

INTERIM FINANCIAL REPORT

1st quarter 2024



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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 2,700 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

	JANUARY-MARCH		YEAR
	2024	2023	2023
Income airport operations *	2 151	1 991	9 676
Income air navigation services *	554	504	2 214
Other incom, others and eliminations	(199)	(39)	(376)
Total group operating income	2 507	2 456	11 514
EBITDA group **	322	460	3 559
Group profit/loss after tax	(376)	(336)	304
Total assets	47 519	46 826	47 814
Equity	13 353	12 836	13 461
Equity/total assets **	28,1 %	27,4 %	28,2 %
Net debt to equity ratio **	38,5 %	37,4 %	39,2 %
Number of passengers (in 1000)	10 807	10 441	49 015
Number of aircraft departures (in 1000)	139	145	624
Number of service units (in 1000)	544	499	2 329
Punctuality **/**	83 %	78 %	83 %
Regularity **/**	98 %	99 %	99 %

* Traffic income, commercial income and inter-segment income

** See further description and calculation in the appendix "Alternative performance measures"

*** Past 12 months

Board of Directors' Report

HIGHLIGHTS

From January to March 2024, a total of 10.8 million passengers travelled through Avinor's airports. This is an increase of 3.5 per cent compared to the corresponding period in 2023.

The group's revenues for the quarter amounted to NOK 2 507 million, an increase of 2.1 per cent compared to the first quarter of 2023. The increase in traffic income and commercial income for the same period was 7.2 per cent.

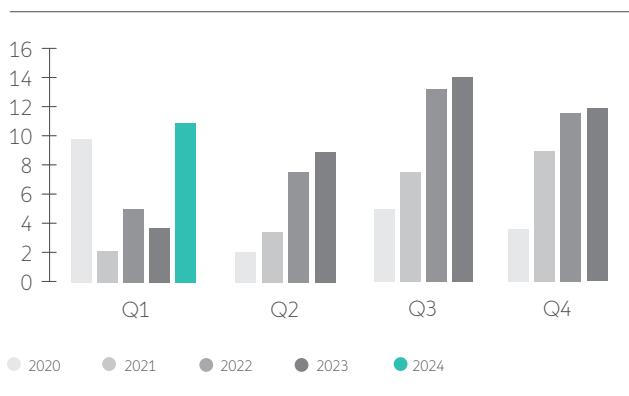
The first three months of 2024 have been characterized by winter operations. Several airports have for shorter periods of time temporarily been closed for departures and arrivals due to challenging weather conditions.

Measures to improve revenues and results remain a high priority within the group. There is ongoing dialogue with the owner regarding measures that can and should be implemented to continue ensuring financially sustainable financial framework conditions for Avinor.

TRAFFIC DEVELOPMENT

10.8 million passengers travelled through Avinor's airports during the first three months of 2024, an increase of 3.5 per cent compared to the first three months in 2023.

The figure below shows the trend in traffic on a quarterly basis for the last five years.



Compared to the first quarter of 2023, passenger growth for international traffic has been 11.1 per cent, while for domestic traffic it has decreased by 0.7 per cent.

The passenger volume was distributed between the airports as follows:

NUMBER OF AIR PASSENGERS, JANUARY - MARCH

PASSENGERS (1000)	2024	2023	CHANGE
Gardermoen	5 375	5 186	3,7 %
Flesland	1 344	1 323	1,6 %
Sola	857	843	1,6 %
Værnes	890	899	-1,0 %
Others	2 342	2 189	6,9 %
Avinor group	10 807	10 441	3,5 %

The number of aircraft movements overall has decreased by 4.1 per cent in the first quarter of 2024 compared to the corresponding period in 2023. For international aircraft movements there has been an increase of 4 per cent, while domestic aircraft movements have decreased by 10 per cent.

Passenger volume has been impacted by the fact that most of Easter in 2024 was in March/first quarter, while all of Easter in 2023 was in April/second quarter. The Easter period normally leads to a decline in domestic air traffic and an increase in international traffic. The first quarter has also been positively impacted by the fact that 2024 is a leap year with one extra day compared to the corresponding period in 2023.

The airlines' summer schedules run between 31 March and 26 October, which is expected to result in increased aircraft movements and a strong increase in traffic in the second and third quarters. It is expected that much of the traffic growth will continue to occur as a result of foreign passenger traffic to Norway, partly driven by a favorable exchange rate for foreigners visiting Norway.

In the first quarter of 2024, offshore traffic has seen a 5.9 per cent decline in passenger numbers and a 10 per cent decline in the number of aircraft movements compared to the corresponding quarter in 2023. On 28 February 2024, a helicopter crashed outside Bergen. Helicopter traffic on the Norwegian continental shelf was suspended until 1 March 2024 as a result of the accident.

Although the number of passengers has gone up in 2024, there is a decline in the number of aircraft movements. The number of passengers per flight is thus increasing.

In the last 12 months, Avinor's network of airports recorded an average punctuality of 83 per cent and an average regularity of 98 per cent.

AIR SAFETY

So far in 2024 there have been no aviation accidents or other serious aviation incidents where Avinor has been instrumental.

FINANCIAL PERFORMANCE

Avinor group

MNOK	2024	2023	CHANGE
Operating income	2 507	2 456	2,1 %
Operating expenses	(2 185)	(1 996)	9,4 %
EBITDA *	322	460	
Operating profit (loss)	(242)	(99)	
Operating margin	-9,7 %	-4,0 %	
Profit (loss) after tax	(376)	(336)	

* Earnings before interests, taxes, depreciation and amortisation. Defined and calculated in the appendix "Alternative performance measures"

The Group's operating income for the first quarter of 2024 amounted to NOK 2 507 million (NOK 2 456 million), corresponding to an increase quarter to quarter of 2.1 per cent. The increase in operating income adjusted for other income (insurance settlement in the first quarter of 2023) was 7.2 per cent.

Higher international traffic and growth in air navigation services (number of service units) contributed to the increase.

The Group's operating expenses for the first quarter of 2024 amounted to NOK 2 185 million (NOK 1 996 million), corresponding to a quarter-on-quarter increase of 9.4 per cent.

The increase in operating expenses adjusted for other expenses (environmental pollution and severance packages) was 6.0 per cent. Part of the cost increase is due to volume-dependent costs for personnel and security. In addition, challenging winter conditions have led to both increased employee expenses and operating expenses to ensure stable and safe operations during the period.

Avinor works continuously to optimise costs in its ongoing operations. At the same time, a high proportion of the Group's cost base is relatively fixed and necessary to maintain safe and stable operations as required in the social mission.

The Group's EBITDA for the first quarter of 2024 amounted to NOK 322 million (NOK 460 million).

Total depreciation and amortisation for the first quarter of 2024 amounted to NOK 564 million (NOK 559 million).

The Group's net financial result was minus NOK 240 million (minus NOK 332 million). Realized and unrealized effects related to derivatives contributed to improved financial results compared to the first quarter of 2023.

In the first quarter of 2024, the Group had a profit after tax of minus NOK 376 million (minus NOK 336 million).

Airport operations

AIR NAVIGATION SERVICES - RESULTS, JANUARY - MARCH

MNOK	2024	2023	CHANGE
Operating income, ex other income	2 151	1 991	8,0 %
Operating expenses and depreciation, ex other expenses	(2 100)	(2 018)	4,1 %
Operating profit (loss), ex other income and expenses	51	(27)	
Operating margin, ex other income and expenses	2,4 %	-1,3 %	

Operating income (excluding other income) for airport operations amounted to NOK 2 151 million (NOK 1 991 million) for the first quarter of 2024, an increase of 8.0 per cent over the first quarter of 2023.

Increase in the number of passengers and profit per passenger have both been drivers for the growth in income. Growth in income was 8.0 per cent, while passenger growth in the period was 3.5 per cent. Commercial income accounts for 54.2 per cent of total income for airport operations in the first quarter of 2024, compared to 50.8 per cent in the corresponding period in 2023.

Total operating expenses including depreciation in the first quarter of 2024 amounted to NOK 2 100 million (NOK 2 018 million), an increase of 4.1 per cent. In particular, volume-dependent costs for personnel and safety has resulted in increased operating costs, including increased costs as a result of demanding winter operations.

The cost trend relative to the increase in traffic volume indicates that the unit cost per passenger has increased by 0.5 per cent in the first quarter of 2024 compared to the first quarter of 2023.

Total depreciation and amortisation for the first quarter of 2024 amounted to NOK 506 million (NOK 498 million).

Operating profit excluding other income and expenses for the first quarter of 2024 was NOK 51 million (minus NOK 27 million), corresponding to an operating margin excluding other income and expenses of 2.4 per cent (minus 1.3 per cent).

Air navigation services

AIR NAVIGATION SERVICES - RESULTS, JANUARY - MARCH

MNOK	2024	2023	ENDRING
Operating income, ex other income	554	504	10,0 %
Operating expenses and depreciation, ex other expenses	(595)	(543)	9,6 %
Operating profit (loss), ex other income and expenses	(41)	(39)	
Operating margin, ex other income and expenses	-7,4 %	-7,7 %	

Operating income (excluding other income) for air navigation operations in the first quarter of 2024 ended at NOK 554 million. NOK (NOK 504 million), an increase of 10.0 per cent compared to the first quarter of 2023. Revenue growth is related to the 9.0 per cent increase in the number of service units in the first quarter of 2024 compared to the first quarter of 2023.

Total operating expenses including depreciation in the first quarter of 2024 amounted to NOK 595 million (NOK 543 million), an increase of 9.6 per cent.

Operating loss, excluding other income and expenses for the first quarter of 2024 was NOK 41 million (minus NOK 39 million), corresponding to an operating margin excluding other income and expenses of minus 7.4 per cent (minus 7.7 per cent).

Financial position

KEY FIGURES - FINANCIAL POSITION

MNOK	31 MARCH 2024	31 DECEMBER 2023	CHANGE
Non-current assets	44 630	44 666	-0,1 %
Current assets	2 888	3 149	-8,3 %
Total assets	47 519	47 814	-0,6 %
Equity	13 353	13 461	-0,8 %
Provisions	5 927	6 060	-2,2 %
Non-current liabilities	22 687	22 916	-1,0 %
Current liabilities	5 552	5 377	3,2 %
Equity and liabilities	47 519	47 814	-0,6 %
Interest-bearing debt *	24 158	24 556	-1,6 %

* Defined and calculated in the appendix "Alternative performance measures"

Total assets as of 31 March 2024 ended at NOK 47.5 billion, down 0.6 per cent compared to 31 December 2023.

There is a strong focus on prioritization in the project portfolio and close follow-up of the projects that are running at any given time. The Group has several major investment projects underway. In particular, investments in upgrading baggage handling facilities at Gardermoen Airport and projects imposed by the authorities related to the renewal of systems for control and monitoring of airspace contribute to considerable investments.

For current assets, changes in cash and cash equivalents contributed to the decline.

The Group's equity at 31 March 2024 was NOK 13.3 billion, and the equity ratio in compared to the total assets were 28.1 per cent. This is a decrease of 0.1 percentage points compared to 31 December 2023. Equity as a percentage of the sum of equity and net interest-bearing liabilities (defined and calculated in the

enclosure alternative performance measures) at 31 March 2024 ended at 38.5 per cent. At the Extraordinary General Meeting on 18 December 2023, the Group was granted a time-limited permit to deviate from Section 5 of the Articles of Association from an equity requirement of at least 40.0 per cent to a minimum of 35.0 per cent.

The Group has a substantial net pension obligation recognized in the balance sheet. Some of the Group's pension assets are linked to the return on the Government Pension Fund Global (GPF). Positive developments in the value of the GPF in the first quarter entail a decline in net capitalized pension obligations. See Note 8 for further details on the period's movement in net pension liabilities. Other obligations relate essentially to the capitalized obligation for clean-up costs. There is a lot of activity related to mapping and cost estimation of cleaning up PFAS in the ground on old fire training grounds. Further information on environmental commitments is provided in Note 13.

The Group's interest-bearing debt as of 31 March 2024 amounts to NOK 24.2 billion. Of this, NOK 2.4 billion is short-term.

Cash flows

CASH FLOWS, JANUARY - MARCH

MNOK	2024	2023	CHANGE
Cash flow from operating activities	415	397	18
Cash flow from investing activities	(779)	(701)	(79)
Cash flow from payment of interests	(199)	(193)	(7)
Cash flow before changes in debt	(563)	(496)	(68)

In the first quarter of 2024, the Group had a cash flow from operations of NOK 415 million (NOK 397 million), while cash flow from investing activities amounted to minus NOK 779 million (minus NOK 701 million). After paying interest of NOK 199 million (NOK 193 million), the Group's cash flow before changes in debt amounted to minus NOK 563 million (minus NOK 496 million).

For the first quarter of 2024, the Group's cash and cash equivalents were reduced by NOK 573 million (increase NOK 242 million). At the end of the first quarter of 2024, the Group had a liquidity reserve of NOK 5 150 million. This is divided into NOK 850 million in cash and cash equivalents and NOK 4 300 million in unused drawing rights.

EMPLOYEES

In the last 12 months, the H1 value (frequency lost-time injuries) amounted to 3.0 for the Group, an increase from 2.2 reported as accumulated H1 value as of end 2023. The H2 value (frequency, injuries with and without absence) amounted to 5.3 (an increase from 4.2 reported as of the end of 2023). The N-value (frequency of reported near misses) ended as of March 2024 at 63.8, down from 65.9 as of the end of 2023.

RISK FACTORS

Avinor is exposed to a wide range of risks that may affect the Group's operations, financial results and financial position. Factors that may lead to loss of air traffic volume may have a significant negative impact on Avinor. These include, for example, changes in geopolitical conditions, travel habits and regulatory conditions.

Safe and stable operations with a risk-based approach is one of the Group's long-term priorities and governs all activities in the Group.

Reference is made to chapter 6 "Risk factors" in the Group's Annual and Sustainability Report for 2023 for further descriptions of the most significant risks and uncertainties that may affect Avinor's operations. As of the presentation of this interim report, no factors have been identified that significantly alter the risk conditions.

OUTLOOK

The airlines' summer schedules run between 31 March and 26 October, which is expected to result in increased aircraft movements and a strong increase in traffic in the second and third quarters. It is expected that much of the traffic growth will continue to occur as a result of foreign passenger traffic to Norway, partly driven by a favorable exchange rate for foreigners visiting Norway.

In the work on the National Transport Plan 2025-2036, Avinor has responded to the task of zero- and low-emission technology in aviation and the need for facilitation at airports for the introduction of zero- and low-emission aircraft. Avinor recommends an approach with measures in both the short and long term. The short-term measures are important to support the Norwegian market as a testing area and the first market for the introduction of zero- and low-emission aircraft, in line with the government's ambitions. When asked about financing investments at airports during the transition phase, Avinor has been clear that this will require access to financial instruments outside of Avinor's financing model.

The financial statements at 31 March 2024 it is prepared based on the conclusion that accounted asset values are defended. As described in the impairment assessments in note 7, this conclusion is based on assumptions including a combination of real increase in airport charges, improved commercial framework conditions, payment for services that Avinor delivers to other government players in addition to improvement in operating efficiency. In a letter from The Ministry of Transport dated 16 November 2023 possible means from the government to support the suggested actions from Avinor are described. Realization of significant parts of these means are of central importance to ensure Avinor financially sustainable framework conditions.

Oslo, 13 May 2024
Board of Directors of Avinor AS

CONDENSED INCOME STATEMENT

Amounts in MNOK

	NOTE	JANUARY-MARCH		YEAR
		2024	2023	2023
Traffic income	4	1 253,4	1 177,3	5 400,8
Commercial income	4	1 249,0	1 157,4	5 893,3
Other income	5	4,6	121,5	219,6
Total operating income		2 506,9	2 456,2	11 513,7
Raw materials and consumables used		(32,7)	(36,8)	(191,7)
Employee benefit expenses	8	(1 111,7)	(998,5)	(3 996,5)
Other operating expenses	12	(967,6)	(956,5)	(3 799,0)
Other expenses	5	(72,9)	(4,4)	33,0
Total operating expenses		(2 184,8)	(1 996,3)	(7 954,3)
Operating profit before depreciation, amortisation and impairment charges (EBITDA)		322,1	459,9	3 559,5
Depreciation, amortisation and impairment charges	6	(564,2)	(559,3)	(2 256,9)
Operating profit (loss)		(242,1)	(99,4)	1 302,5
Finance income		13,9	11,7	65,0
Finance expenses		(191,4)	(174,6)	(736,2)
Net effect currency and derivatives		(62,9)	(169,0)	(233,2)
Finance result		(240,3)	(331,9)	(904,3)
Profit (loss) before income tax		(482,5)	(431,3)	398,2
Income tax expense	2	106,3	95,1	(94,1)
Profit (loss) after tax		(376,2)	(336,2)	304,1
Attributable to:				
Owner of parent		(376,2)	(336,2)	304,1
		-22,0 %	-22,0 %	

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Amounts in MNOK

	JANUARY-MARCH		YEAR
	2024	2023	2023
Profit (loss) after tax	(376,2)	(336,2)	304,1
Other comprehensive income:			
Actuarial gains (losses) on post employment benefit obligations	240,2	-	(417,4)
Tax effect	(52,9)	-	91,2
Total items that will not be reclassified to profit or loss, net of tax	187,3	-	(326,2)
Cash flow hedges	103,7	(237,6)	161,0
Tax effect	(22,8)	52,3	(35,4)
Total items that may be subsequently reclassified to profit or loss, net of tax	80,9	(185,3)	125,6
Other comprehensive income, net of tax	268,2	(185,3)	(200,6)
Total comprehensive income	(107,9)	(521,5)	103,5
Attributable to:			
Owner of parent	(107,9)	(521,5)	103,5

CONDENSED STATEMENT OF FINANCIAL POSITION

Amounts in MNOK

		31 MARCH		YEAR
	NOTE	2024	2023	2023
ASSETS				
Non-current assets				
Deferred tax assets		1 934,9	2 090,0	1 904,3
Other intangible assets	6,7	611,6	591,2	607,7
Intangible assets under construction	6,7	1 157,5	725,7	1 113,6
Total intangible assets		3 704,1	3 406,8	3 625,6
Property, plant and equipment				
Assets under construction		3 964,0	3 519,6	3 580,2
Right of use assets		317,6	359,4	327,6
Total property, plant and equipment	6,7	38 381,6	38 097,7	38 376,2
Derivative financial instruments				
Other financial assets	10	2 505,1	2 056,5	2 624,8
Total financial assets		39,7	86,9	39,2
Total non-current assets		2 544,8	2 143,3	2 664,0
Current assets				
Inventories		59,1	60,4	61,6
Trade and other receivables	11	1 973,6	1 676,0	1 640,8
Derivative financial instruments	10	5,3	11,5	23,1
Cash and cash equivalents	9	850,3	1 430,1	1 423,3
Total current assets		2 888,3	3 178,0	3 148,7
TOTAL ASSETS		47 518,7	46 825,8	47 814,5

CONDENSED STATEMENT OF FINANCIAL POSITION

Amounts in MNOK

		31 MARCH		YEAR
	NOTE	2024	2023	2023
EQUITY AND LIABILITIES				
Equity				
Share capital		5 400,1	5 400,1	5 400,1
Retained earnings		10 604,8	10 340,6	10 981,0
Other components of equity		(2 651,4)	(2 904,4)	(2 919,7)
Total equity		13 353,5	12 836,4	13 461,4
Liabilities				
Retirement benefit obligations	8,13	5 013,0	5 341,7	5 207,7
Other provisions	13	913,9	1 000,0	852,3
Total provisions		5 926,9	6 341,7	6 060,0
State loan	9,10	-	305,5	305,5
Other non-current loans	9,10	21 477,0	21 785,3	20 447,0
Derivative financial instruments	10	902,7	1 156,6	1 587,3
Lease liabilities	9,10	307,0	337,1	472,2
Total non-current liabilities		22 686,7	23 584,5	22 811,9
Commercial papers	9,10	1 500,0	750,0	1 499,9
Trade payables		566,2	428,2	767,5
Public duties payable		274,0	287,3	331,0
Derivative financial instruments	10	90,6	20,5	25,5
First annual installment on long-term liabilities	9,10	832,6	971,5	832,6
Lease liabilities	9,10	41,9	50,4	42,1
Other current liabilities	11	2 246,3	1 555,4	1 878,8
Total current liabilities		5 551,6	4 063,3	5 377,4
Total liabilities		34 165,2	33 989,5	34 353,1
TOTAL EQUITY AND LIABILITIES		47 518,7	46 825,8	47 814,5

CONDENSED STATEMENT OF CHANGES IN EQUITY

Amount in MNOK

	NOTE	SHARE CAPITAL	RETAINED EARNINGS	ACTUARIAL GAINS (LOSSES)	HEDGE RESERVES	OTHER COMPONENTS OF EQUITY	TOTAL
Equity 1 January 2023		5 400,1	10 676,9	(2 137,1)	(581,8)	(2 719,1)	13 357,9
Profit (loss) after tax			(336,2)				(336,2)
Actuarial gains (losses) on post employment benefit obligations, net of tax					-	-	-
Cash flow hedges, net of tax					(185,3)	(185,3)	(185,3)
Total comprehensive income			(336,2)		(185,3)	(185,3)	(521,5)
Equity 31 March 2023		5 400,1	10 340,6	(2 137,1)	(767,1)	(2 904,4)	12 836,4
Equity 1 January 2024		5 400,1	10 981,0	(2 463,3)	(456,2)	(2 919,7)	13 461,4
Profit (loss) for the year			(376,2)				(376,2)
Actuarial gains (losses) on post employment benefit obligations, net of tax				187,3		187,3	187,3
Cash flow hedges, net of tax					80,9	80,9	80,9
Total comprehensive income			(376,2)	187,3	80,9	268,2	(107,9)
Equity 31 March 2024		5 400,1	10 604,8	(2 275,9)	(375,3)	(2 651,4)	13 353,5

CONDENSED STATEMENT OF CASH FLOWS

Amount in MNOK

		JANUARY-MARCH		YEAR
	NOTE	2024	2023	2023
Cash flow from operating activities				
Profit/(loss) before income tax		(482,5)	(431,3)	398,2
Depreciation, amortisation and impairment charges		564,2	559,3	2 256,9
(Profit)/loss on disposals of non-current assets		(0,8)	(0,6)	0,1
Changes in value and other losses/(gains)		(2,0)	(56,7)	(114,4)
Net finance income/-expenses		240,3	331,9	904,3
Foreign exchange gain/-loss on operating activities		28,7	42,1	9,4
Change in inventories, trade receivables and trade payables		(176,2)	(305,2)	(110,9)
Difference between post employment benefit expense and amount paid/received	8	45,5	27,8	(523,7)
Change in other working capital items		181,7	217,8	467,0
Interest received		16,0	12,4	66,8
Net cash flow from operating activities		415,1	397,5	3 353,8
Cash flow from investing activities				
Investments in property, plant and equipment (PPE)		(1 238,4)	(705,3)	(4 327,4)
Investment grants		458,5	-	1 525,0
Proceeds from sale of PPE, incl assets under construction		0,9	4,6	10,5
Change in other investments		(0,5)	(0,2)	(8,4)
Net cash flow from investing activities		(779,4)	(700,9)	(2 800,4)
Cash flow from financing activities				
Repayment of borrowings	9	(9,4)	(12,5)	(1 020,6)
Proceeds from commercial papers	9	-	750,0	3 000,0
Repayment of commercial papers	9	-	-	(1 500,1)
Interest paid		(199,2)	(192,5)	(798,1)
Net cash flow from financing activities		(208,6)	545,0	(318,7)
Net change in cash and cash equivalents				
Net change in cash and cash equivalents		(572,9)	241,6	234,7
Cash and cash equivalents 1 January		1 423,3	1 188,6	1 188,6
Cash and cash equivalents end of reporting period		850,3	1 430,1	1 423,3

NOTES

NOTE 1 General information

Avinor group consists of Avinor AS and subsidiaries. The purpose of the group is to own, manage and develop aviation infrastructure and systems by facilitating safe and efficient aviation, render services within the same areas as well as other activities to support the group's main business, including commercial development of the business and airport areas. The headquarter is located in Oslo, Drammensveien 144.

The interim financial report for the first quarter of 2024 (ended at 31 March 2024) has not been audited or subject to limited audit review.

The board approved the report for the first quarter of 2024 on 13 May 2024.

NOTE 2 Accounting principles

The interim financial statements for the first quarter of 2024 (ended 31 March 2024) are prepared in accordance with IAS 34 Interim financial reporting. The interim financial statements does not provide information to the same extent as the annual financial statements and should therefore be read in conjunction with the annual financial statements for 2023, which are included in Avinor's annual and sustainability report for 2023. The same principles have been applied in the preparation of the interim financial statements as in the preparation of the annual financial statements.

Income tax expense in the interim financial statements

The income tax expense in the income statement consists of the estimated tax payable on the tax result and changes in deferred tax. Tax expenses related to items recorded through other comprehensive income are presented on separate lines in the statement of other comprehensive income.

Deferred tax assets are calculated based on items where there is a difference between tax and accounting values, as well as the expected tax rate to be used when the tax position is realized.

The Group has tax losses carry forwards.

NOTE 3 Segment information*Amount in MNOK*

The group is organized in an airport operations and air navigation services. To better the evaluation of the airport operations, the airports at Oslo, Bergen, Stavanger, Trondheim and other airports are presented separately, in addition to property development and hotels. Property development and hotels consists of rental income from hotels and office buildings.

JANUARY-MARCH 2024

	AIRPORT OPERATIONS	AIR NAVIGATION SERVICES	OTHERS	ELIMINATION	TOTAL
Traffic income	942,9	310,5	-		1 253,4
Commercial income	1 166,7	48,9	33,3		1 248,9
Other income	-	-	4,6		4,6
Inter-segment income	41,4	195,0	333,4	(569,8)	-
Total income	2 151,0	554,4	371,3	(569,8)	2 506,9
Employee benefit expenses	(458,6)	(376,9)	(276,2)		(1 111,7)
Other operating expenses	(765,6)	(61,8)	(173,0)		(1 000,4)
Other expenses	-	-	(72,8)		(72,8)
Inter-segment expenses	(369,7)	(145,8)	(54,3)	569,8	-
Total expenses	(1 593,9)	(584,5)	(576,2)	569,8	(2 184,8)
EBITDA	557,1	(30,1)	(204,9)		322,1
Depreciation, amortisation and impairment charges	(505,9)	(10,7)	(47,6)		(564,2)
Operating profit (loss)	51,2	(40,8)	(252,5)		(242,1)
Assets*	33 272,3	406,2	1 033,0		34 711,5

AIRPORT OPERATIONS JANUARY - MARCH 2024

	OSLO AIRPORT	BERGEN AIRPORT	STAVANGER AIRPORT	TRONDHEIM AIRPORT	OTHER AIRPORTS	PROPERTY DEV. AND HOTELS	TOTAL AIRPORT OPERATIONS
Traffic income	443,6	124,3	95,1	76,9	202,9	-	942,9
Commercial income	702,8	119,0	92,0	72,7	139,1	41,2	1 166,7
Other income	-	-	-	-	-	-	-
Inter-segment income	4,1	-	2,0	0,9	28,4	6,0	41,4
Total income	1 150,6	243,3	189,2	150,4	370,4	47,2	2 151,0
Employee benefits expenses	(169,9)	(31,9)	(28,1)	(27,7)	(201,1)	(0,0)	(458,6)
Other operating expenses	(311,5)	(75,2)	(52,0)	(44,0)	(280,7)	(2,2)	(765,6)
Other expenses	-	-	-	-	-	-	-
Inter-segment expenses	(101,1)	(31,5)	(25,6)	(19,1)	(192,1)	(0,3)	(369,7)
Total expenses	(582,4)	(138,6)	(105,7)	(90,8)	(673,9)	(2,4)	(1 593,9)
EBITDA	568,2	104,7	83,4	59,7	(303,6)	44,8	557,1
Depreciation, amortisation and impairment charges	(231,7)	(67,9)	(35,5)	(28,9)	(131,0)	(10,8)	(505,9)
Operating profit (loss)	336,5	36,8	47,9	30,7	(434,6)	34,0	51,2
Assets*	17 070,4	4 843,1	1 932,0	1 514,9	6 999,3	912,7	33 272,3

* Assets includes other intangible assets and excludes assets under construction.

JANUARY-MARCH 2023

	AIRPORT OPERATIONS	AIR NAVIGATION SERVICES	OTHERS	ELIMINATION	TOTAL
Traffic income	893,1	284,2	-		1 177,3
Commercial income	1 066,4	41,9	49,0		1 157,4
Other income	110,0	-	11,5		121,5
Inter-segment income	31,8	178,0	310,1	(519,9)	-
Total income	2 101,3	504,2	370,6	(519,9)	2 456,2
Employee benefits expenses	(402,3)	(355,7)	(240,6)		(998,5)
Other operating expenses	(731,8)	(59,0)	(207,0)		(997,8)
Other expenses	-	-	-		-
Inter-segment expenses	(386,2)	(116,8)	(16,9)	519,9	-
Total expenses	(1 520,2)	(531,5)	(464,5)	519,9	(1 996,3)
EBITDA	581,1	(27,3)	(93,9)		459,9
Depreciation, amortisation and impairment charges	(497,6)	(11,4)	(50,3)		(559,3)
Operating profit (loss)	83,5	(38,7)	(144,2)		(99,4)
Assets*	33 440,7	350,1	1 019,2		34 810,0

AIRPORT OPERATIONS JANUARY - MARCH 2023

	OSLO AIRPORT	BERGEN AIRPORT	STAVANGER AIRPORT	TRONDHEIM AIRPORT	OTHER AIRPORTS	PROPERTY DEV. AND HOTELS	TOTAL AIRPORT OPERATIONS
Traffic income	420,0	121,5	90,5	75,9	185,1	-	893,1
Commercial income	627,7	112,4	93,4	72,7	124,0	36,3	1 066,4
Other income	-	-	110,0	-	-	-	110,0
Inter-segment income	0,5	0,1	2,0	0,9	22,6	5,7	31,8
Total income	1 048,2	234,0	296,0	149,5	331,6	42,0	2 101,3
Employee benefits expenses	(136,0)	(29,9)	(24,9)	(25,3)	(186,2)	-	(402,3)
Other operating expenses	(328,5)	(71,4)	(45,5)	(43,7)	(239,0)	(3,6)	(731,8)
Other expenses	-	-	-	-	-	-	-
Inter-segment expenses	(99,2)	(32,9)	(27,9)	(21,3)	(204,7)	(0,2)	(386,2)
Total expenses	(563,7)	(134,3)	(98,4)	(90,2)	(630,0)	(3,7)	(1 520,2)
EBITDA	484,5	99,7	197,6	59,3	(298,4)	38,3	581,1
Depreciation, amortisation and impairment charges	(232,8)	(68,9)	(31,4)	(29,1)	(124,6)	(10,8)	(497,6)
Operating profit (loss)	251,7	30,8	166,2	30,1	(422,9)	27,5	83,5
Assets*	17 372,4	5 011,5	1 621,3	1 578,8	6 900,7	956,0	33 440,7

*Assets includes other intangible assets and excludes assets under construction.

NOTE 4 Operating income

Amount in MNOK

Operating income for the Avinor group consists of traffic income and commercial income. Traffic income include all charges related to the use of airports and services necessary to carry out flights to/from and within Norway. Commercial income consists of income from the sale of goods and services and rental income.

Avinor Group recognizes revenues in accordance with IFRS 15 and IFRS 16.

Revenues from contracts with customers (IFRS 15).

Revenues from contracts with customers consists of traffic income and income from the sale of goods and services. The revenues are recognized to reflect the transfer of agreed goods or services to customers, to an amount to which the Group is expected to be entitled in exchange for these goods /services.

Traffic income

As regards traffic income, delivery obligations are fulfilled by the completion of the relevant flights. Traffic income consist of en route charges and airport charges.

- The en route charges are included in the Air Navigation segment and includes control and monitoring of flights in Norwegian airspace. The en route charge is considered a separate delivery obligation and is calculated on the basis of the weight of the aircraft combined with the distance flown.
- Airport charges are included in the airport operations segment and consists of:
 - o takeoff charges for the necessary services/infrastructure to be able to complete a flight from one of Avinor's airports. The takeoff charge is calculated on the basis of the weight of the aircraft.
 - o terminal charges for necessary infrastructure as well as the provision of services to passengers on arrival, departure, transit or connecting flights at Avinor's airports. The passenger tax is calculated on the basis of departure passengers on the flight.
 - o security charges for necessary services/infrastructure to be able to carry out security checks at Avinor's airports in accordance with applicable regulations. The security charge is calculated on the basis of the number of passengers less the number of transfer passengers on flight.
 - o terminal navigation charges for necessary services/infrastructure related to monitoring and control during takeoff, landing and aircraft movements to/from gate. The terminal fee is calculated based on the weight of the aircraft.

Income from the sale of goods and services

Income from the sale of goods and services consists of income from other goods and services that Avinor supplies to airlines and other end-users. Major sources of income in this category are deliveries of aviation fuel in Svalbard, operation of fast-track and other transport services, delivery of networks and other IT services to tenants and deicing services at airports.

Rental income (IFRS 16)

Rental income consists of income from rental of property with fixed rental amounts or turnover-based remuneration based on signed lease agreements and reporting of turnover.

Rental contracts related to duty-free, parking, catering/kiosks/shops and other merchandise sales are turnover-based agreements where turnover-based remuneration constitutes the substantial part of income while fixed remuneration constitutes a smaller part. The agreements have established thresholds for payment of minimum remuneration. Pure lease agreements for different tenants at airports are based on fixed remuneration. These agreements constitute a minor part of the Avinor Group's rental income.

SPESIFICATION	JANUARY-MARCH		YEAR
	2024	2023	2023
Revenue from contracts with customers:			
En route charges	310,5	284,2	1 312,4
Takeoff charges	282,8	250,7	1 106,8
Terminal charges	283,4	261,0	1 217,8
Security charges	272,3	270,5	1 273,0
Terminal navigation charges	104,3	110,8	490,9
Total traffic income	1 253,4	1 177,3	5 400,8
Income from the sale of goods and services	201,5	173,2	914,5
Total revenue from contracts with customers	1 454,9	1 350,4	6 315,3
Rental income			
Duty free	452,5	408,8	2 342,8
Parking	218,1	228,1	1 029,4
Catering, kiosks and shops	196,6	173,9	858,6
Other	180,2	173,5	748,0
Total rental income	1 047,4	984,3	4 978,8
Other income (note 5)	4,6	121,5	219,6
Total operating income	2 506,9	2 456,2	11 513,7
Traffic income	1 253,4	1 177,3	5 400,8
Commercial income *	1 249,0	1 157,4	5 893,3
Other income (note 5)	4,6	121,5	219,6
Total operating income	2 506,9	2 456,2	11 513,7

* Commercial income consists of income from the sale of goods and services as well as rental income.

NOTE 5 Other income and other expenses

Amount in MNOK

Other income and other expenses consist of items that are not considered to be part of ordinary operations and are presented on separate lines in the income statement.

The items include gains and losses on disposal of fixed assets and other intangible assets, government grants, insurance settlements, changes in environmental provisions, restructuring costs and other items that are considered not to be part of the Group's ordinary operations.

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.

Government grants related to the acquisition of assets are deducted when determining the carrying amount of the asset, while grants related to expenses incurred are presented in the income statement as part of the line other income. Grants recognised but not yet received are presented in the statement of financial position as part of the line trade and other receivables. Receivables from government grants beyond incurred expenses eligible for grants are not recognised. Grants received in excess of related expenses eligible for grants are presented in the statement of financial position as part of the line other current liabilities.

See also note 12 regarding the development of new airports in Bodø and Mo i Rana.

SPESIFICATION	JANUARY-MARCH		YEAR
	2024	2023	2023
Other income			
Profit from disposal of non-current assets	0,9	5,0	9,5
Government grants/refunds	3,7	6,5	21,6
Insurance settlement	-	110,0	188,5
Total other income	4,6	121,5	219,6
Other expenses			
Loss from disposal of non-current assets	(0,1)	(4,4)	(9,6)
Change in provision for environmental pollution (note 13)	(47,8)	-	42,6
Accrual severance packages	(25,0)	-	-
Total other expenses	(72,9)	(4,4)	33,0

Recognized insurance settlement of NOK 110 million in the first quarter of 2023 (NOK 188.5 million for the full year 2023) is settlement related to the construction of a new parking garage at Stavanger Airport to replace the parking garage that was damaged in a fire in January 2020. The new parking garage was opened on 15 June 2023.

The change recognized in the income statement for environmental pollution consists of changes in provisions and estimated net present value effects related to the provisions. See Note 13 for further description.

In the first quarter of 2024, as part of its strategy to reduce costs, the Group has issued a general offer of severance agreements to the Group's employees. The process has not been completed at 31 March 2024, and expensed provision is management's best estimate as of the time of approval of the quarterly report.

NOTE 6 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
Net book amount 1 January 2023	531,7	34 373,9	4 097,7	504,6	39 507,9
Additions	-	-	605,1	-	605,1
Reclassification *	75,8	381,8	(457,6)	-	-
Disposals	-	(8,4)	-	(130,7)	(139,1)
Depreciation charge	(16,3)	(528,6)	-	(14,5)	(559,4)
Net book amount 31 March 2023	591,2	34 218,7	4 245,2	359,4	39 414,6
Classified as intangible	591,2	-	725,7	-	1 316,9
Net book amount 1 January 2024	607,7	34 468,4	4 693,7	327,6	40 097,5
Additions	-	-	617,5	-	617,5
Reclassification *	22,7	167,0	(189,7)	-	-
Disposals	-	(0,1)	-	-	(0,1)
Depreciation charge	(18,8)	(535,4)	-	(10,0)	(564,2)
Net book amount 31 March 2024	611,6	34 099,9	5 121,4	317,6	40 150,7
Classified as intangible	611,6	-	1 157,5	-	1 769,1

* Completed assets under construction are reclassified to the relevant asset categories.

NOTE 7 Impairment of property, plant and equipment & intangible assets

Amount in MNOK

Avinor has significant investments in infrastructure, buildings and other real estate required to own, operate and develop airport operations and air navigation services. Avinor has defined two cash-generating units (CGUs): airport operations and air navigation services. For airport operations, the financing model for Avinor is based on cross financing between profitable and unprofitable airports.

Commercial profit shall subsidise the airport charges (referred to as the “single till” principle). Based on this, the Group’s total airport operations are defined as one cash-generating unit.

Impairment indicators are assessed at each reporting date for individual assets and cash-generating units, and impairment testing is performed if any indicators have been identified. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate based on the weighted average capital cost (WACC) rate. The WACC reflects current market assessments of time value of money and risks specific for the asset or CGU to which the asset belongs.

The airport operations CGU is sensitive to changes in traffic patterns. Both the digitalization trend that emerged during the Covid pandemic, in particular for business travellers, and increased attention on climate, environment, and sustainability, imply a risk of permanent changes in travel habits. This may result in fewer passengers or lower traffic growth than anticipated, leading to lower revenues for the Group’s airport operations. The geopolitical and economic developments in the world add to further uncertainties in projections for future traffic and revenues. At 31 March 2024, the risk of a permanent reduction in the number of passengers with corresponding lower revenues is considered to be an impairment indicator for the airport operations CGU.

The air navigation services CGU is not to the same extent sensitive to changes in traffic patterns as the regulations of en-route charges are designed to support, over time, coverage of actual costs in Avinor and a required rate of return, subject to certain performance measures being met. At 31 March 2024, it is considered no impairment indicators for the air navigation services CGU.

Key judgements and estimates for airport operations

As a result of identified impairment indicators for the airport operations CGU, an updated impairment test has been carried out as of 31 March 2024. The impairment test takes into consideration the updated forecasts for traffic development, which is the basis for estimated future airport charges, commercial revenues, costs and required investments level. It is assumed that the government will ensure Avinor has a future sustainable financial model which will support the carrying asset values. In a letter to Avinor dated 16 November 2023, the Minister of Transport has confirmed that the government acknowledges the challenging financial situation for Avinor and outlined various specific measures that will be considered to contribute to a sustainable improvement in annual results. Through the spring 2024 a company review of Avinor has been conducted.

The airport operation is entirely in Norway. To estimate the value-in-use, the present value of future cash flows is estimated in NOK and discounted based on a relevant WACC rate for the airport operations. April 2024 to 2029 is used as the forecast period in the impairment test. The cash flows beyond the forecast period have been extrapolated into perpetuity using a constant nominal growth rate to arrive at the terminal value in year 2030. The value-in-use is calculated as the total of the discounted cash flows in the forecast period and the terminal value.

A significant part of the value-in-use for airport operations is derived from the terminal value. Assumptions applied in the terminal value are therefore considered the most critical ones in the impairment test. These key assumptions are described below and represent Management's best assessment of a probable outcome:

KEY ASSUMPTIONS	AIRPORT OPERATION
Key assumptions	
Number of passengers terminal year 2030 (millions)	56,3
Result improvement terminal year 2030 (NOK billion) *	1,9
Growth in terminal value	2,0 %
Post-tax rate of return requirement	5,8 %

* Improvement in operating result in 2030 in excess of estimated result with consumer price index adjustment of the airport charges for 2023. The improvement in results is necessary to have a reasonable return on invested capital. The improvement in results is assumed realized through an increase in airport charges, changes in commercial conditions in general and/or other measures to improve results might reduce the need for increased airport charges.

Key assumptions for the value-in-use of the airport operations

Number of passengeres in terminal year 2030

The number of passengers of 56.3 million in 2030 is estimated based on Avinor's traffic projections in the forecast period and a projected growth of 2 per cent in the future cash flows. The estimated traffic development from April 2024 is based on Avinor's internal analysis, and after that an expected annual traffic growth for the years 2025-2029 based on forecasts prepared by The Institute of Transport Economics (TØI). Expected increase in CO2-costs (affecting both charges and quota prices) are included in the forecasts from TØI. Avinor's forecast for 2024 is based on registered route schedules from the airlines, the latest development in traffic numbers and an assessment of how macroeconomic conditions are expected to influence the traffic numbers in 2024. For the years 2025-2029, the traffic growth from the latest forecasts by TØI is used, but the internal traffic forecast from Avinor for 2024 is used as the starting point for the yearly growth for these years.

Result improvement terminal year 2030

Based on the forecast as of 31 March 2024, Avinor has calculated a need for a result improvement, including increased airport charges, of around NOK 1.9 billion in the terminal year in excess of what revenues would have been with consumer price index adjustments of the 2023 airport charges. For the years 2024-2029 the corresponding accumulated effect of result improvement in the cash flow forecasts is approximately NOK 8.4 billion (with some variations in each year).

The necessary result improvement can be realised through a combination of measures such as higher increase in airport charges than inflation, improved commercial conditions, payments for services Avinor provides to other governmental departments and continued operating efficiency improvements in Avinor. Of these measures, increased airport charges is the most significant one. Airport charges shall be regulated according with the "single till" principle (commercial revenues are incorporated when determining the airport charges). This implies that Avinor, over time, should achieve a result margin in line with the owners' required rate of return, hence the airport charges should be set accordingly.

The necessary result improvement indicates a substantial increase in airport charges compared to current levels. Avinor has therefore since the second half of 2023 communicated with the government regarding possible adjustments to the commercial conditions that can reduce the need for increased airport charges. Based on this dialogue, Avinor assumes that the necessary increase in airport charges will be implemented to ensure that Avinor is self-financed. Additionally, it is expected that other measures will be implemented to Avinor's operating conditions which will improve the cash flows, reduce the increase in airport charges and ensuring that the total burden of charges on the airlines remains reasonable. The letter to the Board from the Ministry of Transport dated 16 November 2023 supports the assumptions applied in Avinor's impairment test.

Growth rates in terminal value

Cash flows in the terminal value is extrapolated with an eternal growth of 2 per cent based on expectations in future travel activity and inflation. Investments in the terminal value is set to give a yearly increase in invested capital of approximately 2 per cent.

Discount rate after tax

The discount rate after tax of 5.8 per cent (7.4 per cent before tax) as of 31 March 2024 is based on the market expectations for risk free interest rates, debt interest rates and assessing reasonable equity returns for this type of business.

Conclusion regarding impairment test of airport operations

The impairment test performed as of 31 March 2024 shows that the value-in-use exceeds the carrying value of assets. Consequently, the Group has concluded that no impairment of assets for the cash-generating unit airport operations shall be recognized as of 31 March 2024.

Sensitivity analysis for the impairment test of airport operations

The impairment test is sensitive for changes to the key assumptions. Should the Management's best estimates not be met, it could lead to significant impairment losses. The value-in-use will be significantly negatively affected if the result improvement, including airport charges, is not regulated as in accordance with the "single till" principle. With a result improvement of only 50 per cent of the cash flows used in the forecast period and terminal value, it would imply a negative change of the value-in-use of approximately NOK 17.4 billion with write-down requirements of assets of approximately NOK 15.4 billion. With zero result improvement, the negative change in value-in-use would have been NOK 34.9 billion, resulting in write-downs of approximately NOK 32.8 billion.

Other sensitivity analyses have been performed of the other key assumptions that Management have assessed as reasonably possible downside scenarios. The analyses have been prepared to illustrate the uncertainty in Management's assessments.

The table shows the change in value-in-use and the result improvement necessary in terminal value, in addition to the need already included in the key assumption required, to defend the carrying values in different scenarios. Changes in operating conditions or other profit increasing measures, like payments for services Avinor provides to other governmental departments or reduced service levels, can reduce the need for increased airport charges. In the scenarios with reduced growth in terminal value, the level of investments is not changed compared to the level used in the impairment test.

For illustration purposes are the estimated reduced value-in-use shown should Avinor only achieve 50 per cent coverage of the needed amount in excess of NOK 1.9 billion in yearly result improvement, including airport charges, in the terminal value.

IMPAIRMENT TESTS - RESULTS		VALUE	CHANGE IN VALUE	NEEDED RESULT IMPROVEMENT	IMPAIRMENT IF 50 PER CENT OF NEEDED RESULT IMPROVEMENT
Passengers terminal year (millions)					
Change number of passengers terminal year					
0 %	56,3	40 323	0	0	0
- 5 %	53,5	31 486	-8 838	444	3 385
- 10 %	50,6	22 648	-17 675	1 023	7 804
Growth in terminal value					
Change growth in terminal value					
0,0 %	2,0 %	40 323	0	0	0
- 0,5 %	1,5 %	35 929	-4 394	172	1 163
- 1,0 %	1,0 %	32 451	-7 873	480	2 902
Rate of retrun requirement					
Change in post-tax required rate of return requirement					
0,0 %	5,8 %	40 323	0	0	0
+ 0,5 %	6,3 %	35 309	-5 015	224	1 473
+ 1,0 %	6,8 %	31 349	-8 974	601	3 453

NOTE 8 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 2023.

The following assumptions represents the managements best estimate for long term levels of return and salaries, and have been used to calculate the group's pension liabilities:

ASSUMPTIONS USED TO CALCULATE THE GROUP'S PENSION LIABILITIES	31 MARCH		YEAR
	2024	2023	2023
Discount rate and future return on plan assets	3,30 %	3,20 %	3,30 %
Future salary increases	3,50 %	3,50 %	3,50 %
Future pension increases	2,80 %	2,60 %	2,80 %
Future increases in the social security base rate (G)	3,25 %	3,25 %	3,25 %

PENSION OBLIGATION	31 MARCH		YEAR
	2023	2022	2022
Net pension obligation at 1. January	5 207,7	5 313,9	5 313,9
Pension cost	98,7	95,0	347,3
Payment of pensions and premiums (incl. soc. sec. cost)	(53,1)	(67,2)	(870,9)
Actuarial gains/losses	(240,2)	-	417,4
Net pension obligation at the end of the period	5 013,0	5 341,7	5 207,7

In addition to the pension cost in the table above there is a cost of NOK 59.8 million expensed for the period January to March 2024 related to employees that have transitioned to a defined contribution pension scheme (NOK 49.4 million in the corresponding period of 2023) and NOK 7.6 million related to the private AFP scheme (early retirement) (NOK 5.2 million in 2023).

NOTE 9 Borrowings and lease liabilities*Amount in MNOK*

	31 MARCH		YEAR
	2024	2023	2023
Long term borrowings and lease liabilities	21 784,0	22 427,9	22 181,2
Short term borrowings and lease liabilities	2 374,4	1 771,8	2 374,6
Total	24 158,5	24 199,7	24 555,8
Movement in borrowings and lease liabilities			
Opening net book amount	24 555,8	22 259,0	22 259,0
Repayment of borrowings	-	-	(966,4)
Reduction of lease liabilities	(9,4)	(12,5)	(54,1)
Proceeds from short term borrowings (commercial papers)	-	750,0	3 000,0
Repayment of short term borrowings (commercial papers)	-	-	(1 500,1)
Net changes in borrowings	(9,4)	737,5	479,4
Other changes in lease liabilities	-	(135,0)	(122,6)
Changes in value	1) (387,9)	1 338,2	1 940,0
Closing net book amount	24 158,5	24 199,7	24 555,8

1) The changes in debt because of currency exchange fluctuations eur/nok are offset, Avinor has purchased currency hedging instruments for the entire debt in foreign currency.

Overdraft facilities

Avinor group has a revolving overdraft facility in the amount of NOK 4 000 million (maturity 2026) and an overdraft facility of NOK 300 million linked to the group bank account arrangement in Nordea Bank. There have never been withdrawals made on these facilities.

NOTE 10 Financial instruments

Amount in MNOK

Fair value estimation

The fair value of interest rate swaps, foreign exchange forward contracts and power price derivatives are based on market value at the balance sheet date.

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 2024		31 MARCH 2023		YEAR 2023	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
State loan						
Bonds	305,5	302,1	749,8	730,0	305,5	298,7
Bank borrowings	18 652,2	17 805,5	18 433,3	16 817,0	19 040,2	17 902,6
Commercial papers	3 351,9	3 343,3	3 879,0	3 884,0	3 351,9	3 345,3
Lease liabilities	1 500,0	1 500,7	750,0	750,0	1 499,9	1 501,7
Total	348,9	348,9	387,5	387,5	358,3	358,3
Sum	24 158,5	23 300,5	24 199,7	22 568,5	24 555,8	23 406,6

DERIVATIVE FINANCIAL INSTRUMENTS

	31 MARCH		YEAR
	2024	2023	2023
Assets			
Interest rate swaps	2 505,1	2 051,7	2 624,8
Forward foreign exchange contracts	5,3	16,3	23,1
Forward energy contracts	-	-	-
Total assets	2 510,4	2 068,0	2 647,9
Liabilities			
Interest rate swaps	902,7	1 156,6	734,5
Forward foreign exchange contracts	0,8	7,9	0,1
Forward energy contracts	89,8	12,6	25,4
Total liabilities	993,3	1 177,1	760,0

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))

Overview over the group's assets and liabilities that are measured at fair value:

AT 31 MARCH 2024	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Derivatives at fair value through profit or loss		5,3		5,3
Derivatives used for hedging		2 505,1		2 505,1
Total assets	0,0	2 510,4	0,0	2 510,4

Liabilities				
Derivatives at fair value through profit or loss		3 092,2		3 092,2
Derivatives used for hedging		902,7		902,7
Total liabilities	0,0	3 994,9	0,0	3 994,9

AT 31 MARCH 2023	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Derivatives at fair value through profit or loss		16,3		16,3
Derivatives used for hedging		2 051,7		2 051,7
Total assets	0,0	2 068,0	0,0	2 068,0

Liabilities				
Derivatives at fair value through profit or loss		2 912,5		2 912,5
Derivatives used for hedging		1 156,6		1 156,6
Total liabilities	0,0	4 069,0	0,0	4 069,0

AT 31 DECEMBER 2023	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Derivatives at fair value through profit or loss		23,1		23,1
Derivatives used for hedging		2 624,8		2 624,8
Total assets	0,0	2 647,9	0,0	2 647,9

Liabilities				
Derivatives at fair value through profit or loss		3 123,9		3 123,9
Derivatives used for hedging		734,5		734,5
Total liabilities	0,0	3 858,4	0,0	3 858,4

NOTE 11 Trade and other receivables & other current liabilities*Amount in MNOK*

SPECIFICATION OF TRADE AND OTHER RECEIVABLES & OTHER CURRENT RECEIVABLES

	31 MARCH		YEAR
	2024	2023	2023
Trade and other receivables			
Trade receivables	1 255,5	1 134,3	1 278,1
Accrued income	64,0	84,4	68,3
Prepaid expenses	132,0	120,9	108,2
Receivables grants new airports (note 12)	473,6	-	110,7
Other short-term receivables	48,6	336,4	75,5
Total trade and other receivables	1 973,6	1 676,0	1 640,8

	31 MARCH		YEAR
	2024	2023	2023
Other current liabilities			
Wages and social security (incl. holiday allowance)	507,5	440,1	419,9
Accrued operating and investment costs	1 041,4	656,7	901,8
Accrued interest costs	345,0	291,5	319,7
Advance from customers	177,5	163,8	193,8
Advance from Forsvarsbygg, environmental clean-up (note 12)	170,8	-	-
Other short-term liability	4,2	3,1	43,7
Total other current liabilities	2 246,3	1 555,3	1 878,8

NOTE 12 Major construction projects

New airport Bodø

In December 2021, the Norwegian parliament approved the construction of a new airport in Bodø. The project involves moving the current airport to free up areas for further development of the city. The new airport is scheduled to be put into operation in 2029-2030. The project is financed by Avinor, the state and Bodø municipality.

The construction of the new airport is carried out by two turnkey contracts with collaboration: "Airside facility" and "Terminal building". The airside facility contract was awarded to Peab Anlegg in June 2023 and signed at the start of July 2023. After completing phase 1 (development/optimization), Avinor and Peab Anlegg have reached agreement on the target price and the contract for phase 2 (implementation phase) was signed in April 2024. The contract for terminal building has been awarded to HENT and was signed in April 2024, which initiates phase 1 of the contract (development/optimization).

The premises for the new airport were, in accordance with a purchase agreement signed with Forsvarsbygg in March 2023, taken over in January 2024.

For a more detailed description of the project, including agreed financial limits and financing, reference is made to Avinor's Annual and Sustainability Report 2023.

Financial status

For the period first quarter 2019 – first quarter 2024, gross project expenses, excluding purchases of the premises associated with the current airport and before received/recognised state grants/subsidies, amount to NOK 497.7 million. After received/recognised state grants, based on allocations in the national budgets for 2023 and 2024, net expenses in the construction project amounts to NOK 0.0 million for the same period. See further specification in the table below.

Grants/contributions from the state are accounted for in accordance with IAS 20 ("Accounting for Government Grants and Disclosure of Government Assistance").

Specification of how New Airport Bodø is reflected in the financial statements excluding purchase of land:

			FIRST QUARTER		YEAR (ACCUMULATED)	
	PRESENTATION IN INCOME STATEMENT/STATEMENT OF FINANCIAL POSITION	NOTE	2024	2023	2019-2024	2019-2023
Capitalised project expenses						
Gross capitalised project expenses	Asset under construction	6	86,9	62,3	346,1	111,7
Reduction due to recognition of grants	Asset under construction	6	(86,9)	(62,3)	(346,1)	(111,7)
Net capitalised project expenses			-	-	-	-
Project expenses recognised in the income statement						
Project expenses recognised	Operating expenses		4,1	3,1	151,7	143,3
Grants recognised	Other operating income	5	(4,1)	(3,1)	(151,7)	(143,3)
Net project expenses in the income statement			-	-	-	-
Total project expenses						
Accrued project expenses			90,9	65,5	497,7	255,0
Grants recognised			(90,9)	(65,5)	(497,7)	(255,0)
Net total project expenses			-	-	-	-
Receivables related to grants - end of period						
Grants recognised - accumulated					497,7	255,0
Grants received - accumulated					(433,6)	-
Receivables grants - end of period	Receivables	11			64,1	255,0

New airport Mo i Rana

In June 2021, the Norwegian parliament approved the construction of a new airport in Mo i Rana, which will replace the current airport at Røssvoll. The new airport will be financed by the state as well as contributions from Rana municipality and local businesses.

For a more detailed description of the project, including agreed financial limits and financing, reference is made to Avinor's Annual and Sustainability Report 2023.

Financial status

As of 31 March 2024, gross project expenses for the new Mo i Rana airport, before received/recognized local and state grants, amount to NOK 1,098.4 million. After received local grants and received/recognized state grants, based on allocations in the national budgets for the years 2021-2024, net expenses in the development project amounts to NOK 0.0 million as of 31 March 2024. See further specification in the table below.

Grants/contributions from the state are accounted for in accordance with IAS 20 ("Accounting for Government Grants and Disclosure of Government Assistance").

Specification of how New Airport Mo I Rana is reflected in the financial statements excluding purchase of land:

			FIRST QUARTER		YEAR (ACCUMULATED)		
	PRESENTATION IN INCOME STATEMENT/STATEMENT OF FINANCIAL POSITION	NOTE	2024	2023	2019-2024	2019-2023	
Capitalised project expenses							
	Gross capitalised project expenses	Asset under construction	6	262,9	234,4	1 045,1	242,4
	Reduction due to recognition of grants	Asset under construction	6	(262,9)	(234,4)	(1 045,1)	(242,4)
	Net capitalised project expenses			-	-	-	-
Project expenses recognised in the income statement							
	Project expenses recognised	Operating expenses		1,9	2,6	53,3	45,3
	Grants recognised	Other operating income	5	(1,9)	(2,6)	(53,3)	(45,3)
	Net project expenses in the income statement			-	-	-	-
Total project expenses							
	Accrued project expenses			264,8	237,0	1 098,4	287,8
	Grants recognised			(264,8)	(237,0)	(1 098,4)	(287,8)
	Net total project expenses			-	-	-	
Receivables related to grants - end of period							
	Grants recognised - accumulated					1 098,4	287,8
	Grants received - accumulated					(861,2)	(254,0)
	Receivables grants - end of period	Receivables	11			237,2	33,8

NOTE 13 Contingent outcomes and uncertain liabilities/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 18 December 2023 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 2024 the equity ratio is adjusted from 40 to 35 per cent.

External environment

In accordance with requirements from the Norwegian Environment Agency, a preliminary survey of possible environmental obligations related to PFAS pollution (fire foam) was carried out in 2019 at Avinor airports (except for Evenes airport, Kristiansand airport, Oslo airport and Svalbard airport where there are already ongoing cases).

PFAS are fluorine organic compounds that were previously added to fire foam, and which have spread to the ground at the airports. These pollutants pose a risk of damage to the local natural environment and human health. In recent years, Avinor has received demands from the Norwegian Environment Agency requiring mapping, the preparation of action plans as well as the implementation of clean-up measures. Supplementary investigations and surveys of soil, water, sediment and biota have been carried out at priority locations.

Experience with the preparation of action plans and completed clean-up projects shows that the work at Avinor's airports can be more extensive than what was originally included in the accounting provision. New knowledge and documentation for new measures show that it may be possible to carry out the clean-up at several airports at a lower cost. This requires acceptance by the environmental authorities. In addition, there is uncertainty related to limit values for clean-up, areas and volumes of masses that are contaminated. Avinor works actively to reduce uncertainties by better defining the pollutants, having a close dialogue with actors who can offer more cost-effective measures and testing new methods.

The provision for future clean-up costs is based on an assessment of the clean-up cost at specific locations. The provision is updated as new knowledge about the expected clean-up cost becomes available. Estimated provision is calculated at present value to reflect that the clean-up work will be carried out in the future.

CHANGE IN PROVISION FOR ENVIRONMENTAL CLEAN UP

AMOUNT IN MNOK	31 MARCH		YEAR
	2024	2023	2023
Provision at 1 January	842,9	1 006,9	1 006,9
Change in accrual due to new information	76,9	-	13,5
Effect present value calculation	(29,1)	-	(56,1)
Performed clean up	(12,5)	(10,6)	(121,4)
Provision at the end of the period	878,2	996,2	842,9

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 December 2023. Regulation related to a new AFP scheme and special retirement pension are not included in the new law.

From 2025 it is decided that early retirement scheme (AFP) in public sector will be changed to a lifelong supplement scheme that comes in addition to the national pension scheme. This will apply to both public and private retirement schemes.

The government and the parties in public sector have reached an agreement regarding new rules for employees with special age limits. The entire rules for calculation and financing of the new early retirement schemes and retirement schemes for employees with special age limits are not complete. Therefore, the full accounting consequences of the new law cannot be calculated until the final regulation have been adopted. No decision has been made yet on how Avinor will address the new regulations for employees who are not formally affiliated with the public pension scheme.

NOTE 14 Events after the reporting period

There have been no events in the period after 31 March 2024 that affect the interim financial report for the first quarter of 2024.

Alternative performance measures (APM)

Avinor prepares group accounts in accordance with International Financial Reporting Standards (IFRS) as determined by the EU. Alternative performance measures are target figures that are not defined or specified in IFRS. Avinor uses alternative performance measures to provide supplementary information on operations and financial position. The alternative performance measures are consistently calculated over time and derived from financial figures calculated in accordance with IFRS.

OPERATING PROFIT BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENT CHARGES/ EBITDA

The profit target shows profit before financial items, tax, depreciation, amortisations and write-downs.

Avinor uses EBITDA as an alternative performance measure, as this is an approach to calculating free cash flow from operations.

EBITDA can be directly reconciled against and is specified on a separate line in the income statement.

INTEREST-BEARING DEBT

Avinor uses interest-bearing debt as an alternative performance measure to provide information on the level and development of interest-bearing debt in the group.

CALCULATION AND RECONCILIATION OF INTEREST-BEARING DEBT		31 MARCH		YEAR
		2024	2023	2023
Long term interest-bearing debt				
State loan	Statement of financial position	-	305,5	-
Other non-current loans	Statement of financial position	21 477,0	21 785,3	21 865,0
Lease liabilities	Statement of financial position	307,0	337,1	316,2
Total long term interest-bearing debt		21 784,0	22 427,9	22 181,2
Short term interest-bearing debt				
Commercial papers	Statement of financial position	1 500,0	750,0	1 499,9
First annual installment on long-term liabilities	Statement of financial position	832,6	971,5	832,6
Lease liabilities	Statement of financial position	41,9	50,4	42,1
Total short term interest-bearing debt		2 374,4	1 771,8	2 374,6
Interest-bearing debt		24 158,5	24 199,7	24 555,8

NET INTEREST-BEARING DEBT

Net interest-bearing debt is the starting point for calculating the equity ratio which is the basis for equity covenants in loan agreements and the company's articles of association.

CALCULATION AND RECONCILIATION OF NET INTEREST-BEARING DEBT	SOURCE	31 MARCH		YEAR
		2024	2023	2023
Interest-bearing debt	APM	24 158,5	24 199,7	24 555,8
Interest swaps - liabilities	Note 10	902,7	1 156,6	734,5
Interest swaps - assets	Note 10	(2 505,1)	(2 051,7)	(2 624,8)
Cash and cash equivalents	Statement of financial position	(850,3)	(1 430,1)	(1 423,3)
Net interest-bearing debt		21 705,7	21 874,5	21 242,2

EQUITY COVENANTS LOAN AGREEMENTS

Avinor provides information about the equity ratio related to loan agreements to inform about the company's compliance with covenants that lenders have set in connection with loans granted to Avinor.

Equity covenants are specified in loan agreements with the European Investment Bank, the Nordic Investment Bank and on unused credit facilities. According to the loan agreements, the group must have an equity ratio that does not fall below 30 per cent of total equity and net interest-bearing debt.

CALCULATION AND RECONCILIATION OF EQUITY RATIO LOAN AGREEMENTS	SOURCE	31 MARCH		YEAR
		2024	2023	2023
Equity	Statement of financial position	13 353,5	12 836,4	13 461,4
Net interest-bearing debt	APM	21 705,7	21 874,5	21 242,2
Total equity and interest-bearing debt		35 059,2	34 710,9	34 703,6
Equity ration loan agreements *		38,1 %	37,0 %	38,8 %

* Equity as a percentage of total equity and net interest-bearing debt

EQUITY RATIO (ACCORDING TO ARTICLE 5 OF THE COMPANY'S ARTICLES OF ASSOCIATION)

In paragraph 5 of the articles of association, Avinor has an explicit requirement for an equity ratio, which is referred to as the equity ratio according to the company's articles of association.

Avinor uses the equity ratio according to the company's articles of association as an alternative performance measure as this is a key figure for assessing the group's solidity and external borrowing capacity.

Paragraph 5 of the articles of association: Long-term loans for financing fixed assets can only be entered into within limits that ensures that the group's equity does not fall below 40 per cent of the sum of the group's net interest-bearing debt and equity at any time. When entering into long-term loan agreements, a pledge cannot be placed on certain assets in Avinor AS or subsidiaries that are part of the group's basic operations.

The accounting standard for calculating lease liabilities related to financial leases (IFRS 16) was implemented after paragraph 5 of the articles of association was established. In the management's opinion, implementation of new accounting standards should not affect the equity ratio according to the company's articles of association, and thus rental liabilities are subtracted from net interest-bearing debt when calculating the equity ratio.

CALCULATION AND RECONCILIATION OF EQUITY RATIO ACCORDING TO THE COMPANY'S ARTICLES OF ASSOCIATION	SOURCE	31 MARCH		YEAR
		2024	2023	2023
Net interest-bearing debt	APM	21 705,7	21 874,5	21 242,2
Lease liabilities, long term	Statement of financial position	(307,0)	(337,1)	(316,2)
Lease liabilities, short term	Statement of financial position	(41,9)	(50,4)	(42,1)
Net interest-bearing debt - exclusive lease liabilities		21 356,8	21 487,0	20 883,9
Equity	Statement of financial position	13 353,5	12 836,4	13 461,4
Total equity and net interest-bearing debt - exclusive lease liabilities		34 710,3	34 323,4	34 345,3
Equity ratio (according to article 5 of the company's Articles of Association) *		38,5 %	37,4 %	39,2 %

* Equity as a percentage of total equity and net interest-bearing debt - exclusive lease liabilities

EQUITY RATIO

Avinor uses equity ratio as an alternative performance measure to provide information about the company and the group's solvency.

CALCULATION AND RECONCILIATION OF EQUITY RATIO	SOURCE	31 MARCH		YEAR
		2024	2023	2023
Equity	Statement of financial position	13 353,5	12 836,4	13 461,4
Total equity and liabilities	Statement of financial position	47 518,7	46 825,8	47 814,5
Equity ratio		28,1 %	27,4 %	28,2 %

CASH FLOW BEFORE CHANGES IN DEBT

Avinor uses cash flow before changes in debt as an alternative performance measure to provide information on the level of cash flows that are generated excluding the effects of increasing or reducing debt. This provides information on the group's liquidity development before repayments on loans and gives an indication of the need for additional capital through borrowing.

CALCULATION AND RECONCILIATION OF CASH FLOW BEFORE CHANGES IN DEBT	SOURCE	31 MARCH		YEAR
		2024	2023	2023
Net cash flow from operating activities	Statement of cash flows	415,1	397,5	3 353,8
Net cash flow from investing activities	Statement of cash flows	(779,4)	(700,9)	(2 800,4)
Interest paid	Statement of cash flows	(199,2)	(192,5)	(798,1)
Cash flow before changes in debt		(563,5)	(495,9)	(244,6)

NON-FINANCIAL TARGET FIGURES

Avinor also uses non-financial target figures to provide information on operations. Non-financial target figures are not derived from financial figures calculated in accordance with IFRS. Non-financial target figures are consistently defined over time. Key non-financial target figures are described below.

Regularity

Regularity indicates the proportion of planned flights that are actually carried out.

Punctuality

Punctuality indicates the proportion of flight departures that were on time or less than 15 minutes late.



AVINOR AS
Org.nr. 985 198 292
Drammensveien 144
0277 Oslo

Postboks 150
2061 Gardermoen

avinor.no