

INTERIM FINANCIAL REPORT

3rd quarter 2023



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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 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

	THIRD QUARTER		NINE MONTHS ENDED SEPTEMBER		YEAR
	2023	2022	2023	2022	2022
Operating income airport operations	2 769	2 590	7 501	6 493	9 007
Operating income air navigation services	601	590	1 667	1 609	2 122
Other income and eliminations	-157	-213	-451	-538	-710
Total group operating income	3 213	2 967	8 717	7 564	10 419
EBITDA group *	1 513	1 321	2 919	2 290	3 069
Group profit/loss after tax	492	691	347	614	427
Total assets			47 384	46 500	45 935
Equity			14 061	13 876	13 358
Equity/total assets *			29,7 %	29,8 %	29,1 %
Net debt to equity ratio *			40,5 %	40,4 %	39,2 %
Number of passengers (in 1000)	13 983	13 229	37 225	33 178	44 729
Number of aircraft departures (in 1000)	165	168	473	460	618
Number of service units (in 1000)	661	576	1 754	1 543	2 071
Punctuality */**			83 %	80 %	81 %
Regularity */**			98 %	99 %	99 %

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

** Past 12 months

Board of Directors' Report

IMPORTANT EVENTS

A total of 37.2 million passengers travelled through Avinor's airports in the first nine months of 2023, an increase of 12.2 per cent compared to the corresponding period of 2022, driven by increased international traffic. The number of aircraft movements increased by 2.9 per cent, which reflects a significantly greater degree of filling on completed flights. So far in 2023 the number of passengers are at 90 per cent of pre pandemic levels (2019), while the number of aircraft movements are at 93 per cent.

Avinor is still marked by the aftermath of the pandemic, with financial earnings and a solidity that is too weak considered the sector political assignments the group is set to solve. This situation in combination with uncertain prognosis for the future has been discussed with the state as owner. The board is very satisfied that Avinors demanding situation has been acknowledged by the government, in addition to the fact that the state want to ensure Avinor a financially sustainable framework through several measures.

Q3 2023

KEY FINANCIAL FIGURES, THIRD QUARTER

MNOK	2023	2022	CHANGE
Operating income	3 213,0	2 966,9	8,3 %
EBITDA*	1 513,2	1 321,4	14,5 %
Profit/-loss after tax	492,3	691,2	-28,8 %
Investments**	675,4	999,8	-32,4 %

*Earnings before interests, taxes, depreciation and amortisation. See further description and calculation in the appendix "Alternative performance measures"

** Additions for assets under construction

In the third quarter of 2023, the group had operating income of NOK 3 213 million, an increase of 8.3 per cent compared to the corresponding reporting period in 2022. Traffic income increased with NOK 98 million while commercial income increased with NOK 148 million.

Operating expenses, including depreciation and amortization, amounted to NOK 2 265 million in the third quarter, an increase of 3.2 per cent compared to the corresponding quarter of 2022.

1 JANUARY TO 30 SEPTEMBER 2023

KEY FINANCIAL FIGURES, 01.01 - 30.09.

MNOK	2023	2022	CHANGE
Operating income	8 717,1	7 563,7	15,2 %
EBITDA*	2 919,3	2 290,5	27,5 %
Profit/-loss after tax	346,8	614,4	-43,6 %
Investments**	2 095,7	2 250,8	-6,9 %

*Earnings before interests, taxes, depreciation and amortisation. See further description and calculation in the appendix "Alternative performance measures"

** Additions for assets under construction

The group had for the nine months ending September 2023 a profit after tax of NOK 347 million, compared to a profit of NOK 614 million in the corresponding period of 2022. Profit after tax in 2023 is influenced by realized and unrealized losses on forward energy contracts, while in 2022 there were substantial realized and unrealized gains. The group has had an underlying result improvement so far in 2023 compared to the corresponding period in 2022, driven by increased income and improved operating margin.

Operating income

Operating income in the first nine months of 2023 amounted to NOK 8 717 million, an increase of 15.2 per cent compared to the corresponding period of 2022.

OPERATING INCOME PER SEGMENT, 01.01. - 30.09.

MNOK	2023	2022	CHANGE
Airport operations	7 500,8	6 492,8	15,5 %
Air navigation services	1 667,0	1 609,3	3,6 %
Others	1 114,9	740,6	50,5 %
Elimination	-1 565,6	-1 278,9	
Avinor Group	8 717,1	7 563,7	15,2 %

As a result of increased passenger traffic, the revenues for airport operations increased by 15.5 per cent during the first nine months of 2023 compared to the corresponding period of 2022. Traffic income had a weaker development compared to the growth in traffic, with a reduction in passenger income per passenger of 1 per cent. For the first nine months of 2023, commercial income makes up 57.3 per cent of operating income, compared to 55.7 per cent in the corresponding period in 2022. The large airports, with a larger portion of international traffic, has had the greatest revenue growth.

Air navigation services has had a growth in revenues of 3.6 per cent compared to the corresponding period in 2022. The lower growth in revenues for air navigation services compared to

airport operations is due to the fact that the number of flights has not increased as much as the number of passengers.

Operating expenses, depreciation and amortization

Total operating expenses for the first nine months of 2023 amounted to NOK 5 798 million compared to NOK 5 273 million in the corresponding period of 2022. This is an increase of NOK 525 million or 9.9 per cent. Increased volume dependent costs for personnel and security are large contributors to the increase in operating expenses, in addition to increased repair and maintenance costs for operating equipment due to increased use as well as higher prices on material and labour. The cost development must be seen in connection with the significant increase in traffic volume and generally high price growth on several input factors. Unit cost per passenger has decreased by around 1 per cent at the end of September 2023 compared to the corresponding period of 2022.

Total depreciation, amortisation, and write-downs for the first nine months of 2023 amounted to NOK 1 678 million, the same level as in the corresponding period of 2022.

EBITDA

EBITDA for the nine months ending September 2023 was NOK 2 919 million with an EBITDA margin of 33.5 per cent. In the corresponding period of 2022 EBITDA was NOK 2 291 million with an EBITDA-margin of 30.3 per cent.

Investments

Recognised additions to tangible fixed assets for the first nine months of 2023 amounted NOK 2 096 million, which is a decrease of NOK 155 million compared to the corresponding period of 2022. The investments are primarily related to projects commenced before the corona pandemic in addition to necessary re-investments.

Cash flow, financing, and commitments

In the first nine months of 2023, the group's cash flow before changes in borrowings was NOK – 15 million. With a net increase in borrowings of NOK 217 million, the group's cash reserves were increased with NOK 202 million during the first nine months of 2023.

Interest-bearing liabilities as at 30 September 2023 amounted to NOK 23.6 billion, of which NOK 1.8 billion were current interest-bearing liabilities. 2023 so far has been characterised by increased interests and weakening of the Norwegian krone against euro. The groups loan portfolio is 100 per cent currency hedged, interest effect of the fixed rate hedges contributes to a strengthening of the equity of NOK 91 million during the first nine months of 2023.

Net finance result for the first nine months of 2023 ended at NOK – 798 million, which is NOK 946 million lower than the finance result of NOK 148 million for the first nine months of 2022. Realised and unrealised losses on forward energy contracts contributes with a negative financial result of NOK 340 million in the first nine months of 2023 compared to a positive contribution of NOK 543 million for the first nine months of 2022.

Through the first nine months of 2023 the group's total assets increased by NOK 1.4 billion to NOK 47.4 billion at 30 September 2023. The equity ratio compared to the total capital ended at 29.7 per cent at the end of September 2023 compared to 29.1 per cent at year end 2022. Equity as a percentage of the sum of equity and net interest-bearing liabilities (cf. paragraph 5 of the articles of association) amounted to 40.5 per cent. In an extraordinary general meeting held 12 December 2022 the group was given a time limited permit to deviate from the articles of association,

from a minimum equity ratio of 40.0 percent to 37.0 percent. The permit is valid up until 31 December 2023.

During the first nine months of 2023, the group's book equity increased by NOK 703 million. Profit for the period contributed with NOK 347 million, estimate deviations on pension liabilities increased the equity by NOK 265 million and changes in value of financial hedging instruments accounted for a positive effect of NOK 91 million.

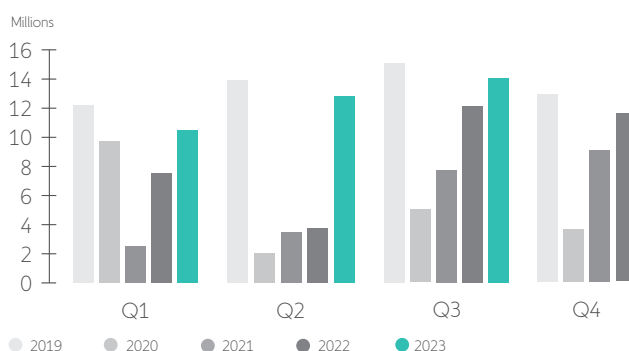
At the end of the September 2023, the group's cash reserves amounted to NOK 5.7 billion, distributed between NOK 1.4 billion in bank deposits and NOK 4.3 billion in unutilised drawing rights.

Traffic development and service targets

A total of 37.2 million passengers travelled through Avinor's airports during the first nine months of 2023. This is an increase of 12.2 per cent compared to the corresponding period in 2022.

The figure below shows the trend in traffic on a quarterly basis for the period 2019 to 2023:

PASSENGERS



Domestic traffic in the first nine months of 2023 increased by 7.1 per cent compared to the corresponding period of 2022, while international traffic increased by 20.6 per cent. Offshore helicopter traffic had decrease of 4.6 per cent.

Passenger volume was distributed between the airports as follows:

NUMBER OF AIR PASSENGERS, 01.01. - 30.09.

PASSENGERS (1000)	2023	2022	CHANGE
Gardermoen	19 225	16 683	15,2 %
Flesland	4 822	4 416	9,2 %
Sola	2 974	2 633	13,0 %
Værnes	3 000	2 765	8,5 %
Others	7 205	6 681	7,8 %
Avinor group	37 225	33 178	12,2 %

The number of commercial air transport movements during the first nine months of 2023 increased by 2.9 per cent compared

to the first nine months of 2022. Domestic aircraft movements decreased by 0.2 per cent, while international aircraft movements increased by 14.3 per cent.

Over the past 12 months, average punctuality was recorded at 83 per cent and average regularity at 98 per cent throughout Avinor's network of airports.

AIR SAFETY AND HSE

So far in 2023 there have been no aviation accidents or serious aviation incidents in which Avinor was instrumental.

The H1 value (frequency of lost-time injuries) in the group for the last 12 months was 2.2 (1.8 in the corresponding period last year) while the H2 value (frequency of injuries with and without absence) was 3.3 (3.8 in the corresponding period last year). N-value (frequency of reported nearly accidents) has during the third quarter increased from 34.5 to 39.3.

RISK

Risks pertaining to air traffic volumes

With pressure on restructuring for aviation and the risk of permanent changes in travel habits because of increased focus on climate, environment and sustainability, there is a risk of fewer travellers and decreased air traffic volumes. Geopolitical and financial changes in the world contributes additionally to uncertainty regarding development of air traffic volumes.

Avinor's traffic income is affected by, the airlines' route layout and the demand for flights. No special agreements 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. Business decisions or financial difficulties in relation to these airlines could have a 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. The group's earnings and financial value are affected by changes in traffic volume.

Earnings from commercial services to passengers at the airports are very important to the financing of the group. Changes in traffic volumes will have an impact on the size of these revenues.

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.

Financial risk

The group's activities entail various kinds of financial risks: liquidity and financing risk, interest rate risk, foreign exchange risk, credit risk and power price risk.

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.

Breach of loan covenants or negative changes in the groups equity situation can affect loan conditions and the possibility to establish new external financing.

Interest rate risk

The group is exposed to interest rate risk through its financing activities. Parts of the interest-bearing debt has floating interest rates, which means that the group is affected by changes in the interest rate level. For debt with floating interest rates, the group uses interest rate swaps in order to secure own cash flow against the interest rate fluctuations.

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 group enters into forward contracts to reduce currency risk in cash flows in foreign currencies. The groups exposure is mainly against euro and US dollars in addition to some exposure against Swedish krone and British pounds.

For revenues, the group is exposed to foreign exchange risk through en-route navigation services which are in euros. The time between revenues recognised and payments received is approximately three months. Revenues in foreign currencies are sold on forward foreign exchange contracts to the extent they are not used for direct currency payments. The group also has currency risk related to purchases made in foreign currency. Forward foreign exchange contracts are not booked as accounting hedges.

The groups bonds debt in euros is secured through the purchase of interest rate and currency swaps. Avinor uses hedge accounting for interest and currency swaps.

Credit risk

The group is exposed to credit risk in relation to airlines, commercial tenants and airline related industries. There is a risk of customers being unable to meet their obligations, which could have an impact on the group's business, financial position, and results.

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

Energy price risk

The group has a substantial use of energy and therefore also a risk of increased costs related to the development in the energy prices. To reduce the risk, Avinor has entered into bilateral physical energy contracts with Statkraft Energi AS.

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.

The level of fee income for several of Avinor's revenue-sources is regulated by Norwegian and European authorities. There is economical and financial risk for Avinor if the regulatory authorities do not take Avinor's plans into account. The same applies if actual costs or the traffic volume deviate from assumptions used to calculate the aviation fees.

Avinor safeguards defined national sectoral political 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 political guidelines may change over time.

The ministry of Transport, as owner, has established that the airport structure and the principle that Avinor shall be self-financed, is set. The owner has also given positive signals for Avinor to increase airport charges in order to be self-financed. In addition, they are considering if parts of the financing responsibility for society-imposed tasks should be transferred to the state. It is a risk that actual adjustment of airport charges or the level of compensation for society-imposed tasks is not adjusted to fully cover Avinor's actual need for improved financial framework conditions.

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. The new scheme bears more resemblance to a private defined-contribution scheme for those born after 1962. 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.

Contractual early retirement pension scheme (AFP) will be changed from an early retirement scheme (from age 62 to 67) to a lifelong supplement scheme that comes in addition to the national pension scheme. The intention is that this will be applied from 2024. New rules regarding retirement pension for employees with special age limits is planned introduced from 2025/26 as a lifetime supplement scheme.

Parts of the group's pension funds are directly linked to the Government Pension Fund Global. Returns and exchange rate developments for the Government Pension Fund Global will thus affect the value of the group's pension funds and future premium payments.

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 (including the spread of PFAS). 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 related to how Avinor works with and reports on sustainability/esg. This includes assessments on EU taxonomy and new European standards for sustainability-reporting.

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. It is discovered environmentally hazardous additives (PFAS) in fire-extinguishing foam used until 2011 which has led to pollution at and around airports. Future clean-up costs are dependent on regulatory requirements, methods for clean-up, quantities of polluted masses and prices. The Norwegian Environment Agency has issued an order for measures at some airports and an overall expectation regarding further surveys for the remaining airports. See note 12 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

There is uncertainty regarding the future levels of traffic, especially related to how increased focus on technology, climate, economy and sustainability might change future travel habits. The geopolitical and economic development in the world in general further increases the uncertainties.

The financial statements at 30 September 2023 it is prepared based on the conclusion that accounted asset values are defended. As described in note 6 "Impairment of assets", 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.

Avinor is aware of the challenges the group faces when combining growth and greenhouse gas emissions in sustainable value creation. Together with the airlines, Avinor will work for innovation and technological improvements to reconcile the goals of emission reductions and expected traffic growth. Mobility and efficient air transport are central to the development of the society and crucial in the development of Norwegian travel and business. New technology will change the aviation as we know it today. Avinor's social mission means that the group shall facilitate further development and expected changes in air traffic.

CONDENSED CONSOLIDATED INCOME STATEMENT

Amounts in MNOK

		THIRD QUARTER		NINE MONTHS ENDED SEPTEMBER		YEAR
	NOTE	2023	2022	2023	2022	2022
Operating income:						
Traffic income		1 508,0	1 410,3	4 098,3	3 676,6	4 947,8
Other operating income		1 705,0	1 556,6	4 618,7	3 887,1	5 470,7
Total operating income	4	3 213,0	2 966,9	8 717,1	7 563,7	10 418,5
Operating expenses:						
Raw materials and consumables used		29,4	66,3	126,5	144,4	214,1
Employee benefits expenses	7	819,9	818,6	2 922,8	2 723,0	3 681,0
Other operating expenses	11	850,5	760,7	2 748,5	2 405,8	3 454,8
Total operating expenses		1 699,9	1 645,6	5 797,8	5 273,2	7 350,0
EBITDA*		1 513,2	1 321,4	2 919,3	2 290,5	3 068,5
Depreciation, amortisation and impairment charges	5	565,1	550,1	1 677,5	1 647,2	2 258,7
Operating profit/-loss		948,1	771,2	1 241,8	643,3	809,8
Finance income		13,0	277,4	85,6	599,5	370,6
Finance expenses		329,8	162,7	883,1	451,1	628,4
Net finance income/-expenses		-316,9	114,7	-797,6	148,3	-257,9
Profit/-loss before income tax		631,2	885,9	444,3	791,6	551,9
Income tax expense	2	138,8	194,7	97,5	177,2	125,0
Profit/-loss after tax		492,3	691,2	346,8	614,4	426,9
Attributable to:						
Owner of parent		492,3	691,2	346,8	614,4	426,9

* Earnings before interests, taxes, depreciation and amortisation

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in MNOK

	THIRD QUARTER		NINE MONTHS ENDED SEPTEMBER		YEAR
	2023	2022	2023	2022	2022
Profit/-loss for the period	492,3	691,2	346,8	614,4	426,9
Other comprehensive income:					
Items that will not be reclassified to profit or loss in subsequent periods:					
Actuarial gains/-losses on post employment benefit obligations	265,7	-289,4	340,6	1 796,8	1 498,6
Tax effect	-59,0	64,1	-75,4	-395,5	-330,0
Items that may be subsequently reclassified to profit or loss:					
Cash flow hedges	79,9	-395,4	116,4	-783,7	-908,8
Tax effect	-17,6	87,0	-25,6	172,4	200,0
Other comprehensive income, net of tax	269,1	-533,6	356,0	790,0	459,7
Total comprehensive income	761,4	157,6	702,8	1 404,4	886,7
Attributable to:					
Owner of parent	761,4	157,6	702,8	1 404,4	886,7

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in MNOK

		30 SEPTEMBER		YEAR
	NOTE	2023	2022	2022
ASSETS				
Non-current assets				
Intangible assets:				
Deferred tax assets		1 744,1	1 796,9	1 942,6
Other intangible assets	5,6	626,0	529,0	531,7
Intangible assets under construction	5,6	1 026,0	735,6	704,8
Total intangible assets		3 396,1	3 061,6	3 179,0
Property, plant and equipment:				
Property, plant and equipment		34 415,6	33 888,4	34 373,9
Assets under construction		3 382,9	3 568,5	3 392,9
Right of use assets		342,7	519,1	504,6
Total property, plant and equipment	5,6	38 141,2	37 976,0	38 271,4
Financial assets:				
Derivative financial instruments	9	2 393,0	1 629,8	1 378,9
Other financial assets		42,4	159,9	86,7
Total financial assets		2 435,3	1 789,8	1 465,6
Total non-current assets		43 972,6	42 827,3	42 916,0
Current assets				
Inventories		40,7	40,6	65,5
Trade and other receivables	10	1 962,0	1 446,2	1 624,3
Derivative financial instruments	9	17,9	459,5	141,0
Cash and cash equivalents	8	1 390,7	1 726,0	1 188,6
Total current assets		3 411,4	3 672,3	3 019,4
TOTAL ASSETS		47 383,9	46 499,6	45 935,4

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in MNOK

	NOTE	30 SEPTEMBER		YEAR
		2023	2022	2022
EQUITY AND LIABILITIES				
Equity				
Share capital		5 400,1	5 400,1	5 400,1
Other equity		8 660,6	8 475,5	7 957,8
Total equity		14 060,7	13 875,6	13 357,9
Liabilities				
Provisions:				
Retirement benefit obligations	7,12	4 436,8	5 074,7	5 313,9
Other provisions	12	959,9	1 027,9	1 010,6
Total provisions		5 396,7	6 102,5	6 324,5
Non-current liabilities				
State loan	8,9	83,3	527,7	305,5
Other non-current loans	8,9	21 402,7	20 855,6	20 447,0
Derivative financial instruments	9	1 268,0	1 542,3	1 587,3
Lease liabilities	8,9	324,1	486,9	472,2
Total non-current liabilities		23 078,1	23 412,5	22 811,9
Current liabilities				
Commercial papers	9,10	750,0	0,0	0,0
Trade payables		597,0	357,6	650,1
Public duties payable		414,0	315,8	285,8
Derivative financial instruments	9	97,7	8,5	2,0
First annual installment on long-term liabilities	8,9	971,5	931,5	971,5
Lease liabilities	8,9	48,4	60,2	62,8
Other current liabilities	10	1 970,0	1 435,5	1 468,9
Total current liabilities		4 848,5	3 109,0	3 441,0
Total liabilities		33 323,3	32 624,0	32 577,5
Total equity and liabilities		47 383,9	46 499,6	45 935,4

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in MNOK

	SHARE CAPITAL	OTHER RESERVES	OTHER EQUITY	TOTAL EQUITY
Balance at 1 January 2022	5 400,1	-3 178,8	10 249,9	12 471,2
Total comprehensive income		790,0	614,4	1 404,4
Balance at 30 September 2022	5 400,1	-2 388,8	10 864,3	13 875,6
Balance at 1 January 2023	5 400,1	-2 719,1	10 676,9	13 357,9
Total comprehensive income		356,0	346,8	702,8
Balance at 30 September 2023	5 400,1	-2 363,1	11 023,7	14 060,7

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Amount in MNOK

		NINE MONTHS ENDED SEPTEMBER		YEAR
	NOTE	2023	2022	2022
Cash flow from operating activities				
Profit/(loss) before income tax		444,3	791,6	551,9
Depreciation, amortisation and impairment charges		1 677,5	1 647,2	2 258,7
(Profit)/loss on disposals of non-current assets		1,6	-0,6	0,2
Changes in value and other losses/(gains)		-101,2	126,2	182,3
Net finance income/-expenses		797,6	-148,3	257,9
Foreign exchange gain/-loss on operating activities		7,1	0,0	20,4
Change in inventories, trade receivables and trade payables		-345,8	-490,2	-82,9
Difference between post employment benefit expense and amount paid/received	7	-536,5	-23,6	-82,6
Change in other working capital items		581,8	-4,0	-302,4
Interest received		44,8	24,2	42,3
Net cash flow from operating activities		2 571,0	1 922,4	2 845,8
Cash flow from investing activities				
Investments in property, plant and equipment (PPE)		-2 529,8	-2 067,9	-3 105,0
Investment grants		450,0	150,0	254,0
Proceeds from sale of PPE, incl assets under construction		8,8	5,1	7,4
Change in other investments		4,6	2,6	98,1
Net cash flow from investing activities		-2 066,4	-1 910,2	-2 745,5
Cash flow from financing activities				
Repayment of borrowings	8	-533,4	-493,6	-939,0
Short term borrowings (commercial papers)	8	750,0	0,0	0,0
Interest paid		-519,0	-450,0	-630,2
Net cash flow from financing activities		-302,5	-943,6	-1 569,2
Net increase/-decrease in cash, cash equivalents and bank overdrafts		202,1	-931,4	-1 468,9
Cash, cash equivalents and bank overdrafts at the beginning of the period		1 188,6	2 657,4	2 657,4
Cash, cash equivalents and bank overdrafts at the end of the period	8	1 390,7	1 726,0	1 188,6

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 third quarter of 2023 were approved by the Board of Directors on 28 November 2023. The interim financial information has not been audited or subject to limited audit review.

NOTE 2 Basis of preparation and accounting policies

The interim financial statement for the Avinor group for the third quarter of 2023, ended 30 September 2023, has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU 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 2022. 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 statement of financial position.

NOTE 3 Segment information

Amount in MNOK

NINE MONTHS ENDED SEPTEMBER 2023:

	OSLO AIRPORT	BERGEN AIRPORT	STAVANGER AIRPORT	TRONDHEIM AIRPORT	OTHER AIRPORTS	PROPERTY DEV. AND HOTELS
Traffic income	1 516,6	429,5	305,3	249,5	601,6	0,0
Other income 1)	2 516,8	438,1	521,3	258,9	447,6	118,1
Inter-segment income	1,5	0,4	6,0	2,6	69,8	17,2
Total income	4 034,9	868,0	832,6	511,0	1 119,0	135,3
Employee benefits expenses	381,7	86,8	72,4	71,4	539,0	0,0
Other operating expenses	879,8	187,4	130,9	112,3	677,6	9,4
Inter-segment expenses	296,8	99,6	82,7	63,7	618,6	0,6
Total expenses	1 558,2	373,8	285,9	247,3	1 835,2	10,0
EBITDA	2 476,7	494,2	546,7	263,7	-716,3	125,3
Depreciation, amortisation and impairment charges	704,3	203,2	94,7	86,8	376,6	32,4
Operating profit/-loss	1 772,4	291,0	452,0	176,9	-1 092,8	92,9
Assets*	17 399,3	4 926,9	1 914,2	1 542,3	7 013,5	934,2

NINE MONTHS ENDED SEPTEMBER 2023 CONTINUED:

	TOTAL AIRPORT OPERATIONS	AIR NAVIGATION SERVICES	OTHERS	ELIMINATION	TOTAL
Traffic income	3 102,4	996,0	0,0		4 098,3
Other income	4 300,7	141,6	176,4		4 618,7
Inter-segment income	97,6	529,5	938,4	-1 565,6	0,0
Total income	7 500,8	1 667,0	1 114,9	-1 565,6	8 717,1
Employee benefits expenses	1 151,1	1 062,9	708,8		2 922,8
Other operating expenses	1 997,4	176,9	700,7		2 875,0
Inter-segment expenses	1 162,0	357,5	46,1	-1 565,6	0,0
Total expenses	4 310,5	1 597,3	1 455,6	-1 565,6	5 797,8
EBITDA	3 190,3	69,8	-340,7		2 919,3
Depreciation, amortisation and impairment charges	1 497,9	32,8	146,8		1 677,5
Operating profit/-loss	1 692,3	37,0	-487,5		1 241,8
Assets*	33 730,4	342,1	969,0		35 041,6

* Inclusive other intangible assets, exclusive assets under construction.

1) Other income for Stavanger airport, included in the segment airport operations, includes for the period ended 30 September 2023 an insurance settlement of NOK 188.5 million. This insurance settlement is related to the building of a new parking garage replacing the garage that was damaged in a fire in January 2020. The new parking garage was opened 15 June 2023.

NINE MONTHS ENDED SEPTEMBER 2022:

	OSLO AIRPORT	BERGEN AIRPORT	STAVANGER AIRPORT	TRONDHEIM AIRPORT	OTHER AIRPORTS	PROPERTY DEV. AND HOTELS
Traffic income	1 328,7	395,6	278,8	229,7	561,6	0,0
Other income	2 197,8	368,4	304,7	212,1	436,4	94,8
Inter-segment income	3,6	0,4	6,2	2,6	55,4	16,1
Total income	3 530,0	764,4	589,6	444,4	1 053,4	110,9
Employee benefits expenses	343,1	81,5	70,3	69,1	530,3	0,0
Other operating expenses	841,6	168,9	87,8	87,0	717,4	4,8
Inter-segment expenses	276,8	101,8	86,2	67,3	561,1	0,4
Total expenses	1 461,4	352,1	244,4	223,3	1 808,8	5,2
EBITDA	2 068,6	412,3	345,3	221,0	-755,4	105,7
Depreciation, amortisation and impairment charges	682,7	218,5	101,6	87,4	336,5	30,4
Operating profit/-loss	1 385,9	193,8	243,7	133,7	-1 092,0	75,3
Assets*	17 440,8	5 033,0	1 655,8	1 597,9	6 288,9	968,9

NINE MONTHS ENDED SEPTEMBER 2022 CONTINUED:

	TOTAL AIRPORT OPERATIONS	AIR NAVIGATION SERVICES	OTHERS	ELIMINATION	TOTAL
Traffic income	2 794,3	882,3	0,0		3 676,6
Other income	3 614,2	138,0	134,9		3 887,1
Inter-segment income	84,2	589,1	605,6	-1 278,9	0,0
Total income	6 492,8	1 609,3	740,6	-1 278,9	7 563,7
Employee benefits expenses	1 094,2	1 132,8	496,1		2 723,0
Other operating expenses	1 907,6	235,1	407,5		2 550,2
Inter-segment expenses	1 093,6	98,9	86,5	-1 278,9	0,0
Total expenses	4 095,3	1 466,8	990,0	-1 278,9	5 273,2
EBITDA	2 397,5	142,5	-249,5		2 290,5
Depreciation, amortisation and impairment charges	1 457,0	114,2	76,0		1 647,2
Operating profit/-loss	940,4	28,3	-325,4		643,3
Assets*	32 985,3	1 114,5	317,6		34 417,4

* Inclusive other intangible assets, exclusive assets under construction.

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 assistance

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 11 regarding the development of new airports in Bodø and Mo i Rana.

SPECIFICATION	THIRD QUARTER		NINE MONTHS ENDED SEPTEMBER		YEAR
	2023	2022	2023	2022	2022
Traffic income					
Takeoff charges	296,2	280,0	839,0	761,4	1 023,0
Terminal charges	344,0	313,0	925,1	792,0	1 066,9
En route charges	375,7	329,5	996,0	882,3	1 185,0
Security charges	360,5	348,5	966,5	868,4	1 169,0
Terminal navigation charges	131,7	139,3	371,7	372,6	503,8
Total traffic income	1 508,0	1 410,3	4 098,3	3 676,6	4 947,8
Other operating income					
Revenue from contracts with customers:					
Duty free	0,0	22,5	0,0	46,3	68,3
Parking	0,0	0,0	0,1	0,1	0,2
Other	221,9	154,9	866,1	611,3	998,6
Total revenue from contracts with customers	221,9	177,4	866,2	657,8	1 067,1
Rental income:					
Duty free	722,6	675,4	1 764,5	1 517,7	2 068,8
Parking	300,7	247,0	791,8	628,8	854,4
Other	459,8	456,7	1 196,3	1 082,9	1 480,4
Total rental income	1 483,1	1 379,2	3 752,5	3 229,4	4 403,6
Total other operating income	1 705,0	1 556,6	4 618,7	3 887,1	5 470,7
Total income from contracts with customers	1 729,9	1 587,8	4 964,5	4 334,4	6 014,9
Total rental income	1 483,1	1 379,2	3 752,5	3 229,4	4 403,6
Total operating income	3 213,0	2 966,9	8 717,1	7 563,7	10 418,5

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 30 September 2022					
Opening net book amount	453,8	32 414,6	5 386,7	568,4	38 823,5
Additions	229,0	3 104,4	2 250,8	0,6	5 584,8
Reclassification *	0,0	0,0	-3 333,4	0,0	-3 333,4
Disposals	-110,2	-70,7	0,0	-6,2	-187,1
Depreciation charge	-43,6	-1 559,9	0,0	-43,7	-1 647,2
Closing net book amount	529,0	33 888,4	4 304,1	519,1	39 240,6
Classified as intangible	529,0	0,0	735,6	0,0	1 264,6
At 30 September 2023					
Opening net book amount	531,7	34 373,9	4 097,7	504,6	39 507,9
Additions	146,4	1 638,1	2 095,7	57,4	3 937,6
Reclassification *	0,0	0,0	-1 784,5	0,0	-1 784,5
Disposals	-0,4	-14,9	0,0	-175,1	-190,4
Depreciation charge	-51,7	-1 581,6	0,0	-44,2	-1 677,5
Closing net book amount	626,0	34 415,6	4 408,9	342,7	39 793,1
Classified as intangible	626,0	0,0	1 026,0	0,0	1 652,0

* Reclassification of assets under construction is related to assets that are completed. The completed assets are presented as additions in the relevant asset categories.

NOTE 6 Impairment of assets

Amounts in MNOK

Avinor has substantial investments in infrastructure, buildings and other real estate which is required to own, operate and develop airport operations and air navigation services. Avinor has defined two cash generating units: airport operations and air navigation services. For airport operations the financing model for Avinor is based on cross financing between profitable and unprofitable airports, in addition to commercial revenues being factored in when setting the airport charges (single till principle). Based on this, the group's total airport operations is considered one cash generating unit.

Indications of impairments are assessed at each reporting period for individual assets and cash generating units, and impairment tests are performed if there are any indicators identified. The value in use for assets is calculated by discounting estimated future cash flows to present value based on a weighted average capital cost (WACC). WACC reflects the current market assessments of time value of money and risks specific for the asset or cash generating unit that the asset belongs to.

For the cash generating unit airport operations, pressure on restructuring for aviation and the risk of permanent changes in travel habits because of increased focus on climate, environment and sustainability indicates a risk of permanent changes in travel habits. This might lead to fewer travellers and thus reduced income for the group's airport operations. The geopolitical and economic development in the world further increases the uncertainties in the prognoses for future traffic and income. The risk of a lasting reduction in travellers and income is considered an impairment indicator for the airport operations.

The cash generating unit air navigation services is not to the same extent sensitive to changes in traffic patterns. This is because the regulation of the en route charges is designed in a way that gives Avinor, over time, coverage of actual costs and a required return rate of return, given that certain performance measures are fulfilled. At 30 September 2023 it is assessed that there are no indications of impairment for air navigation services.

KEY ASSESSMENTS AND ESTIMATES FOR AIRPORT OPERATIONS

As a result of identified impairment indicators for airport operations, an impairment test has been carried out at 30 September 2023 for this cash generating unit. The impairment test takes into account updated forecasts for expected development in travelers, which forms the basis for expected airport charges and commercial income, expenses and level of investments. It is assumed that the owner will secure Avinor a total financing level that defends accounted asset values. The owner has in a letter to Avinor on 16 November acknowledged the financial situation that Avinor is in, and that they are considering several measures to ensure the financial results for the group.

The cash generating unit airport operation is in entirety operated in Norway. To estimate the value in use, the present value of future cash flow is estimated in NOK and discounted based on a weighted average discount rate relevant for the airport operations. In the impairment test the fourth quarter 2023 and the period 2024 to 2027 is used as the forecast period. From the terminal year 2028 it is assumed that revenues and expenses growths with a constant rate. The value in use is calculated as the total of the discounted cash flows in the forecast period and the terminal value.

Most of the value in use for airport operations is related to the terminal value. Assessments affecting the terminal value is therefore considered the most important assumptions used in the impairment test. These key assumptions are described below, and represent the managements best assessment of probable outcome:

AIRPORT OPERATIONS	
Key assumptions	
Number of passengers terminal year 2028 (millions)	5,4
Result improvement terminal year 2028 (NOK billion) *	2,7
Growth in terminal value	2,0 %
Post-tax rate of return requirement	6,2 %

*Improvement in result in 2028 beyond estimated result with consumer price index adjustment of the airport charges for 2023. The improvement in results are necessary to give a reasonable return on invested capital. The improvement in results is assumed realized through increased levels of charges, changes in framework conditions or other measures to improve results might reduce the need for increased fees.

KEY ASSUMPTIONS FOR AIRPORT OPERATIONS.

Number of passengers terminal year 2028

The number of passengers of 54.0 million in 2028 is estimated based on Avinors traffic forecasts in the forecast period and a projected growth of 2 per cent from the terminal year. Estimated traffic development for 2024 is based on Avinors own analysis, for the years 2025-2027 yearly traffic growth is based on forecasts prepared by The Institute of Transport Economics. Expected increased CO₂-costs (affecting both fees and quota prices) are included in the forecasts from The Institute of Transport Economics. The forecast by Avinor for 2024 is based on the registered route program, the latest developments in traffic numbers and an assessment of how the macroeconomic conditions is expected to influence the traffic numbers in 2024. For the years 2025-2027 the traffic growth from the latest forecasts by The Institute of Transport Economics is used, but the internal traffic forecast from Avinor for 2024 is used as a starting point for the yearly growth for these years.

Result improvement terminal year 2028

Based on the forecast at 30 September 2023, Avinor has calculated a need for a result improvement, including increased airport charges, of around NOK 2.7 billion in the terminal year beyond what the revenues would have been with consumer price index adjustment of the 2023-airport charges. For the years 2024-2027 the corresponding accumulated effect of result improvement in the cash flow forecasts are in the order of NOK 8 billion, spread over the various years.

The necessary result improvement can be realized through a combination of measures such as real increase in airport charges, improved commercial framework conditions, payment for services that Avinor delivers to other government players and improvement in operating efficiency for Avinor. Of these measures, increased airport charges are most important. Airport charges should be regulated according to "single till principle" (commercial revenues are factored in when setting the airport charges). This implies that Avinor, over time, should achieve a result margin corresponding to the owners required rate of return, and that the airport charges are set according to that.

The required result improvement indicates a substantial increase in airport charges compared to present levels. Avinor has therefore been in dialogue with the owner through the third quarter regarding possible adaptations in the framework conditions that can somewhat 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. In addition further adaptations in the framework conditions to improve the cash flows for Avinor is expected, ensuring that the total burden of fees for the airlines are not too high. The letter from the Ministry of Transport dated 16. November supports that these assumptions used in the impairment test are reasonable. It is also referred to note 13 "Events after the reporting date".

Growth in terminal value

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

Post-tax rate of return requirement

The post-tax required rate of return used at 30 September 2023 is based on the market expectations for risk-free interest rates and debt interest rates in addition to the assessments of required rate of return for equity expected for this type of business.

CONCLUSION REGARDING IMPAIRMENT TEST AIRPORT OPERATIONS

The results of the impairment test performed at 30 September 2023 show that the value in use exceeds the book value of assets by NOK 1.2 billion. The conclusion for the group is therefore that no impairment of assets for the cash generating unit airport operations shall be recognised at 30 September 2023.

SENSITIVITY ANALYSIS FOR IMPAIRMENT TEST OF AIRPORT OPERATIONS

The impairment test is sensitive for changes in the key assumptions. Should managements best estimates not be met, it could lead to significant impairment losses. The values will be significantly negatively affected if the result improvement, including airport charges, is not regulated as assumed. A result improvement of 50 per cent of the assumed levels in the forecast period and terminal value would have given a negative change of the value in use of approximately NOK 22.5 billion and an impairment loss of approximately NOK 21.3 billion. With no result improvement, the value in use for airport operations would have been zero.

In addition to the above-mentioned sensitivity for levels of result improvement, other sensitivity analysis has been performed for key assumptions that the management have assessed as reasonably possible downside scenarios. The analyses have been prepared to illustrate the uncertainty in the management's assessments.

The table shows the change in value in use and the result improvement necessary in the terminal year, beyond the need already included in the key assessment, necessary in order to defend the accounted values in the different scenarios. Changes in framework conditions or other result improving measures, in example payment for services that Avinor delivers to other government players or reduced service levels for society-imposed tasks, can reduce the need for increased airport charges. In the scenarios with reduced growth in the terminal value, the level of investment is not changed compared to the level used in the impairment test.

Further, for illustration, the calculated impairment is shown if Avinor only realizes 50 per cent of the needed level of result improvement, beyond NOK 2.7 billion (including airport charges) in the terminal year.

Beløp i MNOK		Value	Change in value	Needed result improvement	Impairment if 50 per cent of needed result improvement
Change number of passengers terminal year	Passengers terminal year (millions)				
0 %	54,0	39 178	0	0	0
- 5 %	51,3	31 340	-7 838	448	3 324
- 10 %	48,6	23 501	-15 677	976	7 243
Change growth in terminal value	Growth in terminal				
0,0 %	2,0 %	39 178	0	0	0
- 0,5 %	1,5 %	35 034	-4 144	223	1 477
- 1,0 %	1,0 %	31 687	-7 491	525	3 150
Change in post-tax required rate of return requirement	Rate of retrun requirement				
0,0 %	6,2 %	39 178	0	0	0
- 0,5 %	6,7 %	34 586	-4 592	261	1 701
- 1,0 %	7,2 %	30 886	-8 292	614	3 551

NOTE 7 Pensions*Amounts 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 30 September 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	30 SEPTEMBER		YEAR
	2023	2022	2022
Discount rate and future return on plan assets	3,90 %	3,40 %	3,20 %
Future salary increases	3,75 %	3,75 %	3,50 %
Future pension increases	2,90 %	2,75 %	2,60 %
Future increases in the social security base rate (G)	3,50 %	3,50 %	3,25 %

PENSION OBLIGATION	30 SEPTEMBER		YEAR
	2023	2022	2022
Net pension obligation at 1. January	5 313,9	6 895,1	6 895,1
Pension cost	254,8	293,9	370,0
Employer/employee contribution	-791,3	-317,5	-452,6
Actuarial gains/losses	-340,6	-1 796,8	-1 498,6
Net pension obligation at the end of the period	4 436,8	5 074,7	5 313,9

Actuarial gains/losses for 2023 includes positive effects from deviation between actual and estimated return on pension funds and estimated negative effects from the social security settlement for 2023. The social security settlement for 2023 was carried out with a higher regulation than assumed when calculating the group's pension obligations at year end 2022. In addition, changes in pension assumptions, in particular increased discount rate, has led to a reduction in net pension obligation compared to year end 2022.

In addition to the pension cost in the table above there is a cost of NOK 130.5 million as at 30 September 2023 related to employees that have transitioned to a defined contribution pension scheme (NOK 112.7 million at 30 September 2022) and NOK 22.8 million related to the private AFP scheme (early retirement) (NOK 27.3 million at 30 September 2022).

NOTE 8 Borrowings and lease liabilities

Amount in MNOK

	30 SEPTEMBER		YEAR
	2023	2022	2022
Long term borrowings and lease liabilities	21 810,1	21 870,2	21 224,7
Short term borrowings and lease liabilities	1 769,9	991,6	1 034,3
Total	23 579,9	22 861,8	22 259,0
Movement in borrowings and lease liabilities			
Opening net book amount	22 259,0	22 977,3	22 977,3
Repayment of borrowings	-485,7	-445,7	-891,5
Repayment of lease liabilities	-39,9	-35,6	-47,5
Net proceeds/repayment of short term borrowings (commercial papers)	750,0	0,0	0,0
Net changes in borrowings	224,4	-481,3	-939,0
Other changes in lease liabilities	-122,7	-6,7	-6,1
Changes in value ¹⁾	1 219,2	372,5	226,8
Closing net book amount	23 579,9	22 861,8	22 259,0

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.

LIQUIDITY RESERVES

	30 SEPTEMBER		YEAR
	2023	2022	2022
Cash and cash equivalents	1 390,7	1 726,0	1 188,6
Unused bank overdraft	300,0	300,0	300,0
Unused credit facility	4 000,0	4 000,0	4 000,0
Total	5 690,7	6 026,0	5 488,6

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 third quarter 2023.

NOTE 9 Financial instruments

Amounts 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

	30 SEPTEMBER 2023		30 SEPTEMBER 2022		31 DECEMBER 2022	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Interest-bearing debt						
State loan	527,7	516,4	972,0	942,4	749,8	730,0
Bonds	18 314,1	16 950,8	17 240,1	15 473,3	17 095,1	15 607,0
Bank borrowings	3 615,5	3 587,2	4 102,6	4 085,2	3 879,0	3 884,0
Commercial papers	750,0	750,0	0,0	0,0	0,0	0,0
Lease liabilities	372,6	372,6	547,0	547,0	535,0	535,0
Total	23 579,9	22 177,0	22 861,8	21 048,0	22 259,0	20 756,1

DERIVATIVE FINANCIAL INSTRUMENTS

	30 SEPTEMBER		YEAR
	2023	2022	2022
Assets			
Interest rate swaps	2 393,0	1 628,9	1 377,9
Forward foreign exchange contracts	17,9	2,7	1,2
Forward energy contracts	0,0	457,7	140,8
Total assets	2 410,9	2 089,3	1 519,9
Liabilities			
Interest rate swaps	1 268,0	1 542,3	1 585,8
Forward foreign exchange contracts	0,2	8,5	3,4
Forward energy contracts	97,6	0,0	0,0
Total liabilities	1 365,7	1 550,8	1 589,2

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 30 September 2023:

AT 30 SEPTEMBER 2023	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Derivatives at fair value through profit or loss		17,9		17,9
Derivatives used for hedging		2 393,0		2 393,0
Total assets	0,0	2 410,9	0,0	2 410,9
Liabilities				
Derivatives at fair value through profit or loss		2 952,7		2 952,7
Derivatives used for hedging		1 268,0		1 268,0
Total liabilities	0,0	4 220,7	0,0	4 220,7

The following table presents the group's assets and liabilities that are measured at fair value at 30 September 2022:

AT 30 SEPTEMBER 2022	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Derivatives at fair value through profit or loss		460,4		460,4
Derivatives used for hedging		1 628,9		1 628,9
Total assets	0,0	2 089,3	0,0	2 089,3
Liabilities				
Derivatives at fair value through profit or loss		3 480,1		3 480,1
Derivatives used for hedging		1 542,3		1 542,3
Total liabilities	0,0	5 022,5	0,0	5 022,5

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

AT 31 DECEMBER 2022	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Derivatives at fair value through profit or loss		142,0		142,0
Derivatives used for hedging		1 377,9		1 377,9
Total assets	0,0	1 519,9	0,0	1 519,9
Liabilities				
Derivatives at fair value through profit or loss		3 423,2		3 423,2
Derivatives used for hedging		1 585,8		1 585,8
Total liabilities	0,0	5 009,1	0,0	5 009,1

NOTE 10 Trade and other receivables & other current liabilities

	30 SEPTEMBER		YEAR
	2023	2022	2022
Trade and other receivables			
Trade receivables	1 363,3	1 185,5	1 045,8
Accrued income	64,6	61,6	114,7
Prepaid expenses	142,1	123,4	132,6
Receivables grants new airports (note 11)	344,4	0,0	229,4
Other short-term receivables	47,6	75,7	101,8
Total trade and other receivables	1 962,0	1 446,2	1 624,3

	30 SEPTEMBER		YEAR
	2023	2022	2022
Other current liabilities			
Wages and social security (incl. holiday allowance)	395,2	354,5	372,4
Accrued operating and investment costs	900,8	525,7	513,3
Accrued interest costs	368,0	293,6	293,4
Advance from customers	120,1	137,6	178,2
Liabilities grants new airports (note 11)	107,3	0,0	64,0
Other short-term liability	78,5	124,2	47,5
Total other current liabilities	1 970,0	1 435,5	1 468,9

NOTE 11 Significant construction projects

New airport Bodø

In December 2021, the Norwegian Parliament approved the building 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 2029-2033.

The Board of Directors of Avinor approved the project in December 2022 with a maximum cost target ("kostnadsramme") and a management cost target ("styringsmål") of NOK 7 200 million (2022 value) and NOK 6 100 million (2022 value), respectively, excluding purchase of land and financing costs. The adopted maximum cost means that Avinor will contribute NOK 2 600 million (2022 value), while the rest is financed by the state and Bodø municipality.

With the exception of preparatory works, the building of the new airport cannot start until the financing has been approved by EFTA's monitoring body (ESA) and there is a license decision from the Ministry of Transport. The license from the Ministry of Transport was granted in October 2023. The approval from EFTA is expected to be available during 2023.

Avinor is the builder ("byggherre") and shares the risk equally with the state for any exceeding of the management cost target up to the maximum cost target. Avinor has all the risk of any exceeding of the maximum cost target. The maximum cost target corresponds to a limit for total project expenses that Avinor expects to stay within with an 85 percent probability. For the management cost target, the corresponding probability level is 50 percent.

On 21 March 2023, Avinor entered into agreements with Forsvarsbygg regarding the purchase of land for the new airport as well as the land where the current airport is located. At the same time, an agreement was entered into for the sale of the property where today's airport is located from Avinor to Bodø municipality after the new airport is completed. The agreements are an important part of the total financing of the project and ensure the further work on the construction of new airport in Bodø.

The construction of the new airport is carried out by two turnkey contracts with collaboration: "Airside facility" and "Terminal building". In phase 1 (the development phase) of the contracts, Avinor and the contractor will collaborate to uncover opportunities and risks in the project, negotiate a target price and prepare plans for phase 2 (the implementation phase). The contract for "Airside facility" was awarded to Peab Anlegg AS in June 2023 and signed in the beginning of July 2023, which begins phase 1 of the collaboration. The contract for "Terminal construction" was announced in June 2023. Award and start of phase 1 of the contract is expected to take place in the first half of 2024.

Financial status

In the National Budget for 2023, NOK 450 million was allocated to cover accrued project expenses in the period 2019 - 2023. The first payment of state grants will take place when the funding of the project has been approved by ESA, while further state grants will be paid out on a monthly basis based on accrued project expenses.

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

For the period Q1 2019 to Q3 2023, and before considering state contributions, gross project expenses for the new airport in Bodø amount to NOK 344.4 million, of which NOK 196.9 million is recognized in the balance sheet as assets under construction and NOK 147.5 million is recognized as project costs. As a result of accrued project expenses first being covered by state grants, a receivable relating to the incurred project expenses of NOK 344.4 million has been recognized as of 30 September 2023, of which NOK 196.9 million has been recognized as a reduction of assets under construction, while the remaining NOK 147.5 million has been recognized as a reduction of other operating income.

New airport Mo i Rana

In June 2021, the Norwegian Parliament approved the building of a new airport in Mo i Rana, which will replace the current airport at Røssvoll.

The project has a maximum cost target ("kostnadsramme") and management cost target ("styringsmål") of NOK 4 890 million (2023 value) and 4 582 respectively after increased state grants were given in the revised national budget for 2023, including financing of increased runway length from 2 200 meters to 2 400 metres. The new airport is to be financed by the state as well as a fixed grant/contribution of NOK 600 million from Rana municipality and the local business community. In connection with the financing of increased runway length, a local contribution of NOK 66 million has also been agreed which will be subject to index regulation. EFTA's monitoring body, ESA, approved the financing plan for the project in June 2022.

Avinor is the builder ("byggherre") and bears the risk of any management cost target being exceeded. The management cost target corresponds to a limit for total project expenses that Avinor expects to stay within with a 50 percent probability.

The project is carried out as a turnkey contract in collaboration. The contractor is AF Gruppen Norge AS. In phase 1 (the development phase) of the collaboration, Avinor and the contractor collaborated to uncover opportunities and risks in the project, negotiated a

target price and drew up plans for phase 2 (the implementation phase). An agreement with AF Gruppen Norge AS for phase 2 has been concluded and construction work began in the second quarter of 2023.

Financial status

The subsidy from local business (NOK 150 million) was received in July 2022, while the first government subsidy of NOK 104 million, which applies to incurred expenses up to and including 2022, was paid out in December 2022. Future government subsidies will be paid out on a monthly basis after the contribution from local business and Rana municipality of NOK 600 million has been used and will be based on incurred project expenses. The municipal contribution (NOK 450 million) was paid in July 2023 in connection with the start of construction in accordance with the general contract.

Subsidy from local business, the municipality and the state are accounted for in accordance with IAS 20 ("Accounting for Government Grants and Disclosure of Government Assistance").

As of 30 September 2023, and before considering local and state contributions, the gross project expenditure for the new airport Mo i Rana amounts to NOK 596.7 million, of which NOK 547.8 million is recognized in the balance sheet as assets under construction and NOK 48.8 million are expensed as project costs. Accumulated grants recognised on 30 September 2023 amount to NOK 596.7 million, of which NOK 547.8 million is recognized as a reduction of assets under construction and 48.8 NOK million is recognised as other operating income. Of the total grants recognized as of 30 September 2023, NOK 107.3 million is presented as other current liabilities in the balance sheet.

NOTE 12 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 12 December 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 2023 the equity ratio is adjusted from 40 to 37 per cent. The general meeting resolution applies until 31 December 2023.

Long term forecasts indicates that Avinor will not exceed the equity ratio according to the articles of association after 31 December 2023. The Ministry of Transport, as owner, has in a letter dated 16 November 2023 clarified that the permit to deviate from the equity ratio will be prolonged after year end 2023. The details related to this permit will be formalized in an extraordinary general meeting before the end of 2023.

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 at year end 2022 was calculated at present value to reflect that the clean-up work will be carried out in the future. It is expected that the price increase for input factors linked to the clean-up of contaminated land will be higher than the discounting effect of the clean-up work being carried out over the next few years.

AMOUNTS IN MNOK	30 SEPTEMBER		YEAR
	2023	2022	2022
Provision at 1 January	1 006,9	944,7	944,7
Change in accrual due to new information	69,8	101,3	84,6
Effect present value calculation	-26,3	0,0	44,9
Performed clean up	-103,9	-22,0	-67,3
Provision at the end of the period	946,5	1 024,0	1 006,9

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 30 September 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. These rules will be introduced from 2025/26. 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.

War in Ukraine

The conflict between Ukraine and Russia affects the world economy, the aviation industry, and might also affect Avinor 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. The situation is monitored continuously.

NOTE 13 Events after the reporting date

Clarifications from owner

Development in the forecasts for traffic indicates a decline in the number of passengers (airport revenues). As a consequence, Avinor started a process with The Ministry of Transport as owner regarding measures that had to be implemented in order to ensure a sustainable financial framework with basis in how Avinor and revenues are regulated. Based on this regulation and the corresponding dialogue with the owner, Avinor updated the forecasts in September 2023 in order to reflect the managements best estimates given measures from the owner with effects for the results for Avinor.

The dialogue with the owner and the updated forecasts that were performed in the third quarter of 2023 are supported by the letter from The Ministry of Transport dated 16 November 2023 where measures through increased airport charges, the government taking over financing responsibility for society-imposed tasks, changes in rules for the sale of goods in duty-free areas and improvements in operating efficiency for Avinor are described.

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		30 SEPTEMBER		YEAR
		2023	2022	2022
Long term interest-bearing debt				
State loan	Statement of financial position	83,3	527,7	305,5
Other non-current loans	Statement of financial position	21 402,7	20 855,6	20 447,0
Lease liabilities	Statement of financial position	324,1	486,9	472,2
Total long term interest-bearing debt		21 810,1	21 870,2	21 224,7
Short term interest-bearing debt				
Commercial papers	Statement of financial position	750,0	0,0	0,0
First annual installment on long-term liabilities	Statement of financial position	971,5	931,5	971,5
Lease liabilities	Statement of financial position	48,4	60,2	62,8
Total short term interest-bearing debt		1 769,9	991,6	1 034,3
Interest-bearing debt		23 579,9	22 861,8	22 259,0

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	30 SEPTEMBER		YEAR
		2023	2022	2022
Interest-bearing debt	APM	23 579,9	22 861,8	22 259,0
Interest swaps - liabilities	Note 9	1 268,0	1 542,3	1 585,8
Interest swaps - assets	Note 9	-2 393,0	-1 628,9	-1 377,9
Cash and cash equivalents	Statement of financial position	-1 390,7	-1 726,0	-1 188,6
Net interest-bearing debt		21 064,4	21 049,2	21 278,3

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	30 SEPTEMBER		YEAR
		2023	2022	2022
Equity	Statement of financial position	14 060,7	13 875,6	13 357,9
Net interest-bearing debt	APM	21 064,4	21 049,2	21 278,3
Total equity and interest-bearing debt		35 125,0	34 924,8	34 636,2
Equity ratio loan agreements *		40,0 %	39,7 %	38,6 %

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

EQUITY RATIO ACCORDING TO 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 throughout 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	30 SEPTEMBER		YEAR
		2023	2022	2022
Net interest-bearing debt	APM	21 064,4	21 049,2	21 278,3
Lease liabilities, long term	Statement of financial position	-324,1	-486,9	-472,2
Lease liabilities, short term	Statement of financial position	-48,4	-60,2	-62,8
Net interest-bearing debt - exclusive lease liabilities		20 691,8	20 502,2	20 743,3
Equity	Statement of financial position	14 060,7	13 875,6	13 357,9
Total equity and net interest-bearing debt - exclusive lease liabilities	Statement of financial position	34 752,5	34 377,8	34 101,2
Equity ratio (according to article 5 of the company's Articles of Association) *		40,5 %	40,4 %	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	30 SEPTEMBER		YEAR
		2023	2022	2022
Equity	Statement of financial position	14 060,7	13 875,6	13 357,9
Total equity and liabilities	Statement of financial position	47 383,9	46 499,6	45 935,4
Equity ratio		29,7 %	29,8 %	29,1 %

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	30 SEPTEMBER		YEAR
		2023	2022	2022
Net cash flow from operating activities	Statement of cash flows	2 571,0	1 922,4	2 845,8
Net cash flow from investing activities	Statement of cash flows	-2 066,4	-1 910,2	-2 745,5
Interest paid	Statement of cash flows	-519,0	-450,0	-630,2
Cash flow before changes in debt		-14,5	-437,8	-529,9

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.



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