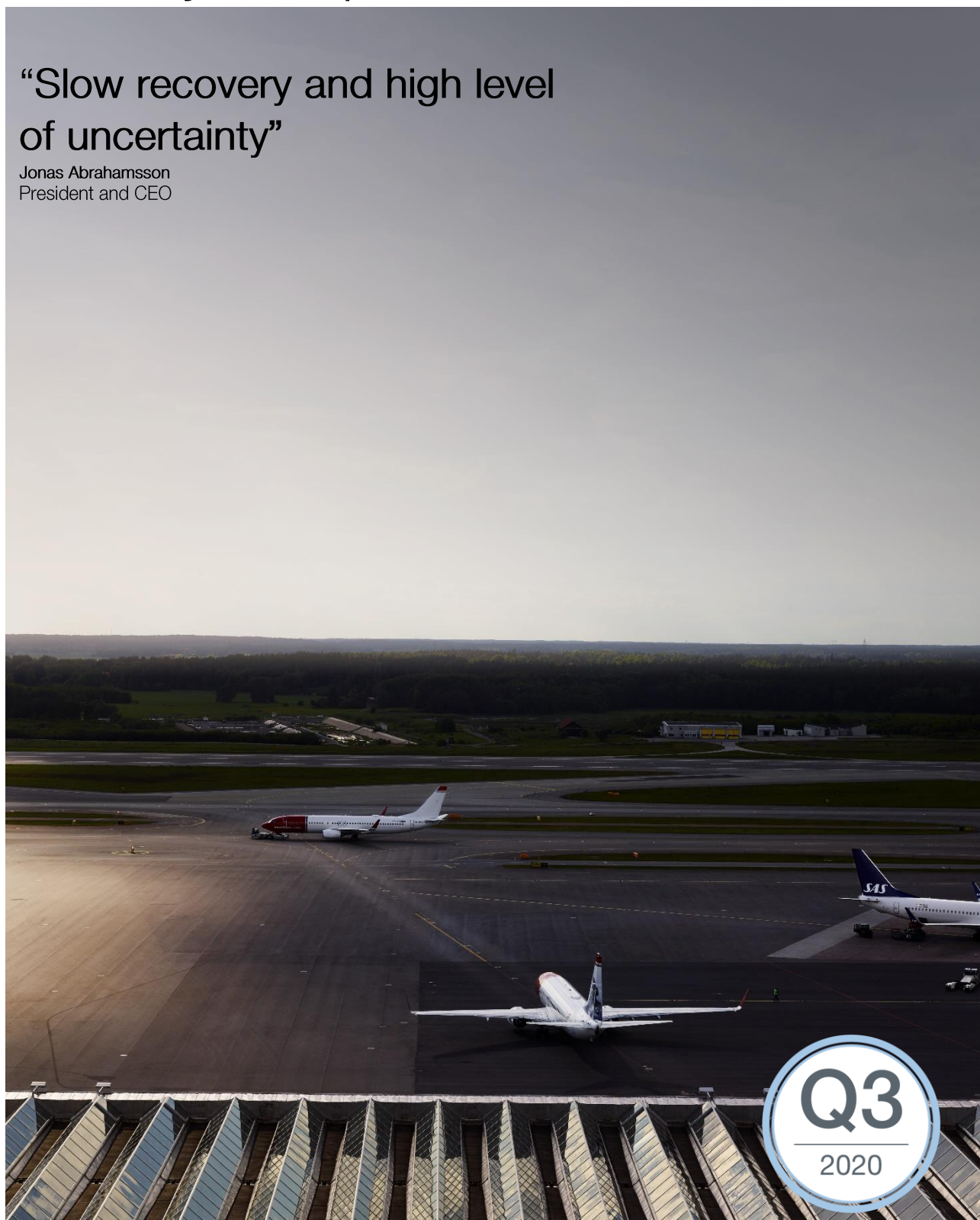


# Interim Report

January – September 2020

“Slow recovery and high level  
of uncertainty”

Jonas Abrahamsson  
President and CEO



# Interim Report

## January – September

## 2020

### January – September 2020

- During the first nine months of the year, Swedavia's airports had 8.7 million (30.8)<sup>1</sup> passengers, which is a decrease of 71.7 per cent compared to the same period the previous year. For the third quarter, the decrease was 84.1 per cent
- Net revenue totalled SEK 2,040 M (4,671), a decrease of SEK 2,631 M due to the effects of the Covid-19 pandemic, starting in mid-March, which led to a sharp decrease in air traffic and thus to lower passenger volume
- Operating profit totalled SEK -717 M (721). Lower sales revenue from Aviation Business and Commercial Services as well as higher costs related to a SEK 45 M provision for expected customer credit losses had a negative effect on operating profit
- Operating profit excluding restructuring costs of SEK 20 M (43), a capital gain of SEK 422 M (-) from the sale of Airport Hotel 2 AB on January 30, 2020, and impairment losses of SEK 21 M (3) was SEK -1,098 M (775)
- Profit for the first nine months of the year was SEK -489 M (645)
- Investments for the Group totalled SEK 2,157 M (2,421)
- In late March, around 2,300 of Swedavia's permanently employed staff were furloughed and another 800 redundancies were announced
- The Swedish parliament authorised the government to provide Swedavia a capital injection of up to SEK 3,150 M in 2020

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

	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
SEK M, unless otherwise indicated					
Net revenue	460	1,600	2,040	4,671	6,235
Operating profit	-341	373	-717	721	709
Operating profit excluding capital gains, impairment losses and disposals	-320	384	-1,098	775	742
Operating margin, %	-74.1	23.3	-35.2	15.4	11.4
Operating margin excluding capital gains, impairment losses and disposals, %	-69.6	24.0	-53.8	16.6	11.9
Profit for the period	-266	386	-489	645	583
Return on operating capital, %	-3.4	4.9	-3.4	4.9	4.6
Return on operating capital excluding capital gains, impairment losses, and disposals, %	-4.9	5.1	-4.9	5.1	4.8
Debt/equity ratio, times	1.4	1.3	1.4	1.3	1.1
Cash flow from operating activities	-422	642	-572	1,591	1,977
Capital spending	564	821	2,157	2,421	3,460
Average number of employees	2,715	3,132	2,715	3,132	3,050
Passengers, million	1.8	11.2	8.7	30.8	40.2
Operating costs per departing passenger, SEK <sup>2</sup>	755.3	170.2	584.0	201.9	212.6
Commercial revenues per departing passenger, SEK	93.8	78.5	103.1	80.0	81.0

<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 21–22

# Slow recovery and high level of uncertainty

The Covid-19 pandemic continues to dominate 2020 and has had a major impact on the aviation market. During the third quarter of the year, passenger volume at Swedavia's airports decreased 84 per cent, with the result being a SEK 1,140 M fall in net revenue. During the summer months, travel increased somewhat compared to the second quarter, driven by increased leisure travel, but the recovery has stalled since then and the trend going forward is very uncertain. For an export-dependent country like Sweden, the situation is worrisome.

Airports are dynamic operations that teem with life and movement. Travellers are heading home or somewhere else while other people are there to meet or see off loved ones. For many, the airport is also a workplace. Stockholm Arlanda Airport is not only Sweden's main airport but also one of its biggest workplaces. Our airports are important growth engines across the country.

However, since the Covid-19 pandemic began to spread across the globe, there has been a kind of state of emergency at the world's airports, and operations are essentially at a standstill for many of them. Restrictions on travel and meetings, which are crucial to protect public health and save lives, have taken a heavy toll on an industry whose very purpose is to enable people to meet. The situation is unprecedented.

From January to September, 8,718,000 passengers flew to or from Swedavia's airports. That is 72 per cent fewer than during the same period in 2019. Due to the pandemic, travel decreased 90 per cent during the second and third quarter. Operating profit for the third quarter was SEK -341 M (373 M), which is SEK 714 M lower compared to 2019.

## CHANGED CONDITIONS

The Covid-19 pandemic has fundamentally changed the aviation market. The capital injection that the Swedish government decided in October is absolutely necessary for Swedavia's ability to fulfil its mission. Meanwhile wide-ranging efficiency improvements in our operations are needed to adapt our costs to these new conditions. Swedavia therefore continued the work during the third quarter to cut external costs and carry out many of the redundancies announced in March. We have also intensified the work to form a new organisational structure, which will make Swedavia strong and competitive in the future as well.

In light of these developments, Swedavia also received a request from our owner in late June to conduct an assessment, based on Swedavia's commercial considerations, of what impact an early closure of Bromma Stockholm Airport would have. Our conclusions were submitted to the Swedish Ministry of Enterprise and Innovation in mid-September.

Swedavia's analysis indicates that Bromma will probably have great excess capacity due to low traffic volume for a long time, and the cost of this in the long run would be borne by airline customers, who are already vulnerable. Meanwhile, it is possible for Arlanda to provide the capacity needed to handle the traffic volume that we believe Bromma would have in the years ahead. We also believe that the transport policy goals laid out in Swedavia's mission can essentially be met in their entirety by Arlanda for the Stockholm region without any immediate investments to expand capacity. However, this assessment requires that Arlanda has the long-term conditions needed to develop in line with the needs of society.

Our overall conclusion is thus that continuing to operate Bromma Stockholm Airport is no longer justified on business grounds and that traffic in Stockholm should instead be concentrated at Stockholm Arlanda Airport in order to best safeguard Swedavia's competitiveness and Swedish access given the new, very difficult conditions that the aviation industry now faces. But Bromma's closure requires a political decision, which also needs to be based on a broader social perspective. However, out of respect for all the companies operating



at Bromma and in particular for the people working there, it is nonetheless important that a decision be made as soon as possible. Until further notice, our mission is to continue operating our ten airports – including Bromma – in the best way possible.

## CLIMATE ADAPTATION CANNOT WAIT

Right now, there is concern that markets and economies will shift their focus from long-term sustainable development and climate change mitigation to short-term crisis measures that risk slowing the momentum that the climate change issue has had for a number of years. As for the aviation industry, I am convinced that climate adaption will be as important going forward as it has been in recent years.

Swedavia continues to drive this adaptation both in our own operations and in the industry in general. We are fully focused on achieving our goal of zero emissions of fossil carbon dioxide from our own operations by the end of 2020 at the latest, and we continue to procure renewable aviation fuel through a tender process for our own business travel. In September, the year's fuel delivery was used for refuelling at Arlanda. It is particularly gratifying that this fuel – a total of 210 tonnes, equivalent to 9,000 average domestic flights – has been shared with SOS Alarm, Systembolaget and Sweden's 2030 Secretariat. This is the result of a coordinated public tender initiated by Swedavia. We also welcome the government's proposal for a reduction quota scheme in its budget proposal for 2021. This has potential to contribute to large-scale Swedish production of renewable aviation fuel.

Along with renewable aviation fuel, electrification will play an important role in the aviation industry's climate adaptation. Recently, Åre Östersund Airport was the first of Swedavia's airports to start testing and preparing its infrastructure to enable the increased electrification of air travel, under the scope of the Green Flyway project.

## COORDINATED RESTART NEEDED

National and international access is absolutely crucial to successfully restarting societies and economies. On one hand, it gives us energy for the work we are now doing to get through this crisis. But for the same reason, it is troubling that the rebound in air travel during the third quarter was slower in Sweden than in many comparable countries, which gives cause for reflection. Sweden is a country that depends on exports, and good air links with the rest of the world are essential. When the world reopens, it will be absolutely crucial to Sweden that it can attract new direct routes to important markets around the world, but also that people feel safe when they face the choice of travelling or not.

Right now, the situation regarding the spread of Covid-19 varies across the world and is uncertain. We will probably need to live with this uncertainty for a while, and preventing the spread of infection is the top priority at Swedavia's airports. But we also see how infection control measures vary between countries and over time, which makes travel difficult even in those cases where travel is possible or necessary. The need for coordination and not least an internationally harmonised approach to safe travel are thus vital to enable a successful restart of the world's economies.

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. 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 SUSTAINABILITY TARGETS

	Actual <sup>4</sup> Sep 30, 2020	Actual <sup>4</sup> Sep 30, 2019	Targets 2020	Targets 2025
Satisfied passengers, % <sup>5</sup>	74	75	75	85
Engaged leaders and employees, % <sup>6</sup>	65	65	67	75
Return on operating capital, %	-3.4	4.9	6.0	6.0
Carbon dioxide emissions, tonnes <sup>7</sup>	120	595	300	0
Mixture of sustainable aviation fuel, % <sup>8</sup>	0.2	n/a	0.1	5.0

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

<sup>5</sup> The figures are for Stockholm Arlanda Airport, with the first quarter of 2020 compared to the first quarter of 2019. Comparable figures have been adjusted

<sup>6</sup> Starting in 2019, the key metric is measured every second year. The figures reported are for 2020 and 2019 pertains to the measurement in 2018.

<sup>7</sup> For the overall target of zero tonnes of fossil carbon dioxide emissions from Swedavia's own operations, the target is to be achieved by the end of 2020

<sup>8</sup> The target is that air traffic at all Swedish airports shall have a 5 per cent mixture of sustainable aviation fuel by 2025.

### Mission

Swedavia is a State-owned company that owns, 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
- Engaged
- Innovative
- Welcoming



# Important events

## January – September

### AIRPORT CHARGES IN 2020

After consulting with airlines and ground handling companies, Swedavia decided in the autumn of 2019 to raise charges in its network by 5 per cent as of January 15, 2020. The increase is a consequence of the long-term infrastructure development that Swedavia is carrying out to ensure future capacity and high-quality airport products.

Within the scope of this price decision, a decision was made in late June on a supplementary incentive programme that involves additional discounts for airlines starting July 1, 2020. The measures are being carried out to meet the market's needs once air traffic resumes after Covid-19.

### SALE OF HOTEL PROPERTY

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 is Wenaasgruppen AS. The underlying property value was SEK 1,344 M, and Swedavia's capital gain was SEK 422 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.

### NEW BOARD MEMBER

At an extraordinary general meeting held on February 13, 2020, Nina Linander was elected as a new member of the Board of Directors, and it was decided that the number of Board members elected shall be eight, with no deputy members.

### THE IMPACT OF THE COVID-19 PANDEMIC ON AIR TRAVEL

After the initial outbreak in China in late 2019, on March 11, the World Health Organization (WHO) categorised Covid-19 as a pandemic. Swedavia's focus is always on the safety, security and health of employees, passengers and stakeholders, and the company is closely monitoring developments and following the instructions of the authorities in charge, mainly the Public Health Agency of Sweden and infectious disease doctors in the regions affected.

Measures taken by countries, airlines and companies to limit the spread of the virus, as well as individual travel decisions, have led to a dramatic fall since March in the demand for both international and domestic flights.

During the second and third quarter, the pandemic continued to have a major global impact on society, and commercial air traffic around the world virtually came to a standstill. In addition to the pandemic's direct effects on access by air, market players faced serious economic challenges. As in Sweden, governments across the world launched aid packages to help airlines and other industry players through the crisis.

At Swedavia's airports, passenger volume decreased 97 per cent in the second quarter. During the summer months, a recovery began, as restrictions on travel and physical distancing were eased, with passenger volume decreasing 84 per cent during the third quarter. This rebound was driven mainly by increased leisure travel. However, the upswing in travel has come to a standstill and there is still great uncertainty about what the recovery in the market will look like and what the short- and long-term effects will be.

Airlines, airport companies and other market players have in many cases completed or announced structural and organisational changes to adapt operations to a new and uncertain market

situation. For Swedavia, the sharp decrease in the number of aircraft movements and passengers during the second and third quarter resulted in a sharp fall in revenue from airport charges and car parking & passenger drop-off/pick-up facilities and in rental income from retail, food & beverage.

### SWEDAVIA FURLONGHS STAFF

To adapt operations to the sharp decline in passenger volume and fewer aircraft movements, in March Swedavia furloughed around 2,300 permanent employees both in its corporate units and at the airports. The furloughs were made possible through the aid package put together by the Swedish government to assist businesses affected by the impact of the spread of Covid-19.

### SWEDAVIA ANNOUNCES REDUNDANCIES

To create future room for manoeuvre in light of a market trend characterised by considerable uncertainty, on March 20 Swedavia announced redundancies that affect 800 employees in addition to the furloughs. The work to carry out staff cuts began during the third quarter and is expected to be completed during the fourth quarter.

### ECONOMIC CHALLENGES FOR MAJOR AIRPORT CUSTOMERS

The spread of Covid-19 has had major consequences for all of Swedavia's airline customers, which suspended most air traffic from late March to the end of the third quarter. As a result, this has had a major negative economic impact on airlines and on Swedavia. During the second and third quarter, the carrier BRA suspended all flights and underwent a corporate restructuring.

Norwegian Air Shuttle (Norwegian) increased its equity through external borrowing, and lease liabilities were converted into shares in the company. As a result, the airline has been issued a loan guarantee by the Norwegian State.

During the second quarter, Scandinavian Airline Systems (SAS) announced a need to increase its equity, and a recapitalisation plan was approved and implemented during the third quarter.

### RELIEF FOR TENANTS

The Covid-19 pandemic has had a major economic impact on Swedavia's tenants and other partners. As a result, Swedavia decided during the second quarter to introduce discounts and rent reductions to customers and partners in line with the aid package adopted by the Swedish government on April 16. Swedavia has also offered rent relief to some 50 tenants not included in the government's aid package whose operations have been hit hard by the ongoing crisis. During the third quarter, Swedavia decided to extend many of these discounts and rent reductions.

### NEW BOARD MEMBERS ELECTED AT ANNUAL GENERAL MEETING

At Swedavia's Annual General Meeting on April 29, it was decided that the number of members elected to the Board of Directors shall be nine, with no deputy members. Åke Svensson was re-elected as chairman, after which Board members Nina Linander, Lotta Mellström, Lars Mydland and Lottie Svedenstedt were re-elected and Tor Clausen, Eva Nygren, Per Sjödel and Annica Ånäs were elected as new members. Lars Backemar, Lottie Knutsson and Mikael Norman stepped down from the Board in conjunction with the Annual General Meeting.

### **TWO PROJECTS IN STOCKHOLM ARLANDA DEVELOPMENT PROGRAMME PAUSED**

There is still great uncertainty about future market prospects and thus about the need for future capacity at the airports. One of the measures Swedavia has initiated to adapt operations based on the current situation is a comprehensive review of the company's existing investment portfolio.

The ongoing review has so far resulted in Swedavia's decision on April 29 to pause projects for the construction of Pier G adjacent to Terminal 5 and a new baggage system in Terminal 5 at Stockholm Arlanda Airport.

Completing the projects is still an important part of the Stockholm Arlanda Development Programme, but the point in time at which the higher capacity created through the two projects needs to be placed in service has been delayed until further in the future.

### **SWEDAVIA'S OWNER PROVIDES CAPITAL INJECTION**

In the amending budget it adopted on June 23, the Swedish parliament authorised the government to decide on a capital injection of up to SEK 3,150 M in 2020 so that Swedavia will be able to maintain the company's infrastructure and ensure Swedish air access.

### **STATE AID TO THE AVIATION MARKET**

During the second quarter, the Swedish government with the backing of other parties in parliament presented an aid package for other companies in the Swedish aviation market as well. In the additional amending budget adopted by parliament on June 23, the Swedish Civil Aviation Authority (LFV) was granted a contribution of SEK 900 M, while a temporary increase in operating aid of SEK 100 M is being allocated to regional airports under local authority management in 2020, to lessen the effect of the ongoing pandemic.

The government has also been authorised by parliament to take part in a recapitalisation of SAS on the State's behalf, for an amount of up to SEK 5 billion. In the event the Swedish State takes part in a recapitalisation, the government will work to ensure that SAS sets new targets to reduce the airline's climate-changing emissions.

### **INFECTION CONTROL AND SAFETY MEASURES INTRODUCED**

To limit the spread of Covid-19 and to ensure the safety of passengers, employees in the aviation industry and others who work at the airports, a number of measures were introduced during the third quarter. Swedavia follows the Public Health Agency of Sweden's recommendations and also collaborates at the EU level to ensure that measures are taken to ensure safe travel across national borders as well, given that national guidelines may vary.

The European Aviation Safety Agency (EASA) in partnership with the European Centre for Disease Prevention and Control (ECDC)

has developed guidelines for a uniform, safe travel experience within the EU. Airports and airlines are encouraged to follow the protocol, and compliance will be monitored on a continuous basis.

Swedavia has signed up all of its airports that have international traffic to the guidelines, which means Stockholm Arlanda Airport, Göteborg Landvetter Airport, Bromma Stockholm Airport and Malmö Airport. However, all of Swedavia's airports will follow the protocol to ensure uniformity.

Effective infection control measures in conjunction with travel are necessary to enable safe travel and a recovery in the aviation market in the long term. Meanwhile, this recovery is made more difficult due to a lack of international coordination, with the result being that infection control measures vary between countries and over time.

### **IMPACT ASSESSMENT OF BROMMA STOCKHOLM AIRPORT**

In view of the major impact of the Covid-19 pandemic on the aviation market in the long run, Swedavia's owner asked the company to conduct an impact assessment of the commercial considerations of a potential early closure of Bromma Stockholm Airport.

A summary of the impact assessment's findings was submitted to Sweden's Ministry of Enterprise and Innovation on September 14.

In Swedavia's view, given the new market situation, the continuation of operations at Bromma Stockholm is no longer justified on commercial grounds and a consolidation of air traffic in the Stockholm region at Stockholm Arlanda Airport is possible. However, it is an essential requirement that Arlanda has the long-term conditions to develop in line with the needs of society.

Swedavia has based its impact assessment on the company's commercial considerations. A political decision to close Bromma ahead of time should be made taking a broader social perspective into consideration.

## **Events after the end of the period**

### **GOVERNMENT DECIDES ON CAPITAL INJECTION**

Within the scope of the amending budget adopted by the Swedish parliament on June 23, 2020, in which the government was authorised to provide Swedavia a capital injection of up to SEK 3,150 M, on October 14 the government decided to provide a capital injection of SEK 2,500 M to Swedavia.

### **ADVISORY AGAINST NON-ESSENTIAL TRAVEL IN THE EU**

President of the European Commission, Ursula von der Leyen, announced at a press conference on October 29 that all non-essential travel within the EU should now be suspended.

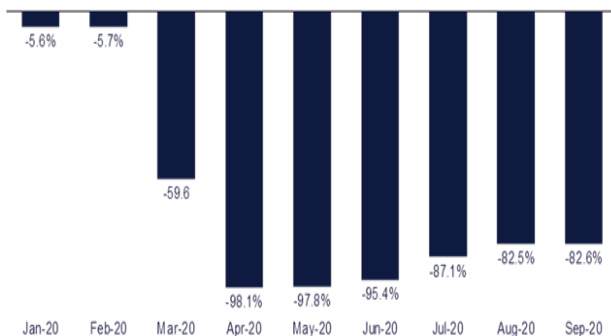
# Passenger trends

## July – September

The third quarter was dominated by Covid-19 and its impact on air travel, with significantly lower demand. The continued spread of the virus and in many cases travel advisories, quarantine requirements or closed borders, combined with fear and an economic recession, had a very negative effect on demand. During the third quarter, there was a rebound to some extent in Swedavia's traffic and passenger trends compared to the second quarter, but these trends were still extremely weak. There were a total of 1.8 million passengers at Swedavia's airports during the third quarter, compared to 11.2 million for the same period last year, which is a decrease of 84.1 per cent. Domestic travel decreased 76.8 per cent, a figure that was somewhat better than for international travel, which decreased 86.7 per cent.

The airlines' supply in the market, measured by the number of seats, decreased 76.4 per cent during the third quarter of the year. Weak demand also contributed to a significant decline in the airlines' load factor. However, during the third quarter there was some rebound in capacity.

### PASSENGER TREND BY MONTH (%) - SWEDAVIA JANUARY - SEPTEMBER 2020 COMPARED TO THE PREVIOUS YEAR

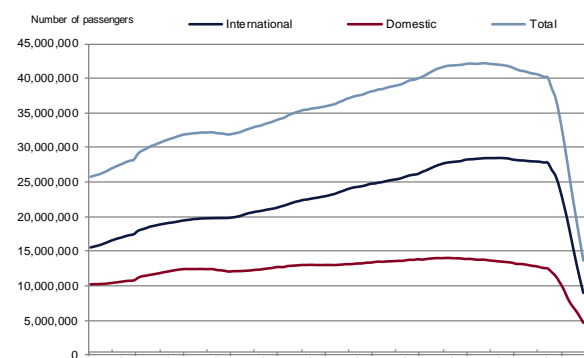


## January – September

Covid-19 had a major impact on the traffic trend during the first three quarters of 2020. During the first two months of the year, the pandemic had a limited impact on the passenger trend, but since March the passenger trend has been sharply negative.

During the first nine months, passenger volume at Swedavia's airports fell 71.7 per cent, with 22.1 million fewer passengers. Supply capacity also decreased sharply during the first nine months, falling 64.4 per cent or 27.2 million seats. Domestic traffic did not show the same strong reversal as international traffic during the first nine months.

### PASSENGER TRENDS - SWEDAVIA ROLLING TWELVE-MONTH TRENDS, APRIL 2010 - SEPTEMBER 2020



# Economic overview

## Net revenue and operating profit

### JULY-SEPTEMBER

The third quarter was strongly affected by the impact of the Covid-19 pandemic, with a sharp fall in air traffic leading to an 84 per cent decline in passenger volume compared to the previous year. Since Swedavia's business model is primarily based on variable revenue, revenue from Aviation Business and Commercial Services in the Airport Operations segment decreased significantly as a result during the third quarter.

Consolidated net revenue for the third quarter totalled SEK 460 M (1,600), which is a decrease of SEK 1,140 M or 71 per cent compared to the previous year.

In the Airport Operations segment, net revenue decreased SEK 1,137 M to SEK 463 M (1,600). Net revenue in the Real Estate segment totalled SEK 8 M (6).

Aviation Business revenue totalled SEK 277 M (1,007), which is a decrease of SEK 730 M or 72 per cent. Passenger- and aircraft-related revenue was SEK 113 M (725), a decrease of SEK 612 M or 84 per cent, which is in line with the passenger trend. Revenue from ground handling and other ancillary services was SEK 67 M lower due to the sharp decline in traffic, totalling SEK 32 M (99).

Revenue from Commercial Services during the third quarter totalled SEK 183 M (587), which was SEK 404 M or 69 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. During the third quarter, Swedavia also provided rent relief to customers to support them in this difficult economic situation. The aim of the relief is to create conditions for as many of them as possible to survive the crisis and contribute to Swedavia's profitability when traffic resumes. Other operating revenue increased SEK 152 M, primarily due to restructuring aid of SEK 150 M for the period March and April, and totalled SEK 158 M (6).

External costs during the third quarter decreased SEK 161 M to SEK 376 M (537), mainly due to the volume decrease and cuts in non-business-critical activities.

Staff expenses, excluding restructuring costs, totalled SEK 295 M (417), which was SEK 123 M lower during the third quarter compared to the same period the previous year, mainly due to State aid of SEK 59 M for short-term furloughs covering about 85 to 90 per cent of Swedavia's permanent employees. Cuts in operations and a hiring freeze also led to lower staff expenses during the third quarter. Restructuring costs totalled SEK 1 M (11) during the third quarter.

Depreciation, amortisation and impairment losses increased SEK 17 M, mainly due to impairment losses of SEK 20 M (1) recognised during the quarter.

Operating profit in the Airport Operations segment was SEK -339 M (378), a decrease of SEK 717 M related to the effects of Covid-19 on air traffic and passenger volume. In the Real Estate segment, operating profit was on a par with the same period last year, SEK -9 M (-9).

Consolidated operating profit for the third quarter was SEK -341 M (373) and the operating margin was -74.1 per cent (23.3).

### JANUARY-SEPTEMBER

The effects of the Covid-19 pandemic had a significant impact on Swedavia's operations and financial position during the first nine months of the year. The spread of Covid-19 led to lower passenger volume and a sharp reduction in traffic from mid-March through September.

Consolidated net revenue for the first nine months of the year totalled SEK 2,040 M (4,671), which is a decrease of SEK 2,631 M or 56 per cent compared to the same period last year.

In the Airport Operations segment, net revenue decreased SEK 2,637 M to SEK 2,043 M (4,681). Net revenue in the Real Estate segment totalled SEK 24 M (22).

Revenue from Aviation Business totalled SEK 1,225 M (2,953), which is a decrease of SEK 1,728 M. Passenger- and aircraft-related revenue decreased SEK 1 398 M or 69 per cent due to significant lower passenger volume and reduction in traffic.

Revenue for ground handling and other ancillary services was SEK 192 M lower than for the same period last year due to the sharp decrease in the number of aircraft movements from March to September and the mild weather early in the year.

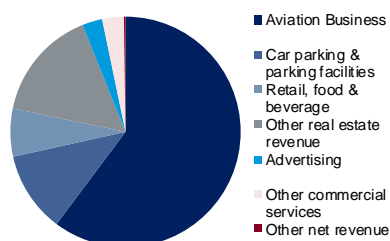
Revenue from Commercial Services totalled SEK 799 M (1,699), a decrease of SEK 900 M. During the first nine months of the year, revenue from Commercial Services was affected by the rent relief Swedavia provided, which was offset to some extent by SEK 12 M in State aid for rent relief.

Other operating revenue totalled SEK 596 M (20), an increase of SEK 576 M mainly due to a SEK 422 M capital gain from the sale of Airport Hotel 2 AB, which owns the hotel property on which Comfort Hotel Stockholm Arlanda Airport was built. Other operating revenue was also positively affected by restructuring aid of SEK 150 M.

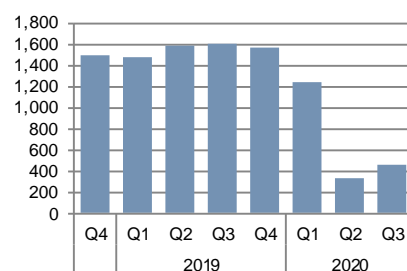
External costs were SEK 305 M lower compared to the same period the previous year and totalled SEK 1,372 M (1,677). External costs were lower due to variable costs relative to passenger volume and to cuts in non-business-critical functions. A provision for actual and expected customer credit losses of SEK 45 M entailed an increase in external costs.

### BREAKDOWN, NET REVENUE

Quarter, July-September 2020

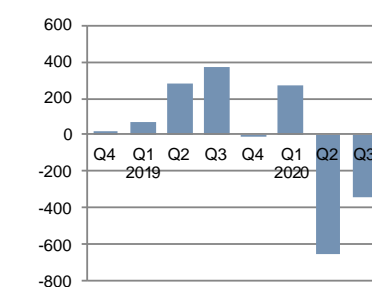


### NET REVENUE, SEK M



### OPERATING PROFIT, SEK M

(including capital gains)





Staff expenses excluding restructuring costs totalled SEK 1,127 M (1,472) and were SEK 345 M lower compared to the same period the previous year, mainly due to State aid of SEK 148 M related to short-term furloughs for about 85 till 90 per cent of Swedavia's permanent employees. Cuts in operations and positions left unfilled also led to lower costs compared to the same period the previous year. Restructuring costs of SEK 20 M (54) were charged to staff expenses during the first nine months of the year.

Depreciation, amortisation and impairment losses increased SEK 59 M compared to the same period the previous year. The increase is explained by new facilities being placed in service in late 2019 and the first half of 2020. Facilities that were placed in service and thus increased depreciation compared to the previous year were the terminal expansion project at Göteborg Landvetter Airport, the apron project at Stockholm Arlanda Airport and asphaltting projects at a number of Swedavia's airports. Impairment losses during the first nine months of the year totalled SEK 21 M (3).

Operating profit in the Airport Operations segment totalled SEK -1,132 M (740), while operating profit in the Real Estate segment increased SEK 440 M to SEK 408 M (-32), mainly due to a capital gain of SEK 422 M.

Consolidated operating profit was SEK -717 M (721) and the operating margin was -35.2 per cent (15.4).

## Financial items

Net financial items for the first nine months of the year totalled SEK -48 M (75), which was SEK 123 M lower than for the same period last year. The difference is largely explained by a capital gain on the sale of holdings in associated companies that improved their net financial items last year by SEK 102 M. Borrowing costs increased to SEK 92 M (76), due to increased financial liabilities. Net financial items were also negatively affected by lower profit from joint ventures of SEK 47 M (51). Other financial income and expenses, SEK -3 M (-2), were negatively affected by increased expenses primarily due to currency effects and interest expenses related to lease liabilities.

Net financial items for the third quarter totalled SEK -14 M (91). Excluding last year's capital gain, net financial items were in line with the figure for the third quarter last year.

## Profit for the period

Profit before tax for the period was SEK -766 M (796), and profit for the period was SEK -489 M (645).

Profit before tax for the third quarter was SEK -355 M (464), and profit for the quarter was SEK -266 M (386).

## Investments

During the first nine months of the year, investments totalled SEK 2,157 M (2,421), with investments in the Airport Operations segment totalling SEK 1,917 M (1,983). Important investments were carried out in Stockholm Arlanda Airport's and Göteborg Landvetter Airport's development programmes.

Investments in Real Estate and property development during the period totalled SEK 240 M (438). An important investment during the period was for the construction of a hotel at Göteborg Landvetter Airport.

During the third quarter, investments totalled SEK 564 M (821).

## Cash flow

Cash flow for the first nine months of the year was SEK 1,367 M (215). Cash flow from operating activities through the third quarter was SEK -572 M (1,591), which was SEK 2,163 M lower compared to the same period the previous year. The lower cash flow is explained by lower cash-generating profits from operating activities before the change in working capital. Compared to last year, cash flow from operating receivables was positive, mainly due to lower revenue, which meant significantly lower trade receivables. Cash flow from operating liabilities was negative during the period mainly due to a sharp decrease in trade payables.

Cash flow from investing activities was SEK -897 M (-2,337), with payments made related to investments totalling SEK 2,157 M (2,421). The sale of the subsidiary Airport Hotel 2 AB, which owns the hotel property at Stockholm Arlanda Airport where Comfort Hotel Arlanda Airport was built, generated a positive cash flow of SEK 1,177 M (-). During the period, proceeds from the sale of holdings in the associated company Landvetter Logistic Center AB generated SEK 83 M. The sale of the company took place in September 2019. Cash flow from financing operations totalled SEK 2,836 M (960). This cash flow was generated by increased borrowing in the form of medium-term note loans of SEK 1,022 M, increased bank loans of SEK 500 M and borrowing through commercial paper of SEK 1,410 M. Payment of interest related to Swedavia's hybrid bond entailed a negative cash flow through the third quarter of SEK 12 M (-). Lease liabilities of SEK -78 M (-71) were repaid during the quarter, and cash flow from other loan liabilities had an impact of SEK -6 M (19).

Cash flow for the third quarter was SEK 749 M (27).

## Liquidity and financial position

Consolidated equity at the end of the third quarter was SEK 8,804 M (9,440). Equity includes a hybrid bond of SEK 1,000 M issued in November 2019.

At the end of the period, Swedavia's loan liabilities totalled SEK 11,499 M (8,570), which is an increase of SEK 2,930 M. Swedavia's loan liabilities are broken down into bank loans of SEK

### SWEDAVIA'S FINANCIAL TARGETS

	Actual Sep 30, 2020	Target
Return on operating capital, %	-3.4	6.0
Debt/equity ratio, times	1.4	0.7-1.5
Dividend target, %	-	10-50

### FINANCIAL KEY METRICS

	Actual Sep 30, 2020	Actual Sep 30, 2019	Actual Dec 31, 2019	Policy
Average interest rate, %	1.1	1.0	1.1	n/a
Average interest rate lock-in period, year	2.9	3.6	3.8	1-4
Average capital tie-up period, years	3.8	4.2	5.0	2-5

3,200 M (2,700), medium-term notes of SEK 6,171 M (5,150) and commercial paper of SEK 2,128 M (720). At the end of the period, the average capital tie-up period, which includes the effect of interest rate derivatives, was 3.8 years (5.0) and the average interest rate lock-in period was 2.9 years (3.8). The average interest rate as of September 30 was 1.1 per cent (1.1). On the balance sheet date, the nominal total of interest rate derivatives was SEK 4,250 M (3,500).

Liquid assets increased SEK 1,367 M to SEK 1,444 M (77) at the end of the period. Net liabilities increased SEK 1,537 M, from SEK 10,688 M to SEK 12,225 M.

The debt/equity ratio was 1.4 times (1.1).

At the end of the period, Swedavia had unutilised credit facilities totalling SEK 2,800 M (1,800), which reduces the company's refinancing risk and ensures access to capital.

On the balance sheet date, there was also a framework loan agreement with the German State-owned KfW-IPEX Bank for SEK 2,000 M, which allows loans with maturities of up to 10 years, with SEK 1,500 M (1,000) of this utilised.

At the end of the period, return on operating capital, excluding restructuring costs, capital gains, impairment losses and disposals, was -4.9 per cent (4.8).

## Employees

The average number of employees for the period October 1, 2019 – September 30, 2020, was 2,715 (3,132). The reduction in the average number is explained by the transfer of operations for security screening staff at Göteborg Landvetter Airport to an external operator, restructuring programmes, great restraint in filling vacancies and a reduced number of temporary staff. The decisions made in March concerning short-term furloughs for about 85 to 90 per cent of Swedavia's permanent employees and the redundancies announced, affecting up to 800 employees, do not affect the Swedish Accounting Standards Board's definition of this key metric for the period through September.

## 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 2019 on pages 65-67 and in Note 47. In 2020, the Covid-19 pandemic has affected Swedavia to an enormous extent and is expected to affect the company for a long while. Swedavia's overall top risks involve reduced air traffic, in which a decrease in passengers can have a negative effect on Swedavia in the form of lower revenue. The Covid-19 pandemic has entailed reduced passenger volume, with a 71 per cent decrease through the third quarter and a 97 per cent decrease during the second quarter. During the third quarter, a cautious recovery in air traffic began, and the decrease was 84 per cent compared to the previous year. Because of the uncertain situation concerning the spread of the pandemic, travel restrictions and effects on the global economy, it is not possible at present to make any forecast about either a recovery in the short term or the future passenger trend in the long term, but intensive work with analyses and scenario development is under way. Swedavia has a small number of large customers, which could have a major effect on Swedavia's operations in case one of them has economic problems. The Covid-19 pandemic has had an enormous impact on all of Swedavia's airline customers. This has 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. During the year, the carrier BRA applied for company restructuring, and Norwegian carried out a financial restructuring. SAS has also carried out a recapitalisation of the company. All in all, the economic challenges for airlines could have a negative impact on Swedavia in the form of immediate customer credit losses and, in the long term, a slower recovery in air traffic after the pandemic, which could entail a smaller range of routes on offer and less capacity compared to before the pandemic. The decline in volume also means that Swedavia's commercial business is negatively affected. Many tenants and partners at the airports are directly affected in the form of a sharp reduction or total halt in revenue, which in turn means lower sales-based rent for Swedavia. Another possible effect once restrictions are gradually lifted and traffic returns is that authorities could introduce new regulations to limit the spread of infectious diseases at airports. This could entail changes in working methods, flows and processes for Swedavia. During the third quarter, Swedavia continued to introduce some infection control and safety measures at the airports. 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.

Swedavia complies with the Swedish Concessions Procurement Act (2016:1147), which means that tenants in retail, food & beverage are awarded contracts on tender. The changeover to the new law means that, in 2019, Swedavia began to cancel existing leases in order to carry out tenders in accordance with the law. In conjunction, some tenants have sued Swedavia for damages. The issue will be decided in a court of law in 2021. Swedavia believes the matter will be handled in accordance with the law. Ongoing investigations at the airports could affect tenants, who may have to relocate their premises. During the second quarter, Swedavia was sued by SEB in a court of law over a rent dispute at Stockholm Arlanda Airport. Swedavia contests the suit in its entirety, but the amount involved is substantial.

Other external factors could also affect Swedavia's performance.

## Parent Company

### Net revenue and operating profit

The Parent Company's net revenue through the third quarter was SEK 1,991 M (4,622), which is a decrease of SEK 2,631 M. Operating profit totalled SEK -1,303 M (575) and the operating margin was -65.4 per cent (12.4). Profit before tax through the third quarter was SEK -1,390 M (513) and profit for the period was SEK -1,071 M (401). Operating profit for the period was negatively affected mainly by the effects of Covid-19 starting in mid-March. A provision for actual and expected customer credit losses of SEK 45 M, restructuring costs of SEK 20 M (54) and impairment losses of SEK 21 M (3) had a negative effect on operating profit. Cost savings, cuts in non-business-critical operations and furloughs had a positive effect on operating profit of SEK 591 M.

During the third quarter, the Parent Company's net revenue totalled SEK 451 M (1,582), which was a decrease of SEK 1,131 M. Operating profit was SEK -399 M (313) and the operating profit margin was -88.5 per cent (19.8). Profit before tax for the third quarter was SEK -433 M (288) and profit for the period was SEK -329 M (225).

## Consolidated income statement

Amounts in SEK M	Note	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Net revenue	2,6	460	1,600	2,040	4,671	6,235
Other operating revenue	9	158	6	596	20	68
Work performed by the company for its own use and capitalised		34	38	127	138	189
External costs		-376	-537	-1,372	-1,677	-2,399
Staff expenses		-295	-428	-1,147	-1,526	-2,052
Depreciation/amortisation and impairment losses on tangible fixed assets and intangible non-current assets		-322	-304	-959	-900	-1,309
Other operating costs		0	-1	-2	-5	-23
<b>Operating profit</b>		<b>-341</b>	<b>373</b>	<b>-717</b>	<b>721</b>	<b>709</b>
<b>Income from financial items</b>						
Income from holdings in associated companies and joint ventures		18	120	47	153	147
Interest income and similar items		2	4	3	7	6
Interest expenses and similar items		-33	-33	-99	-85	-127
<b>Income after financial items</b>		<b>-355</b>	<b>464</b>	<b>-766</b>	<b>796</b>	<b>736</b>
Tax		89	-78	277	-151	-153
<b>Profit for the period</b>	2	<b>-266</b>	<b>386</b>	<b>-489</b>	<b>645</b>	<b>583</b>
Earnings per share						
Earnings per share before and after dilution, SEK <sup>9</sup>		-0.19	0.27	-0.35	0.45	0.40
The total number of shares was 1,441,403,026 for all periods						

<sup>9</sup> Earnings per share is calculated based on the profit for the period less costs related to the hybrid bond divided by the number of shares

## Consolidated statement of comprehensive income

Amounts in SEK M	Note	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
<b>Profit for the period</b>		<b>-266</b>	<b>386</b>	<b>-489</b>	<b>645</b>	<b>583</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		0	0	0	-1	0
Change in fair value for the period		11	-66	-111	-178	-72
Tax		-3	14	22	37	15
Other comprehensive income from joint ventures, net after tax		1	-2	-9	-10	0
<b>Items that cannot be reclassified to the income statement</b>						
Revaluations of defined benefit pensions		-77	-33	-46	-33	-144
Tax		17	7	10	7	31
<b>Total other comprehensive income, net after tax</b>		<b>-52</b>	<b>-80</b>	<b>-134</b>	<b>-178</b>	<b>-170</b>
<b>Comprehensive income for the period</b>		<b>-319</b>	<b>307</b>	<b>-624</b>	<b>468</b>	<b>412</b>

# Consolidated balance sheet, summary

Amounts in SEK M	Note	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
<b>ASSETS</b>	2			
<b>NON-CURRENT ASSETS</b>				
Intangible non-current assets		738	769	775
Tangible non-current assets		18,781	17,565	17,843
Right-of-use assets		1,210	1,076	1,284
Non-current financial assets		1,163	1,145	1,137
<b>Total non-current assets</b>		<b>21,893</b>	<b>20,555</b>	<b>21,038</b>
<b>CURRENT ASSETS</b>				
Materials and supplies		59	55	54
Trade receivables	7	321	575	595
Receivables from associated companies		5	14	13
Other receivables		404	255	267
Prepaid expenses and accrued income		131	111	135
Derivative instruments	4	-	4	6
Liquid assets		1,444	225	77
<b>Total current assets</b>		<b>2,365</b>	<b>1,239</b>	<b>1,146</b>
Assets held for sale	10	370	711	768
<b>TOTAL ASSETS</b>		<b>24,628</b>	<b>22,505</b>	<b>22,952</b>
<b>EQUITY AND LIABILITIES</b>	2			
<b>EQUITY</b>				
Share capital		1,441	1,441	1,441
Other paid-in capital		2,162	2,162	2,162
Hedge reserve		-162	124	-77
Hybrid bond		1,000	-	1,000
Retained earnings		4,364	4,773	4,914
<b>Total equity</b>		<b>8,804</b>	<b>8,500</b>	<b>9,440</b>
<b>NON-CURRENT LIABILITIES</b>				
Provisions		1,062	978	1,053
Deferred tax liability		168	441	458
Interest-bearing liabilities		8,097	6,727	7,550
Derivative instruments	4	192	225	108
Lease liability		1,124	995	1,187
Other non-current liabilities		211	144	150
<b>Total non-current liabilities</b>		<b>10,855</b>	<b>9,510</b>	<b>10,506</b>
<b>CURRENT LIABILITIES</b>				
Provisions		142	148	150
Interest-bearing liabilities		3,419	2,675	1,045
Lease liability		131	115	134
Derivative instruments	4	8	-	-
Trade payables		478	636	796
Liabilities to associated companies		13	6	7
Other liabilities		62	123	91
Accrued expenses and prepaid income		703	769	741
<b>Total current liabilities</b>		<b>4,965</b>	<b>4,473</b>	<b>2,963</b>
Liabilities attributable to assets held for sale	10	13	22	43
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,628</b>	<b>22,505</b>	<b>22,952</b>



## Consolidated change in equity

Amounts in SEK M	Note	Sep 30, 2020	Sep 30, 2019
<b>GROUP</b>			
Equity, opening balance		9,440	8,066
Adjustments	1	-	-34
<b>Equity, adjusted opening balance, January 1</b>		<b>9,440</b>	<b>8,032</b>
Hybrid bond interest and transaction costs		-12	-
Profit for the period		-489	645
Other comprehensive income for the period		-134	-178
<b>Equity, closing balance</b>		<b>8,804</b>	<b>8,500</b>

## Consolidated cash flow statement

Amounts in SEK M	Note	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
<b>Operating activities</b>						
Profit after financial items		-355	464	-766	796	736
Adjustments for items not included in cash flow etc.		72	175	288	799	1,204
Tax paid		-1	-44	-25	-146	-144
<b>Cash flow from operating activities before changes in working capital</b>		<b>-284</b>	<b>594</b>	<b>-503</b>	<b>1,448</b>	<b>1,796</b>
<b>Cash flow from changes in working capital</b>						
Increase(-)/Decrease(+) in materials and supplies		-3	-2	-5	-8	-7
Increase(-)/Decrease(+) in operating receivables		-56	233	289	107	18
Increase(+)/Decrease(-) in operating liabilities		-79	-183	-353	44	170
<b>Cash flow from operating activities</b>		<b>-422</b>	<b>642</b>	<b>-572</b>	<b>1,591</b>	<b>1,977</b>
<b>Investing activities</b>						
Disposal of subsidiaries <sup>10</sup>		-11	-	1,177	-	-
Sale of holdings in associated companies		83	-	83	-	-
Acquisitions/disposal of intangible non-current assets		-2	-6	-29	-49	-89
Acquisitions/disposal of tangible fixed assets		-562	-815	-2,128	-2,372	-3,063
Acquisitions/disposal of other financial assets		-	31	-	85	104
<b>Cash flow from investing activities</b>		<b>-492</b>	<b>-791</b>	<b>-897</b>	<b>-2,337</b>	<b>-3,048</b>
<b>Financing activities</b>						
Hybrid bond, net after transaction costs		-	-	-	-	996
Hybrid bond, Interest expenses		-4	-	-12	-	-
Borrowings raised		1,829	200	4,769	2,170	3,170
Borrowings repaid		-127	-	-1,837	-1,157	-2,962
Repaid lease liabilities		-27	-27	-78	-71	-90
Increase(+)/Decrease(-) in other financial liabilities		-8	4	-6	19	23
<b>Cash flow from financing activities</b>		<b>1,663</b>	<b>176</b>	<b>2,836</b>	<b>960</b>	<b>1,137</b>
<b>Cash flow for the period</b>		<b>749</b>	<b>27</b>	<b>1,367</b>	<b>215</b>	<b>67</b>
<b>Liquid assets at the beginning of the period</b>		<b>696</b>	<b>197</b>	<b>77</b>	<b>10</b>	<b>10</b>
<b>Liquid assets at the end of the period</b>		<b>1,444</b>	<b>225</b>	<b>1,444</b>	<b>225</b>	<b>77</b>

<sup>10</sup> The figure for July to September 2020 has been adjusted

## Parent Company income statement

Amounts in SEK M	Note	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Net revenue		451	1,582	1,991	4,622	6,146
Other operating income		158	6	174	20	68
Work performed by the company for its own use and capitalised		34	38	127	138	189
External expenses		-456	-600	-1,584	-1,844	-2,591
Staff expenses		-295	-434	-1,144	-1,535	-2,192
Depreciation and amortisation on tangible fixed assets and non-current intangible assets		-290	-279	-865	-822	-1,196
Other operating expenses		0	-1	-2	-5	-23
<b>Operating profit</b>		<b>-399</b>	<b>313</b>	<b>-1,303</b>	<b>575</b>	<b>403</b>
<b>Income from financial items</b>						
Interest income and similar items		4	7	12	17	23
Interest expenses and similar items		-39	-32	-99	-78	-107
<b>Income from financial items</b>		<b>-433</b>	<b>288</b>	<b>-1,390</b>	<b>513</b>	<b>318</b>
Appropriations		-	-	-	-	33
<b>Profit before tax</b>		<b>-433</b>	<b>288</b>	<b>-1,390</b>	<b>513</b>	<b>351</b>
Tax		104	-63	319	-112	-93
<b>Profit for the period</b>		<b>-329</b>	<b>225</b>	<b>-1,071</b>	<b>401</b>	<b>258</b>

## Parent Company statement of comprehensive income

Amount in SEK M	Note	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
<b>Profit for the period</b>		<b>-329</b>	<b>225</b>	<b>-1,071</b>	<b>401</b>	<b>258</b>
Other comprehensive income		-	-	-	-	-
<b>Comprehensive income for the period</b>		<b>-329</b>	<b>225</b>	<b>-1,071</b>	<b>401</b>	<b>258</b>

# Parent Company balance sheet, summary

Amounts in SEK M	Note	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Intangible non-current assets		621	677	676
Tangible fixed assets		17,700	16,383	16,593
Total financial assets	3	1,413	1,113	1,126
<b>Non-current assets</b>		<b>19,734</b>	<b>18,172</b>	<b>18,395</b>
<b>CURRENT ASSETS</b>				
Materials and supplies		56	51	50
Current receivables	3	2,487	2,765	3,042
Liquid assets		1,441	219	71
<b>Total current assets</b>		<b>3,983</b>	<b>3,035</b>	<b>3,163</b>
<b>Total assets</b>		<b>23,717</b>	<b>21,207</b>	<b>21,558</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		32	38	35
<b>Unrestricted equity</b>				
Share premium reserve		2,162	2,162	2,162
Hybrid bond		1,000	-	1,000
Retained earnings/Share premium reserve		2,829	2,580	2,579
Profit for the period		-1,071	401	258
<b>Total equity</b>		<b>6,393</b>	<b>6,623</b>	<b>7,476</b>
Untaxed reserves		2,050	2,035	2,050
Provisions		1,468	1,429	1,524
Non-current liabilities		8,286	6,823	7,678
Current liabilities	3	5,521	4,297	2,830
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,717</b>	<b>21,207</b>	<b>21,558</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. The Parent Company has prepared 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.

Disclosures in accordance with IAS 34.16A are found in the financial statements and their related notes as well as in other parts of the Interim Report.

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

### New or amended standards that enter into effect in 2020 or later

- Amendment to IFRS3 "Business combinations", concerning changes in the definition of a business combination. The classification of an acquisition as either an asset acquisition or a business acquisition gives rise to significant differences in their accounting. The change is expected to entail fewer acquisitions being classified as business acquisitions, with them instead being classified as asset acquisitions. The difference in accounting between business acquisition and asset acquisition may be significant as a result of different standards being applied. The new definition of business acquisition is not expected to have a material effect on Swedavia.
- Amendments to IAS 1 "Presentation of financial statements" and IAS 8 "Accounting policies, changes in accounting estimates and errors", concerning harmonisation of the definition of "material" between different IFRS standards and clarification of the meaning of the term. The amendment clarifies whether information is material depending on the nature or magnitude of information, or both. The definition of material is also changed from information that can have an effect on users of financial statements to information that can reasonably be expected to have an effect on users. The definition of "users of financial statements" has also been clarified as being primary users.
- Amendments to IFRS9 "Financial instruments: Hedge accounting" in accordance with IAS 39 and IFRS 7 "Financial instruments: Disclosures" concerning reform of the Interbank Offered Rate (IBOR). The reform has been backed by the Financial Stability Board and is a result of work under way in different countries to replace IBOR with new reference rates, risk free rates (RFRs). The change in reference rates could have an effect on the company's hedge accounting, among other things. Amendments to IFRS 9, IAS 39 and IFRS 7 introduce relief from certain requirements for how the hedging relation shall be measured with respect to the IBOR reference rate when hedge accounting is applied. The amendment introduces new disclosure requirements.

### Government grants

Under IAS 20, "Accounting for Government Grants and Disclosure of Government Assistance", government grants are recognised in

the statement of financial position when there is reasonable assurance that the grant will be received and that the entity will comply with the conditions attached to the grant. Government grants are recognised in profit and loss on a systematic basis in the same way and over the same periods in which the entity recognises as expenses the related costs or lost revenue for which the grants are intended to compensate for. Rent reductions provided as a result of the Covid-19 pandemic were recognised in the rental period the rent reductions apply to. These rent reductions are considered to be temporary compensation for reduced use of premises and not a modification of the original lease. Grants can be recognised either in the income statement as revenue or as a reduction in the corresponding cost. Government grants related to assets are recognised as a reduction in the carrying amount of the asset.

Swedavia receives government grants from both the Swedish State and the EU, mainly 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 reduce 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. During the third quarter, Swedavia was granted restructuring aid of SEK 150 M and recognised this as income for March and April 2020. The aid, paid by the Swedish Tax Agency, is recognised as other operating revenue in the income statement. The Swedish parliament decided to extend the period for restructuring aid to include May, June and July 2020. The extension for the restructuring aid was approved by the European Commission. Swedavia intends to apply for extended restructuring aid for May, June and July 2020.

### 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 Jul-Sep Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments *		Group	
	2020	2019	2020	2019	2020	2019	2020	2019
Net revenue, external	457	1,596	5	3	-	-	460	1,600
Net revenue, internal	6	4	3	3	-9	-7	-	-
<b>Net revenue</b>	<b>463</b>	<b>1,600</b>	<b>8</b>	<b>6</b>	<b>-9</b>	<b>-7</b>	<b>460</b>	<b>1,600</b>
Other operating income, external	158	6	-	-	-	-	158	6
Work performed by the company for its own use and capitalised, external	34	38	-	-	-	-	34	38
Operating expenses	-706	-989	-11	-11	45	35	-672	-965
Depreciation, amortisation and impairment losses	-287	-275	-5	-4	-29	-25	-322	-304
Other operating costs	0	-1	-	-	-	-	0	-1
<b>Operating profit</b>	<b>-339</b>	<b>378</b>	<b>-9</b>	<b>-9</b>	<b>6</b>	<b>3</b>	<b>-341</b>	<b>373</b>
Financial income	4	7	18	120	-3	-3	20	124
Financial expenses	-42	-37	-3	-4	11	8	-33	-33
<b>Profit before tax</b>	<b>-376</b>	<b>348</b>	<b>7</b>	<b>107</b>	<b>15</b>	<b>8</b>	<b>-355</b>	<b>464</b>
Tax	93	-66	-3	-4	-2	-8	89	-78
<b>Profit for the period</b>	<b>-283</b>	<b>282</b>	<b>4</b>	<b>103</b>	<b>13</b>	<b>1</b>	<b>-266</b>	<b>386</b>
<b>Other segment information</b>								
Profit from holdings in associated companies and joint ventures	-	-	18	18	-	-	18	18
Investments	508	720	56	101	-	-	564	821
Restructuring costs	1	11	-	-	-	-	1	11

Income statement Jan-Sep Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments *		Group	
	2020	2019	2020	2019	2020	2019	2020	2019
Net revenue, external	2,027	4,663	14	9	-	-	2,040	4,671
Net revenue, internal	16	18	10	13	-26	-31	-	-
<b>Net revenue</b>	<b>2,043</b>	<b>4,681</b>	<b>24</b>	<b>22</b>	<b>-26</b>	<b>-31</b>	<b>2,040</b>	<b>4,671</b>
Other operating income, external	174	20	434	0	-12	-	596	20
Work performed by the company for its own use and capitalised, external	127	138	-	-	-	-	127	138
Operating expenses	-2,618	-3,282	-33	-41	131	120	-2,520	-3,203
Depreciation, amortisation and impairment losses	-856	-811	-18	-13	-85	-75	-959	-900
Other operating costs	-2	-5	0	0	0	0	-2	-5
<b>Operating profit</b>	<b>-1,132</b>	<b>740</b>	<b>408</b>	<b>-32</b>	<b>7</b>	<b>10</b>	<b>-717</b>	<b>721</b>
Financial income	13	17	47	12	-10	131	50	160
Financial expenses	-109	-94	-10	-11	20	20	-99	-85
<b>Profit before tax</b>	<b>-1,228</b>	<b>664</b>	<b>445</b>	<b>-32</b>	<b>18</b>	<b>164</b>	<b>-766</b>	<b>796</b>
Tax	285	-115	-6	-12	-2	-24	277	-151
<b>Profit for the period</b>	<b>-943</b>	<b>548</b>	<b>439</b>	<b>-44</b>	<b>15</b>	<b>140</b>	<b>-489</b>	<b>645</b>
<b>Other segment information</b>								
Profit from holdings in associated companies and joint ventures	-	-	47	51	-	-	47	51
Investments	1,917	1,983	240	438	-	-	2,157	2,421
Profit/loss from sale of shares, holdings and operations	-	-	434	-	-12	-	422	-
Restructuring costs	20	54	-	-	-	-	20	54

	Airport Operations		Real Estate		Eliminations/adjustments *		Group	
Balance sheet	Sep 30, 2020	Sep 30, 2019	Sep 30, 2020	Sep 30, 2019	Sep 30, 2020	Sep 30, 2019	Sep 30, 2020	Sep 30, 2019
Amounts in SEK M								
Non-current assets	19,575	18,271	2,092	2,514	226	-230	21,893	20,555
Current assets	3,850	3,055	649	179	-2,126	-1,995	2,365	1,239
Assets held for sale	-	-	-	-	370	711	370	711
<b>Total assets</b>	<b>23,425</b>	<b>21,326</b>	<b>2,741</b>	<b>2,693</b>	<b>-1,530</b>	<b>-1,514</b>	<b>24,628</b>	<b>22,505</b>
Equity	8,483	8,707	1,156	659	-835	-866	8,804	8,500
Liabilities	14,942	12,620	1,585	2,034	-709	-671	15,810	13,983
Liabilities related to assets held for sale	-	-	-	-	13	22	13	22
<b>Total equity and liabilities</b>	<b>23,425</b>	<b>21,326</b>	<b>2,741</b>	<b>2,693</b>	<b>-1,530</b>	<b>-1,514</b>	<b>24,628</b>	<b>22,505</b>

### NOTE 3. RECEIVABLES FROM GROUP COMPANIES

Receivables from Group companies pertain mostly to loans funding the Swedavia Real Estate group.

### 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 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 5. 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 950 M (913), and pension obligations in endowment insurance owned by the company, SEK 10 M (10).

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.

Group	Measurement under IFRS 9	Book value		Fair value	
		2020 Sep 30	2019 Dec 31	2020 Sep 30	2019 Dec 31
Amounts in SEK M					
Loan receivables and trade receivables	Amortised cost	2,271	1,092	2,271	1,092
Other financial liabilities	Amortised cost	-12,242	-9,546	-12,274	-9,546
Derivative instruments	Fair value	-204	-96	-204	-96
<b>Total</b>		<b>-10,176</b>	<b>-8,549</b>	<b>-10,208</b>	<b>-8,549</b>

**NOTE 6. NET REVENUE**

Group, amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments		Group	
	2020 jul-sep	2019 jul-sep	2020 jul-sep	2019 jul-sep	2020 jul-sep	2019 jul-sep	2020 jul-sep	2019 jul-sep
<b>Breakdown of net revenue</b>								
<i>Aviation Business</i>								
Passenger-related revenue	62	504	-	-	-	-	62	504
Aircraft-related revenue	51	221	-	-	-	-	51	221
Externally regulated charges	133	183	-	-	-	-	133	183
Ground handling	16	54	-	-	-	-	16	54
Other ancillary services	16	45	-	-	-	-	16	45
	277	1,007	-	-	-	-	277	1,007
<i>Commercial Services</i>								
Car parking & parking facilities	52	233	-	-	-	-	52	233
Retail, food & beverage	31	201	-	-	-	-	31	201
Real estate revenue	70	100	7	5	-5	-3	72	102
Advertising	13	31	-	-	-	-	13	31
Other commercial services	16	22	0	1	-2	-3	14	20
	182	587	8	6	-7	-6	183	587
Other net revenue	3	6	-	-	-2	-	1	6
<b>Total net revenue</b>	463	1,600	8	6	-10	-6	460	1,600

Group, amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments		Group	
	2020 jan-sep	2019 jan-sep	2020 jan-sep	2019 jan-sep	2020 jan-sep	2019 jan-sep	2020 jan-sep	2019 jan-sep
<b>Breakdown of net revenue</b>								
<i>Aviation Business</i>								
Passenger-related revenue	386	1,381	-	-	-	-	386	1,381
Aircraft-related revenue	256	659	-	-	-	-	256	659
Externally regulated charges	413	551	-	-	-	-	413	551
Ground handling	91	209	-	-	-	-	91	209
Other ancillary services	79	153	-	-	-	-	79	153
	1,225	2,953	-	-	-	-	1,225	2,953
<i>Commercial Services</i>								
Car parking & parking facilities	246	671	-	-	-	-	246	671
Retail, food & beverage	190	552	-	-	-	-	190	552
Real estate revenue	250	325	21	14	-12	-9	259	330
Advertising	54	89	-	-	-	-	54	89
Other commercial services	56	70	3	7	-9	-19	50	58
	797	1,707	23	20	-21	-28	799	1,699
Other net revenue	21	20	0	1	-6	-3	15	19
<b>Total net revenue</b>	2,043	4,681	24	22	-26	-31	2,040	4,671

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

Of net revenue through the third quarter, SEK 2,040 M (4,671), SEK 24 M (22) pertains to the Real Estate operating segment, broken down into real estate revenue of SEK 21 M (14), other commercial products of SEK 3 M (7) and other net revenue of SEK 0 M (1).

During the first nine months of the year, revenue from contracts with customers under IFRS 15 was SEK 1,709 M (3,933) and includes total net revenue except for retail and food & beverage products of SEK 190 M (552) as well as parts of the Real Estate revenue product of SEK 141 M (187). Through the third quarter, revenue under IFRS 16 totalled SEK 331 M (739), with SEK 321 M (733) of this attributable to the Airport Operations operating segment and SEK 10 M (6) to the Real Estate operating segment.

**NOTE 7. 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. A provision of SEK 15 M was therefore set aside for the cost of expected credit losses during the first nine months of the year. 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.

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## **NOTE 8. SUPPLEMENTARY INFORMATION FOR KEY FINANCIAL DATA**

### **DEBT/EQUITY RATIO (LEVERAGE)**

Swedavia's debt/equity ratio is affected by the pension liability trend. The pension liability and pension provision less payroll tax receivable was SEK 898 M on September 30, 2020, and SEK 874 M on December 31, 2019.

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

In calculating the key metric as of September 30, 2020, operating profit for a rolling 12 months was adjusted for restructuring costs of SEK 46 M, impairment losses and disposals of SEK 103 M and capital gains of SEK 450 M. Operating profit as of September 30, 2019, a rolling 12 months was adjusted for restructuring costs of SEK 54 M, impairment losses and disposals of SEK 84 M and a capital gain of SEK 105 M. Operating profit for January-December 2019 has been adjusted for restructuring costs of SEK 81 M, impairment losses and disposals of SEK 82 M, and capital gains of SEK 130 M.

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## **NOTE 9. SALE OF SUBSIDIARY**

### **SALE OF AIRPORT HOTEL 2 AB**

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 is Wenaasgruppen AS. The underlying property value was SEK 1,344 M, and Swedavia's capital gain was SEK 422 M. The final settlement and determination of the final capital gain will take place in late October, nine months after the transaction date. The transaction generated a positive cash flow of SEK 1,177 M.

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## **NOTE 10. ASSETS HELD FOR SALE**

In July 2018, Swedavia signed an agreement to sell the company that owns the property at Göteborg Landvetter Airport

where a hotel is under construction. Under the agreement, the transfer will take place in April 2021, when the hotel is placed in service.

On the balance sheet date, September 30, assets that are classified as assets held for sale consisted of tangible non-current assets with a book value of SEK 359 M and current assets with a book value of SEK 11 M. Assets held for sale are not depreciated from the time they are reclassified. The assets are funded through intra-Group loans. Liabilities related to assets held for sale totalled SEK 13 M and consist primarily of operating liabilities.

On the balance sheet date December 31, 2019, assets held for sale and liabilities related to assets held for sale pertain to the company Airport Hotel 2 AB, which was sold on January 30, 2020.

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## **NOTE 11. EVENTS AFTER THE END OF THE PERIOD**

### **GOVERNMENT DECIDES ON CAPITAL INJECTION**

Within the scope for the amending budget adopted by the Swedish parliament on June 23, 2020, the government decided on October 14 to provide Swedavia a capital injection of SEK 2,500 M.

### **ADVISORY AGAINST NON-ESSENTIAL TRAVEL IN THE EU**

President of the European Commission, Ursula von der Leyen, announced at a press conference on October 29 that all non-essential travel within the EU should now be suspended.



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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 car parking & passenger drop-off/pick-up services 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. Swedavia is in an intensive development phase, and the pace of investment is important to Swedavia's management and external stakeholders.

## 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 2019.

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

Year-End Report Jan-Dec 2020	February 10, 2021
Annual Report 2020	March 26, 2021
Interim Report Jan-Mar 2021	April 28, 2021

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 October 30, 2020, at 2:00 p.m. CET.

This Interim Report was reviewed by Swedavia's auditors as per the Review Report on page 24.

## Contact people

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### **MATS PÅHLSON**

CFO  
Telephone +46 10 109 01 00

On behalf of the Board of Directors, the President and CEO hereby submits the Interim Report for the period January-September 2020

Stockholm-Arlanda October 30, 2020

Jonas Abrahamsson  
President and CEO

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## Review report

Swedavia AB

Corporate identity number 556797-0818

### Introduction

We have reviewed the condensed interim report for Swedavia AB (publ) as at September 30, 2020 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of the review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm October 30, 2020

KPMG AB

Tomas Gerhardsson

Authorised public accountant