

# Interim report

January – June 2021

“Cautious recovery but great  
uncertainty”

Jonas Abrahamsson  
President and CEO



# Interim report

## January – June

### 2021

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- During the first six months of the year, Swedavia's airports had 2.5 million (6.9)<sup>1</sup> passengers, which is a decrease of 63 per cent compared to 2020.
- Net revenue totalled SEK 940 M (1,580).
- Operating profit was SEK -869 M (-376), with the lower operating profit largely due to reduced passenger volumes and a capital gain last year of SEK 422 M from the sale of a hotel property at Stockholm Arlanda Airport. Operating profit was positively affected by a capital gain of SEK 71 M from the sale of the company that owns the property for the recently opened hotel Scandic Landvetter at Göteborg Landvetter Airport.
- Profit for the period was SEK -699 M (-223).
- Investments for the Group totalled SEK 968 M (1,593), with the slower investment pace being an effect of the setting of priorities in the investment portfolio, including the pausing of the Pier G project at Stockholm Arlanda Airport.

#### KEY FINANCIAL FIGURES, GROUP <sup>3</sup>

	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
SEK M, unless otherwise indicated					
Net revenue	483	335	940	1,580	2,494
Operating profit	-489	-650	-869	-376	-1,593
impairment losses and disposals <sup>2</sup>	-538	-646	-913	-779	-1,793
Operating margin, %	-101.1	-194.4	-92.5	-23.8	-63.9
impairment losses and disposals, % <sup>2</sup>	-111.4	-193.1	-97.1	-49.3	-71.9
Profit for the period	-389	-515	-699	-223	-1,282
Return on operating capital, %	-9.7	0.6	-9.7	0.6	-7.5
Return on operating capital excluding capital gains, impairment losses, and disposals, % <sup>2</sup>	-9.0	-1.5	-9.0	-1.5	-8.5
Debt/equity ratio, times	1.1	1.2	1.1	1.2	1.0
Cash flow from operating activities	-266	-350	-628	-150	-435
Capital spending	577	752	968	1,593	2,856
Average number of employees	2,375	2,841	2,375	2,841	2,600
Passengers, million	1.6	0.3	2.5	6.9	10.3
Operating costs per departing passenger, SEK	885.8	4,485.9	1,184.4	538.5	677.5
Commercial revenues per departing passenger, SEK	81.3	398.9	98.3	105.5	98.0

<sup>1</sup> Figures in parentheses in this report are results for the corresponding period for the previous year, except for liquidity, financial position, and contingent liabilities and pledged assets, where the comparison is with the opening balance for the previous year

<sup>2</sup> This key metric is calculated excluding restructuring costs

<sup>3</sup> For definitions of key metrics, see pages 20–21

# Cautious recovery but great uncertainty

During the second quarter of the year, the aviation market continued to be dominated by the effects of the Covid-19 pandemic on national and international mobility. During the latter part of the quarter, the opportunities to travel and meet increased, mainly due to successful vaccination programmes – which creates hope for the future. However, there is still enormous uncertainty about the trend going forward.

It is summer, and for many time for a well-deserved holiday after a difficult and challenging year. Combined with a decrease in the spread of infection in many countries and the growing number of people who are partly or fully vaccinated, this contributes to a feeling of optimism and confidence in the future. At a number of Swedavia's airports, this is reflected in higher activity than for a long while. More and more travellers are flying to and from our airports, and many airlines are relaunching routes. SAS, BRA and Norwegian are all gearing up their operations at our airports, and Swedish access is slowly improving again. It is also gratifying to see a number of new investments, with Ryanair and easyJet among other airlines starting up routes this year, mainly from Stockholm Arlanda Airport and Göteborg Landvetter Airport.

Thanks in part to the reduced spread of Covid, during the latter part of the period we saw a steep upward curve in the traffic trend. During the second quarter of the year, nearly 1.6 million passengers flew to or from Swedavia's airports. That is an increase compared to the same period last year, which was also greatly affected by the pandemic. However, the increase is from extremely low levels, and passenger volume was 85 per cent lower than in the second quarter of 2019. It is good news that travel is on the rise, but given uncertainty about the continued spread of Covid and the consequences of virus mutations, the outlook for a continued recovery is uncertain.

Swedavia's net revenue during the quarter was SEK 483 M, which is an increase of SEK 149 M compared to the same quarter last year. Operating profit was SEK -489 M, which is an improvement of SEK 162 M. The improved operating profit is due to increased travel during the latter part of the quarter and to a capital gain from the sale of a hotel property at Göteborg Landvetter Airport. However, for the fifth straight quarter, we have reported a significant loss, and although the recovery has now begun, the situation is thus still strained.

## MEASURES FOR SAFE, SECURE TRAVEL

It is likely that measures to reduce the risk of Covid infection in society will be required going forward as well – that is also the case at Swedavia's airports. Safeguarding people's lives and health will always be Swedavia's top priority. Test centres for so-called PCR and antibody tests recently opened at Göteborg Landvetter Airport, Malmö Airport and Stockholm Arlanda Airport. The opportunity to get tested for Covid-19 and have a travel certificate issued is important to make travel possible and to ensure that people travelling do not contribute to the increased spread of the disease.

The EU's Digital Covid Certificate and other health certificates launched in Europe during the spring and summer have already brought improved opportunities for people to travel. Swedavia emphasised early on that these were necessary for a recovery, and it is gratifying that they are now being rolled out. So far, the handling of these certificates has not been harmonised between countries and airlines in the EU and nor are they fully digitised, which means challenges in the passenger flow at our airports. After the absence of passengers for more than a year, it is nonetheless a nice challenge for us, since more and more people are flying again, meeting loved ones, experiencing new cultures and doing business. We at Swedavia continue to do everything we can to contribute to safe, secure travel.

## TRAVEL AFTER THE PANDEMIC

It is very difficult given the circumstances to predict the trend in the aviation market in both the short and long term, but most analysts agree it will take a number of years before travel is back to pre-pandemic levels. Such a drastic downturn is difficult for any industry to handle, and this is a downright trial by fire that Swedavia and



other operators in the aviation industry's ecosystem have gone through and continue to do so.

For Swedavia, this means there continues to be a great need to control costs and to set difficult priorities in everything from day-to-day operations to its long-term investment plans. Meanwhile we are organising to both strengthen our international competitiveness and safeguard access throughout Sweden in a market with a new normal situation.

In the longer term, all indications point to a continued increase in travel, also in comparison to pre-pandemic levels, especially since global trends in the demand for travel and mobility are strong. Naturally, anything else would be sad because a global reduction in mobility would have severe consequences for social and cultural exchanges, economic growth, trade, prosperity and employment. This is something we have been particularly aware of over the past year.

Swedavia therefore continues to carry out investments needed in measures to improve efficiency and the passenger experience. People visiting Stockholm Arlanda this summer will see, for example, how the work to integrate Terminals 4 and 5 is progressing and how the extension of Terminal 5 is taking shape, including a new security checkpoint that replaces the two existing checkpoints and a new, larger marketplace. The work will continue going forward and is expected to be completed in 2023. At Göteborg Landvetter Airport, the hotel Scandic Landvetter also opened in May, which entails a doubling of hotel capacity at the airport and an even better range of options for the airport's visitors.

## INNOVATION FOR THE INDUSTRY'S TRANSITION TO SUSTAINABLE AVIATION

During the pandemic, Swedavia has continued the essential work of contributing to the industry's transition to sustainable aviation in the face of climate change, with one factor being that we are now fossil-free in our own airport operations. Bio jet fuel is one of the keys to making air transport fossil-free, and Swedavia has offered joint tenders since 2019 that enable companies and other organisations to take part in and make purchases through a procurement agreement for bio jet fuel that Swedavia arranges. The aim is for more companies and other organisations to reduce the fossil carbon dioxide emissions from their own travel for business purposes and at the same time promote large-scale production of bio jet fuel.

The industry's transition to sustainable aviation in the face of climate change requires innovation in the form of technological advances, but a great deal can be done using existing technology to bring about large-scale emission reductions. What is actually needed are innovative solutions to transform a technological possibility into large-scale practice. Swedavia's award-winning joint tenders are one such example. It is thus very gratifying that the number of organisations taking part in the tender this year has doubled – from three to six.

In closing, I would like to extend my great thanks to all of our customers, partners and employees, who have all shown remarkable endurance in these very trying times. It will remain a difficult situation going forward, but there will come a time after the pandemic, and we will then continue to do what we are most passionate about – bringing people together and making the world accessible.

Jonas Abrahamsson  
President and CEO

# About Swedavia

**Swedavia owns, operates and develops a network of ten airports in Sweden, from Kiruna in the north to Malmö in the south. The company was formed in 2010 and is wholly owned by the Swedish State.**

Swedavia operates in a competitive and international market. The company's role is to create the access Sweden needs to facilitate travel, business and meetings – in Sweden, elsewhere in Europe and the rest of the world. The company shall actively take part in the development of the transport sector and contribute to the transport policy goals adopted by the Swedish parliament. Swedavia's customers are passengers, airlines and tenants. At the same time, tenants and airlines are important partners in Swedavia's drive to create access and offer passengers – the mutual end-customer – a smooth, inspiring travel experience. In the work to attract airline investments, Swedavia competes with other airports. Safety, security and sustainable development with a focus on the customer are the basis of everything Swedavia does, both in its own operations and in society in general. Operations are run based on solid business principles, and the company shall build a long-term sustainable business through development, planning and operational efficiency. Engaged employees and a good workplace environment are crucial to Swedavia's operations. Swedavia shall continuously reduce its carbon footprint and help reduce the climate impact of the entire aviation industry.



## SUSTAINABLE DEVELOPMENT AS A STRATEGIC FOCUS

Swedavia's strategic focus is based on three sustainability dimensions – social development, economy and environmental concern – combined with a focus on the customer.



## OUR STRATEGIC GOALS FOR SUSTAINABLE VALUE CREATION

	Actual <sup>5</sup> Jun 30, 2021	Actual <sup>5</sup> Jun 30, 2020	Targets 2021	Targets 2025
Satisfied passengers, %	81 <sup>5</sup>	74	76	85
Engaged leaders and employees, % <sup>6</sup>	77	n/a	n/a	75
Return on operating capital, %	-9.7	0.6	6.0	6.0
Mixture of renewable jet fuel, % <sup>7</sup>	0.1	0.1	0.2	5.0

<sup>4</sup> The actual figure is for 12 rolling months

<sup>5</sup> Pertains to the passenger customer group at Stockholm Arlanda Airport and Göteborg Landvetter Airport. The method for calculating this key metric has been changed for 2021. The results for the different years are therefore not comparable

<sup>6</sup> The last measurement was carried out in 2018 using the Engaged Leaders & Employees method. A new measurement is planned to be implemented in 2021. Until further notice, the key indicator is reported based on pulse measurement results using another method

<sup>7</sup> The target is measured based on having 5 per cent of all aviation fuel used for refuelling in Sweden be renewable by 2025. The method for calculating this key metric has been changed for 2021

### Mission

Swedavia is a State-owned company that operates and develops Sweden's national basic infrastructure of airports – a network of airports that connects the whole country with the rest of the world. Our role is to create the access Sweden needs to facilitate travel, business and meetings.

### Objective

Together, we enable people to meet.

### Vision

We develop the airports of the future and create sustainable growth for Sweden.

### Business concept

Together with our partners, we shall create added value for our customers through attractive airports and access.

### Values

- ➔ Reliable
- ➔ Innovative
- ➔ Engaged
- ➔ Welcoming

# Important events

## January – June

### CLARIFICATION OF NATIONAL INTEREST FOR STOCKHOLM ARLANDA

In late March, the Swedish Transport Administration decided on a new clarification of national interest regarding Stockholm Arlanda Airport. This clarification of national interest constitutes a planning document that clarifies where construction may take place, for instance, based on what distances are required to satisfy maximum noise limits for housing construction. A more detailed description of the function of the national interest is given than was provided in the identification of national interests that the Stockholm County Administrative Board adopted in 2008.

Updating clarifications of national interest based on current conditions with respect to transport is part of the Swedish Transport Administration's long-term planning and shall be carried out if new information emerges that necessitates a different use of land. Such new information is the Swedish Ordinance 2015:216 on Traffic Noise Levels in Housing Construction from 2015. The Swedish Transport Administration notes how technological advances, with quieter and larger aircraft, have reduced the extent of land considered to be of national interest and how municipalities in the vicinity of the airport can now build housing on land previously protected by the national interest.

### TWO AMENDMENTS FOR AVIATION'S GREEN TRANSITION

The Swedish parliament adopted a reduction quota scheme for jet kerosene, to take effect on July 1, 2021. The aim is to reduce greenhouse gas emissions from aviation. The scheme requires suppliers of jet kerosene to add biofuel to the mixture of fossil jet kerosene.

The parliament also adopted amendments on airport charges in the Swedish Act on Airport Charges and the Swedish Ordinance on Airport Charges. The amendment to the Act entitles Parliament to issue regulations to differentiate airport charges at the airports covered by the Act, currently Stockholm Arlanda Airport and Göteborg Landvetter Airport. The amendment to the Ordinance enables a differentiation in take-off and landing charges based on the climate impact of aircraft. As a result of this amendment, the Swedish Transport Agency is also entitled to issue regulations to enforce the Ordinance on Airport Charges.

The amendment to the Act enters into force on July 1, 2021. The amendment to the Ordinance takes effect on August 1, 2021, and these statutes will be consulted in the application of airport charges starting in 2022.

### SALE OF AIRPORT PROPERTY

On June 14, 2021, Hotell 1 Landvetter AB, which owns the property on which the recently opened hotel Scandic Landvetter at Göteborg Landvetter Airport is built, was sold. The buyer is Midstar AB. Swedavia's capital gain was SEK 71 M, and the underlying property value was SEK 495 M. The sale is in line with Swedavia's strategy to create value by developing properties near its airports that can be reinvested in the airports' competitiveness.

## Events after the end of the period

### SALE OF LAND AT GÖTEBORG LANDVETTER AIRPORT

On July 1, 2021, Swedavia entered an agreement to sell two companies that own land at Göteborg Landvetter Airport. The buyer is Zeppelin Sverige AB, which will set up its main offices and service facilities there.

The transfer of property is expected to take place at the latest during the fourth quarter of 2021. The capital gain from the sale is estimated to be about SEK 30 M, and the underlying property value is SEK 40 M. The sale is in line with Swedavia's strategy to create value by developing properties near its airports that can be reinvested in the airports' competitiveness.

# Passenger trends

## January – June

The first half of 2021 continued to be affected by the pandemic, but restrictions have been eased and travel advisories lifted in the past few months. As a result, demand for flights started to increase towards the end of the period.

A total of 2.5 million passengers flew to or from Swedavia's airports during the first half of the year. Compared to 2020, when the impact of the pandemic started to affect air traffic in mid-March, the number of passengers decreased 4.4 million, which corresponds to a downturn of 63.4 per cent.

Compared to before the pandemic in 2019, the number of passengers was 17.1 million lower, which corresponds to a decline of 87.1 per cent.

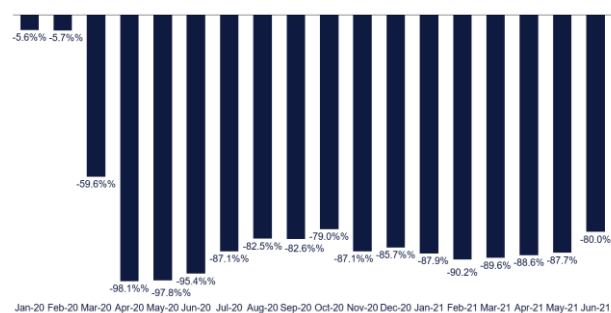
## April – June

During the second quarter, vaccinations against Covid-19 increased, and the spread of infection in Sweden and a number of other countries decreased. This has allowed restrictions to be eased and travel advisories lifted, which led to increased demand for flights, mostly towards the end of the quarter. Passenger volume increased compared to both the first quarter of the year and the same quarter last year.

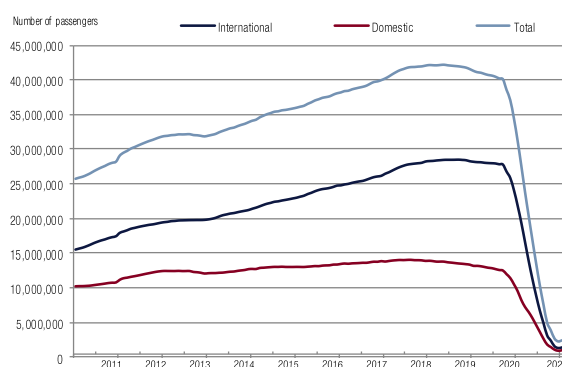
During the second quarter, 1.6 million passengers flew to or from Swedavia's airports. Compared to the same quarter last year, that is an increase of 1.2 million passengers, which corresponds to a fourfold increase in volume. Compared to the first quarter this year, the number of passengers increased by 600,000, which corresponds to an upturn of 66.0 per cent.

However, these increases are from low levels, and compared to pre-pandemic levels in 2019, the number of passengers was 9.1 million lower, which corresponds to a decrease of 85.2 per cent.

**PASSENGER TREND BY MONTH (%) - SWEDAVIA**  
JANUARY 2020 - JUNE 2021 COMPARED TO 2019



**PASSENGER TREND - SWEDAVIA**  
ROLLING TWELVE-MONTH TREND, APRIL 2010 - JUNE 2021



**PASSENGER VOLUMES**  
JANUARY-JUNE 2021

Passengers	Number of passengers Jan-Jun			Number of passengers Apr-Jun		
	2021	2020	Per cent change	2021	2020	Per cent change
International	1,490,000	4,590,000	-67.5%	947,000	198,000	379.7%
Domestic	1,046,000	2,349,000	-55.5%	635,000	124,000	411.8%
<b>Total</b>	<b>2,536,000</b>	<b>6,939,000</b>	<b>-63.4%</b>	<b>1,583,000</b>	<b>322,000</b>	<b>392.0%</b>

# Economic overview for the Group

## Operating profit

### JANUARY-JUNE

During the first half of the year, the effects of the Covid-19 pandemic continued to dominate our operations, with sharply lower air traffic, which resulted in a 63 per cent downturn in air traffic compared to last year. Since Swedavia's business model is primarily based on variable revenue, this also led to a significant decrease in revenue from Aviation Business and Commercial Services in the Airport Operations segment during the first half of 2021 compared to the same period last year.

Net revenue for the first six months of the year was SEK 940 M (1,580), which is a decrease of SEK 640 M or 41 per cent compared to last year.

In the Airport Operations segment, net revenue decreased SEK 646 M to SEK 934 M (1,580). Net revenue in the Real Estate segment totalled SEK 28 M (16).

Aviation Business revenue totalled SEK 550 M (948), which is a decrease of SEK 398 M or 42 per cent, mainly due to substantially lower passenger volumes and reduced traffic. However, revenue did not decrease as much as passenger volume did, mainly due to revenue from externally paid charges of SEK 252 M (280). Externally paid charges are not affected to the same extent as the decline in passenger volumes since revenue is based on costs that Swedavia incurs for security screening of passengers and baggage.

Revenue from Commercial Services totalled SEK 384 M (617), which was SEK 232 M or 38 per cent lower than for the same period last year. The decrease was lower than the decrease in passenger volume because of revenue from fixed agreements and agreements not directly related to the passenger trend, which was affected to a lesser extent by the decline in passenger volume. During the period, State rent relief of SEK 3 M (12) was recognised as income. Other operating revenue totalled SEK 324 M (438), with a capital gain of SEK 71 M and restructuring aid of SEK 239 M (-) recognised as income. Last year, a capital gain of SEK 422 M had a positive effect.

External costs and staff expenses totalled SEK 1,569 M (1,848), which is SEK 279 M lower compared to the same period last year and was an effect of the volume decrease, organisational adjustments implemented and generally large-scale cost control. State aid for furloughs totalled SEK 71 M (91).

Depreciation, amortisation and impairment losses totalled SEK 653 M (637).

Consolidated operating profit was SEK -869 M (-376) and the consolidated operating margin was -92.5% (-23.8). Excluding restructuring costs, impairment losses and capital gains, operating profit was SEK -913 M (-779), which is SEK 133 M lower compared to last year.

In the Airport Operations segment, net revenue was SEK -941 M (-793), with the decrease mainly due to the effects of Covid-19 on air traffic and passenger volumes. In the Real Estate segment, the operating profit was SEK 67 M (417). A capital gain of SEK 71 M from the sale of a hotel property at Göteborg Landvetter Airport had a positive effect. The lower operating profit compared to last year is explained by a capital gain last year, which had a positive effect of SEK 422 M.

### APRIL-JUNE

The effects of the Covid-19 pandemic continued to dominate our operations during the second quarter as well, with continued very low passenger volumes and significantly reduced air traffic. However, the spread of Covid slowed during the second quarter, which led to an easing of restrictions and the lifting of travel advisories and thus to increased demand for flights.

Net revenue for the second quarter totalled SEK 483 M (335), which is an increase of SEK 149 M or 44 per cent compared to last year.

Net revenue in the Airport Operations segment increased SEK 142 M to SEK 476 M (334). Net revenue in the Real Estate segment totalled SEK 21 M (8).

Aviation Business revenue totalled SEK 277 M (163), which is an increase of SEK 113 M or 69 per cent. Passenger- and aircraft-related revenue was SEK 142 M (42), an increase of SEK 100 M, which is related to the growth in passengers and increased air traffic. Revenue from Ground Handling and other ancillary services was SEK 13 M higher due to the increased number of aircraft movements and totalled SEK 35 M (22). Revenue from externally paid charges, which is based on costs that Swedavia incurs for security screening, was on a par with last year.

Revenue from Commercial Services totalled SEK 204 M (164), which is SEK 40 M or 23 per cent higher than for the same period last year. Revenue from retail and food & beverage, SEK 15 M (35), decreased during the second quarter, which is explained by increased relief to commercial customers and settlement effects pertaining to previous periods. Revenue from parking & entry totalled SEK 52 M (28), with revenue directly related to passengers increasing in line with passenger growth.

Other operating revenue totalled SEK 78 M (13), which includes a capital gain of SEK 71 M (-) recognised as income.

External costs and staff expenses totalled SEK 761 M (717), which is SEK 44 M higher compared to the same period last year. Furloughs, a provision for expected customer losses and other items that affect comparisons had a negative effect on profit of SEK 106 M compared to last year. Underlying costs were SEK 63 M lower compared to the same period last year, which was an effect of the decrease in volume, adaptations made by the organisation and generally great continued cost discipline. State aid for furloughs totalled SEK 34 M (91).

Depreciation, amortisation and impairment losses totalled SEK 336 M (324).

Consolidated operating profit was SEK -489 M (-650) and the consolidated operating margin was -101.1% (-194.4). Excluding restructuring costs, impairment losses and capital gains, operating profit improved by SEK 107 M to SEK -538 M (-646).

Operating profit in the Airport Operations segment totalled SEK -563 M (-649), mainly due to the effects of Covid-19 on air traffic and passenger volumes. Operating profit was SEK 86 M higher compared to the previous period, mainly due to the increase in passengers during the quarter. In the Real Estate segment, operating profit was SEK 76 M (-8), with the higher profit compared to the same period last year explained by a capital gain from the sale of the hotel property at Göteborg Landvetter Airport.

## Financial items

Financial items for the first half of the year constituted a net expense of SEK 24 M (-35), which is SEK 11 M lower than for the same period last year. The difference is mostly explained by an increase in income from holdings in associated companies, SEK 34 M (28). Net financial items for the second quarter totalled SEK -16 M (-14).

## Profit for the period

Profit before tax for the first half of the year was SEK -894 M (-411) and profit for the period totalled SEK -699 M (-223). Profit before tax for the second quarter was SEK -505 M (-664) and profit for the period totalled SEK -389 M (-515).

## Investments

Investments during the first half of the year totalled SEK 968 M (1,593), with investments in the airport segment representing SEK 909 M (1,409) of this. Most investments were made in the development programmes at Stockholm Arlanda Airport and Göteborg Landvetter Airport.

Investments in Real Estate and property development totalled SEK 59 M (184) and pertained mostly to an investment in a hotel at Göteborg Landvetter Airport.

A lower investment volume compared to last year is an effect of reassigning priorities in the investment portfolio, including the pausing of the Pier G project at Stockholm Arlanda Airport. During the second quarter, investments totalled SEK 577 M (752).

## Cash flow

Cash flow during the first half of the year was SEK 84 M (619). Cash flow from operating activities was negative at SEK -628 M (-150), which is SEK 478 M lower compared to the same period last year. The lower cash flow is mainly explained by lower cash-generating profits from operating activities before the change in working capital. Net cash flow from operating capital was positive at SEK 54 M (69).

Cash flow from investing activities was SEK -336 M (-403), which is SEK 67 M lower than for the same period last year. Payments related to investments totalled SEK 968 M (1,593). The sale of the subsidiary Hotell 1 Landvetter AB, which owns the property at Göteborg Landvetter Airport on which the hotel Scandic Landvetter was built, generated a positive cash flow of SEK 470 M. Last year, proceeds from the sale of Swedavia's subsidiary Airport Hotel 2 AB had a positive effect. During the first half of the year, short-term

investments were sold, which entailed a positive cash flow of SEK 162 M (-).

Cash flow from financing activities was SEK 1,048 M (1,173). Increased medium-term notes of SEK 118 M and increased commercial paper borrowings of SEK 990 M generated a positive cash flow from loan financing of SEK 1,108 M. Payment of interest related to the hybrid bond resulted in a negative cash flow during the first half of the year of SEK 7 M (8). Lease liabilities of SEK 53 M (51) were repaid. Cash flow during the second quarter was positive at SEK 153 M (338).

## Liquidity and financial position

Consolidated equity at the end of the first half of the year totalled SEK 9,925 M (10,533). Equity includes a hybrid bond of SEK 1,000 M issued in November 2019.

Swedavia's loan liabilities at the end of the period totalled SEK 10,842 M (9,734), which is an increase of SEK 1,108 M. Swedavia's loan liabilities are broken down into bank loans of SEK 3,200 M (3,200), medium-term notes of SEK 6,002 M (5,884) and commercial paper of SEK 1,640 M (650). At the end of the quarter, the average capital tie-up period, which includes the effect of interest rate derivatives, was 3.7 years (4.2), and the average interest rate lock-in period was 2.7 years (3.3). The average interest rate as of June 30 was 1.1 per cent (1.2). On the balance sheet date, the nominal total of interest rate derivatives was SEK 4,250 M (4,250).

Liquid assets decreased SEK 84 M to SEK 1,546 M (1,462) at the end of the period. Net liabilities increased SEK 1,111 M from SEK 10,231 M to SEK 11,342 M.

The debt/equity ratio was 1.1 times (1.0).

At the end of the period, Swedavia had unused credit facilities totalling SEK 3,300 M (2,800).

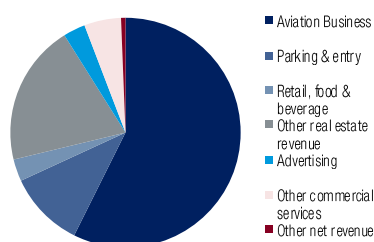
On the balance sheet date, there were also unutilised framework loan agreements totalling SEK 1,000 M (1,000).

Return on operating capital, excluding restructuring costs, capital gains, impairment losses and disposals, at the end of the period was -9.0 per cent (-8.5).

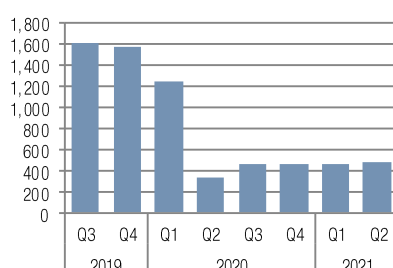
## Employees

The average number of employees for the period July 1, 2020 – June 30, 2021, was 2,375 (2,841). The reduction in the average number of employees is an effect of adjustments made by the organisation to lower traffic volume, great restraint in filling vacancies and a reduced number of temporary employees.

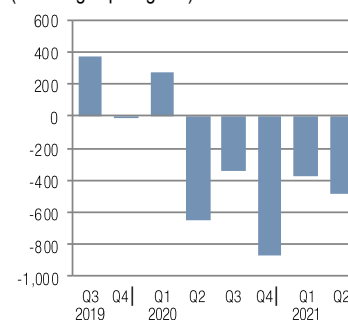
**BREAKDOWN, NET REVENUE**  
Quarter, April-June 2021



**NET REVENUE, SEK M**



**OPERATING PROFIT, SEK M**  
(including capital gains)





## Risks and uncertainty factors

Risk is defined here as an event that affects the Group's prospects of achieving its operational goals and implementing its strategies. Swedavia works continuously to map, monitor and manage risks in its operations. Risk reports are prepared and presented to the Board of Directors on a quarterly basis. Swedavia's significant risks are described in the Annual Report 2020 on pages 60–63 and in Note 47. In 2021, the Covid-19 pandemic has continued to affect Swedavia to a very great extent and is expected to affect the company for a long while. Swedavia's overall top risks consist of reduced air traffic and the risk that a decline in passengers will have a negative impact on Swedavia in the form of lower revenue. The Covid-19 pandemic has entailed lower passenger volumes, with an 87 per cent decrease during the first half of the year compared to the same period in 2019 before the pandemic. Because of uncertainty about the spread of the pandemic, travel restrictions, vaccination efforts and the impact on the global economy, it is challenging at present to make any forecast about either a recovery in the short term or the future long-term passenger trend. However, Swedavia is working on an ongoing basis with different scenarios of possible future trends. Swedavia has a number of large customers, which could entail a major impact on Swedavia's operations in the event one of these were to have financial problems. The Covid-19 pandemic has had an enormous impact on all of Swedavia's airline customers. This is having a great negative economic impact on the airlines and will probably lead to consolidation and restructuring in the industry but also to a greater risk of closures and bankruptcies. All in all, the economic challenges for the airlines could have a negative impact on Swedavia in the form of immediate customer credit losses and, in the longer term, a slower recovery in air traffic after the pandemic, which could mean a narrower range of routes and less capacity compared to before the pandemic. The decreased volume also entails a negative impact on Swedavia's commercial business. Many tenants and partners at the airports are directly affected in the form of sharply lower revenue or a total loss of revenue, which in turn means lower sales revenue-based rental income for Swedavia. Another effect as restrictions are gradually eased and traffic resumes is that authorities could introduce new regulations to limit the spread of infection at airports. This could entail changes in working methods, flows and processes for

Swedavia. In 2020, Swedavia introduced measures at its airports to prevent the spread of infection and reassure customers about safety in consultation with the authorities.

There is also a risk of disruptions or interruptions in service in the airport's aviation and commercial operations as well as the risk of not being able to convert insights and customer needs quickly enough into new business opportunities.

Ongoing investments at the airports could affect tenants, who may have to relocate their premises. A complaint was filed with the European Commission regarding the shareholder contribution received in 2020, which could affect the recognition of this shareholder contribution as well as some State aid that was applied for as a result of the Covid-19 pandemic.

Climate-related risks could affect Swedavia's operations both in the short and long term. Other external factors could also affect Swedavia's performance.

## Parent Company

### Net revenue and operating profit

The Parent Company's net revenue for the first half of the year totalled SEK 896 M (1,540), which is a decrease of SEK 644 M. Other operating revenue, SEK 253 M (16), was positively affected by restructuring aid of SEK 239 M. Operating profit totalled SEK -1,039 M (-905) and the profit margin was -115.9 per cent (-58.7). Profit before tax was SEK -1,106 M (-957) and profit for the period was SEK -880 M (-743). Operating profit was negatively affected mainly by the impact of Covid-19. External costs and staff expenses together were SEK 288 M lower compared to last year, mainly due to cost savings, reductions in non-business-critical activities and furloughs. During the second quarter, net revenue for the Parent Company was SEK 462 M (322), which is an increase of SEK 140 M. Operating profit totalled SEK -616 M (-705) and the operating margin was -133.3 per cent (-218.9). Profit before tax for the second quarter was SEK -647 M (-733) and profit for the period was SEK -516 M (-566).

#### FINANCIAL TARGETS FOR SWEDAVIA'S OWNER

	Actual Jun 30, 2021	Target
Return on operating capital, %	-9.7	6.0
Debt/equity ratio, times	1.1	0.7-1.5
Dividend target, % <sup>7</sup>	-	10-50

#### KEY FINANCIAL METRICS

	Actual Jun 30, 2021	Actual Jun 30, 2020	Actual Dec 31, 2020	Policy
Average interest rate, %	1.1	1.3	1.2	n/a
Average interest rate lock-in period, year	2.7	3.5	3.3	1-4
Average capital tie-up period, years	3.7	4.5	4.2	2-5

## Consolidated income statement

Amounts in SEK M	Note	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
Net revenue	2,3	483	335	940	1,580	2,494
Other operating revenue	6	78	13	324	438	700
Work performed by the company for its own use and capitalised		45	43	91	93	172
<b>Total revenue</b>		<b>607</b>	<b>391</b>	<b>1,354</b>	<b>2,111</b>	<b>3,366</b>
External costs		-378	-389	-801	-997	-1,932
Staff expenses		-382	-328	-768	-851	-1,550
Depreciation/amortisation and impairment losses on tangible fixed assets and intangible non-current assets		-336	-324	-653	-637	-1,456
		1	0	-1	-2	-21
<b>Operating profit</b>		<b>-489</b>	<b>-650</b>	<b>-869</b>	<b>-376</b>	<b>-1,593</b>
<b>Income from financial items</b>						
Income from holdings in associated companies and joint ventures		14	19	34	28	54
Interest income and similar items		0	1	2	2	5
Interest expenses and similar items		-30	-33	-60	-65	-138
<b>Income after financial items</b>		<b>-505</b>	<b>-664</b>	<b>-894</b>	<b>-411</b>	<b>-1,672</b>
Tax		116	150	194	188	391
<b>Profit for the period</b>	2	<b>-389</b>	<b>-515</b>	<b>-699</b>	<b>-223</b>	<b>-1,282</b>
Earnings per share before and after dilution, SEK		-0.27	-0.36	-0.49	-0.16	-0.90
The total number of shares was 1,441,403,026 for all periods						

## Consolidated statement of comprehensive income

Amounts in SEK M	Note	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
<b>Profit for the period</b>		<b>-389</b>	<b>-515</b>	<b>-699</b>	<b>-223</b>	<b>-1,282</b>
<b>Other comprehensive income:</b>						
<b>Items that can be reclassified to the income statement</b>						
Cash flow hedges						
Items reclassified to the income statement		-11	11	-24	0	-5
Change in fair value for the period		27	-40	121	-122	-77
Tax		-3	6	-20	25	17
Other comprehensive income from joint ventures, net after tax		1	-3	7	-10	-7
<b>Items that cannot be reclassified to the income statement</b>						
Revaluations of defined benefit pensions		-6	-20	19	31	-48
Tax		1	4	-4	-7	10
<b>Total other comprehensive income, net after tax</b>		<b>9</b>	<b>-41</b>	<b>99</b>	<b>-82</b>	<b>-110</b>
<b>Comprehensive income for the period</b>		<b>-380</b>	<b>-556</b>	<b>-600</b>	<b>-304</b>	<b>-1,392</b>

## Consolidated balance sheet, summary

Amounts in SEK M	Note	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
<b>ASSETS</b>	2			
NON-CURRENT ASSETS				
Intangible non-current assets		701	755	729
Tangible non-current assets		19,190	18,526	18,890
Right-of-use assets		1,139	1,235	1,184
Deferred tax asset		126	-	-
Non-current financial assets		1,171	1,152	1,130
<b>Total non-current assets</b>		<b>22,326</b>	<b>21,668</b>	<b>21,934</b>
CURRENT ASSETS				
Materials and supplies		59	56	57
Trade receivables	5	284	249	328
Receivables from associated companies		5	5	7
Other receivables		383	305	277
Prepaid expenses and accrued income		105	149	57
Derivative instruments		-	3	-
Short-term investments		13	-	175
Liquid assets		1,546	696	1,462
<b>Total current assets</b>		<b>2,397</b>	<b>1,463</b>	<b>2,364</b>
Assets held for sale	7	-	333	388
<b>TOTAL ASSETS</b>		<b>24,723</b>	<b>23,464</b>	<b>24,686</b>
<b>EQUITY AND LIABILITIES</b>	2			
EQUITY				
Share capital		1,441	1,441	1,441
Other paid-in capital		4,662	2,162	4,662
Hedge reserve		-64	-173	-141
Hybrid bond		1,000	1,000	1,000
Retained earnings		2,886	4,698	3,570
<b>Total equity</b>		<b>9,925</b>	<b>9,128</b>	<b>10,533</b>
NON-CURRENT LIABILITIES				
Provisions		1,090	1,004	1,122
Deferred tax liability		-	275	53
Interest-bearing liabilities		8,502	7,897	8,297
Derivative instruments	4	80	205	172
Lease liability		1,062	1,147	1,103
Other non-current liabilities		233	235	204
<b>Total non-current liabilities</b>		<b>10,967</b>	<b>10,763</b>	<b>10,951</b>
CURRENT LIABILITIES				
Provisions		86	153	89
Interest-bearing liabilities		2,340	1,901	1,437
Derivative instruments	4	6	19	7
Lease liability		127	132	129
Trade payables		526	577	591
Liabilities to associated companies		15	14	44
Other liabilities		154	66	249
Accrued expenses and prepaid income		577	695	654
<b>Total current liabilities</b>		<b>3,831</b>	<b>3,558</b>	<b>3,199</b>
Liabilities attributable to assets held for sale	7	-	15	3
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,723</b>	<b>23,464</b>	<b>24,686</b>

## Consolidated change in equity

Amounts in SEK M	Note	Jun 30, 2021	Jun 30, 2020
<b>GROUP</b>			
Equity, opening balance		10,533	9,440
Hybrid bond interest costs		-7	-8
Profit for the period		-699	-223
Other comprehensive income		99	-82
<b>Other comprehensive income for the period</b>		<b>-600</b>	<b>-304</b>
<b>Equity, closing balance</b>		<b>9,925</b>	<b>9,128</b>

## Consolidated cash flow statement

Amounts in SEK M	Note	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
<b>Operating activities</b>						
Profit after financial items		-505	-664	-894	-411	-1,672
Adjustments for items not included in cash flow etc.		272	332	242	216	994
Tax paid		-13	5	-30	-24	65
		<b>-246</b>	<b>-327</b>	<b>-682</b>	<b>-219</b>	<b>-614</b>
<b>Cash flow from changes in working capital</b>						
Increase(-)/Decrease(+) in materials and supplies		0	2	-2	-2	-4
Increase(-)/Decrease(+) in operating receivables		-58	156	187	345	249
Increase(+)/Decrease(-) in operating liabilities		38	-181	-131	-274	-67
<b>Cash flow from operating activities</b>		<b>-266</b>	<b>-350</b>	<b>-628</b>	<b>-150</b>	<b>-435</b>
<b>Investing activities</b>						
Disposal of subsidiaries	6	470	-	470	1,188	1,181
Sale of holdings in associated companies		-	-	-	-	83
Acquisitions of intangible non-current assets		-11	-18	-18	-27	-46
Acquisitions of tangible fixed assets		-567	-743	-950	-1,566	-2,810
Acquisitions short-term investments		-	-	-62	-	-275
Disposal short-term investments		70	100	225	-	100
Dividends from associated companies		-	-	-	-	72
<b>Cash flow from investing activities</b>		<b>-38</b>	<b>-661</b>	<b>-336</b>	<b>-403</b>	<b>-1,696</b>
<b>Financing activities</b>						
Hybrid bond, interest expenses		-3	-4	-7	-8	-16
Shareholder contribution		-	-	-	-	2,500
Borrowings raised		2,040	2,250	2,694	2,940	5,269
Borrowings repaid		-1,556	-890	-1,586	-1,710	-4,104
Repaid lease liabilities		-24	-27	-53	-51	-104
Increase(+)/Decrease(-) in other financial liabilities		-	17	-	2	-29
<b>Cash flow from financing activities</b>		<b>457</b>	<b>1,348</b>	<b>1,048</b>	<b>1,173</b>	<b>3,515</b>
<b>Cash flow for the period</b>		<b>153</b>	<b>338</b>	<b>84</b>	<b>619</b>	<b>1,385</b>
<b>Liquid assets at the beginning of the period</b>		<b>1,393</b>	<b>358</b>	<b>1,462</b>	<b>77</b>	<b>77</b>
<b>Liquid assets at the end of the period</b>		<b>1,546</b>	<b>696</b>	<b>1,546</b>	<b>696</b>	<b>1,462</b>

## Parent Company income statement

Amounts in SEK M	Note	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
Net revenue		462	322	896	1,540	2,442
Other operating income		7	13	253	16	272
Work performed by the company for its own use and capitalised		45	43	91	93	172
<b>Total revenue</b>		<b>515</b>	<b>379</b>	<b>1,239</b>	<b>1,649</b>	<b>2,886</b>
External expenses		-451	-465	-929	-1,128	-2,217
Staff expenses		-379	-327	-760	-849	-1,519
Depreciation and amortisation on tangible fixed assets and non-current intangible assets		-302	-292	-587	-574	-1,327
Other operating expenses		1	0	-1	-2	-21
<b>Operating profit</b>		<b>-616</b>	<b>-705</b>	<b>-1,039</b>	<b>-905</b>	<b>-2,198</b>
<b>Income from financial items</b>						
Interest income and similar items		1	4	3	8	16
Interest expenses and similar items		-32	-32	-70	-60	-137
<b>Income from financial items</b>		<b>-647</b>	<b>-733</b>	<b>-1,106</b>	<b>-957</b>	<b>-2,319</b>
Appropriations		-	-	-	-	595
<b>Profit before tax</b>		<b>-647</b>	<b>-733</b>	<b>-1,106</b>	<b>-957</b>	<b>-1,724</b>
Tax		131	167	225	214	316
<b>Profit for the period</b>		<b>-516</b>	<b>-566</b>	<b>-880</b>	<b>-743</b>	<b>-1,409</b>

## Parent Company statement of comprehensive income

Amount in SEK M	Note	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
<b>Profit for the period</b>		<b>-516</b>	<b>-566</b>	<b>-880</b>	<b>-743</b>	<b>-1,409</b>
Other comprehensive income		-	-	-	-	-
<b>Comprehensive income for the period</b>		<b>-516</b>	<b>-566</b>	<b>-880</b>	<b>-743</b>	<b>-1,409</b>

## Parent Company balance sheet, summary

Amounts in SEK M	Note	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Intangible non-current assets		566	644	606
Tangible fixed assets		18,070	17,464	17,786
Total financial assets		1,659	1,308	1,434
<b>Non-current assets</b>		<b>20,295</b>	<b>19,416</b>	<b>19,825</b>
<b>CURRENT ASSETS</b>				
Materials and supplies		55	53	53
Current receivables		1,562	2,274	2,180
Short-term investments		13	-	175
Liquid assets		1,534	693	1,457
<b>Total current assets</b>		<b>3,163</b>	<b>3,020</b>	<b>3,865</b>
<b>Total assets</b>		<b>23,458</b>	<b>22,436</b>	<b>23,691</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
<b>Restricted equity</b>				
Share capital (1,441,403,026 shares)		1,441	1,441	1,441
Reserve for development expenditures		22	36	28
<b>Unrestricted equity</b>				
Other paid-in capital		2,162	2,162	2,162
Hybrid bond		1,000	1,000	1,000
Retained earnings/Share premium reserve		3,919	2,829	5,328
Profit for the period		-880	-743	-1,409
<b>Total equity</b>		<b>7,664</b>	<b>6,726</b>	<b>8,551</b>
Untaxed reserves		1,575	2,050	1,575
Provisions		1,416	1,502	1,443
Non-current liabilities		8,725	8,111	8,491
Current liabilities		4,078	4,047	3,631
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,458</b>	<b>22,436</b>	<b>23,691</b>

# Notes

## NOTE 1. ACCOUNTING PRINCIPLES

### GENERAL

The Interim Report was prepared in conformity with IAS 34, "Interim Financial Reporting" and applicable standards of Sweden's Annual Accounts Act. Disclosure requirements stipulated in IAS 34 have been applied both in the notes and elsewhere in the Interim Report in accordance with the Annual Accounts Act Chapter 9, "Interim Reports". For the Group and Parent Company, the same accounting principles and bases for calculation have been applied as in the most recent annual report except for the changes in accounting principles described below.

The Group's reporting is in millions of Swedish kronor, SEK M, unless otherwise indicated. Rounding differences may occur.

### New and revised standards that enter into effect in 2021 or later

The effects on the Group's financial reports and position of amendments and standards that are mandatory for the financial year 2021 have not had any material impact on the Group's financial reports. For new and revised standards that enter into force in 2022 or later, the effects of these changes on the Group's financial reports still need to be assessed.

### Government grants

Swedavia receives grants from the Swedish State and the European Union, mostly concerning the following:

- Grant for furloughs from the Swedish State which was designed to support operations affected by the spread of Covid-19. The grant, provided by the Swedish Agency for Economic and Regional Growth, is recognised as a reduction in staff expenses in the income statement.
- Rent relief grant from the Swedish State. As a result of the grant, landlords that reduced the fixed rent of tenants in some vulnerable industries can apply for a grant in order to be paid compensation for some of the reduction. The grant, which is paid by the Swedish National Board of Housing, Building and Planning, is recognised as revenue in Commercial Services in the income statement.
- Grant from the EU's research and development operations. Swedavia takes part in such a programme, which is aimed at providing air navigation solutions (ANS) to support the provision of general or operational air traffic within the EU. The government grant awarded in the project, which is related to costs, is

recognised as a reduction in the corresponding cost in the income statement. Government grants awarded related to the funding of ongoing projects are recognised as a reduction in the carrying amount of the asset

- Restructuring aid from the Swedish State. Due to Covid-19, the Swedish State has introduced an adaptation grant that will enable companies to weather the acute crisis as well as transform their operations and adapt them to a new normal situation. The aid, which is received from the Swedish Tax Authority, is recognised as other operating revenue in the income statement.

### RELATED PARTY TRANSACTIONS

Related party transactions involve transactions with State-owned companies and enterprises as well as government agencies. Related parties also include companies over which Swedavia can exercise a controlling interest. Costs arise mostly from meteorological services, fees to government authorities and air traffic management services, which are largely included in the costs reimbursed by the Swedish Transport Agency. The transactions are carried out at market prices and on standard commercial terms.

## NOTE 2. SEGMENT REPORTING

Swedavia's operations are organised and managed in two operating segments, Airport Operations and Real Estate. The highest executive decision-maker at Swedavia is identified as the president and CEO of the Parent Company. The basis of segment reporting is the Group's internal reporting.

- **Airport Operations** owns, operates and develops Swedavia's airports. Most revenue consists of passenger-related revenue
- **Real Estate** owns, develops and manages properties and developable land at and around Swedavia's airports. Most revenue consists of rental income
- **Eliminations and adjustments** - capitalisation of borrowing expenses in accordance with IAS 23, IFRS 16 "Leases", remeasurement of biological assets and financial instruments at fair value are not monitored at the segment level but instead handled at the Group level and are included in the elimination of intra-Group items in this column. The accounting principles otherwise conform to those applied in the consolidated financial reporting.

## SEGMENT REPORTING, INCOME STATEMENT

Income statement Apr-Jun	Airport Operations		Real Estate		Eliminations/adjustments <sup>9</sup>		Group	
Amounts in SEK M	2021	2020	2021	2020	2021	2020	2021	2020
Net revenue	476	334	21	8	-14	-7	483	335
Other operating income, external	7	13	80	0	-9	-	78	13
Work performed by the company for its own use and capitalised, external	45	43	-	-	-	-	45	43
<b>Total revenue</b>	<b>529</b>	<b>391</b>	<b>101</b>	<b>8</b>	<b>-23</b>	<b>-7</b>	<b>607</b>	<b>391</b>
Operating expenses	-791	-750	-17	-10	47	43	-761	-717
Depreciation, amortisation and impairment losses	-302	-289	-8	-6	-27	-29	-336	-324
Other operating costs	1	0	0	0	-	-	1	0
<b>Operating profit</b>	<b>-563</b>	<b>-649</b>	<b>76</b>	<b>-8</b>	<b>-2</b>	<b>6</b>	<b>-489</b>	<b>-650</b>
Financial income	1	4	14	19	0	-3	14	20
Financial expenses	-34	-35	0	-3	4	5	-30	-33
<b>Profit before tax</b>	<b>-596</b>	<b>-680</b>	<b>90</b>	<b>8</b>	<b>1</b>	<b>8</b>	<b>-505</b>	<b>-664</b>
Tax	120	155	-5	-4	0	-2	116	150
<b>Profit for the period</b>	<b>-476</b>	<b>-525</b>	<b>85</b>	<b>4</b>	<b>1</b>	<b>6</b>	<b>-389</b>	<b>-515</b>
<b>Other segment information</b>								
Profit from holdings in associated companies and joint ventures	-	-	14	19	-	-	14	19
Investments	560	706	17	46	-	-	577	752
Profit/loss from sale of shares holdings and operations	-2	-	80	-	-9	-	69	-
Restructuring costs	13	4	-	-	-	-	13	4
Impairment losses/disposals	5	1	-	-	-	-	5	1

Income statement Jan-Jun	Airport Operations		Real Estate		Eliminations/adjustments <sup>9</sup>		Group	
Amounts in SEK M	2021	2020	2021	2020	2021	2020	2021	2020
Net revenue	934	1,580	28	16	-22	-17	940	1,580
Other operating income, external	253	16	80	434	-9	-12	324	438
Work performed by the company for its own use and capitalised, external	91	93	-	-	-	-	91	93
<b>Total revenue</b>	<b>1,277</b>	<b>1,689</b>	<b>108</b>	<b>450</b>	<b>-31</b>	<b>-28</b>	<b>1,354</b>	<b>2,111</b>
Operating expenses	-1,632	-1,912	-28	-21	91	85	-1,569	-1,848
Depreciation, amortisation and impairment losses	-585	-568	-13	-12	-56	-56	-653	-637
Other operating costs	-1	-2	0	0	0	0	-1	-2
<b>Operating profit</b>	<b>-941</b>	<b>-793</b>	<b>67</b>	<b>417</b>	<b>4</b>	<b>1</b>	<b>-869</b>	<b>-376</b>
Financial income	3	8	34	29	-1	-7	36	30
Financial expenses	-74	-67	-1	-7	14	9	-60	-65
<b>Profit before tax</b>	<b>-1,011</b>	<b>-852</b>	<b>100</b>	<b>438</b>	<b>18</b>	<b>3</b>	<b>-894</b>	<b>-411</b>
Tax	206	192	-8	-3	-4	-1	194	188
<b>Profit for the period</b>	<b>-805</b>	<b>-660</b>	<b>92</b>	<b>435</b>	<b>14</b>	<b>2</b>	<b>-699</b>	<b>-223</b>
<b>Other segment information</b>								
Profit from holdings in associated companies and joint ventures	-	-	34	28	-	-	34	28
Investments	909	1,409	59	184	-	-	968	1,593
Profit/loss from sale of shares holdings and operations	-2	-	80	434	-9	-12	69	422
Restructuring costs	15	19	-	-	-	-	15	19
Impairment losses/disposals	10	1	-	-	-	-	10	1



**SEGMENT REPORTING, BALANCE SHEET**

Balance sheet Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments *		Group	
	Jun 30, 2021	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020
Non-current assets	20,047	19,355	1,701	2,025	578	288	22,326	21,668
Current assets	3,184	2,881	432	650	-1,219	-2,067	2,397	1,463
Assets held for sale	-	-	-	-	-	333	-	333
<b>Total assets</b>	<b>23,231</b>	<b>22,236</b>	<b>2,133</b>	<b>2,675</b>	<b>-641</b>	<b>-1,447</b>	<b>24,723</b>	<b>23,464</b>
Equity	9,333	8,832	1,308	1,152	-716	-856	9,925	9,128
Liabilities	13,898	13,404	825	1,523	74	-606	14,798	14,321
Liabilities related to assets held for sale	-	-	-	-	-	15	-	15
<b>Total equity and liabilities</b>	<b>23,231</b>	<b>22,236</b>	<b>2,133</b>	<b>2,675</b>	<b>-641</b>	<b>-1,447</b>	<b>24,723</b>	<b>23,464</b>

**NOTE 3. NET REVENUE**

Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments		Group	
	2021 Apr-Jun	2020 Apr-Jun	2021 Apr-Jun	2020 Apr-Jun	2021 Apr-Jun	2020 Apr-Jun	2021 Apr-Jun	2020 Apr-Jun
Breakdown of net revenue								
<b>Aviation Business</b>								
Passenger-related revenue	79	17	-	-	-	-	79	17
Aircraft-related revenue	63	25	-	-	-	-	63	25
Externally regulated charges	100	98	-	-	-	-	100	98
Ground handling	17	5	-	-	-	-	17	5
Other ancillary services	18	17	-	-	-	-	18	17
<b>Total Aviation Business</b>	<b>277</b>	<b>163</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>277</b>	<b>163</b>
<b>Commercial Services</b>								
Parking & entry	52	28	-	-	-	-	52	28
Retail, food & beverage	15	35	-	-	-	-	15	35
Real estate revenue	94	70	9	7	-7	-4	96	73
Advertising	15	12	-	-	-	-	15	12
Other commercial services	18	18	12	1	-5	-3	25	16
<b>Total Commercial Services</b>	<b>194</b>	<b>163</b>	<b>21</b>	<b>8</b>	<b>-11</b>	<b>-7</b>	<b>204</b>	<b>164</b>
Other net revenue	5	8	0	0	-2	-1	3	8
<b>Total net revenue</b>	<b>476</b>	<b>334</b>	<b>21</b>	<b>8</b>	<b>-14</b>	<b>-8</b>	<b>483</b>	<b>335</b>
Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments		Group	
	2021 Jan-Jun	2020 Jan-Jun	2021 Jan-Jun	2020 Jan-Jun	2021 Jan-Jun	2020 Jan-Jun	2021 Jan-Jun	2020 Jan-Jun
Breakdown of net revenue								
<b>Aviation Business</b>								
Passenger-related revenue	116	323	-	-	-	-	116	323
Aircraft-related revenue	107	205	-	-	-	-	107	205
Externally regulated charges	252	280	-	-	-	-	252	280
Ground handling	38	76	-	-	-	-	38	76
Other ancillary services	37	64	-	-	-	-	37	64
<b>Total Aviation Business</b>	<b>550</b>	<b>948</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>550</b>	<b>948</b>
<b>Commercial Services</b>								
Parking & entry	88	194	-	-	-	-	88	194
Retail, food & beverage	39	159	-	-	-	-	39	159
Real estate revenue	184	180	16	13	-10	-7	189	187
Advertising	30	41	-	-	-	-	30	41
Other commercial services	35	40	12	3	-8	-7	39	36
<b>Total Commercial Services</b>	<b>375</b>	<b>614</b>	<b>28</b>	<b>16</b>	<b>-18</b>	<b>-13</b>	<b>384</b>	<b>617</b>
Other net revenue	9	18	0	0	-4	-3	5	15
<b>Total net revenue</b>	<b>934</b>	<b>1,580</b>	<b>28</b>	<b>16</b>	<b>-22</b>	<b>-16</b>	<b>940</b>	<b>1,580</b>

Swedavia's geographic market is Sweden. Swedavia's airports are run, consolidated and reported internally as a single airport system.

For the first half of the year, revenue from contracts with customers under IFRS 15 totalled SEK 798 M (1,321), which

pertains to total net revenue as of June 30 including revenue from retail, food and beverage of SEK 39 M (159) and rental revenue under IFRS 16 of SEK 103 M (100).

**NOTE 4. FINANCIAL INSTRUMENTS, FAIR VALUE****MEASUREMENT AT FAIR VALUE**

For current receivables and liabilities, such as trade receivables and trade payables, with a remaining life of less than six months, the recognised value is considered to reflect the fair value.

Fair value for interest-bearing liabilities is calculated by discounting the future cash flow of the amount of capital and interest discounted at the current market interest rate. All derivatives on the balance sheet date are classified under Level 2, which means prices for derivatives can be determined through

Group	Measurement under IFRS 9	Book value		Fair value	
		2021 Jun 30	2020 Dec 31	2021 Jun 30	2020 Dec 31
<b>Amounts in SEK M</b>					
Loan receivables and trade receivables	Amortised cost	2,395	2,423	2,395	2,423
Other financial liabilities	Amortised cost	-11,812	-10,716	-11,822	-10,739
Derivatives	Fair value	-86	-180	-86	-180
<b>Total</b>		<b>-9,503</b>	<b>-8,473</b>	<b>-9,513</b>	<b>-8,496</b>

**NOTE 5. TRADE RECEIVABLES**

In accordance with IFRS 9 "Financial instruments", on each balance sheet date Swedavia assesses whether there are objective indications that an impairment loss needs to be taken on a financial asset or group of financial assets even from the date of initial recognition. Impairment losses are calculated and recognised for financial assets valued at amortised cost and for financial assets valued at fair value through other comprehensive income. A provision for customer credit losses is calculated and recognised initially based on twelve months' expected credit losses. If the credit risk has increased significantly since initial recognition of the financial asset, a provision for credit losses is calculated and recognised based on expected credit losses. For trade receivables that do not include a significant financing component, a simplified method is applied and a provision for credit losses is calculated and recognised based on expected credit losses for the entire remaining life regardless of whether the credit risk has increased significantly or not. Swedavia applies the simplified method for calculating expected credit losses. The calculation of expected credit losses is based on a combination of historical data, based on customer type and due date, which are considered relative to future economic prospects. As a result of the major negative effects that the Covid-19 pandemic has had and will continue to have on Swedavia's customers in Aviation Business and Commercial Services, the assessment has been made that many customers – despite the relief measures decided – will still have major economic problems so that they run a great risk of closing down operations or filing for bankruptcy. The provision for expected credit losses is calculated based on historical data and has been supplemented with an assessment of major customers' future ability to pay. The assessment was made based on future economic prospects based on market data, credit ratings and other financial information.

directly or indirectly quoted prices based on observable market data.

The Group has entered ISDA agreements for derivatives, which allow set-off, for instance, against payments. There is no net accounting.

The Group's lease liabilities have not been measured at fair value. Lease liabilities at book value have not been included in the aggregated figures below.

**NOTE 6. ACQUISITIONS AND SALES OF SUBSIDIARIES**

On June 14, 2021, the wholly-owned subsidiary Hotell 1 Landvetter AB, which owns the property on which the recently opened hotel Scandic Landvetter at Göteborg Landvetter Airport is built, was sold. The buyer was Midstar AB. The underlying property value was SEK 495 M, the capital gain was SEK 71 M, and the purchase price for the shares was SEK 160 M. The transaction generated a positive cash flow of SEK 470 M. The final statement of account and final capital gain will be determined during the third quarter of 2021.

On January 30, 2020, Airport Hotel 2 AB, which owns the hotel property with the newly opened Comfort Hotel at Stockholm Arlanda Airport, was sold. The buyer was Wenaasgruppen AS. The underlying property value was SEK 1,356 M and Swedavia's capital gain was SEK 427 M. The transaction generated a positive cash flow of SEK 1,181 M.

**NOTE 7. ASSETS HELD FOR SALE**

No assets were recognised as held for sale as of June 30, 2021.

On the balance sheet date December 31, 2020, assets held for sale pertained to the sale of the company Hotell 1 Landvetter AB, which was sold on June 14, 2021.

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**NOTE 8. PLEDGED ASSETS AND CONTINGENT LIABILITIES**

Swedavia's pledged assets consist of shares and holdings in the joint ventures Swedish Airport Infrastructure KB and Swedish Airport Infrastructure AB, SEK 929 M (888), and pension obligations in endowment insurance owned by the company, SEK 11 M (11).

Swedavia also has obligations related to environmental requirements. In its operations, Swedavia handles chemical substances and products and is responsible for waste, atmospheric emissions, discharges to water, contamination and other environmental impacts at Swedavia's airports. Swedavia's obligations pertain to events after the company was formed.

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**NOTE 9. SUPPLEMENTARY INFORMATION FOR KEY FINANCIAL FIGURES****DEBT/EQUITY RATIO (LEVERAGE)**

Swedavia's debt/equity ratio is affected by the pension liability trend. The pension liability was SEK 870 M on June 30, 2021, and SEK 903 M on December 31, 2020.

**RETURN ON OPERATING CAPITAL EXCLUDING CAPITAL GAINS, IMPAIRMENT LOSSES, DISPOSALS AND RESTRUCTURING**

In calculating this key financial figure on June 30, 2021, operating profit for a rolling 12 months was adjusted for restructuring costs of SEK 33 M, impairment losses and disposals of SEK 200 M and capital gains of SEK 74 M. Operating profit on June 30, 2020, for a rolling 12 months was adjusted for restructuring costs of SEK 54 M, impairment losses and disposals of SEK 82 M and capital gains of SEK 552 M.

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**NOTE 10. EVENTS AFTER THE END OF THE PERIOD****SALE OF LAND AT GÖTEBORG LANDVETTER AIRPORT**

On July 1, 2021, Swedavia entered an agreement to sell two companies that own land at Göteborg Landvetter Airport. The buyer is Zeppelin Sverige AB, which will set up its main offices and service facilities there.

The transfer of property is expected to take place at the latest during the fourth quarter of 2021. The capital gain from the deal is estimated to be about SEK 30 M, and the underlying property value is SEK 40 M. The sale is in line with Swedavia's strategy to create value by developing properties near its airports that can be reinvested in the airports' competitiveness.

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# Definitions

## **AIRPORT OPERATIONS**

Airport Operations is one of Swedavia's two operating segments. Owns, operates and develops Swedavia's airports.

## **AVERAGE NUMBER OF EMPLOYEES**

The average number of employees is calculated based on hours worked, restated as the total number of hours worked divided by the normal working time as defined by the Swedish Accounting Standards Board. Calculated on a rolling twelve-month basis.

## **AVERAGE OPERATING CAPITAL**

The closing balance of operating capital on the balance sheet date plus the closing balance of operating capital on the balance sheet date for the previous year divided by two.

## **AVIATION BUSINESS**

Infrastructure services aimed at airlines and ground handling companies, such as take-off and landing services and security screening.

## **CAPITAL TIE-UP PERIOD**

Volume-weighted average remaining maturity for interest-bearing liabilities with respect to interest rate derivatives at the end of the period. This metric tracks the Group's financial risk.

## **COMMERCIAL REVENUE PER DEPARTING PASSENGER**

Revenue from retail, food & beverage and parking & entry divided by the number of departing passengers for the same period. A metric that the Group considers crucial for monitoring changes in commercial revenue.

## **COMMERCIAL SERVICES**

Services connected to the airports such as leasing of premises for retail operations, offices, warehousing and logistics as well as land leases, parking operations and the leasing of advertising space.

## **DEBT-TO-EQUITY RATIO\***

Net liabilities divided by equity. This leverage or gearing ratio is what the owner uses as a capital structure target for the Group. The metric is considered to be directly related to the Group's actual funding and financial risk.

## **DIVIDEND PAY-OUT RATIO**

The normal dividend shall be between 10 and 50 per cent of profit after tax. Annual dividend decisions shall take into account the company's operations, implementation of the company's strategy and its financial position. In determining this, special consideration shall be given to the company's assessed ability to achieve its capital structure target (a debt/equity ratio of 0.7-1.5 times) going forward.

## **EARNINGS PER SHARE**

Earnings per share is calculated as profit for the period less costs related to the hybrid bond divided by the total number of shares.

## **EBITDA**

Earnings before interest, tax, depreciation and amortisation – in other words, operating profit excluding depreciation, amortisation and impairment losses.

## **INTEREST-BEARING LIABILITIES**

Interest-bearing liabilities on the balance sheet consist of liabilities to credit institutions, bonds, notes, commercial paper, liabilities to leasing companies and other liabilities.

## **INTEREST RATE LOCK-IN PERIOD**

Volume-weighted average interest rate lock-in period at the end of the period for interest-bearing liabilities as regards interest rate derivatives. The metric reflects the Group's interest rate risk.

## **INVESTMENTS\***

Swedavia's investments in fixed assets and long-term intangible assets including investment projects in progress.

## **NET LIABILITIES**

Interest-bearing liabilities plus pension liability minus liquid assets.

## **NET REVENUE**

Swedavia's net revenue includes revenue from Aviation Business and Commercial Services.

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# Definitions (cont.)

## **OPERATING CAPITAL**

Equity plus net liabilities.

## **OPERATING COSTS PER DEPARTING PASSENGER\***

Airport Operations' total external costs plus staff expenses minus restructuring costs (mainly due to staff changes) and own work capitalised divided by the number of departing passengers for the same period. A metric that Swedavia considers crucial for monitoring improvements in cost-effectiveness.

## **OPERATING MARGIN\***

Operating profit as a percentage of net revenue. For the operating margin excluding capital gains, see "Operating profit excluding capital gains".

## **OPERATING PROFIT\***

The difference between operating revenue and operating costs. A metric that is used to measure operating profitability.

## **OPERATING PROFIT EXCLUDING CAPITAL GAINS\***

Operating profit excluding capital gains from material transactions. This metric is crucial since Swedavia's management monitors operating profit excluding capital gains.

## **OPERATING PROFIT EXCLUDING RESTRUCTURING COSTS, CAPITAL GAINS, IMPAIRMENT LOSSES AND DISPOSALS\***

Operating profit excluding restructuring costs (mainly due to staff changes), capital gains, impairment losses and disposals. The metric is crucial since it is considered to provide a better understanding of the operating profit trend.

## **PASSENGER**

The term "passenger" refers to the statistical event in which a person has departed from or arrived at one of Swedavia's airports by air. The term "departing passenger" thus refers to a statistical event in which a person has departed from one of Swedavia's airports by air. The number of departing passengers is approximated by dividing the number of passengers by two.

## **REAL ESTATE**

Real Estate is the second of Swedavia's two operating segments. Owns, develops and manages developable land at and in the vicinity of Swedavia's airports.

## **RETURN ON OPERATING CAPITAL\***

Operating profit plus profit from holdings in associated companies for a rolling twelve-month period divided by average

operating capital. This financial ratio is the owner's metric for profitability at Swedavia and one of the Group's sustainability targets. This metric reflects the Group's cost of capital.

## **RETURN ON OPERATING CAPITAL EXCLUDING RESTRUCTURING COSTS, CAPITAL GAINS, IMPAIRMENT LOSSES AND DISPOSALS\***

Operating profit excluding restructuring costs (mainly due to staff changes), capital gains, impairment losses and disposals plus profit from holdings in associated companies for a rolling twelve-month period divided by average operating capital. This financial ratio for profitability is considered to provide a better understanding of the Group's cost of capital based on operating profit from operations.

## **SUSTAINABILITY TARGETS**

Swedavia's sustainability targets are monitored continuously based on the latest verified data for each target and in accordance with the same accounting principles described in the Annual and Sustainability Report 2020.

Alternative performance measures (APMs) as specified in the guidelines issued by the European Securities and Markets Authority (ESMA) are marked by an asterisk (\*).

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## Calendar

Interim Report Jan-Sep 2021	October 29, 2021
Year-End Report Jan-Dec 2021	February 15, 2022
Annual and Sustainability Report 2021	March 31, 2022

Swedavia's financial reports are published on Swedavia's website [www.swedavia.se](http://www.swedavia.se).

Swedavia AB (publ) is required to disclose the information in this Interim Report under the EU Market Abuse Regulation and the Securities Market Act. The information was provided by the contact persons below for publication on July 16, 2021, at 3:00 p.m. CEST.

This interim report has not been subject to a review by Swedavia's auditors.

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The undersigned certify that the interim report gives an accurate overview of the operations, position and profit of the Parent Company and the Group and describes significant risks and uncertainty factors faced by the Parent Company and the companies included in the Group.

Stockholm-Arlanda July 16, 2021

Åke Svensson  
Chairman of the Board

Lotta Mellström  
Board member

Per Sjödel  
Board member

Tor Clausen  
Board member

Lars Mydland  
Board member

Lottie Svedenstedt  
Board member

Nina Linander  
Board member

Eva Nygren  
Board member

Annica Ånäs  
Board member

Agne Lindbom  
Board member  
Employee representative

Robert Olsson  
Board member  
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