

Year-End Report

January – December 2020



“A year like no other”

Jonas Abrahamsson
President and CEO



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2020

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- During the year, Swedavia's airports had 10.3 million (40.2)¹ passengers, which is a decrease of 74.5 per cent compared to 2019. For the fourth quarter, the decrease was 83.6 per cent
- Net revenue totalled SEK 2,494 M (6,235), a decrease of SEK 3,741 M due to the sharp decline in air traffic and thus significantly lower passenger volume as a result of the Covid-19 pandemic, starting from mid-March to the end of the year
- External costs and staff expenses were a total of SEK 969 M lower compared to 2019, mainly due to cost savings, cuts in non-business-critical activities and short-term furloughs
- Operating profit was SEK -1,593 M (709). Lower sales revenue from Aviation Business and Commercial Services as well as higher costs due to expected and actual customer credit losses of SEK 102 M had a negative effect on operating profit
- Operating profit, excluding restructuring costs of SEK 36 M (81), a capital gain of SEK 427 M (28) from the sale of Airport Hotel 2 AB on January 30, 2020, and impairment losses and disposals of SEK 191 M (82), was SEK -1,793 M (844)
- Profit for the year was SEK -1,282 M (583)
- Investments for the Group totalled SEK 2,856 M (3,460)
- In March, some 2,300 of Swedavia's permanently employed staff were furloughed and another 800 redundancies were announced
- In October, Swedavia received a shareholder contribution of SEK 2,500 M
- The Board of Directors proposes that no dividend be paid for the year

KEY FINANCIAL FIGURES, GROUP ³

| | 2020 Oct-Dec | 2019 Oct-Dec | 2020 Jan-Dec | 2019 Jan-Dec |
|---|-----------------|-----------------|-----------------|-----------------|
| SEK M, unless otherwise indicated | | | | |
| Net revenue | 454 | 1,564 | 2,494 | 6,235 |
| Operating profit | -875 | -12 | -1,593 | 709 |
| Operating profit excluding capital gains, impairment losses and disposals ² | -694 | 68 | -1,793 | 844 |
| Operating margin, % | -192.9 | -0.8 | -63.9 | 11.4 |
| Operating margin excluding capital gains, impairment losses and disposals, % ² | -153.0 | 4.4 | -71.9 | 13.5 |
| Profit for the period | -793 | -62 | -1,282 | 583 |
| Return on operating capital, % | -7.5 | 4.6 | -7.5 | 4.6 |
| Return on operating capital excluding capital gains, impairment losses, and disposals, % ² | -8.5 | 4.8 | -8.5 | 4.8 |
| Debt/equity ratio, times | 1.0 | 1.1 | 1.0 | 1.1 |
| Cash flow from operating activities ⁴ | 16 | 385 | -556 | 1,977 |
| Capital spending | 699 | 1,040 | 2,856 | 3,460 |
| Average number of employees | 2,600 | 3,050 | 2,600 | 3,050 |
| Passengers, million | 1.5 | 9.4 | 10.3 | 40.2 |
| Operating costs per departing passenger, SEK | 1,186.7 | 246.8 | 677.9 | 212.6 |
| Commercial revenue per departing passenger, SEK | 70.5 | 84.3 | 98.0 | 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 21–22

A year like no other

2020 was a year that brought historically great challenges for Swedavia and the aviation industry. The Covid-19 pandemic has had a drastic impact on the air transport market and will lead to long-term and in some respects permanent changes. Meanwhile the pandemic has made clear how important air transport is in a globalised world and how important air travel will be for the recovery of countries and economies as well as for future growth.

Covid-19 and its rapid spread across the globe in 2020 above all caused human suffering in the form of serious illness and many deaths. At the same time, the pandemic has had a major impact on the world's economies and many markets, which in many cases is historically unprecedented. The aviation industry was hit early and hard when restrictions on meetings and travel were introduced basically across the globe – restrictions that were necessary to protect people's lives and health but which for Swedavia meant that passenger volume at our airports in mid-March decreased 98 per cent almost overnight. For the full year, travel at Swedavia's airports decreased 74 per cent to 10,255,000 passengers compared to 40,157,000 passengers in 2019. Not since the early 1980s has air travel in Sweden been so low.

The business conditions for running commercial airport operations have been completely upended by the effects of the pandemic. Most of our sales revenue is variable and basically disappeared starting at the end of the first quarter. After some degree of recovery during the summer months, a second coronavirus wave swept across the globe in the autumn, with new travel restrictions as a result. In the fourth quarter, travel again decreased by nearly 90 per cent compared to 2019. We are not yet out of this crisis, but as vaccines are rolled out on abroad front, hopes are raised that the mobility and access we have long taken for granted will once again be possible. However, even now we see that the aviation market will also change fundamentally in the long term.

MEASURES IN THE SHORT AND LONG TERM

During the spring, Swedavia took extensive measures to manage the major operational and financial challenges facing us. To adapt operations to the very low passenger volume, some 2,300 of our fantastic employees were furloughed. In addition, we announced lay-offs for 800 full-time positions. In close dialogue with the authorities involved, we introduced infection control measures at the airports, we carried out a review of our investment portfolio that among other results led to a pause in a number of major development projects at Stockholm Arlanda, and we offered rent relief to our tenants. These measures then remained in place for the rest of the year.

The pandemic has had an exceptional impact on profit and revenue for the year. It has been especially important for Swedavia, which has operations with mostly variable sales revenue, to reduce costs, which are largely fixed in nature. With the measures we have taken, we managed to cut our operating costs by about one billion Swedish kronor compared to 2019. Despite these drastic measures, we are reporting a pre-tax loss of about SEK 1.7 billion for 2020.

The SEK 2.5 billion shareholder contribution that the Swedish government agreed in October to provide Swedavia was therefore critical to the company's long-term value creation and for our ability to maintain our infrastructure and thus ensure Swedish air access. Meanwhile, most indications are that the recovery will take a long while, which unfortunately means that we have been forced to carry out many of the redundancies announced in March. However, through natural attrition, retirements and leaving positions unfilled, we have been able to reduce the number of employees forced to leave the company.

While dealing at the same time with more short-term challenges, during the year we carried out extensive work to prepare ourselves for a new normal situation in the aviation market once this acute crisis is over. This includes identifying structural adjustments to create the right conditions for Swedavia in the future as well. We will be a smaller company, adapting to a new market situation, but we will be at least as competitive, even more innovative and with a stronger position in the Nordic region. We shall operate and develop our airports in a way that creates the greatest value possible for our customers, our owner and society in general after the pandemic as well. The continued development of Stockholm Arlanda will be important for international

access. Despite the pandemic, we will complete the refurbishment of Terminal 5 and carry out its integration with Terminal 4, which will improve flexibility and the passenger experience just a few years from now.

At the request of our owner, in September Swedavia submitted an impact assessment for closing Bromma Stockholm Airport ahead of time. In the report, we concluded that it would be preferable to consolidate air traffic in the Stockholm region at Arlanda. The decision on Bromma's future will be made by political leaders, but whatever decision is made, it is important to announce this in the near future, for the sake of our employees and our customers. Until further notice, we will continue to operate Bromma in the best way possible.

A SUSTAINABLE TRANSPORT SYSTEM

During the year, Swedavia continued the work to transition to fossil-free operations, both at the company and within the aviation industry in general. This has been and continues to be a top priority task. We are really proud that our own airport operations are now completely fossil-free – a goal that, when it was adopted just over ten years ago, was seen by some as nearly unachievable. Meanwhile, we have continued our collaboration with other stakeholders to also make air travel fossil-free through our investments in biofuels and electrified aviation. These are two development areas that in just a few years will revolutionise what is today a fossil fuel-dependent industry.

But air travel is also part of a broader transport system that, no matter the mode of transport, entails transporting people and goods in as seamless and efficient a way as possible. A truly sustainable transport system links together different transport modes in a way that makes travel and transport easier, makes them more efficient and promotes climate-smart choices. So it is crucial for Swedish infrastructure development going forward to actively work for increased intermodality. Among other things, this means to a greater extent taking the importance of airports in the transport system into account and ensuring that new main railway lines are linked to our Swedish airports, especially Stockholm Arlanda and Göteborg Landvetter. Swedavia shall contribute to this work in every way we can.

COMPETITIVENESS REQUIRES ACCESS

It is likely that the Covid-19 pandemic will in many ways affect our habits and behaviour in a number of different areas. The rapid digitisation of meetings and working methods will probably affect travel patterns, as will the pandemic's consequences for the global economy. But the economic, social and cultural consequences of the restrictions introduced have also shown just how important travel and meetings are to our way of living and thus also how important they will be in order for societies and economies to recover.

Travel has always contributed to human development, and today air travel is by far the best way to link together the countries of the world and in that way contribute to economic growth, prosperity and cultural exchanges across the globe. This will not change. In the future too, people's need to meet, discover, build and develop relations, and do business will drive this development forward. All of us who work at Swedavia are determined to continue contributing to make all this possible. This past year has been the most challenging in the history of Swedavia, and I am proud of and grateful for the engagement and loyalty that all my colleagues at Swedavia have shown. In closing, I would like to offer my warm thanks for this.

Jonas Abrahamsson
President and CEO



About Swedavia

Swedavia's mission is to operate and develop a network of ten airports in Sweden, from Kiruna in the north to Malmö in the south. The company was formed in 2010 and is wholly owned by the Swedish State.

Swedavia operates in a competitive and international market. The company's role is to create the access Sweden needs to facilitate travel, business and meetings – in Sweden, elsewhere in Europe and the rest of the world. Swedavia's customers are passengers, airlines and tenants. At the same time, tenants and airlines are important partners in Swedavia's drive to create access and offer passengers – the mutual end-customer – a smooth, inspiring travel experience. In the work to attract airline investments, Swedavia competes with other airports. Safety, security and sustainable development with a focus on the customer are the basis of everything Swedavia does, both in its own operations and in society in general. Operations are run based on solid business principles, and the company shall build a long-term sustainable business through development, planning and operational efficiency. Engaged employees and a good workplace environment are crucial to Swedavia's operations. Swedavia 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 Dec 31, 2020 | Actual ⁴ Dec 31, 2019 | Targets 2020 | Targets 2025 |
|--|-------------------------------------|-------------------------------------|-----------------|-----------------|
| Satisfied passengers, % | 74 | 76 | 75 | 85 |
| Engaged leaders and employees, % ⁵ | 77 | 77 | 75 | 75 |
| Return on operating capital, % | -7,5 | 4,6 | 6,0 | 6,0 |
| Carbon dioxide emissions | 83 | 316 | 300 | 0 |
| Mixture of sustainable aviation fuel, % ⁸ | 0,1 | 0,1 | 0,1 | 5,0 |

⁴ The actual figure is for 12 rolling months

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

⁶ In 2020, this key metric was measured using quick pulse surveys, which provide a good indication of the well-being of leaders and employees at the time of the survey. In 2020, four surveys were carried out, two during the first half of the year and two during the second half.

⁷ For the overall environmental target of 0 tonnes of fossil carbon dioxide emissions, the time specified for reaching the target was year-end 2020. At year-end 2020, emissions were 0, which means the target was reached.

⁸ 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 is a State-owned company that operates and develops Sweden's national basic infrastructure of airports – a network of airports that connects the whole country with the rest of the world. Our role is to create the access Sweden needs to facilitate travel, business and meetings.

Objective

Together, we enable people to meet.

Vision

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

Business concept

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

Values

- Reliable
- Engaged
- Innovative
- Welcoming

Important events

January – December

AIRPORT CHARGES IN 2020

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

Within the scope of this price decision, a decision was made in late June on a supplementary incentive programme that involves providing discounts to airlines starting July 1, 2020. The measures were carried out in order to meet the market's needs following the resumption of air traffic after Covid-19.

SALE OF HOTEL PROPERTY

On January 30, 2020, Airport Hotel 2 AB, which owns the hotel property with the newly opened Comfort Hotel at Stockholm Arlanda Airport, was sold. The buyer is Wenaasgruppen AS. The underlying property value was SEK 1,356 M, and Swedavia's capital gain was SEK 427 M. The sale is in line with Swedavia's strategy to create value by developing properties near its airports that can be reinvested in the airports' competitiveness.

NEW BOARD MEMBER

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

THE IMPACT OF THE COVID-19 PANDEMIC ON AIR TRAVEL

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

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

In addition to the pandemic's direct effects on access by air, market players have faced serious economic challenges. As in Sweden, governments across the world have launched aid packages to help airlines and other industry players through the crisis.

At Swedavia's airports, passenger volume decreased 74 per cent during the year. After a dramatic decline during the spring, the summer months began with a rebound as restrictions on travel and physical distancing eased. This was primarily driven by increased leisure travel. However, during the autumn and winter, as Covid-19 spread around the world, travel again decreased to levels similar to those seen in the spring.

Airlines, airport companies and other market players have in many cases completed or announced structural and organisational changes to adapt operations to a new and uncertain market situation. For Swedavia, the sharp decrease in the number of aircraft movements and passengers resulted in a sharp fall in revenue from airport charges and car parking & passenger drop-

off/pick-up facilities as well as rental income from retail, food & beverage.

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 announced redundancies affecting 800 employees in addition to the furloughs. During the autumn, the company was also forced to carry this out. Through natural attrition, retirements and not filling vacancies, Swedavia has been able to reduce the number of employees forced to leave the company.

ECONOMIC CHALLENGES FOR MAJOR AIRPORT CUSTOMERS

The spread of Covid-19 has had major consequences for all of Swedavia's airline customers, which suspended most air traffic from late March to the end of the year. As a result, this has had a major negative economic impact on airlines and on Swedavia. During the second, third and fourth quarter, the carrier Braathens Regional Airlines (BRA) suspended all flights, underwent a corporate restructuring and received a credit guarantee from the Swedish National Debt Office.

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

During the fourth quarter, Norwegian applied for bankruptcy protection in Ireland and Norway.

During the year, Scandinavian Airline Systems (SAS) carried out a recapitalisation plan that was approved by shareholders during the third quarter.

RELIEF FOR TENANTS

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

NEW BOARD MEMBERS ELECTED AT ANNUAL GENERAL MEETING

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

TWO PROJECTS IN STOCKHOLM ARLANDA DEVELOPMENT PROGRAMME PAUSED

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

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

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

SWEDAVIA'S OWNER PROVIDES CAPITAL INJECTION

In the amending budget it adopted on June 23, the Swedish parliament authorised the government to decide on a shareholder contribution in 2020 of up to SEK 3,150 M for the company's long-term value creation and in order to maintain the company's infrastructure and ensure Swedish air access.

Under the framework for the amending budget adopted by parliament on June 23, 2020, the government decided on October 14 to provide a SEK 2,500 M shareholder contribution to Swedavia. Swedavia received the shareholder contribution in October.

STATE AID TO THE AVIATION MARKET

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

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

INFECTION CONTROL AND SAFETY MEASURES

INTRODUCED The European Aviation Safety Agency (EASA) in partnership with the European Centre for Disease Prevention and Control (ECDC) has developed guidelines for a uniform, safe travel experience within the EU. Airports and airlines are encouraged to follow the protocol, and compliance will be monitored on a continuous basis.

Swedavia has signed up all of its airports that have international traffic to the guidelines, which means Stockholm Arlanda Airport, Göteborg Landvetter Airport, Bromma Stockholm Airport and

Malmö Airport. However, all of Swedavia's airports will follow the protocol to ensure uniformity.

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

IMPACT ASSESSMENT OF BROMMA STOCKHOLM AIRPORT

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

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

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

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

SWEDAVIA SIGNS LOAN AGREEMENT

In December, Swedavia and the Nordic Investment Bank (NIB) signed a 500 million kronor loan agreement. The loan agreement is a so-called Covid-19 response loan aimed at facilitating financing for industries strongly impacted by the coronavirus pandemic. The loan is for seven years and helps to strengthen Swedavia's liquidity at a time when the pandemic has had a dramatic impact on air travel and Swedavia's operations.

AIRPORT CHARGES FOR 2021

After consultation with airlines and ground handling companies, Swedavia decided during the fourth quarter to leave airport charges in 2021 unchanged. With the aviation market in a sensitive situation, it was decided that any increase in charges would lead to long-term negative effects for Swedavia's airport network.

NEW GROUP ORGANISATION

During the fourth quarter, Swedavia announced that it would implement a new Group organisation as of July 1, 2021. The new organisation is part of extensive work that Swedavia carried out in 2020 to adapt the company to a new market normal.

Events after the end of the period

There are no important events to report.

Passenger trends

October – December

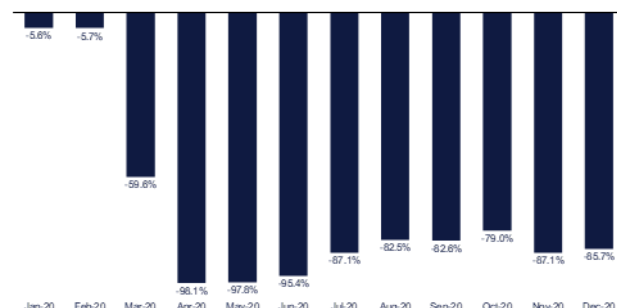
The fourth quarter was dominated by Covid-19 and its impact on air travel, with significantly lower demand and extremely weak traffic and passenger trends. Continued spread of the disease, increased restrictions, national travel advisories, quarantine requirements or closed borders, combined with the economic downturn, had a very negative impact on demand for flights. During the first part of the fourth quarter, there was a weak rebound, but increased spread of the disease and the introduction of further restrictions contributed to a weaker demand trend.

A total of 1.5 million passengers flew or from Swedavia's airports during the fourth quarter compared to 9.4 million for the same period in 2019, which corresponds to a decline of 83.6 per cent. Domestic travel decreased 80.3 per cent and international travel decreased 85.3 per cent.

Airlines have sharply reduced capacity supply in the market. The number of seats decreased 74.7 per cent during the quarter. The supply of seats in the market was higher than demand, which led to a weak cabin factor. Despite sharply lower supply, with far fewer seats in the market, airlines still have problems filling that capacity.

PASSENGER TREND BY MONTH (%) – SWEDAVIA

JANUARY – DECEMBER 2020 COMPARED TO 2019



January – December

The Covid-19 pandemic has had a major impact on air traffic and passenger trends during the year. Since the pandemic took full effect in March, passenger trends have been sharply negative.

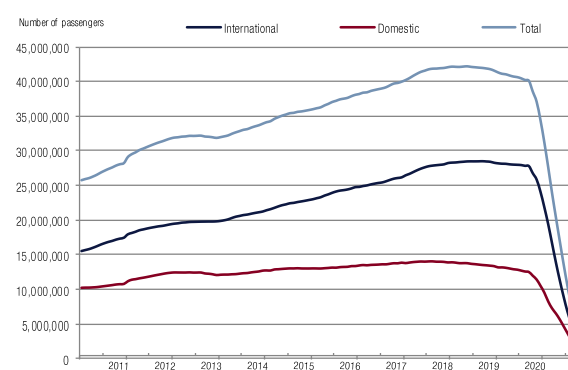
For the full year 2020, a total of 10.3 million passengers flew to or from Swedavia's airports. The number of passengers decreased by 74.5 per cent or 29.9 million passengers. Capacity supply also fell sharply during the year by 66.8 per cent or 37.2 million fewer seats.

Domestic travel had 3.6 million passengers, decreasing 70.6 per cent during the year, which meant 8.7 million fewer domestic passengers than in 2019. International travel, which had 6.6 million passengers during the year, decreased by 21.2 million passengers compared to 2019 or 76.2 per cent.

From a historical perspective, the passenger volume Swedavia had in 2020 is comparable to passenger volumes in the early 1980s, due to the pandemic and its impact on air travel.

PASSENGER TRENDS – SWEDAVIA

ROLLING TWELVE-MONTH TREND, APRIL 2010 – DECEMBER 2020



PASSENGER VOLUME

JAN-DEC 2020 AND OCT-DEC

| Passengers | Number of passengers Jan-Dec | | | Number of passengers Oct-Dec | | |
|---------------|------------------------------|-------------------|-----------------|------------------------------|------------------|-----------------|
| | 2020 | 2019 | Per cent change | 2020 | 2019 | Per cent change |
| International | 6,609,000 | 27,771,000 | -76.2% | 915,000 | 6,232,000 | -85.3% |
| Domestic | 3,646,000 | 12,386,000 | -70.6% | 622,000 | 3,154,000 | -80.3% |
| Total | 10,255,000 | 40,157,000 | -74.5% | 1,537,000 | 9,385,000 | -83.6% |

Economic overview

Net revenue and operating profit

OCTOBER-DECEMBER

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

Consolidated net revenue for the fourth quarter totalled SEK 454 M (1,564), which was a decrease of SEK 1,110 M or 71 per cent compared to 2019.

In the Airport Operations segment, net revenue decreased SEK 1,086 M to SEK 455 M (1,541). Net revenue in the Real Estate segment totalled SEK 8 M (32).

Aviation Business revenue totalled SEK 282 M (961), which is a decrease of SEK 679 M or 71 per cent. Passenger- and aircraft-related revenue was SEK 121 M (649), a decrease of 528 M or 81 per cent, mainly related to the passenger trend and the sharp decline in traffic. Revenue from ground handling and other ancillary services was SEK 91 M lower as a result of the sharp decline in traffic, totalling SEK 39 M (130).

Revenue from Commercial Services during the fourth quarter totalled SEK 172 M (594), which was 401 M or SEK 71 per cent lower than 2019. The decrease was lower than the decrease in passenger volume because of revenue from fixed agreements and agreements not directly related to the passenger trend. During the fourth quarter, Swedavia also provided rent relief to customers to support them in this difficult economic situation. The aim of the relief is to create conditions for as many of them as possible to survive the crisis and contribute to Swedavia's profitability when traffic resumes. Other operating revenue totalled SEK 104 M (49), which is an increase of SEK 55 M, primarily due to restructuring aid of SEK 83 M (-) for the period May-July. In 2019, capital gains had a positive effect of SEK 28 M.

External costs in the fourth quarter decreased SEK 162 M to SEK 560 M (722), mainly due to the volume decrease and cuts in non-business-critical activities. A provision for actual and expected customer credit losses of SEK 58 M (-2) entailed increased external costs.

Staff expenses, excluding restructuring costs, totalled SEK 387 M (500) and were SEK 113 M lower during the fourth quarter compared to 2019, partly due to State aid of SEK 39 M, related to short-term furloughs for about 2,300 of Swedavia's permanent employees. Operational cuts and positions left unfilled also led to

lower costs in the fourth quarter. Restructuring costs totalled SEK 16 M (26) in the fourth quarter.

Depreciation, amortisation and impairment losses increased SEK 88 M, mainly as a result of impairment losses recognised during the quarter of SEK 153 M (58).

Operating profit in the Airport Operations segment totalled SEK -867 M (-1), a decrease of SEK 866 M due to Covid-19's impact on air traffic and passenger volume. In the Real Estate segment, operating profit was SEK 3 M lower compared to 2019, SEK 15 M (18).

Consolidated operating profit for the fourth quarter was SEK -875 M (-12) and the operating margin was -192.9 per cent (-0.8).

JANUARY-DECEMBER

The effects of the Covid-19 pandemic have had a significant impact on Swedavia's operations and financial position. The spread of the disease led to substantially lower passenger volume and a sharp reduction in traffic from mid-March through December.

Consolidated net revenue for the year totalled SEK 2,494 M (6,235), which is a decrease of SEK 3,741 M or 60 per cent compared to 2019.

In the Airport Operations segment, net revenue decreased SEK 3,724 M to SEK 2,498 M (6,222). Net revenue in the Real Estate segment totalled SEK 31 M (54).

Revenue from Aviation Business totalled SEK 1,507 M (3,914), which is a decrease of SEK 2,407 M. Passenger- and aircraft-related revenue decreased SEK 1,926 M or 72 per cent due to substantially lower passenger volume and reduced traffic.

Revenue for ground handling and other ancillary services was SEK 171 M lower than in 2019 due to the sharp decrease in the number of aircraft movements from March to September and mild winters.

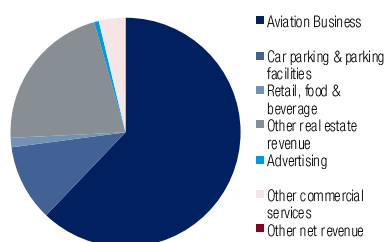
Revenue from Commercial Services totalled SEK 971 M (2,294), a decrease of SEK 1,311 M. During the year, revenue from Commercial Services was affected by the rent relief Swedavia provided, which was offset to some extent by SEK 13 M in State aid for rent relief.

Other operating revenue totalled SEK 700 M (68), an increase of SEK 632 M mainly due to a capital gain of SEK 427 M from the sale of Airport Hotel 2 AB, which owns the hotel property on which Comfort Hotel Stockholm Arlanda Airport was built. Other operating revenue was also positively affected by restructuring aid of SEK 233 M. In 2019, capital gains had a positive effect of SEK 28 M.

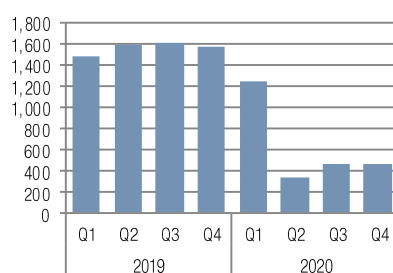
External costs were SEK 467 M lower compared to 2019 and totalled SEK 1,932 M (2,399). External costs were lower due to variable costs relative to passenger volume and to cuts in non-business-critical functions. A provision for actual and expected

BREAKDOWN, NET REVENUE

Quarter, October-December 2020

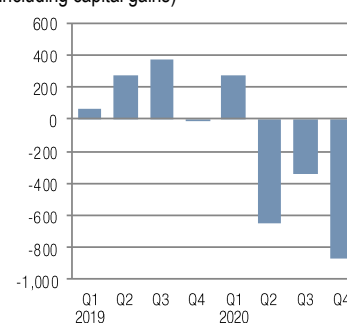


NET REVENUE, SEK M



OPERATING PROFIT, SEK M

(including capital gains)



customer credit losses of SEK 102 M (4) entailed increased external costs.

Staff expenses, excluding restructuring costs, totalled SEK 1,514 M (1,971) and were SEK 457 M lower compared to 2019, partly due to State aid of SEK 187 M, related to short-term furloughs for some 2,300 of Swedavia's permanent employees. Operational cuts and positions left unfilled also led to lower costs compared to the same period the previous year. Restructuring costs of SEK 36 M (81) were charged to staff expenses for the year.

Depreciation, amortisation and impairment losses increased to SEK 1,456 M (1,309). Excluding impairment losses, which totalled SEK 174 M (61), depreciation and amortisation was SEK 34 M. Higher depreciation and amortisation compared to 2019 is explained by new facilities, such as terminal expansion projects at Göteborg Landvetter Airport, apron projects at Stockholm Arlanda Airport and asphaltting projects for the take-off and landing runways at a number of Swedavia's airports, that were placed in service in late 2019 and early 2020. Impairment losses are mainly due to the pause projects for Pier F and the new baggage facility at Stockholm Arlanda Airport.

Operating profit in the Airport Operations segment totalled SEK -1,999 M (740) while operating profit in the Real Estate segment increased SEK 443 M to SEK 393 M (-50), mainly due to a capital gain of SEK 427 M.

Consolidated operating profit was SEK -1,593 M (709) and the operating profit margin was -63.9 per cent (11.4).

Financial items

Net financial items for the year totalled SEK -80 M (26), which was SEK 106 M lower than in 2019. The difference is largely explained by a capital gain on the sale of holdings in associated companies that improved their net financial items in 2019 by SEK 102 M. Borrowing costs increased to SEK 126 M (105), due to increased financial liabilities. Net financial items were positively affected by SEK 9 M compared to the previous year due to higher profit from holdings in joint ventures, SEK 54 M (45). Other financial income and expenses, SEK -7 M (-15), was 8 M lower compared to 2019, which is mainly explained by lower interest expenses for pensions.

Net financial items for the fourth quarter totalled SEK -31 M (-49). Higher net financial items in the fourth quarter were mainly due to increased profit from holdings in associated companies and lower expenses for interest related to the company's pension liability.

Profit for the period

Profit before tax for the period was SEK -1,672 M (736) and profit for the year was SEK -1,282 M (583).

Profit before tax for the fourth quarter was SEK -907 M (-60) and profit for the quarter was SEK -793 M (-62).

Investments

Investments during the year totalled SEK 2,856 M (3,460), with investments in the Airport Operations segment totalling SEK 2,570 M (2,906). Important investments were carried out in Stockholm Arlanda Airport's and Göteborg Landvetter Airport's development programmes.

Investments in Real Estate and property development for the year totalled SEK 286 M (554) and were mainly the investment in construction of a hotel at Göteborg Landvetter Airport.

During the fourth quarter, investments totalled SEK 699 M (1,040).

Cash flow

Cash flow for the year was SEK 1,385 M (67). Cash flow from operating activities was negative at SEK -556 M (1,977), which was SEK 2,533 M lower compared to 2019. The lower cash flow is mainly explained by lower cash-generating profits from operating activities before the change in working capital. Compared to 2019, cash flow from operating receivables was positive, mainly due to reduced invoicing, which meant significantly lower trade receivables. Cash flow from operating liabilities was negative during the period mainly due to a sharp decrease in trade payables.

Cash flow from investing activities was SEK -1,696 M (-3,048), with payments made related to investments SEK 604 M lower than in 2019, SEK 2,856 M (3,460), which is mainly due to the pausing of projects during the year. The sale of the subsidiary Airport Hotel 2 AB, which owns the hotel property at Stockholm Arlanda Airport where Comfort Hotel Arlanda Airport was built, generated a positive cash flow of SEK 1,181 M (-). During the period, proceeds from the sale of holdings in the associated company Landvetter Logistic Center AB generated SEK 83 M. The sale of the company took place in September 2019. At year-end, excess liquidity was invested in a short-term certificate, which entailed a negative cash flow of SEK 175 M. Dividends from associated companies generated a positive cash flow of SEK 72 M.

Cash flow from financing activities was SEK 3,636 M (1,137). Cash flow came largely from a shareholder contribution of SEK 2,500 M that the Swedish government decided in October. Increased medium-term notes of SEK 734 M, increased bank loans of SEK 500 M and decreased borrowings in commercial paper of SEK 70 M generated a positive cash flow from loan financing of SEK 1,165 M. Payment of interest related to Swedavia's hybrid bond during the year entailed a negative cash flow of SEK 16 M (-). A total of SEK 104 M (90) in lease liabilities was repaid, and cash flow from other loan liabilities had a SEK 92 M (23) effect on cash flow.

Cash flow for the fourth quarter was SEK 18 M (-148).

SWEDAVIA'S FINANCIAL TARGETS

| | Actual Dec 31, 2020 | Target |
|---------------------------------|------------------------|---------|
| Return on operating capital, % | -7.5 | 6.0 |
| Debt/equity ratio, times | 1.0 | 0.7-1.5 |
| Dividend target, % ⁷ | - | 10-50 |

KEY FINANCIAL METRICS

| | Actual Dec 31, 2020 | Actual Dec 31, 2019 | Policy |
|--|------------------------|------------------------|--------|
| Average interest rate, % | 1.2 | 1.1 | n/a |
| Average interest rate lock-in period, year | 3.3 | 3.8 | 1-4 |
| Average capital tie-up period, years | 4.2 | 5.0 | 2-5 |

Liquidity and financial position

Consolidated equity at the end of the year was SEK 10,533 M (9,440). Equity includes a hybrid bond of SEK 1,000 M issued in November 2019.

Swedavia's loan liabilities at the end of the year totalled SEK 9,734 M (8,570), which was an increase of SEK 1,165 M. Swedavia's **loan** liabilities are broken down into bank loans of SEK 3,200 M (2,700), medium-term notes of SEK 5,884 M (5,150) and commercial paper of SEK 650 M (720). At year-end, the average capital tie-up period, which includes the effect of interest rate derivatives, was 4.2 years (5.0) and the average interest rate lock-in period was 3.3 years (3.8). The average interest rate as of December 31 was 1.2 per cent (1.1). On the balance sheet date, the nominal total of interest rate derivatives was SEK 4,250 M (3,500).

Liquid assets increased SEK 1,385 M to SEK 1,462 M (77) at the end of the period. Net liabilities decreased SEK 457 M from SEK 10,688 M to SEK 10,231 M.

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

At the end of the period, Swedavia had unutilised credit facilities totalling SEK 2,800 M (1,800).

On the balance sheet date, there were also unutilised framework loan agreements with KfW-IPEX Bank and the Nordic Investment Bank (NIB) totalling SEK 1,000 M.

At the end of the period, return on operating capital, excluding restructuring costs, capital gains, impairment losses and disposals, was -8.5 per cent (4.8).

Employees

The average number of employees for the period January 1, 2020 – December 31, 2020 was 2,600 (3,050). The reduction in the average number is explained by restructuring programmes, great restraint in filling vacancies, which reduced the number of temporary employees, and the transfer of operations for security screening staff at Göteborg Landvetter Airport to an external operator. The decisions made in March concerning short-term furloughs for some 2,300 of Swedavia's permanent employees does not affect the figure according to the Swedish Accounting Standards Board's definition of this key metric.

Risks and uncertainty factors

Risk is defined here as an event that affects the Group's prospects of achieving its operational goals and implementing its strategies. Swedavia works continuously to map, monitor and manage risks in its operations. Risk reports are prepared and presented to the Board of Directors on a quarterly basis. Swedavia's significant risks are described in the Annual Report 2019 on pages 65-67 and in Note 47. In 2020, the Covid-19 pandemic affected Swedavia to an enormous extent and is expected to affect the company for a long while. Swedavia's overall top risk consists of reduced air traffic, in which a decrease in passengers has a negative effect on Swedavia in the form of lower revenue. The Covid-19 pandemic has entailed a 74 per cent reduction in passenger volume for 2020. Because of uncertainty about the spread of the pandemic, travel restrictions and the impact on the global economy, it is not possible at present to make any forecast about either a recovery in the short term or the future long-term passenger trend. However, Swedavia is working on an ongoing basis with different scenarios of possible future trends. Swedavia has a number of large customers, which could entail a major impact on Swedavia's operations in the event one of these were to have financial problems. The Covid-19

pandemic has had an enormous impact on all of Swedavia's airline customers. This has a great negative economic impact on the airlines and will probably lead to consolidation and restructuring in the industry but also to a greater risk of closures and bankruptcies. During the year, the carrier BRA carried out a company restructuring, and Norwegian carried out a financial restructuring in order to apply for bankruptcy protection late in the year. SAS also carried out a recapitalisation of the company. All in all, the economic challenges for airlines could have a negative impact on Swedavia in the form of immediate customer credit losses and, in the long term, a slower recovery in air traffic after the pandemic, which could entail a smaller range of routes on offer and less capacity compared to before the pandemic. The decline in volume also means that Swedavia's commercial business is negatively affected. Many tenants and partners at the airports are directly affected in the form of a sharp reduction or total halt in revenue, which in turn means lower sales-based rent for Swedavia. Another possible effect once restrictions are gradually lifted and traffic returns is that authorities could introduce new regulations to limit the spread of infectious diseases at airports. This could entail changes in working methods, flows and processes for Swedavia. During the year, Swedavia introduced infection control and safety measures at the airports in consultation with Swedish infectious disease control authorities.

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

Ongoing investments at the airports could affect tenants, who may have to relocate their premises. During the second quarter, Swedavia was sued in a court of law over a rent dispute at Stockholm Arlanda Airport. Swedavia contests the suit in its entirety, but the amount involved is substantial.

Other external factors could affect Swedavia's performance.

Dividend

In light of the effects the Covid-19 pandemic has had on Swedavia's revenue, profit and financial results as well as uncertainty about the future, the Board of Directors has decided to propose to the shareholder that the Annual General Meeting to be held on April 28, 2021, decide not to propose any dividend and instead carry forward available funds including profit for the year, SEK 7,082 M.

Parent Company

Net revenue and operating profit

The Parent Company's net revenue for the year totalled SEK 2,442 M (6,146), which was a decrease of SEK 3,704 M. Other operating revenue, SEK 272 M (68), was positively affected by restructuring aid of SEK 233 M. Operating profit was SEK -2,198 M (403) and the operating margin was -90.0 per cent (6.6). Profit before tax was SEK -1,724 M (351) and profit for the year was SEK -1,409 M (258). Operating profit for the year was negatively affected mainly by the effects of Covid-19 starting in mid-March. A provision for actual and expected customer credit losses of SEK 99 M, restructuring costs of SEK 36 M (81), and impairment losses and disposals of SEK 190 M (82) had a negative effect on operating profit. External costs and staff expenses in total were SEK 1,045 M lower compared to 2019, mainly due to cost savings, reductions in non-business-critical activities and furloughs.

During the fourth quarter, the Parent Company's net revenue totalled SEK 451 M (1,524), which was a decrease of SEK 1,073 M. Operating profit was SEK -894 M (-172) and the operating

margin was -198.3 per cent (-11.3). Profit before tax for the fourth quarter was SEK -334 M (-162) and profit for the quarter was SEK -337 M (-143).

Consolidated income statement

| Amounts in SEK M | Note | 2020 Oct-Dec | 2019 Oct-Dec | 2020 Jan-Dec | 2019 Jan-Dec |
|--|------|-----------------|-----------------|-----------------|-----------------|
| Net revenue | 2.6 | 454 | 1,564 | 2,494 | 6,235 |
| Other operating revenue | 9 | 104 | 49 | 700 | 68 |
| Work performed by the company for its own use and capitalised | | 45 | 50 | 172 | 189 |
| External costs | | -560 | -722 | -1,932 | -2,399 |
| Staff expenses | | -403 | -526 | -1,550 | -2,052 |
| Depreciation/amortisation and impairment losses on tangible fixed assets and intangible non-current assets | | -497 | -409 | -1,456 | -1,309 |
| Other operating costs | | -19 | -18 | -21 | -23 |
| Operating profit | | -875 | -12 | -1,593 | 709 |
| Income from financial items | | | | | |
| Income from holdings in associated companies and joint ventures | | 7 | -7 | 54 | 45 |
| Interest income and similar items | | 1 | -1 | 5 | 108 |
| Interest expenses and similar items | | -40 | -42 | -138 | -127 |
| Income after financial items | | -907 | -60 | -1,672 | 736 |
| Tax | | 114 | -1 | 391 | -153 |
| Profit for the period | 2 | -793 | -62 | -1,282 | 583 |
| Earnings per share, SEK | | -0.23 | -0.10 | -0.98 | 0.18 |
| Earnings per after dilution, SEK | | -0.24 | -0.10 | -0.99 | 0.18 |
| The total number of shares was 1,441,403,026 for all periods | | | | | |

* Earnings per share is calculated based on the profit for the period less costs related to the hybrid bond divided by the number of shares

Consolidated statement of comprehensive income

| Amounts in SEK M | Note | 2020 Oct-Dec | 2019 Oct-Dec | 2020 Jan-Dec | 2019 Jan-Dec |
|--|------|-----------------|-----------------|-----------------|-----------------|
| Profit for the period | | -793 | -62 | -1,282 | 583 |
| Other comprehensive income: | | | | | |
| Items that can be reclassified to the income statement | | | | | |
| Cash flow hedges | | | | | |
| Items reclassified to the income statement | | -5 | 1 | -5 | 0 |
| Change in fair value for the period | | 35 | 106 | -77 | -72 |
| Tax | | -6 | -22 | 17 | 15 |
| Other comprehensive income from joint ventures, net after tax | | 2 | 10 | -7 | 0 |
| Items that cannot be reclassified to the income statement | | | | | |
| Revaluations of defined benefit pensions | | -2 | -111 | -48 | -144 |
| Tax | | 0 | 21 | 10 | 31 |
| Total other comprehensive income, net after tax | | 25 | 5 | -110 | -170 |
| Comprehensive income for the period | | -768 | -56 | -1,392 | 412 |

Consolidated balance sheet, summary

| Amounts in SEK M | Note | Dec 31, 2020 | Dec 31, 2019 |
|--|----------|---------------|---------------|
| ASSETS | 2 | | |
| NON-CURRENT ASSETS | | | |
| Intangible non-current assets | | 729 | 775 |
| Tangible non-current assets | | 18,890 | 17,843 |
| Right-of-use assets | | 1,184 | 1,284 |
| Non-current financial assets | | 1,130 | 1,137 |
| Total non-current assets | | 21,934 | 21,038 |
| CURRENT ASSETS | | | |
| Materials and supplies | | 57 | 54 |
| Trade receivables | 7 | 328 | 595 |
| Receivables from associated companies | | 7 | 13 |
| Other receivables | | 277 | 267 |
| Prepaid expenses and accrued income | | 57 | 135 |
| Derivative instruments | 4 | - | 6 |
| Short-term investment | | 175 | - |
| Liquid assets | | 1,462 | 77 |
| Total current assets | | 2,364 | 1,146 |
| Assets held for sale | 10 | 388 | 768 |
| TOTAL ASSETS | | 24,686 | 22,952 |
| EQUITY AND LIABILITIES | 2 | | |
| EQUITY | | | |
| Share capital | | 1,441 | 1,441 |
| Other paid-in capital | | 4,662 | 2,162 |
| Hedge reserve | | -141 | -77 |
| Hybrid bond | | 1,000 | 1,000 |
| Retained earnings and profit for the year | | 3,570 | 4,914 |
| Total equity | | 10,533 | 9,440 |
| NON-CURRENT LIABILITIES | | | |
| Provisions | | 1,122 | 1,053 |
| Deferred tax liability | | 53 | 458 |
| Interest-bearing liabilities | | 8,297 | 7,550 |
| Derivative instruments | 4 | 172 | 108 |
| Lease liability | | 1,103 | 1,187 |
| Other non-current liabilities | | 204 | 150 |
| Total non-current liabilities | | 10,951 | 10,506 |
| CURRENT LIABILITIES | | | |
| Provisions | | 89 | 150 |
| Interest-bearing liabilities | | 1,437 | 1,045 |
| Derivative instruments | 4 | 7 | - |
| Lease liability | | 129 | 134 |
| Trade payables | | 591 | 796 |
| Liabilities to associated companies | | 44 | 7 |
| Other liabilities | | 249 | 91 |
| Accrued expenses and prepaid income | | 654 | 741 |
| Total current liabilities | | 3,199 | 2,963 |
| Liabilities attributable to assets held for sale | 10 | 3 | 43 |
| TOTAL EQUITY AND LIABILITIES | | 24,686 | 22,952 |

Consolidated change in equity

| Amounts in SEK M | Note | Dec 31, 2020 | Dec 31, 2019 |
|--|------|---------------|--------------|
| GROUP | | | |
| Equity, opening balance | | 9,440 | 8,066 |
| Effect of new accounting principle, IFRS 16 | 1 | - | -34 |
| Equity, adjusted opening balance, January 1 | | 9,440 | 8,032 |
| Hybrid bond issue | | - | 1,000 |
| Hybrid bond transaction costs | | - | -4 |
| Hybrid bond interest costs | | -16 | - |
| Shareholder contribution | | 2,500 | - |
| Total transactions with owner | | 2,484 | 996 |
| Profit for the year | | -1,282 | 583 |
| Other comprehensive income | | -110 | -170 |
| Total comprehensive income for the year | | -1,392 | 412 |
| Equity at year-end | | 10,533 | 9,440 |

Consolidated cash flow statement

| Amounts in SEK M | Note | 2020 Oct-Dec | 2019 Oct-Dec | 2020 Jan-Dec | 2019 Jan-Dec |
|--|------|-----------------|-----------------|-----------------|-----------------|
| Operating activities | | | | | |
| Profit after financial items | | -907 | -60 | -1,672 | 736 |
| Adjustments for items not included in cash flow etc. | | 706 | 405 | 994 | 1,204 |
| Tax paid | | 90 | 2 | 65 | -144 |
| Cash flow from operating activities before changes in working capital | | -111 | 347 | -614 | 1,796 |
| Cash flow from changes in working capital | | | | | |
| Increase(-)/Decrease(+) in materials and supplies | | 1 | 1 | -4 | -7 |
| Increase(-)/Decrease(+) in operating receivables | | -18 | -89 | 271 | 18 |
| Increase(+)/Decrease(-) in operating liabilities | | 144 | 126 | -209 | 170 |
| Cash flow from operating activities | | 16 | 385 | -556 | 1,977 |
| Investing activities | | | | | |
| Disposal of subsidiaries | 9 | 4 | - | 1,181 | - |
| Sale of holdings in associated companies | | - | - | 83 | - |
| Acquisitions/disposal of intangible non-current assets | | -17 | -40 | -46 | -89 |
| Acquisitions/disposal of tangible fixed assets | | -682 | -691 | -2,810 | -3,063 |
| Short-term investment | | -175 | - | -175 | - |
| Dividends from associated companies | | 72 | - | 72 | - |
| Acquisitions/disposal of other financial assets | | - | 19 | - | 104 |
| Cash flow from investing activities | | -799 | -710 | -1,696 | -3,048 |
| Financing activities | | | | | |
| Hybrid bond, net after transaction costs | | - | 996 | - | 996 |
| Hybrid bond, Interest expenses | | -4 | - | -16 | - |
| Shareholder contribution | | 2,500 | - | 2,500 | - |
| Borrowings raised | | 500 | 1,000 | 5,269 | 3,170 |
| Borrowings repaid | | -2,267 | -1,805 | -4,104 | -2,962 |
| Repayment of lease liabilities | | -26 | -19 | -104 | -90 |
| Increase(+)/Decrease(-) in other financial liabilities | | 98 | 4 | 92 | 23 |
| Cash flow from financing activities | | 801 | 176 | 3,636 | 1,137 |
| Cash flow for the period | | 18 | -148 | 1,385 | 67 |
| Liquid assets at the beginning of the period | | 1,444 | 225 | 77 | 10 |
| Liquid assets at the end of the period | | 1,462 | 77 | 1,462 | 77 |

Parent Company income statement

| Amounts in SEK M | Note | 2020 Oct-Dec | 2019 Oct-Dec | 2020 Jan-Dec | 2019 Jan-Dec |
|--|------|-----------------|-----------------|-----------------|-----------------|
| Net revenue | | 451 | 1,524 | 2,442 | 6,146 |
| Other operating income | | 99 | 49 | 272 | 68 |
| Work performed by the company for its own use and capitalised | | 45 | 50 | 172 | 189 |
| External expenses | | -634 | -747 | -2,217 | -2,591 |
| Staff expenses | | -375 | -657 | -1,519 | -2,192 |
| Depreciation and amortisation on tangible fixed assets and non-current intangible assets | | -462 | -374 | -1,327 | -1,196 |
| Other operating expenses | | -19 | -18 | -21 | -23 |
| Operating profit | | -894 | -172 | -2,198 | 403 |
| Income from financial items | | | | | |
| Interest income and similar items | | 3 | 6 | 16 | 23 |
| Interest expenses and similar items | | -38 | -29 | -137 | -107 |
| Income from financial items | | -929 | -195 | -2,319 | 318 |
| Appropriations | | 595 | 33 | 595 | 33 |
| Profit before tax | | -334 | -162 | -1,724 | 351 |
| Tax | | -3 | 19 | 316 | -93 |
| Profit for the period | | -337 | -143 | -1,409 | 258 |

Parent Company statement of comprehensive income

| Amount in SEK M | Note | 2020 Oct-Dec | 2019 Oct-Dec | 2020 Jan-Dec | 2019 Jan-Dec |
|--|------|-----------------|-----------------|-----------------|-----------------|
| Profit for the period | | -337 | -143 | -1,409 | 258 |
| Other comprehensive income | | - | - | - | - |
| Comprehensive income for the period | | -337 | -143 | -1,409 | 258 |

Parent Company balance sheet, summary

| Amounts in SEK M | Note | Dec 31, 2020 | Dec 31, 2019 |
|---|------|---------------|---------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Intangible non-current assets | | 606 | 676 |
| Tangible fixed assets | | 17,786 | 16,593 |
| Total financial assets | 3 | 1,434 | 1,126 |
| Non-current assets | | 19,825 | 18,395 |
| CURRENT ASSETS | | | |
| Materials and supplies | | 53 | 50 |
| Current receivables | 3 | 2,180 | 3,042 |
| Short-term investment | | 175 | - |
| Liquid assets | | 1,457 | 71 |
| Total current assets | | 3,865 | 3,163 |
| Total assets | | 23,691 | 21,558 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Restricted equity | | | |
| Share capital (1,441,403,026 shares) | | 1,441 | 1,441 |
| Reserve for development expenditures | | 28 | 35 |
| Unrestricted equity | | | |
| Other paid-in capital | | 2,162 | 2,162 |
| Hybrid bond | | 1,000 | 1,000 |
| Retained earnings/Share premium reserve | | 5,328 | 2,579 |
| Profit for the period | | -1,409 | 258 |
| Total equity | | 8,551 | 7,476 |
| Untaxed reserves | | 1,575 | 2,050 |
| Provisions | | 1,443 | 1,524 |
| Non-current liabilities | | 8,491 | 7,678 |
| Current liabilities | 3 | 3,631 | 2,830 |
| TOTAL EQUITY AND LIABILITIES | | 23,691 | 21,558 |

Notes

NOTE 1. ACCOUNTING PRINCIPLES

GENERAL

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

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

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

- Amendment to IFRS3 "Business combinations", concerning changes in the definition of a business combination. The classification of an acquisition as either an asset acquisition or a business acquisition gives rise to significant differences in their accounting. The change is expected to entail fewer acquisitions being classified as business acquisitions, with them instead being classified as asset acquisitions. The difference in accounting between business acquisition and asset acquisition may be significant as a result of different standards being applied. The new definition of business acquisition is not expected to have a material effect on Swedavia.
- Amendments to IAS 1 "Presentation of financial statements" and IAS 8 "Accounting policies, changes in accounting estimates and errors", concerning harmonisation of the definition of "material" between different IFRS standards and clarification of the meaning of the term. The amendment clarifies whether information is material depending on the nature or magnitude of information, or both. The definition of material is also changed from information that can have an effect on users of financial statements to information that can reasonably be expected to have an effect on users. The definition of "users of financial statements" has also been clarified as being primary users.
- Amendments to 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.

Government grants

Under IAS 20, "Accounting for Government Grants and Disclosure of Government Assistance", government grants are recognised in the statement of financial position when there is reasonable assurance that the grant will be received and that the entity complies with the conditions attached to the grant. Government grants are recognised in profit and loss on a systematic basis in

the same way and over the same periods in which the entity recognises as expenses the related costs or lost revenue for which the grants are intended to compensate for. Rent reductions provided as a result of the Covid-19 pandemic were recognised in the rental period the rent reductions apply to. These rent reductions are considered to be temporary compensation for reduced use of premises and not a modification of the original lease. Grants can be recognised either in the income statement as revenue or as a reduction in the corresponding cost. Government grants related to assets are recognised as a reduction in the carrying amount of the asset.

Swedavia receives government grants from both the Swedish State and the EU, mainly concerning the following:

- Grant for furloughs from the Swedish State which was designed to support operations affected by the spread of Covid-19. The grant, provided by the Swedish Agency for Economic and Regional Growth, is recognised as a reduction in staff expenses in the income statement and totalled SEK 187 M.
- Rent relief grant from the Swedish State. As a result of the grant, landlords that reduce the fixed rent of tenants in some vulnerable industries can apply for a grant in order to be paid compensation for some of the reduction. The grant, which is paid by the Swedish National Board of Housing, Building and Planning, is recognised as revenue in Commercial Services in the income statement and totalled SEK 13 M.
- 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. Grants awarded from the EU total SEK 19 M, SEK 14 M of which has reduced the asset's carrying amount.
- Restructuring aid from the Swedish State. Due to Covid-19, the Swedish State has introduced an adaptation grant that will enable companies to weather the acute crisis as well as transform their operations and adapt them to a new normal situation. The aid, which is received from the Swedish Tax Authority, is recognised as other operating revenue in the income statement and totalled SEK 233 M. Swedavia was granted restructuring aid of SEK 150 M for the period March-April and also applied for restructuring aid for the period May-June for a total of SEK 83 M, which was recognised in the income statement during the fourth quarter. The Swedish parliament has announced that it will extend the period for restructuring aid to include August 2020 to February 2021, and Swedavia intends to apply for aid for these months.

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.

• **Real Estate** owns, develops and manages properties and developable land at and around Swedavia's airports. Most revenue consists of rental income

• **Eliminations and adjustments** - capitalisation of borrowing expenses in accordance with IAS 23, IFRS 16 "Leases", remeasurement of biological assets and financial instruments at fair value are not monitored at the segment level but instead handled at the Group level and are included in the elimination of intra-Group items in this column.

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

SEGMENT REPORTING, INCOME STATEMENT

| Income statement Oct-Dec Amounts in SEK M | Airport Operations | | Real Estate | | Eliminations/adjustments * | | Group | |
|---|--------------------|--------------|-------------|-------------|----------------------------|-------------|---------------|--------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Net revenue, external | 449 | 1,533 | 5 | 31 | - | - | 454 | 1,564 |
| Net revenue, internal | 6 | 8 | 3 | 1 | -9 | -9 | - | - |
| Net revenue | 455 | 1,541 | 8 | 32 | -9 | -9 | 454 | 1,564 |
| Other operating income, external | 99 | 49 | 6 | - | - | - | 104 | 49 |
| Work performed by the company for its own use and capitalised, external | 45 | 50 | - | - | - | - | 45 | 50 |
| Operating expenses | -986 | -1,250 | -19 | -42 | 44 | 44 | -962 | -1,248 |
| Depreciation, amortisation and impairment losses | -460 | -373 | -9 | -8 | -28 | -30 | -497 | -409 |
| Other operating costs | -19 | -18 | - | - | - | - | -19 | -18 |
| Operating profit | -867 | -1 | -15 | -18 | 6 | 5 | -875 | -12 |
| Financial income | 3 | 6 | 7 | -7 | -2 | -7 | 9 | -7 |
| Financial expenses | -41 | -34 | -1 | -7 | 2 | 0 | -40 | -42 |
| Appropriations | -72 | -96 | 72 | 96 | 0 | - | 0 | 0 |
| Profit before tax | -977 | -125 | 64 | 65 | 6 | 0 | -907 | -60 |
| Tax | 129 | -14 | -13 | -8 | -3 | 20 | 114 | -1 |
| Profit for the period | -847 | -139 | 51 | 58 | 4 | 19 | -793 | -62 |
| Other segment information | | | | | | | | |
| Profit from holdings in associated companies and joint ventures | - | - | 7 | -7 | - | - | 7 | -7 |
| Investments | 653 | 923 | 46 | 116 | - | - | 699 | 1,040 |
| Profit/loss from sale of shares, holdings and operations | - | - | 5 | - | - | - | 5 | - |
| Restructuring costs | 16 | 26 | - | - | - | - | 16 | 26 |
| Income statement Jan-Dec | | | | | | | | |
| Amounts in SEK M | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Net revenue, external | 2,476 | 6,197 | 18 | 39 | - | - | 2,494 | 6,235 |
| Net revenue, internal | 22 | 25 | 13 | 15 | -35 | -40 | - | - |
| Net revenue | 2,498 | 6,222 | 31 | 54 | -35 | -40 | 2,494 | 6,235 |
| Other operating income, external | 272 | 68 | 440 | 0 | -12 | - | 700 | 68 |
| Work performed by the company for its own use and capitalised, external | 172 | 189 | - | - | - | - | 172 | 189 |
| Operating expenses | -3,604 | -4,532 | -51 | -83 | 173 | 164 | -3,482 | -4,451 |
| Depreciation, amortisation and impairment losses | -1,316 | -1,184 | -27 | -21 | -113 | -104 | -1,456 | -1,309 |
| Other operating costs | -21 | -23 | 0 | 0 | 0 | 0 | -21 | -23 |
| Operating profit | -1,999 | 740 | 393 | -50 | 13 | 20 | -1,593 | 709 |
| Financial income | 16 | 23 | 54 | 6 | -11 | 124 | 59 | 153 |
| Financial expenses | -150 | -128 | -11 | -19 | 22 | 20 | -138 | -127 |
| Appropriations | -72 | -96 | 72 | 96 | 0 | - | 0 | 0 |
| Profit before tax | -2,205 | 538 | 508 | 33 | 24 | 164 | -1,672 | 736 |
| Tax | 415 | -129 | -19 | -19 | -5 | -5 | 391 | -153 |
| Profit for the period | -1,790 | 410 | 489 | 14 | 19 | 160 | -1,282 | 583 |
| Other segment information | | | | | | | | |
| Profit from holdings in associated companies and joint ventures | - | - | 54 | 45 | - | - | 54 | 45 |
| Investments | 2,570 | 2,906 | 286 | 554 | - | - | 2,856 | 3,460 |
| Profit/loss from sale of shares, holdings and operations | - | - | 439 | - | -12 | - | 427 | - |
| Restructuring costs | 36 | 81 | - | - | - | - | 36 | 81 |

SEGMENT REPORTING, BALANCE SHEET

| Balance sheet Amounts in SEK M | Airport Operations | | Real Estate | | Eliminations/adjustments ⁹ | | Group | |
|---|--------------------|---------------|--------------|--------------|---------------------------------------|---------------|---------------|---------------|
| | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 |
| Non-current assets | 19,688 | 18,499 | 2,044 | 2,593 | 202 | -54 | 21,934 | 21,038 |
| Current assets | 3,765 | 3,043 | 639 | 322 | -2,040 | -2,219 | 2,364 | 1,146 |
| Assets held for sale | - | - | - | - | 388 | 768 | 388 | 768 |
| Total assets | 23,453 | 21,542 | 2,683 | 2,915 | -1,450 | -1,505 | 24,686 | 22,952 |
| Equity | 10,130 | 9,475 | 1,209 | 727 | -807 | -761 | 10,533 | 9,440 |
| Liabilities | 13,323 | 12,067 | 1,474 | 2,189 | -647 | -786 | 14,150 | 13,469 |
| Liabilities related to assets held for sale | - | - | - | - | 3 | 43 | 3 | 43 |
| Total equity and liabilities | 23,453 | 21,542 | 2,683 | 2,915 | -1,450 | -1,505 | 24,686 | 22,952 |

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 Dec 31 | 2019 Dec 31 | 2020 Dec 31 | 2019 Dec 31 |
| Loan receivables and trade receivables | Amortised cost | 2,415 | 1,112 | 2,415 | 1,112 |
| Other financial liabilities | Amortised cost | -10,753 | -9,516 | -10,776 | -9,516 |
| Derivatives | Fair value | -180 | -96 | -180 | -96 |
| Total | | -8,518 | -8,499 | -8,541 | -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, SEK 888 M (913), and pension obligations in endowment insurance owned by the company, SEK 11 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 | Airport Operations | | Real Estate | | Eliminations/adjustments | | Group | |
|----------------------------------|--------------------|-----------------|-----------------|-----------------|--------------------------|-----------------|-----------------|-----------------|
| | 2020 Oct-Dec | 2019 Oct-Dec | 2020 Oct-Dec | 2019 Oct-Dec | 2020 Oct-Dec | 2019 Oct-Dec | 2020 Oct-Dec | 2019 Oct-Dec |
| Breakdown of net revenue | | | | | | | | |
| <i>Aviation Business</i> | | | | | | | | |
| Passenger-related revenue | 61 | 441 | - | - | - | - | 61 | 441 |
| Aircraft-related revenue | 60 | 208 | - | - | - | - | 60 | 208 |
| Externally regulated charges | 122 | 181 | - | - | - | - | 122 | 181 |
| Ground handling | 24 | 77 | - | - | - | - | 24 | 77 |
| Other ancillary services | 15 | 53 | - | - | - | - | 15 | 53 |
| | 282 | 961 | - | - | - | - | 282 | 961 |
| <i>Commercial Services</i> | | | | | | | | |
| Car parking & parking facilities | 49 | 218 | - | - | - | - | 49 | 218 |
| Retail, food & beverage | 6 | 183 | - | - | - | - | 6 | 183 |
| Real estate revenue | 94 | 113 | 7 | 31 | -4 | -5 | 97 | 139 |
| Advertising | 3 | 34 | - | - | - | - | 3 | 34 |
| Other commercial services | 20 | 24 | 1 | 1 | -4 | -5 | 17 | 20 |
| | 171 | 572 | 8 | 32 | -7 | -9 | 172 | 594 |
| Other net revenue | 2 | 9 | 0 | 0 | -2 | - | 0 | 9 |
| Total net revenue | 455 | 1,541 | 8 | 32 | -9 | -9 | 454 | 1,564 |

| Group, amounts in SEK M | Airport Operations | | Real Estate | | Eliminations/adjustments | | Group | |
|----------------------------------|--------------------|-----------------|-----------------|-----------------|--------------------------|-----------------|-----------------|-----------------|
| | 2020 Jan-Dec | 2019 Jan-Dec | 2020 Jan-Dec | 2019 Jan-Dec | 2020 Jan-Dec | 2019 Jan-Dec | 2020 Jan-Dec | 2019 Jan-Dec |
| Breakdown of net revenue | | | | | | | | |
| <i>Aviation Business</i> | | | | | | | | |
| Passenger-related revenue | 447 | 1,822 | - | - | - | - | 447 | 1,822 |
| Aircraft-related revenue | 316 | 867 | - | - | - | - | 316 | 867 |
| Externally regulated charges | 535 | 733 | - | - | - | - | 535 | 733 |
| Ground handling | 115 | 286 | - | - | - | - | 115 | 286 |
| Other ancillary services | 94 | 206 | - | - | - | - | 94 | 206 |
| | 1,507 | 3,914 | - | - | - | - | 1,507 | 3,914 |
| <i>Commercial Services</i> | | | | | | | | |
| Car parking & parking facilities | 295 | 889 | - | - | - | - | 295 | 889 |
| Retail, food & beverage | 196 | 735 | - | - | - | - | 196 | 735 |
| Real estate revenue | 344 | 438 | 28 | 45 | -16 | -14 | 356 | 469 |
| Advertising | 57 | 123 | - | - | - | - | 57 | 123 |
| Other commercial services | 76 | 95 | 4 | 8 | -13 | -25 | 67 | 78 |
| | 968 | 2,279 | 31 | 53 | -28 | -38 | 971 | 2,294 |
| Other net revenue | 23 | 29 | 0 | 1 | -7 | -2 | 16 | 28 |
| Total net revenue | 2,498 | 6,222 | 31 | 54 | -35 | -41 | 2,494 | 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 year, SEK 2,494 M (6,235), SEK 31 M (54) pertains to the Real Estate operating segment, broken down into real estate revenue of SEK 28 M (45), other commercial products of SEK 4 M (8) and other net revenue of 0 M (1).

During the year, revenue from contracts with customers under IFRS 15 was SEK 2,103 M (5,227), which pertains to total net revenue as of December 31 including revenue from retail, food & beverage of SEK 196 M (735) as well as parts of the real estate revenue product of SEK 195 M (274). For the full year, revenue under IFRS 16 totalled SEK 391 M (1,008) with SEK 378 M (975) pertaining to the Airport Operations segment and SEK 14 M (33) to the Real Estate segment.

NOTE 7. TRADE RECEIVABLES

In accordance with IFRS 9 "Financial instruments", on each balance sheet date Swedavia assesses whether there are objective indications that an impairment loss needs to be taken on a financial asset or group of financial assets even from the date of initial recognition. Impairment losses are calculated and recognised for financial assets valued at amortised cost and for financial assets valued at fair value through other comprehensive income. A provision for customer credit losses is calculated and recognised initially based on twelve months' expected credit losses. If the credit risk has increased significantly since initial recognition of the financial asset, a provision for credit losses is calculated and recognised based on expected credit losses. For trade receivables that do not include a significant financing component, a simplified method is

applied and a provision for credit losses is calculated and recognised based on expected credit losses for the entire remaining life regardless of whether the credit risk has increased significantly or not. Swedavia applies the simplified method for calculating expected credit losses. The calculation of expected credit losses is based on a combination of historical data, based on customer type and due date, which are considered relative to future economic prospects. As a result of the major negative effects that the Covid-19 pandemic has had and will continue to have on Swedavia's customers in Aviation Business and Commercial Services, the assessment has been made that many customers – despite the relief measures decided – will still have major economic problems so that they run a great risk of closing down operations or filing for bankruptcy. At year-end, a provision of SEK 71 M was therefore set aside for the cost of expected credit losses. The provision for expected credit losses is calculated based on historical data and has been supplemented with an assessment of major customers' future ability to pay. The assessment was made based on future economic prospects based on market data, credit ratings and other financial information.

On the balance sheet day December 31, 2020, assets that are classified as assets held for sale consisted of tangible non-current assets with a book value of SEK 382 M and current assets with a book value of SEK 6 M. Assets held for sale are not depreciated from the time they are reclassified. The assets are funded through intra-Group loans. Liabilities related to assets held for sale totalled 3 M and consist primarily of operating liabilities.

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

NOTE 11. EVENTS AFTER THE BALANCE SHEET DATE

There are no important events to report.

NOTE 8. SUPPLEMENTARY 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 903 M as of December 31, 2020, and SEK 874 M as of December 31, 2019.

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

In calculating the key metric as of December 31, 2020, operating profit for a rolling 12 months was adjusted for restructuring costs of SEK 36 M, impairment losses and disposals of SEK 191 M, and capital gains of SEK 427 M. Operating profit as of December 31, 2019, for a rolling 12 months was adjusted for restructuring costs of SEK 81 M, impairment losses and disposals of SEK 82 M, and a capital gain of SEK 130 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 1,356 M, and Swedavia's capital gain was SEK 427 M. The transaction generated a positive cash flow of SEK 1,181 M.

NOTE 10. ASSETS HELD FOR SALE

In July 2018, Swedavia signed an agreement to sell the company that owns the property at Göteborg Landvetter Airport where a hotel is under construction. Under the agreement, the transfer will take place in April 2021, when the hotel is placed in service.

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

| | |
|------------------------------|-------------------|
| Annual Report 2020 | March 26, 2021 |
| Annual General Meeting 2021 | April 28, 2021 |
| Interim Report Jan-Mar 2021 | April 28, 2021 |
| Interim Report Jan-Jun 2021 | July 16, 2021 |
| Interim Report Jan-Sep 2021 | October 29, 2021 |
| Year-End Report Jan-Dec 2021 | February 14, 2022 |

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

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 10, 2021, at 4:00 p.m. CET.

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 2020

Stockholm-Arlanda February 10, 2021

Jonas Abrahamsson
President and CEO

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