

We connect Norway and the world

through sustainable aviation

44 729 000

PASSENGERS

UP 99 PER CENT FROM 2021

618 600

DEPARTURES AND ARRIVALS

UP 34 PER CENT FROM 2021

81.2 PER CENT*

PUNCTUALITY

88 PER CENT IN 2021

* Avinor's target is 88 per cent average punctuality for all its airports.

2 746

PERMANENT

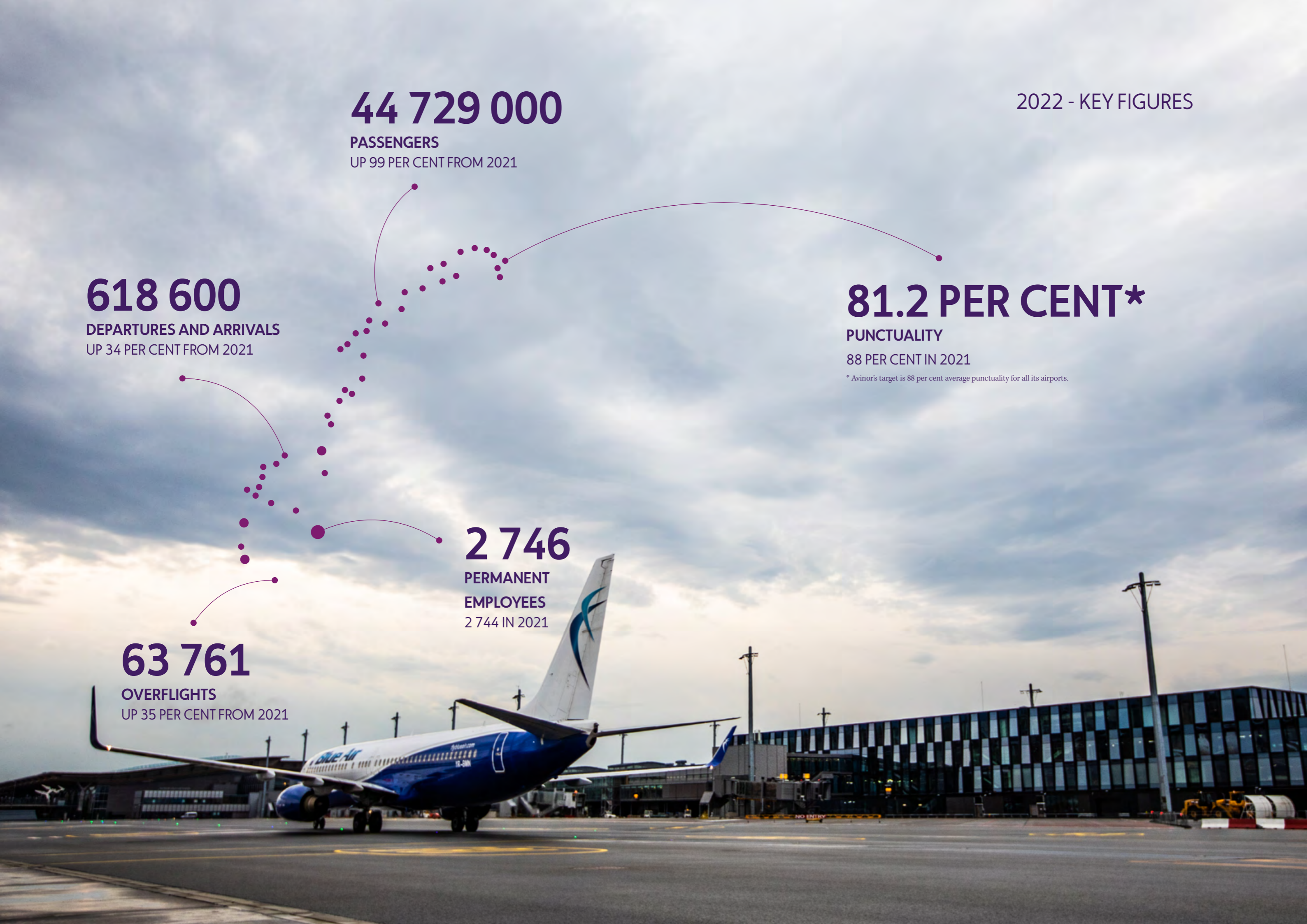
EMPLOYEES

2 744 IN 2021

63 761

OVERFLIGHTS

UP 35 PER CENT FROM 2021

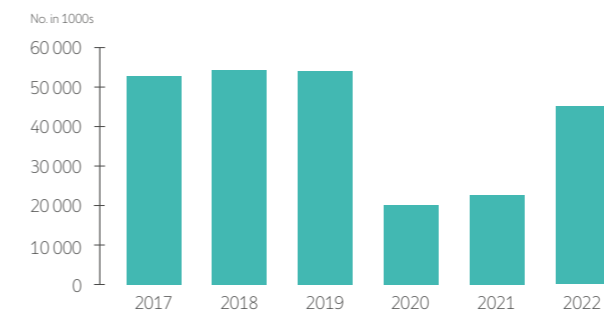




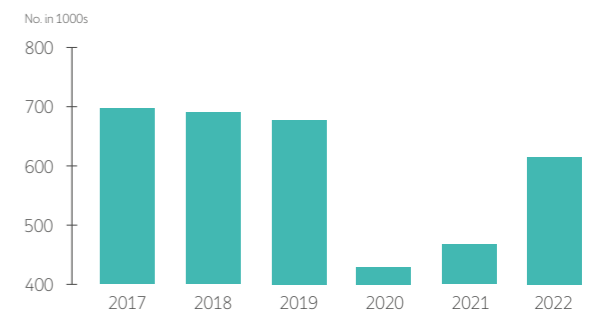
Our results

Operating income	Operating expenses	Profit/loss after tax
10 419	7 350	427
NOK MILLIONS	NOK MILLIONS	NOK MILLIONS

NUMBER OF AIR PASSENGERS



NUMBER OF AIRCRAFT MOVEMENTS



NOK MILLIONS	2022	2021	2020	2019	2018	2017
Operating income airport operations	9 007	4 514	3 658	10 357	10 303	10 162
Operating income air navigation services	2 122	1 576	1 460	2 100	2 107	2 085
Total group operating income	10 419	9 314	8 183	11 785	11 724	11 526
EBITDA Group ¹⁾	3 069	2 960	1 850	3 634	4 201	3 126
Profit/loss after tax	427	208	-724	702	1 170	499
Number of air passengers (figures shown in thousands)	44 729	22 400	20 000	54 099	54 387	52 885
Number of aircraft movements (figures shown in thousands)	618	564	428	677	690	697

1) The Group uses EBITDA as an alternative performance measure (APM). This calculation is directly reconciled in the profit and loss account. EBITDA is used because it is an approximate calculation of free cash flow from operations.

CONTENTS

1. ABOUT AVINOR.....	10
1.1 MESSAGE FROM THE CEO.....	14
1.2 CORPORATE GOVERNANCE IN THE AVINOR GROUP.....	16
2. REPORT OF THE BOARD OF DIRECTORS.....	21
2.1 HIGHLIGHTS OF 2022.....	21
2.2 ABOUT AVINOR.....	22
2.3 ECONOMY AND FINANCES – GROUP.....	22
2.4 RISK.....	23
2.5 PENSIONS.....	24
2.6 CORPORATE GOVERNANCE IN AVINOR.....	24
2.7 SUSTAINABILITY.....	24
2.8 ENVIRONMENTAL CONDITIONS.....	24
2.9 RESEARCH AND DEVELOPMENT.....	25
2.10 PERSONNEL AND ORGANISATION.....	25
2.11 OUTLOOK AND GENERAL CONDITIONS.....	25
3. SUSTAINABLE VALUE CREATION.....	28
3.1 ASSESSMENT OF KEY FACTORS.....	28
3.2 STAKEHOLDER DIALOGUE.....	29
3.3 FOUR KEY AREAS IN SUSTAINABILITY EFFORTS.....	29
3.4 SUSTAINABILITY REPORTING.....	29
4. AVINOR CONNECTS NORWAY AND THE WORLD THROUGH SUSTAINABLE AVIATION.....	30
4.1 AVINOR CORPORATE STRATEGY 2022-2025.....	31
4.2 PORTFOLIO MANAGEMENT AND LARGER INVESTMENTS.....	38
4.3 AVINOR'S PORTFOLIO.....	39
4.4 URBAN DEVELOPMENT AND THE NEW AIRPORT IN BODØ.....	39
4.5 NEW AIRPORT IN MO I RANA.....	39
4.6 RESEARCH, DEVELOPMENT AND INNOVATION.....	39
4.7 TASKS PERFORMED ON BEHALF OF THE NORWEGIAN STATE.....	40
4.8 FLIGHT SAFETY.....	40
4.9 SECURITY.....	42
4.10 HUMAN TRAFFICKING.....	42
4.11 DRONES.....	42
4.12 PREPAREDNESS AND CRISIS MANAGEMENT.....	42
4.13 GENERAL DEFENCE.....	43
4.14 AUDITS.....	43
4.15 ACCESSIBILITY FOR ALL – UNIVERSAL DESIGN.....	43
5. AVINOR AIR NAVIGATION SERVICES.....	44
5.1 COMPETITION.....	44
5.2 GROUP REORGANISATION.....	44
5.3 CHANGES TO THE REGULATORY FRAMEWORK CONDITIONS FOR EUROPEAN AIRSPACE.....	44
5.4 TECHNOLOGICAL DEVELOPMENT.....	45
5.5 FRAMEWORK CONDITIONS AND FEE DEVELOPMENT FOR EN-ROUTE SERVICES.....	45
5.6 RISK ASSESSMENTS.....	46
6. ACTIVE DRIVING FORCE FOR SUSTAINABLE AVIATION.....	48
6.1 CLIMATE.....	49
6.2 ENERGY.....	55
6.3 BIODIVERSITY.....	56
6.4 CIRCULAR ECONOMY/WASTE MANAGEMENT.....	57
6.5 NOISE POLLUTION FROM AIRCRAFT AND HELICOPTERS.....	58
6.6 WATER AND SOIL.....	60
6.7 PFAS.....	61
7. ATTRACTIVE WORK PLACE WITH THE RIGHT COMPETENCE AND A GOOD WORK ENVIRONMENT.....	64
7.1 ORGANISATION OF THE BUSINESS.....	65
7.2 DEMOGRAPHICS AND STAFF TURNOVER.....	65
7.3 CO-OPERATION WITH EMPLOYEE REPRESENTATIVES.....	66
7.4 WE SHALL BE AN ATTRACTIVE AND LEARNING ORGANISATION.....	66
7.5 GENDER BALANCE.....	67
7.6 SOME ACTIVITIES IN 2022.....	68
7.7 BREACH OF WORKING HOURS PROVISIONS.....	69
7.8 HEALTH, SAFETY, AND ENVIRONMENT EFFORTS (HSE).....	70
EMPLOYEES - KEY FIGURES.....	71
8. AVINOR MUST ENSURE SUSTAINABLE FINANCES AND RESPONSIBLE BUSINESS CONDUCT.....	73
8.1 MAIN ACTIVITIES IN 2022.....	73
8.2 SUSTAINABLE FINANCES.....	74
8.3 SUSTAINABLE BUSINESS PRACTICE.....	75
SUSTAINABILITY GOALS AND RESULTS 2022.....	78
OVERVIEW OF GRI-INDICATORS.....	82
GROUP MANAGEMENT.....	88
BOARD OF DIRECTORS.....	89

FINANCIAL STATEMENTS WITH NOTES	91
NOTES TO THE FINANCIAL STATEMENT	100
NOTE 1 - GENERAL INFORMATION	101
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	101
NOTE 3 - SIGNIFICANT ASSUMPTIONS, KEY CONDITIONS AND REORGANIZATION	101
NOTE 4 - SEGMENT INFORMATION	103
NOTE 5 - OPERATING INCOME AND OTHER INCOME	105
NOTE 6 - SALARIES AND PERSONNEL COSTS, NUMBER OF EMPLOYEES, REMUNERATIONS	107
NOTE 7 - OTHER OPERATING EXPENSES	109
NOTE 8 - FINANCE INCOME AND COSTS	110
NOTE 9 - TAXES	111
NOTE 10 - INTANGIBLE ASSETS	114
NOTE 11 - PROPERTY, PLANT AND EQUIPMENT	115
NOTE 12 - ASSETS UNDER CONSTRUCTION	118
NOTE 13 - LEASES - RIGHT-OF-USE ASSETS AND LEASE LIABILITIES	120
NOTE 14 - IMPAIRMENT TESTS	124
NOTE 15 - FINANCIAL RISK FACTORS	126
NOTE 16 - FINANCIAL ASSETS AND LIABILITIES	131
NOTE 17 - PENSION OBLIGATION	139
NOTE 18 - PROVISIONS FOR OTHER LIABILITIES AND CHARGES	143
NOTE 19 - RECEIVABLES AND OTHER CURRENT LIABILITIES	144
NOTE 20 - SUBSIDIARIES	146
NOTE 21 - SHARE CAPITAL, SHAREHOLDE INFORMATION AND DIVIDEND	147
NOTE 22 - RELATED-PARTY TRANSACTIONS	148
NOTE 23 - COMMITMENTS	149
NOTE 24 - CONTINGENCIES AND UNCERTAINTIES	149
NOTE 25 - EVENTS AFTER THE REPORTING PERIOD	150
AVINOR GREENHOUSE GAS REPORTING 2022	151
RESPONSIBILITY STATEMENT FROM THE BOARD OF DIRECTORS AND THE CEO	152
INDEPENDENT AUDITOR'S REPORT	153
ALTERNATIVE PERFORMANCE MEASURES (APM)	157
THE BOARD'S GUIDELINES ON THE DETERMINATION OF SALARY AND REMUNERATION OF SENIOR EXECUTIVES IN THE AVINOR GROUP - FOR THE 2023 FINANCIAL YEAR	161
REPORT ON SALARIES AND OTHER REMUNERATION FOR SENIOR EXECUTIVES IN THE AVINOR GROUP	163
INDEPENDENT AUDITOR'S ASSURANCE REPORT ON RENUMERATION REPORT	168

Avinor's annual and sustainability report for 2022 is the Group's joint report on its operations, finances, and sustainability. This is the sixth time that the Group has chosen to present a combined report, previously published under the title of Annual and Corporate Social Responsibility Report. Work around sustainability is an integral element in Avinor's strategic planning and in the management of the Group. Avinor's work on sustainability is based on expectations set for its activities in the Avinor Articles of Association, guidelines issued by the government as a result of their direct ownership of the Group (known as Eierskapsmeldingen) and the Norwegian Accounting Act.

Avinor takes the OECD's guidelines for responsible business as the basis for its sustainability efforts, and it signed up to the UN Global Compact in 2014. Avinor's efforts cover areas such as human rights, employee rights and social conditions, the external environment, and combatting corruption. Avinor reports on its sustainability work in accordance with the principles of the Global Reporting Initiative (Standards/Core).



1. About Avinor

Avinor's corporate social responsibility relates to owning, operating, and developing a national network of airports for the civil aviation sector and a joint air navigation service for the civilian and military sectors. Operations must be carried out in a safe, efficient, and sustainable manner and ensure good accessibility for all groups of travellers.



VISION

We connect Norway and the world through sustainable aviation.

SOCIAL MISSION

Avinor's aim is to develop and operate a safe, efficient and sustainable aviation system across the country.

VALUES

- Open
- Responsible
- Dynamic
- Customer-oriented

Avinor owns 43 airports, including the subsidiary Svalbard Lufthavn AS and Værøy Heliport. Additionally, Haugesund Airport is leased to an external operator, and Fagernes Airport is set to be sold.

Avinor is self-funded through traffic revenues from airlines, revenues from commercial tenants, and direct sales to passengers. A smaller component of the Group's revenue stems from assignments for other organisations, such as the Norwegian Armed Forces. Airport operations are run as a single financial unit, whereby the large financially profitable airports finance the rest of the airport network. This is known as the Avinor model.

Commercial revenues accounted for around 54 per cent of operating revenues in 2019 (the last normal year of operations), while traffic revenues from airlines accounted for roughly 46 per cent. Avinor received operating subsidies from the owner in 2020 and up to and including Q3 2021 to cover parts of the revenue losses due to the impact of the pandemic on air traffic and on Avinor's revenues. Avinor did not receive operating subsidies from the owner in 2022.

The lack of operating subsidies from Q4 2021 onwards resulted in Avinor receiving approval from the owner to deviate for the rest of the year from the 40 per cent equity ratio requirements stipulated in section 5 of the provisions to the company's Articles of Association. In December 2021, the owner also extended this approval to deviate from section 5 of the provisions of the Articles of Association for Q1 2022. Avinor has received approval to deviate from the equity requirement for 2023.

Avinor Air Navigation Services (Avinor ANS) is a subsidiary of Avinor AS. Air navigation services are funded through traffic revenues from the airlines for en-route navigation services, as well as revenue from the operation of tower and approach services from Avinor's airport operations. Avinor Air Navigation Services provides services including en-route navigation services, approach control services, and control tower services. Air navigation services and airport operations are closely integrated and mutually dependent on each other in their fulfilment of Avinor's corporate social responsibility.

Avinor co-operates with the Norwegian Armed Forces at eleven airports, six of which are owned by Avinor AS (Oslo, Stavanger, Bergen, Trondheim, Harstad/Narvik, Lakselv). The Norwegian Armed Forces owns Bodø, Andøya and Bardufoss airports. Avinor shall assume responsibility for Bodø and Andøya, however this has not yet formally taken place. Avinor offers air navigation services for Ørland, Rygge and Torp. Ørland receives commercial traffic, while Rygge has a civil part without commercial traffic. Torp is not owned by Avinor. Co-operation with the Norwegian Armed Forces is expected to be extended to include several more airports in the future.

A total of 44,729,000 million passengers travelled to, from, or via Avinor's airports in 2022, which is an increase of 99 per cent compared to the previous year.

Norway's primary airport, Oslo Airport, had 22,460,000 million passengers in 2022, which is an increase of 139 per cent compared to 2021. Oslo Airport is the hub of Norwegian aviation and a transit airport for traffic between Norway and the rest of the

world. The profit generated by Oslo Airport is crucial for the financing of the network of airports spread across Norway.

There were a total of 618,600 departures and landings at Avinor's airports in 2022, which is an increase of 34 per cent compared to 2021. Domestic air transport movements increased by 18 per cent, while international air transport movements increased by 140 per cent. The change in the number of passengers and aircraft movements primarily reflects the development of the pandemic. However, in the final part of the year, we saw that the numbers were affected by the increase in general living costs, which are thought to be having a negative effect on people's desire to travel.

The number of overflights during 2022 totalled 63,761, an increase of just over 35 per cent compared with 2021. The increase is due to the impact of the pandemic in 2021.

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 corporate governance Avinor, determines Avinor's financial framework, and regulates aviation fees. The ministry also lays down the Civil Aviation Authority's regulations that have consequences for Avinor's operations. Avinor's head office is located in Oslo.

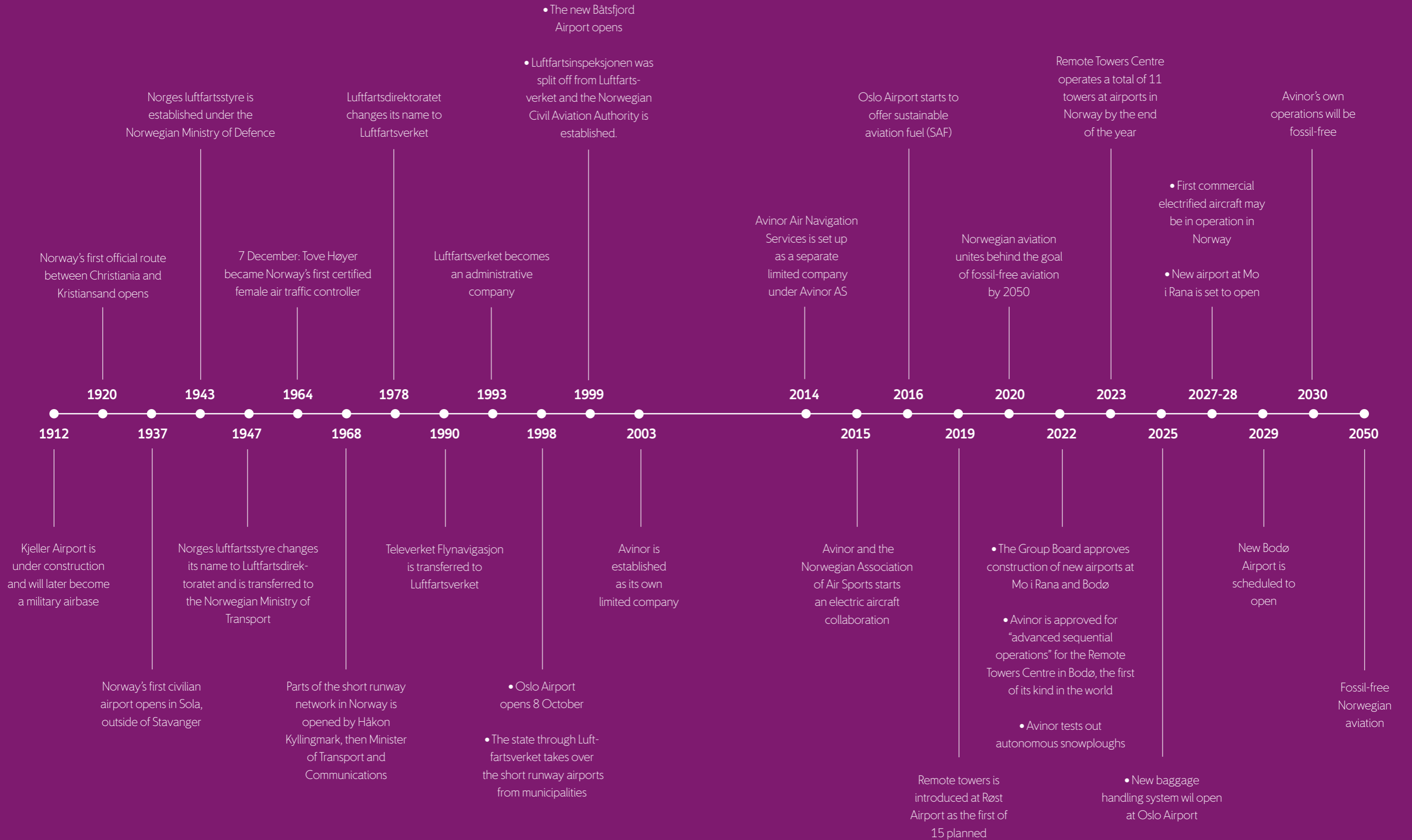
AVINOR'S AIRPORTS

Avinor's airports vary by size and traffic volume. Oslo Airport is by far the largest and ordinarily accounts for more than half of Norway's air traffic and just over 70 per cent of the country's total international traffic. Bergen, Stavanger, and Trondheim also usually have a sizeable proportion of direct international traffic. Some other airports also have international traffic: Kristiansand, Ålesund, Tromsø, Bodø, Harstad/Narvik, and Molde, in addition to some international charter traffic at other airports. Haugesund Airport, which is leased to Lufthavn drift AS as of 2019, also usually has international traffic.

Oslo Airport is the only Norwegian airport to have two parallel runways. Stavanger Airport has a secondary runway used during certain wind conditions.

Oslo Airport's runways are 3,600 metres and 2,950 metres long. At the other large airports, the runways are between 2600-3000 metres long, which means they can be used by larger jet aircraft. 27 of Avinor's airports have short runways of between 800 and 1200 metres. These are used by smaller aircraft types such as the De Havilland Canada (DHC) Dash 8, air ambulances, and private aircraft. These airports are of huge importance in ensuring the habitation and economies of remote areas. Avinor operates a heliport on the island of Værøy.

The history of Avinor - and the route ahead



1.1 Message from the CEO

2022: Our world looks different today

For most people, everyday life has more or less returned to normal. However, for aviation and Avinor, the effects of the pandemic are still being felt financially. This means we are less well-equipped to face the huge challenge that lies ahead of us in the years to come: the transition to zero and low-emission aviation.

The year began in the same way as the one before with travel restrictions and infection prevention measures. Just as the Omicron wave seemed to be waning, Russia attacked Ukraine, and with this came all the consequences that have been felt by the economy, the global energy supply and most people. Aviation is being impacted by uncertainty due to changed travel habits and an increased need for security measures. A total of 44,729,000 people travelled to, from, or via Avinor's airports. Compared with the previous year, there has been a solid increase of 99 per cent, but we are still around 17 per cent below pre-pandemic levels (2019), and this is clear from the Group's financial leeway.

From being almost negligible during the worst periods of the pandemic and travel restrictions, traffic increased gradually in the run up to summer 2022. This led to challenges relating to increases in capacity, which was felt right across Europe. The summer period was characterised by baggage issues and long queues due to staff shortages. Thanks to solid preparations and strong co-operation between operators at airports, the handling of summer traffic at Norwegian airports was an exception to the chaos seen across the rest of Europe. Oslo Airport is operating at a reduced baggage capacity due to the rebuilding of the oldest facility, which opened in 1998, and still has to handle periods of high traffic. Despite strong summer operations for areas that Avinor had direct control over, passengers travelling through Avinor's airport system experienced significant baggage issues related to international development.

Continued challenging financial situation
Avinor lost NOK 16 billion because of the pandemic. As of Q4 2021, we have not received operating subsidies from the owner. At year-end, the equity ratio was 39.2 per cent, and we have also received temporary permission to deviate from the requirement in 2023. Scaling up operations to meet increased traffic volumes was carefully balanced against increased operating costs. At the same time, the project portfolio is being continuously assessed and prioritised. An extraordinarily strong increase in prices for building and construction projects represents an increased risk in Avinor's project portfolio. Additionally, electricity prices have led to higher expenditure, and we have lowered the temperature in terminals by several degrees to keep costs down.

The government's state budget for 2023 has approved halving the allowance for tax-free purchases of tobacco. Together with other tasks performed on behalf of the Norwegian State, this will entail a reduction in income of several hundred million Norwegian kroner. Overall revenues are significantly below 2019, by an order of 12 per cent. This has meant that major investments Avinor is set to undertake with regards to the transition to zero and low emission aviation, maintenance backlogs, backlogs in the Avinor ANS system portfolio, as well as new major development projects, are all in a challenging starting position.

Avinor is working systematically with a long-term view to find new revenue streams, adjust the cost level and assess operational risks.

Milestones that point towards the future of aviation
Avinor has passed several key milestones over the past year. What they all have in common is that they point clearly towards the future of aviation, either in the form of technology developments, the development of new airports or of new infrastructure at existing airports. The roll-out of the new Corporate Strategy for 2022-2025 began in February alongside the implementation of organisational changes that will make Avinor better equipped for the future.

Opening of the Remote Tower Centre
In May 2022, the Remote Tower Centre in Bodø opened, the largest of its kind in the world. By the end of the year, tower services for eight airports – Røst, Hasvik, Vardø, Berlevåg, Mehamn, Røros, Rørvik and Namsos – were being operated out of the centre.

Avinor Air Navigation Services also entered into an agreement with the technology company Indra for the delivery of a new system that will digitalise air traffic control services in Norwegian airspace. The new system, also known as Future Air Traffic Management System (FAS-iTEC), will automate many of the tasks of Norwegian air traffic controllers, create increased efficiency in Norwegian airspace, and increase predictability for airlines. Increased predictability may reduce fuel consumption and thereby lead to lower CO2 emissions and fuel costs for airlines.

Development projects in progress

In the first month of summer, the new non-Schengen area at Oslo Airport opened. The development will allow for a doubling of the passenger area after passport control, more gates and parking spaces for larger aircraft up to and including code F, which is important for better capacity for traffic between Norway and areas outside of the Schengen Area.

The construction of a new airport in Mo i Rana began in the autumn, when the first explosive charges were detonated at the construction site. This is not just a milestone for Avinor, but also for the local community that has worked towards this for many years.

Towards the end of the year, a final decision was taken, which the people of Bodø had been waiting for, as the construction of a new airport in Bodø was approved by the Board of the Avinor Group. A partnership between the municipality of Bodø, the Norwegian Defence Estates Agency and Avinor for the development of the town of Bodø has led to the decision that will see Avinor build a new airport that is scheduled for completion in 2029. The process leading up to the decision has been demanding as the Board decided in January 2022 to postpone the decision in light of Avinor's post-pandemic financial situation.

Solid deliveries put us in a strong position to tackle the difficult challenges ahead of us

As in the two previous years, 2022 has also been an unpredictable year both for Avinor and for aviation as a whole. Avinor's corporate social responsibility nevertheless remains a constant through this unpredictability: we shall operate critical social infrastructure in a safe, stable and efficient manner. We have delivered on this. The Norwegian aviation industry has united behind the goal of being fossil-free by 2050. Avinor's role here is to facilitate and drive forward the transition to sustainable aviation. We take this role very seriously.

We shall facilitate the electrification of our infrastructure, hydrogen deliveries and the use of sustainable aviation fuel, and work in a targeted manner with incentives to develop and use zero and low-emission energy carriers for aircraft.

We have also taken on a commitment that Avinor's airport operations will be fossil-free by 2030.

To continue delivering on our corporate social responsibility in a fossil-free future, we are working on long-term development processes for the entire company internally and alongside partners and stakeholders. We execute and deliver construction and technology projects, develop processes and new concepts, work on constantly improving co-operation and enter into long-term revenue-creating contracts. We are also in continuous dialogue with the owner and authorities about our financial framework conditions in order to be as well equipped as possible for future challenges.

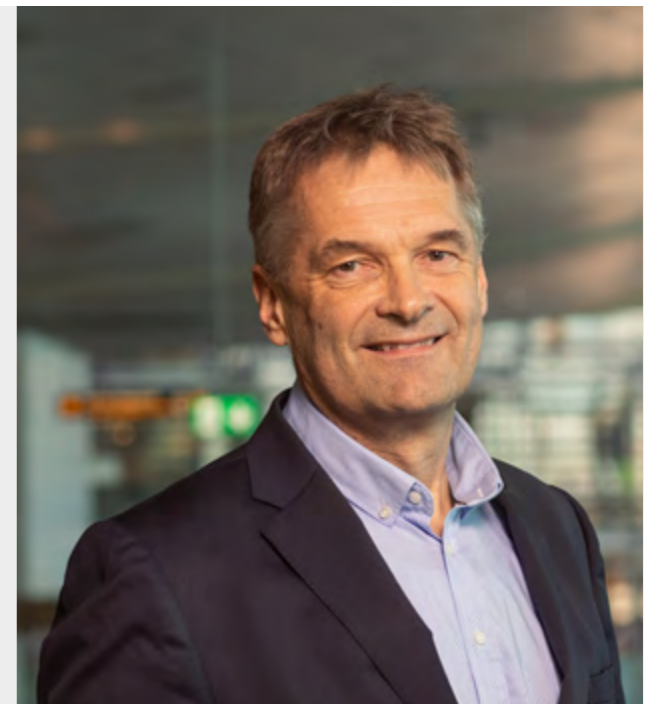
At Avinor, we will also focus on using the technological opportunities available to us to fulfil our corporate social responsibility in a smarter and more secure manner. This means that we will need to have a proactive technological agenda, and it will be developed alongside the skills and motivation of our employees. Leadership and skills are therefore high on the agenda.

Avinor has a solid organisation that delivers high quality services every single day. I am confident that this puts us in good standing to also deliver on the difficult challenges ahead of us.

I would like to thank all employees at Avinor and our many partners for mobilising around Avinor's corporate social responsibility and helping to fulfil it during these challenging times.

Avinor has a solid organisation that delivers high quality services every single day. I am confident that this puts us in good standing to also deliver on the difficult challenges ahead of us.


Abraham Foss,
CEO



1.2 Corporate governance in the Avinor group

1.2.1 Statement on corporate governance

This statement has been prepared in accordance with the framework of the Norwegian Code of Practice for Corporate Governance, with the adjustments that are required due to the fact that Avinor is a wholly state-owned limited company. In addition to the general provisions of the Limited Liability Companies Act, special provisions apply to state-owned limited companies. The basic premise for Avinor's operations is that safety is paramount and is prioritised ahead of any other considerations. After this, the greatest emphasis is on providing efficient services to customers and society.

Avinor is owned by the Norwegian state through the Ministry of Transport. The company refers to the state's most recent ownership report, Report no. 6 to the Storting (2022-2023), but has direct owner dialogue with the Ministry of Transport.

1.2.2 The business

Avinor is a group of companies that operates in the Norwegian transport sector. The parent company, Avinor AS, is wholly owned by the Norwegian state, represented by the Ministry of Transport, and classified as a category 2 company. This means that the state's goal is sustainability and the most efficient achievement of the sectoral policy goals as possible. Companies within this category mostly do not operate in competition with others. The Group's head office is in Oslo. The company's activities are set out in its Articles of Association, which are available via www.avinor.no.

Avinor is responsible for operating a unified system of 43 airports and the joint air navigation service for the Norwegian civilian and military aviation sector. The business is based on fulfilling and building on key social obligations in all parts of the country, and it must be operated with safety as a high priority and with an emphasis on environmental considerations. In order to meet the requirements of the Group's owner, a series of strategic key goals have been established across the areas of finance, customers and society, internal processes, and organisational development. Avinor shall create value in a sustainable manner.

The Group's policy in the field of environment and corporate social responsibility outlines the overriding principles for environment and climate, as well as corporate social responsibility/sustainability within Avinor. The OECD's guidelines for responsible business shall serve as the basis for efforts relating to sustainability. Avinor is signed up to the Global Compact, which is the UN's global initiative for sustainability work in business and industry, and the Group reports on its sustainability efforts in accordance with the GRI, Global Reporting Initiative. Work is underway in preparing Avinor's financial and non-financial reporting so that the company complies with requirements and expectations for, among other things, the EU Taxonomy that will be applicable as of the 2023 financial year.

The purpose is to improve Avinor's own environmental performance, be a driving force in the environmental and

climate-related efforts of the aviation industry, and be a leader in sustainability efforts in Norwegian aviation.

The Group's ethics guidelines were most recently revised in the autumn of 2022. Furthermore the guidelines express the Group's attitudes in its interaction with customers, suppliers, colleagues, and the wider community. The ethical guidelines are available at www.avinor.no.

Avinor is a member of Transparency International Norway and Ethical Trade Norway.

1.2.3 Equity and dividends

The company's share capital is NOK 5,400,100,000, divided into 540,010 shares, each with a par value of NOK 10,000. The company's equity must correspond to at least 40 per cent of the sum total of the company's recognised interest-bearing long-term loans and equity at any given time. We have also received temporary permission to deviate from the 40 per cent share in 2023.

Avinor AS is a wholly state-owned limited company. The shareholders' rights are safeguarded by the responsible cabinet minister or their deputy at the General Meeting. The General Meeting is not bound by the distribution of dividends proposed by the Board of Directors. Dividends are declared each year. The Office of the Auditor General monitors the management of the Norwegian state's interests and can carry out any inspections that it deems necessary.

No authority has been granted to the Board to raise capital.

1.2.4 Equal treatment of shareholders

Avinor AS has one class of shares. The shares are owned by the Norwegian state and this point of the Norwegian Code of Practice for Corporate Governance is not regarded as being relevant to Avinor.

1.2.5 Freely negotiable shares

The shares are owned by the Norwegian state and this point of the Norwegian Code of Practice for Corporate Governance is not regarded as being relevant to Avinor.

1.2.6 General Meeting

The Minister of Transport and Communications constitutes the company's General Meeting and is the company's highest authority. In accordance with Section 20-5 of the Limited Liability Companies Act, the Ministry of Transport and Communications convenes both Annual and Extraordinary General Meetings. The Ministry of Transport and Communications also determines how the meetings will be convened. Notice of the meeting must normally be issued at least one week prior to the date of the Annual General Meeting; cf. the Limited Liability Companies Act Section 20-5, cf. Section 5-10.

The Annual General Meeting is held each year by the end of the month of June. In accordance with the Articles of Association, the Annual General Meeting must approve the annual report and financial statements, including the distribution of dividends. It also considers approval of the auditor's remuneration, determines the remuneration of the Board for the upcoming period, provides a declaration on the determination of salaries and other remuneration to senior executives, appoints shareholder-elected members of the Board, and considers any other matters that, according to law or the Articles of Association, must be dealt with by the General Meeting.

The members of the Board of Directors, the CEO, and the auditor who audited the previous year's financial statements are invited to the Annual General Meeting. The Chair of the Board and the CEO are obligated to attend the General Meeting. The other Board members, as well as the auditor and the Office of the Auditor General, are entitled to attend the meeting. The agenda is set by the Ministry of Transport and Communications. The minutes of the General Meeting are available to the public.

1.2.7. Nomination Committee

The General Meeting of Avinor AS consists of the Norwegian state represented by the Ministry of Transport and Communications. The General Meeting has not appointed a nomination committee.

1.2.8 Board of Directors, composition and independence

The Board of Directors consists of eight members. Five Board members are elected by the general meeting and three are elected by and from among the Group's employees. There are no alternates for the shareholder-elected members of the Board.

The Chair of the Board is elected by the General Meeting. All Board members are elected for a term of two years.

The Ministry of Transport and Communications does not have its own Board members, but in accordance with the Norwegian state's principles of good corporate governance, all Board members are expected to seek to safeguard the common interests of the company and shareholders. The composition of the Board of Directors is such that, in aggregate, it can safeguard the owner's interests and the company's need for skills, capacity, and diversity. Executive employees are not members of the Group's Board of Directors, and they do not own shares in the company.

The corporate democracy committee has approved a corporate scheme whereby employees of Avinor AS and its subsidiaries may be elected to the Board of Directors. Elections by and from among the employees take place every other year.

The owner has a meeting with each Board member once a year.

At the turn of the year 2022/2023, the Board of Directors consisted of:

Chair of the Board since 2018 – Anne Carine Tanum
Vice-Chair of the Board since 2012 – Ola H. Strand
Board member since 2016 – Linda Bernander Silseth
Board member since 2021 – Rolf Gunnar Roverud
Board member since 2022 – Inger Lise Strøm
Employee-elected Board member since 2011 – Heidi A. Sørum

Employee-elected Board member since 2015 – Bjørn T. Mikkelsen
Employee-elected Board member since 2017 – Olav Aadal

Information on the individual Board members is available at www.avinor.no.

1.2.9 Work of the Board of Directors

The Board of Directors follows the requirements stipulated for the management and supervision of the company pursuant to the Norwegian Limited Liability Companies Act. In accordance with the Articles of Association, the Board of Directors must ensure that the company exercises corporate social responsibility, which is referred to within this report as responsibility for sustainability. The Board of Directors' tasks are stipulated in separate directives. These directives are reviewed annually and updated in the event of changes to the relevant regulations or otherwise as required. The Board of Directors sets out an annual agenda for its work, with a special focus on goals, strategies, and their implementation. The Board of Directors assesses its work and competence on an annual basis.

The rules of procedure contain a separate section on impartiality in which it is stated that the individual board member him/herself is responsible for informing the Board as to the circumstances of a conflict of interest, and must refrain from participating in deliberations or decisions where the member has a conflict of interest. In case of doubt, the matter must be submitted to the Chair of the Board. The minutes of the Board meetings shall reflect when one of the Board members is disqualified due to a conflict of interest in a particular case.

Avinor has Directors' liability insurance that indemnifies the Board of Directors and leading employees against any claims for compensation that they may be subject to as a result of negligence. This Directors' liability insurance also covers legal costs in the event of compensation claims against the Board, and is an essential component of the insurance coverage. The insured amount is based on a general assessment of the risk entailed. All Boards of Directors in the Group are covered.

The CEO's responsibilities and duties are defined in directives laid down by the Board of Directors. These directives are reviewed annually and updated as required.

Intra-group agreements are entered into pursuant to the arm's length principle on ordinary commercial terms and principles. All such agreements are made in writing.

Transactions with close associates

The Board is not aware of any transactions during 2022 between the company and its shareholders, Board members, executive employees, or their close associates that may be characterised as not immaterial transactions. Board members and senior executives maintain a constant overview of their and close associates' duties and roles outside the Avinor Group. The overview is checked randomly against publicly available information. Furthermore, the overview is subject to checks against the Group's supplier directory.

Ten Board meetings were held in 2022, including one extraordinary meeting. The meetings were fully attended, with only a few exceptions.

The Board has established an audit and risk management committee as a preparatory and advisory body for the Board of Directors with respect to its responsibility for financial reporting, auditing, internal control, and overall risk management, the Report of the Board of Directors and annual report. Five committee meetings were held in 2022.

At the turn of the year 2022/2023, the committee consisted of:
Inger Lise Strøm
Rolf Gunnar Roverud
Heidi Sørum

The Board of Directors has established an HR, remuneration, and HSE committee to act as a preparatory subcommittee in matters relating to remuneration of executive employees of the company and HSE.

The committee must prepare guidelines for and cases concerning the remuneration of executive employees, as well as assessing and monitoring the Group's policy in this area on an ongoing basis. The committee will also support the Board of Directors in its handling of the overall HSE risk situation. Four committee meetings were held in 2022.

At the turn of the year 2022/2023, the committee consisted of:
Anne Carine Tanum (Chair)
Linda Bernander Silseth
Bjørn Tore Mikkelsen

1.2.10 Risk management and internal control

In order to ensure the cohesive management of the company, a separate management system has been established, which consists of management documents, contingency plans, safety procedures, and processes for the management and control of operations.

An annual risk assessment of the Group's activities is conducted, and measures to manage the risk situation are evaluated and implemented. The Board of Directors reviews the company's risk management and internal control on an annual basis.

As part of the Group's internal control system Avinor has established an internal audit function. The Group's internal audit function works in accordance with a mandate adopted by the Board and pursuant to standards laid down by the Institute for Internal Auditors (IAA).

The Group Audit helps the organisation achieve its goals through the use of a systematic and structured method to evaluate and improve the effectiveness and appropriateness of the organisation's processes for risk management, internal audits and governance. The internal audit must provide targeted and structured feedback in relation to Avinor's compliance with established policies, Group standards, procedures and established measures in critical business areas.

Furthermore, the internal audit must provide advice that contributes to improvements in Avinor's governance and audit

processes, as well as helping to increase value generation within the Group.

The internal audit function within Avinor is outsourced and handled by an external audit firm. The internal audit function reports on a functional basis to the Board via the Chair of the Audit and Risk Management Committee, and is functionally independent of the management and audit functions within the Group. In administrative terms, the internal audit function reports to the Executive Vice President for Strategy and Corporate Governance.

Systems for internal control and risk management related to the financial reporting process

Avinor's ethics guidelines and core values establish the foundation for a good internal control environment with respect to financial reporting together with the company's organisation, management fora, and reporting lines.

Business and support processes that are essential to financial reporting have been identified. These include processes related to investment projects, revenues, financial items, closing of financial statements, and IT systems that support these processes. Overall risk is managed and assessed centrally, while transaction management is subject to both centralised and decentralised controls. Considerable importance is attached to the thorough documentation and assessment of important valuation items.

Control measures are carried out in the ongoing production of financial statements and through continuous financial monitoring. Systems for the evaluation/monitoring of the internal control related to the financial reporting process is under development and assessed on a continuous basis.

1.2.11 Remuneration of the Board of Directors

The General Meeting and its subcommittee determines the remuneration of the Board of Directors. Remuneration is not based on performance and no options are issued to board members. Shareholder-elected Board members generally do not perform any special tasks for the company beyond their position on the Board of Directors. Remuneration of the Board members is specified in a note to the annual financial statements.

1.2.12 Salaries and remuneration for executives

The Board of Directors has prepared guidelines for the determination of salaries and other remuneration for executive employees. The guidelines aim to underpin the Group's strategy, long-term interests and financial load capacity. The guidelines were prepared in accordance with Section 8 of the Articles of Association and are in line with the state's guidelines for executive pay in companies under state ownership. Furthermore, the Board has prepared a report on executive pay regarding the executive pay policy that was implemented in the previous financial year. Both the guidelines and report were discussed at the Annual General Meeting.

Information on total remuneration for executive employees is discussed in note 6 to the annual accounts, in addition to a separate report on salaries and other remuneration for executive employees. Both the guidelines and the report on salaries and other remuneration for executive employees are included in the annual and sustainability report.

1.2.13 Information and communication

Public information on the Group is provided by the Group's management. Each year the Group prepares a financial calendar indicating the dates for publication of financial information. This financial calendar is available on the company's website and the Oslo Børs website.

Financial information is published in the form of a stock exchange notice before it is made available on www.avinor.no.

The Group presents a complete set of annual financial statements in conjunction with the Annual Report of the Board of Directors and the Annual Report in the month of April. Accounting figures are reported quarterly.

In accordance with the Articles of Association, the Board of Directors shall each year submit a plan for the operation of the Group, including subsidiaries, to the Transport and Communications Minister. The contents of the plan must include the following:

- Description of the status of the market and the Group, including the development of the Group since the last plan was published.
- The highlights of the Group's operations for the coming years, including any major restructuring, development, and discontinuation of existing operations, or the development of new operations.
- The Group's investment level, important investments, and financing plans.
- Assessments of the financial development during the plan period.
- Report on measures and results of the company's role in society, social obligations, and corporate social responsibility.

The Board of Directors shall submit any major changes to plans that have previously been submitted to the Minister of Transport and Communications.

1.2.14 Take-overs

Avinor AS is wholly owned by the Norwegian state as represented by the Ministry of Transport and Communications. Accordingly this point in the Code of Practice is not regarded as relevant to the company.

1.2.15 Auditor

Avinor has an independent external auditor appointed by the General Meeting based on a recommendation from the Board of Directors as a whole. The auditor submits a plan for the auditing work to the Board of Directors annually. Each year the auditor prepares a letter to the Board of Directors (Management Letter) summarising the audit of the company and the status of the company's internal control.

The auditor has an annual meeting with the Board of Directors without managerial presence. The auditor also has an annual meeting with the audit and risk management committee without managerial presence. The auditor is entitled to attend the company's General Meeting.

The auditor's remuneration is broken down into auditing and other consulting services, and it is specified in a note to the financial statements. The General Meeting must approve the auditor's remuneration.





2. Report of the Board of Directors

2.1 HIGHLIGHTS OF 2022

(Previous year's figures in parentheses) A total of 44.7 million passengers travelled to, from or via Avinor's airports in 2022. Air traffic through Avinor's airports in 2022 measured by passenger numbers increased by 99 per cent compared to 2021. The number of aircraft movements increased by 27 per cent in 2022 compared with 2021. Domestic air transport movements increased by 18 per cent, while international air transport movements increased by 140 per cent. In 2022, Oslo Airport was the most punctual for departures among Europe's 20 largest airports and was also named the best airport in Europe in terms of landings that save emissions and reduce noise.

Consequences of changes in travel habits, uncertainty due to the war in Ukraine, high price growth, a long waiting time for Norwegian passports, increased interest rates, in addition to industrial action and capacity issues in aviation, have contributed to traffic failing to achieve pre-pandemic levels. The total number of passengers in 2022 was around 17 per cent lower than in 2019. Traffic developments and travel patterns indicate that the strongest recovery was among holiday and leisure travellers, while business travellers remain below pre-pandemic levels.

Greater awareness of security related to critical Norwegian infrastructure has led to increased focus on illegal drone activity. There have been several observations of the illegal use of drones around Avinor's airports, which has led to some airports closing for shorter periods. Avinor is extending strengthened measures to monitor the situation. Apart from this, in addition to reduced overflight traffic in Norwegian airspace, the outbreak of war in Ukraine has not led to significant operational consequences.

The roll-out of remotely operated towers is making good progress. After the transfer of operations at Svolvær Airport at the end of January 2023, a total of nine airport towers are remotely operated from the tower centre in Bodø.

The Avinor Board has approved the construction of a new Airport in Bodø. A partnership between the municipality of Bodø, the Norwegian Armed Forces and Avinor has led to the decision that will see Avinor build a new airport that is scheduled for

completion in 2029. The cost framework for Avinor's development project is NOK 7.2 billion (in 2022 kroner). Avinor will contribute the sum of NOK 2.6 billion. The remainder will be funded by the Norwegian government and the municipality of Bodø.

The development of a new airport at Mo i Rana was approved in 2021 with a cost framework of NOK 3.3 billion (in 2021 kroner), of which NOK 2.7 billion is provided by the state and NOK 0.6 billion comes from a fixed contribution from Rana Municipality and local businesses. This development project was primarily initiated and pushed forward at a political level. In mid-August, the turnkey contract for building the new airport in Mo i Rana was awarded to AF Gruppen. The first physical preparatory works at the new airport began in September. A process is ongoing to reach an agreement for full access to the site before further construction work can start. The project is scheduled for completion in summer 2027 with trial operations set for spring of the same year.

Reference is made to note 12 to annual accounts, which discusses the development projects in Bodø and Mo i Rana.

The government's state budget for 2023 has approved halving the allowance for tax-free purchases of tobacco. It is estimated that annual loss in revenue for Avinor related to the loss of revenue from tobacco goods will be around NOK 270 million.

To meet the growth in travel outside the Schengen zone, Avinor has extended the area after passport control at Oslo Airport. This new development has resulted in the addition of a 30,000 square metre annex to the east end of the current terminal, doubling the passenger area, adding new gates and aircraft parking spaces for larger aircraft and new commercial areas.

There is broad consensus that Norway is dependent on aviation. At the same time, global warming is one of the greatest challenges of our time. Like all other sectors, aviation must implement measures to reduce greenhouse gas emissions, while also adapting operations and infrastructure to the coming climate changes. The Norwegian aviation industry as a whole has united behind a goal of fossil-free aviation by 2050.

Avinor's Corporate Strategy for 2022-2025 has set reducing greenhouse gas emissions as a top priority. This applies to emissions from its own operations as well as from air traffic.

In its Corporate Strategy, Avinor has set a goal that its own operations should be fossil-free by 2030. Emissions from operations at Svalbard Airport account for 16 per cent of total emissions from Avinor's own operations. This is the highest proportion from a single airport in Avinor's network. To achieve the goal of having its own operations be fossil-free, Avinor has decided to establish a biogas power plant to cover the energy supply for the airport. For more information about measures to achieve the goals of having fossil-free operations, please refer to the section on greenhouse gas emissions from airport operations p. 50. Reducing emissions from aviation is addressed through the strategic focus areas of "New energy carriers for the fleet of tomorrow" and "Sustainable aviation fuel". For a more detailed description of Avinor's activities in these areas, please refer to the chapter on sustainable aviation.

Following up on the Group's financial position remains a priority area. The equity ratio calculated in accordance with Paragraph 5 of the Articles of Association was 39.2 per cent at year-end, and the Group's cash flow before changes for liabilities was minus NOK 530 million in 2022. At the Extraordinary General Meeting of 12 December 2022, it was decided that the minimum allowed equity ratio according to Paragraph 5 of the Articles of Association be set at 37 per cent up to 31 December 2023. Avinor complies with all equity covenants on external debt.

Scaling up operations to meet increased traffic volumes is carefully balanced against increased operating costs. In addition, the project portfolio is being continuously assessed and prioritised. An extraordinarily strong increase in prices for building and construction projects represents an increased risk in Avinor's project portfolio.

2.2 ABOUT AVINOR

Avinor AS is a state-owned limited liability company with the task of facilitating safe, sustainable, and efficient aviation across Norway. The business has a network of 44 airports, which includes Værøy Heliport, Haugesund Airport (which is leased). The business also provides air navigation services throughout Norway, which are provided through Avinor's wholly owned subsidiary Avinor ANS.

As at 31 December 2022, the company's balance sheet amounted to NOK 46 billion. Permanent employees totalled 2,746 (2,744).

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 ownership of the Norwegian state and determines Avinor's financial framework. The Ministry of Transport and Communications is the highest authority for Norwegian aviation and lays down the Norwegian Civil Aviation Authority's regulations that have consequences for Avinor's operations. Avinor's head office is located in Oslo.

2.3 ECONOMY AND FINANCES – GROUP

The Group's operating income in 2022 was NOK 10,419 million (NOK 9,314 million in 2021), and the profit after tax was NOK 427 million (NOK 208 million). Year-on-year operating income within airport operations increased by 100 per cent in 2022. Total operating income from air navigation services increased by 35 per cent due to increased traffic volumes.

Operating expenses totalled NOK 7,350 million in 2022 (NOK 6,355 million), which is a year-on-year increase of 16 per cent. Total depreciation, amortisation, and write-downs for 2022 amounted to NOK 2,259 million (NOK 2,197 million).

Operating profit (EBIT) for 2022 amounted to NOK 810 million (NOK 763 million). The increased operating profit is primarily due to an increase in operating revenues.

The Group's net financial result in 2022 amounted to NOK -258 million (NOK -495 million). The change in the financial result was due to the fact that the result includes NOK 322 million in changes in value of energy and foreign exchange derivatives.

The Group's cash flow in 2022 was negative at NOK -530 million (NOK 67 million) before changes for liabilities. Interest-bearing liabilities as at 31 December 2022 were NOK 22,259 million. NOK 939 million in liabilities was repaid in 2022.

The Group's equity as at 31 December 2022 totalled NOK 45.9 billion (NOK 46.4 billion) with an equity ratio of 29.1 (26.9) per cent. Equity as a percentage of the sum of equity and interest-bearing liabilities pursuant to the definition in the Articles of Association was 39.2 (39.4) per cent as at 31 December 2022.

Developments in fixed income and foreign exchange markets, as well as other conditions, have affected the calculation of pension obligations and the value of financial hedging derivatives. As a consequence of this, equity was credited by NOK 460 million after tax as at 31 December 2022 through other comprehensive income.

As at 31 December 2022, the Group's cash reserves amounted to NOK 5,489 million, distributed between NOK 1,189 million in bank deposits and NOK 4,300 million in unutilised drawing rights.

The annual accounts have been prepared under the assumption that the company will continue as a going concern on the basis of forecasts and the calculated present value of estimated future cash flow. See note 14 to the annual financial statements for further details.

2.3.1 Economy and finances – Avinor AS

In 2022, the Parent Company – Avinor AS – had an operating income of NOK 9,077 million (NOK 8,314 million) and the profit after tax was NOK 1,004 million (NOK 435 million).

The Parent Company's balance sheet as at 31 December 2022 amounted to NOK 45 billion (NOK 44 billion) with an equity ratio of 29.3 per cent (29.6 per cent).

Avinor AS's cash flow in 2022 was negative at NOK -523 million (NOK 91 million) before changes for liabilities.

Interest-bearing liabilities as at 31 December 2022 amounted to NOK 22,254 million (NOK 22,945 million).

2.4 RISK

2.4.1 Risks pertaining to air traffic volumes
Avinor's traffic revenues are affected by changes in geopolitical conditions, airline route networks, demand for air travel and other factors beyond the control of the Group.

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 decisions, financial difficulties, bankruptcies, or the loss of landing rights in relation to these airlines could have a significant financial impact on Avinor.

Avinor has a high proportion of fixed costs that vary slightly 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 a direct impact on the size of these revenues.

The uncertainty around long-term and permanent changes in travel habits will have an impact on the Group's revenue and the value of the Group's assets. The war in Ukraine is further increasing uncertainty around these estimates.

2.4.2 Risks pertaining to investment activities
The Group has an ongoing investment programme for infrastructure maintenance and adaptation in the airport and air navigation business. The inherent project risk, changes in the economic situation, price increases 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.

2.4.3 Power price risk
Electricity consumption across the Group is significant and thus there is a risk of increased costs as a result of developments in power prices. To reduce this risk, Avinor has entered into bilateral physical power contracts with Statkraft Energi AS.

2.4.4 Credit risk
The Group's credit risks are attributed primarily to airlines, tenants and aviation-related industries. There is a risk that customers will not be able to meet their obligations, and breaches of contracts could have an impact on the Group's business, financial position and operating profit.

The Group has guidelines for minimising losses. No guarantees have been made regarding obligations that are not those of companies within the Group.

2.4.5 Financial risk
The Group's activities involve different types of financial risk: Financial risk refers to liquidity risk, interest rate risk, foreign exchange risk, counterparty 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 relative to other currencies due to income and expenses in foreign currencies. Exposure to the Euro is of the greatest significance. The Group uses forward contracts to reduce the foreign exchange risk in cash flows nominated in foreign currency.

The Group is primarily exposed to the Euro and U.S. dollar, as well as to a lesser extent to the Swedish krona and the British pound.

When it comes to income, the Group is exposed to foreign exchange risk against the Euro in relation to the Norwegian krone through en-route navigation service fees.

The period from the exchange rate determination to the payment date amounts to approximately three months. Revenue in foreign currency is sold forward to the extent that it is not hedged by cash outflow in the same currency. The Group also faces foreign exchange risk related to purchases in foreign currencies. Currency futures are not recognised on a hedging basis in the accounts.

The Group's bond debt denominated in Euros is hedged through the purchase of interest rate agreements and currency swaps. Avinor uses hedging accounting when accounting for interest rate agreements and currency swaps.

Interest rate risk
The Group is exposed to interest rate risk through its financing activities. Parts of the borrowings are issued at variable rates, which means that the Group is influenced by changes in the interest rates. For servicing floating interest rate loans, the Group uses currency swaps to hedge its cash flow against 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. There is uncertainty regarding the availability and pricing of capital markets. For Avinor, access to capital has been strong through various loan markets.

Regulatory risk
Avinor's operations focus on safe air traffic management, with procedures and measures to minimise the risks and consequences of accidents and serious incidents. Developments with regard to national and international regulatory issues may have financial consequences for the Group. Avinor safeguards national sectoral policy objectives. The Norwegian state sets guidelines for a number of conditions, including airport structure, emergency preparedness, aviation fees, and corporate social responsibility. The scope and organisation of sectoral policy guidelines may change over time.

2.4.6 Climate risk
Avinor has worked on climate adaptations (reduction of physical climate risk) of the company's infrastructure since the turn of the millennium.

A range of measures have been implemented at airports. In 2013-2014, the company prepared a comprehensive climate risk report. This was updated in 2022. In 2022, Avinor also began work on a climate risk analysis in accordance with the Task Force on Carbon Related Financial Disclosure (TCFD) framework. The purpose of the analysis is to stress test Avinor's activities against reasonable scenarios for climate policy and climate change, to prepare necessary future measures so that the airports are adapted. Greenhouse gas emissions from aviation could affect its reputation as well as general conditions and fees both nationally and internationally. This could impact air travel in the future.

Reduced traffic volumes, increased costs, and a deterioration in the industry's profitability could have a negative impact on Avinor's financial performance. The TCFD analysis will be completed in 2023, and will be available on the company's website.

2.5 PENSIONS

From 1 January 2019, the Group's defined-benefit public pension scheme was closed, and after this point, employees were enrolled in a private defined-contribution pension scheme. Approx. 45 per cent of employees as at 1 January 2019 were moved to the new scheme. As of 1 January 2020, the public pension scheme was changed for everyone born after 1962 to a scheme that was more similar to a private defined-contribution scheme.

Everyone born after 1962 who is still part of the public scheme and everyone who moved over to the new private defined-benefit scheme as of 1 January 2019 has received an entitlement based on the old scheme. The new pension scheme, which entered into force on 1 January 2020, does not contain complete provisions for a new early retirement scheme or new rules for pensions with a jobspecific retirement age.

Some of the Group's pension funds are directly linked with the Government Pension Fund Global. Return and exchange rate developments for the Government Pension Fund Global will thus affect the value of the Group's pension fund and future premium payments. There is financial and regulatory risk related to the estimated pension obligations, where minor changes in conditions could have a major impact on the Group's equity.

2.6 CORPORATE GOVERNANCE IN AVINOR

Good corporate governance in Avinor aims to ensure that the maximum possible value is created and business risk is curtailed. The company's core values and ethics guidelines are a basic premise for corporate governance in Avinor.

As the owner, the state focuses on ensuring that state-owned companies adhere to the Norwegian Code of Practice for Corporate Governance. The Board attaches importance to following this recommendation regarding the Group's corporate governance wherever relevant. The Norwegian Code of Practice for Corporate Governance is available at www.nues.no.

Avinor has issued bonds that are listed on Oslo Børs and Luxembourg Børs. Oslo Børs has been chosen as the Group's homemarket.

The Group follows the recommendations of Oslo Børs with respect to corporate governance wherever relevant. Section 3-3b of the Norwegian Accounting Act stipulates that companies under a statutory accounting obligation which issue securities in accordance with Section 5-4 of the Securities Trading Act must provide a report on their policies and practices for corporate governance either in their annual report or in a document referred to in their annual report. Point 3.10 in Oslo Børs' document entitled "Bond regulations – entry requirements and ongoing obligations" states that the borrower must provide an account of its policies and practices relating to corporate governance in a similar manner.

The Norwegian Accounting Act is available at www.lovdata.no. Oslo Børs' regulations are available at www.oslobors.no. For more details about corporate governance in Avinor, please refer to the chapter "Corporate governance".

2.7 SUSTAINABILITY

Avinor's sustainability efforts are based on the expectations set forth with regard to corporate social responsibility in Avinor's Articles of Association, Section 3-3c of the Norwegian Accounting Act, and the state's ownership report (Report no. 6 to the Storting (2022-2023), under discussion in the Storting). Avinor shall take the OECD's guidelines for responsible business as the basis for its sustainability efforts, and it signed up to the UN Global Compact in 2014. Avinor's efforts cover areas such as human rights, employee rights and social conditions, the external environment, and combatting corruption.

For further discussion of Avinor's sustainability work, including work on the climate, environment, flight safety, HSE, impartiality, anti-corruption and safe whistleblowing, please refer to the chapter "Sustainable value creation", the chapter "Active driving force for sustainable aviation", the chapter "Attractive work place with the right competence and a good work environment", and the chapter "Avinor shall ensure sustainable finances and responsible business conduct", cf. Section 3-3.c of the Norwegian Accounting Act.

2.8 ENVIRONMENTAL CONDITIONS

Aviation affects the environment both locally and globally. The local environmental impact is primarily related to aircraft and helicopter noise, local air quality, water and soil contamination, as well as biodiversity. The global impact is primarily related to greenhouse gas emissions from the aviation industry, which comes primarily from air traffic.

Avinor implements a range of measures to reduce greenhouse gas emissions from its own operations and has a range of activities to reduce emissions from air traffic. Efficiency improvements in Norwegian airspace, a transition to sustainable aviation fuel, and the introduction of electric and hybrid aircraft are important measures Avinor is exploring. Additionally, hydrogen as an energy carrier in aviation has been receiving increased attention in recent years.

All airports have discharge permits that regulate the use and discharge of de-icing chemicals and fuel for fire drills where there are active fire training sites. The permits set requirements for

risk-reducing measures, monitoring and preparedness for acute pollution. We work systematically on reducing the risk of new pollution and mapping and cleaning up existing contamination.

Until 2011, Avinor used various types of per- and polyfluoroalkyl substances (PFAS) in firefighting foam. This was before the detrimental properties of PFAS were known. The most known compound, PFOS, was phased out in Avinor in 2001, and was banned in Norway in 2007. Today, Avinor use fluoride-free firefighting foam. Projects related to mapping and cleaning up PFAS contamination from historical activity are currently under way in many countries. The dispersal from airports is currently one of the largest sources of PFAS discharges to the environment. There is particularly great concern about perfluorinated environmental contaminants due to their extreme longevity, toxicity and tendency to disperse into the environment and to all living organisms (concentration in the food chain).

On the orders of the Norwegian Environment Agency, Avinor has begun extensive clean-up work to prevent PFAS compounds from dispersing across natural environments. As of December 2022, an accounting provision of NOK 1,007 million has been allocated for the clean-up work.

Avinor's climate and environmental work is discussed in more detail in the chapter "Active driving force for sustainable aviation".

2.9 RESEARCH AND DEVELOPMENT

Avinor is implementing several projects to help optimise the use of Norwegian airspace and airports. This work helps to improve safety, increase capacity, streamline service delivery, and reduce environmental impact and climate change. For more information on Avinor's research and development work, please refer to the chapter on Avinor's activities: "Avinor connects Norway to the world – through sustainable aviation".

2.10 PERSONNEL AND ORGANISATION

There were 2,746 permanent employees in the Group at the end of the year. The average age of permanent employees in the Group is 47.1 years old. The percentage of women among permanent employees is 21.9 per cent. The number of women in executive positions is representative of the total number of women in the Group. The percentage of women employees is monitored closely. Avinor's recruitment policy contains clear guidelines that promote a gender balance, from the design of recruitment adverts to the interview and selection process.

Group Management has previously adopted a detailed equality and diversity action plan. This work was revitalised in 2022 with concrete diversity pledges, and concrete plans have been drawn up for further follow-up in 2023. Avinor has an average age of nearly fifty years old. Within 10 years, over 40 per cent of our employees will reach the state pension age. This puts us in a good position to work purposefully with a long-term agenda for increased diversity.

Cost-cutting efforts across the whole Group have continued from 2021.

In order to optimise and make efficiency improvements in operations, major organisational changes across the Group were carried out in 2022.

As a part of the organisational changes, the composition of the Group Management has changed. The number of people in Group Management has been reduced, and there are now fewer overlapping areas and clearer management principles. The organisational changes shall support the Corporate Strategy and are therefore an important tool for achieving the company's goals. There has been constructive dialogue with employee representatives concerning ongoing operations and significant change processes.

As a safety organisation, Avinor is dependent on having the right expertise in place and overview of its skills available in-house at any given time. Follow-up is dependent on good support from the Group's IT systems. In 2021, Avinor replaced its learning and competence systems. The transition to new systems has been challenging. In 2022, a pronounced effort was made to improve both the system and its structure along with closer follow-up at airports. Revised systems will be implemented in 2023, with tailored training and increased support during the transition period.

In 2022, Avinor has, through digital meetings, continued Office 365 training, with a particular focus on the interaction and productivity tool Teams. As a result of the pandemic, skills relating to digital interaction have been significantly elevated across all areas of the Group. We have also arranged access to digital development for all employees through a relevant selection of courses from the portal Digital Norway.

The Corporate Strategy emphasises the development and strengthening of the organisation with a focus on culture, capacity, competence building and performance-based management. In 2022, a comprehensive survey of our future skills needs was carried out. Expectations of managers and employees were clarified and will be followed up on in 2023 with targeted manager development and the implementation of a new model for what makes a good Avinor employee. People review and succession planning will be implemented at the highest management levels. In 2022, Avinor has continued its mentoring programme aimed at first line managers and new managers.

Avinor is keen to ensure an Inclusive Labour Market and strives to prevent absence due to illness and withdrawal from the labour market. This is especially relevant for employees who no longer meet physical or medical requirements due to illness or other conditions. Absence due to illness in 2022 was 5.4 per cent (4.7 per cent in 2021). The Group has worked actively to reduce breaches of the working time regulations in the Working Environment Act. Nevertheless, the Group overall has seen a slight increase in the number of breaches of working hours provisions compared with the previous twelve months. This will be followed up.

2.11 OUTLOOK AND GENERAL CONDITIONS

For Avinor, the primary focus through the COVID-19 pandemic was to ensure continuity, preparedness, safe and secure operations in accordance with guidelines from public authorities. In the time since then, operations have been adapted to the scaling up and

expectations of future traffic volumes. There is uncertainty around the future level of air traffic, particularly with regard to how technology, the climate, environment, economy, and sustainability may lead to changes in travel habits.

The war in Ukraine has had a limited impact on Avinor's operations, but has increased the uncertainties in the forecasts for travel activity and overflight revenues for Norwegian airspace. Flyr petitioned for bankruptcy on 1 February 2023. Flyr's bankruptcy has had a limited financial impact on Avinor.

The Group's priorities, including the level of its operating costs and investments, will be adapted to fit the long-term prognosis for the aviation industry.

Through the Group's strategy, as well as guidelines in a new ownership report from the Norwegian Ministry of Trade, Industry and Fisheries, efforts are being made to clarify which goals and ambitions Avinor should focus on for the period up to 2025. Central to this is the achievement of sectoral policy goals within a financially sound framework, as well as the framework of defined sustainability goals.

The Board assumes that the Norwegian state, as the owner of Avinor, will ensure the Group's financial framework conditions,

including proceeds from airport and air navigation fees, which justify the invested values and up-coming 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 has the potential to change aviation as we know it today. Avinor's corporate social responsibility entails that the Group facilitates further development and expected changes in air traffic.

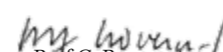
Avinor is aware of the challenges that the Group faces when seeking to reconcile growth and greenhouse gas emissions in a sustainable value creation process. Aviation will also contribute to the development and transformation of Norwegian society and business as a whole. Furthermore, the industry depends on innovation and technological advances in order to meet its own targets for reduced emissions and expected traffic growth.

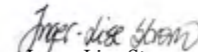
Employees are the company's most important asset, and the Board recognises that they currently face a challenging time that is marked by the powerful impact of the pandemic and geopolitical unrest. The Board would like to thank all employees and partners for their fantastic efforts during yet another challenging year for aviation and for Avinor.

Oslo, 28 March 2023
Board of Directors of Avinor AS

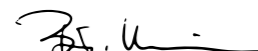

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Linda Bernander Silseth


Bjørn Tore Mikkelsen


Heidi Anette Sørum


Olav Aadal


Abraham Foss
CEO



3. Sustainable value creation

Avinor's corporate social responsibility involves the Group facilitating further development and forecast growth in air traffic. However, this must not conflict with national climate targets and international climate commitments.

Avinor has long been aware of the challenges that the Group faces when seeking to reconcile growth and the climate in a sustainable value creation process. Aviation will contribute to the development and transformation of Norwegian society and business as a whole. Furthermore, the industry depends on innovation and technological advances in order to meet its own targets for reduced emissions and expected traffic growth.

The European Commission's European Green Deal provides clear political guidance and also expects a high level of environmental and climate awareness in the aviation sector. The move from an emphasis on the one-sided importance of aviation for economic growth and competitiveness in Europe towards also focusing on sustainability and the climate is a clear shift.

Aviation is fundamental to Norway's development. Thus, for several years, Avinor has been an active contributor in national and international efforts relating to reducing emissions alongside the airlines, the Civil Aviation Authority, and other stakeholders in aviation. The electrification of aviation and increased use of sustainable aviation fuels are key elements in these efforts. The industry united around a clear goal for Norwegian aviation to become fossil-free by 2050.

In Avinor's Corporate Strategy for 2022-2025, the company lays out a clear ambition to be an active driving force for sustainable aviation. This means that Avinor will prioritise climate and sustainability goals in our decision-making and facilitate Norwegian aviation being able to achieve its goal of being fossil-free by 2050. For its own operations, Avinor has a goal of becoming fossil-free by 2030.

3.1 ASSESSMENT OF KEY FACTORS

The assessment of key factors involves assessing which tasks are important and prioritising them. It is essential that efforts are prioritised that will have the most impact for society and the company, taking into consideration Avinor's social obligation. Avinor primarily assesses key factors in connection with the review of the Group's strategic plans. This work involves the owner, Board, executive management, and employees, as well as Avinor's primary stakeholders.

The key areas in Avinor's Corporate Strategy for 2022-2025 are as follows:

- Sustainable development
- Development of existing and new revenue streams
- Data and digital infrastructure
- Organisation, skills and corporate culture

A new vision for Avinor was also established as a part of this strategic work, highlighting how essential sustainability is for Avinor and Norwegian aviation in the future:

We connect Norway and the world through sustainable aviation.

Avinor's goals and the measures it takes are reflected in the Group's corporate governance, which sets out these goals and measures, and are systematically followed up by Group Management and the Board.

3.2 STAKEHOLDER DIALOGUE

Effective dialogue with those who depend on Avinor's services or who, in various ways, are affected by our operations is essential for Avinor to prioritise what best serve our stakeholders and society.

Dialogue meetings are held regularly in order to understand and identify which factors are the most important value creating factors to Avinor's stakeholders. Major analyses of stakeholders or key factors are undertaken, most recently in connection with efforts related to the Group's strategic plan for 2018–2023. Furthermore, market and customer analyses are carried out regularly.

Avinor's most important stakeholders are its main customers – airlines and their passengers, politicians, airport partners, local and central businesses, the Norwegian Armed Forces, research institutions, and special interest groups.

Dialogue at the political level takes place primarily through Avinor's owner, the Ministry of Transport and Communications, in the Norwegian parliament, and through the Transport and Communications Committee in consultation with the Ministry of Transport and Communications. Stakeholder dialogue at the political and government levels takes place primarily by way of fixed meetings, under the auspices of the Board and executive management. In addition there is extensive dialogue with the political and administrative management at the local, municipal, and county levels. Avinor is working continuously to reinforce this dialogue. Business policy committees have been established in a number of municipalities and counties where Avinor is represented. Local political stakeholders are also represented here. The primary focus is capacity and route development, as well as how Avinor can help to support the development of local and regional commerce.

There are a number of formal and informal fora for dialogue with airlines. A co-operation forum that meets four to six times a year has been established as the highest level forum. This is where Avinor's executive management meets with the management of the airlines. A separate committee – the AOC (Airline Operators Committee) – that also meets regularly has been established at the largest airports. Climate and environment issues, fees, traffic development, and airport capacity are all key topics in Avinor's dialogue with airlines.

Dialogue with passengers takes place by way of regular customer surveys and meetings with stakeholder organisations. Passengers are especially concerned about punctuality and regularity, airport services, parking, and surface access. Dialogue with suppliers of Avinor's goods and services takes place by way of formal meetings, through negotiations, and through contract follow-up. There is particular attention paid to the competitive basis, as well as templates and procedures relating to processes and deliveries.

Efforts to combat corruption and ensure that working conditions are in line with universal human rights and current agreements applicable in the workplace are a key element of the dialogue.

Within the Group, the model of co-operation between employee representatives and management is being further developed in order to ensure good working conditions, stable operations, and

cost-effectiveness throughout the Group. Three of the eight representatives in Avinor Group's Board of Directors represent Avinor's employees. The Board of Directors of Avinor Flysikring AS also has employee-elected Board members.

3.3 FOUR KEY AREAS IN SUSTAINABILITY EFFORTS

Avinor has identified four key areas to be prioritised in its sustainability work:

- Fulfilment of Avinor's social obligation: ensure good aviation services for the whole of Norway in a safe, efficient, and sustainable way
- Active driving force for sustainable aviation
- Attractive work place with the right competence and a good work environment
- Ensure sustainable finances and responsible business conduct

3.4 SUSTAINABILITY REPORTING

In its efforts relating to sustainability, Avinor shall adhere to the OECD guidelines for responsible business and the ten principles of the UN Global Compact. These are, in turn, based on the UN Declaration of Human Rights, the ILO's conventions on fundamental principles and rights at work, the Rio Declaration, and the UN Convention against Corruption. This report has been prepared in accordance with the principles of the Global Reporting Initiative (Standards/Core). Section 3-3c of the Norwegian Accounting Act forms the basis of this. Avinor shall also report in accordance with the Norwegian Transparency Act by the 30 June 2023 deadline. See Chapter 8 for a more detailed description of how Avinor works with due diligence and meets new and increased requirements for oversight into negative impacts and breaches of human rights and decent working conditions in its own supply chain.

In 2015, the UN adopted new sustainable development goals (SDGs) for the period to 2030. The 17 goals and 169 sub-goals, which concern most areas of society, see the environment and climate, economy, and social development as a whole. See Chapter 9, Sustainability goals and results 2022 for the relation between Avinor's goals and results and relevant UN goals.

The Act on sustainable finance, which implements the EU Taxonomy Regulation and Publication Regulation into Norwegian law, came into force on 1 January 2023. The EU Taxonomy referred to above is a classification system for sustainable economic activity that will facilitate financial markets in funnelling capital to sustainable activities and projects. Reporting in accordance with the Taxonomy is not a requirement for Norwegian companies for the 2022 financial year, but will become a statutory requirement from the 2023 financial year. In 2021, Avinor carried out an initial survey of which of the company's financial activities are covered by the Taxonomy and has continued its work on this issue in 2022. In 2023, Avinor will carry out an alignment assessment and prepare financial indicators. In 2023, Avinor will also continue its preparations in accordance with the Corporate Sustainability Reporting Directive (CSRD), effective as of 2024, and other new requirements and expectations for sustainability reporting.

Avinor's green house gas reporting are included in an appendix at the end of the report after the accounts and notes.



4. Avinor connects Norway and the world through sustainable aviation



Avinor ensures the funding, operation and development of a network of 43 small and large airports throughout Norway. Safe and stable operations form the basis for Avinor's business. At the same time, the Group prioritises important initiatives for ensuring the sustainable development of Norwegian aviation. This is done in close co-operation with airlines and other partners. This is the greatest challenge facing aviation in the years both nationally and internationally, and Avinor regards being an active driving force in the climate area as an important part of its corporate social responsibility.

Like the entire international aviation industry, Norwegian aviation was hit hard by the pandemic. Airports, airlines and other operators in the value chain were placed in a very challenging situation. In early April 2020, Norway saw just 8% of its regular domestic traffic and 1% of its regular international traffic. The state introduced a number of support measures to help the industry, including airport operating subsidies, underwriting select routes to maintain minimum levels of service, tax breaks and access to credit for airlines. These were important contributions to help Norwegian aviation through the worst crisis in the history of the industry. Interaction between Avinor, airlines, health authorities, the police, customs and other involved parties during the pandemic shows clearly how critical a well-functioning aviation system is for Norway.

Robust and sustainable financing of the business is the backbone of Avinor's operations, not only for the operation and development of existing infrastructure, but also in order to actively contribute to the green transition and the development of sustainable air transport in the future. For Avinor, re-establishing the company's financial solvency and ability to self-fund are therefore decisive conditions for the choice of direction shown in the company's Corporate Strategy for 2022-2025. The company's long-term vision sets out clear ambitions that technology, innovation, cooperation and partnerships must ensure that Avinor actively contributes to sustainable growth and value creation across the country. The Group will pursue its clear commitment as an active driving force in the area of the climate with the same passion.

In its government platform (the Hurdal platform), the Norwegian government states a clear faith in the Avinor model. That is important, and the Group works actively to ensure that the strength and robustness of the model is actually supported by the company's framework conditions. The report to the Storting on the National Aviation Strategy and the ongoing study of future capacity and needs at Norway's main airport, Oslo Airport, Gardermoen are therefore important processes for Avinor.

The significance of Oslo Airport as a national traffic hub for domestic and international flights must be a central consideration in such an assessment. This will be important for both the effectiveness of the entire travel offer in the country and for strengthening the contribution of the main airport to the financing of the entire airport network in the years ahead. Avinor's overall strategy for the next five years is based on

constantly evolving challenges. A number of trends have already intensified in the months after the strategy was adopted, particularly when faced with an increasingly tense security situation, a major energy crisis and significant uncertainty in the international and Norwegian economies. At the same time, the climate crisis remains the greatest challenge of our time and we must not let our attention or efforts slip. Norwegian aviation is dependent on technology, markets and policies working together to achieve the goal of fossil-free aviation by 2050. One of Avinor's main messages to the Norwegian Ministry of Transport is therefore that the Government must set clear targets for the development and uptake of emissions-reducing technologies in Norwegian aviation. This is also signalled in the NTP.

4.1 AVINOR CORPORATE STRATEGY 2022-2025

From autumn 2021 and up to March 2022, the Group carried out a comprehensive strategy process to set Avinor's strategic direction up to 2025. During the process, a great deal of emphasis was placed on establishing a solid knowledge base built on insight into and understanding of the market and entire aviation ecosystem. Many of the driving forces and trends were known before the pandemic, but were exacerbated by the crisis.

Through analyses of a number of global trends and driving forces, the following five overarching market trends were assessed as having the greatest impact on the aviation industry in the years ahead:

- Uncertainty around demand related to the long-term consequences of the pandemic
- Changes in travel patterns and consumer behaviour
- Hub development in and around airports
- Digitalisation and technological development
- Climate and sustainability

Even though most of the restrictions introduced during the pandemic have been reduced or removed entirely in many parts of the world, aviation as an industry is still affected by the pandemic. This is because traffic has still not returned to its pre-pandemic levels, the industry's ability to dimension its services has been challenging due in particular to the lack of personnel, and the potential of new waves of infection is creating uncertainty over demand going forward.

It is uncertain whether changes in passengers' commercial behaviour will lead to permanent changes in demand.

4.1.1 Strategic ambitions

Avinor's strategic direction for the next five years is laid out in its six stated ambitions. These are the guiding principles of the Group's priorities:

- Prioritise safe and stable operations using a risk-based approach
- Be an active driving force for sustainable aviation

Development of Norwegian aviation and Avinor going forward:

Due to the key driving forces and trends that will most likely to have the greatest impact on the aviation industry in the years ahead, we are committed to the following areas:

Corporate social responsibility

Aviation and Avinor's network of airports will continue to play a critical role in society.

Passenger situation

The pandemic, technology and sustainability considerations will have a major effect on travel patterns, passenger mix and passenger behaviour, which will reduce and change the existing revenue base.

Development of the air transport chain

The low-cost model and new business models will take up a large proportion of the market, which will require more flexibility and cost effectiveness at airports

Sustainable development

Aviation is facing significant challenges. All value creation must be sustainable in order to retain its licence to operate and the EU's climate and sustainability goals will be an important element in all decisions in the aviation sector.

Technology, innovation and competence

Technology, innovation and the right competencies will be necessary in all internal and external processes in order to maintain robust operations and to create commercial opportunities and long-lasting cost reductions.

New air mobility

Traditional aviation will change significantly due to new aircraft technology (such as drones and eVTOLs), which requires more automated airspace management and a decentralised network of landing sites.

The latest developments within the transport sector in general and in aviation in particular support these assessments. At the same time, the focus on civil security, emergency preparedness and the energy crisis will increase dramatically going forward.

- Be technology-driven and efficient in all aspects of the organisation
- Be customer-driven and innovative through partnerships with others
- Be an attractive work place with the right competence and a good work environment
- Be financially robust with the right cost base in the future

In all and viewed in the light of trends and various scenarios, the Group's strategic ambitions are supported by the Group's strategic vision and strategic initiatives and projects, which will ensure that we achieve our goals. The strategy describes which direction the company wants to move in and what needs to be prioritised in order to achieve this. Sustainable development, development of revenue streams and optimisation of costs are clear and necessary focus areas. Initiatives within technology, organisation, competence and culture are the most important measures for ensuring that the strategy is realised.

The strategy thus does not set targets for all areas of responsibility. The ambition that *safe and stable operations using a risk-based approach* should be prioritised is a foundational and integral aspect of the business that the strategy does not as such identify specific measures for. The same goes for the ambition of being customer-driven and innovative through partnerships with others, an ambition that will continue Avinor's strong customer focus in all aspects of the value chain and a strong belief that co-operation and binding partnerships with businesses, regions and national and international research and development and innovation communities are vital for success.

Implementation of the strategy and management of the various strategic initiatives and projects' objective achievement will take place through a newly established programme office where Avinor's total portfolio management and risk management are also organised. This shall ensure comprehensive and continuous strategic corporate governance and contribute to the Group being flexible enough to adjust targets and strategic management in line with the challenges facing it.

4.1.2 A number of political processes will impact the achievement of our strategic goals

Many important processes are underway at the ministerial level that are of great importance for Avinor's framework conditions and thus whether we will succeed in achieving our strategic goals. The report to the Storting on the National Aviation Strategy and the establishment of an independent committee for assessing a future third runway at Oslo Airport are processes that will be of great significance for the company's future framework conditions.

Furthermore, the National Transport Plan (NTP) 2025-2036 is also important, particularly the political premises and guidelines that are currently used as the basis, with greater weight put on the development and implementation of measures for achieving transport policy objectives and for solving common challenges in the transport system. Civil security, transition risks and access to energy, changes in demand and financial leeway are common challenges that stakeholders face individually and as part of the transport system as a whole. In light of the challenges we are facing at the moment, the NTP is a vitally important arena for intersectoral cooperation and coordination. Avinor participates actively in the NTP process, and the Ministry's

ordering of sub-tasks to accommodate infrastructure for zero and low-emission aircraft is a task that fits well with Avinor's strategic efforts in the areas of climate and sustainability.

Once separate reports to the Storting on Avinor's operations are no longer drawn up, the importance of these political processes will increase. Avinor has analysis and assessment resources at many levels in the company and lends weight to developing these competencies so that the Group can provide professional assessments and analyses of a high quality to the Ministry of Transport.

Climate initiatives in aviation have high abatement costs and aviation is an industry with low margins and tough international competition. The entire aviation ecosystem will be impacted and the processes have a long time horizon. As a consequence of the pandemic, the entire industry in the short and medium term will be affected by extremely poor financial conditions and thus have insufficient financial capacity to work in a future-oriented manner. There is therefore a need for a partnership with public authorities in order to realise the transition to fossil-free aviation. An example of a country that is about to build such a partnership is Denmark, where the government has recently proposed financing the uptake of sustainable aviation fuel by way of a passenger duty.

The expected investment needs are high and political means and measures will be crucial for its success.

Today, aviation is covered by a carbon tax, the EU Emissions Trading System, air passenger duty and the ICAO's international emissions trading system CORSIA. The Norwegian State's total annual revenues from climate-related fees are not insignificant (in excess of NOK 2.5 billion in 2019). There are also the fees for Avinor's operation of ground-based and airspace infrastructure. The taxes associated with aviation can act as incentives to influence developments but must be assessed as a whole, which includes investment support, Public Service Obligation routes and other measures.

Avinor believes that the Government must set clear targets for the development and uptake of emissions-reducing technologies in Norwegian aviation. Long-term, binding and powerful packages of measures for technology development, investment support and tax breaks should be put forward to help aviation achieve its climate goals.

Avinor wants to contribute expertise and insight into aviation's ecosystem to get this established. In response to the Ministry of Transport's study in relation to the NTP 2025-2036 on the adaptation of airports to future zero and low-emission aircraft and new air mobility, Avinor has provided an account of the technological developments within aviation, the infrastructural needs this brings with it, and highlight the need for measures and tools to support these developments.



4.1.3 Avinor's strategic focus areas 2022-2025

Active driving force for sustainable aviation

There is broad consensus that Norway is dependent on aviation. At the same time, global warming is one of the greatest challenges of our time. Like all other sectors, aviation must implement measures to reduce greenhouse gas emissions, while also adapting operations and infrastructure to the coming climate changes. Reducing greenhouse gas emissions has therefore been given specific priority Avinor's Corporate Strategy, including emissions from its own operations as well as from air traffic. Avinor's efforts to reduce its own emissions are included in the focus area of fossil-free operations, while reducing emissions from aviation as a whole is included in the focus area of "New energy carriers for the fleet of tomorrow" and "Sustainable aviation fuel" (SAF). Avinor is also concerned about safeguarding a number of other environmental conditions. Our activities in these areas are discussed in more detail in the chapter "Active driving force for sustainable aviation"

Financially robust with the right cost base in the future

Through an ambitious revenue-generation agenda and the continuation and further development of a clear cost focus through quantifiable measures, the Group's financial robustness will be restored and its future financial leeway will be secured. It is crucial to recoup revenues within existing business areas while also focusing on new areas that have shown commercial potential. Avinor will work in a customer-driven and innovative way through partnerships with others in order to achieve this target. For the Group, this means that we are looking for partnerships with stakeholders that can help us to fulfil our corporate social responsibility in the most efficient manner possible and meet Avinor's strategic ambitions.

Development of the revenue base

Avinor is self-funded through two primary revenue sources: traffic revenues through user duties and commercial revenues from activities at airports. The Corporate Strategy shall ensure the recovery and further development of the company's revenue base in order to support the sustainable financing of its corporate social responsibility.

A large proportion of Avinor's traffic revenues are affected by conditions beyond the control of the Group such as changes in geopolitical conditions, airline route networks and demand for air travel. The strategic ambition in this area is therefore to support the more long-term development of the revenue base through areas such as route development, use of data and new technologies, as well as creating new revenue streams through hub development and positioning through the development of new air mobility (drones and eVTOLs).

Increase existing revenues

Route development and logistics operations

Avinor works closely with airlines and various stakeholders in order to develop a well-adapted route network from all of the company's airports in accordance with the needs of society. A well-adapted route network that opens up accessibility to the entire country is the cornerstone of the Group's corporate social responsibility and a prerequisite for a robust revenue base that makes it possible to fulfil the Group's corporate social

responsibility in an effective and future-oriented manner. In a sparsely populated country with a large number of airports, many airports have a weak market basis. For these airports, good accessibility is therefore linked largely to good connections to Oslo Airport and the potential to travel further from there to the desired final destination. For all regions, a good route network at Oslo Airport will be an important prerequisite for good accessibility. It is important that there is enough capacity for new domestic trips and to develop a strong international route network from the country's main airport.

The large volumes of incoming air cargo to the Nordic region currently avoid Avinor airports. One reason for this is that Norway lacks the infrastructure at its airports that allows for the consolidation of the incoming flow of goods, which would help to balance our significant export volumes. However, during the pandemic, Oslo Airport positioned itself as a leading airport for air cargo in Northern Europe. Based on its investigations, Avinor believes that this is an unexploited potential revenue stream in the freight segment, and, as part of the Group Strategy, our ambition is to further develop the segment as part of route development work. Freight is a key part of airlines' route profitability, especially for intercontinental routes, and contributes to new routes being able to be established with lower passenger volumes. By allowing the combination of freight and passengers, good resource utilisation for airlines is secured. For Avinor, air cargo therefore concerns three conditions:

1. Facilitating air cargo becoming an attractive transport service for Norwegian industry
2. Ensuring access to air cargo as a mode of transport for the country in general in a situation with a vulnerable global supply of goods
3. Stimulating increased route networks in international competition between airports by transporting goods in the holds of passenger aircraft or dedicated cargo aircraft to increase the country's accessibility to global markets

Data-driven customer insight

Airlines, commercial operators at airports and Avinor have all gathered large amounts of valuable data. These data create the potential for more data-driven customer insight that will benefit Avinor, airlines and commercial operators at airports, and Avinor shall realise this potential. Avinor believes strongly that data-driven operations and development will provide the foundation for insight and predictions about customers that can be used for better decision-making operationally and commercially, both within the business itself and for stakeholders in the airports' ecosystem. Deeper customer insights make it possible to improve the customer experience and basis for increased commercial revenues in the long term.

A platform for predictions has been established that already showed results in summer 2022 in the form of better predictions in terms of dimensioning work schedules. Furthermore, a platform for new computer products is under development.



Development of new revenue streams

Active hub development of existing property and areas through partnerships

Airports are hubs in the air transport chain for passengers, goods and hubs in the transport system with links to road and railway connections. The hub function creates activity and provides opportunities to develop profitable commercial offers in and around airports. Avinor's property and areas are also an important source of revenue for the Group in addition to being a fundamental basis for operations. Revenue comes from the leasing of commercial areas in airport terminals as well as leasing hotel and car parking properties. In accordance with the Group's financing model, Avinor regards these revenue streams as critical for airport operations, and the profits contribute to the financing of unprofitable airports. As part of the Corporate Strategy, Avinor will develop the hub function and areas around airports to support a robust revenue base for the Group.

For Avinor as an owner and manager of critical infrastructure, it is strategically vital to have control over areas close to airports in order to manage the long-term development of airports, both with regard to capacity needs, new energy carriers and new air mobility, and to meet society's need for a well-adapted route network. The long-term development of hubs therefore requires that Avinor takes full responsibility for the planning and development of common infrastructure in partnership with public and private stakeholders that can contribute to realising the Group's strategic objectives.

New air mobility

Airports are hubs that connect mobility markets at different levels. New air mobility will have different infrastructure requirements compared to traditional aviation, particularly due to new energy carriers, but also due to fewer vehicles and new operating patterns.

The growth of landing sites connected to cities, airports and other hubs is therefore expected. Regardless of where landing sites are located, Avinor will play a role in the establishment or operation of these. Avinor will, in partnership with relevant stakeholders, assess the option of establishing landing sites, known as "Vertiports", for eVTOLs in connection with existing airport structures for example as part of a hub development. Up to now, the use of drones in Norway has been associated first and foremost with amateur use and for simple inspections. Technical, operational and regulatory developments related to drones and eVTOLs are moving quickly, and the use of smaller drones by commercial operators is now a reality. Demand for more advanced operations using drones in Norwegian airspace is growing rapidly. In Avinor, the use of drones will be useful for making efficiency improvements in operational tasks at airports.

Avinor's infrastructure and services are currently suited to traditional forms of aviation. New air mobility challenges the established systems and will require changes in infrastructure and services in order to achieve its potential as a mode of transport. This will entail a separate organisation of airspace and other air navigation services in order to operate safely in relation to traditional aircraft.

The increasing use of drones, including unauthorised use, can pose a security risk and cause operational disruption for traditional aviation.

Avinor will procure, implement and operate systems that detect drones in the vicinity of airports. Avinor participates in international efforts to develop systems to handle unauthorised drone use. In order to ensure safety and unlock the potential of new air mobility, traffic management for airspace must be established.

Avinor will develop and implement a system for airspace management and, in the long term, for integration with current airspace management for manned aviation.

EU rules have been created for a digital Common Information System (CIS) that will cover all happenings in airspace concerning drones. This system should be regarded as national infrastructure that is provided by an operator that will safeguard national interests.

The Ministry of Transport will appoint the national service provider for this area. Avinor has the necessary experience and competence to take responsibility for the provision of the CIS in Norwegian airspace and should be appointed as the national service provider.

Avinor assumes that the service provision and its associated investments and operating costs will need to be covered by users in the form of fees and/or commercial terms. Regulations must be established that support sustainable business models and ensure rapid developments and innovation.

Avinor is in contact with international operators that are interested in setting up operations in Norway based on our technological infrastructure and our ability to provide the conditions for the operationalisation of new concepts and technology. Similarly, Norway is regarded as a highly important market for new air mobility due to its geographically scattered communities, topographical conditions and expensive transport services.

Based on the company's corporate social responsibility and the responsibility it has for the operation and development of ground-based infrastructure for civil aviation and air navigation services, including airspace management for the civil and military sectors, Avinor will hold a key role in facilitating new air mobility. The revenue potential is limited in the initial phase, but we expect that this market will be able to generate both revenues from fees and commercial revenues in the future.

Optimisation of the cost base

Avinor shall be self-funded and provide the owner an acceptable return on its invested capital while also maintaining fees at a competitive level. As a part of the Group Strategy, a programme has been set up to realise permanent cost reductions going forward in order to ensure the financial robustness of Avinor with the right cost base in the future. A prerequisite of the programme is that ongoing work that was initiated through the cost programme Profitable Avinor during the pandemic be expanded further, while also surveying further measures. The goal here is to optimise the cost base to support Avinor's financial load capacity, as well as to provide leeway for the implementation of new strategic measures.

Making efficiency improvements in operations has been high on Avinor's agenda for the past 5-10 years, and cost reductions have been realised through continuous improvements and efficiency improvements. The analysis work on optimising operations shows so far that there is potential to make efficiency improvements of up to NOK 100 million through major and minor measures at airports, within air navigation services, within purchase and procurement and within staff, support and matrix functions.

Avinor sees a particular potential for cost efficiency improvements within digitalisation and automation. Experience from Profitable Avinor in 2020 and 2021 shows that the Group is able to reduce costs significantly over a short period of time, but a number of these reductions are of a temporary nature as they are related to volumes, or will have consequences in terms of, for example, maintenance backlogs if they are maintained over time. Avinor works consciously on efficient operations and that the Group has implemented a number of comprehensive measures to improve profitability in the company in recent years. It is their assessment that Avinor is far ahead of other companies of similar sizes and complexity in this area.

Avinor's analyses show that the measures that will be most effective going forward, in addition to the above-mentioned NOK 100 million, will depend on more structural measures and technological developments. These are more time-intensive and complicated to implement. Decisions on a number of measures are also beyond Avinor's control. Avinor has, among other things, a high proportion of fixed costs that vary to a limited extent with changes in traffic volume and capacity utilisation as a result of licence provisions and regulatory conditions.

In addition, the Group has identified a window of opportunity for three selected areas where there is a need for more structural changes to realise this potential. Insight and analysis work is underway focusing on potentials, opportunities and barriers for these areas, and new areas will be continuously assessed. Further cost reductions will require investments and cooperation with the Ministry of Transport as the owner and regulator in relation to assessments of the Group's current framework conditions. The following three areas are being analysed:

1. Development of new operating models and/or new partnerships – driven by technology

Digitalisation and automation make it possible to perform tasks and functions in more resource-efficient manners. One of the measures the Group has identified and initiated on the basis of these analyses is the collaborative project Future Short-Runway Network in partnership with Widerøe Flyveselskap. The project began in August 2022 and will run throughout all of 2023.

The project will test new and future-oriented ways of delivering services and processes for aviation via the short-runway network. Current operations at Avinor's smaller airports involve manual processes and have seen only limited development since the establishment of the short-runway network. The current operating model covers a number of stakeholders, each of which has a relatively limited scope depending on the number of aircraft movements and passengers. There are three primary stakeholders that deliver services for airlines, a) airport operators, b) suppliers of ground services and c) suppliers of security control services. Finally, airports consist of a lot of infrastructure, and each has an extensive portfolio of equipment and vehicular equipment, where their use is seasonal and dependent on traffic.

Our future vision highlights new opportunities and processes that will ensure sustainability and clarify how we will utilise our unique network of competence and capacity.

The purpose of the collaborative project is to carry out a pilot project testing new and adjusted operating concepts for the

short-runway network through the use of technology and innovative processes in line with future needs across current processes and stakeholders. The project covers three main process areas at airports: passenger services, airside services and air traffic control services.

The project will, through insight and pilot testing, ensure comprehensive, efficient and sustainable processes for aviation. The utilisation of technological solutions is key and will be explored and utilised in remote control, automation and autonomy.

It is assumed that this collaboration will not remove Avinor's responsibility to safeguard:

- The principle of equal treatment towards stakeholders as stated in licences, Avinor's Articles of Association, procurement regulations, etc.
- Ownership of centralised infrastructures (cf. Sections 2-1 and 3-8 in the Regulations relating to airport-related services)

The project may involve structural changes with dependencies on external stakeholders. Participation from stakeholders on the short-runway network and concrete cooperation with an airline are assessed as being critical factors for success in gaining insight, testing new opportunities and creating a basis for necessary structural changes going forward. Future business and operating models will contribute to positive effects and results from the project and provide lower total costs for aviation and the short-runway network.

2. Service level, criticality and definition of basic deliveries

Work is ongoing on defining service levels per airport concept (grouping of comparable airports), including criticality and infrastructure uptime.

3. Risk-based approach to regulations

Dialogue between the Norwegian Civil Aviation Authority and Avinor has been established to gain better insight into how quantitative and qualitative risk models and methods can be used in the assessment of how the regulations can be fulfilled and potential alternative ways of satisfying the requirements.

Technology-driven and efficient in all aspects of the organisation

Avinor has IT services and technology that support business areas in addition to common systems for office support and administrative functions. Historically, Avinor's systems have developed in line with the business and the needs that have arisen. In addition, various forms of technology are being procured for major infrastructure projects.

Significant differences in size, organisation and staffing at Avinor's airports demand deep insight and understanding of the differences in order to realise effective digital solutions across the airport network. Technology plays an important role as a driver of sustainable operations at Avinor and for solving tasks in the most efficient way possible.

Even though Avinor is recognised as being at the forefront of technology in individual areas, there is still significant potential for further automation, digitalisation and efficiency improvements.

In order to set the level of ambition and direction for technology as a strategic component and an enabler of the business strategy, a common technological vision for the company has been developed. The vision is built on three focus areas supported by digital building blocks that will form a tool for supporting operations and the strategic focus areas of the company:



1. Smart airports and airport networks

Through the use of data, automation and emerging technologies, Avinor will operate its airports more efficiently and develop the revenue base. Smart Airport Operations has a number of use areas and use cases that increase the efficiency of processes during airport operations. Smart Airport Operations focuses on establishing standardised data collection in managed processes from start to finish to create a digital foundation.

This foundation will then be utilised in various use areas, such as increasing the level of intelligent operations and maintenance of buildings and infrastructure. This will also make it possible to integrate remote operations, autonomous devices and data sharing/interaction with external partners. Autonomous vehicles, sensors and drones are among the technological solutions that can support more cost-effective operations through network effects and economies of scale.

2. Future Airspace Control

As regards Future Airspace Control, we are in the middle of a major digitalisation effort as a result of the Single European Sky programme. Avinor has several work streams to replace our core system for en-route services, approach control services and tower services. Norway is contributing efficiency improvements to the European network through an increased scope of data sharing. Through partnership in the iTEC16 Alliance, we have ensured an increased pace in the uptake of new technology as a result of research and development in SESAR JU.

In the future, we will have more automated support to perform air traffic control services. Data sharing between the ground and air and systems on the ground will lay the foundation of this digitalisation. Avinor is focussing on integrating new users, such as drones, into the airspace, and technology is vital to make this happen.

3. Efficient Group services

More efficient and scalable Group services will be developed to simplify tasks and facilitate more user-oriented decision processes. Avinor can make greater use of standardised solutions and interfaces in defined areas. It will require an active approach to data integration, service orientation and digital processes. Further development of Avinor's digital capabilities are therefore important for creating new digital solutions across processes. A data platform has been established covering most current business areas and will facilitate the efficient utilisation of data across Avinor.

Data security is part of the Group's overall security and is based on knowledge and understanding of the risk factors that the company may face at any given moment. Avinor works actively with various suppliers, external authorities, and other businesses with critical infrastructure for the purpose of being as well-prepared as possible when faced with complex threats.

Attractive work place with the right competence and a good work environment

Aviation is always changing, and Avinor must evolve in line with this. The Group's goal attainment is dependent on good leadership and competent employees. This sets high demands on personal and organisational development. Avinor shall build a flexible organisation that is capable of solving complex issues

across the organisation. The organisation shall be characterised by highly committed employees in a good and safe work environment. Great emphasis is put on good, constructive co-operation between trade unions and the employer.

The Corporate Strategy emphasises the development and strengthening of the organisation with a focus on culture, capacity, competence building and performance-based management. Extensive focus on strategic competence development, management and employee development and performance-based management has been planned. We have clarified our expectations of managers and employees and will follow this up with a programme for targeted management development.

See Chapter 7 for a more detailed description of how Avinor works with organisation, skills and corporate culture.

4.1.4 Strategic risk

Avinor continuously assesses the overall risks the company faces. These are both external factors related to developments in the market and policies nationally and internationally, as well as internal factors such as the ability of the organisation to adapt and implement changes. The following risks have been identified as the most important during the plan period:

- The fall in revenue resulting from the sustained effects of the pandemic, increased climate awareness, changed consumer behaviour and price increases.
- Additional costs resulting from new airports, the takeover of Norwegian Armed Forces sites, PFAS cleanup, etc.
- The lack of bonding of areas for the third runway may lead to Avinor being held back at Gardermoen and that future air traffic at Oslo Airport cannot be operated in a satisfactory manner.
- Serious cyber attacks and acts of terror may lead to all or part of Norwegian airspace being closed as a result of critical IT support services being unavailable.
- Technological transformations may need to be delayed as a result of a demanding labour market for technology and IT.

The restoration and establishment of regular operations after the pandemic may be particularly challenging in the economic and geopolitical climate we are currently in. High price increases in building and construction may lead to significant additional costs beyond those calculated in pilot projects. In the already strained financial situation Avinor is in, this may lead to the delaying of new projects and infrastructure maintenance.

4.2 PORTFOLIO MANAGEMENT AND LARGER INVESTMENTS

For a long time, Avinor has been working on developing its portfolio and project management. The purpose of portfolio management is to ensure that the Group prioritises the projects that best support Avinor's objectives and corporate social responsibility and that efficient project implementation and a high level of benefit realisation are facilitated. As a part of the Corporate Strategy and cost programme, the work on portfolio management is being strengthened with the aim of reducing capital and operating expenses and of optimising the portfolio within Avinor's available financial headroom.

Avinor was commissioned to build new airports in Bodø and Mo i Rana. These two projects are discussed in more detail below.

4.3 AVINOR'S PORTFOLIO

The Group's portfolio is highly diversified with regard to the rationale for implementation, project size and complexity. In all, the current project portfolio is worth approximately NOK 15 billion. Investments are being made to safeguard operations in the business (reinvestments), solve orders and requirements from public authorities, and to contribute to realising the Group's strategic ambitions and to cover future need within the core business.

The investment portfolio is a high priority and the project needs for 2022 are approximately NOK 3.5 billion. Through ongoing portfolio management, delays or adjustments to the scope of investment projects are assessed to reduce the risk of project operations in 2022 exceeding the Group framework. This also includes maintenance investments in critical infrastructure.

Maintenance investments in 2022 were reduced to approximately 50 per cent of their historical levels for the third year in a row, totalling approximately NOK 650 million. Avinor is a major infrastructure owner with 1.2 million sqm of buildings, 8 million sqm of operational runway facilities in addition to operations-critical equipment within groups such as vehicular equipment, electrical equipment, water and sewerage facilities, safety equipment and IT facilities. The plan for 2022 represents postponed maintenance in the region of NOK 800 million across sub-portfolios/disciplines. Avinor is therefore building up a steadily increasing maintenance backlog, posing a risk of operational disruption, inadequate regularity and punctuality. In a worst case scenario, this may result in reducing traffic or closing an airport.

As a part of the Corporate Strategy, Avinor has established a technology portfolio, which is part of the company's total project portfolio. The background to this is that technology as a strategic enabler is a part of a steadily increasing proportion of the Group's total projects. Comprehensive and overall portfolio management of technology will ensure that the needs input required by technology is assessed early on in the needs and prioritisation process to thereby ensure that alternative technological, future-oriented opportunities are assessed.

4.4 URBAN DEVELOPMENT AND THE NEW AIRPORT IN BODØ

The relocation of Bodø Airport will open up space for urban development. The aim of the project is to contribute to positive urban development and strengthen regional development. The new airport will be financed by the Norwegian state, Avinor and through local contributions.

In December 2022, Avinor came to a decision on developing the new airport. The cost framework for Avinor's development project is NOK 7.2 billion at 2022 prices, not including the purchase of land and excluding financing costs. Avinor will contribute the sum of NOK 2.6 billion. The remainder will be funded by the government and local funds. There will also be other consequential costs for state and private stakeholders.

The Storting approved the cost framework for the new airport in the 2022 state budget, cf. Innst. 13 S (2021-2022). The Storting also approved the funding plan and distribution of the cost risk for the new airport. It was decided that the project risk between P50 and P85 shall be shared equally between the state and Avinor.

With the exception of preparatory work, construction of the new airport cannot begin before the financing is approved by the EFTA's monitoring authority (ESA). State support also cannot be paid out until ESA approval is granted. The Norwegian Ministry of Transport is in dialogue with ESA on the issue, and approval is expected at some point in 2023.

It is expected that the new airport will be completed in 2029/2030.

4.5 NEW AIRPORT IN MO I RANA

In spring 2020, Avinor was commissioned to build a new airport in Mo i Rana. The Storting allocated a cost framework of NOK 3.3 billion (in 2020 Norwegian kroner) to implement the project. Principles must be established for the index regulation costs and management frameworks to be set at the correct price level. A co-operation agreement between Rana Municipality, the Arctic Circle Airport development and Avinor was concluded ensuring a local contribution to the financing of the project. Governmental financial support for the project was approved by the ESA18 in June 2022.

A Group Strategy has been set up requiring Avinor to enter into a turnkey contract for the main assignment, which will be performed collaboratively. Avinor has entered into a contract with the contractor for the main assignment. The collaborative phase began in autumn 2022. Preparatory work in the field began in August 2022 and includes the construction of discharge pipe to the Ranaelva river.

4.6 RESEARCH, DEVELOPMENT AND INNOVATION

Research, development and innovation are important tools for many of Avinor's strategic projects. Avinor participates in both national and European arenas in collaboration with start-up companies, academia, research and educational institutions and public and private businesses. Innovation is not merely about creating new technology, it is also about value creation. We are focussed on utilising resources in the best manner possible, finding good and efficient solutions that contribute to safe, stable and efficient operations.

For Avinor to be a driving force in the area of climate and sustainability, this type of strategic collaboration and partnership is vital. Based on the cooperation agreement Avinor has with SINTEF, Avinor is now a partner in the EU funded TULIPS project, which will demonstrate low-emission technologies at European airports. Furthermore, Avinor has, together with the Norwegian Civil Aviation Authority, SINTEF and the Federation of Norwegian Industries, established the Green Aviation Programme.

The Programme will contribute to the development and safe integration of zero and low-emission technology and to safeguarding regulatory conditions from an early stage.

An agreement with Startuplab21 provides the opportunity for entrepreneurs to test new, innovative solutions. Avinor also participates in networks associated with the Faculty of Information Technology and Electrical Engineering at NTNU.

Avinor has been part of the EU's research and development programme SESAR under Single European Sky (SES) since 2009 for both air navigation and airport projects.

4.6.1 TULIPS

Over the period 2022-2025, Avinor will participate in the EU-funded project TULIPS focusing on the green transition of airports and aviation. The project is led by Amsterdam Airport Schiphol. Work on the project is carried out in close collaboration with SINTEF, and Avinor's involvement in the project is primarily related to sustainable aviation fuel (with Avinor leading parts of the work), the circular economy, as well as preparations for and the facilitation of zero and low-emission aircraft (charging and hydrogen).

4.6.2 AVIATE

Avinor, together with SAS and Telenor, is involved in the AVIATE project (Aviation in a low-carbon society) as a user partner. The five-year project (2020-2024) is being led by CICERO and is funded by the Research Council of Norway. The project will, among other things, investigate what will drive future demand for air travel and explore a broad range of tools and measures that may reduce the climate impact. Furthermore, the project will present the initial estimates for the carbon footprint of vapour trails from flights in Norway and revise and adapt existing scenarios to develop more detailed and more realistic emissions scenarios for aviation.

4.6.3 Bio4Fuels

Avinor is a partner in Bio4Fuels, a Centre for Environment-friendly Energy Research (FME) based at the Norwegian University of Life Sciences led by SINTEF. The centre has a broad composition of stakeholders working on biofuel production in Norway, and brings research and industry together in a multi-year effort funded by the Research Council of Norway. Avinor also participates as a representative for aviation in a number of specific research and development projects related to sustainable fuel and the green transition of aviation.

4.6.4 NeX2G

This project studies network balancing from large parking facilities and commercial buildings. With Oslo Airport as the case study, the project will investigate whether using batteries in parked cars as temporary energy stores and managing energy-intensive equipment in commercial buildings can contribute to a more flexible and thus more economical energy consumption. The project is led by the Norwegian University of Life Sciences, and Avinor is an external partner along with Statnett, OsloMet, Elvia, and Lyse.

4.6.5 Smart chemistry

SINTEF, NTNU, and the Norwegian Meteorological Institute have entered into a collaboration to explore more sustainable ways of utilising chemicals in winter operations. The research project will develop and pilot an advanced decision support system for winter operations and use of runway de-icing chemicals at airports. The project will develop predictive models for the amount of

chemicals needed and for the temperature of the runway. The models will then be integrated in a comprehensive decision support system for winter operations.

4.6.6 Elnett21

Stavanger Airport is now more than halfway through its six-year Enova-supported innovation and demonstration project Elnett21. Large stakeholders such as ports, industrial parks and airports are working together to prepare themselves for the large power outlets that electrification will entail. The aim is that local energy production and storage, smart management and regional co-operation will quickly lead to a successful electrification of transport and reduce/stabilise the burden on the power grid. Experience from Elnett21 will contribute knowledge on electrification to other airports within the Group.

4.7 TASKS PERFORMED ON BEHALF OF THE NORWEGIAN STATE

As a part of its corporate social responsibility, Avinor carries out tasks on behalf of the Norwegian State within airport operations and air navigation services. The health care services and services for the Norwegian Armed Forces are among the most important of these. These tasks involve an annual cost of around NOK 1 billion. The tasks are of great social significance.

4.8 FLIGHT SAFETY

The basis for Avinor's safety work is a comprehensive national and international regulatory framework. Norway complies with the international obligations set out in the EEA Agreement and ICAO's (the UN's International Civil Aviation Organization) recommendations. The International Civil Aviation Organization implements provisions that Avinor is required to comply with based on these obligations. Avinor plays an active role in international efforts, such as in the development of new aviation-related regulations in Europe. Avinor has defined an overarching safety goal which reads as follows:

No aviation accidents or serious personal injuries involving Avinor should occur. Avinor's safety work is based on this safety goal. This underpins all planning, organisation and implementation of all activities within Avinor. At Avinor, all safety-critical working operations are subject to a company-wide management system, and we work systematically to monitor and continuously improve this system, including air navigation control. We audit airports' risk situations to ensure that measures can be implemented before anything happens. This is supported by a number of reports in which we monitor airports' performance and operational risk situations. These are used in local and central safety and quality meetings with the level of detail in the reports adapted accordingly.

Our safety work is tied to the strategic Group goal of safe, secure, and efficient services. Flight safety and risk management are constantly being worked with in order to ensure that Avinor's services are carried out and delivered at an acceptable or improved level of flight safety. This helps reduce the likelihood of injury and/or damage to property and critical infrastructure and reduce the impact should an incident occur.



In order to maintain safe and stable operations during the pandemic, we have carried out risk analyses on a continuous basis in relation to situational changes.

4.8.1 Accidents and serious aviation incidents

The risk of Avinor being the cause of or contributing to aviation accidents or serious aviation incidents should be at the lowest level practicable.

There were no aviation accidents with or without personal injury or serious aviation incidents in Norwegian aviation to which Avinor was a contributing party in 2022.

ACCIDENTS AND SERIOUS AVIATION INCIDENTS 2020-2022

	SERIOUS AVIATION INCIDENTS	AVIATION ACCIDENTS NOT INVOLVING PERSONAL INJURY	AVIATION ACCIDENTS INVOLVING PERSONAL INJURY
2022	0	0	0
2021	0	0	0
2020	0	0	0

Table: Serious aviation incidents, aviation accidents not involving personal injury, and aviation accidents involving personal injury where Avinor was a contributing party. The terms "serious aviation incident" and "aviation accident" follow the definitions in Regulation (EU) No. 996/2010.

4.9 SECURITY

Avinor has continued its ongoing upgrades of checked baggage X-ray capacity, as well as X-ray machines and metal detectors at its smallest airports. The shift to X-ray machines with a higher capacity is innovative and will ensure better item detection and will allow for increased efficiency improvements in the future. The need to replace this is due to adjustments to regulations, technical developments, and wear and tear on existing equipment.

In ongoing development projects, where suppliers and Avinor jointly test and develop generic communication methods between various equipment suppliers, the suppliers' resource situation has proven challenging with regard to desired progression.

Within access and area control, the further development and optimisation of modern concepts to handle the increased use of fully-automated processes for the issuing of access cards has continued on from last year. The use of digital passes and a reduction in manual process steps creates greater capacity for follow-up and quality control, as well as increased accountability of users of digital passes.

4.10 HUMAN TRAFFICKING

Avinor has no proprietary systems for reporting human trafficking. Such incidents are recorded in a crime case management system and are processed by the relevant authorities, such as the police and customs. These are in place at Avinor's largest airports, and the airports are reporting good co-operation.

Avinor encourages all employees to report situations which are unclear and in which they suspect that human trafficking is taking place.

4.11 DRONES

The Avinor Group established its drone programme in 2018. As part of Avinor's revised strategy, the drone programme is divided in the following areas:

1. Detection of unauthorised drones
2. Drones for personal use
3. Infrastructure and passenger transport using drones
4. Airspace traffic management.

The overall strategic goal of the drone programme is to create new revenue streams for the Avinor Group. In 2022, unauthorised drones around airports and other critical infrastructure became an important topic, and traffic at a number of airports was affected by this during the year. The unauthorised use of drones poses a potential risk of accidents and serious incidents. Avinor AS and Avinor ANS are putting substantial effort and resources into minimising this risk by, for example, raising awareness and competence and contributing to the drafting of relevant regulations and procedures, as well as working closely with the user environment, public authorities, and other service providers.

Avinor ANS has a traffic management system, Uncrewed Traffic Management (UTM), for drones that was implemented in 2020. The use of this system is increasing amongst drone users, in addition to simplifying the work of air traffic control services.

In 2022, the procurement of drone detection equipment also continued, and equipment was put into use at airports around Norway. Avinor observes and records illegal drone activity and reports all unauthorised incidents involving drones at airports. Avinor is involved in national and European efforts to put in place regulations for the safe use of drones. Avinor is also working closely with Norwegian authorities on the further regulation and organisation of so-called lower airspace, which is where most drone flights take place.

With the expected growth in drone traffic for private and professional purposes, Avinor sees the importance of implementing appropriate regulations as soon as possible. In 2022, Avinor also entered into an agreement with the Norwegian Air Ambulance Foundation for the delivery of data from Avinor's Ninnox Drone system. Drones are also discussed under the "New air mobility" section of Avinor's strategic focus areas on page 33.

4.12 PREPAREDNESS AND CRISIS MANAGEMENT

In 2022, Avinor expended considerable resources on managing and ensuring understanding of the situation in Europe and globally after Russia declared war on Ukraine in February 2022. The primary focus has been on deliveries to the Norwegian Armed Forces in the early phases with subsequent deliveries and capacity clarifications. We have had ongoing dialogue with the Norwegian Armed Forces, the Norwegian Directorate for Civil Protection, the owner and other relevant interested parties both internally and externally. The work to keep the relevant internal interested parties up to date has been a high priority. Likewise, we have worked in a structured manner to find long-term solutions for special units. This is to ensure that we deliver and are in line with the stakeholders for whom Avinor is a part of their value chain.

A significant amount of C-UAS capacities have been acquired and rolled out in connection with the new security situation. This initiative will ensure safety considerations of units, but will also contribute to creating an overview of drone-related issues with a focus on the security perspective.

4.13 GENERAL DEFENCE

Avinor plays an active role in general defence through its ongoing co-operation with, among others, the Norwegian Joint Headquarters, the defence staff, the Royal Norwegian Air Force, the Norwegian Directorate for Civil Protection, and other key civilian stakeholders. The CEO has been an active contributor to the Central General Defence Forum and Avinor has contributed to a range of applicable professional forums in co-operation with the Norwegian Armed Forces and other general defence stakeholders.

4.14 AUDITS

Regular audits are carried out within both units and subject-specific areas as one of several measures to maintain a good safety culture and a high level of flight safety.

The purpose of audits is to ensure regulatory and legal compliance, as well as ensuring optimal governance in respect of the company's targets. In addition, audits help to bring about improvements within the scope of Avinor's certifications.

An audit programme is established each year in accordance with regulatory provisions and is approved by the CEO. The audit programme incorporates the requirements of the Norwegian Aviation Act, the Norwegian Work Environment Act, the Norwegian Security Act, and the regulations associated with these. This is in addition to relevant ISO standards, as well as regulations and standards within the external environment. Internal audits, audits of stakeholders at

Avinor's airports and audits of suppliers are carried out. Any discoveries made during internal and external audits are recorded as non-compliance in Avinor's non-compliance management system and are followed up by the party defined as the risk owner, contractor, or appointed contact person.

Serious non-compliance (level 1), recurrent non-compliance, and trends from completed audits are reported directly to the CEO through the Central Safety Review Board (C-SRB). The 2022 audit programme did not reveal serious non-compliance (level 1) in respect of laws, regulations, or Avinor's governing documents that reduces the level of or poses a risk to safety.

4.15 ACCESSIBILITY FOR ALL - UNIVERSAL DESIGN

In order for everyone to be able to travel and participate in all that society has to offer, travel to and from such offerings must be universal to all. This is why universal design is a vital premise underpinning Avinor's work.

Through a previous monitoring process pursuant to the Regulations on the universal design of airports and the rights of

disabled people in relation to air transport of 16 July 2013, Avinor obtained an overview of the current situation which has formed the basis for further measures.

Avinor's building stock, especially at local and regional airports, was largely built before universal design became a central concept. Consequently there is a substantial step up to meet current requirements. Based on the deviations found, building-related measures are being implemented as part of Avinor's maintenance programme.

The maintenance programme was launched in 2019 and continued its efforts through 2022. It will extend to 2025. Oslo Airport, as well as Bergen, Stavanger and Trondheim Airports are working on an ongoing basis to improve universal design for passengers through the implementation of changes – big and small – in their terminal buildings.

For new buildings and major redevelopments, Avinor applies building standards that meet, among other things, the requirements of universal design and which adhere to Technical Regulations and Norwegian Standard 11001.

Emphasis is placed on co-operation with other transportation actors, as well as national and regional user forums such as the Norwegian Federation of Organisations of Disabled People (FFO), the Norwegian Association of the Disabled (NAD), and the Norwegian Association of the Blind.

Through standardised solutions, Avinor wants to help make its airports as predictable and readable as possible for all travellers. Efforts are made to link our standards with international standards so that foreign passengers are also catered for.

Terminal design and boarding solutions are key to getting passengers on board aircraft effectively. There is an emphasis on universal design in connection with the development of new types of technical solutions, commercial requirements, and desired passenger flows. While passenger bridges will be adapted at large and medium-sized airports, ramps and electric stair climbers will work for smaller airports. This will enable everyone to board aircrafts in a way that is adapted to them.

Avinor's assistance service, combined with universal design, provides passengers with reduced mobility a safe framework in which to travel. This is a comprehensive offering from arrival at the airport until the individual in question is safely on board their aircraft, and it encompasses both booking and undertaking the trip.

5. Avinor Air Navigation Services

Avinor Air Navigation Services is a wholly owned subsidiary of Avinor AS and is subject to regulations from the Norwegian Ministry of Transport. Avinor's air navigation services were organized into a subsidiary company, Avinor Air Navigation Services (Avinor Flysikring AS) in 2014, in order to facilitate competition for tower services, establish a clear distinction between supplier and recipient in relation to air navigation services, and adapt the business in relation to pan-European requirements for streamlining the service.

Avinor ANS is responsible for air traffic control services and critical infrastructure in Norwegian airspace, and provides services to both civilian and military aviation. The company has traditionally divided its business into the following key areas: en-route services, tower services, and technology services. The company's headquarters are based in Oslo, but it has a presence in units across much of Norway.

As at the end of 2022, Avinor ANS had about 900 employees. Avinor ANS aims to be a leading provider of air navigation services through safe, stable and efficient operations and will contribute to increased value creation for customers and society by delivering the requested air navigation services.

5.1 COMPETITION

En-route services are primarily provided by state service providers within their national airspace. Avinor ANS is the designated supplier of en-route services in Norway until 2024. Within tower, approach and air navigation services, competition has been introduced in several countries. So far, Avinor AS has put tower services for Ålesund Airport and Kristiansand Airport out on tender. The Spanish company SAERCO won the tender and operates these tower services. There are no planned tenders planned for tower services in the foreseeable future. Work is currently ongoing regarding an alternative revenue model for Avinor ANS, through revenues from external customers and intra-group revenues with the parent company. Additionally, a draft internal service agreement for the AFIS service has been drawn up.

5.2 GROUP REORGANISATION

In 2021, Avinor's Group Management decided to implement a reorganisation of the entire Group, including Avinor ANS. The assessment was that it places unnecessary pressure on the parent company and subsidiary that they operate under different framework conditions. After a number of years with a clearly established distinction between the parent company, Avinor AS, and the subsidiary, Avinor ANS, due to the introduction of

competition for tower services, it was decided that the Avinor Model should be strengthened by removing barriers and integrating the companies more together again. This meant, among other things, that the Board of Avinor ANS was reorganised into an internal board focusing primarily on financial management, HR-related issues, and operational conditions. Most of the general administrative functions of Avinor ANS were transferred to Avinor AS through a business transfer. In addition, it was decided to collate all IT and other technological communities in Avinor ANS into a new technology division in Avinor AS. The Aeronautical Flight Information Service (AFIS) was transferred to Avinor ANS through a business transfer.

Avinor ANS's accounts are not expected to have any material effects on total revenue and costs on the income statement. Avinor ANS's balance will see a significant reduction in fixed assets and facilities under construction, and a lower balance sheet total.

5.3 CHANGES TO THE REGULATORY FRAMEWORK CONDITIONS FOR EUROPEAN AIRSPACE

In autumn 2020, the EU put forward its proposal to change the regulatory framework for European airspace on significant points (SES2+ regulations). The EU's proposal for regulatory changes are a structural reform with the goal of modernising European aviation and making it more efficient and sustainable with up to a 10% emissions reduction. This is intended to be achieved primarily through the development of new digitalised technology in order for European aviation to meet future capacity challenges. The regulatory requirements are planned to be implemented at the same time across Europe and require demanding technological developments and investments from individual service providers.

The EU is considering transferring authority from member states to common, network-centric organs as a measure to address existing capacity challenges and prevent unnecessary fragmentation. The proposal may have long-term consequences for Avinor ANS at a regulatory and business level. It must be expected that as a result of the COVID-19 pandemic that airlines will focus more on



efficiency and cost control from European air navigation operators in the years ahead instead of capacity. It is uncertain what consequences the war in Ukraine will have for regulatory requirements in the future.

5.4 TECHNOLOGICAL DEVELOPMENT

Avinor ANS is in a phase of extensive technological transformation, with more demanding projects such as the introduction of remote tower services, new technology for en-route services (Future Air Traffic System, FAS) and monitoring airspace. The projects entail significant investment costs and resource consumption for the organisation. Ensuring satisfactory and efficient internal processes, satisfactory cost control in operations, and in projects are emphasised, as is meeting the expectations of the owner and customers. In 2022, the Avinor ANS Board monitored the company's income, funding, and regulatory frameworks and requirements closely. Due to the war in Europe and increased digitalisation, the company will be required to handle increasing vulnerability.

5.4.1 New technology in en-route services

Avinor ANS's largest project is the introduction of new technology for the en-route services through partnerships with other European air navigation providers. In addition to meeting pan-European requirements, this shift in technology will help to improve security and efficiency and reduce prices for airspace users. The pandemic has delayed the implementation of this, which has delayed the benefits of this accordingly.

This, along with the fall in revenue resulting from the downturn in traffic, has led to the Avinor Group having a reduced financial framework to invest in.

5.4.2 Remote towers

Avinor AS/Avinor ANS, in collaboration with the technology suppliers Kongsberg Defence and Aerospace and Indra, is focusing a lot of resources on remote towers. The continued rollout of this was carried out as planned in 2022.

The last seven airports are expected to transition to remote tower operations throughout 2023 and 2024. In autumn 2020, Avinor AS formally assumed ownership of the Remote Towers programme, including the new Remote Tower Centre (RTC) in Bodø.

Avinor ANS is responsible for the operation of AFIS-services at the RTC. The goals for the introduction of remote towers are to provide better accessibility for airspace users, greater expertise in air navigation services and to avoid making investments in old physical tower structures at airports. In the long term, the introduction of remote tower services is forecasted to deliver lower operating costs than traditional technology.

5.5 FRAMEWORK CONDITIONS AND FEE DEVELOPMENT FOR EN-ROUTE SERVICES

5.5.1 New resolution

Avinor ANS is the designated supplier of en-route services in Norway until the end of 2024.

To ensure predictability for ATM investments going forward, initial discussions with the Norwegian Ministry of Transport will begin regarding the more detailed content and conditions of a new resolution for en-route services after 2024.

5.5.2 RP3 performance plan

The EU Commission's Single European Sky regulation was introduced in 2009 for European aviation and included strictly regulated requirements for the delivery of en-route services. The framework conditions for en-route services in the form of a new performance plan for reference period 3 (RP3) set requirements for deliveries and revenues for en-route services for the years 2020-2024. The EU Commission decided in 2021 to revise the regulations, performance requirements and performance plans for RP3 as a result of the COVID-19 pandemic. The revised RP3 performance plan was signed by Norwegian authorities in November 2021 and was formally approved in 2022.

Political guidelines have a greater impact on national performance plans than previously. The Norwegian Ministry of Transport has set a condition of Avinor's operating subsidies that there be a "zero growth ambition" for aviation fees over the period 2022-2024. For the revised national RP3 process, two decisions were taken that were of great significance for the level of fees for the years ahead:

- Political decision to freeze aviation fees from 2021 to 2022, which also included en-route service fees. The consequence of this decision is that Norwegian en-route service fees in 2022 do not cover all costs.
- The new adjustments to the performance and fee regimes opened up an opportunity for air navigation service providers to make up the shortfall in en-route traffic in 2020 and 2021 through increased en-route navigation services fees in later years.

5.5.3 Fee development in RP4

The next reference period (RP4) covers the years 2025-2029. It is difficult for the company to accurately estimate the significance that major investments will have on the level of fees in RP4. European regulatory requirements for RP4 fix the revenues of the individual service providers for the period. There are strict regulations for the approval of deviations between planned and actual costs. This involves a risk during a period where Avinor ANS is making major investments as the company risks not being able to finance itself through setting fees. It is therefore crucial to develop an updated and realistic investment plan for the entire plan period and stay in close dialogue with the owner and regulators.

5.6 RISK ASSESSMENTS

Avinor ANS's primary goal is safe and stable operations. Procedures and measures have been established to minimise the risk of accidents and serious incidents. In addition to operational risk, the company is exposed to financial risk, including risks related to the implementation of complex, major technology projects, security risks, risks related to fee developments, climate risks, future framework conditions and market-related consequences resulting from the pandemic and war in Ukraine.

The general security situation in the company is satisfactory. Focus areas are coordination of safety/reporting culture in the new organisation, which includes the AFIS service, and ensuring that the organisation is adequately prepared for regular traffic once the COVID-19 pandemic is over.

Due to increased digitalisation, the company will be required to manage risks of increased vulnerability, particularly in the area of cyber security, for example cyber attacks that knock out vital infrastructure, including jamming and spoofing, etc. This has become particularly relevant in light of Russia's invasion of Ukraine. The Norwegian Armed Forces' national security interests will be one of the major driving forces going forward.

Close co-operation between safety and security competencies in the company must be facilitated alongside good coordination with the Norwegian Armed Forces.

The company's revenues are exposed to changes in air traffic and the loss of existing customers. The COVID-19 pandemic and the war in Ukraine have led to uncertainty related to future market and revenue potential. If the war in Ukraine becomes prolonged, this will lead to major financial consequences. Avinor ANS has assumed a traffic forecast for 2023-2024 that returns to 2019 levels. However, there is uncertainty related to future travel habits and the introduction of any new travel restrictions. Further lockdowns could impact future revenue bases.

Changes to fleets by airlines (from larger to smaller aircraft types) as a result of the pandemic may also negatively impact service providers' future revenue base. It must be assumed that the Ukraine crisis will remain a future uncertainty factor and market risk for the company.

Another current strategic risk is the company's failure to fulfil regulatory requirements due to delays in complex technology projects such as the future ATM system, FAS. There is also uncertainty around fee developments and the future framework conditions for en-route services.



6. Active driving force for sustainable aviation

Aviation affects nature, the local and the global environment. Greenhouse gas emissions from air traffic and airport operations have a global impact, while other environmental impacts from airport operations primarily affect local areas. Avinor has concrete and long-term goals for: the climate, energy, noise, and discharges to the water and soil.

Effective and systematic environmental management is important for managing these challenges. Centralised environmental management and airport operations are certified in accordance with the ISO 14001:2015 standard. In 2022, the certification company RISE (Research Institutes of Sweden) conducted a certification audit in which Avinor was re-certified for another three-year period.

The Act on sustainable finance, which implements the EU Taxonomy Regulation and Publication Regulation into Norwegian law, came into force on 1 January 2023. The EU Taxonomy referred to above is a classification system for sustainable economic activity that will facilitate financial markets in funneling capital to profitable sustainable activities and projects. Reporting in accordance with the Taxonomy is not a requirement for Norwegian companies for the 2022 financial year, but will become a statutory requirement from the 2023 financial year. In 2021, Avinor carried out an initial survey of which of the company's financial activities are covered by the Taxonomy and has continued its work on this issue in 2022. In 2023, Avinor will carry out an alignment assessment and prepare financial indicators. In 2023, Avinor will also continue its preparations in accordance with the Corporate Sustainability Reporting Directive (CSRD), effective as of 2024, and other new requirements and expectations for sustainability reporting.

6.1 CLIMATE

Greenhouse gas emissions are a global issues and cause irreversible climate change. To achieve the targets in the Paris Agreement, we must have an almost zero-emission society by 2050. This requires comprehensive emission reducing measures in all sectors, including in aviation. Avinor has set a target for its own activities (airport operations) to be fossil-free by 2030 and the entire Norwegian aviation industry has set a target for all Norwegian air traffic to be fossil-free by 2050. The largest aviation-related greenhouse gas emissions come from air traffic itself, followed by passenger and staff transportation to and from the airport (surface access) and finally emissions linked to airport operations.

The global climate will change as a result of historical greenhouse gas emissions. In 2022, Avinor updated its climate risk analysis from 2014 and is working systematically on adapting its infrastructure to the changing climate.

6.1.1 Greenhouse gas emissions from airport operations
By the end of 2022, Avinor aims to halve its total controllable greenhouse gas emissions as compared with 2012 and

contribute to reduce emissions from surface access and air traffic. Furthermore, Avinor's goal is to ensure that airport operations are fossil-free by 2030.

In 2022, Avinor's own greenhouse gas emissions from airport operations totalled approximately 10,250 tonnes of CO₂ equivalents. This means that there has been a reduction in Avinor's greenhouse gas emissions of around 35 per cent in 2022 compared to 2012, and Avinor thus did not achieve its target of halving its own greenhouse gas emissions. The uptake of biodiesel and the ban on the use of fossil-based heating oil has led to a reduction in greenhouse gas emissions of around 3,500 tonnes. Runway de-icing chemical consumption has, however, increased greenhouse gas emissions over this ten year period. Avinor's biggest source of emissions is energy consumption, the consumption of fuel for its own vehicles and business travel. Svalbard Airport stands out in particular in Avinor's climate accounts since the airport's heating and electricity are both provided by a coal-fired power plant in Longyearbyen. Other sources of emissions include the discharge of chemicals for runway de-icing and fuel for use in fire drills.

Climate and energy measures, including a new energy solution for Svalbard Airport and a electrification of the fleet of vehicles in the heavier segment will lead to a significant increase in investment costs for vehicles and infrastructure. Avinor has over 1300 vehicles, and of these, there are around 430 passenger vehicles and vans and around 750 large and heavy vehicles. It will not be possible to electrify all of Avinor's heavy vehicles because zero-emission technology is not available for a large proportion of these vehicles, so the uptake of advanced biodiesel is completely necessary for Avinor to achieve its goal of fossil-free operations by 2030. Since a 10% blending mandate was introduced for non-road machinery as of 01.01.2023, it is uncertain how this will affect Avinor's ability to achieve its goal of fossil-free airport operations in 2030. In 2022, 43% of all diesel used at Avinor's airports was advanced biodiesel.

A plan was drawn up for how Avinor will fulfil its goal of fossil-free airport operations by 2030. The measures proposed in the plan are due to be examined and revised on an ongoing basis – and at a minimum annually. Technology development is highly significant for the final choice of solution for the different emissions sources, but is also important for costs related to various climate initiatives. The costs of climate measures are laid out in the annual budget process, as well as in the long-term investment plan (LIP). Climate measures that are laid out in the budget are, for example, additional costs of biodiesel, zero-emission technology and investments related to biogas power plant on Svalbard.

In order to achieve the goal of fossil-free airport operations by 2030, Avinor decided in autumn 2022 to establish a biogas power plant at Svalbard Airport. By installing a container with two to three micro gas turbines, Avinor can produce sufficient electric energy to cover energy consumption at the airport in a climate-neutral manner. The surplus heat from the turbines will be used for existing district heating and cover heating needs. The power plant will be connected to Longyearbyen's power grid and district heating so that climate-neutral surplus energy can be fed back to the town. In order for the power plant to be climate-neutral, it has to be powered using biogas. The most suitable solution in this case is considered as being liquid biogas delivered by container. The power plant will be the first of its kind on Svalbard and possibly the only power plant of this type located in a comparable area globally. The power plant is planned for 2023 and is expected to have its trial operation in summer 2024.

When Avinor procures vehicles, an assessment always needs to be made as to whether a vehicle with an internal combustion engine (ICE) can be replaced by a zero emission vehicle or biogas. Regardless of the type of machinery being procured, bidders are invited to submit proposals that will reduce Avinor's greenhouse gas emissions deriving from its own fleet of vehicles. In 2022, 12 new type RS 600 snowploughs were delivered to Oslo Airport. The new snowploughs have a greater clearing range, meaning it is possible to clear runways more quickly and reduce the number of vehicles in use. RS 600s use 100% advanced biodiesel. The goal is for snow ploughing to be carried out in an autonomous and more efficient manner in the future, thereby also reducing idling time. Furthermore, an electric lorry was leased from Scania in autumn 2022 to test how well it works in daily operations at the airport. The results of the test were positive, and the feedback received was helpful.

In 2022, four parking buses at Gardermoen were electrified. This led to a reduction in diesel fuel consumption of 140,000 litres.

Over the coming years, it will be important for Avinor to follow market developments, be a driving force for zero-emission/biogas vehicles and co-operate with different partners so that new concepts can be tested out. Fully electric small sweepers, trucks and wheel loaders will be available in larger classes in the future, and it should be possible to establish test projects within some of these segments.

The use of runway de-icing chemicals (formate) is included in

Avinor's climate accounts because the chemicals are based on fossil carbon sources and greenhouse gas emissions are calculated based on their degradation.

Avinor wants to use runway de-icing chemicals produced from fossil-free carbon sources as long as they are able to meet all other quality requirements Avinor has for these chemicals. Fossil-free runway de-icing chemicals are not currently produced, so initially it will be important that Avinor reduces its use of formate.

Use of formate is currently mostly experience-based, and snowplough staff plan formate in operations by using ordinary meteorological data. There are few concrete support tools that can be used to determine when and how much of the chemicals should be used on the runway.

Airport Carbon Accreditation (ACA) is an industry organisation that airport operators can be accredited by. Airports participating in the scheme must set binding targets for reducing greenhouse gas emissions, prepare detailed climate accounts, and adopt action plans. Within Avinor, Oslo Airport, Trondheim Airport, Værnes, and Kristiansand Airport have been accredited in the scheme since its inception in 2009. Both Stavanger Airport, Sola, and Bergen Airport, Flesland, have participated in the scheme since 2014. The four largest Avinor airports are accredited at the Neutrality level.

6.1.2 Greenhouse gas emissions from surface access

In order to boost the range of services to passengers, reduce greenhouse gas emissions, and improve local air quality, Avinor wants to be a driving force behind enabling as many journeys as possible to and from the airports to be made by public transport and other means of transport that do not cause emissions. It is Avinor's goal that surface access (to and from airports) should be less polluting, and Avinor will therefore create a long-term plan to identify how this best can be achieved.

Examples of measures that Avinor is looking into are the prioritisation of zero-emission taxis and zero-emission buses in places where it is possible to electrify shuttle buses in connection with parking activities. Most measures for increasing the use of public transport fall outside of Avinor's areas of responsibility and require co-operation with a number of other stakeholders. Avinor's most important contribution is to provide infrastructure at its airports and useful information about services to passengers.



Photo: Katrine Lunke, Apeland

It has been important for Avinor to facilitate the charging of electric vehicles in Avinor's parking areas, so that those who drive them can do so with the lowest possible greenhouse gas emissions. This work was started in 2014, and almost 1300 charging points have now been established. Avinor is the world's largest airport operator when it comes to charging for electric cars. In 2022, Avinor started a new acquisition process to expand and improve its charging capabilities at all 43 airports. This is to ensure an offer that is adapted to the future fleet of cars. The new charging offer will positively impact several of Avinor's car-related businesses such as car rentals, taxis and parking. Additionally, Avinor has entered into a collaboration with the Region of Eastern Norway to explore potential solutions for alternative energy carriers for heavy vehicles.

Due to the pandemic, including reductions in air traffic and the authorities' recommendation to avoid public transport, it is not appropriate to make comparisons for 2022, 2021 (and 2020) with the preceding years as has been customary in past annual reports.

6.1.3 Greenhouse gas emissions from air traffic

The most important emissions-reducing measures for aviation are related to fleet renewal, airspace efficiency improvements, sustainable aviation fuel, and the introduction of electric and hybrid-electric aircraft. Additionally, hydrogen as an energy carrier in aviation has been receiving increased attention in recent years.

According to Statistics Norway, greenhouse gas emissions from all domestic civil aviation in 2021 (most recent official figures) corresponded to 1.6 per cent of total domestic emissions (0.8 million tonnes out of a total of 48.9 tonnes of CO₂ equivalents). It is these emissions which are covered by the Kyoto Protocol and which are reported in Statistics Norway's statistics on greenhouse gas emissions from Norwegian territory. This principle is used in all countries.

GREENHOUSE GAS EMISSIONS FROM CIVIL AVIATION IN AND TO/FROM NORWAY 1990-2021

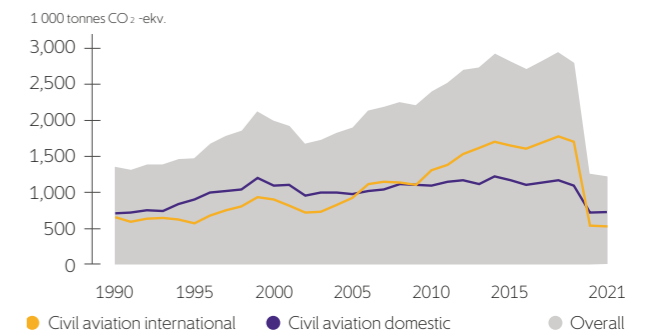


Fig 1: Greenhouse gas emissions from civil aviation in and to/from Norway 1990-2021

Greenhouse gas emissions from international traffic, i.e. from Norwegian airports with the first destination abroad, amounted to 0.5 million tonnes of CO₂ equivalents in 2021. These emissions are reported annually by the Norwegian Environment Agency to the United Nations Framework Convention on Climate Change (UNFCCC).

Total greenhouse gas emissions from all jet fuel for civil purposes sold at Norwegian airports in 2021 (most recent official figures) is equivalent to around 2.5 per cent of Norway's total emissions, in the order of 1.35 million tonnes of CO₂ equivalents. Both in 2020 and 2021, there was a steep reduction in emissions from domestic and international traffic compared with 2019 and expected emissions for 2022, primarily due to the COVID-19 pandemic (Figure 1 above).

6.1.4 Energy efficiency in the fleet of aircraft

Since passenger aircraft with jet engines were first used in the 1950s, emissions per passenger kilometre has reduced by 80 per cent.

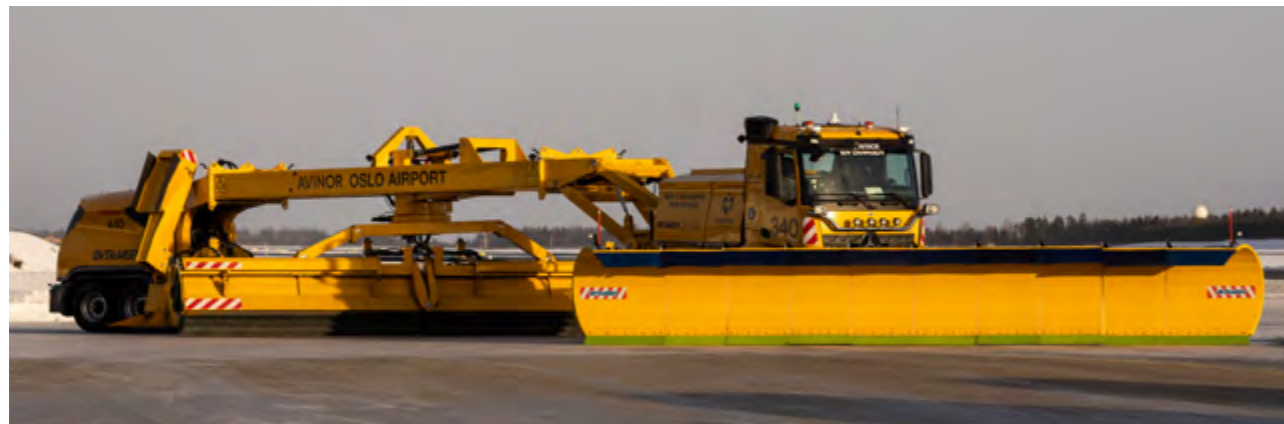


Photo: Harald Huser, Avinor

Aircraft manufacturers are developing brand new and more energy-efficient aircraft, but are also conducting extensive measures on existing models to reduce fuel consumption and greenhouse gas emissions.

The Norwegian airlines continue to work on energy efficiency and the continuous renewal of their fleets. Over the 20 years before the pandemic, more energy-efficient engines, improved aerodynamics, lower weight and an increased number of seats contributed to the emissions per passenger kilometre being more than halved.

6.1.5 Increased airspace efficiency

Airspace efficiency improvements is high on Avinor's strategic agenda. Avinor can make a big difference by prioritising measures at the interface between multiple stakeholders through coordination and co-operation. There is great potential here to reduce fuel consumption and thus greenhouse gas emissions.

Avinor, the airlines and the Norwegian Civil Aviation Authority are continuously working on measures in the airspace that reduce aircraft fuel consumption and greenhouse gas emissions. Arrival and departures are optimised and designed to enable continuous climbs and descents. In 2022, Oslo Airport, Gardermoen also saw the best results in a survey on Continuous Descend Operations (CDO), based on data from Eurocontrol. For many years, Norway's main airport has engaged wholeheartedly in efficient air traffic management. Electronic aids for air traffic management and information sharing (Collaborative Decision Management, CDM) are important tools, which are still under development.

The transition from ground-based navigation to the use of satellites (Performance Based Navigation – PBN) gives shorter and more direct route as well as more energy-efficient approaches and takeoffs. In 2022, Avinor decided that all of its airports should implement curved approaches (RNP-AR), initially at airports with long runways over the period up to 2028. This will lead to a significant reduction in fuel consumption and greenhouse gas emissions. Curved approaches have been in use at OSL for a number of years. The proportion of these in 2022 was between 5 and 14% a month, averaging out at 9%. The target is 15%.

Norway, Sweden, Denmark, Finland, Latvia and the UK (a majority of air navigation services organisations in the Borealis alliance) have introduced Free Route Airspace (FRA). This is an approach to organising airspace that means airlines no longer follow predefined routes, but can choose the most optimal route. This opens the way for potential reductions in fuel consumption and greenhouse gas emissions.

Avinor works on airspace efficiency improvements internationally with the interest organisations ACI and CANSO through the Borealis alliance and with Eurocontrol.

6.1.6 Sustainable aviation fuels

Sustainable fuel was certified for use in aviation in 2009. Sustainable aviation fuels can either be produced with biomass (for biofuel) or from non-biological feedstocks such as hydrogen and CO₂ (for what are known as electrofuels). Even with the future introduction of electrified aircraft and potentially having hydrogen as an energy carrier, there are currently no known alternatives to sustainable aviation fuel for long-distance

aviation, and sustainable aviation fuel also has the advantage that it can be used with the existing fleet of aircraft and infrastructure.

Current production of sustainable aviation fuel is low, and all SAF uplifted in Norway is imported. This low level of production is due to the significant additional costs related to sustainable aviation fuels relative to conventional fossil fuels. From January 2020, there has been a requirement that 0.5 per cent of all aviation fuel sold in Norway must be biofuel (with the exception of the Norwegian Armed Forces). Norway was the first country in the world to introduce this kind of blending mandate. The biofuel must be advanced, i.e. made from waste and residues. Sweden followed in July 2021 with a similar requirement, and the European Commission has proposed a European-wide blending mandate that will come into force for flights to and from the EU from 2025.

Norway and Norwegian aviation has been early in adopting sustainable aviation fuels and Avinor as assumed a leading role in this area. In 2016, Oslo Airport was the world's first international airport to blend sustainable biofuel into the ordinary fuel system and to offer this to all airlines that refuelled there. Avinor has also led and financed knowledge development projects for sustainable aviation fuels in close collaboration with key stakeholders in Norwegian aviation. These projects have examined the potential of Norwegian production of sustainable fuels and potential tools for increased production and use of said fuels. In 2021, Avinor, together with SAS, Norwegian, Widerøe, the Federation of Norwegian Aviation Industries (NHO Luftfart) and the Norwegian Confederation of Trade Unions presented the "Programme for increased production and uptake of sustainable aviation fuels".

In 2022, Avinor initiated an analysis of the potential of producing sustainable aviation fuel from non-biological sources in Norway, which was partially funded by Innovation Norway. The analysis is being carried out by DNV and it is based on the fact that EU regulations are paving the way for significant production of sustainable aviation fuel from non-biological sources and the fact that Norway seems to be in a strong position for this type of production, based in part on the high share of renewables in the power grid. The analysis examines both green and blue hydrogen and CO₂ from a point source, Direct Air Capture (DAC), household waste and plastic waste as input factors.

Avinor is in dialogue with an increasing number of stakeholders that are examining opportunities for producing sustainable aviation fuel in Norway, based on both sidestreams from forestry and non-biological input factors. Some of the projects have come a long way in terms of planning, but final investment decisions are yet to have been made. One involvement from Avinor's side to contribute to increased production is an agreement for the pre-purchase of sustainable aviation fuel from Norwegian company Quantafuel worth NOK 8 million.

Avinor is working with environmental organisations, industry stakeholders, and research institutes with the aim of producing sustainable aviation fuel in Norway. Internationally, Avinor is an active member of the EU TULIPS projects, led by Amsterdam Airport Schiphol, where Avinor is leading efforts that examine how airports can contribute to increasing the use and production of sustainable aviation fuel.

Large-scale Norwegian production of sustainable fuel may be crucial in reaching Norwegian aviation's climate targets. Predictable long-term conditions that do not reduce the competitiveness of Norwegian aviation are important for the transition.

6.1.7 Electrification

One of the likely measures for reducing greenhouse gas emissions is the electrification of every aspect of aviation, including the operation of infrastructure such as buildings and facilities, motorised transportation at airports, and air traffic itself. Norway is in a unique position to utilise electrified aircraft, thanks to its established short-leg market using small aircraft, considerable experience and great interest in transport electrification, and almost 100 per cent renewable electricity.

Electrified aircraft refer to aircraft which have one or more electric engines for propulsion in the air. The electricity that powers the engines can be derived from different sources including batteries, fuel cells or hybrid solutions. Based on the information Avinor has obtained from aircraft manufacturers, it is a realistic expectation that the first electrified aircraft could enter the testing and development phase in domestic passenger services in Norway around 2026 and that the first flights could be electrified from 2027-28 before entering wider scheduled service around 2030. The commitment to the electrification of aviation by stakeholders in Norwegian aviation has attracted considerable national and international attention.

Several aircraft manufacturers regard Norway as a relevant market for the first electrified passenger aircraft, which are expected to be small and have limited range.

Avinor's vision is to electrify domestic air traffic in Norway by 2040. The company has a responsibility to facilitate this development, especially with regard to charging capacity and other infrastructure at our airports. To this end, Avinor has established its own programme that will prepare the Group for new energy carriers (charging & hydrogen) for future fleets of aircraft at the company's airports.

In 2020, Avinor surveyed current and future electrical capacity at the company's airports. The survey is continuously updated. In connection with the preparatory work for the National Transport Plan, Avinor has estimated that the costs, given a range of assumptions related to charging capacity for aircraft at Avinor's airports up to 2040, are in the order of NOK 1.6 billion. On behalf of Avinor, DNV carried out a survey in 2022 of future hydrogen deliveries to Avinor airports. The analysis work related to hydrogen will continue and be extended in 2023.

In 2021, Avinor and the Norwegian Association of Air Sports acquired a Pipistrel Velis Electro, the world's first type certified electric powered aircraft. Being type certified by European aviation authorities means that it can now be used for pilot training. The aircraft will be operated through a collaborative project between Avinor, the Norwegian Association of Air Sports, SAS, Widerøe and the climate foundation ZERO. In 2022, a number of demonstration flights with the aircraft were carried out, and the project will continue in 2023.

6.1.8 Hydrogen as an energy carrier

Awareness of hydrogen as an energy carrier in aviation has been increasing in recent years. Hydrogen can be produced through electrolysis or reforming, for example, natural gas. If the electricity used in electrolysis comes from renewable energy, the production and combustion of hydrogen has no direct greenhouse gas emissions.

Hydrogen is a useful energy carrier, and can help to reduce greenhouse gas emissions from aviation in several ways:

- In connection with the production of biofuel (hydrogenation)
- As an input factor in the production of e-fuels
- By direct combustion in custom jet engines
- In a system with fuel cells and electric engines

Furthermore, in the future, hydrogen may play an important role at airports, for example in reserve power applications, or as an energy carrier in heavier vehicles.



Hydrogen can be used to produce fuel that can replace today's fossil fuels, and can be used in existing aircraft and infrastructure. Hydrogen is already used in some contexts today to "enrich" biofuels to satisfy the requirements set for jet biofuels. Furthermore, the term "electrofuels" is derived from the use of hydrogen from electrolysis together with carbon from another source to produce synthetic fuel. A more radical application of hydrogen is in a fuel cell or by means of direct combustion.

If hydrogen is used in fuel cells to produce electricity for an electric aircraft engine, it falls within the definition we have used for an "electrified aircraft".

The American start-up ZeroAvia is currently developing an aircraft powered by fuel cells, and Airbus' ZEROe project has set a target of having zero-emission aircraft on the market by 2035 by using hydrogen as the energy carrier.

Norwegian aviation is following the development of hydrogen as an energy carrier very closely, and Avinor will facilitate the supply of hydrogen at its airports as needed.

6.1.9 CO₂ duty and emissions trading

Norwegian aviation is subject to several political measures that are directly or indirectly climate-motivated, and Norway is probably the country in the world that has implemented the most measures for aviation.

Since 2012, civil aviation has been part of the EU Emissions Trading System. All domestic flights in Norway and in the EU are covered by the scheme. Flights into and out of the EU are exempt. The EU's goal is that emissions in sectors subject to quotas be at least 55 per cent lower in 2030 than in 2005. The prices have fluctuated considerably in recent years. For much of 2022, the price was between EUR 80 and EUR 90 per tonne. The EU is expected to reduce the scope of available allowances in the lead-up to 2030 to ensure that targets are achieved. The scope of the free credits for aviation will likely be reduced in the years ahead. The European Commission has proposed a 25% reduction of free credits in 2024, increasing to 50% in 2025, 75% in 2026, and after 2027, Aviation will no longer be awarded free credits. This will increase quota prices and, in the longer term, result in higher costs.

Norway has decided, as one of the few countries in the world, to impose a carbon tax on domestic aviation. In 2022, this amounted to NOK 1.61 per litre of jet fuel, or around NOK 631 per tonne of CO₂. In accordance with international agreements, a carbon tax cannot be imposed on international traffic.

A passenger duty was introduced for all departures from Norwegian airports in 2016. From July 2022, the duty was reintroduced after the COVID-19 pandemic. For 2022, it was set at NOK 214 per passenger for flights to destinations outside of Europe and NOK 80 for flights within Europe.

In 2020, Norway was the first country in the world to introduce a blending mandate for aviation. At the present moment, the requirement is at a 0.5 per cent blend of advanced biofuels. At the start of 2023, the Norwegian Environment Agency distributed a proposal for consultation to increase the blending mandate for advanced biofuel for aviation from 0.5 per cent to 2 per cent.

In the EU, a proposal from the European Commission was discussed on introducing a blending mandate of 2 per cent from 2024, increasing to 63 per cent in 2050.

At the ICAO Assembly in October 2016 (the UN organisation for civil aviation), the introduction of a emission trading system was agreed for greenhouse gas emissions from international aviation known as the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). The first six-year phase of the mechanism began in 2021 and is voluntary for participating states. 107 governments, including Norway, have voluntarily participated in this phase.

6.1.10 Climate adaptation

In Norway, it is expected that climate change will result in a warmer, more volatile, and wetter climate with wide regional and local variations. The future climate must therefore be considered when planning infrastructure projects and also in the maintenance of existing infrastructure. The inability to make adaptations to infrastructure may have physical, operational and economic consequences.

Since 2001, Avinor has assessed the impact of climate change on its own operations through its efforts relating to the National Transport Plan. Avinor's climate adaptation efforts also extend to co-operation with the ICAO, Airport Council International (ACI), and the directorate group for climate adaptation under the auspices of the Norwegian Environment Agency. Avinor is also a part of Klima2050, a centre for research-based innovation on climate adaptation led by SINTEF.

Climate adaptation must be implemented from more angles. With its extensive building stock and other infrastructure, Avinor has a significant need to equip these to respond to the issue of climate change. This includes securing areas facing rising sea levels, flooding and handling storm water, while also dealing with the impact of increased precipitation and wind on both ground conditions and the building stock itself. It is frequently the combination of heavy precipitation and strong winds that causes damage and water penetration into façades and roof spaces. Thus, Avinor's maintenance programme will continue to implement climate change measures.

Avinor's environmental risk analysis from 2014 was updated in 2022 to provide a good foundation for designing measures. This provides an updated picture of climate change in Norway, and clarifies the risk situation for each airport. The overall picture is that changes are at the higher end of estimates, that is, worse than previously assumed. For Avinor, it is important to identify areas where there is significant change and how to respond to these with conditions and measures that can be added to the maintenance programme and new infrastructure projects.

A range of measures to reduce vulnerability to climate change have already been implemented, including the establishment of new design criteria for critical infrastructure. Avinor will continue this work. New development projects must be reassessed at the master plan stage based on future scenarios relating to climate change. Through Avinor's Group-wide construction standards, there are requirements to ensure that all development projects are planned and delivered to meet future expectations on the impacts of climate change. In this regard, our partnership with



Solar power plant at Sola

research institutions is also important to bring about good climate solutions.

For an airport, daily operations and infrastructure must be adapted to meet the challenges posed by increased precipitation in the form of rain and snow, torrential rain and more frequent fluctuations in temperature around the freezing mark. This is likely to lead to increased consumption of runway de-icing chemicals and aircraft de-icing chemicals, which may pose a hazard to reduced regularity and lead to breaches of airports' discharge permits. The use of chemicals at each individual airport must therefore be closely monitored and assessed against the requirements stipulated in the discharge permit and the data from environmental monitoring programmes. If necessary, new infrastructure must be established in relation to water and drainage systems, as well as de-icing platforms, in order to ensure that airports are able to operate within the limits set out in the requirements contained in the discharge permits and in order to avoid an unacceptable impact on the environment.

Avinor is experiencing increased interest from the financial markets in relation to sustainable development, and financial institutions are focused on what may happen in relation to climate change, which can in turn have an impact on the company's solvency. The EU taxonomy has six environmental objectives, one of which is climate change adaptation.

Avinor is now examining how measures and information about the company's efforts on climate change adaptation should be communicated in the future to meet new requirements and expectations.

6.2 ENERGY

Energy is part of Avinor's environmental strategy, and Avinor has set an energy target for 2019-2025 of reducing purchased energy for its buildings and facilities from 261 GWh in 2019 to 225 GWh by the end of 2025. Purchases of energy for vehicle, bus and aircraft charging are excluded from this target.

Each airport has identified its own savings potential by looking at what developments will lead to and what measures can be implemented. How the airports are doing compared with the target will be continuously monitored. The Group target is the sum of all inputs from the per airport reduction plus the production of renewable energy at individual airports. We are working to increase awareness and competence related to energy work in order to achieve this target. We are doing this by increasing the use and skills in the Energy Monitoring System (EOS), working in accordance with the energy plan, identifying innovative energy solutions and profitable reinvestments.

The energy that supplies Avinor's building stock and infrastructure primarily derives from purchased electricity. Some airports are connected to the district heating network. In addition, there are a few airports that produce their own energy from seawater, geothermal energy, and solar power, for example. Energy is primarily used for heating, cooling, lighting, runway facilities, and other technical equipment.

Through its energy efficiency efforts, Avinor is also working towards meeting SDG 7, "Clean energy for everyone". By reducing its own energy consumption and switching to self-generated renewable energy, Avinor can use this energy in other areas in order to cut emissions further, such as transitioning away from ICE to electric vehicles. By emphasising innovation in its choice of energy solutions, Avinor is helping to develop the energy market in a cleaner and more advanced direction.

At Stavanger Airport Sola, a ten decare solar park capable of producing 880 kWp was installed in 2022. Production itself began on Friday 19 August 2022. From its opening and to the end of the year, the facility produced approximately 169 MWh of electricity. The batteries to replace the backup diesel generator have been installed and put into use at the start of 2023. The project for the development of smart management systems with Capgemini has begun.

In 2022-2023, Avinor has been working on a strategic initiative that examines the potential of installing large-scale solar power plants at three other airports in addition to increasing the size of the existing power plant at Sola.

Much like the whole of 2020 and 2021, the start of 2022 was marked by the COVID-19 pandemic. The focus at airports was to adapt energy consumption to a lower level of activity. Energy consumption increased once society opened up once more in mid-February.

In October, it was decided that Avinor, like many other public and private stakeholders, should reduce its indoors temperature by 1-2 degrees Celsius if possible. By lowering the temperature in its terminal and other buildings, Oslo Airport, Gardermoen is able to save on energy consumption amounting to around 75 single family homes (1.5 GWh) per year.

Avinor's total energy consumption fell by 4 per cent from 2019 to 2022.

6.3 BIODIVERSITY

Avinor has multiple ongoing and planned construction and engineering projects. The largest projects that are currently underway or being planned are the new airports at Mo i Rana and Bodø and will lead to extensive land use change and habitat loss.

Many of Avinor's airports are located in or around areas rich in biodiversity. These areas include conservation areas, with rare endangered species, salmon rivers, and salmon fjords. Several airports host habitats for endangered species, such as the *Bombus distinguendus* bumble bee (critically endangered) at Oslo Airport or the *Carex bigelowii subsp. arctisibirica* (vulnerable) at Svalbard Airport. Avinor airports are also home to endangered habitats such as species rich haymeadows (critically endangered) at Kristiansand Airport and sea meadows (vulnerable) at Namsos Airport.

Avinor's operations, development and projects affect biodiversity in and around airports in many ways. Land use change, drainage, microplastics, chemicals, etc. are negative impacts of these.

In some instances, we do observe positive influences, for example in areas where sandy, large meadows or similar areas which may be habitats for rare or endangered species are preserved or developed.

In order to maintain an overview of the natural values of Avinor's properties and areas of influences, Avinor conducted biodiversity surveys at all of its airports over the period 2009-2014.



Oslo Airport put up information boards about wild, pollinating insects in the Park in 2022. Areas there have had ley seeds sown in them so that they are pleasant for both people and bumblebees. The Park is located just outside of the terminal building and is accessible to travellers and others who want to relax in green surroundings.



Stavanger Airport has a number of biodiversity measures. This is "Sola Air Bee'n Bee" - popular homes for insects.

The results of the surveys are publicly available via the Naturbase online database.

This information is used in operations, master plans and projects, and the administrative advice from the surveys is followed up on within the framework of safe and efficient airport operations.

Measures are being implemented in several areas to protect or improve biodiversity. Among the measures being introduced are improving living conditions for wild, pollinating insects and combatting harmful and invasive species. In 2022, the registration of invasive species was made an integral part of the existing app used for many types of registrations related to airport operations and maintenance. Courses were also held for airports to help them recognise and register various species. Training and registrations will continue through 2023. Many airports have been working for some time to limit and combat the emergence of invasive and harmful species.

6.4 CIRCULAR ECONOMY/WASTE MANAGEMENT

Avinor wants to be a part of the transition to a circular economy. This also involves the prevention of waste and wastage and a vision of zero waste, only cycling of resources. Resources must be used far more efficiently so that we reduce the need to extract new resources. Products must last for as long as possible, be repaired, upgraded and reused. When products cannot be reused in their original state, waste must be recycled into new materials and used for new production.

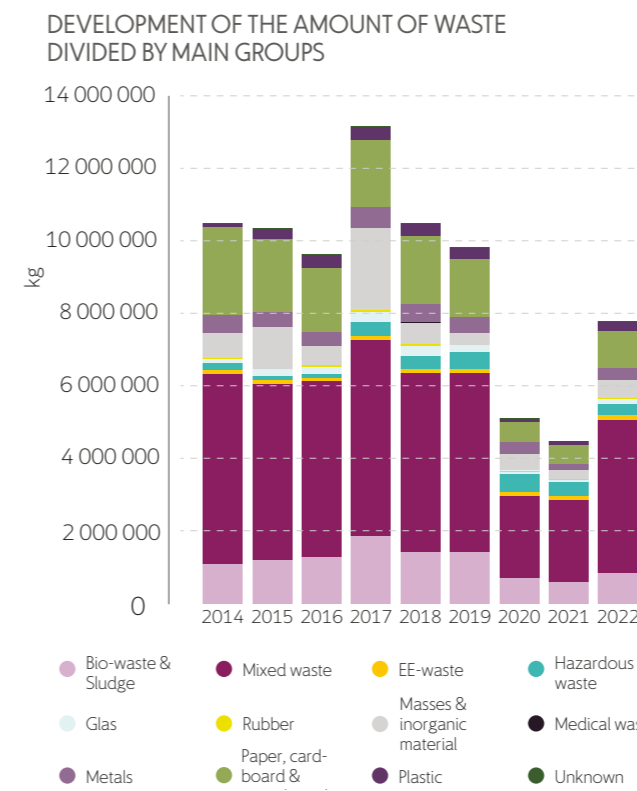


Fig 2: Development of the amount of total waste from ordinary operations at all Avinor airports over the period 2014-2022.

By reusing products and materials, the same resources get used multiple times and as little as possible go to waste. Avinor's environmental goals for the 2021-2025 period are:

- Zero waste: The airports will halve the quantity of unsorted waste generated by ordinary operations by 2025 (with 2019 as the base year), with a zero vision for unsorted waste by 2030. By this we mean zero residual waste – i.e. 100% for reuse or material recycling (of the volume that is suitable and/or possible to separate).
- Cut food waste: Food waste should be reduced by 50% per passenger by 2030 and by 30% by 2025 (with 2019 as the base year)
- Construction and engineering projects: Recovery and reuse rate should increase. A minimum 70% recycling/reuse of materials by 2025. A pilot project for waste-free construction projects should be completed by 2025. Increase the share of reused or recycled materials in our projects.

All airports sort their waste. In 2022 45% of all waste was sorted. About 20% of the total volume unsorted waste is waste from aircrafts and sand used for ice control, The sorting rate improved from 50% to 55% over the period 2019-2020, but after this, we saw a decline to 49% in 2021 and 45% in 2022. This means we are moving in the wrong direction compared to our goal.

Each airport meets with waste management companies at least once a year to review their sorting rate, provision of equipment and relevant fractions in waste disposal areas and other opportunities to improve the sorting rate. The sorting rate is generally lower at larger airports as there are shops, kiosks and places to eat in terminals, which generate the largest volume of unsorted waste. Therefore, waste composition analyses were carried out on the waste for the terminals at Oslo Airport and Bergen Airport in 2022. The results from this were analysed and form the basis of the measures. Oslo Airport is an active participant in the EU TULIPS project led by Amsterdam Airport Schiphol. One of the goals of the project is to increase circularity in terminals and building projects by mapping flows of materials, environmental impacts of these and prioritising, identifying and demonstrating solutions that minimise waste and increase recycling and sorting at source in terminals and construction projects.

In 2022, there was a total of 7,740 tonnes of waste, of which 351.5 tonnes were hazardous waste. Of this, 27% was recycled into new materials, 2% was biologically treated, 63% was recycled into energy, and 8% was sent to landfill. These figures apply to regular operations and do not include major construction projects. Avinor currently does not have a combined reporting system for waste from construction projects. The amount of waste from construction is assumed to be considerably greater than that of ordinary operations and also of a different composition.

Avinor sets environmental requirements for procurement and contracts. A large proportion of the opportunities for waste reduction, reuse and recycling of materials are already settled at the point that airports procure products and services. In 2022, a number of new contracts were entered into with partners for the operation of commercial areas at airports, which included the environment as part of the award criteria.

6.4.1 Food waste

Avinor works together with the company's commercial partners in the terminal to reduce food waste. In 2022, waste composition analyses were carried out to survey what makes up food waste from airports so that we can implement targeted measures. Specific requirements for measures and measurements in new contracts have been set, as it is the production and sale of food that is by far the largest source of food waste, and where we will be able to have the biggest impact with the measures.

Our partners report that they have measures to prevent food waste through, for example, planning food production throughout the day. One measure to prevent edible food from reaching the waste bin is To Good To Go, which has been set up at seven airports. In 2022, a total of 16,563 portions of food that would have otherwise been thrown away were sold at a reduced price through this scheme. Avinor currently uses food waste per passenger as an indicator for the development of the amount of food waste due to a lack of better figures. We are seeing a positive development with a drop from 7.2 grams per passenger in 2019 to 2.8 grams per passenger in 2022. However, there is some uncertainty around the accuracy of these figures, and we aim to improve the figures for food waste

6.4.2 Plastic carrier bags

Avinor wants to reduce plastic bag use, and payments for bags was introduced in 2019. Avinor is a member the Norwegian Retailers' Environment Fund, which supports projects that reduce plastic waste, increase plastic recycling and reduce the use of plastic carrier bags. In 2022, NOK 2.8 million was paid out to the Norwegian Retailers' Environment Fund from the sale of carrier bags at Avinor's airports. The rest of the profits from the sale of carrier bags goes to Avinor's environmental fund and is earmarked for environmental initiatives under the auspices of Avinor and its partners. The carrier bags are produced using 80% recycled plastic.

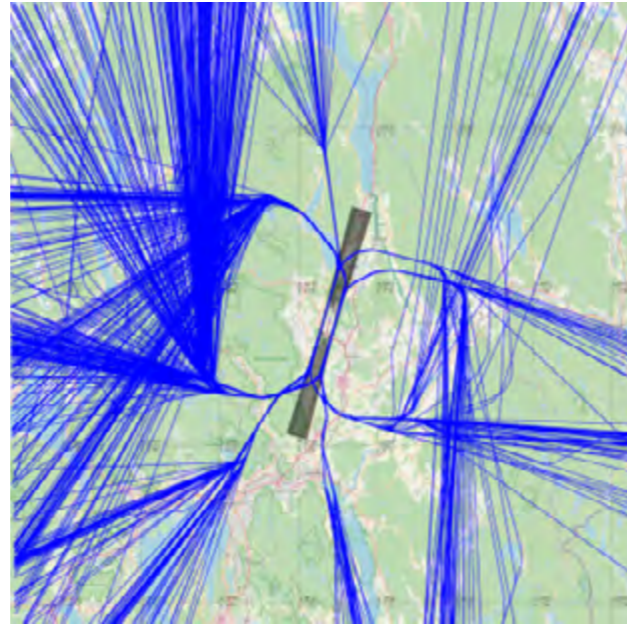
6.5 NOISE POLLUTION FROM AIRCRAFT AND HELICOPTERS

Avinor has an environmental goal in place to actively limit the impact of noise from aircraft and helicopter traffic on those living in the vicinity of airports. Noise is also included in the EU taxonomy under the "pollution prevention and control" objective. Criteria for several economic activities have been proposed, including for construction projects, around noise burden and how this should be managed for an activity to be regarded as sustainable.

The introduction of curved approach and departure procedures at airports that direct aircraft and helicopter traffic to greater extent away from areas where people live has been one of the most important measures for reducing the noise burden. In 2022, procedures to reduce noise from helicopters were introduced at Stavanger Airport, Sola.

At Oslo Airport, a noise and flightpath monitoring facility has been established which is used to monitor that flight movements adhere to the established procedures for the airport, as well as monitoring noise levels at specific locations in the vicinity of the airport. The airport sets its own noise regulations which stipulate the presence of such a facility, as well as requiring monthly reporting on its findings.

The results show that aircraft movements comply significantly more with stipulated procedures than they did previously. The proportion of curved approaches was 8.9 per cent in 2022.



Curved approaches at OSL.

At the airports in Bergen, Stavanger, and Trondheim, flightpath monitoring systems have been established to monitor whether the aircraft movements are in accordance with the procedures laid down for these airports.

Noise-adaptation procedures are important measures for reducing the impact that noise has on residents at the airports. Therefore, the route monitoring system is used to document whether these measures are being followed. Due to technical issues, these systems have not been operating satisfactorily and therefore there are no results available.

It was planned that the necessary remedial actions be taken for the system to be up and running in 2021, but this target was not achieved that year or in 2022. Avinor is co-operating closely with the system supplier to solve these problems.

6.5.1 Further information about noise from aircraft at Oslo Airport

Noise from aircraft affects the local areas around our airports. Active efforts are underway at Oslo Airport to make aircraft noise predictable for our neighbours. Consequently, monthly traffic and noise level reports that are submitted to the public authorities are also made available to our neighbours via Avinor's websites.

The Noise and Flightpath Monitoring Facility records flight movements and conducts continuous noise readings in the airport's local area.

The data is assessed against the current regulations for approaches and departures to identify any non-compliance.

A summary of the enquiries and how traffic levels are affecting noise at the airport is reported to the Norwegian Civil Aviation

Authority in a monthly report from the Noise and Flightpath Monitoring Facility.

6.5.2 Status of aircraft noise in 2022

Figure 3 shows the trend for aircraft noise and traffic levels at Oslo Airport from 2000 to 2022. Total noise (Lden) from all recorded traffic is calculated for each year. The change in noise levels after the year 2000 is then calculated for each year and plotted along with the trend for total traffic levels.

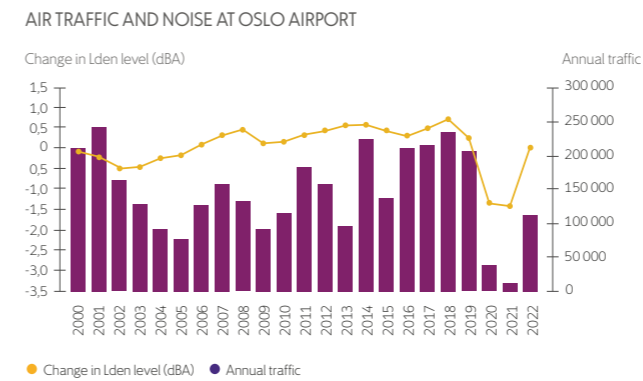


Fig 3: Trend for aircraft noise and traffic levels at OSL from 2000 to 2022

This representation gives a picture of noise levels over time, independent of the geographic areas that are affected. The combined aircraft noise impact around Oslo Airport increased by 2.5 dB from 2021 to 2022, while there was also a 0.3 per cent increase in traffic. Even though there was a marginal increase in the 2021 traffic figures, the noise burden was lower. This is primarily down to the phasing out of older aircraft models and the introduction of newer and quieter models.

The noise level in 2022 was 2.7 dB below the level in 2000, based on the calculations for all recorded traffic. The increase in traffic for 2022 was 2 500 flights compared with traffic in the year 2000. This corresponds to a stable level compared to traffic in the year 2000. This therefore means that new, modern types of aircraft have more than compensated for the change in traffic. Revised noise regulations developed by the Norwegian Civil Aviation Authority came into force for Oslo Airport in 2016.

The purpose of this regulation is to avoid unnecessary noise burden in areas around the airport, while maintaining safety levels, operational conditions, capacity, and other environmental conditions. The regulations permit the permanent use of curved approaches – as also referred to in the section on greenhouse gas emissions. The flightpaths are located away from densely populated areas. The regulations also specify an adjusted departure corridor for departures from the airport's north-east corner. Compliance with the new departure corridor exceeds 95 per cent. This adjustment makes it possible to maintain departure capacity at the airport while avoiding flying over densely populated areas around the airport.

In 2022, Oslo Airport received aircraft noise reports from 123 people. Residents of Ullensaker, Eidsvoll, and Nannestad account for the largest proportion of the reports. This is equivalent to the number of complaints for 2020 and 2021 combined. New approach and departure flightpaths for helicopters have been

implemented at Bergen Airport Flesland, which means that there are variations in which areas are flown over. The principles for the new flightpaths are:

- Equal distribution and potential for unloading helicopter traffic over built-up areas
- Flightpaths should be routed across areas of low-density population to the greatest extent possible
- Avinor has attempted to shield schools and nurseries
- As far as possible, arrivals should happen at 3,000 feet and at 120 knots.
- The number of inhabitants within 500 m of flightpaths has been reduced by 13 per cent according to a GIS analysis. The airport has organised traffic in such a way that it will be predictable by using defined flightpaths.

Avinor has carried out strategic noise mapping at the three airports that see the most air traffic in 2022. This is in accordance with the EU directive and should be carried out every five years. In addition, noise mapping at three airports has also been carried out on the basis of the requirements of T-1442 "Guidelines for noise management in land-use planning". These airports are Stokmarknes, Sandnessjøen and Værøy.



Extent of harmful levels of noise

6.5.3 Noise from F-35s at Evenes

In 2012, the Storting voted that the new F-35s should be stationed at Ørland. Four aircraft are to be stationed at Evenes as a base for Quick Reaction Alert (QRA) and high level air defence readiness. The Storting's decision means that Evenes will resume operating as a permanent military airbase.

It has been detected that F-35 departures result in noise levels in the area around the terminal building over LpASMax 115 dBA, which the government zoning plan regards as potentially harmful to hearing. The high noise levels occur during departures of F-35s with afterburners.

Avinor is working on measures to shield passengers, employees and other airport visitors against the harmful levels of noise. Comprehensive physical measures are required such as passenger bridges to aircraft, a parking garage and improvements to facades of existing buildings in addition to organisational measures.

6.6 WATER AND SOIL

Avinor's environmental goals for the field Water and soil for the period 2021-2025 is:

- Activities at Avinor's airports must not result in any new soil contamination or worsening of water quality.
- Avinor must reduce leaching of environmental contaminants at airports.

Airport operations require the use of various chemicals that may result in discharge. Use of de-icing chemicals is vital for reducing levels of ice and snow on aircraft and runways thus ensuring conditions remain within the mandatory safety limits. The run-off and spread of de-icing chemicals from areas of the airport can have a temporary impact on the natural environment's tolerances and ability to degrade. In 2021, European regulations on winter operations were changed to increase safety and prevent adverse events on the runway. In the long term, the changes may lead to an increase in use of de-icing chemicals at a number of Avinor airports.

Through the SmartKjemi project, Avinor will develop a system for smarter use of de-icing chemicals on runways. The purpose of this is to make it easier for ground personnel to spray runway de-icing chemicals at the right time and with the right amount. The project is supported by the Research Council of Norway. See also the chapter "Avinor links Norway together – and Norway to the world – through sustainable aviation".

All of Avinor's airports have valid discharge permits in accordance with the Pollution Control Act, which sets requirements for the maximum use of chemicals for fire drills and aircraft and runway de-icing.

Avinor applied for and received a number of amended discharge permits over the last few years due to increased chemical usage, but also due to changed run-off conditions. In 2022, Harstad/Narvik Airport received a new discharge permit from the county governor.

Some of the permits now require extensive investigations of water bodies to meet the requirements of water regulations/the EU Water Framework Directive. These sorts of surveys were carried out over the last two years in Sogndal and Hammerfest. The results of these have shown that there are poor environmental conditions for recipients at individual airports, while it seems that operations at other airports have no impact on the surrounding environment.

Where environmental impacts were negative, remedial actions are being evaluated. At Trondheim Airport, the de-icing platform was completely upgraded in summer 2022 after high values of de-icing chemicals were registered at a discharge point in Stjørdalselven. The pollution authorities can also order Avinor to adopt such actions, as they did at Tromsø Airport, where action at discharge pipelines and de-icing platforms is a requirement of the airport's discharge permits. A pilot project to build a new aircraft de-icing platform is underway.

The COVID-19 pandemic has led to a decrease in air traffic and thus the total consumption of de-icing chemicals. This applies to both aircraft and runway de-icing chemicals.

In 2022, we therefore saw a slight increase in the amount of de-icing chemicals compared to the previous season (Figures 4 and 5). This may also be related to the climate in the current and previous seasons.

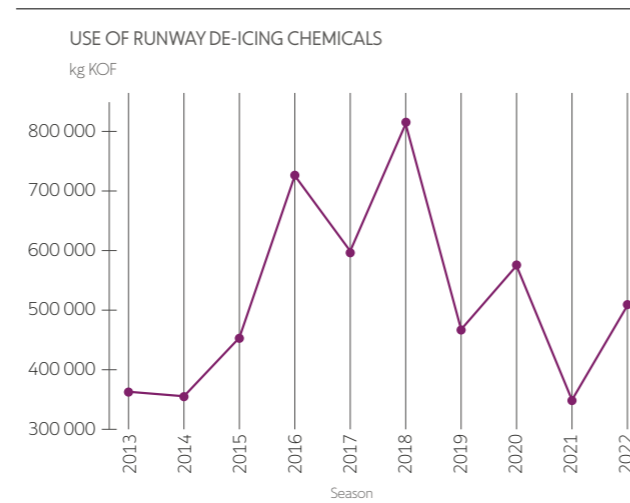


Fig 4: Consumption of runway de-icing chemicals at all 43 airports

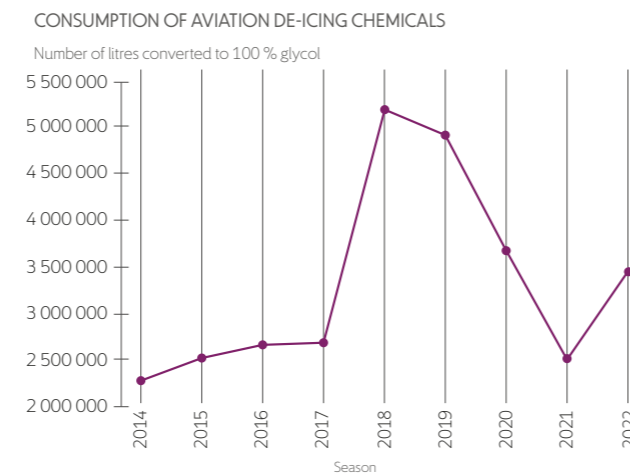


Fig 5: Consumption of aircraft de-icing chemicals at all 43 airports during the winter seasons from 2013/2014-2021/2022

Over the course of 2022, conditions at seven of Avinor's 43 operational airports were breached for aircraft de-icing (Figure 6). No airports had breaches for the use of runway de-icing chemicals. The pollution authorities were informed of these breaches.

Additionally, Oslo Airport breached its recipient-based discharge permit three times in 2022. Two of these incidents involved breaches of the limit for oil in groundwater and were related to two known old contaminated sites. Therefore, these are not considered as new non-compliance, but were still reported to the Norwegian Environment Agency.

The third incident involved the breach of a limit of the weekly mean for alcohol polyethoxylates in Sogna in November. Alcohol polyethoxylates are additives that are added to the de-icing chemical propylene glycol. No alcohol polyethoxylates were detected in subsequent samples.

No breach of the limit for de-icing chemicals was detected at Oslo Airport in 2022.

NUMBER OF AIRPORTS WITH VIOLATIONS OF DISCHARGE PERMITS



Fig 6: Number of airports with violations of the conditions of discharge permits

In 2022, Avinor carried out both major and minor construction or excavation work at several airports that also handle contaminated soil. In addition, in 2022 and the years ahead, major construction projects in areas with soil contamination will begin or are being planned, such as the construction of the new airport in Bodø. The handling of PFAS-contaminated materials is a particular cost driver in projects, and Avinor is working to identify such contamination in the early phases of projects so that the total project costs can be clarified. Soil contamination is also incorporated into the development of a master plan for each airport, as contaminants can result in the bonding of certain areas.

The EU taxonomy proposed several activities relevant to the area of water and soil. The criteria that need to be met for these activities to be classified as sustainable have stricter conditions than the discharge permits. That is to say that operating in accordance with statutory requirements are not necessarily sufficient for an activity to be regarded as sustainable.

6.7 PFAS

PFAS is large group of fluorinated substances. They act as water, stain and grease repellents and are used everywhere. PFAS has been used for more than 50 years in a number of products, including food packaging, non-stick coating for boilers and frying pans, preservatives for textiles, firefighting foam, cleaning products, cosmetic products, paints, varnishes and certain types of ski wax. Concern has been growing around PFAS due to their extreme persistence, toxicity and tendency to spread through the environment and concentrate in all living organisms.

Since 2001, Avinor has used PFOS-free firefighting foam and since 2012 has used completely fluorine-free firefighting foam. Nevertheless, historic use has led to soil contamination at Avinor's airports. The contamination is primarily related to active and decommissioned fire training sites, as well as other areas that

were previously used for training exercises.

This contamination means that some types of PFAS are still leaking out into the natural environments around the airports.

In recent years, Avinor has received several orders from the Norwegian Environment Agency to map and develop action plans and implement clean-up measures at PFAS contaminated sites. Avinor has carried out significant supplementary investigations and surveys (of the earth, water, sediment and biota) at ten priority airports, as well as Svalbard.

Action plans for Haugesund, Svalbard, Kirkenes and Stavanger have been sent to the Norwegian Environment Agency, and work is being done on the remaining airports (Alta, Kristiansund, Ålesund, Kristiansand and Tromsø). Clean-up work at PFAS contaminated fire training sites (BØF) was carried out at Harstad/Narvik Evenes in 2021 and two BØF sites at Rørvik Airport in 2022.

At Bergen Airport, measures were put in place at one BØF in 2022, and clean-up of the oldest fire training site will be carried out during the summer of 2023.

The measures at the above-mentioned airports have involved the removal and transport of over 50,000 m³ of PFAS contaminated materials (corresponding to more than 3,300 truckloads of 15 m³), and are estimated to remove more than 50 kg of PFAS. At Fagernes Airport, treatment of water from the decommissioned fire training site is under way, and the plant has delivered good results in terms of cleaning the water.

Treatment of groundwater is ongoing at Oslo Airport at PFAS-contaminated areas of the fire training site. The treatment captures PFAS chemicals that leach out from this site and helps reduce the risk to the local environment. In 2022, the plant treated 4,116 g of PFAS and has removed a total of 23.41 kg since its introduction in 2015.

In 2022, Avinor has worked to enhance its knowledge around new and relevant remedial measures relating to PFAS-contaminated soil and/or water. Avinor has set a target of implementing other remedial action methods than those that have been used up to now (water treatment/excavation and landfill disposal), so that clean-up can be carried out in a more cost effective manner without entailing environmental impacts.

Further information about Avinor's work related to PFAS contamination is available on Avinor's website under "PFAS i fokus" (Norwegian only).

Key figures climate and environment 2021/2022

GREENHOUSE GAS EMISSIONS¹⁾

		2017	2018	2019	2020	2021	2022
Avinor emissions	tonnes CO ₂ -equiv.	16 300	15 780	13 530	9 100	9 000	10 250
Avinor emissions/passenger	g CO ₂ -equiv./passenger	308	290	250	437	401	230

ENERGY

		2017	2018	2019	2020 ⁶⁾	2021 ⁷⁾	2022
Electric Power	GWh	245	243	238	205	218	217
District Heating	GWh	25	26	24	21	33	33,7
Oil heating	GWh	6,0	4,1	2,6	1,7	1,7	1,6
Standby power	GWh	0,8	1,0	1,0	1,0	1,2	1,3
Total	GWh	276	274	265	229	254	254

VEHICLES – FUEL AND OTHER ENERGY

		2017	2018	2019	2020	2021	2022
Diesel	litres	2 598 254	2 555 823	1 966 264	1 433 316	1 300 000	1 450 000
Petrol	litres	59 460	65 261	60 052	54 175	53 600	49 000
Biodiesel	litres	199 730	320 082	1 253 304	648 739	1 182 290	1 115 300
Electric vehicles	km	58 595	80 368	106 933	137 868	174 772	220 434
Hydrogen vehicles	km	10 914	7 848	-	-	-	-

WASTE

		2017	2018	2019	2020	2021	2022
Sorted waste (tonnes)	tonnes	7 542	5 301	5 028	2 618	2 169	3 501
Sorted waste (tonnes)	tonnes	5 654	5 086	4 947	2 318	2 258	4 239
Total amount of waste (tonnes)	tonnes	13 195	10 387	9 975	4 937	4 427	7 740
Sorting grade (%)	%	57	51	50	53	49	45
Hazardous waste (tonnes)	tonnes	381	512	624	484	379	352

FIRE/ACCIDENT CHEMICALS

		2017	2018	2019	2020	2021	2022
Jetfuel- A1/Paraffin	litres	73 852	55 840	36 155	44 662	51 671	81 461
Diesel Petrol	litres	2 560	5 742	3 029	346	3 434	2 228
Propane	kg	4 064	2 271	1 196	1 166	1 242	1 337
Fire-fighting foam	litres	25 916	24 398	13 983	14 558	6 702	6 811
Training foam	litres	1 006	187	285	286	168	155
Training foam	kg	19 563	18 417	10 933	9 771	8 574	10 041
Technical alcohol	litres	872	1 502	1 520	891	1 012	1 008
Kindling wood	kg	3 892	3 400	1 925	3 116	2 075	1 644

DE-ICING CHEMICALS

		2017	2018	2019	2020	2021	2022
Aircraft de-icing							
100 % ethylene glycol	litres	3 646 921	5 071 245	5 425 837	2 258 505	3 274 425	3 792 604
Runway de-icing							
Formate (liquid form) ³⁾	litres	4 313 719	3 549 226	3 238 999	2 654 390	2 935 226	3 134 441
Formate (solid) ³⁾	kg	742 529	663 503	600 910	161 825	310 171	547 430
Environmental impact measured as COD ⁴⁾	tonnes O ₂	731 565	614 005	559 279	382 290	452 919	533 386

NUMBER OF AIRPORTS BREACHING TERMS APPLICABLE TO AIRCRAFT AND RUNWAY DE-ICING

		2017	2018	2019	2020	2021	2022
Aircraft de-icing	number	11 ⁵⁾	10 ⁵⁾	8 ⁵⁾	8 ⁵⁾	2	7
Runway de-icing	number	1 ⁵⁾	3 ⁵⁾	2 ⁵⁾	2 ⁵⁾	3	0

Some of the key figures from previous annual reports may be corrected due to quality assurance of recorded data, as well as the adjustment of annual emission factors.

- 1) For 2017, a change of data for greenhouse gas emissions has been made since CO₂ emissions from electricity consumption have been deducted for all years and only stated as Gwh
- 2) Waste data from 2016 onwards is not comparable with previous years as the sample is different. OSL only has numbers from OSL, not from all other companies operating at LH.
- 3) Indicated as amount of product, not concentrate
- 4) COD = Chemical oxygen demand. This is the amount of oxygen required to break down the chemical that is used.
- 5) For OSL, the stoppage is due to aircraft and/or runway de-icing (recipient-based permission).
- 6) 2020 - underlying data were corrected
- 7) Energy data includes Avinor ANS, there was previously uncertainty around this.

7. Attractive work place with the right competence and a good work environment



Employees are Avinor's most important asset. Every day, our more than 2,700 employees provide us with their skills, flexibility and efforts to connect Norway together - and Norway with the world.

Avinor's values include behaving in a way that is open, responsible, dynamic, and customer-oriented. This should permeate everything we do. Avinor's value platform and ethical guidelines provide clear requirements for employee performance, both internally in the workplace, as well as in dealings with customers, business contacts and others who are affected by our operations.

The overall results from the employee survey for 2022 show positive results in most key areas. There is high survey response rate among Avinor employees and a markedly positive development compared with 2022

- Avinor has a good working environment with highly committed employees
- Job satisfaction is high
- Employees feel they have a high degree of support from their supervisors and colleagues

Aviation is in a state of constant change, and Avinor must evolve alongside it. The Group's goal attainment is dependent on good leadership and competent employees. This sets high demands on personal and organisational development. Avinor shall build a flexible organisation that is capable of solving complex issues across the organisation. The organisation shall be characterised by highly committed employees in a good and safe work environment.

The Corporate Strategy emphasises the development and strengthening of the organisation with a focus on culture, capacity, competence building and strengthening performance-based management. In 2022, a comprehensive survey of our future skills needs was carried out. Expectations of managers and employees were clarified and will be followed up on in 2023 with targeted manager development and the implementation of a new model for what makes a good Avinor employee. People review and succession planning has been implemented at the highest management levels. In 2022, Avinor has continued its mentoring programme aimed at first line managers and new managers.

Avinor shall be an attractive employer for both those already working for us and for those who we want to employ. We will strive to provide development opportunities to all of our employees through clear career paths and predictable performance goals. All Avinor employees should be allowed to have equal opportunities to use their skills and background.

7.1 ORGANISATION OF THE BUSINESS

In order to optimise and make efficiency improvements in operations, major organisational changes across the Group were carried out in 2022. The organisational changes will support the Corporate Strategy and are therefore an important tool for achieving the business' objectives.

As a part of the organisational changes, the composition of the Group Management has changed, and the number of people reduced.

Avinor ANS remains a separate limited company with responsibility for the operation of both manned and unmanned towers, approach services and en-route navigation services.

7.2 DEMOGRAPHICS AND STAFF TURNOVER

In general, Avinor has a low turnover, particularly within professional operational groups. On the other hand, within technology and other more competitive professional groups, we see a significantly higher turnover, especially among young academics. Within these professional groups, it is difficult to attract and retain the necessary competencies. This is due to strong competition in the labour market and high expectations of employers related to total compensation, competence and career development. Work is therefore carried out in a long-term and systematic manner to be able to offer this and thus ensure our future competence needs are met.

Strategic competence mapping, including the development of competence plans for all divisions of Avinor, and highlighting Avinor as an attractive employer are essential for this.

Avinor has an average age of nearly fifty years old. Within 10 years, over 40 per cent of our employees will reach the state pension age.

This gives us a unique opportunity to work on competence development and competence transfer through concrete action plans and goals for each area.

The package of measures relating to voluntary redundancy was continued in 2022. During the year, several employees took advantage of this opportunity. These are full-time equivalents that will not be replaced, thus representing a lasting cost saving for Avinor.

7.3 CO-OPERATION WITH EMPLOYEE REPRESENTATIVES

Avinor has a high level of trade union membership. Avinor AS and Avinor Air Navigation Services have collective agreements with their respective unions. The employee representatives are key partners in achieving the Group's targets. In 2022, Avinor maintained a constructive and positive co-operation with employee representatives with respect to ongoing procedures, party work, more extensive change processes and for the implementation of the wage settlement.

The impacts of the pandemic are still causing challenges for the business. The parties have worked together to ensure good working conditions, and stable and cost-effective operations throughout the Group.

Three of the eight representatives on Avinor's Board of Directors represent Avinor's employees. In addition, representatives are elected by and from among employees to the Board of Directors of Avinor Flysikring AS.

7.4 WE SHALL BE AN ATTRACTIVE AND LEARNING ORGANISATION

7.4.1 Focus on competencies

Good management that contributes to employee development is a cornerstone of Avinor's work. Cost-effective measures in the shape of digital training and by using internal resources was also introduced.

In 2022, a project was set up with the aim of mapping strategic competencies and needs going forward. The main findings show that business understanding, management, technology and sustainability are important areas of competency that need to be developed. This work will continue into 2023, with measures and specific activities to strengthen these areas.

As a safety organisation, Avinor is dependent on having the right expertise in place and overview of its skills available in-house at any given time. Follow-up is dependent on good support from the Group's IT systems.

The skills management process was revised in 2022, and as a result of the findings, a more robust organisation has been set up to safeguard the process.

After a challenging transition to the new competence system in 2021, extensive work has been carried out related to comprehensive system improvements in current systems throughout all of 2022. The user perspective has received a lot of focus in these

efforts. Revised systems will be implemented in 2023, and instructors have been recruited for both operations and staff to provide training related to this transition.

Avinor accepted four new apprentices in 2022, of which two are studying IT operations, one heavy equipment mechanics in Stavanger and one in Trondheim. There were a total of nine apprentices at Avinor in 2022. Of these nine, three passed their vocational exams during the year, and the other six will stay with us into 2023.

7.4.2 Digital learning

In 2022, Avinor has, through short digital meetings, continued Office 365 training, with a particular focus on the interaction and productivity tool Teams. As a result of the pandemic, skills relating to digital interaction have been significantly elevated across all areas of the Group. Furthermore, we arranged access to digital development for all employees through a relevant selection of courses from Digital Norway. The focus in 2023 is on further developing accessibility and motivating people to increase their digital learning.

7.4.3 Attracting the right skills

In 2022, Avinor began work on a new employer branding strategy. This is necessary to attract the skills we need to fulfil our future corporate social responsibility.

Avinor must have an open recruitment process capable of seeing the value of diversity. As far as possible, people of both sexes should be involved in the selection of candidates, and new steps have been taken to attract qualified candidates of both sexes and from different backgrounds. Avinor is focusing on the diversity of its final candidates. Among the measures introduced are the formulation of job adverts, contracts with recruitment agencies with requirements around diversity (where possible) and highlighting female role models. Avinor's recruitment policy contains strict guidelines to ensure objectivity in selections.

In 2022, Avinor strengthened its recruitment resources by establishing a dedicated team that will work purposefully on this.

Never before has it been so important to attract the right skills, and never before has it been so challenging. Avinor is therefore exploring new opportunities to attract new candidates, most recently in connection with a recruitment drive aimed at technologists, which was launched in December 2022.

7.4.4 Accommodating staff needs

Avinor will accommodate people with disabilities by developing workspaces with a universal design and use of ICT as far as this is possible. Avinor shall accommodate employees with special needs relating to pregnancy as far as possible. A number of functions at our airports require specialised skills such as the fire and rescue service and in control towers, and these areas are adapted accordingly.

7.4.5 Work-life balance

It is important for Avinor that its employees have a good work-life balance. This is a topic covered in the annual employee survey and should be included in dialogue between managers and employees. Collective agreements contain provisions on working hours.

Deviations from these provisions are regularly reported to governing bodies and to the Work Environment Committee and central work environment committee. Any non-compliance is followed up on.

During the pandemic which saw mandatory work from home orders, our employees digital skills increased, and new habits were formed. Many wanted to take advantage of the opportunity to work from home even after the pandemic was over.

The general rule at Avinor is that work should be performed on Avinor premises, where, as the employer, it can provide the necessary equipment. If agreed with their manager, employees can fulfil a portion of their working hours from home. A written agreement needs to be signed including associated guidelines defining the framework for this flexibility. Managers are responsible for safeguarding the working environment, skills development, efficiency and innovation during a hybrid working day.

7.4.6 Bullying, sexual harassment and gender-based violence

Avinor has a zero-tolerance policy for harassment and bullying in the workplace. Avinor works to prevent harassment, sexual harassment and gender-based violence inflicted through the use of words, actions, conduct and neglect, even when such instances are unintentional.

Harassment and bullying are examined in the annual employee survey. Employees who answer these questions in the affirmative are referred to our whistleblowing channels. All employees are made aware of whistleblowing routines, and Avinor works actively on following-up the reports we receive. However, the most important thing to do is focus on preventative and awareness-raising efforts.

Compared with other businesses, there is nothing to indicate that Avinor has systematic problems relating to harassment and unwanted sexual attention in any area of the organisation.

7.4.7 Involvement and co-operation

Avinor's Group Management are actively following developments in work relating to enhancing diversity and preventing discrimination.

Regular reports are delivered on progress and activities for submission to the Board's HR, Remuneration and HSE Committee, as well as to the Group Management.

An annual process has been drawn up to ensure the continuity of these efforts. These efforts involve long-term work and require patience and focus in order to stay the course. Governing documents and guidelines have been developed to prevent discrimination. There must be follow-up with managers through management dialogue. There are good gender-neutral welfare schemes including full sick pay, parental leave and for child illness, among others.

All employees are encouraged to submit proposals for how the Group can achieve its goal of increased diversity. Employee representatives and safety personnel are involved in these efforts by providing input on the overriding principles of diversity and equality and to prevent discrimination.

There was an investigation as to whether there are risks of discrimination or whether there are other barriers to equality in Avinor. Employee representatives have participated in these efforts and all situations and grounds of discrimination were assessed. Groups of employees have been set up to assess pay for equal work and work of equal value. The greatest risk area appears to be in recruitment. The challenge lies in the fact that few women are trained in the professions that Avinor recruits for. The survey shows that Avinor has established schemes to counteract discrimination.

7.5 GENDER BALANCE

There were 2,969 employees in the Group as of the end of 2022, including permanent and temporary employees. There are 2,162 employees in Avinor AS, including 444 women and 1,718 men. There are 807 employees in Avinor ANS, including 205 women and 602 men. It has been a long-term priority to raise the percentage of female employees. The Group saw a low turnover of employees, which was 4.7 per cent in 2021. Consequently, increasing the proportion of women through new employees is protracted.



COMPANY EMPLOYEE GENDER BALANCE

	Avinor AS		Avinor Air Navigation Services		Group		
	Women	Men	Women	Men	Women	Men	
Company gender balance W/M	20.5 %	79.5 %	25.4 %	74.6 %	21.9 %	78.1 %	(Permanent, temporary, trainee air traffic controllers, full-time and part-time)
Share W/M in temporary positions	17.8 %	82.2 %	38.5 %	61.5 %	19.1 %	80.9 %	Temporary full-time and part-time
Share W/M in part-time positions	55.1 %	44.9 %	45.5 %	54.5 %	53.3 %	46.7 %	(Permanent, temporary, trainee air traffic controllers, full-time and part-time)
Distribution W/M who took parental leave	30.2 %	69.8 %	36.5 %	63.5 %	33.7 %	66.3 %	
Survey of the use of involuntary part-time work (at least every other year)	80.0 %	20.0 %	0.0 %	100.0 %	80.0 %	20.0 %	(Figures from 2021)

The table above shows the distribution of women and men in permanent, temporary, full-time or part-time positions. The figures include trainee air traffic controllers (Avinor ANS).

Few women are qualified within Avinor's predominant professional groups, such as airport operations, firefighting, rescue, air traffic control and technical fields. Avinor has increased its focus on these professional groups to attract more female candidates, but recognises that this is something that needs to be worked on actively and in a long-term perspective, something which is reflected in the way the Group is approaching this.

The proportion of women in managerial positions is somewhat higher than the total proportion of women in the Group at 25.5 per cent. The proportion of women in Group Management stands at 22.2 per cent, and the proportion of women on the Board at the end of 2022 was 50 per cent. A new and more streamlined Group Management has resulted in a reduced proportion of women in Group Management.

The Group has set a target that the proportion of women in managerial positions up to and including level 4 should be 40 per cent by 2028. To achieve this, candidates from both sexes must be put forward during succession planning.

At the turn of year, there were 204 temporary positions across the Group. 191 in Avinor (W 34/M 157). 13 in Avinor ANS (W 5/M 8). Temporary positions are primarily used for seasonal work, such as winter maintenance at airports.

At the turn of the year, there were 61 part-time employees across the Group. Of this, there are 50 in Avinor AS (W 27/M 23) and 11 in Avinor ANS (W 5/M 6). The opportunity of part-time work is used to accommodate employee needs.

Use of parental leave in the Avinor Group displays an uneven gender balance. Women who took parental leave took 25.2 weeks on average, and men took 11.8 weeks. The total use of parental leave in the Avinor Group shows that men took 66.3 per cent of the total time used, while women took 33.7 per cent. This is in line with the significantly lower proportion of women in the Avinor Group as a whole. Women take out proportionally more parental leave per child.

The distribution of the use of parental leave in Avinor AS shows that, on average, women took 18.1 weeks, while men, on average, took 10.2 weeks. The distribution of parental leave in Avinor ANS shows that, on average, women took 31.6 weeks, while men, on average, took 13.0 weeks.

7.5.1 Salary survey

Avinor must pay men and women equal pay for equal work and work of equal value. There should be transparency around criteria for salary adjustments. Avinor does not have pay bonuses or other tax-related benefits in kind. Avinor is subject to collective agreements which cover all groups of employees in the Group. Avinor's largest, male-dominated professions have collectively agreed salaries and pathways for raises. Management and female-dominated salaried groups generally have individually agreed salaries.

In 2021, Avinor mapped wage disparities between men and women at the Group level, which did not reveal any material disparities. Some imbalances were adjusted in 2022, and there was a particular focus on this during wage and performance reviews. The next mapping will take place in 2023.

7.6 SOME ACTIVITIES IN 2022

7.6.1 We are working to increase diversity

Diversity refers to human differences, great and small. Avinor's overall ambition is that our employees should reflect the society around us, our customers and our partners. This puts us in a better position to resolve challenges, increases our ability to innovate and creates positive experiences for our employees, customers and partners.

Diversity is an important strategic tool for Avinor and can act as a competitive advantage both in terms of what we deliver and for our ability to attract and develop our employees. The fact that people are different makes Avinor and our employees better. Differences in gender, age, skills, cultural background, experience, disability, sexual orientation, ethnicity and beliefs offers us more and better perspectives.



Avinor is working actively, purposefully, and systematically to promote equal opportunities and diversity and to prevent discrimination. Additionally, we are working to prevent bullying, harassment, gender-based violence and sexual harassment with a specific focus on awareness-raising efforts. All employees should have the same opportunities in the Group and we have zero tolerance for any form of discrimination. Increased equality and diversity in the Group is a tool to strengthen Avinor's status as a desirable place to work that is able to attract and retain the people we need to succeed with the tasks of the future.

Group Management has previously adopted a detailed equality and diversity action plan. This work was revitalised in 2022, and concrete plans have been drawn up for further follow-up in 2023. Avinor's diversity pledges:

- We shall be known for valuing differences between people, great and small, as a strength for Avinor.
- Everyone shall have equal opportunities at Avinor, and we have a zero-tolerance policy for discrimination at all levels.
- All employees shall contribute to creating an inclusive work environment that supports our values of being open, responsible, dynamic and customer-oriented.
- All managers shall actively encourage, facilitate and act as diversity role models. We shall be bold enough to place trust in all employees and provide them with opportunities to succeed. Through this, we will make a difference for our employees and the society we are a part of.
- Avinor shall have employees of different generations with different skills and backgrounds. The knowledge and experience of our most experienced employees shall be valued, as shall the ideas and perspectives of our newer and younger employees.

The fact that Avinor will need a large number of new employees within the next decade gives us good conditions for working purposefully with a long-term agenda for increased diversity.

7.6.2 Raising awareness and diversity

In 2022, both International Women's Day and Pride were celebrated internally and at airports. These celebrations highlight Avinor's values and contribute to raising awareness and creating positive attitudes among employees. Avinor participates in the SHE Index, which ranks companies equality efforts. Avinor is an Inclusive Labour Market company and strives to prevent exclusion from the labour market. This is especially relevant for employees who no longer meet physical or medical requirements due to illness or other conditions. Avinor has a party-composed Inclusive Working Life committee under the central Work Environment Committee. The duties of the Inclusive Working Life committee include supporting the follow-up of preventable absence in the Group and work to establish preventative measures throughout the organisation.

7.6.3 Close co-operation with the Church City Mission

Avinor has had a co-operation agreement with the Church City Mission since 2013. Through this agreement, they receive an annual contribution of NOK 300,000 in addition to a Christmas contribution, which amounted to NOK 250,000 this year. Avinor also holds an annual knitting drive, where employees knit scarves and other pieces of clothing for the Church City Mission.

Avinor also has a street clean-up agreement in Oslo City Centre of around NOK 100,000 as a part of the "In work" project.

7.7 BREACH OF WORKING HOURS PROVISIONS

The Group has worked actively to reduce breaches of the working time regulations in the Working Environment Act. Nevertheless, the Group overall has seen a slight increase in the number of breaches of working hours provisions compared with the previous twelve months.

This will be followed up further. This increase should be viewed in light of increased traffic as the impacts of the pandemic are reduced.

In 2022, the Avinor Group had 1,631 breaches of the Working Environment Act, an increase of 86 compared to the previous year. Of these, there were 284 breaches after an agreement was signed, an increase of 53.

7.8 HEALTH, SAFETY, AND ENVIRONMENT EFFORTS (HSE)

Avinor's long-term HSE efforts are based on the adopted HSE strategy for the period 2018-2023. The overall objective of Avinor's HSE efforts is to prevent HSE non-compliance, personal injuries, and work-related illness. Avinor's long-term goal of zero harm should govern how we think and work, with a strong emphasis on continuous improvement. Sub-goals have been defined within five areas: Effective strategic anchoring of HSE efforts; systematic efforts to reduce HSE risk; anchoring in leadership for all operational HSE work; clearer HSE requirements and the systematic monitoring of all operators; and providing motivation to over-perform and for job satisfaction.

The elements of the systematic HSE efforts have been further developed throughout 2021 to make HSE a natural part of the company's activities at every level. Over the course of 2022, the focus of work has turned to preventative activities and the work environment in a broader sense.

The most important KPIs within Avinor AS's HSE work are the H1 value (number of injuries causing absence per million hours worked), the H2 value (number of injuries causing absence and not causing absence per million hours worked) and the N value (number of near misses per million hours worked). The 2022 results show that the company's targets for these values were achieved. The H1 value at the end of 2022 was 2.7, compared with 2.3 in 2021. The target is an H1 value of <3. The H2 value at the end of 2022 was 5.4, compared with 6.6 the year before. The target is an H2 value of <10. The N value is 21.9 – no target has been set for this. During the period, there were 8 injuries that resulted in absence from Avinor AS (compared with 7 in 2021). There were three serious injuries. Internal investigation have been carried out following four HSE incidents over the course of the year.

The most important activities have been:

- Coordination of the Group's HSE activities between Avinor AS and Avinor ANS, including the management system, training and creating a shared HSE website. This process will continue in 2023.
- Continuation of the "Bry deg – si ifra!" [Care – speak up!] campaign, including these elements: Closer follow-up of incidents involving personal injuries and the implementation of a mobile-based HSE game. The aim of the campaign has been to permanently improve our culture of personal safety.
- Closer follow-up of airports to ensure that the most important activities in the fundamental HSE work are carried out and documented at all units, including Work Environment Committee meetings, safety inspections, risk assessments and handling chemicals.
- Implementation of the renewed work environment basis course for managers, safety co-ordinator and Work Environment

Committee members. From 2022, the course is focusing more on psychosocial conditions and is the same for all employees across the Group.

- Routines have been established to implement justification assessments for changes to working hours, and risk assessments have been carried out for public areas at a majority of airports.
- Introduction of chemical safety card libraries from a new supplier through 2022. This has been challenging for many airports.
- A new Group HSE strategy for the 2023-2025 period has been developed and agreed on at the end of 2022.

7.8.1 Safety organisation

Avinor is divided up into specific safety areas, with a safety co-ordinator for each area. Larger airports/units and head office all have multiple safety coordinators. Work environment committees for Avinor AS have been established at the central division and local unit-based levels.

Avinor ANS has a central work environment committee and local working committees. The work environment committees consist of an equal number of representatives from among employees and management, the safety coordinator and occupational health service participate on a permanent basis.

A chemicals committee, Inclusive Labour Market committee, AKAN (prevention of alcohol and drug problems in the workplace) committee and a CISM/Co-worker support scheme were set up as sub-committees to the central work environment committee.

7.8.2 Systematic efforts to reduce absence due to illness
Avinor has good procedures for absence due to illness. Efforts relating to absence due to illness are a priority, with systematic efforts being made throughout the organisation to keep absence as low as possible.

Avinor has a well-functioning and active Inclusive Labour Market committee. The committee reviews and prepares existing procedures for following up absence due to illness. These efforts have been targeted at short-term and medium-term absence due to illness in particular, with a view to reducing long-term absence.

The follow-up and prevention of absence due to illness are fixed points on the agendas of work environment committees and at staff meetings in the organisation. Developing the competence of managers in following up absence due to illness and compliance with the Inclusive Labour Market agreement are priorities for Avinor.

Absence due to illness in the Avinor Group at the end of 2022 was 5.6%. In 2022, the number of employees registered on long-term sick leave (more than 56 days) reduced, but the trend towards the end of the year for both short-term sick leave and leave of up to 56 days was increasing.

Absence due to illness in 2022 was 5.4 per cent, which is above the Group's target of 4.7 per cent.

EMPLOYEES - KEY FIGURES

Avinor group 2022	2022	2021	2020	2019, from the annual report	2018
Permanent employees as at 31 December 2022	2 746	2 744	2 858	3 012	3 099
Temporary full-time equivalents as at 31 December 2022	177	164	154.4	199.1	199.9
Average age of permanent employees	47.1	47.5	47.2	46.8	46.7
Total turnover	4.7 %	4.4%	5.3%	4.6 %	4.2 %
Proportion of women	21.9%	21.4%	21.8 %	22.6 %	22.5 %
Percentage of women in managerial positions	25.5%	25.0%	22.8 %	21.2 %	20.5 %
Percentage of women in Group Management	22.2%	36.0 %	33.3 %	41.7 %	33.3 %
Percentage of women on the Group's Board of Directors	50.0 %	50.0 %	50.0 %	50.0 %	50.0 %
Company gender balance (number of women and men)	21.9% women/ 78.1% men	21.4 % women/ 78.6 % men	21.4 %women/ 78.6 % men		
Share of women and men in part-time positions (number or per cent)	32 women/ 29 men/ 52.5% women/ 47.5% men	32 women/ 42 men 43.2 % women/ 56.8 % men	82 women/ 76 men		
Average number of weeks of parental leave taken by women	25.2	21	22 weeks		
Average number of weeks of parental leave taken by men	11.8	8.4	12 weeks		
Absence due to illness – Group	5.4%	4.7 %	4.7 %		4.7 %
Absence due to illness – Avinor ANS	5.3%	4.5%	4.0%		
Absence due to illness – Avinor	5.5%	4.9%	5.0%		
Distribution of women/men recruited	36/82	31/110	35 new employees in 2020: 8 women and 27 men		
H1 value	2.7	2.3			
Avinor as an attractive company (scale 1-5)	4.2	4.0			

FURTHER DETAILS ON AGE DISTRIBUTION

Avinor Group age distribution	<30	30-50	> 50
Number of permanent employees, excluding trainee air traffic controllers	132	1 419	1 195
Board of Directors	0.0 %	0.0 %	100.0 %
Executive management	0.0 %	20.0 %	80.0 %
Permanent employees	4.8 %	51.7 %	43.5 %
Total staff turnover broken down by age	4.6 %	52.3 %	43.1 %
Number of employees who left the Group	6	68	56
Staff turnover by age group	4.5 %	4.8 %	4.7 %
Turnover broken down by age	0.22 %	2.48 %	2.04 %



Self-service passport control



8. Avinor must ensure sustainable finances and responsible business conduct

Avinor must ensure sustainable finances and business practices throughout the business. Avinor manages significant assets on behalf of Norwegian society and is a major investor in society-critical and business-critical infrastructure. Avinor works systematically for sustainable business practices that respect people, society and the environment. Avinor regards sustainable business practices as a condition of sustainable development.

8.1 MAIN ACTIVITIES IN 2022

Implementation of the Norwegian Transparency Act and due diligence

The Groups strategy, seriousness provisions, ethical guidelines and requirements for responsible business conduct are the foundation of our efforts on sustainable business practice. This applies to our own business and to our suppliers and business partners. The Norwegian Transparency Act entered into force in 2022 and set new and increased requirements on oversight of negative impacts and breaches of human rights and decent working conditions within a company's own supply chain through due diligence. In accordance with Section 4 of the Act, the Board has approved a due diligence strategy, and executive responsibility for establishing a due diligence methodology has been assigned to the Group's Compliance Department. We have reviewed the relevant management and control systems and have incorporated responsibility guidelines into our agreement terms on responsible business conduct, which are established with all suppliers and business contacts.

Avinor's due diligence framework will follow the six steps that are described in Section 4, paragraph one, letters (a)-(f) of the Norwegian Transparency Act. Responsibility for the different steps is divided between the Group's departments for compliance, procurement, the legal department, communications and relevant professional departments. We have set up a dedicated page on our website with information about how we work with due diligence and responsible business conduct, as well as contact information for anyone wishing to complain or request access to our work. Reference to this chapter will also be included on the website. The point of contact for these inquiries is the Group Compliance Department. Avinor's channel for reporting reprehensible conditions at the workplace and requests for access under the Norwegian Freedom of Information Act can also be used for such requests.

Due diligence results

We have begun work on surveying our business and value chain in line with Ethical Trade Norway and OECD principles. Avinor's efforts to protect basic human rights and working conditions in its own operations are laid out in Chapter 7 of this report.

The work on surveying suppliers and business partners is described below.

Avinor purchases products and services amounting to approximately NOK 6.5 billion each year and has around 4,000 suppliers and business contacts. Barring some exceptions, Avinor primarily purchases services and products from Norwegian suppliers. Our initial assessment is that the risk of breaches of human rights and working conditions lies in the supply chain and not with our direct suppliers/contracting parties.

Key purchasing categories are construction and facilities and purchases related to airport and terminal operations. Through commercial operations, we are also focused on setting clear requirements for our business contacts regarding our expectations for sustainability and corporate social responsibility.

The Avinor supply chain is extensive and comprises many subcontractors, who also have their own supply chains. Avinor therefore assumes a risk-based approach to due diligence in accordance with the purposes of the Norwegian Transparency Act. We have mapped the most important risk areas in the value chain and carried out assessments against relevant sources such as the Norwegian Agency for Public and Financial Management's High Risk List and recognised international indexes for industries, raw materials and countries. We also assess the risk areas that are the most likely that Avinor will have a negative impact on or that are associated with negative impacts.

In connection with airport operations and maintenance and development projects, we know that the services and products we purchase for our projects and maintenance tasks may entail a risk of negative impacts. Large quantities of electronics are used in many of our operations, in everything from baggage handling systems to air navigation services. Concrete, asphalt and steel are materials used in the operation and maintenance of Avinor's runways and development projects. These materials are responsible for significant emissions and energy consumption and have known human rights risks associated with them. Avinor also purchases products where there is a risk that the raw materials may come from, and the manufacturing may take place in, countries with a high risk of corruption, poor working conditions and no freedom to join a trade union.

Other examples of products that involve a risk and that we keep an eye on are chemicals, solar panels and steel structures. Avinor's risk of negative impacts or breaches of human rights and working conditions do not primarily lie with our suppliers, but further out in their value chains. Risks uncovered in our surveys are addressed through contract provisions and expectations of our suppliers that they have due diligence systems in place. For high-risk procurements where the likelihood of negative impacts or breaches is high, we have special requirements for risk assessments and follow-up measures. Examples of measures we employ in high-risk procurements are IDD analyses, close contract monitoring and factory visits.

Planned and implemented measures

Our daily work with suppliers and business contacts is where we can have the greatest impact. By setting clear requirements, expectations and follow-up of our suppliers and partners, we can make a difference. We carry out continuous assessments of the risk of negative impacts, breaches of human rights and decent working conditions in tendering and implementation phases. We aim to set requirements that contribute to positive impacts on the value chain through appropriate requirements for qualifications and contract terms. Going forward, Avinor will have an increased focus on making sure that our suppliers comply with our ethics and responsible business conduct requirements and that they monitor their supply chains. Through continuous risk assessments of existing and new suppliers, the likelihood of negative impacts or breaches of human rights and working conditions can be assessed. We do this through thorough analyses of our existing suppliers and partners for the purpose of gaining a better overview of their subcontractors and value chains. We will obtain information from The Norwegian Agency for Public and Financial Management and other relevant sources as the basis for these assessments. Suppliers/business contacts will also be asked specifically about how they monitor, ensure and protect human rights and working conditions. Alongside risk mapping, we carry out continuous assessments of our requirements, guidelines and routines. The Compliance Department has overall responsibility for following up our due diligence efforts in close co-operation with the Procurement Department and the line organisation.

Furthermore, we are increasing our focus on conducting background checks on new contracting parties before signing contracts. Up to now, Integrity Due Diligence (IDD) analyses have focused on topics related to anti-corruption, misconduct and conditions that may result in being rejected from participating in competitions for contracts. These analyses form a part of the decision basis for awarding contracts of a specific economic value and are carried out by external parties. In our efforts to ensure that human rights and decent working conditions are guaranteed by new contracting parties and to uncover risks in the contracting parties' supply chains, we will expand the scope of our background checks to also include this type of risk. This could be an assessment of the supplier's nationality, whether products included in the delivery are on the Norwegian Agency for Public and Financial Management's High Risk List, and whether there is a risk of breaches of human rights and working conditions generally in the country of manufacture. Conditions that are uncovered through these processes are addressed through contract requirements and specific questions to the contracting party about how working conditions are monitored during the contract term.

Through our efforts on work-related crime (discussed below), we also have the opportunity to carry out in-person inspections of workplaces to ensure that work agreements are in place, and that workers have undergone HSE training and are paid in accordance with collective agreements.

Work-related crime in the building and construction sector is also an issue in Norway. Throughout 2022, Avinor carried out ten audits of our suppliers in the building and construction sector and uncovered a number of reprehensible conditions among our suppliers. Among other things, we uncovered breaches of the requirement to pay overtime, breaches of the principle of equal treatment in recruitment, breaches of working hours and rest rules, unlawful recruitment and false contracts. Avinor has helped to rectify these conditions by guaranteeing back pay, continuous monitoring to ensure reasonable working-hour arrangements and stopping unlawful recruitment.

Avinor began construction work for the new airport in Mo i Rana. The Ildgruben reindeer grazing district is affected by this project. During the planning process, the parties discussed adaptation alternatives, remedial measures and financial compensation for the reindeer grazing district for the impacts that the new airport in Mo i Rana may have for the Ildgruben reindeer grazing district as a result of the establishment, operation and maintenance of the new airport. The agreement between Avinor and the reindeer grazing district was signed after a set of negotiations and is based on remedial measures that are also discussed in an impact assessment from the Norwegian Institute of Bioeconomy Research, as well as the reindeer grazing district's own loss calculations. The compensatory measures include the shielding of approach light systems, reforestation of the areas towards the forest around the airport, closing roads to public traffic and access to parking spaces for monitoring/watching reindeer, etc.

8.2 SUSTAINABLE FINANCES

Avinor ensures funding for a network of small and large airports throughout Norway. Airport operations are conducted within a single financial unit, whereby the large financially profitable airports finance the rest of the airport network. Avinor has usually been self-financed through traffic revenues from airlines, revenues from commercial tenants, and direct sales to passengers. As a result of the pandemic, the Government introduced wide-ranging travel restrictions in March 2020 that hit air traffic hard. In order to provide financial assistance to airlines, Avinor's aviation fees were suspended for most of 2020. Avinor's losses resulting from pandemic-related loss of revenue in 2020 and 2021 will not be recouped in future fee increases.

A smaller component of the Group's revenue stems from assignments for other organisations, such as the Norwegian Armed Forces. Air navigation services are funded through traffic revenues from the airlines for use of en-route navigation services, as well as revenue from the operation of tower and approach services from Avinor's airport operations.

In addition, Avinor owns substantial amounts of land and has been able to realise important values as a result of earlier real estate investments. In the coming years, developments in the airport's neighbouring areas will contribute to the development



of the airports' attractiveness as hubs and to sustainable local development.

A more detailed account of the Group's financial statements and results follows the Board's annual report and the presentation of the financial statements and accompanying notes. Avinor is committed to ensuring full compliance with all statutory obligations and full disclosure to the tax authorities.

Avinor acts in accordance with the arm's length principle, does not engage in artificial tax schemes, and actively assesses all aspects of tax planning.

Avinor's operations fall entirely within the sphere of Norwegian taxation. Avinor follows a tax strategy that is based on established principles, that is transparent and sustainable, and that is in accordance with Avinor's ethics principles. The Group's tax strategy is outlined on our website.

8.3 SUSTAINABLE BUSINESS PRACTICE

8.3.1 Compliance function

The compliance function monitors that the Group is complying with external and internal regulations related to corporate social responsibility and sustainable business practices, including corruption, fraud, human rights, working conditions and ethical regulations. The term "corruption" includes: bribery, facilitation payments, fraud, deception, extortion, disloyalty, money laundering, and receipt of gifts in a work capacity, as well as acts related to impartiality, abuse of position, and influential trading.

In addition, the function defines the substance of Avinor's responsibility to combat violations of labour market legislation, stipulate requirements, propose relevant measures, monitor how the business follows up on its statutory responsibilities, and contribute to discussions concerning relevant sanctions in the event of non-compliance.

8.3.2 Zero-tolerance policy in relation to all forms of corruption

Avinor works systematically with preventative and monitoring activities through our anti-corruption programme.

Avinor is a member of Transparency International Norway. As a member, Avinor contributes to joint efforts relating to transparency, integrity, and responsibility in society to prevent corruption and fraud both nationally and internationally. In addition, we undertake to exercise zero tolerance of all forms of corruption in Avinor and to put in place appropriate anti-corruption measures.

Avinor has implemented corruption risk monitoring. As a developer, Avinor always has major development projects ongoing at many of our airports. The building and construction sector has been the subject of a number of incidents relating to corruption and price fixing in Norway. Consequently, Avinor's risk exposure to corruption and misconduct is always relevant. Avinor is represented throughout the country and has a broad sphere of influence as a major purchaser and as an administrator of large commercial contracts. This is an additional factor that further increases the risk of corruption and misconduct.

Various control and prevention activities have been established which, together, are intended to reduce the Group's risk of being involved in or exposed to corruption and misconduct.

Avinor regularly carries out risk and vulnerability analyses of corruption and fraud in different environments depending on the assumed risk exposure. The risks identified are managed by way of relevant measures following discussions with the compliance officer and professionals. In 2021, we updated our risk and monitoring matrix for corruption and fraud with defined risk areas such as development projects, procurement, contract management, awarding of commercial contracts, managing suppliers and partners and awarding contracts for financing solutions. The effect of existing audit measures has been evaluated and further measures to reduce risk have been identified and implemented in 2022.

8.3.3 All employees should be familiar with and follow Avinor's ethical guidelines

The Board has established ethics guidelines that apply to the Board and all members of staff. The ethics guidelines prohibit corruption, bribery, and anticompetitive behaviour in violation of competition rules.

Every year, all employees and contracted consultants must complete the mandatory ethics and anti-corruption training programme. This training programme comprises a review of the Group's ethical guidelines and a related course in dilemma training. The course is updated every year with new dilemmas to prevent the course from becoming repetitive and is adapted to the risk that the relevant level of the organisation may be exposed to, for example as a participant in major procurements.

All employees are required to register their own external duties, second jobs, and other roles electronically. This registration will, among other things, form the basis for assessing the composition of teams that are in charge of procurement on Avinor's behalf, participation in exploratory assignments, participation in decision-making assignments related to business interests, etc. The members of the Group's Board of Directors and management staff regularly report their duties outside of the Avinor Group. Part of the audit regime involves reviews of the formal relationships between the executive management, Board of Directors, and suppliers in the Avinor Group. Any relationships are documented and reviewed with the person in question. This annual audit is in addition to the assessments that are to be made when questions arise about the individual's impartiality.

A ban was imposed on direct and indirect investments and the trade of financial instruments in designed companies, which applies to Group Management and their close associates, as well as for strategic personnel in key leadership roles. This ban does not apply to investments in equity funds where an individual's trades cannot affect the value of the fund. An assessment is made as needed (for example when setting up new companies) of which companies it is relevant to introduce a prohibition on investing in.

8.3.4 We require that our contracting parties, suppliers and partners take corporate social responsibility and sustainability seriously

Avinor expects that our suppliers and partners work purposefully and systematically to comply with our principles for responsible business conduct. These cover basic requirements on human rights, employee rights, anti-corruption and the environment, and they reflect Avinor's ethical regulations.

We require, for example, that international human rights are respected and that our contracting counterparties are not complicit in their violation. Furthermore, the contracting party must ensure that its workers' salaries meet minimum wage requirements, that their working hours are in accordance with applicable national legislation, that their workers have the opportunity for adequate rest, and that employment contracts are written in a language that the workers understand.

Avinor has a separate agreement on responsible business and associated principles. Avinor's contract partners must conclude an agreement regarding responsible business practices and

associated principles no later than the time at which they enter into a contract with the Group. These contractual terms and conditions ensure that third parties with which Avinor concludes contracts have ethics guidelines and take their corporate social responsibility seriously. The requirements also apply to any subcontractors in the execution of a contract. The provisions of the agreements permit audits of each contracting party. A material breach of an agreement regarding responsible business practice entitles Avinor to terminate all applicable agreements with the contracting party if critical conditions are not followed up satisfactorily. Avinor is subject to regulations regarding public procurements and the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions.

The procurement regulations give us the opportunity, subject to certain conditions, to reject suppliers from competing for assignments for Avinor if the supplier has been legally convicted of or fined for corruption, among other things. The European Single Procurement Document (ESPD) is used in the qualification phase of procurement processes to document on an ongoing basis that the supplier meets all the qualification requirements of the competition. Whether the supplier requires further examination depends on, for example, whether the industry in question is at risk of corruption and misconduct, whether the contract in question is reputation-sensitive for the Group, whether the supplier or subcontractor engages in significant levels of production outside Europe, etc.

Avinor takes a risk-based approach to managing suppliers and other third parties. Topics covered by the risk assessment will be whether suppliers or partners have been or may be involved in serious events relating to human rights, working standards, HSE, the external environment and prohibited business practices, cf. our principles for responsible business conduct. If the above risk is assessed as being material, background checks will be carried out. These Integrity Due Diligence analyses help guide our decision making process for awarding contracts.

8.3.5 Preventative work and follow-up of work-related crime with special measures for buildings, facilities and cleaning Avinor wants to promote a serious working life and combat work-related crime. We work for equal competitive conditions, seriousness (including the Working Environment Act, regulations relating to pay and working conditions, and tax legislation) and sustainability in our development projects. We set strict seriousness requirements on our suppliers and their subcontractors, and we carry out a risk-based selection of businesses that we control. Good procedures and processes for entering into contracts and for contract follow-up will ensure that all procurements for construction projects are subject to the regime. We may reject a supplier and require a replacement of a subcontractor if there is reason to do so.

In 2022, based on our observations and risk assessments, we have focused in particular on working hours and breaks in connection to night work, as well as hiring. This work is also followed up by an expert in seriousness work and labour-related criminality in order to further contribute to these efforts. Work is taking place on an ongoing basis to establish good procedures in this key area that will apply to all our projects. In our seriousness work, the following points are of particular importance:

Co-operation agreement with the Norwegian Tax Administration
Avinor has concluded a co-operation agreement with the Norwegian Tax Administration regarding the intensification of efforts to combat violations of labour market legislation. The agreement should ensure that all Avinor suppliers and subcontractors for building, construction and cleaning duly fulfil their legal obligations and should contribute to uncovering any risk of bankruptcy. In order to gain access to this information, we require authorisation from all of our suppliers in the entire value chain. The purpose of the agreement is to establish ongoing collaboration that reinforces and develops the effect of the parties' measures to combat violations of labour market legislation and provides us with detailed information about the suppliers' tax obligations. For major development projects, we have separate agreements with the Norwegian Tax Administration regarding ongoing monitoring and regular follow-up meetings.

HMSREG

The support tool (the software HMSREG) helps us to monitor our suppliers in relation to their work around seriousness, including the Working Environment Act, regulations relating to pay and working conditions in public-sector contacts, and tax legislation. The system contributes to a simpler registration of staff and provides an electronic overview of who is on the building site at all times in line with the requirements of the Client Construction Regulations. All development projects that involve a building site must employ HMSREG. Procedures for contract monitoring must ensure that all procurements taking place in building and construction projects are subject to the regime requiring that they are members of StartBANK and that authorisation has been granted to allow checks on payment of taxes.

HMSREG provides vital information about individual projects Avinor's overall development portfolio. Through HMSREG, we can monitor whether requirements for the number of apprentices are being fulfilled and the StartBANK status. New for this year is that we can see whether a company has entered into a collective wage agreement with The United Federation of Trade Unions (Fellesforbundet). HMSREG is also used to carry out seriousness checks.

LO coordinator

Like many other major developers, Avinor has entered into a collaboration with the LO, where we purchase services in the form of an LO coordinator that visits various building sites as a part of our work on seriousness in our construction projects.

Co-operation with other developers, clients, the Norwegian Tax Administration and work-related crime centres

Avinor participates in a nationwide co-operation forum against work-related crime in the construction industry, set up on the basis of the Solberg government's revised strategy against work-related crime (measures 5 and 16) in 2021, where information is shared to combat this type of crime.

8.3.6 Avinor shall have effective procedures for the management of reprehensible conditions or situations in all parts of the organisation

Avinor Notification Institute

The Group has appointed a committee to manage notifications of reprehensible conditions in all parts of the organisation.

Notifications can be submitted regarding inadequate safety procedures, bullying and harassment, careless administrative procedures, working conditions that contravene the Work Environment Act, or corruption and other financial misconduct. The person submitting the notification can choose to remain anonymous. The committee has established routines for the proper processing of notifications. The committee has also developed procedures and technical solutions that make it possible for external actors to notify Avinor of reprehensible conditions. These notifications must be handled according to the same procedures as notifications from employees of the Group.

Avinor complies with the Norwegian Personal Data Act regarding the processing of personal data received by way of its notification scheme.

The committee received 64 notifications in 2022. All the notifications have been processed. There is no basis to conclude that there are any circumstances worthy of criticism present in any of the cases raised for consideration on the grounds that there may be circumstances worthy of criticism. Follow-up of notifications of potential reprehensible conditions occurs at the relevant level of the organisation. Responses and sanctions depend on the incident and its severity, etc.




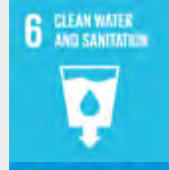


The lessons learnt in each incident will benefit the business as a whole so as to avoid similar incidents elsewhere in the organisation.

8.3.7 Avinor shall ensure the responsible processing of personal data

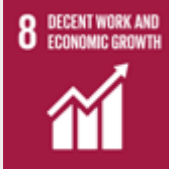

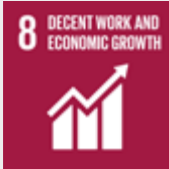
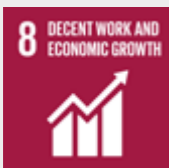

Avinor has appointed a data protection officer tasked with assisting people registered with the business and employees in matters relating to Avinor's processing of personal data. In addition, the data protection officer must notify the management of breaches of the Norwegian Personal Data Act and be the company's contact for enquiries from the Norwegian Data Protection Authority. Avinor maintains an overview of its data processing including descriptions of the purpose for each individual case where personal data is processed. We consider the consequences to privacy when introducing new technical solutions to ensure built-in privacy, and we have established a system for internal control pursuant to the regulations of the GDPR. Avinor's internal and external privacy policies outline its processing of personal data and inform visitors to Avinor's websites of the use of cookies. We have concluded data processing agreements with subcontractors that process personal data on our behalf. We are in continuous dialogue with our airport partners in terms of roles and responsibilities concerning data flows related to passenger processing and baggage handling.

Avinor has not discovered any breaches of personal data (non-conformance) in 2022. We did not receive any complaints concerning breaches of its customers' privacy in 2022. We have responded to one request for access to a customer's personal data.

Sustainability goals and results 2022

SDGs	STRATEGY	OBJECTIVES	KPI	RESULTS 2022	SELECTED MEASURES 2023	2025 GOALS	2030 GOALS	REFERENCE TO THE REPORT
	Active driving force for sustainable aviation	1) Halve total verifiable greenhouse gas emissions by 2022 compared with 2012 levels. Fossil-free airport operations in 2030. 2) Make airspace more efficient 3) Fossil-free Norwegian aviation by 2050	1) Avinor's greenhouse gas emissions 1) Electrify the passenger vehicle and van segment, 100% electric by 2030. 1) Share of blended biodiesel (KPI uncertain for 2023 due to blending mandate) 2) Proportion of curved approaches at OSL 3) Greenhouse gas emissions from civil aviation in and to/from Norway (CO2e)	1) Avinor's greenhouse gas emissions have been reduced by 35% in 2022 compared to 2012 1) Passenger vehicles and vans: 18% electric 1) 43% blended biodiesel 1) Decided to establish a biogas power plant on Svalbard 2) Proportion of curved approaches at OSL: 9% 3) Greenhouse gas emissions from civil aviation in and to/from Norway (CO2e): Domestic: 0.8 million tonnes (2021), international: 0.5 million tonnes (2021)	1) Electrify passenger vehicles and vans 1) Biodiesel for heavy vehicles 1) Biogas power plant Svalbard 1) Demand zero-emissions in procurements, vehicles 2) Establishment of more curved approaches 3) Publish report/analysis and further work on electrofuels 3) Further work on charging and hydrogen infrastructure and logistics	Not fully defined	1) Fossil-free airport operations in 2030	Chapter 6 / p. 49-50.
	Active driving force for sustainable aviation	2019-2025 Reduce purchases of energy for buildings and facilities at airports down to 225 GWh by 2025 (excluding Avinor ANS)	GWh – purchased energy	254 GWh for 2022 across the entire Group (total purchased energy)	Completed in 2022: New and improved Energy Monitoring System. Solar park at Sola. 2023: Investigating the potential for expanding the solar power plant at Sola in addition to developing new plants at OSL, Flesland and Kjevik	225 GWh (excluding Avinor ANS) at airports.	Target for 2030 has not yet been set	Chapter 6 / p. 50
  	Active driving force for sustainable aviation	Activities at Avinor's airports must not result in any new soil contamination or worsening of water quality	Breaches of discharge permits	7 breaches of aircraft de-icing terms 0 breaches of runway de-icing terms	Consumption of de-icing chemicals is recorded and monitored. In the event of high consumption, assessments are carried out on the effect of the load and preventative measures, as well as dialogue environmental authorities. Environmental monitoring at several airports and recipient investigations at individual airports. Requirements have been set for projects to avoid contamination of the water and soil and to avoid the spread of existing soil contamination.	-	-	Chapter 6 / p. 59
	Active driving force for sustainable aviation	Work actively to reduce the impact of noise from aircraft and helicopter traffic on those living in the vicinity of airports	Proportion of curved approaches Noise pollution surveys	For 2022, Avinor achieved a proportion of curved approaches of 9% In addition, strategic noise pollution surveys were carried out at the three largest airports	The target for 2023 is to increase the percentage of curved approaches to 15% at OSL. This can be done through extended system support for air traffic controllers. For 2023, noise pollution surveys have been planned for Værnes and four smaller airports.	-	-	Chapter 6 / p. 58

Sustainability goals and results 2022

SDGs	STRATEGY	OBJECTIVES	KPI	RESULTS 2022	SELECTED MEASURES 2023	2025 GOALS	2030 GOALS	REFERENCE TO THE REPORT
	Attractive work place with the right competence and a good work environment	Prevent HSE non-compliance, personal injuries, and work-related illness	Absence due to illness H1 value H2 value Breach of working hours provisions	Absence due to illness: 5.4% H1: 2.7% H2: 5.4% Both H-values better than target	Proactive work with absence due to illness/work environment. Focus on resource management. HSE/work environment training	-	-	Chapter 7 / p. 70
	Attractive work place with the right competence and a good environment	By 2028, Avinor will ensure that 40 % of its leadership roles in the top four tiers are filled by women	Proportion of women in leadership roles Total proportion of women in the company	25.5% women in leadership roles	Focus on People Review and succession planning Revitalised work on diversity	-	40% women in leadership roles (2028)	Chapter 7 / p. 68
	Active driving force for sustainable aviation	Employees, suppliers, and partners must be familiar with and comply with Avinor's ethics guidelines	-	-	Implemented training programme around the issues of ethics and anti-corruption for all employees. Suppliers and partners sign separate agreements on responsible business conduct that set requirements for protecting human rights and employee rights. Corruption risk monitoring implemented. Regular risk and vulnerability assessments.	-	-	Chapter 8 / p. 75
	Active driving force for sustainable aviation	Effective procedures for the management of reprehensible conditions or situations in all parts of the organisation	-	All notifications received are processed in accordance with established procedures	Avinor has facilitated the receipt of notifications through a separate email address, anonymously through an external solicitor and receives notifications from its own employees and employees of stakeholders at airports.	-	-	Chapter 8 / p. 76
	Active driving force for sustainable aviation	Combatting anti-competitive behaviour	-	-	Avinor follows public procurement regulations.	-	-	Chapter 8 / p. 73

Overview of GRI-indicators

This report has been prepared in line with GRI Standards/Core. Avinor's annual accounts (company accounts and consolidated accounts) for 2022 have been audited by Ernst & Young AS. The auditor's report can be found on page 153.

A detailed report on the reporting standard and the various indicators can be found on GRI's website: www.globalreporting.org/standards.

About Avinor and Avinor's work regarding corporate social responsibility

STRATEGY AND ANALYSIS

STANDARD-STATEMENT	INDICATOR-KEYWORDS	PAGE NUMBER OR URL
102-14	Foreword	p. 14-15

ORGANIZATION

STANDARD-STATEMENT	INDICATOR-KEYWORDS	PAGE NUMBER OR URL
102-1	Name	Avinor AS
102-2	Product	p. 10-11
102-3	Main offices	Oslo
102-4	Presence	Avinor has only operations in Norway
102-5	Ownership	p. 11
102-6	Markets	p. 11
102-7	Size	p. 11
102-8	Employees	p. 67-68
102-48	Collective agreements	p. 66
102-9	Supply chain	p. 73-76
102-10	Amendments	p. 16, 21-22
102-11	Conditions	https://avinor.no/konsern/miljo-og-samfunn/miljomal/
102-12	Support for the CSR Initiative	p. 69
102-13	Interest-org.	Spekter: Transportation Sector Council National Programme of Supplier Development: Partner Ethical Trade Norway Transparency International

PRIORITIZATION

STANDARD-STATEMENT	INDICATOR-KEYWORDS	PAGE NUMBER OR URL
102-45	Overview, Company	p. 10-11 The report concerns activities that the Group manages in airport operations and flight safety, but not activity in other subsidiaries.
102-46	Define report-content	p. 6-9
102-47	Prioritization	p. 21-22
103-1	Delimitation	All topics that have been considered important are relevant to all Avinor operations.

DIALOGUE WITH PARTNERS

STANDARD-STATEMENT	INDICATOR-KEYWORDS	PAGE NUMBER OR URL
102-40	List of partners	p. 29
102-42	Selection-basis	p. 29
102-43	Description of dialogue	p. 29
102-44	Topics	p. 29

ABOUT THE REPORT

STANDARD-STATEMENT	INDICATOR-KEYWORDS	PAGE NUMBER OR URL
102-50	Applies to	2022
102-51	Previous report	2021
102-52	Interval	Annual
102-53	Contact:	post@avinor.no
102-54	Type of GRI-report	GRI Standards/Core
102-55	GRI indicator overview	p. 82-87
102-56	Revision	The annual report has been audited by ERNST & YOUNG AS

CORPORATE GOVERNANCE AND COMPANY MANAGEMENT

STANDARD-STATEMENT	INDICATOR-KEYWORDS	PAGE NUMBER OR URL
102-18	Corporate governance and company management	p. 16-18

ETHICAL GUIDELINES

STANDARD-STATEMENT	INDICATOR-KEYWORDS	PAGE NUMBER OR URL
102-16	Ethics guidelines	p. 75 https://avinor.no/konsern/om-oss/konsernet/visjon-og-verdier

FINANCIAL PERFORMANCE

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 21-26 (The Board of Director's report) p. 16-18 (Corporate governance and company management)
201-1	Financial performance	p. 5, 91-151, 155

INDIRECT ECONOMIC IMPACT

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 24, 29
203-1	Infrastructure-investments	p. 21, 38-39
203-2	Indirect economic impact	p. 28-29, 31-33

ENERGY

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 55
302-1	Energy consumption	p. 55, 62
302-4	Energy conservation	p. 55

BIODIVERSITY

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 49, 56
304-1	Property adjoining areas with high biodiversity value	p. 56
304-2	Impact of biodiversity	p. 56
304-3	Improvement - habitat	p. 56

AIR EMISSIONS

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 49-50, 54
AO5	Air quality	p. 50-51
305-1	Direct greenhouse gas emissions	p. 49-50, 62
305-2	Indirect greenhouse gas emissions	p. 50-54, 62
305-5	Reduction of greenhouse gas emissions	p. 49-54

EMISSIONS AND WASTE

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 56-57, 59-61
306-2	Waste	p. 56-57, 62
306-3	Accidental emissions	p. 59-60
AO6	De-icing fluid	p. 59-60

COMPLIANCE WITH LEGISLATION - ENVIRONMENTAL

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 49, 56-57, 59-60
307-1	Fines/sanctions	No fines or similar

NOISE

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 57-59
AO7	Noise	p. 57-59

MONITORING OF SUPPLIERS/ENVIRONMENT

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 73-77
308-1	Screening suppliers	p. 73-77
308-2	Monitoring of existing suppliers	p. 73-77

HSE | AVINOR

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 69-70
403-1	HSE-organization	p. 69-70
403-2	Sick leave/H-value	p. 70-71

INTERNAL COMPETENCE BUILDING

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 66-67
404-1	Who is offered training?	p. 66-67

EQUAL OPPORTUNITIES IN AVINOR

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 67-69
405-1	Equal opportunity on the Board, in management, among employees	p. 67-68

MONITORING OF SUPPLIERS/WORKING CONDITIONS AND HUMAN RIGHTS

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 42, 73-77

NOTIFICATION CHANNELS

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-2	Policy/management system	p. 76-77

NON-DISCRIMINATION

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 67, 69
406-1	Discrimination cases	No cases

LOCAL COMMUNITY

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 28-29, 73

CORRUPTION PREVENTION MEASURES

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 74-77
205-2	Anti-corruption training initiatives	p. 74-77
205-3	Corruption cases	No cases

ANTI-COMPETITIVE BEHAVIOUR PREVENTION MEASURES

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 73-77
206-1	Cases, violation of regulations	No cases

REGULATORY COMPLIANCE - FINANCES AND SOCIETY

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 73-77
419-1	Fines, sanctions	No cases

PRODUCT LIABILITY - SAFETY

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 31, 40-42
416-1	Product safety survey	p. 40-42
416-2	Violation of regulations	No cases

REGULATORY COMPLIANCE - PRODUCT LIABILITY

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 31, 40-42
419-1	Fines, sanctions	No cases

Group Management



ABRAHAM FOSS
CEO



STINE RAMSTAD WESTBY
Executive Vice President of
Major Airports



JAN GUNNAR PEDERSEN
Executive Vice President,
Avinor ANS



PETTER JOHANNESSEN
Executive Vice President
of Strategy and Corporate
Governance/CFO



MARI HERMANSEN
Executive Vice President of
Organisation and Corporate
Support



**JOACHIM LUPNAAV
JOHNSEN**
Executive Vice President of
Commercial Management and
Development



JOHN-RAGNAR AARSET
Executive Vice President of
Communications and Public
Affairs



ANDERS KIRSEBOM
Executive Vice President
Regional and local airports



THORGEIR LANDEVAAG
Executive Vice President of
Sustainability, Concept and
Infrastructure Development



LARS VÅGSDAL
Executive Vice President of IT
and Technology Services

Board of Directors



ANNE CARINE TANUM
Chairman



OLA HENRIK STRAND
Vice-Chairman



**LINDA BERNANDER
SILSETH**
Board member



INGER-LISE STRØM
Board member



ROLF G. ROVERUD
Board member



HEIDI ANETTE SØRUM
Board member (employee
representative)



BJØRN TORE MIKKELSEN
Board member (employee
representative)



OLAV AADAL
Board member (employee
representative)



Financial statements with notes

INCOME STATEMENT

All amounts in MNOK

AVINOR AS		NOTE	AVINOR GROUP	
2021	2022		2022	2021
Operating income:				
2 101.8	3 748.7		4 947.8	2 922.9
3 800.0	0.0		0.0	3 800.0
2 412.1	5 328.4		5 470.7	2 591.3
8 313.9	9 077.1		10 418.5	9 314.1
Operating expenses:				
154.4	159.7		214.1	204.8
2 159.6	2 179.7		3 681.0	3 562.7
2 889.5	3 878.9		3 454.8	2 586.9
5 203.5	6 218.2		7 350.0	6 354.5
3 110.5	2 859.0		3 068.5	2 959.7
2 039.9	2 102.8		2 258.7	2 196.6
1 070.6	756.2		809.8	763.1
732.6	1 039.5		370.6	95.3
1 229.8	681.5		628.4	590.3
-497.2	358.0		-257.9	-494.9
573.4	1 114.2		551.9	268.2
138.5	110.6		125.0	60.1
434.9	1 003.6		426.9	208.1
Attributable to:				
434.9	1 003.6		426.9	208.1

STATEMENT OF OTHER COMPREHENSIVE INCOME

All amounts in MNOK

AVINOR AS		NOTE	AVINOR GROUP	
2021	2022		2022	2021
434.9	1 003.6		426.9	208.1
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
-644.4	880.1		1 498.6	-1 245.1
141.8	-193.6		-330.0	274.0
-502.6	686.5		1 168.6	-971.2
Items that may be subsequently reclassified to profit or loss:				
60.6	-908.8		-908.8	60.6
-13.3	200.0		200.0	-13.3
47.3	-708.9		-708.9	47.3
-455.4	-22.4		459.7	-923.9
-20.5	981.1		886.7	-715.8
Attributable to:				
-20.5	981.1		886.7	-715.8

STATEMENT OF FINANCIAL POSITION

All amounts in MNOK

AVINOR AS		NOTE	AVINOR GROUP	
31.12.2021	31.12.2022		31.12.2022	31.12.2021
ASSETS				
Non-current Assets				
Intangible assets:				
1 409.3	1 445.6	9	1 942.6	2 197.0
374.3	517.8	10	531.7	453.9
0.0	704.8	12	704.8	724.0
1 783.6	2 668.2		3 179.0	3 374.9
Property, plant and equipment:				
30 727.4	32 858.4	10	34 373.9	32 414.6
3 632.8	3 147.4	12	3 392.9	4 662.7
532.0	494.6	13	504.6	568.4
34 892.3	36 500.4		38 271.4	37 645.7
Financial assets:				
1 575.6	1 553.4	20	0.0	0.0
365.0	330.0	22	0.0	0.0
1 381.3	1 378.9	16	1 378.9	1 381.3
183.5	86.4	16	86.7	184.7
3 505.5	3 348.7		1 465.6	1 566.1
40 181.3	42 517.4		42 916.0	42 586.6
Current Assets:				
27.0	38.7		65.5	32.9
1 387.8	1 566.0	19	1 624.3	1 043.9
54.4	141.0	16	141.0	56.0
2 656.2	1 188.6	16	1 188.6	2 657.4
4 125.5	2 934.4		3 019.4	3 790.1
44 306.8	45 451.7		45 935.4	46 376.7

STATEMENT OF FINANCIAL POSITION

All amounts in MNOK

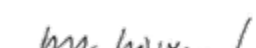
AVINOR AS		NOTE	AVINOR GROUP	
31.12.2021	31.12.2022		31.12.2022	31.12.2021
EQUITY AND LIABILITIES				
Equity				
Restricted equity:				
5 400.1	5 400.1	21	5 400.1	5 400.1
5 400.1	5 400.1		5 400.1	5 400.1
Retained earnings:				
7 726.6	7 910.2		7 957.8	7 071.1
7 726.6	7 910.2		7 957.8	7 071.1
13 126.7	13 310.3		13 357.9	12 471.2
Liabilities				
Provisions:				
3 634.3	2 842.4	17	5 313.9	6 895.1
943.9	910.9	18	1 010.6	945.8
4 578.2	3 753.3		6 324.5	7 840.9
Non-current liabilities:				
749.8	305.5	16	305.5	749.8
20 747.3	20 447.0	16	20 447.0	20 747.3
851.1	1 591.0	16	1 587.3	851.1
489.5	457.3	13,16	472.2	525.3
22 837.7	22 800.7		22 811.9	22 873.6
Current liabilities:				
419.1	546.7		650.1	500.4
171.6	184.9		285.8	296.9
11.2	0.2	16	2.0	12.5
891.5	971.5	16	971.5	891.5
66.7	72.7	13,16	62.8	63.4
2 204.3	3 811.6	18,19	1 468.9	1 426.3
3 764.2	5 587.4		3 441.0	3 191.0
31 180.2	32 141.4		32 577.5	33 905.4
44 306.8	45 451.7		45 935.4	46 376.7

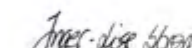
Notes 1 through 25 is an integral part of the financial statement.


Oslo, 28 March 2023
Board of Directors of Avinor AS

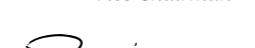
Anne Carine Tanum
Chairman



Ola H. Strand
Vice Chairman


Rolf G. Roverud


Inger-Lise Strøm


Linda Bernander Silseth


Bjørn Tore Mikkelsen


Heidi Anette Sørum


Olav Aadal


Abraham Foss
CEO

STATEMENT OF CHANGES IN EQUITY

All amounts in MNOK

	AVINOR AS			
	SHARE CAPITAL	OTHER RESERVES	OTHER EQUITY	TOTAL EQUITY
Balance at 1 January 2021	5 400.1	-1 363.8	9 110.9	13 147.2
Profit for the year	0.0	0.0	434.9	434.9
Actuarial gain/(loss) on pension liabilities - net of tax	0.0	-502.6	0.0	-502.6
Cash flow hedge - net of tax	0.0	47.3	0.0	47.3
Total comprehensive income for the year	0.0	-455.4	434.9	-20.5
Balance at 31 December 2021	5 400.1	-1 819.2	9 545.8	13 126.7
Profit for the year	0.0	0.0	1 003.6	1 003.6
Actuarial gain/(loss) on pension liabilities - net of tax	0.0	686.5	0.0	686.5
Cash flow hedge - net of tax	0.0	-708.9	0.0	-708.9
Total comprehensive income for the year	0.0	-22.4	1 003.6	981.1
Transactions with owners				
Business combinations (note 3)	0.0	0.0	-797.5	-797.5
Total transactions with owners	0.0	0.0	-797.5	-797.5
Balance at 31 December 2022	5 400.1	-1 841.6	9 751.8	13 310.3
	AVINOR GROUP			
	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
Profit for the year	0.0	0.0	208.1	208.1
Actuarial gain/(loss) on pension liabilities - net of tax	0.0	-971.2	0.0	-971.2
Cash flow hedge - net of tax	0.0	47.3	0.0	47.3
Total comprehensive income for the year	0.0	-923.9	208.1	-715.8
Balance at 31 December 2021	5 400.1	-3 178.8	10 249.9	12 471.2
Profit for the year	0.0	0.0	426.9	426.9
Actuarial gain/(loss) on pension liabilities - net of tax	0.0	1 168.6	0.0	1 168.6
Cash flow hedge - net of tax	0.0	-708.9	0.0	-708.9
Total comprehensive income for the year	0.0	459.7	426.9	886.7
Balance at 31 December 2022	5 400.1	-2 719.1	10 676.9	13 357.9

STATEMENT OF CASH FLOWS

All amounts in MNOK

	AVINOR AS		FOOTNOTES	NOTE	AVINOR GROUP	
	2021	2022			2022	2021
Cash flow from operating activities						
573.4	1 114.2	Profit before income tax			551.9	268.2
2 039.9	2 102.8	Depreciation			2 258.7	2 196.6
-9.3	0.3	(Profit)/loss on disposals of non-current assets	1)		0.2	6.2
-59.8	209.6	Changes in value and other losses/(gains) - net (unrealised)			182.3	-59.9
497.2	-358.0	Net finance costs			257.9	494.9
51.3	1.0	Foreign exchange gain/-loss on operating activities			20.4	36.8
-85.2	-93.8	Change in inventories, trade receivables and trade payables			-82.9	-111.9
-47.8	-72.7	Difference between pension cost and amount paid/received			-82.6	27.6
247.8	-293.4	Change in other working capital items			-302.4	356.6
-1 025.8	-57.2	Change in group receivables and payables			0.0	0.0
24.4	38.7	Interest received			42.3	26.1
6.6	0.0	Income tax paid			0.0	14.7
2 212.6	2 591.4	Net cash generated from operating activities			2 845.8	3 255.9
Cash flow from investing activities						
-1 993.6	-2 918.7	Investments in property, plant and equipment (PPE)			-3 105.0	-2 543.1
0.0	-0.9	Investments in group companies			0.0	0.0
0.0	254.0	Investment grants		12	254.0	0.0
21.7	6.8	Proceeds from sale of PPE, including assets under construction	1)		7.4	21.8
-135.0	35.0	Group loans			0.0	0.0
-1.3	-25.7	Group interests			0.0	0.0
649.5	71.7	Net group contribution/dividend			0.0	0.0
22.7	97.1	Other investments			98.1	21.3
0.0	-2.2	Business combinations			0.0	0.0
-1 436.0	-2 482.9	Net cash used in investing activities			-2 745.5	-2 500.0
Cash flow from financing activities						
-3 416.4	-927.1	Repayment of borrowings		16	-939.0	-3 427.8
-17.0	-18.0	Intra group repayment of lease liabilities			0.0	0.0
-685.8	-631.0	Interest paid			-630.2	-688.6
-4 119.2	-1 576.1	Net cash generated/used in financing activities			-1 569.2	-4 116.4
-3 342.6	-1 467.6	Net (decrease)/increase in cash, cash equivalents and bank overdrafts			-1 468.9	-3 360.5
5 998.7	2 656.2	Cash, cash equivalents and bank overdrafts at beginning of year			2 657.4	6 017.9
2 656.2	1 188.6	Cash, cash equivalents and bank overdrafts at end of year		13	1 188.6	2 657.4
1) IN THE CASH FLOW STATEMENT, PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT COMPRISE:						
12.4	7.1	Net book amount			7.6	28.0
9.3	-0.3	Profit/(loss) on disposals of property, plant and equipment			-0.2	-6.2
21.7	6.8	Proceeds from disposal of property, plant and equipment			7.4	21.8



14

Vær oppmerksom
Attention please

A12
Rettt rundt hjørnet åpner både:
Two Tigers
sushi & noodles
NORTHLAND

NOTES TO THE FINANCIAL STATEMENT

Note 1 - General information	p. 101
Note 2 - Summary of significant accounting policies	p. 101
Note 3 - Significant assumptions, key conditions and reorganization	p. 101
Note 4 - Segment information	p. 103
Note 5 - Operating income and other income	p. 105
Note 6 - Salaries and personnel costs, number of employees, remunerations	p. 107
Note 7 - Other operating expenses	p. 109
Note 8 - Finance income and costs	p. 110
Note 9 - Taxes	p. 111
Note 10 - Intangible assets	p. 114
Note 11 - Property, plant and equipment	p. 115
Note 12 - Assets under construction	p. 118
Note 13 - Leases - right-of-use assets and lease liabilities	p. 120
Note 14 - Impairment tests	p. 124
Note 15 - Financial risk factors	p. 126
Note 16 - Financial assets and liabilities	p. 131
Note 17 - Pension obligation	p. 139
Note 18 - Provisions for other liabilities and charges	p. 143
Note 19 - Receivables and other current liabilities	p. 144
Note 20 - Subsidiaries	p. 146
Note 21 - Share capital, shareholder information and dividend	p. 147
Note 22 - Related-party transactions	p. 148
Note 23 - Commitments	p. 149
Note 24 - Contingencies and uncertainties	p. 149
Note 25 - Events after the reporting period	p. 150

NOTE 1 - General information

Avinor AS and its 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 that add to the group's main business, including commercial development.

The Avinor Group's headquarters are located in Oslo, Dronning Eufemias gate 6.

The company and group financial statements for Avinor AS for the financial year 2022 were approved by the Board of Directors on 28 March 2023.

NOTE 2 - Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below and in each note to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

The accounting policies set out below do also apply to the preparation of the financial statements of Avinor AS.

and unprofitable airports as well as all areas of operations ("single till"). Commercial activities are included in the airport operation unit and shall be developed in order to contribute to the financing of unprofitable activities (social considerations/responsibilities) and reduce the level of traffic charges. Revenues from commercial activities are consequently included in the basis for Avinor's revenue regulation. Based on this, the group's operations, exclusive of the en-route services, is considered as one cash generating unit (airport operations).

BASIS OF PREPARATION

The consolidated financial statements of Avinor AS and Avinor Group have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) recognized partly at fair value through profit or loss and partly (cash flow hedges) in other comprehensive income.

The whole of Avinor Group's operations is defined as two cash-generating units (CGU), one en-route service unit and one airport operation unit including property development and hotels.

For the airport operation unit, the group's economic model assumes that there is full cross-subsidization between profitable

FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate at the balance sheet date. Non-monetary assets and liabilities measured at historical cost denominated in foreign currencies are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities measured at fair value denominated in foreign currencies are translated using the exchange rate at the balance sheet date. Exchange rate changes are recognized in the income statement on an ongoing basis during the accounting period.

The functional currency of the group companies is NOK.

NOTE 3 - Significant assumptions, key conditions and reorganization

SIGNIFICANT ASSUMPTIONS

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. Situations or changes in market conditions may arise which may lead to changed estimates, and thus affect the group's assets, liabilities, equity and profit. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in particular.

The group's most significant accounting estimates and judgements are related to the following items, specified further in each individual note:

- Value in use of property, plant and equipment
- Depreciation of property, plant and equipment
- Net pension obligation
- Provisions for environmental pollution

Key conditions

Increased focus on climate, environment and sustainability is contributing to pressure on restructuring for aviation and changes in travel habits. The war in Ukraine and the consequences it has for world markets contribute to increased uncertainty around expectations of future income. In addition, the group's result and solvency were strongly negatively affected by the corona pandemic from 2020 until the first quarter of 2022.

Impairment tests

Pressure on restructuring for aviation because of increased focus on climate, environment and sustainability, risk of permanent changes in travel habits and the after-effects of the corona pandemic have been assessed as impairment indicators for the group's two cash-generating units. In addition, the war in Ukraine and its consequences for world markets have contributed to increased uncertainty around expectations of future income.

As of 31 December 2022, no impairments are recognized.

Further information is presented in note 14 regarding impairment tests.

Equity according to the articles of association

The group has conditions related to the equity ratio set in the articles of association and on covenants on some of the debt issued. The group complies with all debt covenants on 31 December 2022, and the group is in dialogue with the owner to implement necessary measures to ensure compliance with the equity ratio set in the articles of association.

The group has and considers implementing several measures to safeguard the financial solidity. Measures considered includes additional cutting in costs and investments, sale of assets and increased aviation charges.

In the Annual Report of the Board of Directors, there is a more detailed description of the statutory equity ratio and measures taken in this regard.

Climate and sustainability

Climate changes and consequences of public measures implemented to reduce the emission of greenhouse gases and form a basis for the establishment of low carbon and climate adjusted economies, poses significant risks but also possibilities for Avinor.

Risk and possibilities are integrated in the groups risk management and strategy processes. Risk reducing measures and new business areas are considered and developed, and relevant scenario analyses are continuously developed.

The risks for Avinor related to climate changes can be classified as transaction risk and physical risk:

- Transaction risk is risk arising from the transition to a low carbon and climate adjusted economies.
- Physical risk is risk arising from climate change.

Transaction risk and physical risk may affect Avinor in several ways and result in significant changes in the assessment of value of assets. This implies that thorough assessments must be carried out to estimate such effects. Preliminary mapping involves the risk of a reduction in the lifetime of assets, reduced income as a result of a decline in travel activity and increased costs and investments as a result of the green shift. Estimated effects that are known are incorporated into the forecasts that form the basis of the impairment tests, discussed in more detail in note 14.

At year-end 2022, the future financial consequences of such changes are very uncertain. Avinor works actively with further mapping and quantification of such effects.

Further information is provided in the Sustainability Report, which is part of Avinor's annual report.

Avinor has initiated measures to reduce the climate footprint from own operations. This includes:

- Development of own energy production
- Streamlining the airspace to reduce greenhouse gas emissions
- Be a driving force behind new energy carriers in tomorrow's airline fleet
- Contribute to increased production of sustainable aviation fuel (SAF)

Further information is given in the Sustainability report, which is part of the annual report for Avinor.

REORGANIZATION

In 2022, organizational changes have been made within the group, and the parent company Avinor AS has been involved in the changes. In addition, parts of the business in the subsidiary Avinor Flysikring AS have been merged into Avinor AS.

The organizational changes affect the company accounts of the parent company Avinor AS. Business combinations with unchanged ownership are unregulated under IFRS. Avinor has chosen to continue on group values during the reorganizations, consequently they do not have effects in Avinor's consolidated accounts.

Business combinations

The following business combinations have taken place in the Avinor Group during 2022:

- On 1 January 2022, business associated with 25 employees with project expertise in technology projects were sold from Avinor Flysikring AS to Avinor AS.
- On 1 February 2022, business associated with 18 employees/staff were sold from Avinor Flysikring AS to Avinor AS.
- On 1 March 2022, AFIS operations (Aerodrome Flight Information Service) were sold from Avinor AS and Svalbard lufthavn AS to Avinor Flysikring AS.
- On 1 October 2022, FNT operations (operation and maintenance of air navigation services) on Svalbard were sold from Avinor Flysikring AS to Svalbard lufthavn AS.

In the group, a total of 165 people were affected by the business combinations through a change of employer. The business transfers have resulted in a reduction of 70 employees in Avinor AS.

The valuation of the business combinations are determined based on fair value. As it is a reorganization with unchanged ownership, the business combinations have been carried out by continuing the group values. The difference between the valuation at fair value and book values transferred is recognized in other equity.

For tax purposes, the business combinations are treated as transactions.

Merger

On 1 October 2022, business related to flight navigation services (FNT) was transferred by the business being demerged from Avinor Flysikring AS and merged into Avinor AS.

During the transfer, 205 employees were transferred from Avinor Flysikring AS to Avinor AS.

As it is a reorganization with unchanged ownership, the transfer has been carried out with accounting continuity.

NOTE 4 - Segment information *All amounts in MNOK*

Operating segments are reported consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group management.

The Avinor Group's operations include aviation security services and 45 airports including Oslo Airport. The operating segments are determined based on the reports used by the group management to evaluate presentations and profitability at a strategic level. The segment information shows the operating profit/(loss) distributed according to the internal organization of the group.

For management purpose the group is organized as air navigation services and the airport operations. To better the evaluation of the airport operations, the management has chosen to present the airports in Oslo, Bergen, Stavanger, Trondheim and the rest in addition to property development and hotels separately. Property developments and hotels consists of rental income from office buildings and hotels.

Sales between segments are carried out according to the arm's length principle. The revenue from external parties reported

There are thus book values in the company accounts of Avinor Flysikring AS which have been carried forward in the company accounts of Avinor AS. The transfer has been carried out with continuity for tax purposes.

to group management is measured consistent with that in the income statement.

Revenue from the three main customers were of approximately NOK 2.16 billion, NOK 1.23 billion and NOK 1.22 billion, total NOK 4.61 billion in 2022 (2021: NOK 0.76 billion, NOK 0.66 billion and NOK 0.58 billion, total NOK 2.00 billion). This is approximately 44 per cent of total operating income in 2022 (2021: 36 per cent of total operating income, exclusive government grants). Revenue from the largest customer (second largest in 2021) is attributable to Oslo Airport, Bergen Airport, Stavanger Airport and Trondheim Airport. Revenue from the second largest (third largest in 2021) and third largest (largest in 2021) customers are attributable to all segments.

AVINOR GROUP AS OF 31 DECEMBER 2022

The segment information provided to the group management for the reportable segments for the year ended 31 December 2022 is as follows:

AVINOR GROUP 31.12.2022:

	OSLO AIRPORT	BERGEN AIRPORT	STAVANGER AIRPORT	TRONDHEIM AIRPORT	OTHER AIRPORTS	PROPERTY DEVELOPMENT AND HOTELS
Traffic income	1 785.8	531.8	378.2	315.2	751.8	0.0
Government grants	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	2 992.0	503.4	409.5	295.8	796.0	131.5
Inter-segment income	5.0	0.5	8.2	3.5	76.1	22.6
Total income	4 782.8	1 035.7	795.9	614.4	1 623.9	154.1
Employee benefits expenses	470.5	109.3	93.5	90.6	701.9	0.0
Other operating expenses	1 190.3	268.3	139.0	148.8	1 085.8	8.2
Inter-segment expenses	373.5	136.8	115.4	89.7	752.9	1.5
Total expenses	2 034.3	514.3	347.9	329.0	2 540.6	9.7
EBITDA	2 748.5	521.3	448.0	285.4	-916.7	144.4
Depreciation and amortisation	961.5	286.0	134.1	116.4	461.0	41.1
Operating profit/(loss)	1 787.1	235.4	313.9	169.0	-1 377.7	103.3
Property, plant and equipment*	17 487.2	5 036.5	1 638.8	1 601.0	6 790.5	966.9

AVINOR GROUP 31.12.2022 CONT.:

	TOTAL AIRPORT OPERATIONS	AIR NAVIGATION SERVICES	OTHERS	ELIMINATION	TOTAL
Traffic income	3 762.8	1 185.0	0.0		4 947.8
Government grants	0.0	0.0	0.0		0.0
Other operating income	5 128.2	181.4	161.0		5 470.7
Inter-segment income	115.8	755.3	887.1	-1 758.2	0.0
Total income	9 006.8	2 121.7	1 048.1	-1 758.2	10 418.5
Employee benefits expenses	1 465.8	1 474.9	740.4		3 681.0
Other operating expenses 1)	2 840.3	259.3	569.4		3 668.9
Inter-segment expenses	1 469.8	192.8	95.7	-1 758.2	0.0
Total expenses	5 775.8	1 927.0	1 405.4	-1 758.2	7 350.0
EBITDA	3 231.0	194.7	-357.2		3 068.5
Depreciation and amortisation	2 000.1	127.7	130.9		2 258.7
Operating profit/(loss)	1 230.9	67.0	-488.2		809.7
Property, plant and equipment*	33 520.9	355.7	1 029.0		34 905.6

* Inclusive other intangible assets, exclusive assets under construction.

AVINOR GROUP 31.12.2021

The segment information provided to the group management for the reportable segments for the year ended 31 December 2021 is as follows:

AVINOR GROUP 31.12.2021:

	OSLO AIRPORT	BERGEN AIRPORT	STAVANGER AIRPORT	TRONDHEIM AIRPORT	OTHER AIRPORTS	PROPERTY DEVELOPMENT AND HOTELS
Traffic income	842.5	320.6	228.1	181.3	536.9	0.0
Government grants	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	1 303.6	221.7	162.3	134.8	376.3	97.2
Inter-segment income	3.5	0.5	8.6	3.5	71.6	21.5
Total income	2 149.6	542.8	399.0	319.5	984.7	118.7
Employee benefits expenses	437.1	106.3	92.4	85.6	749.6	0.0
Other operating expenses	804.6	180.5	128.5	97.7	843.4	16.2
Inter-segment expenses	347.7	115.5	94.7	74.0	573.3	0.9
Total expenses	1 589.4	402.4	315.6	257.3	2 166.3	17.1
EBITDA	560.2	140.5	83.4	62.2	-1 181.6	101.6
Depreciation and amortisation	948.0	302.5	122.7	109.5	437.3	33.2
Operating profit/(loss)	-387.8	-162.0	-39.4	-47.3	-1 618.9	68.5
Property, plant and equipment*	16 283.4	5 171.1	1 669.9	1 626.3	6 201.7	692.1

AVINOR GROUP 31.12.2021 CONT.:

	TOTAL AIRPORT OPERATIONS	AIR NAVIGATION SERVICES	OTHERS	ELIMINATION	TOTAL
Traffic income	2 109.3	813.6	0.0		2 922.9
Government grants	0.0	0.0	3 800.0		3 800.0
Other operating income	2 295.9	173.8	121.6		2 591.3
Inter-segment income	109.1	588.2	676.7	-1 374.0	0.0
Total income	4 514.3	1 575.6	4 598.2	-1 374.0	9 314.1
Employee benefits expenses	1 471.0	1 375.2	716.6		3 562.7
Other operating expenses 1)	2 070.9	343.3	377.6		2 791.8
Inter-segment expenses	1 206.1	105.2	62.7	-1 374.0	0.0
Total expenses	4 748.0	1 823.6	1 156.9	-1 374.0	6 354.5
EBITDA	-233.7	-248.1	3 441.3		2 959.6
Depreciation and amortisation	1 953.2	138.9	104.6		2 196.6
Operating profit/(loss)	-2 186.8	-387.0	3 336.8		763.0
Property, plant and equipment*	31 644.5	848.2	375.8		32 868.5

* Inclusive other intangible assets, exclusive assets under construction.

NOTE 5 - Operating income and other income *All amounts in MNOK*

REVENUE FROM CONTRACT WITH CUSTOMERS (IFRS 15)

Traffic income, income from sale of goods and services and income from sale of property is recognised to reflect the transfer of promised goods or services to customers in an amount that reflects what the entity expect to receive in exchange for those goods or services.

RENTAL INCOME (IFRS 16)

Revenue from property leases with fixed lease payment is recognised in the period the services are provided, using a straight-line basis over the term of the contract. Revenue from property leases with revenue-based lease payments is recognised when it is earned.

GOVERNMENT GRANTS (IAS 20)

Government grants are recognised in accordance with IAS 20 (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 (corona pandemic)
In 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".

TRAFFIC INCOME

Traffic income encompasses all charges related to infrastructure and services necessary to carry out flights to/from Norway as well as domestic flights and is considered as one delivery obligation. En-route charges will in addition include flights across Norwegian air space (separate delivery obligation). The delivery obligations are met when the actual flights are carried out.

Traffic income encompasses airport charges and air navigation charges. Airport charges includes take-off charges for essential services/infrastructure for operating a departure from one of Avinor's airports, terminal charges for essential infrastructure and provision of services to passengers on arrival, at departure, during transit, or corresponding flight services at Avinor's airports and

security charges for essential services/infrastructure for carrying out security checks at Avinor's airports in line with applicable regulations. The take-off charge is calculated based on the weight of the aircraft, the terminal charge on the number of passengers departed and the security charge on the number of passengers on the actual flight less passengers in transit. Air navigation charges includes en-route charges for services provided during the in-flight/en-route stage (between take-off and landing destination) in the air space of which Avinor is responsible, and terminal charges for services related to monitoring and control during take-off, landing and movement to/from gate. The en-route charge is calculated based on the weight of the aircraft in combination with the distance travelled, while the terminal navigation charge is calculated based on the weight of the aircraft.

The traffic charges are invoiced when the actual flight is carried out, in accordance with regulations set by the Ministry of Transport and Communication. Normally, the charges are invoiced weekly with payment terms of 30 days. The en-route charges are collected by Eurocontrol on behalf of the member countries. 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.

OTHER OPERATING INCOME

Avinor AS and the group have income from sale of goods and services directly to the customer or through rental income from

the same use of the areas. This includes duty free, kiosk, parking, shops, serving/refreshments, advertising, aviation fuel, handling services, hotels and infrastructure etc.

Sale of goods and services

Includes both cash and credit sale. The credit sale is invoiced consecutively with payment term 30 days from invoice date.

Rental income

Includes fixed lease payments and revenue-based lease payments, based on lease agreements entered into, and consecutively reports of revenue.

Lease agreements related to duty free, parking, restaurants and other sales of goods are turnover-based agreements where turnover-based lease constitutes the most significant part of the income, while fixed lease constitutes a smaller part. The lease agreements have established thresholds for payment on minimum lease. In connection with the corona pandemic in 2021, reductions have been established for revenue-based lease and minimum lease. Pure rental agreements for various tenants at the airport are based on fixed lease payment. These lease agreements compose a smaller proportion of Avinor's rental income. Fixed lease payments are invoiced in advance and recognized when earned. Revenue-based lease payments are reported and invoiced weekly. Payment term is normally 30 days from invoice date.

SPECIFICATION OF OPERATING INCOME	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Traffic income				
Takeoff charges	1 018.9	690.0	1 023.0	692.8
Terminal charges	1 062.5	522.9	1 066.9	525.1
En route charges	0.0	0.0	1 185.0	813.6
Security charges	1 163.5	562.5	1 169.0	565.1
Terminal navigation charges	503.8	326.4	503.8	326.4
Total traffic income	3 748.7	2 101.8	4 947.8	2 922.9
Government grants	0.0	3 800.0	0.0	3 800.0
Other operating income				
Revenue from contracts with customers:				
Duty free	68.3	12.1	68.3	12.1
Parking	0.1	0.1	0.2	0.2
Other	1 051.0	614.9	998.6	709.6
Total revenue from contracts with customers	1 119.4	627.1	1 067.1	721.9
Rental income:				
Duty free	2 068.8	594.4	2 068.8	594.4
Parking	854.4	436.2	854.4	436.2
Other	1 285.8	754.5	1 480.4	838.8
Total rental income	4 209.0	1 785.0	4 403.6	1 869.3
Total other operating income	5 328.4	2 412.1	5 470.7	2 591.3
Total income from contracts with customers	4 868.2	2 728.9	6 014.9	3 644.8
Total rental income	4 209.0	1 785.0	4 403.6	1 869.3
Government grants	0.0	3 800.0	0.0	3 800.0
Total operating income	9 077.1	8 313.9	10 418.5	9 314.1

NOTE 6 - Salaries and personnel costs, number of employees, remunerations All amounts in MNOK

	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Salaries and personnel costs				
Salaries	1 539.0	1 511.9	2 618.2	2 500.9
Payroll tax	242.1	231.0	401.7	386.2
Pension costs (exclusive plan amendments)	324.6	361.1	554.0	592.8
Other personnel costs	73.9	55.5	107.2	82.9
Total	2 179.6	2 159.6	3 681.0	3 562.8
Reduction of total salaries and personnel costs:				
Salaries and personnel costs recognised in the balance sheet	124.6	80.3	185.6	190.7
Average number of man-years employed	1 861	1 900	2 642	2 830

GROUP MANAGEMENT

The group has a management group with defined executive vice presidents. The executive vice presidents are the CEO, the directors of staffs and divisions as well as the general manager of the largest subsidiary, Avinor Flysikring AS.

On termination or changes in conditions of employment or board appointment no obligations exist to give the group management or the board any distinct compensation.

Nor are there any arrangements concerning bonuses, profit sharing or share-based payments.

No loans or guarantees have been given to the members of the group management, the board or other corporate bodies. None of the members of the group management have received any remunerations or economic benefits from other companies in the group, other than shown in the table below. There is no additional remuneration to executives for special services other than normal operations.

REMUNERATIONS FOR MANAGEMENT AND BOARD - 2022	BOARD FEE	SALARY	OTHER BENEFITS	ESTIMATED PENSION COST	TOTAL
Group management					
Abraham Foss, CEO	0	3 457 999	8 252	299 542	3 765 793
Mari Hermansen, Executive Vice President organisation and corporate support	0	2 016 851	12 188	525 706	2 554 745
Knut Hølen, Executive Vice President regional airports *	0	1 733 248	8 252	317 636	2 059 136
Thorger Landevaag, Executive Vice President sustainability, concept and infrastructure development *	0	2 406 314	8 252	203 981	2 618 547
Petter Johannessen, Executive Vice President strategy and corporate governance/CFO	0	2 124 170	11 420	739 565	2 875 155
Joachim Lupnaav Johnsen, Executive Vice President commercial	0	2 079 064	8 252	242 284	2 329 600
Anders Kirsebom, Executive Vice President sustainability, concept and infrastructure development *	0	2 536 862	13 952	518 816	3 069 629
Lars Vågsdal, Executive Vice President IT and technology (as of 01.04.2022)	0	2 049 059	6 189	206 040	2 261 288
Stine Ramstad Westby, Executive Vice President major airports	0	2 538 206	8 252	388 034	2 934 492
John-Ragnar Aarset, Executive Vice President communication (as of 15.02.2022)	0	1 685 400	7 564	213 955	1 906 919
Jan Gunnar Pedersen, Executive Vice President air navigation	0	2 310 329	7 412	263 865	2 581 606
Total	0	24 937 501	99 984	3 919 426	28 956 911
Board					
Anne Carine Tanum, chair of the board	514 500	0	0	0	514 500
Ola H. Strand, Vice-chair	291 000	0	0	0	291 000
Rolf Gunnar Roverud, board member	280 500	0	0	0	280 500
Linda Bernander Silseth, board member	260 500	0	0	0	260 500
Inger Lise Strøm, board member (as of 16.06.2022)	158 500	0	0	0	158 500
Eli Skrøvet, board member (until 15.06.2022)	153 000	0	0	0	153 000
Olav Aadal, employee elected board member	238 000	1 710 016	7 412	239 276	2 194 704
Heidi Anette Sørnum, employee elected board member	280 500	886 458	8 252	200 819	1 376 029
Bjørn Tore Mikkelsen, employee elected board member	260 500	1 106 105	8 252	446 161	1 821 018
Total	2 437 000	3 702 580	23 916	886 256	7 049 751

* From 15 August 2022, Torgeir Landevaag is on leave (with pay) from his position as Executive Vice President Sustainability, Concept and Infrastructure Development in order to carry out an education program. From the same time, Anders Kirsebom has been on leave from his position as Executive Vice President Regional Airports to act as Executive Vice President Sustainability, Concept and Infrastructure Development. Knut Hølen acts from the same time as Executive Vice President regional airports.

REMUNERATIONS FOR MANAGEMENT AND BOARD - 2021

	BOARD FEE	SALARY	OTHER BENEFITS	ESTIMATED PENSION COST	TOTAL
Group management *					
Abraham Foss, CEO (as of 15.02.2021)	0	2 886 381	12 293	124 317	3 022 991
Dag Falk-Petersen, CEO (until 14.02.2021) **	0	657 053	20 425	475 144	1 152 622
Øyvind Hasaas, Executive Vice President operations and infrastructure	0	2 306 755	18 849	750 723	3 076 327
Stine Ramstad Westby, Airport Director Oslo airport	0	2 444 737	22 841	368 268	2 835 845
Helge Eidsnes, Airport Director Bergen airport	0	1 898 228	12 125	135 272	2 045 624
Anette Sigmundstad, Airport Director Stavanger airport	0	1 906 034	13 625	185 502	2 105 161
Marit Helene Stigen, Airport Director Trondheim airport	0	1 969 970	22 241	135 272	2 127 482
Mari Hermansen, Executive Vice President HR, legal and business support	0	1 943 369	31 173	500 482	2 475 023
Petter Johannessen, Executive Vice President strategy and business management/CFO	0	2 039 953	37 786	708 802	2 786 541
Anders Kirsebom, Managing Director Avinor Flysikring AS	0	2 391 018	18 601	476 730	2 886 348
Thorgeir Landevaag, Executive Vice President national, regional and local airports	0	2 114 552	12 125	168 004	2 294 681
Joachim Lupnaav Johnsen, Executive Vice President commercial	0	1 932 202	22 195	135 272	2 089 669
Egil Thompson, Executive Vice President communications and marketing (until 31 October 2021)	0	1 946 302	21 281	453 452	2 421 035
Total	0	26 436 551	265 560	4 617 239	31 319 350
Board					
Anne Carine Tanum, chair of the board	498 500	0	0	0	498 500
Ola H. Strand, Vice-chair	281 500	0	0	0	281 500
Rolf Gunnar Roverud, board member (from 1 July 2021)	138 000	0	0	0	138 000
Herlof Nilssen, board member (until 30 June 2021)	134 000	0	0	0	134 000
Linda Bernander Silseth, board member	252 000	0	0	0	252 000
Eli Skrøvset, board member	301 500	0	0	0	301 500
Olav Aadal, employee elected board member	230 500	1 690 863	7 088	201 374	2 129 825
Heidi Anette Sorum, employee elected board member	272 000	856 792	12 125	215 013	1 355 930
Bjørn Tore Mikkelsen, employee elected board member	252 000	1 067 788	12 125	435 117	1 767 030
Total	2 360 000	3 615 443	31 338	851 504	6 858 285

* The management group as of 31 December 2021.

** Dag Falk-Petersen was employed as a senior consultant in the Avinor Group from the time he resigned as CEO on 14 February 2021 until his retirement on 31 August 2021. Salary stated in the table applies to the entire period from 1 January 2021 to 31 August 2021.

NOTE 7 - Other operating expenses *All amounts in MNOK*

SPECIFICATION OF OTHER OPERATING EXPENSES	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Other operating expenses				
Management/maintenance buildings	1 006.1	635.8	1 059.0	687.1
Repairs, maintenance operational materials	425.3	341.3	479.2	394.4
Control/security/guard services	646.8	489.5	651.3	492.0
Meteorological services	2.7	3.0	53.3	60.7
Consulting services	207.1	230.2	214.6	240.8
Other external services	403.4	310.0	429.0	336.7
Losses on receivables	6.2	-58.1	5.1	-70.2
Other operating expenses	342.0	285.4	563.4	445.4
Inter-company expenses	839.1	652.4	0.0	0.0
Total	3 878.9	2 889.5	3 454.8	2 586.9

FEES PAID TO AUDITOR

Fees paid to auditor Ernst & Young AS (all amounts are excl. VAT):

	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Statutory audit fee	1.8	1.8	2.6	2.4
Other attestation services	0.5	0.3	0.6	0.5
Tax advisory services	0.0	0.0	0.0	0.0
Other services	0.5	0.1	0.5	0.1
Total	2.9	2.2	3.7	2.9

NOTE 8 - Finance income and costs *All amounts in MNOK*

DIVIDEND INCOME AND GROUP CONTRIBUTION

Dividend income and group contribution are recognised when the right to receive payment is established. Accounting principles regarding finance items are described in note 16.

SPECIFICATION OF FINANCE INCOME AND COSTS

SPECIFICATION	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Finance income				
Interest income (excluding group receivables)	38.0	26.4	41.8	28.1
Interest income on loans to group companies	10.2	8.4	0.0	0.0
Group contributions	71.7	631.4	0.0	0.0
Changes in value on foreign currency	3.2	0.0	5.7	1.2
Changes in fair value of financial instruments (energy and foreign currency)	295.7	65.3	322.0	65.6
Reversal of impairment of investment in subsidiary (see note 20)	620.0	0.0	0.0	0.0
Other finance income	0.7	1.1	1.1	0.5
Total finance income	1 039.5	732.6	370.6	95.3
Finance costs				
Interest expense	674.7	609.0	665.5	608.0
Interest expense on loans from group companies	33.4	5.0	0.0	0.0
Interest expense on lease liabilities	15.5	14.8	16.2	13.7
Other borrowing expenses	4.7	7.0	4.7	7.0
Borrowing costs capitalised (see note 11)	-55.6	-53.9	-87.8	-81.6
Other finance costs	0.0	14.0	20.9	14.3
Impairment of investment in subsidiary (see note 20)	0.0	620.0	0.0	0.0
Changes in value on foreign currency	8.8	14.0	8.9	28.9
Net fair value gains/losses on bank borrowings including derivatives	490.7	167.2	490.7	167.2
Fair value loss on financial instruments (see note 16)				
- interest rate swaps: cash flow hedges: transfer from equity	0.0	0.0	0.0	0.0
- interest rate swaps: fair value hedges	-490.7	-167.2	-490.7	-167.2
Total finance costs	681.5	1 229.8	628.4	590.3
Finance income/(costs) - net	358.0	-497.2	-257.9	-495.0

CHANGES IN FAIR VALUE OF ENERGY DERIVATIVES

The group uses derivative financial instruments related to the purchase of energy. These derivatives are not included in hedge accounting for Avinor. Unrealized and realized effects of the energy derivatives are classified as financial items.

NOTE 9 - Taxes *All amounts in MNOK*

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised.

Deferred income tax assets are assessed against future taxable income and are evaluated separately.

NET DEFERRED TAX ASSET

The group has significant temporary differences between the carrying amounts of assets and liabilities and its tax base. This has resulted in a significant deferred tax asset. An analysis made of the group's tax position shows that it is probable that this asset may be utilised by the group.

LOSS CARRIED FORWARD

Svalbard lufthavn AS have a loss carried forward of NOK 92.8 million. The tax effect of the loss is not included due to the uncertainty regarding the utilization of the loss.

INCOME TAX EXPENSE

	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Income tax expense				
Current tax on profit for the year	0.0	61.2	0.0	0.0
Current tax on adjustments in respect of prior years	0.0	-6.6	0.1	-13.2
Current tax on group contributions	-12.9	-1.4	0.0	0.0
Deferred tax on origination and reversal of temporary differences	123.5	85.3	124.9	73.3
Total income tax expense	110.6	138.5	125.0	60.1
Effective tax rate reconciliation				
Profit before income tax	1 114.2	573.4	551.9	268.2
22 % tax on profit before income tax	245.1	126.2	121.4	59.1
Effect of adjustments prior years	0.0	0.0	0.0	0.0
Permanent differences	-134.5	12.4	3.6	1.0
Income tax expense	110.6	138.5	125.0	60.1
Effective tax rate	9.9 %	24.2 %	22.6 %	22.4 %

AVINOR AS: SPECIFICATION OF DEFERRED TAX ASSETS AND LIABILITIES

	AT 1 JANUARY 2022	RECOGNIZED IN THE INCOME STATEMENT	RECOGNIZED IN OTHER COMPREHENSIVE INCOME	"MERGER/ BUSINESS COMBINATIONS"	AT 31 DECEMBER 2022
Receivables	3.7	-1.6	0.0	0.0	2.1
Non-current assets	-457.2	92.0	0.0	10.5	-354.7
Right-of-use assets	117.0	-13.8	0.0	5.6	108.8
Lease liabilities	-122.4	11.8	0.0	-6.0	-116.6
Borrowings	-81.7	-36.6	0.0	0.0	-118.3
Provisions	-230.2	24.0	0.0	0.0	-206.3
Pension benefits	-799.5	20.6	193.6	-40.1	-625.3
Group contributions (payables)	45.4	0.0	-74.1	0.0	-28.7
Profit and loss account	-10.5	1.1	0.0	4.6	-4.8
Derivative financial instruments	126.2	58.1	-200.0	0.0	-15.7
Loss carried forward	0.0	-32.0	0.0	-54.0	-86.0
Deferred tax asset(-)/liability (net)	-1 409.3	123.5	-80.5	-79.3	-1 445.6

	AT 1 JANUARY 2021	RECOGNIZED IN THE INCOME STATEMENT	RECOGNIZED IN OTHER COMPREHENSIVE INCOME	AT 31 DECEMBER 2021
Receivables		-32.7	36.4	3.7
Non-current assets		-459.4	2.2	-457.2
Right-of-use assets		108.3	8.7	117.0
Lease liabilities		-112.9	-9.5	-122.4
Borrowings		-387.5	305.7	-81.7
Provisions		-238.5	8.3	-230.2
Pension benefits		-668.3	10.5	-799.5
Group contributions (payables)		-14.4	0.0	45.4
Profit and loss account		-6.3	-4.2	-10.5
Derivative financial instruments		409.4	-296.6	126.2
Loss carried forward		-23.7	23.7	0.0
Deferred tax asset(-)/liability (net)		-1 426.0	85.3	-1 409.3

2022 2021

Deferred tax assets

Deferred tax asset to be recovered after more than 12 months	-1 321.5	-1 471.4
Deferred tax asset to be recovered within 12 months	-235.0	-230.2
Total deferred tax assets	-1 556.5	-1 701.6

Deferred tax liabilities

Deferred tax liability to be recovered after more than 12 months	108.8	243.2
Deferred tax liability to be recovered within 12 months	2.1	49.1
Total deferred tax liabilities	110.9	292.3

Deferred tax asset(-)/liability (net)	-1 445.6	-1 409.3
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AVINOR GROUP: SPECIFICATION OF DEFERRED TAX ASSETS AND LIABILITIES

	AT 1 JANUARY 2022	RECOGNIZED IN THE INCOME STATEMENT	RECOGNIZED IN OTHER COMPREHENSIVE INCOME	AT 31 DECEMBER 2022
Receivables	-6.1	-3.1	0.0	-9.2
Non-current assets	-388.3	73.6	0.0	-314.6
Right-of-use assets	119.6	-13.2	0.0	106.4
Lease liabilities	-124.3	11.3	0.0	-113.0
Borrowings	-81.7	-36.6	0.0	-118.3
Provisions	-232.1	8.9	0.0	-223.8
Pension benefits	-1 515.3	17.3	330.0	-1 167.9
Profit and loss account	-12.5	10.0	0.0	-2.5
Derivative financial instruments	126.2	58.4	-200.0	-15.3
Loss carried forward	-82.6	-1.6	0.0	-84.2
Deferred tax asset(-)/liability (net)	-2 197.0	124.9	130.1	-1 942.6

	AT 1 JANUARY 2021	RECOGNIZED IN THE INCOME STATEMENT	RECOGNIZED IN OTHER COMPREHENSIVE INCOME	AT 31 DECEMBER 2021
Receivables	-47.4	41.3	0.0	-6.1
Non-current assets	-394.9	6.6	0.0	-388.3
Right-of-use assets	94.5	25.2	0.0	119.6
Lease liabilities	-98.5	-25.8	0.0	-124.3
Borrowings	-387.5	305.7	0.0	-81.7
Provisions	-241.8	9.7	0.0	-232.1
Pension benefits	-1 234.9	-6.4	-274.0	-1 515.3
Profit and loss account	-6.7	-5.8	0.0	-12.5
Derivative financial instruments	409.4	-296.5	13.3	126.2
Loss carried forward	-101.8	19.2	0.0	-82.6
Deferred tax asset(-)/liability (net)	-2 009.7	73.3	-260.6	-2 197.0

2022 2021

Deferred tax assets

Deferred tax asset to be recovered after more than 12 months	-1 815.9	-2 191.4
Deferred tax asset to be recovered within 12 months	-233.0	-251.4
Total deferred tax assets	-2 049.0	-2 442.8

Deferred tax liabilities

Deferred tax liability to be recovered after more than 12 months	106.4	245.8
Deferred tax liability to be recovered within 12 months	0.0	0.0
Total deferred tax liabilities	106.4	245.8

Deferred tax asset(-)/liability (net)	-1 942.6	-2 197.0
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NOTE 10 - Intangible assets *All amounts in MNOK*

Separately acquired intangible assets are shown at historical cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Intangible assets are carried at cost less accumulated depreciation and amortisation.

Internally generated intangible assets, with the exception of development costs that are recognised as intangible assets, are recognised as an expense as incurred. Development costs are recognised as an intangible asset when all the criteria in IAS 38 are met.

The useful life of an intangible asset is either finite or indefinite. Intangible assets with finite useful life are amortised using the straight-line method to allocate the cost over their estimated useful lives.

SPECIFICATION OF INTANGIBLE ASSETS

Intangible assets consist of air navigation management systems.

	AVINOR AS	AVINOR GROUP
At 1 January 2021		
Cost	409.7	691.5
Accumulated amortisation and impairment	-74.9	-283.9
Net book amount	334.8	407.5
Year ended 31 December 2021		
Opening net book amount	334.8	407.5
Additions	79.0	121.8
Disposals	0.0	-22.4
Amortisation charge	-39.5	-53.0
Closing net book amount	374.3	453.8
At 31 December 2021		
Cost	488.8	790.8
Accumulated amortisation and impairment	-114.5	-337.0
Net book amount	374.3	453.8
Year ended 31 December 2022		
Opening net book amount	374.3	453.8
Additions cost - business combinations	234.4	0.0
Additions	135.9	138.3
Disposals	0.0	0.0
Additions amortisation - business combinations	-178.6	0.0
Amortisation charge	-48.3	-60.5
Closing net book amount	517.8	531.6
At 31 December 2022		
Cost	859.1	929.1
Accumulated amortisation and impairment	-341.3	-397.5
Net book amount	517.8	531.6
Estimated useful life	10 years	10 years
Method of depreciation	Straight-line	Straight-line

Method of amortisation and estimated useful life is reviewed at least at the end of each reporting period. Changes in method and/or estimated useful life is accounted for as changes in estimates.

COMPUTER SOFTWARE

Costs associated with purchasing new computer software are recognised as an intangible asset, unless it is a part of the acquisition of hardware. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life, normally 5 years. Cost associated with maintaining computer software programs or maintaining future usage of computer software programs are expensed unless the changes enhance the future usage of the program.

NOTE 11 - Property, plant and equipment *All amounts in MNOK*

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

Each material component of an asset is evaluated separately for the object of depreciation. The materiality is assessed from the cost of a component in relation to the cost of the whole asset.

Land and housing are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	10 - 50 years
Infrastructure	5 - 40 years
Runways and other related assets	15 - 50 years
Vehicles	10 - 20 years
Other non-current assets	5 - 15 years

The assets' residual values and useful lives are estimated based on experience, history and judgements, and adjusted if appropriate. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

PUBLIC GRANTS

Public grants are accounted for at fair value when there is reasonable certainty that the company will both fulfil the conditions relating to the grants and receive the grants. Investment grants are recognized in the balance sheet in a systematic way over the useful life of the asset. Investment grants are recognized by deducting the grant when determining the asset's balance sheet value.

BORROWING COSTS

Property plant and equipment includes borrowing costs when the construction period of major asset is longer than one year.

Capitalized borrowing costs for Avinor AS and the group in 2022 amounted to NOK 55.6 million and NOK 87.8 million, respectively (2021: NOK 53.9 million and NOK 81.5 million).

The average capitalization rate for Avinor AS and the group was 3.12 per cent in 2022 (2021: 2.62 per cent).

COLLATERALS

In accordance with the articles of association, there is no opportunity to pledge assets related to the core operations of the group.

PROPERTY, PLANT AND EQUIPMENT, AVINOR AS:

	LAND	BUILDINGS	RUNWAYS AND OTHER RELATED ASSETS	VEHICLES	FURNITURE, FITTINGS AND EQUIPMENT	INFRA- STRUCTURE	TOTAL
At 1 January 2021							
Cost	1 138.1	24 428.6	14 846.9	1 658.6	7 934.8	3 470.3	53 477.4
Accumulated depreciation	-1.8	-8 608.3	-5 395.3	-715.6	-5 502.8	-1 585.8	-21 809.6
Net book amount	1 136.3	15 820.3	9 451.6	943.0	2 431.9	1 884.5	31 667.8
Year ended 31 December 2021							
Opening net book amount	1 136.3	15 820.3	9 451.6	943.0	2 431.9	1 884.5	31 667.8
Additions	5.8	300.6	307.0	160.1	195.6	42.6	1 011.6
Disposals	0.0	-7.3	0.0	-3.2	-1.7	-0.2	-12.4
Depreciation charge	0.0	-762.2	-458.6	-97.5	-512.2	-109.1	-1 939.6
Closing net book amount	1 142.1	15 351.5	9 300.0	1 002.4	2 113.6	1 817.8	30 727.4
At 31 December 2021							
Cost	1 143.9	24 673.0	15 151.6	1 776.9	7 478.3	3 511.9	53 735.5
Accumulated depreciation	-1.8	-9 321.5	-5 851.6	-774.5	-5 364.7	-1 694.1	-23 008.1
Net book amount	1 142.1	15 351.5	9 300.0	1 002.4	2 113.6	1 817.8	30 727.4
Year ended 31 December 2022							
Opening net book amount	1 142.1	15 351.5	9 300.0	1 002.4	2 113.6	1 817.8	30 727.4
Additions cost - business combinations	0.0	161.1	0.0	45.9	1 331.1	0.0	1 538.1
Additions	9.2	2 327.7	501.4	105.5	394.9	96.5	3 435.2
Disposals	0.0	-1.9	0.0	-0.9	-4.3	0.0	-7.1
Additions amortisation - business combinations	0.0	-3.5	0.0	-34.6	-805.4	0.0	-843.5
Amortisation charge	0.0	-846.6	-479.2	-102.6	-449.1	-114.1	-1 991.7
Closing net book amount	1 151.3	16 988.2	9 322.2	1 015.6	2 580.8	1 800.2	32 858.4
At 31 December 2022							
Cost	1 153.1	27 092.2	15 643.1	1 903.8	9 069.4	3 607.6	58 469.3
Accumulated depreciation	-1.8	-10 104.0	-6 320.9	-888.2	-6 488.6	-1 807.4	-25 610.9
Net book amount	1 151.3	16 988.2	9 322.2	1 015.6	2 580.8	1 800.2	32 858.4
Estimated useful life		10 - 50 years	15 - 50 years	10 - 20 years	5 - 15 years	5 - 40 years	
Method of depreciation	NA	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	

PROPERTY, PLANT AND EQUIPMENT, AVINOR GROUP

	LAND	BUILDINGS	RUNWAYS AND OTHER RELATED ASSETS	VEHICLES	FURNITURE, FITTINGS AND EQUIPMENT	INFRA- STRUCTURE	TOTAL
At 1 January 2021							
Cost	1 802.6	25 038.9	14 383.9	1 761.2	9 460.2	3 114.5	55 561.2
Accumulated depreciation	-2.4	-8 630.0	-4 946.9	-772.4	-6 550.7	-1 338.0	-22 240.4
Net book amount	1 800.2	16 408.9	9 437.0	988.7	2 909.4	1 776.5	33 320.8
Year ended 31 December 2021							
Opening net book amount	1 800.2	16 408.9	9 437.0	988.7	2 909.4	1 776.5	33 320.8
Additions	5.8	326.1	309.1	160.5	392.6	42.7	1 236.8
Disposals	0.0	-7.3	0.0	-3.2	-43.6	-0.2	-54.3
Depreciation charge	0.0	-808.1	-462.6	-103.0	-604.8	-110.2	-2 088.7
Closing net book amount	1 806.0	15 919.6	9 283.5	1 043.1	2 653.7	1 708.8	32 414.6
At 31 December 2021							
Cost	1 808.4	25 308.8	14 690.7	1 879.1	9 025.2	3 156.2	55 868.4
Accumulated depreciation	-2.4	-9 389.2	-5 407.2	-836.0	-6 371.6	-1 447.4	-23 453.8
Net book amount	1 806.0	15 919.6	9 283.5	1 043.1	2 653.7	1 708.8	32 414.6
Year ended 31 December 2022							
Opening net book amount	1 806.0	15 919.6	9 283.5	1 043.1	2 653.7	1 708.8	32 414.6
Additions	14.9	2 875.7	501.5	107.8	508.0	101.1	4 108.9
Disposals	0.0	-2.1	0.0	-2.9	-4.3	0.0	-9.3
Depreciation charge	0.0	-909.2	-483.3	-107.2	-525.2	-115.4	-2 140.3
Closing net book amount	1 820.9	17 884.1	9 301.6	1 040.7	2 632.1	1 694.5	34 373.9
At 31 December 2022							
Cost	1 823.3	28 114.5	15 182.2	1 958.0	9 336.1	3 256.5	59 670.7
Accumulated depreciation	-2.4	-10 230.4	-5 880.6	-917.3	-6 704.0	-1 562.0	-25 296.8
Net book amount	1 820.9	17 884.1	9 301.6	1 040.7	2 632.1	1 694.5	34 373.9
Estimated useful life		10 - 50 years	15 - 50 years	10 - 20 years	5 - 15 years	5 - 40 years	
Method of depreciation	NA	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	

NOTE 12 - Assets under construction All amounts in MNOK

Avinor AS and the group have several construction projects under construction, of varying size and duration. The largest projects included in assets under construction at the end of 2022 are the development of future air navigation management systems, a new baggage facility at Oslo Airport, the development of remote-controlled towers and the reconstruction of a new parking garage in Stavanger. In the group, these four projects represent over half of the assets under construction on the balance sheet.

ASSETS UNDER CONSTRUCTION

	AVINOR AS	AVINOR GROUP
At 1 January 2021		
Cost	2 789.6	4 171.7
Accumulated depreciation	0.0	0.0
Net book amount	2 789.6	4 171.7
Classified as intangible	0.0	565.6
Year ended 31 December 2021		
Opening net book amount	2 789.6	4 171.7
Additions	1 933.9	2 573.6
Reclassification *	-1 090.6	-1 358.6
Closing net book amount	3 632.8	5 386.7
At 31 December 2021		
Cost	3 632.8	5 386.7
Accumulated depreciation	0.0	0.0
Net book amount	3 632.8	5 386.7
Classified as intangible	0.0	724.0
Year ended 31 December 2022		
Opening net book amount	3 632.8	5 386.7
Additions - business combinations	1 051.7	0.0
Additions	2 738.8	2 958.2
Reclassification *	-3 571.2	-4 247.2
Closing net book amount	3 852.1	4 097.7
At 31 December 2022		
Cost	3 852.1	4 097.7
Accumulated depreciation	0.0	0.0
Net book amount	3 852.1	4 097.7
Classified as intangible	704.8	704.8

* Reclassification of assets under construction relates to completed assets/projects. The completed assets/projects are presented as additions in the relevant asset categories.

MAJOR 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 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.

Except for 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 monthly based on accrued project expenses.

For the period 2019 - 2022, gross project expenses for the project amount to NOK 229.4 million. After recognition of grants, based on the adopted national budget for 2023, net total project expenses in the project amounts to NOK 0.0 million.

Specification of how the construction project is reflected in the financial statements (Avinor AS and Avinor Group):

	PRESENTATION IN INCOME STATEMENT/STATEMENT OF FINANCIAL POSITION	NOTE	2019-2021	2022	TOTAL
Capitalised project expenses at 31 December					
Gross capitalised project expenses	Asset under construction		28.0	59.9	87.9
Reduction due to recognition of grants	Asset under construction		0.0	-87.9	-87.9
Gross capitalised project expenses at 31 December			28.0	-28.0	0.0
Project expenses recognised in the income statement					
Project expenses recognised	Operating expenses		136.1	5.4	141.5
Grants recognised	Other operating income	5	0.0	-141.5	-141.5
Net project expenses in the income statement			136.1	-136.1	0.0
Total project expenses					
Total accrued project expenses			164.1	65.3	229.4
Grants recognised			0.0	-229.4	-229.4
Net total project expenses			164.1	-164.1	0.0
Receivables related to grants at 31 December					
Grants recognised			0.0	229.4	229.4
Grants received			0.0	0.0	0.0
Receivables related to grants at 31 December	Receivables	19	0.0	229.4	229.4

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 new airport is expected to open for commercial traffic during 2027.

The project has been approved within a maximum cost target ("kostnadsramme") of NOK 3,320 million (2021 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 monthly after the contribution from the local business community and Rana municipality has been spent and will be based on incurred project expenses.

As of 31 December 2022, total accrued project expenses for New Airport Mo i Rana amount to NOK 190 million. Grants received from local business community and the state amount to NOK 254 million, of which NOK 190 million have been recorded as a reduction of accrued project expenses. This means that net project expenses as of 31 December 2022, after considering local and state grants, amount to NOK 0.0 million.

Specification of how the construction project is reflected in the financial statements (Avinor AS and Avinor Group):

	PRESENTATION IN INCOME STATEMENT/STATEMENT OF FINANCIAL POSITION	NOTE	2014-2021	2022	TOTAL
Capitalised project expenses at 31 December					
Gross capitalised project expenses	Asset under construction		3.1	144.5	147.6
Reduction due to recognition of grants	Asset under construction		0.0	-147.6	-147.6
Gross capitalised project expenses at 31 December			3.1	-3.1	0.0
Project expenses recognised in the income statement					
Project expenses recognised	Operating expenses		42.6	-0.2	42.4
Grants recognised	Other operating income	5	0.0	-42.4	-42.4
Net project expenses in the income statement			42.6	-42.6	0.0
Total project expenses					
Total accrued project expenses			45.7	144.3	190.0
Recognition of grants			0.0	-190.0	-190.0
Net total project expenses			45.7	-45.7	0.0
Liabilities related to grants at 31 December					
Grants recognised			0.0	190.0	190.0
Grants received			0.0	-254.0	-254.0
Liabilities related to grants at 31 December	Other current liabilities	19	0.0	-64.0	-64.0

NOTE 13 - Leases – right-of-use assets and lease liabilities *All amounts in MNOK*

THE GROUP AS LESSEE - CAPITALIZED LEASES

The group recognises a lease as a right of use with an associated lease obligation, when the asset becomes available for the group. Each rental payment is allocated between financial cost and lease liabilities. The finance cost is recognised in the income statement over the lease period based on an interest rate which results in a constant periodic interest on the remaining capitalized lease liability for each period. Right-of-use assets are amortised over the shortest of the contract period and the useful life of the asset using a linear method.

Estimated rental liability is calculated as the present value of the expected rental payments over the rental period. The lease liability includes the net fair value of fixed lease payments in the agreed period as well as the probable exercise of renewal options. Rental payments are indexed where applicable. A discount rate equal to the group's incremental borrowing rate is used. Right-of-use assets are measured at cost and equal to the amount at initial recognition of the lease liability.

Lease payments for short-term leases and low value leases are expensed as incurred. The group has used the option in IFRS 16.4 and does not apply IFRS 16 for intangible assets.

THE GROUP AS LESSOR - OPERATING LEASES

A significant portion of Avinor's commercial income consists of rental income that is recognised in accordance with IFRS 16. The rental income consists of fixed rental amounts as well as turn-over-based rent that is recognised as income over the lease period in line with the delivery.

The group presents assets that are leased as fixed assets in the balance sheet.

CAPITALIZED LEASES

The group's assets under capitalized leases mainly include buildings and other real estate, runways and land. The group's total lease obligation of NOK 535.0 million, includes the rent of office premises in Bjørvika, Oslo (head office) amounting to NOK 244.8 million and the rental of Bodø Airport from Forsvarsbygg amounting to NOK 154.2 million. The corresponding numbers for 2021 were 256.6 and 169.5, respectively. The rental agreement for Bodø Airport was at the end of 2021 extended until at the maximum 31. December 2030. In connection with the building of a new airport in Bodø, the leased land area is to be purchased from Forsvarsbygg. See note 12 for further information about the new airport in Bodø.

In addition to the rental payments, the group has obligations due to operation/maintenance and insurance of the assets, which are considered as service contracts and not recognized in the lease obligation.

The lease agreements do not contain restrictions on the company's dividend policy or financing options. The group does not have any substantial residual value guarantees attached to its leases.

New lease agreements are recognized with a discount rate equal to the group's incremental borrowing rate at the time of establishment of the lease. Avinor and the group's incremental borrowing rate on 31 December 2022 is estimated at 3.49 per cent (2021: 2.70 per cent).

RIGHT-OF-USE ASSETS, AVINOR AS

	LAND	BUILDINGS	RUNWAYS AND OTHER RELATED ASSETS	FURNITURE, FITTINGS AND EQUIPMENT	INFRA-STRUCTURE	TOTAL
At 1 January 2021						
Cost	26.0	480.4	102.2	4.8	0.8	614.0
Accumulated depreciation	-3.3	-84.5	-31.1	-2.4	-0.2	-121.6
Net book amount	22.8	395.8	71.0	2.3	0.5	492.5
Year ended 31 December 2021						
Opening net book amount	22.8	395.8	71.0	2.3	0.5	492.5
Additions	6.4	8.5	84.8	0.0	0.6	100.3
Reclassification	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation charge	-0.9	-42.7	-15.7	-1.4	-0.1	-60.8
Closing net book amount	28.3	361.6	140.2	0.9	1.0	532.0
At 31 December 2021						
Cost	32.4	488.8	187.0	4.8	1.4	714.4
Accumulated depreciation	-4.1	-127.3	-46.8	-3.8	-0.3	-182.3
Net book amount	28.3	361.6	140.2	0.9	1.0	532.0
Year ended 31 December 2022						
Opening net book amount	28.3	361.6	140.2	0.9	1.0	532.0
Additions cost - business combinations	2.6	41.1	0.0	0.0	0.0	43.8
Additions	0.0	-0.1	0.0	0.0	0.0	-0.1
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Additions depreciations - business combinations	-1.0	-17.3	0.0	0.0	0.0	-18.3
Depreciation charge	-0.9	-44.1	-17.0	-0.7	-0.1	-62.9
Closing net book amount	29.0	341.2	123.2	0.3	0.9	494.6
At 31 December 2022						
Cost	35.1	529.9	187.0	4.8	1.4	758.1
Accumulated depreciation	-6.1	-188.7	-63.7	-4.5	-0.5	-263.5
Net book amount	29.0	341.2	123.2	0.3	0.9	494.6
Estimated useful life	3 - 20 years	1 - 16 years	8 year	1 year	8 year	
Method of depreciation	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	

RIGHT-OF-USE ASSETS, AVINOR GROUP

	LAND	BUILDINGS	RUNWAYS AND OTHER RELATED ASSETS	FURNITURE, FITTINGS AND EQUIPMENT	INFRA- STRUCTURE	TOTAL
At 1 January 2021						
Cost	23.4	405.4	102.2	4.8	0.8	536.5
Accumulated depreciation	-1.9	-69.3	-31.1	-2.4	-0.2	-105.0
Net book amount	21.5	336.1	71.0	2.3	0.5	431.5
Year ended 31 December 2021						
Opening net book amount	21.5	336.1	71.0	2.3	0.5	431.5
Additions	6.6	99.6	84.8	0.0	0.6	191.7
Reclassification	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation charge	-1.0	-36.6	-15.7	-1.4	-0.1	-54.8
Closing net book amount	27.1	399.1	140.2	0.9	1.0	568.4
At 31 December 2021						
Cost	30.1	505.0	187.0	4.8	1.4	728.2
Accumulated depreciation	-2.9	-105.9	-46.8	-3.8	-0.3	-159.8
Net book amount	27.1	399.1	140.2	0.9	1.0	568.4
Year ended 31 December 2022						
Opening net book amount	27.1	399.1	140.2	0.9	1.0	568.4
Additions	0.0	0.6	0.0	0.0	0.0	0.6
Disposals	0.0	-6.2	0.0	0.0	0.0	-6.2
Depreciation charge	-1.0	-39.5	-17.0	-0.7	-0.1	-58.3
Closing net book amount	26.2	354.0	123.2	0.3	0.9	504.6
At 31 December 2022						
Cost	30.1	499.4	187.0	4.8	1.4	722.6
Accumulated depreciation	-3.9	-145.4	-63.8	-4.5	-0.5	-218.1
Net book amount	26.2	354.0	123.2	0.3	0.9	504.6
Estimated useful life	3 - 20 years	1 - 19 years	8 year	1 year	8 year	
Method of depreciation	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	

LEASE LIABILITIES

Specification of remaining estimated rental payments for capitalized leases and present value:

LEASE LIABILITIES, AVINOR AS

	LESS THAN 1 YEAR	BETWEEN 1-5 YEARS	OVER 5 YEARS	TOTAL	INTRA-GROUP INCLUDED IN TOTAL
At 31 December 2022					
Rental agreement HQ Oslo (Oslo Atrium AS)	22.7	120.4	105.2	248.3	0.0
Rental agreement Bodø Airport (Forvarsbygg)	20.0	106.0	45.4	171.5	0.0
Rental agreements other premises	29.3	116.6	13.3	159.2	112.7
Other rental agreements	1.8	7.1	12.1	20.9	3.9
Total - rental payments at nominal value	73.7	350.0	176.1	599.9	116.6
Total - rental payments at present value	72.7	318.1	139.2	529.9	107.7
At 31 December 2021					
Rental agreement HQ Oslo (Oslo Atrium AS)	22.2	118.0	130.3	270.5	0.0
Rental agreement Bodø Airport (Forvarsbygg)	19.6	104.0	67.5	191.0	0.0
Rental agreements other premises	23.9	120.6	12.1	156.6	133.9
Other rental agreements	1.9	5.9	13.2	21.0	4.1
Total - rental payments at nominal value	67.6	348.4	223.1	639.1	138.0
Total - rental payments at present value	66.7	315.1	174.4	556.2	125.7

LEASE LIABILITIES, AVINOR GROUP

	LESS THAN 1 YEAR	BETWEEN 1-5 YEARS	OVER 5 YEARS	TOTAL
31.12.2022				
Rental agreement HQ Oslo (Oslo Atrium AS)	29.8	146.5	105.2	281.5
Rental agreement Bodø Airport (Forvarsbygg)	20.0	106.0	45.4	171.5
Rental agreements other premises	12.4	50.9	92.3	155.6
Other rental agreements	1.6	6.0	9.5	17.0
Total - rental payments at nominal value	63.8	309.3	252.5	625.6
Total - rental payments at present value	62.8	280.6	191.5	535.0
31.12.2021				
Rental agreement HQ Oslo (Oslo Atrium AS)	29.1	150.6	130.3	309.9
Rental agreement Bodø Airport (Forvarsbygg)	19.6	104.0	67.5	191.0
Rental agreements other premises	13.6	59.3	103.3	176.2
Other rental agreements	2.0	6.3	10.7	19.0
Total - rental payments at nominal value	64.3	320.1	311.8	696.2
Total - rental payments at present value	63.4	290.0	235.3	588.7

CHANGES IN LEASE LIABILITIES	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Balance at 1 January	556.2	513.0	588.7	448.7
Additions - business combinations	27.3	0.0	0.0	0.0
Additions/changes in the period	0.1	95.1	0.6	186.3
Disposals	0.0	0.0	-6.7	0.0
Repayments	-53.6	-51.9	-47.6	-46.3
Interest payments	-15.5	-14.7	-16.2	-13.6
Finance cost on lease liabilities	15.5	14.7	16.2	13.6
Total lease liabilities at 31 December	529.9	556.2	535.0	588.7
Short-term lease liabilities	72.7	66.7	62.8	63.4
Long-term lease liabilities	457.2	489.5	472.2	525.3
Net cash-flow from lease liabilities	-69.1	-66.6	-63.8	-59.9

THE GROUP AS A LESSEE - NON-CAPITALIZED LEASE AGREEMENTS

	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Specification of current year's rental cost				
Operating expenses in the period related to short-term leases (including short-term low value leases)	14.5	7.6	15.9	8.8
"Operating expenses in the period related to intangible assets (not applying IFRS 16)"	189.7	170.9	217.5	202.9
Total lease cost presented as other operating expenses	204.2	178.5	233.4	211.7

Leases related to intangible assets are mainly licenses and maintenance agreements related to software. The group has used the option in IFRS 16.4 and does not apply IFRS 16 for intangible assets.

Practical solutions used

The Group also rents office machines/IT equipment and other machines and equipment with lease terms from 1 to 3 years. The group has decided not to recognise leases where the underlying asset has low value, and thus does not recognise lease obligations and right-of-use assets for any of these leases. Instead, the rental payments are expensed when they occur.

NOTE 14 - Impairment tests All amounts in MNOK

Intangible assets, property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised if the recoverable amount of the group's assets is less than its carrying amount. The recoverable amount is the highest of the cash-generating unit's fair value less cost to sell and its value in use. If impairments have been made, the possibilities for reversal of previous impairments on non-financial assets will be assessed at each reporting date.

The group estimates value in use based on the present value of future cash flows. Value in use is the present value of future cash flows derived from existing assets. The assessment is based on the entire business of Avinor being defined as two cash flow generating units (CGUs), see also discussion in note 2.

The assessment requires a great degree of professional judgement. Among other things, an assessment must be made of how long a period of time the impairment may last, the estimation and valuation of future cash flows in addition to the financial position and expected development in the market, including operating and financing cash flows.

ASSUMPTIONS USED WHEN CALCULATING THE 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 from 2020 up until the first quarter of 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

The group also does not recognise lease obligations and rights-of-use assets for short-term leases.

OPTIONS TO EXTEND A LEASE AND PURCHASE OPTIONS

As of 31 December 2022, there are no significant future potential lease payments that are not included in the lease obligations as a result of extension or purchase options.

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 unit. Consequently, management has performed updated impairment tests at the end of 2022 that consider 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 en-route 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 require impairment of assets.

The group's operations are conducted entirely in Norway. The present value of cash flows is estimated in Norwegian kroner and discounted based on a weighted return requirement relevant to Avinor's 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 on the next page, and represent the most updated assessment of probable outcome:

KEY ASSUMPTIONS

Key assumptions	AIRPORT OPERATIONS	EN-ROUTE SERVICES
	Operating margin 2023	8.7 %
Operating margin 2028	24.0 %	12.3 %
Revenues 2023 as a % of 2019 *	79.5 %	101.3 %
Revenues 2028 as a % of 2019 *	100.1 %	135.4 %
Operating expenses 2023 as a % of 2019 *	85.4 %	62.1 %
Operating expenses 2028 as a % of 2019 *	89.1 %	69.0 %
Terminal growth rate	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.
 - It is assumed that there will be a real increase in the fees that Avinor collects.
 - 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 en-route services, it is assumed that future benefit plans provide a return equivalent to the return requirement.
 - 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.
 - It is expected that climate and sustainability will lead to a lasting change in travel habits. This is considered 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 during the measurement period. 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 and debt interest rates
 - The assessments of required rate of return for equity expected 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 5,650 million for airport operations and NOK 900 million for en-route services. Consequently, no impairment loss has been recognized at the end of 2022.

IMPAIRMENT TESTS - SENSITIVITY ANALYSES

At the time of approval of the 2022 annual accounts 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 management's current estimates and assumptions not be met, it could lead to significant impairment losses.

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

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

IMPAIRMENT TESTS	AIRPORT OPERATIONS		EN-ROUTE SERVICES	
	Value in use	Impairment	Value in use	Impairment
Changes in assumptions				
Operating margin: -1,0 %	40 000	0	2 150	0
Operating margin: -2,0 %	37 350	0	1 800	0
Operating income: -1,0 %	40 650	0	2 100	0
Operating income: -2,0 %	38 500	0	1 700	0
Terminal growth rate: -0,5 %	37 000	100	1 950	0
Terminal growth rate: -1,0 %	32 550	4 550	1 550	50
Post-tax rate of return requirement: +0,5 %	36 500	600	1 900	0
Post-tax rate of return requirement: +1,0 %	31 700	5 400	1 450	150

NOTE 15 - Financial risk factors All amounts in MNOK

The group's activities expose it to a variety of financial risks. Financial risks include liquidity risk, interest rate risk, foreign exchange risk, credit risk, energy price risk and refinancing risk. The group's overall risk management program seeks to minimize the volatility of the group's financial performance. The group uses derivative financial instruments in addition to borrowings with fixed interest rates to hedge certain risk exposures.

Financial risk management is carried out by a central treasury department under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. Guidelines have been established that regulate the overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, energy trading, relief of financial risk when purchasing property and liability insurance as well as management of financing and excess liquidity.

For details about financial assets and liabilities including hedging, see note 16.

MARKET RISK

Foreign exchange risk

The group is exposed to foreign exchange risk with respect to the value of NOK against currencies caused by income and expenses in foreign currency. The group uses forward contracts to reduce the foreign exchange risk in cash flow nominated in foreign currency. The group is mainly exposed to euros and US dollars as well as some exposure to Swedish kroner and British pounds.

The group's income from en-route charges is exposed to foreign exchange risk. For Avinor Flysikring AS the risk is connected to the transfer of the revenue to Norway. The period from the determination of the exchange rate to the actual payment is about three months. Revenue in foreign currency is sold forward to the extent that it is not hedged by cash outflow in the same currency. The group also has foreign exchange risk connected to contractual payments in foreign currency. Forward contracts are not recorded as accounting hedges.

Avinor AS has as part of the hedging of large investments, entered into forward foreign exchange contracts in connection with the development of the airport terminals. Foreign exchange rate derivatives do not normally qualify for hedge accounting.

The group's bond debt denominated in euros is secured through the purchase of interest rate and currency swap agreements. Avinor uses hedge accounting when accounting for interest rate and currency swap agreements.

As the foreign exchange risk in overall is assessed to be limited, the group has not estimated any sensitivities. For notional principal amount of the outstanding foreign exchange contracts, see note 16.

Interest rate risk

The group is exposed to interest rate risk through its financial activities (see note 16). Parts of the borrowings are issued at variable rates, which means that the group is influenced by the changes in the interest rates. For servicing loans with floating interest rates, the group uses interest rate swaps to secure its own cash flow against interest rate fluctuations. All interest rate swaps are recognized in the balance sheet at fair value.

The objective of the group's interest rate management is to keep the volatility of future interest costs within acceptable limits. Group policy is to interest rate hedge all long-term loans till at least 60 per cent of total debt at all times is hedged for at least 12 months. Considering interest derivatives, the group has 67 per cent of its interest-bearing debt at fixed interest for at least 12 months.

As of 31 December 2022, all interest derivatives are adapted to the maturity and other conditions of specific loans.

The group uses various derivatives to adjust the effective interest rate exposure.

The group's interest rate swap agreements have the following maturities and with the following average interest paid by Avinor:

AVINOR AS AND AVINOR GROUP

FIGURES IN PERCENT	2022	2021
2025	3.55	3.55
2027	3.02	3.02
2030	3.38	3.38

As of 31 December 2022, the group has bond loans and bank loans totalling NOK 3,080 million (2021: NOK 3,200 million) with floating interest.

The following table shows sensitivity to changes in the interest rate level of 0.50 and 1.50 per cent per balance sheet date. The calculations consider all interest derivatives. An increase in the interest rate reduces the group's profit before tax.

AVINOR AS AND AVINOR GROUP

	CHANGES IN INTEREST LEVELS IN BASIS POINTS	IMPACT ON PRE-TAX PROFIT	IMPACT ON EQUITY
2022			
	+50	-17.3	-21.8
	-50	17.3	21.8
	+150	-52.0	-65.5
	-150	52.0	65.5
2021			
	+50	-19.7	-26.6
	-50	19.7	26.6
	+150	-59.1	-79.8
	-150	59.1	79.8

Average interest on the group's various categories of debt financing per 31 December:

	2022 (%)	2021 (%)
At 31 December		
Overdraft	IA	IA
State Loan	1.62	1.35
Bonds	3.46	2.69
Bank Loan	3.63	2.26

The figures include interest hedging derivatives.

On 31 December 2022 Avinor AS had total borrowings amounting to NOK 22,248 million (2021: NOK 22,535 million) in addition to an unutilized revolving credit facility and a bank overdraft facility, of a total of NOK 4,300 million (2021: NOK 4,300 million).

Energy price risk

Avinor is exposed to fluctuations in the energy price through being a consumer of electricity. To assure financial predictability, the group enters into energy price derivatives. The time horizon for the energy price derivatives is the current year plus up to five years. The hedges are made through a mixture of daily hedges with a smaller volume as well as some hedges with a larger volume.

AVINOR AS AND AVINOR GROUP

	2022	2021
20 % increase in energy price (effect on pre-tax profit)	120.3	42.2

CREDIT RISK

The group essentially has credit risk linked to airlines, lessees and aviation-related industries.

The group has credit risks related to three main customers. In a normal situation, the group assesses the risk that customers cannot fulfil their obligations as moderate.

The group has guidelines to limit exposure to possible losses.

The group has not made any third-party guarantees.

Maximum risk exposure is illustrated by the carried amount of

The group's strategy is to fully hedge the expected energy consumption for the current year.

Bilateral physical energy contracts have been entered into with Statkraft Energi AS. The contracts are booked as financial instruments. As of 31 December 2022, contracts have been entered into that cover 100 per cent of expected consumption in 2023 at an average price equal to around 100 euros per MWh. The contracts are not part of any accounting hedging relationship.

Sensitivity analysis for energy contracts at the end of the year indicates the effect on profit before tax if the energy prices had increased by 20 per cent:

the financial assets, including derivatives in the balance sheet. Since the opposite party in derivatives trading is normally banks, the credit risk connected to derivatives is assessed as small. The group enters into derivative contracts in accordance with its own policy.

The group's assessment is that the group's maximum credit exposure is illustrated by the carried amounts of trade receivables and other short-term assets. Reference is made to note 19 regarding trade receivables and associated provision for losses on receivables.

The group's main bank has external credit rating of Aa3 and AA- (Moody's and Standard & Poors).

Creditworthiness in trade receivables and intra-group accounts in detail

Credit risk in non-due financial instruments which have not been written down, may be evaluated by external sources (if available), or based on previous negative credit records.

Classification of historical information (unimpaired trade receivables):

- group 1 – new customers/related parties (in the last six months)
- group 2 – existing customers/related parties (for more than six months) with no history of default
- group 3 – existing customers/related parties (for more than six months) with a history of default

There have been several cases where repayment schemes have been agreed with customers to settle overdue debt.

All intra-groups accounts are classified in group 2. No part of the loans to related parties is overdue or impaired.

LIQUIDITY RISK

Liquidity risk is the risk that the group will not be able to meet its financial obligations when they are due.

The group shall have a liquidity reserve sufficient, at any time, to maintain business for at least twelve months without raising new loans. See note 16 for discussion of liquidity reserves and unused drawing facilities.

The tables below provide an overview of the maturity structure for Avinor AS and the group's financial obligations as of 31 December, in nominal amounts. In the case where the opposite party may demand an earlier payment, the amount is presented in the earliest period the payment may be demanded. If payment may be demanded on request, the obligations are included in the first column (less than 1 month).

In addition to refinancing of the borrowings described below, the group will, the next few years, require financing of already initiated infrastructure projects and necessary investments. The gross financing requirement includes refinancing of existing borrowings as described below and other planned investment activities. See note 16 for information about long-term loans and credit facilities.

AVINOR AS: MATURITY STRUCTURE OF FINANCIAL OBLIGATIONS

	REMAINING PERIOD					TOTAL
	LESS THAN 1 MONTH	BETWEEN 1 - 3 MONTHS	BETWEEN 4 - 12 MONTHS	BETWEEN 1 - 5 YEARS	OVER 5 YEARS	
At 31 December 2022						
State, bond and bank borrowings*	53.0	134.0	1 513.0	12 825.0	10 833.0	25 358.0
Lease liabilities (see note 13)	6.1	12.3	55.3	350.0	176.1	599.9
Other commitments (see note 18)	8.0	16.0	72.1	817.1	0.0	913.2
Trade payables	366.3	180.4	0.0	0.0	0.0	546.7
Other current liabilities	317.0	156.1	0.0	0.0	0.0	473.2
Total	750.5	498.8	1 640.4	13 992.1	11 009.1	27 890.9
At 31 December 2021						
State, bond and bank borrowings*	28.4	133.9	1 287.1	8 381.0	15 832.7	25 663.1
Lease liabilities (see note 13)	5.6	11.3	50.7	348.4	223.1	639.1
Other commitments (see note 18)	1.5	2.9	13.1	300.8	643.1	961.4
Trade payables	280.8	138.3	0.0	0.0	0.0	419.1
Other current liabilities	338.6	166.8	0.0	0.0	0.0	505.3
Total	654.9	453.2	1 350.9	9 030.3	16 698.8	28 188.1

* Commercial papers and derivatives included

AVINOR GROUP: MATURITY STRUCTURE OF FINANCIAL OBLIGATIONS

	REMAINING PERIOD					TOTAL
	LESS THAN 1 MONTH	BETWEEN 1 - 3 MONTHS	BETWEEN 4 - 12 MONTHS	BETWEEN 1 - 5 YEARS	OVER 5 YEARS	
At 31 December 2022						
State, bond and bank borrowings*	53.0	134.0	1 513.0	12 825.0	10 833.0	25 358.0
Lease liabilities (see note 13)	5.3	10.6	47.8	309.3	252.5	625.6
Other commitments	16.3	32.7	147.1	817.2	0.0	1 013.3
Trade payables	435.6	214.5	0.0	0.0	0.0	650.1
Other current liabilities	346.0	170.4	0.0	0.0	0.0	516.4
Total	856.2	562.3	1 707.9	13 951.5	11 085.5	28 163.4
At 31 December 2021						
State, bond and bank borrowings*	28.4	133.9	1 287.1	8 381.0	15 832.7	25 663.1
Lease liabilities (see note 13)	5.4	10.7	48.2	320.1	311.8	696.2
Other commitments	1.9	3.8	17.0	301.1	644.7	968.5
Trade payables	335.3	165.1	0.0	0.0	0.0	500.4
Other current liabilities	357.8	176.3	0.0	0.0	0.0	534.1
Total	728.8	489.8	1 352.3	9 002.2	16 789.2	28 362.3

* Commercial papers and derivatives included

FAIR VALUE ESTIMATION

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

The carrying amount of cash and bank overdrafts is approximately equal to the fair value of these instruments as they fall due in a short period of time. Similarly, the carrying amount of accounts payables is approximately equal to fair value as they are entered into under "normal" conditions.

This also applies to accounts receivable, with the exception of

customer relationships where there is significant overdue, unpaid outstanding. These overdue outstanding receivables are assessed 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 margin. The fair value of commercial papers equals principal amount.

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

COMPARISON OF CARRYING AMOUNTS AND FAIR VALUE

	AVINOR AS			
	2022		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	529.9	529.9	556.2	556.2

	AVINOR GROUP			
	2022		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

Financial instruments by level of fair value measurement hierarchy

The table below shows financial instruments at fair value by level of the following fair value measurement hierarchy:

- Quoted prices 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 (as prices) or indirectly (derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

The following table presents the groups, and in all essentials the company's, assets and liabilities that are measured at fair value, and assets and liabilities for which fair values are disclosed on 31 December 2022:

AVINOR GROUP	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial assets at fair value through profit or loss				
Foreign exchange contracts	0.0	1.2	0.0	1.2
Energy contracts	0.0	140.8	0.0	140.8
Derivatives used for hedging				
Interest rate contracts	0.0	1 377.9	0.0	1 377.9
Total assets	0.0	1 519.9	0.0	1 519.9
Liabilities				
Financial liabilities at fair value through profit or loss				
Bonds	0.0	3 419.8	0.0	3 419.8
Foreign exchange contracts	0.0	3.4	0.0	3.4
Derivatives used for hedging				
Interest rate contracts	0.0	1 585.8	0.0	1 585.8
Total liabilities	0.0	5 009.1	0.0	5 009.1
Liabilities for which fair values are disclosed				
Interest-bearing debt				
State loan	0.0	730.0	0.0	730.0
Bonds	0.0	15 607.0	0.0	15 607.0
Bank borrowings	0.0	3 884.0	0.0	3 884.0
Lease liabilities	0.0	535.0	0.0	535.0
Total	0.0	20 756.0	0.0	20 756.0

There were no transfers between levels in 2022.

The following table presents the groups, and in all essentials the company's, assets and liabilities that are measured at fair value, and assets and liabilities for which fair values are disclosed on 31 December 2021:

AVINOR GROUP	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial assets at fair value through profit or loss				
Foreign exchange contracts	0.0	2.8	0.0	2.8
Energy contracts	53.2	0.0	0.0	53.2
Interest rate swaps	0.0	0.0	0.0	0.0
Derivatives used for hedging				
Interest rate contracts	0.0	1 381.3	0.0	1 381.3
Total assets	53.2	1 384.2	0.0	1 437.4
Liabilities				
Financial liabilities at fair value through profit or loss				
Bonds	0.0	4 620.7	0.0	4 620.7
Foreign exchange contracts	0.0	12.5	0.0	12.5
Derivatives used for hedging				
Interest rate swaps	0.0	851.1	0.0	851.1
Total liabilities	0.0	5 484.2	0.0	5 484.2
Liabilities for which fair values are disclosed				
Interest-bearing debt				
State loan	0.0	1 194.0	0.0	1 194.0
Bonds	0.0	17 874.4	0.0	17 874.4
Bank borrowings	0.0	4 435.7	0.0	4 435.7
Lease liabilities	0.0	588.7	0.0	588.7
Total	0.0	24 092.9	0.0	24 092.9

There were no transfers between levels in 2021.

NOTE 16 - Financial assets and liabilities All amounts in MNOK

FINANCIAL ASSETS

Classification

The group classifies its financial assets in the following categories: At fair value through profit or loss and amortised cost. The classification is determined based on the contractual cash flow characteristic of the instrument and the business model the instrument is held within.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are derivatives with a positive fair value. Assets in this category are classified as current if expected realisation is within 12 months after the end of the reporting period.

Amortised cost

Financial assets at amortised cost are assets where both the following conditions are met: The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows, and the contractual terms of the

financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are classified as "Trade and other receivables" in the balance sheet.

Other receivables consist of accruals of rental income.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the group commits to purchase or sell the assets. All financial assets that are not accounted for at fair value with change in fair value through profit or loss are initially recognized in the balance sheet at fair value with the addition of transaction costs, with the exception of trade receivables which are initially recognized in the balance sheet at the transaction price in accordance with IFRS 15. Thereafter they are carried at amortised cost. Financial assets carried at fair value through profit and loss are initially recognised at fair value,

and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

With the exception of trade receivables, the group do not have any financial assets covered by the impairment rules.

For trade receivables without a significant financing component, the group has applied the standard's simplified approach and measure the loss allowance at an amount equal to lifetime expected credit loss for the asset from initial recognition. The group has established a provision model based on previous historical loss experiences, considering new information as well as special knowledge of individual debtors, industry and economic developments.

In note 19, age distribution and loss provisions for trade receivables are specified.

FINANCIAL LIABILITIES

Classification

The group classifies its financial liabilities in the following categories: At fair value through profit or loss and amortised cost. The classification is determined based on the contractual cash flow characteristic of the instrument and the business model the instrument is held within.



DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

	NOMINAL AMOUNT	DUE DATE	REFERENCE INTEREST RATE
At 31 December 2022			
Cash flow hedge	1 265	2025	EURIBOR OG NIBOR
Fair value hedge	1 265	2025	NIBOR
Cash flow hedge	4 440	2027	EURIBOR OG NIBOR
Cash flow hedge	3 000	2030	NIBOR
Fair value hedge	5 589	2030	EURIBOR OG NIBOR

The company and the group have the following interest rate swap agreements as of 31 December 2022:

The assessment of the hedge effectiveness is based on the economic relationship between the hedging instrument and the hedged item, and that the credit risk is not dominant in the change in fair value of the hedging instrument. The hedge effectiveness is assessed prospectively.

The fair value of hedging derivatives is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

The group normally defines its derivatives financial instruments related to borrowing as hedging derivatives, and therefore uses

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are derivatives with a negative fair market value. Derivatives are initially recognised at fair value. Subsequent changes in fair value are recorded in the income statement. Liabilities in this category are classified as current if expected realisation is within 12 months after the end of the reporting period.

Amortized cost

Financial liabilities at amortized cost are financial liabilities that have fixed payments, apart from derivatives. These financial obligations are not traded in an active market. The obligations are recognized in the balance sheet at fair value at the time the obligation is incurred. Subsequent measurements are accounted for at amortized cost using the effective interest method. They are classified as short-term liabilities, unless there is an unconditional right to defer payment of the debt for more than 12 months from the balance sheet date. If so, they are classified as long-term liabilities.

Derivate financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The group designates hedging derivatives as either

- Hedges of the fair value of recognised assets, liabilities or a firm commitment (fair value hedge) or
- Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge)

hedge accounting as a general rule when it comes to these hedging derivatives.

The group uses economic hedging in connection with the purchase of energy and foreign currency. For energy, bilateral physical energy contracts with Statkraft Energi AS are used. These hedges do not normally qualify for hedge accounting. Changes in the fair value of energy price contracts are recognized within financial items.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The group applies fair value hedge for hedging activities where the group has entered into fixed interest rate borrowings in foreign currency

that have been swapped to floating interest rates in NOK. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognized in the income statement within 'finance costs'. Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognized in the income statement within 'finance costs'.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in the income statement within 'net finance costs'.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognized in the income statement within 'finance costs'.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Categories of financial instruments in the balance sheet

AVINOR AS

	AMORTISED COST	FAIR VALUE THROUGH PROFIT OR LOSS	DERIVATIVES USED FOR HEDGING	TOTAL
At 31 December 2022				
Assets				
Loans and receivables to group companies	578.5	0.0	0.0	578.5
Derivative financial instruments	0.0	142.0	1 377.9	1 519.9
Other financial assets	86.4	0.0	0.0	86.4
Trade receivables	774.5	0.0	0.0	774.5
Other receivables	212.0	0.0	0.0	212.0
Cash and cash equivalents	1 188.6	0.0	0.0	1 188.6
Total assets	2 809.9	142.0	1 377.9	4 329.8
Liabilities				
State loan	749.8	0.0	0.0	749.8
Bonds	17 095.1	0.0	0.0	17 095.1
Bank borrowings	3 879.0	0.0	0.0	3 879.0
Loans and payables to group companies	2 520.9	0.0	0.0	2 520.9
Derivative financial instruments	0.0	5.3	1 585.9	1 591.2
Lease liabilities	0.0	529.9	0.0	529.9
Trade payables	546.7	0.0	0.0	546.7
Other liabilities	475.5	0.0	0.0	475.5
Total liabilities	25 267.0	535.2	1 585.9	27 388.2

AVINOR AS

	AMORTISED COST	FAIR VALUE THROUGH PROFIT OR LOSS	DERIVATIVES USED FOR HEDGING	TOTAL
At 31 December 2021				
Assets				
Loans and receivables to group companies	1 027.5	0.0	0.0	1 027.5
Derivative financial instruments	0.0	54.4	1 381.3	1 435.7
Other financial assets	183.5	0.0	0.0	183.5
Trade receivables	579.3	0.0	0.0	579.3
Other receivables	55.1	0.0	0.0	55.1
Cash and cash equivalents	2 656.2	0.0	0.0	2 656.2
Total assets	4 501.6	54.4	1 381.3	5 937.3
Liabilities				
State loan	1 194.2	0.0	0.0	1 194.2
Bonds	16 868.2	0.0	0.0	16 868.2
Bank borrowings	4 326.1	0.0	0.0	4 326.1
Loans and payables to group companies	1 115.1	0.0	0.0	1 115.1
Derivative financial instruments	0.0	11.2	851.1	862.3
Lease liabilities	0.0	556.2	0.0	556.2
Trade payables	419.1	0.0	0.0	419.1
Other liabilities	522.8	0.0	0.0	522.8
Total liabilities	24 445.6	567.4	851.1	25 864.1

AVINOR GROUP

	AMORTISED COST	FAIR VALUE THROUGH PROFIT OR LOSS	DERIVATIVES USED FOR HEDGING	TOTAL
At 31 December 2022				
Assets				
Derivative financial instruments	0.0	142.0	1 377.9	1 519.8
Other financial assets	86.7	0.0	0.0	86.7
Trade receivables	1 045.8	0.0	0.0	1 045.8
Other receivables	216.5	0.0	0.0	216.5
Cash and cash equivalents	1 188.6	0.0	0.0	1 188.6
Total assets	2 507.6	142.0	1 377.9	4 027.4
Liabilities				
State loan	749.8	0.0	0.0	749.8
Bonds	17 095.1	0.0	0.0	17 095.1
Bank borrowings	3 879.0	0.0	0.0	3 879.0
Derivative financial instruments	0.0	3.4	1 585.8	1 589.3
Lease liabilities	0.0	535.0	0.0	535.0
Trade payables	650.1	0.0	0.0	650.1
Other liabilities	519.1	0.0	0.0	519.1
Total liabilities	22 893.1	538.4	1 585.8	25 017.5

AVINOR GROUP

	AMORTISED COST	FAIR VALUE THROUGH PROFIT OR LOSS	DERIVATIVES USED FOR HEDGING	TOTAL
At 31 December 2021				
Assets				
Derivative financial instruments	0.0	56.0	1 381.3	1 437.3
Other financial assets	184.7	0.0	0.0	184.7
Trade receivables	845.9	0.0	0.0	845.9
Other receivables	76.2	0.0	0.0	76.2
Cash and cash equivalents	2 657.4	0.0	0.0	2 657.4
Total assets	3 764.2	56.0	1 381.3	5 201.5
Liabilities				
State loan	1 194.2	0.0	0.0	1 194.2
Bonds	16 868.2	0.0	0.0	16 868.2
Bank borrowings	4 326.1	0.0	0.0	4 326.1
Derivative financial instruments	0.0	12.5	851.1	863.6
Lease liabilities	0.0	588.7	0.0	588.7
Trade payables	500.4	0.0	0.0	500.4
Other liabilities	556.8	0.0	0.0	556.8
Total liabilities	23 445.8	601.2	851.1	24 898.1

For information about the credit quality of financial assets - see note 15.

DERIVATIVE FINANCIAL INSTRUMENTS

	AVINOR AS			AVINOR GROUP		
	2022	2021	CHANGE	2022	2021	CHANGE
Assets						
Interest rate swaps - cash flow hedges	855.5	962.4	-107.0	855.5	962.4	-106.9
Interest rate swaps - fair value hedges	522.4	418.9	103.5	522.4	418.9	103.5
Forward foreign exchange contracts	1.3	1.2	0.1	1.2	2.8	-1.6
Forward energy contracts	140.8	53.2	87.6	140.8	53.2	87.6
Total assets	1 519.9	1 435.7	84.2	1 519.9	1 437.3	82.6
Liabilities						
Interest rate swaps - cash flow hedges	1 585.9	851.1	734.8	1 585.8	851.1	734.7
Forward foreign exchange contracts	5.3	11.2	-5.9	3.4	12.5	-9.1
Forward energy contracts	0.0	0.0	0.0	0.0	0.0	0.0
Total liabilities	1 591.2	862.3	728.9	1 589.2	863.6	725.6
Net change			-644.8		-643.0	-643.0
Details of net change						
Changes in value and other losses/(gains)			93.5			95.1
Interest rate swaps - recognised in other comprehensive income			-908.8			-908.8
Interests rate swaps - changes in value			170.5			170.7

AVINOR AS AND AVINOR GROUP

	CARRYING AMOUNT	CHARGE IN CARRYING AMOUNT	RECOGNISED IN OCI	TOTAL HEDGING GAIN/LOSS(-) RECOGNISED IN OCI
At 31 December 2022				
Derivative financial instruments				
Interest rate swaps - cash flow hedges	-730.4	-841.8	-1 287.7	-1 333.8
Interest rate swaps - fair value hedges	522.4	103.5	378.9	752.1
Total	-208.0	-738.3	-908.8	-581.7

AVINOR AS AND AVINOR GROUP

	CARRYING AMOUNT	CHARGE IN CARRYING AMOUNT	RECOGNISED IN OCI	TOTAL HEDGING GAIN/LOSS(-) RECOGNISED IN OCI
At 31 December 2021				
Derivative financial instruments				
Interest rate swaps - cash flow hedges	111.4	-1 328.6	-310.4	-375.5
Interest rate swaps - fair value hedges	418.9	-6.3	371.0	502.6
Total	530.3	-1 334.9	60.6	127.0

Interest rate and currency swaps are linked to hedging of bond loans in euros. The group fully hedges currency risk from euros to Norwegian kroner. In addition, interest rate risk in euros is hedged at interest in Norwegian kroner. The interest payments are partially hedged at a fixed rate and the rest at a floating rate in Norwegian kroner.

SPECIFICATION OF SWAPS

	MATURITY	NOMINAL AMOUNT	INTEREST IN NOK
At 31 December 2022			
Interest rate and foreign currency swap	2025	EUR 150 million	2.86 percent p.a.
Interest rate and foreign currency swap	2025	EUR 150 million	NIBOR
Interest rate and foreign currency swap	2027	EUR 500 million	3.02 percent p.a.
Interest rate and foreign currency swap	2030	EUR 500 million	NIBOR
Interest rate swap	2030	NOK 1 000 million	2.20 percent p.a.
Interest rate swap	2030	NOK 1 000 million	2.22 percent p.a.
Interest rate swap	2030	NOK 1 000 million	3.57 percent p.a.

There has been no inefficiency in these hedging instruments.

Forward foreign exchange and energy contracts are not defined as hedge accounting and are classified as a current asset and/or liability.

The notional principal amount of the outstanding forward foreign exchange contracts on 31 December 2022 was NOK 21 million (2021: NOK 58 million).

The notional principal amount of the outstanding forward energy contracts on 31 December 2022 was NOK 481 million (2021: NOK 157 million).

Gains and losses recognized in comprehensive income on interest rate swaps as of 31 December 2022 will continuously reverse in the income statement until the bank loans are repaid.

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the balance sheet.

OTHER FINANCIAL ASSETS

	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Other financial assets				
Other non-current receivables	86.4	183.5	86.7	184.7
Total	86.4	183.5	86.7	184.7

Other non-current receivables are non-derivative financial assets with fixed payments that are not quoted in an active market. Fair values of other financial assets are substantially identical with book value.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank overdraft.

Cash and cash equivalents include the following for the purpose of the statement of cash flows:

	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Cash and bank at hand	1 188.6	2 656.2	1 188.6	2 657.4
Bank overdraft	0.0	0.0	0.0	0.0
Total	1 188.6	2 656.2	1 188.6	2 657.4

Drawing facilities

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

For the group's revolving drawing facility, there is a requirement for an equity share of at least 30 per cent of total equity and net interest-bearing debt. Lease liabilities are included in the calculation of net interest-bearing debt.

Group bank account system

The Avinor Group's liquidity is organized in a group bank account arrangement. Avinor AS is the formal holder of the bank account. The bank accounts of all subsidiaries are therefore formally receivables from Avinor AS, and these companies are jointly responsible for the withdrawals that the Avinor Group has made.

Bank guarantees

Bank guarantees have been established for withheld tax deductions for employees. The bank guarantees are NOK 113.8 million in Avinor AS and NOK 187.5 million in the Avinor Group. Bank guarantees provided exceed withheld tax withholding as of 31 December 2022.

Borrowings

Borrowings are recognized initially at fair value. Borrowings are subsequently carried at amortised cost using the effective interest method, except for borrowings hedged with a derivative fair value hedge, which is also carried at fair value in subsequent periods. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Non-current borrowings and lease liabilities				
State loan	305.5	749.8	305.5	749.8
Bonds	17 095.1	16 868.3	17 095.1	16 868.3
Bank borrowings	3 351.9	3 879.0	3 351.9	3 879.0
Lease liabilities	457.3	489.5	472.2	525.3
Total long-term	21 209.7	21 986.7	21 224.6	22 022.5
Current borrowings				
First year instalment on long-term debt	971.5	891.5	971.5	891.5
Lease liabilities	72.7	66.7	62.8	63.4
Total current	1 044.1	958.1	1 034.3	954.8
Total current and long-term borrowings and lease liabilities	22 253.8	22 944.8	22 259.0	22 977.3

	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Changes in borrowings				
Opening net book amount at 1 January	22 944.8	27 663.2	22 977.3	27 598.9
Repayment of borrowings	-891.5	-3 381.5	-891.5	-3 381.5
Repayment of lease liabilities	-35.6	-51.9	-47.5	-46.2
Net changes in borrowings with cash flow effect	-927.1	-3 433.4	-939.0	-3 427.7
Other changes in lease liabilities	27.3	95.1	-6.1	186.3
Changes in value	208.8	-1 380.1	226.8	-1 380.1
Closing net book amount at 31 December	22 253.8	22 944.8	22 259.0	22 977.3

INFORMATION ON STATE LOANS AND LOANS FROM BANKS

	CURRENCY	EFFECTIVE INTEREST RATE
State loan	NOK	1.35 %
Bonds, incl commercial papers	NOK/EUR	2.69 %
Bank borrowings	NOK	2.26 %

The figures include related interest hedging derivatives. The effective interest rate is calculated as a weighted average based on the relative size of the loans. See note 12 for a description of interest rate risk.

REPAYMENT PROFILE BORROWINGS	2024	2025	2026	2027	2028	THEREAFTER	TOTAL
State loan	305.5						305.5
Bonds		2 530.0	1 000.0	4 439.0	2 000.0	7 126.1	17 095.1
Bank borrowings	527.1	527.1	527.1	527.1	363.5	880.0	3 351.9
Closing net book amount at 31 December	832.6	3 057.1	1 527.1	4 966.1	2 363.5	8 006.1	20 752.5

State loan

The loan is divided into five equal debentures with different interest terms. The debentures have interest rates equal to the interest rate used by the State when lending to public sector enterprises (average interest rate on five-year government bonds in the period October-September) plus 30 basis points. The interest on one of the debentures is renewed each year. All interests are payable in arrears on 31 December. The loan had originally a payment period of 20 years starting 2002. The term of the loan has subsequently been extended so that the final maturity date is in 2024.

Bonds

Specification of Avinor AS and the group's bond loans as of 31 December 2022:

- Face value EUR 300 million maturity 2025 interest rate 1,00 per cent p.a.
- Face value NOK 1,000 million maturity 2026 interest rate NIBOR plus 1,20 per cent p.a.
- Face value EUR 500 million maturity 2027 interest rate 1,25 per cent p.a.
- Face value NOK 2,000 million maturity 2028 interest rate 4,45 per cent p.a.
- Face value EUR 500 million maturity 2030 interest rate 0,75 per cent p.a.
- Face value NOK 1,000 million maturity 2031 interest rate 2,38 per cent p.a.

There are no equity covenants for Avinor's issued bonds.

Bank borrowings

Specification of Avinor AS and the group's bank borrowings as of 31 December 2022:

- The European Investment Bank
 - Face value NOK 1,525 million | maturity 2028
Fixed interest rate
 - Face value NOK 1,900 million | maturity 2028
Fixed interest rate
- The Nordic Investment Bank
 - Face value NOK 1,000 million | maturity 2035
Floating interest rate

In the loan agreements with the European Investment Bank and the Nordic Investment Bank, an equity share of at least 30 per cent of total equity and net interest-bearing debt is required. Lease liabilities are included in the calculation of net interest-bearing debt.

Commercial papers

Avinor AS does not have certificate loans as of 31 December 2022.

NOTE 17 - Pension obligation *All amounts in MNOK*

The company and the group are required by law to have a pension plan. The pension plans of the company and the group satisfies these requirements. The company and the group have generally been covered by a defined benefit pension scheme in the Norwegian Public Service Pension Fund (SPK), but with effect from 1 January 2019 this scheme is closed. As of the same date, a defined contribution pension scheme has been introduced in accordance with the Act on Defined Contribution Occupational Pensions with voluntary/forced transfers for different groups of employees. As a result, the company and the group have two main pension schemes from 2019.

DEFINED BENEFIT PLAN

A defined benefit pension plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, dependent on one or more factors such as years of service and salary level.

The pension liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries based on a principle of linear benefit earning. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflow using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Changes in assumptions, basis data and the benefits of the pension plan which have as an effect an accounting loss or gain will be recognised in equity through other comprehensive income in the period they occur.

A change in the benefits which refers to previous periods of earning implies a change in the pension plan which is a cost related to previous periods of earning. A negative cost occurs when the benefits are changed, and the present value of the projected benefits are reduced. Changes in the pension plans are recognised in the income statement as the changes are implemented.

The pension scheme comprises benefits in accordance with the act relating to the Norwegian Public Service Fund ("Pensjonsloven"). The benefits are retirement pension, disability pension and spouse and child pension. The retirement pension includes a special-age retirement pension for certain groups. The special-age retirement pension is funded partly through SPK and partly through operations. In addition, the calculations include a contractual pension right, which is a tariff - regulated early retirement scheme from 62 years of age (the public AFP scheme). The benefits under the regulations applicable up to 1 January 2020 were coordinated with the National Insurance Scheme and any previously earned right from public pension schemes. Gross pensions earned under old regulations have been guaranteed regardless of the National Insurance Scheme (the "gross guarantee").

The new Act on public occupational pension schemes, effective 1 January 2020, was adopted by the Norwegian Parliament (Stortinget) in June 2019. The benefits earned in the new scheme represents a percentage of the salary up to 12 G. This means that the "gross guarantee" is no longer present in the new regulations and that the pension is calculated regardless of the National Insurance Scheme. New regulations for coordination between public occupational pensions schemes and the National Insurance Scheme have been adopted and implemented in the accounts for 2019.

The new law does not contain provisions on a new public AFP scheme or complete rules for special-age retirement pension. As a result, the accounting effects cannot be calculated until final rules have been adopted. Further information is given in note 24.

Gift pension

The group uses gift pension as a tool for employees who are considering early retirement. The scheme is financed through operations (unsecured) and is included in the defined benefit obligation specified in the tables below.

Pension fund

The pension scheme in Norwegian Public Service Pension Fund is not directly funded. The pension payments are guaranteed by the Norwegian government (Section 1 of the Pensions Act). Management of the allocated fund (fictitious fund) is simulated as if the funds were invested in long - term government bonds. Approx. 30 per cent of the fund related to Avinor AS and approx. 35 per cent of the fund related to Avinor Flysikring AS is simulated as invested in the Government Pension Fund Global. The pension scheme is not movable in the same way as private pensions schemes, and it is assumed that the pension scheme will be continued in SPK. In the simulation it is assumed that the bonds are held to maturity. The pension fund is therefore estimated at nominal value plus the return on the fund.

Net pension obligation

The value of net pension obligations is determined on an actuarial basis using several assumptions. These include, among others, the discount rate, future salary increases, regulation of pensions and demographic assumptions about disability and mortality experience. The assumptions are based on verifiable market prices and the historical development in the company and the society in large. Changes in the assumptions will have material effect on the estimated pension obligation-/cost.

DEFINED CONTRIBUTION PENSION

A defined contribution pension scheme is a scheme where the employer commits to pay an agreed premium to the scheme and where the premium payments are recognised in profit and loss as incurred. The contribution represents a percentage of salary up to 12 G. The employer has no obligations beyond the contributions.

THE PRIVATE AFP SCHEME

From 1 January 2019, the group has been part of the private AFP scheme, which is a collective pension scheme for the tariff-based sector in Norway. The private AFP scheme is based on a tripartite collaboration between employer organizations, employee organizations and the state. The state covers one third of the expenses in the scheme, while two thirds are covered by the member companies.

For accounting purposes, the scheme is regarded as a defined benefit multi-enterprise scheme. At present, it is not possible, with sufficient degree of reliability, to calculate the group's share of the

liabilities in the scheme. The scheme is therefore accounted for as a defined contribution scheme with ongoing expense recognition of premium payments.

The scheme is significantly underfunded. In addition, companies participating in the AFP scheme are jointly and severally responsible for two-thirds of future pension payments. Therefore, an increase in the premiums for the scheme is expected in the future. The 2023 premium will be 2.6 per cent (2.6 per cent in 2022 and 2,5 per cent in 2021) of a salary basis, which is further defined in the scheme's articles of association.

PENSION COST

	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
The amounts recognised in the income statement are as follows:				
Defined contribution pension and private AFP scheme	64.6	53.7	161.6	154.0
Current service cost	167.8	234.3	211.4	298.0
Interest cost	192.3	115.2	328.0	200.8
Return on plan assets	-126.0	-72.0	-198.7	-115.6
Contribution from the employees	-16.8	-17.5	-19.2	-20.5
Administration fee	2.5	2.7	2.9	3.2
Payroll tax, employers contribution	40.1	44.6	68.0	72.9
Total pension cost (Note 6)	324.6	361.1	554.0	592.8

NET PENSION OBLIGATIONS – DEFINED BENEFIT PLAN

Assumptions used when calculating the net pension obligation

Salary increases and pension regulation are based on the latest updated guidance from the Norwegian Accounting Standards Board (NASB). The discount rate is determined based on the market for bonds with preferential rights (OMF)

	2022	2021
Discount rate and expected return on plan assets	3.20 %	1.90 %
Future salary increases	3.50 %	2.75 %
Future pension increases	2.60 %	1.75 %
Expected increase in national Insurance scheme basic amount	3.25 %	2.50 %
Early retirement scheme	15.00 %	15.00 %
Average turnover rate (under 50 years of age)	3.00 %	3.00 %
Average turnover rate (over 50 years of age)	0.20 %	0.20 %

The probability of retiring by use of special age pensions in Avinor AS and Svalbard Lufthavn AS is estimated at 50% if >50 years, 35% if 55-40 years and 10% if <40 years. For Avinor Flysikring AS, corresponding estimates are 90% if >55 years, 40% if 55-40 years and 10% if <40 years.

The tariff K2013 have been used for calculating life and mortality expectancy, while the tariff K1963 multiplied by 200% have been used for determination of disability risk.

ALDER	LIFE EXPECTANCY		MORTALITY EXPECTANCY		DISABILITY EXPECTANCY	
	MALE	FEMALE	FEMALE	MALE	FEMALE	MALE
20	81	85	0.023 %	0.009 %	0.115 %	0.172 %
40	82	86	0.058 %	0.034 %	0.264 %	0.524 %
60	84	87	0.428 %	0.288 %	1.406 %	2.404 %
80	89	91	4.304 %	2.947 %	IA	IA

The pension obligation's weighted average duration is 22.5 years for the group and 19.5 years for the company.

PENSION OBLIGATIONS AND PLAN ASSETS

AVINOR AS

	2022			2021		
	FUNDED	UNFUNDED	TOTAL	FUNDED	UNFUNDED	TOTAL
Change in gross pension obligation:						
Obligation at 1 January	7 409.4	236.3	7 645.7	6 780.1	183.3	6 963.5
Current service cost	164.6	8.1	172.8	123.9	70.4	194.3
Interest cost	188.1	4.2	192.3	113.6	1.6	115.2
Merger/demerger	383.1	0.0	383.1	0.0	0.0	0.0
Actuarial losses/(gains)	-634.2	7.5	-626.7	593.1	8.2	601.3
Benefits paid	-207.4	-32.2	-239.6	-201.3	-27.3	-228.7
Gross pension obligation at 31 December	7 303.5	224.0	7 527.5	7 409.4	236.3	7 645.7
Change in pension funds:						
Fair value at 1 January	4 460.5	0.0	4 460.5	4 296.5	0.0	4 296.5
Expected return on plan assets	126.0	0.0	126.0	72.0	0.0	72.0
Merger/demerger	224.0	0.0	224.0	0.0	0.0	0.0
Contributions	284.2	0.0	284.2	256.8	0.0	256.8
Actuarial (losses)/gains	144.6	0.0	144.6	36.5	0.0	36.5
Benefits paid	-207.4	0.0	-207.4	-201.3	0.0	-201.3
Fair value of plan assets at 31 December	5 031.9	0.0	5 031.8	4 460.5	0.0	4 460.5
Net pension obligation	2 271.7	224.0	2 495.6	2 948.9	236.3	3 185.2
Payroll tax	315.2	31.6	346.8	415.8	33.3	449.1
Net pension obligation recognised in the balance sheet at 31 December	2 586.9	255.6	2 842.4	3 364.7	269.6	3 634.3
Actual return on plan assets last year	190.7		190.7	122.1	0.0	122.1
Expected employer/employee contribution next year	337.6		337.6	269.1	0.0	269.1
Expected payment of benefits next year	-212.8		-212.8	-205.9	0.0	-205.9

AVINOR GROUP

	2022			2021		
	FUNDED	UNFUNDED	TOTAL	FUNDED	UNFUNDED	TOTAL
Change in gross pension obligation:						
Obligation at 1 January	12 477.0	719.3	13 196.2	11 320.4	582.5	11 903.0
Current service cost	192.9	23.2	216.1	139.1	115.9	255.0
Plan amendment incl. curtailment/settlement	0.0	0.0	0.0	0.0	0.0	0.0
Interest cost	313.8	14.2	328.0	192.8	8.0	200.8
Actuarial (losses)/gains	-1 165.9	-34.8	-1 200.7	1104.2	50.7	1 154.9
Benefits paid	-290.6	-43.4	-333.9	-279.5	-37.8	-317.2
Gross pension obligation at 31 December	11 527.1	678.6	12 205.7	12 477.0	719.4	13 196.3
Change in pension funds:						
Fair value at 1 January	7 149.3	0.0	7 149.3	6 967.6	0.0	6 967.6
Expected return on plan assets	198.7	0.0	198.7	115.6	0.0	115.6
Contributions	370.2	0.0	370.2	281.9	0.0	281.9
Actuarial (losses)/gains	113.3	0.0	113.3	63.7	0.0	63.7
Benefits paid	-290.6	0.0	-290.6	-279.5	0.0	-279.5
Fair value of plan assets at 31 December	7 541.0	0.0	7 541.0	7 149.3	0.0	7 149.3
Net pension obligation	3 986.1	678.6	4 664.6	5 327.6	719.4	6 047.0
Payroll tax	554.1	95.0	649.2	747.6	100.6	848.2
Net pension obligation recognised in the balance sheet at 31 December	4 540.2	773.6	5 313.9	6 075.2	820.0	6 895.2
Actual return on plan assets last year	316.6		316.6	207.8	0.0	207.8
Expected employer/employee contribution next year	269.1		269.1	356.8	0.0	356.8
Expected payment of benefits next year	-205.9		-205.9	-286.8	0.0	-286.8

Changes in the defined benefit obligation

	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Change in the defined benefit obligation over the year:				
Obligation at 1 January	3 185.2	2 666.9	6 047.0	4 935.2
Pension cost charged to the income statement	157.1	237.6	263.1	340.2
Employer/employee contribution	-284.2	-259.5	-370.1	-285.1
Administration fee	2.5	2.7	2.9	3.2
Benefits paid - unfunded schemes	-32.2	-27.3	-43.4	-37.8
Merger/demerger	238.5	0.0	79.3	0.0
Actuarial (gains)/losses recognised in other comprehensive income	-771.3	564.8	-1 314.0	1 091.2
Liability in the balance sheet at 31 December	2 495.6	3 185.2	4 664.6	6 047.0

Determination of premium levels

The determination of premium levels and the calculation of provisions for pension obligations are based on ordinary actuarial principles.

Pension obligation - sensitivities

AVINOR AS

	2022		2021	
	+1	-1	+1	-1
CHANGE IN PENSION OBLIGATION AS A RESULT OF ONE PERCENTAGE POINT CHANGES IN FINANCIAL ASSUMPTIONS:				
Discount rate	-1 218	1 579	-1 361	1 794
Future salary increase	309	-264	395	-342
National Insurance scheme basic amount regulation	356	-265	457	-350
Pension regulation	793	-675	873	-720

AVINOR GROUP

	2022		2021	
	+1	-1	+1	-1
CHANGE IN PENSION OBLIGATION AS A RESULT OF ONE PERCENTAGE POINT CHANGES IN FINANCIAL ASSUMPTIONS:				
Discount rate	-2 205	2 906	-2 608	3 531
Future salary increase	408	-358	535	-456
National Insurance scheme basic amount regulation	597	-498	1 256	-987
Pension regulation	1 360	-1 152	1 602	-1 292

NOTE 18 - Provisions for other liabilities and charges *All amounts in MNOK*

Provisions are recognized when the group has a present legal or constructive obligation as a result of past events, it is probable (more likely than not) that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. When the effect is material, provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

AVINOR AS

	RETIREMENT PAY		ENVIRONMENTAL POLLUTION		TOTAL
	2022	2021	2022	2021	
At 1 January 2021	11.0		1 007.3		1 018.3
Change in provision	35.3		0.0		35.3
Used	-28.1		-64.2		-92.3
At 31 December 2021	18.3		943.1		961.4
Short-term part	17.5		0.0		17.5
Long-term part	0.8		943.1		943.9
At 1 January 2022	18.3		943.1		961.4
Change in provision	175.1		29.9		604.0
Used	-187.4		-65.9		-253.3
At 31 December 2022	6.0		907.2		913.2
Short-term part	2.4		0.0		2.4
Long-term part	3.7		907.2		910.9

AVINOR GROUP	RETIREMENT PAY	ENVIRONMENTAL POLLUTION	TOTAL
At 1 January 2021	17.5	1 009.4	1 027.0
Change in provision	46.3	0.0	46.3
Used	-40.0	-64.7	-104.7
At 31 December 2021	23.8	944.7	968.6
Short-term part	22.7	0.0	22.7
Long-term part	1.1	944.7	945.8
At 1 January 2022	23.8	944.7	968.6
Change in provision	175.1	129.4	703.5
Used	-192.6	-67.2	-259.8
At 31 December 2022	6.4	1 006.9	1 013.3
Short-term part	2.7	0.0	2.7
Long-term part	3.7	1 006.9	1 010.6

The short-term part of provisions for liabilities is included in other short-term liabilities.

EARLY RETIREMENT PAY

This includes optional retirement pay in accordance with the group's policy related to restructuring.

ENVIRONMENTAL POLLUTION

A provision has been made for expected costs related to handling/clean-up of contaminated land.

It is expected that the price increase for input factors related 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 five years. In the line "change in provision" for 2022, there is thus included an estimated increase in the obligation of NOK 43 million in Avinor AS and NOK 44.9 million in the group related to the present value calculation of the clean-up work as of 31 December 2022.

NOTE 19 - Receivables and other current liabilities *All amounts in MNOK*

	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Trade receivables	774.5	579.3	1 045.8	845.9
Intercompany receivables	248.5	662.5	0.0	0.0
Accrued, not invoiced revenue	103.6	29.7	114.7	36.1
Prepaid operating expenses	101.7	90.9	132.6	121.8
Receivables government grants New airport Bodø (note 12)	229.4	0.0	229.4	0.0
Other short term receivables	108.4	25.4	101.8	40.0
Total	1 566.0	1 387.8	1 624.3	1 043.9

SPECIFICATION OF OTHER CURRENT LIABILITIES

	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Intercompany debt	2 520.9	1 115.1	0.0	0.0
Accrued salary-related costs (incl. holiday pay)	249.8	234.7	372.4	377.3
Accrued operating and investment costs	501.4	331.8	513.3	492.3
Accrued interest costs	293.4	262.8	293.4	262.8
Prepayments from customers	142.8	176.2	178.2	207.6
Liability related to grants received New airport Mo i Rana (note 12)	64.0	0.0	64.0	0.0
Other current liabilities	39.3	83.8	47.5	86.4
Total	3 811.6	2 204.3	1 468.9	1 426.4

TRADE RECEIVABLES

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Trade receivables	785.8	587.2	1 109.3	902.1
Provision for impairment of trade receivables	-11.3	-7.9	-63.5	-56.2
Trade receivables - net	774.5	579.3	1 045.8	845.9
Receivables written off during the year	2.9	86.9	-2.2	93.5

The fair value of trade receivables is approximately equal to the carrying amount. Loss on trade receivables is classified as other operating expense in the income statement.

Changes in the provision for impairment of trade receivables

	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
At 1 January	7.9	149.2	56.2	216.2
This years provisions for receivables impairment	3.4	5.5	7.3	8.2
Receivables written off during the year as uncollectible	-2.9	-86.9	2.2	-93.5
Unused amounts reversed	2.8	-59.9	-2.2	-74.6
At 31 December	11.3	7.9	63.5	56.2

Credit risk and currency risk regarding trade receivables are discussed in more detail in note 15, the method for valuing trade receivables is described in note 16.

Age analysis of accounts receivables

	TOTAL	NOT DUE	<30 D	31-60 D	61-90 D	>90 D
Avinor AS						
2022	785.8	757.2	23.4	0.0	0.3	4.9
2021	587.2	564.1	11.9	0.0	0.5	10.7
Avinor Group						
2022	1 109.3	1 012.5	29.1	0.5	0.7	66.5
2021	902.1	802.7	14.3	0.9	1.0	83.2

TRADE AND OTHER RECEIVABLES IN FOREIGN CURRENCY

	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
EUR	0.0	0.0	164.2	153.1
Total	0.0	0.0	164.2	153.1

NOTE 20 - Subsidiaries *All amounts in MNOK*

AVINOR GROUP

The consolidated financial statements include Avinor AS and all entities over which Avinor AS has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

As of 31 December 2022, all subsidiaries are wholly owned.

Inter-company transactions, balances and unrealised gains/losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where

necessary to ensure consistency with the policies adopted by the group.

PARENT COMPANY

Shares in subsidiaries are recognised at cost at the acquisition date and are classified as a long-term investment. The shares are assessed whether there is any indication that their carrying amount exceeds the amount to be recovered through use or sale.

Equity for subsidiaries is stated prior to the effect of proposed dividends and group contributions, which in accordance with IFRS are recognised as a liability in the financial statements in the period which the dividends and group contributions are approved by the shareholders.

The consolidated financial statement of the group includes the following subsidiaries as of 31 December 2022:

DIRECTLY OWNED	HOME COUNTRY	BUSINESS OFFICE	MAIN BUSINESS	OWNERSHIP/ VOTING SHARES	BOOK VALUE	TOTAL EQUITY 31.12.2022	PROFIT/LOSS 2022
Svalbard Lufthavn AS	Norway	Longyearbyen	Airport operations	100 %	104.3	76.7	-65.6
Avinor Flysikring AS	Norway	Oslo	Air navigation services	100 %	775.0	545.2	63.0
Avinor Utvikling AS	Norway	Oslo	Real estate	100 %	674.1	590.7	0.1
Total					1 553.4	1 212.5	-2.5

INDIRECTLY OWNED SUBSIDIARIES	HOME COUNTRY	BUSINESS OFFICE	MAIN BUSINESS	OWNERSHIP/ VOTING SHARES	BOOK VALUE	TOTAL EQUITY 31.12.2022	PROFIT/LOSS 2022
Flesland Eiendom AS	Norway	Oslo	Real estate	100 %	108.0	138.4	16.1
Værnes Eiendom AS	Norway	Oslo	Real estate	100 %	124.5	121.7	7.9
Sola Hotel Eiendom AS	Norway	Oslo	Real estate	100 %	86.7	143.4	16.1
Hell Eiendom AS	Norway	Oslo	Real estate	100 %	8.3	3.4	0.2
Hotell Østre AS	Norway	Oslo	Real estate	100 %	171.2	323.8	24.8
Flyporten AS	Norway	Oslo	Real estate	100 %	61.7	101.2	14.1
Total					560.5	831.9	79.1

All indirectly owned subsidiaries are owned via Avinor Utvikling AS.

The board proposes that the following allocations are made by the general meeting in 2023: Avinor Utvikling AS and Avinor Flysikring AS make contributions totalling NOK 108 million to Avinor AS.

Reversal of the impairment of investment in the subsidiary Avinor Flysikring AS

In connection with the reorganization process, a renewed valuation of the investment in Avinor Flysikring AS was carried out in 2022. Based on updated valuations, it was established that the value in use for the investment exceeds the original book value. The write-down of NOK 620 million carried out at year-end 2021 was thus fully reversed in 2022. The reversal is presented as financial income in the company accounts of Avinor AS.

The consolidated financial statement of the group includes the following subsidiaries as of 31 December 2021:

DIRECTLY OWNED	HOME COUNTRY	BUSINESS OFFICE	MAIN BUSINESS	OWNERSHIP/ VOTING SHARES	BOOK VALUE	TOTAL EQUITY 31.12.2021	PROFIT/LOSS 2021
Svalbard Lufthavn AS	Norway	Longyearbyen	Airport operations	100 %	104.3	136.1	-2.7
Avinor Flysikring AS	Norway	Oslo	Air navigation services	100 %	797.2	-149.2	-305.1
Avinor Utvikling AS	Norway	Oslo	Real estate	100 %	670.0	593.6	0.7
Sjømatterterminalen AS	Norway	Oslo	Real estate	100 %	4.1	2.1	0.0
Total					1 575.6	582.7	-307.0

INDIRECTLY OWNED SUBSIDIARIES	HOME COUNTRY	BUSINESS OFFICE	MAIN BUSINESS	OWNERSHIP/ VOTING SHARES	BOOK VALUE	TOTAL EQUITY 31.12.2021	PROFIT/LOSS 2021
Flesland Eiendom AS	Norway	Oslo	Real estate	100 %	108.0	136.7	12.1
Værnes Eiendom AS	Norway	Oslo	Real estate	100 %	128.8	117.2	2.4
Sola Hotel Eiendom AS	Norway	Oslo	Real estate	100 %	86.7	144.5	16.0
Hell Eiendom AS	Norway	Oslo	Real estate	100 %	8.3	3.4	0.2
Hotell Østre AS	Norway	Oslo	Real estate	100 %	171.2	305.5	6.6
Flyporten AS	Norway	Oslo	Real estate	100 %	61.7	100.8	13.5
Total					564.8	808.0	50.7

All indirectly owned subsidiaries are owned via Avinor Utvikling AS.

In annual general meetings in 2022 the following dispositions will be suggested: Avinor Utvikling AS and Sjømatterterminalen AS will give group contributions of NOK 71.7 million to Avinor AS, and Avinor AS will give a group contribution of NOK 600 million to Avinor Flysikring AS.

Impairment of investment in the subsidiary Avinor Flysikring AS

Cost price of the investment in Avinor Flysikring AS has in 2020 and 2021 increased due to group contributions and debt conversion.

Impairment test performed at year end 2021 of the air navigation services as a cash generating unit, indicated that the value in use was lower than book value for investment in Avinor AS. Book value before impairment was NOK 1,417.2 million, and the investment had at year end an estimated value in use of NOK 797.2 million. An impairment of NOK 620 million was recognized in the financial statements for Avinor AS in 2021. The impairment is presented as finance cost in the income statement for Avinor AS.

NOTE 21 - Share capital, shareholder information and dividend *All amounts in MNOK*

SHARE CAPITAL

The company's share capital is comprised of 540,010 ordinary shares, each with a par value of NOK 0.01 million. Total share capital is NOK 5,400.1 million.

SHAREHOLDER INFORMATION

All shares are owned by the Norwegian State, represented by the Ministry of Transport and Communication.

DIVIDEND DISTRIBUTION

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the company's shareholders.

It is not proposed to the general meeting to pay dividend related to the 2021 or 2022 financial statements.

NOTE 22 - Related-party transactions *All amounts in MNOK***THE MINISTRY OF TRANSPORT AND COMMUNICATION**

As the sole owner of Avinor AS the Norwegian State represented by the Ministry of Transport and Communication (SD) is a related party. The group has a long-term loan from the Norwegian State.

SD has the principal authority regarding the structure of the airport network and the traffic charges. Any closing down of an airport or other material changes in the airport structure shall be presented to SD. The final decision is made by the Norwegian

Parliament (Stortinget). The charges regulation which decides the setting of air traffic charges shall be sanctioned by SD.

GROUP COMPANIES

Outstanding accounts between companies in the group.

Outstanding amounts are stated before effects of group contributions and dividends given within the group.

AVINOR AS AS AT 31 DECEMBER 2022

	SVALBARD LUFTHAVN AS	AVINOR FLYSIKRING AS	FLYPORTEN AS	AVINOR UTVIKLING AS	FLESLAND EIENDOM AS	VÆRNES EIENDOM AS
Loans to group companies	100.0	0.0	0.0	0.0	0.0	5.0
Intra-group receivables	20.2	222.6	4.3	0.0	0.0	0.0
Total	120.2	222.6	4.3	0.0	0.0	5.0
Other short-term intra-group liabilities	48.6	2 274.0	63.0	30.3	40.1	-1.9
Total	48.6	2 274.0	63.0	30.3	40.1	-1.9

AVINOR AS AS AT 31 DECEMBER 2022 CONT.

	SOLA HOTEL EIENDOM AS	HELL EIENDOM AS	HOTELL ØSTRE AS	TOTAL
Loans to group companies	0.0	0.0	225.0	330.0
Intra-group receivables	0.0	0.3	1.2	248.5
Total	0.0	0.3	226.2	578.5
Other short-term intra-group liabilities	25.2	2.1	39.7	2 520.9
Total	25.2	2.1	39.7	2 520.9

AVINOR AS AS AT 31 DECEMBER 2021

	SVALBARD LUFTHAVN AS	AVINOR FLYSIKRING AS	FLYPORTEN AS	AVINOR UTVIKLING AS	FLESLAND EIENDOM AS	VÆRNES EIENDOM AS
Loans to group companies	100.0	0.0	0.0	0.0	0.0	15.0
Intra-group receivables	16.2	623.5	21.3	0.0	0.0	0.1
Total	116.2	623.5	21.3	0.0	0.0	15.1
Other short-term intra-group liabilities	42.0	871.9	57.4	10.5	33.5	2.1
Total	42.0	871.9	57.4	10.5	33.5	2.1

AVINOR AS PER 31.12.2021 FORTS.

	SOLA HOTEL EIENDOM AS	HELL EIENDOM AS	HOTELL ØSTRE AS	SJØMAT- TERMINALEN AS	TOTAL
Loans to group companies	0.0	0.0	250.0	0.0	365.0
Intra-group receivables	0.0	0.2	1.3	0.0	662.6
Total	0.0	0.2	251.3	0.0	1 027.6
Other short-term intra-group liabilities	22.9	2.1	71.8	0.9	1 115.1
Total	22.9	2.1	71.8	0.9	1 115.1

NOTE 23 - Commitments *All amounts in MNOK*

The parent company and the group have contracted for capital expenditure not yet incurred at the end of the reporting period.

Specification of contracted capital expenditure:

	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Property, plant and equipment	3 109.1	1 107.7	3 164.9	2 521.0
Total	3 109.1	1 107.7	3 164.9	2 521.0

NOTE 24 - Contingencies and uncertainties *All amounts in MNOK***AIR STATIONS OWNED BY THE DEFENCE**

The Norwegian Parliament (Stortinget) decided on 15 November 2016 that Andøya military air station will be shut down when today's P-3 Orion surveillance aircrafts are phased out and that a main base for surveillance/advanced base for fighter aircraft at Harstad/Narvik airport Evenes will be established.

Operations with F35 fighter jets started at the turn of the year 2021/2022. The F35-activity causes very high noise levels, in some areas there is a risk of hearing damage if exposed to the noise. Work is conducted to assess measures to implement, this might include the need for the establishment of extensive building constructions to protect travellers and other visitors.

The shutdown at Andøya military air station will lead to changes in the operational responsibility at Andøya airport. Avinor will take over airport operator responsibility from The Norwegian Defence in mid-2023. The Norwegian Defence aims at ending the daily operational military activity at Andøya by mid-2023. The Norwegian Defence will deliver airport operation services until 'The Norwegian Defence' future ambition level and Avinor's operating concept has been established, planned for mid-2024. The implemented process will contribute to establishing framework conditions for the transfer of responsibility, where an important factor is the financing of the additional costs and investments Avinor incurs.

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 soil at the airports where they are now leaking out to the surrounding natural environment. These pollutants pose a risk of damage to the local natural environment and human health. Norway has committed internationally to reducing emissions and leakage of these compounds. In recent years, Avinor has received several demands from the Norwegian Environment Agency requiring mapping,

the preparation of action plans as well as the implementation of clean-up measures at several locations where there is PFAS contamination. Significant supplementary investigations and surveys of soil, water, sediment and biota have been carried out at priority locations.

During 2022, action plans have been submitted for clean-up at locations connected to Haugesund, Svalbard, Kirkenes and Stavanger airports, and work is underway to prepare action plans for Alta, Kristiansund, Ålesund, Kristiansand and Tromsø airports. During 2022, clean-up has been carried out at Rørvik Airport and at one of two fire training sites at Bergen Airport. The clean-up work at the second fire training site at Bergen Airport is to be completed by the summer of 2023.

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, if the traditional clean-up method of digging, transport and disposal at an approved landfill is chosen. 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 good documentation and acceptance by the environmental authorities. In addition, there is still 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, and updates the provisions.

The provision 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 as a result of further mapping and the preparation of action plans. A mark-up has also been made in the provision to consider uncertainties related to the extent of clean-up work at several locations. Estimated provision, including mark-up for uncertainty allowance, is 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.

Also see note 18 for specification of the movement in the provision for environmental pollution.

PENSIONS

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.

NOTE 25 - Events after the reporting period

New information after the reporting period about conditions that existed at the end of the reporting period is recognised in the financial statement. Events after the reporting period affecting the group's future financial position are disclosed if material.

Private AFP scheme

The group has been part of the private AFP scheme (early retirement) that applies to all employees who have transitioned from defined benefit pensions in the Norwegian Public Service Pension Fund (SPK) to defined contribution pensions. The scheme is based on a tripartite collaboration between employers' organizations, employee organizations and the state and is regarded as a defined benefit multi-enterprise scheme. At present, it is not possible, with a sufficient degree of reliability, to calculate the group's share of the obligations in the scheme. The scheme is therefore accounted for as a defined contribution scheme with ongoing expense recognition of premium payments.

BANKRUPTCY IN FLYR AS

On 31 January 2023, Flyr AS announced that it is filing for bankruptcy and that all its flights are being cancelled.

The bankruptcy will not affect Avinor's position and results for 2022. It is expected that the bankruptcy will have a limited impact on Avinor's results for 2023.

Avinor greenhouse gas reporting 2022

For a number of years, Avinor has recorded its own greenhouse gas emissions and prepared the first climate disclosure in 2007. Avinor's climate accounts are structured as follows:

Scope 1 is Avinor's direct emissions. Over the years, the data quality has improved.

Scope 2 indicates indirect emissions as a result of the company's energy supply and includes purchased electricity and district heating. Emissions from purchased consumption are indicated using location-based and market-based methods.

Scope 3 indicates other indirect emissions that occur up- and downstream in the company's value chain. Avinor currently has an overview of some Scope 3 emissions, as shown in the table, but will in the years ahead work to achieve an overview of more significant Scope 3 emissions.

SCOPE 1 - DIRECT EMISSIONS (TONNES CO ₂)				
DISCHARGE SOURCE	2019	2020	2021	2022
Runway de-icing	1 521	1 039	1 231	1 451
Vehicles	5 413	3 970	3 611	4 001
Thermal energy	796	526	511	472
Fire drill	111	94	116	178
Total scope 1	7 841	5 629	5 469	6 102
SCOPE 2 - INDIRECT EMISSIONS (TONNES CO ₂)				
Electricity location-based	1 904	1 640	1 962	2 268
Electricity market-based	123 760	81 180	87 636	83 510
Electricity Svalbard	1 058	998	944	1 035
District Heating	310	215	342	283
District Heating Svalbard	1 092	1 085	1 347	1 572
Total Scope 2 location-based	4 363	3 938	4 595	5 158
Total scope 2 market-based	126 219	83 478	90 269	86 400
SCOPE 3 - OTHER INDIRECT EMISSIONS (TONNES CO ₂)				
Business travel flights	3 128	1 104	817	1 175
Business travel car	62	43	52	59
Waste transport	178	100	94	240
Aviation uplifted at Avinor's airports	2 693 931	1 166 784	1 212 782	2 118 279
Fire drill, rental of area	37	25	30	41
Employee travel to/from work*				
Aircraft de-icing**	9 886	3 700	6 333	6 561
Total scope 3	2 707 222	1 171 756	1 220 109	2 126 355

*Survey on employee travel to/from work was postponed in 2020 and 2021 due to Covid. Conducted in Q1 2023 for 2022

**Includes all glycol consumption, recovery not taken into account



Responsibility Statement from the Board of Directors and the CEO

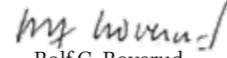
We confirm, to the best of our knowledge that the financial statements for the period 1 January to 31 December 2022 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the group taken as a whole.

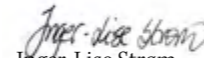
We also confirm that the Board of Directors' Report includes a true and fair view of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Oslo, 28 March 2023
Board of Directors of Avinor AS

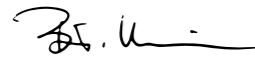

Anne Carine Tanum
Chairman



Ola H. Strand
Vice Chairman


Rolf G. Roverud


Inger-Lise Strøm


Linda Bernander Silseth


Bjørn Tore Mikkelsen


Heidi Anette Sørum


Olav Aadal


Abraham Foss
CEO

Independent auditor's report



Statsautoriserte revisorer
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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Avinor AS

Opinion

We have audited the financial statements of Avinor AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the balance sheet as at 31 December 2022 and the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 10 years from the election by the general meeting of the shareholders on 18th September 2013 for the accounting year 2013 (with a renewed election on the 31st January 2018).

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.



2

Pensions

Basis for the key audit matter

At the end of the accounting year, the parent company and the Group had gross pension obligations amounting to NOK 7 528 million and NOK 12 206 million, respectively. The valuation of the pension obligations requires a considerable degree of judgment and technical competence, including the use of an external actuary to calculate the obligations. Even small changes in the most important assumptions applied in the valuation of the Group's pension obligations including salary growth, inflation, discount rate, pension regulations, mortality and withdrawals from the early retirement scheme (AFP) and special-age pension can significantly impact the calculation of the obligations. Overall, these matters are of significant importance for the financial statements and therefore constitute a key audit matter.

Our audit response

We assessed assumptions related to discount rate and mortality based on external and publicly available data from The Norwegian Accounting Standards Board. Further we compared assumptions related to salary growth with the Group's historical and expected future development. We assessed changes in assumptions for withdrawals of the early retirement scheme (AFP) and special age arrangements against historical information and expected future development and considered the basis for increase in pension obligations related to future pensions regulations. We reviewed the data components used as a basis in the calculation of the pension obligations and evaluated the competence and objectivity of the Group's external actuary.

Note 17 to the financial statements has additional information.

Impairment tests – fixed assets and intangible assets

Basis for the key audit matter

The Group have fixed assets of NOK 36 500 million on the balance sheet, as well as intangible assets of NOK 2 668 million. Travel restrictions and other measures in response to the Covid-19 pandemic have had significant negative consequences on Avinor's revenue and profitability. It is expected that increased focus on climate change, environment and sustainability may contribute to pressure on restructuring the aviation industry and changes in travel habits. Management has identified indicators of impairment of fixed and intangible assets, and performed impairment tests by estimating recoverable amount, i.e. the higher of value in use and fair value less costs of disposal. The impairment tests are based on prognosis of future air traffic and related commercial revenues, airport charges, operating expenses, investments and discount rates. Due to considerable judgement, estimation uncertainty and assumptions applied in management's models of recoverable amount, impairment tests have been a key audit matter.

Our audit response

We have compared the assumptions in the cash flows with management and board approved forecasts, as well as international available air traffic prognosis prepared by reputable trade associations. Further, we compared estimated operating expenses with historical data. We have assessed the discount rate against external market information on risk free rate on government bonds, sector specific beta and market risk premiums and company specific adjustments. We have recalculated the valuation models and also recalculated management's sensitivity analysis. We also assessed the impairment tests and related disclosures according to IFRS requirements.

We refer to note 3 for information on estimation uncertainty and note 14 on test of impairment assumptions and sensitivities to changes in significant assumptions.



3

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, the statement on corporate governance or the statement on corporate social responsibility, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



4

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Oslo, 28 March 2023
ERNST & YOUNG AS

Trond Stian Nytvæit
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been prepared for information purposes only.)

Independent auditor's report - Avinor AS 2022

A member firm of Ernst & Young Global Limited

ALTERNATIVE PERFORMANCE MEASURES (APM)

Avinor prepares company and 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, AMORTIZATION AND IMPAIRMENT CHARGES/ EBITDA

The profit target shows profit before financial items, tax, depreciation, amortizations 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 company and the group.

Calculation and reconciliation of interest-bearing debt

Source	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Long term interest-bearing debt				
State loan	305.5	749.8	305.5	749.8
Other long term debt	20 447.0	20 747.3	20 447.0	20 747.3
Lease liabilities	457.3	489.5	472.2	525.3
Total long term interest-bearing debt	21 209.7	21 986.7	21 224.7	22 022.5
Short term interest-bearing debt				
Commercial paper	0.0	0.0	0.0	0.0
First annual installment on long-term liabilities	971.5	891.5	971.5	891.5
Lease liabilities	72.7	66.7	62.8	63.4
Total short term interest-bearing debt	1 044.1	958.1	1 034.3	954.8
Interest-bearing debt	22 253.9	22 944.8	22 259.0	22 977.3

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	AVINOR AS		AVINOR GROUP	
	2022	2021	2022	2021
Interest-bearing debt	22 253.9	22 944.8	22 259.0	22 977.3
Interest rate swaps - cash flow hedges, Debt	1 585.9	851.1	1 585.8	851.1
Interest rate swaps - cash flow hedges, Asset	-855.5	-962.4	-855.5	-962.4
Interest rate swaps - fair value hedges, Asset	-522.4	-418.9	-522.4	-418.9
Cash and cash equivalents	-1 188.6	-2 656.2	-1 188.6	-2 657.4
Net interest-bearing debt	21 273.3	19 758.3	21 278.3	19 789.7

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 and the Nordic Investment Bank. 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. The equity covenants are set on the group's balance sheet, and thus only the group's equity ratio is calculated.

Calculation and reconciliation of equity ratio loan agreements

	Source	AVINOR GROUP	
		2022	2021
Equity	Statement of financial position	13 357.9	12 471.2
Net interest-bearing debt	APM	21 278.3	19 789.7
Total equity and interest-bearing debt		34 636.2	32 261.0
Equity ratio loan agreements *		38.6 %	38.7 %

* 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. According to the articles of association, the equity ratio is only relevant for the group, and consequently the equity ratio according to the company's articles of association is only calculated based on the group's balance sheet figures.

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	AVINOR GROUP	
		2022	2021
Net interest-bearing debt	APM	21 278.3	19 789.7
Lease liabilities, long term	Statement of financial position	-472.2	-525.3
Lease liabilities, short term	Statement of financial position	-62.8	-63.4
Net interest-bearing debt - exclusive lease liabilities		20 743.3	19 201.0
Equity	Statement of financial position	13 357.9	12 471.2
Total equity and net interest-bearing debt - exclusive lease liabilities		34 101.2	31 672.3
Equity ratio (according to article 5 of the company's Articles of Association) *		39.2 %	39.4 %

* 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	AVINOR AS		AVINOR GROUP	
		2022	2021	2022	2021
Equity	Statement of financial position	13 310.3	13 126.7	13 357.9	12 471.2
Total equity and liabilities	Statement of financial position	45 451.7	44 306.8	45 935.4	46 376.7
Equity ratio		29.3 %	29.6 %	29.1 %	26.9 %

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	AVINOR AS		AVINOR GROUP	
		2022	2021	2022	2021
Net cash generated from operating activities	Statement of cash flows	2 591.4	2 212.6	2 845.8	3 255.9
Net cash used in investing activities	Statement of cash flows	-2 482.9	-1 436.0	-2 745.5	-2 500.0
Interest paid	Statement of cash flows	-631.0	-685.8	-630.2	-688.6
Cash flow before changes in debt		-522.5	90.8	-529.9	67.3

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.





The Board's guidelines on the determination of salary and remuneration of senior executives in the Avinor Group – for the 2023 financial year

1. GENERAL INFORMATION

This guidelines have been drawn up by the Board of Director's of Avinor AS, pursuant to Section 8 of the Company's Articles of Association. The guidelines apply to all companies belonging to the Avinor Group (hereafter "Avinor" or the "Avinor Group").

According to the Articles of Association, the guidelines will have the content specified in section 6–16 a) of the Public Limited Liability Companies Act and its associated regulations on the guidelines or reports on remuneration of senior executives (FOR-2020-12-11-2730). As of 2023, the Board will also submit a report that provides an overall overview of the paid and outstanding salaries and remuneration covered by the guidelines in section 6–16 a), cf. the Public Limited Liability Companies Act section 6–16 b).

Avinor's executive's pay policy shall function in accordance with the Norwegian state's guidelines on executive pay in companies with part-ownership of the state (determined by the Ministry of Trade, Industry and Fisheries on 12.12.2022).

Already established agreements with senior executives that deviate from Avinor Group's internal guidelines or the state's guidelines for executive pay in companies with part-ownership of the state are not affected by these guidelines.

2. AVINOR'S BUSINESS STRATEGY, LONG-TERM INTERESTS AND FINANCIAL SUSTAINABILITY

The guidelines relating to executive pay must contribute to the achieving of Avinor Group's business strategy, long-term interests and financial stability.

An overarching principle of executive remuneration in Avinor is that the remuneration shall be suitable in terms of attracting and retaining skilled managers, but without the remuneration being a leader in terms of industry wages. The Avinor Group's payroll system must be understandable and acceptable. Avinor conducts annual reviews of the practice of its remuneration scheme.

Avinor's values form the basis of everything Avinor does. Our values include our behaving in a way that is open, responsible, dynamic, and customer-oriented. This is an important starting point for the Avinor Group's ability to recruit, develop and retain skilled employees. The Avinor Group aims to be an attractive and interesting workplace – one that attracts the right expertise in an increasingly specialised world.

The executive salaries within the Avinor Group should be competitive, but not leading, when compared to other Norwegian companies of which it is natural to equate Avinor with. The remuneration scheme should be based on equal salaries for male and female employees who do equal work or work of equal value. One of our goals at Avinor Group is to coordinate how salaries are determined.

Executive remuneration must contribute to goal attainment both financially and in terms of our operations. The fact that Avinor Group only offers fixed salaries and does not have variable elements in its remuneration of senior executives means that there is little risk of conflicts of interest and/or high risk-taking.

3. SCOPE

These guidelines apply to senior executives in the Avinor Group. The definition of senior executives in section 6–16 a) of the Public Limited Liability Companies Act form the basis of this.

For the Avinor Group, this means that the Board's guidelines apply to, and include, the Group's management in Avinor and Avinor's wholly-owned subsidiaries, as well as members of the board of Avinor and Avinor's wholly-owned subsidiaries for remuneration received by virtue of being a board member of the Avinor Group.

The remuneration of employees other than senior executives is not covered by these guidelines.

The guidelines apply until new guidelines have been adopted by Avinor's General Meeting.

The guidelines do not affect the agreements with senior executives entered into prior to the time at which these guidelines came into force.

4. AVINOR'S PRINCIPLES ON REMUNERATION OF EXECUTIVE EMPLOYEES

4.1. Remuneration for members of the Board of Directors
The board's remuneration is determined by the General Meeting, cf. section 6–10 of the Public Limited Liability Companies Act.

4.2 Remuneration of senior executives in the Avinor Group
The company uses fixed salaries as means of attracting and retaining good executives. The company does not use variable remuneration, bonuses, options or share programmes.

It is a clear goal of ours that executive pay, and mainly fixed pay, should be competitive, but should not become an industry leader. The company primarily compares itself to other Norwegian companies of which it is natural to do so, in terms of the individual recruitment process.

4.2.1. Base salary

The main element of Avinor Group's remuneration scheme is its fixed basic wage (base salary).

The base salary for a position is determined based on the responsibilities, complexity of the role, competence requirements and seniority of the senior executive.

4.2.2. Directors' remuneration

No remuneration is paid to senior executives for directorships in other companies within the Avinor Group.

4.2.3. Benefits in kind

An administrative scheme has been established relating to the benefits in kind for senior executives in the Avinor Group. The company is free to make changes to this scheme. The company's principle regarding this is that executive employees shall receive the benefits in kind that are common for comparable positions. This can be in the form of a car allowance, free newspaper/journal, free phone, laptop and printer, and free broadband connection.

4.2.4. Pension plans

Executive employees shall participate in the Avinor Group's general pension plan. For new employees, this will be a defined contribution scheme in Nordea. The basis for calculating pension entitlements shall not exceed 12G. The terms shall be similar to the terms that apply for other company employees. There is also a defined-benefit pension scheme in the Norwegian Public Service Pension Fund for the Avinor Group, but this is closed and does not apply to new employees.

For members of the Group's management in the Avinor Group who began prior to the introduction of the state's guidelines for executive pay dated 13 February 2015, a defined-contribution old-age pension scheme has been established for salaries above 12G, as well as a disability pension scheme (a "top-hat" pension). No new senior executives will be offered such a scheme.

For members of the Group's management who were employed after 13 February 2015, the only scheme that will apply will be the Avinor Group's general pension scheme up to 12 G. Pension costs will accrue beyond what may result from a tax-favoured benefit scheme, when a manager is no longer employed by the Avinor Group.

4.2.5. Termination and severance pay

The mutual notice period in the Avinor Group, including for senior executives, is three months from the first day of the month following on from when the termination took place, unless the law states a longer notice period is required. Notice shall be given in writing.

For the CEO, as the company's chief executive, the agreement on severance pay in return for the waiving of the termination protection shall be included in the employment contract.

Such a clause can be validly agreed in advance, cf. the Working Environment Act, section 15–16 (2).

As a general rule, the Avinor Group does not use severance pay in addition to pay during the period of notice in accordance with the Working Environment Act. However, severance pay can in some contexts, for all parties involved, be a good alternative.

For senior executives other than the company's chief executive, an advance agreement on "reasonable severance pay" will be entered into in the employment contract, which will only become concrete and take effect if the employee does not contest the dismissal, should it become actualised.

As a clear starting point for all senior executives, severance pay will only be paid if: it is Avinor who takes the initiative to terminate the employment relationship, it is considered reasonable and does not exceed 12 monthly salaries in sum of the agreed severance pay and salary during the notice period, and that new income must be deducted krone for krone in Avinor's payment of agreed severance pay beyond the notice period.

In the specific case, consideration must be given as to whether the general managers in Avinor's subsidiaries shall have a clause regarding severance pay upon appointment, cf. section 15–16 (2) of the Working Environment Act, a prior agreement on reasonable severance pay that is only specified upon termination, or to have ordinary termination protection without a clause on the possibility of severance pay, pursuant to section 15–7 of the Working Environment Act.

As with other employees, the senior executives are covered by Avinor's internal principles in the event of organisational changes within the Avinor Group, and according to these principles, they may be granted severance packages or gift pensions on equal terms as for other employees. The amount of compensation is determined by looking at the person's age and length of time spent working in the service in conjunction.

5. DETERMINATION OF COMPENSATION FOR SENIOR EXECUTIVES

A separate sub-committee has been established for the Board of Directors, and the HR, Compensation and HSE committee, whose mandate is to carry out ongoing assessments and monitoring of the Avinor Group's policy relating to compensation.

The sub-committee will also carry out the following duties, cf. the Articles of Association section 8:

- Remuneration of the CEO and associated assessment criteria/scorecard
- Assess and provide input on the CEO's assessment of the Executive Vice Presidents' salary adjustments
- Pensions
- Notice period and severance pay
- Guidelines for executive pay and declarations/reports relating to the Group's application of the guidelines

6. THE DECISION-MAKING PROCESS FOR APPROVAL OF THE GUIDELINES

Avinor's Annual General Meeting approves the guidelines. Before the guidelines are presented to the General Meeting, the Group's Board of Directors shall consider the guidelines, including that carried out by Avinor's HR, Compensation and HSE committee.

7. ANNUAL SALARY REPORT

As of 2023, the Board of Directors shall ensure that a salary report is prepared annually, conducted in accordance with the provisions laid out in section 6–16 b) of the Public Limited Liability Companies Act.

Before the salary report is processed by the General Meeting, an auditor shall check that the salary report contains the information as required in the applicable regulations.

8. DEVIATION FROM AND CHANGES TO THE GUIDELINES

In extraordinary cases, the Board of Directors may decide to deviate from these guidelines. The grounds for such deviation must be objectively motivated by a consideration of the Avinor Group's interest in retaining key personnel, or in order to otherwise safeguard Avinor Group's interests and stability.

Changes to the guidelines must be described in new, updated guidelines and approved in the General Meeting. In the event of any such changes, Avinor must always take into account the state's guidelines in force at any given time for executive pay in companies that are part-owned by the state.

9. PUBLICATION

The guidelines are dated from the day of the General Meeting's approval of the guidelines.

The guidelines are to be made available on Avinor's website in a note attached to the Avinor Group's annual report.

Report on salaries and other remuneration for senior executives in the Avinor Group

1. GENERAL INFORMATION

Pursuant to Section 8 of Avinor's Articles of Association, the Avinor Group's Board of Directors must ensure that an annual report is prepared based on the salaries and other remuneration for the senior executives, in accordance with Section 6-16b of the Public Limited Liability Companies Act and related regulation.

The current guidelines on the determining of salaries and remuneration for senior executives were adopted at the Annual General Meeting on 16 June 2022.

2. REMUNERATION OF EXECUTIVE PERSONNEL

The Group has a management team with defined executive vice presidents. The executive vice presidents consist of the CEO, the directors of staff and divisions, and the general manager of the largest subsidiary: Avinor Air Navigation Services.

The Avinor Group does not have variable remuneration, bonuses, options or share programmes. The senior executives only have fixed salary schemes.

The senior executives also receive benefits in kind under schemes considered normal for such positions. In addition, the senior executives participate in the Group's pension schemes, which are described in further detail in the Board's guidelines on salaries and remuneration.

2.1. Tabular overview on the remuneration for senior executives

Remuneration for senior executives in the reported financial year															
Name of senior person, role (C)	Foot-note	Financ. year	Fixed remuneration			Variable remuneration		Extraordinary items		Pension cost		Total remuneration		Percentage of fixed and variable remuneration	
			Fixed salary (A)	Fees	Perks (B)	One-year variable	Perennial year	Fixed	Variable	Fixed	Variable	Fixed	Variable	Fixed	Variable
Abraham Foss, CEO (from 15 February 2021)		2022	3 457 999	0	8 252					299 542		3 765 793	0	100 %	0 %
		2021	2 886 381	0	12 293					124 317		3 022 991	0	100 %	0 %
Mari Hermansen, Executive Vice President Organisation and Corporate Support		2022	2 016 851	0	12 188					525 706		2 554 745	0	100 %	0 %
		2021	1 943 369	0	31 173					500 482		2 475 023	0	100 %	0 %
Knut Holen, Executive Vice President Regional Airports (from 15 August 2022)	1	2022	1 733 248	0	8 252					317 636		2 059 136	0	100 %	0 %
		2021										0	0		
Thorger Landevaag, Exec. Vice President Sustainability, Concept and Infrastructure Development (up to 14 August 2022)	1	2022	2 406 314	0	8 252					203 981		2 618 547	0	100 %	0 %
		2021	2 114 552	0	12 125					168 004		2 294 681	0	100 %	0 %
Petter Johannessen, Executive Vice President Strategy and Corporate Governance/CFO		2022	2 124 170	0	11 420					739 565		2 875 155	0	100 %	0 %
		2021	2 039 953	0	37 786					708 802		2 786 541	0	100 %	0 %
Joachim Lupnaav Johnsen, Exec. Vice President Commercial Management and Development		2022	2 079 064	0	8 252					242 284		2 329 600	0	100 %	0 %
		2021	1 932 202	0	22 195					135 272		2 089 669	0	100 %	0 %
Anders Kirsebom, Exec. Vice President Sustainability, Concept and Infrastructure Development	1	2022	2 536 862	0	13 952					518 816		3 069 629	0	100 %	0 %
		2021	2 391 018	0	18 601					476 730		2 886 348	0	100 %	0 %
Lars Vågsdal, Exec. Vice President Technology Services (from 01 April 2022)		2022	2 049 059	0	6 189					206 040		2 261 288	0	100 %	0 %
		2021		0								0	0		
Stine Ramstad Westby, Exec. Vice President of Major Airports		2022	2 538 206	0	8 252					388 034		2 934 492	0	100 %	0 %
		2021	2 444 737	0	22 841					368 268		2 835 845	0	100 %	0 %
John-Ragnar Aarset, Exec. Vice President Communications and Public Affairs (from 15 February 2022)		2022	1 685 400	0	7 564					213 955		1 906 919	0	100 %	0 %
		2021		0								0	0		
Jan G. Pedersen, CEO Avinor Air Navigation Services (from 01 January 2022)		2022	2 310 329	0	7 412					263 865		2 581 606	0	100 %	0 %
		2021		0								0	0		

2.1.1. Footnotes for the tabular overview on the remuneration for senior executives

A) Fixed salary includes monthly wages, holiday pay, deducted holiday pay, fixed car allowance, deductible benefits, irregular additional working hours and compensation pension plans. B) Perks include benefits relating to various insurance schemes (collective life, health, travel, and accident insurance) C) Specified position is the current job title. Some employees have changed position during 2022 and 2021. Comparative figures for 2021 are not provided for persons who have only held a senior position in 2022. 1) As of 15 August 2022, Thorger Landevaag is on paid leave for the position of Executive Vice President Sustainability, Concept and Infrastructure Development, in order to complete further education programmes. Anders Kirsebom is currently on leave from his position as Executive Vice President Regional Airports for the same length of time in order to step in as Executive Vice President Sustainability, Concept and Infrastructure Development. Knut Holen is currently serving as Executive Vice President Regional Airports for the same length of time.

3. REMUNERATION FOR MEMBERS OF THE BOARD OF DIRECTORS

Remuneration for board members is determined at the General Meeting. Some board members also serve as members of committees for the board (auditing and risk management committees and HR, compensation and HSE committees). Remuneration for these positions is also determined during the General Meeting. The remuneration given in the table below includes remuneration for board positions and participation in the committees.

3.1. Tabular overview of the remuneration for members of the Board of Directors

Remuneration for members of the Board of Directors								
Name of board member, role	Foot-note	Financial year	Remuneration for members of the Board of Directors		Total remuneration		Percentage of fixed and variable remuneration	
			Board fee	Committee fee	Fixed	Variable	Fixed	Variable
Anne Carine Tanum, Chair of the Board		2022	478 000	36 500	514 500	0	100 %	0 %
		2021	463 000	35 500	498 500	0	100 %	0 %
Ola H. Strand, Deputy Board Chairman		2022	291 000		291 000	0	100 %	0 %
		2021	281 500		281 500	0	100 %	0 %
Rolf Gunnar Roverud, board member (from 01 July 2021)		2022	238 000	42 500	280 500	0	100 %	0 %
		2021	117 000	21 000	138 000	0	100 %	0 %
Linda Bernander Silseth, board member		2022	238 000	22 500	260 500	0	100 %	0 %
		2021	230 500	21 500	252 000	0	100 %	0 %
Inger Lise Strøm, board member (from 16 June 2022)		2022	121 000	37 500	158 500	0	100 %	0 %
		2021			0			
Eli Skrovset, board member (until 15 June 2022)		2022	117 000	36 000	153 000	0	100 %	0 %
		2021	230 500	71 000	301 500	0	100 %	0 %
Olav Aadal, employee-elected board member	A	2022	238 000		238 000	0	100 %	0 %
		2021	230 500		230 500	0	100 %	0 %
Heidi Anette Sørum, employee-elected board member	A	2022	238 000	42 500	280 500	0	100 %	0 %
		2021	230 500	41 500	272 000	0	100 %	0 %
Bjørn Tore Mikkelsen, employee-elected board member	A	2022	238 000	22 500	260 500	0	100 %	0 %
		2021	230 500	21 500	252 000	0	100 %	0 %
Herlof Nilssen, board member (until 30.06.2021)		2022						
		2021	113 500	20 500	134 000	0	100 %	0 %

3.1.1. Footnotes for the tabular overview of the remuneration for members of the Board of Directors

A) The state remuneration for the Board of Directors only includes the remuneration received in their capacity as a board member. Remuneration received by employee-elected board members in their capacity as ordinary employees for Avinor Group is not included in the table.

4. SHARE-BASED REMUNERATION

No person in the Avinor Group has an agreement for share-based remuneration.

5. RIGHTS TO REVOKE VARIABLE REMUNERATION

No person in the Avinor Group has an agreement for variable remuneration.

6. DEVIATIONS FROM THE GUIDELINES

In extraordinary cases, the Board may decide to deviate from the adopted guidelines, as set out in Section 8 of the guidelines.

There have been no instances where the guidelines have been deviated from in 2022.

7. COMPLIANCE WITH THE GUIDELINES

The guidelines for determining salaries and remuneration for senior executives in Avinor Group are intended to contribute to the achievement of the Group's overall business strategy,

long-term interests and financial stability.

The executive salaries within the Avinor Group should be competitive, but not leading, when compared to other Norwegian companies of which it is natural to equate Avinor with. The remuneration scheme should be based on equal salaries for male and female employees who do equal work or work of equal value. One of our goals at Avinor Group is to coordinate how salaries are determined. Executive remuneration should contribute to the company's goal attainment both financially and in terms of its operations, and the remuneration system must be understandable and acceptable.

In 2022, Avinor carried out salary settlements in which the Group's senior executives received a settlement within the salary settlement framework held by the Avinor Group, which aligns with the framework for leading sectors ("frontfagsmodellen") (3.7 per cent) in the same way as other employees in the Group. The Board is of the opinion that it must be accepted that the wage

growth in NOK is higher for senior executives than it is for other employees, as long as Avinor adheres to the same percentage limit for the settlement as for other employees. This is in line with the company's stated goal of competitive remuneration. In the Avinor Group, there are several groups of employees who, due to the type of position they hold, have salaries that are on par with that of the Group's senior executives, which also indicates that it is the case that percentage growth of salary levels is relevant in the consideration of how to assess wage growth for the senior executives.

For some of the senior executives, annual salary growth in 2022 was higher than 3.7 per cent. This is because the salary of the senior executive in question has been changed in relation to a change of position or area of responsibility during the year. In addition, changes in individual components of the total remuneration (such as taxable benefits relating to insurance schemes, taxable shares of travel compensation and similar) may also contribute to the annual change in compensation that seemingly deviates from the agreed framework for wage growth, despite the

fact that the senior executives salary growth has been carried out in accordance with the framework.

It is the Board's view that the total remuneration of senior executives during 2022 is in accordance with the Group's guidelines, and that the guidelines are designed to contribute to the achievement of the Group's business strategy, long-term interests and financial stability.

8. COMPARATIVE INFORMATION

The table below provides information on the annual changes for the total remuneration of senior executives over the past five financial years, the company's results, and the changes in the average salary of employees other than the senior executives.

Employees other than the senior executives are defined in the table as all employees other than those listed separately in the table as senior executives.

COMPARABLE TABLE OF REMUNERATION AND COMPANY PERFORMANCE OVER THE LAST FIVE REPORTED FINANCIAL YEARS (RFY)

Remuneration for senior executives		FOOTNOTE	2018 vs. 2017	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020	2022 vs. 2021
Name	Position C)	A	IN % (D)				
Abraham Foss	CEO	1					3.7 %
Dag Falk-Petersen	CEO	2	2.3 %	6.6 %	-1.5 %	7.8 %	
Øyvind Hasaas	Executive Vice President, Operations and Infrastructure	3	-3.0 %	1.2 %	0.3 %	4.4 %	
Stine Ramstad Westby	Executive Vice President, Major Airports	4	4.1 %	11.6 %	13.7 %	8.2 %	3.8 %
Helge Eidsnes	Airport Director, Bergen Airport	5			4.3 %	8.9 %	
Aslak Sverdrup	Airport Director, Bergen Airport	6	-3.0 %	27.8 %			
Anette Sigmundstad	Airport Director, Stavanger Airport	7			-0.8 %	5.1 %	
Leif Anker Lorentzen	Airport Director, Stavanger Airport	8	0.0 %	2.5 %			
Marit Helene Stigen	Airport Director, Trondheim Airport	9		11.1 %	0.6 %	6.2 %	
Mari Hermansen	Exec. Vice President, Organisation and Corporate Support	10	3.0 %	3.6 %	0.9 %	4.6 %	3.7 %
Petter Johannessen	Exec. Vice President, Strategy and Corporate Governance/CFO	11	1.7 %	2.7 %	-0.6 %	5.3 %	4.1 %
Anders Kirsebom	Exec. Vice President Sustainability, Concept and Infrastructure Development	12	3.2 %	5.8 %	-0.1 %	6.3 %	6.1 %
Thorgeir Landevaag	Exec. Vice President Sustainability, Concept and Infrastructure Development (on leave)	13		14.1 %	1.3 %	6.0 %	13.7 %
Knut Holen	Exec. Vice President, Regional Airports	14					
Joachim L. Johnsen	Exec. Vice President, Commercial	15				7.1 %	7.5 %
Margrethe Snekerbakken	Executive Vice President Strategy, Security and the Environment	16	10.6 %	-2.8 %			
Jon Sjølander	Executive Vice President, Strategy and Development	17	2.6 %				
Egil Thompson	Executive Vice President, Communications and Market	18	2.7 %	2.4 %	0.7 %	5.6 %	
Lars Vågsdal	Executive Vice President, Technology Services	19					
John-Ragnar Aarset	Executive Vice President, Communications and Public Affairs	20					
Jan Gunnar Pedersen	CEO, Avinor Air Navigation Services	21					33.1 %
Company results							
EBITDA group			34.4 %	-13.5 %	-49.4 %	64.4 %	1.4 %
Profit/loss before income tax for the group			133.9 %	-39.9 %	-202.9 %	129.0 %	105.8 %
Average remuneration distributed by number of full-time equivalents		B					
Average annual salary exc. the management team. Group			3.2 %	3.0 %	1.7 %	2.7 %	3.7 %

8.1.1. Footnotes to the tabular overview of the changes in remuneration over the last five years

A) The table shows the change in total compensation given during the year. Pension accruals are not included in the overview. The change is only presented in the years that the person in question has had an executive management role in the Group for both years.

B) The table shows an overview of the negotiated average wage growth.

C) Current executive job title. For persons who have left executive management roles in the Group, the most recent job title is indicated.

D) When senior executives have only been employed for part of the year, the wage costs have been annualised to provide relevant comparative figures.

1) Abraham Foss, CEO from 15 February 2021.

2) Dag Falk-Petersen, CEO of Avinor up to and including 14 February 2021.

3) Øyvind Hasaas, Airport Director Oslo Airport up to and including 2018, Executive Vice President of Operations and Infrastructure 01 January 2019 – 31 March 2022.

4) Stine Ramstad Westby, Executive Vice President of Operations and Infrastructure up to and including 2018, Airport Director Oslo Airport as of 2019, Airport Director Oslo Airport/Executive Vice President of Major Airports as of 2022.

5) Helge Eidsnes, Airport Director Bergen Airport from 19 August 2019. As of 2022, Bergen Airport is organised under major airports and Eidsnes is no longer a member of the Group's executive management.

6) Aslak Sverdrup, Airport Director Bergen Airport up to 28 February 2019.

7) Anette Sigmundstad Airport Director Stavanger Airport from 01 March 2019. As of 2022, Stavanger Airport is organised under major airports and Sigmundstad is no longer a member of the Group's executive management.

8) Leif Anker Lorentzen, Airport Director Stavanger Airport up to 01 March 2019.

9) Marit Helene Stigen, Airport Director Trondheim from 01 February 2018. As of 2022, Trondheim Airport is organised under major airports and Stigen is no longer a member of the Group's executive management.

10) Mari Hermansen has not changed her position during the five-year period.

11) Petter Johannessen has not changed his position during the five-year period.

12) Anders Kirsebom, CEO of Avinor Air Navigation Services up to and including 2021. Executive Vice President Regional Airports as of 2022. Substitute Executive Vice President Sustainability, Concept and Infrastructure Development from 15 August 2022.

13) Thorgeir Landevaag, Division Director of Regional Airports from 01 August 2018 to 31 December 2021. Executive Vice President Sustainability, Concept and Infrastructure Development from 2022. On paid leave from 15 August 2022 to complete further education programmes.

14) Knut Holen, Substitute Executive Vice President Regional Airports from 15 August 2022.

15) Joachim Lupnaav Johnsen, Executive Vice President Commercial from 01 October 2020.

16) Margrethe Snekerbakken, Executive Vice President Strategy, Safety and Environment up to and including 2019.

17) Jon Sjølander, Executive Vice President Strategy and Development up to 01 August 2018.

18) Egil Thompson, Executive Vice President Communications and Market up to 31 October 2021.

19) Lars Vågsdal, Executive Vice President Technology Services from 01 April 2022.

20) John-Ragnar Aarset, Executive Vice President Communications and Public Affairs from 15 February 2022.

21) Jan Gunnar Pedersen, CEO Avinor Air Navigation Services from January 2022.

Independent auditor's assurance report on remuneration report



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INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REMUNERATION REPORT

To the General Meeting of Avinor AS

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Avinor AS' report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2022 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 28. March 2023
ERNST & YOUNG AS

Trond Stian Nyteveit
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been prepared for information purposes only.)

A member firm of Ernst & Young Global Limited

MORE ABOUT AVINOR

Interim reports and annual reports

Avinor publishes reports about its operations annually and quarterly. The interim reports present key figures and the financial statements, as well as a brief report on financial conditions. Avinor's interim reports and annual reports are available on Avinor's website.

The Section 10 plan

Section 10 of Avinor's articles of association states that the Board of Directors must prepare a report to the Ministry of Transport and Communications on the company's overall activities that also includes plans for the future. The document is publicly available and is called the Section 10 plan.

Avinor's contribution to the National Transport Plan

The National Transport Plan (NTP) presents the Norwegian government's transport policy. It lays the foundation for comprehensive political assessments, the efficient use of tools, and improved interaction between the different modes of transport. Aviation infrastructure forms part of the report. The NTP is discussed by the Committee for Transport and Communications, which presents its opinion to the Norwegian parliament. The NTP for the period 2018 to 2029 was discussed in the Norwegian parliament in the spring of 2017 and can be found at www.ntp.dep.no.

Avinor owns 43 airports, including the subsidiary Svalbard Lufthavn AS and Værøy Heliport. In addition, Haugesund airport is leased to an external operator and Fagernes is due to be sold. This network links Norway together and links Norway to the world.

Avinor is a key proponent of environmental work taking place in the aviation sector and a driving force behind efforts to reduce overall greenhouse gas emissions in Norwegian aviation. The company plays a leading role in the work to develop and deliver sustainable biofuels for aircraft, as well as ongoing efforts relating to the electrification of aviation.

A total of 44.7 million passengers travelled to, from, or via Avinor's airports in 2022, which is an increase of 99 per cent compared to the previous year. Avinor ensures that these trips take place in a way that is safe, efficient and as environmentally friendly as possible. A total of 2746 employees are responsible for planning, developing and operating airports and aircraft safety systems. Avinor is financed by its users by means of aviation fees and sales at airports.



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