

Interim Report

January – June 2022

**“A welcome but challenging
restart”**

Jonas Abrahamsson
President and CEO



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- During the first half of the year, Swedavia's airports had 11.8 million (2.5)¹ passengers, which is an increase of 365 per cent compared to the same period last year. Passenger volume was 60 per cent of the level for the same period before the pandemic, in 2019
- Net revenue totalled SEK 2,185 M (940)
- Operating profit was SEK -258 M (-869) and was affected by capital gains from real estate operations of SEK 44 M (71). In 2022, restructuring aid of SEK 20 M (239) was received
- Profit for the period was SEK -212 M (-699). Profit for the period was positive, SEK 53 M (-389), for the second quarter
- Cash flow from operating activities for the first half of the year was negative, SEK -16 M (-628). Cash flow from operating activities for the second quarter was positive, SEK 153 M (-266)
- Investments for the Group totalled SEK 891 M (968)

KEY FINANCIAL FIGURES, GROUP ³

	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
SEK M, unless otherwise indicated					
Net revenue	1,303	483	2,185	940	2,717
Operating profit	67	-489	-258	-869	-1,385
impairment losses and disposals	71	-538	-297	-913	-1,420
Operating margin, %	5.1	-101.1	-11.8	-92.5	-51.0
impairment losses and disposals, %	5.5	-111.4	-13.6	-97.1	-52.3
Profit for the period	53	-389	-212	-699	-1,182
Return on operating capital, %	-3.2	-9.7	-3.2	-9.7	-6.3
Return on operating capital excluding capital gains, impairment losses, and disposals, %	-3.3	-9.0	-3.3	-9.0	-6.3
Debt/equity ratio, times	0.8	1.1	0.8	1.1	0.8
Cash flow from operating activities	153	-266	-16	-628	-293
Capital spending	433	577	891	968	1,831
Average number of employees	2,251	2,375	2,251	2,375	2,244
Passengers, million	7.7	1.6	11.8	2.5	11.9
Operating costs per departing passenger, SEK ²	242.4	885.8	322.7	1,184.4	526.2
Commercial revenues per departing passenger, SEK	89.5	81.3	89.6	98.3	86.9

¹ 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

² This key metric is calculated excluding restructuring costs

³ For definitions of key metrics, see pages 20–21

A welcome but challenging restart

The second quarter of the year was characterised by a strong recovery in the aviation market. This is good news for both passengers and an aviation industry hit hard by Covid. However, the staffing shortage caused by the pandemic has entailed operational challenges at many airports around the world, including Stockholm Arlanda Airport.

It is summer in Sweden, and for the first time since 2019 people can once again travel relatively unhindered. Naturally, people want to be able to visit friends and family in other countries again, take a holiday abroad or travel to do business. Similarly, Sweden can finally welcome international visitors to our wonderful country again. After two years of pandemic, there is a great need and desire to meet other people, and passengers are now returning at a rapid pace to our airports. After a couple of historically difficult years, the recovery is vital to the entire aviation industry, which was hit hard financially and forced to lay off large numbers of skilled staff in order to survive.

During the second quarter, more than 7.7 million passengers flew to or from our airports. That is an increase of 6 million passengers compared to the same period in 2021 and is equivalent to about 70% of the volume in the second quarter of 2019. Net revenue for the quarter totalled SEK 1,303 M, an increase of SEK 820 M compared to the second quarter of 2021. The ramp-up of operational capacity at our airports which was implemented to handle the increased passenger volume has entailed increased operating costs. Operating profit for the quarter totalled SEK 67 M, which is an improvement of SEK 556 M compared to the same period last year. Cash flow from operating activities during the quarter was positive and totalled SEK 153 M.

MEETING PASSENGER GROWTH IS A CHALLENGE

Since the early phases of the pandemic, the aviation industry has planned for the recovery in air travel that was expected once restrictions around the world were eased. Swedavia has done so too. Since the spread of the virus decelerated in early 2022, the trend has largely been in line with the scenarios we were working with. Travel has increased dramatically, and although industry operators have done their utmost to scale up their operations, there is still a staffing shortage for everyone from airport operators to airlines to ground handling companies. This has limited capacity throughout the transport system globally and among other results has led to operational disruptions in the form of cancelled flights and excessively long waiting times for check-in and security screening at many airports, including at Arlanda. At Swedavia's other airports, these effects have been limited or had no impact on operating activities.

We in the industry have been aware that it would be challenging to hire staff in line with the recovery. However, the difficulties in hiring staff have been greater than anticipated, mainly for Avarn Security, which provides the security screening service at Arlanda. There is tough competition for labour in the region, and the crucial background check requirements for new employees in the aviation industry mean lead-times are long. In a labour market with strong demand for labour, many candidates then choose other jobs. Due to low basic staffing levels at the security checkpoints, capacity has been low and the waiting times too long at times. Furthermore, many passengers have taken a "better safe than sorry" approach and arrived at the airport many hours before their check-in and bag drop have opened, which at times has contributed to heavy crowding, mainly in Terminal 5 at Arlanda. Passengers and the aviation industry have also been affected by a number of strikes at airlines and at airports across Europe during the summer season.

For an industry where fast flows and processes are critical to customer satisfaction and competitiveness, this is a matter of concern and we regret the problems that the situation has entailed for our passengers. Arlanda is Sweden's most important transport hub and shall be characterised by the efficiency and speed we are accustomed to.



EXTRAORDINARY MEASURES

At Arlanda, we have taken extraordinary measures to remedy these problems. As early as January, we decided to temporarily open Terminal 4 for the summer; it had been closed since the start of the pandemic. The opening in June, somewhat earlier than originally planned, has given us important capacity to handle a larger number of passengers. Terminal 4 has also been linked together with Terminal 5 by a connecting walkway, which further increases efficiency. The walkway is a result of our long-term development work to modernise Arlanda and enable passengers to move seamlessly between the two terminals. In addition, the security checkpoints in Terminals 4 and 5 can be used by all passengers, regardless of which gate they depart from.

Along with closely monitoring how Avarn Security is handling its staffing situation and gradually adjusting Swedavia's own basic staffing, we have taken a number of compensatory measures to manage the operational situation. This includes taking in staff from our other airports in Sweden and receiving welcome support from the security services provider Securitas. Both our own administrative staff and recently hired extra staff assist passengers in our terminals, which helps passengers in a difficult situation, improves flows, for instance, at check-in and the security checkpoints, and reduces any crowding.

We have seen how our measures have gradually had a bigger impact, and despite a difficult situation at times, especially for many of the airport's employees, we expect to see continued improvements and an increasingly normalised situation going forward. Even when we have long queues, we always give top priority to safety, security and a good work environment.

ARLANDA IN THE FUTURE

The effects of the pandemic have highlighted the importance of the aviation industry's talent supply and competitiveness compared to other industries as well as the continued work on these issues. But they have also spotlighted just how important Arlanda is for Sweden, and Arlanda needs to be developed in the longer term as well. Next summer, a new state-of-the-art security checkpoint will be completed, which will increase capacity and improve the passenger experience significantly. Furthermore, a new marketplace will take the commercial offering at the airport to new heights.

In June, an investigator appointed by the Swedish government presented the findings of the Arlanda Commission, which was tasked with investigating during the spring how capacity at Arlanda could be enhanced going forward. The main findings in the report are positive, and it is gratifying that the government is taking steps to ensure Arlanda's long-term development and at the same time accelerating the aviation industry's transition to net-zero air transport. It is especially gratifying that the commission has provided concrete proposals for how traffic links to and from Arlanda can be improved. The commission's findings are now open to public consultation, and Swedavia will naturally play an active role in the continued work to give Arlanda and our other airports the best development opportunities possible. Let us together make the most of the strong commitment to the key social functions that aviation serves, as evidenced so clearly in recent times, in the long-term development of these airports as well.

Finally, I would like to extend a big thank you to all our passengers for their patience over the past few months. I would also like to thank Swedavia's employees and all our partners for the tremendous efforts they have made so that people can once again meet.

Jonas Abrahamsson
President and CEO

About Swedavia

Swedavia's mission is to own*, operate and develop 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 is and shall continue to work to be a world leader in operating airports with the least possible environmental impact. Its own airport operations have been fossil-free since 2020, and other sources of emissions at its airports will be phased out in the years ahead through incentives and partnerships. Swedavia is driving the large-scale transition to sustainable aviation fuel, and the airports of the future are being prepared for electric aircraft, hydrogen gas and other new technology. In the net-zero airports of the future, transport modes will be linked together to make it easier for people to book their journey from door to door.



*Swedavia's operations at Luleå Airport and Ronneby Airport are run by the Swedish Armed Forces' airports. The other eight airports are wholly owned by Swedavia

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 ⁵ Jun 30, 2022	Actual ⁵ Jun 30, 2021	Targets 2022	Targets 2025
Satisfied passengers, %	80	81	82	85
Engaged leaders and employees, % ⁷	76	77	77	75
Return on operating capital, %	-3.2	-9.7	6.0	6.0
Mixture of renewable jet fuel, % ⁹	0.4	0.1	0.5	5.0

⁴ The actual figure is for 12 rolling months

⁵ Concerns the customer group passengers at Stockholm Arlanda Airport and Göteborg Landvetter. As of the second quarter of 2022, measurements are taken for all airports.

⁶ The last measurement was carried out in 2018 using the Engaged Leaders & Employees method. A new measurement is planned to be implemented in 2022. Until further notice, the key indicator is reported based on pulse measurement results using another method

⁷ The target is measured based on having 5 per cent of all aviation fuel used for refuelling in Sweden be renewable by 2025.

Mission

Swedavia's mission is to own, operate and develop the airports in Sweden's national basic infrastructure. Swedavia shall also actively help to achieve the transport policy goals adopted by the Swedish parliament based on sound business practices.

Objective

Together, we enable people to meet.

Vision

Swedavia develops the airports of the future and creates sustainable growth for Sweden.

Business concept

Together with our partners, Swedavia creates added value for customers by offering attractive airports and access that provide smooth, inspiring travel experiences. Swedavia's airports shall be the most important meeting places in the Nordic region. The company shall be an international role model in sustainability and a growth engine for all of Sweden.

Values

- Reliable
- Engaged
- Innovative
- Welcoming

Important events

January – June

ARLANDA COMMISSION REPORT SUBMITTED TO GOVERNMENT

On February 15, the Swedish government appointed a commission entrusted with the task of preparing a plan for the development and expansion of Stockholm Arlanda Airport, including its environmental permit. The government wants to ensure there is sufficient air transport capacity at Arlanda in order to close Bromma Stockholm Airport in the long term.

The commission's report was presented on June 17 and has now been open to public consultation. Among the commission's findings were that preparations for expanding capacity at Arlanda need to be accelerated, essential air transport services need to be brought together at Arlanda, passenger lead-times at the airport need to be shortened, more people should take mass transport to the airport, the need for increased capacity in the road and rail transport system around Arlanda needs to be investigated and an aviation fuel commission should be appointed. It was also proposed that Bromma Stockholm Airport should operate only fossil-free air traffic after 2030 and that the airport can be closed at the earliest in 2035.

Responses to the public consultation must be received by the Swedish Ministry of Infrastructure by October 31, 2022, at the latest.

SALE OF LAND-OWNING COMPANIES

On March 21, 2022, four land-owning companies with building rights in the logistics park at Göteborg Landvetter Airport were sold. The underlying property value was SEK 60 M and the capital gain was SEK 44 M.

filed for Chapter 11 bankruptcy protection (a legal procedure for financial reconstruction) in the US. On July 7, the US court announced that SAS can maintain its normal business operations while the Chapter 11 proceedings are under way. The strike will entail decreased revenue for Swedavia as a result of cancelled flights. As for Chapter 11 proceedings, Swedavia has made an initial assessment of the effects and is monitoring the proceedings on a continuous basis.

Events after the end of the period

STRIKE AND CHAPTER 11 FILING FOR AIRLINE CUSTOMER

The Scandinavian carrier SAS is one of Swedavia's biggest customers. On July 4, pilots employed by SAS Scandinavia went on strike. Flights operated by SAS Link, SAS Connect and SAS's external partners were not affected by the strike. On July 19, the parties announced that an agreement had been reached and the strike was over. SAS serves all of Swedavia's airports except Bromma Stockholm Airport. On July 5, SAS and some of its subsidiaries

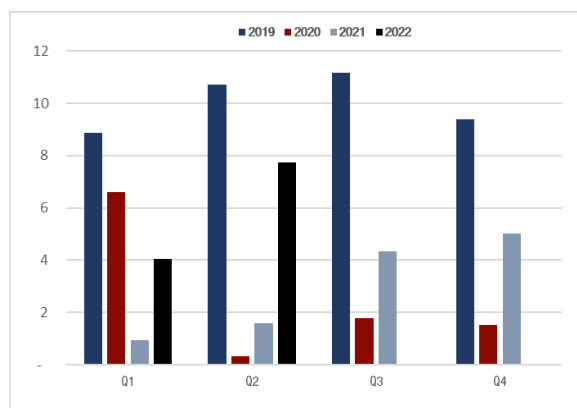
Passenger trends

January – June

During the first half of 2022, the effects of the Covid-19 pandemic gradually eased, which led to a strong recovery in air travel and thus higher passenger numbers for Swedavia. The year began with an increase in the spread of the Omicron variant, which brought the reintroduction of restrictions and reduced air traffic. The effects of this variant gradually diminished, and most restrictions were lifted in early February. As a result, demand for travel increased sharply starting in March and continued to increase during the rest of the period. The increased demand for travel has led airlines to gradually expand their offering, with more destinations and an increased number of departures.

During the first half of the year, 11.8 million passengers flew via Swedavia's airports. That is nearly five times the number of passengers during the same period last year, when Swedavia had 2.5 million passengers. Passenger volume was 60 per cent of the level for the same period before the pandemic, in 2019. Late in the second quarter, passenger volume had risen to 75 per cent of the pre-pandemic level.

PASSENGER VOLUME – SWEDAVIA
QUARTERLY PASSENGER VOLUME, 2019 – 2022 (MILLION)

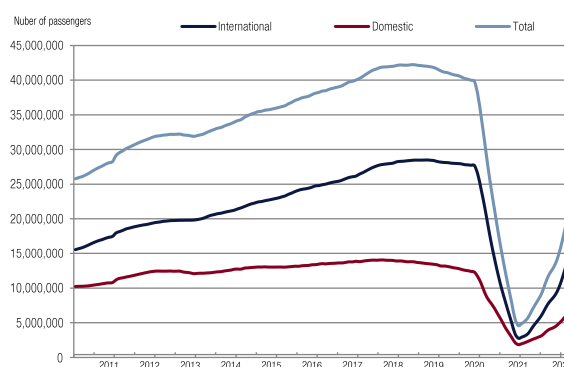


April – June

During the second quarter of 2022, the effects of the Covid-19 pandemic further eased, and demand for travel continued to rise. For Swedavia, this meant that the increase in passengers that started in the first quarter continued during the second quarter. The airlines continued to expand their range of destinations available and increase the number of departures during the second quarter.

During the second quarter of 2022, 7.7 million passengers flew via Swedavia's airports, which is nearly five times the number of passengers during the same period last year, when Swedavia had 1.6 million passengers. Passenger volume was 72 per cent of the level for the same period before the pandemic, in 2019. Late in the quarter, passenger volume had risen to 75 per cent of the pre-pandemic level.

PASSENGER TREND – SWEDAVIA
NUMBER OF PASSENGERS, ROLLING TWELVE-MONTH TREND, APRIL 2010 - JUNE 2022



PASSENGER VOLUME
JAN-JUN 2022

Passengers	Number of passengers Jan-Jun			Number of passengers Apr-Jun		
	2022	2021	Per cent change	2022	2021	Per cent change
International	8,373,000	1,491,000	461.5%	5,635,000	948,000	494.4%
Domestic	3,418,000	1,045,000	226.9%	2,107,000	635,000	231.6%
Total	11,791,000	2,537,000	364.8%	7,742,000	1,583,000	388.9%

Economic overview, Group

Operating profit

JANUARY-JUNE

Net revenue for the first half of the year totalled SEK 2,185 M (940), which is an increase of SEK 1,246 M or 133 per cent compared to the same period last year. In the Airport Operations segment, net revenue increased SEK 1,248 M to SEK 2,181 M (934). Net revenue in the Real Estate segment totalled SEK 17 M (28).

Revenue from Aviation Business totalled SEK 1,349 M (550), which is SEK 799 M or 145 per cent higher compared to the same period last year, mainly due to higher passenger volume and increased air traffic during the first six months of the year. Revenue from Commercial Services also increased, primarily revenue from Parking & Entry and from Retail, Food & Beverage which, combined, totalled SEK 530 M (127). Real estate revenue also increased to SEK 232 M (189), mainly due to increased revenue from the resale of electricity and heating. Revenue from Commercial Services during the first half of the year was positively affected by a rent relief grant from the Swedish State of SEK 8 M (3).

Other operating revenue totalled SEK 73 M (324), mainly due to a capital gain of SEK 44 M (71) from the sale of land-owning companies at Göteborg Landvetter Airport and restructuring aid received of SEK 20 M (239).

External costs and staff expenses, including capitalised work for the company's own account, totalled SEK 1,853 M (1,478), which is SEK 374 M higher compared to the same period last year. Higher costs compared to the same period last year are largely explained by increasing passenger volume and higher energy and winter maintenance costs. Last year, State aid for furloughs had a positive effect of SEK 71 M.

Depreciation, amortisation and impairment losses totalled SEK 664 M (653), due to higher scheduled depreciation for facilities placed in service.

Consolidated operating profit totalled SEK -258 M (-869) and the consolidated operating margin was -11.8% (-92.5). Excluding restructuring costs, impairment losses and capital gains, operating profit was SEK -297 M (-913).

Operating profit in the Airport Operations segment was SEK 642 M higher compared to the same period last year, at SEK -298 M (-941), mainly due to increased air traffic and higher passenger volume.

In the Real Estate segment, operating profit was SEK 28 M (67), with the higher operating profit for the first six months of the year mainly due to a capital gain of SEK 44 M (71).

APRIL-JUNE

Net revenue for the second quarter totalled SEK 1,303 M (483), which is an increase of SEK 820 M or 170 per cent compared to the same period last year. In the Airport Operations segment, net revenue increased SEK 826 M to SEK 1,302 M (476). Net revenue in the Real Estate segment totalled SEK 9 M (21).

Revenue from Aviation Business and Commercial Services totalled SEK 1,299 M (480), which is SEK 819 M or 171 per cent higher compared to the same period last year, mainly due to significantly higher passenger volume and increased air traffic during the quarter. Altogether, revenue from passenger-related revenue in Aviation Business, revenue from Parking & Entry and from Retail, Food & Beverage in Commercial Services accounted for 70 per cent of the increase in revenue compared to the same period last year. Revenue from Commercial Services during the second quarter was positively affected by rent relief grants received from the Swedish State of SEK 8 M (-16).

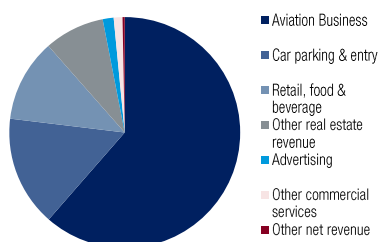
Other operating revenue totalled SEK 24 M (78), mainly due to SEK 20 M in restructuring aid received during the quarter. In 2021, this figure was affected by a capital gain of SEK 71 M in the Real Estate segment.

External costs and staff expenses, including capitalised work for the company's own account, totalled SEK 926 M (715), which is SEK 210 M higher compared to the same period last year. Higher costs are mostly explained by increasing passenger volume. Higher energy costs also had a negative effect. Last year, State aid for furloughs had a positive effect on external operating costs of SEK 34 M.

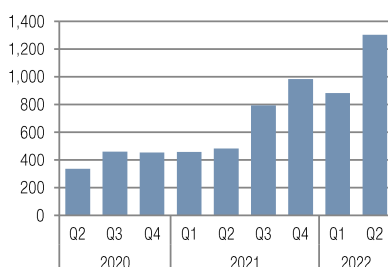
For the first time since the start of the Covid-19 pandemic, consolidated operating profit for a single quarter was positive, at SEK 67 M (-489). The consolidated operating margin was 5.1% (-101.1). Excluding restructuring costs, impairment losses and capital gains, operating profit was SEK 71 M (-538). For the Airport Operations segment, operating profit totalled SEK 71 M (-563) and was SEK 634 M higher compared to the same period last year. Operating profit for the Real Estate segment totalled SEK -10 M (76); last year, the figure was affected by a capital gain of SEK 71 M.

BREAKDOWN, NET REVENUE

Quarter, April-June 2022

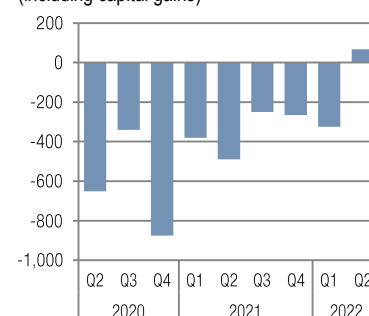


NET REVENUE, SEK M



OPERATING PROFIT, SEK M

(including capital gains)



Financial items

Financial items were a net expense of SEK 40 M (24), which is SEK 15 M higher than for the same period last year. The difference is mostly explained by higher borrowing costs, SEK 70 M (61), and lower income from holdings in associated companies, SEK 28 M (34).

Financial items for the second quarter were a net expense of SEK 20 M (16).

Profit for the period

Profit before tax was SEK -298 M (-894) and profit for the period was SEK -212 M (-699). Profit before tax for the second quarter was SEK 47 M (-505) and profit for the second quarter was SEK 53 M (-389).

Investments

Investments for the first six months of the year totalled SEK 891 M (968), SEK 882 M (909) which was investments in the Airport Operations segment. Most investments were made in the development programme at Stockholm Arlanda Airport. The slower investment pace compared to last year is mainly explained by a number of major projects in the development programmes at Stockholm Arlanda Airport and Göteborg Landvetter Airport that were either completed in 2021 or in the closure phase during the first half of 2022.

Investments in Real Estate and property development totalled SEK 9 M (59).

During the second quarter, investments totalled SEK 433 M (577).

Cash flow

Cash flow for during the first half of the year totalled SEK 10 M (84).

Cash flow from operating activities for the first half of the year was negative at SEK -16 M (-628), which is a SEK 612 M improvement compared to the same period last year. The improved cash flow is mainly explained by higher cash-generating income. Cash flow from the change in operating capital was SEK -164 M (54).

Cash flow from investing activities was SEK -1,225 M (-336), which is SEK 889 M lower than last year.

Expenditures for investments totalled SEK 891 M (968). The sale of subsidiaries generated a positive cash flow of SEK 64 M (470). During the first half of the year, increased short-term investments generated a negative cash flow of SEK -398 M (163).

Cash flow from financing activities was SEK 1,251 M (1,048). Bank loans increased SEK 500 M, medium-term note loans increased SEK 432 M and commercial paper increased SEK 399 M, which together increased loan liabilities by SEK 1 331 M. The

payment of interest due to hybrid bonds, SEK 29 M (7), had a negative effect on cash flow. Lease liabilities totalling SEK 52 M (53) were repaid.

Cash flow from operating activities for the second quarter was positive at SEK 153 M (-266), and cash flow for the quarter was SEK 540 M (153).

Liquidity and financial position

Equity at the end of June was SEK 12,452 M (11,990). Equity includes hybrid bonds of SEK 3,500 M, SEK 1,000 M of which was issued in November 2019 and SEK 2,500 M of which was issued in November 2021.

Swedavia's loan liabilities at the end of June totalled SEK 11,003 M (9,672), which is an increase of SEK 1,331 M. Swedavia's loan liabilities are broken down into bank loans of SEK 4,200 M (3,700), medium-term notes of SEK 6,304 M (5,872) and commercial paper of SEK 400 M (100). At the end of June, the average capital tie-up period, which includes the effect of interest rate derivatives, was 3.7 years (4.4) and the average interest rate lock-in period was 4.0 years (2.9). The average interest rate as of June 30 was 1.4 per cent (1.3). On the balance sheet date, the nominal total of interest rate derivatives was SEK 6,850 M (5,750).

Liquid assets increased SEK 10 M to SEK 2,110 M (2,100) at the end of the quarter. Short-term investments increased during the first six months of the year by SEK 398 M, from SEK 297 M to SEK 695 M. Net liabilities increased SEK 689 M from SEK 9,293 M to SEK 9,982 M.

The debt/equity ratio was 0.8 times (0.8).

At the end of June, Swedavia had unused credit facilities totalling SEK 3,550 M (3,550).

On the balance sheet date, there were no unutilised framework loan agreements. At year-end 2021, unutilised framework loan agreements totalled SEK 500 M.

Return on operating capital, excluding restructuring costs, capital gains, impairment losses and disposals, at the end of the quarter was -3.3 per cent (-6.3).

FINANCIAL TARGETS FOR SWEDAVIA'S OWNER

	Actual Mar 31, 2022	Target
Return on operating capital, %	-5.8	6.0
Debt/equity ratio, times	0.8	0.7-1.5
Dividend target, % ⁷	-	10-50

KEY FINANCIAL METRICS

	Actual Mar 31, 2022	Actual Mar 31, 2021	Policy
Average interest rate, %	1.3	1.1	n/a
Average interest rate lock-in period, year	2.8	3.0	1-4
Average capital tie-up period, years	4.2	4.0	2-5

Employees

The average number of employees for the period July 1, 2021 - June 30, 2022, was 2,251 (2,375). The reduction in the average number of employees is an effect of the structural change in the organisation.

While the number of employees for a rolling 12 months decreased, the number of employees during the second quarter increased in order to meet growing demand.

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 2021 on pages 62–65, and in Note 47.

Swedavia's biggest risks are associated with the air traffic trend. During the first half of 2022, the effects of the Covid-19 pandemic diminished significantly, and air traffic has recovered to a significant extent. However, there is still a risk of new virus variants and increased infection. During the second quarter, the war in Ukraine continued. For Swedavia, the direct effects on air traffic have so far been limited. In the long term, developments around the world, which have entailed higher inflation and higher energy, fuel and commodity prices, among other things, will also have a negative impact on global economic growth, which in turn will affect the trend in the aviation industry. 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 and is developing action plans based on them. Swedavia has a large number of customers, and it may have a major impact on Swedavia's operations if one of these were to have financial problems. The Covid-19 pandemic has had enormous effects on all of Swedavia's airline customers and entails a risk of a major negative economic impact on these airlines. After the second quarter ended, the Scandinavian carrier SAS filed for bankruptcy protection in the US. 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-based rental income for Swedavia.

The recovery in air traffic now under way also involves challenges in terms of ramping up operations, where there is a risk of this summer's capacity challenges continuing for a while into the

autumn, which has a negative impact on quality and customer satisfaction.

There is also a risk of disruptions or interruptions in service in the airport's aviation and commercial operations as a result of cybercrime and other external events. There is also a 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. During the second quarter of 2020, Swedavia was sued in court over a rental dispute at Stockholm Arlanda Airport. Swedavia contests the claim in full, but the amount involved is material. The District Court issued a ruling on the case on March 24, 2022, in Swedavia's favour. The ruling has been appealed by the counterparty, and the Court of Appeal has granted leave of appeal.

A complaint has been submitted to the European Commission concerning the shareholder contribution received in 2020. The outcome of the Commission's ongoing process is uncertain but could affect the recognition of this shareholder contribution as well as some State aid received 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

Net revenue for the Parent Company for the first six months of 2022 totalled SEK 2,175 M (896), which is an increase of SEK 1,279 M, mainly due to increased passenger volume during the first six months of the year compared to the same period last year. Other operating revenue, SEK 29 M (253), was affected by restructuring aid received of SEK 20 M (239). Operating profit for the first half of the year totalled SEK -359 M (-1,039) and the operating margin was -16.5 per cent (-115.9). The effects of the Covid-19 pandemic on operating profit gradually decreased during the first half of the year. Profit before tax was SEK 275 M (-1,106) and was positively affected by dividends from subsidiaries of SEK 700 M (-). Profit for the period totalled SEK 381 M (-880). Profit before tax for the second quarter was SEK 705 M (-647) and profit for the period was SEK 723 M (-516). Profit for the quarter was affected by dividends received from subsidiaries, SEK 700 M (-).

FINANCIAL TARGETS FOR SWEDAVIA'S OWNER

	Actual Jun 30, 2022	Target
Return on operating capital, %	-3.2	6.0
Debt/equity ratio, times	0.8	0.7-1.5
Dividend target, % ⁷	-	10-50

KEY FINANCIAL METRICS

	Actual Jun 30, 2022	Actual Jun 30, 2021	Actual Dec 31, 2021	Policy
Average interest rate, %	1.4	1.1	1.3	n/a
Average interest rate lock-in period, year	4.0	2.7	2.9	1-4
Average capital tie-up period, years	3.7	3.7	4.4	2-5

Consolidated income statement

Amounts in SEK M	Note	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Net revenue	2.3	1,303	483	2,185	940	2,717
Other operating revenue	6	24	78	73	324	325
Total revenue		1,327	561	2,259	1,263	3,042
Work performed by the company for its own use and capitalised		33	45	66	91	161
External costs		-552	-378	-1,099	-801	-1,707
Staff expenses		-406	-382	-820	-768	-1,484
Depreciation/ amortisation and impairment losses on tangible fixed assets and intangible non-current assets		-334	-336	-664	-653	-1,382
Other operating costs		-1	1	0	-1	-14
Operating profit		67	-489	-258	-869	-1,385
Income from financial items						
Income from holdings in associated companies and joint ventures		16	14	28	34	71
Interest income and similar items		3	0	4	2	4
Interest expenses and similar items		-39	-30	-71	-60	-131
Income after financial items		47	-505	-298	-894	-1,441
Tax		7	116	86	194	258
Profit for the period	2	53	-389	-212	-699	-1,182
Earnings per share before and after dilution, SEK		0.03	-0.27	-0.17	-0.49	-0.83
The total number of shares was 1,441,403,026 for all periods						

Consolidated statement of comprehensive income

Amounts in SEK M	Note	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Profit for the period		53	-389	-212	-699	-1,182
Other comprehensive income:						
Items that can be reclassified to the income statement						
Cash flow hedges						
Items reclassified to the income statement		1	-11	-1	-24	8
Change in fair value for the period		344	27	643	121	177
Tax		-71	-3	-132	-20	-38
Other comprehensive income from joint ventures, net after tax		9	1	29	7	13
Items that cannot be reclassified to the income statement						
Revaluations of defined benefit pensions		142	-6	207	19	-3
Tax		-29	1	-43	-5	0
Total other comprehensive income, net after tax		395	10	703	99	158
Comprehensive income for the period		450	-380	491	-600	-1,025

Consolidated balance sheet, summary

Amounts in SEK M	Note	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
ASSETS	2			
NON-CURRENT ASSETS				
Intangible assets		673	701	702
Fixed assets		19,525	19,190	19,214
Right-of-use assets		1,072	1,139	1,088
Deferred tax asset		87	126	169
Derivative instruments		648	-	42
Non-current financial assets		1,344	1,171	1,282
Total non-current assets		23,349	22,326	22,498
CURRENT ASSETS				
Materials and supplies		69	59	62
Trade receivables	5	435	284	383
Receivables from associated companies		6	5	27
Other receivables		173	383	248
Prepaid expenses and accrued income		138	105	95
Derivative instruments		2	-	-
Short-term investments		695	13	297
Liquid assets		2,110	1,546	2,100
Total current assets		3,627	2,397	3,213
TOTAL ASSETS		26,976	24,723	25,711
EQUITY AND LIABILITIES	2			
EQUITY				
Share capital		1,441	1,441	1,441
Other paid-in capital		4,661	4,661	4,661
Hedge reserve		516	-64	6
Hybrid bonds		3,500	1,000	3,500
Retained earnings (including profit for the year)		2,334	2,886	2,381
Total equity		12,452	9,925	11,990
NON-CURRENT LIABILITIES				
Provisions		934	1,090	1,153
Interest-bearing liabilities		8,501	8,502	8,002
Derivative instruments	4	2	80	35
Lease liability		1,008	1,062	1,022
Other non-current liabilities		106	233	128
Total non-current liabilities		10,550	10,967	10,339
CURRENT LIABILITIES				
Provisions		93	86	98
Interest-bearing liabilities		2,502	2,340	1,671
Derivative instruments	4	3	6	4
Lease liability		123	127	122
Trade payables		509	526	565
Liabilities to associated companies		28	15	64
Other liabilities		101	154	305
Accrued expenses and prepaid income		616	577	553
Total current liabilities		3,974	3,831	3,382
TOTAL EQUITY AND LIABILITIES		26,976	24,723	25,711

Consolidated change in equity

Amounts in SEK M	Note	Jun 30, 2022	Jun 30, 2021
Equity, opening balance		11,990	10,533
Hybrid bond interest and transaction costs		-29	-7
Total transactions with owner and others		-29	-7
Profit for the period		-212	-699
Other comprehensive income		703	99
Other comprehensive income for the period		491	-600
Equity, closing balance		12,452	9,925

Consolidated cash flow statement

Amounts in SEK M	Note	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Operating activities						
Profit after financial items		47	-505	-298	-894	-1,441
Adjustments for items not included in cash flow etc.		286	272	514	242	993
Tax paid		-15	-13	-68	-30	-16
		318	-246	148	-682	-463
Cash flow from changes in working capital						
Increase(-)/Decrease(+) in materials and supplies		-2	0	-7	-2	-5
Increase(-)/Decrease(+) in operating receivables		-180	-58	29	187	160
Increase(+)/Decrease(-) in operating liabilities		17	38	-186	-131	14
Cash flow from operating activities		153	-266	-16	-628	-293
Investing activities						
Disposal of subsidiaries	6	-	470	64	470	488
Acquisitions/disposal of intangible assets		-14	-11	-22	-18	-74
Acquisitions/disposal of fixed assets		-418	-567	-869	-950	-1,755
Acquisitions short-term investments		-764	-	-1,134	-62	-347
Disposal short-term investments		723	70	736	225	225
Dividends from associated companies		-	-	-	-	78
Cash flow from investing activities		-472	-38	-1,225	-336	-1,386
Financing activities						
Hybrid bond issue		-	-	-	-	2,500
Hybrid bond interest and transaction costs		-14	-3	-29	-7	-18
Borrowings raised		1,000	2,040	1,600	2,694	4,494
Borrowings repaid		-100	-1,556	-268	-1,586	-4,555
Repayment of lease liabilities		-26	-24	-52	-53	-104
Cash flow from financing activities		860	457	1,251	1,048	2,317
Cash flow for the period		540	153	10	84	638
Liquid assets at the beginning of the period		1,570	1,393	2,100	1,462	1,462
Liquid assets at the end of the period		2,110	1,546	2,110	1,546	2,100

Parent Company income statement

Amounts in SEK M	Note	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Net revenue		1,298	462	2,175	896	2,698
Other operating income		24	7	29	253	233
Total revenue		1,322	469	2,204	1,149	2,932
Work performed by the company for its own use and capitalised		33	45	66	91	161
External expenses		-601	-451	-1,197	-929	-1,913
Staff expenses		-410	-379	-827	-760	-1,494
Depreciation and amortisation on tangible fixed assets and non-current intangible assets		-304	-302	-606	-587	-1,263
Other operating expenses		-1	1	0	-1	-14
Operating profit		39	-616	-359	-1,039	-1,592
Income from financial items						
Profit from holdings in subsidiaries		700	-	700	-	-
Interest income and similar items		3	1	5	3	10
Interest expenses and similar items		-37	-32	-71	-70	-141
Income from financial items		705	-647	275	-1,106	-1,722
Appropriations		-	-	-	-	667
Profit before tax		705	-647	275	-1,106	-1,056
Tax		18	131	106	225	157
Profit for the period		723	-516	381	-880	-898

Parent Company statement of comprehensive income

Amount in SEK M	Note	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Profit for the period		723	-516	381	-880	-898
Other comprehensive income		-	-	-	-	-
Comprehensive income for the period		723	-516	381	-880	-898

Parent Company balance sheet, summary

Amounts in SEK M	Note	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
ASSETS				
NON-CURRENT ASSETS				
Intangible non-current assets		513	566	555
Tangible fixed assets		18,563	18,070	18,248
Total financial assets		1,848	1,659	1,737
Non-current assets		20,923	20,295	20,540
CURRENT ASSETS				
Materials and supplies		68	55	61
Current receivables		1,883	1,562	1,557
Short-term investments		695	13	297
Liquid assets		2,110	1,534	2,100
Total current assets		4,756	3,163	4,015
Total assets		25,679	23,458	24,555
EQUITY AND LIABILITIES				
EQUITY				
Restricted equity				
Share capital (1,441,403,026 shares)		1,441	1,441	1,441
Reserve for development expenditures		12	22	17
Unrestricted equity				
Share premium reserve		2,161	2,161	2,161
Hybrid bonds		3,500	1,000	3,500
Retained earnings/Share premium reserve		3,060	3,919	3,983
Profit for the period		381	-880	-898
Total equity		10,556	7,664	10,204
Untaxed reserves		1,083	1,575	1,083
Provisions		1,465	1,416	1,482
Non-current liabilities		8,597	8,725	8,120
Current liabilities		3,979	4,078	3,666
TOTAL EQUITY AND LIABILITIES		25,679	23,458	24,555

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 Year-End 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 accounting principles for 2022

None of the new and revised standards and interpretations that went into effect on January 1, 2022, has had a material effect on Swedavia's financial reports.

New and revised standards that enter into effect in 2023 or later

The effects on the Group's financial reports and position on amendments that are mandatory for the financial year 2023 are being assessed but are expected not to have any impact on the Group's financial reports. For new and revised standards that enter into force in 2023 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 Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments *		Group	
	2022	2021	2022	2021	2022	2021	2022	2021
Net revenue	1,302	476	9	21	-7	-14	1,303	483
Other operating income, external	24	7	-	80	-	-9	24	78
Total revenue	1,326	483	9	101	-7	-23	1,327	561
Work performed by the company for its own use and capitalised	33	45	-	-	-	-	33	45
Operating expenses	-988	-791	-13	-17	42	47	-959	-761
Depreciation, amortisation and impairment losses	-300	-302	-6	-8	-29	-27	-334	-336
Other operating costs	-1	1	-	-	-	-	-1	1
Operating profit	71	-563	-10	76	6	-2	67	-489
Profit from holdings in subsidiaries	700	-	-	-	-700	-	-	-
Financial income	3	1	16	14	1	0	19	14
Financial expenses	-41	-34	-2	0	3	4	-39	-30
Profit before tax	733	-596	4	90	-690	1	47	-505
Tax	12	120	-4	-5	-2	0	7	116
Profit for the period	745	-476	1	85	-692	1	53	-389
Other segment information								
Investments	427	560	6	17	-	-	433	577
Capital gains	-	-2	-	80	-	-9	-	69
Restructuring costs	1	13	-	-	-	-	1	13
Impairment losses/disposals	3	5	-	-	-	-	3	5

Income statement Jan-Jun Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments *		Group	
	2022	2021	2022	2021	2022	2021	2022	2021
Net revenue	2,181	934	17	28	-13	-22	2,185	940
Other operating income, external	29	253	44	80	0	-9	73	324
Total revenue	2,211	1,186	61	108	-13	-31	2,259	1,263
Work performed by the company for its own use and capitalised	66	91	-	-	-	-	66	91
Operating expenses	-1,978	-1,632	-22	-28	81	91	-1,919	-1,569
Depreciation, amortisation and impairment losses	-597	-585	-11	-13	-57	-56	-664	-653
Other operating costs	0	-1	0	0	0	0	0	-1
Operating profit	-298	-941	28	67	12	4	-258	-869
Profit from holdings in subsidiaries	700	-	-	-	-700	-	-	-
Financial income	5	3	28	34	-1	-1	32	36
Financial expenses	-78	-74	-2	-1	9	14	-71	-60
Profit before tax	330	-1,011	53	100	-681	18	-298	-894
Tax	95	206	-5	-8	-4	-4	86	194
Profit for the period	425	-805	48	92	-685	14	-212	-699
Other segment information								
Investments	882	909	9	59	-	-	891	968
Capital gains	-	-2	44	80	-	-9	44	69
Restructuring costs	2	15	-	-	-	-	2	15
Impairment losses/disposals	3	10	-	-	-	-	3	10

SEGMENT REPORTING, BALANCE SHEET

Balance sheet Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments *		Group	
	Jun 30, 2022	Jun 30, 2021	Jun 30, 2022	Jun 30, 2021	Jun 30, 2022	Jun 30, 2021	Jun 30, 2022	Jun 30, 2021
Non-current assets	20,631	20,047	1,672	1,701	1,045	578	23,349	22,326
Current assets	4,745	3,184	134	432	-1,252	-1,219	3,627	2,397
Total assets	25,376	23,231	1,806	2,133	-206	-641	26,976	24,723
Equity	11,857	9,333	701	1,308	-106	-716	12,452	9,925
Liabilities	13,519	13,898	1,105	825	-100	74	14,524	14,798
Total equity and liabilities	25,376	23,231	1,806	2,133	-206	641	26,976	24,723

NOTE 3. NET REVENUE

Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments		Group	
	2022 Apr-Jun	2021 Apr-Jun	2022 Apr-Jun	2021 Apr-Jun	2022 Apr-Jun	2021 Apr-Jun	2022 Apr-Jun	2021 Apr-Jun
Breakdown of net revenue								
Aviation Business								
Passenger-related revenue	365	79	-	-	-	-	365	79
Aircraft-related revenue	159	63	-	-	-	-	159	63
Externally regulated charges	196	100	-	-	-	-	196	100
Ground handling	44	17	-	-	-	-	44	17
Other ancillary services	36	18	-	-	-	-	36	18
Total Aviation Business	801	277	-	-	-	-	801	277
Commercial Services								
Parking & entry	202	52	-	-	-	-	202	52
Retail, food & beverage	151	15	-	-	-	-	151	15
Real estate revenue	105	94	8	9	-3	-7	110	96
Advertising	20	15	-	-	-	-	20	15
Other commercial services	18	18	0	12	-1	-5	16	25
Total Commercial Services	495	194	8	21	-5	-11	499	204
Other net revenue	6	5	0	-	-3	-2	4	3
Total net revenue	1,302	476	9	21	-7	-14	1,303	483
Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments		Group	
	2022 Jan-Jun	2021 Jan-Jun	2022 Jan-Jun	2021 Jan-Jun	2022 Jan-Jun	2021 Jan-Jun	2022 Jan-Jun	2021 Jan-Jun
Breakdown of net revenue								
Aviation Business								
Passenger-related revenue	554	116	-	-	-	-	554	116
Aircraft-related revenue	270	107	-	-	-	-	270	107
Externally regulated charges	364	252	-	-	-	-	364	252
Ground handling	91	38	-	-	-	-	91	38
Other ancillary services	70	37	-	-	-	-	70	37
Total Aviation Business	1,349	550	-	-	-	-	1,349	550
Commercial Services								
Parking & entry	313	88	-	-	-	-	313	88
Retail, food & beverage	217	39	-	-	-	-	217	39
Real estate revenue	223	184	16	16	-7	-10	232	189
Advertising	38	30	-	-	-	-	38	30
Other commercial services	32	35	0	12	-3	-8	30	39
Total Commercial Services	824	375	16	28	-10	-18	831	384
Other net revenue	9	9	-	-	-	-	6	5
Total net revenue	2,181	934	17	28	-10	-22	2,185	940

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

During the first quarter, revenue from contracts with customers under IFRS 15 totalled SEK 1,842 M (798), which pertains to total net revenue as of June 30 including sales revenue from Retail, Food & Beverage of SEK 217 M (39) and rental revenue under FRS 16 of SEK 126 M (103).

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.

Group	Measurement under IFRS 9	Book value		Fair value	
		2022 Jun 30	2021 Dec 31	2022 Jun 30	2021 Dec 31
Amounts in SEK M					
Loan receivables and trade receivables	Amortised cost	3,743	3,405	3,743	3,405
Other financial liabilities	Amortised cost	-11,818	-10,588	-11,710	-10,572
Derivatives	Fair value	645	4	645	4
Total		-7,430	-7,179	-7,322	-7,163

NOTE 5. CUSTOMER 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. The assessment was made based on future economic prospects based on market data, credit ratings and other financial information.

park at Göteborg Landvetter Airport were sold. The underlying property value was SEK 60 M, the capital gain was SEK 44 M, and the purchase price was SEK 54 M. The transaction generated a positive cash flow of SEK 64 M.

NOTE 7. 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 952 M (894), and pension obligations in endowment insurance owned by the company, SEK 12 M (12).

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.

NOTE 6. ACQUISITIONS AND SALES OF SUBSIDIARIES

On March 21, 2022, four wholly-owned subsidiaries, Logistic 4.1 Landvetter AB, Logistic 4.2 Landvetter AB, Logistic 4.3 Landvetter AB and Logistic 4.4 Landvetter AB, in the logistics

NOTE 8. SUPPLEMENTARY INFORMATION FOR KEY FINANCIAL METRICS**DEBT/EQUITY RATIO (LEVERAGE)**

Swedavia's debt/equity ratio is affected by the pension liability trend. The pension liability was SEK 653 M on June 30, 2022, and SEK 874 M on December 31, 2021.

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

In calculating this key financial metric on June 30, 2022, operating profit for a rolling 12 months was adjusted for restructuring costs of SEK 5 M, impairment losses and disposals of SEK 45 M and capital gains of SEK 66 M. Operating profit for a rolling 12 months on June 30, 2021 was adjusted for restructuring costs of SEK 33 M, impairment losses and disposals of SEK 200 M and a capital gain of SEK 74 M.

NOTE 9. EVENTS AFTER THE END OF THE PERIOD**STRIKE AND CHAPTER 11 FILING FOR AIRLINE CUSTOMER**

The Scandinavian carrier SAS is one of Swedavia's biggest customers. On July 4, pilots employed by SAS Scandinavia went on strike. Flights operated by SAS Link, SAS Connect and SAS's external partners were not affected by the strike. On July 19, the parties announced that an agreement had been reached and the strike was over. SAS serves all of Swedavia's airports except Bromma Stockholm Airport. On July 5, SAS and some of its subsidiaries filed for Chapter 11 bankruptcy protection (a legal procedure for financial reconstruction) in the US. On July 7, the US court announced that SAS can maintain its normal business operations while the Chapter 11 proceedings are under way. The strike will entail decreased revenue for Swedavia as a result of cancelled flights. As for Chapter 11 proceedings, Swedavia has made an initial assessment of the effects and is monitoring the proceedings on a continuous basis.

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 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/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 hybrid bonds 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 and short-term investments.

NET REVENUE

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

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 strategic targets for sustainable value creation. 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.

TARGETS FOR SUSTAINABLE VALUE CREATION

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 2021.

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

Calendar

Interim Report Jan-Sep 2022	October 31, 2022
Year-End Report Jan-Dec 2022	February 15, 2023
Annual Report 2022	March 30, 2023

Swedavia's financial reports are published on Swedavia's website www.swedavia.com.

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 19, 2022, at 5:00 p.m. CEST.

This Interim Report was not reviewed 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 19, 2022

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
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