

Interim Report

January – March 2020

“Measures to face the
dramatic traffic downturn”

Jonas Abrahamsson
President and CEO



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- During the first quarter, Swedavia's airports had 6.6 million (8.9)¹ passengers, which is a decrease of 25.5 per cent compared to last year
- Net revenue totalled SEK 1,245 M (1,474), a decrease of SEK 229 M mostly related to the effects of the Covid-19 pandemic mainly during the second half of March, which led to lower passenger volume and reduced traffic
- Operating profit totalled SEK 275 M (70). Operating profit was positively affected by a capital gain of SEK 422 M (-) related to the sale of Airport Hotel 2 AB. Lower sales revenue from Aviation Business and Commercial Services as well as higher costs related to a provision for expected customer credit losses of SEK 54 M had a negative effect on operating profit
- Restructuring costs totalled SEK 15 M (13)
- Operating profit excluding capital gains and restructuring costs was SEK -132 M (83)
- Profit for the period totalled SEK 292 M (47)
- Investments for the Group totalled SEK 841 M (656)
- In late March, around 2,100 of Swedavia's employees were furloughed

KEY FINANCIAL FIGURES, GROUP ³

	2020 Jan-Mar	2019 Jan-Mar	2019 Jan-Dec
SEK M, unless otherwise indicated			
Net revenue	1,245	1,474	6,235
Operating profit	275	70	709
Operating profit excluding capital gains, impairment losses and disposals ²	-132	83	742
Operating margin, %	22.1	4.8	11.4
Operating margin excluding capital gains, impairment losses and disposals, % ²	-10.6	5.6	11.9
Profit for the period	292	47	583
Return on operating capital, %	5.5	4.4	4.6
Return on operating capital excluding capital gains, impairment losses, and disposals, % ²	3.4	4.6	4.8
Debt/equity ratio, times	1.0	1.3	1.1
Cash flow from operating activities ⁴	212	448	1,977
Capital spending	841	656	3,460
Average number of employees	2,964	3,234	3,050
Passengers, million	6.6	8.9	40.2
Operating costs per departing passenger, SEK	344.3	257.3	212.6
Commercial revenues per departing passenger, SEK	91.1	82.9	81.0

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

Measures to face the dramatic traffic downturn

Along with the effects on people's health and the suffering experienced, the spread of Covid-19 and the necessary infection control measures being taken in society had a dramatic impact on travel and global economic activity mainly at the end of the quarter. Given the situation, companies in the aviation industry are under enormous strain and the market faces considerable uncertainty. At Swedavia, we have introduced robust measures to adapt operations to a minimum based on the market situation, are closely monitoring the situation for infection prevention and are prepared to take further action.

For Swedavia, our safety and security work always comes first and is the foundation of everything we do for passengers, customers and employees. We take the same approach in dealing with the Covid-19 situation. Our top priority is thus to limit the spread of the virus and protect people's lives and health. We are in daily contact with the relevant authorities and are naturally following the advice and instructions issued regarding practical procedures and handling operations at our airports.

TRAFFIC DOWNTURN REQUIRES ROBUST MEASURES

During the first half of the quarter, travel was mainly affected by the usual factors such as available seat capacity, the general economic trend, aviation taxes, the exchange rate and the climate debate. Only towards the end of February was a decrease in passenger volume related to Covid-19 noted, with the full impact apparent in mid-March. In a short time, more than 90 per cent of traffic was suspended, with Swedavia, its airline customers, tenants and a number of other companies and organisations at and in the vicinity of our airports seeing large parts of their market suddenly disappear.

Swedavia's business model is based mainly on variable revenue from airlines, commercial tenants and passengers, so we needed to decide on a number of robust measures in March to adapt operations to an absolute minimum given the market situation. Operations at our bigger airports were concentrated in certain parts of those airports; at the same time, we were forced to furlough 2,100 employees. Once demand returns, we want to be able to scale up operations again with our fantastic colleagues as soon as possible. Furloughs are thus a good tool for us and our main way of handling the situation. To be prepared for different development scenarios in a time of great market uncertainty, we also had to give 800 employees notice. We moreover put an immediate freeze on new investment decisions, recruitment and consultant solutions and are evaluating and making preparations for further measures. Alongside this, we are doing our utmost to ensure the safety of all ten of our airports based on current demand from both commercial traffic and air ambulance service.

COMPREHENSIVE REVIEW OF INVESTMENT PORTFOLIO

The development programmes that Swedavia has been carrying out at its airports for a number of years to address a capacity shortage stemming from many years of passenger growth previously and to improve the passenger experience. Given the extraordinary market situation, no new investment decisions will be made that are not necessary from an operational, safety, security or short-term capacity perspective or to meet the sustainability targets we have set. We are also carrying out a comprehensive review of our existing investment portfolio and will most likely reconsider a number of earlier decisions.

LOWER UNDERLYING PROFIT FOR THE QUARTER

Operating profit for the first quarter was negatively affected by the impact of the spread of Covid-19 mainly during the second half of March, which led to significantly lower sales revenue from Aviation Business and Commercial Services compared to last year. Capital gains in our property development operations early in the quarter combined with the effects of our efficiency improvement programme on the cost trend and adjusted airport charges had a positive effect on operating profit. Operating profit for the first quarter totalled SEK 275 M (70), but the underlying operating profit, excluding capital gains and restructuring costs, was negative, SEK -132 M (83). Investments in areas including development programmes, property development and sustainability totalled SEK 841 M (656) during the quarter.

KEY SOCIAL FUNCTION NEARLY AT A STANDSTILL

The opportunity to quickly overcome great distances and meet is a freedom we have grown used to and see as a given. The economic and social losses from cancelled meetings and postponed travel experiences due to the spread of Covid-19 are great. The access that air travel creates is essential for competitiveness and prosperity, and a large share of air cargo is transported by passenger aircraft in scheduled service. Transport that does not function sufficiently is detrimental to all international trade, but of course especially harmful to a country that is highly export-dependent and located far from many of its key markets.

BALANCING ACT ON MANY LEVELS

All the measures decided and implemented by Swedavia will affect our operations for a long while. However, we have strived for balanced solutions, which to the greatest extent possible address this critical situation while safeguarding long-term conditions for operations and enable us going forward to help get the Swedish economy moving and ensure our future competitiveness again.

There are many closely linked stakeholders who are all important in ensuring that the aviation ecosystem functions, and I feel great sympathy for all of the businesspeople at and around our airports who are fighting right now for the survival of their operations. While there is limited room for manoeuvre, Swedavia is trying to make the situation easier for customers and support its partners, for instance by giving discounts and temporarily suspending some charges or rent. In that respect, we intend to make use of the Swedish government's aid package for rent reductions.

There is still a need to continue transforming aviation to make it sustainable although economic circumstances have changed drastically. Swedavia thus continues to work towards our goal for all of our airports to have zero carbon dioxide emissions from their own operations by the end of the year, and we continue to contribute to the industry's climate change adaptation.

The spread of Covid-19 and its far-reaching effects on individuals, businesses and the economy entail major challenges for society, citizens, companies and not least employees. At the same time, we know that once the outbreak is over, we still have our important mission. Enabling people to meet and transforming aviation to make it sustainable will then be just as important to Sweden and the rest of the world as before.



Jonas Abrahamsson
President and CEO

About Swedavia

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

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



SUSTAINABLE DEVELOPMENT AS A STRATEGIC FOCUS

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



OUR SUSTAINABILITY TARGETS

	Actual ⁴ Mar 31, 2020	Actual ⁴ Mar 31, 2019	Targets, 2020	Targets, 2025
Satisfied passengers, %	75	79	75	85
Engaged leaders and employees, % ⁵	65	65	67	75
Return on operating capital, %	5.5	4.4	6.0	6.0
Carbon dioxide emissions, tonnes ⁶	200	595	300	0
Mixture of sustainable aviation fuel, % ⁷	0.00	0.00	0.10	5.00

⁴ The actual figure is for 12 rolling months

⁵ Starting in 2019, the key metric is measured every other year. The book value for 2019 pertains to the measurement in 2018.

⁶ For the overall environmental target of zero tonnes of fossil carbon dioxide emissions, the target year is 2020

⁷ The target is that air traffic at all Swedish airports shall have a 5 per cent mixture of sustainable aviation fuel by 2025. Refuelling using 84 tonnes of sustainable fuel was carried out during the first quarter, which corresponds to 0.001 per cent

Mission

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

Objective

Together, we enable people to meet.

Vision

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

Business concept

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

Values

- Reliable
- Engaged
- Innovative
- Welcoming

Important events

January – March

AIRPORT CHARGES IN 2020

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

SALE OF HOTEL PROPERTY

On January 30, 2020, Airport Hotel 2 AB, which owns the hotel property with the newly opened Comfort Hotel at Stockholm Arlanda Airport, was sold. The buyer is Wenaasgruppen AS. The underlying property value was SEK 1,344 M, and Swedavia's capital gain was SEK 422 M. The sale is in line with Swedavia's strategy to create value by developing properties near its airports that can be reinvested in the airports' competitiveness.

NEW BOARD MEMBER

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

SPREAD OF COVID-19

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

During March, developments concerning Covid-19 accelerated, entailing an enormous impact on society, in both Sweden and the rest of the world.

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

For Swedavia, developments entailed a sharp decline in the number of aircraft movements and passengers mainly during the second half of March, with the result being a sharp fall in revenue from airport charges and car parking & passenger drop-off/pick up facilities and in rental income from retail, food & beverage.

Intensive work with analyses and scenario development is under way at Swedavia, but it is very difficult at present to predict the continued demand trend for air travel in the short term as well as how this could potentially affect the long-term forecast.

Because of uncertainty about continued developments, it is difficult for Swedavia to predict how large an impact this will have on the rest of the year.

SWEDAVIA FURLOUGHS STAFF

To adapt operations to the sharp decline in passenger volume and fewer aircraft movements, in March Swedavia furloughed around 2,100 permanent employees both in its corporate units and at the airports. The furloughs were made possible through the aid package put together by the Swedish government to assist businesses affected by the impact of the spread of Covid-19.

SWEDAVIA ANNOUNCES REDUNDANCIES

To create future room for manoeuvre in light of a market trend characterised by considerable uncertainty, on March 20 Swedavia also announced redundancies that affect 800 employees in addition to the furloughs.

Events after the end of the period

AIRLINE APPLIES FOR COMPANY RESTRUCTURING

The spread of Covid-19 has had major consequences for all of Swedavia's airline customers, which basically suspended all air traffic as of late March. As a result, this has had a major negative impact on the airlines, which will probably lead to consolidation and restructuring of the industry as well as a risk of closures and bankruptcies. On April 6, the carrier BRA applied for company restructuring and on April 9 Norwegian announced that it intends to offer bondholders the opportunity to convert their bonds into shares.

RELIEF FOR TENANTS

The Covid-19 pandemic has had a major economic impact on Swedavia's tenants and other partners. As a result, Swedavia has decided to introduce discounts and rent reductions to customers and partners in line with the aid package adopted by the Swedish government on April 16.

NEW BOARD MEMBERS ELECTED AT ANNUAL GENERAL MEETING

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

TWO PROJECTS PAUSED IN STOCKHOLM ARLANDA DEVELOPMENT PROGRAMME

The Covid-19 pandemic and the necessary infection control measures taken have entailed a dramatic decrease in air travel, both around the world and at Swedavia's airports. Along with the immediate, short-term effects of the pandemic, there is now also considerable uncertainty about future market prospects and thus the future need for increased capacity at the airports. One of the measures Swedavia initiated to adapt operations based on the current situation is a comprehensive review of the company's existing investment portfolio.

The ongoing review has, up until now, resulted in that Swedavia on April 29 decided that the projects to build Pier G adjacent to Terminal 5 as well as a new baggage system at Terminal 5 at Stockholm Arlanda Airport will be paused.

Completing the projects is still an important part of Stockholm Arlanda's Development Programme, but the point of time at which the increased capacity created by the two projects will be needed for use is now judged to be delayed until further in the future.

Passenger trends

January – March

During the first quarter, passenger volume at Swedavia's airports decreased 25.5 per cent, which corresponds to 2.26 million fewer passengers compared to last year. All of Swedavia's airports had a negative traffic trend during the first quarter.

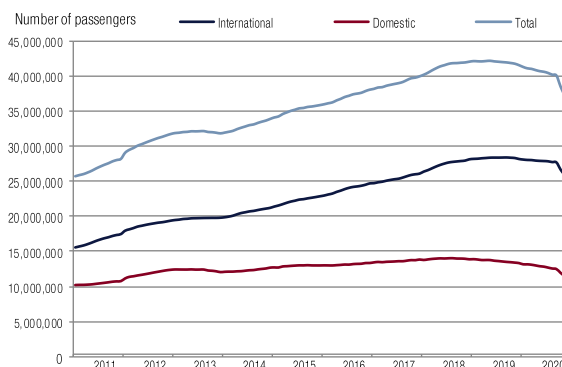
During the first two months of the quarter, the effects of the Covid-19 pandemic were limited. In March, the effects gradually increased as a result of measures taken by countries and authorities to counter the spread of Covid-19. Meanwhile, airlines reduced their capacity in the face of lower demand. Falling demand contributed to declining capacity utilisation for airlines.

In March alone, the decrease in passenger volume was 59.6 per cent, and in late March the figure was 96.3 per cent. Both domestic and international traffic in Sweden were thus greatly limited, and a number of airports have no scheduled air service at all.

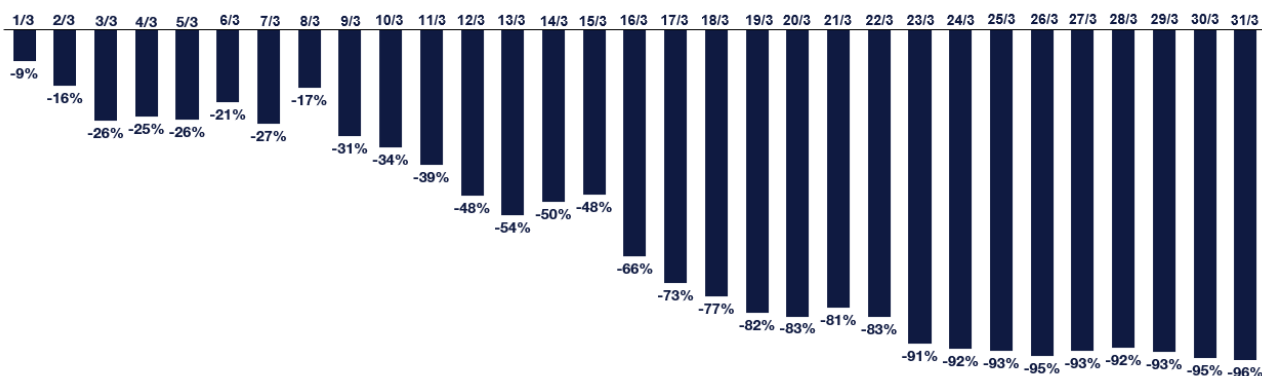
PASSENGER TREND - SWEDAVIA

ROLLING TWELVE-MONTH TREND, APRIL 2010 - MARCH 2020

Passenger trends - Swedavia



PASSENGER TREND FOR MARCH, DAY BY DAY - SWEDAVIA



Source: Triss. The passenger trend (in per cent) compared to the corresponding day of the week last year (in other words, Monday, March 2, 2020, is compared to Monday, March 4, 2019)

A 90-95 per cent decline in passenger volume means lower sales revenue in the range of SEK 400-500 M a month.

PASSENGER VOLUMES

SWEDAVIA'S FIRST QUARTER OF 2020

Number of passengers Jan-Mar

Passengers	2020	2019	Per cent change
International	2,218,000	3,101,000	-28.0%
Domestic	4,400,000	5,780,000	-23.9%
Total	6,617,000	8,881,000	-25.5%

Economic overview

Net revenue and operating profit

JANUARY-MARCH

Consolidated revenue for the year totalled SEK 1,245 M (1,474), which is a decrease of SEK 229 M or 15.5 per cent compared to last year.

In the Airport Operations segment, net revenue decreased SEK 232 M to SEK 1,246 M (1,478). Net revenue in the Real Estate segment was SEK 8 M (5).

Swedavia's business model is based primarily on variable revenue, which led to lower revenue from Aviation Business and Commercial Services as a result of the effects of the spread of Covid-19. This led to lower passenger volume and a sharp decrease in traffic during the second half of March.

Revenue from Aviation Business totalled SEK 785 M (939), which is a decrease of SEK 154 M. Passenger- and aircraft-related revenue decreased 19.1 per cent. The decrease in revenue was lower than the decrease in passengers, which is explained by the increase in airport charges for 2020.

Ground handling and other ancillary services had lower revenue than last year as a result of mild weather and the smaller number of aircraft movements.

Revenue from Commercial Services totalled SEK 453 M (529), a decrease of SEK 76 M, which was a smaller decline than the decrease in passengers. This is explained by increased commercial revenue per departing passenger of SEK 91.1 (82.9). In Commercial Services, revenue from food & beverage, retail and car parking & passenger pick-up/drop-off facilities was lower compared to last year.

Other operating revenue increased SEK 420 M, related to a capital gain of SEK 422 M from the sale of Airport Hotel 2 AB, which owns the hotel property where Comfort Hotel Stockholm Arlanda Airport was built.

Work performed for the company's own account and capitalised was on a par with last year, SEK 49 M (49).

External costs and staff expenses overall were SEK 28 M lower compared to last year, which is related to winter costs and lower costs for maintenance, transport and IT. Cuts in operations and savings were initiated to counter the economic effects caused by the spread of Covid-19. The provision for expected credit losses of SEK 54 M had a negative effect on costs.

External costs were higher compared to last year, due to the provision for expected credit losses.

Staff expenses were lower compared to last year due to cuts in operations and vacancies left unfilled. New restructuring costs of

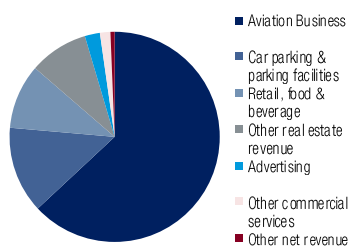
SEK 15 M (13) were charged to staff expenses during the quarter.

Depreciation and amortisation increased SEK 15 M compared to last year, which is largely explained by the placing in service of projects in the development programmes at Stockholm Arlanda, Bromma Stockholm and in IT.

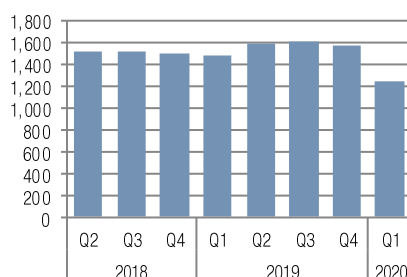
Consolidated operating profit was SEK 275 M (70). Operating profit in the Airport Operations segment was SEK -135 M (53) while operating profit in the Real Estate segment increased SEK 575 M to SEK 431 M (-144), mainly due to a capital gain of SEK 422 M.

The operating margin was 22.1 per cent (4.8).

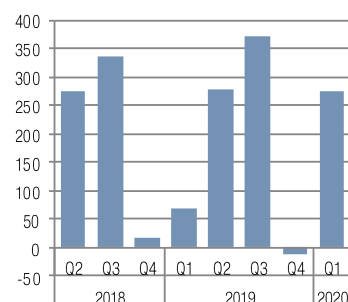
BREAKDOWN, NET REVENUE
Jan-Mar 2020



NET REVENUE, SEK M



OPERATING PROFIT, SEK M
(including capital gains)



Financial items

Financial items for the quarter totalled SEK -21 M (-7). This figure is explained by higher interest expenses for borrowing, which totalled SEK 28 M (20), due to increased market interest rates and longer capital tie-up and interest rate lock-in periods. Net financial items was also affected by lower profits from holdings in joint ventures of SEK 10 M (17) compared to last year. Other financial revenue and expenses, net, totalled SEK -3 M (-4) and were due primarily to interest expenses related to lease liabilities.

Profit for the period

Profit before tax for the period was SEK 253 M (63) and profit for the period was SEK 292 M (47).

Investments

During the quarter, investments totalled SEK 841 M (656), with investments in the Airport Operations segment totalling SEK 704 M (485). Important investments were carried out in Stockholm Arlanda Airport's and Göteborg Landvetter Airport's development programmes.

Investments in Real Estate and property development totalled SEK 137 M (171). Important investments during the period were for the construction of a hotel at Göteborg Landvetter Airport.

Cash flow

Cash flow for the period totalled SEK 281 M (76).

Cash flow from operating activities for the first quarter was SEK 212 M (449), which was SEK 237 M lower compared to last year. The lower cash flow is explained by lower cash-generating profits from operating activities before the change in working capital. Compared to last year, cash flow from operating receivables was positive, mainly due to more trade receivables being paid than added. Cash flow from operating liabilities was negative during the first quarter of 2020 due to a sharp decrease in trade payables.

Cash flow from investing activities, SEK 244 M (-669), entailed expenditures related to investments of SEK 841 M (656). The sale of the subsidiary Airport Hotel 2 AB, which owns the hotel property at Stockholm Arlanda Airport where Comfort Stockholm Arlanda was built, gave a positive cash flow of SEK 1,176 M (-). During the quarter, excess liquidity was invested in commercial paper, which entailed a negative cash flow of SEK 100 M.

Cash flow from financing operations totalled SEK -175 M (298). Cash flow is related to borrowings in the form of commercial paper, SEK 170 M, and repayment of medium-term notes, SEK 300 M. Payment of interest related to Swedavia's hybrid bond entailed a negative cash flow during the quarter of SEK 4 M. Lease liabilities totalling SEK 26 M (25) were repaid during the quarter, and other

loan liabilities decreased SEK 15 M (23).

Liquidity and financial position

Consolidated equity at the end of the period was SEK 9,688 M (9,440). Equity includes a hybrid bond of SEK 1,000 M issued in November 2019.

At the end of the period, Swedavia's loan liabilities totalled SEK 8,439 M (8,570), which is a decrease of SEK 131 M. Loan liabilities are broken down into bank loans of SEK 2,700 M (2,700), medium-term notes of SEK 4,850 M (5,150), commercial paper of SEK 890 M (720) and the balance on a line of credit of SEK - M (-). At the end of the period, the average capital tie-up period, which includes the effect of interest rate derivatives, was 4.7 years (5.0) and the average interest rate lock-in period was 3.7 years (3.8). The average interest rate as of March 31 was 1.2 per cent (1.1). On the balance sheet date, the nominal total of interest rate derivatives was SEK 3,500 M (3,500). During the quarter, excess liquidity of SEK 100 M was invested in commercial paper.

Liquid assets increased SEK 281 M to SEK 358 M (77) at the end of the period. Net liabilities decreased SEK 585 M from SEK 10,688 M to SEK 10,103 M, despite a continued high investment pace, as a result of the sale of Airport Hotel 2 AB. The debt/equity ratio was 1.0 times (1.1).

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

On the balance sheet date, there was also a framework loan agreement with Nordic Investment Bank of SEK 2,000 M, which allows loans with maturities of up to 10 years, with SEK 1,700 M (1,700) of this utilised. There is also a loan framework with the German State-owned KfW-IPEX Bank for SEK 2,000 M, which allows loans with maturities of up to 10 years, with SEK 1,000 M (1,000) of this utilised.

At the end of the period, return on operating capital, excluding restructuring costs, capital gains, impairment losses and disposals, was 3.4 per cent (4.8).

OWNER'S FINANCIAL TARGETS FOR SWEDAVIA

KEY FINANCIAL METRICS

	Actual Mar 31, 2020	Target
Return on operating capital, %	5.5	6.0
Debt/equity ratio, times	1.0	0.7-1.5
Dividend target, %	-	10-50

	Actual Mar 31, 2020	Actual Mar 31, 2019	Actual Dec 31, 2019	Policy
Average interest rate, %	1.2	1.0	1.1	n/a
Average interest rate lock-in period, year	3.7	3.1	3.8	1-4
Average capital tie-up period, years	4.7	3.8	5.0	2-5

Employees

The average number of employees for the period April 1, 2019 – March 31, 2020 was 2,964 (3,234). The change is explained by the switch in operations for security screening staff at Göteborg Landvetter Airport and the restructuring programme, which resulted in a lower number of employees. The replacement of consultants with permanent staff, including in IT and Major Projects, resulted in an increased number of employees. The decisions made in March regarding furloughs for around 2,100 of Swedavia's employees and redundancies for 800 employees did not have any effect on this key metric for the quarter.

Risks and uncertainty factors

Risk is defined here as an event that affects the Group's prospects of achieving its operational goals and implementing its strategies. Swedavia works continuously to map, monitor and manage risks in its operations. Risk reports are prepared and presented to the Board of Directors on a quarterly basis. Swedavia's significant risks are described in the Annual Report 2019 on pages 65-67 and in Note 47. During the first quarter of 2020, the Covid-19 pandemic affected Swedavia to an enormous extent and is expected to affect Swedavia for a long while. Swedavia's overall top risks involve reduced air traffic, in which a decrease in passengers can have a negative effect on Swedavia in the form of lower revenue. The Covid-19 pandemic has entailed reduced passenger volume, with a decrease at the end of the quarter of around 90-95 per cent. Because of the uncertain situation concerning the extent of the pandemic, travel restrictions and effects on the global economy, it is not possible at present to make any forecast about either a short-term recovery or the future long-term passenger trend, but intensive work with analyses and scenario development is under way. Swedavia has a small number of large customers, which could have a major effect on Swedavia's operations in the event one of them were to have economic problems. The Covid-19 pandemic has had an enormous impact on all of Swedavia's airline customers, which have basically suspended all air traffic since late March 2020. This has a great negative economic impact on the airlines and will probably lead to consolidation and restructuring in the industry but also to a greater risk of closures and bankruptcies. In April, the carrier BRA applied for company restructuring and Norwegian announced that the airline intends to offer bondholders the opportunity to convert their bonds into shares in Norwegian. All in all, this could have a negative effect on Swedavia in the form of immediate customer credit losses and, in the long term, a reduction in the range of routes and capacity available. Due to the decreased volume, Swedavia's commercial business was also negatively affected. Many tenants and partners at the airports are directly affected in the form of a sharp reduction or total halt in revenue, which in turn means lower sales-based rent for Swedavia. The risk of not being able to meet demand for capacity in the long term with investments has decreased as a result of the increased downturn in traffic and uncertainty about the future passenger trend. Another possible effect once restrictions are gradually lifted and traffic returns is that authorities could introduce new regulations in order to improve the future ability to detect and handle the spread of infectious diseases at airports. This could entail changes in working methods, flows and processes for Swedavia. There is also a risk of disruptions or interruptions in service in the airport's aviation and commercial operations as well as the risk of not being able to convert insights and customer needs quickly enough into new business opportunities.

Swedavia complies with the Swedish Concessions Procurement Act (2016:1147), which means that tenants in retail, food & beverage are awarded contracts on tender. The changeover to the

new law means that, in 2019, Swedavia began to cancel existing leases in order to carry out tenders in accordance with the law. In conjunction, some tenants have sued Swedavia for damages. The issue will be decided in a court of law in 2020. Swedavia believes the matter was handled in accordance with the law. Other external factors could also affect Swedavia's performance.

Parent Company

Net revenue and operating profit

The Parent Company's net revenue for the first quarter totalled SEK 1,218 M (1,452), which is a decrease of SEK 234 M. Operating profit totalled SEK -199 M (27) and the operating margin was -16.4 per cent (1.9). Profit before tax was SEK -224 M (11) and profit for the period was SEK -177 M (9). Operating profit for the quarter was negatively affected mainly by the effects of Covid-19 during the second half of March. A provision for expected credit losses of SEK 54 M and restructuring costs of SEK 15 M (13) had a negative effect on operating profit.

Consolidated income statement

Amounts in SEK M	Note	2020 Jan-Mar	2019 Jan-Mar	2019 Jan-Dec
Net revenue	2, 6	1,245	1,474	6,235
Other operating revenue	9	425	5	68
Work performed by the company for its own use and capitalised		49	49	189
External costs		-607	-600	-2,399
Staff expenses		-523	-560	-2,052
Depreciation/amortisation and impairment losses on tangible fixed assets and intangible non-current intangible assets		-313	-298	-1,309
Other operating expenses		-1	-1	-23
Operating profit		275	70	709
Income from financial items				
Income from holdings in associated companies and joint ventures		10	17	147
Interest income and similar items		1	1	6
Interest expenses and similar items		-32	-25	-127
Income after financial items		253	63	736
Tax		38	-16	-153
Profit for the period	2	292	47	583
Earnings per share				
Earnings per share before and after dilution, SEK *		0.20	0.03	0.40
The total number of shares was 1,441,403,026 for all periods				
* Earnings per share is calculated as profit for the period less costs related to the hybrid bond divided by the number of shares				

Consolidated statement of comprehensive income

Amounts in SEK M	Note	2020 Jan-Mar	2019 Jan-Mar	2019 Jan-Dec
Profit for the period		292	47	583
Other comprehensive income:				
Items that can be reclassified to the income statement				
Cash flow hedges				
Items reclassified to the income statement		-11	-2	0
Change in fair value for the period		-82	-48	-72
Tax		19	10	15
Other comprehensive income from joint ventures, net after tax		-7	-3	0
Items that cannot be reclassified to the income statement				
Revaluations of defined benefit pensions		51	-	-144
Tax		-11	-	31
Total other comprehensive income, net after tax		-41	-43	-170
Comprehensive income for the period		252	4	412

Consolidated balance sheet, summary

Amounts in SEK M	Note	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
ASSETS	2			
NON-CURRENT ASSETS				
Intangible non-current assets		760	782	775
Tangible non-current assets		18,334	16,495	17,843
Right-of-use assets		1,262	1,125	1,284
Non-current financial assets		1,133	1,214	1,137
Total non-current assets		21,489	19,617	21,038
CURRENT ASSETS				
Materials and supplies		58	54	54
Trade receivables	7	383	552	595
Receivables from associated companies		17	24	13
Other receivables		343	234	267
Prepaid expenses and accrued income		111	193	135
Derivative instruments	4	-	13	6
Short-term investment		100	-	-
Liquid assets		358	86	77
Total current assets		1,369	1,155	1,146
Assets held for sale	7	-	536	768
TOTAL ASSETS		22,858	21,307	22,952
EQUITY AND LIABILITIES	2			
EQUITY				
Share capital		1,441	1,441	1,441
Other paid-in capital		2,162	2,162	2,162
Hedge reserve		-150	21	-76
Hybrid bond		1,000	-	1,000
Retained earnings including profit for the period		5,234	4,411	4,914
Total equity		9,688	8,036	9,440
NON-CURRENT LIABILITIES				
Provisions		995	983	1,053
Deferred tax liability		406	470	458
Interest-bearing liabilities		7,450	5,725	7,550
Derivative instruments	4	170	104	108
Lease liability		1,169	1,051	1,187
Other non-current liabilities		160	136	150
Total non-current liabilities		10,350	8,468	10,506
CURRENT LIABILITIES				
Provisions		140	94	150
Interest-bearing liabilities		990	2,975	1,045
Derivative instruments	4	19	0	0
Lease liability		134	103	134
Trade payables		691	591	796
Liabilities to associated companies		19	0	7
Other liabilities		85	198	91
Accrued expenses and prepaid income		743	762	741
Total current liabilities		2,820	4,722	2,963
Liabilities attributable to assets held for sale	7	-	81	43
TOTAL EQUITY AND LIABILITIES		22,858	21,307	22,952

Consolidated change in equity

Amounts in SEK M	Note	Mar 31, 2020	Mar 31, 2019
GROUP			
Equity, opening balance		9,440	8,066
Adjustments	1	-	-34
Equity, adjusted opening balance, January 1		9,440	8,032
Hybrid bond interest and transaction costs		-4	-
Comprehensive income for the period		252	4
Dividend		-	-
Equity, closing balance		9,688	8,036

Consolidated cash flow statement

Amounts in SEK M	Note	2020 Jan-Mar	2019 Jan-Mar	2019 Jan-Dec
Operating activities				
Profit after financial items		253	64	736
Adjustments for items not included in cash flow etc.		-104	333	1,204
Tax paid		-29	-58	-144
Cash flow from operating activities before changes in working capital		120	339	1,796
Cash flow from changes in working capital				
Increase(-)/Decrease(+) in materials and supplies		-4	-7	-7
Increase(-)/Decrease(+) in operating receivables		189	-1	18
Increase(+)/Decrease(-) in operating liabilities		-93	118	170
Cash flow from operating activities		212	449	1,977
Investing activities				
Disposal of subsidiaries	9	1,176	-	-
Acquisitions/disposal of intangible non-current assets		-9	-23	-89
Acquisitions/disposal of tangible fixed assets		-823	-633	-3,063
Short-term investment		-100	-	-
Acquisitions/disposal of other financial assets		0	-13	104
Cash flow from investing activities		244	-669	-3,048
Financing activities				
Hybrid bond, net after transaction costs		-	-	996
Hybrid bond, Interest expenses		-4	-	-
Borrowings raised		690	319	3,170
Borrowings repaid		-820	-7	-2,962
Repaid lease liabilities		-26	-25	-90
Increase(+)/Decrease(-) in other financial liabilities		-15	11	23
Cash flow from financing activities		-175	298	1,137
Cash flow for the period		281	76	67
Liquid assets at the beginning of the period		77	10	10
Liquid assets at the end of the period		358	86	77

Parent Company income statement

Amounts in SEK M	Note	2020 Jan-Mar	2019 Jan-Mar	2019 Jan-Dec
Net revenue		1,218	1,452	6,146
Other operating income		3	5	68
Work performed by the company for its own use and capitalised		49	49	189
External costs		-663	-641	-2,591
Staff expenses		-522	-566	-2,192
Depreciation and amortisation on tangible fixed assets and non-current intangible assets		-283	-273	-1,196
Other operating expenses		-1	-1	-23
Operating profit		-199	27	403
Income from financial items				
Interest income and similar items		4	4	23
Interest expenses and similar items		-28	-19	-107
Income from financial items		-224	11	318
Appropriations		-	-	33
Profit before tax		-224	11	351
Tax		47	-3	-93
Profit for the period		-177	9	258

Parent Company statement of comprehensive income

Amount in SEK M	Note	2020 Jan-Mar	2019 Jan-Mar	2019 Jan-Dec
Profit for the year		-177	9	258
Other comprehensive income		-	-	-
Comprehensive income for the year		-177	9	258

Parent Company balance sheet, summary

Amounts in SEK M	Note	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
ASSETS				
NON-CURRENT ASSETS				
Non-current intangible assets		655	702	676
Tangible fixed assets		17,025	15,426	16,593
Total financial assets	3	1,126	1,113	1,126
Non-current assets		18,807	17,241	18,395
CURRENT ASSETS				
Materials and supplies		55	50	50
Current receivables	3	2,190	2,632	3,042
Short-term investment		100	-	-
Liquid assets		354	79	71
Total current assets		2,699	2,761	3,163
Total assets		21,506	20,002	21,558
EQUITY AND LIABILITIES				
EQUITY				
Restricted equity				
Share capital (1,441,403,026 shares)		1,441	1,441	1,441
Reserve for development expenditures		31	41	35
Unrestricted equity				
Other paid-in capital		2,162	2,162	2,162
Hybrid bond		1,000	-	1,000
Retained earnings/Share premium reserve		2,838	2,577	2,579
Profit for the period		-224	9	258
Total equity		7,249	6,230	7,476
Untaxed reserves		2,050	2,035	2,050
Provisions		1,505	1,417	1,524
Non-current liabilities		7,588	5,814	7,678
Current liabilities	3	3,115	4,506	2,830
TOTAL EQUITY AND LIABILITIES		21,506	20,002	21,558

Notes

NOTE 1. ACCOUNTING PRINCIPLES

GENERAL

This interim report was prepared in conformity with IAS 34, "Interim Financial Reporting" and applicable standards of Sweden's Annual Accounts Act. Disclosure requirements stipulated in IAS 34 have been applied both in the notes and elsewhere in the interim report. The Parent Company has prepared the interim report in accordance with the Annual Accounts Act Chapter 9, "Interim Reports".

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

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

- Amendment to IFRS 3 "Business combinations", concerning changes in the definition of a business combination. The classification of an acquisition as either an asset acquisition or a business acquisition gives rise to significant differences in their accounting. The change is expected to entail fewer acquisitions being classified as business acquisitions, with them instead being classified as asset acquisitions. The difference in accounting between business acquisition and asset acquisition may be significant as a result of different standards being applied. The new definition of business acquisition is not expected to have a material effect on Swedavia.
- Amendments to IAS 1 "Presentation of financial statements" and IAS 8 "Accounting policies, changes in accounting estimates and errors", concerning harmonisation of the definition of "material" between different IFRS standards and clarification of the meaning of the term. The amendment clarifies whether information is material depending on the nature or magnitude of information, or both. The definition of material is also changed from information that can have an effect on users of financial statements to information that can reasonably be expected to have an effect on users. The definition of "users of financial statements" has also been clarified as being primary users.
- Amendments to IFRS 9 "Financial instruments: Hedge accounting" in accordance with IAS 39 and IFRS 7 "Financial instruments: Disclosures" concerning reform of the Interbank Offered Rate (IBOR). The reform has been backed by the Financial Stability Board and is a result of work under way in different countries to replace IBOR with new reference rates, risk free rates (RFRs). The change in reference rates could have an effect on the company's hedge accounting, among other things. Amendments

to IFRS 9, IAS 39 and IFRS 7 introduce relief from certain requirements for how the hedging relation shall be measured with respect to the IBOR reference rate when hedge accounting is applied. The amendment introduces new disclosure requirements.

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.

PARENT COMPANY

The Parent Company has prepared the interim report in accordance with Sweden's Annual Accounts Act Chapter 9, "Interim Reports".

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. The Board of Directors and executive management mainly use operating profit by segment for their monitoring.

- **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 under IAS 23, IFRS 16 "Leases", remeasurement of biological assets and financial instruments at fair value are handled at the Group level and are included together with intra-Group items in this column

The accounting principles otherwise conform to those applied in consolidated financial reporting.

SEGMENT REPORTING, NOTE 2

Income statement Jan-Mar Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments		Group	
	2020	2019	2020	2019	2020	2019	2020	2019
Net revenue, external	1,240	1,473	3	1	-	-	1,245	1,474
Net revenue, internal	6	6	5	3	-11	-9	-	0
Net revenue	1,246	1,478	8	5	-11	-9	1,245	1,474
Other operating income, external	3	5	434	-	-12	-	425	5
Work performed by the company for its own use and capitalised, external	49	49	-	-	-	-	49	49
Operating expenses	-1,161	-1,185	-12	-13	43	39	-1,131	-1,159
Depreciation, amortisation and impairment losses	-280	-269	-6	-4	-27	-25	-313	-298
Other operating costs	-1	-1	-	0	-	0	-1	-1
Operating profit	-145	77	424	-12	-5	5	275	70
Financial income	4	4	10	17	-4	-3	11	18
Financial expenses	-32	-25	-4	-145	4	144	-32	-25
Profit before tax	-172	57	430	-140	-5	146	253	63
Tax	37	-4	1	-4	1	-9	38	-16
Profit for the period	-135	53	431	-144	-4	138	292	47
Other segment information								
Profit from holdings in associated companies and joint ventures	-	-	10	17	-	-	10	17
Investments	704	485	137	171	-	-	841	656
Profit/loss from sale of shares, holdings and operations	-	-	434	-	-12	-	422	-
Restructuring costs	15	13	-	-	-	-	15	13

Balance sheet Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments		Group	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
Non-current assets	18,915	17,316	1,969	2,331	605	-31	21,489	19,617
Current assets	2,604	2,785	701	65	-1,936	-1,695	1,369	1,155
Assets held for sale	-	-	-	-	0	536	-	536
Total assets	21,519	20,101	2,670	2,396	-1,331	-1,190	22,858	21,307
Equity	9,376	8,237	1,151	565	-839	-766	9,688	8,036
Liabilities	12,143	11,865	1,519	1,830	-492	-505	13,170	13,190
Liabilities related to assets held for sale	-	-	-	-	0	81	-	81
Total equity and liabilities	21,519	20,101	2,670	2,396	-1,331	-1,190	22,858	21,307

NOTE 3. RECEIVABLES FROM GROUP COMPANIES

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

NOTE 4. FINANCIAL INSTRUMENTS, FAIR VALUE

MEASUREMENT AT FAIR VALUE

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

Fair value for interest-bearing liabilities is calculated by discounting the future cash flow of the amount of capital and interest discounted at the current market interest rate. All derivatives on the balance sheet date are classified under Level 2, which means prices for derivatives can be determined through directly or indirectly quoted prices based on observable market data. The Group has entered ISDA agreements for derivatives, which allow set-off, for instance, against payments. There is no net accounting. The Group's lease liabilities have not been measured at fair value. Lease liabilities at book value have not been included in the aggregated figures below.

Group	Measurement under IFRS 9	Book value		Fair value	
		2020 Mar 31	2019 Dec 31	2020 Mar 31	2019 Dec 31
Amounts in SEK M					
Loan receivables and trade receivables	Amortised cost	1,171	1,112	1,171	1,112
Other financial liabilities	Amortised cost	-9,313	-95,116	-9,324	-9,516
Derivative instruments	Fair value	-189	-96	-189	-96
Total		-8,331	-8,499	-8,342	-8,499

NOTE 5. PLEDGED ASSETS AND CONTINGENT LIABILITIES

Swedavia's pledged assets consist of shares and holdings in the joint ventures Swedish Airport Infrastructure KB and Swedish Airport Infrastructure AB, SEK 916 M (913), and pension obligations in endowment insurance owned by the company, SEK 9 M (10).

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

NOTE 6. NET REVENUE

Group, amounts in SEK M	2020 Jan-Mar	2019 Jan-Mar	2019 Jan-Dec
Breakdown of net revenue			
<i>Aviation Business</i>			
Passenger-related revenue	306	386	1,822
Aircraft-related revenue	180	215	867
Externally regulated charges	182	183	733
Ground handling	70	95	286
Other additional services	46	59	206
	785	939	3,914
<i>Commercial Services</i>			
Car parking & passenger drop-off/pick-up facilities	166	203	889
Retail, food & beverage	124	159	735
Real estate revenue	113	120	469
Advertising	29	28	123
Other commercial services	20	19	78
	453	529	2,294
Other net revenue	7	6	28
Total net revenue	1,245	1,474	6,235

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

Of net revenue for the quarter, SEK 1,245 M (1,474), SEK 8 M (5) pertains to Real Estate, broken down into real estate revenue of SEK 6 M (4), other commercial products of SEK 2 M (1) and other net revenue of SEK 0 M (0).

During the year, revenue from contracts with customers under IFRS 15 was SEK 1,061 M (1,253) and includes total net revenue except for retail and food & beverage products of SEK 124 M (159) as well as parts of the Real Estate revenue product of SEK 60 M (62).

Covid-19 pandemic has had and will continue to have on Swedavia's customers in Aviation Business and Commercial Services, the assessment has been made that many customers – despite the relief measures decided – will still have major economic problems and that many customers run a great risk of closing down operations or filing for bankruptcy. A provision of SEK 54 M was therefore set aside for the cost of expected credit losses during the quarter. The provision for expected credit losses is calculated based on historical data and has been supplemented with an assessment of major customers' future ability to pay. The assessment was made based on future economic prospects on the basis of market data, credit ratings and other financial information.

NOTE 7. TRADE RECEIVABLES

In accordance with IFRS 9 "Financial instruments", on each balance sheet date Swedavia assesses whether there are objective indications that an impairment loss needs to be taken on a financial asset or group of financial assets even from the date of initial recognition. Impairment losses are calculated and recognised for financial assets valued at amortised cost and for financial assets valued at fair value through other comprehensive income. A provision for credit losses is calculated and recognised initially based on twelve months' expected credit losses. If the credit risk has increased significantly since initial recognition of the financial asset, a provision for credit losses is calculated and recognised based on expected credit losses. For trade receivables that do not include a significant financing component, a simplified method is applied and a provision for credit losses is calculated and recognised based on expected credit losses for the entire remaining life regardless of whether the credit risk has increased significantly or not. Swedavia applies the simplified method for calculating expected credit losses. The calculation of expected credit losses is based on a combination of historical data, based on customer type and due date, which are considered relative to future economic prospects. As a result of the major negative effects that the

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

Swedavia's debt/equity ratio is affected by the pension liability trend. The pension liability and pension provision less payroll tax receivable was SEK 819 M on March 31, 2020, and SEK 874 M on December 31, 2019.

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

In calculating the key metric as of March 2020, operating profit for a rolling 12 months was adjusted for restructuring costs of SEK 80 M, impairment losses and disposals of SEK 82 M and capital gains of SEK 552 M. The operating profit as of March 2019 for a rolling 12 months was adjusted for restructuring costs of SEK 13 M and by impairment losses and disposals of SEK 84 M, a capital gain of SEK 3 M and an earnout of SEK 55 M.

NOTE 9. SALE OF SUBSIDIARY**SALE OF AIRPORT HOTEL 2 AB**

On January 30, 2020, Airport Hotel 2 AB, which owns the hotel property with the newly opened Comfort Hotel at Stockholm Arlanda Airport, was sold. The buyer is Wenaasgruppen AS. The underlying property value was SEK 1,344 M, and Swedavia's capital gain was SEK 422 M. The final settlement and determination of the final capital gain will take place in late July, six months after the transaction date. The transaction generated a positive cash flow of SEK 1,176 M.

NOTE 10. EVENTS AFTER THE END OF THE PERIOD**AIRLINE APPLIES FOR COMPANY RESTRUCTURING**

The spread of Covid-19 has had major consequences for all of Swedavia's airline customers, which basically suspended all air traffic as of late March. As a result, this has had a major negative impact on the airlines, which will probably lead to consolidation and restructuring of the industry as well as to a risk of closures and bankruptcies. On April 6, the carrier BRA applied for company restructuring and on April 9 Norwegian announced that it intends to offer bondholders the opportunity to convert their bonds into shares.

RELIEF FOR TENANTS

The Covid-19 pandemic has had a major economic impact on Swedavia's tenants and other partners. As a result, Swedavia has decided to introduce discounts and rent reductions to customers and partners in line with the aid package adopted by the Swedish government on April 16.

NEW BOARD MEMBERS ELECTED AT ANNUAL GENERAL MEETING

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

TWO PROJECTS PAUSED IN STOCKHOLM ARLANDA DEVELOPMENT PROGRAMME

The Covid-19 pandemic and the necessary infection control measures taken have entailed a dramatic decrease in air travel, both around the world and at Swedavia's airports. Along with the immediate, short-term effects of the pandemic, there is now also considerable uncertainty about future market prospects and thus the future need for increased capacity at the airports. One of the measures Swedavia initiated to adapt operations based on the current situation is a comprehensive review of the company's existing investment portfolio.

The ongoing review has, up until now, resulted in that Swedavia on April 29 decided that the projects to build Pier G adjacent to Terminal 5 as well as a new baggage system at Terminal 5 at Stockholm Arlanda Airport will be paused.

Completing the projects is still an important part of Stockholm Arlanda's Development Programme, but the point of time at which the increased capacity created by the two projects will be needed for use is now judged to be delayed until further in the future.

Definitions

AIRPORT OPERATIONS

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

AVERAGE NUMBER OF EMPLOYEES

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

AVERAGE OPERATING CAPITAL

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

AVIATION BUSINESS

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

CAPITAL TIE-UP PERIOD

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

COMMERCIAL REVENUE PER DEPARTING PASSENGER

Revenue from retail, food & beverage and car parking & passenger drop-off/pick-up services divided by the number of departing passengers for the same period. A metric that the Group considers crucial for monitoring changes in commercial revenue.

COMMERCIAL SERVICES

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

DEBT-TO-EQUITY RATIO*

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

DIVIDEND PAY-OUT RATIO

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

EARNINGS PER SHARE

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

EBITDA

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

INTEREST-BEARING LIABILITIES

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

INTEREST RATE LOCK-IN PERIOD

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

INVESTMENTS*

Swedavia's investments in fixed assets and long-term intangible assets including investment projects in progress. Swedavia is in an intensive development phase, and the pace of investment is important to Swedavia's management and external stakeholders.

NET LIABILITIES

Interest-bearing liabilities plus pension liability minus liquid assets.

NET REVENUE

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

Definitions (cont.)

OPERATING CAPITAL

Equity plus net liabilities.

OPERATING COSTS PER DEPARTING PASSENGER*

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

OPERATING MARGIN*

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

OPERATING PROFIT*

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

OPERATING PROFIT EXCLUDING CAPITAL GAINS*

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

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

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

PASSENGER

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

REAL ESTATE

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

RETURN ON OPERATING CAPITAL*

Operating profit plus profit from holdings in associated companies for a rolling twelve-

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

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

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

SUSTAINABILITY TARGETS

Swedavia's sustainability targets are monitored continuously based on the latest verified data for each target and in accordance with the same accounting principles described in the Annual and Sustainability Report 2019.

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



Calendar

Interim Report Jan-Jun 2020	July 17, 2020
Interim Report Jan-Sep 2020	October 30, 2020
Year-End Report Jan-Dec 2020	February 10, 2021

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

Swedavia AB (publ) is required to disclose the information in this interim report under the EU Market Abuse Regulation and the Securities Market Act. The information was provided by the contact persons below for publication on April 29, 2020, at 4:00 p.m.

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

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The CEO hereby submits the interim report
for the period January-March 2020 on behalf of the Board of Directors.

Stockholm-Arlanda, April 29, 2020

Jonas Abrahamsson
President and CEO

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