Vegamot AS

Full Rating Report

LONG-TERM RATING

AA

OUTLOOK

Stable

SHORT-TERM RATING

N1

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RATING RATIONALE

Our 'AA' long-term issuer rating on Norway-based regional toll company Vegamot AS reflects the company's strong operating environment with regulatory framework protection, low cyclicality and long-term predictability. The rating is supported by the monopoly status of toll collection in the counties of Trøndelag and Møre og Romsdal, where Vegamot provides toll financing for infrastructure projects of regional importance. The two county governments are Vegamot's strong, long-term owners and guarantors of loans it issues, which also underpins the rating. The rating also incorporates its exceptional operating efficiency and low risk appetite.

Our long-term issuer rating on Vegamot is one notch below our 'aa+' average credit assessment of the owners due to the company's significant policy role of supporting road infrastructure. Through its financing of toll projects in Trøndelag and Møre og Romsdal, Vegamot contributes to predictable and safe infrastructure with sufficient capacity. In our view, this plays a crucial role for promoting regional development, labour accessibility, transport of goods and economic activity.

The strong creditworthiness of Vegamot's county government owners supports our 'AA+' issue rating on its guaranteed senior unsecured bonds. The issue rating reflects the irrevocable, unconditional, and timely guarantees provided by the owners.

STABLE OUTLOOK

The outlook is stable, reflecting our expectation that Vegamot's significant policy role and regulatory framework will remain unchanged. We expect predictable and low-cyclical toll revenue, together with a low-cost operating model, to sustain exceptional margins. We anticipate the regulated operating environment and Vegamot's restrictive financial policy to support debt capacity and mitigate the impact of high leverage. The outlook also assumes that the creditworthiness of the owners will remain stable and that they would provide timely support in a stressed scenario.

POTENTIAL POSITIVE RATING DRIVERS

- An improved assessment of the owners' creditworthiness.

POTENTIAL NEGATIVE RATING DRIVERS

- Changes in ownership or a weakened assessment of the owners' creditworthiness.
- Structural changes in public road financing or toll collection, weakening Vegamot's role.

Figure 1. Key credit metrics, 2022–2028e

NOKm	2022	2023	2024	2025	2026e	2027e	2028e
Revenues	1,601	2,132	2,139	2,494	2,664	2,882	3,092
EBITDA	1,499	2,014	2,024	2,382	2,544	2,753	2,953
EBITDA margin (%)	93.6	94.5	94.6	95.5	95.5	95.5	95.5
FFO	1,444	1,935	1,823	2,092	2,217	2,393	2,562
Net debt	5,730	6,872	9,488	10,766	10,937	11,416	11,334
Total assets	7,157	7,825	10,794	12,724	13,325	14,277	14,877
Net debt/EBITDA (x)	3.8	3.4	4.7	4.5	4.3	4.1	3.8
EBITDA/net interest (x)	27.1	25.4	10.1	8.2	7.8	7.7	7.6
FFO/net debt (%)	25.2	28.2	19.2	19.4	20.3	21.0	22.6
FOCF/net debt (%)	-15.8	-19.0	-26.1	-5.0	-1.6	-4.2	0.7

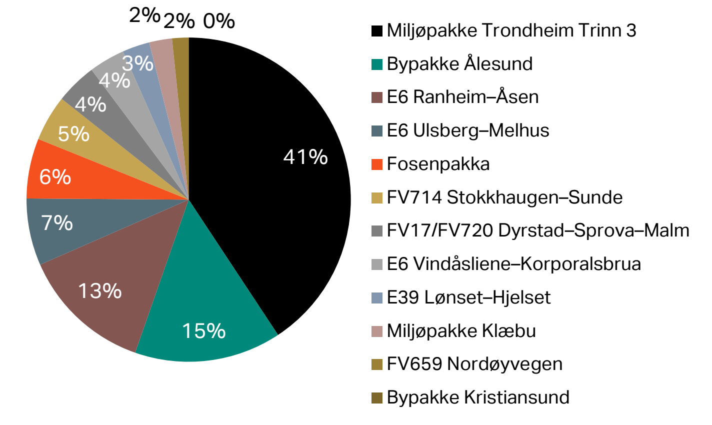
Source: company and NCR. e–estimate. FFO–funds from operations. FOCF–free operating cash flow. All metrics adjusted in line with NCR methodology.

ISSUER PROFILE

Vegamot was established as a local toll company in 1983 and became one of five regional operators through Norway's toll reform in 2015 ("Meld. St. 25 (2014-2015)"). The company has a responsibility agreement with the Ministry of Transportation and Communication for the counties of Trøndelag and Møre og Romsdal. Trøndelag owns 67% of Vegamot's capital and Møre og Romsdal 33%. Vegamot's mission is to provide efficient financing for toll projects on behalf of its owners through borrowing and collection of tolls. The county governments act as guarantors for all loans, except in the urban transportation package for the city of Trondheim, where debt guarantees are equally split between Trøndelag county and Trondheim municipality.

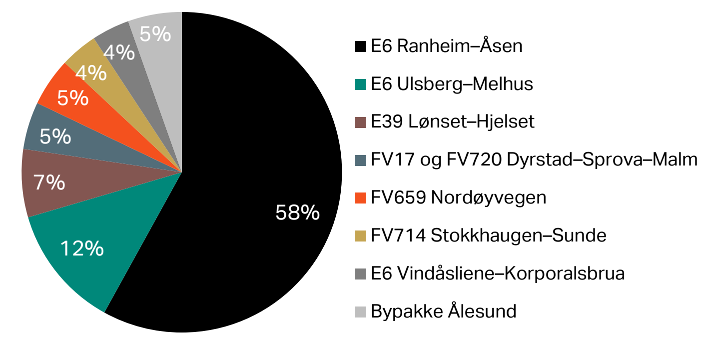
Vegamot is headquartered in Trondheim and has 13 employees, split into three divisions: technical, customer support, and business and administration. Moreover, Vegamot has a cooperative agreement for customer service with toll operator Bompengeselskapet i Nord (BPS Nord). As of mid-2026, Vegamot has 11 active toll projects. Each project is financially separate to avoid cross subsidisation.

Figure 2. Toll revenue by project, LTM to 30 Jun. 2026



Source: company. LTM-last twelve months.

Figure 3. Debt by project, 30 Jun. 2026



Source: company.

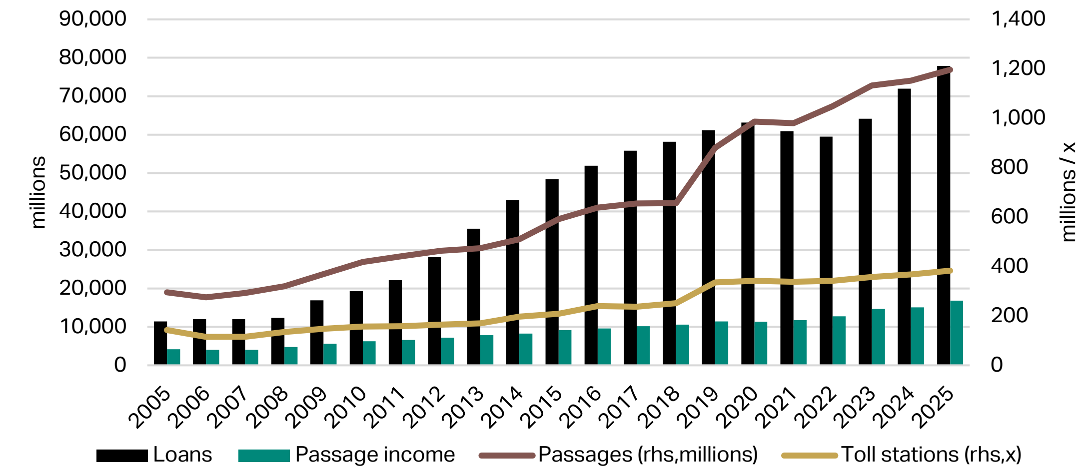
BUSINESS RISK ASSESSMENT

Strictly regulated industry

Vegamot operates in Norway's toll road industry, deriving most revenue from vehicle passages through toll crossings and using it to finance road projects. Demand is driven by road construction, network expansion, and reinforcement of ageing roads. Solid transport infrastructure supports labour access, goods transport, road safety, economic activity, and regional growth. In our view, toll collection is an effective tool for financing regionally important transport projects. Essential road infrastructure needs result in low toll income volatility and low industry cyclicality. Moreover, the long project durations and strong insight into road traffic usage strengthen predictability for financing needs and toll passage revenue.

The operating environment is supported by strict industry regulations, of which Norwegian Public Road Administration (NPRA) delegates exclusive financing responsibility and toll collection rights. Moreover, Vegamot obtains owner guarantees for the debt it issues. Vegamot does not hold project or road network development responsibility, which remains with road owners and the government, but may act as an advisor on toll related activities.

Figure 4. Norwegian toll companies' total loans and toll passages, 2005-2025



Source: NPRA.

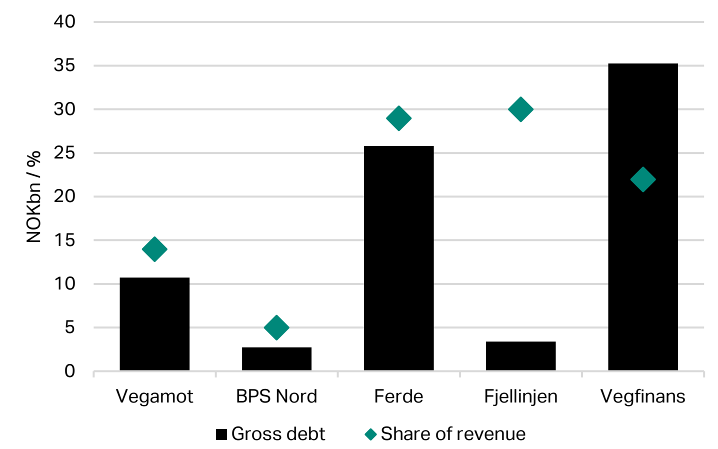
The toll road industry faces some political risk due to recurring public debate over toll levels. However, we expect the current framework to remain in place, as toll collection provides an efficient financing mechanism based on road usage. Alternative funding models could reduce efficiency and weaken the link between users and contributors. Tolls can also be used to support environmental goals, as certain urban packages use toll schemes to help achieve climate targets.

Mid-size toll operator with monopoly status in Central Norway

Vegamot's market position is strong, reflecting its monopoly on toll collection in Trøndelag and Møre og Romsdal. These counties account for about 14% of Norway's population and Statistics Norway's projected population growth of 6% by 2050 support demand for road infrastructure, although slightly below the domestic average of 10%. The challenging topography of the region favours road transport over rail, mitigating substitution risk.

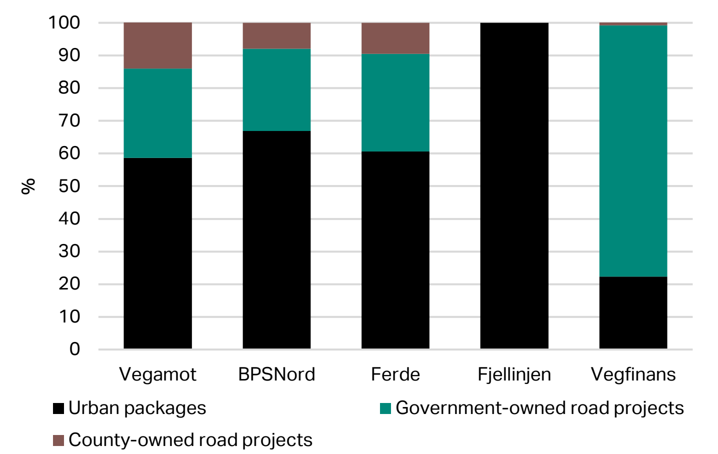
Vegamot had 11 toll projects under collection at mid-2026, including the recently launched Kristiansund city package. The toll operator is mid-sized relative to domestic peers based on projects, revenue, and lending volumes. We note, however, that the company is confined by its geographic location and operating areas due to restrictive industry regulations and its monopoly position limit the importance of scale in our assessment. The 2015 reform increased Vegamot's scale but reduced business diversification through the mandatory sale of AutoPASS tag operations in 2021. The company partly offsets this through a cooperation agreement with BPS Nord, under which the parties share operational services.

Figure 5. Peer group gross debt and revenue, 2025



Source: NPRA.

Figure 6. Peer group passage revenue split by project type, 2025



Source: NPRA.

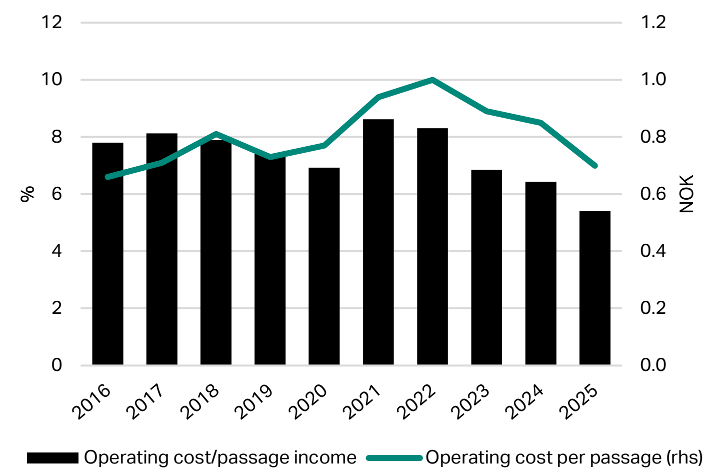
Operations are concentrated in Trøndelag, which accounted for 81% of toll revenue in 2025. Nonetheless, we view project diversification positively, supported by exposure to both urban package and road section projects, which have different financing characteristics. We view positively Vegamot's project diversification despite limitations due to its separate financing of projects.

Vegamot benefits from a highly diversified customer base of road users, which mitigates limited geographic and revenue diversification. The company collects most of its toll passage income directly from issuers of AutoPASS subscriptions subject to financial revenue guarantees, automating collections for 84% of total revenue in 2025. Vegamot collects the remainder through invoicing. Vegamot also receives some public grants for certain projects to mitigate high road usage costs for consumers.

Small and efficient company with exceptional margins

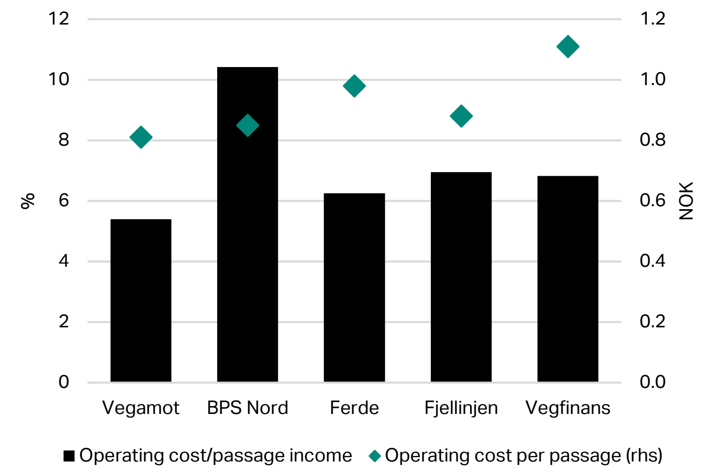
In its business model, Vegamot focuses primarily on core operations and expertise areas, while outsourcing supporting activities to external suppliers. Sector consolidation, the company's agreement for shared operations with BPS Nord and shared development costs with other toll companies has improved margins through scale in recent years. Accordingly, the average cost per passage for the industry improved to NOK 0.86 in 2025, compared with NOK 2.01 in 2015. Vegamot has reported a lower-than-average cost per passage and a lower cost-to-income ratio in recent years. A material improvement to NOK 0.7 average cost per passage in 2025 was driven by higher passage income and lower operating costs. The primary factor in cost reduction was decreased losses on accounts receivable, which had previously been elevated due to European visitors being difficult to trace. Following the EuCaris access agreement to most European vehicle registries, these losses fell to NOK 7m in 2025 from NOK 24m in 2024.

Figure 7. Operating cost, 2016-2025



Source: company.

Figure 8. Peer group cost efficiency, 2025

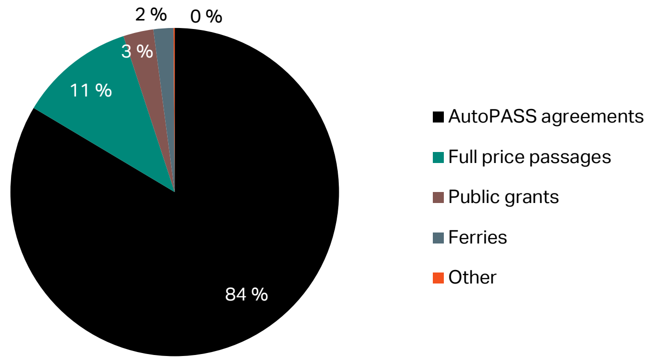


Source: NPRA.

Vegamot reported an exceptional 95.5% EBITDA margin in 2025, although we note that margins in the toll road industry are generally high. We believe further efficiency gains are limited by variable costs related to remuneration of AutoPASS issuers and management of IT systems by the NPRA. These costs accounted for 54% of operating costs in 2025. Without fresh efficiency gains, we project Vegamot's EBITDA margin will remain at its current level.

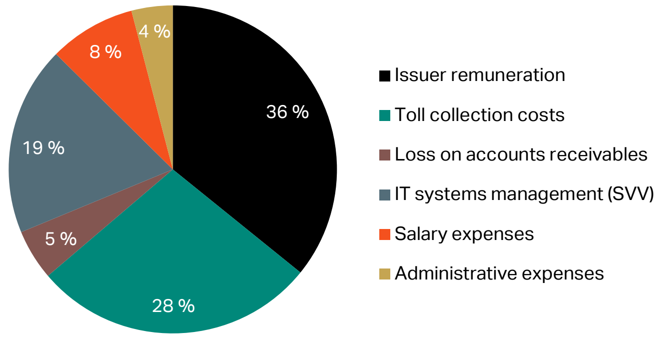
Vegamot proposes index-linked rates for new toll projects that are approved by the NPRA. Vegamot has some leeway to propose adjustments to the rates for current projects, although such changes require local political support and approval by the NPRA. We consider the ability to adjust toll rates a positive factor in our assessment of operational efficiency.

Figure 9. Revenue composition, 2025



Source: company.

Figure 10. Cost composition, 2025



Source: company.

FINANCIAL RISK ASSESSMENT

Not-for-profit model underpins debt capacity

The company operates on a not-for-profit basis on behalf of its owners and obtains guarantees from them before issuing debt. Consequently, we place greater weight on our assessment of risk appetite, available support and owner guarantees than on reported financial ratios, given the company's low risk appetite, strict regulatory framework and strong owners.

Vegamot has historically maintained high leverage due to substantial capital expenditure requirements for toll projects. We adjust net debt for project-related provisions because of their debt-like characteristics and expected future outflows to urban packages. Based on current projects, we expect net debt to increase to NOK 11.3bn by end-2028 as several projects remain under construction. Financial needs beyond existing projects are difficult to predict as new projects are continuously adopted. While additional projects could lead to higher leverage, we believe Vegamot can tolerate elevated debt levels due to its regulated operating model, collection rights and predictable post-completion toll revenue.

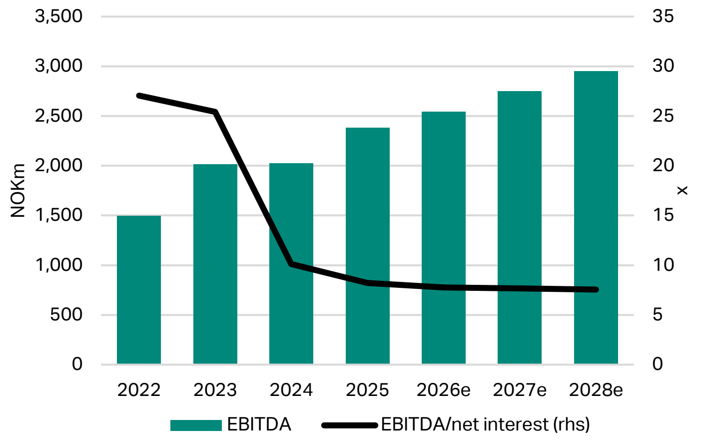
We expect toll revenue to increase to NOK 3.1bn in 2028 from NOK 2.5bn in 2025, supported by higher toll rates and additional toll booths. Interest coverage has historically benefited from stable toll revenue and low interest rates. However, rising rates and additional borrowing are likely to weaken interest coverage as interest expenses increase relative to EBITDA.

Figure 11. Key base-case forecast assumptions and credit metrics, 2026–2028e

	2026e	2027e	2028e
Revenue growth (%)	6.8	8.2	7.3
EBITDA margin (%)	95.5	95.5	95.5
Average interest rate (%)	3.8	3.9	3.9
Change in working capital (NOKm)	-18	-14	-24
Capital expenditure (NOKm)	-2,368	-2,858	-2,456
Net debt/EBITDA (x)	4.3	4.1	3.8
EBITDA/net interest (x)	7.8	7.7	7.6
FFO/net debt (%)	20.3	21.0	22.6
CFO/net debt (%)	20.1	20.8	22.4
FOCF/net debt (%)	-1.6	-4.2	0.7
DCF/net debt (%)	-1.6	-4.2	0.7

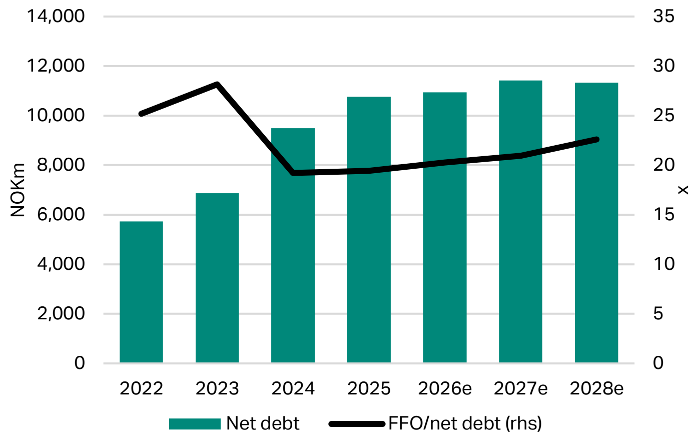
Source: NCR. e–estimate. All metrics adjusted in line with NCR methodology.

Figure 12. EBITDA and EBITDA/net interest, 2022-2028e



Source: company and NCR. e–estimate.

Figure 13. Net debt and FFO/net debt, 2022-2028e



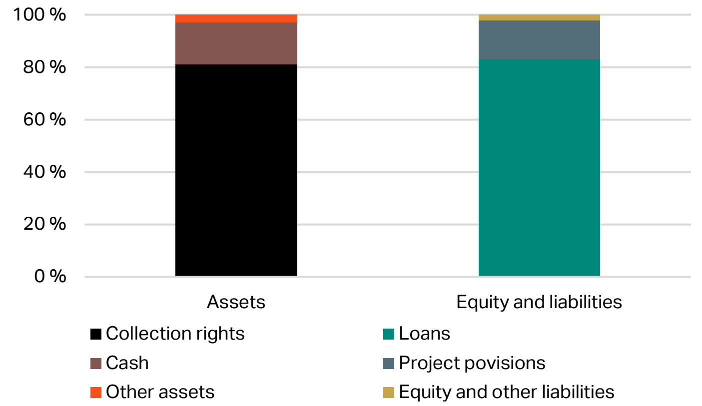
Source: company and NCR. e-estimate.

In our view, the company's risk appetite is minimal and reflected in its operation on a not-for-profit basis to provide financing for its owners. The company is restricted to toll collection activities, cannot distribute dividends and operates under a highly regulated framework. Approximately 97% of assets consist of toll collection rights and cash equivalents intended for debt repayment and project obligations. Prior to issuing debt, Vegamot obtains guarantees from its owners, significantly reducing default risk. Should toll income prove insufficient, creditors may claim directly from the relevant county guarantor.

Project and construction risk rests with road owners and developers rather than Vegamot. If traffic volumes or income fall below expectations, construction activity may be reduced or alternative financing pursued. Vegamot can mitigate financial pressure by proposing adjustments to toll-rates, index-linked increases and, where permitted, extensions of collection periods. In our view, this flexibility reduces financial risk.

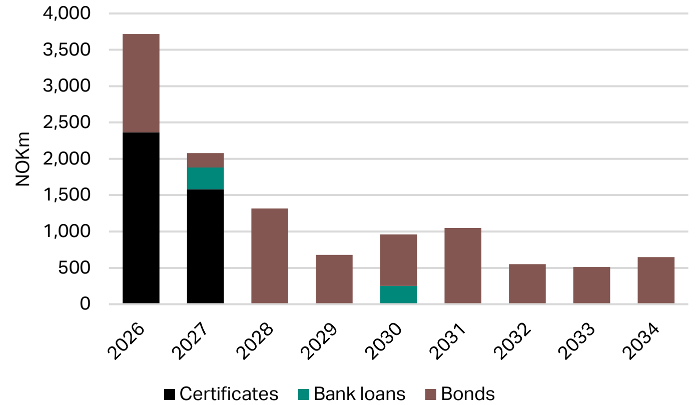
Funding is managed through bonds, certificates and bank loans under the company's financial policy. Although 48% of debt had maturity within one year as of 30 Jun. 2026, we consider refinancing risk low given the strength of the owners and their guarantees. All debt is denominated in NOK, eliminating currency risk, and the majority is either fixed-rate or hedged with interest rate derivatives, reducing exposure to interest rate volatility. We expect Vegamot to maintain its interest rate hedging policy despite elevated interest rates and to avoid any interest rate speculation.

Figure 14. Balance sheet composition, 30 Jun. 2026



Source: company.

Figure 15. Maturity profile, 30 Jun. 2026



Source: company.

ADJUSTMENT FACTORS

Adjustment factors are assessed as neutral and have no effect on the rating.

Liquidity

We assess Vegamot's liquidity position as adequate. The county governments' strong financial position and debt guarantees support Vegamot's adequate liquidity. In stressed conditions, we would expect the owners to honour their contractual commitments and provide the company with sufficient and timely support to meet all committed capital spending and debt maturities in addition to operating costs. Additionally, we view Vegamot's strong relationships with banks with high creditworthiness as positive for the liquidity assessment.

Vegamot manages its liquidity through monthly liquidity budgets of future operations, toll revenues and requisitions. Every project is financially separate and tied to its own development plans and needs, to avoid cross-subsidisation and to facilitate cost allocations. If necessary, internal inter-project loans can be arranged to secure access to liquidity in an event of stress, while remaining compliant with regulatory requirements. Such loans were first used in 2020 by another regional toll company at the onset of the Covid-19 pandemic. Vegamot has since created a similar internal accounting structure under which it can enable liquidity in future events of stress provided that the projects in question are guaranteed by the same guarantor. We view the arrangement as a positive factor for Vegamot's liquidity risk, given its project mix of urban packages that typically produce excess liquidity and road section projects that rely on capital markets.

We view the requisitions from the NPRA as fully committed capital expenditures. However, in a stressed scenario, we would expect postponed requisitions and reduced project activity. Generally, these requisitions could be lower than outlined in the project proposal or increased by the developer with three months' notice, with approval by the NPRA. Vegamot operates with a minimum 10% collection margin on toll revenue relative to project costs, supporting potential changes in requisitions. Moreover, Vegamot's ability to increase toll rates and extend repayment periods with likely approval by the NPRA in a stressed scenario supports liquidity.

OWNERSHIP ANALYSIS

The 'AA' long-term issuer rating on Vegamot is one notch below our 'aa+' weighted average credit assessment of the creditworthiness of its owners. Vegamot is wholly owned by the Trøndelag and Møre og Romsdal county governments, holding 67% and 33% of capital, respectively. We consider that Vegamot's operations represent a significant policy role for its owners, aligned with key economic and social objectives of the government. The support reflects our view that facilitating reliable transport infrastructure is among the most essential responsibilities for its county government owners. The debt guarantees provided by the county governments, as well as their active involvement, support our ownership assessment and we believe a lack of timely support from owners would result in severe political or economic consequences.

Although unlikely, we believe viable alternatives for road project financing exist, resulting in no more than short-term interruptions in availability. However, the current restrictive legal framework of the industry limits toll collection to the toll companies. Thus, changes in financing would require substantial changes to the current restrictive legal framework or alternative financing sources.

ISSUE RATINGS

Figure 16. Instrument rating

Seniority	Issue rating and rationale
Senior unsecured issue rating	AA+; Irrevocable, unconditional, and timely guarantees provided by the owners, as well as a flat debt hierarchical structure with no secured debt. If Vegamot chooses to issue debt related to the Trondheim city package, we would also assess Trondheim municipality's creditworthiness when rating such instruments.

Issue ratings are assigned in accordance with our Corporate Rating Methodology. In cases where two alternatives for issue ratings are possible, the rating is assigned based on our forward-looking view of an issuers' capital structure, typically over the next 12-18 months.

SHORT-TERM RATING

Figure 17. Short-term issuer rating

Short-term issuer rating	Rationale
N1	In line with liquidity profile relative to the 'AA' long-term issuer rating.

Short-term are mapped to the long-term issuer rating, in accordance with our Rating Principles. In cases where two alternatives for short-term ratings are possible, the short-term rating is assigned based on liquidity being strong, adequate, or weak, as applicable. See definitions in the methodology.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

We consider ESG factors throughout the analysis, when they are material to our credit assessment of Vegamot.

Figure 18. Priority ESG factors

Issue/area	Risk/opportunity	Impacted subsections (impact on credit assessment*)
CO_2 emissions.	Increased costs due to regulatory changes. Transition risks may arise from stricter environmental regulations.	Operating environment (0) Operating efficiency (0)
Compliance to regulatory frameworks and privacy protection.	Failure to comply with regulations or adequately protect personal data could result in reputational damage, regulatory fines and operational disruptions. Strong quality controls and governance processes mitigate these risks.	Operating environment (0) Risk appetite (0)
Corruption and fraud.	Weak governance, fraud incidents or procurement-related misconduct could result in financial losses, legal penalties and reduced stakeholder confidence.	Operating environment (0) Risk appetite (0)

Source: company and NCR. See ESG factors in corporate ratings. *Defined on a 5-step scale ranging from double minus (--) to double plus (++), with (--) representing the most negative impact and (++) the most positive.

APPENDIX

Figure 19. NCR's adjustments to financials, 2022–2028e

NOKm	2022	2023	2024	2025	2026e	2027e	2028e
EBITDA	1,499	2,014	2,024	2,382	2,544	2,753	2,953
NCR-adj. EBITDA	1,499	2,014	2,024	2,382	2,544	2,753	2,953
Net interest	-55	-79	-200	-290	-327	-360	-391
NCR-adj. net interest	-55	-79	-200	-290	-327	-360	-391
NCR-adj. EBITDA	1,499	2,014	2,024	2,382	2,544	2,753	2,953
NCR-adj. net interest	-55	-79	-200	-290	-327	-360	-391
Current tax	0	0	0	0	0	0	0
NCR-adj. FFO	1,444	1,935	1,823	2,092	2,217	2,393	2,562
Changes in working capital	-253	-126	-127	-21	-18	-14	-24
Capital spending	-2,094	-3,111	-4,169	-2,614	-2,368	-2,858	-2,456
NCR-adj. FOCF	-903	-1,302	-2,472	-543	-170	-151	98
NCR-adj. cash and equivalents	1,003	571	965	1,660	1,964	2,454	3,134
Gross interest-bearing debt	5,804	6,674	9,540	10,735	11,331	12,284	12,883
Project-related provisions	929	769	913	1,692	1,692	1,692	1,692
NCR-adj. cash and equivalents	-1,003	-571	-965	-1,660	-2,086	-2,560	-3,240
NCR-adj. net debt	5,730	6,872	9,488	10,766	10,937	11,416	11,334

Source: company and NCR. e–estimate.

METHODOLOGIES USED

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

Figure 20. Vegamot key financial data, 2022–2025

NOKm	FY	FY	FY	FY
Period-end	**31 Dec. 2022**	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2025**
Accounting standard	**IFRS**	**IFRS**	**IFRS**	**Norwegian GAAP**
INCOME STATEMENT				
Revenue	1,601	2,132	2,139	2,494
EBITDA	1,499	2,014	2,024	2,382
EBIT	1,477	1,996	2,006	2,363
Net interest expense	-55	-79	-200	-290
Pre-tax profit	1,422	1,916	1,806	2,073
Net profit	**-15**	**0**	**0**	**-0**
BALANCE SHEET				
Property, plant and equipment	29	60	55	48
Intangible assets and goodwill	5,911	6,961	9,470	10,734
Other non-current assets	34	47	43	41
Total non-current assets	**5,974**	**7,068**	**9,568**	**10,823**
Cash and equivalents	1,003	571	965	1,660
Other current assets	180	186	261	241
Total assets	**7,157**	**7,825**	**10,794**	**12,724**
Total equity	4	4	4	4
Gross debt	5,804	6,674	9,540	10,735
Other liabilities	1,350	1,147	1,250	1,985
Total equity and other liabilities	**7,157**	**7,825**	**10,794**	**12,724**
CASH FLOW STATEMENT				
Pre-tax profit	1,422	1,916	1,806	2,073
Cash flow before changes in working capital	1,447	1,935	1,823	2,091
Changes in working capital	-253	-126	-127	-21
Operating cash flow	**1,194**	**1,809**	**1,697**	**2,070**
Capital expenditure	-2,094	-3,111	-4,169	-2,614
Other investing activities	–	–	–	–
Cash from investing activities	**-2,094**	**-3,111**	**-4,169**	**-2,614**
Dividends	–	–	–	–
Share repurchases	–	–	–	–
Other financing activities	1,004	871	2,866	1,239
Cash from financing activities	**1,004**	**871**	**2,866**	**1,239**
Cash and equivalents beginning of year	899	1,003	571	965
Cash flow for year	**104**	**-432**	**394**	**695**
Cash and equivalents at end of year	1,003	571	965	1,660

Source: company. FY–full year.

Figure 21. Vegamot rating scorecard

Subfactors	Impact	Score
Operating environment	20.0%	aa
Market position	10.0%	aa-
Size and diversification	10.0%	a-
Operating efficiency	10.0%	a+
Business risk assessment	50.0%	aa-
Ratio analysis		bbb-
Risk appetite		aa-
Financial risk assessment	50.0%	a+
Indicative credit assessment		**a+**
Liquidity		Adequate
ESG		Adequate
Peer calibration		Neutral
Stand-alone credit assessment		**a+**
Support analysis		+2 notches
Issuer rating		**AA**
Outlook		Stable
Short-term rating		**N1**

Figure 22. Capital structure ratings

Seniority	Rating
Senior unsecured	AA

Figure 23. Guaranteed issue ratings*

ISIN	Rating
NO0010885718	AA+
NO0010935414	AA+
NO0012552977	AA+
NO0013022665	AA+
NO0010885361	AA+
NO0010885262	AA+
NO0010895642	AA+
NO0012939034	AA+
NO0013214080	AA+
NO0013339085	AA+
NO0013339747	AA+
NO0013409193	AA+
NO0013200634	AA+
NO0010894116	AA+

ISIN	Rating
NO0013483511	AA+
NO0011207250	AA+
NO0012843061	AA+
NO0010895592	AA+
NO0012554635	AA+
NO0011173601	AA+
NO0013664581	AA+
NO0013663955	AA+
NO0013697748	AA+

* The issues listed here are covered by explicit, irrevocable and timely guarantees from a guarantor, or group of guarantors.

DISCLAIMER

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