

INTERIM FINANCIAL REPORT

1st quarter 2022



Content

Main figures - Avinor Group	3
Board of Directors' Report	4
Condensed income statement	9
Condensed statement of comprehensive income	10
Condensed balance sheet	11
Condensed statement of changes in equity	13
Condensed statement of cash flows	14
Notes to the interim financial statements	15

About Avinor

Avinor has two primary business areas, operation of a nationwide network of airports, and the national air navigation services for civil and military aviation. In total, this includes 43 airports as well as control towers, control centres and other technical infrastructure for safe air navigation. In addition to the aviation-operative activities, commercial earnings are facilitated through airport hotels, parking facilities, tax-free stores, restaurants and other services for air passengers.

Avinor is a group where the operational activities are partly organised in divisions and in partly in legal entities (subsidiaries). Financially, the overall operations are run as a single aviation system. The air navigation services finance themselves by pricing the services in accordance with international provisions. The Group has approximately 3,000 employees and usually annual operating revenues of NOK 11 billion.

The shares in Avinor AS are wholly owned by the Norwegian state as represented by the Ministry of Transport and Communications.

The Ministry of Transport and Communications manages the Norwegian state's ownership of Avinor, and stipulates e.g. the tasks imposed on the Group to safeguard the general interests of Norwegian society, the required rate of return and dividends. In addition, the Ministry of Transport and Communications regulates the aviation fees. The Ministry of Transport and Communications is the highest authority for Norwegian aviation and also stipulates the Civil Aviation Authority's regulations, which have consequences for Avinor's operations.

Avinor has issued bonds that are listed on the Oslo and Luxembourg Stock Exchange. The Group's corporate governance must adhere to the Oslo Stock Exchange's recommendations for corporate governance to the extent applicable. The principles complement the government's focus on corporate governance in the management of the Norwegian state's shareholdings.

Avinor's head office is located in Oslo.

Avinor Group – Main Figures

Amounts in MNOK

	THREE MONTHS ENDED MARCH		YEAR
	2022	2021	2021
Traffic income	476,3	239,2	1 544,2
Security (cost based)	189,3	54,6	565,1
Sales- and rental income - duty free	277,0	46,0	606,5
Sales- and rental income - parking	144,5	48,7	436,4
Sales- and rental income - other	327,2	198,1	1 155,8
Inter-group income	22,0	22,6	87,6
Total income airport operations	1 436,3	609,1	4 395,6
En route charges	255,1	137,8	813,6
Inter-group income approach and control tower services	171,4	134,9	588,2
Other income	40,5	39,8	173,8
Total income air navigation services	467,0	312,5	1 575,6
Other group income	255,5	1 264,1	4 717,0
Elimination of inter-group income	-398,3	-327,9	-1 374,0
Total group income	1 760,4	1 857,8	9 314,1
Operating expenses airport operations	-1 329,7	-1 148,9	-4 730,9
Operating expenses air navigation services	-483,4	-455,7	-1 823,6
Other operating expenses	-237,7	-189,2	-1 108,3
Elimination of inter-group expenses	398,3	327,9	1 374,0
Total group expenses	-1 652,5	-1 465,8	-6 288,8
EBITDA airport operations	106,6	-539,7	-335,3
EBITDA air navigation services	-16,4	-143,2	-248,1
EBITDA others	17,8	1 074,9	3 608,7
EBITDA group	108,0	392,0	3 025,3
Depreciation, amortisation and impairment charges	-540,6	-544,8	-2 196,6
Operating profit/-loss	-432,7	-152,8	828,7
Net finance income/-costs	-124,6	-175,8	-560,6
Profit/(loss) before income tax	-557,3	-328,6	268,2
Income tax expense	-122,9	-72,2	60,1
Profit/-loss after tax	-434,4	-256,4	208,1
EBITDA-margin airport operations	7,4 %	-88,6 %	-7,6 %
EBITDA-margin air navigation services	-3,5 %	-45,8 %	-15,7 %
EBITDA-margin others	6,1 %	21,1 %	32,5 %
Investments airport operations	373,3	332,6	1 803,2
Investments air navigation services	104,5	75,9	426,6
Investments others	55,0	93,2	343,7
Total investments	532,9	501,7	2 573,5
Distributed dividends	0,0	0,0	0,0
Cash flow before borrowings/repayments	-846,9	-219,5	67,3
Interest-bearing debts (exclusive lease liabilities)	21 970,0	22 700,9	21 858,4
Total assets	45 507,9	45 827,3	46 376,7
Net debt to equity ratio (b)	37,2 %	41,1 %	39,4 %
Number of passengers (in 1000)	7 417,1	2 488,1	22 440,4
Number of aircraft departures (in 1000)	127,0	86,6	462,6
Number of service units (in 1000)	436,0	239,2	1 445,0
Punctuality (a)	86 %	94 %	88 %
Regularity (a)	99 %	99 %	98 %

(a) Past 12 months

(b) Equity as a percentage of total equity and net interest-bearing debt (including interest rate swaps). According to article 5 of the company's Article of Association

Board of Directors' Report

IMPORTANT EVENTS

Air traffic through Avinor's airports was three times higher in the first quarter of 2022 compared to the first quarter of 2021. The number of aircraft movements for the same period increased by 46 per cent. Despite the positive traffic development, the passenger volume is still not more than 60 per cent of the levels before the corona pandemic. Due to the omicron variant of the corona virus, the traffic volumes and commercial income were weak in January and February, while there was a good recovery in March. The outbreak of war in Ukraine on 24 February 2022 has negatively affected the volume of overflights through the Norwegian air space. Closed air space in Ukraine and sanctions between EU/US and Russia entails changes in flight routes.

The government's proposal for revised national budget 2022 was presented on 12 May 2022. The government proposes that Avinor's contribution to the development of a new Airport in Bodø is reduced by NOK 390 million, and that Avinor and the state share the risk of cost overruns between them. Furthermore, it has been taken into account that government grants of NOK 250 million can be given to Avinor in the second quarter of 2022 to the extent it is necessary to secure the groups equity. Based on the signals in the revised national budget, the board will make a renewed assessment of the investment decision for the new airport in Bodø.

Except for reduced overflight traffic through the Norwegian air space, the outbreak of war in Ukraine has not yet had major operational consequences. Avinor has implemented reinforced measures to monitor the situation.

Cold response 2022 was conducted as a multinational military exercise with sea, air and land forces in the period 14 – 31 March 2022. Through good cooperation with Air navigation services, the use of air space reserved for military exercise activity was carried out as planned without regulations for civil aviation during the period.

Negotiations are ongoing regarding joint venture for the new airport in Mo i Rana. The project is awaiting approval for the licence application which has been submitted to the Civil Aviation Authority/Ministry of Transport and Communications, as well as approval from ESA (EFTA Surveillance Authority).

Work is conducted regarding contract strategy and contract basis for a new airport in Bodø. Due to Avinor's financial situation and uncertainties regarding for the future, the decision on development is postponed. The final distribution of funding between the state, Bodø municipality and Avinor is not yet clarified.

The Ministry of Transport and Communications and The Ministry of Defence has requested Avinor to consider taking over the air operator responsibility for Andøya airport when the Armed Forces plans to discontinue using the base for maritime surveillance planes in 2023. Even though the government has signalled increased demand for defence-related use of Andøya, there have so far been no new inquiries from the ministries in this respect.

At the Remote Towers centre in Bodø, there is stable operations for four airports. Application for approval and commissioning of another four airports through 2022 is sent to the Civil Aviation Authority. In

cooperation with Kongsberg Defense and Aerospace, the project is working on further development of remote tower services.

A test system for monitoring and detection of drones in the airspace over Oslo Airport is implemented. A procurement process for a permanent system is started, including options for monitoring of several airports. Several collaborative projects with the industry are underway, where the aim is to offer services in the airspace, which will enable further growth for the drone industry. It is also considered how Avinor's airport infrastructure best can support such a development.

EFTA Surveillance Authority (ESA) approved on 6 April 2022 the Norwegian performance requirements, including en route charges for air navigation services for reference period three, which is valid until 2024. Norway has chosen not to use the option to collect recovery from 2020 and 2021 as a result of the corona pandemic in future aviation charges.

The government has decided on a new study of the need for a third runway at Oslo Airport. An independent committee will be appointed and will submit its report in the autumn of 2023. An overall assessment of future capital needs in Eastern Norway is included in the mandate. Avinor shall not be represented in the committee, but will contribute professionally in the process.

Avinor is still in a challenging financial situation, with a loss after tax of NOK 434 million for the first quarter and an equity ratio of 26.3 per cent. Equity ratio according to paragraph 5 of the articles of association is 37.2 per cent. Cash flow before changes in borrowings was minus NOK 847 million for the first quarter. Upscaling of the activities to adapt to increased traffic volumes is closely monitored against increased operating expenses. The project portfolio is closely assessed and prioritized. Extraordinarily high price increase for building and construction projects represents increased risk for the project portfolio.

In an extraordinary general meeting, held 29 March 2022, the group has been granted a time-limited permit to deviate paragraph 5 of the articles of association. See note 6 for further information.

JANUARY TO 31 MARCH 2022

KEY FINANCIAL FIGURES, 01.01. - 31.03.

MNOK	2022	2021	CHANGE
Operating income	1 760,4	1 857,8	-5,2 %
EBITDA	107,9	392,0	-72,5 %
EBIT	-432,7	-152,8	-183,2 %
Profit/-loss after tax	-434,4	-256,4	-69,4 %
Investments	532,9	501,7	6,2 %

The group had a loss after tax of NOK 434 million in the first quarter of 2022, compared to a loss of NOK 256 million in the first

quarter of 2021. The result for the first quarter of 2021 included Government grants of NOK 1,050 million before taxes.

The Group's balance sheet was reduced by NOK 0.9 billion during the three first months of 2022, ending at NOK 45.5 billion at 31 March 2022. The equity ratio at 31 March 2022 was 26.3 per cent, compared to 26.9 per cent at the end of 2021.

Operating income

Operating income in the first quarter of 2022 amounted to NOK 1,760 million, a decrease of 5.2 per cent compared to the first quarter of 2021. Excluding Government grants in the first quarter of 2021, the operating income increased by NOK 953 million (118 per cent).

OPERATING INCOME PER SEGMENT, 01.01. - 31.01.

MNOK	2022	2021	CHANGE
Airport operations	1 436,3	609,1	135,8 %
Air navigation services	467,0	312,5	49,4 %
Property development and hotels	28,1	26,9	4,3 %
Others (excluding Government Grants)	227,4	187,2	21,5 %
Government grants	0,0	1 050,0	-100,0 %
Elimination	-398,3	-327,9	-21,5 %
Avinor Group	1 760,4	1 857,8	-5,2 %

Within airport operations, there was an increase in passengers of 198 per cent in the first quarter of 2022 compared to the first quarter of 2021. Revenues for airport operations ended for at NOK 1,436 million, an increase of 136 per cent (NOK 827 million) compared to the first quarter of 2021.

Within air navigation services, the traffic volume increased by 82 per cent (measured in terms of service units), while the number of aircraft movements at airports increased by 46 per cent compared to the first quarter of 2021. Operating income for air navigation services increased by 49 per cent to NOK 467 million in the first quarter of 2022 compared to the first quarter of 2021.

Avinor received NOK 1,050 million as a taxable government grant from the state in the first quarter of 2021. No government grant was received in the first quarter of 2022.

Operating expenses, depreciation and amortization, and other items

Total operating expenses for the first quarter of 2022 amounted to NOK 1,653 million, an increase of 12.7 per cent compared to NOK 1,466 million in the first quarter of 2021. The cost development must be seen in connection with the significant increase in traffic volume within both airport operations and air navigation services compared to the corresponding period in 2021.

Total depreciation, amortisation, and write-downs for the first quarter of 2022 amounted to NOK 541 million, the same level as the corresponding period in 2021.

EBITDA and EBIT

EBITDA for the three first months totalled NOK 108 million with an EBITDA margin of 6.1 per cent. In the first quarter of

2021 EBITDA was NOK 392 million.

EBIT for the first quarter of 2022 was NOK 433 million compared to NOK – 153 million for the first quarter of 2021.

Due to Government grants in 2021 and significant variations in traffic volume, quarterly comparisons are of little relevance.

Investments

Recognised additions to tangible fixed assets for the first quarter of 2022 amounted NOK 533 million, which is an increase of 6.2 per cent compared to the corresponding period in 2021. The investments in 2022 are primarily related to projects commenced before the corona pandemic in addition to necessary re-investments.

The investments can be broken down into business areas as follows:

ADDITIONS OF ASSETS UNDER CONSTRUCTION, 01.01 - 31.03.

MNOK	2022	2021	CHANGE
Airport operations	373,3	332,6	40,7
Air navigation services	104,5	75,9	28,6
Property development and hotels	2,4	57,5	-55,1
Joint items, group	24,6	18,0	6,6
Consolidated items	28,0	17,7	10,3
Avinor Group	532,9	501,7	31,2

Cash flow, financing, and commitments

In the first quarter of 2022, the Group's cash flow before changes in borrowings was NOK – 847 million. With a net decrease in borrowings of NOK 12 million (reduction in lease liabilities), the Group's cash reserves decreased by NOK 859 million through the first quarter of 2022.

Interest-bearing liabilities as at the end of the first quarter of 2022 amounted to NOK 22.4 billion, of which NOK 1 billion were current interest-bearing liabilities.

Net finance expenses for the first quarter of 2022 ended at NOK 125 million, a reduction of NOK 51 million compared to finance expenses for the corresponding period in 2021. The group has through 2021 reduced interest-bearing liabilities with in total MNOK 3.4 billion, which explains the reduction in finance expenses.

The Group's total assets at 31 March 2022 amounted to NOK 45.5 billion. Equity was at NOK 12 billion, which gives an equity ratio of 26.3 per cent. Equity as a percentage of the sum of equity and net interest-bearing liabilities (cf. paragraph 5 of the articles of association) amounted to 37.2 per cent. In an extraordinary general meeting, held 29 March 2022, the group has been granted a time-limited permit to deviate from paragraph 5 of the articles of association, down from minimum 40 per cent to a minimum of 35 per cent. The permit from the general meeting is valid until 31 December 2022.

In the first three months of 2022, the Group's book equity was reduced with NOK 520 million. Loss after tax contributed with NOK 434 million, estimate deviations on pension liabilities decreased the equity by NOK 1 million, while changes in value of

financial hedging instruments accounted for a negative effect of NOK 84 million.

At the end of the first quarter of 2022, the Group's cash reserves amounted to NOK 6.1 billion, distributed between NOK 1.8 billion in bank deposits and NOK 4.3 billion in unutilised drawing rights.

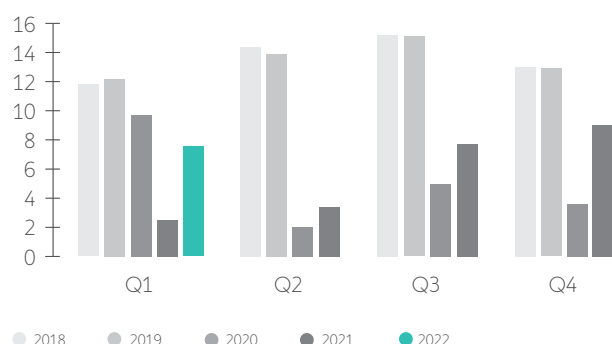
Traffic development and service targets

A total of 7.4 million passengers travelled through Avinor's airports in the first quarter of 2022. This is an increase of 198.1 per cent compared to the first quarter of 2021.

The figure below shows the trend in traffic on a quarterly basis for the period 2018 to 2022:

PASSENGERS

Millions



Domestic traffic in the first quarter of 2022 increased by 137 per cent compared to the first quarter of 2021, while international traffic increased by 855.1 per cent. Offshore helicopter traffic had a decrease of 1.2 per cent.

Passenger volume was distributed between the airports as follows:

NUMBER OF AIR PASSENGERS, 01.01. - 31.03.

PASSENGERS (1000)	2022	2021	CHANGE
Gardermoen	3 442	788	336,7 %
Flesland	1 023	427	139,7 %
Sola	581	228	154,4 %
Værnes	648	229	183,3 %
Others	1 723	816	111,1 %
Avinor group	7 417	2 488	198,1 %

The number of commercial air transport movements in the first quarter of 2022 increased by 46.6 per cent compared to the corresponding period of 2021. Domestic aircraft movements increased by 30.8 per cent, while international aircraft movements increased by 278.9 per cent.

Over the past 12 months, average punctuality was recorded at 86 per cent and average regularity at 99 per cent throughout Avinor's network of airports. The internal targets for punctuality and regularity are 88 per cent and 98 per cent respectively.

AIR SAFETY AND HSE

Subject to investigations that are yet to be completed, in 2022 there were no aviation accidents or serious aviation incidents in which Avinor was instrumental.

The H1 value (frequency of lost-time injuries) for the last 12 months was 2.7 in Avinor AS and 0.0 in Avinor Flysikring AS, while the H2 value (frequency of injuries) was 6.4 in Avinor AS and 0.0 in Avinor Flysikring AS.

Group-wide absence due to illness over the last 12 months amounted to 5.3 per cent.

The campaign "Bother – shout out!", which uses several new instruments in injury prevention is continued. In the first quarter a mobile-based HSE game is launched, where the aim is to raise awareness of personal safety and working environment. More than 1,000 of 1,750 employees in Avinor participated in the game. The campaign yielded good results, among other things the frequency of injuries is more than halved during the last year.

Organizational adjustments has continued in the first quarter, with high level of involvement and participation from employees.

RISK

Risks pertaining to air traffic volumes

Avinor's traffic income is affected by changes in geopolitical conditions, the airlines' route layout, the demand for flights and other factors outside of the Group's control. No special contracts have been established with the airlines that use Avinor's airports, and so airlines have no obligation to maintain set traffic volume levels.

A few airlines account for a substantial proportion of traffic volumes at Avinor's airports. Significant business decisions or financial difficulties in relation to these airlines could have a significant financial impact on Avinor.

Avinor has a high proportion of fixed costs that vary to a limited extent with changes in traffic volumes and capacity utilisation. Consequently, the Group's earnings and financial value are affected by changes in traffic volume.

Earnings from commercial offerings to passengers at the airports are very important to the Group's funding. Changes in traffic volumes will have an impact on the size of these revenues.

The uncertainty regarding the long-term effects of the coronavirus pandemic, including lasting changes in travel habits, affects the group's income and the value of its assets. The war in Ukraine further increases the uncertainty in these estimates.

Risks pertaining to investment activities

The Group has an ongoing investment programme for infrastructure maintenance and adaptation within the operations of airports and air navigation services. The inherent project risk, changes in the economic situation, increases in prices and political guidelines may affect the financial basis for these investments and subsequently the Group's financial position.

There are technical, economic, and regulatory risks associated with development projects.

Credit risk

The Group is exposed to credit risk in relation to airlines and

related activities. There is a risk of airlines being unable to meet their obligations. If airlines are unable to meet their obligations, this could have a significant impact on the Group's business, financial position, and operating profit.

The Group has guidelines for minimising losses. No guarantees have been provided for liabilities that do not belong to companies in the group.

Financial risk

Foreign exchange risk

The Group is exposed to risk with respect to the value of the Norwegian krone against other currencies through income, expenses, and financing in foreign currencies. The exposure to euro is the most significant.

Revenues from en-route navigation services are in euros, while some purchasing contracts are concluded in foreign currencies. The groups financing is exposed to foreign exchange risk, a large portion of the long-term financing is in euro. The foreign exchange risk for borrowings in euro is 100 per cent hedged back to Norwegian kroner.

The group seeks to reduce currency risk by entering into hedging instruments through its banking group in accordance with the group's finance policy.

Interest rate risk

The Group is exposed to interest rate risk through its financing activities.

Liquidity and financing risk

Avinor is dependent on the external financing of development plans and projects in order to meet its financial obligations by their due date as well as to refinance existing debt. In periods there can be uncertainty regarding the availability and pricing of capital markets. For Avinor, the access to capital has been good through various loan markets.

Hedging

Avinor enters into fixed price agreements with Statkraft in order to limit the risk for changes in power prices. For risks related to interest and exchange rates Avinor uses hedging instruments. The value of hedging instruments changes in line with prices in the market and may, to the extent that hedge accounting is not used, affect profit and loss. When investing the Group's surplus cash, emphasis is given to the issuer's solidity and the liquidity of the investment. The Group's liquid assets are deposited in a bank on negotiated terms.

Regulatory risks

The Group's operations are focused on safe air traffic management, with procedures and measures to minimise the risks and consequences of accidents and serious incidents. Developments regarding national and international regulatory issues may have financial consequences for the Group.

Avinor safeguards defined national sectoral policy objectives. The Norwegian state sets guidelines for several conditions, including airport structure, emergency preparedness, aviation fees, and corporate social responsibility. The scope and organisation of sectoral policy guidelines may change over time.

New airport in Bodø

In the national budget for 2022 the financing of a new airport in Bodø, to provide more space for urban development, is mentioned. The new airport will not be financially profitable for Avinor.

In the proposed revised national budget for 2022, the government proposes that the state takes a larger share of the development cost. Avinor's contribution is reduced by NOK 390 million. In addition to the state's contribution, Avinor and the state share the risk of cost overruns between them.

It remains to clarify the consequences of environmental clean-up, adjustments for the Armed Forces, and enter into contracts between the State, Bodø Municipality and Avinor related to the financing.

Pensions

From 1 January 2019 the groups public-sector defined-benefit pension scheme was closed. New employees are from this date enrolled in a private defined-contribution pension scheme. Around 45 per cent of employees at 1 January 2019 were transferred to the new scheme. The public-sector pension scheme changed on 1 January 2020 for those born after 1962. The new scheme bears more resemblance to a private defined-contribution scheme. The transition to the new schemes means that those who have been transferred to the new scheme and those who are still members of the public-sector scheme and who were born after 1962 have been granted a set entitlement based on the rules of the old scheme.

Changes in the pension scheme, with effect from 1 January 2020, does not contain provisions for contractual early retirement pension scheme (AFP) or schemes for employees with special age limits.

There are financial and regulatory risks linked to the calculated pension obligations, where minor changes in the assumptions might have substantial effect on the group equity.

Environmental conditions

Aviation affects the environment both locally and globally. The local environmental impact is primarily related to aircraft noise, air quality, and water and ground contamination. The global impact is primarily related to greenhouse gas emissions.

Greenhouse gas emissions from aviation affect the reputation of the industry and may impact national and international regulations. Avinor has for a period of time implemented measures in order to reduce greenhouse gas emissions from own operations and is also working to reduce the greenhouse gas emissions from the airline traffic. Assessments are conducted about how government and other stakeholders' expectations are on Avinor's works with and reports on sustainability/esg. This includes assessments on EU taxonomy and Task force on Climate-related Financial Disclosures.

The airports have discharge permits that require risk assessments of acute pollution that represents a risk of damage to the external environment. Work is continuing on reducing the risk of incidents that harm the environment occurring, at the same time as existing pollution is being surveyed and cleaned up. Environmentally hazardous additives (PFAS) in fire-extinguishing foam which have dispersed into the environment around the airports have been detected. Future clean-up costs are dependent on regulatory requirements, methods for clean-up, quantities and prices. The Norwegian Environment Agency has issued an order for measures at some airports and an overall order for the remaining airports. See note 10 for further information.

EFSA, the European Food Safety Authority, has issued new stricter limits on PFAS related to human health. The Norwegian authorities are now considering the impact of this on the

ongoing management of PFAS contaminants in Norway. There is a risk that the Norwegian Environment Agency will impose stricter clean-up requirements at Avinor's airports, and that more pollution will need to be addressed than has previously been indicated.

OUTLOOK

The coronavirus pandemic has had a major negative effect on the entire aviation industry with a demanding financial challenge for all players. The primary focus at Avinor has been to ensure continuity and continuous operations during this period. Operations have been adapted to a reduced traffic volume. A gradual increase in traffic from 2022 onwards is expected. There is however still great uncertainty regarding the traffic. The war in Ukraine increases the uncertainties in the forecasts for travel activity and income for overflights through the Norwegian air space.

The group's strategic priorities, including the level of costs and investments, will be adjusted to a long-term situation for the aviation. Through the updated group strategy work is conducted to clarify which goals and ambitions to work towards in the period 2022 to 2025. One of several aims is to ensure the group's financial solvency in the short and long term.

Mobility and efficient air transport are essential for social development, as well as for the growth of the Norwegian travel industry and businesses. New technology will change aviation as we know it today. Avinor's social mission means that the group shall facilitate further development and expected changes in air traffic.

Avinor is aware of the challenges the group faces when combining growth and greenhouse gas emissions in sustainable value creation. Aviation shall contribute to development and restructuring within Norwegian society and business. At the same time, the aviation industry is dependent on innovation and technological improvements to reconcile the goals of emission reductions and expected traffic growth.

The need to strengthen equity and liquidity will be central to Avinor's action plans going forward.

The war in Ukraine has so far had limited operational consequences for Avinor. A combination of unsafety, reduced purchase power, energy crisis and economic downturn might in the future lead to reduced traffic and income. New variants of the corona virus might also impact aviation.

Oslo, 13 May 2022
Board of Directors of Avinor AS

CONDENSED INCOME STATEMENT

Amounts in MNOK

		FIRST QUARTER		YEAR
	NOTE	2022	2021	2021
Operating income:				
Traffic income		920,7	431,6	2 922,9
Government grants		0,0	1 050,0	3 800,0
Other operating income		839,8	376,2	2 591,3
Total operating income	4	1 760,4	1 857,8	9 314,1
Operating expenses:				
Raw materials and consumables used		31,2	23,2	204,8
Employee benefits expenses		927,8	917,3	3 562,7
Other operating expenses		693,5	525,3	2 521,3
Total operating expenses		1 652,5	1 465,8	6 288,8
EBITDA		107,9	392,0	3 025,3
Depreciation, amortisation and impairment charges	5	540,6	544,8	2 196,6
Operating profit/-loss		-432,7	-152,8	828,7
Finance income		13,7	9,3	29,7
Finance expenses		138,3	185,0	590,3
Net finance income/-expenses		-124,6	-175,8	-560,6
Profit/-loss before income tax		-557,3	-328,6	268,2
Income tax expense	2	-122,9	-72,2	60,1
Profit/-loss after tax		-434,4	-256,4	208,1

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Amounts in MNOK

	FIRST QUARTER		YEAR
	2022	2021	2021
Profit/-loss for the period	-434,4	-256,4	208,1
Other comprehensive income:			
Items that will not be reclassified to profit or loss in subsequent periods:			
Actuarial gains/-losses on post employment benefit obligations	-0,6	708,5	-1 245,1
Tax effect	-0,6	-155,6	274,0
Items that may be subsequently reclassified to profit or loss:			
Cash flow hedges	-107,9	99,4	60,6
Tax effect	23,7	-21,9	-13,3
Other comprehensive income, net of tax	-85,4	630,4	-923,9
Total comprehensive income	-519,8	374,0	-715,8
Attributable to:			
Owner of parent	-519,8	374,0	-715,8

CONDENSED BALANCE SHEET

Amounts in MNOK

		31 MARCH		YEAR
	NOTE	2022	2021	2021
ASSETS				
Non-current assets				
Intangible assets:				
Deferred tax assets		2 343,3	1 904,4	2 197,0
Other intangible assets	5	449,1	407,0	453,9
Intangible assets under construction	5	716,5	618,6	724,0
Total intangible assets		3 508,8	2 930,0	3 374,9
Property, plant and equipment:				
Property, plant and equipment	5	32 647,2	32 917,6	32 414,6
Assets under construction	5	4 448,1	3 925,5	4 662,7
Right of use assets	5	553,7	418,1	568,4
Total property, plant and equipment		37 649,0	37 261,2	37 645,7
Financial assets:				
Derivative financial instruments	9	1 214,0	1 435,9	1 381,3
Other financial assets		190,0	174,5	184,7
Total financial assets		1 404,0	1 610,4	1 566,1
Total non-current assets		42 561,8	41 801,6	42 586,6
Current assets				
Inventories		29,5	33,9	32,9
Trade and other receivables		1 016,8	688,9	1 043,9
Derivative financial instruments	9	101,3	5,9	56,0
Cash and cash equivalents	10	1 798,6	3 297,1	2 657,4
Total current assets		2 946,2	4 025,7	3 790,1
TOTAL ASSETS		45 507,9	45 827,3	46 376,7

CONDENSED BALANCE SHEET

Amounts in MNOK

		31 MARCH		YEAR
	NOTE	2022	2021	2021
EQUITY AND LIABILITIES				
Equity				
Share capital		5 400,1	5 400,1	5 400,1
Other equity		6 551,3	8 161,0	7 071,1
Total equity		11 951,4	13 561,1	12 471,2
Liabilities				
Provisions:				
Retirement benefit obligations	7,10	6 941,2	4 948,8	6 895,1
Other provisions	10	941,3	985,0	945,8
Total provisions		7 882,5	5 933,8	7 840,9
Non-current liabilities				
State loan	8,9	749,8	1 194,2	749,8
Other non-current loans	8,9	20 231,8	21 275,2	20 747,3
Derivative financial instruments	9	1 310,8	775,9	851,1
Lease liabilities	8,9	513,4	380,5	525,3
Total non-current liabilities		22 805,8	23 625,7	22 873,6
Current liabilities				
Trade payables		388,9	232,5	500,4
Public duties payable		215,7	155,6	296,9
Derivative financial instruments	9	8,6	5,6	12,5
First annual installment on long-term liabilities	8,9	891,5	891,5	891,5
Lease liabilities	8,9	63,5	56,9	63,4
Other current liabilities		1 300,1	1 364,7	1 426,3
Total current liabilities		2 868,2	2 706,7	3 191,0
Total liabilities		33 556,5	32 266,2	33 905,4
Total equity and liabilities		45 507,9	45 827,3	46 376,7

CONDENSED STATEMENT OF CHANGES IN EQUITY

Amounts in MNOK

	SHARE CAPITAL	OTHER RESERVES	OTHER EQUITY	TOTAL EQUITY
Balance at 1 January 2021	5 400,1	-2 254,9	10 041,9	13 187,1
Total comprehensive income		630,4	-256,4	374,0
Balance at 31 March 2021	5 400,1	-1 624,5	9 785,5	13 561,1
Balance at 1 January 2022	5 400,1	-3 178,8	10 249,9	12 471,2
Total comprehensive income		-85,4	-434,4	-519,8
Balance at 31 March 2022	5 400,1	-3 264,2	9 815,5	11 951,4

CONDENSED STATEMENT OF CASH FLOWS

Amount in MNOK

		THREE MONTHS ENDED MARCH		YEAR
	NOTE	2022	2021	2021
Cash flow from operating activities				
Profit/(loss) before income tax		-557,3	-328,6	268,2
Depreciation, amortisation and impairment charges		540,6	544,8	2 196,6
(Profit)/loss on disposals of non-current assets		-1,5	-6,3	6,2
Changes in value and other losses/(gains)		-44,5	-36,2	-88,7
Net finance (income)/costs		124,6	175,8	560,5
Change in inventories, trade receivables and trade payables		-0,9	18,9	-111,9
Difference between post employment benefit expense and amount paid/received	7	51,7	36,4	27,6
Change in other working capital items		-281,8	148,3	356,6
Interest received		6,4	6,8	26,1
Income tax paid		0,0	0,0	14,7
Net cash flow from operating activities		-162,7	559,8	3 255,9
Cash flow from investing activities				
Investments in property, plant and equipment (PPE)		-517,6	-549,1	-2 543,1
Proceeds from sale of PPE, incl assets under construction		2,8	8,0	21,8
Change in other investments		-3,2	10,1	21,3
Net cash flow from investing activities		-518,0	-530,9	-2 500,0
Cash flow from financing activities				
Repayment of borrowings	8	-11,9	-2 501,4	-3 427,8
Interest paid		-166,2	-248,4	-688,6
Net cash flow from financing activities		-178,1	-2 749,7	-4 116,4
Net increase/-decrease in cash, cash equivalents and bank overdrafts				
Net increase/-decrease in cash, cash equivalents and bank overdrafts		-858,8	-2 720,9	-3 360,5
Cash, cash equivalents and bank overdrafts at the beginning of the period		2 657,4	6 017,9	6 017,9
Cash, cash equivalents and bank overdrafts at the end of the period	8	1 798,6	3 297,1	2 657,4

NOTES TO THE INTERIM FINANCIAL STATEMENTS

NOTE 1 General information

Avinor AS and subsidiaries (together 'the group') own, manage and develop aviation infrastructure and systems by facilitating safe and efficient aviation. The group also renders services within the same areas together with other activities to support the group's main business, including commercial development of the business and airport areas. The Avinor group's headquarters are located in Oslo.

The interim financial statements for the first quarter of 2022 were approved by the Board of Directors on 13 May 2022. The interim financial information has not been audited.

NOTE 2 Basis of preparation and accounting policies

The interim financial statement for the Avinor group for the first quarter of 2022, ended 31 March 2022, has been prepared in accordance with International Financial Reporting Standards (IFRS) and encompass Avinor AS and all subsidiaries. The interim financial information has been prepared in accordance with IAS 34 Interim financial reporting. The interim financial information should be read in conjunction with the annual financial statement for the year ended 31 December 2021. The accounting policies are consistent with those of the annual financial statement.

Income tax expense in the interim financial statements

The income tax expense is calculated using the expected annual effective tax rate. Expected annual effective tax rate is 22 per cent.

The group expects that a taxable profit at year end will be netted against tax losses carry forward. The calculated income tax expense for the interim period is therefore booked against deferred tax assets in the balance sheet.

NOTE 3 Segment information

Amount in MNOK

THREE MONTHS ENDED MARCH 2022:

	OSLO AIRPORT	BERGEN AIRPORT	STAVANGER AIRPORT	TRONDHEIM AIRPORT	OTHER AIRPORTS	TOTAL AIRPORT OPERATIONS
Traffic income	290,2	97,9	69,1	56,0	152,4	665,6
Government grants	0,0	0,0	0,0	0,0	0,0	0,0
Other income	454,0	80,1	58,9	48,1	107,7	748,7
Inter-segment income	1,3	0,1	2,1	0,9	17,7	22,0
Total income	745,4	178,1	130,0	104,9	277,8	1 436,3
Employee benefits expenses	122,6	28,9	23,3	24,5	191,1	390,4
Other operating expenses	259,9	53,2	35,0	25,6	217,6	591,3
Inter-segment expenses	93,5	33,4	28,5	22,4	170,2	348,1
Total expenses	476,0	115,4	86,9	72,6	578,9	1 329,7
EBITDA	269,4	62,7	43,2	32,4	-301,1	106,6
Depreciation, amortisation and impairment charges	222,9	77,9	31,2	27,6	111,0	470,5
Operating profit/-loss	46,6	-15,2	12,0	4,8	-412,1	-364,0
Assets*	16 375,2	5 142,2	1 646,0	1 606,0	6 147,8	30 917,2

THREE MONTHS ENDED MARCH 2022 CONTINUED:

	TOTAL AIRPORT OPERATIONS	AIR NAVIGATION SERVICES	PROPERTY DEV. AND HOTELS	OTHERS	ELIMINATION	TOTAL
Traffic income	665,6	255,1	0,0	0,0		920,7
Government grants	0,0	0,0	0,0	0,0		0,0
Other income	748,7	40,5	22,7	27,8		839,8
Inter-segment income	22,0	171,4	5,4	199,5	-398,3	0,0
Total income	1 436,3	467,0	28,1	227,4	-398,3	1 760,4
Employee benefits expenses	390,4	361,9	0,0	175,5		927,8
Other operating expenses	591,3	89,5	0,9	43,0		724,7
Inter-segment expenses	348,1	31,9	0,2	18,2	-398,3	0,0
Total expenses	1 329,7	483,4	1,1	236,6	-398,3	1 652,5
EBITDA	106,6	-16,4	27,0	-9,3		108,0
Depreciation, amortisation and impairment charges	470,5	35,9	9,2	25,1		540,6
Operating profit/-loss	-364,0	-52,2	17,9	-34,3		-432,7
Assets*	30 917,2	858,6	962,7	357,8		33 096,3

* Inclusive other intangible assets, exclusive assets under construction.

THREE MONTHS ENDED MARCH 2021:

	OSLO AIRPORT	BERGEN AIRPORT	STAVANGER AIRPORT	TRONDHEIM AIRPORT	OTHER AIRPORTS	TOTAL AIRPORT OPERATIONS
Traffic income	93,2	51,3	37,0	23,8	88,5	293,8
Government grants	0,0	0,0	0,0	0,0	0,0	0,0
Other income	159,6	26,4	23,0	19,5	64,3	292,8
Inter-segment income	1,7	0,0	2,0	0,9	18,0	22,6
Total income	254,6	77,6	62,0	44,2	170,7	609,1
Employee benefits expenses	115,1	27,7	23,9	22,0	185,9	374,5
Other operating expenses	158,7	40,1	26,6	25,0	227,9	478,4
Inter-segment expenses	85,2	28,3	23,7	18,6	140,3	296,0
Total expenses	359,0	96,1	74,2	65,5	554,1	1 148,9
EBITDA	-104,4	-18,5	-12,2	-21,3	-383,3	-539,7
Depreciation, amortisation and impairment charges	238,0	75,1	29,9	26,9	107,9	477,8
Operating profit/-loss	-342,4	-93,6	-42,1	-48,3	-491,3	-1 017,6
Assets*	16 670,9	5 328,2	1 709,6	1 650,5	6 154,6	31 513,7

THREE MONTHS ENDED MARCH 2021 CONTINUED:

	TOTAL AIRPORT OPERATIONS	AIR NAVIGATION SERVICES	PROPERTY DEV. AND HOTELS	OTHERS	ELIMINATION	TOTAL
Traffic income	293,8	137,8	0,0	0,0		431,6
Government grants	0,0	0,0	0,0	1 050,0		1 050,0
Other income	292,8	39,8	21,6	22,0		376,2
Inter-segment income	22,6	134,9	5,4	165,1	-327,9	0,0
Total income	609,1	312,5	26,9	1 237,2	-327,9	1 857,8
Employee benefits expenses	374,5	344,9	0,0	197,9		917,3
Other operating expenses ¹⁾	478,4	79,0	4,9	-13,8		548,5
Inter-segment expenses	296,0	31,7	0,6	-0,4	-327,9	0,0
Total expenses	1 148,9	455,7	5,5	183,7	-327,9	1 465,9
EBITDA	-539,7	-143,2	21,4	1 053,5		391,9
Depreciation, amortisation and impairment charges	477,8	31,4	8,3	27,2		544,8
Operating profit/-loss	-1 017,6	-174,6	13,1	1 026,3		-152,7
Assets*	31 513,7	701,5	716,7	392,6		33 324,6

* Inclusive other intangible assets, exclusive assets under construction.

1) Other operating expenses includes a net reduction in losses on accounts receivable of NOK 67.3 million as of 31 March 2021.. This is distributed with NOK 0.7 million in the segment Air Navigation Services and NOK 66.6 million in the segment Others.

NOTE 4 Operating income*Amounts in MNOK*

Revenue from contract with customers (IFRS 15) include all traffic income and part of other operating income, see specification below.

Traffic income, except for the en route charges, is distributed to the segments under airport operations. The en route charges are allocated in its entirety to the segment Air Navigation Services. See note 3.

Government Grants

Government grants are recognised in accordance with IAS20 Accounting for Government Grants and Disclosure of Government Assistance. Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

The grants are considered receivable and given for the purpose of providing immediate financial support without future associated expenses or future conditions attached to it.

Government grants are presented on a separate line in the income statement.

SPESIFICATION	FIRST QUARTER		YEAR
	2022	2021	2021
Traffic income			
Takeoff charges	203,4	123,9	692,8
Terminal charges	176,4	56,7	525,1
En route charges	255,1	137,8	813,6
Security charges	189,3	54,6	565,1
Terminal navigation charges	96,6	58,6	326,4
Total traffic income	920,7	431,6	2 922,9
Government grants	0,0	1 050,0	3 800,0
Other operating income			
Revenue from contracts with customers:			
Duty free	9,0	0,6	12,1
Parking	0,0	0,1	0,2
Other	163,3	133,2	709,6
Total revenue from contracts with customers	172,4	133,9	721,9
Rental income:			
Duty free	268,0	45,4	594,4
Parking	144,5	48,6	436,2
Other	254,9	148,3	838,8
Total rental income	667,4	242,4	1 869,3
Total other operating income	839,8	376,2	2 591,3
Total income from contracts with customers	1 093,0	565,4	3 644,8
Total rental income	667,4	242,4	1 869,3
Government grants	0,0	1 050,0	3 800,0
Total operating income	1 760,4	1 857,8	9 314,1

NOTE 5 Property, plant and equipment and other intangible assets

Amount in MNOK

	OTHER INTANGIBLE ASSETS	PROPERTY, PLANT AND EQUIPMENT	ASSETS UNDER CONSTRUCTION	RIGHT OF USE ASSETS	TOTAL
At 31 March 2021					
Opening net book amount	407,5	33 320,8	4 171,7	431,5	38 331,5
Additions	11,7	117,6	501,7	0,0	631,0
Reclassification	0,0	0,0	-129,3	0,0	-129,3
Disposals	0,0	-1,7	0,0	0,0	-1,7
Depreciation charge	-12,2	-519,2	0,0	-13,4	-544,8
Closing net book amount	407,0	32 917,6	4 544,1	418,1	38 286,6
At 31 March 2022					
Opening net book amount	453,9	32 414,6	5 386,7	568,4	38 823,6
Additions	9,4	745,7	532,9	0,0	1 287,9
Reclassification	0,0	0,0	-754,9	0,0	-754,9
Disposals	0,0	-1,3	0,0	0,0	-1,3
Depreciation charge	-14,2	-511,7	0,0	-14,7	-540,6
Closing net book amount	449,1	32 647,2	5 164,6	553,7	38 814,7

NOK 716.5 million of assets under construction is classified as intangible as at 31 March 2022 (NOK 618.6 million as at 31 March 2021).

Impairment tests - measurement of recoverable amount

The corona pandemic has had major negative effects on Avinor and significantly affected the number of air passengers and the group's revenues in 2020 and 2021. The outbreak of war in Ukraine and the consequences it has in the world markets increases the uncertainties regarding expectations for future income.

The negative effects are already considered as impairment indicators for the group's cash-generating units (airport operations and air navigation services). Consequently management has performed updated impairment tests at the end of the first quarter of 2022 that take into account new information and updated forecasts.

Uncertainty regarding the long-term effects of the pandemic, environmental risks, tensions in the world markets as a result of the war in Ukraine and the regulation of Avinor's revenues, increase the sensitivity to the assumptions used in the impairment assessments.

The group's cash-generating units (airport operations and air navigation services) are regulated infrastructure business where a decrease in traffic in the short / medium term normally not will entail need for impairments. However, the uncertainty regarding the long-term changes in travel habits might lead to impairment of assets.

The group operates in its entirety in Norway and the present value of future cash flow is therefore estimated in NOK. The future cash flow is then discounted based on a weighted average discount rate relevant for the group's type of operations.

The uncertainty regarding traffic forecasts is high. Hence, Avinor has relied on different scenarios in determining cash flows in the impairment assessments.

The most important assumptions used in the impairment tests as of 31 March 2022 are described below, and represent the most updated assessment of probable outcome:

KEY ASSUMPTIONS	AIRPORT OPERATIONS	AIR NAVIGATION SERVICES
Key assumptions		
Operating margin 2022	9,5 %	2,4 %
Operating margin 2027	21,6 %	7,2 %
Revenues in 2022 in % of 2019 *	76,0 %	101,2 %
Revenues in 2027 in % of 2019 *	98,2 %	121,7 %
Operating expenses 2022 in % of 2019 *	73,5 %	95,5 %
Operating expenses in 2027 in % of 2019 *	87,9 %	96,5 %
Eternal growth in terminal value	2,0 %	2,0 %
Post-tax rate of return requirement	5,1 %	4,7 %

* 2019 the last normal year before the pandemic. Changes includes expected growth in consumer price index.

Cash flows in the first year in the measurement period is based on the management's best estimate. Cash flows for years 2 - 6 are calculated based on management approved forecasts, which are based on current regulations and updated forecasts for air traffic volume, related commercial revenues and cost level. In the estimate for charges, an expectation of regulation of the charges in accordance with consumer price index through the entire measurement period is assumed. Furthermore, for airport charges a cashflow in year 6 that provides a return on invested capital equal the required rate of return is assumed. Airport charges are regulated according to the overall system (cross-subsidization between airport charges and commercial income for all airports as a whole), which indicates a regulation giving Avinor, over time, a result margin corresponding to the required rate of return. Airport charges are based on current regulations. Aviation fees are assumed regulated based on level of costs. Cash flow from year 6 onwards is extrapolated with an eternal growth of 2.0 per cent based on expectations in future travel activity and inflation. The expectations are based on Avinor's own assessments as well as analysis from reputable industry- and analysis organizations. In Norway, aviation is in a strong position, with long distances and population structure and topography that indicate long-term growth.

The required rate of return used for the cash generating units are assessed at the end of the first quarter of 2022 based on the market expectations for risk-free interest rates, debt interest rates as well as assessments of required rate of return for equity for this type of business.

Impairment tests – results

The results of the impairment tests show that the value in use exceeds the book value of assets by NOK 4,250 million for airport operations and NOK 700 million for air navigation services. Consequently, no impairment loss has been recognized at the end of the first quarter of 2022.

Impairment tests - sensitivity analyses

At the time of approval of the first quarter 2022 statements there is still uncertainty regarding how the ripple effects of the pandemic, increased focus on environment and sustainability and the war in Ukraine will affect future travel activity. Should managements current estimates and assumptions not be met, it could lead to significant impairment losses.

Sensitivity analyses has been carried out that represent different scenarios based on changes in the assumptions to which the impairment tests are most sensitive. The analyses have been prepared to illustrate the uncertainty in the management's assessments.

The sensitivity to changes in operating margin, income, terminal growth and post-tax rate of return is summarised in the table below:

IMPAIRMENT TESTS - RESULTS	AIRPORT OPERATIONS		AIR NAVIGATION SERVICES	
	VALUE IN USE	IMPAIRMENT	VALUE IN USE	IMPAIRMENT
Change in assumption				
Operating margin: -1,0 %	39 100	0	1 900	0
Operating margin: - 2,0 %	36 700	200	1 300	450
Income: - 1,0 %	38 900	0	1 800	0
Income: -2,0 %	36 700	200	1 150	600
Terminal growth: -0,5 %	35 550	1 350	2 000	0
Terminal growth: -1,0 %	31 350	5 550	1 650	100
Post-tax rate of return: +0,5 %	35 300	1 600	1 950	0
Post-tax rate of return: +1,0 %	30 900	6 000	1 550	200

NOTE 6 Capital structure and equity

Amount in MNOK

	31 MARCH		YEAR
	2022	2021	2021
Interest bearing debt (see note 8)	22 449,9	23 798,2	22 977,3
Interest swaps liabilities (see note 9)	1 310,8	775,9	851,1
Interest rate swaps assets (see note 9)	-1 214,0	-1 435,9	-1 381,3
Lease liabilities	-576,8	-437,3	-588,7
Cash and cash equivalents	-1 798,6	-3 297,1	-2 657,4
Net interest bearing debt - exclusive lease liabilities	20 171,4	19 403,8	19 201,0
Equity	11 951,4	13 561,1	12 471,2
Total equity and net interest bearing debt - exclusive lease liabilities	32 122,8	32 964,9	31 672,2
Net debt to equity ratio*	37,2 %	41,1 %	39,4 %

* Equity as a percentage of total equity and net interest bearing debt - exclusive lease liabilities (according to article 5 of the company's Article of Association).

Article 5 of the company's Articles of association lays down the following financial limitation: "Long-term borrowings for the funding of long-term assets may only be raised within a limit which ensures that the group's equity does not fall at any time below 40 per cent of the carrying amount of the group's net long-term interest-bearing debt plus equity". Lease liabilities are not included in the net interest-bearing debt when the calculating net debt to equity ratio set in the Articles of association. In an extraordinary general meeting, held 29 March 2022, the group was given a time-limited permit to deviate from the equity ratio set in the articles of association. For the period until 31 December 2022 the equity ratio is adjusted from 40 to 35 per cent. See note 10 for further information.

In addition, there are covenants on some of the debt issued by Avinor. The covenant is a net debt to equity ratio of at least 30 per cent. Lease liabilities are included in the net interest-bearing debt in this calculation of the net debt to equity ratio.

At the time of approval of the first quarter 2022 report, Avinor complies with all equity covenants.

NOTE 7 Pensions

Amount in MNOK

Avinor bases its calculation of pension liabilities on updated assumptions for pension obligations published by the Norwegian Accounting Standards Board. The latest update of assumptions for pension obligation were as of 31 December 2021.

The following assumptions have been used to calculate the group's pension liabilities:

	31 MARCH		YEAR
	2022	2021	2021
Discount rate	1,90 %	2,00 %	1,90 %
Future return on plan assets	1,90 %	2,00 %	1,90 %
Future salary increases	2,75 %	2,25 %	2,75 %
Future pension increases	1,75 %	1,25 %	1,75 %
Future increases in the social security base rate (G)	2,50 %	2,00 %	2,50 %

PENSION OBLIGATION

	31 MARCH		YEAR
	2022	2021	2021
Net pension obligation at 1 January	6 895,1	5 621,0	5 621,0
Pension cost (exclusive employee contribution)	110,2	100,6	393,5
Employer/employee contribution	-64,9	-64,3	-364,6
Actuarial gains/losses	0,8	-708,5	1 245,1
Net pension obligation at the end of the period	6 941,2	4 948,8	6 895,1

In addition to the pension cost in the table above there is a cost of NOK 54.9 million as at 31 March 2022 related to employees that have transitioned to a defined contribution pension scheme (NOK 38.7 million as at 31 March 2021) and NOK 6.9 million related to the private AFP scheme (early retirement) (NOK 6.3 million as at 31 March 2021).

NOTE 8 Borrowings and lease liabilities

Amount in MNOK

	31 MARCH		YEAR
	2022	2021	2021
Long term borrowings and lease liabilities	21 495,0	22 849,8	22 022,5
Short term borrowings and lease liabilities	954,9	948,3	954,8
Total	22 449,9	23 798,2	22 977,3
Movement in borrowings and lease liabilities			
Opening net book amount	22 977,3	27 598,9	27 598,9
Repayment of borrowings	0,0	-2 490,0	-3 381,5
Repayment of lease liabilities	-11,9	-11,4	-46,2
Net changes in borrowings with cash flow effect	-11,9	-2 501,4	-3 427,7
Other changes in lease liabilities	0,0	0,0	186,3
Change in value ¹⁾	-515,5	-1 299,3	-1 380,1
Closing net book amount	22 449,9	23 798,2	22 977,3

1) Parts of the loan portfolio is in euros. The strengthening of the Norwegian krone during the first quarter of 2022 and all of 2021 results in reduced debt in Norwegian kroner during the period. The change in debt is offset, Avinor has purchased currency hedging instruments for the entire debt in foreign currency.

LIQUIDITY RESERVES

	31 MARCH		YEAR
	2022	2021	2021
Cash and cash equivalents	1 798,6	3 297,1	2 657,4
Unused bank overdraft	300,0	600,0	300,0
Unused credit facility	4 000,0	4 000,0	4 000,0
Total	6 098,6	7 897,1	6 957,4

The group has an internal objective of having a liquidity reserve, including drawing facilities, corresponding to at least 12 months' forecasted liquidity requirements, including repayment of borrowings. The internal objective is met at the end of the first quarter of 2022.

NOTE 9 Financial instruments

Amounts in MNOK

Fair value estimation

The fair value of foreign exchange forward contracts and financial power forward contracts is based on market value at the balance sheet date. The fair value estimation of all interest rate swaps is collected from the groups treasury system and checked against fair value estimates from the main bank connection.

The carrying amount of cash and bank overdrafts is approximately equal to the fair value due to the short maturity of these instruments. Similarly, the carrying amount of trade payables is approximately equal to fair value as they are entered into under "normal" conditions. This also applies to accounts receivables except for customer relationships where there are significant overdue, unpaid outstanding and where outstanding receivables are valued at fair value. The fair value of long-term debt is based on quoted market prices or on the interest rates for debt with corresponding terms and similar credit risk. The fair value of commercial papers equals principal amount.

Below is a comparison of the carrying amounts and fair values of the group's interest-bearing debt.

FAIR VALUE ESTIMATION

	31 MARCH 2022		31 MARCH 2021	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Interest-bearing debt				
State loan	1 194,2	1 194,6	1 638,6	1 655,9
Bonds	16 352,7	16 483,8	16 949,1	18 230,6
Bank borrowings	4 326,1	4 385,5	4 773,2	5 064,5
Lease liabilities	576,8	576,8	437,3	437,3
Total	22 449,9	22 640,7	23 798,2	25 388,3

DERIVATIVE FINANCIAL INSTRUMENTS

	31 MARCH		YEAR
	2022	2021	2021
Assets			
Interest rate swaps	1 214,0	1 435,9	1 381,3
Forward foreign exchange contracts	6,5	2,6	2,8
Forward energy contracts	94,8	3,3	53,2
Total assets	1 315,2	1 441,8	1 437,4
Liabilities			
Interest rate swaps	1 310,8	775,9	851,1
Forward foreign exchange contracts	8,6	5,6	12,5
Forward energy contracts	0,0	0,0	0,0
Total liabilities	1 319,4	781,5	863,5

Fair value hierarchy

The tables below show financial instruments at fair value by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3))

The following table presents the group's assets and liabilities that are measured at fair value at 31 March 2022:

AT 31 MARCH 2022	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial assets at fair value through profit or loss	94,8	6,5		101,3
Derivatives used for hedging		1 214,0		1 214,0
Total assets	94,8	1 220,5	0,0	1 315,2
Liabilities				
Financial liabilities at fair value through profit or loss		3 466,2		3 466,2
Derivatives used for hedging		1 310,8		1 310,8
Total liabilities	0,0	4 777,0	0,0	4 777,0

The following table presents the group's assets and liabilities that are measured at fair value at 31 March 2021:

AT 31 MARCH 2021	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial assets at fair value through profit or loss	3,3	2,6		5,9
Derivatives used for hedging		1 435,9		1 435,9
Total assets	3,3	1 438,5	0,0	1 441,8
Liabilities				
Financial liabilities at fair value through profit or loss		4 702,9		4 702,9
Derivatives used for hedging		775,9		775,9
Total liabilities	0,0	5 478,8	0,0	5 478,8

NOTE 10 Contingencies and estimates

Equity according to the articles of association

Article 5 of the company's Articles of association lays down the following financial limitation: "Long-term borrowings for the funding of long-term assets may only be raised within a limit which ensures that the group's equity does not fall at any time below 40 per cent of the carrying amount of the group's net long-term interest-bearing debt plus equity". Lease liabilities are not included in the net interest bearing debt when the calculating net debt to equity ratio set in the Articles of association.

In an extraordinary general meeting, held 29 March 2022, the group was given a time-limited permit to deviate from the equity ratio set in the articles of association. For the period until 31 December 2022 the equity ratio is adjusted from 40 to 35 per cent.

The management has already taken measures and is on a running basis considering additional measures to implement to ensure compliance with the equity ratio set in the articles of association. Measures considered includes additional cutting in costs and investments, sale of assets and increased aviation charges.

External environment

According to assignment from the Norwegian Environment Agency a preliminary survey of possible external environment obligation attached to PFOS pollution on all of Avinor's airports (with the exception of Evenes airport, Kristiansand airport, Oslo airport and Svalbard airport where there are already ongoing cases) have been carried out in 2019. There is established responsibility for clean-up of pollution on 32 localities.

Based on action plans approved by the Norwegian Environment Agency for comparable locations, the clean-up cost is estimated to NOK 920 million on the 32 locations in question in addition to responsibilities on other locations. Based on this, a provision of NOK 871.2 million was made in the second quarter of 2019. The total provision related to external environment clean-up costs as of 31 March 2022 amounts to NOK 940.1 million.

Experiences from the clean-up at Evenes Airport and the preparation of action plans for clean-up at Bergen Airport and Rørvik Airport shows that the clean-up at the Avinor airports might be more costly than previously estimated, if traditional clean-up methods consisting of excavation, transport and disposal at approved landfills are used. New knowledge and documentation for alternative methods shows that it is possible to clean up several airports at lower costs if the environmental agencies approve such methods. In addition, there are still uncertainties related to limit values for clean-up, areas and volumes of soil that is contaminated and the Norwegian Environment Agency's requirements for clean-up. Avinor works actively to reduce the uncertainties by better defining the pollutants, maintaining a close dialogue with actors who can offer more cost-effective methods and piloting new methods. There is a close dialogue with the Norwegian Environment Agency about the further handling of the framework and the opportunity space using more cost-effective clean-up methods going forward.

At the moment there is not enough data to quantify the uncertainty in terms of amounts. A project has been launched in 2022 that will provide Avinor with more information on accounting effects and uncertainty. The provision related to external environment clean-up will be updated in future accounting periods when more information is available.

New act on public occupational scheme

The new Act on public occupational pension scheme, with effect from 1 January 2020, was adopted by the Norwegian Parliament (Stortinget) in June 2019. The accounting consequences of the new law are, to the extent there are sufficient basis, recorded as of 31 March 2022. Regulation related to a new AFP scheme and special retirement pension are not included in the new law. Therefore, the full accounting consequences of the new law cannot be calculated until the final regulation have been adopted.

Insurance settlement parking garage Stavanger Airport

The parking garage at Stavanger Airport was damaged in a fire on 7 January 2020. In 2020 Avinor received a preliminary insurance settlement, this was presented as a reduction of the impairment charge and demolition expenses of the assets that were considered lost as a result of the fire.

The parking garage was fully insured, and the insurance covers the cost of rebuilding a similar building in accordance with current regulations. The building of a new parking garage started in January 2022. Expected completion of the parking garage is in the summer of 2023.

Avinor is in dialogue with the insurance company regarding the insurance settlement, but the final financial and accounting consequences of the fire will not be known until the insurance settlement is fully completed.

War in Ukraine

The conflict between Ukraine and Russia affects the world economy, the aviation industry, and might also affect the Avinor group in the time ahead.

Norway and other countries have imposed multiple sanctions against Russia, amongst others are Russian airlines banned from the countries air spaces. In addition to inability to fly to or over certain countries, the conflict leads to increased prices on several input factors which again might lead to increased prices on air travel (amongst others fuel, insurance prices, costs related to increased security). The conflict might lead to reduced travel activity, which directly affects the revenues for Avinor.

At the time of the approval of the report for the first quarter of 2022, it is too early to predict the full effects the conflict might have for the Avinor group. The situation is monitored on a running basis.

NOTE 11 Events after the reporting period

Age pension

The Norwegian Parliament has adopted new principles for regulation of age pension from 2022 and forward. Age pension will be regulated with the average of price- and salary growth in the society, while previously the age pension was regulated with salary growth subtracted a factor of 0.75. The new principles were approved by the King in Council 1 April 2022 and have consequently not been applied until the second quarter of 2022.

Revised national budget 2022

The government's proposal for revised national budget 2022 was presented on 12 May 2022. It has been taken into account that government grants of NOK 250 million can be given to Avinor in

the second quarter of 2022 to the extent it is necessary to secure the groups equity. Furthermore, the government proposes that Avinor's contribution to the development of a new Airport in Bodø is reduced by NOK 390 million, and that Avinor and the state share the risk of cost overruns between them. Based on the signals in the revised national budget, the board will make a renewed assessment of the investment decision for the new airport in Bodø.



AVINOR AS
Org.nr. 985 198 292
Dronning Eufemias gate 6
0191 Oslo

Postboks 150
2061 Gardermoen

avinor.no