Annual and Sustainability Report 2023

Translation from Norwegian for information purposes only.

AVINOR

49 014 574
PASSENGERS
UP 10 PER CENT FROM 2022

721 364
DEPARTURES AND ARRIVALS
UP 1 PER CENT FROM 2022

2870
PERMANENT EMPLOYEES
2 746 IN 2022

74 939
OVERFLIGHTS
UP 17,5 PER CENT FROM 2022

2023 - KEY FIGURES

83 PER CENT

PUNCTUALITY

81 PER CENT IN 2022


Innsjekk Check-in
1-3
4-10
Sikkerhetskontroll
Security check
5 min
10 min

Our results

Operating income

11,514

NOK MILLIONS

Operating expenses

7,954

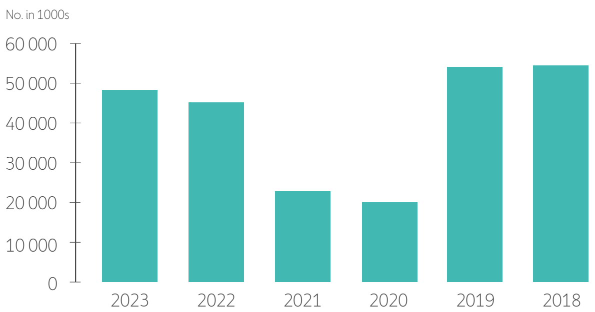
NOK MILLIONS

Profit/loss after tax

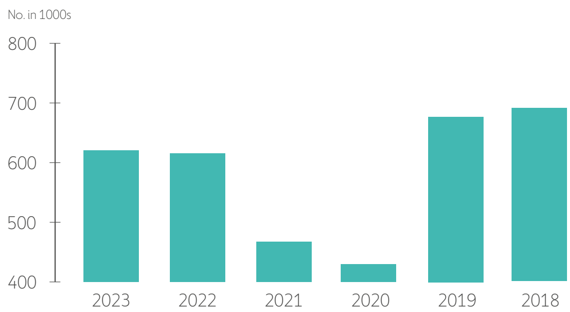
304

NOK MILLIONS

NUMBER OF AIR PASSENGERS



NUMBER OF AIRCRAFT MOVEMENTS



NOK MILLIONS	2023	2022	2021	2020	2019	2018
Operating income airport operations	9 896	9 007	4 514	3 658	10 357	10 303
Operating income air navigation services	2 214	2 122	1 576	1 460	2 100	2 107
Total group operating income	11 514	10 419	9 314	8 183	11 785	11 724
EBITDA Group [1)]	3 559	3 069	2 960	1 850	3 634	4 201
Profit/loss after tax	304	427	208	-724	702	1 170
Number of air passengers (figures shown in thousands)	49 015	44 727	22 400	20 000	54 099	54 387
Number of aircraft movements (figures shown in thousands)	624	618	564	428	677	690

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

Avinor's annual and sustainability report for 2023 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).

The history of Avinor - and the route ahead

1912
Kjeller Airport is under construction and will later become a military airbase

1920
Norway's first official route between Christiania and Kristiansand opens

1937
Norway's first civilian airport opens in Sola, outside of Stavanger

1943
Norges luftfartsstyre is established under the Norwegian Ministry of Defence

1947
Norges luftfartsstyre changes its name to Luftfarts-direktoratet and is transferred to the Norwegian Ministry of Transport

1964
7 December: Tove Høyer became Norway's first certified female air traffic controller

1968
Parts of the short runway network in Norway is opened by Håkon Kyllingmark, then Minister of Transport and Communications

1978
Luftfartsdirektoratet changes its name to Luftfartsverket

1990
Televerket Flynavigasjon is transferred to Luftfartsverket

1993
Luftfartsverket becomes an administrative company

1998
Oslo Airport opens 8 October

The state through Luftfartsverket takes over the short runway airports from municipalities

1999
The new Båtsfjord Airport opens

Luftfartsinspeksjonen was split off from Luftfarts-verket and the Norwegian Civil Aviation Authority is established.

2003
Avinor is established as its own limited company

2014
Avinor Air Navigation Services is set up as a separate limited company under Avinor AS

2015
Avinor and the Norwegian Association of Air Sports starts an electric aircraft collaboration

2016
Oslo Airport starts to offer sustainable aviation fuel (SAF)

2019
Remote towers is introduced at Røst Airport as the first of 15 planned

2020
Norwegian aviation unites behind the goal of fossil-free aviation by 2050

2022
The Group Board approves construction of new airports at Mo i Rana and Bodø

Avinor is approved for "advanced sequential operations" for the Remote Towers Centre in Bodø, the first of its kind in the world

Avinor tests out autonomous snowploughs

2023
Remote Towers Centre operates a total of 11 towers at airports in Norway by the end of the year

2025
New baggage handling system will open at Oslo Airport

2027-28
First commercial electrified aircraft may be in operation in Norway

New airport at Mo i Rana is set to open

2029
New Bodø Airport is scheduled to open

2030
Avinor's own operations will be fossil-free

2050
Fossil-free Norwegian aviation

A significant agenda for change in Avinor

These are challenging times for aviation. People's travel patterns have changed. There are far fewer business travellers than before. Norwegians' domestic travel activity has levelled off. Passenger numbers at Avinor's airports are about 90 per cent of pre-pandemic levels. Until recently, the expectation was that it would be back at 100 per cent in 2024/2025, but the trend is slowing. 2027/2028 is now considered more likely. The current times is marked by rising costs, higher interest rates, geopolitical unrest, and more uncertainty in general. It makes people travel less often.

As expected, greater variation is seen between seasons. This is becoming more challenging for Avinor as an infrastructure- and service provider. While Europe is picking up, the Norwegian domestic market remains flat. This has, among other things, resulted in major changes at the airlines industry during the year. The competitiveness pressures in the Norwegian market are noticeably reduced. Flyr went bankrupt, Norwegian acquired Widerøe and SAS is still working on its restructuring process. The intercontinental route network to and from Norway is small, and Avinor has a major role in enhancing further route development, with Oslo Airport as a central hub.

Avinor experienced a revenue shortfall of about NOK 16 billion during the pandemic. Even with government support schemes and substantial cost reductions in Avinor, the business environment is still challenging. In recent years, the number of publicly mandated tasks has increased, higher need for interactions with the Armed Forces, construction of new airports and replacing the air navigation systems.

A REVENUE CHALLENGE

Avinor and aviation live by and for the passengers. It is challenging when the total passengers and traffic are reduced over a longer period. Avinor's revenues fluctuate throughout the year, while costs are largely fixed. Half of Avinor's revenues come from airlines, for the use of the company's airports. A quarter comes from shops, restaurants, and shuttle transport. The remaining quarter comes from tax-free. The largest airports, especially Oslo Airport, account for a significant share of Avinor's revenues and profits. These profits are used to operate and develop the entire network of smaller and more unprofitable airports across the country. In addition, several socially mandated tasks are financed with this set up, which is named the Avinor model. There has been a broad political support for the Avinor model and revenue components for Avinor's airports for 20 years. It has made it possible to handle a very complex social mission with many different stakeholders.

Avinor's long term financial challenges are primarily related to revenues. Avinor has for many years operated more and more efficiently. Therefore, the fee level that airlines face at Avinor is highly competitive compared to the fees at the main airports in neighbouring Sweden, Denmark, and Finland. Avinor has also reduced costs by almost NOK 1 billion during and after the pandemic. When airlines nevertheless experience an overall higher fee level in Norway, it is due to the governmental taxes from air passenger levies and CO2 levies have increased. As a consequence of lower traffic, changed customer mix, weaker value propositions for customers, changes in the duty-free quota and not adjusting Avinor's airport charges, which are intended to cover the costs of using the nationwide airport network, as well as additional public mandated tasks, the financial model becomes challenging. It is not about the short-term ability to operate the business, but potential inability to support book values of assets with a financial model that is sustainable for the in long-term.

In November 2023, the government presented several measures aimed at strengthening the Avinor model's conditions. This is positive.

Avinor will continue to work on developing service concession revenues and work long-term and systematically with the cost base. Avinor will operate as efficiently as possible. In the times ahead, the public policy ambitions for future income levels from aviation must be adjusted for the Avinor model to be sustainable. Oslo Airport, which celebrated its 25th anniversary in 2023, has on several occasions won awards for its efficiency as well as quality. In January 2024, the airport was named Europe's most punctual for the second year in a row. It is of course desirable to keep this position for the benefit of passengers.

TECHNOLOGY AT EVERY STAGE

Avinor is at the forefront of adopting new technology. Nevertheless, it is the ability to achieve the interaction between technology, processes and expertise that will be decisive for solving the social mission even better. In particular, the development and integration of the European en route management systems pose a major challenge. More than 30-year-old systems will be developed and integrated with old and new tower systems while traffic is carried out at full service. In addition, tower systems for both small and large towers will be developed and replaced. For the smallest towers, centralized control is implemented through remote towers. Bodø is home to the world's largest centre for such remote towers. During 2023, three more towers have been transferred to remote control, and the total is now eleven. There are approved plans to transfer a total of 21 towers to remote control. Preparation is also ongoing to replace tower systems for the largest towers.

2023 was also the year in which Avinor started working systematically with artificial intelligence. At the end of the year, a custom GPT specialized on Avinor data was launched as a start. Furthermore, the company is also engaging in several activities related to more traditional artificial intelligence such as machine learning. Towards 2030, it is expected to see technology in use at all levels, whether it relates to remote towers, air navigation services of the future, maintenance, chemical handling, passenger predictions or drones as well as new energy carriers for aviation.

By 2050, aviation shall be fossil-free. The entire Norwegian aviation industry stands behind this target. Avinor, airlines and all areas in the whole supply chains need to find a sustainable approach that enables aviation to invest in zero- and low-emission solutions. The planes cannot, however, be grounded and wait until the day when the availability of sustainable aviation fuel, electric aircraft or hydrogen solutions are sufficient. To achieve the goals, the entire ecosystem in and around aviation must work together.

LONG-TERM COMPETENCE

Avinor's competence development is about connecting people and expertise with processes and technology to meet the needs of the sustainable aviation industry. The average age in Avinor is 47.5 years and steadily increasing. Over the next ten years, forty percent of Avinor's employees will retire. The proportion of women in the Group is 22 per cent. For this reason, younger employees and more females are high on the Group's long-term diversity agenda. During 2023, Avinor increased the proportion of newly recruited women despite large recruitment in traditionally male-dominated positions. This will continue as part of the long-term agenda.

At the same time, there is a significant need for change in competence in the longer term, especially in the technology area. To enable the company's managers to face the challenges of the future, Avinor has intensified its efforts to develop extensive leadership programmes.

AVINOR DELIVERS – EVERY DAY

In September, the Minister of Trade and Industry announced that tourism will be the next major national export initiative in Norway. Here, aviation plays an indisputable part. A long-term trend shows that more foreigners are visiting Norway as tourists, in particular to Northern Norway. Tromsø Airport has needed expansion for a long time, and a new terminal opened there during spring of 2023. The new terminal will be a valuable addition to further growth in tourism to Tromsø and Northern Norway, where a whole range of new routes have been established during the year. In this perspective, Avinor has a challenge in adapting the offer at the airports even better to this inbound tourist segment.

The construction project for the new Bodø Airport reached an important milestone just before Christmas when it received approval from the ESA allowing the Government to issue financing to the airport construction together with Avinor and local contributions. In Mo i Rana, the development work for the new airport is well on track to open in 2027.

During the year, Avinor also opened a new parking garage at Stavanger Airport after the old one burned in January 2020. At Oslo Airport, a new baggage facility is being built to replace the old facility from the airport's opening in 1998. The project is one of the largest and most complex at the airport ever, with a new check-in area and new infrastructure for departure and arrival processes. When everything is completed in 2026, Norway's main airport will have one of the world's most modern baggage facilities. Avinor has also taken over operational responsibility for Andøya Airport in 2023.

Every single day, Avinor's around 2800 employees go to work to get passengers where they need to go. Together with its partners, Avinor delivers safe and stable airport operations and mobilises around Avinor's social mission in a way that makes me confident that the company is well equipped to continue to solve this in the best way also in the future.

Abraham Foss,
konsernsjef

Anne Carine Tanum,
styreleder


TRONDHEIM LUFTHAVN VÆRNES

1. About Avinor

1.1 COMPANY DESCRIPTION

Avinor's mission is to own, operate and develop a nationwide network of airports for the civilian sector and a comprehensive air navigation service for the civil and military sectors. The business shall be conducted in a safe, efficient and sustainable manner, and good access for all groups of travellers shall be ensured. Avinor owns, operates and develops 43 airports[1], including the subsidiary Svalbard Lufthavn AS and Værøy heliport. In addition, Avinor owns Haugesund Airport, which is leased to external actors, and Fagernes Airport, which is closed for aircraft operations.

The company is a wholly state-owned limited liability company under the Ministry of Transport. The State´s goal as owner is the most sustainable and efficient possible attainment of the public policy objectives for the aviation sector. The Ministry of Transport establishes the framework for Avinor's activities. Moreover, it regulates Avinor's tax revenues, issues licences to Avinor's airports and has designated Avinor as the provider of national air navigation services. The Ministry decides which airports the company will operate at any given time. On assignment from the Ministry, Avinor is building new airports in Mo i Rana and Bodø.

In addition to its social mission, Avinor performs and finances several service tasks within airport operations and air navigation services that are mandated by the Ministry. The service tasks are of great social and public importance. Among the most important are services to the health sector, the Armed Forces, customs and the police. Furthermore, Avinor is mandated by the Ministry of Transport to perform certain studies and to participate in the work on the National Transport Plan.

A high level of aviation safety and a strong safety culture are the cornerstones of Avinor's operations. Sustainable operations and development require the company to strike a good balance between economic, social, climate and environmental factors. Effective attainment of public policy goals means that the company fulfils its social mission in the most cost-effective manner possible.

Avinor cooperates with the Norwegian Armed Forces at 11 airports, of which 7 airports are owned by Avinor AS (Oslo, Stavanger, Bergen, Trondheim, Harstad/Narvik, Bodø and Lakselv). Bardufoss Airport is owned by the Norwegian Armed Forces, which is also responsible for airport operations. At the start of 2024 Avinor assumed ownership of Bodø Airport from the Norwegian Armed Forces and assumed operational responsibility for Andøya airport in 2023, initially with the Air Force as subcontractor. From 1 August 2024, Avinor plans to assume operational responsibility for Andøya airport with its own operating concept. Avinor provides air navigation services for Ørland Air Base, Moss Airport, Rygge and Sandefjord Airport, Torp. Ørland has civilian part with commercial traffic, while Moss Airport has a civilian part with no commercial traffic. Sandefjord Airport is not owned by Avinor. Cooperation with the Norwegian Armed Forces is expected to be expanded to include more airports in the future.

Avinor is self-financed through its two main sources of revenue: traffic revenues (regulated aviation charges) and commercial revenues (service concession revenues) from activities related to airports. Both revenue categories are affected by traffic volumes (number of aircraft movements and number of passengers). Regulated traffic revenues account for about half of Avinor's total revenues, while other revenues are related to service concession contracts with commercial operators. A co-financing arrangement between the airports is assumed, which means that unprofitable airports are financed through profits from profitable airports, particularly from Oslo Airport. This financing model is referred to as “the Avinor model”. The company's revenue base is crucial for sustainable financing of its social mission.

[1]Avinor operates 41 airport that it owns. In addition, Avinor has operational responsibility for Andøya Airport, which is owned by the Norwegian Armed Forces, and is responsible for the operation and development of the civilian part at Bardufoss Airport, which is also owned by the Norwegian Armed Forces.

Avinor's traffic revenues from airport and air navigation operations are paid by the airlines. The air navigation service is financed through traffic revenues from airlines for en-route services, as well as revenues from the operation of tower and approach services for Avinor's airport operations.

The Group's commercial revenues consist mainly of turnover-based rental income from tenants (service concession contracts) that offer commercial services such as duty-free shopping, other retail shopping, parking, food & beverage, advertising, aviation fuel, ground handling and hotel operations on Avinor's premises. The possibility of conducting commercial activities at airports is, with a few exceptions, subject to competition.

Oslo Airport plays an important role as a national hub and normally accounts for more than half of Norway's total air traffic and about 70 per cent of all international air traffic. Oslo Airport is Avinor's largest source of revenue, and sufficient profitability here is a prerequisite for the Avinor model being financially sustainable.

In the National Aviation Strategy on Sustainable and Safe Aviation[2], the Government states that the Avinor model will be continued and further developed, and its self-financing capacity will be strengthened.

The owner sets required rate of return on invested capital and has regularly withdrawn dividends from the company. Since the fourth quarter of 2021, Avinor has had temporary permission from the owner to deviate from the statutory minimum equity ratio requirement of 40 per cent, and the current exemption expires on 31 December 2024. Temporary new threshold requirements for equity ratios have varied down to 35 per cent during the period. The owner has not taken out a dividend from the company since 2019.

AIRPORT OPERATIONS

Of all Avinor's 43 airports, 42 are organised in the same legal unit. Svalbard Airport is organised as a wholly owned subsidiary. Avinor is responsible for operations and development at 41 airports that it owns, including Værøy heliport. In addition, Avinor has operational responsibility for Andøya airport, which is owned by the Norwegian Armed Forces, and is responsible for the operation and development of the civilian part at Bardufoss Airport, which is also owned by the Norwegian Armed Forces.

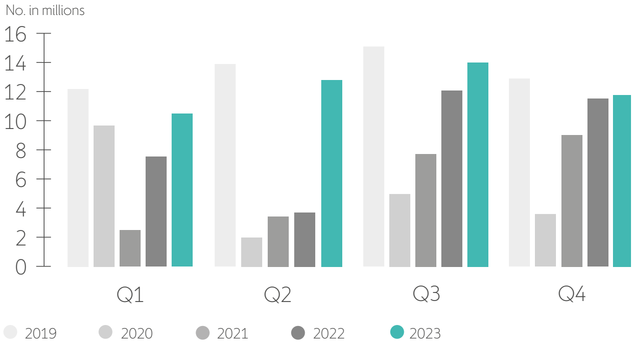
In addition, Avinor owns Haugesund Airport, which is leased to external operators, and Fagernes Airport, where operations have been shut down and parts of the areas are now planned to be used for solar parks.

All Avinor's airports had scheduled domestic flights in 2023. 14 of Avinor's airports also had international flights (charter and/or scheduled route). The airports in Stavanger, Bergen, Florø, Kristiansund, Brønnøysund and Hammerfest are permanent bases for the transport of passengers and goods between the mainland and installations for offshore petroleum activities.

Traffic in 2023

49 million passengers travelled to and from Avinor's airports during 2023. This is 9.6 per cent more than in 2022. The following figure shows the traffic development per quarter in the period 2019 – 2023:

PASSENGERS



Domestic traffic increased by 5.1 per cent in 2023 compared to 2022, while foreign traffic increased by 17.1 per cent. Offshore helicopter traffic decreased by 5.0 per cent. The passenger volume was distributed between the airports as follows:

PASSENGERS PER AIRPORT, 01.01 - 31.12

PASSENGERS (NO. IN 1000)	2023	2022	CHANGE
Gardermoen	25 141	22 460	11,9 %
Flesland	6 352	5 927	7,2 %
Sola	3 951	3 575	10,5 %
Værnes	3 992	3 780	5,6 %
Other	9 579	8 988	6,6 %
Avinor Group	49 015	44 729	9,6 %

The number of commercial aircraft movements increased by 0.9 percent. For domestic aircraft movements there has been a decrease of 2.6 per cent, while the increase for international aircraft movements was 11.7 per cent. In 2023, Avinor's network of airports recorded an average punctuality of 83 per cent and an average regularity of 99 per cent.

It is the increase in international traffic that is driving the passenger growth. The low increase in aircraft movements reflects a significantly higher load factor on completed flights. In 2023, traffic from abroad into Norway has increased. More foreigners come to Norway as tourists, and not least to Northern Norway. Several new routes were established here during the year. The development of new intercontinental routes is very limited.

[2]Meld. St. 10 (2022-23), approved by Stortinget 2 May 2023

The number of overflights in 2023 was 74 939, an increase of 17.5 per cent compared to 2022.

1.2. GOVERNING BODIES

Avinor is a group with activity in the transport sector in Norway. The parent company Avinor AS is wholly owned by the state through the Ministry of Transport and is classified as a category 2 company. This means that the state's goal is sustainable and the most efficient possible attainment of public policy goals.

The Minister of Transport and Communications constitutes the company's general meeting and is the company's highest authority.

The board complies with the Norwegian Limited Liability Companies Act's requirements for management of and supervision of the company. In accordance with the articles of association, the board shall ensure that the company assumes corporate social responsibility/sustainability. The Board's duties are stipulated in separate instructions. The instructions are reviewed annually and updated in the event of changes in relevant regulations and otherwise as necessary. The board establishes an annual plan for its work with particular emphasis on goals, strategy and implementation.

The board has established two committees:

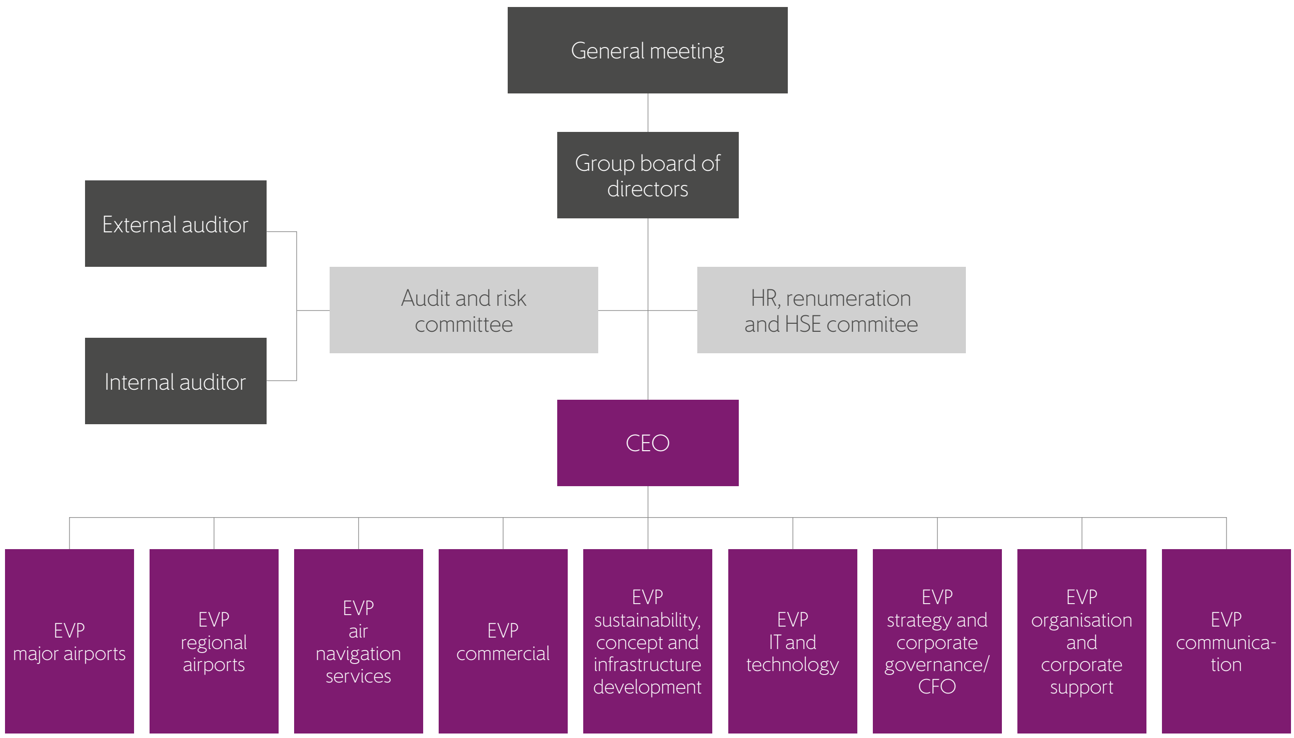
- audit and risk committee: preparatory and supporting body for the Board in its responsibility for financial reporting, auditing, internal control and overall risk management.
- HR, renumeration and HSE committee: preparatory body in matters concerning the remuneration of senior executives in the company and HSE.

The CEO's responsibilities and tasks are laid down in instructions issued by the Board. The instructions are reviewed annually and updated as necessary.

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.

The Avinor Group prepares a report on corporate governance in accordance with the outline in the Norwegian Code of Practice for Corporate Governance. The Corporate governance report is presented in attachment to the annual and sustainability report.

GOVERNING BODIES



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

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)

MARI HALVORSEN SUNDGOT
Board member (employee representative)

SVERRE IVAR ELSBAK
Board member (employee representative)

1.3 AVINOR FLYSIKRING AS

Avinor Flysikring AS is a wholly owned subsidiary of Avinor AS and, in line with its mission, is responsible for air traffic services for the civil and military air transport sectors. The company has divided its operations into en-route services, tower services and Aerodrome Flight Information Services (AFIS). Avinor Air Navigation has a close operational cooperation with the Norwegian Armed Forces in general and especially in connection with NATO exercises. The company also plays an important role in the national Total Defence System.

After several years of separation between the parent company Avinor AS and the subsidiary Avinor Flysikring AS due to the introduction of competition for tower services, a decision was made in 2021 to reorganise the Avinor Group and to tie the subsidiary more closely into the parent company. This has strengthened the Group as a whole and provided opportunities to realise greater synergies, particularly in the technology area by establishing a joint technology division. This division is now responsible for operating the national core air navigation infrastructure, while the operation of local equipment is open to competition. Technical infrastructure for navigation, communication and surveillance, including equipment at airports and area control centres, constitutes the national core air navigation infrastructure.

En-route services are mainly provided by state owned service providers within their national airspace. Avinor Flysikring AS has been designated by the Ministry of Transport as supplier for en-route services for Norwegian airspace until 31 December 2024. Competition has been introduced in tower, approach and air navigation services in several countries. Avinor AS has so far tendered tower services at Ålesund Airport and Kristiansand Airport. The Spanish company SAERCO won the tender. In the next few years, no competitive tendering of tower and technology services is expected in air traffic services.

Norway, and thus Avinor, is obliged through the EEA Agreement to comply with EU regulations in the Single European Sky (SES) domain. This includes requirements for en- route service perfomance and binding implementation of new technology through the ATM Masterplan (the EU's Master Plan for Technology Implementation in European Airspace).

The service provision for the en-route service is divided into defined reference periods. Reference period 3 (RP3) runs from 2020 through 2024. The performance plan for RP3 was formally approved by the Norwegian authorities in 2022. The Ministry of Transport's decision not to change aviation charges from 2021 to 2022 also included the air navigation charges. The consequence of the decision was that the Norwegian air navigation charges in 2022 did not cover costs. Adjustments to the regulations were also adopted so that air navigation service providers can recoup the shortfall in fees from en-route traffic in 2020 and 2021 through increased en-route fees in later years. The new reference period 4 (RP4) applies from 2025 to 2029.

Through the same SES regulations, the EU has established requirements for European technology development for service providers, e.g. through the so-called Common Projects 1 (CP1). Based on the commitments Norway have under SES regulations, Avinor follows the EU's implementation plan for new technology to achieve the goals for a common European airspace. There are extensive requirements for the implementation of cost-intensive technology, at the same time as the regulations require better cost efficiency. This is challenging and sometimes contradictory.

It is currently unclear what impact technology investments may have on the air navigation charges in RP4. The requirements in RP4 lock, as one of several requirements, the revenue of the individual service provider during the period. There are strict regulations for approving non-conformities between planned and actual costs. To reduce the risk of Avinor not being able to finance investments through the calculation of charges, the investment plan must be updated and realistic for the entire planning period, and there must be close dialogue with the owner and regulator. The performance plan for RP4 is expected to be adopted during the first half of 2024.

THIS IS AVINOR'S AIR NAVIGATION SERVICES

1. Tower and approach control services:
- Services include control and monitoring of air traffic from the time the aircraft leave the parking stand, move on the ground, take off and climb to the en-route phase, and vice versa when they leave the en-route phase, land at the airport and park.
- Avinor Air Navigation provides tower and approach control services to Avinor's own airports, private airports and the Norwegian Armed Forces.
- Tower services are provided from the 17 control towers operated by Avinor Air Navigation Services at the 17 airports with controlled airspace.
- Approach control services are provided either from the local control tower, from the area control centres in Røyken, Stavanger, or Bodø, or from Møre Approach (APP) at Trondheim Airport.

2. Flight Information Services:
- Smaller airports with less complex airspace have AFIS (Aerodrome flight information service).
- The main task of the services is to provide traffic information to aircraft on the ground at airports and within a delimited traffic information zone in the airspace around each airport.
- AFIS is performed at 27 Avinor airports, of which 11 airports AFIS is carried out from the Remote Tower Center in Bodø.

3. En-route service (area control service):
- The service is responsible for controlling and monitoring traffic during the en-route phase of a flight in Norwegian airspace.
- Avinor Air Navigation Services provides en-route services from the area control centres in Røyken, Stavanger and Bodø.
- The area control centres cover the Norwegian airspace and large parts of the North Atlantic. Customers include both Norwegian and international airlines as well as the Norwegian Armed Forces.
- Avinor Air Navigation Services has been designated by the Ministry of Transport to provide en-route services in Norwegian airspace until December 2024.

4. Flight weather services:
- Weather forecasting services for airports and airspace are an integral part of air navigation services.
- The flight weather service is provided by the Norwegian Meteorological Institute

The EU has established a funding mechanism called Connecting Europe Facility (CEF) Transport[3], which provides financial support to member states to implement the SES requirements, among other things. Under the EEA Agreement, Norway do not have access to the funds under CEF Transport and no solutions have been established within the existing policy instruments in Norway. As a result, Avinor Flysikring does not have the same terms as its European sister organisations and must finance the technological shift through its own revenues, i.e. the en-route fee. This could lead to an increase in charges, which contradicts the EU's requirement for a reduction in taxes in RP4. This could result in higher charges in Norwegian airspace and put airlines at a competitive disadvantage compared to our neighbouring countries if the tax level leads airlines to fly outside Norwegian airspace.

1.4 BUSINESS ETHICS

1.4.1 Company culture

Avinor's guidelines have been adopted by the Group Board of Directors and are reviewed annually by the Group Board of Directors. The guidelines require each employee to act in accordance with the regulations. All employees and hired consultants must undergo the mandatory ethics and integrity training program annually. The training consists of a review of the Group's ethical guidelines with an accompanying course in dilemma training. The course is updated annually with new dilemmas to prevent the course from becoming recurring and adapting to the risk the relevant level of the organization may be exposed to, for example as a participant in major procurements. In 2023, over 90 per cent of all employees completed the digital course.

In 2023, the topics for management level training were impartiality, conflicts of interest and responsible business conduct, focusing on the Transparency Act's requirements for due diligence and identifying risk, with accompanying discussion on risk appetite.

The Board of Directors, Group Management and management groups conduct annual dilemma training in joint meetings.

1.4.2 Corruption and anti-competitive behaviour

Corruption and other forms of prohibited business practices are serious forms of financial crime that can have significant societal consequences. Failure to comply with regulations and contract terms and conditions may also weaken Avinor's reputation and expose the group to the risk of high fines and liability for damages.

[3]One of the three parts of CEF. The other parts are CEF Energy and CEF Digital. Norway is only participating in CEF Digital.

Avinor has zero tolerance for corruption. This is expressed through the policy adopted by the Group Board of Directors and through agreements on responsible business conduct. Monitoring of corruption risk in the organisations is implemented, and the group works systematically with preventive and controlling activities through the compliance programme.

Avinor is a member of Transparency International Norway. As a member, Avinor contributes to joint efforts for transparency, integrity and accountability in society to prevent corruption and fraud nationally and internationally. Avinor is committed to practice zero tolerance for all forms of corruption in the group and to put in place appropriate measures against corruption.

Avinor regularly conducts risk and vulnerability analyses of corruption and fraud in different environments, depending on assumed risk exposure. Identified risks are managed through relevant measures following discussions with the compliance officer and the specialist communities. Development projects, contract management, award of commercial contracts, management of suppliers and partners and award of financing solution contracts are identified as areas with the greatest risk of corruption. The effect of existing control measures is assessed regularly, and adjustments to risk-reducing measures are made as necessary.

1.4.3 Protection of whistleblowers

Avinor's values are "Open, responsible, dynamic and customer-oriented". Avinor wants an open culture of expression, with a high tolerance for different opinions, and a low threshold for reporting possible censurable conditions. This applies not only in relation to security, but also matters of a legal, ethical or moral nature. Employees who wish to report possible censurable conditions must choose a proper way of doing so. The recommended sound whistleblowing method is open notification through the route of service and/or employee representatives/safety delegates. However, we recognise that not all reports of possible wrongdoing are suitable for taking a line path. In addition to employee representatives, the safety delegate service and the board, we have established a whistleblowing committee with four members, led by the chief compliance. The committee works in accordance with the mandate laid down by the group management, and procedural rules have been drawn up in accordance with the requirements of Chapter 2A of the Working Environment Act for how each whistleblowing report is to be handled. We also have an agreement with an external law firm that can receive notifications where the sender wishes to remain anonymous to Avinor. The procedural rules also apply to notifications received in the latter channel. Here, the law office will act as an intermediary in the exchange of information/questions between the whistleblower and the whistleblowing committee.

Employees at operators at our airports can also use Avinor's whistleblowing channel to warn of possible censurable conditions at Avinor.

In 2023, the internal whistleblowing committee received 174 inquiries while the external whistleblowing channel received one. The vast majority of enquiries concern matters that are not to be assessed pursuant to the provisions of the Working Environment Act on reporting censurable conditions. All enquiries had been processed by the end of the year. No basis has been found for concluding censurable conditions in any of the cases that have been considered. Follow-up of inquiries about possible censurable conditions takes place at the relevant level in the organisation.

Reactions/sanctions depend on the type of case/severity etc. Lessons learned through each case shall benefit the entire group so that similar incidents are avoided elsewhere in the organization.

We want all employees to be familiar with our whistleblowing channels, which is why the annual employee surveys include questions about knowledge of the department. In 2023, more than eight out of 10 were familiar with how to report censurable conditions at Avinor. To the assertion that it is safe to report censurable conditions in Avinor, eight out of 10 agreed. The employee survey has a response rate of around 85 percent.

1.4.4 Cyber security

Avinor has its own unit for IT security. This is a critical function for achieving defined goals for the Group set by authorities, national and international guidelines, requirements and legislation. The Cyber and Information Security Department is the Avinor Group's center for IT and cyber security and is responsible for the Group's IT and cyber security, the Group's IT security strategic direction, the Group's IT security risk management, all security measures, guidelines, routines and control functions. The unit works across all parts of the Avinor Group to ensure information sharing across disciplines. Anchoring across disciplines creates security for uniform focus and a common understanding of risk.

Avinor has appointed a data protection officer whose tasks include assisting individuals registered with the company and its own employees in matters relating to Avinor's processing of personal data. The data protection officer shall also point out breaches of the Personal Data Act to the management and be the contact person for inquiries from the Norwegian Data Protection Authority. Avinor maintains a processing overview with a description of the purpose for each processing of personal data. We assess the privacy consequences of introducing new technical solutions to ensure built-in privacy, and we have established a system for internal control pursuant to the Personal Data Act and regulations. Avinor's internal and external privacy statements describe Avinor's processing of personal data and provide information about the use of cookies on our websites. We have entered into data processing agreements with subcontractors who process personal data on our behalf. We are in continuous dialogue with partners at airports with regard to roles and responsibilities for data flow related to passenger and baggage handling.

Avinor discovered one breach of personal data security in 2023. The nonconformity has been reported to the Norwegian Data Protection Authority in accordance with the regulations. The error was promptly rectified, and there is a very low probability of a similar incident occurring again. The Norwegian Data Protection Authority has closed the case. We have not received any complaints regarding customer privacy violations in 2023. We have not received requests for access to customers' personal data.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2. Strategy and development

Avinor's corporate strategy for 2022 - 2025 was adopted early in 2022. Having a good insight into and understanding of the driving forces and trends that affect the entire aviation ecosystem nationally and globally is a continuous process. Developments in the EU are influential, but global economic developments and geopolitical developments also have a major influence on the industry's opportunities and challenges. The corporate strategy shall ensure that Avinor prioritises and makes decisions that ensure fulfilment of the social mission in a sustainable, efficient and future-oriented manner in line with public policy objectives.

The company's strategic direction is set through six stated ambitions and guides the Group's long-term priorities:

- Prioritize safe and stable operations with a risk-based approach
- Be an active advocate for sustainable aviation
- Be technology-driven and efficient in all parts of the organization
- Be customer-driven and innovative through partnerships with others
- Be an attractive workplace with the right skills and a good working environment
- Be financially robust with the right cost base going forward

The strategy describes the direction in which the company wants to move and what needs to be prioritized to achieve the goals. Sustainable development, revenue development and cost optimisation are clear and necessary focus areas. Initiatives within technology, organisation, expertise and culture are the company's most important instruments for ensuring that the strategy is realised.

The latest developments in the transport sector in general and aviation in particular underpin Avinor's strategic focus areas towards 2030. We see that the focus on societal security, emergency preparedness and access to energy is increasing. This reinforces the need to support robustness in all parts of Avinor's operations, including security of energy supply for operations and as an input factor to sustainable development. These are also areas where it will be even more important for Avinor in the future to seek cooperation both across the transport sector and with other actors to solve common challenges.

2.1 AVIATION AS PART OF A SUSTAINABLE TRANSPORT SYSTEM FOR THE FUTURE

2.1.1 Framework conditions for strengthening the Avinor model

In the white paper National Aviation Strategy on Sustainable and Safe Aviation[4] the government states that the Avinor model will be continued, and the self-financing capacity will be strengthened. The current airport structure will be retained, and the tasks imposed by society will be continued. Oslo Airport's important role as a national hub is highlighted. The Government wants to designate Avinor at the provider of Common Information Services (CIS) within airspace management of drones. For Avinor, the white paper's major focus on financial sustainability throughout the aviation industry, the importance of the transition to zero- and low-emission aviation and the technological paradigm shift represented by new air mobility confirm that the company's corporate strategy addresses these main challenges appropriately. At the same time, this requires Avinor to have framework conditions that ensure a robust, predictable, and sustainable financial capacity.

A much weaker traffic development in 2023 than anticipated, along with new forecasts for future traffic growth, indicated that the recovery would take longer than expected. This puts Avinor in a challenging financial situation. Traffic trends and travel patterns indicate that holiday and leisure travel will contribute to growth, while business travel is not expected to reach pre-pandemic levels. Travel patterns and consumer behavior have changed, and we see that some trends can be expected to be permanent.

[4] Meld. St. 10 (2022-23), adopted by the Norwegian Parliament 2 May 2023

In addition to underregulated charges from 2019 onwards, the Government's decisions to reduce tax-free shopping quotas and new obligations and associated costs have weakened the company's revenues. In 2023 Avinor communicated to its owner the need for a real increase in aviation charges and/or changes in other financial framework conditions to prevent impairment of the assets within the airport operations.

The Government has previously communicated their intention to strengthen the Avinor model and to maintain the current airport structure, which was reiterated in a public letter to Avinor in November 2023 where the Ministry of Transport acknowledged Avinor's current demanding financial situation and the need to ensure Avinor sustainable financial framework conditions. From 2024 to 2025 and beyond, the government will consider increasing airport charges beyond the increase from 2023. At the same time a reduction in the fiscal air passenger charge to redistribute funds from the State to Avinor is considered. Furthermore, the government will consider funding selected mandated tasks that have historically been carried out by Avinor and will also consider other state grants to Avinor. Assessments will be made in relation to the National Budget for 2025.

To further strengthen Avinor's commercial revenues, consideration will be given to whether taxed goods can be traded together with ordinary duty-free goods (Tollager C), and whether this should be permitted. This process is led by the Directorate of Customs and Excise.

The Ministry of Transport has clearly communicated that Avinor's structure will remain and that the financial framework conditions will be strengthened. The financial statements for 2023 are prepared under the assumption that the Group in future will have financial framework conditions that are adapted to its social mission and the level of ambition for the public policy guidelines.

2.1.2 Long-term transport planning

In 2023, Avinor continued to be involved in the government's long-term transport planning through participation in a concept study for transport solutions in Northern Norway (KVU Nord-Norge) and the work on the National Transport Plan 2025 – 2036 (NTP). Avinor participates in the process together with Bane NOR, the Norwegian Railway Directorate, the Norwegian Coastal Administration, Nye Veier AS and the Norwegian The Norwegian Public Roads Administration. The National Transport Plan for 2025 – 2036 is expected to be presented to the Parliament the spring of 2024.

The framework for the National Transport Plan for 2025 – 2036 focuses on good capacity utilization of existing infrastructure and facilitation to achieve Norway's climate and environmental goals. Through participation in the NTP process, Avinor contributes to promoting the role and importance of aviation in the long-term development of Norway's transport system, as well as being strengthened through sustainable and digital transformation. The restructuring of aviation requires long-term and forceful measures with a holistic approach. It is important to put users' needs at the center of the development and prioritization of the country's future transport system.

In its work on the National Transport Plan 2025 - 2036, Avinor has responded to assignments on zero- and low-emission technology in aviation and the need for adaptations at airports for phasing in zero- and low-emission aircraft. Avinor recommends an approach with measures in a short and longer time perspective. The measures in the short term are important for supporting the Norwegian market as a test area and first market for the introduction of zero- and low-emission aircraft, in line with the Government's ambitions. When asked about financing investments at airports during the restructuring phase, Avinor has made it clear that this will require access to financial instruments beyond current funding from civil aviation.

For the aviation industry, energy transition is necessary to meet emission reduction targets. Access to energy will be crucial. The challenges of securing energy supply, in the right place, at the right time apply to all actors in the transport sector. Through the work on the National Transport Plan (NTP), the transport companies have recommended further strategic cooperation on the overall transport sector's access to power and the establishment of value chains for alternative fuels. A better knowledge base on the transport sector's energy needs will be an important starting point for understanding the development of the energy and transport systems in a more interconnected manner.

2.2 STRATEGIC PRIORITIES

Avinor's strategy and long-term goals will ensure that the company fulfils its social mission safely, efficiently and sustainably, and supports its public policy objectives. As a self-financed business, Avinor shall, without the need for state aid or subsidies, operate within a financially acceptable framework where total operating revenues, operating costs and investments take place within a total profitability that maintains or develops the Group's worth, and which justify the book value of the Group's assets.

Avinor has an annual resource expenditure of approximately NOK 11 billion, of which NOK 7-7.5 billion is operations and NOK 3.5 billion is projects. The following provides a more detailed overview of the company's overall strategic priorities. Project portfolio and portfolio management are discussed in more detail in section 2.3. Project portfolio and development.

2.2.1 Safe, stable and cost-effective operation

Safe and stable operations form the basis of Avinor's business and are given high priority. For the second consecutive year, Oslo Airport was named the most punctual airport in Europe by Eurocontrol in 2023. Additionally, Oslo Airport received an award from ACI EUROPE in recognition for its work in sustainability, innovation and operations in competition with many other airports in Europe.

Avinor focuses on cost-effective operations through economies of scale, standardisation, technology and quality assessment with a risk-based approach. As part of the corporate strategy, a programme has been established to achieve sustainable cost reductions to ensure a financially robust group with the right cost base in the future. The goal is to carry out the social mission and public policy tasks in the most resource-efficient manner possible.

Cost reductions have been realised through continuous improvement and rationalisation. The most significant cost reductions have been implemented in airport operations and investments, both in airports and air navigation services. Cost-reducing measures of a more permanent nature include changes in operational concepts such as winter operations, the establishment of an Airport Operations Center (APOC) at Oslo Airport, a reduction in both operational positions and support services, and the introduction of technology that contributes to automation and remote operations. Avinor sees a particular potential for cost efficiency in digitalisation and automation.

AIRPORT OPERATIONS CENTRE (APOC)

APOC at Oslo Airport opened in September 2021. The establishment of APOC means that operational units that were previously located at different locations at the airport were gathered in one operational environment, located in one control room.

APOC has led to closer cooperation between operational units within Avinor and has become a more visible point of contact for the other stakeholders at Oslo Airport.

APOC forms the foundation for further development of operations, with data-driven production management and closer cooperation both between local stakeholders at the airport, and with the possibility of optimization and centralization of operational tasks within Avinor.

Avinor is a major infrastructure owner, both of physical and digital infrastructure. Among other things, the company owns 1.2 million square metres of buildings, 8 million square metres of airside facilities in addition to mission-critical equipment such as rolling stock, electrical, water/sewerage, safety equipment and IT technical facilities. The social mission of operating and developing a network of airports and the national airspace requires significant investments to maintain current infrastructure, and upgrade and develop new infrastructure. In 2023, the new baggage facility at Oslo Airport was mechanically completed, and when it becomes operational during 2024, the airport will have a modern baggage facility with capacity and functionality adapted to expected needs for a long time to come.

Avinor considers technology as a key strategic enabler, and technology is assessed early in the needs and prioritisation process, thereby ensuring that alternative technological and future-oriented opportunities are assessed to preserve and utilise the infrastructure for which the company is responsible. Safe and stable operations with a risk-based approach is a key criterion when Avinor prioritises projects. Avinor's investments and efforts in this area will support the goal of making travel easier for the passengers and increased competitiveness for the business sector.

2.2.2 Financially robust with the right cost base in the future

Through an ambitious revenue agenda and a continuation and further development of a clear focus on costs through measurable actions, Avinor's financial robustness will be restored and future financial room for manoeuvre strengthened.

Avinor is self-financed through the two main sources of revenue, traffic revenues (charges) and commercial revenues from activities related to airports. Avinor has goals and measures that will increase revenues to ensure sustainable financing of its social mission. Relevant new areas are route development that combines passengers and freight, development of properties around airports and facilitating new air mobility with passenger and cargo drones. Avinor works customer-driven and innovative through partnerships with others to achieve this goal. For the Group, this means that we seek partnerships with stakeholders to fulfil its social mission as efficiently and forward-looking as possible.

In 2023, the Group has had a particular focus on developing and implementing a new and ambitious strategy to strengthen Avinor's revenues. This includes measures that facilitate increased value creation for Avinor's tenants, increased commercial offers to all passengers, and strengthened parking and payment services for charging electric vehicles for airport users. Several new routes were established, and a cool storage facility was opened at Oslo Airport as an important part of the freight strategy.

Avinor is continuously working on measures to operate cost-effectively. This includes more computerised maintenance, smarter use of chemicals, conversion of consultants to permanent employees and energy management. Avinor's analyses indicate that the measures that will have the greatest effect on cost efficiency in the future depend on more structural measures and technological

development. A renewed cost programme was initiated in 2023, where utilisation of data and technology is a key enabler.

However, investments must be made to reap the effects of new technology, and technology is included in an increasing share of the Group's total investments and projects. A separate technology portfolio with enhanced portfolio management has therefore been established in Avinor.

2.2.3 Active advocate for sustainable aviation

Avinor's vision is to connect Norway and the world through sustainable aviation. Most of the greenhouse gas emissions in aviation take place outside Avinor's own operations. Nevertheless, Avinor´s ambition is to be an active advocate and facilitator of sustainability in aviation, and the company therefore invests both in projects that promote its own fossil-free operations and projects that help facilitate reducing emissions from other stakeholders. This will contribute to Norway meeting national climate targets and international climate commitments.

A new climate and environmental strategy was adopted in 2023, and it was decided to establish science-based climate targets. The replacement of the energy system at Svalbard Airport through the conversion from coal to biogas was started. This will significantly reduce Avinor's CO2 emissions. As part of the Group's commitment to fossil-free operations, it was decided to establish solar panels at Kristiansand Airport. The measure helps to reduce energy costs, contribute positively to the national energy balance, and add valuable experience with rooftop solar panels. By producing energy ourselves, we release the energy we don't buy. In this way, the grid company can use that energy for other restructuring, and our energy production thus helps to cut emissions elsewhere in society. Several airports have been identified that may be relevant for further development of self-produced energy, and these will be assessed given positive cost/benefit analysis.

2.2.4 Technology as a strategic enabler

Technological developments in society in general, and in the transport sector in particular, create opportunities for increased benefits for travellers and more cost-effective operations. Through its corporate strategy, Avinor therefore has clear ambitions to realise this potential by being technology-driven and efficient in all parts of the organisation. New technology and digitalisation are strategic enablers for Avinor to operate more efficiently and fulfil its social mission in line with our customers' expectations and authorities' requirements.

2.2.5 Attractive workplace with the right skills and a good working environment

Aviation is constantly changing and Avinor must develop accordingly. The Group's ability to achieve its goals depends on good leadership and competent employees. This places great demands on the development of people and organization. Avinor will build a flexible organisation that can solve complex issues across the company. The organisation shall be characterised by employees with a high level of commitment in a safe and development-oriented working environment. Great emphasis is placed on good and constructive cooperation between the trade unions and the employer.

The corporate strategy emphasises the development and strengthening of the organisation with a focus on culture, diversity, capacity, competence building and results-based management. There is an extensive commitment to strategic competence development and leadership and employee development. We have clarified expectations of managers and employees and will follow this up with a programme for targeted leadership development.

2.2.6 International cooperation

Avinor works continuously to ensure good insight and understanding of the driving forces and trends that affect aviation. Through international engagement and cooperation, Avinor wishes to safeguard both the company's interests and position and, as far as possible, safeguard Norwegian aviation interests in close cooperation with the Ministry of Transport and the Civil Aviation Authority. Avinor concentrates its international focus on developments in the EU through membership and active participation in the industry trade associations Airports Council International (ACI) EUROPE and the Civil Air Navigation Services Organisation (CANSO). Eurocontrol is an important service provider for safe management of the airspace in Europe. Avinor cooperates closely with Eurocontrol within airspace management and in connection with several development projects. ICAO is also followed closely. Furthermore, the company's contact with actors in Norwegian aviation sector, the financial market, the supplier industry as well as relevant public and private organisations businesses both nationally and internationally are very important sources.

Avinor has no business activity outside Norway but offers minor consultancy assignments for clients in Norway and internationally to a limited extent. Examples of this are the design of air navigation procedures, the production of maps and geographical information for aviation and various services adapted to airports such as risk analyses, obstacle analyses and preparation of documentation for aerodrome certification.

2.3 PROJECT PORTFOLIO AND DEVELOPMENT

2.3.1 Portfolio management

Avinor has a large and very varied investment portfolio relating to rationale for implementation, project size and complexity. The purpose of the investments is to ensure safe and stable operations (reinvestments), support future needs, implement regulatory requirements and contribute to realising the Group's overall strategy.

The current portfolio of ongoing self-financed projects amounts to approximately NOK 16 billion. The largest part of the portfolio consists of large construction and technology projects that are in the execution phase, such as the implementation of a new air traffic management system with the goal of higher efficiency, automation and meeting regulatory requirements. Other examples include a new baggage handling system at Oslo Airport and the implementation of remote towers at smaller regional airports from a dedicated centre in Bodø. Avinor's share of the new airport in Bodø comes in addition.

Avinor works continuously with portfolio and project management. The purpose is to ensure that the Group prioritises the projects that best support Avinor's objectives and social mission through efficient project implementation and realisation of benefits. As a result of the corona pandemic, Avinor has experienced a significant loss of revenue that continues to challenge the company's ability to finance investments going forward. The Group strategy will contribute to restoring Avinor's financial robustness and strengthened future financial room for manoeuvre. As a result, the portfolio is strictly prioritised according to clear criteria to optimise the limiting fiscal space.

Avinor's project portfolio has been given strict priority in recent years, and maintenance investments in critical infrastructure and technology to maintain operations have deliberately been lower than needed over the past three years. However, persistently reduced maintenance investments represent an increased operational risk with respect to stability in daily operations and that the backlog builds up. Avinor continuously assesses the need for maintenance investments in relation to the company's financial situation and the need for safe and stable operations. Thorough assessments are made of the need for reinvestment at the end of life before a project is decided and implemented. Such investments include major projects such as the replacement of baggage facilities and tower systems at Oslo Airport to smaller projects such as replacing and maintaining rolling stock, air navigation equipment, IT infrastructure, electrical infrastructure and equipment and construction. Investments in cyber and security are given high priority.

The company has a long-term portfolio plan that is regularly revised and prioritised.

REMOTE TOWERS

Avinor introduced remote tower operation for the first time in 2019, at Røst Airport. Today, the airports Røst, Vardø, Hasvik, Berlevåg, Mehamn, Røros, Rørvik, Namsos, Svolvær, Sogndal and Førde are part of the tower centre in Bodø.

It has been decided to transfer six more towers to the tower centre in Bodø. The six new towers are Båtsfjord, Mosjøen, Sandane, Sørkjosen, Vadsø, and Ørsta-Volda.

Thus, the number of towers controlled from the center in Bodø will be 21. In 2025, the towers in Molde, Sandnessjøen and Leknes will also be transferred to the centre. A digital tower for Kirkenes Airport has previously been decided to be established locally. It has also previously been decided that the new Mo i Rana airport will be remotely controlled from the centre in Bodø, and that the new Bodø Airport will have a digital tower with a local solution.

Operationally, the introduction of so-called "multiple operation" will result in major savings. This means that an AFIS officer can serve up to three airports from the same workstation. The technology is ready, it is already being operated in a simulator, and is awaiting final approval from the Civil Aviation Authority. This will be ready in 2025.

Aviation operates with a very high level of safety, and it is a requirement that the safety of remote towers shall be as safe or safer than traditional towers. Avinor has been operating remote-controlled towers for five years now, and safety is well documented.

Kongsberg Defence & Aerospace is the main supplier for the technology at the Remote Towers Centre. This includes advanced camera technology that, among other things, makes it possible to see in the dark, as well as detect moving objects at the airport and in the airspace. This is technology commonly used in military operations.

The new technology makes it possible for Avinor to run a more efficient service by building up a professional environment in the new centre in Bodø. Today, about 45 employees work at Avinor's Remote Towers Centre in Bodø.

Indra Navia has delivered the ATM system and the communication solution.

AFIS is an abbreviation for "Aerodrome Flight Information Service". The main task of an AFIS officer is to provide traffic information to aircraft on the ground at the airport and within a delimited traffic information zone in the airspace around each airport.

2.3.2 Airport projects financed by the government

Avinor has new airports under construction with partial government funding in Mo i Rana and Bodø on behalf of the Ministry for Transport. The airport projects entail significant resource extraction from Avinor, even though these projects are partially funded by the government.

The new airport in Bodø will be financed by the government, Avinor and by a local contribution, and is expected to be completed in 2029/2030. The new airport in Mo i Rana is financed by the government and by a local contribution and is expected to be completed in 2027.

2.3.3 Future capacity and needs at Oslo Airport

Oslo Airport is Norway's main airport and is the most important hub in the Norwegian airport network. At the same time, it is also by far the most important source of revenue in Avinor's co-financing of the airports. The future framework conditions for the development of Oslo Airport will therefore continue to be crucial for Avinor's ability to finance the Norwegian airport network. Oslo Airport should be further developed as a hub by strengthening routes to/from international destinations. To ensure this, it is important that Oslo Airport in the future also has capacity for increased traffic to/from the regions at attractive times. It is uncertain when a potential need for more capacity arises. For Avinor, therefore, the question is not about increasing capacity by building a third runway, but about deciding to reserve sufficient land area as an option to solve a future capacity need.

The Government has appointed an independent committee to assess future capacity and needs at Oslo Airport. Until this work is completed, planning work for a third runway will not continue. The committee's work will form the basis for the Government's conclusion on the question of a possible third runway at Oslo Airport. The committee is expected to present its report no later than summer 2024.

2.3.4 Technological investment

The interaction between technology, processes and expertise will be crucial to solving the social mission even better. Avinor's investment in technology is based on this. The right use of technology lays the foundation for sustainable operation of Avinor and for being able to solve tasks more efficiently. Although Avinor is recognised for being at the forefront of technology in some areas, there is still considerable potential for further automation, digitalisation and streamlining of the business. Major differences in size, organisation and staffing at Avinor's airports require deep insight and understanding of the diversity to realise effective digital solutions across the airport network.

As part of the Group strategy, Avinor has established a technology portfolio that forms part of the company's overall project portfolio. The reason for this is that technology is included in an increasing share of the Group's total projects. Integrated and comprehensive portfolio management of technology shall ensure that input to needs that incorporates technology is assessed early in the needs and prioritisation process, thereby ensuring that alternative technological and future-oriented opportunities are considered.

Avinor has established a technological vision to set the level of ambition and direction for technology as a strategic component. The vision is based on three focus areas supported by digital building blocks that will be a tool for supporting the company's operations and strategic focus areas:

- **Smart airports and airport networks.** Using data, automation and emerging technology, Avinor, will operate the airports more efficiently and develop the revenue base
- **The future of airspace control.** European aviation is going through a comprehensive digitalisation driven by the EU's Single European Sky (SES). Norway is obliged by the EEA Agreement to follow this path. Avinor has established its own programme to implement the technology shift through the "Future ATM System" (FAS).
- **Efficient Group services.** More efficient and scalable Group services will be developed to simplify tasks and facilitate more user-oriented decision-making processes

DIGITALISATION OF AIRSPACE

European aviation is going through a comprehensive digitalisation driven by the EU's Single European Sky (SES). Norway is obliged by the EEA Agreement to follow this path. In addition to internal business requirements are developments within ATM (Air Traffic Management) largely driven by requirements and objectives within SES. Avinor's existing ATM system NATCON (Norwegian Air Traffic CONtrol) will be phased out and replaced by new systems to deliver on SES requirements.

Avinor has established its own programme to implement the technology shift through "Future ATM System" (FAS). The project is characterized as one of Norway's largest IT projects and will require large investment costs and resource extraction in Avinor. The technology shift will in addition to meet common EU requirements, contribute to a strengthened level of safety, enable increased efficiency in the airspace and increase predictability for airlines. Increased predictability may reduce fuel consumption, thus leading to lower $CO2$ emissions and fuel costs for airlines. However, FAS is much more than a mere replacement of a system – the change entails automation of several tasks for operational personnel and is therefore a major change project. There is also new technology related to technical operations and management. Avinor is therefore working on how we will deliver a necessary competence boost for all affected parties.

Avinor's technology partner for delivering at SES is the Spanish industrial group, Indra Sistemas. Avinor has chosen to enter an alliance with six other air navigation service providers in Europe with the aim of achieving as much similarity in system functionality as possible and lower development costs for the alliance partners. The alliance is called iTEC SkyNex.

The program will initially implement iTEC SkyNex for the en-route service that is operated from the area control centres in Røyken and Stavanger. This is the first step in a total replacement of Avinor's airspace management system, together with associated systems in the control towers.

All ATM systems in Europe will, in the slightly longer term, share dynamic information about flights across the entire European network of airlines, aircraft, airports and Eurocontrol Network Manager. This is also a major change that requires time and resources, as all systems must change to adapt to this reality.

Airports are hubs in the transport system. The hub function creates activity and provides opportunities to develop profitable commercial offers at and around airports. Sharing data is important for creating efficient hubs and for providing the services and goods requested by customers. Avinor has established solutions that contribute to data-driven production management and closer cooperation between actors at the airports. Furthermore, Avinor participates in cross-sectoral data collaboration with the other transport entities.

Avinor works with technology with different maturities and has initiated several technology pilots to lay the foundation for the development and implementation of more efficient ways to solve the social mission. One of the measures is the collaborative project "the short runway airport network of the future" in partnership with Widerøe. The project will test new and future-oriented ways of delivering services and processes to aviation via the short runway airport network. The development of changed operating models using technology may require more structural changes to realise the potential.

2.3.5 R&D and innovation

Research, development and innovation (R&D&I) are important instruments in 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 enterprises. Innovation is not only innovation, but also value creation. We are committed to utilising resources in the best possible way, finding good and efficient solutions that contribute to safe, stable and efficient operations. For Avinor to be a driving force in climate and sustainability work, this type of strategic cooperation and partnership is crucial. Avinor has entered into a collaboration agreement with SINTEF and participates in a number of R&D&I projects.

Furthermore, Avinor, together with the Civil Aviation Authority, SINTEF and the Federation of Norwegian Industries, has established the Green Aviation Programme. The programme will contribute to the development and safe integration of zero- and low-emission technology and to ensuring that regulatory issues are safeguarded from an early phase.

Avinor also participates in networks linked to NTNU, the Faculty of Information Technology and Electronics. Avinor has been part of the EU's R&D programme SESAR under Single European Sky since 2009 in both air navigation and airport projects. Through partnerships such as the iTEC alliance, Avinor gains access to knowledge, development and innovation, in collaboration with other industry and industry partners.

Participation in national and international partnership programmes and collaboration arenas for R&D&I is a very important part of Avinor's strategy. Avinor is at any time participating in research, development and innovation projects that can help solve its tasks in a better and/or more efficient way.

In the climate area, the Norwegian aviation sector and Avinor have been international leaders in phasing in sustainable aviation fuel. There are also strong indications that Norwegian aviation will be at the forefront of phasing in zero- and low-emission technology in aviation. This type of involvement in the early phase involves development work and contact with R&D&I environments. Over time, Avinor has also engaged in R&D&I projects as part of its advocacy to establish the production of sustainable aviation fuel based on the natural resources available in Norway.

TULIPS

In the period 2022 - 2025, Avinor and SINTEF are Norwegian partners in the EU-funded project TULIPS[4], which will demonstrate technologies for the green transformation of airports. The project is led by Amsterdam Airport Schiphol. The work in the project is being carried out in close collaboration with SINTEF, and Avinor's involvement in the project is mainly related to sustainable aviation fuel (where Avinor is leading parts of the work), circular economy, as well as preparations and facilitation of zero- and low-emission aircraft (electrical charging and hydrogen).

AVIATE

Avinor, together with SAS and Telenor, is involved in the project AVIATE (Aviation in a low-carbon society) as user partners. The five-year project (2020 - 2024) is led by CICERO and funded by the Research Council of Norway. Among other things, the project will investigate what drives future demand for air travel and look at a broad set of instruments and measures that can reduce climate impact. Furthermore, the project will present the first estimates of the climate impact of contrails from flights in Norway and revise and adapt existing scenarios to develop more detailed and more realistic aviation emission scenarios.

Bio4Fuels

Avinor is a partner in Bio4Fuels, a Centre for Environment-friendly Energy Research (FME) based at NMBU, led by SINTEF. The centre is broadly composed of stakeholders working for biofuel production in Norway and brings together research and industry in a multi-year initiative funded by the Research Council of Norway. As a representative for aviation, Avinor also participates in several specific research and development projects related to sustainable fuels and the green transition in aviation.

NeX2G

The project studies grid balancing from large parking facilities and commercial buildings. Using Oslo Airport as an example, the project will investigate whether using batteries in parked electric cars as temporary energy storage and control of energy-consuming equipment in commercial buildings can contribute to a more flexible and thus economical energy use. The project is led by NMBU and Avinor is an external partner together with Statnett, OsloMet, Elvia, and Lyse.

Elnett21

Elnett21 is an innovation project supported by Enova. The purpose is to demonstrate how the best possible use of the existing power grid can reduce or postpone the development of a new grid. The plan is to solve this, among other things, through local electricity production, and that smart management and storage of energy can help reduce the need for electricity from the overall grid. Avinor through Stavanger Airport is participating in the project. See the discussion under Energy in section 5.2.

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[5]DemonsTrating lower pollUting soLutions for sustaInable airPorts acrosS Europe | TULIPS Project is a project under the EU program Horizon 2020

2.3.6 Future air mobility

Digitalisation and technological development in society in general and in aviation in particular are creating opportunities for new ways of meeting society's mobility needs. Passenger and cargo drones and electrified aircraft represent a new chapter in aviation that can be referred to as new air mobility and provide the opportunity for better and more sustainable mobility. In the short and medium term, new air mobility could play an important role in the establishment of efficient and environmentally friendly logistics solutions for freight. In the longer term, it will also be relevant for passenger transport.

The airports are hubs that connect mobility markets at different levels. New air mobility will have different infrastructure requirements than traditional aviation. Landing sites are therefore expected to emerge in nearby cities, airports and other hubs. In partnership with relevant stakeholders, Avinor will assess the possibility of establishing landing sites, or so-called "Vertiports", for eVTOLs in connection with the existing airport network, for example as part of a hub development.

Avinor is testing the use of drones to streamline several operational tasks at airports, such as inspections and surveillance.

Avinor's infrastructure and services must be adapted to new air mobility to enable it to reach its potential as a mode of transport. It also means organising the airspace and other air navigation services differently in order to operate safely compared to traditional aircraft.

Avinor has implemented systems for detecting drones near the airports. Avinor participates in an international collaboration to develop systems for handling unauthorised drone use.

To ensure safety and unlock the potential of new air mobility, traffic management in the airspace must be established. Avinor is developing and implementing a system for airspace management and, in the long term, integration with today's airspace management for manned aviation.

EU rules have been laid down for a digital system for "Common Information Services" - CIS that will cover everything that takes place in the airspace with drones. In its national aviation strategy on sustainable and safe aviation (Meld. St. 10 (2022 - 2023)) the Government has stated that Avinor has the necessary experience and expertise to take responsibility for the execution of CIS in Norwegian airspace and should be designated as the national service provider.

Avinor assumes that the provision of services with associated investments and operating costs must be covered by users in the form of charges and/or commercial terms. A regulatory framework must be established that supports sustainable business models and ensures rapid development and innovation.

Based on its social mission and its responsibility for operating and developing the ground infrastructure for civil aviation and air navigation services, including airspace management for the civil and military sectors, Avinor will play a key role in facilitating new air mobility.

As part of the Group's strategy, Avinor is working systematically on how drones can be included as part of the future of air mobility. The revenue potential is limited in the initial phase, but we expect that this market in the future will be able to generate both revenues from charges as well as commercial revenues.

2.4. ACCESSIBILITY FOR ALL

For everyone to travel and participate in society's various services, travel to and from must be accessible to everyone. Therefore, universal design is an important premise in Avinor's work. As a basis for the design of measures, analyses of the condition of universal design of airports pursuant to the "Regulations on universal design of airports and on the rights of disabled and disabled people in air transport" are carried out regularly. Avinor budgets annually with measures on universal design and implements these based on an overall plan for the Group's 43 airports.

Avinor's ambition has initially been to complete all measures by the end of 2025, but the pandemic and subsequent challenging economic situation have meant that Avinor has had to prioritise non-conformities that could result in personal injury, while measures of a less serious nature will have to be completed later. This includes, among other things, a project that will ensure comprehensive marking of glass fields, doors and completion of guidelines. Priority measures will be implemented by the end of 2025 or 2026. By 2036, planned physical measures within universal design will largely have been completed.

Avinor's building inventory consists of many older buildings from the period 1970 and newer and built in accordance with older building codes. In 2014/2015, however, it was assumed that the current regulations at that time, TEK10, would form the basis for the condition analyses, and which would form the basis for the measures. At some point, there will be a need to apply a higher regulatory level. New condition analyses will then have to be carried out, but it is assumed that this will take place after the action plan has mainly been implemented in 2025/2026.

The measures implemented so far have mainly focused on public areas, but in the future, it will also be necessary to adapt measures for our own employees to a greater extent than before.

Avinor finds that there is a greater need for measures in service design and information transfer among the user groups. It is a need that comes in addition to the physical measures, which are important for the flow of information at airports, and which will have an impact on cooperation with other suppliers and the design of products. This is something that will have to be considered as additional measures.

Together with universal design, Avinor's assistance service to person with reduced mobility helps to provide a safe environment for travellers with reduced mobility. This is a comprehensive offer from arrival at the airport until the person is well on board the aircraft and includes both booking and completion of the journey.


AVIATOR


Ossur Vikin

3. Civil protection and emergency preparedness

Avinor is responsible for critical infrastructure and thus plays an important role in Total Defence System. Attention to terrorist incidents, cyber-attacks, international unrest and pandemics has increased, and climate change increases natural hazard risks and physical impacts on infrastructure. By securing the physical infrastructure, Avinor can help solve challenges related to security and emergency preparedness.

3.1 CIVIL PROTECTION

In 2023, Avinor has developed a strategy for civil protection on behalf of the Ministry of Transport. The strategy sets guidelines and objectives for the company's work over the next few years. The overall goal for Avinor is that airport operations and airspace control have good resilience to negative impacts of natural events and man-made events. The strategy covers the breadth of investments, operations and interaction Avinor has with other actors in both exercises and incident management. Rapid changes in the challenges, technological development and needs of other community actors in relation to civil protection are followed up continuously in order to keep up with current challenges.

3.2 PREPAREDNESS AND CRISIS MANAGEMENT

After the invasion of Ukraine in February 2022, Avinor continued its work in 2023 to ensure that the company's management is always updated on the security situation in Europe, as well as the national threat picture. The security level at Avinor's units was raised in accordance with the security needs for basic national functions. In developing appropriate security measures, Avinor has cooperated with relevant players and authorities. In 2023, Avinor joined a Nordic collaboration to develop a better understanding of common dependencies in the transport sector and civil protection work.

Further mapping and development work was carried out to strengthen Avinor's ability to detect and warn about illegal drone flights in the airports' immediate area. The measures will improve aviation safety at the same time as it will provide increased knowledge about drone use in society in general.

Increased digitalisation requires the company to manage the risk of increased vulnerability, particularly within cyber-security, which can put key infrastructure out of action. This has been particularly highlighted by Russia's war in Ukraine. The Armed Forces' national security interests will be one of the major driving forces in the future. This requires the development of expertise in the company in relevant areas and close coordination with the Armed Forces.

The crisis management plan and exercise plan for Avinor were updated with experience from pandemic management. Several exercises were conducted for relevant parts of the crisis organisation. Critical extreme weather events were handled well together with other community actors. The incidents did not have serious consequences and strengthened the company's future capacity to handle similar incidents.

3.3 TOTAL DEFENCE SYSTEM

Avinor plays an active role in Total Defence System through ongoing cooperation with, among others, the Norwegian Armed Forces, the Norwegian Directorate for Civil Protection and Emergency Planning and key civilian actors. The cooperation has focused on planning, so that the expectations and needs of all parties involved are clarified in advance as far as possible. In addition, several exercise activities have been carried out involving Avinor's airports and technical resources. Avinor has improved its own capacity for handling classified communication with relevant actors in the Norwegian Total Defence System. Avinor's top management and professionals have collaborated with the Armed Forces and other actors in the Norwegian Total Defence System in various forums and groups.

4. Flight safety

The framework for aviation safety work in Avinor is a comprehensive collection of national and international regulations. Norway follows the international obligations set out in the EEA Agreement and the recommendations of ICAO (the UN's International Civil Aviation Organization). Based on these, the Norwegian Civil Aviation Authority introduces Norwegian regulations that Avinor is obliged to follow. Avinor participates actively in international work, including the development of new aviation-related regulations in Europe. Avinor has defined an overall aviation safety goal which reads: No aviation accidents or serious personal injuries where Avinor is involved.

The safety work in Avinor is based on the aviation safety goal. This is used as a basis for planning, organizing and executing all activities in Avinor. At Avinor, all safety-critical work operations are subject to a group-wide management system, and systematic efforts are made to monitor and continuously improve the management system, including aviation safety management.

We have control of the airports' risk picture so that measures can be initiated before anything happens. This is supported by several reports where we monitor airport performance and operational risks. These are used in local and central safety and quality meetings and the level of detail in the reports is adjusted accordingly.

The aviation safety work is linked to the strategic corporate objective of safe, stable and efficient services. To ensure that Avinor's services are performed and delivered at an acceptable or improved aviation safety level, continuous efforts are made to improve aviation safety and risk management. This helps reduce the likelihood of injury to people, materials and critical infrastructure, as well as reduce the consequences if an undesirable incident should occur.

4.1 ACCIDENTS AND SERIOUS AVIATION INCIDENTS

The risk of Avinor being the cause of, or contributing to, aviation accidents or serious aviation incidents shall be as low as practically possible. There were no aviation accidents with or without injuries in 2023. A close proximity passage between a passenger plane on approach to Stavanger Airport and a light aircraft close to the airport in October 2023 was considered a serious aviation incident in which Avinor Flysikring was an involved party. The incident was routinely reported to the Civil Aviation Authority and an internal investigation was conducted to determine the causes of the incident and prepare recommendations for measures to prevent similar incidents in the future.

ACCIDENTS AND SERIOUS AVIATION INCIDENTS 2021-2023

	SERIOUS AVIATION INCIDENTS	AVIATION ACCIDENTS NOT INVOLVING PERSONAL INJURY	AVIATION ACCIDENTS INVOLVING PERSONAL INJURY
2023	1	0	0
2022	0	0	0
2021	0	0	0

Table: Serious aviation incidents, aviation accidents without personal injuries and aviation accidents involving personal injuries in which Avinor has been a contributing party. The terms "serious aviation incident" and "aviation accident" are defined in Regulation (EU) No 996/2010.

4.2 SECURITY

Together with ACI, TSA and Heathrow Avinor has developed an open communication standard for integration of security equipment from different suppliers. The standard is used as a requirement for equipment suppliers in procurement processes. The use of non-proprietary communications protocols enables information sharing and optimization of security processes across airports and better utilization of resources. The standard will enable information sharing with other community actors in the handling of incidents in the future.

Work on upgrading x-ray capacity for checked baggage, as well as x-ray machines and portals at the smallest airports, has continued. Avinor has started preparations to meet expected future requirements related to equipment configurations and processes in security checks at airports.

Together with ACI EUROPE and other partners, Avinor has worked with the EU to develop a future regulatory framework for airport security that suits aviation in Norway and our units.

The work on optimising access control and area control through increased use of automated processes for issuing access cards has been further developed. The use of digital passes and a reduction of manual process steps contribute to greater capacity for follow-up on quality control, as well as increased accountability of users of digital passport certificates.

4.3 QUALITY AUDITS

As one of several instruments in the work to maintain a good safety culture and a high level of aviation safety, audits are regularly carried out, both at the units and of specific disciplines.

The purpose of audits is to ensure compliance with relevant laws and regulations, as well as ensure the best possible management towards the company's goals. In addition, audits are a contribution to possible improvements within the framework of Avinor's certifications. An audit programme is established annually in accordance with regulatory provisions and approved by the CEO. The audit programme includes requirements in aviation legislation, the Occupational Health and Safety Act and the National Security Act, with associated regulations, as well as relevant ISO standards and regulations and standards covering environmental protection.

Internal audits, audits of actors at Avinor's airports and audits of suppliers are carried out. Findings identified through internal and external audits are entered as nonconformities in Avinor's nonconformity management system and followed up by the person defined as the risk owner, contract manager or appointed contact person. Significant nonconformities (Level 1), recurring findings and trends from completed audits are reported directly to the CEO through the Central Safety Review Board (C-SRB). In 2023, the audit activity revealed no significant non-conformities (Level 1) in relation to laws, regulations and Avinor's governing documents that reduce the level of or pose a risk to safety.

4.4 AVINOR'S RELATIONSHIP WITH THE CIVIL AVIATION AUTHORITY

The Norwegian Civil Aviation Authority is Norway's national aviation authority and oversees Avinor as one of many oversight entities. Their overall goal is safe and socially beneficial aviation. The Civil Aviation Authority is directly subordinate to the Ministry of Transport, which, among other things, establishes objectives, priorities and requirements for the Civil Aviation Authority's activities. The Ministry of Transport thus has a direct and an indirect role vis-à-vis Avinor, both as owner of Avinor and as overall authority and regulator for Avinor's oversight authority and the rest of the aviation industry in Norway.

In 2023, the Civil Aviation Authority received a mandate from the Ministry of Transport to continue its efforts to facilitate more climate-sustainable aviation. Avinor cooperates with the Civil Aviation Authority Norway on facilitating the development of aircraft, airspace and ground infrastructure that can contribute to this.


KRISTIANSAND LUFTHAVN

5. Sustainability

5.1 GENERAL

Avinor has reported on climate, environment and social conditions for more than 20 years, including in accordance with the requirements of the Accounting Act. Since 2006, Avinor has prepared climate accounts for scope 1 and 2 in accordance with the Greenhouse Gas Protocol, and since 2014 the Group has reported according to GRI. In 2021, Avinor conducted an initial survey of which of the Group's economic activities are covered by the EU taxonomy. In 2022 and 2023, further work has been done on this, not least preparation for future reporting under the EU's Corporate Sustainability Reporting Directive (CSRD).

CSRD will apply to Avinor from the 2024 financial year. In the white paper on ownership policy (Meld. St. 6 (2022–2023)), there are also clear expectations that state-owned companies will set science-based climate targets and conduct climate risk and nature risk assessments. This entails a significant restructuring of sustainability reporting. In the Annual and Sustainability Report for 2023, Avinor has begun to adapt its structure and reporting in accordance with the relevant European Sustainability Reporting Standards (ESRS) according to CSRD. Further implementation and adjustments will be worked on until the presentation of the 2024 report. The EU's extensive requirements for standardisation, transparency and attestation of information will help to provide the market and other stakeholders with relevant and reliable information that can also be compared with other businesses.

5.1.1 Preparations for reporting pursuant to CSRD

Throughout 2023, Avinor started work on a double materiality assessment following the methodology of CSRD. The assessment is based, among other things, on annual materiality analyses that Avinor has previously conducted in connection with environmental management pursuant to ISO 14001, and the OECD Due Diligence Framework. The analysis will be completed and endorsed by the Group Executive Management, the Audit Committee and the Group Board of Directors in the first half of 2024 and will form the basis for Avinor's further reporting work pursuant to CSRD. The double materiality assessment is dynamic and will be reassessed in the second half of 2024.

Avinor sent a letter of commitment to the Science Based Targets initiative (SBTi) in June 2023. Since 2006, Avinor has prepared climate accounts for scope 1 and 2 in accordance with the Greenhouse Gas Protocol, but the climate accounts for scope 3 have not been complete. In the autumn of 2023, work was carried out to set a reference year with climate accounting for scope 1, 2 and 3, and work on an action plan has begun. The latter builds on the Group's previous climate action plans. An application to the SBTi is planned during the second quarter of 2024.

In 2024, Avinor will complete and publish a climate risk analysis for its operations in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD). The analysis is based on assessments of physical climate risk (climate change adaptation) conducted in 2014 and 2022, and a new mapping and assessment of transition risks and opportunities.

In mid-February 2024, the government-appointed Nature Risk Commission published its report "In interaction with nature — Nature risk for industries, sectors and society in Norway" (NOU 2024: 2). This specifies expectations for state-owned companies to carry out nature risk assessments. Avinor plans to carry out a nature risk analysis during 2024. Such an assessment includes sites, business models and strategies for biodiversity, as well as ecosystem-related physical, transitional and systemic risks and opportunities. Among other things, the mapping of biodiversity at Avinor's airports that was carried out in 2009-2014 will be used as a basis.

The science-based climate targets (SBTi), climate risk analysis (TCFD) and Nature related Financial Disclosures (TNFD) will be important for reporting in accordance with the CSRD.

5.1.2 Stakeholder dialogue

Avinor's operations can have both a positive and negative impact on local communities, indigenous people, people, animals, climate and the environment. Based on Avinor's core business, internal and external stakeholders have been mapped in accordance with expectations in ISO 14001, the OECD framework and ESRS. The stakeholders are assessed both in terms of identifying their expectations and requirements, their real influence on

Avinor's decisions, and overall with regard to their materiality. The analysis includes Avinor's compliance obligations to the stakeholder, as well as an assessment of the follow-up strategy and measures where relevant.

Active communication with these stakeholders and a complete understanding of their expectations and requirements are considered to be of great importance in contributing to the achievement of Avinor's sustainability strategy. Furthermore, other stakeholders have been identified and interviewed as part of the work on Avinor's double materiality assessment to identify significant impacts, risks and opportunities.

The land areas set aside for the new airport in Mo i Rana have been reindeer pasture for indigenous people in the area. Avinor has had a close dialogue with affected reindeer grazing districts. Analyses and mapping of negative consequences have been carried out, and mitigation measures have been developed to restore damage caused to those affected.

5.1.3 Climate and environmental policy

In October 2023, Avinor's corporate management adopted an updated climate and environmental policy as well as an associated climate and environmental strategy for the period 2023-2025. The policy describes general principles for climate and environmental work at Avinor, where the purpose is for Avinor to improve its own environmental performance and for the Group to be an active driving force for sustainable aviation. Avinor shall comply with both statutory requirements and its own requirements, and its environmental management shall be certified in accordance with ISO 14001. Avinor will have a complete overview of its total climate and environmental impact and work actively to reduce this. Both short-term and long-term targets and associated measures and KPIs have been established for relevant environmental aspects affected by Avinor's activities, products and services. To ensure a unified understanding of the description of environmental impact, the strategy's sub-points are related to both the UN Sustainable Development Goals and CSRD. Goals and measures for each environmental aspect are discussed in more detail below.

A new Ethics and Corporate Social Responsibility policy was adopted by the executive committee in November 2023. Avinor sets strict requirements for ethics, corporate social responsibility and responsible business conduct. The policy describes general guidelines and principles for working with corporate social responsibility and ethics in Avinor, both for its own business, suppliers and business partners.

5.1.4 Due diligence

Avinor follows the OECD Guidelines for Responsible Business and the ten principles of the UN Global Compact in its work on sustainability. These are in turn based on the UN Declaration of Human Rights, the ILO Conventions on Fundamental Rights at Work, the Rio Declaration and the UN Convention against Corruption.

In line with international frameworks and national legislation, Avinor will work actively with due diligence for sustainable business practices both upstream and downstream. Due diligence is a risk-based approach to respecting and safeguarding people, animals, society and the environment in our own operations, throughout the supply chain and towards customers and end users.

5.1.5 Environmental management

In order to comply with regulatory and other requirements, as well as handle and continuously improve Avinor's environmental challenges, good and systematic environmental management is important. Avinor AS is certified for airport operations in accordance with ISO 14001:2015. From 2023, DNV took over as the certification body. Avinor Flysikring AS (wholly owned subsidiary of Avinor AS), a provider of air navigation services, has its own ISO 14001 certification and uses Kiwa as the certification body.

5.2 CLIMATE CHANGE

Greenhouse gas emissions are a global problem and will lead to irreversible climate change. For the goals of the Paris Agreement to be achieved, the world must become a zero-emission society by 2050. This requires comprehensive emission reduction measures in all sectors, including aviation. Because of the greenhouse gas emissions that have already taken place, the climate will change. In 2022, Avinor updated a climate risk analysis from 2014 and is working systematically to adapt the infrastructure to a changing climate.

Avinor's climate and environmental policy (available on Avinor's website) clearly states that Avinor shall have a complete overview of its total climate impact upstream and downstream and work actively to reduce this:

- Avinor's climate and sustainability goals will be emphasised in Avinor's decisions
- Avinor will be an active driver for sustainable aviation. It should be easy for travellers to make sustainable choices at our airports.
- Avinor will set science-based short- and long-term climate targets, and annually reduce emissions from its own operations.
- Avinor will work together with the rest of the aviation industry and facilitate Norwegian aviation reaching its goal of being fossil-free by 2050.

The policy is specified in a climate and environmental strategy with goals, measures and KPIs. These are described in more detail in this chapter.

5.2.1 Climate accounting

In-line with the expectations of Avinor's owner and stakeholders, Avinor is working to set science-based climate targets, i.e. goals that are in-line with what climate science says are necessary to achieve the goals of the Paris Agreement. In June 2023, Avinor submitted a commitment letter to the Science Based Targets initiative (SBTi) and plans during the second quarter of 2024 to submit targets and action plans for 2030 and 2050. Among other things, a thorough mapping of Avinor's emission sources for 2022 has been carried out, and this will thus be Avinor's base year in the application to SBTi. This also means that figures presented in previous Annual and Sustainability Reports are not directly comparable to figures presented for 2023.

Scope 1 is Avinor's direct emissions. Over the years, data quality on various scope 1 sources has improved, as airports report via Avinor's environmental database. Furthermore, a central audit of reported figures is carried out twice a year. In 2023, Avinor's scope 1 emissions were around 5700 tonnes of CO2 equivalents. This is a reduction from approximately 6200 tonnes CO2 equivalents in 2022. The main reason for the reduction is increased use of advanced biodiesel in Avinor (53 per cent blend in 2023 versus 43 per cent blend in 2022), as well as blending biodiesel in fossil diesel via the Norwegian drop in mandate for non-road machinery.

Scope 2 specifies indirect emissions resulting from the company's energy supply and includes purchased electricity and district heating. Emissions from purchased electricity consumption are specified using location-based and market-based methods, and the emission factors are obtained from the NVE annually. However, there is a delay in the factors, and for the 2023 accounts, we had to use the same emissions factor as for 2022. The energy monitoring system established in Avinor provides a good overview of how much energy is used at each airport. Scope 2 emissions in 2023 were approximately 6890 tonnes of CO2 equivalents. This is about the same level as in 2022 (6830 tonnes). Total energy consumption has increased somewhat in 2023, while the emission factor for district heating and electricity in Svalbard has decreased somewhat due to the transition from coal power to diesel generators from 19 October 2023 in Longyearbyen.

Avinor has not purchased electricity with a Guarantee of Origin in recent years.

Scope 3 specifies other indirect emissions that occur upstream and downstream in the company's value chain. Emissions have been identified and quantified in 10 of the 15 categories in scope 3 that are relevant to Avinor. For 2022, 99.5 per cent of Avinor's emissions were in scope 3, and only 0.5 per cent of emissions in scope 1 and 2 combined. The numbers are distributed similarly in 2023. Aviation fuel uplifted at Avinor's airports by our partners is the reason why scope 3 emissions are so high. Scope 3 emissions are approximately 2.5 million tonnes CO2 equivalents.

In addition to efforts to reduce its own greenhouse gas emissions and its own energy consumption (scope 1 and 2), Avinor has for a long time also taken a leading role in efforts to reduce greenhouse gas emissions from air traffic (scope 3). Measures to improve airspace efficiency, work on sustainable aviation fuel (SAF), and zero- and low-emission technologies for air traffic have been disclosed in Avinor's annual report for years and is also presented in this report.

5.2.2 Own operations

Avinor must work with a number of identified measures until 2030 to reach targets for absolute emission reductions in line with SBTi for scope 1 and 2. Climate and energy measures, including a new energy solution for Svalbard Airport and a large-scale electrification of the vehicle fleet in the heavier segment, will result in a significant increase in investment costs for vehicles and infrastructure. Avinor has more than 1300 vehicles. Of these, there are approximately 430 vehicles in the passenger and van segment and about 750 large and heavy vehicles. A large proportion of Avinor's heavier vehicles are currently not possible to electrify, as there is no zero-emission technology for these at the moment. Continued use and further phasing in of advanced biodiesel is essential if Avinor is to be able to reduce absolute emissions from its own operations towards 2030. Since the drop-in mandate for non-road machinery was introduced, effective from 1 January 2023, Avinor changed all the framework agreements of advanced biodiesel during 2023 to ensure that volumes delivered to Avinor are delivered in excess of the drop-in mandate. Requirements were made in line with recommendations from the Environment Agency, set out in report M-2497 from May 2023.

Avinor's bus fleet of more than 20 buses became fully electric in 2023 when Avinor bought 13 used electric buses from Ruter. Enova support for charging infrastructure was also granted at the following airports: Oslo, Bergen, Stavanger and Trondheim. Avinor's first electric truck was ordered in 2023 and will be delivered in winter 2024. Furthermore, an electric 20-tonne wheel loader will be tested in 2024.

In the coming years, it will be important for Avinor to monitor the technology development, be a driving force in introducing

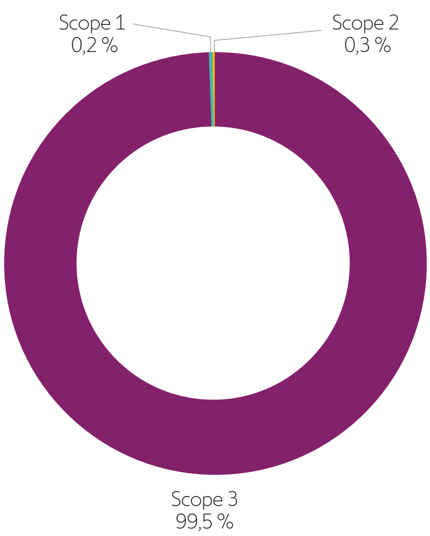

Figure 5.1: Avinor's greenhouse gas emissions, scope 1, 2, and 3

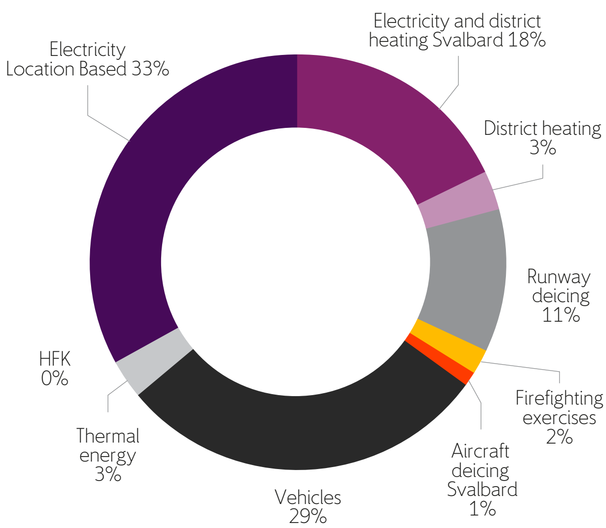

Figure 5.2: Avinor's greenhouse gas emissions, scope 1 and 2. Emission sources in scope 2 are indicated with various shades of purple.

zero-emission vehicles or biogas vehicles, and enter into collaborations with various partners to test new concepts.

Svalbard Airport receives both electricity and district heating from the power plant in Longyearbyen. On October 19, 2023, this plant went from using coal to diesel as an energy source. Svalbard Airport has for several years investigated the possibility of establishing a biogas plant at the airport. By installing a container with two to three microgas turbines, Avinor can produce sufficient electrical energy to cover consumption at the airport in a climate-neutral way. The excess heat from the turbines and, if necessary, a gas-powered heating flask, will be used in connection with existing district heating plants and cover the heating needs. The plant has been designed in 2023 but is somewhat delayed and is expected to be in trial operation from 2025.

A plan has been drawn up for how Avinor will reduce emissions from scope 1 and 2 by 2030. The action plan shall be attached to the application to the SBTi. The plan will be assessed and revised continuously to ensure the right measures at the right time. Technology development will have a major impact on the choice of final solution for the various emission sources but is also important for the costs associated with the various climate measures. The costs of climate measures are highlighted in the annual budget process, but also in Avinor's long-term project plan. Climate measures highlighted in the budget include, for example, additional costs for biodiesel, additional costs for zero-emission technology and investments related to the biogas plant on Svalbard. Furthermore, Avinor is working to define further goals and measures for scope 3.

Airport Carbon Accreditation (ACA) is an industry scheme in which airport operators can accredit. Airports participating in the scheme must set binding targets for reducing greenhouse gas emissions, prepare detailed climate accounts and adopt action plans. In Avinor, Oslo, Trondheim and Kristiansand Airports have been accredited under the scheme since its inception in 2009. Bergen and Stavanger Airports have participated since 2014.

5.2.3 Energy

Avinor's current energy target is to reduce purchased energy at airports down to 225 GWh by the end of 2025. New and improved energy target, which will look at temperature-corrected delivered energy consumption, is being made. The new target will take into account consumption that is delivered to customers and consumption for charging at airports. New renewable energy production will also be taken into account in the new target. The target will be in effect from 2024 to 2028 and have 2023 as the reference year.

The energy that supplies Avinor's buildings and infrastructure comes mainly from purchased electricity. The climate declaration to the Norwegian Water Resources and Energy Directorate (NVE) for physically delivered electricity (2022) shows that the electricity in Norway mainly comes from renewable sources. In 2022, the share of renewable energy was 95 percent. Electricity from nuclear power (1.6 per cent), coal (0.8 per cent), natural gas (1.1 per cent) and other fossil fuels (1.5 per cent) accounted for the remainder. The climate declaration for 2023 was not ready when this Annual and Sustainability Report was published, but it is presumed that there are no major differences from 2022.

Energy at Avinor's airports is mainly used for heating, cooling, lighting, runway systems and other technical equipment. Some airports are connected to district heating networks and some airports have self-produced energy from seawater, geothermal energy and solar energy.

By reducing own energy consumption and switching to self-produced renewable energy, this energy can be used in other areas that contribute to further emission cuts, such as replacing fossil fueled vehicles with electric vehicles. By putting innovation high on the agenda in the choice of energy solutions, Avinor is helping to develop the energy market in a more advanced and cleaner direction.

In 2023, Stavanger Airport was in its fifth year in the six-year innovation and demonstration project Elnett21, which is supported by Enova. Here, ports, business parks, grid companies and airports cooperate to prepare for the large power output triggered by charging of means of transport. Through local production and storage of power, smart control and regional cooperation, the aim is to succeed quickly with the electrification of transport and reduce/stabilize the load on the power grid. Elnett21 develops business models that strengthen the economics of microgrids among the players and provides input to the Energy Regulatory Authority (RME) on solutions for the future. The cooperation between grid companies and major customers (airport, port and business park) contributes to knowledge and experience that can be utilised in the rest of the country, and with knowledge to other airports in the Group.

At Stavanger Airport, ten acres of 880 kWp (kilowatt peak) solar farms were installed in 2022. A 576 kWh battery bank was put into operation in 2023. The photovoltaic plant produced 853 MWh in 2023, which is 60,000 kWh above estimated production. It has been noted that production in some cases could have been even higher if the inverters had had a larger capacity. The solar cell plant at Stavanger Airport was nominated and in the finals for the solar energy award 2023 in the category "Plant of the Year".

Avinor has been working for several years on facilitating new energy carriers in aviation, and in 2023 a Programme for energy transition was established. Work packages in the programme are electrification, hydrogen, own power production, large-scale solar power production and energy management system. At the end of 2023, it was decided to develop power production in the form of solar cells on the roof of the parking garage at Kristiansand Airport. The size of the plant is estimated to be approximately 500 kWp and annual production is estimated at approximately 450 MWh.

2023 was the first year since 2019 that did not have restrictions related to the pandemic. The activity level was high, and this is reflected in the energy consumption. In total, Avinor's energy consumption has increased by 1.1 per cent from 2019 to 2023. Part of the increase is due to increased volume of buildings and vehicle charging. Two examples of major developments in these years are the expansion of the non-Schengen terminal at Oslo Airport and the new terminal at Tromsø Airport. Energy consumption has increased by 5.9 per cent from 2022, with part of the increase due to lower temperatures in 2023 than 2022.

Avinor has not purchased Guarantees of Origin for 2023.

5.2.4 Climate adaptation

There are already clear signs that climate change, for Norway, will result in a warmer, wilder and wetter climate, but with large regional and local variations. The future climate must therefore be taken into account in site-adapted planning of infrastructure projects and in the maintenance of Avinor's existing infrastructure. Failure to adapt the infrastructure can have physical, operational and financial consequences.

Avinor's climate and environmental policy states that "Climate and the environment shall be central to the choices made for the planning, establishment, development and operation of Avinor's buildings and infrastructure". This also includes climate change adaptation. In connection with consideration of the Group's climate and environmental strategy, it was also confirmed that buildings and infrastructure shall be designed for increased climate stresses, such as extreme weather, increased precipitation, wind and so on, both in connection with new buildings and when upgrading existing buildings.

Since 2001, Avinor has carried out assessments of the impact of climate change on its own operations, including through the work on the National Transport Plan (NTP). Avinor also works with climate change adaptation through ICAO, the industry organisation Airports Council International (ACI), Eurocontrol, and the directorate group for climate change adaptation under the auspices of the Norwegian Environment Agency. Avinor was a partner in Klima2050, a centre for research-based innovation under the auspices of SINTEF. During 2024, Avinor will complete a climate risk analysis in accordance with the TCFD, where important underlying material for physical climate risk, is the risk assessments prepared for Avinor in 2014 and 2022.

Avinor is responsible for extensive buildings and other airport infrastructure. These represent large values that need to be prepared to meet climate change. This applies, among other things, to securing areas against rising sea levels, spring tides and stormwater management, but also to what the strain from increased precipitation and wind will mean for both ground conditions and the building stock itself. Avinor's maintenance programme will include climate adaptation measures.

Avinor's climate risk analysis from 2022 provides an updated picture of climate change in Norway. It also clarifies the risk picture for each individual airport and provides a basis for dimensioning measures. The general picture after the update is that climate change will be more extensive than previously presumed. In 2023, Avinor started work on following up the report's recommendations. Priority will be given to areas with significant changes. Planned measures are included in the maintenance programme and in new infrastructure projects.

A number of measures to reduce climate vulnerability have already been implemented, both through physical reinforcements, but also through the establishment of new design criteria for critical infrastructure. Avinor will continue this work. New development projects must already be assessed in the master plans on the basis of future climate stress scenarios. Avinor's group standard for buildings requires all development projects to be planned and executed in such a way that they are adapted to expected future climatic stresses.

At the airports, operational operations and infrastructure will be adapted to increased precipitation such as rain and snow, torrential rain and more frequent temperature fluctuations around zero degrees. This can lead to increased consumption of runway de-icing chemicals and aircraft de-icing chemicals with a risk of exceeding the limits in airport emission permits. The consumption of chemicals at each airport is therefore followed up and assessed against the requirements in the emission permits and the results of the environmental monitoring programmes. If necessary, the infrastructure must be upgraded to ensure that the airports can operate within the requirements of the emission permits.

Climate adaptation is economically important for Avinor, both in terms of increased operating costs for de-icing chemicals, but also for adaptations and planning of buildings and other infrastructure.

5.2.5 Greenhouse gas emissions from air traffic

According to Statistics Norway (SSB), greenhouse gas emissions from all domestic civil aviation corresponded to 2.2 per cent of total domestic emissions in 2022 (latest official figures) (1.08 of a total of 48.9 million tonnes CO2 equivalents). These emissions are covered by the Kyoto Protocol and reported in Statistics Norway's statistics on greenhouse gas emissions from Norwegian territory. This principle is applied in all countries.

Greenhouse gas emissions from international traffic, i.e. from Norwegian airports to the first destination abroad, amounted to 1.38 million tonnes CO2 equivalents in 2022. 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 civilian purposes sold at Norwegian airports in 2022 (latest official figures) corresponded to about 5 per cent of Norway's total emissions, in the order of 2.46 million tonnes CO2 equivalents. In both 2020 and 2021, there was a sharp reduction in emissions from both domestic and international traffic compared to 2019 due to the corona pandemic. In 2022, emissions were significantly higher than in 2020 and 2021, but they are still lower than in 2019 (Figure 5.3).

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

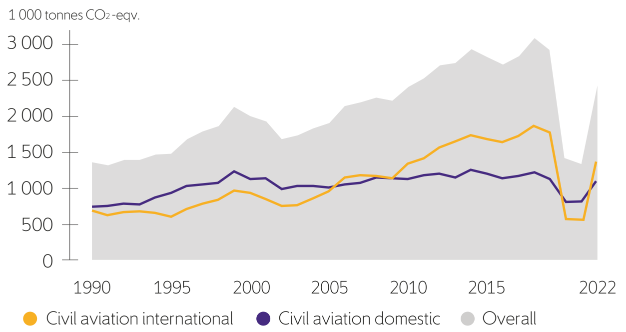

Figure 5.3: Greenhouse gas emissions (Kt CO2 equivalents) from civil air traffic in and from Norway 1990-2022. (Note that this figure is based on data from Statistics Norway, and shows the emissions reported to the IPCC and UNFCCC. May differ from data provided in Avinor's climate accounts, scope 3)

Aircraft have become significantly more energy efficient in recent decades. This trend is expected to continue as airlines continue to modernize their fleets. To help reduce greenhouse gas emissions from air traffic, Avinor implements efficiency measures in the airspace and is a driving force for the development and phasing-in of sustainable aviation fuel (SAF) as well as zero- and low-emission technologies. Avinor's long-term goal is to enable Norwegian aviation to reach its goal of being fossil-free by 2050.

5.2.6 Improving the efficiency of Norwegian airspace

Improving the efficiency of the airspace is high on Avinor's strategic agenda. A goal has been established to reduce greenhouse gas emissions from aircraft and helicopter traffic by optimising airspace, approach and taxiing, as well as reducing the non-CO2 effects from aviation together with other industry actors.

Approaches and departures are optimised and adapted for continuous climb and descent. For 2023, Oslo Airport achieved the best result on Continuous Descent Operations (CDO), based on data from Eurocontrol. For many years, Norway's main airport has been at the forefront of efficient traffic management.

Collaborative Decision Management (CDM) electronic aids are important tools that are continuously being developed.

The transition from ground-based navigation to Performance Based Navigation (PBN) provides shorter and more direct routes, as well as more energy-efficient approaches and departures. In 2022, Avinor decided that all Avinor's airports will implement curved approaches (RNP-AR), initially at the medium and large airports, during the period up to 2028. The project has been continued in 2023 and will significantly reduce fuel consumption and greenhouse gas emissions.

At Oslo Airport there have been curved approaches for a number of years. The proportion in 2023 was between 7 and 16 per cent a month, giving an average of 12.9 per cent, this is below the target for 2023 of 15 per cent, but an increase from 2022. In the first quarter of 2024, a support tool for air traffic control will be introduced that will increase the potential for implementing curved approaches. The target for Oslo Airport in 2025 has been adjusted up to 25 percent.

In upper airspace, Free Route Airspace (FRA) has been introduced in Norway, Sweden, Denmark, Finland, Latvia and Estonia and partly in the UK with further extensions until 2026. This is an airspace organisation that means that airlines no longer have to follow predefined routes and can choose the most optimal route, thereby reducing fuel consumption and greenhouse gas emissions.

Avinor works on airspace efficiency internationally together with, among others, Eurocontol, through the business alliance Borealis, and in the interest organizations CANSO (Civil Air Navigation Service Organisation) and ACI (Airports Council International). Furthermore, Avinor is participating in the industrial research project SESAR 3 – CONCERTO Sol 2 (2023 - 2026). The project is working to reduce the non-CO2 effects from aviation. The aim is to design, test and validate tools (Traffic Flow Optimizers), to detect and avoid areas in the airspace where increased potential for producing contrails during flight has been identified.

5.2.7 Sustainable Aviation Fuel

Sustainable Aviation Fuel (SAF) was certified for use in aviation in 2009 and can be produced either from biomass (for biofuel) or from feedstocks like hydrogen and CO2 (for example to so called electrofuels/e-fuels). Even with planned phasing in of electrified aircraft and hydrogen as an energy carrier, there are currently no known alternatives to SAF for long-haul aviation. Sustainable aviation fuel also has the advantage that it can be used in existing aircraft and infrastructure. SAF will be very important to reduce emissions from aviation for many decades to come. Avinor has set out to be a driving force for increased production and phasing in of SAF.

Today's global production of sustainable aviation fuel is small, and the volumes used in Norwegian aviation today are imported. The low production is related to the fact that the additional cost of SAF compared to conventional fossil fuels is considerable. Since 2020, 0.5 per cent biofuel has been required as a share of all aviation fuel sold in Norway (with the exception of the Armed Forces). Norway was the first country in the world with such a drop-in mandate. It is a requirement that the biofuel must be so-called advanced, i.e. fuel that is made from waste and residues. Sweden and France have later introduced similar mandates.

In 2023, a common SAF mandate was adopted in the EU, which will come into force from January 1st 2025 and applies to all aviation fuel sold in the EU (flights within and departing the EU). In the national budget for 2024, it was announced that the (Norwegian) mandate for aviation will follow an escalation plan at the same level as the EU. The European mandate will start at 2 percent in 2025 and then increase every five years until it reaches 70 percent in 2050 (6 percent from 2030, 20 percent from 2035). RefuelEU Aviation also has a separate sub-mandate for electrofuels from 2030 (increasing towards 35 per cent in 2050).

Norway and Norwegian aviation have been early user of SAF. SAS and Widerøe have for several years offered travelers the opportunity to pay the additional cost of sustainable aviation fuel, and Norwegian will, through the corporate agreement they entered into with the Norwegian Defence Logistics Organization (NDLO) in 2023, phase in significant volumes of SAF related to the Armed Forces' air travel. In 2021 the airline Norwegian also decided to invest in the company Norsk e-Fuel. In 2016, Oslo Airport became the first hub in the world to blend SAF into the ordinary fuel system. In close cooperation with key players in Norwegian aviation, Avinor has also led and financed knowledge development projects on SAF, which have looked at both the potential for Norwegian production and possible instruments for increased production and use. In 2023, the report "SAF from non-biological feedstocks – analysis of the potential for Norwegian production" was produced by DNV on behalf of Avinor and Innovation Norway. In 2023, Avinor also organized the conference "Sustainable aviation fuel; value creation and measure to reduce emissions" together with Innovation Norway, ZERO, NHO Luftfart and LO. The conference had approximately 180 participants and brought together the entire ecosystem around production and use of sustainable aviation fuel.

In 2023, Parliament decided to ask "the government to present a plan for how Norway can gain a leading position in the production of sustainable aviation fuel, so that Norway is well positioned industrially when SAF mandates are introduced in the EU, and return to Parliament in a suitable manner". Norway seems to be well positioned for the production of SAF, both jet biofuel based on side streams from the forestry industry and electrofuel production with renewable power as an important input factor. Avinor is in dialogue with a number of players that are looking at the possibility of producing SAF in Norway. Some of the projects have come a long way in their planning, but final investment decisions remain for all. Avinor follows up with relevant ministries and directorates to provide a good knowledge base both in light of the Parliamentary decision on production, and generally related to the implementation of regulations on sustainable aviation fuel in Norway.

5.2.8 Zero- and low-emission aircraft

With the exception of new types of sustainable aviation fuel, which can be used in existing aircraft engines and infrastructure, aviation mainly follows three technological paths to reduce greenhouse gas emissions from aircraft: fully electric aircraft (battery electric and fuel cell), hybrid-electric aircraft, and aircraft that use hydrogen directly in custom engines. Battery-electric operation is expected primarily for smaller aircraft and on shorter routes, while fuel cell and hybrid-electric solutions offer the potential for increased range and larger aircraft. Aircraft that combust hydrogen directly in adapted gas turbines will have an even longer range.

With an already established market for short flights with smaller aircraft, considerable experience and great interest in electrification of transport and almost 100 percent renewable electricity, Norway is in a unique position to adopt electrified aircraft. Norwegian aviation operators' focus on the electrification of aviation has received considerable national and international attention. Several aircraft manufacturers see Norway as a potential test area and early market for zero- and low-emission aircraft.

The National Aviation Strategy (Meld. St. 10 2022 – 2023 Sustainable and safe aviation) states that the Government's overall climate goal for domestic aviation is to accelerate the transition towards zero- and low-emission aviation, so that the first commercial zero-emission aircraft are phased into Norway as soon as technology allows. As the owner, operator and developer of a network of airports, Avinor is the natural facilitator for the infrastructure at the airports. In 2023, Avinor established an energy transition programme that will contribute to comprehensive and uniform facilities for zero- and low-emission aircraft at the company's airports in line with market needs.

In 2023, Avinor updated its survey from 2020 on current and future electric power capacity at the company's airports. The mapping is continuously updated. As a follow-up to the aviation strategy, Avinor has responded to assignments on zero- and low-emission technology in aviation and the need for adaptations at airports in the work on the National Transport Plan 2025 - 2036. Avinor has estimated that the costs, given a number of assumptions, related to grid connection and charging infrastructure for new aircraft to be between NOK 1.6 and 2 billion at Avinor's airports up to 2040. In 2023, DNV – on behalf of Avinor – updated its mapping of future hydrogen deliveries to Avinor's airports. The analysis work related to hydrogen will be continued and developed in 2024. Avinor participates in national and international projects, has contact with several airlines and aircraft manufacturers, and follows technological developments closely.

Attention to hydrogen as an energy carrier in aviation has been increasing in recent years. Hydrogen can be produced by electrolysis or reforming natural gas, for example. If the electricity used in the 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 reduce greenhouse gas emissions from air traffic in several ways: in connection with the production of biofuels (hydrogenation), as an input factor in the production of e-fuels, by direct combustion in adapted jet engines, in a system of fuel cells and electric motors. Furthermore, hydrogen may play an important role at airports in the future, for example in backup power applications, or as an energy carrier in heavy vehicles.

In 2021, Avinor and the Norwegian Air Sports Federation (NLF) received a Pipistrel Velis Electro, the world's first type-certified battery-electric aircraft. The fact that it is type certified by European aviation authorities means that it can, among other things, be used for pilot training. The aircraft is operated in collaboration between Avinor, NLF, SAS, Widerøe and the climate foundation ZERO. The aircraft is used for demonstration flights and communications activities. The collaboration will be continued in 2024.

5.2.9 Figures and tables

DR E1-5: Energy consumption and mixing

Table 5.1: Avinor's energy consumption 2017-2023. (E1-5)

		2017	2018	2019	2020	2021	2022	2023
Electricity	GWh	245	243	238	205	218	217	221
District heating	GWh	25	26	24	21	33	33,7	44,9
Heating systems	GWh	6,0	4,1	2,6	1,7	1,7	1,6	1,4
Emergency generators	GWh	0,8	1,0	1,0	1,0	1,2	1,3	1,3
Total	GWh	276	274	265	229	254	254	268,6

DR E1-6: Greenhouse gas accounting for scope 1, 2, 3, as well as total greenhouse gas emissions

Since 2007 Avinor has prepared greenhouse gas accounts for emissions included in scope 1 (direct emissions) and scope 2 (emissions from consumed energy) and has previously reported on some of the categories in scope 3 (emissions in the value chain). The data quality associated with scope 1 and 2 is good and is based on consumption data reported by each airport via Avinor's environmental database. This is quality assured annually.

In 2023, Avinor has conducted a systematic mapping of all 15 categories included in scope 3 for the reporting year 2022, and the climate accounts are now in accordance with the GHG protocol for all three scopes. Greenhouse gas emissions in scope 3 belonging to scope 1, 2, 3, 4, 5, 6, 7, 11, 12 and 13 have been mapped. The remaining five categories are considered not relevant.

Table 5.2: Avinor's climate accounts, scope 1, 2 and 3 (E1-6)

	Emissions tCO2e	
Scope 1	**2023**	**2022**
Runway de-icing	1 435	1 468
Firefighting exercises	192	130
Aircraft de-icing, Svalbard	57	63
Vehicle	3 584	3 943
Thermal energy	400	460
Refrigerant losses (HFK)	19	160
SUM SCOPE 1	**5 686**	**6 222**
Scope 2		
Electricity location-based*	4 204	3 971
Electricity market-based*	111 085	104 910
Electricity Svalbard	1 029	1 006
District heating	366	285
District heating Svalbard	1 287	1 570
SUM SCOPE 2	**6 887**	**6 832**
Scope 3		
Category 1: Purchased goods and services	15 754	18 587
Category 2: Capital goods	1 770	1 061
Category 3: Fuel- and energy-related emissions	2 167	1 961
Category 4: Upstream transport	135	147
Category 5: Waste generated in operations	247	229
Category 6: Business travel	2 336	1 955
Category 7: Employee commuting	3 232	3 527
Category 11: Use of sold products **	2 434 988	2 719 588
Category 12: End-og-life treatment of sold products	0	0
Category 13: Downstream leased assets	154	150
SUM SCOPE 3	**2 460 784**	**2 747 205**

* In Avinor's Annual and Sustainability Report for 2022, the factors for location-based and market-based electricity were not updated at NVE, and 2022 figures were presented with emission factors for 2021. This is corrected in the table above, but 2023 figures are presented with emission factors for 2022 for the same reason.

** Tanked aviation fuel is based on Avinor's own data and deviates somewhat from the figures stated by Statistics Norway. For 2022, volumes have been used for uplifted aviation fuel in 2019 due to covid restrictions Q1 2022.

The data quality of emissions mapped in scope 3 varies, and Avinor will strive for a larger share of activity data in the years to come. Today, for example, greenhouse gas emissions related to the purchase of goods are based on costs. However, the largest emissions in scope 3 (aviation fuel uplifted at Avinor's airports) are based on consumption data. In line with SBTi, Avinor has updated the base year, from 2012 to 2022.

Avinor's scope 3 emissions are defined in different categories:

- Category 1: Purchased goods and services (glycol, fuel production – large purchases based on cost)
- Category 2: Capital goods (procurement of rolling stock)
- Category 3: Fuel- and energy-related emissions (fire training, fuel, heating, reserve power, electricity and district heating)
- Category 4: Upstream transport (transport of waste and capital goods)
- Category 5: Waste generated in operations
- Category 6: Business travel (airplane and car)
- Category 7: Employee commuting (commuting to and from work)
- Category 11: Use of products sold (passengers' travel, use of fuel, handling, jet fuel refueled)
- Category 12: End-of-life treatment (vehicles)
- Category 13: Downstream leased assets (electricity, hotels)

The following categories are not included and considered not relevant:

- Category 8: Avinor has no upstream leased assets
- Category 9: Avinor does not sell any goods that are transported
- Category 10: Avinor does not sell any products/products that are processed
- Category 14: Avinor is not a franchise
- Category 15: Avinor is not to be regarded as an investor responsible for a significant proportion of emissions

From 1 January 2023, a 10 per cent drop-in mandate was introduced for non-road machinery. This is taken into account in the emission calculations for fossil, tax-free diesel. Furthermore, the sales requirement for blank diesel was 24.5 per cent in 2022 and 17 per cent in 2023 respectively in the calculations. For 2022, no double counting of advanced biodiesel has been calculated. Advanced biodiesel, purchased by Avinor, is delivered in excess of the drop-in mandate and thereby counted as zero emissions in the calculations. There are strict requirements for sustainability documentation for deliveries to Avinor, and the advanced biodiesel delivered must meet the sustainability criteria in the Product Regulations (Produktforskriften). It is also pointed out that deliveries to Avinor shall not contribute to compliance with the Product Regulations' requirements for the supplier's other deliveries, so that the volume delivered to Avinor exceeds the drop-in mandate.

Emission factors used in the climate accounts are mainly taken from DEFRA (UK Department for Environment, Food and Rural Affairs), for district heating the factors are taken from fjernkontrollen.no, while other factors are calculated by Avinor (emissions from aircraft and runway de-icing).

Avinor has not purchased Guarantees of Origin for 2023.

5.3 POLLUTION

Avinor's climate and environmental policy states that Avinor shall have a complete overview of its total climate and environmental impact and work actively to reduce this:

- Avinor's climate and sustainability goals will be emphasized in Avinor's decisions.
- Activities at Avinor's airports must not result in new soil contamination or worsening of water quality. Avinor will operate and develop airports in a way that ensures that adverse effects on the environment are minimized. The natural environment of national and significant regional interest is given special emphasis and positive measures are implemented where possible.
- Avinor will work actively to limit the noise burden from aircraft and helicopter traffic for residents in the airports' immediate areas.
- Avinor wants to trade and collaborate with suppliers and partners who take the environment seriously. Where possible, Avinor will prioritise choosing products and services that are eco-labelled and cooperate with environmentally certified suppliers and partners.
- Climate and the environment will be central to the choices made for the planning, establishment, development and operation of Avinor's buildings and infrastructure.

The policy provides guidelines for how Avinor should prevent new and handle existing pollution, and how Avinor should work with aircraft and helicopter noise.

Procedures for pollution preparedness and procedures for acute spills are entrenched in the policy. Updated environmental risk analyses are available for each airport in accordance with the airport's discharge permits and the regulations regarding storage of hazardous chemicals and hazardous waste. The analyses form the basis for each airport's planning of pollution preparedness, both dimensioning of materials and exercises, as well as risk-reducing measures. The individual airports specific analyses form the basis for assessing the Avinor's overall environmental risks. The results of the risk analysis are also used to assess the risk profile at the specific airport and for Avinor as a whole.

Avinor has carried out strategic noise mapping at the three busiest airports in 2022. In accordance with EU requirements, this must be done every five years (Environmental Noise Directive – 2002/49/EC). In addition, noise mapping has also been carried out for Trondheim Airport based on the Norwegian requirements in T-1442 "Guidelines for the treatment of noise in land-use planning" in 2023.

Avinor has not carried out measurements of local air quality in 2023. Previous years' measurements show values well below regulatory requirements and national targets. For "Pollution", discharges to water and ground, clearing up historical PFAS pollution, as well as aircraft and helicopter noise are considered to be the most important for Avinor.

5.3.1 Discharges to water and soil

Different types of pollutants and discharges can affect the environment negatively. Both the Water Framework Directive and the EU's announced Soil Health Act have ambitious goals for the good status of Europe's water and land areas.

The risk from water and ground pollution during the current operation of Avinor's airports is mainly related to aircraft and runway de-icing chemicals, fire drills, accidental spills from fuel storage tanks, vehicles, and during refueling.

The 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. At Avinor's airports, formiate is used to de-ice the runway systems and glycol to de-ice the aircraft.

Formiate is an organic salt without environmentally hazardous additives and is easily biodegradable. When procuring new de-icing chemicals, the choice is made, among other things, based on the operational and environmental properties of the available chemicals.

For aircraft de-icing, a glycol-based product (polypropylene glycol) is used at Avinor's airports. Handling agents carry out the de-icing at the request of the pilot and on behalf of the airlines. Currently, there are no approved aircraft de-icing fluids without toxic additives, but the amount and number of additives has significantly decreased in recent years, and the most toxic substance has been removed from the de-icing chemicals. Avinor continuously adheres to the substitution obligation and also sets requirements for airlines to purchase the environmentally most favorable de-icing chemicals.

Runoff and spread of de-icing chemicals from airport areas can affect the natural environment's tolerance and degradation capacity. This is primarily due to relatively high oxygen consumption during degradation, which locally may result in oxygen-poor (anaerobic) conditions in recipients where emissions are considerable, and the degradation capacity of the recipient is low.

Avinor's environmental targets for discharges to water and soil have been set with the aim of preventing pollution:

- Activities at Avinor's airports shall not result in new soil contamination or worsening of water quality.
- Existing soil contamination shall be handled in accordance with regulations and not cause harm to health and/or the environment.
- Have updated and relevant discharge permits pursuant to the Pollution Control Act and comply with these.
- Facilitate the reduction of consumption of aircraft and runway de-icing chemicals.
- Choose products and chemicals with the least risk to the environment and be a driving force for the most environmentally friendly chemicals to be used throughout aviation.

In connection with the adoption of a new climate and environmental strategy in 2023, the following overall measures were decided:

- Monitor the use of chemicals and implement measures where necessary to prevent reduced environmental conditions.
- Standardize and collaborate to reduce the consumption of de-icing chemicals.
- Be a driving force for the use of safe and sustainable chemicals and products.

All 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 has applied for and received several amended discharge permits in recent years due to increased chemical consumption, but also due to changed runoff conditions. In 2023, seven airports in Troms and Finnmark received new emission permits from the County Governor. Avinor also took over ownership of the discharge permit for Andøya Air Base from the Norwegian Armed Forces.

At all airports that require it internally and/or externally, environmental monitoring is carried out to a certain extent. This is described in the airports' environmental monitoring program. The purpose of the environmental monitoring is to have an overview of polluting activities at the airport, whether these affect the environment in a negative way, and whether there is a need for measures to improve the situation.

Several of the airports' discharge permits now require extensive investigations of bodies of water to meet the requirements of water regulations/the EU Water Framework Directive. Such surveys were carried out at Namsos Airport in 2023. No reduction in the condition of the aquatic environment was recorded as a result of airport operations.

The consumption of de-icing chemicals at airports is monitored continuously. At airports with high consumption and vulnerable recipients, mitigation measures are being considered. Examples of such measures are changes in snow plowing patterns, increased use of abrasive sand, removal of snow from snow deposits and increased use of mechanical removal.

The COVID-19 pandemic led to a decrease in air traffic and thus the total consumption of de-icing chemicals. In 2022, there was a slight increase in the amount of de-icing chemicals compared to the previous season. In 2023, air traffic increased further. This, in addition to challenging weather and temperature conditions, led to a higher consumption of de-icing chemicals.

USE OF RUNWAY DE-ICING CHEMICALS

kg KOF

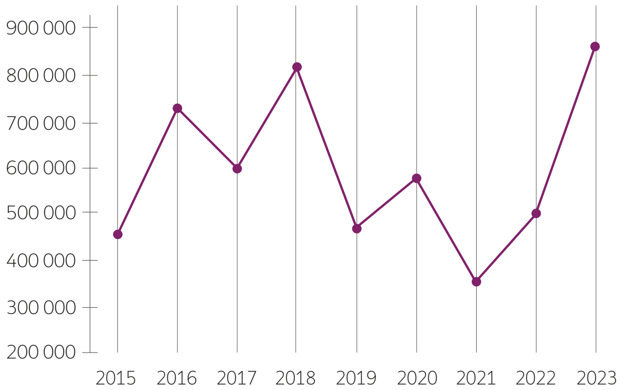

Figure 5.4: Chemical oxygen consumption (COD) during the breakdown of runway de-icing chemicals

CONSUMPTION OF AVIATION DE-ICING CHEMICALS

Number of litres converted to 100 % glycol

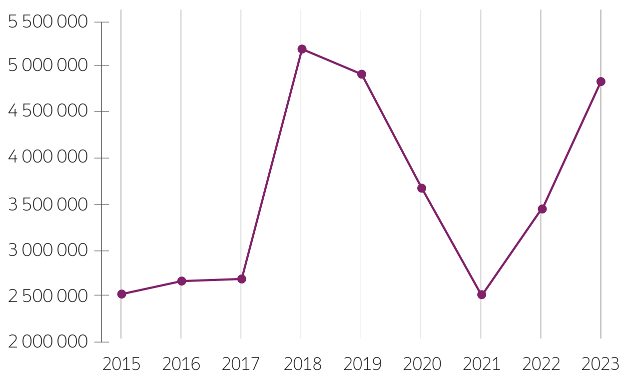

Figure 5.5: Consumption of aircraft de-icing chemicals (litres of 100% glycol) at Avinor's airports

During 2023, 12 of Avinor's 43 operational airports violated conditions for aircraft de-icing. One airport had violations in the use of runway de-icing chemicals.

Additionally, Oslo Airport breached its recipient-based discharge permit six times during 2023. Four of these incidents involved breaches of the limit value for de-icing chemicals in groundwater, and one was exceeding the limit value for oil in groundwater. The sixth deviation was due to formiate/COD (chemical oxygen demand) above the daily value limit in a culvert with runoff to Sogna.

The pollution control authorities were routinely informed of the violations.

NUMBER OF AIRPORTS WITH VIOLATIONS OF DISCHARGE PERMITS

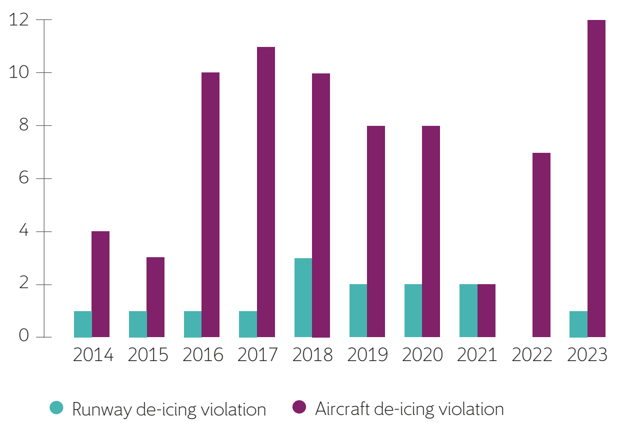

Figure 5.6: Breach of discharge permits for aircraft and runway de-icing chemicals.

In 2023, a total of 128 acute spills were registered at Avinor's airports. One of the spills is defined as "large environmental impact with little dispersion", with moderate consequences, where 60 litres of hydraulic oil from a sweeper infiltrated into the ground. The remaining discharges took place on paved surfaces, where the pollution was absorbed and properly handled, or was of such a limited size that it caused little environmental impact.

Avinor's airport operations lead to emissions of microplastics from snow ploughs, branded paint, tyre wear etc. Measures related to this issue are described in the chapter on resource use and circular economy (5.5).

5.3.2 PFAS

Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) are a large group of fluorinated substances, of which PFOS is one of the best known. They are water-, stain- and grease-repellent and have been used for over 50 years in a variety of products, including food packaging, non-stick coatings in kettles and frying pans, impregnating agents for textiles, fire extinguishing foams, cleaning products, cosmetics, paints, varnishes and some types of ski wax. There is growing concern about PFAS because the substances break down very slowly in nature, tend to spread in the environment, concentrate in living organisms and can be harmful to health.

Avinor has used PFOS-free fire foam since 2001 and since 2012 used firefighting foam completely without fluorine compounds. As an individual measure, this is one of the most important things Avinor has done to reduce the leaching of PFAS into the environment. Internationally, there are airports that still use PFAS-containing extinguishing foam. However, historical use has led to contamination in the ground at Avinor's airports. These contaminants still contribute to some PFAS leaking into the natural environment around airports.

In Avinor's climate and environmental strategy in 2023, a long-term goal was adopted that "Avinor shall contribute to the national goal of reducing emissions of PFAS", and a short-term goal of "Cleaning up PFAS-contaminated areas in accordance with orders from the Norwegian Environment Agency." In practice, the short-term goal means that PFAS-contaminated sites will be cleaned up at two airports per year between 2023 and 2027. This should be measured with two KPIs:

- Number of locations (airports) where measures have been implemented.
- Amount of PFAS (kilograms) taken out of circulation by removal or dispersal mitigation measures.

Avinor has established its own PFAS programme which is responsible for mapping, preparing action plans and clean-ups pursuant to orders from the Norwegian Environment Agency. The program works towards reducing the overall emissions of PFAS from Avinor's airports as far as possible (cf. requirements in orders from the Norwegian Environment Agency). The goal is to eliminate PFAS, or reduce its spread, from the most polluted areas at 13 priority airports by 2027.

The programme also aims for the clean-up operation to be carried out as cost-effectively as possible, without compromising acceptable environmental effects. Due to the scope and duration of the programme, a continuous review of available remedial methods may contribute to this.

Action plans for Kirkenes, Stavanger, Alta, Kristiansund, Ålesund and Kristiansand have been submitted to the Norwegian Environment Agency and are under consideration. Work is still underway on an action plan for Tromsø, as well as a revision of the plan for Kirkenes.

Measures have been implemented at one or more fire training areas at Harstad/Narvik Evenes in 2021, Rørvik in 2022, Bergen in 2022/2023, Haugesund in 2023 and Svalbard in 2023.

The measures implemented so far at the above-mentioned airports have removed 130 kilograms of PFAS, mainly by digging and disposal (Figure 5.7). The measures involve removal and transport of more than 75,000 m3 of material (equivalent to approximately 5,000 truckloads of 15 m3 each). In 2023, approximately 75 kilograms of PFAS have been removed during excavation and disposal.

Avinor has established two treatment plants for PFAS-contaminated water that reduce spread from the sites. At Oslo Airport, groundwater treatment from PFAS-contaminated areas at the fire training field is ongoing. Drainage water from the area is treated in a separate treatment plant before it is led to the municipal network. In 2023, the plants have cleaned 2,969 grams of PFAS, and in total since start-up in 2015, the plants have removed 32.5 kilograms. At Fagernes Airport, water purification from the decommissioned fire training area is ongoing, and the facility shows good cleaning effect.

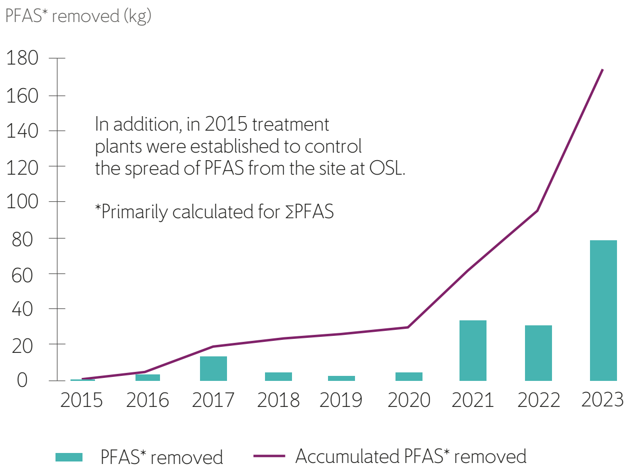

Figure 5.7: Amount of PFAS (kilograms) removed per year and accumulated (2015-2023)

In 2023, Avinor has worked to increase its own knowledge of new and relevant measures for PFAS-contaminated soil and/or water. Avinor's goal is to be able to use other measures than those used so far (water purification/digging and disposal), so that the clean-up can be carried out more cost-effectively without compromising the environmental effect.

Avinor has an accounting provision to reflect the expected costs associated with the work on, and clean-up of, PFAS-contaminated sites. The provision is fraught with great uncertainty and is updated continuously as new knowledge emerges. Changes in requirements, limit values and framework conditions from the authorities may affect the costs associated with the PFAS work. As of 31 December 2023, the provision stood at 843 million NOK (approx 74 million EUR).

5.3.3 Use of substances of concern (SVC and SVHC)

Avinor has established environmental requirements for its procurement and contracts. This ensures that the materials and products that are used at our airports do not to contain substances that are on the list of chemicals that are considered to pose a serious threat to health and the environment (the Norwegian priority list/candidate list for REACH). For de-icing runways, we use chemicals with minimal impact on the environment.

5.3.4 Noise

Noise is defined as unwanted sound. Avinor has aircraft and helicopter noise as one of its most important action areas within the external environment because it affects many people around Avinor's airports. Avinor seeks to reduce noise exposure from civilian aircraft and helicopter traffic, in addition to conducting regular mapping and route monitoring at the major airports.

In connection with the new climate and environmental strategy, the following long-term goals were adopted:

- Avinor will work actively to reduce the noise burden from aircraft and helicopter traffic for residents in the airport's immediate area.
- Increase the percentage of curved approaches (RNP AR).
- Eliminate all night departures where the certified noise level exceeds 88 dB (EPN88dB) at Oslo Airport.

A short-term target of 25 per cent curved approaches (RNP AR) at Oslo Airport was also adopted for 2025 (see also section 5.2.6. Streamlining of Norwegian airspace). Curved approaches have both an effect on climate, because they can reduce fuel consumption due to shorter flown distances, and reduced noise exposure for the airports' neighbours because traffic can be diverted outside built-up areas to a greater extent than is possible with conventional approach procedures.

In 2023, adjustments have been made to the existing noise reduction procedures for helicopters at Stavanger Airport. For Bergen Airport, new approach routes for helicopters have been established, which among other things means alternative overflights over different areas. The principles for the new routes are:

- Uniform distribution and possibility of unloading helicopter traffic over built-up areas.
- As far as possible, attempts have been made to route flights over areas with the least number of buildings.
- Avinor has tried to shield schools and kindergartens.
- Arrivals should take place at 3000 feet and at 120 knots speed for as long as possible.
- The number of inhabitants within 500 m of routes has been reduced by 13 per cent according to analysis in GIS. With this, the airport has organised traffic so that it is predictable with defined routes.

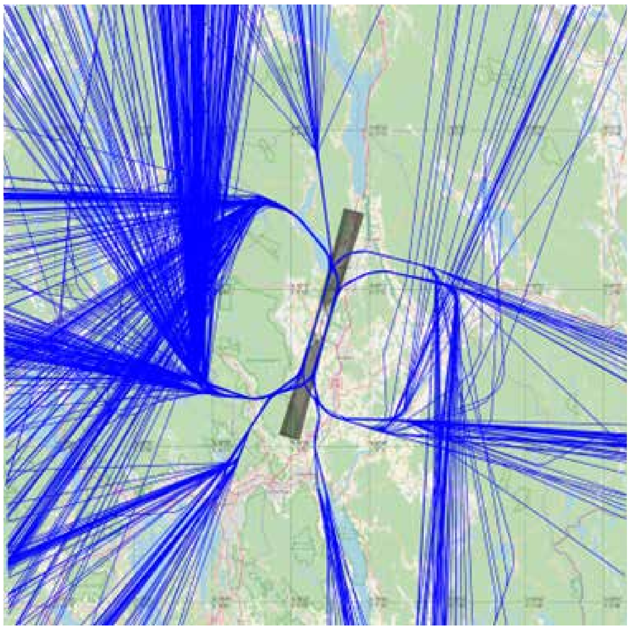

Figure 5.8: Illustration curved approaches OSL

At the airports in Bergen, Stavanger and Trondheim, a system for route monitoring has been established, which is used to monitor whether aircraft movements are in accordance with the established procedures. Noise-abatement procedures are important measures to reduce the impact noise has on residents at airports. The route monitoring system is therefore used to document whether these measures are being followed. Due to technical issues, these systems have not functioned satisfactorily and therefore no results are available for 2023. We work in close cooperation with the supplier of the system to solve the challenges.

Aircraft noise at Oslo Airport

At Oslo Airport, active efforts are being made to ensure that aircraft noise is predictable for neighbours. A noise and route monitoring facility has been established, which is used to monitor aircraft movements in accordance with the established procedures for the airport, as well as to measure noise levels at certain points around the airport. The airport has its own noise regulations that require such a facility, and that results must be reported to the Civil Aviation Authority every month. The monthly reports are public and are available via Avinor's website. The results show that aircraft movements are now in accordance with the established procedures to a greater extent than before. The proportion of curved approaches was 12.9 per cent in 2023.

Figure 5.9 shows the development in aircraft noise and air traffic at Oslo Airport from 2000 to 2023. For each year, total noise emissions (Lden) from all registered traffic have been calculated. Thereafter, the change in level from the year 2000 is calculated for each year and plotted together with the development in total traffic.

AIR TRAFFIC AND NOISE AT OSLO AIRPORT

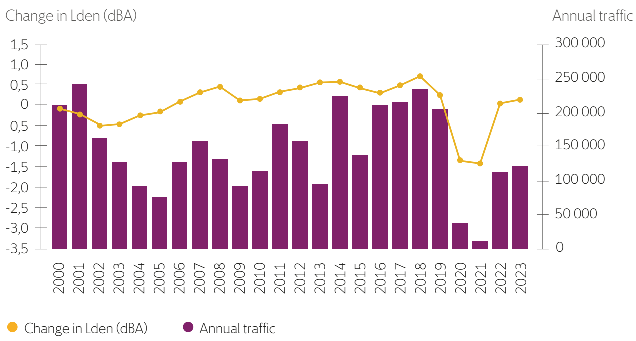

Figure 5.9: Development in aircraft noise and air traffic at OSL

This presentation provides a picture of the development of noise, irrespective of the geographical areas affected. The total aircraft noise load around Oslo Airport decreased by 0.1 dB from 2022 to 2023, while the number of aircraft movements increased by 5.0 percent. Although there was an increase in traffic figures for 2023, the noise load was lower. This is mainly due to the phasing out of older aircraft models and the introduction of new, quieter models. The noise level for 2022 was 2.6 dB below the level of the year 2000, based on calculations for all registered traffic. The traffic increase for 2022 was 13,000 flights compared to traffic in 2000. This in turn means that new, modern aircraft types have more than compensated for the change in traffic.

In 2016, a revised noise regulation, drawn up by the Civil Aviation Authority, entered into force for Oslo Airport. The purpose of the regulation is to avoid unnecessary noise burdens in the areas around the airport, while at the same time safeguarding safety, operational conditions, capacity and other environmental conditions. The regulations allow for permanent use of curved approach, which was also referred to in the chapter on greenhouse gas emissions. The routes have been laid outside populated areas. The regulations also specify an adjusted flight corridor for flights from the airport's northeast corner. Compliance with the new flight corridors is above 95 percent. The adjustment makes it possible to maintain departure capacity at the airport, while avoiding flying over areas where most people live.

In 2023, Oslo Airport had aircraft noise inquiries from 163 people. That's an increase in the number of people complaining compared to 2022 of more than 30 percent. The inhabitants of Ullensaker, Eidsvoll and Nannestad account for the largest share.

Figure 510: Prevalence of noise levels that are harmful to hearing at Evenes

Noise from the F-35 at Harstad/Narvik Airport, Evenes

In 2012, the Norwegian parliament decided that the new F-35s will be stationed at Ørland Air base. Four of the aircraft will be stationed at Harstad/Narvik Airport, Evenes at a base for Quick Reaction Alert (QRA) and high air preparedness (HLB). The parliament's decision entails a resumption of Harstad/Narvik Airport, Evenes as a permanent military air base. It has been shown that the F-35 on take-off causes maximum noise levels above 115 dBA to the areas around the terminal building, which in the state zoning plan for Evenes is harmful to be hearing.

The high noise levels occur in connection with take-off, low-pass and touch-and-go with the F-35 with or without afterburner. Avinor is working on measures to shield passengers, employees and other visitors to the airport from the noise that is harmful to hearing. Extensive physical measures are required in the form of passenger bridges out to the aircraft, a parking garage and improvement of the facades of existing buildings, in addition to organisational measures.

In 2023, the Air Force has expanded its activities with what is called the distributed concept. In brief, it means that many of Avinor's airports will be visited by the F-35 in the future, with accompanying noise problems.

5.4 BIODIVERSITY AND ECOSYSTEMS

Nature is under pressure. 21 per cent of Norwegian species and almost half of the habitat types are on the Norwegian Red List. The main causes are habitat loss, pollution, overexplotation, climate change and invasive alien species. At the same time, our economy and welfare are completely dependent on the environment. The European Green Deal and the Kunming-Montreal Global Biodiversity Framework are ambitious on behalf of the environment and pave the way for new regulations. New technology provides new opportunities, we see a change in consumer preferences and engagement.

Avinor's locations and operations include 43 airports, technical installations, two major projects involving the establishment of new airports and air traffic services. Aviation has a smaller area footprint than other modes of transport. However, Avinor's airports are surrounded by biodiverse green areas. Many are located in and around biodiversity-sensitive areas such as species-rich meadows, wetlands, spawning areas and salmon rivers. Avinor has a negative impact on biodiversity and ecosystems by, among other things, land seizure and pollution, and sometimes positively through management and protection from traffic. At the same time, airports also have dependencies on biodiversity and ecosystems and their services for instance for flood mitigation, water and soil purification and raw materials.

Avinor's climate and environmental policy commits the company to minimize negative land use change and implement nature-positive elements. In connection with the adoption of a new climate and environmental strategy in 2023, the following biodiversity and ecosystem related targets were adopted:

- Work systematically to reduce our own negative impacts and increase positive impacts on biodiversity and ecosystems.
- Minimize loss of all nature and avoid encroachments that affect threatened or near-threatened habitats and species.
- Each airport must implement at least one positive measure by 2030.

In order to achieve the goals, a number of measures have been decided. These are largely aimed at analysis, management and systems that will ensure knowledge about the consequences for biodiversity and ecosystems in decision-making processes already at an early stage. Decision-makers shall acquire sufficient knowledge about consequences, alternatives and opportunities:

- The mitigation hierarchy, alternative assessments and knowledge of natural values shall be used from an early stage in planning, projects and operations.
- Documented alternative assessments shall always be carried out at an early stage if intervention is relevant in areas of nature of national and significant regional interests. Alternative assessments shall be given weight in the decision-making process.
- Establish land accounts.
- Identify alien species and implement measures where necessary.
- Carry out a Nature Risk Assessment (TNFD).
- Set requirements in procurements and contracts that promote deforestation-free value chains.

A more detailed central action plan has also been prepared. This will provide guidelines for local environmental action plans with local measures. Large projects have their own environmental premise documents with associated environmental follow-up plans with measures.

It is necessary to establish a baseline and prioritize systemic changes before quantifying targets are established. The objectives are therefore currently overarching and not set according to the principles of science-based goals for nature (SBTN). However, these objectives are in line with the Norwegian ownership report's expectations of the companies.

A set of indicators has been established to follow up goals and strategy and for reporting to the owner. Avinor aims to be able to report on everyone from the reporting year 2024:

- Area biodiversity-sensitive area affected by land use change.
- The area of reallocated cultivated land.
- Proportion of airports with positive measures implemented.
- Share of airports that have mapped invasive alien species.

5.4.1 Protected areas and biodiversity-sensitive areas

11 airports have a total of 18 nature conservation areas on, near or within one kilometer from the airport. Two airports have nature conservation areas on their sites and five border nature conservation areas. Several airports are located in and near other valuable natural areas such as species-rich meadows, wetlands, spawning grounds and salmon rivers.

5.4.2 Mapping and positive measures

All airports have mapped biodiversity information. In the period 2009-2014, Avinor carried out a comprehensive survey of natural values at and around the company's airports and uses this information in operations and planning. Data is publicly available in naturbase.no and the reports are available on avinor.no. When mapping biodiversity, negative impacts were also assessed, and management advice was given. These have been followed up within the framework of safe and efficient airport operations. The advice mainly dealt with avoiding habitat loss, adjusting management, clearing some fly-tips and removing invasive alien species.

In 2023, the previous mapping of hay meadows at Kristiansand Airport was updated in a collaboration between the County Governor (Statsforvalteren) and Avinor.

Invasive alien species were part of the original mapping of biodiversity. In order to update the status, the airports themselves, with support from Avinor's sustainability department, carry out an inspection to map the most common alien species. So far, 20 out of 43 airports have carried out the inspection and registered any alien species.

Reducing traffic to technical installations can reduce negative impacts on biodiversity and ecosystems. In recent years, several maintenance activities have become more automated/centralized so that less physical attendance is required. Continuous efforts are made to minimize the need for physical presence during maintenance activities.

Overflights, approaches and departures to airports can cause disruption to wildlife near the airport. All instrument approaches are made according to procedures. Restricted areas that specify a minimum height for overflight are determined in the protection regulations/by the environmental authorities and are taken into account when procedures are designed for approaches.

Several airports are taking positive measures where possible. We do not have aggregated figures for this as of 2023. Below are some examples of measures carried out at several airports:

- Adapted management to preserve threatened habitats and species. In addition, there are a large number of airports that have red-listed species and habitats that preserve these without active measures but by avoiding land use change in these areas.
- Create new or improved habitats such as flowery edges, meadows and more.
- Remove invasive alien species.

5.4.3 Land-use changes, loss of nature and topsoil in 2023

Avinor currently lacks an overall overview of nature losses from smaller projects and measures at the airports, these are assumed to be very small compared to the two large projects in 2023:

New airport Bodø
Land use change in 2023: Land-use changes of 1.44 hectares in 2023, of which 0.21 hectares were built-up areas, 0.07 hectares of transportation, 0.36 hectares of fully cultivated land and 0.81 hectares of open land (open land here includes several habitat types such as beach rock). In 2023, no interventions were made in protected areas or natural areas of national or significant regional value.

Total land use changes: For the entire project, a land-use change of 274.28 hectares has been calculated, of which 31.74 hectares are arable land, 84.10 hectares of ocean, forest and fresh water, and 111.25 hectares of open land. 10.15 hectares are natural areas of national or significant regional value.

New airport Mo i Rana
Land use change 2023: The developments in 2023 resulted in land use changes totaling 151.23 hectares. Forests and marshes make up the largest share with 149.26 hectares. Open land, fresh water and areas previously used for transport together make up a smaller part of the area. The total amount of land use of cultivated land has so far been 0.18 hectares in the form of fully cultivated land from the access road. In 2023, no land use change in protected areas or natural areas of national or significant regional value.

Total land use changes: For the entire project, land use change is estimated at 161.37 hectares, of which 0.5 hectares of arable land, 157.5 hectares of forest and marshland, 0.3 hectares of fresh water and 0.7 open land and remaining built-up areas. It is planned to return 0.4 hectares of cultivated land. 0.7 hectares are habitat types of national or significant regional value, this figure has been calculated from previous surveys and is probably lower than if the most recent mapping instructions for habitat types had been used.

For both projects, a proportion of the areas will be revegetated.

The land areas set aside for the new airport in Mo i Rana have been reindeer grazing area for indigenous people in the area. Plans have been drawn up for how the damage to the reindeer grazing district will be repaired, which include replacing and re-establishing old grazing areas in the form of removing existing infrastructure. Avinor is in close dialogue with the affected reindeer grazing district and the municipality.

5.5 RESOURCE USE AND CIRCULAR ECONOMY

A circular economy aims to minimize the production and consumption of new goods, and to maximize the reuse and recycling of existing ones. This way materials, products and resources can be used for as long as possible, instead of being wasted. This can benefit the environment by reducing the need for resource extraction, preventing the loss of biodiversity and reducing greenhouse gas emissions.

Avinor has set the following goals for resource use and circular economy:

Long-term goal:
- Increasing the reuse and circularity of products and materials with an ambition of zero waste - only cycling of resources.

Short-term goals:
- Reduce the amount of unsorted waste from ordinary operations by 25 per cent by 2025 and reduce the total amount of waste (reference year 2019).
- Continuously reduce food waste and be a driving force for unsold edible food not to be wasted, but go to different forms of donation or sales at a reduced price, etc.
- Reduce the use of plastic where possible and ensure proper handling of plastic and plastic waste throughout the value chain.

The goals focus both on reducing the extraction of new resources through production, procurement, and lifetime extension, by working with reuse and waste reduction. The goals also aim to manage waste efficiently and in accordance with the waste hierarchy, prioritizing prevention, reduction, reuse and recycling over recovery and disposal.

The goals apply to Avinor's operations at its own locations, as well as in contracts, procurement and projects.

In order to comply with the climate and environmental policy and achieve the goals within resource use and circular economy, a number of measures have been identified and need to be put in place by 2025 and 2030:
- Develop routines for, and showcase, good solutions for reuse.
- Develop requirements for resource use and circular economy for contracts and procurements.
- Have good solutions that facilitate proper recycling, repair and reuse.
- Phase out the use of disposable items where possible.
- Map and look at possible solutions to minimize the amount of plastic and microplastics.

More detailed measures have also been established for operations at the individual airports and in specific building and construction projects' environmental plans. An example of this is reusing of soil and other construction materials.

A large part of the possibility for waste reduction, reuse and material recycling is already determined by the procurement of products and services for airports. This means, among other things, setting requirements for materials and products to last as long as possible, be repairable and possible reused. The products must also be designed in such a way that it is possible to recycle the products material and use this as raw material in new production.

Avinor's airports have a tradition of repairing and reusing equipment and materials. Good routines for maintenance and relocation of vehicles such as snowplow trucks to other airports are examples of this. Reuse is also important in construction projects. In 2023, large parts of the old parking garage at Stavanger Airport were reused in the construction of the new one. Materials unsuitable for reuse were sent to recycling. In new contracts with commercial partners in the terminals, environmental requirements are part of the criteria, including a requirement to offer reusable dinnerware at restaurants.

All Avinor's airports recycle, and waste management is an integrated part of the environmental management at all airports. Each airport meets with its waste company at least annually to review, the recycling rate, the equipment and relevant waste fractions, as well as to look at opportunities for improving the recycling of waste. In connection with the construction of new airports in Mo i Rana and in Bodø, the waste company provides input to the design of the waste handling facilities so that these can be optimized and adapted for even better waste management in the future.

Avinor participates in the EU project TULIPS, which is led by Amsterdam Airport, Schiphol. One of the project's goals is to increase circularity in the terminal and in construction projects. In order to systematize reuse in buildings, Oslo Airport has begun testing the development of material passports and track & trace solutions for building-related waste. In practice, this is being tested in a pilot where materials from the demolition of a building for bus arrivals are reused in almost their entirety when a similar building is rebuilt at another location at the airport. Three master students will also look at the possibility of even better circular solutions related to commercial operations in the terminal at the airport.

The production and sale of food is by far the largest source of food waste at airports. New contracts have set specific requirements for measures to avoid food waste, and Avinor is working together with the commercial partners in the terminal to reduce food waste. Our partners prevent food waste by using passenger predictions when planning food production. To prevent edible food from ending up as waste, the "Too Good To Go" app has been established at seven airports. In 2023, a total of 39,114 portions of food that would otherwise have been thrown away were sold at a reduced price through this scheme. That's an increase of 39 per cent over 2022. At Oslo Airport, 1.3 tons of surplus food was also donated to charity instead of being thrown away.

Avinor is a member of the Norwegian Retailers' Environment Fund, and for every bag sold at Avinor's airports, Avinor pays a share to the fund in the form of an environmental fee. Since it was established, bag sales have contributed more than NOK 10 million to projects that reduce plastic litter, increase plastic recycling, and reduce the consumption of plastic carrier bags. The rest of the profits from the sale of bags go into Avinor's own environmental fund and are earmarked for environmental measures for Avinor and its partners. In 2023, Avinor chose to increase the price of plastic carrier bags from two to four Norwegian kroner. The price increase is intended to cover the increase in environmental fees to the Norwegian Retailers' Environment Fund and is also a measure that will reduce unnecessary consumption of plastic carrier bags. The Avinor bags are currently made from 80 per cent recycled plastic.

Oslo Airport has conducted a survey of microplastics in 2023. The aim of this study was to get an overview of the presence of microplastics at the airport and look at sources and possible measures. An important limitation of these and previous studies is that there are deficiencies in analytical methods that mean that not all types of microplastics that may be present at airports are measured. This in turn makes it challenging to estimate quantities and effects. Avinor will continue to work for sufficient analytical methods and look at any necessary measures for microplastics in the future.

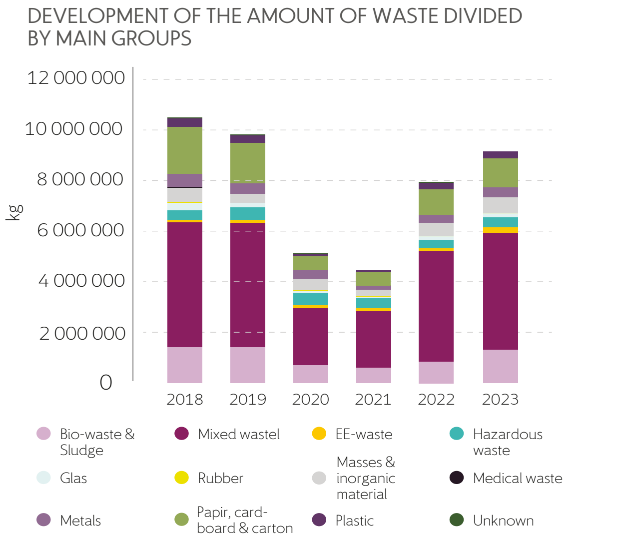

Figure 5.11: Outgoing material flows- Waste (ESRS E5-5)

Waste is measured and reported at collection by the waste companies. Registered data is aggregated at group level. In 2023, just over 9,000 tonnes of waste were handled, of which 431 tonnes of hazardous waste were handled at Avinor's airports (figure 5.11). Of this, 27 per cent was recycled, 5 biologically treated, 60 per cent energy recovery and 8 per cent sent to landfill. These figures apply to ordinary operations and do not include major construction projects. Avinor does not currently have an overall reporting of waste from building and construction projects. The amount of construction waste is assumed to be larger than for ordinary operations and also with a different composition. Of the more than 430 tonnes of hazardous waste at airports, 15 per cent of the waste went to recycling, 0.5 per cent to reuse, 84 per cent to energy recovery and 0.5 per cent to landfill.

In 2023, Avinor's sorting rate for waste was about 49 per cent. Both waste from aircraft debris and sand used on runways is defined as unsorted waste. These two fractions alone make up approximately 20 per cent of the total volume unsorted waste (figure 5.12). The sorting rate of waste increased by 3 per cent from the previous year. Hazardous waste is collected separately, declared, and delivered to appropriate waste facilities according to the regulations for hazardous waste.

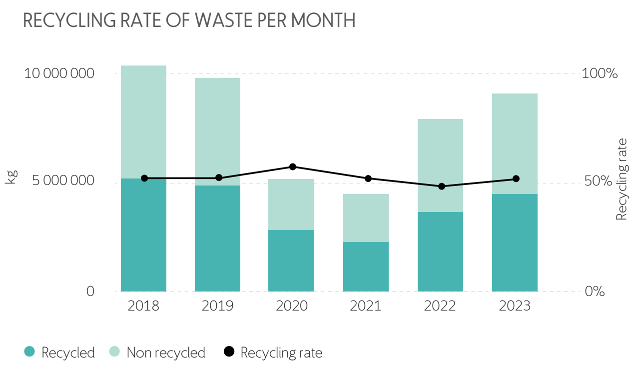

Figure 5.12: Recyling rate of waste 2018-2023

5.6 GOAL ATTAINMENT

UN SDGs	STRATEGY	OBJECTIVES	KPI	RESULTS 2023
13 CLIMATE ACTION	Active driving force for sustainable aviation	1) Avinor will establish science based short and long term targets in accordance with SBTi. 1) Reduce Scope 1 and 2 emissions year on year 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 2) Proportion of curved approaches at OSL 3) Greenhouse gas emissions from civil aviation in and to/from Norway (CO2e)	1) Scope 1: 5686 tonnes CO2e, Scope 2: 6887 tonnes 1) Passenger vehicles and vans: 23 % electric 1) 53 % blended biodiesel 2) Proportion curved approaches OSL: 12,9 % 3) Greenhouse gas emissions from civil domestic aviation and departing Norway (CO2e): Domestic: 1.08 million tonnes (2022), international departures 1.38 million tonnes (2022)
7 AFFORDABLE AND CLEAN ENERGY	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) (New temprature adjusted energy target will be set for 2024-2028 with 2023 as base year)	GWh – purchased energy	268,6 GWh for 2023 across the entire Group (total purchased energy)
6 CLEAN WATER AND SANITATION 14 LIFE BELOW WATER 15 LIFE ON LAND	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	• 12 breaches of aircraft deicing terms • 1 breach of runway de-icing terms • Oslo airport had 6 breaches of the recipient based terms

SELECTED MEASURES 2023	2025 GOALS	2030 GOALS	REPORT REFERRAL
1) Electrify passenger vehicles and vans 1) Demand zero-emissions in procurements, heavy vehicles 1) Biodiesel for heavy vehicles 1) Biogas power plant Svalbard 2) Establish more curved approaches. Implement new tool for ATC 3) SAF conference (approx 180 participants) 3) Published analysis of Norwegian SAF production from non-bio resources 3) Established Programme for energy transition. Analyses and preparations for possible future charging and hydrogen infrastructure	1) - 2) 25% curved approaches OSL 3) -	1) Ongoing process to establish science based targets (SBTi)	Chapter 5
Results 2023: Decided to establish solar panels at the car park at Kristiansand airport in 2024. Estmated annual production 444 MWh.	225 GWh (excluding Avinor ANS) at airports. Purchases of energy for vehicle, bus and aircraft charging are not included in this target.	Target for 2030 has not been set	Chapter 5
• 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 with 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 5

UN SDGs	STRATEGY	OBJECTIVES	KPI	RESULTS 2023
3 GOOD HEALTH AND WELL-BEING	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 at OSL • Noise pollution surveys	• 12,9 % curved approaches at OSL • Strategic noise pollution survey at Trondheim airport
8 DECENT WORK AND ECONOMIC GROWTH	Attractive work place with the right competence and a good work environment	Prevent HSE non-compliance, personal injuries, and workrelated illness	Absence due to illness H1 value H2 value Breach of working hours provisions	Absence due to illness: 4,6 %. H1- 2,4 H2: 4,8 Both H-values better than target
5 GENDER EQUALITY	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	31,1 % women in leadership roles
8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Active contributor for ethical and responsible business practices within our own organization and value chain.	Employees, suppliers, and partners must be familiar with and comply with Avinor's ethics guidelines	Percentage of employees completing mandatory annual ethics training	• 94% of all employees have completed e-learning. • The board and management have undergone dilemma training.

SELECTED MEASURES 2023	2025 GOALS	2030 GOALS	REPORT REFERRAL
• Increase share of curved approaches at OSL to 15% in 2024, e.g by introducing new tool for ATC • Noise pollution surveys at four smaller airport in 2024	25 % curved approaches at OSL	-	Chapter 5
Proactive work with absence due to illness/ work environment. Focus on resource management. HSE/work environment training	-	-	Chapter 5
Focus on People Review and succession planning Revitalised work on diversity	-	40% women in leadership roles (2028)	Chapter 5
• Annual training program in ethics and anti-corruption for all employees Implemented Monitoring of corruption risks Regular risk and vulnerability analysis Whistleblowing and complaint mechanisms mechanisms	Zero corruption	Zero corruption	Chapter 5

UN SDGs	STRATEGY	OBJECTIVES	KPI	RESULTS 2023
8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Active contributor for ethical and responsible business practices within our own organization and value chain.	Promote respect for human rights and working conditions in our value chains	Percentage of suppliers adhering to our Supplier Code of Conduct	• Conducted 23 integrity checks and identified 12 violations. • Assessed the risk of 64 suppliers and their associated contracts
8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Active contributor for ethical and responsible business practices within our own organization and value chain	Effective reporting procedures and complaint mechanisms for handling misconduct in all parts of the organization and for workers in the value chain	Number of reports Number of complaints	• 174 reports received through the internal whistleblowing channel for misconduct, and 1 report from an external whistleblowing channel.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 8 DECENT WORK AND ECONOMIC GROWTH	Active driving force for sustainable aviation/ Active driver for ethical and responsible business practices within our own organization and value chain.	Responsible procurement		

SELECTED MEASURES 2023	2025 GOALS	2030 GOALS	REPORT REFERRAL
• Updated our Supplier Code of Conduct. • Due diligence assessments of procurement areas, suppliers, and contracts with significant risk of negative impact. • Random sampling and on-site inspections within construction projects and cleaning to uncover violations of decent working conditions	Zero corruption	Zero corruption	Chapter 5
• Implemented reporting channel for employees, including anonymous reporting. Information about reporting is provided on HSE boards, and an independent union coordinator can be used as a reporting channel at construction sites.	• All employees and suppliers should be aware of our reporting channels.		Chapter 5
• Avinor complies with the regulations for public procurement. • Prioritize sustainability in procurement processes and set high standards for responsibility among suppliers and subcontractors.			Chapter 5

5.7 EU TAXONOMY – REPORTING RELATED TO SUSTAINABLE ECONOMIC ACTIVITIES

The Sustainable Finance Act entered into force in Norwegian law on 1 January 2023 and thereby implemented the Taxonomy Regulation 2020/852 and associated delegated acts in Norwegian law. The regulations cover large listed enterprises and Avinor will report on the requirements as a non-financial company. The EU taxonomy is a key element in the transition towards sustainable investments and an important element in achieving the goals of the EU's Green Deal.

The Taxonomy Regulation and associated delegated acts set out a number of economic activities that are covered by the framework and thus considered potentially sustainable. To be classified as sustainable, an economic activity must: contribute significantly to the achievement of at least one of the EU's six environmental objectives (climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to circular economy, prevention and control of pollution, and protection and restoration of biodiversity and ecosystems), do not significantly harm the remaining environmental objectives and comply with minimum social requirements (see Chapter 5.7.3). Avinor will monitor developments in the future and make clarifications and changes to be considered in future reporting. As the economic activities of the EU taxonomy have not been officially translated into Norwegian, there will be some English terminology.

Avinor is of the opinion that there is inadequate harmonisation and guidance of airport operations within the taxonomy. As a consequence, Avinor has chosen a conservative interpretation of the taxonomy as a whole, as well as which activities can be considered qualifying: eligible and in line with the criteria ("aligned"), eligible and not fulfilling the criteria ("eligible, not aligned"), and not currently covered by the EU taxonomy ("non-eligible"). In line with the taxonomy's reporting requirements, the shares will be reported on for turnover, capital expenditures (capex) and operating expenses (opex).

5.7.1 Identified covered activities ("eligible")

Avinor has identified three of the company's financial activities to be covered by the framework:

Low carbon airport infrastructure (CCM 6.17)
Activity 6.17 contributes significantly to Environmental Goal 1 'Climate Change Mitigation' and is an 'enabling' activity as it helps other activities reduce emissions. The activity description refers to infrastructure that enables zero emissions of CO2 from air transport or the airport's own operations, as well as the supply of fixed ground power. Avinor has a fixed ground flow setup at the terminals at all the company's airports and is thus covered by this activity. Access to ground power from mobile GPUs available at several of Avinor's airports is excluded and is considered non-covered by the taxonomy as there is no fixed infrastructure. In the future completion of projects for establishing charging stations for operational vehicles inside the airports, these will also be included in this activity.

Ground handling for air transport (CCM 6.20)
The EU taxonomy lists several economic activities included in activity 6.20. Avinor considers that its own vehicles used for snow plowing and other snow removal work, as well as de-icing equipment that contributes to ground handling of aircraft, are covered by the activity.

Acquisition and ownership of buildings (CCM 7.7)
Activity 7.7 of the EU taxonomy covers all acquisition and ownership of property. For Avinor, this description is considered to correspond to commercial rental, which consists of hotels, airport space, parking and terminal space. According to Avinor's assessment of the activity description in 7.7 related to the terminology "property", management of property for parking in houses and fields will also be covered by the taxonomy despite the fact that these cannot meet the requirements for energy efficiency and thus will not be in line with the taxonomy criteria ("aligned"). Financial figures from this property management will be included as covered, but not in line with, the criteria ("eligible, not aligned").

5.7.2. Assessment of whether "eligible" activities are "aligned" with taxonomy criteria

Low carbon airport infrastructure (CCM 6.17)
Avinor's conclusion is that the criteria for a significant contribution for activity 6.17 are met at airports where infrastructure is installed that ensures aircraft access to fixed ground power. There are also requirements not to cause significant damage to environmental targets 2-6 for the activity, where the criteria include climate risk analysis with measures (DNSH 2), assessment and prevention of negative impacts on water and marine resources (DNSH 3), waste management (DNSH 4), measures against pollution (DNSH 5) and biodiversity (DNSH 6). Avinor has assessed these criteria in relation to its own processes and concluded that the activity satisfies the requirements of not causing significant harm.

For Avinor, ground power is included as part of the total services offered to the airlines and is not separated out as an individual service in financial figures. Reporting on the proportion of financial KPIs covered and potentially in line with the EU taxonomy criteria will therefore lead to different assumptions and estimates. It is also estimated that the activity is of negligible size. Avinor has therefore chosen not to report financial figures for activity 6.17 in this year's reporting. Furthermore, Avinor will monitor the development of the EU taxonomy and potential clarifications related to the activity that may affect these assessments and adjust future reporting accordingly.

Ground handling for air transport (CCM 6.20)
For activity 6.20, the requirements for a significant contribution are that vehicles used in ground handling have zero direct CO2 emissions and that any propulsion to other facilities and equipment has zero-emission engines. Few, if any, of Avinor's vehicles used for snow plowing or de-icing can be defined as zero emissions and will therefore not meet the criteria for a significant contribution.

There is also a requirement not to cause significant damage to the other environmental objectives, with the exception of environmental goal 6. Despite any fulfilment of the criteria related to doing no significant damage, activity related to ground handling of aircraft will not be in line with the taxonomy prior to any future implementation of zero-emission vehicles.


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GROUND HANDLING
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For Avinor, ground handling is included as part of the total services offered to airlines and is not separated out as an individual service in financial figures. Reporting on the proportion of financial KPIs covered and potentially in line with the EU taxonomy criteria will therefore lead to different assumptions and estimates. It is also estimated that the activity is of non-substantial magnitude. Avinor has therefore chosen not to report financial figures for activity 6.20 in this year's reporting. Furthermore, Avinor will monitor the development of the EU taxonomy and potential clarifications related to the activity that may affect these assessments and adjust future reporting accordingly.

Acquisition and ownership of buildings (CCM 7.7)
The criteria for significant contribution for activity 7.7 can be fulfilled in various ways, where different requirements have been formulated for buildings constructed before or after 31 December 2020. The majority of Avinor's buildings today consist of buildings from before 2020. This stipulates that the building must have EPC class A to meet the criteria. None of Avinor's airports or other property currently meet this criterion.

Alternatively to having EPC class A, buildings can meet the criteria for a significant contribution if it can be sufficiently documented that the building is among the top 15 per cent of regional or national building stock, measured in primary energy demand. There are currently no clear guidelines on how this can be measured, so Avinor will monitor the development of the criterion and make assessments of its own buildings when the measurement approach is clarified. At present, it is therefore not possible for Avinor to assess whether existing buildings meet the criteria for significant contribution or not.

For buildings constructed after 31 December 2020, the criteria for significant contribution to the activity "Construction of new buildings" (CCM 7.1) must be met. This will apply to both new and ongoing construction projects in Avinor with completion after this date.

For the activity, there is also a requirement not to cause significant damage to climate change adaptation (DNSH 2). Avinor has carried out an analysis of physical climate risk for all the airports' different geographical locations, which includes analysis of relevant physical climate risk using climate scenarios. For locations where exposure to climate risk has been identified, assessments have been made of appropriate mitigating measures, and these have been implemented or planned to be initiated if deemed necessary.

Avinor therefore considers the requirements related to DNSH 2 to be met for the company's real estate activity, but since the requirements for a significant contribution cannot be verified at present, the activity is considered to be covered, but not in line with, the taxonomy ("eligible, not aligned").

5.7.3 Compliance with minimum social requirements

Minimum social safeguards refer to social standards that must be complied with for Avinor's economic activities if they are to be considered to be in line with the EU taxonomy. This means that the business has processes that are consistent with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Human Rights, the eight basic conventions in the Declaration of Fundamental Principles and Rights at Work, and the Universal Declaration of Human Rights. Avinor's activities are carried out in accordance with minimum social requirements. See the following sections of the annual report for information about Avinor's processes and results related to:

- Human rights, labour rights, consumer rights and social rights: see chapters 5.8 and 5.9 on human rights and due diligence.
- Corruption and bribery: see section 1.4.2. Business ethics processes implemented to prevent corruption.
- Tax: All companies in the Avinor Group are obliged to conduct their tax affairs in accordance with all relevant laws, rules, regulations, reporting and disclosure requirements. For further information on the Group's tax policy, please refer to a separate discussion on www.avinor.no. See also Note 9 to Avinor's consolidated consolidated financial statements.
- Fair competition: see section 1.4.2. on business ethics

5.7.4 Measuring results

As of the time of reporting, all economic activity related to ordinary air traffic, which corresponds to a large proportion of Avinor's operations, is defined as not being covered by the taxonomy criteria and must therefore be excluded from reporting. In addition, the taxonomy's definition of operating costs means that performance measurement does not provide a representative picture of the individual economic activity according to the taxonomy criteria.

Reporting on the performance indicators turnover, capex and operating expenses (opex) are all calculated in accordance with the accounting standards used in Avinor's consolidated financial statements. With the exception of the Group's revenues from real estate operations, the economic activities covered by the EU taxonomy are not structured as individual services/products, but form part of the services offered to airlines through airport taxes. As a consequence, it has been decided not to report financial figures for activities 6.17 and 6.20 in this year's report.

<u>Turnover</u>
Income from rental of real property with fixed rental consideration is recognised in the income statement over the term of the lease. Income from rental of real property with turnover-based rental consideration is recognised in the income statement when the income has been earned. In 2023, Avinor's operating revenues amounted to NOK 11 514 million, of which 43 per cent was related to rental income from real estate activities covered by the taxonomy's activity 7.7. This turnover includes all rental income from commercial activities operating on Avinor's properties. It includes activities in the terminals, such as duty-free, restaurants and shops, and areas outside the terminals such as parking and hotels. See also Note 5 to Avinor's consolidated financial statements.

<u>Investments (capex)</u>
Capital expenditure includes access to buildings, machinery, fixtures and the like, represented by the acquisition cost for purchase, development or rent. It also includes the acquisition cost for the purchase or development of intangible assets. See also note 12 to Avinor's consolidated financial statements.

Avinor's operational follow-up and internal financial reporting are based on the operation of all airports as a common integrated service and are thus not followed up on specific activities and product deliveries. This makes it challenging to calculate capital expenditures and operating expenses for the real estate activity and is therefore based on judgement, estimates and allocation keys that do not necessarily provide complete details of the stated results under the taxonomy. Avinor will work to improve the basis for the estimates in future reports.

In 2023, Avinor's total investments were NOK 2 980 million, of which 7 per cent was estimated related to the real estate activity covered by the taxonomy's activity 7.7.

<u>Operating costs (opex)</u>
Operating expenses are defined in the same way as other operating expenses in Avinor's consolidated accounts. The taxonomy's definition of operating costs suggests that only expenses related to the maintenance and development of assets that are included in the basis of sustainable economic activities meet the criteria. The regulation requires reporting on expenses representing direct non-activable costs related to the following:

- Research and development
- Building renovation measures
- Short-term leases
- maintenance, repair and all other direct expenses related to the maintenance of buildings, machinery, fixtures and the like that are necessary to ensure that assets continue to function efficiently.

Avinor's operational follow-up and internal financial reporting are based on the operation of all airports as a common integrated service and are thus not followed up on specific activities and product deliveries. This makes it challenging to calculate capital expenditures and operating expenses for the real estate activity and is therefore based on judgment, estimates and allocation keys that do not necessarily provide complete details of the stated results under the taxonomy. Avinor will work to improve the basis for the estimates in future reports.

In 2023, Avinor's total operating expenses related to the costs covered by the regulation were NOK 984 million, of which 35 per cent was estimated related to the real estate activity covered by the taxonomy's activity 7.7.

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023

Financial year		**2023**		**Substantial contribution criteria**					
Economic Activities (1)	**Code () (2)**	**Turnover (3)**	**Proportion of Turnover, year N (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**
		MNOK	%	Y; N; N/EL () ()	Y; N; N/EL () ()	Y; N; N/EL () ()	Y; N; N/EL () ()	Y; N; N/EL () ()	Y; N; N/EL () ()
A. **TAXONOMY-ELIGIBLE ACTIVITIES**									
A.1. **Environmentally sustainable activities (Taxonomy-aligned)**									
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0 %	%	%	%	%	%	%
Of which enabling		0	0 %	%	%	%	%	%	%
Of which transitional		0	0 %	%					
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (									
				EL; N/EL ()	EL; N/EL ()	EL; N/EL ()	EL; N/EL ()	EL; N/EL ()	EL; N/EL ()
Acquisition and ownership of buildings	CCM 7.7	4 979	43 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		4 979	43 %	0 %	0 %	0 %	0 %	0 %	0 %
A. **Turnover of Taxonomy-eligible activities (A.1+A.2)**		4 979	43 %	0 %	0 %	0 %	0 %	0 %	0 %
B. **TAXONOMY-NON-ELIGIBLE ACTIVITIES**									
Turnover of Taxonomy-non-eligible activities		6 535	57 %						
TOTAL		11 514	100 %						

DNSH criteria ('Does Not Significantly Harm') ()									
Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxono-my-aligned (A.1.) or -el-igible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
							0 %		
							0 %	E	
							0 %		T
							0 %		
							0 %		
							0 %		

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023

Financial year		**2023**		**Substantial contribution criteria**					
Economic Activities (1)	**Code () (2)**	**CapEx (3)**	**Proportion of Turnover, year N (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**
		MNOK	%	Y; N; N/EL () ()	Y; N; N/EL () ()	Y; N; N/EL () ()	Y; N; N/EL () ()	Y; N; N/EL () ()	Y; N; N/EL () ()
A. **TAXONOMY-ELIGIBLE ACTIVITIES**									
A.1. **Environmentally sustainable activities (Taxonomy-aligned)**									
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0 %	%	%	%	%	%	%
Of which enabling		0	0 %	%	%	%	%	%	%
Of which transitional		0	0 %	%					
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (									
				EL; N/EL ()	EL; N/EL ()	EL; N/EL ()	EL; N/EL ()	EL; N/EL ()	EL; N/EL ()
Acquisition and ownership of buildings	CCM 7.7	223	7 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		223	7 %	7 %	0 %	0 %	0 %	0 %	0 %
A. **CapEx of Taxonomy-eligible activities (A.1+A.2)**		223	7 %	7 %	0 %	0 %	0 %	0 %	0 %
B. **TAXONOMY-NON-ELIGIBLE ACTIVITIES**									
CapEx of Taxonomy-non-eligible activities		2 757	93 %						
TOTAL		2 980	100 %						

DNSH criteria ('Does Not Significantly Harm') ()									
Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
							0 %		
							0 %	E	
							0 %		T
							0 %		
							0 %		
							0 %		

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023

Financial year		2023		Substantial contribution criteria					
Economic Activities (1)	**Code () (2)**	**OpEx (3)**	**Proportion of Turnover, year N (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**
		MNOK	%	Y; N; N/EL () ()	Y; N; N/EL () ()	Y; N; N/EL () ()	Y; N; N/EL () ()	Y; N; N/EL () ()	Y; N; N/EL () ()
A. **TAXONOMY-ELIGIBLE ACTIVITIES**									
A.1. **Environmentally sustainable activities (Taxonomy-aligned)**									
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0 %	%	%	%	%	%	%
Of which enabling		0	0 %	%	%	%	%	%	%
Of which transitional		0	0 %	%					
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (									
				EL; N/EL ()	EL; N/EL ()	EL; N/EL ()	EL; N/EL ()	EL; N/EL ()	EL; N/EL ()
Acquisition and ownership of buildings	CCM 7.7	348	35 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		348	35 %	35 %	0 %	0 %	0 %	0 %	0 %
A. **OpEx of Taxonomy eligible activities (A.1+A.2)**		348	35 %	35 %	0 %	0 %	0 %	0 %	0 %
B. **TAXONOMY-NON-ELIGIBLE ACTIVITIES**									
OpEx of Taxonomy-non-eligible activities		636	65 %						
TOTAL		984	100 %						

DNSH criteria ('Does Not Significantly Harm') ()									
Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
							0 %		
							0 %	E	
							0 %		T
							0 %		
							0 %		
							0 %		

5.8 OWN LABOUR

Employees are Avinor's most important resource. Aviation is constantly changing and Avinor must develop accordingly. The Group's goal attainment is dependent on good leadership, as well as competent and committed employees. Avinor aims to be a flexible and diverse organisation with the ability to solve complex problems across disciplines and departmental boundaries. A safe and good working environment, development to meet the needs of the future, and equal opportunities for all employees are the frameworks that we strive for.

Avinor's value platform and ethical guidelines set clear requirements for employees' behaviour both internally in the workplace and in meetings with customers, business associates and others who are affected by our business. Avinor's behavioural values - open, responsible, energetic, and customer-oriented - support this. The work is linked to UN Sustainable Development Goal 8 "Decent work and economic growth". (8.5 and 8.8).

5.8.1 Safety, commitment, and safety of employees

If Avinor is to succeed in achieving its goals and strategies, it is a prerequisite that all employees contribute to different areas and levels. The basis for this is that Avinor's employees are safe at work, have the necessary skills, training, and security to make good choices in everyday work, both for themselves and their colleagues. Avinor's long-term goal of zero injuries shall guide the way the organisation thinks and works, with great emphasis on continuous improvement. Avinor's long-term HSE work is based on the adopted strategy for the period 2023 - 2026. The overall objective of Avinor's HSE work is to prevent HSE nonconformities, personal injuries, and work-related illness. Strategic anchoring of HSE work, systematic work to reduce HSE risk, management support, clear HSE requirements and systematic follow-up of other players, as well as motivating profit and job satisfaction, are key factors in achieving this. During 2023, focus has shifted towards preventive activities, sick leave follow-up, and the working environment in a broader sense.

Activities in 2023:

Coordination of work and resources
The Group's HSE activities are carried out in Avinor AS and Avinor Air Navigation Services together, including within the organisation, management system, training, and construction of a joint HSE website. The airports are followed up closely to ensure that the most important activities in basic HSE work, such as working environment committee meetings, safety inspections, risk assessments and chemical handling, are carried out and documented in all units. Routines for carrying out prudence assessments in connection with changes to working hour changes, and the introduction of a chemical index from a new supplier through a new HSE strategy for the period 2023 - 2025 for the Group, have been implemented.

Group-wide working environment training
In 2023, several HSE training activities have been carried out. The most important activity in 2023 has been the basic course working environment, a HSE basic course for managers, safety delegates, and working environment committee members. The course is in continuous development to be relevant to the risk factors and needs observed in employees and in the organization. The course puts increased emphasis on psychosocial conditions and is valid for employees throughout the Group. This to strive for a common safety culture, where we learn, exchange experiences and build expertise from all areas of the Group.

Systematic safety work
The most important KPIs within HSE in Avinor AS are H1 value (number of lost-time injuries per million hours worked), H2 value (number of injuries with and without absence per million hours worked) and N-value (number of near misses per million hours worked).

The number of injuries remains steady throughout the year, but with an increased number of injuries in winter. Falls and slip injuries are the biggest cause of personal injuries in Avinor and for other operators at the airports. Therefore, a campaign with this as a theme was run towards all airside players at the start of the winter season. There have been no serious HSE incidents or work-related deaths in 2023, and the number of lost-time injuries is at the same level as in 2022.

The H1 value has fallen from 2.7 to 2.4 and is within the target figure (3). The H2 value has been reduced from 5.4 to 4.8 in the same period and is well within the target figure (10). The N-value has increased considerably throughout the year and was 66.3 at the end of the year compared with 27.2 the previous year. An important contribution to achieving our HSE goals is to communicate experiences and learn from unwanted incidents and near misses. Systematic efforts are therefore made to analyse and learn from undesirable incidents. Experience sharing after incidents and information about HSE work have been strengthened in 2023, for example through new appointments in the HSE department and more sharing of information on our own HSE website. Serious individual incidents are investigated in accordance with separate procedures.

Close cooperation with the safety delegate service
The safety delegate service plays an important role in HSE work. The Group has a close and good cooperation with the safety delegate service. The Group has working environment committees at various levels, both in Avinor Flysikring AS and in Avinor AS. The working environment committees are composed of an equal number of representatives from the employees and management. A chemical committee, IA committee, AKAN committee, and colleague support scheme (CISM) have been established as sub-committees to the Central Working Environment Committee - SAMU.

Compliance with working time regulations
Avinor works systematically to prevent and reduce violations of the working hour provisions in the Working Environment Act. In 2023, the Group has seen a reduction in the number of breaches compared to the previous year. Some units have had, or periodically have, operational challenges that result in breaches of working hour regulations. This is analysed and followed up closely with concrete measures.

Systematic work to reduce sickness leave
Continuous efforts are being made to keep sickness leave at a low level. In 2023, a working group was set up to investigate sickness leave in the group. The working group had several hypotheses related to the increased absence numbers in 2022 and proposed measures to reduce sickness leave. Absence due to illness in the Avinor Group at the end of 2023 was 4.6 per cent and has been relatively stable throughout the year.

Avinor is an inclusive working life (IA) enterprise and places emphasis on preventing exclusion from working life. Special arrangements are made for employees who, due to illness or other circumstances, no longer meet physical and medical requirements. Avinor has a multipartite IA committee under the Central Working Environment Committee. The tasks of the IA Committee shall support preventive follow-up of sickness leave in the Group and work to promote preventive measures in all parts of the organisation.

5.8.2 Attractive workplace with competence and learning in focus

Avinor aims to be an attractive employer, both for those who work for the company today and for those it wants to attract. Avinor strives to provide development opportunities for all employees through visible career paths and predictable performance goals. Good leadership that helps develop employees is fundamental to how Avinor works with development, at the same time as all employees are motivated to take the initiative and ownership of their own development and learning journey.

Activities in 2023:

Strategic competence
As part of the corporate strategy, a project was established in 2022, with the aim of mapping strategic competence and future needs. The main findings showed that business understanding, leadership, technology, and sustainability are important competence areas to develop further. This work has been continued in 2023 and several measures, activities and action plans have been established for strategic competence development in all divisions. Competence development has now been established as part of the performance management process in Avinor and will be reviewed in the fourth quarter each year, the first time in the fourth quarter of 2023.

Avinor focuses on leadership and employee development
Solid and powerful leadership is an important prerequisite for implementing Avinor's strategic plan. Avinor has a holistic approach to leadership development, where different measures complement and reinforce each other. All initiatives in this area are built around Avinor's leadership expectations; One that interacts, develops and creates results.

Central to Avinor's commitment to leadership development is Avinor's joint management programme, Lederkraft, which was developed and initiated in the autumn of 2023. The programme covers all (approximately 320) managers in the Group, adapted to context and management level. The goal is to build both individual and collective leadership skills. Increased business understanding and strengthened interaction across organizational boundaries constitute the main goals, together with solid everyday management.

Training of new managers as well as thematic courses in practical as well as operational leadership form the foundation of Avinor's commitment to leadership development. Avinor is committed to providing good development opportunities to the individual and developing talents who can take on new challenges in the future. The company therefore has a system for management and employee evaluation (People Review) and succession planning at the top management levels. Here, skilled employees across units are given visibility, and a picture is formed of the stock of competence as well as the future need for competence development. Good succession planning will reduce costs, risk, and time to fill and safeguard key positions.

Employee conversations and appraisals are conducted with all employees, and 1-1 conversations are held regularly throughout the year. This is important to ensure development, good and constructive feedback and good dialogue between managers and employees in Avinor. In 2023, Avinor has continued its mentoring programme aimed at first-line managers and new managers, and the programme offered to new managers in Avinor has been strengthened and further developed.

Cultural initiatives
In 2023, Avinor has carried out a project with the main objective of assessing whether Avinor's corporate culture adequately supports Avinor's strategic goals. The results from the mapping phase show, among other things, that Avinor employees generally feel ownership of the social mission. Furthermore, that there is great variation in the culture from unit to unit, and that the organization should therefore through various means become better at building a common Avinor culture. The survey documents that psychological safety and a good working environment are fundamental for well-being and efficiency. Avinor wants better interaction and a culture that prepares Avinor for the future. A cultural vision has been formulated for the Group under the heading **"How we do it here"**. Furthermore, it has been decided that Avinor's behavioural values Open, Responsible, Energetic and Customer-oriented will be retained, and that what will characterise these values even more clearly should support elements such as sustainability, diversity, internal and external cooperation – as well as Avinor's role as a host at the airports.

Compulsory competence
In 2023, a revised competence system has been introduced, which has provided a major boost for users of the system. The system provides an improved overview and control of mandatory training, as well as improved documentation. Change management and training have been a priority in connection with the transition.

Airport operations
A lot of work has also been done to develop and lift training, courses, and skills control for several roles within operational operations and management of airports. In 2023, a training program for instructors and sensors has been completed, as well as several operational roles in airside operations. The work will continue in 2024, with the goal of having updated training for all roles within these target groups by the end of the year.

Air Navigation Services
After the pandemic, we have now returned to a more normal rhythm in terms of recruitment, selection and training of air traffic controllers. In 2023, unit training was initiated for two cohorts, ten students in January and nine students in September. Four of these are certified air traffic controllers today, the rest continued their training. Eleven students were in unit training for AFIS deputies at the start of 2023, nine of whom were authorized during the summer of 2023. In September, a new cohort of eleven pupils started basic education at Værnes as the first cohort after the education was brought home to Norway and done in-house in Avinor Air Navigation Services.

Apprentices
Avinor welcomed four new apprentices in 2023, two in the Construction Operations trade at Oslo Airport, one in the IT service subject at the IT customer centre, and one in the automotive heavy vehicle trade at Stavanger Airport.

There has been a total of eight apprentices in Avinor in 2023. One IT operations apprentice passed his vocational examination in the fall of 2023. The other seven apprentices will continue into 2024.

Attracting the right expertise to the company
In 2023, Avinor has established an employer branding strategy to attract expertise that the company is unable to develop itself, and which is crucial for solving Avinor's social mission in the future. Never has it been so important to attract the right expertise - and never has it been so demanding. Avinor is therefore exploring new opportunities to attract new candidates, most recently in connection with a recruitment campaign aimed at technologists that was launched in December 2022. As part of our Employer Branding work, we have established "Summer Internship" as a strategic development activity, starting in 2024. At the turn of the year, we have signed a contract with nine students who will work together on four different projects.

Work-life balance
For Avinor, it is important that its employees have a good work-life balance. This is one of the topics in the annual employee survey and should be part of the dialogue between manager and employee. During the pandemic with mandatory remote working, our employees' digital skills increased, and new habits were formed. Many have wanted to make use of the flexibility that the opportunity to work from home provides, even after the pandemic. The main rule in Avinor is that the work must be carried out on Avinor's premises, where the employer provides the necessary equipment. By agreement with the manager, employees can work from home for part of their working hours. The manager is responsible for safeguarding the working environment, competence development, efficiency and innovation in a hybrid working day.

Employee survey (MU) and "Pulse" measurement
In 2023, a "Pulse" survey was conducted in June, as well as an employee survey in November and December. As a group, Avinor achieved strong results in MU 2023. On a scale of 1 to 5, where 5 is best, the overall score for the Commitment category is 4.4 and for Ability to Implement is 4.0. This is on par with 2022. All main indicators remain at the same level, or increase. This applies to Collaborative Climate, Development-oriented Management and Understanding of Strategy. It is particularly gratifying that Change, the category in which the group scores the lowest, is also making progress. Several of the indicators answered only by administrative staff also show progress, this applies to Development, Role Understanding and Customer Understanding.

Follow-up of the employee survey is a managerial responsibility, and employees must be involved in interpreting the survey and arriving at relevant measures. Managers, but also employees, have a responsibility to follow up agreed measures.

All managers are invited to annual webinars with training in interpreting and following up the survey. The turnout here is very high. Separate webinars are also arranged for safety delegates and employee representatives to strengthen their contribution to the MU work.

5.8.3 Diversity and inclusion make Avinor better

Avinor works actively to promote gender equality and diversity. The diversity pledges launched in 2023 are the foundation for this work. Arrangements are made to ensure that all employees at Avinor have equal opportunities to use their expertise and

background. The company sees the diversity of employees as a strategic competitive advantage.

Avinor's average age is approaching fifty years. Within ten years, just over 40 per cent of our employees may leave at retirement. This gives us good prerequisites for working purposefully on a long-term agenda for increased diversity, combined with a strategy that will ensure the right expertise.

At the end of the year there were 2870 permanent employees in the Group. The average age of permanent employees in the Group is 47.7 years. The proportion of women among permanent employees is 22.7 per cent. The number of women in leading positions in the Group has increased significantly over the past year. The development of the proportion of women is being followed up closely. Avinor's recruitment policy contains clear guidelines for promoting gender balance, from the design of job advertisements through the interview situation to the actual selection.

Activities in 2023:

Avinor works to increase diversity

Diversity means human differences, big and small. Avinor's overall ambition is for the company's employees to reflect the surrounding society, customers, and partners. This makes Avinor better able to solve challenges, increases innovation power and creates good experiences for employees, customers, and partners.

Diversity is an important strategic tool for Avinor and can be a competitive advantage both in terms of what the organization delivers, and for its ability to attract and develop employees. The fact that people are different makes Avinor and its employees better. Differences in gender, age, competence, cultural background, experience, functional ability, sexual orientation, ethnicity, and worldview give us more and better perspectives.

Avinor works actively, purposefully, and systematically to promote equality and diversity, and prevent discrimination. In addition, the company works to prevent bullying, harassment, gender-based violence and sexual harassment, with particular emphasis on awareness-raising work. All employees shall have equal opportunities in the Group and there is zero tolerance for any form of discrimination. Increased gender equality and diversity in the Group will be an instrument in the work to strengthen Avinor as an attractive workplace, able to attract and retain the employees needed by the company to succeed with the tasks of the future.

Avinor has an action plan for gender equality and diversity, which will be further developed in 2023. Avinor's diversity pledges guide this work:

We will be known for valuing human differences, large and small, as a strength for Avinor.

Everyone should have equal opportunities at Avinor, and we have zero tolerance for discrimination and differential treatment at all levels.

All employees shall contribute to an inclusive working environment that supports our values *open, responsible, energetic and customer oriented.*

All leaders should actively encourage, facilitate and be role models for diversity. We shall dare to give all employees confidence and opportunities to succeed. Through it, we make a difference for our employees and the society we are a part of.

Avinor will have employees across several generations with different skills and backgrounds. The knowledge and experience of our most experienced employees should be valued, together with the mindset and perspectives of new and young employees.

The fact that Avinor will need many new employees over the next ten years gives us good prerequisites for working purposefully on a long-term agenda for increased diversity.

Awareness-raising and commemorations
In 2023, International Women's Day, Pride, World Mental Health Day and Movember were celebrated. The celebrations highlight Avinor's values and help create awareness and good attitudes among employees. Avinor participated in the She index, a ranking of how companies' work with gender equality.

In May 2023, Avinor invited pupils from upper secondary school vocational programmes to a diversity day at Oslo Airport. The day was particularly aimed at employment opportunities for women in operational professions.

Demographics and turnover
Avinor generally has a low turnover, especially within the operational professions. In technology, and other more competitive professions, a significantly higher turnover is observed, particularly among young academics. Within these occupational groups, it is difficult to attract and retain the necessary competence. This is due to strong competition in the labour market and high expectations of employees related to total compensation, skills, and career development, among other things. Long-term and systematic efforts are therefore being made to offer this, and in this way ensure the competence needs of the future. Strategic competence mapping, including the development of competence plans for all parts of Avinor, as well as highlighting Avinor as an attractive employer, are essential in this context.

Cooperation with employee representatives
The proportion of trade unionists is high in the Avinor Group. Avinor AS and Avinor Flysikring AS have collective agreements with their respective associations. The employee representatives are important players in realising the Group's goals. In 2023, Avinor has had a constructive and good cooperation with the employee representatives, both in terms of ongoing cases, multipartite work, more extensive change processes and in the implementation of the wage settlement.

The aftermath of the pandemic remains challenging for business. The parties have worked together to safeguard good working conditions, stable operations, and cost-efficiency throughout the Group. Avinor's employees are represented on Avinor's board with three out of eight representatives. Representatives of and among the employees are also elected to the board of Avinor Flysikring AS.

Facilitation
Avinor will facilitate for people with disabilities by developing work premises with universal design and use of ICT as far as possible. Avinor shall, as far as possible, make adaptations for employees who need adaptation connected to pregnancy. Some functions at airports require physical skills, such as fire and rescue services and towers, and areas are adapted accordingly.

Harassment, sexual harassment, and gender-based violence
Avinor has zero tolerance for harassment and bullying in connection with the employment relationship. Avinor works to prevent harassment, sexual harassment, and gender-based violence through words, actions, behaviour and omission, even where there is no intention behind it.

Harassment and bullying are investigated in the annual employee survey (MU). The result for 2023 is in line with the previous year, and the Group is at a low level compared to other businesses. Compared to other companies, there is no indication that Avinor has a systematic problem with harassment and unwanted sexual attention in any part of the organisation.

Employees who answer these questions in the affirmative are referred to the whistleblowing channel. The notification routines have been made known to all employees, and active efforts are made to follow up reports that come in. However, the most important thing is to have preventive and awareness-raising work on the agenda continuously.

Gender balance
There are 2870 permanent employees in the Group at the end of 2023. Avinor AS has 2100 permanent employees, of which 452 are women and 1648 men. Air Navigation Services has 770 permanent employees, of which 200 are women and 570 are men. Over time, it has been a priority to increase the proportion of women. There is low turnover of employees in the group, and in 2023 it was 3.8%. Increase of the proportion of women through new hires is therefore a slow process. Few women trains within the dominant occupational groups in Avinor, such as airport patrol, fire and rescue, air traffic control and technical education. Avinor has an increased focus on these professions to attract more female candidates but acknowledges that this is something that must be actively worked on, and in a long-term perspective, which is reflected in the way it works with this.

The proportion of women in senior positions is somewhat higher than the overall share of women, at 26.5 per cent. The proportion of women in the Group Management is 22.2 per cent and the proportion of women on the Board of Directors is 62.5 per cent at the end of 2023. A new and smaller group management has resulted in a reduction in the proportion of women in the Group Executive Management.

There is a target for the proportion of women in senior positions up to and including level 4 to be 40% by 2028 (31.1% by the end of 2023). To achieve this goal, candidates of both genders will be proposed for succession planning.

	Avinor AS		Flysikring AS		Group	
	Women	Men	Women	Men	Women	Men
Gender balance in the enterprise F/M	21,1 %	78,9 %	26,2 %	73,8 %	22,5 %	77,5 %
Share F/M in temporary position	16,8 %	83,2 %	46,7 %	53,3 %	19,0 %	81,0 %
Share F/M part-time	33,3 %	66,7 %	46,4 %	53,6 %	37,4 %	62,6 %
Distribution F/M who have taken parental leave	27,3 %	72,7 %	35,2 %	64,8 %	31,5 %	68,5 %
Assessment of the use of involuntary part-time work (at least every year)	80,0 %	20,0 %	0,0 %	100,0 %	80,0 %	20,0 %

The table above shows the distribution of women and men in permanent or temporary full- or part-time positions. The figures include air traffic control students (Avinor Flysikring AS)).

At year-end, there were 169.4 temporary full-time equivalents in the Group. Avinor 154.4 (F 25.7/M 128.7). In air navigation 15 (F 7.0/m 8.0). Temporary positions are mostly used in connection with seasonal work, such as winter maintenance at airports.

At year-end, there were 77 employees in part-time positions in the Group. Of this, Avinor AS has 63 (F27/M36) employees and 13 (F6/M8) employees in Air Navigation Services. Part-time work is used, among other things, in connection with adaptations for employees.

Parental leave in the Avinor Group is characterised by a somewhat skewed gender balance. Women on parental leave took an average of 13.2 weeks, while men took 9.9 weeks. The total overview of parental leave in the Avinor Group shows that men take 68.5% of the total leave time, while women take 31.5%. The reason for this is that there is a significantly lower proportion of women in the Avinor Group overall. Women take proportionately more of the leave per child.

The distribution of parental leave in Avinor AS shows that women on average take 16.4 weeks, while men on average take 9.8 weeks The distribution of parental leave in Avinor Flysikring AS shows that women on average take 11.7 weeks, while men on average take 10 weeks.

Mapping of wages

Avinor will give women and men equal pay for equal work and work of equal value. There shall be transparency regarding criteria for wage regulation. Avinor does not have bonuses or other tax benefits in kind.

Avinor has collective agreements that cover all employee groups in the Group. Avinor's largest, and male-dominated, occupational groups have tariff-tested normal wages and supplements. Management and female-dominated white-collar workers generally have individually determined salaries.

In 2023, Avinor mapped wage differences between women and men at group level, without any significant differences. There was a particular focus on this when conducting salary and performance interviews in connection with the 2023 wage settlement.

Diversity in recruitment

Avinor shall have recruitment processes which are open and able to see the value of diversity. As far as possible, persons of both genders shall participate in the selection of candidates, and new measures have been taken to attract qualified candidates in terms of gender and different backgrounds. It is desirable to have diversity among the final candidates. The design of job advertisements, contracts with recruitment agencies with diversity requirements (if possible) and visibility of role models are among the measures that have been implemented. Avinor's recruitment policy contains specific guidelines to ensure objectivity in selection.

Important cooperation with Church City Mission

Avinor has had a cooperation agreement with the Church City Mission since 2013. Through the agreement, they receive an annual contribution of NOK 300,000, in addition to the Christmas gift, which this year was NOK 250,000. Avinor also holds an annual knitting workshop, where employees knit scarves and other garments for the Church City Mission, as well as an agreement on street cleaning in downtown Oslo for approximately NOK 100,000 as part of the "In work" project.

5.8.4 KEY FIGURES EMPLOYEES

Avinor group	2023	2022	2021	2020	2019
Permanent employees as at 31 December	2870	2746	2744	2858	3012
Temporary full-time equivalents as at 31 December	189	177	164	154,4	199,1
Average age of permanent employees	47,7	47,6	47,5	47,2	46,8
Total turnover	3,9 %	4,7 %	4,4 %	5,3 %	4,6 %
Proportion of women	22,7 %	22,1 %	21,4 %	21,8 %	22,6 %
Percentage of women in managerial positions	26,5 %	25,5 %	25,0 %	22,8 %	21,2 %
Percentage of women in Group Management	22,2 %	22,2 %	36,0 %	33,3 %	41,7 %
Percentage of women on the Group's Board of Directors	62,5 %	50,0 %	50,0 %	50,0 %	50,0 %
Company gender balance	22,7 % women/ 77,3 % men	22,1 % women/ 77,9 % men	21,4 % women/ 78,6 % men	22,3 % women/ 77,7 % men	
Share of women and men in part-time positions	33 women/ 44 men 42,9 % women/ 57,1 % men	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	13,2	25,2	21	22	
Average number of weeks of parental leave taken by men	9,9	11,8	8,4	12	
Absence due to illness – Group	4,6 %	5,4 %	4,7 %	4,7 %	
Absence due to illness – Avinor Air Navigation Services	N/A	5,3 %	4,5 %	4,0 %	
Absence due to illness – Avinor	4,6 %	5,5 %	4,9 %	5,0 %	
Distribution of women/men recruited	64 women/ 101 men	36 women/ 82 men	31 women/ 110 men	8 women/ 27 men	
H1 value	2,4	2,7	2,3		
Avinor as an attractive company (scale 1–5)	4,2	4,2	4		

Avinor group, age distribution	<30	30–50	> 50
Number of permanent employees. excluding trainee air traffic controllers	150	1459	1261
Board of Directors	0,0 %	25,0 %	75,0 %
Executive management	0,0 %	11,1 %	88,9 %
Permanent employees	5,2 %	50,9 %	43,9 %
Total staff turnover broken down by age	9,5 %	35,5 %	60,0 %
Number of employees who left the Group	5	39	66
Staff turnover by age group	3,3 %	3,7 %	5,2 %
Turnover broken down by age	0,17 %	1,36 %	2,3 %

5.9 DISCLOSURE ACCORDING TO THE TRANSPARENCY ACT

5.9.1 Responsible business

Avinor has high standards on ethics, social responsibility and responsible business conduct in its own operations, and towards suppliers and business partners.

The UN's Sustainable Development Goals are the world's joint action plan for sustainable development. Avinor follows the OECD's guidelines for responsible business and the ten principles of the UN's Global Compact in its work with sustainability. These are again based on the UN's Declaration of Human Rights, the ILO's conventions on fundamental rights in working life, the Rio Declaration and the UN's Convention against Corruption.

The ambition is supported through memberships in Ethical Trade Norway, Transparency International Norway and the UN Global Compact. Joining the UN Global Compact means that Avinor, as a responsible company, will do its best to run its business in line with the ten principles in the areas of human rights, working life standards, the environment and anti-corruption. In line with international frameworks and national legislation, Avinor must work actively with due diligence assessments for sustainable business practices. Due diligence assessments are a risk-based approach to respecting and looking after people, animals, society and the environment in our own business and in the supply chain.

Avinor's operations and market risk

Avinor's income comes from airport services to airlines, air traffic control services to the private and public sector and leasing of property as well as grants from the Norwegian state budget. Avinor also has some cooperation with public institutions such as the Norwegian Armed Forces and the Police, primarily services related to property areas that are used or renting out.

Avinor's service offer summarized consists of:

- Aviation security services
- Air traffic services
- Leasing of property areas at airports
- Airport infrastructure and service offering for airlines and travelers

The greatest risk for violations of human rights and working conditions is likely to be found related to the operations of airports. The operation consists of development and maintenance, including purchase of goods from the building- and construction industry, maintenance of property and vehicles, to security control services and cleaning. In the construction industry there are known risks of labor violations in Norway, but also in the value chain as goods are often manufactured, and raw materials such as wood, steel, metal and conflict minerals often come from countries where human rights violations are widespread. The same applies to technology products and hardware, but also to a greater extent within development of software. Avinor's operations have both potential and significant risks of negative impact in large parts of the company's activities, and especially in the operation of airports. Based on thorough mapping of the supply chain in 2022 and further work in 2023, the risk is primarily related to the value chains of goods that are procured. In 2023, the priority has been to conduct more thorough due diligence assessments of suppliers in the public procurement areas of construction, IT, cleaning and vehicle fleet as it is within these industries that the risk is assumed to be the greatest. The risk assessment is based on the severity of adverse impact within the industry, the likelihood, Avinor's possibility of impact and the possibility of remediation. The assessment is based on recognized sources, previously identified conditions with suppliers, and known insight into value chains for goods and services. How Avinor works with due diligence assessments is described in more detail below.

Governance and standards

Avinor has for several years worked with responsible business conduct. Since 2022 the group has worked systematically to better meet the requirements of The Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act) and the OECD framework. In 2023, Avinor's policy for ethics and social responsibility has been revised and updated. In addition, the company's guidelines and procedures and agreement on accountability, which all suppliers and business partners must adhere to, have also been updated. Avinor has a comprehensive management system with procedural descriptions for all functions in the group. The work with due diligence assessments is incorporated into the company's internal management system to ensure the implementation of due diligence assessments in all relevant functions in the group.

The Transparency Act and dilemmas relating in particular to the procurement of risk products have been subject of annual dilemma training with the board and management team. The board and management team have approved updated governing documents. Avinor's policy, ethical guidelines and supplier code of conduct are available on the company's website: https://avinor.no/konsern/klima/sosial-barekraft/menneskerettigheter

Grievance mechanisms and mitigation measures

Complaint reporting is an important tool for obtaining information about circumstances where Avinor has an impact on the environment, individuals, or groups. The complaints may pertain to incidents experienced by individuals at Avinor's airports or social and environmental issues. Avinor has implemented various complaint mechanisms, depending on the stakeholder group and the nature of the circumstances, whether the conditions are known or unknown. For instance, a dedicated email address for complaints regarding PFAS has been established on avinor.no.

A general complaint form is publicly accessible on avinor.no. Similarly, the reporting channel allows both employees and external parties to report concerns about objectionable conditions, including the option to remain anonymous through an external party.

In cases where Avinor is found to have caused or contributed to a negative impact on human rights, the company will collaborate and provide access to, and/or facilitate remediation.

Organization and responsibilities

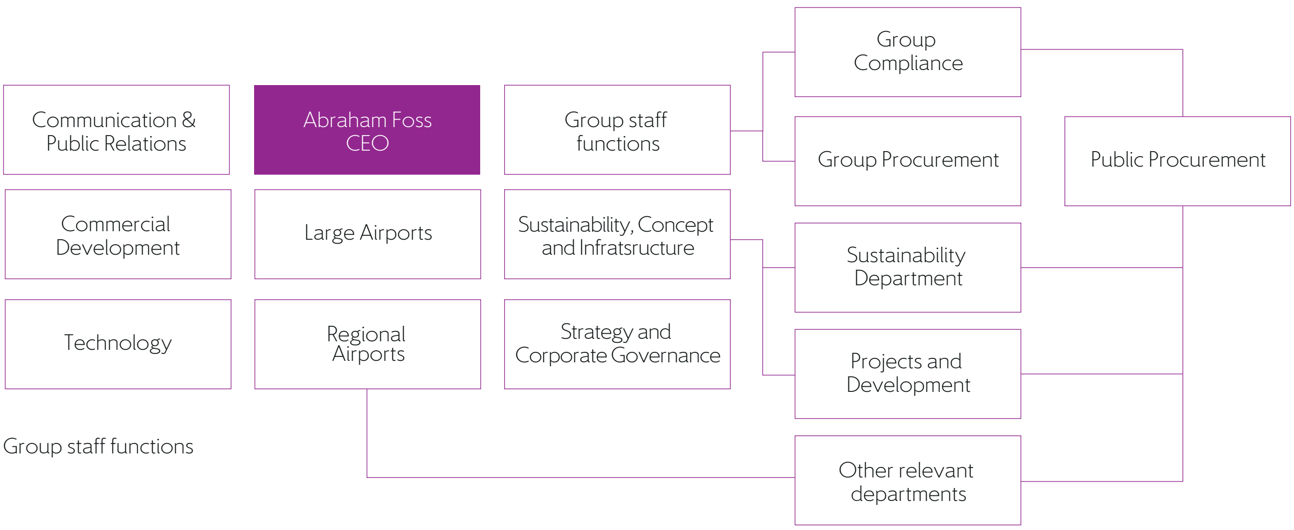
The Avinor group consists of the parent company Avinor AS and the three subsidiaries Avinor Flysikring AS, Avinor Utvikling AS and Svalbard Lufthavn AS. Avinor employs approximately 2,800 people who collectively operate and own 43 airports throughout the country.

The group is organized in a matrix structure, with responsibilities distributed among various group entities. The group staff functions are designed to support operations in the most effective and efficient manner. The Sustainability Department is responsible for environmental and climate matters, while the Group Compliance is responsible for the company's corporate social responsibility, including ethics and responsible business conduct. The reporting responsibility for environmental, climate, social responsibility, and transparency is consolidated under the Group Chief Accountant in the Strategy and Corporate Governance group staff.

Departments and functions with special responsibility
All functions and departments/units within the group have a responsibility to conduct due diligence assessments. Additionally, the work is structured in a way that certain departments and functions have specific responsibilities. This is to ensure that due diligence assessments are conducted and followed up in accordance with established procedures. The Group Compliance is responsible for ethics and social sustainability. The department is responsible for developing policies, guidelines and procedures, monitoring risks within the company and the supply chain, and providing expertise and knowledge in ethics in procurement and contract management. The Sustainability Department is responsible for climate and environmental matters. The department develops policies, guidelines, and procedures and is involved in various projects and procurements within the group, setting standards and requirements in the areas of climate and environment.

The Project and Development Department is responsible for major development and maintenance projects. The department plays a crucial role in due diligence assessments as it is responsible for addressing labor exploitation and compliance issues. Avinor has identified the construction sector as an area with a high potential risk of violations and negative impacts on people, society, and the environment. The department leads and oversees projects and suppliers within this sector.

The Public Procurement Department is responsible for conducting procurements and entering contracts with suppliers, including requirements for supplier follow-up. The contracts are managed by contract managers in the respective departments. The Public Procurement Department is responsible for ensuring that ethical and social sustainability risks are addressed in procurement strategies. Category managers and portfolio managers have received training in ethical trade and due diligence assessments. They are responsible for continuously assessing and updating risks within their respective areas of responsibility. The Public Procurement Department plays a crucial role in identifying risks in the existing supply chain and risks associated with new suppliers in procurement processes, as well as reducing risks through requirements for products and services and contract management.

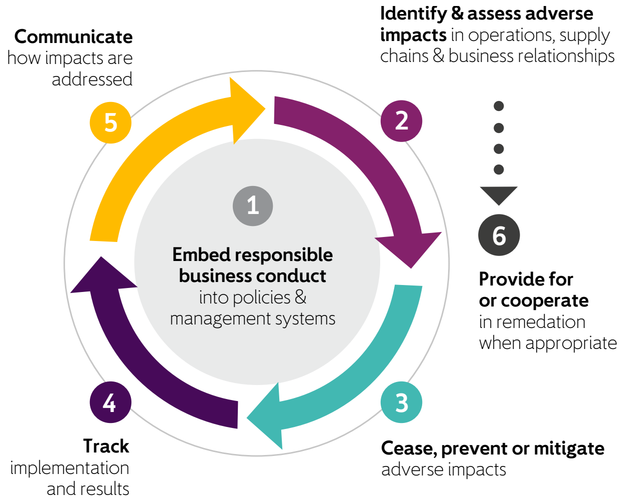


Group staff functions

5.9.2 Avinor's work with Due Diligence

Avinor conducts due diligence assessments in accordance with the OECD Guidelines for Responsible Business Conduct to identify, assess, cease, prevent and mitigate violations of human rights and labor conditions. The methodology of the due diligence wheel is implemented in internal procedure descriptions and risk assessments. Avinor adopts a risk-based approach to due diligence assessments and prioritizes areas with the most severe risks and potential for influence. As a major purchaser with long-term framework agreements with numerous suppliers, Avinor is often in a favorable position to address issues in the supply chain through collaboration with partners and suppliers.

Matters related to social conditions within our own organization are also addressed in our GRI report. The table below presents key figures for our efforts on fundamental human rights and decent working conditions.



KPIs for Responsible business conduct	
Embed responsible business conduct and training	**Numbers/%**
Training board and managment team	100 %
Training empolyees (e-learning)	2600
Training funtions with special responisibilty	60
Own Business and Employees	
Hms avvik (ansatte)	
H1 (Number of injuries causing absence per million hours worked)	2,4
H2 (Number of injuries causing absence and not causing absence per million hours worked)	4,8
N (number of near misses per million hours worked)	66,3
Share Women Group Managment Team	22,20 %
Share Women managerial positions	26,50 %
Share Women Group	22,70 %
Personal data breache	1
Supply Chain	
Suppliers	1226
Contracts	572
Suppliers non-Norwegian	13
Suppliers/contracts risk-assessed	64
Contracts with potential risk of adverse impact on human and working rights	28
Suppliers with breaches on labor crime standards	12
Whistleblowing to The Norwegian Labour Inspection Authority	1
Suppliers with breaches on Etichal guidlines and supplier code of conduct	0
Suppliers with improvement claims	13
Resignation of contract	0
Whistleblowing & requests for information	
Information requests (Transparency Act)	0
Recieved Alerts	174
Recieved Alerts External whistleblowing	1

5.9.3 Own business and employees

Avinor is subject to the Working Environment Act, various collective agreements between labor parties, the duty to report and account for activities, and has several policies implemented in the group to ensure compliance with Norwegian law and regulations. The risk associated with safeguarding the human rights and labor rights of our own employees is considered low. It is well regulated, and systematic and continuous efforts are made to ensure decent working conditions within the company. The majority of Avinor's employees are affiliated with a labor union, and employees are represented on the boards of Avinor AS and Avinor Flysikring AS. Avinor also has a well-functioning employee representation function that participates in relevant forums.

In Chapter 5.8 "Own Workforce," you can read more about Avinor's work with its own employees, safety, occupational health and safety, deviations, diversity, and how the company ensures employees' competence and development of knowledge among employees.

5.9.4 Supply chain and business partners

Requirements for suppliers and value chain

Common requirements for all procurements are that appropriate sustainability requirements should be included in the procurement strategy, and that all contracting parties should sign Avinor's ethical guidelines for suppliers as part of the contract terms. These contract terms, along with the associated principles, demand compliance with human rights, labor standards, occupational health and safety, environmental practices, and responsible business conduct. The requirements should be reflected throughout the value chain, and Avinor has the right to review and potentially cancel any agreements with suppliers in case of non-compliance with the contract terms. Additionally, there are requirements for compliance with Avinor's provisions for responsible business conduct in the construction and cleaning sectors. On avinor.no, we describe our work on responsibility and combating labor exploitation: https://avinor.no/en/group/climate/social-sustainability/human-rights-rights

Combating work-related crime in the construction industry
One of Avinor's largest procurement areas is construction, and the company is particularly focused on ensuring serious business conduct within this sector. Avinor utilizes the HMSREG tool to monitor compliance with laws, regulations, and provisions for serious business conduct, to have control over suppliers and their personnel, and to counteract labor exploitation and social dumping. Furthermore, suppliers are required to use StartBANK (or equivalent system) to ensure serious business conduct. Regular inspections are conducted based on a risk-based selection. Avinor has two Norwegian Confederation of Trade Unions (LO) coordinators who, among other tasks, conduct proactive activities on the company's construction projects to ensure compliance with Norwegian wage- and labor conditions. The LO coordinators operate independently of Avinor to safeguard the rights of workers. The LO coordinator receives tips and identifies undesirable conditions and serves as a reporting channel.

Avinor's contracts with contractors require that the contracting party and subcontractors contribute to a serious work environment, including compliance with the Working Environment Act, regulations on wages and working conditions in public contracts, and tax and duty legislation. For example, Avinor has legally mandated occupational health and safety boards on construction sites, providing information to workers about their employee rights in various languages.

Development and execution labor crime requirements
A competence center has been established, employing, among others, a Head of Integrity and work-related crime. The competence center's main task is to ensure that Avinor has a management system that describes best practices for the development and implementation of construction projects, as well as providing support tools that support standardization, compliance, efficient project implementation, and provide good management information for both individual projects and the overall portfolio. Furthermore, the competence center assists with the development and implementation of competence measures and knowledge sharing, provides operational support to individual projects, and offers management support in the form of conformity assessments, control measures, quality assurance, audits, investigations, and more. The larger development projects have dedicated resources that follow up on labor crime related requirements. In smaller projects, it is often the project manager who is responsible.

Description of the supply chain and public procurement
Avinor's scope of operations has a broad impact and involves suppliers and affiliated public procurements in various areas. Avinor's procurement is structured according to procurement categories with associated procurement portfolios. The categories are led by a category manager with a procurement officer assigned to each portfolio. The organization aims to ensure expertise in procurement categories and contract performance on associated contract areas, and corresponding contracts.

In 2023, Avinor implemented and improved procedures for risk assessments and contract monitoring of sustainability in new procurements and contract agreements. In all new procurements, risks and the likelihood of negative impacts on human rights and working conditions should be described in the procurement strategy and guide the requirements in the competition, as well as contract monitoring. Strategies are being developed for each procurement category that also include risks related to sustainability and human rights.

Identify adverse impact in the supply chain

Avinor conducts annual comprehensive risk analyses of environmental, social, and ethical impacts in the company's procurement plans and existing supplier chain. The overall risk assessment is based on the Directorate for Administration and Financial Management's (DFØ) high-risk list and knowledge regarding risks associated with services and products included in Avinor's procurement categories. If the product category is not listed on DFØ's high-risk list, other sources such as the Global Rights Index, the US Department of Labor's list of goods produced by child labor or forced labor, and the ITUC's overview of workers' rights in different countries are also checked. If the contract area is covered by regulations on wages and working conditions in public contracts and general applicability regulations, it will generally be considered a high-risk category.

In 2022, all of Avinor's procurement categories were reviewed, and potential negative risks within the categories based on typical services and product purchases within the procurement area were identified. Construction, technology, and services procured for the operation, maintenance, and security of Avinor's airports are the company's largest procurement areas in terms of amount and volume. Within these categories, there are also services and products that, based on the sources, may pose a potential risk of human rights violations and labor conditions breaches.

In 2023, Avinor conducted surveys of several suppliers in different procurement categories, as well as suppliers that provide products that may pose a potential risk of negative impact and violations of human rights and labor conditions. Furthermore, the suppliers' due diligence work in the areas of: construction, IT & technology, cleaning, professional services, and vehicle fleet has been mapped and assessed.

This has provided some overview of the risks associated with Avinor's direct suppliers, which are mainly Norwegian-registered companies, but the company has less visibility into the further supplier chain. Subcontractors to Avinor's suppliers are usually established in Europe or the USA. Through the mapping process, it is perceived that access to information about significant risks in suppliers' value chains is somewhat challenging:

- It is a challenge that Avinor and its suppliers do not have sufficient information about the value chains of products. Avinor aims to improve this and continuously works with high-risk suppliers to gain better visibility into their supplier chains.
- Avinor's suppliers largely have their own ethical guidelines and ethical requirements for suppliers in place, but the company finds that due diligence work in several industries is still immature, and several suppliers lack visibility and follow-up on risks in their own supplier chains.
- Gathering information is time-consuming due to limited insight, expertise, and resources among suppliers.

Prioritized and significant areas of risk
The tables below summarize Avinor's work on due diligence assessments and associated measures to prevent adverse impact. The due diligence assessments are based on procurement areas, including products, and services where significant and/or potential risks of human rights violations and labor conditions breaches have been identified. Avinor is likely not directly linked to the negative consequence, but indirectly, the company may contribute to or cause harm through a supplier, subcontractor, or business partners. The procurement areas prioritized in the due diligence assessments have long and complex supply chains where it is known that input factors such as timber, steel, cobalt, and other electronics pose a high risk of violation on human rights and working conditions.

Construction Industry

Services/Products/Areas	Risks	Geography	Ongoing Due Dilligence assesments and measures
Solar Panels Electrical products Building materials (wood, steel, metal)	Forced Labor Trade Union organization Discrimination Brutal treatment HSE Wage and working time regulations Regular epmpleyment Marginalized populations befolkningsgrupper Corruption	China Global	Gathered information and conducted assessments of suppliers' due diligence practices. Follow-up measures with suppliers whose due diligence assessments are not deemed satisfactory or findings that pose a potential risk. Collaborating with other public entities in the Sustainability 17 network, led by Ethical Trade Norway, on due diligence assessments of services and products within the Construction and Building sector. The main focus in 2023 has been on solar panels and electrical products. Follow-up of the wholesale sector in the Construction and Building industry in 2024 in collaboration with EBA (Norwegian Contractors Association) and Ethical Trade Norway. Developed an action plan for measures within construction projects. The measures include market dialogue and increased requirements, enhanced contract monitoring, and random checks of suppliers. Implemented a new procedure for assessing ethical qualification requirements in procurement. Implemented new requirements and procedures for contract monitoring, including ethics and social responsibility, including training programs for all employees with contract monitoring responsibilities in their job descriptions.
Work- related Crime Renhold	Wage and working time regulations HSE Adecuate rest	Norway	Improvements in routines and system for monitoring subcontractors Increased requirements for the use of HMSREG for all suppliers are being considered. The work on seriousness and labor market crime underwent a revision in 2023 for further improvement of current routines and procedures. A new pilot project with the anti-crime center in Nordland to uncover violations of working time regulations is under consideration for larger construction projects in the region.

IT &Technology

Services/Products/Areas	Risks	Geography	Ongoing Due Dilligence assesments and measures
PC, mobil, screens and other hardware Camera og sensors Cables Software	Forced Labor Trade Union organization Discrimination Brutal treatment HSE Wage and working time regulations Regular epmpleyment Marginalized populations befolkningsgrupper Corruption	Global Asia China USA	Gathered information and conducted assessments of suppliers' due diligence practices. Follow-up measures with suppliers whose due diligence assessments are not deemed satisfactory or findings that pose a potential risk. Action plans for selected suppliers and their value chains in 2024. Action plans for foreign suppliers in the USA and Europe who do not provide disclosures in line with the requirements of the Transparency Act. Implemented a new procedure for assessing ethical qualification requirements in procurement, including certifications. Implemented new requirements and procedures for contract monitoring, including ethics and social responsibility, including training programs for all employees with contract monitoring responsibilities in their job descriptions.
IT services (profesional services)	Wage and working time regulations HSE Adecuate rest	Global Africa	In connection with a new supplier for a major strategic contract in IT services, background checks were conducted on the supplier and measures were implemented in contract discussions to uncover and ensure that the supplier does not use subcontractors with risks of human rights violations and labor conditions breaches. The risk is associated with increased use of workers in high-risk countries for the development of AI and other software.

Airport Operations/Vehicle fleet

Services/Products/Areas	Risks	Geography	Ongoing Due Dilligence assesments and measures
Electrichal Vehicles EV-Bus EV-Cars EV batteries	Forced Labor Trade Union organization Discrimination Brutal treatment HSE Wage and working time regulations Regular epmpleyment Marginalized populations befolkningsgrupper Corruption	Global Asia China	In connection with a major internal initiative to electrify the vehicle fleet (climate and environmental measures), we have initiated work to identify risks related to products, manufacturing, raw materials, country risks, and value chains among potential suppliers. The purpose is to develop a strategy for how social responsibility will be addressed in future procurements and supply chains, as well as implementing measures to reduce the risk of negative impact on people, communities, and the environment.

Actual adverse impact and remediation

The tables below summarize the actual negative impact and breaches identified in the supplier chain and Avinor's own operations in 2023. No actual adverse impact or severe breaches of human rights and labor conditions have been identified in the supplier chain during 2023, except for issues related to work-related crime. Avinor acknowledges that the company most likely has not been able to identify or be aware of other issues in the value chain and strives to both reduce and uncover significant negative impact in areas where the likelihood is high.

Supply Chain and Business Partners

Adverse impact	Affected	Mitigation and remediation	Communication
Work-related crime	Workers in Value Chain	Through inspections, 12 breaches of work-related crime requirements were uncovered, primarily related to working hours, wage conditions, and adequate rest. The issues are under audit and monitoring, and have been rectified. No contracts have been canceled.	The ongoing work is communicated on our website and in our annual and sustainability reports, and is continuously updated
Production of Freia products in Russia	Consumers & end users	In connection with the Ukraine war and the boycott of Freia products manufactured in Russia in June 2023. Media and peoples reaction towards Freia was addressed through dialogue with our tenant and business partner.	

Own Business

Adverse impact	Affected	Mitigation and remediation	Communication
PFAS/PFOS	Contamination of soil and drinking water	At several airports, significant efforts are underway to clean up PFAS-contaminated soil resulting from the previous use of firefighting foam.	
Nois pollution from aircraft and helicopters	Noise pollution affecting residents in nearby areas areas	Airplane and helicopter noise negatively affect local residents and those living near Avinor's airports. Noise is also included in the EU taxonomy, and Avinor follows EU directives, reports, and continuously implements measures to reduce and improve noise pollution.	The ongoing work is communicated on our website and in our annual and sustainability reports, and is continuously updated.
Reindeer grazing Mo i Rana	Marginalized population	The land allocated for the new airport in Mo i Rana has been traditional grazing land for the indigenous Sami population. Plans have been developed to address the damage to the reindeer herding district, including compensation, new grazing areas, and the development of new infrastructure	Avinor maintains close dialogue with the affected reindeer herding district and the municipality.


Avgang Depart

6. Risk factors

In the chapter, the risks considered most significant are presented first.

6.1 RISKS RELATED TO TRAFFIC VOLUME

Avinor's revenues are exposed to changes in air traffic and loss of existing customers. Traffic revenues may be reduced as a result of a decline in flights, passengers or other factors beyond the Group's control. Avinor derives traffic revenues from aviation charges based on the number of passengers, maximum total weight of the aircraft and the travel distance of the aircraft. There are no specific operating contracts with the airlines operating at Avinor's airports. Therefore, no assurance can be given about the level of future traffic revenues from one or more airlines.

Decisions of, litigation with, financial difficulties or failures of a significant airline customer, or withdrawal of their landing permits may result in a reduction in flights and passenger numbers and/or inability to collect aviation fees. The effect of decisions or incidents by airlines that have a significant presence at Avinor's airports may have a significant negative impact on traffic revenues for Avinor.

A high degree of fixed capacity costs and regulated staffing levels make Avinor's earnings and financial position vulnerable to changes in air traffic volumes.

The number of passengers using the airports may be affected by several other factors, including:

- Terror, pandemics, epidemics, volcanic eruptions, extreme weather and similar events of great consequence for operational production or demand for air transport
- Regulatory changes, including travel restrictions, imposed by the Norwegian or other governments
- Changes in demand for air transport
- Decisions by airlines regarding the number, type and capacity of aircraft, as well as the routes on which particular aircraft are utilised
- Macroeconomic events (including changes in fuel prices and currency exchange rates) whether affecting the global economy or the Norwegian economy
- Competition from non-Avinor Norwegian airports or non-Norwegian airports
- Wars, riots or political action
- Industrial action
- Health scares
- Bad weather at the Group's airports or other airports
- Changes in domestic or international regulation, including for instance international trade liberalisation developments such as Open Skies
- The quality of services and facilities, including the impact of construction projects
- The development of efficient and viable alternatives to air travel, including the improvement or expansion of existing surface transport systems, the introduction of new transport links or technology and the increased use of communications technology

Furthermore, a decline in passenger numbers or other factors outside the Group's control could reduce nontraffic income. The Group's principal sources of non-traffic income include retail concession fees, car parking income, property rental income and income from the provision of operational facilities and utilities.

Retail concession fees are driven by passenger numbers and propensity of passengers to spend in the shops at the airports. Levels of retail income at the airports may also be affected by changes in the mix of long and short-haul and transfer, origin and destination passengers; economic factors, including exchange rates and changes in duty free regimes; retail tenant failures; lower retail yields on lease re-negotiations; redevelopments or reconfiguration of retail facilities at the airports, which can lead to a temporary or permanent decline in retail concession fees; reduced competitiveness of the airport retail offering; stricter hand luggage and other carry on restrictions; and reduced shopping time as a result of more rigorous and time consuming security procedures. Car parking income could be reduced as a result of increased competition from other modes of transport to the airports, such as buses and trains, as well as increased competition from off-site car parks and targets set for public transport shares. Other non-traffic income could be reduced as a result of a decrease in demand from airport users, such as car rental operators and airlines leasing check-in counters.

Duty free shopping for tobacco and alcohol in Avinor's airports is subject to specific quotas on volumes per passenger, as set out in Norwegian law. Duty free shopping in Avinor's airports is based on primarily turnover based lease agreements between third party tenants and Avinor, and changes in these quotas in the future may negatively impact Avinor's commercial income.

Any of the foregoing factors could have a material adverse effect on the Group's business, financial condition and results of operations, and therefore affect the ability of the Issuer to fulfil its obligations.

6.2 RISKS REGARDING INTERNATIONAL AND NATIONAL MEASURES TO REDUCE CLIMATE CHANGES

Climate risks are traditionally divided into physical risks and transition risks. Physical risks are associated with the direct consequences of climate change, such as higher temperatures and more extreme weather. Transition risks are related to society's adaptations to climate change, such as new laws and regulations, new technologies, and changing demand from investors and consumers.

If not properly planned for, physical risks can affect punctuality and regularity, as well as increase future operating costs and investments. Transition risks can include national and international political interference and consumer preferences, thus impacting the demand for air travel.

Any of the mentioned risks can have a negative impact on the Group's operations and finances.

6.3 RISKS RELATED TO INVESTMENT ACTIVITIES

The Group runs on-going investment programs to update, renew and maintain airport infrastructure and other assets. The ability to manage these investment programs within set time and cost frames is vital for its profitability. Inherent project risk and changes in financing regimes and political trends, may affect the liability of these investments and, as a result, the financial condition of the Group. Due to the COVID-19 pandemic in 2020 and 2021, Avinor postponed certain investment activities, which caused a back log of required maintenance of assets and other investment activities to be prioritised ahead of potential new investment opportunities for the coming years.

On a general basis there are technical, economic and regulatory risks associated with all air navigation projects, and the failure to successfully implement such projects could have a material adverse effect on the Group's business and results of operations, and therefore affect Avinor's ability to fulfil its obligations.

6.4 CREDIT RISK

The Group's credit risks are mainly connected to airlines and air traffic-related industries. To the extent such customers cannot fulfil their obligations to the Group, this could have a material adverse effect on the Group's business, financial condition and results of operations.

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 amounts of the financial assets, including derivatives in Avinor's balance sheet. Avinor's policy is that counterparties in financial contracts, including derivative transactions should have a minimum credit rating of BBB+ or similar, so the perceived credit risk is limited. On this basis, Avinor considers the credit risk connected to derivatives on its balance sheet as small. The Group's assessment is that its maximum credit exposure is illustrated by the carried amounts of trade receivables and other short-term assets. A failure by Avinor to effectively manage its credit risks could have a material adverse effect on the Group's finances and therefore affect Avinor's ability to fulfil its obligations.

6.5 FINANCIAL MARKET RISKS

6.5.1 Foreign exchange risk

The Group is exposed to foreign exchange risk with respect to the value of NOK against other currencies caused by income and expenses in foreign currency. The Group's income from en-route charges is exposed to foreign exchange risk while some contractual payments are stipulated in foreign currencies. A failure by Avinor to effectively manage its foreign exchange risk could have a material adverse effect on the Group's finances and therefore affect Avinor's ability to fulfil its obligations.

6.5.2 Interest rate risk

The Group is exposed to interest rate risk through its financial activities. Parts of the Group's borrowings are issued at floating interest rates, which means that the Group's finance cost is influenced by changes in the interest rates. The objective of the Group's interest rate risk management is to keep the volatility of future interest costs within acceptable limits. The Group's policy is to hedge the interest rate of all long-term loans such that at least 60 per cent. of its total debt at all times is hedged for at least 12 months. A failure by Avinor to effectively manage its interest rate risk could have a material adverse effect on the Group's finances and therefore affect Avinor's ability to fulfil its obligations.

6.5.3 Liquidity and funding risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when they are due. Avinor depends on the availability of funding and credit to finance future development plans and projects and/or to refinance existing facilities and debt. No assurance can be given that the capital markets and/or syndication markets in which banks operate will be accessible and able to provide debt financing in such amounts and on such terms as may be required at the relevant time.

A failure by Avinor to effectively manage its liquidity and funding risks could result in Avinor not being able to meet its financial obligations when they fall due, and therefore have a material adverse effect on the Group's finances.

6.5.4 Power price risk

The Group is a consumer of electrical power, and its financial performance is hence exposed to the power price. In order to mitigate power price risk, the Group has entered into bilateral physical power contracts with the Norwegian state-owned renewable energy producer Statkraft Energi AS. Statkraft Energi AS has a credit rating of A (stable outlook) by Standard and Poor's as of July 2023 and A- (stable outlook) by Fitch as of January 2023. Approximately 100 per cent of the Group's anticipated power consumption for 2024 is covered by such contracts as well as some of the consumption for the years 2025 - 2028. Anticipated consumption in 2024 is approximately 225 GwH.

6.5.5 Inflation risk

The Norwegian economy has, in 2022 and the first half of 2023, been characterised by rising and accelerating inflation, however with decelerating inflation growth after June 2023. Measured by the Consumer Price Index, the year-on-year increase in Norway was 4.7 per cent as of January 2024. To address inflationary pressures, global central banks have had to accelerate monetary policy normalisation and tighten financial conditions.

The Group is reliant on its ability and capacity to complete on-going projects on time and at cost and within the defined quality requirements. Inflation in the building and construction industry, and other business-critical service areas, may hamper the Group's ability to complete projects according to plan and budget, which could have a material adverse effect on the Group's business and results of operations, and therefore affect the ability of the Issuer to fulfil its obligations.

General costs, non-project related, such as salaries are also impacted negatively by rising inflation. Avinor's ability to increase revenues from customers accordingly is limited because airline charges are set by the Ministry of Transport (the MT) independently of the development in inflation.

Rising inflation and increases in interest rate globally leads to diminishing purchase power for consumers which may cause a further reduction in travelling volumes as there is a risk that consumers will not prioritise leisure travels. Businesses may also cut back on travel activities due to rising inflation and a rising cost base.

6.6 REGULATORY RISK

The business framework within which Avinor operates is influenced by political decisions and potential changes in applicable regulatory framework, including tax regulations, aviation charges regulation, changes in security and safety regulations, as well as general conditions and regulations applicable to the aviation industry at large in the Norwegian market and the ongoing politically led process of strengthening Avinor's financial results through potential changes in regulations regarding income, scope of services, asset-base and the overall financing model of Avinor. These factors may influence the Group's production capacity, revenue or profits.

Several regulatory issues may in general have an impact on the Group's financial position, including:
- Changes in sectoral policy guidelines and social obligations
- Changes in regulatory requirements relating to safety, security, aviation charges, environment and information and communications technology
- Changes in current requirements concerning airport structure, service and quality level
- Changes in framework conditions relating to continued commercial business development
- Changes in the framework conditions relating to duty free sales

Any of these factors could have a material adverse effect on the Group's business, financial condition and results of operations, and therefore affect Avinor's ability to meet its obligations.

6.7 ENVIRONMENTAL RISK

Aviation affects both the local and the global environment. The environmental impact of the airport business relates primarily to aircraft noise; local air-, water- and ground pollution; and aircraft emissions that may have an impact on the global climate.

The Group is subject to several environmental laws, regulations, environmental expectations and reporting requirements, which are changing and evolving over time. Most significantly, individual environmental permits are granted for all of Avinor's 43 airports, in accordance with the Pollution Control Act. These regulate matters such as discharges of de-icing chemicals, firefighting foams and risk assessments at the airport. With regards to aircraft noise, the Oslo Airport is subject to specific regulation, whereas the other airports are regulated by the general noise requirements under the Pollution Control Act. The Group is also subject to legislation which regulates, amongst other things, biodiversity and cultural heritage. However, lack of compliance with the relevant regulations may result in withdrawal of permits which are required to keep airports open and a consequent reduction in income, which will have an impact on the Group's business and results of operations and therefore affect Avinor's ability to meet its obligations.

6.7.1 PFAS

PFAS are fluorine organic compounds that were previously added to fire foam, and which have spread to the ground at the airports where such foams were used and 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.

The total cost for these activities is uncertain but expected to be significant, however subject to choice of technology. The provision related to external environment clean-up will be updated in future accounting periods when more information is available. Avinor has an ongoing dialogue with the Norwegian Environment Agency on the topic.

6.8 STATE OWNERSHIP

Political and economic policies of the Norwegian state could affect the Group's business and financial position, and therefore affect Avinor's ability to meet its obligations. Political processes can influence decisions related to the further development of Avinor's commercial and financial interests, including decisions regarding dividend policies and/or strategies for the development and operation of airports and aviation services.

The consideration by the MT to separate the ownership of the Avinor owned subsidiary, Avinor Flysikring AS, from Avinor, has for the time being put on hold by the MT. Avinor has received no indications as to if, or when, this discussion will be continued.

6.9 GEOPOLITICAL RISK

All of Avinor's assets and business activities are located in Norway, however with a key role in the Norwegian aviation sector, Avinor is exposed to international sectors such as a transportation and tourism. Political, economic or social instability in international regions with significant traffic volumes to or from Avinor's airports could adversely affect Avinor's business, causing Avinor financial loss.

Political instability, civil disorder, strikes, insurrections, acts of terrorism, acts of war, sanctions, trade disputes or other forms of instability and unrest may also result in hostile actions against other regions' aviation infrastructure, airport staff, digital aviation infrastructure and may result in limited or no traffic between the regions subject to these activities and Avinor's airports which may disrupt or curtail Avinor's operations, business opportunities and may cause negative financial implications for Avinor.

Russia's invasion of Ukraine in February 2022 has affected the world economy and the aviation industry. So far, the consequences for Avinor are considered limited but may potentially escalate and adversely affect Avinor as the conflict continues and Avinor will continue to monitor the situation. Norway and other major economies including the US, the UK, and the EU have imposed multiple sanctions against Russia, as well as certain Russian individuals and companies. Russian airlines are banned from Norwegian and other countries' air spaces. In addition to not being able to fly to, or over, certain countries, the conflict has contributed to increased prices on Avinor's input factors such as fuel, insurance prices, and increased security which ultimately leads to increased prices on air travel. Hence, the conflict might lead to reduced travel activity as a result of the increased cost of air travel, and this will impact the revenues of Avinor.


SAS

7. Financial performance

7.1 AVINOR GROUP

(figures for 2022 in parentheses)

The group's operating revenues in 2023 amounted to NOK 11 514 million (NOK 10 419 million) with a profit after tax of NOK 304 million (NOK 427 million).

Within airport operations, operating income increased year-on-year by 9.9 per cent in 2023, from a revenue of NOK 9 007 million in 2022 to NOK 9 896 million in 2023. This is a result of increased traffic volume and strengthened commercial earnings. Traffic income had a weaker development than traffic growth with a reduction in traffic income per passenger of 0.8 per cent, while commercial income per passenger increased by 1 per cent. In 2023, commercial income accounted for 57.3 per cent of operating income compared to 56.9 per cent in 2022. It is the large airports, with a larger share of international traffic, that have had the greatest growth in revenues.

For air navigation services, total operating income increased by 4.3 per cent, from NOK 2 122 million in 2022 to NOK 2 214 million in 2023. During 2022 there were some internal reorganisations in the air navigation services, where some of the revenues in 2023 are included in the segment others. Adjusted for this, revenue growth for the air navigation services in 2023 compared to 2022 is estimated to 11.7 per cent.

Operating expenses in 2023 amounted to NOK 7 955 million (NOK 7 350 million), corresponding to year-on-year increases of 8.2 per cent. Total depreciation and amortisation in 2023 amounted to NOK 2 257 million (NOK 2 259 million). It is particularly volume-dependent costs for personnel and security that result in increased operating costs. Avinor works continuously to optimise costs. At the same time, a high proportion of the group's cost base is relatively fixed in order to maintain safe and stable operations as required in the social mission. In addition, repair costs for operating materials were higher in 2023 due to increased operational activity. The work on the transition towards a more sustainable aviation industry also entails increased costs for Avinor. The cost trend compared to the increase in traffic volume indicates that the unit cost per passenger has decreased by around 3 per cent in 2023 compared to 2022.

The group's net financial result ended at minus NOK 904 million (minus NOK 258 million). Realised and unrealised effects of forward energy contracts contribute to the decline in financial result, in 2023 this contributed negatively to the financial result with NOK 281 million, compared with a positive contribution of NOK 288 million in 2022.

In 2023, the group had a cash flow before change in borrowings of minus NOK 236 million (minus NOK 530 million). During 2023, short-term commercial papers of NOK 1 500 million have been raised, while debt of NOK 1 030 million has been repaid. For 2023, the Group's cash and cash equivalents increased by NOK 235 million (minus NOK 1 469 million). At the end of 2023, the group's cash reserves amounted to NOK 5.7 billion, distributed between NOK 1.4 billion in bank deposits and NOK 4.3 billion in unutilised drawing rights.

The group's balance sheet has increased by NOK 1.9 billion during 2023 to NOK 47.8 billion as at 31 December 2023 (NOK 45.9 billion). The group's equity ratio in relation to total capital at year-end 2023 is 28.2 per cent (29.1 per cent), while the group's statutory equity ratio (equity as a percentage of total equity and net interest-bearing debt, as specified in section 5 of the articles of association) is 39.2 per cent (39.2 per cent). In an extraordinary general meeting on 18 December 2023, the group was granted a time-limited permit to deviate from section 5 of the articles of association, from a minimum equity ratio of 40.0 percent to 35.0 percent. The permit is valid up until 31 December 2024.

As of 31 December 2023, the group has interest-bearing liabilities of NOK 24.6 billion (NOK 22.3 billion). Interest-bearing liabilities is broken down into NOK 22.2 billion in non-current liabilities and NOK 2.4 billion in short-term liabilities. The year 2023 has been characterised by rising interest rates and the depreciation of the Norwegian krone against the euro. The group's loan portfolio

is 100 per cent currency hedged. The interest rate effect on fixed rate hedges has made a positive contribution to the group's equity through other comprehensive income of NOK 126 million in 2023 (minus NOK 709 million).

The Group has a net recognised pension obligation of NOK 5 208 million as at 31 December 2023 (NOK 5 314 million). There have been minor changes in the assumptions used to calculate pension liabilities as of year-end 2023 compared to 2022. However, even minor changes in the assumptions used may have a significant effect on the recognised pension obligation. In 2023, a negative estimate deviation of NOK 417 million was recorded through other comprehensive income (positive estimate deviation of NOK 1 499 million in 2022). In particular, the discrepancy between assumed and actual g-regulation and social security settlements for 2023 contributes to this negative estimate deviation. Parts of the group's pension funds are linked to the return on the Government Pension Fund Global (GPFG), which has reduced the negative estimate deviation in 2023. During 2023, the group has seen a significant increase in premiums paid on its defined benefit pension schemes. Further details of the group's capitalised pension liabilities can be found in note 17.

The Group has significant investments in infrastructure, buildings and other real estate required to own, operate and develop aviation facilities and air navigation operations Indications of impairment have been identified for airport operations, one of the group's two cash-generating units. As of year-end 2023, an impairment test has been conducted and concluded that the value in use of the airport operations exceeds the book value of the assets. Thus, no loss due to impairment of assets for this cash-generating unit has been recognised. Further details about the impairment test can be found in note 14.

7.2 AVINOR AS

(figures for 2022 in parentheses)

The parent company Avinor AS had revenues of NOK 10 291 million in 2023 (NOK 9 077 million) and a profit after tax of NOK 232 million (NOK 1 004 million).

Most of the airport operations for the Avinor group are carried out by the parent company Avinor AS, and reference is therefore made to the Avinor Group chapter for a discussion of developments in revenues and costs.

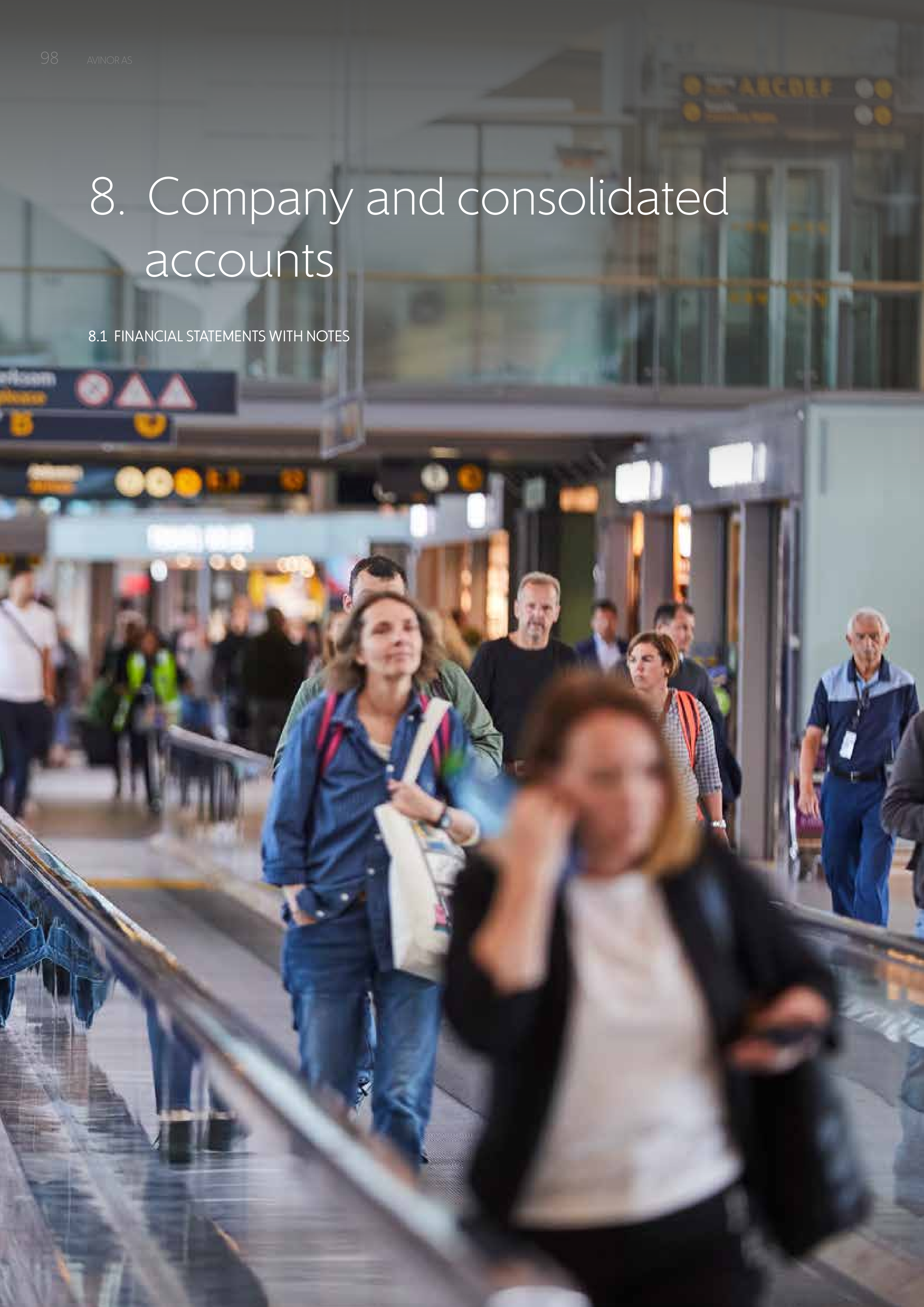
The net financial result for Avinor AS ended at minus NOK 831 million (plus NOK 358 million). In addition to the effects of realised and unrealised effects of forward energy contracts discussed in the chapter on financial results for the group, reversal of investments in subsidiaries contributed significantly to positive net financial results in the previous year for the parent company.

The parent company's balance sheet as at 31 December 2023 ended at NOK 47.3 billion (NOK 45.5 billion). Equity in relation to total assets ended at 28.5 per cent (29.3 per cent).

In 2023, Avinor AS had a cash flow before changing debt of minus NOK 222 million (minus NOK 523 million). Interest-bearing liabilities as of 31 December 2023 was NOK 24.6 billion, of which NOK 2.4 billion was short-term (2022: NOK 22.3 billion, of which NOK 1.0 billion short-term).

8. Company and consolidated accounts

8.1 FINANCIAL STATEMENTS WITH NOTES



INCOME STATEMENT

All amounts in NOK

AVINOR AS				AVINOR GROUP	
2022	2023		NOTE	2023	2022
		Operating income:			
3 748,7	4 074,4	Traffic income	4,5	5 400,8	4 947,8
5 328,4	6 216,3	Other operating income	4,5	6 112,9	5 470,7
9 077,1	10 290,7	Total operating income		11 513,7	10 418,5
		Operating expenses:			
159,7	154,2	Raw materials and consumables used	4	191,7	214,1
2 179,7	2 528,3	Employee benefits expense	4,6	3 996,5	3 681,0
3 878,9	4 294,1	Other operating expenses	4,7	3 766,0	3 454,8
6 218,2	6 976,5	Total operating expenses		7 954,3	7 350,0
2 859,0	3 314,2	Operating profit (loss) before depreciation, amortisation and impairment charges (EBITDA)		3 559,5	3 068,5
2 102,8	2 184,8	Depreciation, amortisation and impairment charges	10,11,13	2 256,9	2 258,7
756,2	1 129,4	Operating profit (loss)		1 302,5	809,8
1 039,5	282,6	Finance income	8	151,5	370,6
681,5	1 113,3	Finance expenses	8,11,20	1 055,8	628,4
358,0	-830,7	Net finance income (expenses)		-904,3	-257,9
1 114,2	298,7	Profit (loss) before income tax		398,2	551,9
110,6	67,2	Income tax expense	9	94,1	125,0
1 003,6	231,5	Profit (loss) for the year		304,1	426,9
		Attributable to:			
1 003,6	231,5	Owners of the parent		304,1	426,9

STATEMENT OF OTHER COMPREHENSIVE INCOME

All amounts in NOK

AVINOR AS				AVINOR GROUP	
2022	2023		NOTE	2023	2022
1 003,6	231,5	Profit (loss) for the year		304,1	426,9
		Other comprehensive income:			
		Items that will not be reclassified to profit or loss:			
880,1	-253,1	Actuarial gains (losses) on post employment benefit obligations	17	-417,4	1 498,6
-193,6	55,7	Tax effect	9	91,2	-330,0
686,5	-197,4	Total items that will not be reclassified to profit or loss, net of tax		-326,2	1 168,6
		Items that may be subsequently reclassified to profit or loss:			
-908,8	161,0	Cash flow hedges	16	161,0	-908,8
200,0	-35,4	Tax effect	9	-35,4	200,0
-708,9	125,6	Total items that may be subsequently reclassified to profit or loss, net of tax		125,6	-708,9
-22,4	-71,8	Other comprehensive income for the year, net of tax		-200,6	459,7
981,1	159,7	Total comprehensive income for the year		103,5	886,7
		Attributable to:			
981,1	159,7	Owners of the parent		103,5	886,7

STATEMENT OF FINANCIAL POSITION

All amounts in NOK

AVINOR AS				AVINOR GROUP	
31.12.2022	31.12.2023		NOTE	31.12. 2023	31.12.2022
		ASSETS			
		Non-current Assets			
		Intangible assets:			
1 445,6	1 399,3	Deferred tax assets	9	1 904,3	1 942,6
517,8	596,3	Other intangible assets	10	607,7	531,7
704,8	1 113,6	Assets under construction, intangible	12	1 113,6	704,8
2 668,2	3 109,2	Total intangible assets		3 625,6	3 179,0
		Property, plant and equipment:			
32 858,4	32 938,5	Property, plant and equipment	10	34 468,4	34 373,9
3 147,4	3 331,1	Assets under construction	12	3 580,2	3 392,9
494,6	319,0	Right-of-use assets	13	327,6	504,6
36 500,4	36 588,6	Total property, plant and equipment		38 376,2	38 271,4
		Financial assets:			
1 553,4	1 553,4	Investments in subsidiaries	20	0,0	0,0
330,0	300,0	Loans to group companies	22	0,0	0,0
1 378,9	2 644,1	Derivative financial instruments	16	2 624,8	1 378,9
86,4	38,9	Other financial assets	16	39,2	86,7
3 348,7	4 536,5	Total financial assets		2 664,0	1 465,6
42 517,4	44 234,3	Total non-current assets		44 665,8	42 916,0
		Current Assets			
38,7	40,4	Inventories		61,6	65,5
1 317,5	1 348,8	Trade and other receivables	19	1 640,8	1 624,3
248,5	243,2	Receivables from group companies	22	0,0	0,0
141,0	41,5	Derivative financial instruments	16	23,1	141,0
1 188,6	1 423,3	Cash and cash equivalents	16	1 423,3	1 188,6
2 934,4	3 097,0	Total current assets		3 148,7	3 019,4
45 451,7	47 331,3	Total assets		47 814,5	45 935,4

STATEMENT OF FINANCIAL POSITION

All amounts in NOK

AVINOR AS				AVINOR GROUP	
31.12.2022	31.12.2023		NOTE	31.12. 2023	31.12.2022
		EQUITY AND LIABILITIES			
		Equity			
5 400,1	5 400,1	Share capital	21	5 400,1	5 400,1
9 751,8	9 980,9	Retained earnings		10 981,0	10 676,9
-1 841,6	-1 913,4	Other components of equity		-2 919,7	-2 719,1
13 310,3	13 467,6	Total equity		13 461,4	13 357,9
		Liabilities			
		Provisions:			
2 842,4	2 741,7	Pension liabilities	17	5 207,7	5 313,9
910,9	824,2	Other provisions	18	852,3	1 010,6
3 753,3	3 565,9	Total provisions		6 060,0	6 324,5
		Non-current liabilities:			
305,5	0,0	State loan	16	0,0	305,5
20 447,0	21 865,0	Other non-current liabilities	16	21 865,0	20 447,0
1 591,0	734,5	Derivative financial instruments	16	734,5	1 587,3
457,3	293,5	Lease liabilities	13,16	316,2	472,2
22 800,7	22 893,0	Total non-current liabilities		22 915,7	22 811,9
		Current liabilities:			
0,0	1 499,9	Commercial papers	13	1 499,9	0,0
546,7	703,7	Trade payables		767,5	650,1
184,9	217,3	Public duties payable		331,0	285,8
0,2	25,5	Derivative financial instruments	16	25,5	2,0
971,5	832,6	First annual installment on long-term liabilities	16	832,6	971,5
72,7	59,3	Lease liabilities	13,16	42,1	62,8
2 520,9	2 405,5	Liabilities to group companies	22	0,0	0,0
1 290,6	1 661,1	Other current liabilities	18,19	1 878,8	1 468,9
5 587,4	7 404,9	Total current liabilities		5 377,4	3 441,0
32 141,4	33 863,7	Total liabilities		34 353,1	32 577,5
45 451,7	47 331,3	Total equity and liabilities		47 814,5	45 935,4

Oslo 19 March 2024
Board of Directors of Avinor AS

Anne Carine Tanum
Chair of the board

Ola H. Strand
Vice-chair

Rolf G. Roverud

Inger-Lise Strøm

Linda Bernander Silseth

Mari Halvorsen Sundgot

Heidi Anette Sørum

Sverre Ivar Elsbak

Abraham Foss
CEO

Translation from Norwegian for information purposes only.

STATEMENT OF CHANGES IN EQUITY

All amounts in NOK

AVINOR AS

	NOTE	SHARE CAPITAL	RETAINED EARNINGS	*ACTUARUIAL GAINS (LOSSES)*	*HEDGE RESERVES*	OTHER COMPONENTS OF EQUITY	TOTAL
Equity 01.01.2022		5 400,1	9 545,7	*-1 946,4*	*127,1*	-1 819,1	13 126,7
Profit (loss) for the year			1 003,6				1 003,6
Actuarial gains (losses) on post employment benefit obligations - net of tax	17			*686,5*		686,5	686,5
Cash flow hedges - net of tax	16				*-708,9*	-708,9	-708,9
Total comprehensive income for the year			1 003,6	*686,5*	*-708,9*	-22,4	981,1
Transactions with owners:							
Business combinations	22		-797,5				-797,5
Total transactions with owners			-797,5				-797,5
Equity 31.12.2022		5 400,1	9 751,8	*-1 259,9*	*-581,8*	-1 841,6	13 310,3
Profit (loss) for the year			231,5				231,5
Actuarial gains (losses) on post employment benefit obligations - net of tax	17			*-197,4*		-197,4	-197,4
Cash flow hedges - net of tax	16				*125,6*	125,6	125,6
Total comprehensive income for the year			231,5	*-197,4*	*125,6*	-71,8	159,7
Transactions with owners:							
Business combinations	22		-2,4				-2,4
Total transactions with owners			-2,4				-2,4
Equity 31.12.2023		5 400,1	9 980,8	*-1 457,3*	*-456,2*	-1 913,4	13 467,6

AVINOR GROUP

	NOTE	SHARE CAPITAL	RETAINED EARNINGS	*ACTUARUIAL GAINS (LOSSES)*	*HEDGE RESERVES*	OTHER COMPONENTS OF EQUITY	TOTAL
Equity 01.01.2022		5 400,1	10 249,9	*-3 305,7*	*127,1*	-3 178,8	12 471,2
Profit (loss) for the year			426,9				426,9
Actuarial gains (losses) on post employment benefit obligations - net of tax	17			*1 168,6*		1 168,6	1 168,6
Cash flow hedges - net of tax	16				*-708,9*	-708,9	-708,9
Total comprehensive income for the year			426,9	*1 168,6*	*-708,9*	459,7	886,7
Equity 31.12.2022		5 400,1	10 676,9	*-2 137,1*	*-581,8*	-2 719,1	13 357,9
Profit (loss) for the year			304,1				304,1
Actuarial gains (losses) on post employment benefit obligations - net of tax	17			*-326,2*		-326,2	-326,2
Cash flow hedges - net of tax	16				*125,6*	125,6	125,6
Total comprehensive income for the year			304,1	*-326,2*	*125,6*	-200,6	103,5
Equity 31.12.2023		5 400,1	10 981,0	*-2 463,3*	*-456,2*	-2 919,7	13 461,4

STATEMENT OF CASH FLOWS

All amounts in NOK

AVINOR AS 2022	AVINOR AS 2023		FOOTNOTE	NOTE	AVINOR GROUP 2023	AVINOR GROUP 2022
		Cash flow from operating activities				
1 114,2	298,7	Profit (loss) before income tax			398,2	551,9
2 102,8	2 184,8	Depreciation			2 256,9	2 258,7
0,3	-0,5	(Profit)/loss on disposals of non-current assets	1)		0,1	0,2
209,6	-114,4	Changes in value and other losses/(gains) - net (unrealised)			-114,4	182,3
-358,0	830,7	Net finance costs			904,3	257,9
1,0	-2,3	Forein exchange gain/-loss on operating activities			9,4	20,4
-93,8	-63,8	Change in inventories, trade receivables and trade payables			-110,9	-82,9
-72,7	-356,1	Difference between pension cost and amount paid/received			-523,7	-82,6
-293,4	457,8	Change in other working capital items			467,0	-302,4
-57,2	-110,3	Change in group receivables and payables			0,0	0,0
38,7	64,4	Interest received			66,8	42,3
0,0	0,0	Income tax paid			0,0	0,0
2 591,3	3 188,9	Net cash generated from operating activities			3 353,8	2 845,8
		Cash flow from investing activities				
-2 918,7	-4 227,2	Investments in property, plant and equipment (PPE)			-4 327,4	-3 105,0
-0,9	0,0	Investments in group companies			0,0	0,0
254,0	1 525,0	Investment grants		12	1 525,0	254,0
6,8	10,5	Proceeds from sale of PPE, including assets under construction	1)		10,5	7,4
35,0	30,0	Group loans			0,0	0,0
71,7	130,4	Net group contribution/dividend			0,0	0,0
97,1	-8,4	Other investments			-8,4	98,1
-2,2	-0,1	Business combinations			0,0	0,0
-2 457,2	-2 539,9	Net cash used in investing activities			-2 800,4	-2 745,5
		Cash flow from financing activities				
-927,1	-1 021,4	Repayment of borrowings		16	-1 029,7	-939,0
-18,0	-21,9	Intra group repayment of lease liabilitites			0,0	0,0
0,0	1 499,9	Proceeds from short term borrowings (commercial papers)		16	1 499,9	0,0
-25,7	-82,2	Group interests paid			0,0	0,0
-631,0	-788,9	Interest paid			-788,9	-630,2
-1 601,8	-414,4	Net cash generated/used in financing activities			-318,7	-1 569,2
-1 467,7	234,7	Net change in cash and cash equivalents			234,7	-1 468,9
2 656,2	1 188,6	Cash and cash equivalents 1.1.			1 188,6	2 657,4
1 188,6	1 423,4	Cash and cash equivalents 31.12.		13	1 423,3	1 188,6

[1] IN THE CASH FLOW STATEMENT, PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT COMPRISE:

7,1	10,0	Net book amount	10,6	7,6
-0,3	0,5	Profit/(loss) on disposals of property, plant and equipment	-0,1	-0,2
6,8	10,5	Proceeds from disposal of property, plant and equipment	10,5	7,4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NOTES TO THE FINANCIAL STATEMENTS

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, Drammensveien 144.

The company and group financial statements for Avinor AS for the financial year 2023 were approved by the Board of Directors on 19 March 2024.

NOTE 2 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.

The financial statements of Avinor AS and Avinor Group have been prepared in accordance with IFRS Accounting Standards as adopted by the EU.

The financial statements of Avinor AS and Avinor Group 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 air navigation service unit and one airport operation unit including property and hotels.

For the airport operation unit, the group's economic model assumes that there is full cross-subsidization between profitable 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 (imposed tasks/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).

The functional currency and presentation currency of the company and group is NOK.

NOTE 3 Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the use of 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 separately.

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

VALUE IN USE OF PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

The risk of permanent changes in travel habits as a result of digitalisation trends and increased focus on climate, environment and sustainability puts pressure on restructuring for aviation. Geopolitical factors and economic development in the world contribute to increased uncertainty in forecasts for future traffic and revenues. These risks are assessed as impairment indicators for the Group's cash-generating unit airport operations.

Impairment tests of airport operations have been conducted as of 31 December 2023. The impairment test concludes that there is added value, and consequently no impairment has been recognized.

Note 14 discusses impairment tests, key assumptions for the impairment test and sensitivity to key assumptions.

DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

Fixed assets are recognised in the balance sheet at acquisition cost, and then depreciated on a straight-line basis based on expectations of useful life. Useful life is estimated on the basis of experience, history and discretionary assessments. Different components of a fixed asset can be assessed separately, based on an assessment of how significant the various components of a fixed asset are.

If there are changes in expectations for useful life, the depreciation profile of the fixed asset is adjusted.

Note 11 specifies categories of fixed assets with an overview of intervals of useful life.

NET PENSION LIABILITIES

Avinor AS and the Group have substantial net pension liabilities related to defined-benefit pension plans. Minor changes in the assumptions used to calculate pension liabilities may result in substantial changes in recognized pension liabilities and affect equity through the income statement and other comprehensive income.

Avinor uses external actuaries to calculate defined-benefit pension liabilities. The assumptions used as a basis for calculating capitalized pension liabilities have been updated as of 31 December 2023.

Note 17 specifies the assumptions used for calculating pension liabilities, the structure of the liabilities and sensitivity to changes in assumptions.

PROVISION FOR ENVIRONMENTAL OBLIGATIONS

The Avinor Group has significant obligations related to the clean-up of PFAS contamination at airport fire training sites. PFAS are fluoride-organic compounds that were previously added to firefighting foam spread on the ground of the airports and now leak out to nearby natural environments. Work is ongoing to map pollutants at the sites, action plans are prepared and clean-up work is carried out at several sites. All action plans and clean-ups are performed by external parties.

Recognized provisions have inherent uncertainties related to both the type, extent at each site and the total cost of the clean-up. The clean-up commitment will be updated as new information at the individual sites is available.

Note 18 describes the provision in more detail, including an overview of the year's movement for the provision.

NOTE 4 Segment information

All amounts in MNOK

Operating segments are reported consistently with the internal reporting 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 group management.

The Avinor Group's operations today include aviation security services and 45 airports including Oslo Airport. The operating segments are determined based on the reports used by group management to evaluate performance 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 purposes, the group is organized in one airport operations segment and one air navigation services segment.
To improve the evaluation of the airport operations, management has chosen to follow up the airports in Oslo, Bergen, Stavanger, Trondheim and the rest separately, in addition to property development. Property consists of 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 to group management is measured consistently with that in the income statement.

The Avinor Group has three customers from which revenues exceed 10 per cent of group revenues, constituting approximately NOK 2.42 billion, NOK 1.48 billion and NOK 1.47 billion, respectively, in total NOK 5.37 billion in 2023 (2022: NOK 2.16 billion, NOK 1.26 billion and NOK 1.22 billion, in total NOK 4.64 billion). This is approximately 47 per cent of total operating income in 2023 (2022: 45 per cent). Revenue from the largest customer is attributable to airport operations (Oslo Airport, Bergen Airport, Stavanger Airport and Trondheim Airport). Revenues from the second largest and third largest customers are attributable to both airport operations and air navigation services.

The activity in the segment airport operations mainly takes place in the parent company Avinor AS. The real estate activity is organized in a separate sub-group. In addition, all activity in the category others is in Avinor AS.

AVINOR GROUP AS OF 31 DECEMBER 2023

The segment information provided to group management for the reportable segments for the year ended 31 December 2023 is as follows:

AVINOR GROUP AS AT 31 DECEMBER 2023:

	AIRPORT OPERATIONS	AIR NAVIGATION SERVICES	OTHERS	ELIMINATION	TOTAL
Traffic income	4 088,4	1 312,4	0,0		5 400,8
Other operating income 1)	5 674,3	187,9	250,8		6 112,9
Inter-segment income	133,2	713,4	1 258,3	-2 104,9	0,0
Total income	9 895,8	2 213,7	1 509,1	-2 104,9	11 513,7
Employee benefits expenses	1 579,2	1 439,6	977,7		3 996,5
Other operating expenses	2 788,8	228,4	940,5		3 957,7
Inter-segment expenses	1 548,3	483,6	73,0	-2 104,9	0,0
Total expenses	5 916,3	2 151,7	1 991,2	-2 104,9	7 954,3
EBITDA	3 979,5	62,0	-482,1		3 559,4
Depreciation and amortisation	2 011,4	43,1	202,5		2 256,9
Operating profit/(loss)	1 968,2	19,0	-684,7		1 302,5
Property, plant and equipment*	33 611,3	412,4	1 052,4		35 076,1

* Inclusive other intangible assets, exclusive assets under construction.

Spesification of airport operations

	OSLO AIRPORT	BERGEN AIRPORT	STAVANGER AIRPORT	TRONDHEIM AIRPORT	OTHER AIRPORTS	PROPERTY DEVELOPMENT AND HOTELS	TOTAL AIRPORT OPERATIONS
Traffic income	1 987,9	564,9	404,5	332,2	798,9	0,0	4 088,4
Other operating income 1)	3 366,7	578,8	631,7	339,3	599,8	158,0	5 674,3
Inter-segment income	4,4	0,6	8,3	3,5	92,5	24,0	133,2
Total income	5 359,0	1 144,3	1 044,4	675,0	1 491,2	182,0	9 895,8
Employee benefits expenses	534,8	118,4	98,1	95,2	732,7	0,0	1 579,2
Other operating expenses	1 196,7	266,8	189,3	160,9	962,0	13,0	2 788,8
Inter-segment expenses	395,2	134,1	110,1	85,0	823,3	0,7	1 548,3
Total expenses	2 126,7	519,3	397,5	341,1	2 517,9	13,7	5 916,3
EBITDA	3 232,3	625,0	646,9	333,9	-1 026,7	168,3	3 979,5
Depreciation and amortisation	942,8	270,6	130,7	116,0	508,1	43,1	2 011,4
Operating profit/(loss)	2 289,4	354,4	516,2	217,9	-1 534,9	125,1	1 968,2
Property, plant and equipment*	17 264,6	4 882,6	1 959,6	1 531,6	7 048,7	924,2	33 611,3

*Inclusive other intangible assets, exclusive assets under construction.

1) Other income for Stavanger airport, included in the segment airport operations, includes for the period ended 31 December 2023 an insurance settlement of NOK 188.5 million. This insurance settlement is related to the building of a new parking garage replacing the garage that was damaged in a fire in January 2020. The new parking garage was opened on 15 June 2023.

AVINOR GROUP AS AT 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 AS AT 31 DECEMBER 2022:

	AIRPORT OPERATIONS	AIR NAVIGATION SERVICES	OTHERS	ELIMINATION	TOTAL
Traffic income	3 762,8	1 185,0	0,0		4 947,8
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	7 349,9
EBITDA	3 231,0	194,7	-357,2		3 068,6
Depreciation and amortisation	2 000,1	127,7	130,9		2 258,7
Operating profit/(loss)	1 230,9	67,0	-488,2		809,9
Property, plant and equipment*	33 520,9	355,7	1 029,0		34 905,6

* Inclusive other intangible assets, exclusive assets under construction.

Spesification of airport operations

	OSLO AIRPORT	BERGEN AIRPORT	STAVANGER AIRPORT	TRONDHEIM AIRPORT	OTHER AIRPORTS	PROPERTY DEVELOPMENT AND HOTELS	TOTAL AIRPORT OPERATIONS
Traffic income	1 785,8	531,8	378,2	315,2	751,8	0,0	3 762,8
Other operating income	2 992,0	503,4	409,5	295,8	796,0	131,5	5 128,2
Inter-segment income	5,0	0,5	8,2	3,5	76,1	22,6	115,8
Total income	4 782,8	1 035,7	795,9	614,4	1 623,9	154,1	9 006,8
Employee benefits expenses	470,5	109,3	93,5	90,6	701,9	0,0	1 465,8
Other operating expenses	1 190,3	268,3	139,0	148,8	1 085,8	8,2	2 840,3
Inter-segment expenses	373,5	136,8	115,4	89,7	752,9	1,5	1 469,8
Total expenses	2 034,3	514,3	347,9	329,0	2 540,6	9,7	5 775,8
EBITDA	2 748,5	521,3	448,0	285,4	-916,7	144,4	3 231,0
Depreciation and amortisation	961,5	286,0	134,1	116,4	461,0	41,1	2 000,1
Operating profit/(loss)	1 787,1	235,4	313,9	169,0	-1 377,7	103,3	1 230,9
Property, plant and equipment*	17 487,2	5 036,5	1 638,8	1 601,0	6 790,5	966,9	33 520,9

* 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 the sale of goods, services and property is recognised to reflect the transfer of agreed goods or services to customers at an amount corresponding to what the entity expects to receive in exchange for those goods or services.

RENTAL INCOME (IFRS 16)

Revenue from property leases with fixed lease payments is recognised over the term of the contract. Revenue from property leases with revenue-based lease payments is recognised when earned.

GOVERNMENT GRANTS (IAS 20)

Government grants are accounted for in accordance with IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and not recognised until it is reasonably certain that the company will comply with the conditions attached to the grants and that the grants will be received

Government grants related to the acquisition of assets are deducted when determining the carrying amount of the asset, while grants concerning expenses incurred are presented in the income statement as “other operating income”.

Grants recognized but not yet received are included in the line “trade and other receivables” in the balance sheet. Receivables from government grants in excess of 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 also comprises 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 services to passengers on arrival, at departure, during transit, or corresponding flight services at Avinor's airports in addition to security charges for required 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 include en-route charges for essential services provided during the in-flight/en-route stage (between take-off and landing destination) in the air space for which Avinor is responsible, and terminal charges for required 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 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 billed and collected by Eurocontrol on behalf of the member countries.

Traffic income, except for the en-route charges, is allocated to the segment airport operations, and the en-route charges in their 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 sales. Credit sales are invoiced on an ongoing basis with payment terms of 30 days from the invoice date.

Rental income

Includes fixed lease payments and revenue-based lease payments, based on agreed leases and revenue reported when incurred.

Lease agreements related to duty free, parking, restaurants and other sales of goods are turnover-based agreements where turnover-based compensation constitutes the most significant part of the income, while the fixed lease constitutes a smaller part. The lease agreements have established thresholds for payment om minimum leases. Pure rental agreements for various tenants at the airport are based on fixed compensation. These lease agreements constitute 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	
	2023	2022	2023	2022
Traffic income				
Takeoff charges	1 102,5	1 018,9	1 106,8	1 023,0
Terminal charges	1 213,3	1 062,5	1 217,8	1 066,9
En route charges	0,0	0,0	1 312,4	1 185,0
Security charges	1 267,7	1 163,5	1 273,0	1 169,0
Terminal navigation charges	490,9	503,8	490,9	503,8
Total traffic income	4 074,4	3 748,7	5 400,8	4 947,8
Other operating income				
Revenue from contracts with customers:				
Duty free	0,0	68,3	0,0	68,3
Parking	0,1	0,1	0,1	0,2
Other	1 384,2	1 051,0	1 133,9	998,6
Total revenue from contracts with customers	1 384,3	1 119,4	1 134,1	1 067,1
Rental income:				
Duty free	2 342,8	2 068,8	2 342,8	2 068,8
Parking	1 029,4	854,4	1 029,4	854,4
Other	1 459,8	1 285,8	1 606,6	1 480,4
Total rental income	4 832,0	4 209,0	4 978,8	4 403,6
Total other operating income	6 216,3	5 328,4	6 112,9	5 470,7
Total income from contracts with customers	5 458,7	4 868,2	6 534,9	6 014,9
Total rental income	4 832,0	4 209,0	4 978,8	4 403,6
Total operating income	10 290,7	9 077,1	11 513,7	10 418,5

An insurance settlement of NOK 188.5 million is included in Other in other operating income for both Avinor AS and Avinor Group for 2023. This insurance settlement is related to the building of a new parking garage at Stavanger airport replacing the garage that was damaged in a fire in January 2020. The new parking garage was opened on 15 June 2023.

NOTE 6 Salaries, number of employees, remunerations

All amounts in MNOK

	AVINOR AS		AVINOR GROUP	
	2023	2022	2023	2022
Salaries and personnel costs				
Salaries	1 801,5	1 539,0	2 853,2	2 618,2
Payroll tax	304,0	242,1	470,7	401,7
Pension costs (exclusive plan amendments)	329,2	324,6	551,0	554,0
Other personnel costs	93,6	73,9	121,7	107,2
Total	2 528,3	2 179,6	3 996,5	3 681,0
Reduction of total salaries and personnel costs:				
Salaries and personnel costs recognised in the balance sheet	176,6	124,6	180,1	185,6
Average number of man-years employed	2 106	1 861	2 917	2 642

REMUNERATION TO LEADING PERSONS

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 assignement no obligations exist to give the group management or the board any distinct compensation. Nor are there any incentives 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 beyond the normal functions of a manager.

REMUNERATIONS TO GROUP MANAGEMENT AND THE BOARD 2023

	BOARD FEE	SALARY	OTHER BENEFITS	ESTIMATED PENSION COST	TOTAL
Group management					
Abraham Foss, CEO	0	3 644 591	14 278	350 262	**4 009 131**
Mari Hermansen, Executive Vice President organisation and corporate support	0	2 115 841	17 364	551 883	**2 685 089**
Thorgeir Landevaag, Executive Vice President sustainability, concept and infrastructure development	0	2 429 682	13 428	237 041	**2 680 151**
Petter Johannessen, Executive Vice President strategy and corporate governance/CFO	0	2 229 480	17 446	819 529	**3 066 455**
Joachim Lupnaav Johnsen, Executive Vice President commercial	0	2 171 443	13 428	277 427	**2 462 298**
Anders Kirsebom, Executive Vice President sustainability, concept and infrastructure development	0	2 613 941	19 128	629 202	**3 262 271**
Lars Vågsdal, Executive Vice President IT and technology	0	2 900 092	13 428	310 431	**3 223 952**
Stine Ramstad Westby, Executive Vice President major airports	0	2 668 485	13 428	391 514	**3 073 426**
John-Ragnar Aarset, Executive Vice President communication	0	2 209 345	13 428	277 427	**2 500 200**
Jan Gunnar Pedersen, Executive Vice President Air Navigation Services	0	2 454 959	11 580	330 540	**2 797 080**
Total	0	25 437 859	146 936	4 175 256	**29 760 051**
Board					
Anne Carine Tanum, chair of the board	534 500	0	0	0	**534 500**
Ola H. Strand, Vice-chair	302 500	0	0	0	**302 500**
Rolf Gunnar Roverud, board member	291 000	0	0	0	**291 000**
Linda Bernander Silseth, board member	270 500	0	0	0	**270 500**
Inger Lise Strøm, board member	323 500	0	0	0	**323 500**
Heidi Anette Sørum, employee elected board member	291 000	928 775	13 428	228 954	**1 462 157**
Mari Halvorsen Sundgot, employee elected board member (as of august 2023)	126 000	928 903	8 652	86 092	**1 149 647**
Sverre Ivar Elsbak, employee elected board member (as of august 2023)	138 000	1 728 353	7 188	291 082	**2 164 623**
Mike Antonsen, employee elected deputy board member	65 000	804 956	9 036	172 493	**1 051 485**
Bjørn Tore Mikkelsen, employee elected board member (until august 2023)	132 500	1 139 547	12 309	204 897	**1 489 253**
Olav Aadal, employee elected board memeber (until august 2023)	121 000	1 371 619	6 087	252 162	**1 750 868**
Total	2 595 500	6 902 153	56 700	1 235 680	**10 790 032**
Total renumeration group management and board, Avinor AS	2 595 500	29 885 053	192 056	5 080 396	**37 753 004**
Total renumeration group management and board, Avinor Group	2 595 500	32 340 012	203 636	5 410 936	**40 550 084**

REMUNERATIONS FOR MANAGEMENT AND THE 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**
Thorgeir 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, regional airports	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 Services	0	2 310 329	7 412	263 865	**2 581 606**
Total	0	23 204 253	91 732	3 601 789	**26 897 775**
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 Skrøvset, board member (until 15.06.2022)	153 000	0	0	0	**153 000**
Heidi Anette Sørum, employee elected board member	280 500	886 458	8 252	200 819	**1 376 029**
Olav Aadal, employee elected board memeber	238 000	1 710 016	7 412	239 276	**2 194 704**
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**
Total renumeration group management and board, Avinor AS	2 437 000	24 596 503	108 236	4 224 180	**31 365 920**
Total renumeration group management and board, Avinor Group	2 437 000	26 906 832	115 648	4 488 045	**33 947 526**

NOTE 7 Other operating expenses

All amounts in MNOK

SPECIFICATION OF OTHER OPERATING EXPENSES	AVINOR AS 2023	AVINOR AS 2022	AVINOR GROUP 2023	AVINOR GROUP 2022
Other operating expenses				
Operation/maintenance buildings	**929,0**	1 006,1	**969,9**	1 059,0
Repairs, maintenance operational materials	**577,0**	425,3	**583,0**	479,2
Hired control/security/guard services	**727,8**	646,8	**733,1**	651,3
Meteorological services	**2,1**	2,7	**55,6**	53,3
Consulting services	**345,6**	207,1	**354,4**	214,6
Other external services	**504,9**	403,4	**515,5**	429,0
Losses on receivables	**7,0**	6,2	**20,0**	5,1
Other operating expenses	**415,3**	342,0	**534,6**	563,4
Inter-company operating expenses	**785,3**	839,1	**0,0**	0,0
Total	**4 294,1**	3 878,9	**3 766,0**	3 454,8

AUDIT FEE

Fees to auditor Ernst & Young AS (all amounts are excl. vat).

	AVINOR AS 2023	AVINOR AS 2022	AVINOR GROUP 2023	AVINOR GROUP 2022
Statutory audit fee	3,4	1,8	4,3	2,6
Other attestation services	0,4	0,5	0,5	0,6
Tax advisory services	0,0	0,0	0,0	0,0
Other services	0,0	0,5	0,0	0,5
Total	3,8	2,9	4,8	3,7

NOTE 8 Finance items

All amounts in MNOK

SPECIFICATION OF FINANCE INCOME AND EXPENSES	AVINOR AS		AVINOR GROUP	
	2023	2022	2023	2022
Finance income				
Interest income (excluding group receivables)	63,2	38,0	64,8	41,8
Interest income on loans to group companies	8,3	10,2	0,0	0,0
Group contributions	130,4	71,7	0,0	0,0
Currency exchange gains	79,5	11,1	85,2	39,8
Changes in fair value of energy derivatives	0,0	287,9	0,0	287,9
Reversal of impairment of investment in subsidiary (see note 20)	0,0	620,0	0,0	0,0
Other finance income	1,2	0,7	1,5	1,1
Total finance income	282,6	1 039,5	151,5	370,6
Finance expenses				
Interest expense	812,7	674,7	814,2	665,5
Interest expense on loans from group companies	90,7	33,4	0,0	0,0
Interest expense on lease liabilities	9,2	15,5	9,2	16,2
Other borrowing expenses	7,3	4,7	7,3	4,7
Borrowing costs capitalised (see note 11)	-96,4	-55,6	-96,4	-87,8
Currency exchange loss	7,5	7,3	39,1	27,9
Other finance costs	1,8	1,6	1,8	1,9
Changes in fair value of energy derivatives	280,6	0,0	280,6	0,0
Net fair value gains/losses on bank borrowings including derivatives	-830,0	490,7	-830,0	490,7
Fair value loss on financial instruments (see note 16)				
- interest rate swaps: cash flow hedges, transfer from equity		0,0		0,0
- interest rate swaps: fair value hedges	830,0	-490,7	830,0	-490,7
Total finance expenses	1 113,3	681,5	1 055,8	628,5
Net finance income (expenses)	-830,7	358,0	-904,3	-257,9

GROUP CONTRIBUTIONS

Group contributions are recognised when the right to receive payment is established.

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.

Accounting principles regarding finance items are described in note 16.

NOTE 9 Taxes

All amounts in MNOK

The tax expense for the period comprises taxes payable 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 tax has been calculated on all temporary differences between tax and accounting values of assets and liabilities, using the liability method. 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.

NET DEFERRED TAX ASSET

Deferred tax assets are recognized in the balance sheet to the extent that it is likely that future taxable income will be available, and that the temporary differences can be deducted from this income. Deferred income tax assets are assessed against future taxable income and are evaluated separately. Deferred tax assets are to a major extent related to temporary timing differences for pensions, provisions and non-current assets. These timing differences will be settled through the company and groups normal line of operations. It is concluded that deferred tax assets represents a value for both Avinor AS and Avinor Group and therefore can be recognized in the statement of financial position.

Losses carried forward

Svalbard Lufthavn AS have a loss carried forward of NOK 135.4 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	
	2023	2022	2023	2022
Income tax expense				
Current tax on profit for the year	0,0	0,0	0,0	0,0
Current tax on adjustments in respect of prior years	0,0	0,0	0,0	0,1
Current tax on group contributions	0,0	-12,9	0,0	0,0
Deferred tax on origination and reversal of temporary differences	67,2	123,5	94,1	124,9
Total income tax expense	67,2	110,6	94,1	125,0
Effective tax rate reconciliation				
Profit before income tax	298,7	1114,2	398,2	551,9
22 % tax on profit before income tax	65,7	245,1	87,6	121,4
Effect of adjustments prior years	0,0	0,0	0,0	0,0
Permanent differences	1,5	-134,5	6,5	3,6
Income tax expense	67,2	110,6	94,1	125,0
Effective tax rate	22,5 %	9,9 %	23,6 %	22,6 %

AVINOR AS: SPECIFICATION OF DEFERRED TAX ASSETS AND LIABILITIES

	01.01.2023	RECOGNIZED IN THE INCOME STATEMENT	RECOGNIZED IN OTHER COMPREHENSIVE INCOME	MERGER/ BUSINESS COMBINATIONS	31.12.2023
Receivables	-2,1	2,8			0,7
Non-current assets	354,7	-13,9	0,0	0,7	341,5
Right-of-use assets	-108,8	38,7	0,0	0,0	-70,2
Lease liabilities	116,6	-39,0	0,0	0,0	77,6
Borrowings	118,3	424,0	0,0	0,0	542,3
Provisions	206,3	-19,4	0,0	0,0	187,0
Pension benefits	625,3	-75,8	55,7	0,0	605,2
Group contributions	28,7	-0,1	0,0	0,0	28,6
Profit and loss account	4,8	0,9	0,0	0,0	5,8
Derivative financial instruments	15,7	-403,9	-35,4	0,0	-423,6
Loss carried forward	86,0	18,4	0,0	0,0	104,4
Net deferred tax assets / (liabilities)	1 445,6	-67,2	20,3	0,7	1 399,3

	01.01.2022	RECOGNIZED IN THE INCOME STATEMENT	RECOGNIZED IN OTHER COMPREHENSIVE INCOME	MERGER/ BUSINESS COMBINATIONS	31.12.2022
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	-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
Net deferred tax assets / (liabilities)	1 409,3	-123,6	80,5	79,3	1 445,6

	31.12.2023	31.12.2022
Deferred tax assets		
Deferred tax asset to be recovered after more than 12 months	**1 676,8**	1 321,5
Deferred tax asset to be recovered within 12 months	**216,3**	235,0
Total deferred tax assets	**1 893,1**	1 556,5
Deferred tax liabilities		
Deferred tax liability to be recovered after more than 12 months	**-493,8**	-108,8
Deferred tax liability to be recovered within 12 months	**0,0**	-2,1
Total deferred tax liabilities	**-493,8**	-110,9
Net deferred tax assets / (liabilities)	**1 399,3**	1 445,6

AVINOR GROUP: SPECIFICATION OF DEFERRED TAX ASSETS AND LIABILITIES

	01.01.2023	RECOGNIZED IN THE INCOME STATEMENT	RECOGNIZED IN OTHER COMPREHENSIVE INCOME	31.12.2023
Receivables	9,2	5,6	0,0	14,8
Non-current assets	314,6	-18,0	0,0	296,6
Right-of-use assets	-106,4	38,7	0,0	-67,8
Lease liabilities	113,0	-38,7	0,0	74,3
Borrowings	118,3	424,0	0,0	542,3
Provisions	223,8	-30,4	0,0	193,3
Pension benefits	1 167,9	-112,7	91,2	1 146,4
Profit and loss account	2,5	2,1	0,0	4,6
Derivative financial instruments	15,3	-395,2	-35,4	-415,3
Loss carried forward	84,2	30,7	0,0	115,0
Net deferred tax assets / (liabilities)	1 942,6	-94,1	55,8	1 904,3

	01.01.2022	RECOGNIZED IN THE INCOME STATEMENT	RECOGNIZED IN OTHER COMPREHENSIVE INCOME	31.12.2022
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
Net deferred tax assets / (liabilities)	2 197,0	-125,0	-130,1	1 942,6

	31.12.2023	31.12.2022
Deferred tax assets		
Deferred tax assets to be recovered after more than 12 months	2 179,1	1 815,9
Deferred tax assets to be recovered within 12 months	208,2	233,0
Total deferred tax assets	2 387,3	2 049,0
Deferred tax liabilities		
Deferred tax liabilities to be recovered after more than 12 months	-483,0	-106,4
Deferred tax liabilities to be recovered within 12 months	0,0	0,0
Total deferred tax liabilities	-483,0	-106,4
Net deferred tax assets / (liabilities)	1 904,3	1 942,6

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 expensed 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 over their estimated useful lives and tested for impairment when such indication arises The method of amortisation and period is reviewed annually, as a minimum. 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 they are a part of the acquisition of hardware. Amortisation is calculated using the straight-line method. Cost associated with maintaining computer software programs or future usage if such programs are expensed unless the changes enhance the future usage of the software.

SPECIFICATION OF INTANGIBLE ASSETS

Intangible assets consist of air navigation management systems.

	AVINOR AS	AVINOR GROUP
At 1 January 2022		
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
Year ended 31 December 2023		
Opening net book amount	517,8	531,6
Additions cost - business combinations	0,0	0,0
Additions	146,6	146,6
Disposals	-0,4	-0,4
Additions amortisation - business combinations	0,0	0,0
Amortisation charge	-67,7	-70,2
Closing net book amount	596,3	607,7
At 31 December 2023		
Cost	1 005,4	1 075,3
Accumulated amortisation and impairment	-409,1	-467,6
Net book amount	596,3	607,7
Estimated useful life	10 years	10 years
Method of depreciation	Straight-line	Straight-line

NOTE 11 Property, plant and equipment

All amounts in MNOK

Property, plant and equipment is carried at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items, and can also comprise 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 assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

Material components of an asset are evaluated separately for depreciation purposes. 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. The depreciation of other assets is calculated by using the straight-line method to their residual values over their estimated useful lives, as follows:

Buildings and property	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' useful lives are estimated based on experience, history and judgemental assessments, and adjusted if the expectations change.

Gains and losses on disposals are carried in the income statement and constitute the difference between the proceeds and 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 reasonably certain that the company will both fulfil the conditions for the grants and receive them. Investment grants are recognized in the balance sheet in a systematic way over the useful life of the asset and deducted 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 2023 amounted to NOK 96.4 million (2022: NOK 55.6 million for Avinor AS and NOK 87.8 million for the Avinor Group).

The average interest rate for Avinor AS and the group was 3.86 per cent in 2023 and 3.12 per cent in 2022.

COLLATERALS

In accordance with the articles of association assets related to the core operations of the group cannot be pledged.

PROPERTY, PLANT AND EQUIPMENT, AVINOR AS

	LAND	BUILDINGS	RUNWAYS AND OTHER RELATED ASSETS	VEHICLES	FURNITURE, FITTINGS AND EQUIPMENT	INFRA-STRUCTURE	TOTAL
At 1 January 2022							
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**
Depreciation 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**
Year ended 31 December 2023							
Opening net book amount	1 151,3	16 988,2	9 322,2	1 015,6	2 580,8	1 800,2	**32 858,4**
Additions cost - business combinations							**0,0**
Additions	3,4	1 174,9	231,8	153,7	525,0	51,8	**2 140,5**
Disposals	0,0	-2,2	-0,3	-2,4	-9,2	-0,5	**-14,5**
Additions amortisation - business combinations							**0,0**
Amortisation charge	0,0	-869,8	-495,6	-108,1	-474,6	-97,9	**-2 046,0**
Balanseført verdi 31.12.	1 154,7	17 291,1	9 058,1	1 058,9	2 622,1	1 753,6	**32 938,5**
At 31 December 2023							
Cost	1 156,5	28 232,1	15 874,5	2 016,7	9 207,7	3 657,4	**60 145,0**
Accumulated depreciation	-1,8	-10 941,0	-6 816,4	-957,8	-6 585,7	-1 903,9	**-27 206,5**
Net book amount	1 154,7	17 291,1	9 058,1	1 058,9	2 622,1	1 753,6	**32 938,5**
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 2022							
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**
Year ended 31 December 2023							
Opening net book amount	1 820,9	17 884,1	9 301,6	1 040,7	2 632,1	1 694,5	**34 373,9**
Additions	3,4	1 239,7	242,0	157,4	542,2	52,4	**2 237,2**
Disposals	0,0	-2,8	-0,3	-2,4	-9,2	-0,5	**-15,2**
Depreciation charge	0,0	-931,1	-499,9	-111,2	-486,1	-99,3	**-2 127,5**
Closing net book amount	1 824,3	18 189,9	9 043,5	1 084,6	2 679,0	1 647,1	**34 468,4**
At 31 December 2023							
Cost	1 826,7	29 313,1	15 423,8	2 074,6	9 491,5	3 306,9	**61 436,7**
Accumulated depreciation	-2,4	-11 123,2	-6 380,4	-990,0	-6 812,5	-1 659,8	**-26 968,3**
Net book amount	1 824,3	18 189,9	9 043,5	1 084,6	2 679,0	1 647,1	**34 468,4**
Estimated useful life		10 - 50 år	15 - 50 år	10 - 20 år	5 - 15 år	5 - 40 år	
Method of depreciation	IA	Lineær	Lineær	Lineær	Lineær	Lineær	

NOTE 12 Assets under construction

Beløp i MNOK

Avinor AS and the group have several ongoing construction projects, of varying size and duration. The largest projects included in assets under construction at the end of 2023 are the development of future air navigation management systems, a new baggage facility at Oslo Airport, the development of remote-controlled towers and expansions at Tromsø Airport. In the group, these four projects account for approximately 60 per cent of the assets under construction on the balance sheet.

ASSETS UNDER CONSTRUCTION

	AVINOR AS	AVINOR GROUP
At 1 January 2022		
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
Year ended 31 December 2023		
Opening net book amount	3 852,1	4 097,7
Additions	2 879,7	2 979,8
Reclassification *	-2 287,1	-2 383,8
Closing net book amount	4 444,7	4 693,7
At 31 December 2023		
Cost	4 444,7	4 693,7
Accumulated depreciation	0,0	0,0
Net book amount	4 444,7	4 693,7
Classified as intangible	1 113,6	1 113,6

* Reclassification of assets under construction relates to completed assets/projects, 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 put into operation in 2029-2030.

The Board of Directors of Avinor approved the project in December 2022. The project has a maximum cost target ("kostnadsramme") and a management cost target ("styringsmål") of NOK 7.5 billion (2023 value) and NOK 6.3 billion (2023 value), respectively, excluding purchase of land and financing costs. The adopted maximum cost means that Avinor will contribute NOK 2.8 million (2023 value), while the rest is financed by the state and Bodø municipality. The state contribution is used in the first phase of the project. The project is then financed by Avinor and finally Bodø municipality.

With the exception of preparatory work, it has been a condition for the construction of the new airport that the financing is approved by EFTA's monitoring body (ESA) and that there is a license decision from the Ministry of Transport. The license from the Ministry of Transport was granted in October 2023 and approval from ESA was granted in December 2023. This means that the construction work can be started as planned.

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

On 21 March 2023, Avinor entered into agreements with Forsvarsbygg regarding the purchase of land for the new airport as well as the land where the current airport is located. At the same time, an agreement was entered into for the sale of the property where today's airport is located from Avinor to Bodø municipality after the new airport is completed. The agreements are an important part of the total financing of the project and ensure the further work on the construction of new airport in Bodø. The areas connected to the existing airport were taken over by Avinor in December 2023, while the areas for the new airport were taken over in January 2024.

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

<u>Financial status</u>

For 2019 to 2023, gross project expenses, excluding the purchase of the premises associated with the current airport and before received/recognised state grants/contributions, amount to NOK 409.9 million. After received/recognised state grants, based on allocations in the national budget for 2023, net expenses in the construction project amounts to NOK 0.0 million for the period 2019-2023. See further specification in the table below. In addition, Avinor has paid NOK 642.9 million to Forsvarsbygg in connection with the purchase of the areas connected to the existing airport. The purchase of the land was financed by a government grant.

In the National Budget for 2023, NOK 419 million was allocated to cover accrued project expenses in the period 2019 – 2023, of which NOK 390 million has been paid to Avinor in 2023 and the remaining NOK 29 million of the allocation has been transferred to 2024. In addition, NOK 666 million was allocated in the National Budget for 2023 for the purchase of the areas connected to the existing airport, of which NOK 643 million has been paid to Avinor in 2023 and the remaining NOK 23 million of the allocation has been transferred to 2024. As of 31 December 2023, a short-term receivable of NOK 19.9 million has been recognized in the balance sheet which applies to government contributions for incurred project expenses in addition to contributions received.

Further state contributions will be paid out on a monthly basis in line with Avinor's liquidity needs until the entire state contribution has been used. Grants/contributions from the state are accounted for in accordance with IAS 20 ("Accounting for Government Grants and Disclosure of Government Assistance").

Specification of how New Airport Bodø (Avinor AS and Avinor Group) is reflected in the financial statements excluding purchase of land:

	PRESENTATION IN INCOME STATEMENT/STATEMENT OF FINANCIAL POSITION	NOTE	2019-2021	2022	2023	TOTAL
Capitalised project expenses at 31 December						
Gross capitalised project expenses	Asset under construction		28,0	59,9	171,3	259,2
Reduction due to recognition of grants	Asset under construction		0,0	-87,9	-171,3	-259,2
Gross capitalised project expenses at 31 December			28,0	-28,0	0,0	0,0
Project expenses recognised in the income statement						
Project expenses recognised	Operating expenses		136,1	5,4	9,2	150,7
Grants recognised	Other operating income	5	0,0	-141,5	-9,2	-150,7
Net project expenses in the income statement			136,1	-136,1	0,0	0,0
Total project expenses						
Total accrued project expenses			164,1	65,3	180,5	409,9
Grants recognised			0,0	-229,4	-180,5	-409,9
Net total project expenses			164,1	-164,1	0,0	0,0
Receivables related to grants at 31 December						
Grants recognised - accumulated			0,0	229,4	409,9	409,9
Grants received - accumulated			0,0	0,0	-390,0	-390,0
Receivables grants at 31 December	Receivables	19	0,0	229,4	19,9	19,9

New airport Mo i Rana

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

The project has a maximum cost target ("kostnadsramme") and management cost target ("styringsmål") of NOK 4.7 billion (2023 value) and 4.4 billion (2023 value) respectively after increased state contributions were given in the revised national budget for 2023, including financing of increased runway length from 2,200 meters to 2,400 metres. The new airport is to be financed by the state as well as a fixed contribution of NOK 0.6 billion from Rana municipality and the local business community. In connection with the financing of increased runway length, a local contribution of NOK 66 million has also been agreed which will be subject to index regulation. EFTA's monitoring body, ESA, approved the financing plan for the project in June 2022.

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

The project is carried out as a turnkey contract in collaboration. The contractor is AF Gruppen Norge AS. In phase 1 (the development phase) of the collaboration, Avinor and the contractor collaborated to uncover opportunities and risks in the project, negotiated a target price and drew up plans for phase 2 (the implementation phase). An agreement with AF Gruppen Norge AS for phase 2 has been concluded and construction work began in the second quarter of 2023.

Financial status

As of 31 December 2023, gross project expenses for the new Mo i Rana airport, before received/recognized local and state grants/contributions, amount to NOK 833.6 million. After received local grants and received/recognised state grants, based on allocations in the national budgets for the years 2021-2023, net expenses in the development project amounts to NOK 0.0 million as of 31 December 2023. See further specification in the table below.

The contribution from local business of NOK 150 million was received in July 2022. The first state contribution of NOK 104 million, based on allocations in the National Budgets for 2021 and 2022, was received in December 2022. The allocations applied to planning costs up to and including 2022. The municipal contribution of NOK 450 million were paid in July 2023 in connection with the start of construction for the turnkey contract with AF Gruppen Norge AS. The municipal subsidy of NOK 66 million in connection with the co-financing of increased runway length will be paid out later in the project period.

In the National Budget for 2023, NOK 84 million was allocated to cover accrued project expenses in 2023, of which NOK 42 million has been paid to Avinor in 2023 and the remaining NOK 42 million of the allocation has been transferred to 2024. As of 31 December 2023, a short-term receivable of NOK 87.6 million has been recognized in the balance sheet which applies to state contribution for incurred project expenses in addition to contributions received.

Further state contributions will be paid out on a monthly basis in line with Avinor's liquidity needs. Contributions from the state are accounted for in accordance with IAS 20 ("Accounting for Government Grants and Disclosure of Government Assistance").

Specification of how New Airport Mo i Rana (Avinor AS and Avinor Group) is reflected in the financial statements:

	PRESENTATION IN INCOME STATEMENT/STATEMENT OF FINANCIAL POSITION	NOTE	2019-2021	2022	2023	TOTAL
Capitalised project expenses at 31 December						
Gross capitalised project expenses	Asset under construction		3,1	144,5	634,6	782,2
Reduction due to recognition of grants	Asset under construction		0,0	-147,6	-634,6	-782,2
Gross capitalised project expenses at 31 December			3,1	-3,1	0,0	0,0
Project expenses recognised in the income statement						
Project expenses recognised	Operating expenses		42,6	-0,2	9,0	51,4
Grants recognised	Other operating income	5	0,0	-42,4	-9,0	-51,4
Net project expenses in the income statement			42,6	-42,6	0,0	0,0
Total project expenses						
Total accrued project expenses			45,7	144,3	643,6	833,6
Recognition of grants			0,0	-190,0	-643,6	-833,6
Net total project expenses			45,7	-45,7	0,0	0,0
Liabilities related to grants at 31 December						
Grants recognised - accumulated			0,0	190,0	833,6	833,6
Grants received - accumulated			0,0	-254,0	-746,0	-746,0
Liabilities(-) / Receivables(+) grants at 31 December	Other current liabilities	19	0,0	-64,0	87,6	87,6

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 adjusted for indexation where applicable. A discount rate equal to the calculated marginal borrowing rate at the inception of the lease agreement is used for the respective subsidiary entering into the lease agreement. 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 turnover-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. Assets that are leased primarily consist of areas in airport terminals, operational buildings, and parking facilities adjacent to the airports.

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 358.3 million, includes the rent of office premises in Bjørvika, Oslo (head office) amounting to NOK 258.0 million (Avinor AS: 242.6 million out of a total of 352.8 million).

In connection with the building of a new airport in Bodø, the lease agreements for the current airport in Bodø have been terminated, and Avinor has purchased the land area 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 2023 is estimated at 4.05 per cent (2022: 3.49 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 2022						
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	34,1	512,6	187,0	4,8	1,4	**739,8**
Accumulated depreciation	-5,1	-171,4	-63,7	-4,5	-0,5	**-245,2**
Net book amount	29,0	341,2	123,2	0,3	0,9	**494,6**
Year ended 31 December 2023						
Opening net book amount	29,0	341,2	123,2	0,3	0,9	**494,6**
Additions cost - business combinations	0,0	0,0	0,0	0,0	0,0	**0,0**
Additions	0,0	56,1	0,0	1,2	0,0	**57,4**
Disposals	-11,8	-38,9	-110,5	0,0	-0,8	**-162,0**
Additions depreciations - business combinations	0,0	0,0	0,0	0,0	0,0	**0,0**
Depreciation charge	-1,2	-51,5	-17,7	-0,5	-0,1	**-71,0**
Closing net book amount	16,0	306,9	-5,0	1,0	0,0	**318,9**
At 31 December 2023						
Cost	22,3	529,8	76,5	6,0	0,6	**635,1**
Accumulated depreciation	-6,3	-222,9	-81,5	-5,0	-0,6	**-316,2**
Net book amount	16,0	306,9	-5,0	1,0	0,0	**318,9**
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 2022						
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**
Reclassification	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**
Year ended 31 December 2023						
Opening net book amount	26,2	354,0	123,2	0,3	0,9	**504,6**
Additions	0,0	56,1	0,0	1,2	0,0	**57,4**
Disposals	-11,8	-52,0	-110,5	0,0	-0,8	**-175,1**
Depreciation charge	-1,0	-39,9	-17,7	-0,5	-0,1	**-59,2**
Closing net book amount	13,3	318,3	-5,0	1,0	0,0	**327,6**
At 31 December 2023						
Cost	18,3	503,6	76,5	6,0	0,6	**604,9**
Accumulated depreciation	-4,9	-185,3	-81,5	-5,0	-0,6	**-277,3**
Net book amount	13,3	318,3	-5,0	1,0	0,0	**327,6**
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 (amount in i MNOK)

Specification of remaining estimated rental payments for capitalized leases and present value:

AVINOR AS	LESS THAN 1 YEAR	BETWEEN 1-5 YEARS	OVER 5 YEARS	TOTAL	INTRAGROUP INCLUDED IN TOTAL
At 31 December 2023					
Rental agreement HQ Oslo	29,1	130,5	83,0	242,6	0,0
Rental agreement Bodø Airport (Forsvarsbygg)	0,0	0,0	0,0	0,0	0,0
Rental agreements other premises	29,3	91,1	9,5	129,9	91,1
Other rental agreements	1,9	6,3	6,7	14,8	3,7
Total - rental payments at nominal value	60,2	227,9	99,2	387,4	94,7
Total - rental payments at present value	59,3	213,0	80,5	352,8	88,8
At 31 December 2022					
Rental agreement HQ Oslo	22,7	120,4	105,2	248,3	0,0
Rental agreement Bodø Airport (Forsvarsbygg)	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

AVINOR GROUP	LESS THAN 1 YEAR	BETWEEN 1-5 YEARS	OVER 5 YEARS	TOTAL
31.12.2023				
Rental agreement HQ Oslo	29,1	145,8	83,0	258,0
Rental agreement Bodø Airport (Forsvarsbygg)	0,0	0,0	0,0	0,0
Rental agreements other premises	12,1	48,0	83,1	143,2
Other rental agreements	1,6	5,1	4,3	11,1
Total - rental payments at nominal value	42,8	199,0	170,5	412,3
Total - rental payments at present value	42,1	184,6	131,6	358,3
31.12.2022				
Rental agreement HQ Oslo	29,8	146,5	105,2	281,5
Rental agreement Bodø Airport (Forsvarsbygg)	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

	AVINOR AS		AVINOR GROUP	
CHANGES IN LEASE LIABILITIES	2023	2022	2023	2022
Balance at 1 January	**529,9**	556,2	**535,0**	588,7
Additions - business combinations	**0,0**	27,3	**0,0**	0,0
Additions/changes in the period	**57,4**	0,1	**57,4**	0,6
Disposals	**-166,9**	0,0	**-180,0**	-6,7
Repayments	**-67,6**	-53,6	**-54,1**	-47,6
Interest payments	**-9,2**	-15,5	**-9,2**	-16,2
Finance cost on lease liabilities	**9,2**	15,5	**9,2**	16,2
Total lease liabilities at 31 December	**352,8**	529,9	**358,3**	535,0
Short-term lease liabilities	**59,3**	59,3	**42,1**	42,1
Long-term lease liabilities	**293,5**	444,3	**316,2**	439,3
Net cash-flow from lease liabilities	**-76,8**	-69,1	**-63,3**	-63,8

THE GROUP AS A LESSEE - NON-CAPITALIZED LEASE AGREEMENTS	AVINOR AS 2023	AVINOR AS 2022	AVINOR GROUP 2023	AVINOR GROUP 2022
Specification of current year's rental cost				
Operating expenses in the period related to short-term leases (including short-term low value leases)	13,0	14,5	13,9	15,9
Operating expenses in the period related to intangible assets (not applying IFRS 16)	255,5	189,7	255,9	217,5
Total lease cost presented as other operating expenses	268,4	204,2	269,8	233,4

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. 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 2023, there are no significant future potential lease payments that are not included in the lease obligations as a result of extension or purchase options.

NOTE 14 Impairment of property, plant and equipment & intangible assets

All amounts in MNOK

Avinor has significant investments in infrastructure, buildings and other real estate required to own, operate and develop airport operations and air navigation services. Avinor has defined two cash-generating units (CGUs): airport operations and air navigation services. For airport operations, the financing model for Avinor is based on cross financing between profitable and unprofitable airports. Commercial profit shall subsidise the airport charges (referred to as the "single till" principle). Based on this, the Group's total airport operations are defined as one cash-generating unit.

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

The airport operations CGU is sensitive to changes in traffic patterns. Both the digitalization trend that emerged during the Covid pandemic, in particular for business travellers, and increased attention on climate, environment, and sustainability, imply a risk of permanent changes in travel habits. This may result in fewer passengers or lower traffic growth than anticipated, leading to lower revenues for the Group's airport operations. The geopolitical and economic developments in the world add to further uncertainties in projectionsfor future traffic and revenues. At 31 December 2023, the risk of a permanent reduction in the number of passengers with corresponding lower revenues is considered to be an impairment indicator for the airport operations CGU.

The air navigation services CGU is not to the same extent sensitive to changes in traffic patterns as the regulations of en-route charges are designed to support, over time, coverage of actual costs in Avinor and a required rate of return, subject to certain performance measures being met. At 31 December 2023, it is considered no impairment indicators for the air navigation services CGU.

KEY JUDGEMENTS AND ESTIMATES FOR AIRPORT OPERATIONS

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

The airport operation is entirely in Norway. To estimate the value-in-use, the present value of future cash flows is estimated in NOK and discounted based on a relevant WACC rate for the airport operations. Year 2024 to 2028 is used as the forecast period in the impairment test. The cash flows beyond the forecast period have been extrapolated into perpetuity using a constant nominal growth rate to arrive at the terminal value in year 2029. The value-in-use is calculated as the total of the discounted cash flows in the forecast period and the terminal value.

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

	AIRPORT OPERATIONS
Key assumptions	
Number of passengers terminal year 2029 (millions)	54,9
Result improvement terminal year 2029 (NOK billion) *	2,0
Growth in terminal value	2,0 %
Discount rate after tax	5,5 %

*Improvement in operating result in 2029 in excess of estimated result with consumer price index adjustment of the airport charges for 2023. The improvement in results is necessary to have a reasonable return on invested capital. The improvement in results is assumed realised through an increase in airport charges, changes in commercial conditions in general and/or other measures to improve results might reduce the need for increased airport charges

KEY ASSUMPTIONS FOR THE VALUE-IN-USE OF THE AIRPORT OPERATIONS

Number of passengers in terminal year 2029

The number of passengers of 54.9 million in 2029 is estimated based on Avinor's traffic projections in the forecast period and a projected growth of 2 per cent in the future cash flows. The estimated traffic development for 2024 is based on Avinor's internal analysis, and after that an expected annual traffic growth for the years 2025-2028 based on forecasts prepared by The Institute of Transport Economics (TØI). Expected increase in CO_2-costs (affecting both charges and quota prices) are included in the forecasts from TØI. Avinor's forecast for 2024 is based on registered route schedules from the airlines, the latest development in traffic numbers and an assessment of how macroeconomic conditions are expected to influence the traffic numbers in 2024. For the years 2025-2028, the traffic growth from the latest forecasts by TØI is used, but the internal traffic forecast from Avinor for 2024 is used as the starting point for the yearly growth for these years.

Result improvement terminal year 2029

Based on the forecast as of 31 December 2023, Avinor has calculated a need for a result improvement, including increased airport charges, of around NOK 2.0 billion in the terminal year in excess of what revenues would have been with consumer price index adjustments of the 2023 airport charges. For the years 2024-2028 the corresponding accumulated effect of result improvement in the cash flow forecasts is approximately NOK 6.8 billion (with some variations in each year).

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

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

Growth rates in terminal value

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

Discount rate after tax

The discount rate after tax of 5.5 per cent (7.6 per cent before tax) as of 31 December 2023 is based on the market expectations for risk-free interest rates, debt interest rates and assessing reasonable equity returns for this type of business.

CONCLUSION REGARDING IMPAIRMENT TEST OF AIRPORT OPERATIONS

The impairment test performed as of 31 December 2023 shows that the value-in-use exceeds the carrying value of assets. Consequently, the Group has concluded that no impairment of assets for the cash-generating unit airport operations shall be recognised as of 31 December 2023.

SENSITIVITY ANALYSIS FOR THE IMPAIRMENT TEST OF AIRPORT OPERATIONS

The impairment test is sensitive for changes to the key assumptions. Should the Management's best estimates not be met, it could lead to significant impairment losses. The value-in-use will be significantly negatively affected if the result improvement, including airport charges, is not regulated as in accordance with the "single till" principle. With a result improvement of only 50 per cent of the cash flows used in the forecast period and terminal value, it would imply a negative change of the value-in-use of approximately NOK 19.7 billion with write-down requirements of assets of approximately NOK 17.9 billion. With zero result improvement, the negative change in value-in-use would have been NOK 39.5 billion, resulting in write-downs of approximately NOK 37.7 billion.

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

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

For illustration purposes are the estimated reduced value-in-use shown should Avinor only achieve 50 per cent coverage of the needed amount in excess of NOK 2.0 billion in yearly result improvement, including airport charges, in the terminal value.

IMPAIRMENT TESTS - RESULTS		VALUE	CHANGE IN VALUE	NEEDED REULT IMPROVEMENT	IMPAIRMENT IF 50 PER CENT COVERAGE OF NEEDED RESULT IMPROVEMENT
	Passengers terminal year (millions)				
Change number of passengers terminal year					
0 %	54,9	40 078	0	0	0
- 5 %	52,1	30 295	-9 783	457	3 998
- 10 %	49,4	20 512	-19 566	1 016	8 890
	Growth in terminal value				
Change growth in terminal value					
0,0 %	2,0 %	40 078	0	0	0
- 0,5 %	1,5 %	35 199	-4 880	202	1 546
- 1,0 %	1,0 %	31 403	-8 675	506	3 444
	Rate of return requirement				
Change in post-tax required rate of return requirement					
0,0 %	5,5 %	40 078	0	0	0
+ 0,5 %	6,0 %	34 706	-5 373	239	1 793
+ 1,0 %	6,5 %	30 538	-9 541	594	3 877

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 74 per cent of its interest-bearing debt at fixed interest for at least 12 months.

As of 31 December 2023, 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	2023	2022
2025	4,26	3,55
2027	3,02	3,02
2030	4,21	3,38

As of 31 December 2023, the group has bond loans and bank loans totalling NOK 2,913 million (2022: NOK 3,080 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

ALL AMOUNTS IN MNOK	CHANGES IN INTEREST LEVELS IN BASIS POINTS	IMPACT ON PRE-TAX PROFIT	IMPACT ON EQUITY
2023			
	+50	-14,3	-17,4
	-50	14,3	17,4
	+150	-43,0	-52,5
	-150	43,0	52,5
2022			
	+50	-17,3	-21,8
	-50	17,3	21,8
	+150	-52,0	-65,5
	-150	52,0	65,5

Average interest on the group's various categories of debt financing per 31 December:

AVINOR AS AND AVINOR GROUP

ALL AMOUNTS IN MNOK	2023	2022
At 31 December		
State Loan	1,62	1,62
Bonds	3,93	3,46
Bank Loan	4,40	3,63

The figures include interest hedging derivatives.

As of 31 December 2023, Avinor AS had total borrowings amounting to NOK 23,668 million (2022: NOK 22,247 million) in addition to an unutilized revolving credit facility and a bank overdraft facility, of a total of NOK 4,300 million (2022: 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. 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 2023, contracts have been entered into that cover 100 per cent of expected consumption in 2024 at an average price equal to around 60 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:

AVINOR AS AND AVINOR GROUP

ALL AMOUNTS IN MNOK	2023	2022
20 % increase in energy price (effect on pre-tax profit)	69,0	120,3

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 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					
	LESS THAN 1 MONTH	BETWEEN 1 - 3 MONTHS	BETWEEN 4 - 12 MONTHS	BETWEEN 1 - 5 YEARS	OVER 5 YEARS	TOTAL
At 31 December 2023						
State, bond and bank borrowings*	57,6	133,9	2 962,6	14 230,7	8 187,7	**25 572,5**
Lease liabilities (see note 13)	5,0	10,0	45,2	227,9	99,2	**387,4**
Other commitments (see note 18)	12,3	24,6	110,8	677,9	0,0	**825,7**
Trade payables	471,4	232,2	0,0	0,0	0,0	**703,7**
Other current liabilities	337,3	166,1	0,0	0,0	0,0	**503,4**
Total	883,6	566,9	3 118,6	15 136,6	8 286,9	**27 992,6**
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	750,4	498,8	1 640,4	13 992,1	11 009,1	**27 890,9**

* Commercial papers and derivatives included

AVINOR GROUP: MATURITY STRUCTURE OF FINANCIAL OBLIGATIONS

	REMAINING PERIOD					
	LESS THAN 1 MONTH	BETWEEN 1 - 3 MONTHS	BETWEEN 4 - 12 MONTHS	BETWEEN 1 - 5 YEARS	OVER 5 YEARS	TOTAL
At 31 December 2023						
State, bond and bank borrowings*	57,6	133,9	2 962,6	14 230,7	8 187,7	**25 572,5**
Lease liabilities (see note 13)	3,6	7,1	32,1	199,0	170,5	**412,3**
Other commitments	14,5	29,1	130,9	680,6	0,0	**855,0**
Trade payables	514,3	253,3	0,0	0,0	0,0	**767,5**
Other current liabilities	371,4	182,9	0,0	0,0	0,0	**554,4**
Total	961,4	606,3	3 125,5	15 110,3	8 358,2	**28 161,7**
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**

* 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.

AVINOR AS

	2023		2022	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Interest-bearing debt				
State loan	305,5	298,7	749,8	730,0
Bonds	19 040,2	17 902,6	17 095,1	15 607,0
Bank borrowings	3 351,9	3 345,3	3 879,0	3 884,0
Commercial papers	1 499,9	1 501,7	0,0	0,0
Lease liabilities	352,8	352,8	529,9	529,9

AVINOR GROUP

	2023		2022	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Interest-bearing debt				
State loan	305,5	298,7	749,8	730,0
Bonds	19 040,2	17 902,6	17 095,1	15 607,0
Bank borrowings	3 351,9	3 345,3	3 879,0	3 884,0
Commercial papers	1 499,9	1 501,7	0,0	0,0
Lease liabilities	358,3	358,3	535,0	535,0

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 2023:

AVINOR GROUP	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial assets at fair value through profit or loss				
Foreign exchange contracts	0,0	23,1	0,0	23,1
Energy contracts	0,0	0,0	0,0	0,0
Derivatives used for hedging				
Interest rate contracts	0,0	2 624,8	0,0	2 624,8
Total assets	0,0	2 647,9	0,0	2 647,9
Liabilities				
Financial liabilities at fair value through profit or loss				
Energy contracts	0,0	25,4	0,0	25,4
Bonds	0,0	3 098,4	0,0	3 098,4
Foreign exchange contracts	0,0	0,1	0,0	0,1
Derivatives used for hedging				
Interest rate contracts	0,0	734,5	0,0	734,5
Total liabilities	0,0	3 858,4	0,0	3 858,4
Liabilities for which fair values are disclosed				
Interest-bearing debt				
State loan	0,0	298,7	0,0	298,7
Bonds	0,0	17 902,6	0,0	17 902,6
Bank borrowings	0,0	3 345,3	0,0	3 345,3
Commercial papers	0,0	1 501,7	0,0	1 501,7
Lease liabilities	0,0	358,3	0,0	358,3
Total	0,0	23 406,6	0,0	23 406,6

There were no transfers between levels in 2023.

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.

NOTE 16 Financial assets and liabilities

All amounts in i 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 subject to 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.

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)

The company and the group have the following interest rate swap agreements as of 31 December 2023:

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING - AVINOR AS AND AVINOR GROUP

	Nominal amount	Due date	Reference interest rate
At 31 December 2023			
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	4 000	2030	NIBOR
Fair value hedge	5 589	2030	EURIBOR OG NIBOR

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 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 2023				
Assets				
Loans and receivables to group companies	543,2	0,0	0,0	**543,2**
Derivative financial instruments	0,0	60,8	2 624,8	**2 685,6**
Other financial assets	38,9	0,0	0,0	**38,9**
Trade receivables *	993,6	0,0	0,0	**993,6**
Other receivables *	355,2	0,0	0,0	**355,2**
Cash and cash equivalents	1 423,3	0,0	0,0	**1 423,3**
Total assets	3 354,1	60,8	2 624,8	**6 039,7**
Liabilities				
State loan **	305,5	0,0	0,0	**305,5**
Bonds **	19 040,2	0,0	0,0	**19 040,2**
Bank borrowings **	3 351,9	0,0	0,0	**3 351,9**
Commercial papers	1 499,9	0,0	0,0	**1 499,9**
Loans and payables to group companies	2 405,5	0,0	0,0	**2 405,5**
Derivative financial instruments	0,0	25,5	734,5	**760,0**
Lease liabilities	0,0	352,8	0,0	**352,8**
Trade payables	703,7	0,0	0,0	**703,7**
Other liabilities ***	1 377,2	0,0	0,0	**1 377,2**
Total liabilitites	28 683,8	378,3	734,5	**29 796,6**
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 *	543,1	0,0	0,0	**543,1**
Cash and cash equivalents	1 188,6	0,0	0,0	**1 188,6**
Total assets	3 171,0	142,0	1 377,9	**4 690,9**
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**
Commercial papers	0,0	0,0	0,0	**0,0**
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 ***	1 040,9	0,0	0,0	**1 040,9**
Total liabilitites	25 832,4	535,2	1 585,9	**27 953,5**

* Trade receivables and other receivables are included in the balance sheet item "Trade and other receivables". See note 19 for further breakdown.
** State loans, bonds, and bank borrowings are included in the balance sheet items "State loan", "Other non-current liabilities" and "First annual installment on long-term liabilities".
*** See note 19 for a breakdown of the balance sheet item "Other liabilities". The item "accrued payroll-related costs" is not included in the category of "Other liabilities" in the tables above.

AVINOR GROUP

	AMORTISED COST	FAIR VALUE THROUGH PROFIT OR LOSS	DERIVATIVES USED FOR HEDGING	TOTAL
At 31 December 2023				
Assets				
Derivative financial instruments	0,0	23,1	2 624,8	**2 647,9**
Other financial assets	39,2	0,0	0,0	**39,2**
Trade receivables *	1 278,1	0,0	0,0	**1 278,1**
Other receivables *	362,7	0,0	0,0	**362,7**
Cash and cash equivalents	1 423,3	0,0	0,0	**1 423,3**
Total assets	3 103,2	23,1	2 624,8	**5 751,1**
Liabilities				
State loan **	305,5	0,0	0,0	**305,5**
Bonds **	19 040,2	0,0	0,0	**19 040,2**
Bank borrowings **	3 351,9	0,0	0,0	**3 351,9**
Commercial papers	1 499,9	0,0	0,0	**1 499,9**
Derivative financial instruments	0,0	25,5	734,5	**760,0**
Lease liabilities	0,0	358,3	0,0	**358,3**
Trade payables	767,5	0,0	0,0	**767,5**
Other liabilities ***	1 458,9	0,0	0,0	**1 458,9**
Total liabilitites	26 423,9	383,8	734,5	**27 542,2**
At 31 December 2022				
Assets				
Derivative financial instruments	0,0	142,0	1 377,9	**1 519,9**
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 *	578,5	0,0	0,0	**578,5**
Cash and cash equivalents	1 188,6	0,0	0,0	**1 188,6**
Total assets	2 899,6	142,0	1 377,9	**4 419,5**
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**
Commercial papers	0,0	0,0	0,0	**0,0**
Derivative financial instruments	0,0	3,4	1 585,8	**1 589,2**
Lease liabilities	0,0	535,0	0,0	**535,0**
Trade payables	650,1	0,0	0,0	**650,1**
Other liabilities ***	1 096,5	0,0	0,0	**1 096,5**
Total liabilitites	23 470,5	538,4	1 585,8	**25 594,7**

* Trade receivables and other receivables are included in the balance sheet item "Trade and other receivables". See note 19 for further breakdown.
** State loans, bonds, and bank borrowings are included in the balance sheet items "State loan", "Other non-current liabilities" and "First annual installment on long-term liabilities".
*** See note 19 for a breakdown of the balance sheet item "Other liabilities". The item "accrued payroll-related costs" is not included in the category of "Other liabilities" in the tables above.

For information about the creditworthiness of financial assets - see note 15.

DERIVATIVE FINANCIAL INSTRUMENTS

	AVINOR AS			AVINOR GROUP		
	2023	2022	CHANGE	2023	2022	CHANGE
Assets						
Interest rate swaps - cash flow hedges	**1 903,8**	855,5	1 048,3	**1 903,8**	855,5	1 048,3
Interest rate swaps - fair value hedges	**721,0**	522,4	198,6	**721,0**	522,4	198,6
Forward foreign exchange contracts	**60,8**	1,3	59,6	**23,1**	1,2	21,9
Forward energy contracts	**0,0**	140,8	-140,8	**0,0**	140,8	-140,8
Total assets	**2 685,6**	1 519,9	1 165,7	**2 647,9**	1 519,9	1 127,9
Liabilities						
Interest rate swaps - cash flow hedges	**734,5**	1 585,9	-851,4	**734,5**	1 585,8	-851,3
Forward foreign exchange contracts	**0,0**	5,3	-5,3	**0,1**	3,4	-3,3
Forward energy contracts	**25,4**	0,0	25,4	**25,4**	0,0	25,4
Total liabilities	**760,0**	1 591,2	-831,3	**760,0**	1 589,2	-829,2
Net change			1 997,0			1 957,2
Details of net change						
Changes in value and other losses/(gains)			-101,4			-141,0
Interest rate swaps - recognised in other comprehensive income			161,0			161,0
Interests rate swaps - changes in value			1 937,3			1 937,2

AVINOR AS AND AVINOR GROUP

	CARRYING AMOUNT	CHANGE IN CARRYING AMOUNT	RECOGNISED IN OCI	TOTAL HEDGING GAIN/LOSS(-) RECOGNISED IN OCI
At 31 December 2023				
Derivative financial instruments				
Interest rate swaps - cash flow hedges	1 169,3	1 899,7	922,7	-662,4
Interest rate swaps - fair value hedges	721,0	198,6	-761,6	206,2
Total	1 890,3	2 098,3	161,0	-456,2

AVINOR AS AND AVINOR GROUP

	CARRYING AMOUNT	CHANGE 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

Interest rate and currency swaps are related 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 2023			
Interest rate and foreign currency swap	2025	EUR 150 million	2,86 per cent 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 per cent p.a.
Interest rate and foreign currency swap	2030	EUR 500 million	NIBOR
Interest rate swap	2030	NOK 1 000 million	2,20 per cent p.a.
Interest rate swap	2030	NOK 1 000 million	2,22 per cent p.a.
Interest rate swap	2030	NOK 1 000 million	3,57 per cent p.a.
Interest rate swap	2030	NOK 1 000 million	4,08 per cent 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 2023 was NOK 331 million (2022: NOK 417 million).

The notional principal amount of the outstanding forward energy contracts on 31 December 2023 was NOK 392 million (2022: NOK 510 million).

Gains and losses recognized in comprehensive income on interest rate swaps as of 31 December 2023 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	
	2023	2022	2023	2022
Other financial assets				
Other non-current receivables	38,9	86,4	39,2	86,7
Total	38,9	86,4	39,2	86,7

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 consist entirely of bank deposits.

Overdraft 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 overdraft 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.

Cash pool

The Avinor Group's liquidity is organized as a cash pool. Avinor AS is the formal holder of the bank deposits. The bank deposits 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 guarantee is for NOK 195 million and covers all companies with employees in the Avinor Group. Bank guarantee provided exceed withheld tax withholding as of 31 December 2023.

LIABILITIES

Liabilities are recognized initially at fair value. Liabilities 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. Liabilities 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	
	2023	2022	2023	2022
Non-current liabilities and lease liabilities				
State loan	0,0	305,5	0,0	305,5
Bonds	19 040,2	17 095,1	19 040,2	17 095,1
Bank loans	2 824,8	3 351,9	2 824,8	3 351,9
Lease liabilities	293,5	457,3	316,2	472,2
Total long-term	22 158,5	21 209,7	22 181,2	21 224,6
Current liabilities				
Commercial papers	1 499,9	0,0	1 499,9	0,0
First year instalment on long-term debt	832,6	971,5	832,6	971,5
Lease liabilities	59,3	72,7	42,1	62,8
Total current	2 391,8	1 044,1	2 374,6	1 034,3
Total current and long-term liabilities and lease liabilities	24 550,3	22 253,8	24 555,8	22 259,0

	AVINOR AS		AVINOR GROUP	
	2023	2022	2023	2022
Changes in liabilities				
Opening net book amount at 1 January	22 253,8	22 944,8	22 259,0	22 977,3
Repayment of liabilities	-966,4	-891,5	*-966,4*	*-891,5*
Repayment of lease liabilities	*-67,5*	*-35,6*	-54,1	*-47,5*
Proceeds of short term borrowings (commercial papers)	1 499,9	0,0	*1 499,9*	0,0
Net changes in liabilities with cash flow effect	466,0	-927,1	479,4	-939,0
Other changes in lease liabilities	-109,5	27,3	-122,6	-6,1
Changes in value	1 940,0	208,8	1 940,0	226,8
Closing net book amount at 31 December	24 550,3	22 253,8	24 555,8	22 259,0

REPAYMENT PROFILE LIABILITIES	2025	2026	2027	2028	2029	THEREAFTER	TOTAL
Bonds	2 529,8	1 000,0	4 439,5	2 000,0	0,0	9 070,9	**19 040,2**
Bank loans	527,1	527,1	527,1	363,5	200,0	680,0	**2 824,8**
Closing net book amount at 31 December	3 056,9	1 527,1	4 966,6	2 363,5	200,0	9 750,9	**21 865,0**

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 2023:

- 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 2023:

- 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
  - Face value NOK 1,500 million   maturity 2031   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

Specification of Avinor AS and the group's outstanding commercial paper loans as of 31 December 2023:

- DNB
  - Face value NOK 750 million   maturity 2024   Fixed interest rate
  - Face value NOK 750 million   maturity 2024   Fixed interest rate

NOTE 17 Pensions

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. The funds simulated as invested in The Government Pension Fund Global is valued at market value.

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 2024 premium will be 2.7 per cent (2.6 per cent in 2023 and 2022) of a salary basis, which is further defined in the scheme's articles of association.

PENSION COST

	AVINOR AS		AVINOR GROPUP	
	2023	2022	2023	2022
The amounts recognised in the income statement are as follows:				
Defined contribution pension and private AFP scheme	103,9	74,5	204,6	183,9
Current service cost	144,3	167,8	182,4	210,9
Plan amendment inclusive curtailment/settlement	0,0	0,0	0,0	0,0
Interest cost	243,8	192,3	404,2	328,0
Return on plan assets	-175,0	-126,0	-266,3	-198,7
Contribution from the employees	-31,1	-26,6	-44,7	-41,5
Administration fee	2,5	2,5	2,8	2,9
Payroll tax	40,7	40,1	67,9	68,5
Total pension cost (Note 6)	329,2	324,6	551,0	554,0

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)

	2023	2022
Discount rate and expected return on plan assets	3,30 %	3,20 %
Future salary increases	3,50 %	3,50 %
Future pension increases	2,80 %	2,60 %
Expected increase in national Insurance scheme basic amount	3,25 %	3,25 %
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.

AGE	LIFE EXPECTANCY		MORTALITY EXPECTANCY		DISABILITY EXPECTANCY	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
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 20.7 years for the Avinor Group and 18.5 years for Avinor AS.

Pension obligations and plan assets

AVINOR AS

	2023			2022		
	FUNDED	UNFUNDED	TOTAL	FUNDED	UNFUNDED	TOTAL
Change in gross pension obligation:						
Obligation at 1 January	7 303,5	224,0	**7 527,5**	7 409,4	236,3	**7 645,7**
Current service cost	138,6	5,8	**144,3**	164,6	7,6	**172,2**
Plan amendment incl. curtailment/settlement	0,0	0,0	**0,0**	0,0	0,0	**0,0**
Interest cost	237,8	6,0	**243,8**	188,1	4,2	**192,3**
Merger/demerger	5,4	0,0	**5,4**	383,1	0,0	**383,1**
Actuarial losses/(gains)	298,7	39,1	**337,8**	-634,2	7,5	**-626,7**
Benefits paid	-227,6	-41,9	**-269,6**	-207,4	-31,7	**-239,1**
Gross pension obligation at 31 December	7 756,4	233,0	**7 989,4**	7 303,5	224,0	**7 527,5**
Change in pension funds:						
Fair value at 1 January	5 031,9	0,0	**5 031,9**	4 460,6	0,0	**4 460,6**
Expected return on plan assets	179,4	0,0	**179,4**	130,4	0,0	**130,4**
Merger/demerger	3,4	0,0	**3,4**	224,0	0,0	**224,0**
Contributions	482,8	0,0	**482,8**	282,3	0,0	**282,3**
Administration fee	-2,5	0,0	**-2,5**	-2,5	0,0	**-2,5**
Actuarial (losses)/gains	116,0	0,0	**116,0**	144,6	0,0	**144,6**
Actuarial (losses)/gains - addition of plan assets	0,0	0,0	**0,0**	0,0	0,0	**0,0**
Gains on realisation of assets	0,0	0,0	**0,0**	0,0	0,0	**0,0**
Benefits paid	-227,6	0,0	**-227,6**	-207,4	0,0	**-207,4**
Fair value of plan assets at 31 December	5 583,3	0,0	**5 583,3**	5 031,9	0,0	**5 031,9**
Net pension obligation	2 173,1	233,0	**2 406,1**	2 271,7	224,0	**2 495,6**
Payroll tax, employers contribution	302,8	32,9	**335,6**	315,2	31,6	**346,8**
Net pension obligation recognised in the balance sheet at 31 December	2 475,9	265,8	**2 741,7**	2 586,9	255,6	**2 842,4**
Actual return on plan assets last year	-63,6		**-63,6**	190,7		**190,7**
Expected employer/employee contribution next year	539,2		**539,2**	337,6		**337,6**
Expected payment of benefits next year	-234,0		**-234,0**	-212,8		**-212,8**

AVINOR GROUP

	2023			2022		
	FUNDED	UNFUNDED	TOTAL	FUNDED	UNFUNDED	TOTAL
Change in gross pension obligation:						
Obligation at 1 January	11 527,1	678,6	12 205,7	12 477,0	719,3	13 196,3
Current service cost	154,9	28,0	182,9	192,8	22,7	215,6
Plan amendment incl. curtailment/settlement	0,0	0,0	0,0	0,0	0,0	0,0
Interest cost	383,0	21,2	404,2	313,8	14,2	328,0
Merger/demerger	0,0	0,0	0,0	0,0	0,0	0,0
Actuarial (losses)/gains	512,5	72,2	584,7	-1165,9	-34,8	-1 200,7
Benefits paid	-320,2	-49,6	-369,9	-290,6	-42,9	-333,4
Gross pension obligation at 31 December	12 257,3	750,3	13 007,6	11 527,1	678,6	12 205,7
Change in pension funds:						
Fair value at 1 January	7 541,0	0,0	7 541,0	7 149,3	0,0	7 149,3
Expected return on plan assets	270,7	0,0	270,7	199,8	0,0	199,8
Merger/demerger	0,0	0,0	0,0	0,0	0,0	0,0
Contributions	737,6	0,0	737,6	371,9	0,0	371,9
Administration fee	-2,8	0,0	-2,8	-2,9	0,0	-2,9
Actuarial (losses)/gains	217,8	0,0	217,8	113,3	0,0	113,3
Actuarial (losses)/gains - addition of plan assets	0,0	0,0	0,0	0,0	0,0	0,0
Gains on realisation of assets	0,0	0,0	0,0	0,0	0,0	0,0
Benefits paid	-320,2	0,0	-320,2	-290,6	0,0	-290,6
Fair value of plan assets at 31 December	8 444,1	0,0	8 444,1	7 541,0	0,0	7 541,0
Net pension obligation	3 813,2	750,3	4 563,5	3 986,1	678,6	4 664,8
Payroll tax, employers contribution	538,9	105,1	644,0	554,1	95,0	649,2
Net pension obligation recognised in the balance sheet at 31 December	4 352,1	855,4	5 207,7	4 540,2	773,6	5 313,9
Actual return on plan assets last year	-126,2		-126,2	316,6		316,6
Expected employer/employee contribution next year	811,6		811,6	514,5		514,5
Expected payment of benefits next year	-329,2		-329,2	-297,0		-297,0

Changes in the defined benefit obligation

Amounts include payroll tax.

	AVINOR AS		AVINOR GROUP	
	2023	2022	2023	2022
Change in the defined benefit obligation over the year:				
Obligation at 1 January	2 842,4	3 634,3	5 313,9	6 895,2
Pension cost charged to the income statement	226,7	250,9	347,3	369,9
Employer/employee contribution	-537,8	-310,8	-817,5	-406,8
Administration fee	2,9	2,9	3,2	3,3
Benefits paid - unfunded schemes	-47,9	-36,7	-56,6	-49,5
Merger/demerger	2,3	182,1	0,0	0,6
Actuarial (gains)/losses recognised in other comprehensive income	253,1	-880,1	417,4	-1 498,6
Gains on realisation of assets	0,0	0,0	0,0	0,0
Liability in the balance sheet at 31 December	2 741,7	2 842,4	5 207,7	5 313,9

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

Change in pension obligation as a result of one percentage point changes in financial assumptions. Amounts include payroll tax.

AVINOR AS

PENSION OBLIGATION - SENSITIVITIES	2023 + 1	2023 - 1	2022 + 1	2022 - 1
Discount rate	-1 252	1 610	-1 218	1 579
Future salary increase	302	-261	309	-264
National Insurance scheme basic amount regulation	411	-321	356	-265
Pension regulation	847	-722	793	-675

AVINOR GROUP

ENDRING I FORPLIKTELSE SOM FØLGE AV ETT PROSENTPOENG ENDRING I FORUTSETNINGER.	2023 + 1	2023 - 1	2022 + 1	2022 - 1
Discount rate	-2 253	2 936	-2 205	2 906
Future salary increase	405	-359	408	-358
National Insurance scheme basic amount regulation	1 006	-822	956	-764
Pension regulation	1 414	-1 204	1 360	-1 152

NOTE 18 Provisions for other liabilities

All amounts in MNOK

Provisions are recognized when the group has an obligation (legal or self-imposed) as a result of past events, it is probable (more likely than not) that a financial settlement will be required as a consequence of this obligation and the amount can be 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	OTHER	TOTAL
At 1 January 2022	18,3	943,1	0,0	**961,4**
Change in provision	175,1	-13,0	0,0	**162,1**
Used	-187,4	-65,9	0,0	**-253,3**
Effect present value calculation	0,0	42,9	0,0	**42,9**
At 31 December 2022	6,0	907,2	0,0	**913,2**
Short-term part	*2,4*	*0,0*	*0,0*	***2,4***
Long-term part	*3,7*	*907,2*	*0,0*	***910,9***
At 1 January 2023	6,0	907,2	0,0	**913,2**
Change in provision	1,4	38,2	6,8	**46,5**
Used	-6,0	-73,7	0,0	**-79,7**
Effect present value calculation	0,0	-54,4	0,0	**-54,4**
At 31 December 2023	1,5	817,3	6,8	**825,7**
Short-term part	*1,5*	*0,0*	*0,0*	***1,5***
Long-term part	*0,0*	*817,3*	*6,8*	***824,2***

AVINOR GROUP

	RETIREMENT PAY	ENVIRONMENTAL POLLUTION	OTHER	TOTAL
At 1 January 2022	23,8	944,7	0,0	**968,6**
Change in provision	175,1	84,6	0,0	**259,7**
Used	-192,6	-67,3	0,0	**-259,8**
Effect present value calculation	0,0	44,9	0,0	**44,9**
At 31 December 2022	6,4	1 006,9	0,0	**1 013,3**
Short-term part	*2,7*	*0,0*	*0,0*	***2,7***
Long-term part	*3,7*	*1 006,9*	*0,0*	***1 010,6***
At 1 January 2023	6,4	1 006,9	0,0	**1 013,3**
Change in provision	5,2	13,5	6,8	**25,6**
Used	-6,3	-121,4	0,0	**-127,6**
Effect present value calculation	0,0	-56,1	0,0	**-56,1**
At 31 December 2023	5,3	842,9	6,8	**855,0**
Short-term part	*2,7*	*0,0*	*0,0*	***2,7***
Long-term part	*2,6*	*842,9*	*6,8*	***852,3***

The short-term part of provisions for liabilities is included in other short-term liabilities.

SEVERANCE PAY

This includes optional retirement pay in accordance with the group's policy related to restructuring.

ENVIRONMENT

PFAS are fluoride organic compounds that were previously added to firefighting foam and have spread to the ground at airports where they now leak into the surrounding natural environment. These pollutants constitute a risk of damage to the local natural environment and human health. Norway have made international commitments to reduce emissions and leaching of these compounds. In recent years, Avinor has received several orders from the Norwegian Environment Agency with requirements for mapping, preparation of action plans and implementation of clean-up measures at several sites where there is PFAS contamination. Significant supplementary surveys and mapping of soil, water, sediment and biota have been carried out at priority sites.

Avinor is actively working on alternative measures as a possible alternative to the traditional clean-up method with digging, transport and disposal at approved landfills. It may be possible to carry out the clean-up at several airports at a lower cost using alternative methods. However, this requires good documentation and the environmental authorities' acceptance. Avinor is making considerable efforts with alternative measures at sites to assess and implement measures that capture PFAS as cost-effectively as possible.

Experiences with clean-up operations at various sites show that such measures are carried out at both lower and higher costs than expected, as there are several uncertain variables concerning the estimated clean-up cost, such as uncertainty related to clean-up limit values, areas and volumes of contaminated masses. Avinor works actively to reduce uncertainties by improving the limitation of pollutants, maintain a close dialogue with players who can offer more cost-effective mitigation methods and test new methods.

During 2023, clean-up work has been carried out at sites at the airports in Bergen and Haugesund (carried out by Avinor AS) and on Svalbard (carried out by the subsidiary Svalbard Lufthavn AS). In addition, efforts have been made during 2023 in preparing several action plans and generally on mapping the extent of pollution at several sites.

The year-end provision is based on an assessment of the clean-up cost at specific sites. The provision will be updated as new knowledge about expected clean-up costs becomes available as a result of further surveys and preparation of action plans. Additions to the provision have been made to take into account uncertainties associated with the scope of clean-up work at several sites. Estimated provisions have been calculated at net present value to reflect that the clean-up work will be carried out in the future.

NOTE 19 Receivables and other current liabilities

All amounts in MNOK

RECEIVABLES

	AVINOR AS		AVINOR GROUP	
	2023	2022	2023	2022
Trade receivables	993,6	774,5	1 278,1	1 045,8
Accrued, not invoiced revenue	56,0	103,6	68,3	114,7
Prepaid operating expenses	93,5	101,7	108,2	132,6
Receivables government grants new airports (note 12)	110,7	229,4	110,7	229,4
Other short term receivables	95,0	108,4	75,5	101,8
Total	1 348,8	1 317,5	1 640,8	1 624,3

SPECIFICATION OF OTHER CURRENT LIABILITIES

	AVINOR AS		AVINOR GROUP	
	2023	2022	2023	2022
Accrued salary-related costs (incl. holiday pay)	284,0	249,8	419,9	372,4
Accrued operating and investment costs	872,3	501,4	901,8	513,3
Accrued interest costs	319,7	293,4	319,6	293,4
Prepayments from customers	155,2	142,8	193,8	178,2
Liability related to grants received new airports (note 12)	0,0	64,0	0,0	64,0
Other current liabilities	30,1	39,3	43,7	47,5
Total	1 661,1	1 290,6	1 878,7	1 468,9

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	
	2023	2022	2023	2022
Trade receivables	999,9	785,8	1 349,1	1 109,3
Provision for impairment of trade receivables	-6,3	-11,3	-71,0	-63,5
Trade receivables - net	993,6	774,5	1 278,1	1 045,8
Receivables written off during the year	12,0	2,9	12,6	-2,2

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	
	2023	2022	2023	2022
At 1 January	11,3	7,9	63,5	56,2
This years provisions for receivables impairment	2,0	3,4	7,5	7,3
Receivables written off during the year as uncollectible	-12,0	-2,9	-12,6	2,2
Unused amounts reversed	5,0	2,8	12,6	-2,2
At 31 December	6,3	11,3	71,0	63,5

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						
2023	999,9	883,5	90,7	7,5	2,6	15,7
2022	785,8	757,2	23,4	0,0	0,3	4,9
Avinor Group						
2023	1 349,1	1 150,6	95,4	9,5	3,7	89,8
2022	1 109,3	1 012,5	29,1	0,5	0,7	66,5

Trade and other receivables in foreign currency

	AVINOR AS		AVINOR GROUP	
	2023	2022	2023	2022
EUR	0,0	0,0	285,7	164,2
Sum	0,0	0,0	285,7	164,2

NOTE 20 Subsidiaries

All amounts in NOK

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 2023, 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 2023:

DIRECTLY OWNED	HOME COUNTRY	BUSINESS OFFICE	MAIN BUSINESS	OWNERSHIP/ VOTING SHARES	BOOK VALUE	TOTAL EQUITY 31.12.2023	PROFIT/ LOSS 2023
Svalbard Lufthavn AS	Norway	Longyearbyen	Airport operations	100 %	104,3	88,0	**20,6**
Avinor Flysikring AS	Norway	Oslo	Air navigation services	100 %	775,0	454,3	**51,5**
Avinor Utvikling AS	Norway	Oslo	Real estate	100 %	674,1	579,4	**0,4**
Sum					1 553,4		

INDIRECTLY OWNED SUBSIDIARIES	HOME COUNTRY	BUSINESS OFFICE	MAIN BUSINESS	OWNERSHIP/ VOTING SHARES	BOOK VALUE	TOTAL EQUITY 31.12.2023	PROFIT/ LOSS 2023
Flesland Eiendom AS	Norway	Oslo	Real estate	100 %	108,0	137,9	**16,5**
Værnes Eiendom AS	Norway	Oslo	Real estate	100 %	112,8	122,0	**9,4**
Sola Hotel Eiendom AS	Norway	Oslo	Real estate	100 %	86,7	143,2	**17,0**
Hell Eiendom AS	Norway	Oslo	Real estate	100 %	8,3	3,5	**0,2**
Hotell Østre AS	Norway	Oslo	Real estate	100 %	171,2	345,6	**40,4**
Flyporten AS	Norway	Oslo	Real estate	100 %	61,7	102,9	**16,1**
Sum					548,8		

All indirectly owned subsidiaries are owned through Avinor Utvikling AS.

The board proposes that the following allocations are made by the general meeting in 2024: Avinor Utvikling AS make group contribution totalling NOK 129.9 million to Avinor AS.

In 2023, no indications of permanent impairment have been identified for the investments in subsidiaries.

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**
Sum					1 553,4		

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**
Sum					560,5		

All indirectly owned subsidiaries are owned through Avinor Utvikling AS.

The board carried out the following appropriations in general meetings held in 2023: Avinor Utvikling AS and Avinor Flysikring AS transferred a total of NOK 130.4 million in group contributions to Avinor AS.

Reversal of the impairment of investment in the subsidiary Avinor Flysikring AS
In connection with the reorganization process in 2022, a renewed valuation of the investment in Avinor Flysikring AS was carried out. 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.

NOTE 21 Share capital, shareholder information and dividend

All amounts in NOK

SHARE CAPITAL

The company's share capital is comprised of 540,010 ordinary shares, each with a par value of NOK 10,000. 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 2022 or 2023 financial statements.

NOTE 22 Related parties

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 amounts are stated before effects of group contributions and dividends given within the group.

AVINOR AS AS AT 31 DECEMBER 2023

	SVALBARD LUFTHAVN AS	AVINOR FLYSIKRING AS	FLYPORTEN AS	AVINOR UTVIKLING AS	FLESLAND EIENDOM AS	VÆRNES EIENDOM AS	SOLA HOTEL EIENDOM AS	HELL EIENDOM AS	HOTELL ØSTRE AS	TOTAL
Loans to group companies	100,0								200,0	300,0
Intra-group receivables	24,3	217,7	0,0	0,0	0,0	0,0	0,0	0,2	1,0	243,2
Total	124,3	217,7	0,0	0,0	0,0	0,0	0,0	0,2	201,0	543,2
Other short-term intra-group liabilities	26,7	2 140,1	68,5	30,7	41,0	-0,8	32,2	2,2	64,8	2 405,5
Total	26,7	2 140,1	68,5	30,7	41,0	-0,8	32,2	2,2	64,8	2 405,5

AVINOR AS AS AT 31 DECEMBER 2022

	SVALBARD LUFTHAVN AS	AVINOR FLYSIKRING AS	FLYPORTEN AS	AVINOR UTVIKLING AS	FLESLAND EIENDOM AS	VÆRNES EIENDOM AS	SOLA HOTEL EIENDOM AS	HELL EIENDOM AS	HOTELL ØSTRE AS	TOTAL
Loans to group companies	100,0	0,0	0,0	0,0	0,0	5,0	0,0	0,0	225,0	330,0
Intra-group receivables	20,2	222,6	4,3	0,0	0,0	0,0	0,0	0,3	1,2	248,5
Total	120,2	222,6	4,3	0,0	0,0	5,0	0,0	0,3	226,2	578,5
Other short-term intra-group liabilities	48,6	2 274,0	63,0	30,3	40,1	-1,9	25,2	2,1	39,7	2 520,9
Total	48,6	2 274,0	63,0	30,3	40,1	-1,9	25,2	2,1	39,7	2 520,9

REORGANIZATION

2023

During 2023, a reorganization took place within the group, involving the parent company Avinor AS.

In a business combination on 1 October 2023, the business associated with 7 employees responsible for the delivery of operational and maintenance services was sold from the subsidiary Avinor Flysikring AS to Avinor AS.

The consideration was determined based on fair value. As it is a reorganization with unchanged ownership, the business combination was carried out with accounting continuity. Therefore, the book values in the seller's financial statements were carried forward in the buyer's financial statements. The difference between the valuation at fair value and the transferred book values was allocated to other equity. The consolidated accounts are not affected by the business combination.

2022

In 2022, internal reorganizations took place within the group involving the parent company Avinor AS. In addition, parts of the business in the subsidiary Avinor Flysikring AS were merged into Avinor AS.

The organizational changes affected the company accounts of the parent company Avinor AS. The business combinations did not have effects in Avinor's consolidated accounts.

Business combinations

The following business combinations took 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. 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.

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	
	2023	2022	2023	2022
Property, plant and equipment	6 294,4	3 109,1	6 338,1	3 164,9
Total	6 294,4	3 109,1	6 338,1	3 164,9

NOTE 24 Contingent liabilities

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 entails changes in the operational responsibility at Andøya airport. Avinor took over the airport operator responsibility from The Norwegian Defence in mid-2023, but the Norwegian Defence continues to provide airport operational services until their future ambitions and Avinor's operational concept are established, planned for mid-2024.The process aims to establish the framework for the transfer of responsibility, with an important factor being the financing of the additional costs and investments incurred by Avinor.

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. 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.

<u>Public Sector AFP scheme</u>
From 2025, it has been decided that the AFP scheme for employees in the public sector will be reformed to become a scheme that provides a lifelong supplement to the retirement pension from the National Insurance Scheme, following the model of the AFP scheme for employees in the private sector. All the details regarding AFP have not yet been finalized. Therefore, the accounting effects of the new law cannot be calculated until the final regulation have been adopted.

<u>Special Retirement Pension</u>
In August 2023, the government and the parties in the public sector reached an agreement on pension rules for occupational groups with special retirement age limits for employees born after 1962. A special retirement supplement ensures that the lifelong pension does not become significantly lower for employees with special retirement age limits compared to those with regular retirement age limits.

The rules have not yet been formally adopted by the Norwegian Parliament (Stortinget), and there are many details that have not yet been clarified. It is expected that the regulations will be sent for consultation during 2024. There have been indications that the regulations will be in place from 2026. Once the regulations are adopted by the Norwegian Parliament (Stortinget) and can be calculated, those who have become eligible for the special retirement supplement will receive retroactive payments.

No decision has been made yet on how Avinor will comply with the new regulations for employees who are not formally linked to a public pension scheme.

The accounting effects of the new rules cannot be calculated until the final regulations are adopted and it is decided how Avinor will comply with them.

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.

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.

NEW BODØ AIRPORT - LAND AREAS

In January 2024, Avinor took over the land areas where the new Bodø Airport will be built. Avinor has also received government grants equivalent to the purchase price, which is recognised as a reduction in the carrying amount of the land areas. Therefore, the takeover of the land areas has not resulted in an increase in the carrying amount of fixed assets or significant cash outflows for Avinor.

8.2 STATEMENT FROM THE BOARD OF DIRECTORS AND THE CEO

8.2.1 General

We confirm that the company and consolidated accounts for Avinor have been prepared on the going concern assumption.

We propose that the profit for Avinor AS of NOK 231.5 million is transferred to other equity. No dividend payment is proposed for fiscal year 2023.

8.2.2 Directors' report

The content of the directors' report required in accordance with the Norwegian Accounting Act and other legislation is distributed in the annual and sustainability report in relevant chapters.

The following overview provides information on where in the report the various required elements of the directors' report can be found:

Reference	Content	Chapter reference	Page
The Accounting Act			
Section 3-3a, subsection 1	Information about the nature of the business and where the business is conducted, including disclosure of any branches.	1. About Avinor	15
Section 3-3a, subsection 2	An overview of the development and results of the entity's activities and of its position, together with a description of the most important risks and uncertainties facing the accounting entity.	7. Economic performance 6. Risk factors	96 91
Section 3-3a, subsection 2	Information on research and development activities.	2.3.5. R&D and innovation	31
Section 3-3a, subsection 5	A statement that provides a basis for assessing the future development of the accounting entity, including whether the result for the year is in accordance with previously stated performance targets and expected developments.	7. Economic performance	96
Section 3-3a, subsection 6	Information on financial risk of importance for assessing the enterprise's assets, liabilities, financial position and results.	6. Risk factors 7. Economic performance	91 96
Section 3-3a, subsection 7	Information on the going concern assumption.	8.2.1. General	164
Section 3-3a, subsection 8	Proposals for the application of profits or coverage of losses.	8.2.1. General	164
Section 3-3a, subsection 9	Information about the working environment and an overview of measures implemented that affect the working environment. Special information about injuries, accidents and sickness absence.	5.8. Own labour	74
Section 3-3a, paragraph 10	Information on aspects of the business, including its input factors and products, which may have a not insignificant impact on the external environment. Information shall be provided on the environmental effects that the individual aspects of the activities provide or may provide, as well as which measures have been or are planned to be implemented to prevent or reduce negative environmental effects.	5.2. Climate change 5.3. Pollution 5.4. Biodiversity and ecosystems	40 48 54

Reference	Content	Chapter reference	Page
The Accounting Act			
Section 3-3a, paragraph 11	Information on whether insurance has been taken out for the members of the board of directors and the general manager for their possible liability towards the enterprise and third parties and, if so, about the insurance coverage.	Appendix: Corporate Governance, section 9.	178
Section 3-3a, paragraph 13	Information as mentioned in the Securities Trading Act § 5-8 a.	Specified below	
Section 3-3b	Corporate governance statement	Appendix: Corporate Governance	176
Section 3-3c	Statement on Corporate Social Responsibility	5. Sustainability	39
Securities Trading Act			
Section 5-8 a, 1st item	Description of provisions in the articles of association that limit the right to sell the company's shares.	Not Applicable	
Section 5-8 a, 2nd paragraph	Description of who exercises the rights to shares in any employee share schemes when the authority is not exercised directly by the employees covered by the scheme.	Not Applicable	
Section 5-8 a, 3.	Information about agreements between shareholders that the company is aware of that limits the possibilities of trading or exercising voting rights for shares	Not Applicable	
Section 5-8a, 4th paragraph	Information about material agreements to which the company is a party whose terms come into force, change or terminate as a result of a takeover bid, as well as an explanation of the terms.	Not Applicable	
The Equality and Anti-Discrimination Act			
Section 26(a)	An account of the actual state of affairs with regard to gender equality in the enterprise and what they are doing to fulfil the activity obligation pursuant to section 26.	5.8.3. Diversity and inclusion make Avinor better	76
The Transparency Act			
§ 5	Report on due diligence in accordance with the Transparency Act	5.9. Disclosure of the Transparency Act	82

Oslo, 19 March 2024

Anne Carine Tanum
Chair of the board

Ola H. Strand
Vice-chair

Rolf G. Roverud

Inger-Lise Strøm

Linda Bernander Silseth

Mari Halvorsen Sundgot

Heidi Anette Sørum

Sverre Ivar Elsbak

Abraham Foss
CEO

Translation from Norwegian for information purposes only.

8.2.3 Declaration in accordance with the Norwegian Securities Trading Act § 5-5

We confirm, to the best of our knowledge, that:
- the financial statements for the period 1 January to 31 December 2023 have been prepared in accordance with current applicable accounting standards and that the information given in the financial statements give a true and fair view of the assets, liabilities, financial position and result of the entity and the group taken as a whole.
- the annual report gives 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, 19 March 2024

Anne Carine Tanum
Chair of the board

Ola H. Strand
Vice-chair

Rolf G. Roverud

Inger-Lise Strøm

Linda Bernander Silseth

Mari Halvorsen Sundgot

Heidi Anette Sørum

Sverre Ivar Elsbak

Abraham Foss
CEO

Translation from Norwegian for information purposes only.

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Statsautoriserte revisorer
Ernst & Young AS

Stortorvet 7, 0155 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Avinor AS

Report on the audit of the financial statements

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 statement of financial position as at 31 December 2023, 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 material accounting policy information.

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 2023 and their financial performance and cash flows for the year then ended in accordance with IFRS Accounting 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 11 years from the election by the general meeting of the shareholders on 18 September 2013 for the accounting year 2013 (with at renewed election on the 31 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 2023. 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.

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Impairment tests – fixed assets and intangible assets

Basis for the key audit matter
The Group have fixed assets of NOK 38 376 million on the balance sheet, as well as intangible assets excluding deferred tax assets of NOK 1 721 million. The value of cash generating unit airport operations is sensitive to changes in traffic patterns and number of passengers. The digitalization trend that emerged during the Covid pandemic, in particular for business travellers, and increased focus on climate, environment, and sustainability, imply a risk of permanent changes in travel habits. This may result in fewer passengers or lower traffic growth than previously anticipated, leading to lower revenues for the Group's airport operations. Management has therefore identified indicators of impairment of airport operations, and performed impairments 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. In addition, the prognosis reflects the management assumption that the Government will contribute to a permanent yearly result improvement. Due to considerable judgement, estimation uncertainty and assumptions applied in management's models of calculating value in use, 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 external air traffic prognosis prepared by reputable trade associations. Further, we compared estimated operating expenses with historical data. We evaluated the assumption of result improvements in the cash flow prognosis against internal and external documentation. 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 Accounting Standards as adopted by the EU requirements. We refer to note 3 for information on estimation uncertainty and note 14 on Impairment of property, plant and equipment & intangible assets.

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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 7 989 million and NOK 13 008 million, respectively. The valuation of the pension obligations requires a considerable degree of judgment, technical competence and the use of experts (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 assumptions 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 Pension obligation to the financial statements has additional information.

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 the 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 of the financial statements that give a true and fair view in accordance with IFRS Accounting 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.

EY
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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.
- 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.

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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, 19 March 2024
ERNST & YOUNG AS

Trond Stian Nytveit
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been prepared for information purposes only.)


Innsjekk
4-10
1-3
Sikkerhetskontroll
Security check
Assistansetjeneste

9. Attachments

Alternative performance measures

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

		AVINOR AS		AVINOR GROUP	
	Source	2023	2022	2023	2022
Long term interest-bearing debt					
State loan	Statement of financial position	0,0	305,5	0,0	305,5
Other long term debt	Statement of financial position	21 865,0	20 447,0	21 865,0	20 447,0
Lease liabilities	Statement of financial position	293,5	457,3	316,2	472,2
Total long term interest-bearing debt		22 158,5	21 209,7	22 181,2	21 224,7

		AVINOR AS		AVINOR GROUP	
	Source	2023	2022	2023	2022
Short term interest-bearing debt					
Commercial paper	Statement of financial position	1 499,9	0,0	1 499,9	0,0
First annual installment on long-term liabilities	Statement of financial position	832,6	971,5	832,6	971,5
Lease liabilities	Statement of financial position	59,3	72,7	42,1	62,8
Total short term interest-bearing debt		2 391,8	1 044,1	2 374,6	1 034,3
Interest-bearing debt		24 550,3	22 253,9	24 555,8	22 259,0

NET INTEREST-BEARING DEBT

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

Calculation and reconciliation of net interest-bearing debt

		AVINOR AS		AVINOR GROUP	
	Source	2023	2022	2023	2022
Interest-bearing debt	APM	24 550,3	22 253,9	24 555,8	22 259,0
Interest rate swaps - cash flow hedges. Debt	Note 16	734,5	1 585,9	734,5	1 585,8
Interest rate swaps - cash flow hedges. Asset	Note 16	-1 903,8	-855,5	-1 903,8	-855,5
Interest rate swaps - fair value hedges. Asset	Note 16	-721,0	-522,4	-721,0	-522,4
Cash and cash equivalents	Statement of financial position	-1 423,3	-1 188,6	-1 423,3	-1 188,6
Net interest-bearing debt		21 236,8	21 273,3	21 242,2	21 278,3

EQUITY COVENANTS LOAN AGREEMENTS

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

Equity covenants are specified in loan agreements with the European Investment Bank 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

		AVINOR GROUP	
	Source	2023	2022
Equity	Statement of financial position	13 461,4	13 357,9
Net interest-bearing debt	APM	21 242,2	21 278,3
Total equity and interest-bearing debt		34 703,6	34 636,2
Equity ration loan agreements *		38,8 %	38,6 %

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

EQUITY RATIO ACCORDING TO THE COMPANY'S ARTICLES OF ASSOCIATION

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

Avinor uses the equity ratio according to the company's articles of association as an alternative performance measure as this is a key figure for assessing the group's solidity and external borrowing capacity. 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 info 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 2023	AVINOR GROUP 2022
Net interest-bearing debt	APM	21 242,2	21 278,3
Lease liabilities, long term	Statement of financial position	-316,2	-472,2
Lease liabilities, short term	Statement of financial position	-42,1	-62,8
Net interest-bearing debt - exclusive lease liabilities		20 883,9	20 743,3
Equity	Statement of financial position	13 461,4	13 357,9
Total equity and net interest-bearing debt - exclusive lease liabilities		34 345,3	34 101,2
		39,2 %	39,2 %

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

EQUITY RATIO

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

Calculation and reconciliation of equity ratio

	Source	AVINOR AS 2023	AVINOR AS 2022	AVINOR GROUP 2023	AVINOR GROUP 2022
Equity	Statement of financial position	13 467,6	13 310,3	13 461,4	13 357,9
Total equity and liabilities	Statement of financial position	47 331,3	45 451,7	47 814,5	45 935,4
Equity ratio		28,5 %	29,3 %	28,2 %	29,1 %

CASH FLOW BEFORE CHANGES IN DEBT

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

Calculation and reconciliation of cash flow before changes in debt

	Source	AVINOR AS 2023	AVINOR AS 2022	AVINOR GROUP 2023	AVINOR GROUP 2022
Net cash generated from operating activities	Statement of cash flows	3 188,9	2 591,3	3 353,8	2 845,8
Net cash used in investing activities	Statement of cash flows	-2 539,9	-2 457,2	-2 800,4	-2 745,5
Interest paid	Statement of cash flows	-871,1	-656,7	-788,9	-630,2
Cash flow before changes in debt		-222,0	-522,6	-235,5	-529,9

NON-FINANCIAL TARGET FIGURES

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

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

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

Corporate Governance (NUES)

1. REPORT ON CORPORATE GOVERNANCE

This report has been prepared in accordance with the outline in the Norwegian Code of Practice for Corporate Governance, with the adjustments that follow from Avinor being a wholly state-owned limited company. In addition to the general provisions of the Limited Liability Companies Act, the special provisions apply to state-owned limited companies.

The basic prerequisite for the operation of Avinor's operations is that safety considerations are most important and prioritised over other considerations. Secondly, the greatest emphasis is placed on providing efficient services to customers and society.

Avinor is owned by the Ministry of Transport. The company looks to the state's most recent ownership report, Report. number 6 to the Norwegian Parliament (Stortinget) (2022-2023), but has its direct owner dialogue with the Ministry of Transport.

2. BUSINESS

Avinor is a group with activity in the transport sector in Norway. The parent company Avinor AS is wholly owned by the state through the Ministry of Transport and is classified as a category 2 company. This means that the state's goal is sustainable and the most efficient possible attainment of public policy goals. The companies in this category do not primarily operate in competition with others. The Group's head office is in Oslo. The company's activities are described in the articles of association, which are available on www.avinor.no.

Avinor's mission is to operate a comprehensive system of 43 airports and the combined air navigation services for the civil and military sectors in Norway. The activities are based on safeguarding and developing essential social tasks in all parts of the country, and shall be conducted with high priority of safety and with emphasis on environmental considerations. In order to meet the owner's requirements, strategic main goals have been established divided into the areas of economy, customer and society, internal processes and organisational development. Avinor aims to create value in a sustainable manner.

The Group Policy for Environment and Corporate Social Responsibility describes general principles for the environment and climate and corporate social responsibility/sustainability at Avinor. The OECD Guidelines for Responsible Business Conduct shall form the basis for our work on sustainability. Avinor is affiliated with the Global Compact, the UN's global initiative for corporate sustainability work, and reports on sustainability in accordance with GRI, Global Reporting Initiative.

The purpose is to improve Avinor's own environmental performance, be a driving force in environmental and climate work in the aviation industry and be a leader in sustainability work in Norwegian aviation.

The Group's ethical guidelines were last revised in autumn 2022. The guidelines express the Group's attitudes in its dealings with customers, suppliers, colleagues and other surroundings. The Code of Conduct is available on www.avinor.no.

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

3. EQUITY AND DIVIDENDS

The company's share capital is NOK 5 400 100 000, divided into 540 010 shares, each with a nominal value of NOK 10 000. Pursuant to Section 5 of the Articles of Association, the Group's equity shall at all times be at least 40 per cent of the total of the company's recorded interest-bearing debt and equity. Until 31 December 2024, Avinor is permitted to deviate from the requirement in Section 5 of the Articles of Association, the minimum equity for this period shall be a minimum of 35 per cent.

Avinor AS is a wholly state-owned limited company. The rights of shareholders are safeguarded by the responsible minister or his deputy at the general meeting. The general meeting is not bound by the board's proposed distribution of dividends. The determination of dividends is made every year. The Office of the Auditor General supervises the management of the state's interests and may conduct such investigations as deemed necessary.

No board authorisation has been given to undertake a capital increase.

4. EQUAL TREATMENT OF SHAREHOLDERS

Avinor AS has one class of shares. The shares are owned by the state, and this point in the NUES Code of Practice is not considered relevant for Avinor.

5. FREE NEGOTIABILITY

The shares are owned by the state, and this point in the NUES Code of Practice is not considered relevant for Avinor.

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 Norwegian Limited Liability Companies Act, the Ministry of Transport convenes both an ordinary and an extraordinary general meeting. The ministry also determines the method of summons. The notice of the general meeting shall normally take place with at least one week's notice, cf. Section 20-5 of the Limited Liability Companies Act, cf. Section 5-10.

The Annual General Meeting is held every year before the end of June. Pursuant to the articles of association, the Annual General Meeting shall approve the annual accounts and annual report, including the distribution of dividends. In addition, approval of the auditor's remuneration, determination of board remuneration for the coming period, declaration on the determination of salary and other remuneration of senior executives and the appointment of shareholder-elected members to the board of directors and any other matters pertaining to the general meeting pursuant to legislation or articles of association are considered.

The members of the Board of Directors, the Managing Director and the auditor auditing the previous year's accounts are summoned to the Annual General Meeting. The Chairman of the Board and the CEO are obliged to attend the General Meeting. The other board members, as well as the auditor and the Office of the Auditor General have the right to attend. The agenda is set by the Ministry of Transport. The minutes of the general meeting are public.

7. NOMINATION COMMITTEE

The general meeting of Avinor AS consists of the state represented by the Ministry of Transport. The general meeting has not appointed a nomination committee.

8. BOARD, COMPOSITION AND INDEPENDENCE

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

The chairman of the board is elected by the general meeting. All board members are elected for two-year terms.

The Ministry of Transport has no directors of its own, but in accordance with the state's principles for good corporate governance, all board members are expected to seek to safeguard the common interests of the company and its shareholders. The composition of the board is such that it can collectively safeguard the owner's interests and the company's need for expertise, capacity and diversity. Senior executives are not members of the Group Board of Directors and do not own shares in the company.

The Corporate Democracy Committee has approved a corporate scheme where employees of Avinor AS and its subsidiaries are eligible for election to the Group Board of Directors. Elections by and from among employees are carried out every two years.

The owner conducts annual discussions with each board member.

At the turn of the year 2023/2024, the Board 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 Anette Sørum
Employee-elected board member since 2023 Mari Halvorsen Sundgot
Employee-elected board member since 2023 Sverre Ivar Elsbak
Information about each board member is available on www.avinor.no.

9. THE WORK OF THE BOARD OF DIRECTORS

The board complies with the Norwegian Limited Liability Companies Act's requirements for management of and supervision of the company. In accordance with the articles of association, the board shall ensure that the company assumes corporate social responsibility, referred to in this report as responsibility for sustainability. The Board's duties are stipulated in separate instructions. The instructions are reviewed annually and updated in the event of changes in relevant regulations and otherwise as necessary. The board establishes an annual plan for its work with particular emphasis on goals, strategy and implementation. The Board carries out an annual evaluation of its work and competence.

The instructions 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 dis-qualified due to a conflict of interest in a particular case.

Avinor has board liability insurance that covers the legal liability that the board and senior executives may incur as a result of a negligent act. Directors' liability insurance also covers legal costs in connection with compensation claims made against the board, and is an essential component of coverage. The sum insured is based on a general assessment of the risk. All boards of the Group are covered.

The CEO's responsibilities and tasks are laid down in instructions issued by the Board. The instructions are reviewed annually and updated as necessary.

Intercompany agreements are entered into in accordance with the arm's length principles on ordinary business terms and principles. All such agreements are in writing.

Transactions with related parties

The Board is not aware that transactions have occurred in 2023 between the company and shareholders, board members, senior executives or related parties of these that can be described as not immaterial transactions. Board members and senior executives maintain an ongoing overview of their and close associates' offices and roles outside the Avinor Group. Random checks are made of the overview against publicly available information. The overview is also subject to control against the Group's supplier register.

There were 10 board meetings held in 2023, including one extraordinary. With some exceptions, attendance was full.

The Board has established an audit and risk committee as preparatory and supporting body for the Board in its responsibility for financial reporting, auditing, internal control and overall risk management. The committee had 5 meetings in 2023.

At the turn of the year 2023/2024, the committee consists of:
Inger Lise Strøm (leader)
Rolf Gunnar Roverud
Heidi Sørum

The Board of Directors has established HR, renumeration and HSE committees as preparatory bodies in matters concerning the remuneration of senior executives in the company and HSE.

The committee shall prepare guidelines for and matters relating to the remuneration of senior executives and carry out ongoing assessments and monitoring of the Group's policy in this area. The committee shall also support the board in exercising its responsibility for internal control, the board's report and annual report, and the overall HSE risk picture. The committee had 4 meetings in 2023.

At the turn of the year 2023/2024, the committee consists of:
Anne Carine Tanum (manager)
Linda Bernander Silseth
Sverre Elsbak

10. RISK MANAGEMENT AND INTERNAL CONTROL

To ensure integrated management of the company, a separate management system has been established that includes management documents, emergency preparedness plans, safety procedures and processes for managing and controlling the business.

Risk analyses are carried out annually for the Group's activities, and measures are evaluated and implemented to manage the risk picture. The board reviews the company's risk management and internal control annually.

As part of the Group's internal control system, Avinor has established an internal audit function. The Group's internal audit function operates according to a mandate set by the Board of Directors and in accordance with standards set by the Institute for Internal Auditors (IAA).

Corporate Audit shall contribute to the organisation's achievement of its objectives by using a systematic and structured methodology to evaluate and improve the effectiveness and appropriateness of the organisation's risk management, internal control and governance processes. Internal Audit shall provide targeted and structured feedback on Avinor's compliance with established policies, corporate standards, procedures and establish measures in critical areas of the business. Internal Audit shall also provide advice to contribute to improvements in Avinor's management and control processes, as well as contribute to increasing value creation in the Group.

Internal Audit in Avinor is outsourced and handled by an external auditing firm. Internal Audit reports functionally to the Board through the Chair of the Audit and Risk Committee and is functionally independent of management and control functions in the Group. Administratively, Internal Audit reports to the Executive Vice President Strategy and Corporate Governance.

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

Avinor's ethical guidelines and values, together with the company's organisation, management forums and reporting lines, form the basis for a good internal control environment related to financial reporting.

Business and support processes that are essential to financial reporting have been identified. This includes processes related to investment projects, revenues, financial entries, financial closer, and the IT systems that support these processes. Overall risk is managed and assessed centrally, while transaction management is subject to both central and decentralised controls. Great emphasis has been placed on thorough documentation and assessment of significant assessment items.

Control measures are implemented in the ongoing accounting production and through the ongoing financial follow-up. Systems for evaluation/monitoring of internal control related to the financial reporting process are under development and are assessed continuously.

11. REMUNERATION OF THE BOARD OF DIRECTORS

Remuneration of the Board of Directors and its sub-committees is determined by the General Meeting. The remuneration is not performance-related, and options are not issued to the board members. Shareholder-elected board members do not normally perform special tasks for the company beyond their directorship. Remuneration of board members is set out in a note to the annual accounts.

12. SALARY AND OTHER REMUNERATION OF SENIOR EXECUTIVES

The Board of Directors has drawn up guidelines for determining the salary and other remuneration of senior executives. The guidelines shall underpin the Group's strategy, long-term interests and financial sustainability. The guidelines have been drawn up in accordance with Section 8 of the articles of association and are in line with the state's guidelines for executive pay in companies with a state ownership interest. Furthermore, the Board of Directors has prepared a report on executive pay that addresses the executive pay policy that has been pursued in the previous financial year. Both the guidelines and the report are considered at the Annual General Meeting.

Information on total remuneration paid to senior executives is discussed in Note 6 to the annual accounts, in addition to a separate report on salary and other remuneration for senior executives. Both guidelines and reports on the salary and remuneration for senior executives are included in the annual and sustainability reports.

13. INFORMATION AND COMMUNICATION

Public information about the Group is provided by the Group's management. Each year, the Group prepares a financial calendar stating the dates for publication of financial information. The financial calendar is available on the company's website and on the Oslo Stock Exchange's website.

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

The Group will present its complete annual accounts together with its annual report and annual report at the end of March. Accounting figures are reported quarterly.

In accordance with the articles of association, the Board of Directors shall annually submit a plan for the activities with subsidiaries to the Minister of Transport and Communications. The content of the plan shall include the following conditions:

- Status description of the market and the Group, including developments in the Group since the previous plan was presented.
- The main features of the Group's activities in the coming years, including major restructuring, further development and liquidation of existing businesses and the development of new ones.
- The Group's investment level, significant investments and financing plans.
- Assessments of economic developments during the planning period.
- Report on measures and results relating to the company's social mission, socially imposed tasks and corporate social responsibility.

The Board shall submit to the Minister of Transport and Communications significant amendments to such plans as have previously been submitted.

14. COMPANY TAKEOVER

The state, represented by the Ministry of Transport, is the sole owner of Avinor AS. Accordingly this point in the Code of Practice is not regarded as relevant to the company.

15. AUDITOR

Avinor has an independent external auditor elected by the general meeting on the recommendation of the entire board. The auditor submits an annual plan to the board for the implementation of the audit work. The auditor prepares an annual summary of the audit of the company and the status of the company's internal control.

The auditor meets annually with the board without management being present. The auditor also meets annually with the audit and risk committee without management being present. The auditor has the right to attend the company's general meeting.

The auditor's remuneration is divided between auditing and other consultancy services, and is stated in a note to the accounts. The general meeting shall approve the auditor's remuneration.

Overview of GRI indicators

This report has been prepared in accordance with GRI Standards/Core. Avinor's annual financial statements (company financial statements and consolidated financial statements) for 2023 have been audited by Ernst & Young AS. The auditor's report is reproduced on pages 167-171.

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

STRATEGY AND ANALYSIS

STANDARD-STATEMENT	INDICATOR-KEYWORDS	PAGE NUMBER OR URL
102-14	Foreword	p. 12-13

ORGANIZATION

STANDARD-STATEMENT	INDICATOR-KEYWORDS	PAGE NUMBER OR URL
102-1	Name	Avinor AS
102-2	Product	p. 15
102-3	Main offices	Oslo
102-4	Presence	Avinor has only operations in Norway
102-5	Ownership	p. 15
102-6	Markets	p. 15-16
102-7	Size	p. 15-16
102-8	Employees	p. 74-81
102-48	Collective agreements	p. 78
102-9	Supply chain	p. 78-83
102-10	Amendments	p. 21-25
102-11	Conditions	https://avinor.no/konsern/miljo-og-samfunn/miljomal/
102-12	Support for the CSR Initiative	p. 79
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. 15-21
102-46	Define report-content	p. 6-8
102-47	Prioritization	p. 25-32
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. 39-40, p. 86-89
102-42	Selection-basis	p. 39-40, p. 83
102-43	Description of dialogue	p. 39-40, p. 83
102-44	Topics	p. 39-40, p. 86-89

ABOUT THE REPORT

STANDARD-STATEMENT	INDICATOR-KEYWORDS	PAGE NUMBER OR URL
102-50	Applies to	2023
102-51	Previous report	2022
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. 181-186
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. 17 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. 25-32 (Group strategy) p. 15-17 (Corporate governance and company management)
201-1	Financial performance	p. 5, p. 96-97

INDIRECT ECONOMIC IMPACT

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 25-32
203-1	Infrastructure-investments	p. 29-32
203-2	Indirect economic impact	p. 25-32

ENERGY

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 40
302-1	Energy consumption	p. 42, p. 46
302-4	Energy conservation	p. 42

BIODIVERSITY

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 40, p. 54
304-1	Property adjoining areas with high biodiversity value	p. 54-55
304-2	Impact of biodiversity	p. 54-55
304-3	Improvement – habitat	p. 54-55

AIR EMISSIONS

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 40
AO5	Air quality	p. 43
305-1	Direct greenhouse gas emissions	p. 28, p. 40-41, p. 47-48
305-2	Indirect greenhouse gas emissions	p. 28, p. 43, p. 47-48
305-5	Reduction of greenhouse gas emissions	p. 28, p. 40-41, p. 47-78

EMISSIONS AND WASTE

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 40
306-2	Waste	p. 56-57
306-3	Accidental emissions	p. 48-52
AO6	De-icing fluid	p. 48-52

COMPLIANCE WITH LEGISLATION – ENVIRONMENTAL

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 40
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. 40
AO7	Noise	p. 52-53

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 I AVINOR

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 40, p. 82-89
403-1	HSE-organization	p. 82-89
403-2	Sick leave/H-value	p. 82-89

INTERNAL COMPETENCE BUILDING

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 28, p. 75-76
404-1	Who is offered training?	p. 75-76

EQUAL OPPORTUNITIES IN AVINOR

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 70-73
405-1	Equal opportunity on the Board, in management, among employees	p. 76-81

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. 40, p. 82-89

NOTIFICATION CHANNELS

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-2	Policy/management system	p. 22

NON-DISCRIMINATION

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 76-78
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. 39-40, p. 89

CORRUPTION PREVENTION MEASURES

GRI-INDICATOR	INDICATOR KEYWORDS	PAGE NUMBER OR URL
103-1 103-2 103-3	Policy/management system	p. 18, p. 76-83
205-2	Anti-corruption training initiatives	p. 18, p. 76-83
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. 21
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. 21, p. 82-83
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. 36-37
416-1	Product safety survey	p. 36-37
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. 36-37
419-1	Fines, sanctions	No cases

The Board's guidelines on the determination of salary and remuneration of senior executives in the Avinor Group

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 December 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 define 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 as part of to the Avinor Group's annual and sustainability 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)			**Fixed remuneration**			**Pension cost**	**Total remuneration**	**Percentage remuneration**
	Footnote	Financial year	Fixed salary (A)	Fees	Perks (B)	Fixed	Fixed	Fixed
Abraham Foss, CEO		2023	3 644 591	0	14 278	350 262	4 009 131	100 %
		2022	3 457 999	0	8 252	299 542	3 765 793	100 %
Mari Hermansen, Executive Vice President Organisation and Corporate Support		2023	2 115 841	0	17 364	551 883	2 685 089	100 %
		2022	2 016 851	0	12 188	525 706	2 554 745	100 %
Thorgeir Landevaag, Executive Vice President Sustainability, Concept and Infrastructure Development		2023	2 429 682	0	13 428	237 041	2 680 151	100 %
		2022	2 406 314	0	8 252	203 981	2 618 547	100 %
Petter Johannessen, Executive Vice President Strategy and Corporate Governance/CFO		2023	2 229 480	0	17 446	819 529	3 066 455	100 %
		2022	2 124 170	0	11 420	739 565	2 875 155	100 %
Joachim Lupnaav Johnsen, Executive Vice President Commercial		2023	2 171 443	0	13 428	277 427	2 462 298	100 %
		2022	2 079 064	0	8 252	242 284	2 329 600	100 %
Anders Kirsebom, Executive Vice President Regional Airports		2023	2 613 941	0	19 128	629 202	3 262 271	100 %
		2022	2 536 862	0	13 952	518 816	3 069 629	100 %
Lars Vågsdal, Executive Vice President IT and Technology (from April 2022)		2023	2 900 092	0	13 428	310 431	3 223 952	100 %
		2022	2 049 059	0	6 189	206 040	2 261 288	100 %
Stine Ramstad Westby, Executive Vice President Major Airports		2023	2 668 485	0	13 428	391 514	3 073 426	100 %
		2022	2 538 206	0	8 252	388 034	2 934 492	100 %
John-Ragnar Aarset, Executive Vice President Communications (from February 2022)		2023	2 209 345	0	13 428	277 427	2 500 200	100 %
		2022	1 685 400	0	7 564	213 955	1 906 919	100 %
Jan Gunnar Pedersen, CEO of Avinor Air Navigation Services		2023	2 454 959	0	11 580	330 540	2 797 080	100 %
		2022	2 310 329	0	7 412	263 865	2 581 606	100 %

2.1.1. Footnotes for the tabular overview on the remuneration for senior executives

A) Fixed salary includes monthly salary, holiday pay, deduction of holiday pay, fixed car allowance, taxable benefits, irregular working hours supplements, and pension scheme compensation.
B) Perks include benefits related to various insurance schemes (group life, health, travel, and accident).
C) The indicated position refers to the current job title.

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 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 Baord memeber, role					Total remuneration	Percentage r emuneration
	Foot--note	Financial year	Board fee	Committee fee	Fixed	Fixed
Anne Carine Tanum, Chair of the Board		2023	496 500	38 000	534 500	100 %
		2022	478 000	36 500	514 500	100 %
Ola H. Strand, Vice-chair		2023	302 500		302 500	100 %
		2022	291 000		291 000	100 %
Rolf Gunnar Roverud, board member		2023	247 000	44 000	291 000	100 %
		2022	238 000	42 500	280 500	100 %
Linda Bernander Silseth, board member		2023	247 000	23 500	270 500	100 %
		2022	238 000	22 500	260 500	100 %
Inger Lise Strøm, board member (from June 2022)		2023	247 000	76 500	323 500	100 %
		2022	121 000	37 500	158 500	100 %
Heidi Anette Sørum, employee elected board member	A	2023	247 000	44 000	291 000	100 %
		2022	238 000	42 500	280 500	100 %
Mari Halvorsen Sundgot, employee elected board member (from August 2023)	A	2023	126 000		126 000	100 %
		2022				
Sverre Ivar Elsbak, employee elected board member (from August 2023)	A	2023	126 000	12 000	138 000	100 %
		2022				
Mike Antonsen, employee elected deputy board member	A	2023	65 000		65 000	100 %
		2022				
Bjørn Tore Mikkelsen, employee elected board member (until August 2023)	A	2023	121 000	11 500	132 500	100 %
		2022	238 000	22 500	260 500	100 %
Olav Aadal, employee elected board member (until August 2023)	A	2023	121 000			
		2022	238 000		238 000	100 %
Eli Skrøvset, board member (until June 2022)		2023				
		2022	117 000	36 000	153 000	100 %

3.1.1. Footnotes for the tabular overview of the remuneration for members of the Board of Directors

A) The stated 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 2023.

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 2023, 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") (5.2 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 2023 was higher/lower than 5.2 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. The timing of salary adjustment can also affect the percentage salary increase for the individual. 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 2023 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.

8.1 Tabular overview of the changes in remuneration over the last five years

COMPARABLE TABLE OF REMUNERATION AND COMPANY PERFORMANCE OVER THE LAST FIVE REPORTED FINANCIAL YEARS (RFY)

Remuneration for senior executives		FOOT-NOTE	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020	2022 vs. 2021	2023 vs. 2022
Name	Position C)	A			I % (D)		
Abraham Foss	CEO	1				3,7 %	5,2 %
Dag Falk-Petersen	CEO	2	6,6 %	-1,5 %	7,8 %		
Øyvind Hasaas	Executive Vice President Operations and Infrastructure	3	1,2 %	0,3 %	4,4 %		
Stine Ramstad Westby	Executive Vice President Major Airports	4	11,6 %	13,7 %	8,2 %	3,8 %	5,1 %
Helge Eidsnes	Airport Director Bergen Airport	5		4,3%	8,9 %		
Aslak Sverdrup	Airport Director Bergen Airport	6	27,8 %				
Anette Sigmundstad	Airport Director Stavanger Airport	7		-0,8%	5,1 %		
Leif Anker Lorentzen	Airport Director Stavanger Airport	8	2,5 %				
Marit Helene Stigen	Airport Director Trondheim Airport	9	11,1 %	0,6 %	6,2 %		
Mari Hermansen	Executive Vice President Organisation and Corporate Support	10	3,6 %	0,9 %	4,6 %	3,7 %	5,0 %
Petter Johannessen	Executive Vice President Strategy and Corporate Governance/CFO	11	2,7 %	-0,6 %	5,3 %	4,1 %	5,2 %
Anders Kirsebom	Executive Vice President Sustainability, Regional Airports	12	5,8 %	-0,1 %	6,3 %	6,1 %	3,1 %
Thorgeir Landevaag	Executive Vice President Sustainability, Concept and Infrastructure Development	13	14,1 %	1,3 %	6,0 %	13,7 %	4,2 %
Joachim Lupnaav Johnsen	Executive Vice President Commercial	14			7,5 %	7,5 %	5,1 %
Margrethe Snekkerbakken	Executive Vice President Strategy, Security and the Environment	15	-2,8 %				
Egil Thompson	Executive Vice President Communications and Market	16	2,4 %	0,7 %	5,6 %		
Lars Vågsdal	Executive Vice President IT and Technology	17					5,2 %
John-Ragnar Aarset	Executive Vice President Communications	18					5,4 %
Jan Gunnar Pedersen	CEO of Avinor Air Navigation Services	19				33,1 %	6,6 %
Company results							
EBITDA Group			-13,5 %	-49,4 %	64,4 %	1,4 %	16,0 %
Profit/(loss) before income tax for the Group			-39,9 %	-202,9 %	129,0 %	105,8 %	-27,8 %
Average remuneration distributed by number of full-time equivalents		B					
Average annual salary exc. the management team, Group			3,0 %	1,7 %	2,7 %	3,7 %	5,2 %

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-Pedersen, CEO until 14 February 2021.

3) Øyvind Hasaas, Airport Director Oslo Airport up to and including 2018, Executive Vice President Operations and Infrastructure 01 January 2019 – 31 March 2022.

4) Stine Ramstad Westby. Executive Vice President Operations and Infrastructure up to and including 2018, Airport Director Oslo Airport as of 2019, Airport Director Oslo Airport/Executive Vice President 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 Sigmunstad Airport Director Stavanger Airport from 01 March 2019. As of 2022, Stavanger Airport is organised under major airports and Sigmunstad 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.

13) Thorgeir Landevaag, Division Director Regional Airports from 01 August 2018 to 31 December 2021. Executive Vice President Sustainability, Concept and Infrastructure Development from 2022.

14) Joachim Lupnaav Johnsen, Executive Vice President Commercial from 1 October 2020.

15) Margrethe Snekkerbakken, Executive Vice President Strategy, Safety and Environment up to and including 2019.

16) Egil Thompson, Executive Vice President Communications and Market up to 31 October 2021.

17) Lars Vågsdal, Executive Vice President IT and Technology from 1 April 2022.

18) John-Ragnar Aarset, Executive Vice President Communications from 15 February 2022.

19) Jan Gunnar Pedersen, CEO of Avinor Air Navigation Services from January 2022.

Statsautoriserte revisorer
Ernst & Young AS

Stortorvet 7, 0155 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
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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's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2023 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. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or 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, 19 March 2024
ERNST & YOUNG AS

Trond Stian Nytveit
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been prepared for information purposes only.)

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 2025-2036 will be presented to the Norwegian Parliament in the spring of 2024.

Foto: Catchlight, Avinor

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 49 million passengers travelled to, from, or via Avinor's airports in 2023. Avinor ensures that these trips take place in a way that is safe, efficient and as environmentally friendly as possible. A total of 2870 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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Skipnes.no Svanemerket trykksak, 2041 0731

AVINOR

Bus. reg. no. 985 198 292
Drammensveien 144
0277 Oslo, Norway

Postboks 150
2061 Gardermoen

avinor.no