

INTERIM FINANCIAL REPORT

4th quarter 2022



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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

	FOURTH QUARTER		TWELVE MONTHS ENDED DECEMBER	
	2022	2021	2022	2021
Traffic income	667,8	559,5	2 593,8	1 544,2
Security (cost based)	300,6	229,4	1 169,0	565,1
Sales- and rental income - duty free	573,1	332,5	2 137,1	606,5
Sales- and rental income - parking	225,7	178,9	854,6	436,4
Sales- and rental income - other	648,5	393,9	1 975,0	1 155,8
Inter-group income	25,1	21,6	93,2	87,6
Total income airport operations	2 440,9	1 715,8	8 822,7	4 395,6
En route charges	302,7	270,4	1 185,0	813,6
Inter-group income approach and control tower services	166,2	158,9	755,3	588,2
Other income	43,5	46,0	181,4	173,8
Total income air navigation services	512,4	475,3	2 121,7	1 575,6
Other group income	350,7	309,7	1 202,2	4 717,0
Elimination of inter-group income	-479,3	-415,6	-1 758,2	-1 374,0
Total group income	2 824,8	2 085,3	10 388,5	9 314,1
Operating expenses airport operations	-1 676,1	-1 363,6	-5 766,2	-4 730,9
Operating expenses air navigation services	-460,2	-516,3	-1 927,0	-1 823,6
Other operating expenses	-419,8	-499,4	-1 415,1	-1 108,3
Elimination of inter-group expenses	479,3	415,6	1 758,2	1 374,0
Total group expenses	-2 076,8	-1 963,7	-7 350,0	-6 288,8
EBITDA airport operations	764,8	352,2	3 056,6	-335,3
EBITDA air navigation services	52,2	-41,0	194,7	-248,1
EBITDA others	-69,1	-189,7	-212,8	3 608,7
EBITDA group	748,0	121,5	3 038,5	3 025,3
Depreciation, amortisation and impairment charges	-611,5	-551,5	-2 258,7	-2 196,6
Operating profit/-loss	136,5	-430,0	779,8	828,8
Net finance income/-costs	-406,2	-132,2	-257,9	-560,6
Profit/(loss) before income tax	-269,7	-562,2	521,9	268,2
Income tax expense	-57,4	-122,7	119,8	60,1
Profit/-loss after tax	-212,3	-439,5	402,2	208,1
EBITDA-margin airport operations	31,3 %	20,5 %	34,6 %	-7,6 %
EBITDA-margin air navigation services	10,2 %	-8,6 %	9,2 %	-15,7 %
EBITDA-margin others	26,5 %	5,8 %	29,2 %	32,5 %
Investments	705,6	678,7	2 956,4	2 573,5
Distributed dividends	0,0	0,0	0,0	0,0
Cash flow before borrowings/repayments	-79,7	-410,0	-529,7	67,3
Interest - bearing debts (exclusive lease liabilities)			21 931,9	21 858,4
Total assets			45 860,9	46 376,7
Net debt to equity ratio (b)			39,1 %	39,4 %
Number of passengers (in 1000)	11 551,9	8 947,9	44 729,4	22 440,4
Number of aircraft departures (in 1000)	158,7	148,9	618,6	462,6
Number of service units (in 1000)	528,0	490,7	2 071,0	1 445,0
Punctuality (a)			79 %	88 %
Regularity (a)			99 %	98 %

(a) Past 12 months

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

Board of Directors' Report

IMPORTANT EVENTS

A total of 44.7 million passengers travelled to, from or through Avinor's airports in 2022. Air traffic in 2022, measured by number of passengers, increased by 99 per cent compared to 2021. The number of aircraft movements in 2022 increased by 27 per cent compared to 2021. Domestic aircraft movements increased by 18 per cent while international traffic increased by 140 per cent. In 2022, Oslo airport was the most punctual airport for departures amongst the 20 largest airports in Europe. It has also been named as the best airport in Europe when it comes to landings that save emissions and reduce noise.

Consequences of changed travel habits, uncertainty due to the war in Ukraine, high price growth, long delivery time for Norwegian passports, increased interest rates, strikes and capacity challenges within the airline industry contributes to the fact that traffic levels are still not back at pre pandemic levels. For 2022 the total number of passengers were approximately 17 per cent lower compared to 2019. The traffic development and travel patterns indicate that the recovery has been strongest for holiday and leisure travels, while business travel is still behind the pre pandemic volumes.

Increased attention to security around critical Norwegian infrastructure increases the attention on illegal drone activity. There have been several observations of illegal drone use around Avinor's airports, which has led to some airports being closed for shorter periods. Avinor continues reinforced measures to monitor the situation. Beyond this, as well as reduced overflight traffic in Norwegian airspace, the outbreak of war in Ukraine has not had major operational consequences.

The remote tower project has good progress. After the transfer of the tower operations at Svolvær airport at the end of January 2023, a total of nine airports will be remotely controlled from the remote tower centre in Bodø.

The group board in Avinor has approved the development of a new airport in Bodø. A collaboration between Bodø municipality, the Defence and Avinor has led to the conclusion that Avinor will build a new airport which is scheduled to be completed in 2029. The estimated cost frame for the building of the airport is NOK 7.2 billion (2022-value), of which Avinor will contribute with NOK 2.6 billion. The rest will be financed by the state and Bodø municipality.

The build of a new airport in Mo i Rana was approved in 2021 with a cost frame of NOK 3.3 billion (2020-value). NOK 2.7 billion will be financed by the state while Rana municipality and local business contributes with a fixed contribution of NOK 0.6 billion. In mid-august, the general contract for the building of the new airport in Mo i Rana was awarded AF Gruppen. The first physical preparatory work at the new airport started in September. A process to get full access to the site before further work can be started is underway.

In the state budget for 2023 the permitted tax-free quota for tobacco products were halved. It is estimated that the annual loss of income for Avinor will be around NOK 270 million.

Monitoring of the group's financial position is still a priority area. The equity ratio according to paragraph 5 of the articles of association is 39.1 per cent at year end 2022, and cash flow before changes in borrowings was minus NOK 530 million for the year. In an extraordinary general meeting, held 12 December 2022, it was decided that minimum equity ratio according to section 5 in the articles of association is set at 37 per cent up until 31 December 2023. Avinor complies with all equity covenants on external debt.

Upscaling of the activities to adapt to increased traffic volumes is closely monitored against increased operating expenses. The project portfolio is closely assessed and prioritized. Extraordinarily high price increase for building and construction projects represents increased risk for the project portfolio.

Q4 2022

KEY FINANCIAL FIGURES, FOURTH QUARTER

MNOK	2022	2021	CHANGE
Operating income	2 824,8	2 085,2	35,5 %
EBITDA	748,0	121,5	515,7 %
EBIT	136,5	-430,0	131,7 %
Profit/-loss after tax	-212,3	-439,5	51,7 %
Investments	705,6	678,7	4,0 %

In the third quarter of 2022, the group had operating income of NOK 2,825 million, an increase of 35.5 per cent compared to the corresponding period in 2021. Traffic income increased with NOK 212 million while other income increased with NOK 528 million. Grants from the state of in total NOK 184 million is included in other income. The grants are received to cover project expenses for new airports in Bodø and Mo i Rana for 2022 and earlier years.

Operating expenses, including depreciation and amortization, amounted to NOK 2,688 million for fourth quarter compared to NOK 5,515 million in the corresponding quarter of 2021.

1 JANUARY TO 31 DECEMBER 2022

KEY FINANCIAL FIGURES, 01.01. - 31.12.

MNOK	2022	2021	CHANGE
Operating income	10 388,5	9 314,1	11,5 %
EBITDA	3 038,5	3 025,3	0,4 %
EBIT	779,7	828,7	-5,9 %
Profit/-loss after tax	402,1	208,1	93,3 %
Investments	2 956,4	2 573,5	14,9 %

The group had a profit after tax of NOK 402 million in 2022, compared to NOK 208 million in 2021. The result for 2021 included Government grants of NOK 3,800 million before taxes.

Operating income

Operating income in 2022 amounted to NOK 10,389 million, an increase of 11.5 per cent compared to 2021. Excluding Government grants of NOK 3,800 million in 2021, operating income increased by NOK 4,874 million.

OPERATING INCOME PER SEGMENT, 01.01. - 31.12.

MNOK	2022	2021	CHANGE
Airport operations	8 822,7	4 395,6	100,7 %
Air navigation services	2 121,7	1 575,6	34,7 %
Property development and hotels	154,1	118,7	29,8 %
Others (excluding Government Grants)	1 048,1	798,2	31,3 %
Government grants	0,0	3 800,0	-100,0 %
Elimination	-1 758,2	-1 374,0	-28,0 %
Avinor Group	10 388,5	9 314,1	11,5 %

Revenues for airport operations ended at NOK 8,823 million, compared to NOK 4,396 million in 2021, while operating income for air navigation services ended at NOK 2,122 million in 2022 compared to NOK 1,576 million in 2021.

Avinor received NOK 3,800 million as a taxable government grant from the state in 2021. No government grant was received in 2022, but the group received grants from the state of NOK 184 million to cover previously expensed project costs for new airports in Bodø and Mo i Rana. Grants from the state is classified as operating income for airport operations.

The substantial increase in revenues for airport operations and air navigation services is mainly a result of limitations in travel activities due to the corona virus pandemic through 2021.

Operating expenses, depreciation and amortization, and other items

Total operating expenses for 2022 amounted to NOK 9,609 million, an increase of 13.2 per cent compared to NOK 8,485 million in 2021. Increased volume dependent costs for personnel and security in addition to high energy prices in 2022 are large contributors to the high percentage increase in operating expenses. The cost development must therefore be seen in connection with the significant increase in traffic volume within both airport operations and air navigation services.

Total depreciation, amortisation, and write-downs for the 2022 amounted to NOK 2,259 million, the same level as in 2021.

EBITDA and EBIT

EBITDA for 2022 totalled NOK 3,039 million with an EBITDA margin of 29.2 per cent. In 2021 EBITDA was NOK 3,025 million with an EBITDA-margin of 32.5 per cent.

EBIT for 2022 ended at NOK 780 million compared to NOK 829 million in 2021.

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

Investments

Recognised additions to tangible fixed assets for 2022 amounted NOK 2,956 million, which is an increase of NOK 383 million compared to 2021. The investments in 2022 are primarily related to projects commenced before the corona pandemic in addition to necessary re-investments.

Cash flow, financing, and commitments

In 2022, the Group's cash flow before changes in borrowings was NOK – 530 million. With a net decrease in borrowings of NOK 939 million, the Group's cash reserves decreased by NOK 1,569 million through 2022.

Interest-bearing liabilities as at the end of 2022 amounted to NOK 22.2 billion, of which NOK 1 billion were current interest-bearing liabilities.

Net finance income for 2022 ended at NOK – 258 million, which is NOK 303 million better than in 2021. Realized and unrealized gains on forward energy contracts contributes with a positive financial result of NOK 288 million. From 2022 results from forward energy contracts are classified as financial items, while this was classified as other operation expenses in 2021.

Through 2022 the Group's total assets decreased with NOK 516 million to NOK 46.5 billion at 31 December 2022. The equity ratio compared to the total capital ended at 29.1 per cent. Equity as a percentage of the sum of equity and net interest-bearing liabilities (cf. paragraph 5 of the articles of association) amounted to 39.1 per cent. In an extraordinary general meeting, held 12 December 2022, the group has been granted a time-limited permit to deviate from paragraph 5 of the articles of association, down from minimum 40 per cent to a minimum of 37 per cent. The permit from the general meeting is valid until 31 December 2023.

During 2022, the Group's book equity increased with NOK 862 million. Profit after tax contributed with NOK 402 million, estimate deviations on pension liabilities increased the equity by NOK 1,169 million, while changes in value of financial hedging instruments accounted for a negative effect of NOK 709 million. The positive contribution from changes in pension liabilities is linked to changes in assumptions used to calculate the groups pension liabilities. See note 7 for the most significant assumptions used to calculate the liabilities.

At the end of the fourth quarter of 2022, the Group's cash reserves amounted to NOK 5.5 billion, distributed between NOK 1.2 billion in bank deposits and NOK 4.3 billion in unutilised drawing rights.

Traffic development and service targets

A total of 44.7 million passengers travelled through Avinor's airports during 2022. This is twice the number of passengers compared to 2021. The increase is mainly due to travel restrictions in 2021, a consequence of the corona virus pandemic.

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

PASSENGERS

Millions



Domestic traffic in 2022 increased by 58 per cent compared to 2021, while international traffic increased by 264 per cent. Offshore helicopter traffic had an increase of 2 per cent.

Passenger volume was distributed between the airports as follows:

NUMBER OF AIR PASSENGERS, 01.01. - 31.12.

PASSENGERS (1000)	2022	2021	CHANGE
Gardermoen	22 460	9 396	139,0 %
Flesland	5 927	3 216	84,3 %
Sola	3 575	1 814	97,1 %
Værnes	3 780	2 028	86,4 %
Others	8 988	5 987	50,1 %
Avinor group	44 729	22 440	99,3 %

The number of commercial air transport movements in 2022 increased by 34 per cent compared to 2021. Domestic aircraft movements increased by 18 per cent, while international aircraft movements increased by 140 per cent.

Over the past 12 months, average punctuality was recorded at 79 per cent and average regularity at 99 per cent throughout Avinor's network of airports.

AIR SAFETY AND HSE

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

The H1 value (frequency of lost-time injuries) for the last 12 months was 2.7 (2.2 in 2021) in Avinor AS and 0.6 (0.6 in 2021) in Avinor Flysikring AS, while the H2 value (frequency of injuries with and without absence) was 5.4 (6.6 in 2021) in Avinor AS and 1.2 (0.6 in 2021) in Avinor Flysikring AS. The N-value (frequency of reported nearly accidents) was 26.6 (not reported in 2021).

Group-wide absence due to illness over the last 12 months amounted to 5.6 per cent (4.7 per cent in 2021).

The group has at the end of 2022 adopted a new HSE-strategy.

RISK

Risks pertaining to air traffic volumes

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

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

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

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

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

Risks pertaining to investment activities

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

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

Power price risk

The group has a substantial use of power and therefore also a risk of increased costs related to the development in the power prices. To reduce the risk, Avinor has entered into bilateral physical power contracts with Statkraft Energi AS. This means that parts of the groups expected future power consumption is secured at fixed prices.

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, this could have a significant impact on the Group's business, financial position, and operating profit.

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

Financial risk

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

Foreign exchange risk

The Group is exposed to risk with respect to the value of the Norwegian krone against other currencies through income, expenses, and financing in foreign currencies. The 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 recognized and payments received are approximately three months. Currency revenues are sold on forward foreign exchange contracts to the extent they are not used for direct currency payments in own cash flow. 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.

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.

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.

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.

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

Pensions

From 1 January 2019 the groups public-sector defined-benefit pension scheme was closed. New employees are from this date

enrolled in a private defined-contribution pension scheme.

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

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

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 are on Avinor's 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 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

The primary focus at Avinor through the coronavirus pandemic was to ensure continuity and continuous operations. Operations thereafter has been adapted to expected levels of future traffic volumes. 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 war in Ukraine has so far had limited operational consequences for operations, but increases the uncertainties in the forecasts for travel activity and income for overflights through the Norwegian air space.

Flyr AS filed for bankruptcy on 1 February 2023. The bankruptcy has limited financial impact for Avinor.

The group's strategic priorities, including the level of costs and investments, will be adjusted to a long-term situation for the aviation. Through the updated group strategy work is conducted to clarify which goals and ambitions to work towards in the period up until 2025. A central part of these goals and ambitions is the

achievement of defined sector political targets within a financially sound frame and the fulfilment of defined targets for sustainability. The board assumes that the state, as owner of Avinor, ensures the group's financial framework, including proceeds from airport fees and en-route charges, which defends invested values and future investments in airport operations and air navigation services.

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

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

Oslo, 10 February 2022
Board of Directors of Avinor AS

CONDENSED INCOME STATEMENT

Amounts in MNOK

	NOTE	FOURTH QUARTER		TWELVE MONTHS ENDED DECEMBER	
		2022	2021	2022	2021
Operating income:					
Traffic income		1 271,2	1 059,4	4 947,8	2 922,9
Government grants		0,0	0,0	0,0	3 800,0
Other operating income		1 553,6	1 025,9	5 440,7	2 591,3
Total operating income	4	2 824,8	2 085,2	10 388,5	9 314,1
Operating expenses:					
Raw materials and consumables used		69,7	79,3	214,1	204,8
Employee benefits expenses	7	958,0	1 045,0	3 681,1	3 562,7
Other operating expenses	11	1 049,0	839,4	3 454,8	2 521,3
Total operating expenses		2 076,8	1 963,7	7 350,0	6 288,8
EBITDA		748,0	121,5	3 038,5	3 025,3
Depreciation, amortisation and impairment charges	5	611,5	551,5	2 258,7	2 196,6
Operating profit/-loss		136,5	-430,0	779,7	828,7
Finance income		88,1	7,5	370,6	29,7
Finance expenses		494,2	139,7	628,4	590,3
Net finance income/-expenses		-406,2	-132,2	-257,9	-560,6
Profit/-loss before income tax		-269,7	-562,2	521,9	268,2
Income tax expense	2	-57,4	-122,7	119,8	60,1
Profit/-loss after tax		-212,3	-439,5	402,1	208,1

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Amounts in MNOK

	FOURTH QUARTER		TWELVE MONTHS ENDED DECEMBER	
	2022	2021	2022	2021
Profit/-loss for the period	-212,3	-439,5	402,1	208,1
Other comprehensive income:				
Items that will not be reclassified to profit or loss in subsequent periods:				
Actuarial gains/-losses on post employment benefit obligations	-298,2	607,7	1 498,6	-1 245,1
Tax effect	65,4	-133,3	-330,1	274,0
Items that may be subsequently reclassified to profit or loss:				
Cash flow hedges	-125,1	-50,0	-908,8	60,6
Tax effect	27,5	11,0	199,9	-13,3
Other comprehensive income, net of tax	-330,4	435,4	459,6	-923,9
Total comprehensive income	-542,7	-4,1	861,7	-715,8
Attributable to:				
Owner of parent	-542,7	-4,1	861,7	-715,8

CONDENSED BALANCE SHEET

Amounts in MNOK

		31 DECEMBER	
	NOTE	2022	2021
ASSETS			
Non-current assets			
Intangible assets:			
Deferred tax assets		1 947,7	2 197,0
Other intangible assets	5	531,7	453,9
Intangible assets under construction	5	668,8	724,0
Total intangible assets		3 148,1	3 374,9
Property, plant and equipment:			
Property, plant and equipment	5	34 373,9	32 414,6
Assets under construction	5	3 428,9	4 662,7
Right of use assets	5	504,6	568,4
Total property, plant and equipment		38 307,4	37 645,7
Financial assets:			
Derivative financial instruments	9	1 378,9	1 381,3
Other financial assets		86,7	184,7
Total financial assets		1 465,6	1 566,1
Total non-current assets		42 921,1	42 586,6
Current assets			
Inventories		65,5	32,9
Trade and other receivables	10	1 544,7	1 043,9
Derivative financial instruments	9	141,0	56,0
Cash and cash equivalents	8	1 188,6	2 657,4
Total current assets		2 939,8	3 790,1
Total assets		45 860,9	46 376,7

CONDENSED BALANCE SHEET

Amounts in MNOK

		31 DECEMBER	
	NOTE	2022	2021
EQUITY AND LIABILITIES			
Equity			
Share capital		5 400,1	5 400,1
Other equity		7 932,8	7 071,1
Total equity		13 332,9	12 471,2
Liabilities			
Provisions:			
Retirement benefit obligations	7,12	5 290,6	6 895,1
Other provisions	12	1 010,6	945,8
Total provisions		6 301,2	7 840,9
Non-current liabilities			
State loan	8,9	305,5	749,8
Other non-current loans	8,9	20 447,0	20 747,3
Derivative financial instruments	9	1 587,3	851,1
Lease liabilities	8,9	472,2	525,3
Total non-current liabilities		22 811,9	22 873,6
Current liabilities			
Trade payables		650,1	500,4
Public duties payable		236,2	296,9
Derivative financial instruments	9	2,0	12,5
First annual installment on long-term liabilities	8,9	971,5	891,5
Lease liabilities	8,9	62,8	63,4
Other current liabilities	10	1 492,3	1 426,3
Total current liabilities		3 414,8	3 191,0
Total liabilities		32 527,9	33 905,4
Total equity and liabilities		45 860,9	46 376,7

CONDENSED STATEMENT OF CHANGES IN EQUITY

Amounts in MNOK

	SHARE CAPITAL	OTHER RESERVES	OTHER EQUITY	TOTAL EQUITY
Balance at 1 January 2021	5 400,1	-2 254,9	10 041,9	13 187,1
Total comprehensive income		-923,9	208,1	-715,8
Balance at 31 December 2021	5 400,1	-3 178,8	10 249,9	12 471,2
Balance at 1 January 2022	5 400,1	-3 178,8	10 249,9	12 471,2
Total comprehensive income		459,6	402,1	861,7
Balance at 31 December 2022	5 400,1	-2 719,2	10 652,0	13 332,9

CONDENSED STATEMENT OF CASH FLOWS

Amount in MNOK

		TWELVE MONTHS ENDED DECEMBER	
	NOTE	2022	2021
Cash flow from operating activities			
Profit/(loss) before income tax		521,9	268,2
Depreciation, amortisation and impairment charges		2 258,7	2 196,6
(Profit)/loss on disposals of non-current assets		0,2	6,2
Changes in value and other losses/(gains)		182,3	-88,7
Net finance (income)/costs		257,9	560,6
Change in inventories, trade receivables and trade payables		-82,9	-111,9
Difference between post employment benefit expense and amount paid/received	7	-106,0	28,9
Change in other working capital items		-210,4	355,3
Interest received		42,3	26,1
Income tax paid		0,0	14,7
Net cash flow from operating activities		2 864,0	3 255,9
Cash flow from investing activities			
Investments in property, plant and equipment (PPE)		-2 869,0	-2 543,1
Proceeds from sale of PPE, incl assets under construction		7,4	21,8
Change in other investments		98,1	21,3
Net cash flow from investing activities		-2 763,5	-2 500,0
Cash flow from financing activities			
Repayment of borrowings	8	-939,0	-3 427,8
Interest paid		-630,2	-688,6
Net cash flow from financing activities		-1 569,2	-4 116,4
Net increase/-decrease in cash, cash equivalents and bank overdrafts		-1 468,7	-3 360,5
Cash, cash equivalents and bank overdrafts at the beginning of the period		2 657,4	6 017,9
Cash, cash equivalents and bank overdrafts at the end of the period	8	1 188,6	2 657,4

NOTES TO THE INTERIM FINANCIAL STATEMENTS

NOTE 1 General information

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

The interim financial statements for the fourth quarter of 2022 were approved by the Board of Directors on 10 February 2023. The interim financial information has not been audited.

NOTE 2 Basis of preparation and accounting policies

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

Income tax expense in the interim financial statements

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

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

NOTE 3 Segment information

Amount in MNOK

TWELVE MONTHS ENDED DECEMBER 2022:

	OSLO AIRPORT	BERGEN AIRPORT	STAVANGER AIRPORT	TRONDHEIM AIRPORT	OTHER AIRPORTS	TOTAL AIRPORT OPERATIONS
Traffic income	1 785,8	531,8	378,2	315,2	751,8	3 762,8
Government grants	0,0	0,0	0,0	0,0	0,0	0,0
Other income	2 980,8	501,8	408,1	288,9	787,2	4 966,7
Inter-segment income	5,0	0,5	8,2	3,5	76,1	93,2
Total income	4 771,6	1 034,0	794,5	607,5	1 615,1	8 822,7
Employee benefits expenses	470,5	109,3	93,5	90,6	701,9	1 465,7
Other operating expenses	1 190,3	268,3	139,0	148,8	1 085,8	2 832,1
Inter-segment expenses	373,5	136,8	115,4	89,7	752,9	1 468,3
Total expenses	2 034,3	514,3	347,9	329,0	2 540,6	5 766,2
EBITDA	2 737,3	519,7	446,6	278,5	-925,5	3 056,6
Depreciation, amortisation and impairment charges	961,5	286,0	134,1	116,4	461,0	1 959,0
Operating profit/-loss	1 775,9	233,7	312,5	162,1	-1 386,5	1 097,6
Assets*	17 487,2	5 036,5	1 638,8	1 601,0	6 790,5	32 554,0

TWELVE MONTHS ENDED DECEMBER 2022 CONTINUED:

	TOTAL AIRPORT OPERATIONS	AIR NAVIGATION SERVICES	PROPERTY DEV. AND HOTELS	OTHERS	ELIMINATION	TOTAL
Traffic income	3 762,8	1 185,0	0,0	0,0		4 947,8
Government grants	0,0	0,0	0,0	0,0		0,0
Other income	4 966,7	181,4	131,5	161,0		5 440,7
Inter-segment income	93,2	755,3	22,6	887,1	-1 758,2	0,0
Total income	8 822,7	2 121,7	154,1	1 048,1	-1 758,2	10 388,5
Employee benefits expenses	1 465,7	1 474,9	0,0	740,4		3 681,1
Other operating expenses	2 832,1	259,3	8,2	569,4		3 668,9
Inter-segment expenses	1 468,3	192,8	1,5	95,7	-1 758,2	0,0
Total expenses	5 766,2	1 927,0	9,7	1 405,4	-1 758,2	7 350,0
EBITDA	3 056,6	194,7	144,4	-357,2		3 038,5
Depreciation, amortisation and impairment charges	1 959,0	127,7	41,1	130,9		2 258,7
Operating profit/-loss	1 097,6	67,0	103,3	-488,2		779,7
Assets*	32 554,0	355,7	966,9	1 029,0		34 905,6

* Inclusive other intangible assets, exclusive assets under construction.

TWELVE MONTHS ENDED DECEMBER 2021:

	OSLO AIRPORT	BERGEN AIRPORT	STAVANGER AIRPORT	TRONDHEIM AIRPORT	OTHER AIRPORTS	TOTAL AIRPORT OPERATIONS
Traffic income	842,5	320,6	228,1	181,3	536,9	2 109,3
Government grants	0,0	0,0	0,0	0,0	0,0	0,0
Other income	1 303,6	221,7	162,3	134,8	376,3	2 198,7
Inter-segment income	3,5	0,5	8,6	3,5	71,6	87,6
Total income	2 149,6	542,8	399,0	319,5	984,7	4 395,6
Employee benefits expenses	437,1	106,3	92,4	85,6	749,6	1 471,0
Other operating expenses	804,6	180,5	128,5	97,7	843,4	2 054,7
Inter-segment expenses	347,7	115,5	94,7	74,0	573,3	1 205,2
Total expenses	1 589,4	402,4	315,6	257,3	2 166,3	4 730,9
EBITDA	560,2	140,5	83,4	62,2	-1 181,6	-335,3
Depreciation, amortisation and impairment charges	948,0	302,5	122,7	109,5	437,3	1 920,0
Operating profit/-loss	-387,8	-162,0	-39,4	-47,3	-1 618,9	-2 255,3
Assets*	16 283,4	5 171,1	1 669,9	1 626,3	6 201,7	30 952,4

TWELVE MONTHS ENDED DECEMBER 2021 CONTINUED:

	TOTAL AIRPORT OPERATIONS	AIR NAVIGATION SERVICES	PROPERTY DEV. AND HOTELS	OTHERS	ELIMINATION	TOTAL
Traffic income	2 109,3	813,6	0,0	0,0		2 922,9
Government grants	0,0	0,0	0,0	3 800,0		3 800,0
Other income	2 198,7	173,8	97,2	121,6		2 591,3
Inter-segment income	87,6	588,2	21,5	676,7	-1 374,0	0,0
Total income	4 395,6	1 575,6	118,7	4 598,2	-1 374,0	9 314,1
Employee benefits expenses	1 471,0	1 375,2	0,0	716,6		3 562,7
Other operating expenses	2 054,7	343,3	16,2	311,9		2 726,1
Inter-segment expenses	1 205,2	105,2	0,9	62,7	-1 374,0	0,0
Total expenses	4 730,9	1 823,6	17,1	1 091,2	-1 374,0	6 288,8
EBITDA	-335,3	-248,1	101,6	3 507,0		3 025,3
Depreciation, amortisation and impairment charges	1 920,0	138,9	33,2	104,6		2 196,6
Operating profit/-loss	-2 255,3	-387,0	68,5	3 402,5		828,7
Assets*	30 952,4	848,2	692,1	375,8		32 868,5

* 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

For 2020 and 2021 Avinor received government grants directly from the Government to compensate for revenue losses that were a consequence of the coronavirus pandemic. The grants were considered receivable and given for the purpose of providing immediate financial support without future associated expenses or future conditions attached to it. The government grants were recognized in the income statement at the time they were paid out and presented on a separate line in the income statement ("Government grants").

Other government grants

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 recognized but not yet received are presented in the balance sheet as part of the line "trade and other receivables". Receivables from government grants beyond incurred expenses eligible for grants are not recognized. Grants received in excess of related expenses eligible for grants are presented in the balance sheet 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	FOURTH QUARTER		TWELVE MONTHS ENDED DECEMBER	
	2022	2021	2022	2021
Traffic income				
Takeoff charges	261,6	233,1	1 023,0	692,8
Terminal charges	275,0	210,8	1 066,9	525,1
En route charges	302,7	270,4	1 185,0	813,6
Security charges	300,6	229,4	1 169,0	565,1
Terminal navigation charges	131,3	115,6	503,8	326,4
Total traffic income	1 271,2	1 059,4	4 947,8	2 922,9
Government grants	0,0	0,0	0,0	3 800,0
Other operating income				
Revenue from contracts with customers:				
Duty free	22,0	7,7	68,3	12,1
Parking	0,1	0,1	0,2	0,2
Other	387,3	232,4	998,6	709,6
Total revenue from contracts with customers	409,3	240,3	1 067,1	721,9
Rental income:				
Duty free	551,1	324,8	2 068,8	594,4
Parking	225,7	178,8	854,4	436,2
Other	367,5	282,0	1 450,4	838,8
Total rental income	1 144,2	785,6	4 373,6	1 869,3
Total other operating income	1 553,6	1 025,9	5 440,7	2 591,3
Total income from contracts with customers	1 680,5	1 299,6	6 014,9	3 644,8
Total rental income	1 144,2	785,6	4 373,6	1 869,3
Government grants	0,0	0,0	0,0	3 800,0
Total operating income	2 824,8	2 085,2	10 388,5	9 314,1

NOTE 5 Property, plant and equipment and other intangible assets

Amount in MNOK

	OTHER INTANGIBLE ASSETS	PROPERTY, PLANT AND EQUIPMENT	ASSETS UNDER CONSTRUCTION	RIGHT OF USE ASSETS	TOTAL
At 31 December 2021					
Opening net book amount	407,5	33 320,8	4 171,7	431,5	38 331,5
Additions	121,8	1 236,8	2 573,5	191,7	4 123,9
Reclassification *	0,0	0,0	-1 358,6	0,0	-1 358,6
Disposals	-22,4	-54,3	0,0	0,0	-76,7
Depreciation charge	-53,0	-2 088,7	0,0	-54,8	-2 196,6
Closing net book amount	453,9	32 414,6	5 386,7	568,4	38 823,5
At 31 December 2022					
Opening net book amount	453,9	32 414,6	5 386,7	568,4	38 823,5
Additions	138,1	4 107,4	2 956,4	0,6	7 202,5
Reclassification *	0,0	0,0	-4 245,4	0,0	-4 245,4
Disposals	0,0	-7,9	0,0	-6,2	-14,1
Depreciation charge	-60,2	-2 140,2	0,0	-58,3	-2 258,7
Closing net book amount	531,7	34 373,9	4 097,7	504,6	39 507,9

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

NOK 668.8 million of assets under construction is classified as intangible as at 31 December 2022 (NOK 724 million as at 31 December 2021).

Impairment tests - measurement of recoverable amount

The corona pandemic has had major negative effects on Avinor and significantly affected the number of air passengers and the group's revenues in 2020 and 2021. Increased attention on climate, environment and sustainability increases the pressure for development and adjustments in the airline industry and changes in travel habits. The outbreak of war in Ukraine and the consequences it has in the world markets increases the uncertainties regarding expectations for future income.

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

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

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

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

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

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

KEY ASSUMPTIONS	AIRPORT OPERATIONS	AIR NAVIGATION SERVICES
Key assumptions		
Operating margin 2023	8,2 %	-3,9 %
Operating margin 2028	23,8 %	12,3 %
Revenues in 2023 in % of 2019 *	79,5 %	101,3 %
Revenues in 2028 in % of 2019 *	100,1 %	135,4 %
Operating expenses 2023 in % of 2019 *	86,1 %	62,1 %
Operating expenses in 2028 in % of 2019 *	89,4 %	69,0 %
Eternal growth in terminal value	2,0 %	2,0 %
Post-tax rate of return requirement	5,4 %	5,0 %

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

Cash flows in the first year in the measurement period is based on the management's best estimate. Cash flows for years 2 - 6 are calculated based on management approved forecasts, which are based on current regulations and updated forecasts for air traffic volume, related commercial revenues and cost level. Effects of the changes in tax-free quotas for tobacco products are incorporated into future cash flows. In the estimate for charges, an expectation of regulation of the charges in accordance with consumer price index through the entire measurement period is assumed. Furthermore, for airport charges a cashflow in year 6 that provides a return on invested capital equal the required rate of return is assumed. Airport charges are regulated according to "single till" (cross-subsidization between airport charges and commercial income for all airports as a whole), which indicates a regulation giving Avinor, over time, a result margin corresponding to the required rate of return. For charges for air navigation services, it is assumed that future benefit plans provide a return equivalent to the return requirement. The models thus assume that the fees that Avinor claims will increase more than consumer price index. Cash flow from year 6 onwards is extrapolated with an eternal growth of 2 per cent based on expectations in future travel activity and long-term inflation targets. The expectations are based on Avinor's own assessments as well as analysis from reputable industry- and analysis organizations. In Norway, aviation is in a strong position, with long distances and population structure and topography that indicate long-term growth. At the same time, it is expected that climate and sustainability will lead to a lasting change in travel habits. This is taken into account in the forecasts through the expectation of higher CO2 costs (that will affect both fees and kvota prices for emissions). The estimate is that this will lead to an estimated decrease of 3.2 million passengers in 2030. The effects are expected to come gradually in the period from 2023 onwards.

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

Impairment tests – results

The results of the impairment tests show that the value in use exceeds the book value of assets by NOK 4,300 million for airport operations and NOK 900 million for air navigation services. Consequently, no impairment loss has been recognized at the end of 2022.

Impairment tests - sensitivity analyses

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

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

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

	AIRPORT OPERATIONS		AIR NAVIGATION SERVICES	
	VALUE IN USE	IMPAIRMENT	VALUE IN USE	IMPAIRMENT
Change in assumption				
Operating margin: -1,0 %	39 450	0	2 150	0
Operating margin: - 2,0 %	36 700	1 200	1 800	0
Income: - 1,0 %	40 100	0	2 100	0
Income: -2,0 %	32 100	5 800	1 700	0
Terminal growth: -0,5 %	36 500	1 400	1 950	0
Terminal growth: -1,0 %	32 100	5 800	1 550	50
Post-tax rate of return: +0,5 %	36 000	1 900	1 900	0
Post-tax rate of return: +1,0 %	31 250	6 650	1 450	150

NOTE 6 Capital structure and equity

Amount in MNOK

	31 DECEMBER	
	2022	2021
Interest bearing debt (see note 8)	22 259,0	22 977,3
Interest swaps liabilities (see note 9)	1 585,8	851,1
Interest rate swaps assets (see note 9)	-1 377,9	-1 381,3
Lease liabilities	-535,0	-588,7
Cash and cash equivalents	-1 188,6	-2 657,4
Net interest bearing debt - exclusive lease liabilities	20 743,3	19 201,0
Equity	13 332,9	12 471,2
Total equity and net interest bearing debt - exclusive lease liabilities	34 076,3	31 672,2
Net debt to equity ratio*	39,1 %	39,4 %

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

Article 5 of the company's Articles of association lays down the following financial limitation: "Long-term borrowings for the funding of long-term assets may only be raised within a limit which ensures that the group's equity does not fall at any time below 40 per cent of the carrying amount of the group's net long-term interest-bearing debt plus equity". Lease liabilities are not included in the net interest-bearing debt when the calculating net debt to equity ratio set in the Articles of association. In an extraordinary general meeting, held 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. See note 12 for further information.

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

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

NOTE 7 Pensions

Amount in MNOK

Avinor bases its calculation of pension liabilities on updated assumptions for pension obligations published by the Norwegian Accounting Standards Board. The latest update of assumptions for pension obligation were as of 31 December 2022.

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:

	31 DECEMBER	
	2022	2021
Discount rate	3,20 %	1,90 %
Future salary increases	3,50 %	2,75 %
Future pension increases	2,60 %	1,75 %
Future increases in the social security base rate (G)	3,25 %	2,50 %

PENSION OBLIGATION

	31 DECEMBER	
	2022	2021
Net pension obligation at 1 January	6 895,1	5 621,0
Pension cost	266,7	393,5
Employer/employee contribution	-372,7	-364,6
Actuarial gains/losses	-1 498,6	1 245,1
Net pension obligation at the end of the period	5 290,6	6 895,1

The estimated actuarial gain is related to changes in assumptions for calculating the group's pension obligation. There is in particular the change in the parameters discount rate and expectation of pension adjustment that contribute to the estimate deviation booked in the group during 2022.

Parts of the group's pension assets are through Statens Pensjonskasse invested so that they follow the return of the Government Pension Fund Global. Deviation between estimated and actual return for the Government Pension Fund Global for 2022 is reflected in the actuarial gain booked at 31 December 2022. The negative return for the investment in Government Pension Fund Global is a large contributor to the actuarial loss of NOK 298.2 million booked in the fourth quarter of 2022.

In addition to the pension cost in the table above there is a cost of NOK 153.2 million as at 31 December 2022 related to employees that have transitioned to a defined contribution pension scheme (NOK 141.3 million in 2021) and NOK 30.9 million related to the private AFP scheme (early retirement) (NOK 25.9 million in 2021).

NOTE 8 Borrowings and lease liabilities

Amount in MNOK

	31 DECEMBER	
	2022	2021
Long term borrowings and lease liabilities	21 224,7	22 022,5
Short term borrowings and lease liabilities	1 034,3	954,8
Total	22 259,0	22 977,3
Movement in borrowings and lease liabilities		
Opening net book amount	22 977,3	27 598,9
Repayment of borrowings	-891,5	-3 381,5
Repayment of lease liabilities	-47,5	-46,2
Net changes in borrowings with cash flow effect	-939,0	-3 427,7
Other changes in lease liabilities	25,1	186,3
Change in value ¹⁾	195,6	-1 380,1
Closing net book amount	22 259,0	22 977,4

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

	31 DECEMBER	
	2022	2021
Cash and cash equivalents	1 188,6	2 657,4
Unused bank overdraft	300,0	300,0
Unused credit facility	4 000,0	4 000,0
Total	5 488,6	6 957,4

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

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.

	31 DECEMBER 2022		31 DECEMBER 2021	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Interest-bearing debt				
State loan	749,8	730,0	1 194,2	1 194,0
Bonds	17 095,1	15 607,0	16 868,2	17 874,4
Bank borrowings	3 879,0	3 884,0	4 326,1	4 435,7
Lease liabilities	535,0	535,0	588,7	588,7
Total	22 259,0	20 756,1	22 977,3	24 092,9

DERIVATIVE FINANCIAL INSTRUMENTS

	31 DECEMBER	
	2022	2021
Assets		
Interest rate swaps	1 377,9	1 381,3
Forward foreign exchange contracts	1,2	2,8
Power price derivatives	140,8	53,2
Total assets	1 519,9	1 437,4
Liabilities		
Interest rate swaps	1 585,8	851,1
Forward foreign exchange contracts	3,4	12,5
Total liabilities	1 589,2	863,5

Fair value hierarchy

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

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

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

AT 31 DECEMBER 2022	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Derivatives at fair value through profit or loss	140,8	1,2		142,0
Derivatives used for hedging		1 377,9		1 377,9
Total assets	140,8	1 379,1	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

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

AT 31 DECEMBER 2021	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Derivatives at fair value through profit or loss	53,2	2,8		56,0
Derivatives used for hedging		1 381,3		1 381,3
Total assets	53,2	1 384,2	0,0	1 437,4
Liabilities				
Derivatives at fair value through profit or loss		4 633,2		4 633,2
Derivatives used for hedging		851,1		851,1
Total assets	0,0	5 484,2	0,0	5 484,2

NOTE 10 Trade and other receivables, other current liabilities

	31 DECEMBER	
	2022	2021
Trade and other receivables		
Trade receivables	1 045,9	845,9
Accrued income	84,7	36,1
Prepaid expenses	132,6	121,8
Other short-term receivables	281,6	40,0
Total trade and other receivables	1 544,7	1 043,9
Other current liabilities		
Wages and social security (incl. holiday allowance)	372,4	377,3
Påløpte drifts- og investeringskostnader	513,3	492,3
Accrued interest costs	293,4	262,8
Advance from customers	178,2	207,6
Other short-term liability	134,9	86,3
Total other current liabilities	1 492,3	1 426,3

NOTE 11 Significant development 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 completed in 2029.

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). The approval 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 ("P85") corresponds to a limit for total project expenses that Avinor expects to stay within with an 85 percent probability. For the management cost target ("P50"), the corresponding probability level is 50 percent.

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.

For the period 2019 – 2022, gross project expenses for the project amount to NOK 229.4 million, of which NOK 87.9 million is recognized in the balance sheet as assets under construction, and NOK 141.5 million is recognized as project costs. As a result of accrued project expenses being covered by state grants, as of 31 December 2022, a receivable relating to the incurred project expenses of NOK 229.4 million has been recognized, of which NOK 141.5 million has been recognized as other operating income, while the remaining NOK 87.9 million has been recognized as a reduction of assets under construction.

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 been approved within a maximum cost target ("kostnadsramme") of NOK 3,320 million (2020 value). 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. Avinor is the builder ("byggherre") and bears the risk of any maximum cost target being exceeded. The maximum cost target ("P85") corresponds to a limit for total project expenses that Avinor expects to stay within with an 85 percent probability.

EFTA's monitoring body, ESA, approved the financing plan for the project in June 2022 and the contribution from the local business community (NOK 150 million) was received in July 2022. The municipal contribution (NOK 450 million) will be paid in connection with the start of construction for the overall contract in spring 2023. 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").

The first government grant of NOK 104 million, which applies to incurred expenses up to and including 2022, was paid out in December 2022. Future government grants will be paid out on a monthly basis after the contribution from private business and Rana municipality has been spent and will be based on incurred project expenses.

As of 31 December 2022, the gross project expenditure (before taking into account local and state contributions) for the new airport Mo i Rana amounts to NOK 190.0 million, of which NOK 147.6 million is recognized in the balance sheet as assets under construction and NOK 42.4 million are expensed as project costs. Accumulated grants received from local businesses and the state at year-end 2022 amount to NOK 254.0 million, of which NOK 42.4 million is recognized as other operating income and NOK 147.6 million is recognized as a reduction of assets under construction. As of 31 December, a liability related to contributions paid in advance of NOK 64.0 million has thus been recognised.

NOTE 12 Contingencies and estimates

New airport Bodø

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

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

External environment

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

Experiences from preparation of action plans and clean-up projects carried out shows that the clean-up at the Avinor airports might be more costly than previously estimated, if traditional clean-up methods consisting of excavation, transport and disposal at approved landfills are used. New knowledge and documentation for alternative methods shows that it is possible to clean up several airports at lower costs. This requires solid documentation and acceptance by the environmental authorities. In addition, there are still uncertainties related to limit values for clean-up in addition to areas and volumes of soil that is contaminated. Avinor works actively to reduce the uncertainties by better defining the pollutants, maintaining a close dialogue

with actors who can offer more cost-effective methods and piloting new methods. There is dialogue with the Norwegian Environment Agency about the further handling of the clean-up.

At the moment there is not enough data to quantify the uncertainty in terms of amounts for all airports. The provision related to external environment clean-up will be updated in future accounting periods when more information is available.

Through 2022 the provision has increased with NOK 129.4 million as a result of new information for individual airports, while work conducted has decreased the provision with NOK 67.2 million. Net increase in provision through the year is NOK 62.2 million, and total provision related to external environment clean-up costs as of 31 December 2022 amounts to NOK 1,006.9 million.

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 2022. Regulation related to a new AFP scheme and special retirement pension are not included in the new law. Therefore, the full accounting consequences of the new law cannot be calculated until the final regulation have been adopted.

War in Ukraine

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

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

The situation is monitored on a running basis.

NOTE 13 Subsequent events

Bankruptcy in Flyr AS

On 31 January 2023 Flyr AS announced that it would file for bankruptcy, and that all flights are cancelled.

The bankruptcy in Flyr AS will not affect the results or financial position for Avinor AS for 2022. It is expected that the bankruptcy will have limited impact on the financial results for Avinor in 2023.



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