

Year-End Report

January – December 2022



**“A continued
strong recovery”**

Jonas Abrahamsson
President and CEO

Q4

2022

Year-End Report

January – December

2022

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- In 2022, Swedavia's airports had 27.6 million (11.9)¹ passengers, which is more than twice the figure compared to 2021. Passenger volume for the full year was 70 per cent of the volume for the same period before the Covid-19 pandemic, in 2019, and volume for the fourth quarter was 78 per cent of figure for the same period in 2019
- Net revenue was SEK 4,846 M (2,717)
- Operating profit was SEK -783 M (-1,385), including capital gains from real estate operations of SEK 44 M (101). During the fourth quarter, a reserve of SEK 441 M was charged to operating profit based on an assessment of the risk of repayment of restructuring aid
- Profit for the year was SEK -709 M (-1,182)
- Cash flow from operating activities for the year was positive at SEK 541 M (-293). For the fourth quarter, cash flow from operating activities was SEK 234 M (242)
- Investments for the Group totalled SEK 1,814 M (1,831)
- The Board of Directors proposes that no dividend be paid for the year

KEY FINANCIAL FIGURES, GROUP ³

SEK M, unless otherwise indicated	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Net revenue	1,350	984	4,846	2,717
Operating profit	-600	-266	-783	-1,385
Operating profit excluding capital gains, impairment losses and disposals ²	-579	-263	-799	-1,420
Operating margin, %	-44.5	-27.0	-16.2	-51.0
Operating margin excluding capital gains, impairment losses and disposals, % ²	-42.9	-26.7	-16.5	-52.3
Profit for the period	-543	-278	-709	-1,182
Return on operating capital, %	-3.3	-6.3	-3.3	-6.3
Return on operating capital excluding capital gains, impairment losses, and disposals, % ²	-3.3	-6.3	-3.3	-6.3
Debt/equity ratio, times	1.0	0.8	1.0	0.8
Cash flow from operating activities ⁴	234	242	541	-293
Capital spending	521	510	1,814	1,831
Average number of employees	2,364	2,244	2,364	2,244
Passengers, million	7.3	5.0	27.6	11.9
Operating costs per departing passenger, SEK	316.3	359.4	291.4	526.2
Commercial revenues per departing passenger, SEK	89.3	90.1	88.1	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 continued strong recovery

The year 2022 was characterised by a strong recovery in air travel and connectivity after the historic decline during the years of pandemic. It was clear that people want, need and prioritise travel – despite concerns about the economy and security policy. It remains to be seen how these factors will affect travel going forward, but enabling people to meet will be at least as important in 2023 as before.

In 2022, the growth in travel at Swedavia's airports was robust. Despite a weak start to the year due to the increasing spread of Covid, new restrictions and turmoil in the world, nearly 28 million passengers flew to or from Swedavia's airports in 2022. That is an increase of more than 130 per cent compared to 12 million passengers in 2021. We saw a strong end to the year especially at Stockholm Arlanda Airport, which in December had its best passenger growth for a single month since the start of the pandemic. At Luleå Airport, travel in December even surpassed levels for the same month before the pandemic, which is very gratifying. Overall, travel at Swedavia's ten airports during the last quarter was nearly 80 per cent of levels in the last quarter of 2019. Yet while passenger volume more than doubled compared to 2021, we are still greatly affected by the pandemic. To sum up the past year, travel in 2022 actually corresponds to a 10-year drop, with passenger volume around 70 per cent of 2019 levels.

For the full year, thanks to airline investments and increased travel, we saw that revenue was up sharply and cash flow from operating activities was positive for both the last quarter of the year and the full year. Increased travel is essentially very much welcome and will generate higher revenue but from a short-term perspective will push costs up, which will have a negative impact on earnings.

Following a decision by the Swedish Legal, Financial and Administrative Services Agency, during the year we also repaid some of the shareholder contribution we received in 2020. Despite this, the company's financial position remains good.

THE TREND IN UNCERTAIN TIMES

Economic and security policy developments in Europe were in many ways alarming in 2022, and the war in Ukraine cast a long shadow over the year. Given the general economic trend, consumers are increasingly squeezed, and we expect this unfavourable situation to continue for the foreseeable future. So far, these factors have not affected air travel to any great extent but, as a result, the trend going forward and the rate of continued recovery in the aviation market are uncertain. The aviation industry has historically been very cyclical, yet the fact that earlier travel restrictions have created pent-up demand for travel must also be taken into consideration – along with the fact that people prioritise travel over other consumption. There are still many indications that this summer will be intensive, with high demand for flights.

Planning for the future under these conditions is challenging with respect to short-term recruitment needs as well as more long-term capacity requirements. During the pandemic, we paused a number of major capacity enhancement projects. These can be resumed when there is a demand for capacity, though that is something that will take time and, in a volatile market situation, is subject to uncertainty. But we want to and will need to look forward. Despite the uncertainties, the long-term trend in the travel industry is positive.



IMPORTANT PROGRESS

A number of important development projects continued through the pandemic and are now in their end phase. In 2022, work on the new security checkpoint and the new marketplace at Stockholm Arlanda continued. In 2023, both the security checkpoint and the first phase of the marketplace will be placed in service – important milestones in Arlanda's modernisation. At Göteborg Landvetter Airport, the southern terminal expansion opened last summer, which included more than 18,000 square metres of new terminal space and three gates with connecting jet bridges. This is very positive for Landvetter's development. So is Scandinavian Airlines (SAS)'s new direct route between Gothenburg and New York, which was announced in December and will start operating in April this year. The route enhances connectivity to and from North America, which is so crucial to western Sweden, and is a sign of the ever-increasing attractiveness of Göteborg Landvetter Airport and western Sweden. Connectivity also improved significantly during the year at our other airports. At Arlanda, some 50 new destinations were added, and the strong passenger growth at Luleå is in part a consequence of the new international routes set up over the past year.

It is gratifying that the aviation industry's climate transition took important steps forward even during the pandemic. So did Swedavia's. In 2022, six of our airports achieved the highest level of Airport Carbon Accreditation, which is a framework for assessing the climate work of airports. That means we have confirmed our position as a global leader. But we will not be satisfied with that – instead, this work needs to further accelerate going forward. We at Swedavia will drive this transition, not least by supporting all of our partners at the airports in making the same journey that we ourselves have made and eliminating emissions from their operations at the airports.

EMPLOYEES MEAN EVERYTHING

The supply of skills is crucial for the entire aviation industry in both the short and long term, and for us as well. Recruitment for this summer already began last year, and just a few weeks ago we held a major Recruitment Day at Arlanda for all the companies and other organisations operating there. Swedavia will be an attractive employer, so it is really good news that in 2022 we were named one of Sweden's most attractive workplaces by Karriärföretagen. For the second straight year, we were also ranked by the Financial Times as one of Europe's Diversity Leaders.

But the wonderful employees who already work with us are just as important. 2022 turned into a year of recovery. The increase in passengers in late spring and summer was dramatic, and there were many challenges. That led to an exceptional situation mostly at Arlanda which was saved by our incredibly skilled and engaged employees. Their ability to do everything to ensure that passengers, airline customers and tenants have as good an experience as possible at our airports is by far Swedavia's greatest asset. It makes me proud, grateful and hopeful about the future.

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 connectivity 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 connectivity 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 sound 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 ⁴ Dec 31, 2022	Actual ⁴ Dec 31, 2021	Targets 2022	Targets 2025
Satisfied passengers, % ⁵	76	82	82	85
Engaged leaders and employees, % ⁶	60	n/a	n/a	70
Return on operating capital, %	-3.3	-6.3	6.0	6.0
Mixture of renewable jet fuel, % ⁷	0.5	0.4	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 No measurement was carried out using the Engaged Leader and Employee method last year. Starting from 2022, a new method of measurement has been adopted. The target of 70 in the table above refers to the target determined in the business plan for 2024. New target for 2025 will be determined during 2023.
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 connectivity 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 – December

ARLANDA COMMISSION REPORT SUBMITTED TO GOVERNMENT

On February 15, 2022, the then Swedish government appointed a commission entrusted with the task of preparing a plan for the development of Stockholm Arlanda Airport, including its environmental permit. The investigator was also supposed to take into consideration assessments and proposals in the report that provided documentation for the decommissioning of Stockholm Bromma Airport – *Bromma Airport: Underlag för avveckling av drift and verksamhet* (Event No. I2021/02251). 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 was open to public consultation until October 31, 2022. 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, passengers' lead-times at the airport should be shortened, more people should take mass transport to the airport, a study on enhanced capacity in the road and rail transport system around Arlanda is necessary and an aviation fuel commission should be appointed. The report also proposed that Bromma Stockholm Airport should only operate fossil-free air traffic after 2030 and could be closed in 2035 at the earliest.

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 43 M.

STRIKE AND CHAPTER 11 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 ended. SAS serves all of Swedavia's airports except Bromma Stockholm Airport, and the strike had a negative effect on Swedavia's traffic and revenue.

On July 5, SAS and some of its subsidiaries filed for Chapter 11 bankruptcy protection (a legal process for financial restructuring) 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. So far, these proceedings have not had any negative effect for Swedavia. The process is monitored continuously by Swedavia in order to assess any future consequences.

RECOVERY OF PART OF SHAREHOLDER CONTRIBUTION TO SWEDAVIA

On September 1, 2022, the Swedish government decided to commission the Swedish Legal, Financial and Administrative Services Agency to examine the matter of recovery and to recover SEK 879 M of the SEK 2.5 billion shareholder contribution paid to Swedavia on October 23, 2020, based on authorisation previously given by the Swedish Parliament.

The owner's decision to provide a shareholder contribution of SEK 2.5 billion in October 2020 was made based on market terms. Following the filing of a complaint, the European Commission is examining the shareholder contribution in view of the praxis established during the COVID-19 pandemic. As a result, the Swedish government has determined that SEK 1,621 M of this amount can be approved by the European Commission based on State aid rules laid out in the Treaty of the Functioning of the European Union (TFEU). Consequently, the overpayment of SEK 879 M plus interest needs to be repaid by Swedavia. After examining the matter, the Swedish Legal, Financial and Administrative Services Agency determined on October 5, 2022, that Swedavia must repay SEK 879 M of the shareholder contribution paid earlier, plus SEK 19 M in interest. The payment was made to the Agency on October 31, 2022.

Swedavia previously received restructuring aid totalling SEK 441 M as a result of the Covid-19 pandemic. It is the company's assessment that the Agency's decision may mean that the restructuring aid must be repaid, and as a result a reserve was set aside in the annual accounts to repay the amount in full.

The review of the shareholder contribution and uncertainty about the potential effect on other State aid were noted earlier in the risk section in Swedavia's quarterly reports and Annual Report.

Swedavia has capacity to manage the repayments in terms of liquidity and continue to meet the owner's capital structure target for the company.

COMMUNICATION ON BROMMA STOCKHOLM AIRPORT IN THE TIDÖ AGREEMENT

In the so-called Tidö Agreement presented by the Moderate Party, Christian Democrats, Liberals and Sweden Democrats on October 14, the parties agreed that no decision on the closure of Bromma Stockholm Airport will be made during their current term of office.

CFO TO LEAVE SWEDAVIA

CFO Mats Pålsson has chosen to step down from his position at Swedavia at his own request. Mats Pålsson will leave his position on June 15, 2023.

Events after the end of the period

SWEDAVIA APPOINTS KRISTINA FERENIUS AS NEW CFO

On February 2, 2023, Swedavia appointed Kristina Ferenius to be the new CFO as well as a new member of Swedavia's Group management. She has worked most recently as the CFO of Sveaskog and will take over the position by August 1.

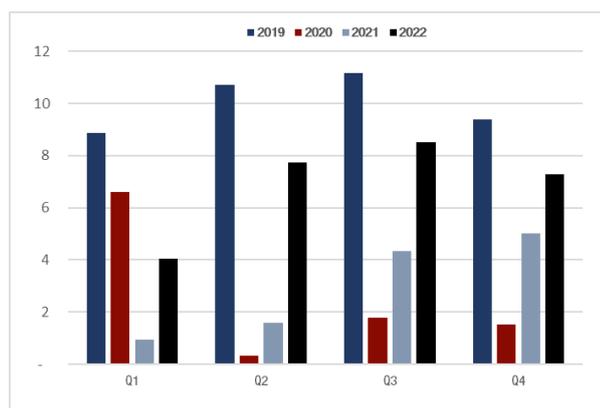
Passenger trends

January – December

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. Consequently, demand for travel increased sharply starting in March and continued to increase during the rest of the year. Increased demand for travel has led airlines to gradually expand their offering with more destinations and an increased number of departures.

During the year, 27.6 million passengers flew via Swedavia's airports. That is more than twice the number of passengers in 2021, when Swedavia had 11.9 million passengers. Passenger volume for the full year was 70 per cent of the pre-pandemic volume in 2019. Due to the increased recovery rate, passenger volume at the end of the year was nearly 80 per cent of the volume in 2019.

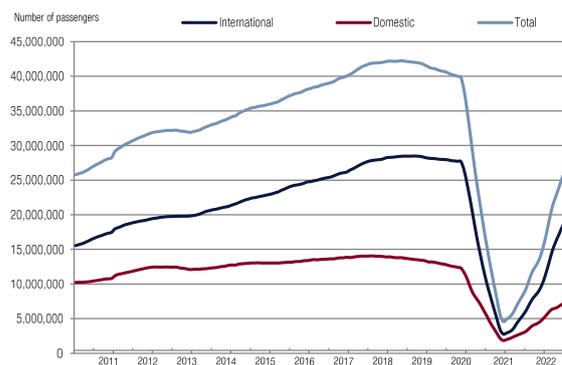
PASSENGER VOLUME – SWEDAVIA
QUARTERLY PASSENGER VOLUME, 2019 – 2022 (MILLION)



October – December

During the fourth quarter of 2022, the post-pandemic recovery continued. Despite a seasonally-related decline in the number of passengers during the quarter compared to the previous quarter, passenger volume increased to the equivalent of 78 per cent of the pre-pandemic level. During the quarter, 7.3 million passengers flew via Swedavia's airports, which is an increase of nearly 50 per cent compared to the same period in 2021.

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



PASSENGER VOLUME
JAN-DEC 2022

Passengers	Number of passengers Jan-Dec			Number of passengers Oct-Dec		
	2022	2021	Per cent change	2022	2021	Per cent change
International	20,040,000	7,886,000	154.1%	5,164,000	3,319,000	55.6%
Domestic	7,571,000	4,010,000	88.8%	2,175,000	1,687,000	28.9%
Total	27,611,000	11,896,000	132.1%	7,339,000	5,007,000	46.6%

Economic overview, Group

Operating profit

JANUARY-DECEMBER

Net revenue for the period totalled SEK 4,846 M (2,717), which is an increase of SEK 2,128 M or 78 per cent compared to 2021. In the Airport Operations segment, net revenue increased SEK 2,109 M to SEK 4,824 M (2,715). Net revenue in the Real Estate segment totalled SEK 40 M (39).

Revenue from Aviation Business totalled SEK 2,995 M (1,653), which is SEK 1,342 M or 81 per cent higher compared to the previous year, mainly due to higher passenger volume and increased air traffic. Revenue from Commercial Services was SEK 1,819 M (1,051), SEK 768 M or 73 per cent higher compared to the previous quarter. The recovery in passenger volume resulted in higher revenue from Parking & Entry and from Retail, Food & Beverage, which overall was SEK 696 M higher compared to the previous year at SEK 1,216 M (520). Real Estate revenue was also higher compared to the previous year and totalled SEK 457 M (399), mainly due to increased revenue from the resale of electricity and heating. During the year, revenue from Commercial Services was positively affected by a rent relief grant from the Swedish State of SEK 8 M (24).

Other operating revenue was negative and totalled SEK -349 M (325), mainly due to a reserve for potential repayment of restructuring aid, SEK -441 M, a capital gain of SEK 44 M (90) from the sale of land-owning companies at Göteborg Landvetter Airport, and restructuring aid received of SEK 20 M (208).

External costs and staff expenses, including capitalised work for the company's own account, totalled SEK -3,912 M (-3,031), which is SEK 881 M higher compared to the previous year. Higher costs are largely explained by the adjustment of operations to more than twice the passenger volume compared to the previous year, but also by price effects on purchases of energy and goods. In 2021, State aid for furloughs had a positive effect of SEK 81 M.

Depreciation, amortisation and impairment losses totalled SEK 1,363 M (1,382).

Consolidated operating profit totalled SEK -783 M (-1,385) and the consolidated operating margin was -16.2% (-51.0). Excluding restructuring costs, impairment losses and capital gains, operating profit was SEK -799 M (-1,420). Furthermore, excluding a reserve for the repayment of restructuring aid, the underlying operating profit was SEK -358 M (-1,420).

Operating profit in the Airport Operations segment was SEK 647 M higher compared to the previous year and totalled SEK -828 M (-1,475), mainly due to increased air traffic and higher passenger volume.

In the Real Estate segment, operating profit was SEK 7 M (72), with operating profit positively affected by a capital gain of SEK 44 M (101).

OCTOBER-DECEMBER

Net revenue for the fourth quarter totalled SEK 1,350 M (984), which is an increase of SEK 365 M or 37 per cent compared to the previous year. In the Airport Operations segment, net revenue increased SEK 353 M to SEK 1,333 M (980). Net revenue in the Real Estate segment totalled SEK 8 M (13).

Revenue from Aviation Business totalled SEK 835 M (596), which is an increase of SEK 240 M. The increase in passenger- and aircraft-related revenue was less than the increase in passenger volume, which is explained by higher discounts given to new and additional traffic volume. Revenue for security screening increased due to the increased cost base. Revenue from Ground Handling was also higher compared to the previous year due to more aircraft movements and de-icing services.

Revenue from Commercial Services was SEK 106 M higher compared to the previous year and totalled SEK 490 M (384). The SEK 45 M increase in revenue from Retail, Food & Beverage was greater than the increase in passenger volume, mainly due to higher average revenue per departing passenger. Revenue from Parking & Entry was SEK 56 M higher than in 2021 mainly due to revenue from passenger parking, which increased in line with the upturn in passengers. Revenue from Real Estate was SEK 6 M higher compared to the previous year, due to increased revenue from the resale of electricity to external customers. Revenue from Commercial Services was positively affected in the fourth quarter by State rent relief grants of SEK 0 M (21).

Other operating revenue totalled SEK -429 M (28). The quarter was affected by a reserve for the possible repayment of restructuring aid of SEK -441 M.

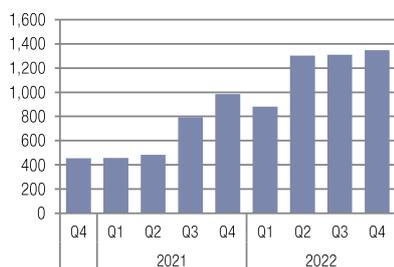
External costs and staff expenses, including capitalised work for the company's own account, totalled SEK -1,147 M (-882), which is SEK 265 M higher compared to the previous year. Higher costs are mostly explained by increasing passenger volume but also by price effects of purchases of energy and goods. Winter weather conditions pushed costs higher in the fourth quarter compared to the previous year.

Depreciation, amortisation and impairment losses totalled SEK 370 M (381).

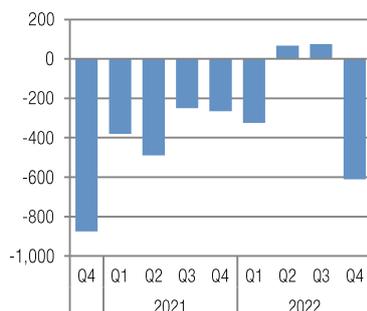
Consolidated operating profit for the fourth quarter totalled SEK -600 M (-266). The consolidated operating margin was 44.5% (-27.0). Excluding restructuring costs, impairment losses and capital gains, operating profit was SEK -579 M (-263).

For the Airport Operations segment, operating profit was SEK -607 M (-288), SEK 319 M lower compared to the previous year. Operating profit for the Real Estate segment was SEK -14 M (15).

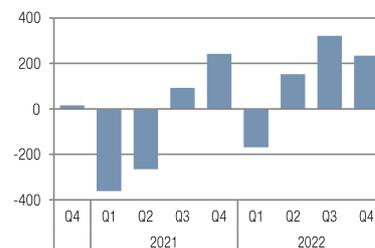
NET REVENUE, SEK M



OPERATING PROFIT, SEK M
(including capital gains)



CASH FLOW FROM OPERATING ACTIVITIES, SEK M



Financial items

Financial items for the year were a net expense of SEK 86 M (56), which is SEK 31 M higher than the previous year. The difference is mostly explained by higher borrowing costs, SEK 121 M (73), with the increase mostly explained by a higher average interest rate on borrowings.

Financial items the fourth quarter totalled SEK -29 M (-20).

Profit for the period

Profit before tax for the full year was SEK -870 M (-1,441) and profit for the period was SEK -709 M (-1,182).

Profit before tax for the fourth quarter was SEK -629 M (-286) and profit for the fourth quarter was SEK -543 M (-278).

Investments

Investments for the full year totalled SEK 1,814 M (1,831), with investments in the Airport Operations segment totalling SEK 1,798 M (1,777). Most investments were made in the development programme at Stockholm Arlanda Airport.

Investments in Real Estate and property development totalled SEK 16 M (54).

During the fourth quarter, investments totalled SEK 521 M (510).

Cash flow

Cash flow for the year was SEK -840 M (638).

Cash flow from operating activities for the full year was positive at SEK 541 M (-293), which is SEK 834 M higher compared to the previous year. The improved cash flow is mainly explained by higher cash-generating income. Cash flow from the change in operating capital was SEK -56 M (169).

Cash flow from investing activities was SEK -1,767 M (-1,386), which is SEK 381 M higher than the previous year. Payments due to investments totalled SEK 1,814 M (1,831). The sale of subsidiaries generated a positive cash flow of SEK 64 M (488). During the year, increased short-term investments resulted in net cash flow of SEK -95 M (-122).

Cash flow from financing activities totalled SEK 385 M (2,317). Bank loans increased SEK 500 M, medium-term note loans increased SEK 178 M and commercial paper increased SEK 793 M, which together increased loan liabilities by SEK 1,471 M. The payment of interest due to hybrid bonds, SEK 81 M (18), had a negative effect on cash flow. Lease liabilities totalling SEK 107 M (104) were repaid, and during the fourth quarter a shareholder contribution of SEK 879 M and interest of SEK 19 M was repaid in accordance with the Swedish government's decision.

Cash flow from operating activities for the fourth quarter was positive at SEK 234 M (242), and cash flow for the quarter totalled SEK -1,464 M (175).

Liquidity and financial position

At the end of the year, equity totalled SEK 11,084 M (11,990). Equity decreased due to interest on hybrid bonds of SEK 81 M and repayment of some of the shareholder contribution Swedavia received in 2020, totalling SEK 898 M, with SEK 879 M of this a repayment of the shareholder contribution and SEK 19 M of this interest. Equity also increased SEK 73 M due to positive comprehensive income. Equity includes hybrid bonds of SEK 3,500 M, SEK 1,000 M of which were issued in November 2019 and SEK 2,500 M of which were issued in November 2021.

Swedavia's loan liabilities at the end of the year totalled SEK 11,144 M (9,672), which is an increase of SEK 1,471 M. Swedavia's loan liabilities are broken down into bank loans of SEK 4,200 M (3,700), medium-term notes of SEK 6,050 M (5,872) and commercial paper of SEK 893 M (100). At year-end, the average capital tie-up period, which includes the effect of interest rate derivatives, was 3.6 years (4.4) and the average interest rate lock-in period was 4.2 years (2.9). The average interest rate on December 31 was 2.2 per cent (1.3). On the balance sheet date, the nominal total of interest rate derivatives was SEK 7,100 M (5,750).

Liquid assets decreased SEK 840 M to SEK 1,260 M (2,100) at the end of the quarter. Short-term investments through the fourth quarter increased SEK 95 M, from SEK 297 M to SEK 392 M. Net liabilities increased SEK 1,864 M from SEK 9,293 M to SEK 11,157 M.

The debt/equity ratio was 1.0 times (0.8).

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

At year-end, 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, was -3.3 per cent (-6.3).

FINANCIAL TARGETS FOR SWEDAVIA'S OWNER

	Actual Dec 31, 2022	Target
Return on operating capital, %	-3.3	6.0
Debt/equity ratio, times	1.0	0.7-1.5
Dividend target, % ⁷	-	10-50

KEY FINANCIAL METRICS

	Actual Dec 31, 2022	Actual Dec 31, 2021	Policy
Average interest rate, %	2.2	1.3	n/a
Average interest rate lock-in period, year	4.2	2.9	1-4
Average capital tie-up period, years	3.6	4.4	2-5

Employees

The average number of employees for the period January 1, 2022 – December 31, 2022, totalled 2,364 (2,244). The average number of employees decreased through the first quarter of 2022 as an effect of a structural change carried out in the organisation. The average number of employees then increased through the fourth quarter 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 and Sustainability Report 2021 on pages 62–65 and in Note 47.

Swedavia's biggest risks are associated with the air traffic trend. During 2022, the effects of the Covid-19 pandemic diminished significantly, and air traffic recovered to a significant extent. Also in 2022, the situation around the world deteriorated, with the war in Ukraine, increased inflation and higher prices for energy, fuel and commodities. These developments have had a negative impact on global economic growth, which in turn affects 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. Swedavia works instead on a continuous basis with different scenarios of potential future trends and develops 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. 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 lower passenger 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, 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 capacity challenges when traffic volume is high, which has a negative effect 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 moreover 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 has contested 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.

After examining the matter, the Swedish Legal, Financial and Administrative Services Agency decided to recover some of the shareholder contribution that Swedavia received in 2020, which in turn may affect the restructuring aid Swedavia received on account of the Covid-19 pandemic. Swedavia repaid SEK 879 M of the shareholder contribution and set aside a SEK 441 M reserve for the repayment of restructuring aid.

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

Dividend

Despite a strong recovery in 2022, passenger volume and earnings capacity have not yet recovered to a balanced level, which entails continued negative financial effects for Swedavia. The uncertain situation around the world also means that it is difficult to determine the future financial trend for the company in both the short and long term. In view of this, the Board of Directors, in line with Swedavia's dividend policy, proposes that no dividend be paid at the Annual General Meeting, to be held on April 28, 2023, and that the funds available, including profit for the year, SEK 7,799 M, be carried forward.

Parent Company

Net revenue and operating profit

Net revenue for the Parent Company for the full-year 2022 totalled SEK 4,824 M (2,698), which is an increase of SEK 2,126 M, mainly due to increased passenger volume starting in the second quarter and through the rest of the year compared to the previous year. Other operating revenue, SEK -392 M (233), was affected by a reserve set aside in the fourth quarter for potential repayment of SEK -441 M in restructuring aid as well as restructuring aid of SEK 20 M (208). Operating profit for the year was SEK -890 M (-1,592) and the operating profit margin was -18.4 per cent (-59.0). Profit before tax for the full year was SEK -183 M (-1,056) and was positively affected by dividends from subsidiaries of SEK 700 M (-). Profit for the year was SEK -25 M (-898).

Profit before tax for the fourth quarter was SEK -465 M (385) and profit for the period was SEK -411 M (247).

Consolidated income statement

Amounts in SEK M	Note	2022	2021	2022	2021
		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net revenue	2,3	1,350	984	4,846	2,717
Other operating revenue	6	-429	28	-349	325
Total revenue		921	1,012	4,497	3,042
Work performed by the company for its own use and capitalised		31	41	121	161
External costs		-713	-519	-2,370	-1,707
Staff expenses		-465	-404	-1,664	-1,484
Depreciation/ amortisation and impairment losses on tangible fixed assets and intangible non-current assets		-370	-382	-1,363	-1,382
Other operating costs		-4	-14	-5	-14
Operating profit		-600	-266	-783	-1,385
Income from financial items					
Income from holdings in associated companies and joint ventures		20	16	72	71
Interest income and similar items		16	0	24	4
Interest expenses and similar items		-65	-37	-182	-131
Income after financial items		-629	-286	-870	-1,441
Tax		86	8	161	258
Profit for the period	2	-543	-278	-709	-1,182
Earnings per share before and after dilution, SEK		-0.40	-0.20	-0.55	-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	2021	2022	2021
		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Profit for the period		-543	-278	-709	-1,182
Other comprehensive income:					
Items that can be reclassified to the income statement					
Cash flow hedges					
Items reclassified to the income statement		28	5	35	8
Change in fair value for the period		-229	43	629	177
Tax		42	-10	-137	-38
Other comprehensive income from joint ventures, net after tax		-1	8	39	13
Items that cannot be reclassified to the income statement					
Revaluations of defined benefit pensions		-26	-19	271	-3
Tax		5	4	-56	1
Total other comprehensive income, net after tax		-183	31	782	157
Comprehensive income for the period		-726	-246	73	-1,025

Consolidated balance sheet, summary

Amounts in SEK M	Note	Dec 31, 2022	Dec 31, 2021
ASSETS	2		
NON-CURRENT ASSETS			
Intangible assets		695	702
Fixed assets		19,810	19,214
Right-of-use assets		1,031	1,088
Deferred tax asset		138	169
Derivative instruments		665	42
Non-current financial assets		1,439	1,282
Total non-current assets		23,778	22,498
CURRENT ASSETS			
Materials and supplies		78	62
Trade receivables	5	489	383
Receivables from associated companies		11	27
Other receivables		126	248
Prepaid expenses and accrued income		146	95
Derivative instruments		7	-
Short-term investments		392	297
Liquid assets		1,260	2,100
Total current assets		2,509	3,213
TOTAL ASSETS		26,288	25,711
EQUITY AND LIABILITIES	2		
EQUITY			
Share capital		1,441	1,441
Other paid-in capital		3,783	4,661
Hedge reserve		533	6
Hybrid bonds		3,500	3,500
Retained earnings (including profit for the year)		1,827	2,381
Total equity		11,084	11,990
NON-CURRENT LIABILITIES			
Provisions		915	1,153
Interest-bearing liabilities		8,800	8,002
Derivative instruments	4	2	35
Lease liability		972	1,022
Other non-current liabilities		13	128
Total non-current liabilities		10,700	10,339
CURRENT LIABILITIES			
Provisions		49	98
Interest-bearing liabilities		2,344	1,671
Derivative instruments	4	4	4
Lease liability		122	122
Trade payables		613	565
Liabilities to associated companies		33	64
Other liabilities		629	305
Accrued expenses and prepaid income		710	553
Total current liabilities		4,503	3,382
TOTAL EQUITY AND LIABILITIES		26,288	25,711

Consolidated change in equity

Amounts in SEK M	Note	Dec 31, 2022	Dec 31, 2021
Equity, opening balance		11,990	10,533
Hybrid bond interest and transaction costs		-81	-18
Hybrid bond issue		-	2,500
Repayment, unconditional shareholder contribution ¹		-898	-
Total transactions with owner and others		-979	2,482
Profit for the period		-709	-1,182
Other comprehensive income		782	157
Other comprehensive income for the period		73	-1,025
Equity, closing balance		11,084	11,990

¹ Repayment of unconditional shareholder contribution of SEK 879 M plus interest of SEK 19 M

Consolidated cash flow statement

Amounts in SEK M	Note	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Operating activities					
Profit after financial items		-629	-287	-870	-1,441
Adjustments for items not included in cash flow etc.		752	449	1,524	993
Tax paid		27	24	-57	-16
		149	187	597	-463
Cash flow from changes in working capital					
Increase(-)/Decrease(+) in materials and supplies		-8	-1	-16	-5
Increase(-)/Decrease(+) in operating receivables		-160	-171	-92	160
Increase(+)/Decrease(-) in operating liabilities		255	227	52	14
Cash flow from operating activities		234	242	541	-293
Investing activities					
Disposal of subsidiaries	6	-	18	64	488
Acquisitions/disposal of intangible assets		-28	-40	-56	-74
Acquisitions/disposal of fixed assets		-492	-468	-1,758	-1,755
Acquisitions short-term investments		-766	-285	-2,199	-347
Disposal short-term investments		724	-	2,104	225
Dividends from associated companies		79	78	79	78
Cash flow from investing activities		-483	-697	-1,767	-1,386
Financing activities					
Hybrid bond issue		-	2,500	-	2,500
Hybrid bond interest and transaction costs		-32	-7	-81	-18
Repayment of unconditional shareholder contribution plus interest		-898	-	-898	-
Borrowings raised		1,397	500	3,694	4,494
Borrowings repaid		-1,655	-2,337	-2,223	-4,555
Repayment of lease liabilities		-28	-26	-107	-104
Cash flow from financing activities		-1,216	630	385	2,317
Cash flow for the period		-1,464	175	-840	638
Liquid assets at the beginning of the period		2,724	1,925	2,100	1,462
Liquid assets at the end of the period		1,260	2,100	1,260	2,100

Parent Company income statement

Amounts in SEK M	Note	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Net revenue		1,345	1,019	4,824	2,698
Other operating income		-428	7	-392	233
Total revenue		917	1,026	4,431	2,932
Work performed by the company for its own use and capitalised		31	41	121	161
External expenses		-680	-517	-2,486	-1,913
Staff expenses		-492	-425	-1,701	-1,494
Depreciation and amortisation on tangible fixed assets and non-current intangible assets		-348	-362	-1,251	-1,263
Other operating expenses		-3	-14	-5	-14
Operating profit		-575	-251	-890	-1,592
Income from financial items					
Profit from holdings in Group companies		-	-	700	-
Interest income and similar items		21	6	35	10
Interest expenses and similar items		-68	-37	-186	-141
Income from financial items		-622	-282	-340	-1,722
Appropriations		157	667	157	667
Profit before tax		-465	385	-183	-1,056
Tax		54	-137	158	157
Profit for the period		-411	247	-25	-898

Parent Company statement of comprehensive income

Amount in SEK M	Note	2022 okt-dec	2021 okt-dec	2022 jan-dec	2021 jan-dec
Profit for the period		-411	247	-25	-898
Other comprehensive income		-	-	-	-
Comprehensive income for the period		-411	247	-25	-898

Parent Company balance sheet, summary

Amounts in SEK M	Note	Dec 31, 2021	Dec 31, 2021
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets		523	555
Tangible fixed assets		18,858	18,248
Total financial assets		2,022	1,737
Non-current assets		21,402	20,540
CURRENT ASSETS			
Materials and supplies		78	61
Current receivables		1,826	1,557
Short-term investments		392	297
Liquid assets		1,260	2,100
Total current assets		3,557	4,015
Total assets		24,959	24,555
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital (1,441,403,026 shares)		1,441	1,441
Reserve for development expenditures		9	17
Unrestricted equity			
Share premium reserve		2,161	2,161
Hybrid bonds		3,500	3,500
Retained earnings/Share premium reserve		2,162	3,983
Profit for the period		-25	-898
Total equity		9,249	10,204
Untaxed reserves		988	1,083
Provisions		1,491	1,482
Non-current liabilities		8,800	8,120
Current liabilities		4,431	3,666
TOTAL EQUITY AND LIABILITIES		24,959	24,555

Notes

NOTE 1. ACCOUNTING PRINCIPLES

GENERAL

The Year-End Report was prepared in conformity with IAS 34, "Interim Financial Reporting", and applicable standards in Sweden's Annual Accounts Act. Disclosure requirements set out in IAS 34 and in the Annual Accounts Act, Chapter 9 "Interim Reports" have been applied both in the notes and elsewhere in the Year-End Report. 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 and interpretations 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 2024 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 restructuring aid 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

	Airport Operations		Real Estate		Eliminations/adjustments *		Group	
Income statement Oct-Dec								
Amounts in SEK M	2022	2021	2022	2021	2022	2021	2022	2021
Net revenue	1,333	980	8	13	9	-10	1,350	984
Other operating income, external	-428	7	-	21	-	-	-429	28
Total revenue	905	987	8	34	9	-10	921	1,012
Work performed by the company for its own use and capitalised	31	41	-	-	-	-	31	41
Operating expenses	-1,203	-954	-15	-14	40	46	-1,179	-923
Depreciation, amortisation and impairment losses	-336	-348	-6	-6	-28	-28	-370	-382
Other operating costs	-3	-14	0	0	-	-	-4	-14
Operating profit	-607	-288	-14	15	21	8	-600	-266
Financial income	21	6	20	16	-6	-5	36	16
Financial expenses	-72	-38	-4	-5	11	7	-65	-37
Profit before tax	-609	-285	-46	-10	26	9	-629	-286
Tax	84	1	8	9	-5	-2	86	8
Profit for the period	-526	-284	-38	-1	20	7	-543	-278
Other segment information								
Profit from holdings in associated companies and joint ventures	-	-	20	16	-	-	20	16
Investments	511	520	10	-10	-	-	521	510
Capital gains	-	-	-	21	-	-	-	21
Restructuring costs	3	2	-	-	-	-	3	2
Impairment losses/disposals	18	36	-	-	-	-	18	36

	Airport Operations		Real Estate		Eliminations/adjustments *		Group	
Income statement Jan-Dec								
Amounts in SEK M	2022	2021	2022	2021	2022	2021	2022	2021
Net revenue	4,824	2,715	40	39	-18	-37	4,846	2,717
Other operating income, external	-392	233	43	101	0	-9	-349	325
Total revenue	4,431	2,949	84	140	-18	-47	4,497	3,042
Work performed by the company for its own use and capitalised	121	161	-	-	-	-	121	161
Operating expenses	-4,150	-3,325	-54	-43	171	176	-4,033	-3,191
Depreciation, amortisation and impairment losses	-1,226	-1,245	-22	-25	-114	-112	-1,363	-1,382
Other operating costs	-5	-14	-1	0	0	0	-5	-14
Operating profit	-828	-1,475	7	72	38	18	-783	-1,385
Profit from holdings in subsidiaries	700	-	-	-	-700	-	-	-
Financial income	35	10	72	71	-11	-6	96	75
Financial expenses	-199	-148	-9	-6	26	24	-182	-131
Profit before tax	-244	-1,577	21	101	-647	35	-870	-1,441
Tax	171	265	1	1	-11	-7	161	258
Profit for the period	-73	-1,312	22	102	-658	28	-709	-1,182
Other segment information								
Profit from holdings in associated companies and joint ventures	-	-	72	71	-	-	72	71
Investments	1,798	1,777	16	54	-	-	1,814	1,831
Capital gains	-	-2	43	101	-	-9	43	90
Restructuring costs	6	18	-	-	-	-	6	18
Impairment losses/disposals	22	52	-	-	-	-	22	52

SEGMENT REPORTING, BALANCE SHEET

	Airport Operations		Real Estate		Eliminations/adjustments *		Group	
Balance sheet								
Amounts in SEK M	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Non-current assets	21,100	20,292	1,632	1,637	1,047	569	23,778	22,498
Current assets	3,557	3,934	144	455	-1,191	-1,176	2,509	3,213
Total assets	24,656	24,227	1,776	2,091	-144	-607	26,288	25,711
Equity	10,461	11,298	685	1,324	-62	-631	11,084	11,990
Liabilities	14,195	12,929	1,091	768	-82	24	15,204	13,720
Total equity and liabilities	24,656	24,227	1,776	2,091	-144	-607	26,288	25,711

NOTE 3. NET REVENUE

Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments		Group	
	2022 Oct-Dec	2021 Oct-Dec	2022 Oct-Dec	2021 Oct-Dec	2022 Oct-Dec	2021 Oct-Dec	2022 Oct-Dec	2021 Oct-Dec
Breakdown of net revenue								
Aviation Business								
Passenger-related revenue	350	250	-	-	-	-	350	250
Aircraft-related revenue	150	110	-	-	-	-	150	110
Externally regulated charges	217	150	-	-	-	-	217	150
Ground handling	80	51	-	-	-	-	80	51
Other ancillary services	39	35	-	-	-	-	39	35
Total Aviation Business	835	596	-	-	-	-	835	596
Commercial Services								
Parking & entry	195	139	-	-	-	-	195	139
Retail, food & beverage	135	90	-	-	-	-	135	90
Real estate revenue	114	107	8	8	-3	-3	119	113
Advertising	22	15	-	-	-	-	22	15
Other commercial services	21	28	0	6	-1	-6	20	28
Total Commercial Services	486	380	8	13	-4	-9	490	384
Other net revenue	12	5	0	0	13	0	24	5
Total net revenue	1,333	980	8	13	9	-10	1,350	984
Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments		Group	
	2022 Jan-Dec	2021 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec
Breakdown of net revenue								
Aviation Business								
Passenger-related revenue	1,278	578	-	-	-	-	1,278	578
Aircraft-related revenue	585	325	-	-	-	-	585	325
Externally regulated charges	781	539	-	-	-	-	781	539
Ground handling	208	116	-	-	-	-	208	116
Other ancillary services	143	93	-	-	-	-	143	93
Total Aviation Business	2,995	1,653	-	-	-	-	2,995	1,653
Commercial Services								
Parking & entry	716	339	-	-	-	-	716	339
Retail, food & beverage	500	181	-	-	-	-	500	181
Real estate revenue	438	384	32	32	-13	-16	457	399
Advertising	83	61	-	-	-	-	83	61
Other commercial services	67	79	8	7	-12	-15	63	70
Total Commercial Services	1,804	1,044	39	39	-24	-31	1,819	1,051
Other net revenue	25	19	1	1	6	-6	32	14
Total net revenue	4,824	2,715	40	39	-18	-37	4,846	2,717

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

Through the fourth quarter, revenue from contracts with customers under IFRS 15 totalled SEK 4,100 M (2,315), which pertains to total net revenue for the full year including sales revenue from Retail, Food & Beverage om SEK 500 M (181) and rental revenue under FRS 16 of SEK 245 M (222).

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 Dec 31	2021 Dec 31	2022 Dec 31	2021 Dec 31
Amounts in SEK M					
Loan receivables and trade receivables	Amortised cost	2,448	3,405	2,448	3,405
Other financial liabilities	Amortised cost	-12,050	-10,588	-11,935	-10,572
Derivatives	Fair value	666	4	666	4
Total		-8,936	-7,179	-8,821	-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.

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 park at Göteborg Landvetter Airport were sold. The underlying property value was SEK 60 M, the capital gain was SEK 43 M, and the purchase price was SEK 54 M. The transaction generated a positive cash flow of SEK 60 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 926 M (894) and pension obligations in endowment insurance owned by the company, SEK 13 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 8. SUPPLEMENTARY INFORMATION FOR KEY FINANCIAL METRICS**DEBT/EQUITY RATIO**

Swedavia's debt/equity ratio is affected by the pension liability trend. The pension liability was SEK 572 M on December 31, 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 December 31, 2022, operating profit for a rolling 12 months was adjusted for restructuring costs of SEK 6 M, impairment losses and disposals of SEK 22 M and capital gains of SEK 43 M. Operating profit for a rolling 12 months on December 31, 2021, was adjusted for restructuring costs of SEK 18 M, impairment losses and disposals of SEK 52 M and a capital gain of SEK 90 M.

NOTE 9. EVENTS AFTER THE BALANCE SHEET DATE**SWEDAVIA APPOINTS KRISTINA FERENIUS AS NEW CFO**

On February 2, 2023, Swedavia appointed Kristina Ferenius to be the new CFO as well as a new member of Swedavia's Group management. She has worked most recently as the CFO of Sveaskog and will take over the position by August 1.

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

Annual and Sustainability Report 2022	March 30, 2023
Annual General meeting 2023	April 28, 2023
Interim report Jan-Mar 2023	April 28, 2023
Interim report Jan-Jun 2023	July 20, 2023
Interim report Jan-Sep 2023	October 30, 2023
Year-End Report Jan-Dec 2023	February 15, 2024

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

Swedavia AB (publ) is required to disclose the information in this Year-End Report under the EU Market Abuse Regulation and the Securities Market Act. The information was provided by the contact persons below for publication on February 15, 2023, at 3:00 p.m.

This Year-End Report has not been subject to a review by Swedavia's auditors.

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On behalf of the Board of Directors, the President and CEO hereby submits the
Year-End Report for the period January-December 2022

Stockholm-Arlanda February 15, 2023

Jonas Abrahamsson
President and CEO

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