

# Andøya Space AS

Full Rating Report

## LONG-TERM RATING

**BBB-**

## OUTLOOK

**Stable**

## SHORT-TERM RATING

**N3**

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## RATING RATIONALE

Our 'BBB-' long-term issuer rating on Norwegian aerospace infrastructure company Andøya Space reflects strong Norwegian government ownership with a focus on the most efficient and sustainable attainment of public policy objectives as a 'Category 2' holding as well as its importance for civil protection and emergency preparedness. It also considers Norwegian national security interests and increased commercialisation. The owners have track record of ongoing equity support, and we expect provision of additional funding if needed. The rating further reflects that the company receives national budget funding for certain operations, with the government acting as owner and regulator, and both the government and related entities acting as customers. The company's hedging support stable fixed-costs after ramp-up of capacity and reduces the risk of cost overruns.

The rating is constrained by the company's growing commercial exposure to the immature spaceport infrastructure industry, as well as its small scale, geographic concentration and dependence on a limited customer base although with some strong defence-related counterparties. The rating also reflects lower profitability and less predictable cash flows compared with infrastructure peers in more established markets, along with a higher risk of negative deviations. The company's high financial leverage and greater potential volatility in debt servicing relative to peers constrains the rating, though we expect owners to provide support if necessary.

## STABLE OUTLOOK

The stable outlook reflects our expectation that Andøya Space will remain important for attainment of public policy objectives and national security despite increased commercialisation. We also expect the company to have significant single-customer concentration with reliance on unprofitable companies in spaceport operations. We expect the company to expand its infrastructure without material cost overruns and manage increased staff costs in 2026 as it prepares for increased launch frequency which is expected by 2027. Our outlook incorporates the possibility of volatile cash flow at times, but we expect the company to remain aligned with our rating drivers over an extended period.

### POTENTIAL POSITIVE RATING DRIVERS

- Lower financial leverage, with NCR-adjusted FFO/net debt above 20%; and
- Significantly improved customer diversity and their increased commercial viability.
- Introduction of operational and financial guarantees from the government.

### POTENTIAL NEGATIVE RATING DRIVERS

- Inability to commercialise spaceport operations or loss of customers.
- Loss of policy role due to increased commercialisation.
- Change in ownership composition or reduced implied ownership commitment.

Figure 1. Key credit metrics, 2022–2028e

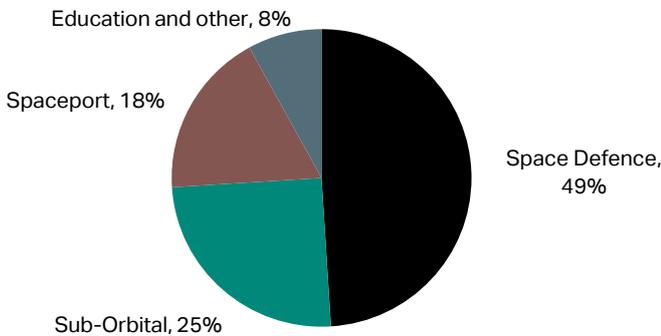
NOKm	2022	2023	2024	2025e	2026e	2027e	2028e
Revenues	222	222	258	419	470	506	541
EBITDA	25	26	51	110	9	92	97
EBITDA margin (%)	11.2	11.8	19.7	26.2	1.8	18.3	17.9
FFO	18	0	14	74	-25	57	55
Net debt	123	362	477	489	568	583	557
Total assets	621	817	930	1,061	1,193	1,204	1,214
Net debt/EBITDA (x)	5.0	13.8	9.4	4.5	66.6	6.3	5.8
EBITDA/net interest (x)	3.6	1.2	1.4	3.1	0.3	2.6	2.9
FFO/net debt (%)	14.3	0.1	3.0	15.2	-4.4	9.8	9.8
FOCF/net debt (%)	-123.0	-166.5	-64.3	-22.0	-5.5	-23.8	-4.1

Source: company and NCR. e—estimate. FFO—funds from operations. FOCF—free operating cash flow. All metrics adjusted in line with NCR methodology.

**ISSUER PROFILE**

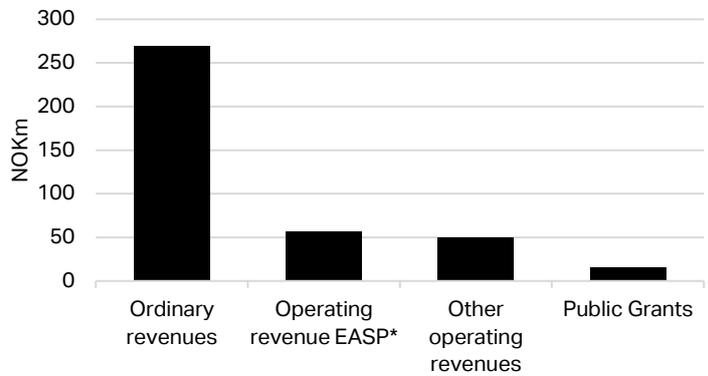
Andøya Space AS is a Norwegian aerospace infrastructure company that provides launch, test and data services to the space and defence sectors from Andøya, an island off the northwestern coast of Norway. The company has launched rockets from the site for 60 years and has provided technology testing for the defence industry for more than 25 years. The company operates four business divisions: Spaceport (orbital launches), Space Defence (testing and training), Sub Orbital (sounding rockets, balloons, atmospheric measurements) and Education (national education centre). Spaceport and Space Defence are commercially driven, while Sub Orbital is less commercially oriented and receives base funding through transnational sovereign grants. Education operates as a not-for-profit, with cost coverage through a combination of grants from the Norwegian government and commercial activities. The company is owned by the Norwegian government (Ministry of Trade, Industry and Fisheries, 90%) and Kongsberg Defence & Aerospace AS (10%). It is classified as a 'Category 2' holding with state ownership categorised as important for civil protection and emergency preparedness. The holding status reflects the aim of achieving public policy objectives efficiently and indicating that it does not primarily compete with other companies.

Figure 2. Revenues by major business segment, LTM Q3 2025



Source: company.

Figure 3. Revenues by type, LTM Q3 2025



Source: company. \*EASP–Esrangle Andøya Special Projects.

**BUSINESS RISK ASSESSMENT**

Business risk

Our business risk assessment reflects the immature spaceport infrastructure industry, the company's experience serving the defence and science sectors, and the political objectives of its main owner. The company's small scale, geographic and customer concentration, and elevated investment requirements in the coming year are expected to contribute to cash flow volatility. We anticipate the company will have lower profitability than infrastructure peers in more mature markets, with less predictability and a higher risk of negative cash flow deviations. However, in our view, the company's alignment with the domestic space strategy and government-linked funding for parts of its operations mitigates some risks associated with the increased commercialisation of spaceports.

**Immature industry ecosystem increases risk relative to mature infrastructure markets**

Operating environment

As an infrastructure provider for the space and defence sector, Andøya Space is exposed to markets with strong structural growth, supported by increased defence investments, technological advancements, and rising demand for real-time data and connectivity. We expect Andøya to experience its strongest growth in orbital launches, given its strategic location for small satellites, leading to greater exposure to these trends over time. In addition, heightened geopolitical tensions and security threats are driving rearmament in Europe, resulting in the expansion of defence capabilities and related infrastructure among allied countries, which may also increase demand for testing and operational training exercises.

In our view, the global space infrastructure market for small satellites faces some substitution risk from alternative launch sites and technological developments in related sectors. We believe regulatory barriers to entry exist in the launch infrastructure market, primarily due to national space laws and international treaties that limit launch frequency. Currently, the small satellite market is constrained by limited launch capacity. This, along with long-term contracts for existing capacity, mitigates substitution risk in the medium term, unless technological advancements offer more cost-effective

alternatives to satellites. We expect these advancements will eventually replace certain ground-based technologies. We anticipate relatively low demand cyclicality driven by replacement capital expenditures for satellite providers when the market has become more mature. As the market matures, we believe there is a potential risk of overcapacity in launch infrastructure, which could result in pricing pressure on variable capacity. Currently, however, barriers to entry remain high and demand for launch capacity is increasing faster than supply. Overall, we expect revenues and profits in the broader market to exhibit moderate to low cyclicality as it matures.

Figure 4. Global small satellite market by application (USDbn, %), 2024

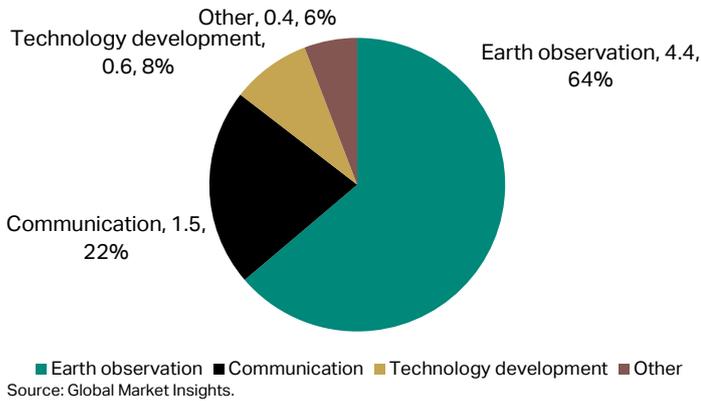
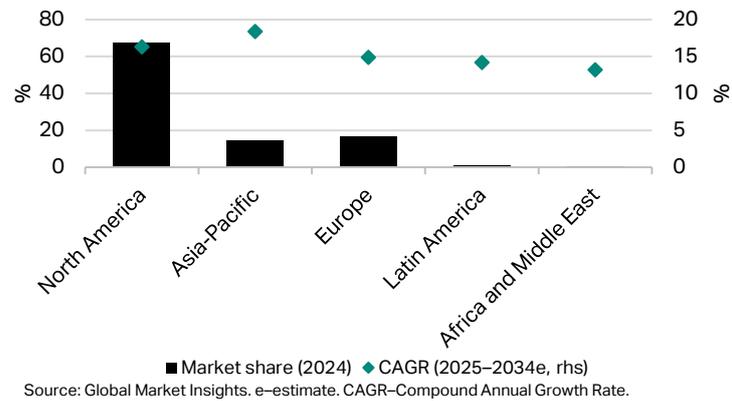


Figure 5. Global small satellite market share and growth by regions, 2024–2034e



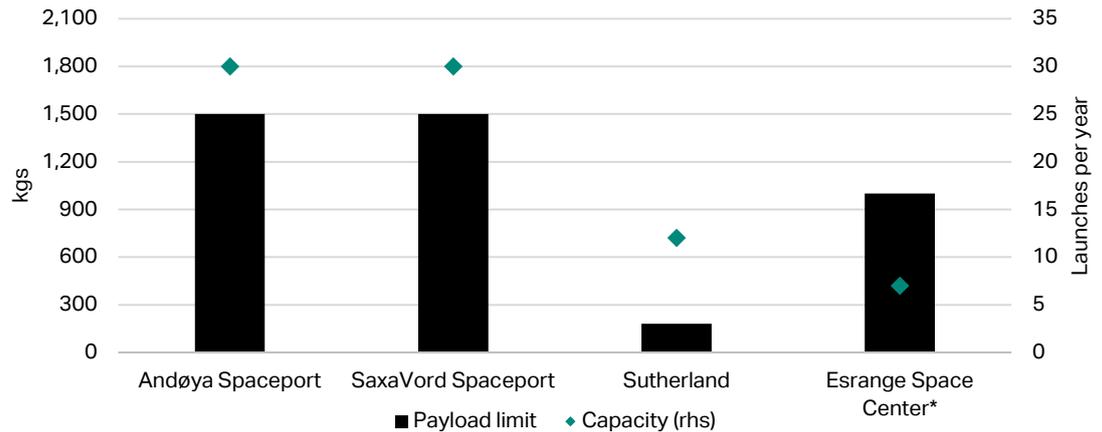
Despite expectations for strong market growth, spaceport infrastructure remains in an early stage and is structurally immature. The commercial launch ecosystem has a limited operating history, constraining the predictability of cash flows and demand patterns compared with more established infrastructure sectors. Unlike airports or ports, spaceports do not benefit from geographically captive customers or recurring volumes based on similar fundamentals. In addition, the prospective customer base for commercial launches is relatively concentrated, has limited operating history, and is predominantly backed by venture capital, with many firms operating at a loss. This increases the risk of contract renegotiations, deferrals, or cancellations compared with industries with more established customers and dynamics. We therefore assess the risk of spaceport infrastructure as higher than that of other infrastructure markets.

**Unique launch vantage point with importance to government objectives**

Market position

Andøya Spaceport, located on Norway's northern coast, provides a unique vantage point for satellite launches over the Arctic, enabling alternative satellite trajectories and greater launch flexibility compared with other sites. Low air and maritime traffic allows for more complex operations than at many other launch locations. European launch infrastructure remains underdeveloped, with demand for launches exceeding available capacity, supporting improved pricing power. Andøya Space's competitive position is further strengthened by the Norwegian government's commitment to maintaining national control over launch infrastructure to safeguard security and defence interests in space. The Norwegian defence industry and armed forces also use the site for testing, with the government acting as both owner and customer for certain services, increasing integration and supporting the company's market position. Additionally, some customers require custom-made launch pads, which reduces substitution risk.

Figure 6. European small-launch spaceport capacities



Source: companies, Nordic Investment Bank (NIB) and NCR. \*Number of launches per year 3–7 according to funding documents from NIB.

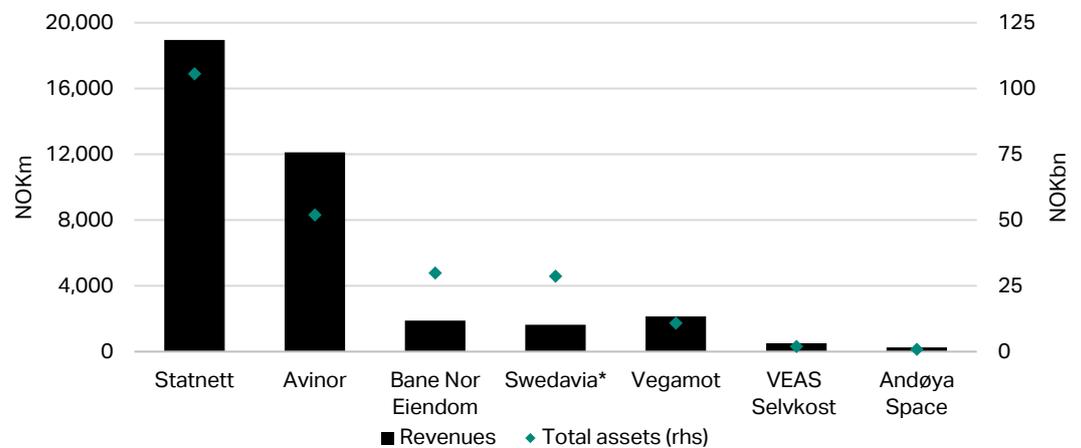
Several European launch sites for small satellites, such as Esrange Space Center (Kiruna, Sweden) and SaxaVord Spaceport (Shetland, Scotland), offer capabilities similar to Andøya Space, including sun-synchronous and polar orbits. We believe strong underlying market development supports additional launch sites without oversaturating the market, resulting in robust expected growth and pricing power, and enabling profitable operations despite limited scale. Andøya Space's operational track record and first-mover advantage among European spaceports provide technological expertise that supports efficient operations. The Norwegian Ministry of Trade, Industry and Fisheries (the main owner) has granted the company a licence for up to 30 launches per year.

**Small and specialised infrastructure provider in a structurally immature market**

Size and diversification

Andøya Space is a small, focused company, both in absolute terms and compared with Nordic infrastructure providers, which generally operate at larger scale and benefit from greater customer, supplier and asset diversity. Other government-related 'Category 2' infrastructure providers in Norway—such as Avinor (airports), Bane Nor SF (railway infrastructure and property manager) and Statnett (transmission system operator)—have higher diversity and hold monopoly or near-monopoly positions on strategic assets within their sectors, making them less exposed to external competitive pressures than Andøya Space. Some peers also have greater integration of owners into their operating models as customers and guarantors for loans and operating commitments, which helps mitigate concentration risk by leveraging the owners' credit quality (for example, NCR-rated Vegamot and VEAS Selvkost).

Figure 7. Selection of Nordic infrastructure peers revenues and total assets, 2024



Source: companies and NCR. \*Exchange rate SEK to NOK of 1.02.

The company operates from a single location and currently serves one primary customer at Andøya Spaceport: Isar Aerospace, a German launch service provider for small and medium-sized satellites, which is partly financed through venture capital, grants, and a loan from state-owned Innovation Norway. We expect growth as Andøya Space expands its launch capabilities with the construction of

additional launch pads. At present, it has one operational launchpad and is considering building up to three more at Andøya Spaceport. Construction of a second launch site is expected to begin in 2026, subject to a term sheet with a second launch customer. The company has a long track record of over 25 years of providing technology testing for the defence industry, which are expected to remain an important source of income for the company. We believe that government-related and defence industry customers provide stability for the other business segments. However, significant customer and asset concentration heightens cash flow risk, as changes affecting a key customer or unexpected site issues could materially affect cash flows.

**Low profitability and higher risk of negative deviations relative to infrastructure peers**

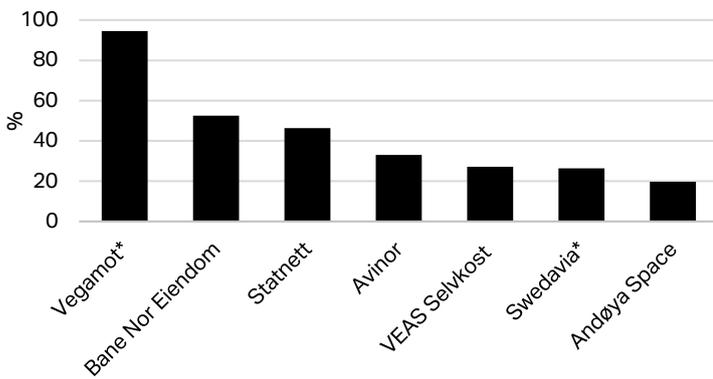
Andøya Space's commercial operations include multi-year contracts with both fixed and variable components, resulting in volume-related risk. The current contract with Isar Aerospace requires high utilisation of existing capacity to achieve break-even for Spaceport operations. We consider it likely that Andøya Space will seek to increase the fixed fee proportion in future contracts, providing greater visibility and reducing volume-related risk as it raises fixed costs to meet growing demand. We expect the company to increase costs in 2026, leading to negative cash flows for the year as it invests in a second launch site and expands its personnel base. Thereafter, we expect improved capacity utilisation and stronger cash flows. As the company grows, we anticipate variable costs will comprise a larger share of total costs, enhancing financial flexibility if capacity utilisation declines.

Over the coming years, the company is expected to enter an investment phase driven by infrastructure expansion and operational ramp-up, which will likely limit cash flow flexibility. Once the targeted capacity is achieved, ongoing investment needs are expected to be low. We expect the company to manage execution risks related to increasing utilisation and constructing launch pads.

The company's margins are significantly lower than those of infrastructure peers, with a higher risk of negative deviations from the base case due to its concentrated customer and asset base. In our base case, we expect volatile profits, with an NCR-adjusted EBITDA margin of approximately 2–26% over 2026–2028, compared with the long-term EBITDA margin target of 15–20%. Lower margins in 2026 reflect increased staffing costs associated with the operational ramp-up for the second launch pad. Operational cash flows are expected to be significantly affected by working capital swings in 2025 and 2026, as large, invoiced sales volumes at end-2025 are expected to be paid in 2026. Thereafter, working capital needs should remain low due to limited year-end launches, although the peak season (spring to autumn) may result in some intra-period volatility. In addition, substantial capital expenditures to increase launch capacity are expected to drain free operating cash flows in 2026.

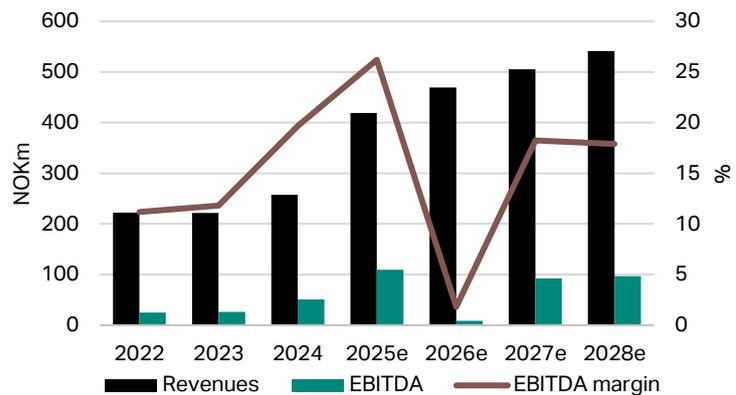
Operating efficiency

Figure 8. NCR-adjusted peer group EBITDA margin, 2024



Source: company and NCR. \*High margins reflects low operating costs as a toll collector.

Figure 9. NCR-adjusted revenues, EBITDA and EBITDA margin, 2022–2028e



Source: company and NCR. e-estimate.

**FINANCIAL RISK ASSESSMENT**

Financial risk

Our financial risk assessment reflects the company's high financial leverage and lower predictability of debt servicing compared with infrastructure peers in more mature markets. We expect the company to receive equity from its owners to limit financial risk and to proactively refinance debt. The company has relatively low balance sheet complexity and actively hedges its currency and interest rate risks,

Ratio analysis

which we view as prudent for maintaining a stable fixed-cost base and avoiding cost overruns. We expect the company to align with government objectives and not pursue M&A activity.

**Highly leveraged with more volatile key credit metrics than peers increase financial risk**

Since 2020, the company's revenues have more than doubled, and profits have increased significantly following the completion of its first commercial spaceport launch pad in Nov. 2023, with operations commencing in 2024. Before the launch pad was completed, most revenues were generated from defence testing and suborbital sounding rocket launches. As a result of the launch pad construction, the company's gross debt rose to about NOK 487m from NOK 91m in 2021. The company also issued new equity to limit financial risk, supporting its ability to service debt despite the higher leverage. However, historical key credit metrics have been volatile as the company builds up its operational capacity.

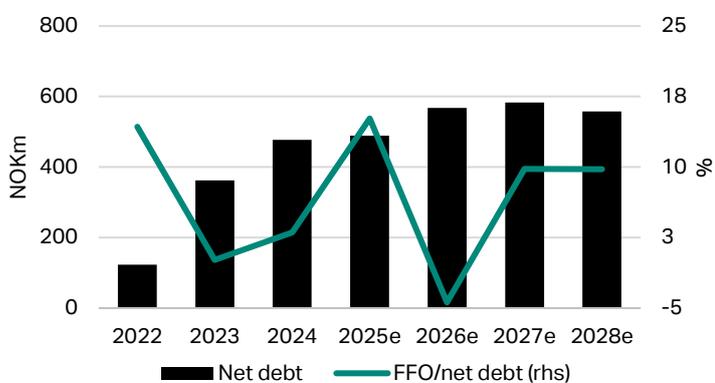
Over our forecast period through 2028, we expect increased utilisation of the existing launch pad by key customer Isar Aerospace, as well as expansion of launch infrastructure through investment in a second launch pad following the signing of another customer contract. The second launch pad is expected to be completed in 2027, resulting in a strong rebound in profits compared with our expectations for 2026. We assume the company will issue NOK 81m in new equity in 2026 and a NOK 300m senior unsecured bond in the first half of 2026 to partly replace existing bank debt. If the commercial ramp-up exceeds our expectations, the company may construct additional pads using a mix of owner equity and new debt. We anticipate continued volatility in the company's debt-servicing capabilities and believe the infrastructure has higher potential revenue volatility than more mature infrastructure markets over the coming years.

Figure 10. Key base-case forecast assumptions and credit metrics, 2025–2028e

	2025e	2026e	2027e	2028e
Revenue growth (%)	62.6	12.1	7.7	7.0
EBITDA margin (%)	26.2	1.8	18.3	17.9
Average interest rate (%)	7.6	6.2	5.9	5.9
Changes in working capital (NOKm)	-41	46	-2	-2
Capital expenditure excl. capitalised interest (NOKm)	-60	-156	-79	-23
Proceeds from equity issue (NOKm)	0	81	0	0
Net debt/EBITDA (x)	4.5	66.6	6.3	5.8
EBITDA/net interest (x)	3.1	0.3	2.6	2.9
FFO/net debt (%)	15.2	-4.4	9.8	9.8
FOCF/net debt (%)	-5.5	-23.8	-4.1	5.3

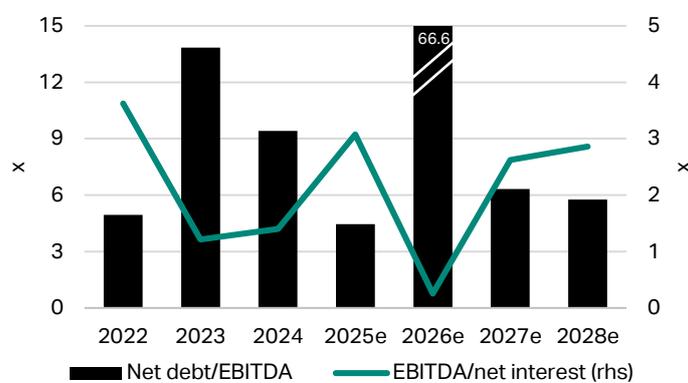
Source: NCR. e–estimate. All metrics adjusted in line with NCR methodology.

Figure 11. NCR–adjusted FFO/net debt and net debt, 2022–2028e



Source: company and NCR. e–estimate.

Figure 12. NCR–adjusted net debt/EBITDA and EBITDA/net interest, 2022–2028e

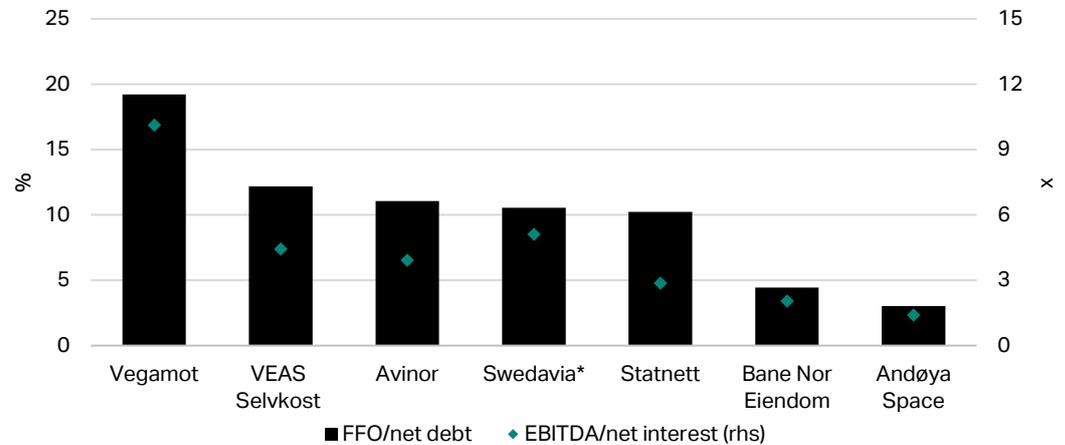


Source: company and NCR. e–estimate.

In our adjustment of the company's financial figures, we have classified capitalised interest cost as interest expense rather than as capital expenditure, reflecting that these costs relate to external financing arrangements (see Figure 17).

Like its peers, we expect Andøya Space to maintain high leverage relative to industrial companies; however, the associated risk is elevated due to market maturity, counterparty risk and limited diversification. In our view, this risk is partly mitigated by non-commercial considerations from owners, who may provide ongoing support given the company's strategic importance to Norway's national space strategy and the partial funding it receives from the national budget and grants.

Figure 13. Peer group NCR-adjusted FFO/net debt and EBITDA/net interest, 2024



Source: company and NCR.

**Committed owners, proactive refinancing and political goals limit financial risk**

We believe Andøya Space takes measures to mitigate financial risks related to its limited scale and diversity, and also addresses development risk when expanding operations. The company has historically received shareholder loans that were later converted to equity, and it uses committed equity capital from owners to expand its launch infrastructure. Before starting construction of new launch pads, the company requires customers to sign contracts for the provided capacity and seeks commitments from owners to limit debt uptake. We do not expect the company to pursue mergers and acquisitions, given the Norwegian government's ownership objectives and growth opportunities at the current location. The company has no formal leverage targets, but we expect it to maintain an equity ratio above its current financial covenant of 25%. We expect this to increase to 30% from 2027.

The company relies on uncommitted external financing to meet debt maturities and expand its infrastructure, reflecting limited operating cash flows, seasonal business variations, and credit facilities renewed annually. However, we expect the company to reduce its dependence on uncommitted capital following a bond issuance. Proceeds from the bond are expected to replace some bank debt and support the expansion of its launching pads. All debt is assumed in local currency with domestic banks, primarily with the local savings bank. In our view, this enhances funding diversity and reduces counterparty exposure.

The company uses interest rate swaps to enhance visibility of its interest costs. A NOK 400m swap expires in Nov. 2026, and we expect the company to enter a new hedge at expiry to mitigate interest rate risk, providing some financial flexibility against adverse rate movements. The company also has customer contracts and grants denominated in currencies other than its functional currency, the Norwegian krone. To reduce currency risk, its financial policy requires that all such contracts and grants be fully hedged. We view this strategy positively, as it increases earnings visibility and protects against adverse currency movements that could affect debt servicing and operations.

The company maintains a relatively simple balance sheet, with strong control over cash flow and high transparency in its reported figures and commitments. It has minor exposures to the joint venture Tiepoint (drone intelligence) jointly owned by Sundt Air Group, and Newspace North AS (an innovation centre for the Norwegian aerospace industry) jointly owned with state-owned companies, regional and local governments, which are expected to continue operating independently without requiring support from Andøya Space.

Risk appetite

## ADJUSTMENT FACTORS

Adjustment factors

Adjustment factors are assessed as positive. Under our criteria, we apply a one-notch positive adjustment to our standalone credit assessment to reflect ongoing support from the Norwegian Government during the expansion phase (see Peer calibration below).

### Liquidity

Liquidity

Our 12-month liquidity analysis is based on a stressed scenario in which the company cannot access the capital markets or extend bank loans, and therefore has to rely on internal or committed external funding sources to cover its liquidity needs. We typically expect a company with an investment grade rating ('BBB-' or above) to cover its liquidity needs, with limited need for external funding over the coming 12 months.

We assess Andøya Space's liquidity position as adequate, with committed sources exceeding uses by 1.4x. This reflects our expectation that Andøya Space will issue a NOK 300m bond to refinance bank debt and support expansion of its launch infrastructure. We anticipate the company will receive NOK 81m from an equity issue and NOK 27m in investment grants during a stressed scenario, following the committed construction of Pad B. The company's banking relationships and available collateral also help mitigate liquidity risk. If necessary, the company may use a NOK 600m unutilised lease facility maturing in 2057 to directly finance expansion of new buildings or infrastructure, which would be leased to Andøya Space upon completion. If required, we expect the Norwegian government would provide additional support, given its interest in maintaining control over domestic launch infrastructure and reducing reputational risk, despite the absence of contractual commitments.

Figure 14. Liquidity analysis proforma (stressed scenario) 1 Jan. 2026–31 Dec. 2026

Liquidity, next 12 months	Amount (NOKm)
Cash and cash equivalents (100%)	45
Adjusted FFO	-25
Proceeds from bond placement	300
Changes in working capital	46
Proceeds from equity issue	81
Investment grants	27
<b>Total sources</b>	<b>473</b>
Repayment of borrowings*	-172
Committed capital expenditure excluding capitalised interest	-156
<b>Total uses</b>	<b>-328</b>
<b>Sources/uses (x)</b>	<b>1.4</b>
<b>Sources-uses (NOKm)</b>	<b>146</b>

Source: company and NCR. \*Includes expected replacement of bank debt with senior unsecured bonds.

### Environmental, social and governance factors

ESG factors

We assess Andøya Space's environmental, social and governance (ESG) efforts as adequate and supportive of its creditworthiness, as the company proactively addresses issues that could affect operations, despite relatively limited reporting transparency. We expect the company's external reports on ESG measures and risks to become more comprehensive over time.

The ESG risks faced by Andøya Space include potential loss of revenue and market position, higher operational costs, stranded asset values and reduced access to financing.

Andøya Space's ESG policies and actions are based on a 2022–2030 sustainability programme, adherence to the UN Global Compact, and a formal procurement and supplier due diligence framework under Norway's Transparency Act. The company's activities involve specific

environmental and community coexistence considerations, addressed through baseline measurements, targeted mitigation, and stakeholder agreements. Governance is supported by board-approved policies, a code of conduct, certifications, and recently implemented group-wide procurement and monitoring routines.

Figure 15. ESG considerations

Issue	Risk	Mitigating efforts	Result
Climate change, energy efficiency and biodiversity	Regulatory, reputational and licence-to-operate risks related to launch activities and coastal construction.	Sustainability programme 2022–2030, comprehensive Scope 1–3 baseline, and environmental impact assessments for new projects.	Established a baseline of 2,859t of CO2 emissions in 2024 to guide future reduction efforts.  Most of the company's CO2 footprint (94%) is attributable to Scope 3 emissions, concentrating risk in the supply chain rather than on site operations.
Safety and community co-existence	Operational delays, reputational damage or opposition from fisheries and local stakeholders.	Binding agreement with the fishing industry; ongoing stakeholder engagement, regulatory compliance and operational training.	Collaboration and rules of conduct are established, with a focus on mitigation measures and testing their effectiveness. In 2024, on-the-job injuries led to five days of absence, and overall sick leave was 4.3%. No major incidents have occurred in more than 62 years of operation.
Governance and business ethics	Exposure to bribery or unethical practices within complex supply chains. Inconsistent application of rules and oversight gaps.	Group-wide procurement strategy; procurement office supports purchases over NOK 100t. Environmental considerations are prioritised to enhance reputation and trust.  Code of business conduct; board-approved responsibility policy; ISO 9001 certification; planned anti-corruption strategy.	Centralised oversight and integration of environmental criteria. Ongoing monitoring of contracts and suppliers.  An anti-corruption strategy is targeted for the 2025 reporting year, with all stakeholders required to sign ethical guidelines. A sustainability team has been established and reports to the board.

Source: company. See [ESG factors in corporate ratings](#).

**Ongoing support through the expansion phase supports the rating**

Peer calibration

We have raised the rating by one notch to reflect our higher standalone credit assessment, based on expectations of continued government support during Spaceport's expansion phase. We anticipate the government will provide funding until the expansion is complete and commercial launches occur frequently enough to support improved commercial viability as a standalone entity, reducing the need for further support.

**OWNERSHIP ANALYSIS**

Ownership

We raise the long-term issuer rating on Andøya Space by two notches to reflect the Norwegian government's control of the company and its classification as a 'Category 2' holding, given its role in advancing public policy objectives for the Ministry of Trade, Industry and Fisheries. Our assessment reflects Andøya Space's strategic importance to the government, particularly its significance for the Norwegian defence industry and its function as a test facility for the armed forces, supporting national security interests, civil protection and emergency preparedness.

It also reflects our expectation that a growing share of the company's operations will become commercially oriented as infrastructure ramps up, while noting that the owners have a history of providing partial financing for infrastructure expansion. We consider national defence infrastructure critical to national security and believe Andøya Space would likely receive uncommitted government support if needed to continue meeting the objectives of the national space strategy. Unlike some higher-rated domestic peers, the company is financed and operates on a standalone basis without legal recourse to its owners, indicating less extensive owner commitments. We also believe that many of the company's peers have achieved greater standalone commercial viability in more mature markets.

**Figure 16. Ownership structure, 31 Dec. 2025**

Owner	Share of votes and capital, %
Ministry of Trade, Industry and Fisheries*	90
Kongsberg Defence & Aerospace AS**	10

Source: company. \*Indirect control of 95% of shares as a majority shareholder in Kongsberg Gruppen ASA. \*\*Defence division of Kongsberg Gruppen ASA.

## ISSUE RATINGS

We expect to rate senior secured debt issued by Andøya Space in line with the 'BBB-' long-term issuer rating, reflecting our expectation that the company will replace bank debt with senior unsecured debt representing nearly 50% of outstanding debt by year-end 2026. Given the asset backing in the industry, we anticipate meaningful recovery prospects for unsecured creditors in the event of financial default, despite gross secured debt/EBITDA expected to remain above 2.0x following the bond issue.

## SHORT-TERM RATING

The 'N3' short-term rating reflects Andøya Space's liquidity profile relative to the 'BBB-' long-term issuer rating. We expect the company to refinance maturing debt in the short-term resulting in an improvement to the liquidity profile.

## METHODOLOGIES USED

- (i) [Corporate Rating Methodology](#), 8 May 2023.
- (ii) [Sovereign Credit Assessment Methodology](#), 26 Mar. 2024.
- (iii) [Rating Principles](#), 14 Feb. 2024.
- (iv) [Group and Government Support Rating Methodology](#), 14 Feb. 2024.
- (v) [Local and Regional Government Rating Methodology](#), 14 Feb. 2024.

## RELEVANT RESEARCH

- (i) [Nordic corporates well prepared for improving demand in 2026](#), 14 Jan. 2026.
- (ii) [Kongsberg Gruppen ASA 'A-' long-term issuer rating placed on watch developing](#), 31 Oct. 2025.

**Figure 17. NCR's adjustments to financials, 2022–2028e**

NOKm	2022	2023	2024	2025e	2026e	2027e	2028e
EBITDA	25	25	47	106	5	88	93
Gain/loss on sales of fixed assets	0	0	-0	0	0	0	0
Fixed lease payments (GAAP)	0	1	4	4	4	4	4
NCR-adj. EBITDA	25	26	51	110	9	92	97
Net interest, incl. capitalised interest	-7	-21	-35	-35	-32	-34	-33
Financial costs from leasing	0	-0	-1	-1	-1	-1	-1
NCR-adj. net interest	-7	-22	-36	-36	-33	-35	-34
NCR-adj. EBITDA	25	26	51	110	9	92	97
NCR-adj. net interest	-7	-22	-36	-36	-33	-35	-34
Current tax	-0	-4	0	0	0	0	-8
NCR-adj. FFO	18	0	14	74	-25	57	55
Changes in working capital	-5	-4	-31	-41	46	-2	-2
Capital expenditure, excl. capitalised interest	-218	-229	-88	-60	-156	-79	-23
NCR-adj. FOCF	-205	-233	-105	-27	-135	-24	29
Cash and cash equivalents	59	16	29	45	94	57	60
NCR-adj. cash and equivalents	59	16	29	45	94	57	60
Gross interest-bearing debt	182	371	487	515	643	621	599
Leasing liabilities	0	7	19	19	19	19	19
NCR-adj. cash and equivalents	-59	-16	-29	-45	-94	-57	-60
NCR-adj. net debt	123	362	477	489	568	583	557

Source: company and NCR. e–estimate.

**Figure 18. Andøya Space key financial data, 2021–2024**

NOKm	FY	FY	FY	FY
Period-end	31 Dec. 2021	31 Dec. 2022	31 Dec. 2023	31 Dec. 2024
<b>INCOME STATEMENT</b>				
Revenue	173	222	222	258
EBITDA	9	25	25	47
EBIT	-7	9	8	29
Net interest expense	-3	-1	-0	-1
Pre-tax profit	-12	9	7	28
<b>Net profit</b>	<b>-9</b>	<b>7</b>	<b>-1</b>	<b>24</b>
<b>BALANCE SHEET</b>				
Property, plant and equipment	264	472	705	808
Intangible assets and goodwill	4	4	4	4
Other non-current assets	13	20	14	15
<b>Total non-current assets</b>	<b>281</b>	<b>496</b>	<b>723</b>	<b>826</b>
Cash and equivalents	12	59	16	29
Other current assets	30	66	70	57
<b>Total assets</b>	<b>323</b>	<b>621</b>	<b>810</b>	<b>912</b>
Total equity	146	295	293	351
Gross debt	91	182	371	487
Other liabilities	85	145	145	73
<b>Total equity and other liabilities</b>	<b>323</b>	<b>621</b>	<b>810</b>	<b>912</b>
<b>CASH FLOW STATEMENT</b>				
Pre-tax profit	-12	9	7	28
Cash flow before changes in working capital	4	25	24	47
Changes in working capital	13	-5	-4	-31
<b>Operating cash flow</b>	<b>16</b>	<b>20</b>	<b>20</b>	<b>16</b>
Capital expenditure	-116	-224	-250	-122
Other investing activities	-0	-2	-3	2
<b>Cash from investing activities</b>	<b>-116</b>	<b>-226</b>	<b>-253</b>	<b>-121</b>
Dividends	-	-	-	-
Share repurchases	-	-	-	-
Other financing activities	35	253	190	118
<b>Cash from financing activities</b>	<b>35</b>	<b>253</b>	<b>190</b>	<b>118</b>
Cash and equivalents beginning of year	-	12	59	16
<b>Cash flow for year</b>	<b>-65</b>	<b>47</b>	<b>-43</b>	<b>13</b>
Cash and equivalents at end of year	12	59	16	29

Source: company. FY–full year.

**Figure 19. Andøya Space rating scorecard**

<b>Subfactors</b>	<b>Impact</b>	<b>Score</b>
Operating environment	20.0%	bb
Market position	10.0%	bb
Size and diversification	10.0%	b
Operating efficiency	10.0%	b
<b>Business risk assessment</b>	<b>50.0%</b>	<b>bb-</b>
Ratio analysis		b
Risk appetite		bb
<b>Financial risk assessment</b>	<b>50.0%</b>	<b>b+</b>
<b>Indicative credit assessment</b>		<b>bb-</b>
Liquidity		Adequate
ESG		Adequate
Peer calibration		+1 notch
<b>Stand-alone credit assessment</b>		<b>bb</b>
Support analysis		+2 notches
<b>Issuer rating</b>		<b>BBB-</b>
Outlook		Stable
<b>Short-term rating</b>		<b>N3</b>

**Figure 20. Capital structure ratings**

<b>Seniority</b>	<b>Rating</b>
Senior unsecured	BBB-

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