

# Year-End Report

January – December 2021

“Strong end to another tough  
year”

Jonas Abrahamsson  
President and CEO



# Year-End Report

## January – December

### 2021

#### January – December 2021

- During the year, Swedavia's airports had 11.9 million (10.3)<sup>1</sup> passengers, which is an increase of 16.0 per cent compared to 2020 and a decrease of 70.4 per cent compared to 2019
- Net revenue totalled SEK 2,717 M (2,494)
- Operating profit totalled SEK -1,385 M (-1,593).
- Operating profit was positively affected by capital gains of SEK 92 M (427) from real estate operations, SEK 78 M of which was from the sale of the company that owns the hotel property for the recently opened hotel Scandic Landvetter at Göteborg Landvetter Airport
- Operating profit excluding capital gains, restructuring costs, impairment losses and disposals totalled SEK -1,420 M (-1,793). The improved operating profit of SEK 373 M is mostly explained by higher passenger volumes and lower operating costs
- Profit for the period was SEK -1,182 M (-1,282)
- Cash flow from operating activities for the fourth quarter was positive, SEK 242 M (137). Cash flow from operating activities for the year totalled SEK -293 M (-435)
- Investments for the Group totalled SEK 1,831 M (2,856), with the slower investment pace being an effect of the setting of new priorities in the investment portfolio
- In November Swedavia issued hybrid bonds for SEK 2,500 M
- The Board of Directors proposes that no dividend be paid for the year

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

	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
SEK M, unless otherwise indicated				
Net revenue	984	454	2,717	2,494
Operating profit	-266	-875	-1,385	-1,593
Operating profit excluding capital gains, impairment losses and disposals	-264	-694	-1,421	-1,793
Operating margin, %	-27.0	-192.9	-51.0	-63.9
Operating margin excluding capital gains, impairment losses and disposals, %	-26.8	-153.0	-52.3	-71.9
Profit for the period	-278	-793	-1,182	-1,282
Return on operating capital, %	-6.3	-7.5	-6.3	-7.5
Return on operating capital excluding capital gains, impairment losses, and disposals, %	-6.3	-8.5	-6.3	-8.5
Debt/equity ratio, times	0.8	1.0	0.8	1.0
Cash flow from operating activities <sup>4</sup>	242	137	-293	-435
Capital spending	510	699	1,831	2,856
Average number of employees	2,244	2,600	2,244	2,600
Passengers, million	5.0	1.5	11.9	10.3
Operating costs per departing passenger, SEK <sup>2</sup>	359.4	1,184.1	526.2	677.5
Commercial revenues per departing passenger, SEK	90.1	70.5	86.9	98.0

<sup>1</sup> Figures in parentheses in this report are results for the corresponding period for the previous year, except for liquidity, financial position, and contingent liabilities and pledged assets, where the comparison is with the opening balance for the previous year

<sup>2</sup> This key metric is calculated excluding restructuring costs

<sup>3</sup> For definitions of key metrics, see pages 20–21

## Strong end to another tough year

We have put another year behind us, one dominated by the Covid pandemic, and note that a battered aviation industry has faced many challenges, just like society in general. Still, a fourth quarter strong recovery gives hope that the positive trend will continue in 2022, provided that the spread of the virus slows and restrictions around the world can be lifted.

The world is no doubt facing an ordeal. The Covid-19 pandemic is a health crisis, but it has had repercussions for more or less every aspect of society. Restrictions on our possibilities to move freely and meet other people have had social, cultural and economic consequences. For the aviation industry, the consequences have been severe, since its very purpose is to facilitate meetings between people.

We are still in the middle of a pandemic, but after a very difficult 2020, we saw a more positive trend in 2021 as vaccinations were rolled out and restrictions were eased. A growing number of airlines invested in our airports. Given a pent-up need for travelling and meeting, passengers returned to the airports, though the recovery in travel was from levels we had not seen since the early 1980s. The outlook for the start of 2022 remains uncertain, but given the recent positive trend and the lifting of restrictions in many countries, there are clear indications of an accelerating recovery this year.

### A STRONG FOURTH QUARTER

Ryanair, Eurowings and Finnair are all customers that made major investments in 2021 in our airports, mainly Stockholm Arlanda, setting up new bases. That means significantly better travel options to and from Sweden. It is also gratifying that Norwegian, SAS and BRA have successfully shifted up gears, with the latter two airlines also launching key initiatives for the industry's climate transition. Meanwhile, because of improved travel opportunities, five million passengers flew to or from Swedavia's airports during the fourth quarter, compared to 1.5 million for the same period last year. For the full year, there were 12 million passengers, an increase of two million compared to 2020, but 70 per cent lower than before the Covid-19 pandemic.

Thanks to the recovery in air travel, Swedavia's net revenue in the fourth quarter increased by more than half a billion kronor, to SEK 984 M (SEK 454 M) compared to 2020. Operating profit also improved substantially compared to 2020 and totalled SEK -266 M (SEK -875 M). Cash flow from operating activities was positive in the fourth quarter. For the full year, Swedavia's net revenue totalled SEK 2,717 M (SEK 2,494 M) and operating profit was SEK -1,385 M (SEK -1,593 M). However, it is difficult to compare 2021 with 2020, since the pandemic did not affect the aviation industry until after the first few months of 2020.

### WE ARE WELL EQUIPPED

Some of the changes in the aviation market caused by the pandemic will probably be more long-lasting than others. In the long term, most indications are that more and more people will want to travel by air but it is not clear what the pace of recovery will be post-pandemic. The pandemic has also accelerated existing megatrends, such as digitisation. This is expected to affect business travel, since digital meetings can replace physical ones to some extent. What we know for certain is that the aviation market has already changed fundamentally and that these changes mean Swedavia needs to continue adapting in order to also create value going forward for our customers and for society.

Thus in 2021 we continued the important development work we have carried out since mid-2020. During the fourth quarter, we implemented a new organisational structure that among the things means our ten airports are now divided into



two groupings. Arlanda, Gothenburg, Bromma and Malmö now constitute Swedavia International Airports, while Visby, Luleå, Umeå, Åre Östersund, Ronneby and Kiruna are included in Swedavia Regional Airports. This reconfiguration will create better conditions and enhance our international competitiveness as well as Sweden's. At the same time, we safeguard access across Sweden. We will both improve our offering and increase our own efficiency. Our network of airports will also continue to connect Sweden together – and connect Sweden to the rest of the world.

We were successful in cutting our fixed costs through difficult priorities, which contributed to us being well equipped to serve our customers going forward while we continue to develop our airports for the future. This development is inspiring work that has also continued throughout the pandemic. People who have visited Arlanda recently see that the work to modernise the airport and improve its efficiency is proceeding at full speed. This work will continue in 2022 and will include completing the integration of Terminals 4 and 5 at Arlanda. We have managed to get through the pandemic so far by setting smart but tough priorities, and we will also create success going forward by setting smart priorities.

### THE JOURNEY CONTINUES

A world where we cannot travel and meet is a poorer world. If we did not know that before the pandemic, we do now. That is why Swedavia's mission is so important. Good international and national access is a cornerstone in building a modern, global society. Swedavia will thus continue the journey towards a net zero aviation industry. As an airport operator, we are a world leader today in this area, which was confirmed once again when Arlanda received Airports Council International (ACI) Europe's Eco-Innovation Award in October for Swedavia's climate transition work.

We are now focused to an even greater extent on contributing to the transition of the entire industry. Through our incentive programme to increase the use of renewable aviation fuel, Swedavia funds half of the additional cost when an airline chooses to refuel with renewable fuel instead of fossil aviation fuel. This has continued despite the pandemic. Just before year-end, 1,500 tonnes of renewable aviation fuel were used in refuelling at Arlanda in a partnership between Swedavia and freight shipping company DHL. The aviation industry has shown great interest in this incentive despite the ongoing pandemic so the incentive will remain in place in 2022.

In a world where air travel links us together, there are also growing demands for airports to be ever more efficient hubs, where various transport modes link up and digital innovations enable seamless travel. It should be easy to book and easy to travel door to door, no matter where in the world you start and end your journey. There is a lot for us to do here, both by improving our collaboration with other transport modes and by continuing to develop innovative solutions for our customers at the airports. This is a task we look forward to taking on.

Finally, I would like to extend a big warm thanks to all our customers, partners and employees. Thank you for your trust and efforts during the past year. Together, we are heading towards brighter times.

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 STRATEGIC GOALS FOR SUSTAINABLE VALUE CREATION

	Actual <sup>4</sup> Dec 31, 2021	Actual <sup>4</sup> Dec 31, 2020	Targets 2021	Targets 2025
Satisfied passengers, % <sup>5</sup>	82	74	76	85
Engaged leaders and employees, % <sup>6</sup>	77	77	77	75
Return on operating capital, %	-6.3	-7.5	6.0	6.0
Mixture of renewable aviation fuel, % <sup>7</sup>	0.4	0.1	0.2	5.0

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

<sup>5</sup> Pertains to the passenger customer group at Stockholm Arlanda Airport and Göteborg Landvetter Airport. The method for calculating this key metric has been changed for 2021. The results for the different years are therefore not comparable

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

<sup>7</sup> 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

### CLARIFICATION OF NATIONAL INTEREST FOR STOCKHOLM ARLANDA

In late March, the Swedish Transport Administration decided on a new clarification of national interest regarding Stockholm Arlanda Airport. This clarification of national interest constitutes a planning document that clarifies where construction may take place, for instance, based on what distances are required to satisfy maximum noise limits for housing construction. A more detailed description of the function of the national interest is given than was provided in the identification of national interests that the Stockholm County Administrative Board adopted in 2008.

Updating clarifications of national interest based on current conditions with respect to transport is part of the Swedish Transport Administration's long-term planning and shall be carried out if new information emerges that necessitates a different use of land. Such new information is the Swedish Ordinance 2015:216 on Traffic Noise Levels in Housing Construction from 2015. The Swedish Transport Administration notes how technological advances, with quieter and larger aircraft, have reduced the extent of land considered to be of national interest and how municipalities in the vicinity of the airport can now build housing on land previously protected by the national interest.

### TWO AMENDMENTS FOR AVIATION'S GREEN TRANSITION

The Swedish parliament adopted a reduction quota scheme for jet kerosene, to take effect on July 1, 2021. The aim is to reduce greenhouse gas emissions from aviation. The reduction quota scheme requires suppliers of jet kerosene to add biofuel to the mixture of fossil jet kerosene.

The parliament also adopted amendments on airport charges in the Swedish Act on Airport Charges and the Swedish Ordinance on Airport Charges. The amendment to the Act entitles Parliament to issue regulations to differentiate airport charges at the airports covered by the Act. The amendment to the Ordinance enables a differentiation in take-off and landing charges based on the climate impact of aircraft. As a result of the amendment, the Swedish Transport Agency is also entitled to issue regulations to enforce the Ordinance on Airport Charges.

The amendment to the Act entered into force on July 1, 2021. The amendment to the Ordinance took effect on August 1, 2021, and consultations were held concerning the application of airport charges at Stockholm Arlanda Airport and Göteborg Landvetter Airport starting in 2022.

### GOVERNMENT ANNOUNCES IT WANTS TO CLOSE BROMMA STOCKHOLM AIRPORT

On April 21, the Swedish government announced that it will work for the early closure of Bromma Stockholm Airport and to ensure that the necessary capacity is available at Stockholm Arlanda Airport. A commission was appointed to investigate the conditions needed for a closure and reported its conclusions in late August. The formal consultation procedure has now been completed, and no further decisions have been made on the matter. Swedavia's full focus until further notice is to continue operating Bromma Stockholm Airport as efficiently as possible.

### SALE OF AIRPORT PROPERTY

On June 14, 2021, Hotell 1 Landvetter AB, which owns the property on which the recently opened hotel Scandic Landvetter at Göteborg Landvetter Airport is built, was sold. Swedavia's capital

gain was SEK 78 M, and the underlying property value was SEK 495 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.

### SALE OF LAND AT GÖTEBORG LANDVETTER AIRPORT

On July 1, 2021, Swedavia entered an agreement to sell two companies that own land at Göteborg Landvetter Airport.

The transfer of property is expected to take place during the first quarter of 2022. The capital gain from the sale is estimated to be about SEK 30 M, and the underlying property value is SEK 40 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.

### SALE OF LOGISTICS PROPERTIES

Swedavia agreed to sell two land-owning companies with building rights in the logistics park at Göteborg Landvetter Airport. In an area covering nearly 14,000 square metres of land, a modern, efficient logistics facility with a gross area of about 6,500 square metres is planned. The sale is expected to take place during the first quarter of 2022. The underlying property value is SEK 20 M, and the capital gain from the transaction is estimated to be about SEK 15 M.

On October 7, 2021, another three land-owning companies with building rights in the logistics park at Göteborg Landvetter Airport were sold. A logistics facility and a property with premises for offices, services and warehousing for other tenants are planned. The underlying property value is SEK 17 M, and the capital gain from the transaction amounted to SEK 13 M.

### AIRPORT CHARGES IN 2022

After consultations with airlines and ground handling companies, Swedavia has decided to keep the levels of its airport charges unchanged, except for certain structural adjustments. Alongside this, a CO<sub>2</sub> emission charge will be introduced in accordance with the bonus/malus principle to reduce the climate impact of aviation, in line with the differentiated charges to reduce the climate impact of aviation adopted by the Swedish parliament in 2021.

### SWEDAVIA'S CLIMATE TRANSITION WORK RECEIVES INTERNATIONAL AWARD

In late October, Airports Council International (ACI) Europe named Stockholm Arlanda Airport Eco-Innovation Airport of the Year. In its announcement of the award, the industry association commended Swedavia for being an international pioneer in sustainable development through its climate transition work and in achieving its goal of zero fossil carbon dioxide emissions from its own airport operations in 2020.

### SWEDAVIA ISSUES HYBRID BONDS

In November, Swedavia issued SEK 2.5 billion in subordinated hybrid bonds with a perpetual maturity and first redemption option after 5 years. The hybrid bond issue had a settlement date of November 17, and the proceeds will be used for Swedavia's operating activities, including to repay existing debt and fund investments.

## Events after the end of the period

There are no important events to report.

# Passenger trends

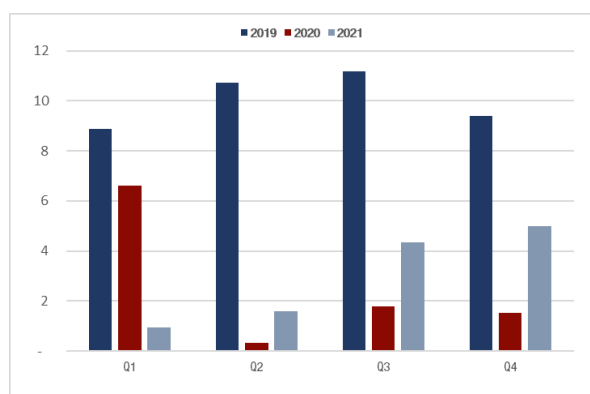
## January – December

The passenger trend in 2021 continued to be affected by the Covid-19 pandemic, with the start of the year dominated by the extensive spread of the virus, wide-ranging restrictions and government advisories against travel. Vaccinations were rolled out early in the year, and the number of people vaccinated climbed steadily during the year. As a result, travel increased starting late in the second quarter and in the third quarter. Late in the third quarter, travel advisories and nearly all travel recommendations and restrictions in Sweden were lifted, with the effect being a continued acceleration in the recovery in the fourth quarter. Late in the fourth quarter, the spread of Covid started to increase again as a result of the new Omicron variant, which led to a slowdown in the recovery.

During the year, a total of 11.9 million passengers flew to or from Swedavia's airports. That is an increase of 16 per cent compared to 2020. In comparisons with 2020, it should be taken into consideration that the pandemic did not affect the aviation industry until the end of the first quarter of 2020. Compared to 2019 and pre-pandemic levels, there were 28 million fewer passengers in 2021, which corresponds to a decrease of 70.4 per cent.

### PASSENGER VOLUME – SWEDAVIA

QUARTERLY PASSENGER VOLUME, 2019 - 2021



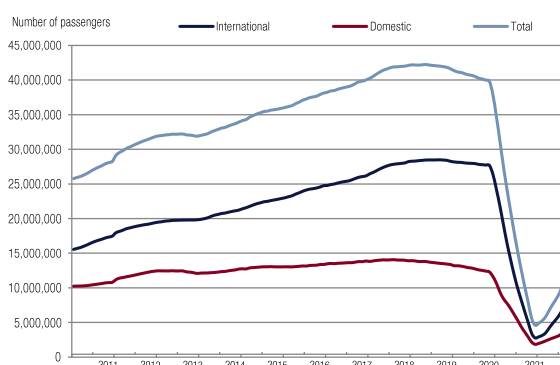
## October – December

During the fourth quarter, we saw a continued increase in passenger volume. Vaccination rates had reached a high level and continued to increase somewhat. Late in the third quarter, advisories against travel and nearly all remaining restrictions were lifted. As a result, the recovery in travel continued during the fourth quarter. Late in the quarter, the spread of infection started to accelerate again due to the new Omicron variant. Consequently, the recovery slowed during the last few weeks of December.

During the quarter, 5 million passengers flew via Swedavia's airports, compared to 1.5 million in 2020, which corresponds to an increase of 226 per cent. Compared to pre-pandemic levels in 2019, there were 4.4 million fewer passengers during the quarter, which corresponds to a decrease of 47 per cent.

### PASSENGER TREND – SWEDAVIA

ROLLING TWELVE-MONTH TREND, APRIL 2010 - DECEMBER 2021



### PASSENGER VOLUMES

JAN-DEC 2021

Passengers	Number of passengers Jan-Dec			Number of passengers Oct-Dec		
	2021	2020	Per cent change	2021	2020	Per cent change
International	7,886,000	6,609,000	19.4%	3,319,000	915,000	262.7%
Domestic	4,010,000	3,646,000	9.8%	1,688,000	622,000	171.5%
<b>Total</b>	<b>11,896,000</b>	<b>10,255,000</b>	<b>16.0%</b>	<b>5,007,000</b>	<b>1,537,000</b>	<b>225.8%</b>

# Economic overview, Group

## Operating profit

### JANUARY-DECEMBER

Net revenue for 2021 totalled SEK 2,717 M (2,494), which was an increase of SEK 223 M or 9 per cent compared to 2020.

In the Airport Operations segment, net revenue increased SEK 217 M to SEK 2,715 M (2,498). Net revenue in the Real Estate segment totalled SEK 39 M (31).

Revenue from Aviation Business and Commercial Services totalled SEK 2,704 M (2,478), which was an increase of SEK 226 M or 9 per cent, mainly due to higher passenger volumes and increased air traffic during the third and fourth quarter as well as higher real estate revenue, which totalled SEK 399 M (356). In 2021, State rent relief of SEK 24 M (13) was recognised as income.

Other operating revenue totalled SEK 325 M (700), mainly due to a capital gain of SEK 78 M from the sale of a hotel property at Göteborg Landvetter Airport and restructuring aid of SEK 208 M (233). A capital gain of SEK 427 M from the sale of a hotel property at Stockholm Arlanda Airport had a positive effect in 2020.

External costs and staff expenses, including capitalised work for the company's own account, totalled SEK -3,031 M (-3,310), which was SEK 279 M lower compared to 2020. Lower costs are explained mostly by cost-cutting measures, though costs for winter maintenance and energy were SEK 50 M higher.

State aid for furloughs totalled SEK 81 M (187).

Depreciation, amortisation and impairment losses totalled SEK 1,382 M (1,456) and were SEK 73 M lower, which is explained by impairment losses, which were SEK 137 M lower in 2021 compared to 2020. Excluding impairment losses, the underlying increase is attributable to shorter depreciation periods for some fixed assets, but also to higher scheduled depreciation for facilities placed in service during the year.

Consolidated operating profit totalled SEK -1,385 M (-1,593) and the consolidated operating margin was -51.0% (-63.9). Excluding restructuring costs, impairment losses and capital gains, operating profit was SEK -1,420 M (-1,793), which is SEK 373 M higher compared to 2020.

Operating profit in the Airport Operations segment totalled SEK -1,475 M (-1,999), with the increase due to higher revenue from increased traffic volume and lower external operating costs. However, Covid-19 continued to have a major impact on air traffic, passenger volumes and Swedavia's financial position and operations in 2021. In the Real Estate segment, operating profit totalled SEK 72 M (393), with lower operating profit attributable to lower capital gains for the year compared to 2020.

### OCTOBER-DECEMBER

Net revenue for the fourth quarter totalled SEK 984 M (454), which is an increase of SEK 530 M or 117 per cent compared to 2020.

In the Airport Operations segment, net revenue increased SEK 526 M to SEK 981 M (455).

Net revenue in the Real Estate segment totalled SEK 13 M (8).

Revenue from Aviation Business totalled SEK 596 M (282), which is an increase of SEK 314 M or 112 per cent. Passenger- and aircraft-related revenue was SEK 360 M (121), an increase of SEK 241 M, which is due to a recovery in passenger volume and increased air traffic. The increase in air traffic also led to increased demand for ground handling and ancillary services, with revenue increasing SEK 47 M to SEK 86 M (39).

Revenue from Commercial Services totalled SEK 384 M (172), which was SEK 212 M or 124 per cent higher than in 2020. Revenue from retail and food & beverage, SEK 90 M (6), as well as from parking & entry, SEK 139 M (49), was higher in the fourth quarter, mainly due to the increase in passengers and rental relief received for retail and food & beverage. Real estate revenue totalled SEK 113 M (97) and was SEK 16 M higher, mainly due to higher rental income and increased revenue from the sale of electricity to external stakeholders operating at the airport in the fourth quarter. State rent relief of SEK 21 M (1) was received in the fourth quarter.

Other operating revenue totalled SEK 28 M (104), with SEK 13 M of this from the capital gain on the sale of three companies that own land at Göteborg Landvetter Airport. The figure was positively affected in 2020 by restructuring aid of SEK 83 M.

External costs and staff expenses, including capitalised work for the company's own account, totalled SEK 882 M (917), which was SEK 35 M lower compared to 2020. Excluding State aid for furloughs, a provision for expected customer credit losses and restructuring costs, external costs and staff expenses, including capitalised work for the company's own account were on a par with 2020. Increased costs in the fourth quarter due to the increase in passenger volume, winter costs and energy costs were offset by active cost-cutting measures. No State aid for short-term furloughs was received during the fourth quarter. In 2020, State aid for short-term furloughs totalled SEK 39 M.

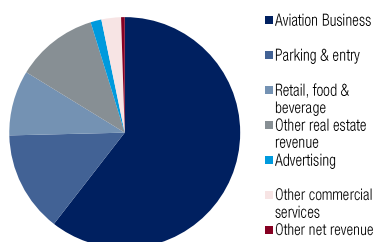
Depreciation, amortisation and impairment losses for the fourth quarter totalled SEK 382 M (497), which was SEK 115 M lower compared to the same period in 2020, mainly due to impairment losses, which were SEK 131 M higher in 2020.

Consolidated operating profit was SEK -266 M (-875) and the consolidated operating margin was -27.0% (-192.9). Excluding restructuring costs, impairment losses and capital gains, operating profit was SEK -263 M (-694).

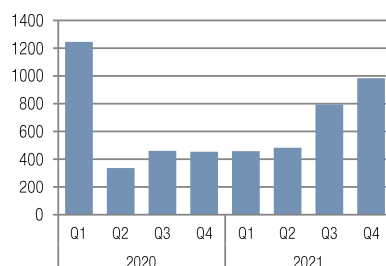
Operating profit in the Airport Operations segment totalled SEK -288 M (-867). Operating profit was SEK 579 M higher compared to

### BREAKDOWN, NET REVENUE

Quarter, October-December 2021

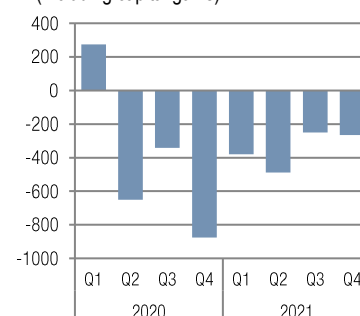


### NET REVENUE, SEK M



### OPERATING PROFIT, SEK M

(Including capital gains)



the same period in 2020, mainly due to the recovery in passenger volume during the quarter. In the Real Estate segment, operating profit was SEK 15 M (-15).

## Financial items

Financial items for the year were a net expense of SEK 56 M (80), which was SEK 24 M lower than in 2020. The difference is mostly explained by an increase in income from holdings in associated companies, SEK 71 M (54). Net financial items for the fourth quarter totalled SEK -20 M (-31).

## Profit for the period

Profit before tax for the full year totalled SEK -1,441 M (-1,672) and profit for the period totalled SEK -1,182 M (-1,282). Profit before tax for the fourth quarter totalled SEK -286 M (-907) and profit for the period was SEK -278 M (-793).

## Investments

Investments for the full year totalled SEK 1,831 M (2,856), with investments in the Airport Operations segment totalling SEK 1,777 M (2,570). Most investments were made in the development programme at Stockholm Arlanda Airport.

Investments in Real Estate and property development totalled SEK 54 M (286) and pertained mostly to an investment in the construction of a hotel at Göteborg Landvetter Airport.

A lower investment volume compared to 2020 is mostly an effect of reassigning priorities in the investment portfolio, including the pausing of the Pier G project at Stockholm Arlanda Airport.

During the fourth quarter, investments totalled SEK 510 M (699).

## Cash flow

For the second straight quarter, cash flow from operating activities was positive and totalled SEK 242 M (137) during the fourth quarter.

Cash flow from operating activities for the full year was negative and totalled SEK -293 M (-435), which was SEK 142 M higher compared to 2020. The improved cash flow is mainly explained by higher cash-generating income. Net cash flow from the change in operating capital was positive and totalled SEK 169 M (178).

Cash flow from investing activities was SEK -1,386 M (-1,696), which was SEK 310 M lower than in 2020.

Payments for investments totalled SEK 1,831 M (2,856). The sale of the subsidiary Hotell 1 Landvetter AB, which owns the hotel property at Göteborg Landvetter Airport on which the hotel Scandic Landvetter was built, generated a positive cash flow of SEK 470 M. In 2020, proceeds from the sale of Swedavia's subsidiary Airport Hotel 2 AB had a positive effect of SEK 1,181 M.

During the year, short-term investments generated a net cash flow of SEK 122 M (175).

Cash flow from financing activities was SEK 2,317 M (3,515), mainly due to the issuance of SEK 2,500 M in new hybrid bonds. Bank loans increased SEK 500 M, commercial paper borrowings decreased SEK 550 M and medium-term bonds decreased SEK 12 M, which overall reduced loan liabilities by SEK 61 M. The payment of interest due to hybrid bonds, SEK 15 M (16), and transaction costs, SEK 3 M (-), due to the issuance of new hybrid bonds, entailed a negative cash flow. Lease liabilities totalling SEK 104 M (104) were repaid.

Cash flow for the full year was SEK 638 M (1,385). Cash flow for the fourth quarter was SEK 175 M (18).

## Liquidity and financial position

Equity at year-end totalled SEK 11,990 M (10,533). Equity includes hybrid bonds of SEK 3,500 M; of this, SEK 1,000 M was issued in November 2019 and SEK 2,500 M in November 2021.

Swedavia's loan liabilities at the end of the period totalled SEK 9,672 M (9,734), which was a decrease of SEK 61 M. Swedavia's loan liabilities are broken down into bank loans of SEK 3,700 M (3,200), medium-term notes of SEK 5,872 M (5,884) and commercial paper of SEK 100 M (650). At the end of the period, the average capital tie-up period, which includes the effect of interest rate derivatives, was, 4.4 years (4.2) and the average interest rate lock-in period was 2.9 years (3.3). The average interest rate as of December 31 was 1.3 per cent (1.2). On the balance sheet date, the nominal total of interest rate derivatives was SEK 5,750 M (4,250).

Liquid assets increased SEK 638 M and at the end of the period totalled SEK 2,100 M (1,462). Net liabilities decreased SEK 938 M, from SEK 10,231 M to SEK 9,293 M.

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

At the end of the period, Swedavia had unused credit facilities totalling SEK 3,550 M (2,800).

On the balance sheet date, there were also unutilised framework loan agreements totalling SEK 500 M (1,000).

Return on operating capital, excluding restructuring costs, capital gains, impairment losses and disposals, at the end of the period was -6.3 per cent (-8.5).

## Employees

The average number of employees for the period January 1, 2021–December 31, 2021, was 2,244 (2,600). The reduction in the average number of employees is an effect of the structural change in the organisation and the adjustment to lower traffic volume.

### FINANCIAL TARGETS FOR SWEDAVIA'S OWNER

	Actual Dec 31, 2021	Target
Return on operating capital, %	-6.3	6.0
Debt/equity ratio, times	0.8	0.7-1.5
Dividend target, %	-	10-50

### KEY FINANCIAL METRICS

	Actual Dec 31, 2021	Actual Dec 31, 2020	Policy
Average interest rate, %	1.3	1.2	n/a
Average interest rate lock-in period, year	2.9	3.3	1-4
Average capital tie-up period, years	4.4	4.2	2-5

## 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 2020 on pages 60–63, 86 and in Note 47.

In 2021, the Covid-19 pandemic continued to affect Swedavia to a very great extent and is expected to affect the company for a long while. Swedavia's overall top risks consist of reduced air traffic and the risk that a decline in passengers will have a negative impact on Swedavia in the form of lower revenue. The Covid-19 pandemic has entailed lower passenger volumes, with a 70 per cent decrease in 2021 compared to same period in 2019, before the pandemic. Due to uncertainty about the spread of the pandemic, travel restrictions, vaccination efforts and the impact on the global economy, it is challenging at present to make any forecast about either a recovery in the short term or the future long-term passenger trend. However, Swedavia is working on an ongoing basis with different scenarios of possible future trends and is developing action plans based on them. Swedavia has a large number of customers, and it might have a major impact on Swedavia's operations if one of these were to have financial problems. The Covid-19 pandemic has had an enormous impact on all of Swedavia's airline customers, and risks having a major negative economic impact on these companies. The economic challenges for the airlines could have a negative impact on Swedavia in the form of immediate customer credit losses and, in the longer term, a slower recovery in air traffic after the pandemic, which could mean a narrower range of routes and less capacity compared to before the pandemic. The decreased volume also entails a negative impact on Swedavia's commercial business. Many tenants and partners at the airports are directly affected in the form of sharply lower revenue or a total loss of revenue, which in turn means lower sales revenue-based rental income for Swedavia. Another effect as restrictions are gradually eased and traffic resumes is that authorities could introduce new regulations to limit the spread of infection at airports. This could entail changes in working methods, flows and processes for Swedavia. In 2020, Swedavia introduced measures at its airports to prevent the spread of infection and reassure customers about safety in consultation with the 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 of 2020, Swedavia was sued in court over a rental dispute at Stockholm Arlanda Airport. Swedavia contests the claim in full, but

the amount involved is material. Court procedures will begin in the first quarter of 2022.

A complaint was filed with the European Commission regarding the shareholder contribution received in 2020. The outcome of the commission's ongoing process is uncertain but could affect the recognition of this shareholder contribution as well as some State aid received as a result of the Covid-19 pandemic.

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

## Dividend

In view of the impact the Covid-19 pandemic continued to have on Swedavia's profit and financial position in 2021 and given future uncertainties, the Board of Directors has decided to propose that the shareholder should decide at the Annual General Meeting on April 25, 2022, to not pay any dividend and instead carry forward available funds, including profit for the year, SEK 8,746 M.

## Parent Company

### Net revenue and operating profit

Net revenue for the Parent Company for the full year was SEK 2,698 M (2,442), which was an increase of SEK 256 M, mostly due to increased passenger volumes during the last six months of the year compared to 2020. Other operating revenue, SEK 233 M (272), was positively affected by restructuring aid of SEK 208 M (233). Operating profit for the full year was SEK -1,592 M (-2,198) and the operating margin was -59.0 per cent (-90.0). As in 2020, operating profit was negatively affected by the impact of Covid-19. Despite increased traffic volume, operating profit was positively affected by lower external costs and staff expenses of SEK 330 M compared to 2020, mostly due to adjustments in the organisation and cost restraint. Profit before tax totalled SEK 1,056 M (-1,724) and profit for the period was SEK -898 M (-1,409).

During the fourth quarter, net revenue for the Parent Company was SEK 1,019 M (451), which was an increase of SEK 568 M. Other operating income, SEK 7 M (99), was positively affected during the quarter by EU aid. Net revenue for the same period in 2020 was positively affected by restructuring aid of SEK 83 M. Operating profit totalled SEK -251 M (-894) and the operating margin was -24.6 per cent (-198.3). Profit before tax for the fourth quarter was SEK 385 M (-334) and profit for the period was SEK 247 M (-337).

## Consolidated income statement

Amounts in SEK M	Note	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Net revenue	2.3	984	454	2,717	2,494
Other operating revenue	6	28	104	325	700
<b>Total revenue</b>		<b>1,012</b>	<b>558</b>	<b>3,042</b>	<b>3,194</b>
Work performed by the company for its own use and capitalised		41	45	161	172
External costs		-519	-560	-1,707	-1,932
Staff expenses		-404	-403	-1,484	-1,550
Depreciation/ amortisation and impairment losses on tangible fixed assets and intangible non-current assets		-382	-497	-1,382	-1,456
Other operating costs		-14	-19	-14	-21
<b>Operating profit</b>		<b>-266</b>	<b>-875</b>	<b>-1,385</b>	<b>-1,593</b>
<b>Income from financial items</b>					
Income from holdings in associated companies and joint ventures		16	7	71	54
Interest income and similar items		0	1	4	5
Interest expenses and similar items		-37	-40	-131	-138
<b>Income after financial items</b>		<b>-286</b>	<b>-907</b>	<b>-1,441</b>	<b>-1,672</b>
Tax		8	114	258	391
<b>Profit for the period</b>	2	<b>-278</b>	<b>-793</b>	<b>-1,182</b>	<b>-1,282</b>
Earnings per share before and after dilution, SEK		0.17	-0.24	-0.64	-0.99
The total number of shares was 1,441,403,026 for all periods					

## Consolidated statement of comprehensive income

Amounts in SEK M	Note	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
<b>Profit for the period</b>		<b>-278</b>	<b>-793</b>	<b>-1,182</b>	<b>-1,282</b>
<b>Other comprehensive income:</b>					
<b>Items that can be reclassified to the income statement</b>					
Cash flow hedges					
Items reclassified to the income statement		5	-5	8	-5
Change in fair value for the period		43	35	177	-77
Tax		-10	-6	-38	17
Other comprehensive income from joint ventures, net after tax		8	2	13	-7
<b>Items that cannot be reclassified to the income statement</b>					
Revaluations of defined benefit pensions		-19	-2	-3	-48
Tax		4	0	1	10
<b>Total other comprehensive income, net after tax</b>		<b>31</b>	<b>25</b>	<b>157</b>	<b>-110</b>
<b>Comprehensive income for the period</b>		<b>-246</b>	<b>-768</b>	<b>-1,025</b>	<b>-1,392</b>

## Consolidated balance sheet, summary

Amounts in SEK M	Note	Dec 31, 2021	Dec 31, 2020
<b>ASSETS</b>	2		
NON-CURRENT ASSETS			
Intangible non-current assets		702	729
Tangible non-current assets		19,214	18,890
Right-of-use assets		1,088	1,184
Deferred tax asset		169	-
Derivative instruments		42	-
Non-current financial assets		1,282	1,130
<b>Total non-current assets</b>		<b>22,498</b>	<b>21,934</b>
CURRENT ASSETS			
Materials and supplies		62	57
Trade receivables	5	383	328
Receivables from associated companies		27	7
Other receivables		248	277
Prepaid expenses and accrued income		95	57
Short-term investments		297	175
Liquid assets		2,100	1,462
<b>Total current assets</b>		<b>3,213</b>	<b>2,364</b>
Assets held for sale	7	-	388
<b>TOTAL ASSETS</b>		<b>25,711</b>	<b>24,686</b>
<b>EQUITY AND LIABILITIES</b>	2		
EQUITY			
Share capital		1,441	1,441
Other paid-in capital		4,661	4,661
Hedge reserve		6	-141
Hybrid bonds		3,500	1,000
Retained earnings (including profit for the year)		2,381	3,570
<b>Total equity</b>		<b>11,990</b>	<b>10,533</b>
NON-CURRENT LIABILITIES			
Provisions		1,153	1,122
Deferred tax liability		-	53
Interest-bearing liabilities		8,002	8,297
Derivative instruments	4	35	172
Lease liability		1,022	1,103
Other non-current liabilities		128	204
<b>Total non-current liabilities</b>		<b>10,339</b>	<b>10,951</b>
CURRENT LIABILITIES			
Provisions		98	89
Interest-bearing liabilities		1,671	1,437
Derivative instruments	4	4	7
Lease liability		122	129
Trade payables		565	591
Liabilities to associated companies		64	44
Other liabilities		305	249
Accrued expenses and prepaid income		553	654
<b>Total current liabilities</b>		<b>3,382</b>	<b>3,199</b>
Liabilities attributable to assets held for sale	7	-	3
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>25,711</b>	<b>24,686</b>

## Consolidated change in equity

Amounts in SEK M	Note	Dec 31, 2021	Dec 30 2020
Equity, opening balance		10,533	9,440
Hybrid bond interest and transaction costs		-18	-16
Hybrid bond issue		2,500	-
Shareholder contribution		-	2,500
<b>Total transactions with owner and others</b>		<b>2,482</b>	<b>2,484</b>
Profit for the period		-1,182	-1,282
Other comprehensive income		157	-110
<b>Other comprehensive income for the period</b>		<b>-1,025</b>	<b>-1,392</b>
Equity, closing balance		11,990	10,533

## Consolidated cash flow statement

Amounts in SEK M	Note	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
<b>Operating activities</b>					
Profit after financial items		-287	-907	-1,441	-1,672
Adjustments for items not included in cash flow etc.		449	706	993	994
Tax paid		24	90	-16	65
		<b>187</b>	<b>-111</b>	<b>-463</b>	<b>-614</b>
<b>Cash flow from changes in working capital</b>					
Increase(-)/Decrease(+) in materials and supplies		-1	1	-5	-4
Increase(-)/Decrease(+) in operating receivables		-171	-40	160	249
Increase(+)/Decrease(-) in operating liabilities		227	286	14	-67
<b>Cash flow from operating activities</b>		<b>242</b>	<b>137</b>	<b>-293</b>	<b>-435</b>
<b>Investing activities</b>					
Disposal of subsidiaries	6	18	4	488	1,181
Sale of holdings in associated companies		-	-	-	83
Acquisitions/disposal of intangible non-current assets		-40	-17	-74	-46
Acquisitions/disposal of tangible fixed assets		-468	-682	-1,755	-2,810
Acquisitions short-term investments		-285	-275	-347	-275
Disposal short-term investments		-	100	225	100
Dividends from associated companies		78	72	78	72
<b>Cash flow from investing activities</b>		<b>-697</b>	<b>-799</b>	<b>-1,386</b>	<b>-1,696</b>
<b>Financing activities</b>					
Hybrid bond issue		2,500	-	2,500	-
Hybrid bond interest and transaction costs		-7	-4	-18	-16
Shareholder contribution		-	2,500	-	2,500
Borrowings raised		500	500	4,494	5,269
Borrowings repaid		-2,337	-2,267	-4,555	-4,104
Repayment of lease liabilities		-26	-26	-104	-104
Increase(+)/Decrease(-) in other financial liabilities		-	-23	-	-29
<b>Cash flow from financing activities</b>		<b>630</b>	<b>680</b>	<b>2,317</b>	<b>3,515</b>
<b>Cash flow for the period</b>		<b>175</b>	<b>18</b>	<b>638</b>	<b>1,385</b>
<b>Liquid assets at the beginning of the period</b>		<b>1,925</b>	<b>1,444</b>	<b>1,462</b>	<b>77</b>
<b>Liquid assets at the end of the period</b>		<b>2,100</b>	<b>1,462</b>	<b>2,100</b>	<b>1,462</b>

## Parent Company income statement

Amounts in SEK M	Note	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Net revenue		1,019	451	2,698	2,442
Other operating income		7	99	233	272
<b>Total revenue</b>		<b>1,026</b>	<b>550</b>	<b>2,932</b>	<b>2,714</b>
Work performed by the company for its own use and capitalised		41	45	161	172
External expenses		-517	-634	-1,913	-2,217
Staff expenses		-425	-375	-1,494	-1,519
Depreciation/ amortisation and impairment losses on tangible fixed assets and intangible non-current assets		-362	-462	-1,263	-1,327
Other operating expenses		-14	-19	-14	-21
<b>Operating profit</b>		<b>-251</b>	<b>-894</b>	<b>-1,592</b>	<b>-2,198</b>
<b>Income from financial items</b>					
Interest income and similar items		6	3	10	16
Interest expenses and similar items		-37	-38	-141	-137
<b>Income from financial items</b>		<b>-282</b>	<b>-929</b>	<b>-1,722</b>	<b>-2,319</b>
Appropriations		667	595	667	595
<b>Profit before tax</b>		<b>385</b>	<b>-334</b>	<b>-1,056</b>	<b>-1,724</b>
Tax		-137	-3	157	316
<b>Profit for the period</b>		<b>247</b>	<b>-337</b>	<b>-898</b>	<b>-1,409</b>

## Parent Company statement of comprehensive income

Amount in SEK M	Note	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
<b>Profit for the period</b>		<b>247</b>	<b>-337</b>	<b>-898</b>	<b>-1,409</b>
Other comprehensive income		-	-	-	-
<b>Comprehensive income for the period</b>		<b>247</b>	<b>-337</b>	<b>-898</b>	<b>-1,409</b>

## Parent Company balance sheet, summary

Amounts in SEK M	Note	Dec 31, 2021	Dec 31, 2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible non-current assets		555	606
Tangible fixed assets		18,248	17,786
Total financial assets		1,737	1,434
<b>Non-current assets</b>		<b>20,540</b>	<b>19,825</b>
<b>CURRENT ASSETS</b>			
Materials and supplies		61	53
Current receivables		1,557	2,180
Short-term investments		297	175
Liquid assets		2,100	1,457
<b>Total current assets</b>		<b>4,015</b>	<b>3,865</b>
<b>Total assets</b>		<b>24,555</b>	<b>23,691</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Restricted equity</b>			
Share capital (1,441,403,026 shares)		1,441	1,441
Reserve for development expenditures		17	28
<b>Unrestricted equity</b>			
Share premium reserve		2,161	2,161
Hybrid bonds		3,500	1,000
Retained earnings/Share premium reserve		3,983	5,328
Profit for the period		-898	-1,409
<b>Total equity</b>		<b>10,204</b>	<b>8,551</b>
Untaxed reserves		1,083	1,575
Provisions		1,482	1,443
Non-current liabilities		8,120	8,491
Current liabilities		3,666	3,631
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,555</b>	<b>23,691</b>

# 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 accounting principles for 2021

None of the new and revised standards and interpretations that went into effect on January 1, 2021 has a material effect on Swedavia's financial reports.

### New and revised standards that enter into effect in 2022 or later

The effects on the Group's financial reports and position on amendments that are mandatory for the financial year 2022 are being assessed but are expected not to have any impact on the Group's financial reports. For new and revised standards that enter into force in 2023 or later, the effects of these changes on the Group's financial reports still need to be assessed.

### Government grants

Swedavia receives grants from the Swedish State and the European Union, mostly concerning the following:

- Grant for furloughs from the Swedish State which was designed to support operations affected by the spread of Covid-19. The grant, provided by the Swedish Agency for Economic and Regional Growth, is recognised as a reduction in staff expenses in the income statement.
- Rent relief grant from the Swedish State. As a result of the grant, landlords that reduced the fixed rent of tenants in some vulnerable industries can apply for a grant in order to be paid compensation for some of the reduction. The grant, which is paid by the Swedish National Board of Housing, Building and Planning, is recognised as revenue in Commercial Services in the income statement.
- Grant from the EU's research and development operations. Swedavia takes part in such a programme, which is aimed at providing air navigation solutions (ANS) to support the provision of

general or operational air traffic within the EU. The government grant awarded in the project, which is related to costs, is recognised as a reduction in the corresponding cost in the income statement. Government grants awarded related to the funding of ongoing projects are recognised as a reduction in the carrying amount of the asset

- Restructuring aid from the Swedish State. Due to Covid-19, the Swedish State has introduced an adaptation grant that will enable companies to weather the acute crisis as well as transform their operations and adapt them to a new normal situation. The aid, which is received from the Swedish Tax Authority, is recognised as other operating revenue in the income statement.

### RELATED PARTY TRANSACTIONS

Related party transactions involve transactions with State-owned companies and enterprises as well as government agencies. Related parties also include companies over which Swedavia can exercise a controlling interest. Costs arise mostly from meteorological services, fees to government authorities and air traffic management services, which are largely included in the costs reimbursed by the Swedish Transport Agency. The transactions are carried out at market prices and on standard commercial terms.

## NOTE 2. SEGMENT REPORTING

Swedavia's operations are organised and managed in two operating segments, Airport Operations and Real Estate. The highest executive decision-maker at Swedavia is identified as the president and CEO of the Parent Company. The basis of segment reporting is the Group's internal reporting.

- **Airport Operations** - owns, operates and develops Swedavia's airports. Most revenue consists of passenger-related revenue
- **Real Estate** - owns, develops and manages properties and developable land at and around Swedavia's airports. Most revenue consists of rental income
- **Eliminations and adjustments** - capitalisation of borrowing expenses in accordance with IAS 23, IFRS 16 "Leases", remeasurement of biological assets and financial instruments at fair value are not monitored at the segment level but instead handled at the Group level and are included in the elimination of intra-Group items in this column. The accounting principles otherwise conform to those applied in the consolidated financial reporting

**SEGMENT REPORTING, INCOME STATEMENT**

	Airport Operations		Real Estate		Eliminations/adjustments *		Group	
Income statement Oct-Dec								
Amounts in SEK M	2021	2020	2021	2020	2021	2020	2021	2020
Net revenue	980	455	13	8	-10	-9	984	454
Other operating income	7	99	21	5	-	-	28	104
<b>Total revenue</b>	<b>987</b>	<b>554</b>	<b>34</b>	<b>13</b>	<b>-10</b>	<b>-9</b>	<b>1,012</b>	<b>558</b>
Work performed by the company for its own use and capitalised	41	45	-	-	-	-	41	45
Operating expenses	-954	-986	-14	-19	46	43	-923	-962
Depreciation, amortisation and impairment losses	-348	-460	-6	-9	-28	-28	-382	-497
Other operating costs	-14	-19	0	0	-	-	-14	-19
<b>Operating profit</b>	<b>-288</b>	<b>-867</b>	<b>15</b>	<b>-15</b>	<b>8</b>	<b>6</b>	<b>-266</b>	<b>-875</b>
Financial income	6	3	16	7	-5	-2	16	9
Financial expenses	-38	-41	-5	-1	7	2	-37	-40
Appropriations	36	-72	-36	72	0	-	-	-
<b>Profit before tax</b>	<b>-285</b>	<b>-977</b>	<b>-10</b>	<b>64</b>	<b>9</b>	<b>6</b>	<b>-286</b>	<b>-907</b>
Tax	1	129	9	-13	-2	-3	8	114
<b>Profit for the period</b>	<b>-284</b>	<b>-847</b>	<b>-1</b>	<b>51</b>	<b>7</b>	<b>4</b>	<b>-278</b>	<b>-793</b>
<b>Other segment information</b>								
Profit from holdings in associated companies and joint ventures	-	-	16	7	-	-	16	7
Investments	520	653	-10	46	-	-	510	699
Capital gains	-	-	21	5	-	-	21	5
Restructuring costs	2	16	-	-	-	-	2	16
Impairment losses/disposals	36	170	-	-	-	-	36	170

	Airport Operations		Real Estate		Eliminations/adjustments *		Group	
Income statement Jan-Dec								
Amounts in SEK M	2021	2020	2021	2020	2021	2020	2021	2020
Net revenue	2,715	2,498	39	31	-37	-35	2,717	2,494
Other operating income, external	233	272	101	440	-9	-12	325	700
<b>Total revenue</b>	<b>2,949</b>	<b>2,770</b>	<b>140</b>	<b>471</b>	<b>-47</b>	<b>-47</b>	<b>3,042</b>	<b>3,194</b>
Work performed by the company for its own use and capitalised	161	172	-	-	-	-	161	172
Operating expenses	-3,325	-3,604	-43	-51	176	173	-3,191	-3,482
Depreciation, amortisation and impairment losses	-1,245	-1,316	-25	-27	-112	-113	-1,382	-1,456
Other operating costs	-14	-21	0	0	0	0	-14	-21
<b>Operating profit</b>	<b>-1,475</b>	<b>-1,999</b>	<b>72</b>	<b>393</b>	<b>18</b>	<b>13</b>	<b>-1,385</b>	<b>-1,593</b>
Financial income	10	16	71	54	-6	-11	75	59
Financial expenses	-148	-150	-6	-11	24	22	-131	-138
Appropriations	36	-72	-36	72	0	-	-	-
<b>Profit before tax</b>	<b>-1,577</b>	<b>-2,205</b>	<b>101</b>	<b>508</b>	<b>35</b>	<b>24</b>	<b>-1,441</b>	<b>-1,672</b>
Tax	265	415	1	-19	-7	-5	258	391
<b>Profit for the period</b>	<b>-1,312</b>	<b>-1,790</b>	<b>102</b>	<b>489</b>	<b>28</b>	<b>19</b>	<b>-1,182</b>	<b>-1,282</b>
<b>Other segment information</b>								
Profit from holdings in associated companies and joint ventures	-	-	71	54	-	-	71	54
Investments	1,777	2,570	54	286	-	-	1,831	2,856
Capital gains	-2	-	101	439	-9	-12	90	427
Restructuring costs	18	36	-	-	-	-	18	36
Impairment losses/disposals	51	191	-	-	-	-	51	191

**SEGMENT REPORTING, BALANCE SHEET**

	Airport Operations		Real Estate		Eliminations/adjustments *		Group	
Balance sheet								
Amounts in SEK M	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Non-current assets	20,292	19,688	1,637	2,044	569	202	22,498	21,934
Current assets	3,934	3,765	455	639	-1,176	-2,040	3,213	2,364
Assets held for sale	-	-	-	-	-	388	-	388
<b>Total assets</b>	<b>24,227</b>	<b>23,453</b>	<b>2,091</b>	<b>2,683</b>	<b>-607</b>	<b>-1,450</b>	<b>25,711</b>	<b>24,686</b>
Equity	11,298	10,130	1,324	1,209	-631	-807	11,990	10,533
Liabilities	12,929	13,323	768	1,474	24	-647	13,720	14,150
Liabilities related to assets held for sale	-	-	-	-	-	3	-	3
<b>Total equity and liabilities</b>	<b>24,227</b>	<b>23,453</b>	<b>2,091</b>	<b>2,683</b>	<b>-607</b>	<b>-1,450</b>	<b>25,711</b>	<b>24,686</b>

**NOTE 3. NET REVENUE**

Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments		Group	
	2021 Oct-Dec	2020 Oct-Dec	2021 Oct-Dec	2020 Oct-Dec	2021 Oct-Dec	2020 Oct-Dec	2021 Oct-Dec	2020 Oct-Dec
Breakdown of net revenue								
<b>Aviation Business</b>								
Passenger-related revenue	250	61	-	-	-	-	250	61
Aircraft-related revenue	110	60	-	-	-	-	110	60
Externally regulated charges	150	122	-	-	-	-	150	122
Ground handling	51	24	-	-	-	-	51	24
Other ancillary services	35	15	-	-	-	-	35	15
<b>Total Aviation Business</b>	<b>596</b>	<b>282</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>596</b>	<b>282</b>
<b>Commercial Services</b>								
Parking & entry	139	49	-	-	-	-	139	49
Retail, food & beverage	90	6	-	-	-	-	90	6
Real estate revenue	107	94	8	7	-3	-4	113	97
Advertising	15	3	-	-	-	-	15	3
Other commercial services	28	20	6	1	-6	-4	28	17
<b>Total Commercial Services</b>	<b>380</b>	<b>171</b>	<b>13</b>	<b>8</b>	<b>-9</b>	<b>-8</b>	<b>384</b>	<b>172</b>
Other net revenue	5	2	0	-	0	-1	5	0
<b>Total net revenue</b>	<b>980</b>	<b>455</b>	<b>13</b>	<b>8</b>	<b>-10</b>	<b>-9</b>	<b>984</b>	<b>454</b>
Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments		Group	
	2021 Jan-Dec	2020 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec
Breakdown of net revenue								
<b>Aviation Business</b>								
Passenger-related revenue	578	447	-	-	-	-	578	447
Aircraft-related revenue	325	316	-	-	-	-	325	316
Externally regulated charges	539	535	-	-	-	-	539	535
Ground handling	116	115	-	-	-	-	116	115
Other ancillary services	93	95	-	-	-	-	93	95
<b>Total Aviation Business</b>	<b>1,653</b>	<b>1,507</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,653</b>	<b>1,507</b>
<b>Commercial Services</b>								
Parking & entry	339	295	-	-	-	-	339	295
Retail, food & beverage	181	196	-	-	-	-	181	196
Real estate revenue	384	344	32	28	-16	-16	399	356
Advertising	61	57	-	-	-	-	61	57
Other commercial services	79	76	7	4	-15	-13	70	67
<b>Total Commercial Services</b>	<b>1,044</b>	<b>968</b>	<b>39</b>	<b>31</b>	<b>-31</b>	<b>-28</b>	<b>1,051</b>	<b>971</b>
Other net revenue	19	23	1	0	-6	-7	14	16
<b>Total net revenue</b>	<b>2,715</b>	<b>2,498</b>	<b>39</b>	<b>31</b>	<b>-37</b>	<b>-35</b>	<b>2,717</b>	<b>2,494</b>

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

During the year, revenue from contracts with customers under IFRS 15 totalled SEK 2,315 M (2,103), which pertains to total net revenue as of December 31 with the exception of revenue under IFRS 16 from retail, food and beverage of SEK 181 M (196) and rental revenue of SEK 222 M (195).

**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 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	
		2021 Dec 31	2020 Dec 31	2021 Dec 31	2020 Dec 31
<b>Amounts in SEK M</b>					
Loan receivables and trade receivables	Amortised cost	3,405	2,423	3,405	2,423
Other financial liabilities	Amortised cost	-10,588	-10,716	-10,572	-10,739
Derivatives	Fair value	4	-180	4	-180
<b>Total</b>		<b>-7,179</b>	<b>-8,473</b>	<b>-7,163</b>	<b>-8,496</b>

**NOTE 5. 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 is expected to 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 and increased passenger volumes during the third and fourth quarter – will still have major economic problems so that they run a great risk of closing down operations or filing for bankruptcy. 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.

**NOTE 6. ACQUISITIONS AND SALES OF SUBSIDIARIES**

On June 14, 2021, the wholly-owned subsidiary Hotell 1 Landvetter AB, which owns the property on which the recently opened hotel Scandic Landvetter at Göteborg Landvetter Airport was built, was sold. The underlying property value was SEK 495 M, the capital gain was SEK 78 M and the purchase price for the shares was SEK 163 M. The transaction generated a positive cash flow of SEK 470 M.

On October 7, 2021, three wholly-owned subsidiaries – Logistic 4.5 Landvetter AB, Logistic 4.6 Landvetter AB and Logistic 4.7 Landvetter AB – in the logistics park at Göteborg Landvetter Airport were sold. The underlying property value was SEK 17 M, the capital gain was SEK 13 M, and the purchase price for the shares was SEK 16 M. The transaction generated a positive cash flow of SEK 18 M.

On January 30, 2020, Airport Hotel 2 AB, which owns the hotel property with the recently opened Comfort Hotel at Stockholm Arlanda Airport, was sold. The underlying property value was SEK 1,356 M and the capital gain was SEK 427 M. The transaction generated a positive cash flow of SEK 1,181 M.

**NOTE 7. ASSETS HELD FOR SALE**

No assets were recognised as held for sale as of December 31, 2021.

On the balance sheet date December 31, 2020, assets held for sale pertained to the sale of the company Hotell 1 Landvetter AB, which was sold on June 14, 2021.

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**NOTE 8. 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 894 M (888), and pension obligations in endowment insurance owned by the company, SEK 12 M (11).

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.

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**NOTE 9. SUPPLEMENTARY INFORMATION FOR KEY FINANCIAL FIGURES****DEBT/EQUITY RATIO (LEVERAGE)**

Swedavia's debt/equity ratio is affected by the pension liability trend. The pension liability was SEK 874 M on December 31, 2021, and SEK 903 M on December 31, 2020.

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

In calculating this key financial figure on December 31, 2021, operating profit for a rolling 12 months was adjusted for restructuring costs of SEK 18 M, impairment losses and disposals of SEK 51 M and capital gains of SEK 90 M. Operating profit on December 31, 2020, 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.

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**NOTE 10. EVENTS AFTER THE BALANCE SHEET DATE**

There are no important events to report.

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# Definitions

## **AIRPORT OPERATIONS**

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

## **AVERAGE NUMBER OF EMPLOYEES**

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

## **AVERAGE OPERATING CAPITAL**

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

## **AVIATION BUSINESS**

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

## **CAPITAL TIE-UP PERIOD**

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

## **COMMERCIAL REVENUE PER DEPARTING PASSENGER**

Revenue from retail, food & beverage and parking & entry divided by the number of departing passengers for the same period. A metric that the Group considers crucial for monitoring changes in commercial revenue.

## **COMMERCIAL SERVICES**

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

## **DEBT/EQUITY RATIO\***

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

## **DIVIDEND PAY-OUT RATIO**

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

## **EARNINGS PER SHARE**

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

## **EBITDA**

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

## **INTEREST-BEARING LIABILITIES**

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

## **INTEREST RATE LOCK-IN PERIOD**

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

## **INVESTMENTS\***

Swedavia's investments in fixed assets and long-term intangible assets including investment projects in progress.

## **NET LIABILITIES**

Interest-bearing liabilities plus pension liability minus liquid assets and short-term investments.

## **NET REVENUE**

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

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# Definitions (cont.)

## **OPERATING CAPITAL**

Equity plus net liabilities.

## **OPERATING COSTS PER DEPARTING PASSENGER\***

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

## **OPERATING MARGIN\***

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

## **OPERATING PROFIT\***

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

## **OPERATING PROFIT EXCLUDING CAPITAL GAINS\***

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

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

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

## **PASSENGER**

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

## **REAL ESTATE**

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

## **RETURN ON OPERATING CAPITAL\***

Operating profit plus profit from holdings in associated companies for a rolling twelve-month period divided by average

operating capital. This financial ratio is the owner's metric for profitability at Swedavia and one of the Group's strategic targets for sustainable value creation. This metric reflects the Group's cost of capital.

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

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

## **TARGETS FOR SUSTAINABLE VALUE CREATION**

Swedavia's sustainability targets are monitored continuously based on the latest verified data for each target and in accordance with the same accounting principles described in the Annual and Sustainability Report 2020.

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

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## Calendar

Annual and Sustainability Report 2021	March 30, 2022
Annual General Meeting	April 25, 2022
Interim Report Jan-Mar 2022	April 25, 2022
Interim Report Jan-Jun 2022	July 19, 2022
Interim Report Jan-Sep 2022	October 31, 2022
Year-End Report Jan-Dec 2022	February 15, 2023

Swedavia's financial reports are published on Swedavia's website [www.swedavia.se](http://www.swedavia.se).

Swedavia AB (publ) is required to disclose the information in this Year-End Report under the EU Market Abuse Regulation and the Securities Market Act. The information was provided by the contact persons below for publication on February 15, 2022 at 4:00 p.m. CET.

This Year-End Report was not reviewed 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 2021

Stockholm-Arlanda February 15, 2022

Jonas Abrahamsson  
President and CEO

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