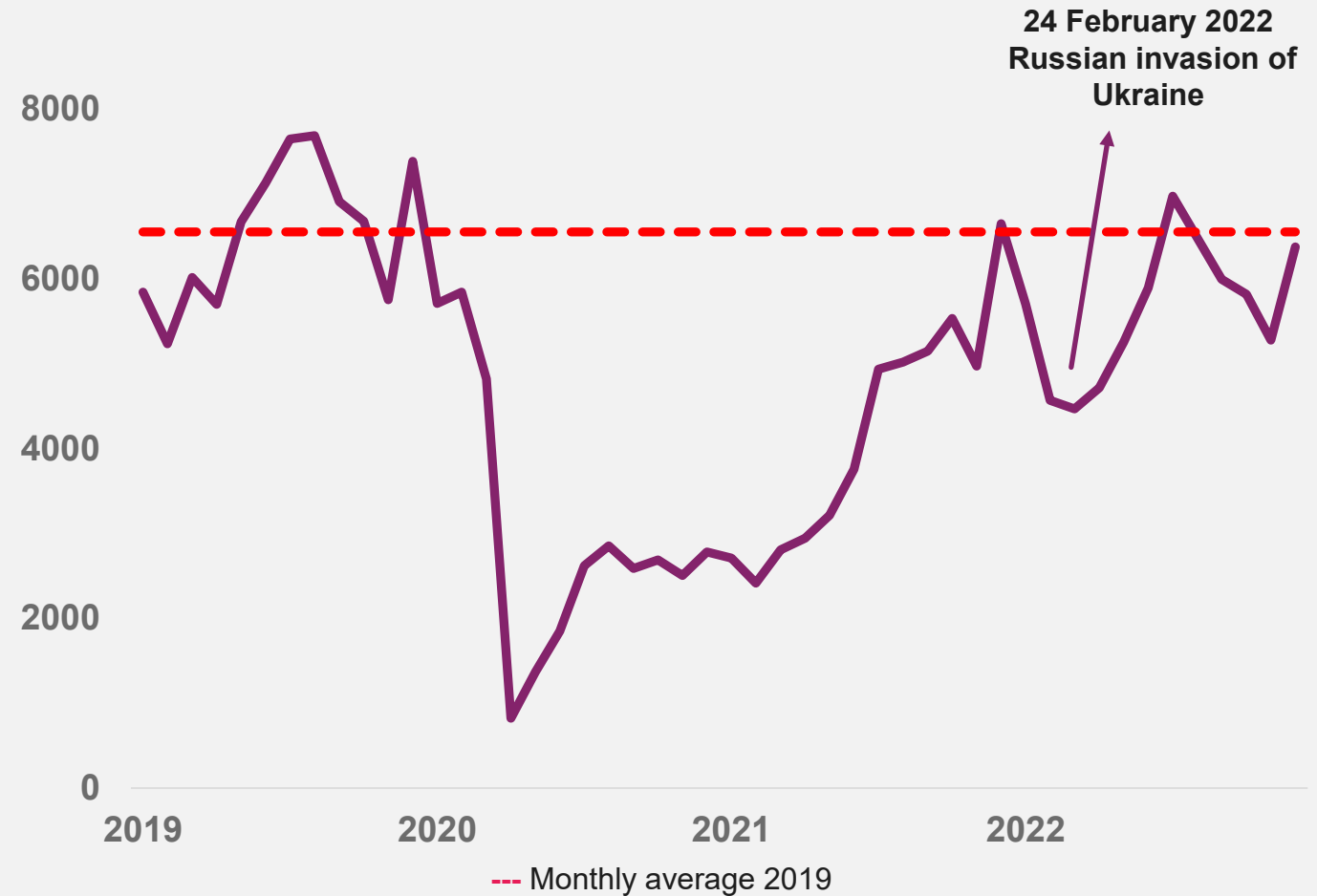
January 2018 – December 2022



No long-lasting
negative impact on
overflights of
Russian invasion of
Ukraine

Monthly overflights in Norwegian airspace

January 2019 – December 2022

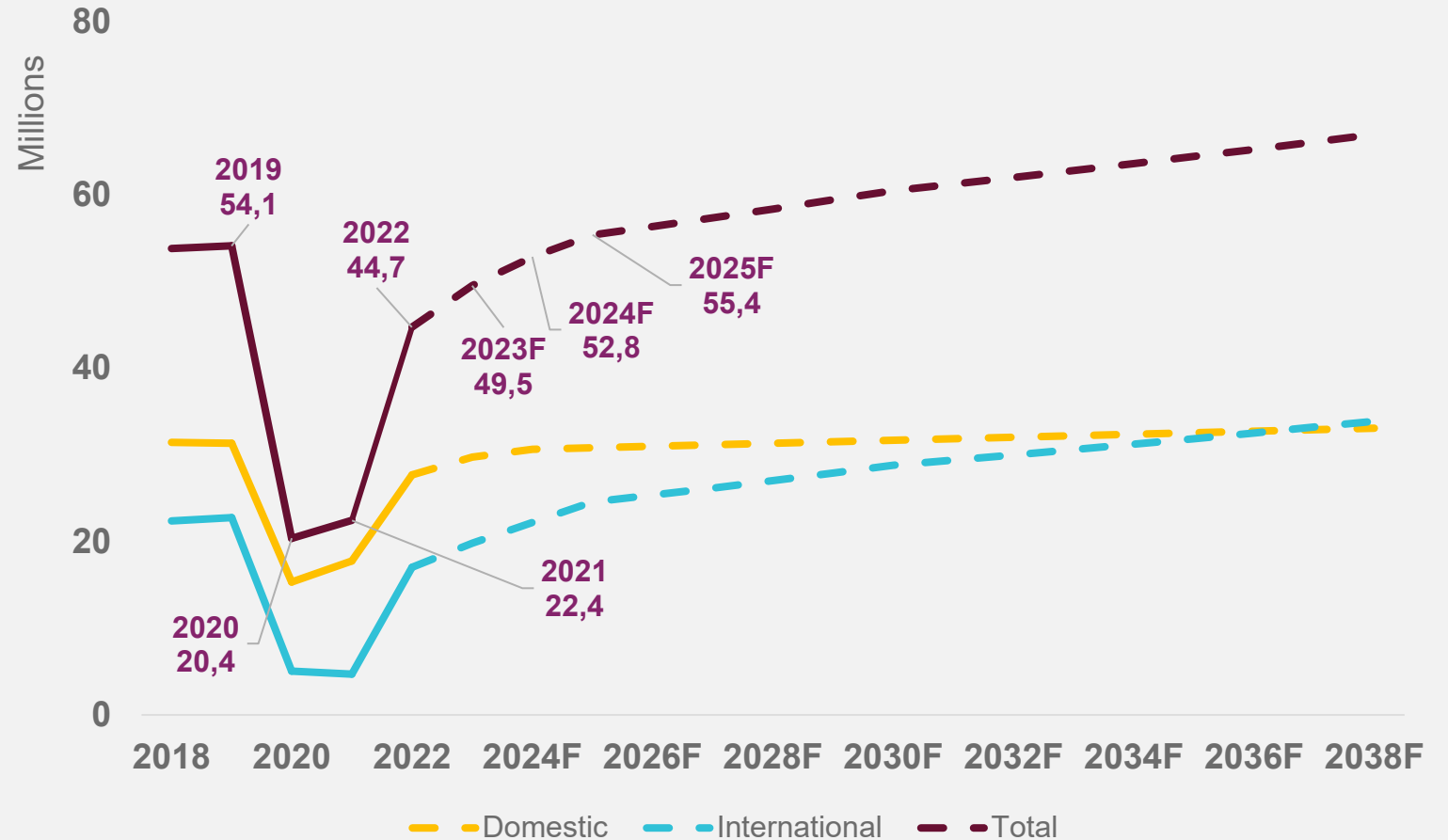


Passenger volumes expected to recover to 2019-levels during 2025

Forecasts for 2023 – 2025 are slightly lower compared to last year's forecast

Forecasted passenger volumes

2018 – 2022. Forecasts until 2038



Covid-19 impact and recovery



NOK 16 bn.
Loss of revenues
2020 - 2022



NOK 10 bn.
Revenue 2022
Down 2 bn. vs. 2019

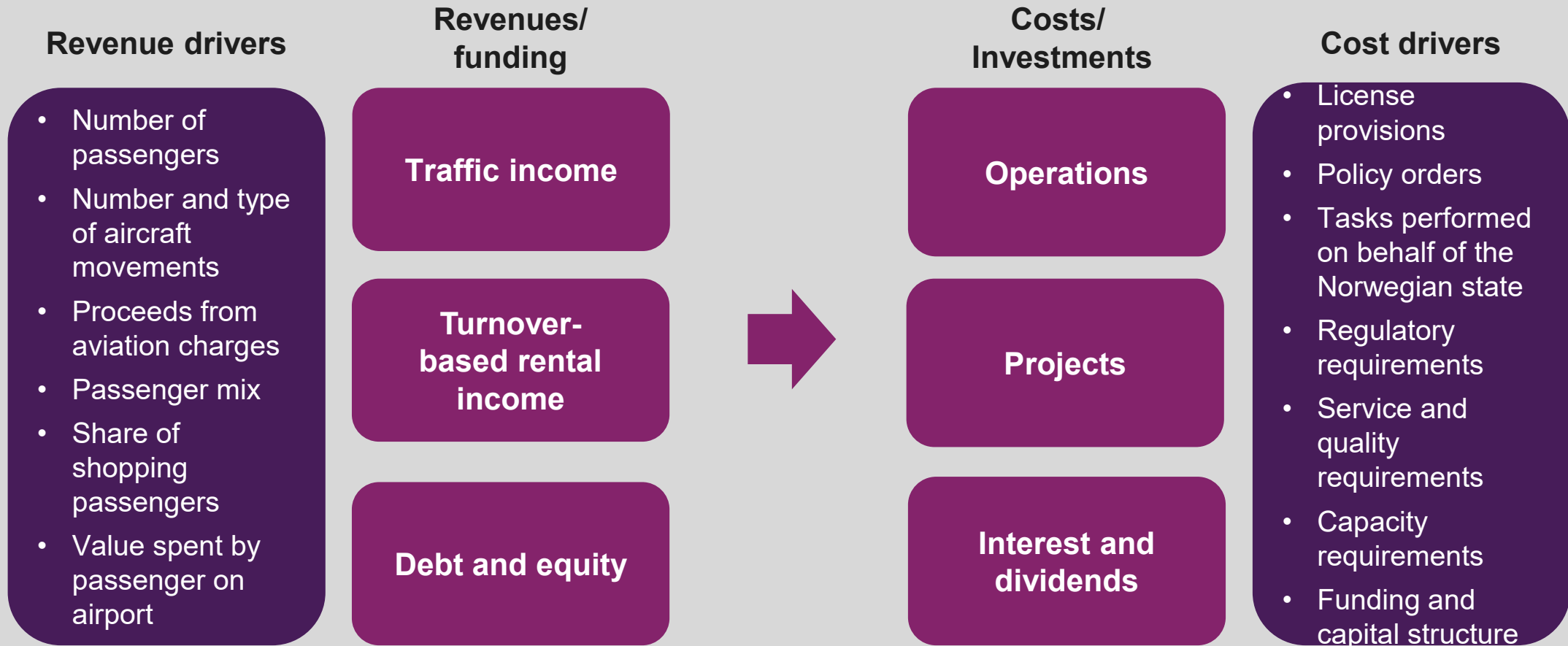


- 17 %
reduction in passengers
2022 vs. 2019



2 new airports
9 remote towers

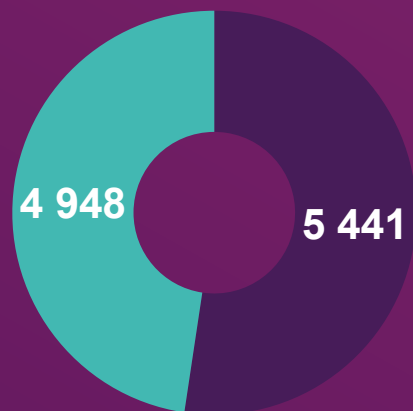
The Avinor financing model



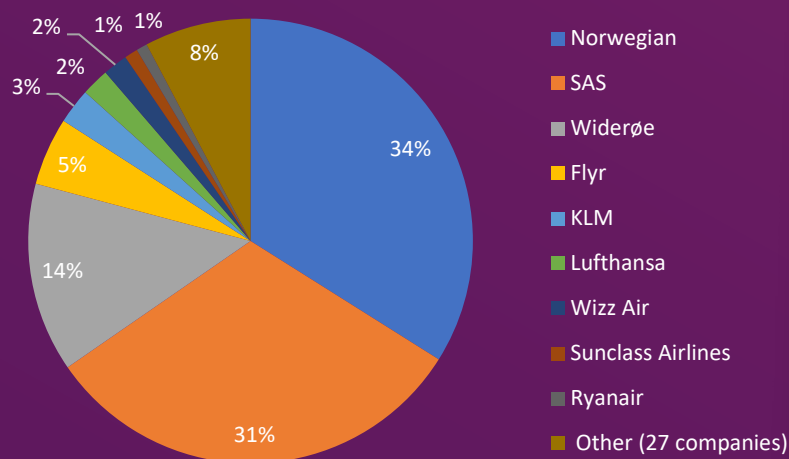
The profitable airports subsidise the unprofitable ones
No financial support from the Norwegian state - except during COVID-19

Revenue distribution

■ Commercial income ■ Traffic income



Airlines number of PAX 2022



Group revenues 2022

(Million NOK)

	2022	2021	2019
Traffic income	4 948	2 923	5 379
Other operating income	5 441	6 391	6 407
Total group income	10 389	9 314	11 785
Total group expenses	7 350	6 289	8 151
EBITDA group	3 039	3 025	3 635
Depreciation / amortization	2 259	2 197	2 172
Net finance income/(expenses)	(258)*	(561)	(563)
Profit/(loss) before tax	522	268	900
Income tax expense	120	60	198
Profit/(loss) after tax	402	208	702

Extraordinary income/expense 0 3 800 (871)

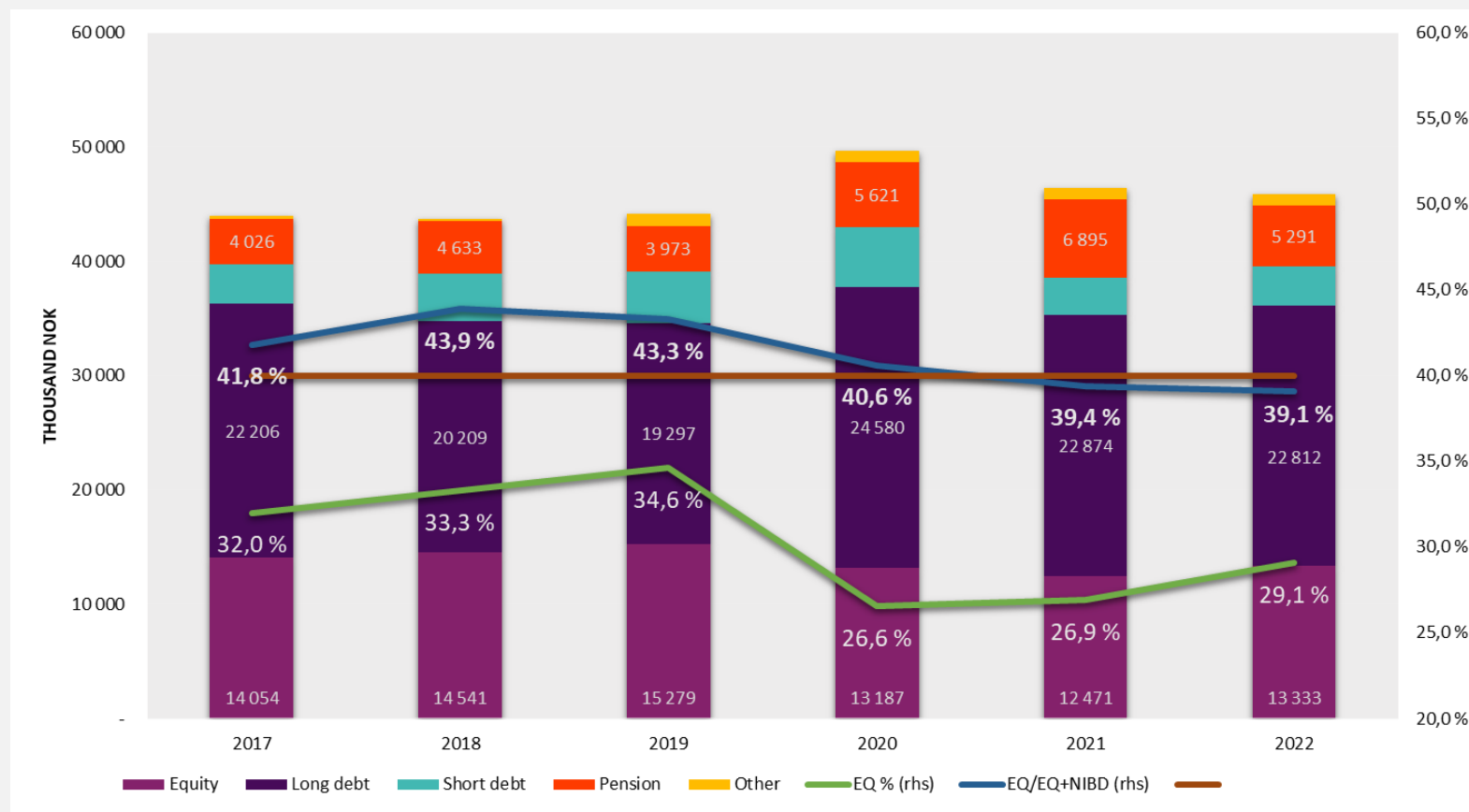
Normalized EBITDA 3 039 1 710 4 506

* Net finance income is including a profit on energy heading appx. NOK 290 million for 2022

Financial highlights

The current waiver (37 %) was granted in December 2022 and is valid to December 2023

Net debt to equity ratio



40.0 % in line with articles of association

Sustainable aviation



Sustainable Aviation Fuel (SAF)

Offered in Oslo since 2016

Norwegian aviation aligned with EU on proposed SAF blending mandate for fuel. 2% in 2025, 5% in 2030, further increase towards 2050.



Electrification of aviation

Ambition to achieve hybrid or fully electrified passenger aircraft by 2026/2027



New sources of energy

Establish charging infrastructure in Oslo, Bergen, Trondheim and Stavanger

Committed investment of NOK 113 million in total



Ambition to make air traffic fossil-free within 2050

Fossil-free aviation is critical for future mobility in general

Avinor fossil-free within 2030 (bio-fuel and electrification)

Ongoing / recently completed sustainable projects



From coal to biogas

New biogas facilities in Svalbard

NOK 35 million investment

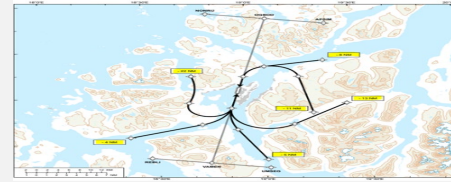
Reduction of CO2 emissions at Svalbard by 94 %



Solar energy

Stavanger airport produces 800 000 kWh per year

NOK 20 million for further investment in 2023/2024



Airspace efficiency

Estimated CO2 reduction of appx. 12 000 - 20 000 tonnes annually (and noise reduction)

Fuel savings for airlines estimated at NOK 70 – 90 millions annually



PFAS

Found at all Avinor airports. Historically used as fire foam

Planning clean up on 14 airports within 7 years

Financial provision of NOK 1 bn. made for future clean up obligations

Large projects



New terminal Tromsø Airport

Expected
completion in
January 2024

10 000 sq meters
Investment
NOK 971 million



FAS

Investing in an
effective and future
orientated ATM
system

- Conflict detection
- Trajectory Based Operations
- Higher degree of automation
- The foundation for considerable
- Efficiency at European level



New airport Mo i Rana

Financed by
Norwegian state
and local support

Estimated opening
in 2027



New airport Bodø

Financed by
Norwegian state,
Bodø municipality
and Avinor

Avinor will
contribute appx.
NOK 2.6 bn.

Estimated opening
in 2029/2030

Rating summary



A1, stable outlook

December 2022

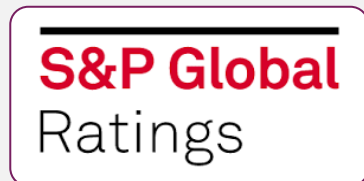
- Four notches uplift due to ownership
- Few other transport alternatives for domestic medium/long distance travel
- Avinor considered important to meet economic, social and political objectives



Moderately negative ESG impact score

September 2022

- Limited credit impact to date
- Carbon transition and related social risk factors to pressure rating over time



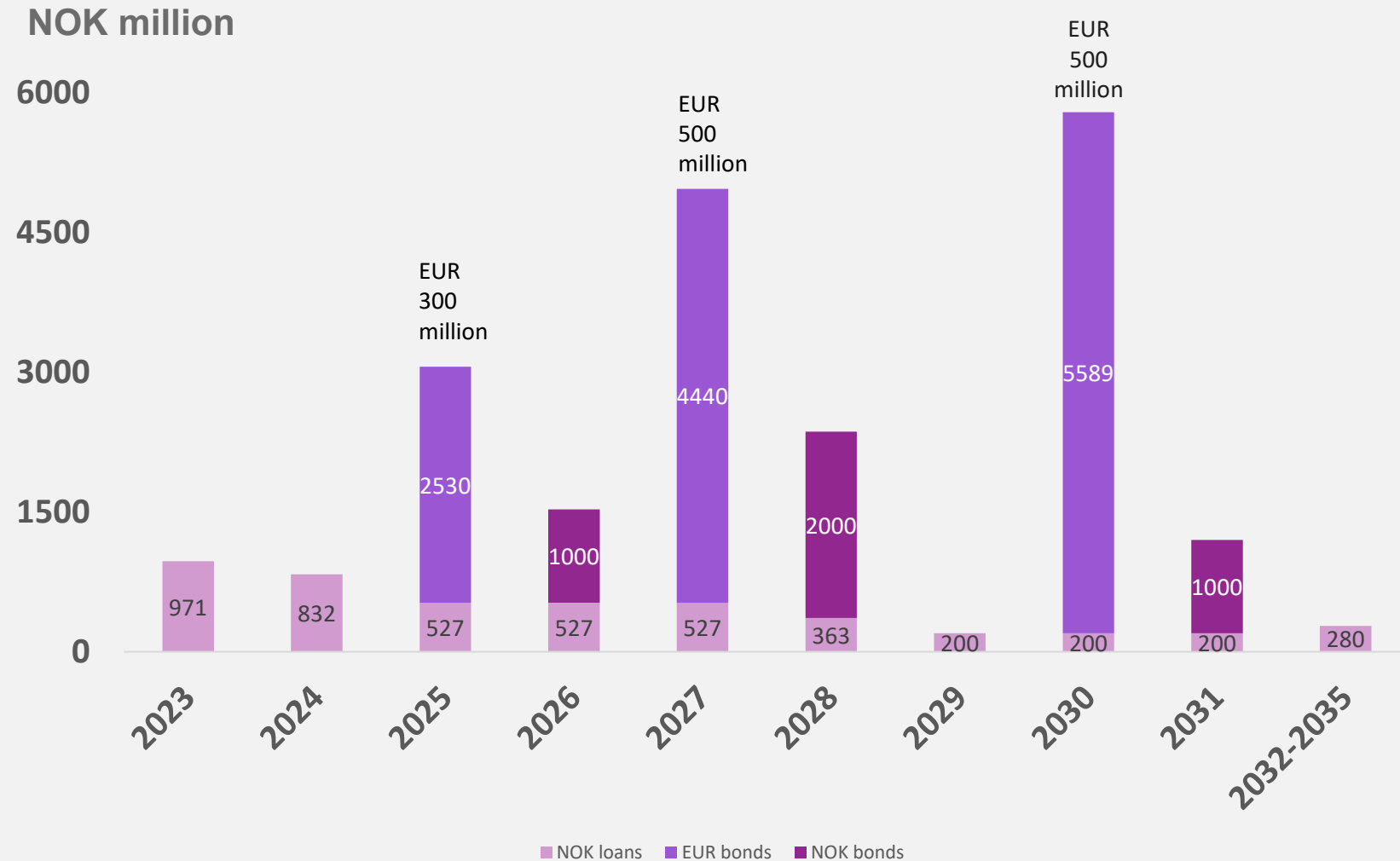
A, negative outlook

February 2022

- A/A-1 long- and short-term rating
- Negative outlook caused by uncertainty in traffic recovery path
- Very high likelihood of sufficient and timely extraordinary support from government if required

All figures in NOK, with
currency rate as of
issue date

Maturity debt profile



Funding

Funding strategy

Eurobonds

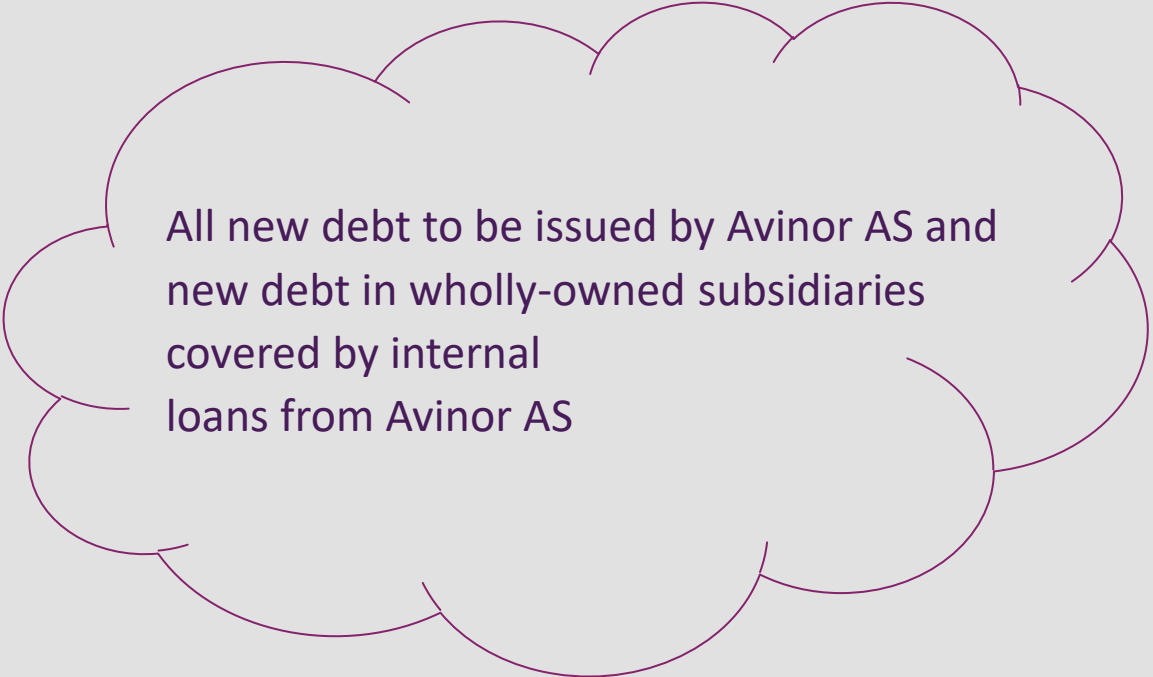
Norwegian bonds

Commercial paper

Projects

- Nordic Investment Bank
- European Investment Bank

Bank loans



All new debt to be issued by Avinor AS and new debt in wholly-owned subsidiaries covered by internal loans from Avinor AS

Summary



Avinor has made a **strong recovery** since the COVID-19 crisis and has almost reached 2019 activity levels

Planned and ongoing projects will ensure Avinor is **prepared to meet future requirements** of the aviation industry and has a competitive offering for the aviation ecosystem

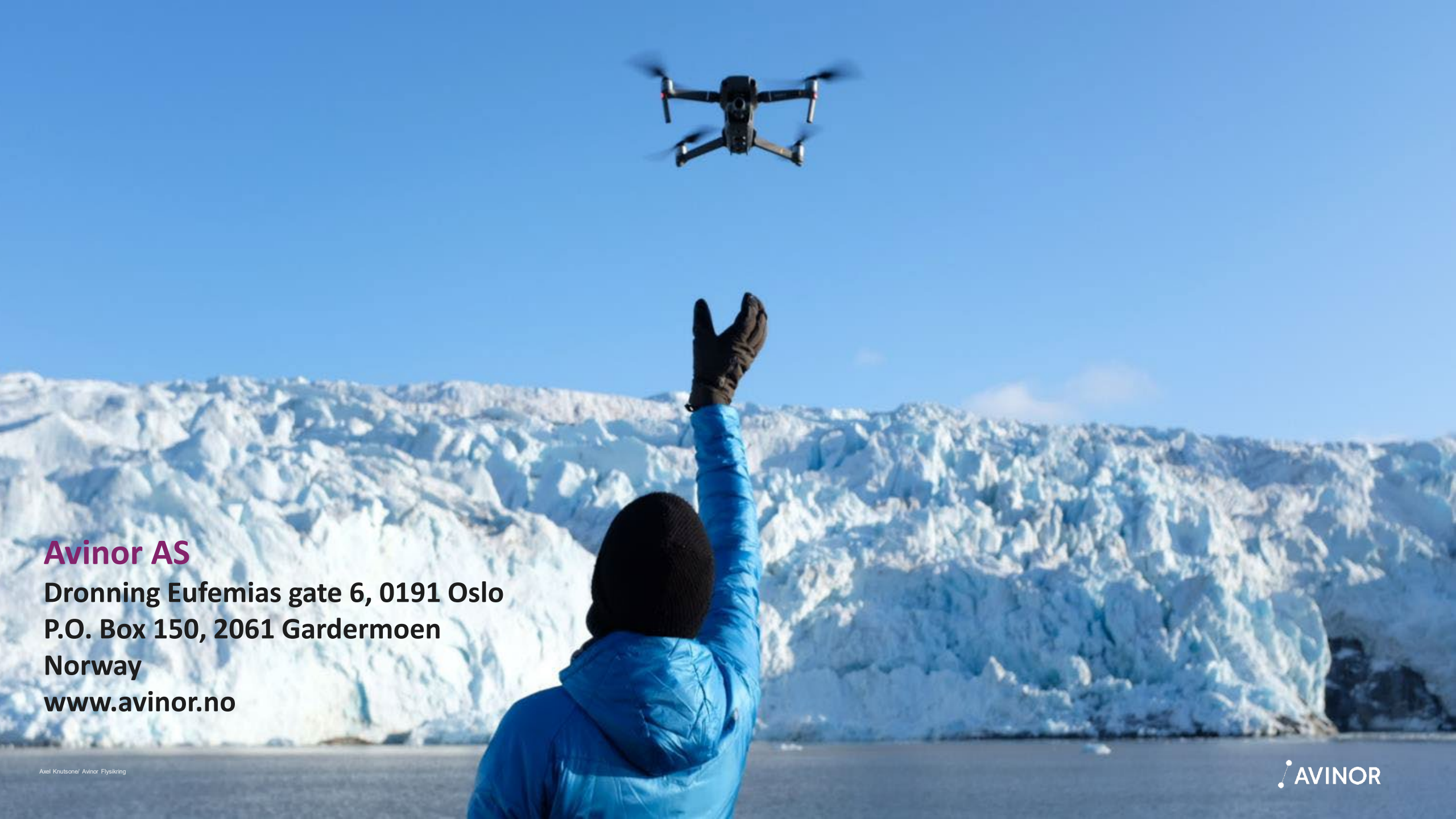
Avinor is **well positioned for the ongoing sustainable transformation** of Norwegian aviation

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