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This is Swedavia's Annual and Sustainability Report for the financial year 2021. The report is aimed primarily at its owner, customers, credit analysts and partners, but also at other stakeholders, and is focused on the company's strategy, goals and results for the past year. The report concerns the entire Group unless otherwise indicated. Swedavia prepares its Sustainability Report in accordance with Global Reporting Initiative (GRI) Standards: Core option. Reported indicators have been chosen based on Swedavia's and its stakeholders' shared view of material issues and what is important for long-term sustainable operations. For sustainability-related information, see the GRI Index on pages 75–77. The statutory Sustainability Report in accordance with Sweden's Annual Accounts Act is found on page 78. The index for the statutory Sustainability Report in accordance with Sweden's Annual Accounts Act is found on page 74. The report also constitutes Swedavia's Communication on Progress (COP) report for the UN Global Compact.

This is a translation of the Swedish original. In the event of any discrepancy between the two versions, the Swedish version takes precedence.

► Read more at: www.swedavia.com

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Ten airports with a focus on sustainable development

Mission

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

Purpose

Together we enable people to meet.

Vision

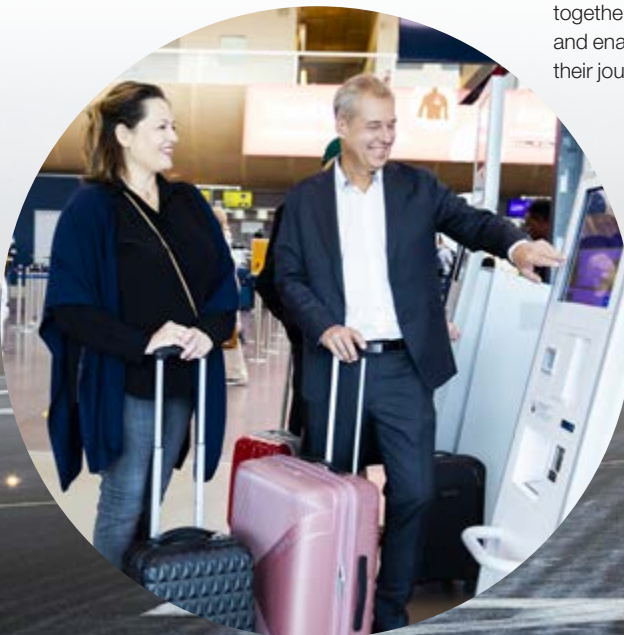
Swedavia develops the airports of the future and creates sustainable growth for Sweden.

Business concept

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

The net-zero airports of the future

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



The Group in numbers

Group

SEK M, unless otherwise indicated	2021	2020	2019	2018
Net revenue	2,717	2,494	6,235	5,922
Operating profit	-1,385	-1,593	709	682
Operating margin, % ¹	-51.0	-63.9	11.4	11.5
Profit for the year	-1,182	-1,282	583	517
Return on operating capital, %	-6.3	-7.5	4.6	4.6
Debt/equity ratio, times	0.8	1.0	1.1	1.1
Investments	1,831	2,856	3,460	3,195
Dividend	—	—	—	—
Average number of employees	2,244	2,600	3,050	3,217
Number of passengers, million	11.9	10.3	40.2	42.0
Operating costs per departing passenger, SEK ²	526.2	677.5	212.6	200.7
Commercial sales revenue per departing passenger, SEK	86.9	98.0	81.0	75.2
Customer experience, index ³	82	74 %	76 %	74 %
Engaged leaders and employees, % ⁴	74	77	78	65
Sustainable aviation fuel (SAF), %	0.44	0.15	0.14	—
Fossil carbon dioxide emissions, tonnes	0.7	83	316	1,305

For key metrics and definitions, see pages 81–83.

1 Operating margin excluding extraordinary items was -52.3 per cent in 2021, -71.9 per cent in 2020, 13.5 per cent in 2019 and 12.0 per cent in 2018.

2 This key metric is calculated based on the Airport Operations segment. As of January 1, 2019, the subsidiaries Swedavia Airport Telecom AB and Swedavia Energi AB are included in the Airport Operations segment. Comparative years have been restated.

3 In 2021, a new measurement method was introduced to measure Swedavia's customer experience goal. For the passenger customer group, results are compiled monthly and presented as an index.

4 For 2019–2021, this key metric is reported using pulse measurements that give an indication of how leaders and employees feel at the time of measurement. In 2021, four measurements were taken, two during the first half and two during the second half of the year.

The year in brief

► For the full year, Swedavia's airports had 11.9 million passengers (10.3 million in 2020), which is an increase of 16 per cent and a decrease of 70 per cent compared to 2019

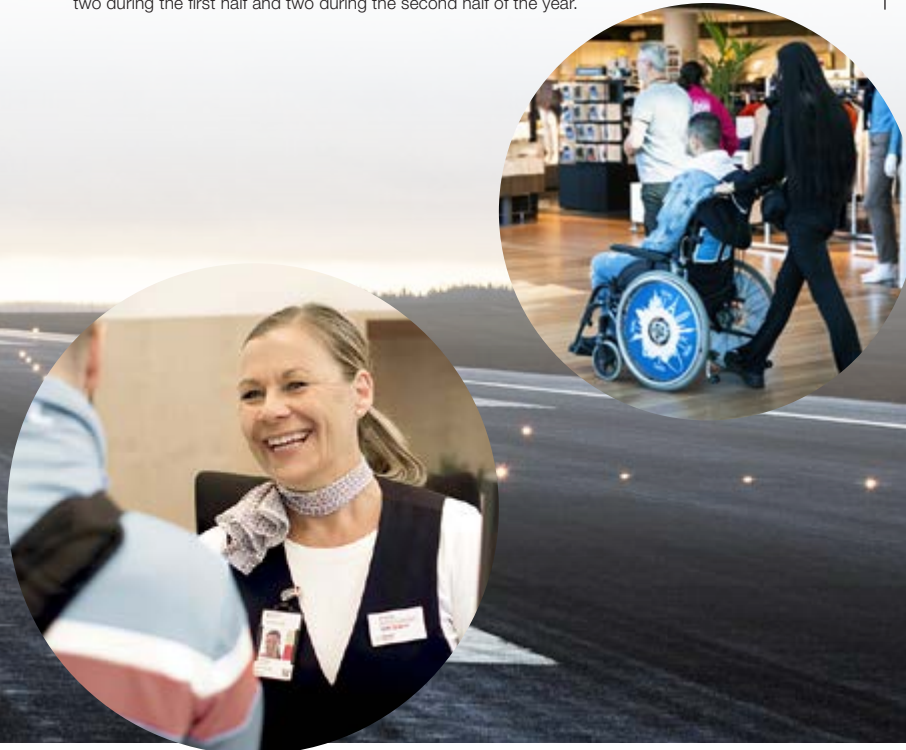
► Net revenue increased 223 million Swedish kronor to 2,717 million kronor (2,494 million kronor in 2020) due to increased air traffic and higher passenger volumes in the third and fourth quarter.

► External operating costs were 279 million kronor lower compared to 2020, mostly due to cost-cutting measures.

► Cash flow from operating activities totalled -293 million kronor (-435 million kronor in 2020). During the second half of the year, cash flow from operating activities was positive and totalled 335 million kronor (-285 million kronor in 2020).

► Operating profit totalled -1,385 million kronor (-1,593 million kronor in 2020). The Covid-19 pandemic continued to have a major impact on air traffic, passenger volumes, Swedavia's financial position and operations in 2021.

► In November Swedavia issued 2,500 million kronor in hybrid bonds.



The free movement of people and their possibility to encounter other people, religions and cultures have long been a natural and fundamental part of the globalised world we live in. When the Covid-19 pandemic hit the world, we were forced to accept restrictions on something that is fundamentally human – travelling and meeting.



President and CEO Jonas Abrahamsson:

Ready for the recovery

Swedavia's purpose is to enable people to meet, so the pandemic has hit us really hard. In 2020, we were forced to take drastic measures to ensure the company's survival.

2021 was the first full year affected by the pandemic. All in all, nearly twelve million passengers flew to or from our airports last year. That is two million more than in 2020, but a decrease of 70 per cent compared to pre-pandemic levels.

It is naturally a challenging situation when business conditions in an industry are changed as radically as they have been in the aviation industry. So far, Swedavia has managed the pandemic and its consequences well, and we are now well equipped for the future. One indication of this is that we had positive cash flow from operating activities in both the third and fourth quarter.

In the short term, the outlook for the aviation market remains uncertain, but in our view the great pent-up demand for travel will lead to a resurgence and strong recovery in the year ahead. It is still too early to predict what consequences the war in Ukraine will have on the aviation market, but these simply pale in compar-

ison with the resulting humanitarian crisis. Nothing is more important than an end to the war and being able to limit the suffering it is causing.

Important investments

In 2021, a number of airline customers chose to make significant investments at Swedavia's airports, especially Stockholm Arlanda Airport. Finnair and Ryanair have set up bases at Stockholm Arlanda Airport, and in 2022 Eurowings will do the same.

Our large and more established customers, such as SAS, BRA Braathens Regional Airlines and Norwegian, also made major investments during the second half of 2021. All of these ventures show how attractive the Swedish market is – they show that Swedavia can offer a competitive product, and they improve Swedish access significantly.

The recovery is taking place from levels we have not seen since the early 1980s, but there are positive trends amid the uncertainty brought by the pandemic. People want and need to travel and meet. This will not change. A large and growing share of the world's population has friends and family in

other countries. The rapid digitisation seen during the pandemic will probably affect business travel, with digital meetings to some extent also replacing physical meetings going forward. But creative, fruitful, relation-building meetings will also be physical going forward. Furthermore, people's desire to discover the world has not diminished – quite the opposite. In this world, only air travel can link us together despite great distances.

Safe, secure airports

With the extensive spread of Covid across the globe, Swedavia's most important task last year as well was to enable air transport in otherwise difficult conditions. The airports must be safe, secure places to spend time at, despite an ongoing pandemic. We succeeded in doing this. People have been able to travel and goods could be transported. Vaccines were shipped around the world, which over time will enable us to put the pandemic behind us.

However, there are many challenges, particularly in the short term. It is difficult to hire new employees when staffing

“Creative, productive, relationship-building meetings will also be physical going forward”



needs are uncertain and requisite background checks take too long. People on sick leave due to Covid and quarantine rules also constitute challenges in operations, which in many cases must function around the clock.

The right conditions

Thanks to the far-reaching measures we adopted in 2020 to ensure the company's survival, in 2021 we were once again able to turn our focus to the future. During the autumn, we implemented our new operational structure, with one result being that our network now consists of two groupings. Stockholm Arlanda Airport, Göteborg Landvetter Airport, Bromma Stockholm Airport and Malmö Airport constitute International Airports, while Visby Airport, Luleå Airport, Umeå Airport, Åre Östersund Airport, Ronneby Airport and Kiruna Airport are included in Regional Airports.

This division will create better conditions for us to strengthen Swedavia's international competitiveness and thus Sweden's, and at the same time safeguard access around the country.

Meanwhile, the development of airports has continued. Stockholm Arlanda Airport will become a more modern and efficient airport, with a new retail area, a new security checkpoint and an integration of Terminals 4 and 5. At Kiruna Airport and Åre Östersund Airport, we have launched remote air traffic control, and we have continued to develop the infrastructure at a number of airports to handle the electric aircraft of the future.

Sweden's most important transport hub

When business conditions were turned upside down, our purpose and our long-term goals and strategies helped us navigate successfully. Our high-level strate-

gic goals for sustainable value creation are critical in order for us to carry out credible, ambitious sustainability work, and though these pandemic years have caused us to focus our energy on areas we otherwise would not have had to invest resources in, these goals have remained in place and we have continued our efforts to achieve them.

In 2022, we will review our strategic approach so that we continue to have a framework that leads us in the right direction towards our vision: to develop the airports of the future that create sustainable growth for all of Sweden.

We will enhance our international competitiveness in a situation where the competition for airlines and passengers is intense. We need to move forward in a number of areas, which requires focus and the setting of priorities.

In 2021, around 12 million passengers flew to or from Swedavia's airports. That is an increase of two million compared to 2020, but still 70 per cent below pre-pandemic levels.





Three areas that will be especially important for us are the transition to net-zero aviation, our continued digital transformation and the development of our airports into multimodal transport hubs, where different transport modes are linked up in an increasingly seamless travel experience.

In order for the world to meet the goal of limiting the rise in global average temperature to no more than 1.5 degrees Celsius, the transition to a net-zero transport sector is crucial. Swedavia is already a world leader in operating climate-smart airports – and we will continue to be so. We also need to accelerate our efforts to help the transition of the entire aviation industry.

Alongside this and in close connection with our climate work, we will also develop our airports as transport hubs. Road-

and rail-bound traffic must be linked up with air traffic even better than today both physically and digitally, and as a result travel and transport should be as seamless as possible. This is something that is part of the sustainable travel of the future and that our passengers will increasingly come to expect from us. It should be easy to book and easy to travel, regardless of where the journey begins and ends.

A big thank you

We have now put an exceptional year behind us, but above all we have exciting times ahead of us. Many things may still be uncertain, but the recovery is under way, and our development work will continue.

Our airports will continue to create the access Sweden needs to live and develop. They should be safe, secure workplaces for the

“Travel and transport should be as seamless and possible. This is something that is part of the sustainable travel of the future”

thousands of people who work there, and they should be Sweden’s most important transport hubs for the millions of people who use them for travel.

Finally, I would like to express my heart-felt thanks to all of our airline customers, our partners and not least our employees for all the hardships and efforts that have gotten us through the pandemic thus far. Together we will continue to help Sweden get closer to the rest of the world and ensure that life in our long, narrow country can carry on. We will continue to make it possible for people to meet. It will quite simply be a better world then.

Stockholm, March 2022

Jonas Abrahamsson
President and CEO

“We managed the most important task”

– three questions to Swedavia’s
Chairman of the Board, Åke Svensson

The world has gone through another year of pandemic. How has Swedavia managed?

– So far, Swedavia has managed the pandemic as well as possible given the exceptional circumstances. It is worth remembering that few industries have experienced such a total collapse as aviation, when air travel nearly came to a complete standstill in March 2020.

By far the largest share of Swedavia’s revenue is passenger-dependent, while expenditures are largely related to facilities. That means revenue nearly disappeared within one month while costs were largely unchanged. As a result, Swedavia needed to take comprehensive measures to ensure liquidity – partly through extensive financial measures and partly by reducing its own expenditures.

We were obliged to place a large number of our talented employees on furlough and apply for pandemic aid according to the rules announced by the Swedish government. We managed our most important task: keeping our airports safely open for traffic. In 2020, we also requested a shareholder contribution, which we subsequently received in October the same year, to ensure the company’s long-term ability to create value.

Since 2020, the company has worked to review its structure and organisation. It has been important to identify efficiency improvements, but even more important to accelerate the improvement work in a number of areas. This



restructuring only had its full effect in 2021, and as a result Swedavia now has good conditions to be competitive going forward as well. Dividing the airports into two groupings, International Airports and Regional Airports, entails new opportunities to enhance Swedavia’s international competitiveness and at the same time ensures access to domestic air travel.

What do you think will be particularly important in 2022?

– Swedavia must be prepared to serve our customers and passengers as air travel increases. When people can once again travel, we should make this possible. We will also continue the work to

develop our airports. One clear example is the efficiency improvement and modernisation measures that we are carrying out at Sweden’s most important transport hub, Stockholm Arlanda Airport.

Enhancing international access, with additional international direct routes, is also crucial for Sweden and a major challenge in a situation where competition is tough. In Sweden, we are now seeing businesses make major investments. These are facilitated in the long term in part by good air links.

Another thing required is increasingly integrated mobility, with different transport modes linked up both physically and digitally. In the years ahead, it will be crucial to truly take a systems approach to transport in Sweden, and on that basis continue to reduce the environmental impact while increasing overall efficiency. Airports will be vital hubs for the transport of the future, so it is natural that Swedavia plays an active part in developing the integrated transport system of the future in Sweden.

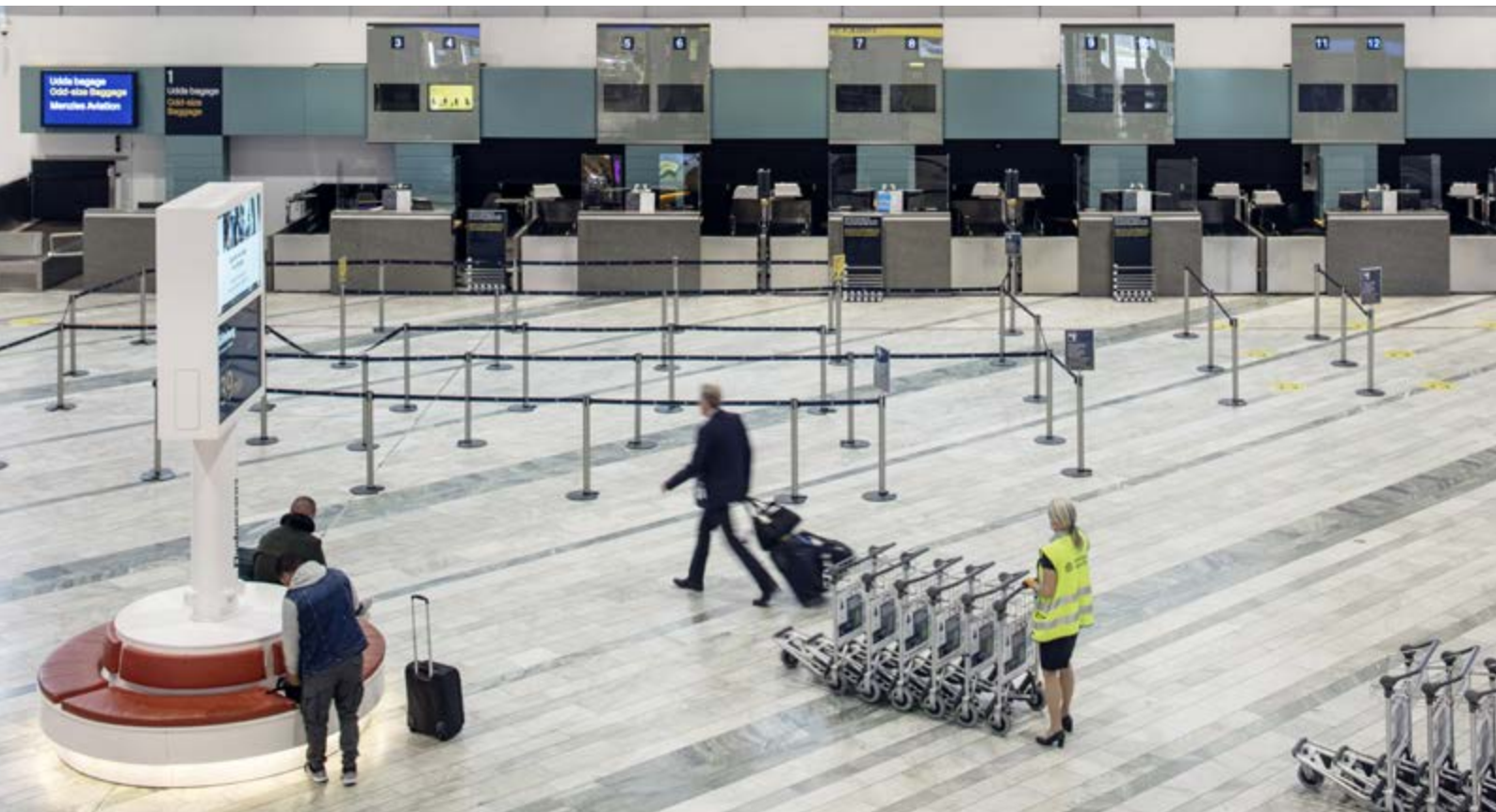
Swedavia continues to give top priority to climate change. Why?

– Because aviation is so important. The transport system of the future must be net zero, and the global mobility that aviation enables must continue to be developed. For Swedavia, it is a matter of taking part in the development of new technology and new fuels in the industry while investing in our own infrastructure in order to handle aircraft that will run on new fuels and be somewhat different in nature in the future. This is a crucial development that I know all of Swedavia’s engaged employees look forward to being a part of.

Finally, I would also like to give a big thank you to all of Swedavia’s partners, all of its employees, the company’s management and its Board of Directors, for your tirelessly hard work in the past year. Thanks to you, we are ready to meet the future.

Stockholm, March 2022

Åke Svensson
Chairman of the Board



Preparations for a restart

The year began with preparations for a restart despite great uncertainty about the direction of the pandemic. During the year, Swedavia had to manage great variations and rehire workers to handle the increase in traffic.

In January, Covid vaccines were rolled out in Sweden, and in June the Swedish Ministry for Foreign Affairs lifted its advice against travel to a number of EU countries. The EU's Digital COVID Certificate was launched in early July and served as the opening shot for a restart.

Covid-safe travel

Media reports note that airlines and aircraft have so many layers of infection prevention measures that there is a lower risk of being infected on board than during a visit to a store or restaurant. The Public Health Agency of Sweden announced and confirmed that there is a small risk of being infected by

Covid on a flight. It is instead more likely for people to be infected en route to or from the airport or while there.

Travel slowly on the rise

The pandemic situation gradually improved on a global level, and in late September the Ministry for Foreign Affairs lifted its advice against travel to other countries. Towards the end of the year, the spread of infection accelerated sharply with the new Omicron variant. Sweden had a high vaccination rate, and it was far easier to travel for people who were double-vaccinated against Covid. The Public Health Agency of Sweden continued to recommend that unvac-

inated passengers get tested on their return to Sweden.

Travel clearly accelerated in late October, and in November the US opened its borders to the rest of the world. On the other hand, the EU kept its borders closed to third-country passengers until early 2022. The US and Britain were two exceptions. The recovery slowed somewhat in December due to new restrictions in Sweden and the rest of the world.

Testing at airports

When travel resumed, there was increased demand from passengers and airlines for the opportunity to take PCR and antigen tests at the airport. Some countries had such stringent time requirements for antigen tests that they could only be carried out at the airport in order for passengers to make their flight. As a result, Swedavia put an agreement out to tender for the set-up

of test centres at a number of airports. Testing for arriving passengers was also offered at some airports during parts of the year.

Safety measures to reassure customers

Throughout the year, Swedavia continued to follow guidelines from Swedish infection control authorities and European aviation authorities. Among other moves, this entailed continued enhanced cleaning and disinfection, plexiglass screens at service counters, and requests to maintain social distances and check in from home. The recommendation to wear a face covering in the terminal also remained in place since it was included in the guidelines for airlines and airports issued by the European Aviation Safety Agency and the European Centre for Disease Prevention and Control.

Police given expanded responsibility

The Swedish Border Police were not just responsible for border control for people travelling to and from Sweden at Stockholm Arlanda Airport and Göteborg Landvetter Airport during the year. They also needed to check that arriving passengers were healthy. Booths normally used for passport control for passengers from non-Schengen destinations were instead used to examine passengers' Covid-related documents.

A changing industry

Given the increase in air travel during the second half of the year, Swedavia needed to rehire employees. Many people who had been furloughed took



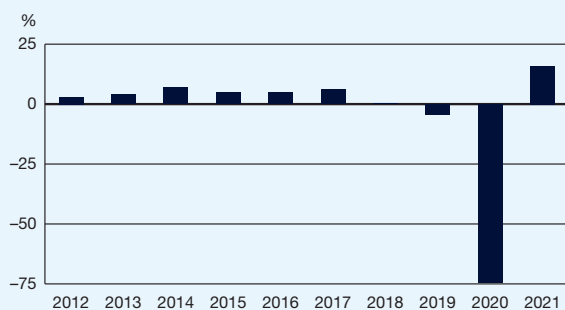
new jobs in other industries, but it was possible to rehire some of them. In a number of regions, increased competition for labour was noted. The recovery progressed in fits and starts, and it was a challenge for both Swedavia and the industry to rehire at the right pace to respond to the market during the year.

Towards the end of the year, it was clear the aviation industry faced changes, the extent of which was still uncertain, particularly regarding business travel. For the full year, Swedavia's airports had 11.9 million pas-

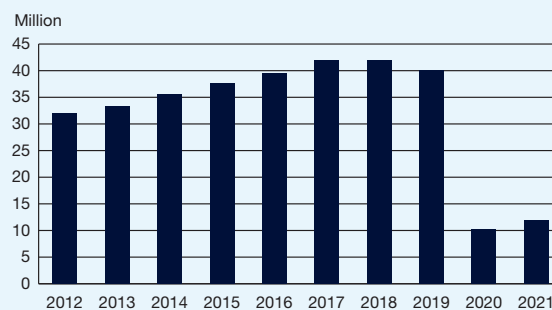


sengers (10.3 million in 2020), which is an increase of 16 per cent compared to 2020. The number of passengers at Swedavia's airports was 70 per cent lower compared to the same period in 2019.

PASSENGER TREND AT SWEDAVIA'S AIRPORTS



NUMBER OF PASSENGERS AT SWEDAVIA'S AIRPORTS



The world is characterised by great uncertainty and rapid change

The Covid-19 pandemic has plunged the world into deep crisis. Meanwhile, global warming is evidenced by increasingly extreme weather. This creates great uncertainties but also bolsters trends in many areas, not least more sustainable development and more rapid digitisation.

After the pandemic brought global air traffic to a halt, the recovery is now proceeding at different speeds around the world given new Covid variants and an uneven distribution of vaccines. Travel has been made easier in part by the EU Digital COVID Certificate but is being hampered by new closures, a lack of harmonised regulations and different immunisation rates. Globalisation faces stronger headwinds, and many companies are building more robust delivery chains in their own market region. The economic downturn triggered by the pandemic also means increased poverty and widening income gaps.

However, in the long term, there are strong drivers for increased prosperity and international tourism. This will mean both capacity challenges and business development opportunities.

Meanwhile, businesses today are challenged by changing consumer behaviour and alternative offerings. Requirements are becoming increasingly stringent in the three dimensions

of sustainable development – economy, ecology and equity.

The sustainable transport system of tomorrow will work to optimise access and let passengers easily combine transport modes. Digitisation will fuel this development and bring about new ways of thinking. Advances are accelerating, and society is moving toward extensive automation. Going forward, this will place high demands on the flexibility and agility of companies and their ability to work together with customers and partners. At the same time, there will be a shortage of skills, and competition for them is great.

Swedavia has grouped important trends in these areas under five trend themes.

“Businesses today are challenged by changing consumer behaviour and alternative offerings”

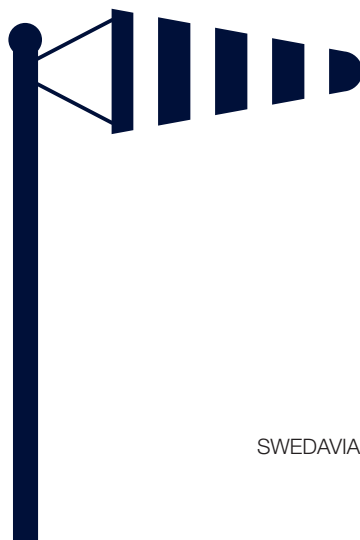
Five trends



Sustainability is enhanced in every perspective

The effects of global warming are escalating, while the world faces a growing need for energy. People's view of sustainability is changing in light of new knowledge, and there are calls for a broader view of prosperity, with success measured in more ways than through economic growth. Political leaders are setting new rules, and the public increasingly chooses to reject companies that do not take responsibility. This is also true for social sustainability, which has taken on greater importance. In financial markets, there has been a movement to more sustainable investments.

Circular business models are key to minimising resource use, and the electrification of the transport sector is being accelerated by the increasingly intense discussion on the climate and environment. Substantial investments are being made in renewable solar and wind energy and the use of hydrogen as a fuel for the transport of tomorrow.





The aviation market is in transition

Aviation is important for tourism and trade, but the spread of Covid and restrictions across the world have held back traffic. The pandemic has accelerated the trend of digital meetings and weakened demand for business travel. The EU Digital COVID Certificate enabled a gradual recovery during the year, with important drivers being visits to family and friends and holidays in warm places. As prosperity around the world increases in the long term, the centre of gravity on the aviation map will gradually shift more towards Asia, where the majority of the world's middle class lives.

Airline finances have been greatly tested by the crisis. Government aid packages have provided help but also increased the debt of many airlines. Meanwhile, low cost carriers are investing offensively in Europe and taking market share. Air cargo is important for profitability, but when most of this is transported in passenger aircraft, there is a capacity shortage.

While finances in the aviation industry are stretched, carbon dioxide emissions need to be reduced through the modernisation of aircraft fleets, the addition of sustainable aviation fuel to the fuel mix and, in the long term, fuel from hydrogen gas. This is driving costs and the demand for capital that needs financing. It is predicted that commercial routes with smaller electric aircraft will be launched around 2025 or later, with the market for other electric-powered aircraft then growing rapidly.

Digital transformation

The digital trend is accelerating and will lead to new business logic, better customer offerings and great efficiency gains. The pandemic has also accelerated the trend in many areas. There is a revolution under way in remote working, and employees can more freely combine work at the office with work elsewhere. Most consumers shop online to a greater extent than before the pandemic, and the shift to online retail now under way is speeding up.

Billions of things are connected to the internet, and it is predicted that the roll-out of 5G systems will give applications a boost. The ability to see patterns in immense quantities of data provides competitive advantages, and artificial intelligence is taking this knowledge to a new level and creating new value. Meanwhile, as a result of the trend, many jobs will have new content and a knowledge gap will develop. This will drive the need for continued learning and competition for strategic competence.

The pace of innovation is accelerating and the digital and physical worlds are merging. It is now also possible to talk to intelligent devices, and everyday life is made easier through access to increasingly smart digital assistants. Biometric applications are rapidly spreading to new fields and provide secure access to services and devices.

Seamless travel

Mobile phones have become a remote control for the different parts of people's journeys. Passengers expect information about their journey to be seamlessly available in physical and digital channels. Airports continue to digitise and automate their processes, which makes travel more efficient. Biometric technology is used to an ever growing extent at airports to securely verify the identity of passengers and ensure smoother flows. Equipment and employees are also being connected. New innovations are being created through open interfaces and collaboration. Meanwhile, the aviation industry is characterised by a large number of international operators, is global and has stringent requirements for safety and security, which creates some slowness in this change.

In the EU, there is an ambition to promote rail's share of transport work and speed up the electrification of transport. At the same time, new business models are being developed involving cars that are more connected, self-driving and easy to order as needed. Passengers are digitally mature and want more seamless travel, where transport modes can be combined on the same ticket. There is a need here for airports that are multi-modal nodes in sustainable and accessible transport systems.

New ways to serve the customer

With continuous connectivity, almost everything is available 24/7. Information fatigue and consumption fatigue are growing, which makes it harder to reach and engage with the passengers of tomorrow. Having access to what people need by renting or subscribing instead of owning is becoming an alternative. A shift in values is also seen, with people wanting to contribute to something good through their consumption. The health trend, already strong, will grow stronger, while there will be an increase in mental ill health given high demands in society.

Travel experiences have a high priority, and air travel is a natural way to travel for many. People want an efficient flow at the airport, but that should not be synonymous with sterile. Travel is part of everyday life, and people want to get their errands done. They are looking for a welcoming environment in which to relax, socialise or have some valuable time to themselves. There is also room for experiencing new things and being inspired, with unique and local things being more interesting to many people than simply clicking on their mobile to have something sent home. Air travel in itself is an experience, and there is a desire to have close contact with the aircraft through large windows.

How Swedavia takes action on these trends

TREND:	Sustainability is enhanced in every perspective	The aviation market is in transition	Digital transformation	Seamless travel
CONSEQUENCE:	<ul style="list-style-type: none"> • Compliance with new regulations. • Need for faster climate transition and proactive sustainability work. • Increased transparency and more extensive sustainability reporting. • Increased circularity is needed to reduce resource use. • Modifications in infrastructure to protect against effects of extreme weather due to climate change. • The rapid growth in demand for charging infrastructure needs to be met by renewable electricity supply. • Need for increased inclusion, access, equity, health and safety for everyone. • Need for proactive work with occupational health and safety to prevent accidents and ill health. 	<ul style="list-style-type: none"> • Need for controls and information due to changing travel restrictions. • Reduced business travel will affect important customers. Need for sensitivity, fast processes, punctuality. • Urbanisation, population growth and increased prosperity provide opportunities to develop new routes in the long term. • Passengers place higher demands on customised information, different forms of payment and offerings. • Switch to sustainable aviation fuel and, in the long term, fuel from hydrogen gas. Infrastructure for this needs to be secured. 	<ul style="list-style-type: none"> • Large flows at airport mean opportunities for optimisation through data collection, sensors and analytical tools. • New technology needs to be continuously tested and assessed. • New demands on own capability for innovation and implementation as well as ability to benefit from external innovativeness. • Growing importance of continuous learning and being seen as an attractive employer in order to secure talent. • Remote working places demands on trust-based leadership with clear objective-based management. • Protection against cybercrimes needs to be continuously strengthened, including good awareness among employees. 	<ul style="list-style-type: none"> • New requirements for collaborating in ecosystems with different stakeholders. Vision and benefit need to be communicated. • Systems need to work together so that updated information about people's trips is available in digital channels and assistants used by passengers. • Customer groups expect an automated process, including contactless services and biometrics. • New business models for cars will reduce the need for parking in the long term. Passenger drop-off/pick-up and intermodality will be increasingly important.
HOW SWEDAVIA ACTS:	<ul style="list-style-type: none"> • Net-zero airport operations under its own management since 2020. Purchases energy from renewable sources and district heating from biofuels. • Purchases sustainable aviation fuel (SAF) equivalent to the amount used for its own business air travel since 2016. Five per cent of jet fuel used shall be SAF by 2025. • Coordinates SAF procurement in partnership with private and public sector. • Environmentally-differentiated charges provide airlines with better conditions for making transition to net zero. • Airports carbon-certified at highest level by 2025. • Works proactively against ill health, and management continuously follows up on workplace incidents reported. 	<ul style="list-style-type: none"> • Works actively to enhance access and demand through a broad range of routes and airline customers. Ensures competitive charges. • Ensures that Swedavia meets customer needs for products delivered using a process-oriented way of working. • Works to drive the use of SAF, which includes incentives for airlines that use SAF and ground handling companies that use renewable diesel (HVO100). • Takes part in electric aircraft projects such as Green Flyway at Åre Östersund Airport and Fossil-Free Aviation in Northern Sweden. 	<ul style="list-style-type: none"> • Drives the strategic shift to digital transformation to create customer value, including a dynamic plan and roadmap. • Generates and tests ideas using an established idea management process. • Makes data available through APIs so that passengers and other stakeholders can use the right information. • Digital collaboration between Swedavia's airports to create standardised operational centres. • Continued implementation of autonomous plough, sweep and blowing machines for snow removal. • Takes part in continued European research and development collaborations. • Increases awareness of cyber-threats through training. • Internal campaign LoveIT will improve digital maturity. 	<ul style="list-style-type: none"> • Takes initiative to be a leading operator in the work towards more seamless travel. • Plans to connect transport modes digitally and works so that buses, trains and taxis can be booked in Swedavia's external digital channels. • Provides information about fossil-free ways of getting to the airport. • Looks for new partnership solutions for innovative transport providers, such as self-driving cars and drones. • Will soon launch a feasibility study on biometric technology.

New ways to service customers

- Need to make what is unique about airports apparent, like showcasing aircraft and highlighting aviation technology.
- Business models for brands are changing. Airports are important channels for converting customers, who can make purchases on another occasion.
- Meet demand for unique and sustainable shopping. Permanent shops with personal service need to be interspersed with temporary pop-ups, local connections and self-service solutions.
- Good health should be reflected in the physical environment and offering.
- Messages should be based on usefulness. Some customer services can be automated, but with access to staff. Quick responses are needed.
- Queue times that do not create value need to be prevented. Expected queue times need to be communicated.
- The growing number of older passengers increases the need for assistance.

- Arranges procurement contracts with concessionaires in Retail, Food & Beverage (RFB) with concepts that meet customer needs, both in existing premises and in the new marketplace at Stockholm Arlanda Airport.
- Expands information in digital channels, like in Swedavia's app, websites and chatbot, as well as at customer service terminals in order to make things easier before a trip and at the airport. Also increases queue measurement to optimise processes and reduces what is considered unnecessary waiting time.
- The airport offers different levels of service, with passengers able to upgrade their service level themselves.
- Passengers who need assistance are known and planned for.

Four scenarios for 2025

In 2020, Swedavia developed scenario planning with four future narratives for the year 2025. In 2021, these scenarios were used as support in planning.

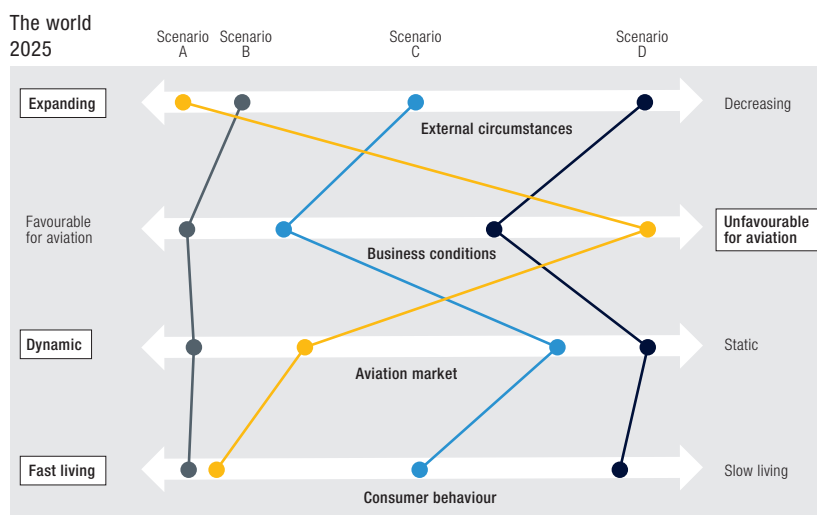
The aim was to provide support for planning and prepare for the historically great uncertainties stemming from the Covid-19 pandemic. The scenarios combine different outcomes for these uncertainties, with each uncertainty entailing different realities for Swedavia.

The company needs to adapt its business model in the different scenarios, and the value offering for the customer groups will look different to some extent.

Continuous business intelligence picks up on significant events around the world that can trigger a change in the direction of any of these scenarios.



Over time, a large number of events around the world have fit in well with the four futures that the scenarios describe. A follow-up assessment shows that the scenarios occur in combination, while there are still great uncertainties and the picture can quickly change.



Swedavia creates value in many stages

Swedavia's primary task is to create access within Sweden and to and from the country.

The value creation model illustrates Swedavia's operations by giving an account of the resources Swedavia uses, how these resources are processed in operations and what value Swedavia creates for different stakeholders.

Growth and business opportunities are created through operations. Swedavia contributes to jobs, tax revenue, diversity, culture and the exchange of knowledge for the company's stakeholders. Swedavia also takes an active part in developing the Swedish transport sector and helps Sweden to achieve its transport policy goals. This provides positive effects for all of society – locally, regionally and nationally, for organisations and companies as well as individuals.

Swedavia's operations also have an impact on the world beyond, for example through salaries to employees, carbon dioxide emissions and contributions to the UN's Sustainability Development Goals.

“Swedavia contributes to jobs, tax revenue, diversity, culture and the exchange of knowledge”

Swedavia's resources

Relational capital

11.9 million passengers and relations with customers, tenants, partners and decision-makers.

About 7 million visitors to Swedavia's websites and about 225,000 followers spread across 20 different accounts.

Human capital

2,617 engaged employees who help give customers a positive travel experience.

Tangible and intangible capital

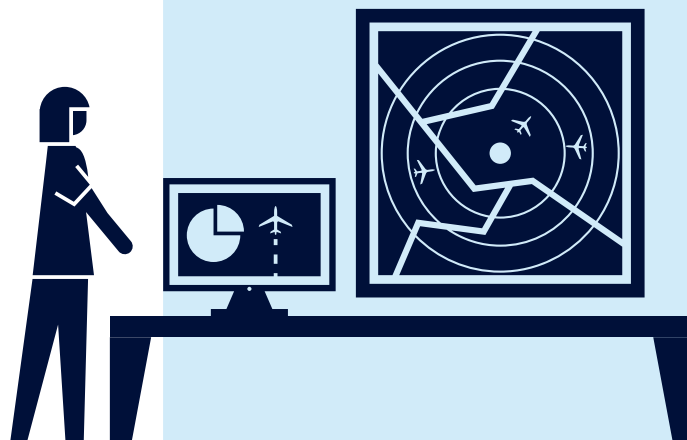
Ten airports included in Sweden's national basic infrastructure. Properties and land adjacent to the airports. In 2021, Swedavia was ranked as the most sustainable brand in the airline industry category in the Sustainable Brand Index.

Financial capital

The company's own and borrowed capital.

Natural capital

Energy, forests and material use.



Swedavia offers

Swedavia's airports have safe, optimised infrastructure, thus creating efficient flows for a smooth and inspiring travel experience.

The airlines deliver attractive destinations to passengers

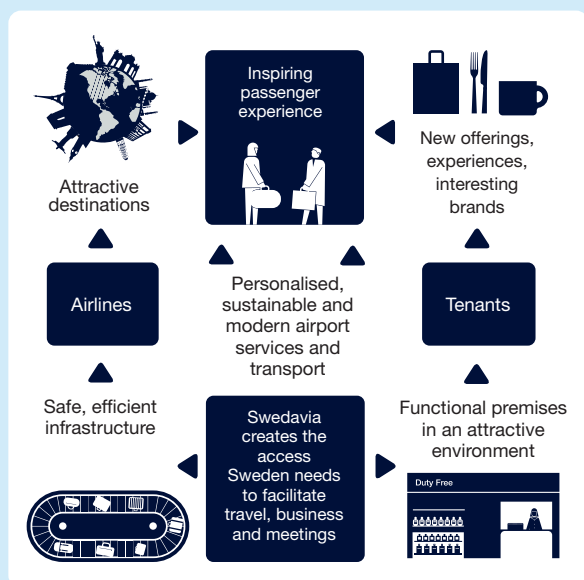
Swedavia's ten airports form a network that links Sweden together and connects Sweden with the rest of the world. This creates opportunities for experiences and recreation and enables people to travel and meet across cultural, religious and political boundaries.

Functional premises in an attractive environment

Swedavia offers premises for retail operations, offices, warehousing and logistics that meet customer needs and creates long-term competitiveness.

Inspiring travel experience

Together with the airlines and tenants, Swedavia delivers inspiring services that provide a positive customer experience and increased attractiveness.



Value for many stakeholders

Owner

- Profit for the year SEK –1,182 M
- Return on operating capital –6.3%
- International role model in sustainability
- Helps Sweden to achieve its transport policy goals

–6.3%
return on
operating capital

Suppliers, partners, financiers

- Long-term, mutually beneficial partnerships
- Financial return on interest-bearing capital
- Jobs

Passengers, airlines, tenants

- Attractive airports
- Access
- Smooth, inspiring travel experiences
- Personalised meeting places

82
positive customer
experience

Employees

- Remuneration to employees
- Personal and professional development
- Safe, secure and inclusive workplace environment

74%
engaged
employees*

* Average figure of four pulse measurements during the year.

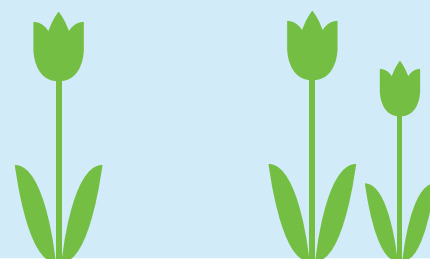
Society

- Access within Sweden and to and from the country
- Job and business opportunities
- Tax revenue
- Exchange of culture and knowledge

Environment

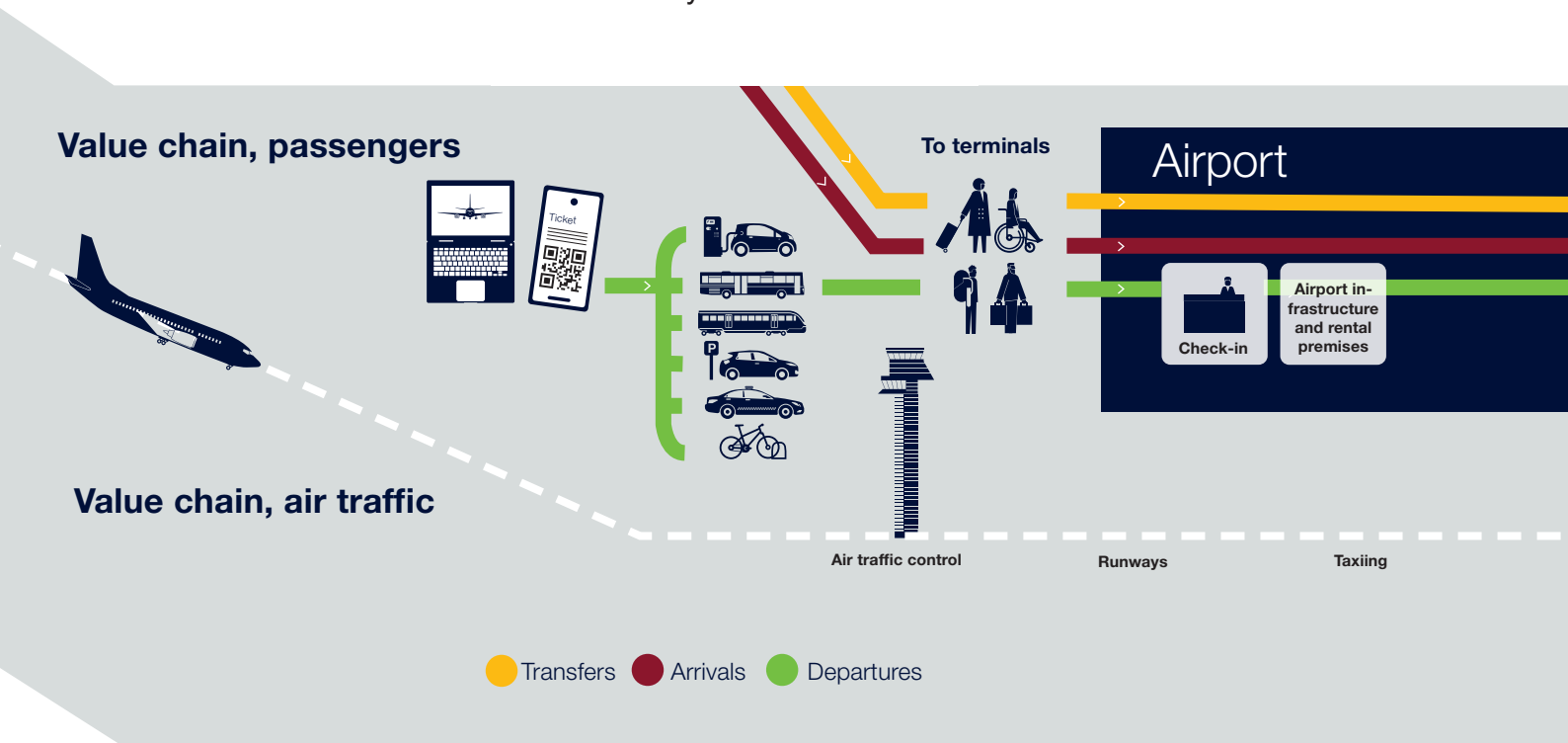
- Aviation in Sweden accounted for about 2.5 per cent of Sweden's total carbon dioxide emissions in 2020 according to the Swedish Environmental Protection Agency.
- Swedavia is a driver in the large-scale transition to net-zero aviation; read more on page 42.
- A world leader in developing airports with the least possible environmental impact; read more on page 46.

0.44%
SAF



Swedavia's operations create value

Swedavia's business revolves around passengers, airlines and tenants. **Airport Operations** and **Real Estate** constitute the two operating segments. Together with its customers and partners, Swedavia enables people to meet. Swedavia creates access and contributes to a competitive Swedish tourism industry. This is how value is created, for customers and society as a whole. The illustration below shows how Swedavia creates value in different ways.



AIRPORT OPERATIONS

Owens, operates and develops Sweden's national basic airport infrastructure.

Aviation Business

- Passenger services
- Take-off and landing services
- Security screening
- Ground handling services
- Terminal and en route services
- Assistance services, PRM
- Infrastructure for ground handling services**

* People with functional differences.

** Including baggage handling and refuelling.

Commercial Services

- Rental of premises for retail, restaurants, offices, warehousing and logistics
- Parking and entry
- Passenger and other services, including advertising and IT

Value created:

Connects all of Sweden with the rest of the world and enables people to meet.

Comprehensive process work

The goal is for all operations at Swedavia to work in the long term based on this model.



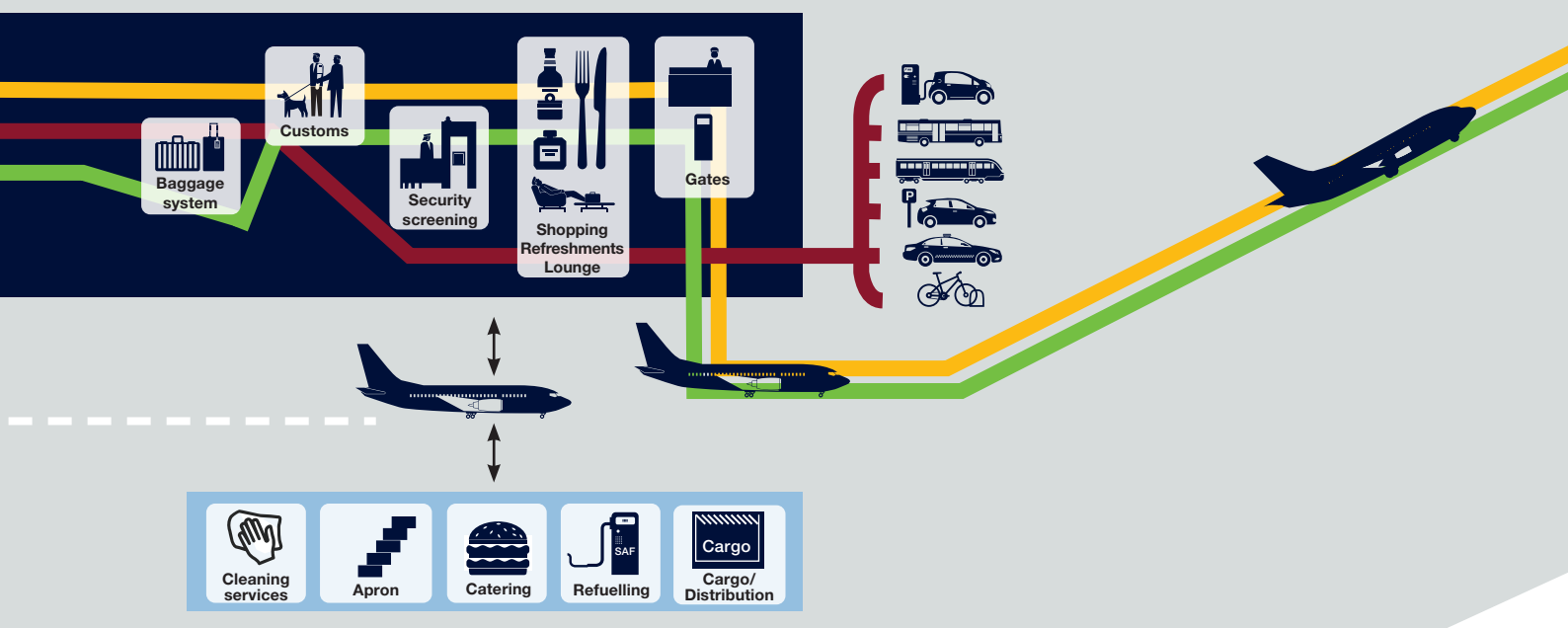
Positive and negative effects in the value chain

Swedavia's business creates values but also has an impact on sustainability issues. Operations generate atmospheric emissions as well as discharges into the ground and water and require resources. Other issues where Swedavia has an impact are human rights, intermodality, health

and safety for customers and employees, and a good workplace environment.

Swedavia works actively to reduce the negative impact and increase the positive impact of its own operations and other parts of the value chain, for example, carbon dioxide emissions from aviation.

Through dialogue and collaborations with stakeholders, Swedavia can increase the positive impact through green financing and supplier follow-ups. One challenge is to increase its influence in order to have a positive impact up and down the value chain.



Value chain, construction and real estate operations

Both the Airport Operations and Real Estate segments generate construction operations



REAL ESTATE

Owns, develops and manages properties

Real Estate operations

- Owns, develops and manages developable land at and in the vicinity of Swedavia's airports.
- Prepares property development projects for hotels, offices, logistics and retail.
- Manages and updates information about properties.
- Develops the attractiveness of the airports as demand grows for the establishment of operations at the airports.

Value created:

Revenue is generated by developing and selling properties, which Swedavia uses to develop the net-zero airports of the future.

Strategic approach is implemented and augmented

Swedavia's four strategies – combined with proactive work for safety, security, the environment, the health of customers, employees and society in general, and an engaged culture – shall contribute to all of its goals being met. This is done based on the strategic approach adopted in 2020 and implemented in operations during 2021.

Focused development efforts to reach its goals

Business intelligence and trend and scenario analyses show that the aviation industry will face major changes in the years ahead. These changes have been further accelerated by the pandemic, rapid technological advances and the need for a faster transition to net-zero operations. In order to meet customer needs and deliver on its overall goals, Swedavia needs to focus its efforts in its development work on a number of strategic initiatives that help the company achieve the goals set for 2025 with resource use that is as efficient as possible.

Three strategic initiatives were thus chosen to ensure these moves: digital transformation, the transition to net-zero aviation and the airport as a multi-modal hub.

Digital transformation:

Swedavia actively capitalises on the potential of digitisation and automation to optimise flows and processes and make them more efficient and also develop new products, services and business models.

The transition to net-zero aviation:

Through its continued work with the roadmap for fossil-free aviation in Sweden, domestic air transport shall be net-zero by 2030 and all air transport in Sweden shall be net-zero by 2045.

The airport as a multimodal hub:

Swedavia is a leader in developing multimodal hubs that provide passengers and logistics operators with seamless intermodality smoothly and efficiently

while enabling new transport modes at its airports.

Swedavia is involved in a number of activities that support its moves to achieve the goals in each strategic initiative.

Positioning

Competition for airline traffic has increased in a market that is undergoing change. Working to achieve an attractive, differentiated position is crucial to regain the traffic lost during the pandemic. Swedavia's position in the aviation market and in other business areas must be further strengthened, and the work involved is based on world trends and megatrends, competitive benchmarking and identifying Swedavia's unique strengths, which are now increasingly relevant.

Swedavia wants to take a position in two areas that are closely linked: sustainable, fossil-free travel and inter-modal transport for seamless travel. Both areas will be important in the future, both in terms of the market for new and existing customers and of Swedavia's attractiveness and competitiveness.

Sustainable fossil-free travel

Even today, Swedavia is a world leader in operating net-zero airports. The company will maintain and strengthen its position in the market as the airport operator driving the transition to net-zero travel. Swedavia now needs to shift into higher gear, despite tough competition, to maintain its position and con-

Examples of activities that help Swedavia to achieve its goals:



Autonomous snow removal



Fossil-free and electric aviation



Integrated booking in digital channels



Seamless transport solutions

tinue to drive the transition to the next goal in its strategy, net-zero domestic air transport by 2030.

Seamless travel

Swedavia wants to take a position in seamless travel. This means that Swedavia will link up different traffic modes both digitally and physically for a smoother journey, for example so that passengers can get information and digitally book their trip by rail, air and bus in one place. It also involves embracing new technology and new transport modes for passenger drop-off/pick-up and linking these up in a seamless journey. Seamless travel creates better conditions for Swedavia's partners as well as for passengers and can help generate brand-new revenue streams.

Purpose

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 create added value for our customers through attractive airports and access

Strategic targets for sustainable value creation

85

Customer experience, 2025.

6%

Return on operating capital.

5%

Mix of sustainable aviation fuel in Sweden, 2025.

75%

Engaged leaders and employees, 2025.

Swedavia's goals for 2025:

Be an international **role model** in sustainability.

Provide a safe, smooth and **inspiring** travel experience.

Be the **most important** meeting places in the Nordic region.

Be a **growth engine** for all of Sweden.

Together with an engaging culture, these goals are to be achieved through *four strategies* and a *foundation*:

Commercial excellence

Based on sound business principles, Swedavia provides an attractive range of routes and creates an innovative customer offering in retail, services and properties.

Operational excellence

Swedavia develops operational excellence in the delivery of services and products that meet customers' needs and expectations by optimising processes.

Optimised assets

Swedavia ensures the right operational and commercial capacity to meet customers' current and future needs.

Proactive transition to net-zero aviation

Swedavia works proactively to take responsibility for the climate throughout the value chain and based on a life cycle perspective.

Responsibility for society and people

Proactive work for safety, security, the environment and the health of customers, employees and society is the foundation of Swedavia's operations.




Swedavia's mission, goals and targets

Swedavia's mission

To own, operate and develop Sweden's national basic infrastructure of airports, Swedavia shall play an active part, based on solid business principles, in developing the Swedish transport sector and help achieve the transport policy goals adopted by the Swedish parliament.

Financial targets

Swedavia's owner has adopted the following financial targets for Swedavia.

- 
Capital structure
 Debt/equity ratio 0.7–1.5 times
 Actual, 2021 0.8 times (1.0)
- 
Profitability
 6% return on operating capital
 Actual, 2021 –6.3% (–7.5)
- 
Dividend pay-out ratio
 10–50%
 Actual, 2021 – (–)

Mission goals

Swedavia shall measure and give an account of the actual figures for five mission goals for which targets have not been set. The actual outcomes shall be discussed in dialogue with Swedavia's owner, presented in the Annual Report, and reported annually to the authority designated by the owner, currently Transport Analysis.

The function goal pertains to how access shall be developed for citizens and businesses.

The concern goal describes how the Swedish transport system shall be developed in terms of traffic safety, environment and health.

FUNCTION GOAL ACTUAL, 2021

(figures for previous year in parentheses)



Customer experience

82 (74%)

In 2021, a new measurement method was introduced, with the number expressed as an index instead of a percentage.



Number of international destinations*

172 (173)

* that can be reached by direct flights from the airports.



Million passengers, domestic

4.0 (3.6)

Million passengers, international

7.9 (6.6)

CONCERN GOAL ACTUAL, 2021

(figures for previous year in parentheses)



Carbon footprint, thousands of tonnes*

178 (166)

* for Swedavia's airports, broken down into own operations, air traffic and ground transport to and from the airports.



Number of accidents and serious incidents*

Accidents: **1** (1) Serious incidents: **0** (1)

* at the airports.

Strategic goals for sustainable value creation

Based on its materiality analysis and business approach, Swedavia has defined four strategic goals for sustainable value creation.

AREA

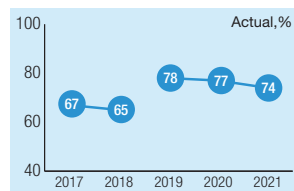
Engaged leaders and employees

Swedavia develops the airports of the future and enables people to meet through an inclusive corporate culture based on ethical guidelines and values.

GOAL

75%
(2025)

ACTUAL, 2017–2021

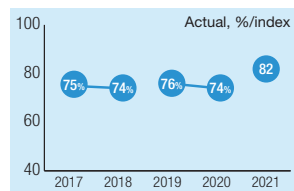


Since 2019, pulse measurements have been carried out. In 2021, four measurements were taken, two in the spring and two in the autumn.

Customer experience

The customer experience target for 2025 is set at an index of 85 and will be reached through customer-driven work. This entails a systematic way of working that includes involving the customer in the development of current and new solutions.

85
(2025)

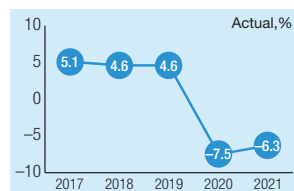


In 2019–2021, customer experience measurements were only taken at ARN and GOT.

Return on operating capital

Along with the long-term return target of six per cent annually, Swedavia's owner has set a capital structure target, a debt/equity ratio of 0.7–1.5 times.

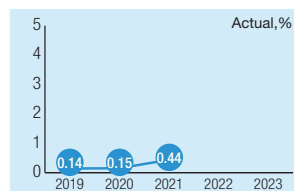
6%
(annually)



Sustainable aviation fuel

Swedavia's goal is to have five per cent of all jet fuel used for fuelling in Sweden to be renewable by 2025. One condition required for Swedish aviation to meet the net-zero goal by 2045 is to replace fossil jet fuel with sustainable aviation fuel (SAF).

5%
(2025)



Swedavia's collaborations

Being able to take action together on important issues provides a better basis for decision-making and greater force. Swedavia has a number of collaborations and partnerships in areas involving everything from environmental issues to working conditions. A selection of these is presented below.

Years of pandemic have affected the degree of activity in some collaborations. The aim is still to maintain and develop relations and activities.

Airport Carbon Accreditation (ACA) climate programme

Swedavia is a member of ACI Europe's Climate Task Force, which focuses on how ACA should develop. The aim of the task force is to develop long-term climate goals for EU airports and airlines. These goals shall meet the goals of the Paris Agreement.

Arbetsförmedlingen

Collaboration with the Swedish national employment agency that enables common efforts to create a sustainable labour market at the regional and local level. The most appropriate labour market policy measures in the context are chosen and could, for example, entail taking on interns from the employment agency at Swedavia's airports.

Arlanda against Human Trafficking

The network consists of companies and other organisations at and in the vicinity of the airport. By working together and increasing knowledge, the network helps create a safer Stockholm Arlanda Airport and calls attention to victims of human trafficking.

Arlanda Region

Collaboration with the municipalities in the region where important matters related to the interests of the airport and municipalities are addressed. The aim of the organisation is to create the best conditions for regional development, such as traffic infrastructure, housing construction, business development and work with environmental issues.

Connect Sweden

A collaborative project that works to enhance Sweden's international air links. The project is supported by representatives from Swedish businesses, the City of Stockholm and a number of other national and regional organisations. The goal is to strengthen Stockholm Arlanda Airport's position as the leading hub in the Nordic region.

Doctors Without Borders and the Red Cross

Collaborations to enable the exchange of knowl-

edge and insights as well as enrich employees' everyday lives and thus strengthen Swedavia's position as an employer.

Electric Air Transport in Sweden (ELISE)

Partner in a consortium where the goal is to develop commercial electric aircraft by 2025. Today's airports play a key role in the electric aviation of the future.

Fly Green Fund

Partner in the economic association that is working to increase demand for sustainable aviation fuel (SAF) while supporting the production of such fuel in the Nordic region.

Fossil-Free Aviation in Northern Sweden

The project was launched in partnership with the Municipality of Umeå, BioFuelRegion and RISE, partly funded by the Swedish Energy Agency, in order to explore the opportunities for creating a fossil-free air transport network in the region.

Fossil-Free Sweden

Initiative started by the Swedish government that brings together over 450 stakeholders on the view that the world must be fossil-free and that Sweden shall lead the way in this work. These organisations pledge to show concrete measures to reduce emissions.

Green Flyway

Swedavia is a co-financier in this collaboration, whose goal to prepare Åre Östersund Airport to manage trial operations for electric aviation starting in autumn 2020 was achieved.

Håll Nollan ('Keep Zero')

Collaboration for zero accidents in the Swedish construction industry. The industry here includes not just construction companies but all companies and other organisations that order, plan and carry out construction projects.

Important local and regional collaborations

Swedavia has so-called aviation councils in different regions, which bring together businesses, members of parliament, municipalities and regional representatives to discuss important access issues. Swedavia is also involved in a number of forums, including Go:Connect in

Gothenburg, Sweden's Chambers of Commerce and the Council for the Stockholm Mälars Region.

Nordic Initiative for Sustainable Aviation (NISA)

Member of this Nordic collaboration, in which a large number of stakeholders work to together find a reliable supply of sustainable fuel (SAF) for the aviation industry.

Nordic Network for Electric Aviation, (NEA)

Swedavia was a founding member of NEA, whose aim is to coordinate electric aviation in the Nordic region.

PFAS networks

Swedavia takes part in a number of PFAS networks aimed at remedying the problem of highly fluorinated substances in soil and drinking water, but also works with various research initiatives on perfluoroalkyl substances. Read more on page 54.

Swedish 2030 Secretariat

Brings together partners that work in some way with one of Swedavia's focus areas for change: cars, fuel and behaviour. Together, members conduct business intelligence, prepare forecasts and drive policies and companies in the right direction.

Swedish Aviation

Forum for dialogue and collaboration with representatives of Sweden's aviation sector, including airports, airlines, the aerospace industry and other organisations working with air traffic services and aviation issues.

Tekniksprånget and Jobbsprånget

Swedavia takes part in Tekniksprånget, an initiative to address the shortage of engineers. In the programme Jobbsprånget, the company offers a four-month internship to recent arrivals from abroad with a university education in order to accelerate their introduction to the Swedish labour market.

Universally Designed Workplaces

Collaboration aimed at designing the workplace based on everyone's needs. The focus is on creating workplaces that take into account and allow for people's differences – a workplace that is inclusive and designed for everyone.

A photograph of a modern airport terminal. In the foreground, a person with dark skin, wearing a white t-shirt, colorful patterned pants, and a backpack, is walking away from the camera while pulling a black suitcase. The terminal has a high ceiling with large glass panels and a curved metal structure. A spiral staircase with a wooden handrail is visible in the middle ground. Several large potted plants are placed near the staircase. In the background, other people are seated at tables, and a sign with the number '6-23' is visible. The overall atmosphere is bright and modern.

SWEDAVIA'S OPERATIONS

A company adapted to a changed market

Both the pandemic and other significant events around the world have brought great uncertainties to many areas globally. During the year, intensive, far-ranging work was carried out to structure and organise Swedavia in a way that allows the company to remain competitive in an aviation market that has changed fundamentally in a short time.

Since the start of the pandemic, competition is tougher than before for airlines, and Swedavia needs to further strengthen its market position among airports in the Nordic region.

Swedavia wants to drive the development of sustainable travel. Already today, Swedavia is a world leader in operating net-zero airports. Swedavia now needs to accelerate efforts to drive the transition to net-zero domestic aviation by 2030 and net-zero Swedish aviation by 2045. Swedavia will take more initiatives to be a leading player in seamless travel, which will make things easier for passengers but is also an essential condition for reducing carbon dioxide emissions. There are few airport operators today that work proactively in this area.

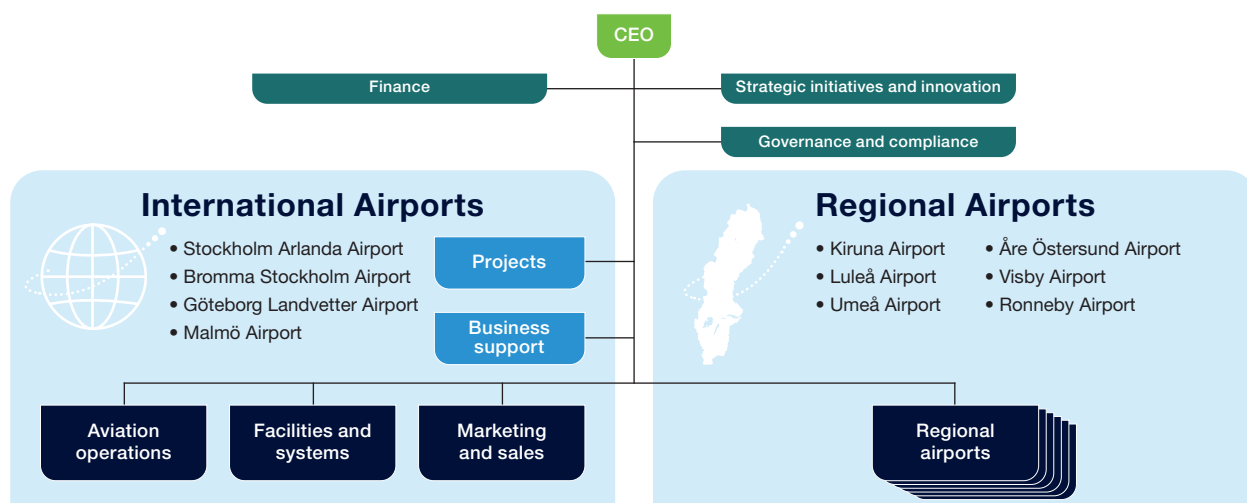
In conjunction with the pandemic, Swedavia was forced to announce redundancies equivalent to 800 full-time positions in order to adjust its operations and cost structure to the new market situation today.

International and Regional Airports

In late October, the Swedish Transport Agency carried out an access control related to a single airport operator certificate for Stockholm Arlanda Airport, Bromma Stockholm Airport, Göteborg Landvetter Airport and Malmö Airport. It gave its approval for a new organisational structure on November 1, which means that Swedavia now consists of two groupings of airports instead of ten airports. The new operational structure will create conditions needed for

a number of critical success factors and ultimately Swedavia's position and goals.

The structure clarifies roles, responsibilities and decision paths and is based on a clear process and customer orientation. Swedavia's four international airports are organised in a single airport organisation, International Airports. The airports are Stockholm Arlanda Airport, Bromma Stockholm Airport, Göteborg Landvetter Airport and Malmö Airport. They will strengthen one another and advance Swedavia's market position internationally. Their inclusion in a single airport organisation entails a unified, focused undertaking for facilities and systems, commercial operations and aviation operations at the four airports. A single department for Health, Security, Safety, Environment (HSSE) was also created with the establishment of International Airports which brings together Swedavia's shared skills in occupational health and safety, the environment, aviation safety and security, risk and crisis management, and quality. By bringing these areas together in one organisation, great opportunities are created for new,



Management support unit. Responsible for corporate governance, management and support for the other parts of the company.

Business support unit. Responsible for support on development and management issues.

Business unit. Develops and delivers airport-related services to Swedavia's customers.



efficient ways of working and shared learning.

The airports in Regional Airports, which consist of Kiruna Airport, Luleå Airport, Umeå Airport, Åre Östersund Airport, Visby Airport and Ronneby Airport, are structured primarily based on local and regional conditions. The airports will continue to link Sweden together and meet local needs for collaboration and entrepreneurship. They will benefit from the development taking place at the international airports if and when they can create added value.

The new organisational structure will better support the process-oriented way of working developed at the company and contribute to an even greater focus on the customer, a more comprehensive perspective and better conditions for creating value for both customers and society.



Two mega processes: develop airport and operate airport with underlying main processes. Starting in 2022, this process perspective will be included in Swedavia's business planning. In 2025, this process orientation will be implemented throughout the company.

INTERNATIONAL AIRPORTS: Shared pandemic-related challenges

During the year, the four airports that formed International Airports continued to comply with EASA guidelines for infection control measures to ensure safe travel and create a standardised environment for air passengers and employees at the airlines and the airports.

Arriving international passengers had to go through border control regardless of whether they came from countries inside or outside the Schengen zone. Checks were conducted to see whether passengers were exempt from entry ban requirements but also for Covid test certificates and EU Digital COVID Certificates.

Departing passengers' certificates also needed to be examined manually, and the automated check-in machines in departure halls could not be used as before.

The planning horizon for aviation operations at the airports was two to three weeks throughout the year. Based on different traffic scenarios, Swedavia made detailed simulations of what it could look like in the terminals, in the car parks, at the check-in counters and

Self Service Check-in



Passengers queuing at Göteborg Landvetter Airport.

in the security flows. Planning operations based on scenarios instead of forecasts continued in 2022.

Stockholm Arlanda Airport

For most of the year, domestic and international traffic were combined in Terminal 5. During the summer, Stockholm Arlanda Airport at times had half its normal traffic volumes, a level that stabilised during the autumn and winter. Most traffic was leisure-related, and there was still great uncertainty about when business travel would return. As traffic volumes increased and new routes were launched, Terminal 2 was opened for international traffic in late October.

Starting in the summer, passengers could take PCR and antigen (lateral flow) tests and have travel certificates issued at the airport. Test stations in the baggage hall provided testing on arrival for passengers residing in some regions in Sweden. As a result of the Public Health Agency's recommendation that people be tested on the first day after travel abroad, many people took advantage of the possibility of getting tested at the airport, which they appreciated.

During the autumn, Ryanair and Eurowings set up operations at Stock-

holm Arlanda Airport. Finnair launched new long haul routes to the US, and Transavia France, easyJet and Vueling all expanded their range of destinations on offer.

Bromma Stockholm Airport

On April 1, Gunnar Boijesen took over as the new airport director of Bromma Stockholm Airport, succeeding Mona Glans.

In April, the Swedish government announced that it would work for the early closure of Bromma Stockholm Airport. An inquiry was set up to analyse the conditions for such a closure.

Swedavia's overall assessment based on business considerations is that, in light of the new market situation, it would be preferable to consolidate air traffic at Stockholm Arlanda Airport. One essential requirement is that Stockholm Arlanda Airport has the long-term conditions to develop in line with the market's needs.

The inquiry's report was submitted to the government in late August. The political discussion about the future of Bromma Stockholm Airports will probably continue. In the meantime, Swedavia's mission is to continue operating the airport as before.

Like at Stockholm Arlanda Airport, the number of aircraft movements increased slowly but steadily starting in June and then stabilised towards the end of the year at nearly half the normal level.

In late November, Air Leap moved all of its traffic from Bromma Stockholm Airport to Stockholm Arlanda Airport.

Göteborg Landvetter Airport

The year began with low passenger numbers at the airport but with a slight upturn during the winter and Easter breaks. As passenger volumes increased to nearly half their normal numbers during the summer, there was also the



International Airports in brief

- Swedavia's International Airports are Stockholm Arlanda Airport, Bromma Stockholm Airport, Göteborg Landvetter Airport and Malmö Airport.
- 201 destinations were served, 36 of which are domestic.
- A total of about 17,000 employees, 1,854 of whom were employed by Swedavia.

Passenger trend, 2021

- In 2021, Stockholm Arlanda Airport had 7.5 million passengers (6.5 million in 2020).
- In 2021, Bromma Stockholm Airport had 0.6 million passengers (0.5 million in 2020).
- In 2021, Göteborg Landvetter Airport had 1.9 million passengers (1.6 million in 2020).
- In 2021, Malmö Airport had 0.7 million passengers (0.5 million in 2020).

Punctuality, 2021

Punctuality during the year was:

- Stockholm Arlanda Airport 79.3 per cent (87.8 per cent in 2020).
- Bromma Stockholm Airport 85.8 per cent (92.3 per cent in 2020).
- Göteborg Landvetter Airport 77.2 per cent (87.5 per cent in 2020).
- Malmö Airport 82.3 per cent (89.1 per cent in 2020).

Challenges and opportunities

- Attract back the airlines that left the airport in 2020.
- Continue to develop the areas in the vicinity of the terminals into attractive meeting places and workplaces.
- An early closure of Bromma Stockholm Airport would mean new conditions for Stockholm Arlanda Airport.

“Starting in the summer, people could take PCR and antigen tests and have travel certificates issued at the airport”

“The political discussion about the future of Bromma Stockholm Airport will probably continue”

challenge of ensuring access to staff at the check-in counters. A decision was made to close two flows at the security checkpoint in order to provide further queuing space and make it easier for passengers to maintain social distances.

During the summer, ExpressCare established a test centre at Göteborg Landvetter Airport. It carried out PCR and antigen tests 24/7 and had a laboratory at the airport for analyses. During the summer months, people also had the opportunity to get a Covid vaccine in one of the car parks outside the airport.

Nine new destinations from Göteborg Landvetter Airport were introduced during the autumn: Aarhus, Banja Luka, Billund, Kaunas, Paris Orly, Reykjavik, Sarajevo, Skellefteå and Zagreb.

Malmö Airport

As of November 1, Malmö Airport made the switch from being one of seven regional airports to being one of four in the International Airports grouping. With more than four million residents in the region, Malmö Airport is a crucial complement to Kastrup Airport outside Copenhagen. The airport is tasked with providing access for cargo and health care transports but also with duties entrusted to it by the Swedish Migration Agency and Swedish Defence Forces.

The airport is also vital for Swedish domestic traffic, especially access to Stockholm and the possibility of flying there for the day. Malmö Airport continuously strives to be the convenient, close and green airport.

At Malmö Airport, Scantest had a test centre that carried out PCR and antigen tests during the year.

Four brand-new destinations from Malmö Airport were launched in 2021: Tirana, Banja Luka and Zagreb, while service to Sarajevo started up just before Christmas. The Malmö–Tirana route was the only direct air link between the Öresund region and Albania.

Commercial services

During much of 2020 and the first part of 2021, most of Swedavia's shops and restaurants were closed as a result of the pandemic. During the summer, shops and restaurants began to expand their opening hours as restrictions were lifted and air traffic increased.

Swedavia is governed by the Swedish

Act on Procurement of Concessions, and the work with concession procurement, which began well before the pandemic, intensified during the year. Some 40 public tenders were carried out, in part in order to provide a new commercial offering when Stockholm Arlanda Airport's new marketplace opens in 2023. The public tenders in Retail, Food and Beverage (RFB) were the most extensive conducted in the market, even from an international perspective. The company's commercial strategy covers all of Swedavia's airports, which means passengers will experience a new offering in a total of some one hundred retail premises.

During the first half of the year, a number of car parks were closed due to the reduced customer base, and parking operations were concentrated in a few sites. Some car parks were used for alternative operations, such as for Covid vaccinations and the parking of vehicles.

During the autumn, the closed car parks were reopened, and passengers were offered a more comprehensive range of transport modes to get to and from the airport. Demand for taxis, rental cars and mass transit also increased.

Swedavia decided to keep airport charges unchanged in 2021 as a direct result of the pandemic. This will create better conditions for retaining traffic and enable the re-establishment of airline operations.

Facilities and construction

In addition to complying with regulatory requirements for environmental permits, safety and security, Swedavia kept investments in facilities and maintenance to a minimum due to the drastic decline in air traffic and the continued need to keep costs down. Only emergency and essential maintenance work was carried out.



Musician Nisse Hellberg outside the entrance to Malmö Airport in conjunction with receiving an honour. Hellberg is one of 14 local celebrities who have their portrait on display in the Welcome to my Hometown gallery at the airport.

At Stockholm Arlanda Airport, an action programme was launched to protect take-off and landing runways from the effects of surface water. An action programme was developed for how poly and perfluoralkyl substances (PFAS) are to be handled. At Malmö Airport, new asphalt was laid on a number of aprons, the runway was protected with sealant and a number of minor adjustments were made in the terminal.

After many years of preparations, work to expand Terminal 5 at Stockholm Arlanda Airport has started to

take shape. The aim is to increase efficiency, including at the security checkpoint, and create a better passenger experience overall. The construction involves 27,000 sqm of new space.

Because of the new construction site, all buses at Terminal 5 were moved to Terminal 4. Local SL bus service was relocated to Sky City.

Construction began on a walkway connecting Terminals 4 and 5 before the security checkpoint, which is expected to be placed in service in June-July 2022.

The large-scale projects approved in 2015 for Göteborg Landvetter Airport were completed in 2020 and 2021. The terminal expansion was inaugurated in 2020, and two further major projects were completed in 2021 – the new baggage facility with a basement for x-ray equipment and new baggage handling system, and a new hotel that was inaugurated and sold. As a result, Göteborg Landvetter Airport is prepared to handle up to eight million passengers a year. As comparison, the airport exceeded 6.7 million passengers in its peak year, 2019.



Swedavia's mission is to continue operating Bromma Stockholm Airport.

SIX REGIONAL AIRPORTS: Great variation in passenger trend

Starting in November, six of the regional airports were included in the Regional Airports grouping. The recovery went faster at Kiruna Airport, Umeå Airport, Luleå Airport and Visby Airport. During the summer months, passenger volume was equivalent to 75 per cent of the 2019 figure at Visby Airport.

The six regional airports, together with Swedavia's four other airports, constitute an infrastructure network that covers all of Sweden. Late in 2021, Malmö Airport went from being one of seven regional airports to one of four International Airports.

The regional airports mainly have domestic traffic, supplemented with charter traffic.

During the second year of the Covid pandemic, four of the airports stood out with a smaller loss in passenger volume than at the others compared to the year before the pandemic. The three airports in northern Sweden – Kiruna Airport, Umeå Airport and Luleå Airport – had a stable recovery throughout the year, which was mainly on account of access. There simply were not as many options for travelling quickly and easily to and from these regions.

The passenger trend at Visby Airport was also better than average, with the recovery a full 75 per cent compared to 2019. One likely explanation is that many Swedes still spent their holiday within the country's borders.

The increase in traffic at the regional airports is almost solely related to

domestic travel, although during the second half of the year there was also some recovery in charter air travel.

After a pause, the airlines BRA and Norwegian resumed service to regional destinations in 2021.

Remote air traffic management

On June 1, 2021, air traffic management for air traffic at Kiruna Airport began to be carried out from a remote tower centre (RTC) in Stockholm. Kiruna Airport was the first of four airports that are planned to have remote air traffic management under Swedavia's and the Swedish Civil Aviation Administration's Remote Tower Service programme. Åre Östersund Airport switched to RTC operations in December, and in 2022–2023 it will be time for Umeå Airport and Malmö Airport. The solution involves reliable, redundant delivery of air traffic management and the potential for flexible opening hours for the airports.

Expanded preparedness measures

During the year, Kiruna Airport implemented expanded preparedness measures due to the pandemic, which the

other regional airports already had in place. This means the airports are prepared to handle air ambulances and other air transport critical to society.

Climate-smart projects

A number of development projects are under way that involve collaboration between Swedavia and the regions it operates in to find climate-smart alternatives to fossil jet fuels. At the airports in Umeå, Visby and Östersund, there are ongoing projects to prepare for the electric aircraft of the future. These primarily involve the charging infrastructure that will be needed for the electrification of aircraft. Facilities to provide sufficient power are also crucial since the charging infrastructure at Swedavia's car parks has expanded substantially in recent years.

Projects are being carried out in collaboration with the Swedish state-owned research institute RISE, the Swedish innovation agency Vinnova, the Swedish start-up Heart Aerospace and a number of regional organisations and companies.

The regional recovery at Visby Airport and Luleå Airport (below), for example, consists mainly of domestic traffic.



Regional Airports in brief

- Swedavia's six regional airports are Kiruna Airport, Luleå Airport, Umeå Airport, Åre Östersund Airport, Visby Airport and Ronneby Airport. Malmö Airport was also included until October 31.

- 22 destinations were served, 15 of which are domestic. Ronneby Airport has the biggest range of destinations on offer.

- A total of about 1,100 employees work in operations, 639 of whom are employed by Swedavia.

Passenger trend, 2021

- In 2021, the regional airports (not including Malmö Airport) had 1.3 million passengers (1.7 million in 2020).

Punctuality, 2021

- Punctuality during the year was 81.6 per cent (86.9 per cent in 2020).

Challenges and opportunities

- Digital business meetings have replaced physical meetings during the pandemic, which has affected business travel throughout Sweden. The need for physical meetings is expected to increase again.

- The Swedish regions have a continued need for rapid transport links, which creates opportunities to rebuild the range of routes available. The electric aircraft of the future can create new opportunities for new direct routes between regions.



To and from Sweden – and beyond

Swedavia's ten airports form a network that connects Sweden together and connects it with the rest of the world.

11.9

million passengers,
2021

68

airlines at the
airports

223

direct routes
from the airports

354

routes from
the airports



Swedavia's airports from north to south

KIRUNA AIRPORT

Runway length: **2,502 metres**
Take-offs and landings: **1,631**
Number of passengers: **120,677**
Direct routes: **0 international, 2 domestic**
Most popular destinations:
Stockholm, Brussels, Gothenburg

LULEÅ AIRPORT

Runway length: **3,350 metres**
Take-offs and landings: **6,161**
Number of passengers: **476,294**
Direct routes: **2 international, 2 domestic**
Most popular destinations:
Stockholm, Gran Canaria

UMEÅ AIRPORT

Runway length: **2,302 metres**
Take-offs and landings: **5,975**
Number of passengers: **307,379**
Direct routes: **2 international, 2 domestic**
Most popular destinations:
Stockholm, Gran Canaria, Crete

ÅRE ÖSTERSUND AIRPORT

Runway length: **2,500 metres**
Take-offs and landings: **2,282**
Number of passengers: **125,395**
Direct routes: **0 international, 3 domestic**
Most popular destinations:
Stockholm, Umeå, Gothenburg

STOCKHOLM ARLANDA AIRPORT

Runway length: **3,301, 2,500 and 2,500 metres**
Take-offs and landings: **87,451**
Number of passengers: **7,494,75**
Direct routes: **87 international, 20 domestic**
Most popular destinations:
Luleå, Copenhagen, London

BROMMA STOCKHOLM AIRPORT

Runway length: **1,668 metres**
Take-offs and landings: **16,560**
Number of passengers: **566,698**
Direct routes: **1 international, 11 domestic**
Most popular destinations: **Visby, Malmö, Brussels**



GÖTEBORG LANDVETTER AIRPORT

Runway length: **3,300 metres**
Take-offs and landings: **23,979**
Number of passengers: **1,911,118**
Direct routes: **58 international, 3 domestic**
Most popular destinations:
Stockholm, Amsterdam, Frankfurt

VISBY AIRPORT

Runway length: **2,000 and 800 metres**
Take-offs and landings: **4,390**
Number of passengers: **189,482**
Direct routes: **0 international, 4 domestic**
Most popular destinations:
Stockholm, Gothenburg, Malmö

RONNEBY AIRPORT

Runway length: **2,231 metres**
Take-offs and landings: **1,265**
Number of passengers: **42,580**
Direct routes: **3 international, 2 domestic**
Most popular destinations:
Stockholm, Kalmar, Frankfurt

MALMÖ AIRPORT

Runway length: **2,800 and 797 metres**
Take-offs and landings: **12,907**
Number of passengers: **661,507**
Direct routes: **19 international, 2 domestic**
Most popular destinations:
Stockholm, Pristina, Skopje

Uncertainty about new lifestyle and consumption patterns

The conditions for operating air traffic have been affected by the need to limit the spread of Covid. Due to restrictions, there were severe limits on what destinations were available and who could ultimately enter different countries. During the summer, there were nonetheless some signs of a recovery.

One factor that affects the possibility to live and work anywhere Sweden is well-functioning infrastructure. Businesses, industries and jobs depend on the possibility of moving quickly between cities, countries and different regions of the world. In the 2010s, passenger growth records were set for a number of years; during the decade, traffic at Swedavia's airports increased nearly 50 per cent. When the Covid-19 pandemic hit in early 2020, the situation changed completely. For a small export-dependent country like Sweden, it will continue to be critical to have good transport links in order to conduct trade and attract investments.

In 2021, the recovery started slowly from record-low traffic numbers in 2020. High vaccination rates in Sweden, combined with the gradually accelerating opening of EU countries, thanks to the EU Digital COVID Certificate, mean increased opportunities to fly. During the summer, it became clear that there was pent-up demand for travel and visiting family and friends both abroad and in Sweden. Holiday travel, mainly to the main destinations around the Mediterranean, also increased. The year ended with a downturn to some extent due to new restrictions in Sweden and elsewhere around the world.

Uncertainty about new patterns

One major uncertainty factor is business travel. Remote working, digitisation

and new behaviour patterns have a strong impact on aviation, and the industry's future is uncertain in the near term from a number of other perspectives. The macroeconomy, the employment rate, new potential outbreaks of Covid-19, digital meetings and a hard-pressed aviation industry are factors that will affect the development of aviation for many years to come. It is also difficult to determine how lifestyle and consumption patterns have been affected by the pandemic and whether those effects will persist.

Advancing positions

Almost all of Swedavia's airline customers have gotten through the pandemic despite uncertainty about the future. Thanks to a strong Swedish market and economy, a number of airlines see opportunities to enhance their competitiveness and advance their positions.

During the year, Ryanair opened a base at Stockholm Arlanda Airport, from which it serves 20 new routes, including three domestic ones. Finnair opened a long haul base with service to a number of destinations in Asia and the US, and in 2022, Eurowings will launch 20 new European routes from Stockholm Arlanda Airport. Furthermore, Wizz Air and Ryanair are planning new routes from Malmö Airport and Göteborg Landvetter Airport. In December, Eurowings started up seasonal service from Stuttgart to Luleå Airport and Kiruna Airport.



Aviation Business in brief

- The business area, together with its partners, develops access and the range of air links on offer. The business area comprises services aimed at Swedavia's customers in aviation operations such as take-off and landing services and ground handling services.





Business
area's share
of net
revenue

61%



Smaller and more unpredictable

Air cargo has been significantly affected by the low passenger traffic. Normally, a large share of goods is transported in the hold of passenger planes, but this capacity has decreased during the pandemic. A change in purchasing behaviour and the growth in online shopping have also increased the need for rapid transport. Cargo flights have also increased in frequency somewhat, and what are essentially passenger aircraft have been used solely to transport goods. Overall, cargo has lost volume, and the capac-

ity provided has been irregular and unpredictable.

Although air cargo only constitutes one per cent of global transport volumes, it accounts for 35 per cent of its value in more normal years. Aviation plays an important role in transporting protective equipment and providing manufacturers with spare parts during periods when countries' borders are closed to road traffic. Aviation accounted for a large share of the distribution of vaccines that were produced and needed to be sent out into the world in unbroken cold chains.

New airport emissions charges

Following a decision by the Swedish parliament, airport charges must be environmentally differentiated. Together with the airlines, Swedavia thus initiated a working group to develop alternative models for consultation. These resulted in a bonus-malus system of CO₂ emission charges that entered into force at the end of 2021. The differentiated charges will serve as a catalyst in helping the industry reduce its climate impact.

Trends in health and sustainability set new requirements

Like 2020, last year was tough for Swedavia's commercial partners. Throughout the pandemic, Swedavia has maintained a close dialogue and worked closely with airlines and tenants in order to get through the pandemic together in the best way. Commercial services gradually started to recover as vaccines were rolled out late in the second quarter, the EU Digital COVID Certificate was introduced and the airlines started to resume service. Some parts of the airports' commercial offering for passengers have re-opened.

Swedavia's overall mission in commercial services is to secure income, safeguard customer relations, ensure standardised commercial strategies and develop products and services that meet customer needs and create long-term competitiveness. Shops, restaurants, hotels, parking spaces, advertising sales, rental of premises and various services in energy and radio, telecom and data communications generate income that helps keep airport charges competitive and fund investments at the airports. They thus contribute to the sustainable development and expansion of capacity and make the airports more attractive.

The pandemic has reinforced trend The Covid-19 pandemic has changed and to some extent reinforced earlier trends of how consumers feel and act. As long-term changes become increasingly clear and permanent, Swedavia needs to be prepared to redefine its communication and adapt its commercial products to new needs and behaviours. During the pandemic, the trend of consuming locally and more sustainably was reinforced, but so was the importance of local, unique products, which is reflected in Swedavia's

retail offering as well as in restaurants at the airports. According to customer and market analyses, the majority of Swedes are willing to change their behaviour and consumption in order to be more sustainable. The offering at the airports will be characterised by Swedish and Nordic features in terms of the assortment, flavours and commercial design. At the same time, the airports will offer variation and ensure that there is always something to suit everyone.

A large share of travellers in the years ahead will be so-called millennials, born in the 1980s and 1990s. This target group wants a broader selection, a good sense of value for money and a focus on sustainability and health.

Analyses of parking operations

Trend analyses are carried out on a regular basis to survey and identify tomorrow's needs in parking and passenger drop-off/pick-up. One important area that has a major impact on all transport modes is the ongoing transition from fossil fuel mostly to electricity. Given that customers' needs are changing, this requires the expansion of the car charging infrastructure. For example, Swedavia



Commercial Services in brief

- The business area ensures that Swedavia – in collaboration with its partners, airlines and tenants – has a commercial offering that appeals to their mutual customers.
- These operations comprise the establishment of airline operations at the airports, the rental of premises for restaurants, shops, offices, warehousing and logistics, and parking and entry.





Business
area's share
of net
revenue

38%



needs to be able to offer integrated payment solutions for parking and electric charging as well as convenient booking options that ensure the customer's electric car can be charged. Tests and analyses are being carried out to develop new business models connected to these

new needs. The trends are also moving towards more seamless travel, in which different transport modes are linked up, for example through integrated ticket systems. Swedavia is carrying out long-term work related to these changes since the airports constitute an important

hub where different transport models come together. These analyses also consider the impact of a change in people's view of car ownership and new services related to what is known as Mobility as a Service (MaaS).

Continued interest in attractive logistics properties

With its strategy to develop properties and then sell them when they are completed, Real Estate helps to fund investments and the development of operations in the Airport Operations segment. One example is the recently built hotel Scandic Landvetter, which was sold during the year as per agreement.

The Real Estate business area is responsible for Swedavia's properties and the land located adjacent to the airports. By surveying the need for properties and development opportunities in the early stages, operations have experienced many years of growth. The market has been relatively cautious since the pandemic hit, but there continues to be great interest in the opportunities offered by logistics properties in attractive locations. The airports are also becoming more and more important as meeting places with increasing globalisation. However, a number of projects have progressed more slowly than planned due to circumstances.

Plans for further expansion

A major hotel in Airport City Göteborg was inaugurated in June in collaboration with Scandic Hotels. Through an agreement signed in 2018, Swedavia sold the property to Midstar Fastigheter AB in conjunction with the opening.

Further expansion of the logistics area at Göteborg Landvetter Airport is planned, as is a hangar for air ambulances at Umeå Airport. Construction of a hotel adjacent to Kiruna Airport is also planned.

Preparations at Stockholm Arlanda Airport continue for the construction of a new logistics area next to the existing logistics area, Cargo City. The zoning

plan covers a gross area of about 150,000 square metres, and the planning of roads, underground installations and surface water management is now under way. In the future, the area could cover nearly one million square metres.

Preparations are also under way at Stockholm Arlanda Airport for a combined terminal and hangar area for smaller aircraft in general aviation, in other words, aviation that is essential to society plus private jets. Preparations are also being made for convention facilities including a hotel in the Airport City area now taking shape.

Collaboration with strategic partners

There are well-developed collaborations with strategic partners that complement Swedavia's own operations. One example in Real Estate operations is Alecta, which together with Real Estate owns Swedish Airport Infrastructure, a company that manages properties around the airports.

To coordinate the development of Airport City Stockholm, Swedavia has a partnership with Arlandastad Group AB and the Municipality of Sigtuna.

The Real Estate business area works in accordance with the City Lab Action Guide, a certification system for sustainable urban development, to promote sustainability in an early development phase.



Real Estate in brief

- The business area owns, develops and manages developable land at and in the vicinity of Swedavia's airports.
- The development of commercial properties creates added value and generates income that can be reinvested in airport operations.
- The business area prepares development projects for properties such as hotels, office premises and logistics parks.
- The business area develops the attractiveness of the airports as the demand for setting up operations at the airports grows.





Business
area's share
of net
revenue

1%



“The airports are
becoming more
and more important
places with increasing
globalisation”

Fossil-free fuels contribute to the transition to net-zero aviation

Aviation is an essential requirement today for Swedish and global development and prosperity. For business in general and the tourism industry in particular, access to fast, efficient air transport is critical to their development in an increasingly globalised and competitive economy.

Meanwhile, the aviation industry faces major challenges related to its impact on the climate and the environment. As a key market operator, Swedavia has taken a number of initiatives to enable and drive the development of sustainable air transport and airports.

For an export-dependent and geographically vast country like Sweden, aviation plays an important role. In terms of surface area, Sweden is the fifth largest country in Europe. It needs a sustainable transport system that combines numerous transport modes to improve access and enhance Swedish competitiveness.

Swedavia is working for the transition to net-zero aviation and continues to operate the most climate-smart airports in the world. This work starts at its own airports, while Swedavia also helps other companies and organisations in the industry to take a step forward in their endeavours to reduce their climate impact.

The climate crisis is the most important issue of our time. Still, among the benefits travel contributes to are new impressions, the opportunity for cultural exchanges between people, economic growth and greater prosperity in our increasingly globalised world. Swedavia wants to safeguard travel and at the same time, in collaboration with partners in the aviation industry, ensure that the travel of the future is net zero and that access to the rest of the world is improved. By using sustainable aviation fuel (SAF), fossil carbon dioxide emissions from aviation can be reduced by up to 85 per cent from a life cycle perspective. This is a solution

that works here and now. To achieve the Swedish industry's vision of net-zero aviation by 2045, changes in business, technological advances, research on liquid fuels, alternative technologies and new customer offerings are needed.

To help achieve its goal of refuelling with 5% SAF by 2025, Swedavia has purchased SAF for its own business travel since 2016 and has coordinated SAF tenders with the public and private sector since 2019. To increase demand and give producers incentive to invest, more organisations, companies and even individual travellers need to buy SAF for their flight.

The challenge for a large-scale transition to biofuels for aviation is that production today takes place on a limited scale. Further, SAF is significantly more expensive than equivalent fossil fuels. By taking part in a number of collaborations for net-zero aviation, Swedavia wants to work for Swedish production of SAF.

The share of SAF used for refuelling in Sweden, to the best of Swedavia's knowledge, was 0.44 per cent in 2021 (0.15 per cent in 2020).

Electric-powered aircraft

Electric aircraft are already a reality, and small two-seat planes are used at flight schools or for private flights. Larger 19-seat electric aircraft are expected to be available after 2025. Bat-

“The challenge for a large-scale transition to biofuels for aviation is that production is taking place on a limited scale”



Jet fuel and emissions in numbers

0.44%

Share of sustainable aviation fuel used for refuelling in Sweden in 2021 (0.15 per cent in 2020)

0.35%

Domestic aviation's share of carbon dioxide emissions in Sweden in 2020*

1.7%

International aviation's share of carbon dioxide emissions in Sweden*

2–3%

Aviation's share of global carbon dioxide emissions**

* Source: Swedish Environmental Protection Agency

** Source: IPCC

tery capacity is expected to improve over time, which will enable routes over greater distances and with more passengers. However it is reasonable to assume that, over the next few decades, it will be possible to fly electric aircraft mainly on shorter regional routes. Using electricity to power aircraft is cheaper than traditional fuels, which could mean the establishment of new regional routes using electric aircraft.

Still, electric aircraft require new investments in power generation, battery storage and charging infrastructure. Through collaborations with other operations in the aviation industry but also with research institutes and universities, electric aircraft are being continuously developed and solutions are being advanced to ensure that the right infrastructure is planned to meet the needs of electric aviation.

Swedavia takes part in various collaborations and projects to prepare the

aviation industry for electric aircraft. In 2021, a project was launched in collaboration with the Municipality of Umeå, BioFuelRegion and RISE, partly funded by the Swedish Energy Agency. Read more under Collaborations on page 24.

Swedavia also contributes expert support in other wide-ranging projects to study or try to model a future network of electric aircraft and its consequences for charging infrastructure, airports and access.

Other solutions

Hydrogen gas and electro fuels could also be important solutions in the future for the transition to net-zero aviation and have great potential to replace fossil-fuelled flights on longer routes. The European Commission aims to reach hydrogen gas production of one million tonnes within four years. Production should reach ten million tonnes by 2030.

Hydrogen gas is a crucial building block for electro fuels such as methanol and methane, which can be used to power heavy transport. Unlike electricity, methanol is easy to store and can be produced and distributed using current infrastructure for petrol and diesel.

Hydrogen gas can also be used in fuel cells to power electric engines on aircraft, but further research is needed before the technology is considered sufficiently mature for commercial use. According to aviation experts, hydrogen gas-powered aircraft could be in service starting in 2035. Aircraft powered by hydrogen gas have their advantages since they allow a much greater range than electric aircraft, great enough to enable a large share of routes around the world to make the transition. Only long haul transcontinental routes are thought to still need aircraft fuelled by sustainable aviation fuel made from biomaterials in the future.



Charging post for electric aircraft at Visby Airport.

Swedavia works together with operators in the aviation industry and research institute experts to survey the opportunities that exist to produce hydrogen gas or electro fuels and to develop a timetable for the measures needed to handle the first commercial aircraft to run on hydrogen gas.

Continued emission reductions needed

Aviation accounts for two per cent of global carbon dioxide emissions. According to statistics from the Swedish Environmental Protection Agency, aviation accounted for about 2.5 per cent of carbon dioxide emissions in Sweden in 2020. Emissions per passenger-kilometre have nonetheless been reduced sharply in recent years, and new aircraft being placed in service use 20 per cent less fuel than those they replace. Further emission reductions from aviation are still needed, and this requires that every operator in the value chain act now and work for short- and long-term solutions.

With new materials, new designs and new engines, the new generation of aircraft are more fuel-efficient than ever. If fossil fuel is replaced by sustainable aviation fuel (SAF), emissions can be reduced up to 85 per cent

“Aircraft powered by hydrogen gas have their advantages since they allow a much greater range than electric aircraft”

from a life cycle perspective. On July 1, a reduction quota scheme was introduced in Sweden, with the proportion of SAF to be used initially set at 0.8 per cent, with the figure to be gradually increased to 27 per cent in 2030. SAF can also reduce the so-called high altitude effect produced by flights at high altitude since the fuel contains less particulate matter, which forms contrail clouds. Flying at lower altitudes further reduces the high altitude effect.

By increasing the passenger load factor, working for straighter flight paths and continuing to promote new technology, the climate impact of aviation can be further reduced.

The way forward

2021

What Swedavia did in 2021.

- The national emergency assistance services company SOS Alarm, the Port of Gothenburg, the Swedish coalition for decarbonisation the 2030 Secretariat, and the county administrative boards of Västernorrland, Halland and Gotland all took part in a coordinated procurement of SAF initiated by Swedavia. The agreement is in effect for 2021–2022, and participants have the option of placing multiple orders.
- Additional electric aircraft projects were carried out in partnership with external parties, including Fossil-Free Aviation in Northern Sweden and MODELflyg. See more under Collaborations on page 24.
- The Swedish innovation project Fossil-Free Aviation 2045, which was started by Swedavia together with RISE and SAS, was completed during the year. The cluster submitted a report containing a concrete plan for the roadmap adopted by the Swedish aviation industry under the scope of Fossil-Free Sweden.
- Swedavia has an incentive programme for airlines in which Swedavia covers up to 50 per cent of the added cost of the airlines' biofuel. Most of the funds allocated in the incentive programme were used, which corresponds to 1,500 tonnes of SAF used for refuelling and about a 4,700 tonne reduction in fossil carbon dioxide emissions.

– how we achieve the vision of net-zero aviation



2025

Goal 2025: 5 per cent of all aviation fuel used for refuelling at Swedish airports is sustainable.

- Swedavia is an international role model in sustainability and has created conditions for travel with a sustainable future – economically, socially, environmentally and always with a focus on the passenger.
- It is possible to start introducing smaller electric aircraft with up to 19 passengers in commercial traffic.
- All of Swedavia's airports are able to handle electric aircraft.
- Swedish sustainable aviation fuel (SAF) is produced from materials made from forest by-products. A number of commercial facilities are in operation, both in Europe and elsewhere.
- The actual mix of SAF used by aircraft is 50 per cent.
- Purchasing SAF is an option when booking any flight ticket.
- The Sweden public sector procures SAF to reduce fossil carbon dioxide emissions from their air travel for business purposes.
- Carbon dioxide emissions have a clear cost.
- There is an understanding of the impact of hydrogen gas-fuelled aircraft at airports.

2030

Goal 2030: Domestic aviation shall be net zero.

- Sufficient production of SAF for all of Sweden's domestic aviation needs.
- Commercial electric aircraft with improved capacity and range can serve domestic and regional routes.
- An international standard for electric aircraft has been introduced.
- All of Swedavia's airports have infrastructure for electric aircraft.
- Infrastructure for hydrogen gas and electro fuels is available at selected Swedavia airports.
- Regulations and division of responsibilities concerning hydrogen gas and electro fuels are made clear.
- Easy for customers to do the right thing – for example, the climate impact is factored into ticket prices.
- Smooth, easy flows at Swedavia's airports, where different transport modes work together.

2045

Goal 2045: All aviation that takes off from Swedish airports shall be net zero.

- Sweden has access to sustainable, locally produced bio- and electro fuels, new technological solutions in the form of electric-powered aircraft with fuel cells or rechargeable batteries, and innovative customer offerings.
- Rail-bound traffic is linked to Swedavia's international airports.
- Production facilities for bio- and electro fuels in Sweden and other Nordic countries meet Sweden's need for liquid fossil-free fuels; the surplus is exported.
- Airport infrastructure, for example, for the supply and storage of electricity, refuelling and fuel storage, is adapted to the growing complexity and aviation's integration in the travel system.
- Electric aircraft are included in Sweden's national basic infrastructure for domestic and regional routes.
- Biofuel is used for intercontinental routes.
- Enhanced infrastructure and local production have ensured access to and growth in aviation for rural areas and as a result created numerous jobs across Sweden.
- The industry has developed new pricing models, new destinations and increased potential for customers to contribute to the shared creation of sustainable solutions.

Swedavia's airports among the first in the world to have environmentally-differentiated charges

Following a decision by the Swedish parliament, at the end of 2021 Swedavia introduced environmentally-differentiated charges that include SAF in the model for Stockholm Arlanda Airport and Göteborg Landvetter Airport. Take-off and

landing charges are thus environmentally-differentiated, which means airlines that use the most climate-efficient aircraft pay less than those that use aircraft with a poorer climate performance.

Involving partners in order to continue reducing carbon dioxide emissions

When the UN published its most recent IPCC report in August, the message was clear – the climate situation is serious and human activities are the reason for this.

Swedavia has worked consistently and with a long-term strategy to eliminate fossil fuel and energy in its own operations. Now that Swedavia has reached its goal of zero fossil carbon dioxide emissions from its own operations, the company will continue to reduce other sources of emissions in the value chain.



Since Swedavia was formed, the company has worked to reduce fossil carbon dioxide emissions and other negative effects on the environment. The Intergovernmental Panel on Climate Change (IPCC)'s August 2021 report shows that there is an undeniable link between people's greenhouse gas emissions and the increase in the global average temperature. There is an imminent risk that the goal to limit the rise to 1.5°C within 10–20 years will be exceeded, and everyone must take action to slow down the effects.

Maintaining net zero

At year-end 2020, the goal of zero emissions of fossil carbon dioxide from the

airport operations under Swedavia's own management was reached. The focus in 2021 and going forward is to maintain this goal while expanding the work to reduce fossil emissions from other business partners at the airports. To ensure that this goal is maintained, monthly follow-up reports are produced and submitted to the executive management and the Board of Directors. A root cause analysis is carried out if there is any deviation. During the year, there were five incidents, which for various reasons conditions did not allow refuelling with fossil-free fuel. That produced 0.7 tonnes of fossil carbon dioxide emissions during the year.

There is still some equipment for which the market has not been able to provide fossil-free solutions. Swedavia has chosen to place this equipment in storage until further notice while discussions on fossil-free alternatives are carried out.

Emissions of business partners must be reduced

Swedavia's ten airports meet all the requirements for what was formerly the highest level of certification, ACA3+ under Airport Carbon Accreditation standards.

In 2021, Stockholm Arlanda Airport and Göteborg Landvetter Airport started verification at the next level, ACA4+. At year-end, the airports were in the final phase of the process. The decision to be certified as ACA 4+ enables Swedavia

to set priorities about how quickly and in what order the company will continue its net zero measures and initiatives in the value chain. The goal is for all of Swedavia's airports to be certified as ACA 4+ by 2025.

ACA 4+ certification means that more sources of emissions than before are included in the report, including refrigerant loss and emissions from the decomposition of substances used for de-icing runways and aircraft. The collaboration with business partners at the airports is to be intensified, through a Stakeholder Partnership Plan. The goal is for partners to determine their own carbon footprint and start setting goals to reduce emissions in partnership with Swedavia.

At year-end, an incentive programme for renewable diesel (HVO100) was launched at Stockholm Arlanda Airport and Göteborg Landvetter Airport, with the objective being to completely phase out fossil diesel by 2025. Among other important events during the year, Stockholm Arlanda Airport represented Swedavia's airports and was honoured by being named ECO-Innovation Airport of the Year. Jonas Abrahamsson, Swedavia's CEO, was nominated as Person of the Year 2021 by the aviation organisation Airport Council International (ACI).

Swedavia's climate and environment work is built on its strategic approach and strategic moves as well as its positioning work. The work is also based on regulatory requirements, external demands

Read more about Swedavia's net-zero transition: www.swedavia.com/the-change-is-already-under-way

and expectations. Swedavia's certified environmental and energy management systems include the entire company and create conditions for a reduced environmental impact, compliance with regulatory requirements and fulfilment of the company's strategies. The transition to net-zero aviation is a strategic initiative and is being carried out in the form of a project in order to involve different parts of operations. As a result, the project will be able to deliver and be governed independently of how the environmental work is organised.

Swedavia's airports must be developed and adapted to manage a changing climate. Opportunities are provided in the long-term planning for preven-

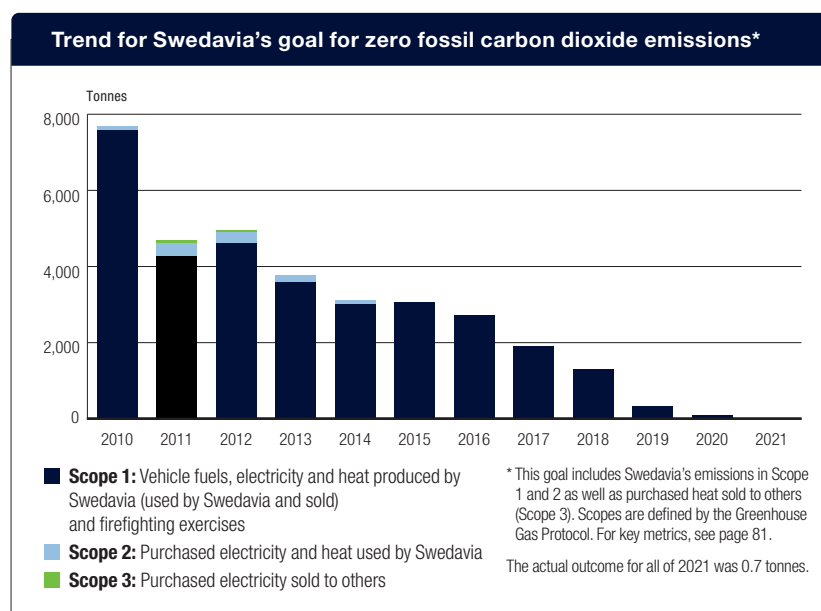
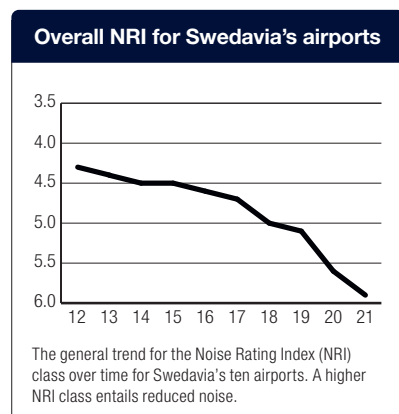
tive work for climate change adaptation. Frameworks such as the Taskforce on Climate-related Financial Disclosures (TCFD) and the EU Taxonomy for sustainable activities provide further support for this work.

In order to get an understanding of the biological diversity around the airports, Swedavia has compiled nature heritage inventories. Swedavia sees a need to continue developing them in order to align with international biological diversity requirements.

Measures to reduce aviation noise

Swedavia works actively to reduce the noise load and ensure that noise exposure is considered acceptable relative to the social benefits of aviation. Swedavia calculates its noise load using ACI's Noise Rating Index (NRI) to see how the load changes over time (see chart to the left).

At Stockholm Arlanda Airport and Bromma Stockholm Airport, measurements at fixed points are taken over time in order to produce a noise map for different aircraft types in conjunction with take-off and landing, among other things. To reduce the noise impact, different methods are available such as insulation of buildings, higher take-off charges for noisier aircraft, curved approaches to avoid densely-populated areas and work with green approaches, in which aircraft descend at a constant rate from



74 tonnes

... how much fossil carbon dioxide emissions were reduced in 2021 due solely to curved approach procedures

their cruising altitude to the runway. This reduces noise, saves fuel and lowers emissions.

In 2020, Swedavia applied for a change in its permit to permanently allow three curved approach procedures, which have been used since 2018, as well as three new curved approach procedures. On October 15, 2021, Swedavia was granted permission for the changes applied for and published the three new curved approach procedures on November 4, 2021.

A total of 402 curved approaches were carried out at Stockholm Arlanda Airport in 2021, which reduced total fossil carbon dioxide emissions by about 74 tonnes. Göteborg Landvetter Airport, Malmö Airport and Åre Östersund Airport also use curved approaches to some extent.

Energy

Energy use at Swedavia's airports totalled about 149 GWh (146 GWh) in 2021.

During the year, energy use increased somewhat from very low levels the year before. Electricity use increased 0.8 per cent and heating increased 5.5 per cent.

PFAS

Per- and polyfluoralkyl substances (PFAS) are chemical substances, many of which are considered persistent, bioaccumulative and toxic. Firefighting foam containing PFAS was previously used at what are today Swedavia's airports. Since 2011, only fluorine-free firefighting foam is used, but the old foam used has caused extensive contamination problems for land and water at Swedavia's airports.

Swedavia works actively in its investigatory work on PFAS contamination at the airports for which Swedavia has an environmental permit, except Åre Östersund Airport, where the Swedish Armed Forces carries out the investigatory work. All investigatory efforts under Swedavia's management follow action plans drawn up in compliance with Swedish Environmental Protection Agency guidelines for aftercare of contaminated areas and have

been reported to the oversight authority for the airport in question.

In 2018, a pilot project was launched at Stockholm Arlanda Airport to identify potential methods of action to reduce the spread from the firefighting exercise site. In 2021, two field studies started up on stabilisation of topsoil and groundwater. Also that year, a number of environmental specialists were hired who can support the work. Swedavia is also taking part in a number of research projects concerning the post-treatment of PFAS.

Swedavia carries out active work to reduce other environmental impacts. Toxic chemicals are replaced and their use is assessed and limited to ensure as little an impact on the environment and on people's health as possible. This mostly involves limiting the discharge of substances used to de-ice aircraft and runways. A number of airports have facilities to recycle the de-icing fluid collected, which has a positive effect, both through reduced carbon dioxide emissions and improved finances.

In terms of waste management, various activities are under way to improve the sorting of recyclable fractions from residual waste. Particular focus is on dealing with food waste. The area that continues to have the greatest challenges is waste sorting in the terminals and aircraft waste.

Impact in construction operations

Swedavia's airports are continuously being developed through extensive construction and civil engineering works. Operations involving construction and civil engineering works are partly governed through environmental certifications and energy management systems.

To reduce the environmental impact of construction and civil engineering works, priority is given to measures in resource efficiency, reduced and circular use of materials, and improved waste management. Informed choices of materials are to be made, and substances that have a negative impact on the environment and on people's health are to be avoided. Recycled materials are to be used to the extent this is possible.

During the year, a pilot trial was carried out to implement a circular economy app, CC Build. The app enables the reuse of office furniture, among other mate-

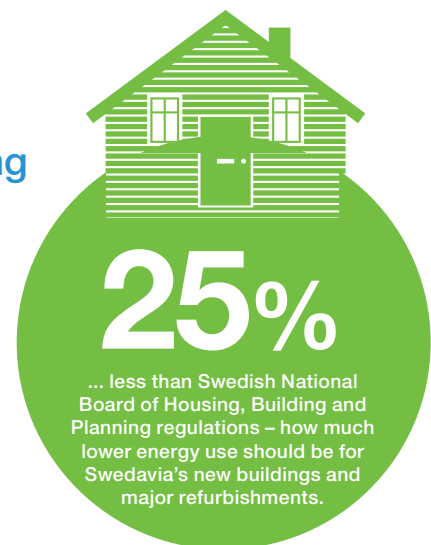
"Since 2011, only fluorine-free firefighting foam is used"

rials, and could be used in construction operations.

Swedavia strives for improved energy efficiency both in the construction process and in the operation of buildings. In finished buildings, renewable energy is used. One example is the aquifer at Stockholm Arlanda Airport, which recycles heat and cooling from the groundwater. From an energy perspective, there is an internal requirement to have at least 25 per cent lower energy use than is required in the Swedish National Board of Housing, Building and Planning's construction regulations for both new buildings and major refurbishments. In cases where the building is to be certified for its environmental performance, higher requirements are set for energy efficiency in the operational stage.

With environmental certification, Swedavia can measure the building's environmental impact. New buildings and major facility projects are to be certified under BREEAM or CEEQUAL standards. Also included in the scope of certification are control and monitoring of the operation of the buildings and planned maintenance, with data monitored both during and after planning and production.

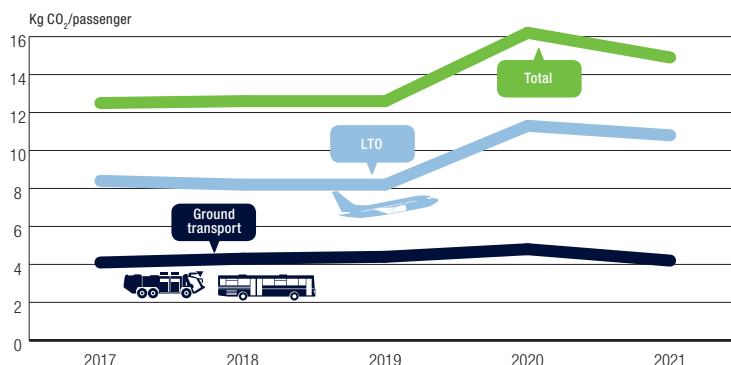
Swedavia has resources that support its



construction and civil engineering works at a Group-wide level. The Projects unit is responsible for ensuring compliance with regulatory requirements, guidelines and project-specific environmental goals. During the year, environmental guidelines for planning and construction were updated. An environmental coordinator is included in projects that have a major environmental impact in order to provide support and quality-assure the work.

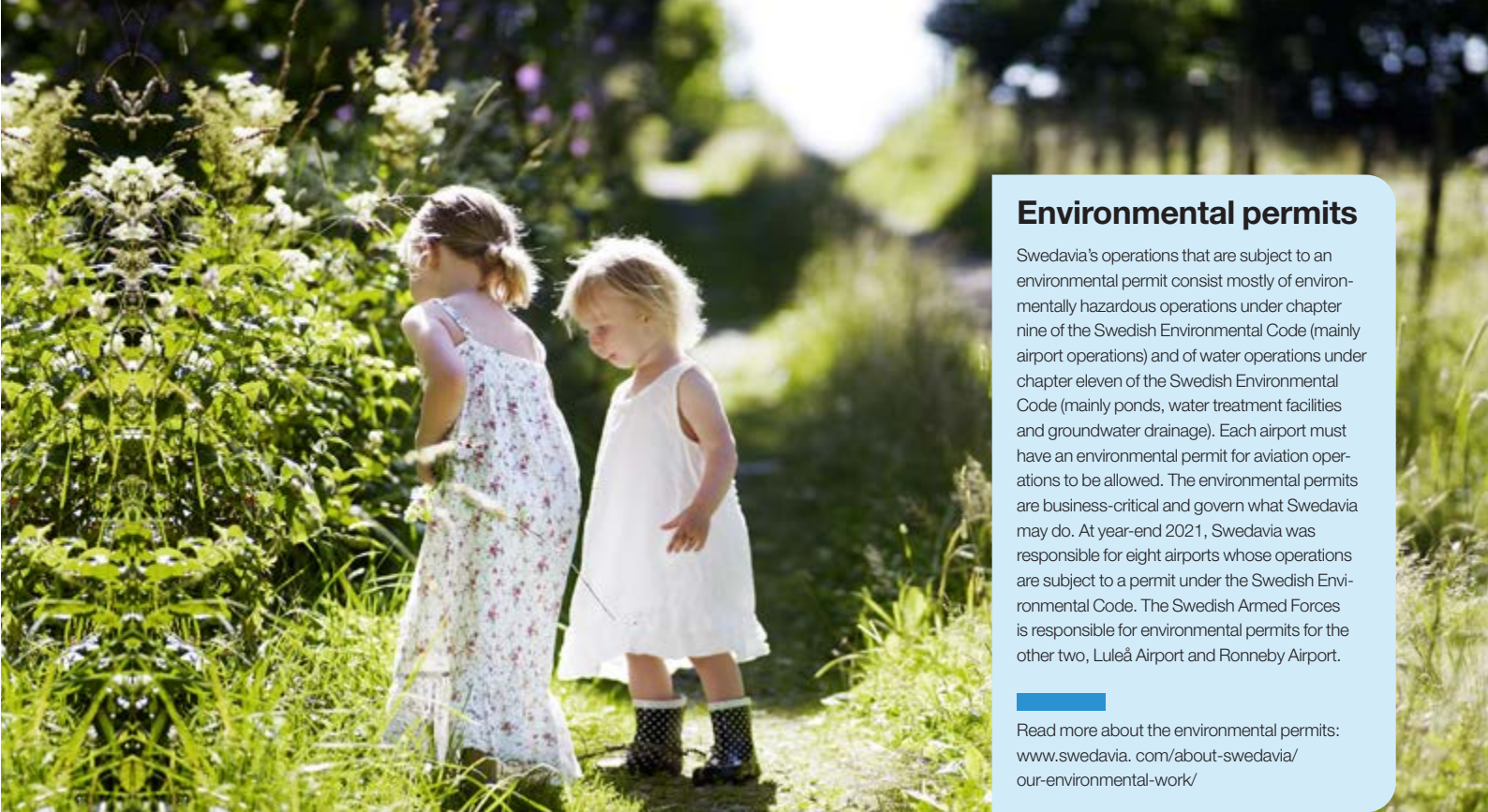
Swedavia has worked with climate calculations since last year so that it can make informed decisions in order to reduce its climate impact, for example, in the choice of materials and transport. In all, three of the seven projects started have climate calculations, which means they provide better knowledge about the climate impact of the construction.

Emissions of fossil carbon dioxide in kilograms per passenger for air traffic's LTO** and passengers' ground transport to and from the airports



** LTO stands for landings and take-offs – in other words, flying below an altitude of 3,000 feet, including taxiing on the ground.

The number of passengers has decreased sharply due to the pandemic. This is reflected in an increase in emissions per passenger (kg per passenger). However, absolute emissions (kg) have decreased.



Environmental permits

Swedavia's operations that are subject to an environmental permit consist mostly of environmentally hazardous operations under chapter nine of the Swedish Environmental Code (mainly airport operations) and of water operations under chapter eleven of the Swedish Environmental Code (mainly ponds, water treatment facilities and groundwater drainage). Each airport must have an environmental permit for aviation operations to be allowed. The environmental permits are business-critical and govern what Swedavia may do. At year-end 2021, Swedavia was responsible for eight airports whose operations are subject to a permit under the Swedish Environmental Code. The Swedish Armed Forces is responsible for environmental permits for the other two, Luleå Airport and Ronneby Airport.

Read more about the environmental permits:
www.swedavia.com/about-swedavia/our-environmental-work/

Carbon footprint, kilotonnes of CO₂

Airport	Air traffic		Ground transport		Swedavia		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Stockholm Arlanda Airport	82	77	30	31	0	0.05	112	109
Göteborg Landvetter Airport	18	15	8	7	0	0.01	26	22
Malmö Airport	11	9	6	5	0	0.01	17	14
Bromma Stockholm Airport	5	4	1	1	0	0.00	6	5
Umeå Airport	3	3	1	1	0	0.01	4	4
Luleå Airport	4	4	3	3	0	0.00	7	6
Äre Östersund Airport	1	1	0.7	1	0	0.01	2	2
Kiruna Airport	1	1	0.5	0	0	0.00	2	1
Ronneby Airport	0.5	1	0.2	0	0	0.00	0.7	1
Visby Airport	2	1	0.5	0	0	0.00	2	2
Total	128	116	50	50	0	0.1	178	166
Percentage change, 2020–2021:								
	10.0%		0.5%		–99.2%		7.1%	

The carbon footprint for Swedavia's airports in 2021 reported here is broken down into emissions from air traffic in the LTO cycle (landing and take-off cycle, flying below 3,000 feet including taxiing on the ground), passengers' ground transport to and from the airports, and Swedavia's own operations.

During the year, the carbon footprint for Swedavia's airports increased about 7 per cent, from about 166 kilotonnes of CO₂ in 2020 to 178 kilotonnes in 2021. Traffic volume in 2020 was exceptionally low due to the Covid-19-pandemic and as a result

emissions increased 10 per cent between 2020 and 2021. At the same time, the number of passengers increased 16 per cent, which means the carbon footprint per passenger decreased 8 per cent.

Swedavia's own fossil carbon dioxide emissions decreased from 83 tonnes in 2020 to 0.7 tonnes in 2021. One measure contributing to the emissions reduction in Swedavia's own operations is an increase in the mix of renewable fuel for ground vehicles.

Infection control and health and safety are top priorities

The skills and abilities of employees contribute to Swedavia's success, and these employees are its greatest asset. Infection control and the safety of both employees and passengers were at the top of the agenda in 2021.

In 2021, Swedavia's workplaces were greatly affected by the sharp downturn in air traffic. The pandemic has entailed continued extensive infection control measures, short-term furloughs and implementation of the redundancies announced in 2020 due to the lack of work. A reduced number of employees worked at the airports in nearly empty terminals. Infection control and occupational health and safety were top priorities and a natural part of everyday life. Employees who were able to carry out their work remotely did so as much as possible. When the Public Health Agency of Sweden eased restrictions in the autumn of 2021, it was the start of a gradual return to administrative offices and the short-term furloughs ended. However, remote and hybrid work for administrative staff will continue going forward based on what is most suitable for each duty.

Leadership creates conditions

Swedavia's view of leadership is predicated on leaders taking responsibility and creating conditions for good performance and engagement. It is a matter of trust, dialogue, openness, courage, honesty, clarity and mutual respect. During the year, a pilot of Swedavia's development programme "Det personliga och ledarskapet" was carried out and assessed. Future modules related to being a new boss, how strong teams are created and developed, and leadership that develops are planned in the future.

In June, a digital platform was launched with exercises, tasks and challenges, with leaders and employees together exploring and discussing issues related to the consequences of the pandemic and the change journey

that Swedavia is conducting. The first dialogue exercise involved thinking about the past year and what employees at Swedavia achieved during the pandemic, but also provided an opportunity to ask questions about the company's continuing journey. The second dialogue exercise began in November in conjunction with the implementation of the new operational structure and involved thinking about new opportunities for Swedavia and what the process-oriented way of working entails in practice.

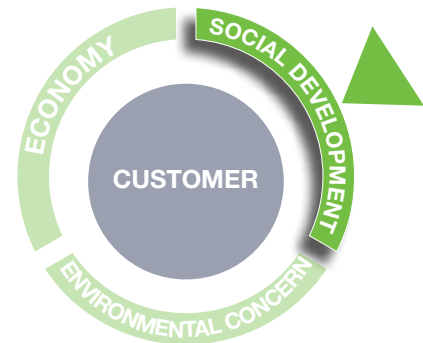
During the year, two step and activity challenges were carried out to inspire employees to be physically active and safeguard their mental health.

An attractive employer

Airport operations entail teamwork, and the key to success is motivated, engaged employees and leaders. For Swedavia, a healthy, safe, secure workplace, respect for human rights and good, decent working conditions are a given and an important condition needed to run operations efficiently and successfully. This is also an important part of Swedavia's ambition to be seen as an attractive employer and partner. Based on Swedavia's values and with a focus on sustainable development, leaders and employees shall together create an engaging and inclusive culture that provides opportunities for higher performance, creativity and innovation.

Goals and performance

Personal Engagement and Performance (PEP) is Swedavia's process for setting overall and individual goals. Employees with similar duties should be able to identify and monitor common goals



“The key to success is motivated, engaged employees and leaders”

Many different skills work together in order for the company to reach its strategic goals



and in that way be more involved. This process is part of the company's overall goals and strategies and is based on the operational plan of each airport or unit. By ensuring sustainable performance and employee involvement, Swedavia makes use of everyone's knowledge and desire for development. This is an essential condition for a sustainable and attractive Swedavia going forward.

Swedavia as a workplace is characterised by diversity, inclusiveness and respect for individuals at every level. Many different skills work together in Swedavia's operations in order for the company to reach its strategic goals and be able to provide increased passenger satisfaction and better safety and security. The leader's responsibility is to drive focused work for equal treat-

ment and diversity, while the employee's responsibility is to contribute to an inclusive, unprejudiced culture. Everyone is entitled to be themselves and be treated with respect. Swedavia shall be a workplace where people are treated equally regardless of their gender or other attributes, and the company works actively for an inclusive and engaging culture where every employee's specific capabilities and talents are made use of. The work with equal treatment is based on the Swedish Discrimination Act, and Swedavia has clear guidelines and policies in this area.

Swedavia carries out annual measurements on gender balance and the share of employees with a foreign background. Questions about equal treatment are included in the employee

survey and pulse measurements and are also part of the mandatory workplace training for leaders.

The workplace environment

Work with occupational health and safety has a high priority and is carried out as a natural part of daily operations. The goal is a good psychosocial, organisational workplace environment, no serious accidents in the workplace and no victimisation or discrimination. All leaders are to work visibly and in practical terms for a healthy, safe, secure work environment.

One requirement is to conduct a number of safety walks and safety talks each year, in which leaders and employees together take a survey of work environment risks in operations. The work

is followed up on in each leader's annual performance review. Continuously improving procedures for reporting incidents and deviations is an ongoing process. Reporting includes Swedavia's own physical and psychosocial work environment and that of external contractors. Through preventive work for the occupational health and safety of both employees and consultants, the development and well-being of individuals are safeguarded from a physical, mental and social perspective. All leaders complete mandatory occupational health and safety training, which highlights everyone's active responsibility in the work with the work environment. Close collaboration between leaders, employees, and occupational health and safety organisations is crucial.

Measures to control the spread of infection and reassure customers about safety

The basis of Swedavia's infection control work is well-established contacts with relevant authorities in infection control. This collaboration started long before Covid-19 with the work on pandemic plans and for the outbreak of diseases such as SARS and Ebola across the world.

Swedavia is in continuous contact with the Public Health Agency of Sweden, and the airports' crisis coordinators maintain a dialogue with their regional medical officer.



Swedavia's different work activities should always be assessed and if necessary undergo a risk analysis.

The risk analysis should be carried out by the operation and take local conditions into consideration. It should be continuously updated based on the development of the pandemic and infection control recommendations in effect.

A majority of Swedavia's employees carry out their work at the airports. Many have tasks that are absolutely crucial to keeping the airports open. These employees must be protected, so it has been important to carefully assess which administrative functions and what leadership need to be in place or work remotely.

During the year, Swedavia informed employees in a comprehensive framework with instructions about what measures are to be taken to control the spread of Covid and reassure customers, how they should react when there is a suspected case of Covid, what the cleaning procedures in effect are, how protective equipment is to be used and how remote working is to be carried out.

The airports must have the ability to establish a crisis management organisation or crisis management team for every situation. Measures to reduce the spread of disease are to be noted and assessed prior to every decision about the form of crisis management.

Swedavia's occupational health and safety work

The workplace environment shall be:

- healthy
- safe
- secure

...and free from:

- discrimination
- victimisation
- serious workplace accidents



Social sustainability

Governance

Swedavia's Code of Conduct, together with its policies and guidelines, constitutes the basis of the company's social sustainability work. Swedavia monitors strategic goals on a quarterly basis which are summarised in a quarterly report submitted to the executive management and the Board of Directors. Regular training and dialogue with employees, suppliers and other stakeholders are important in this work. Swedavia's leaders and employees are responsible for ensuring compliance with governing and reporting documents.

Development focus issues

- Leadership and employeeship
- Inclusion
- Workplace environment

Absence due to illness

In 2021, Swedavia's overall rate of absence due to illness increased from 3.72 per cent at the start of the year to 3.89 per cent at the end of the year. The increase is related to short-term absences, whereas long-term absences decreased somewhat. Changes in absence to illness are mainly an effect of the large share of Swedavia's employees who were on short-term furloughs.

Workplace accidents

Swedavia's goal is for there to be no workplace accidents. That means no loss of life, serious injury, injuries in work that affected a number of employees at the same time and serious incidents.

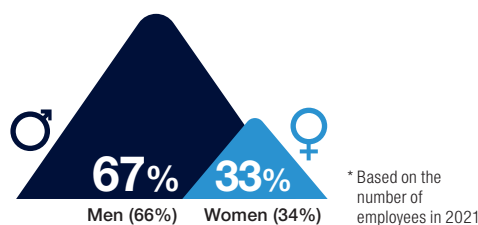
In 2021, there were five serious workplace accidents, none of which involved a loss of life. The categorisation of what is a serious workplace accident follows the Swedish Work Environment Authority's guidelines.

Gender equality and ethnic diversity in figures

(figures for 2020 in parentheses)



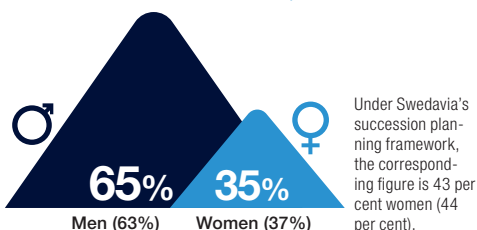
Gender breakdown, all employees*



Average number of employees

2,244
(2,600)

Gender breakdown, leaders



Employees with a foreign background**

16.4%
(17.6%)

** Those born abroad or whose parents were both born abroad.



Proactive work with business ethics

Ethical responsibility is an essential condition needed for the sustainability work that constitutes the basis of Swedavia's operations. Active, proactive work against corruption and for human rights is an important part of the company's strategy.

Swedavia's entire organisation is involved in the proactive, long-term work to safeguard and develop the four areas:

- anti-corruption
- human rights
- social relations and employees
- environmental concern

In each of the four areas, Swedavia works based on this business ethics process wheel. Risks are identified on a continuous basis and analysed in part through workshops and then incorporated for management in relevant parts of operations. Governing documents are prepared, training programmes are held and dialogues are maintained in operations while opportunities for follow-up are provided.

Anti-corruption

The occurrence of bribery or suspicion of bribery in a company affects everyone who has a relationship with the company. How the company is viewed by customers, suppliers and employees would be adversely affected. Working proactively against corruption and irregularities in the company is something Swedavia does continuously. Business ethics aspects and this proactive work are an integral part of the regular risk assessments carried out.

Three main components constitute the basis of this work:

- clear governing documents
- training on a regular basis
- an open dialogue with employees, suppliers and other stakeholders.

Responsibility and follow-up

Clear governing documents are crucial to Swedavia in the work to fight corruption. The company's Code of Conduct guides this work, and there is also a specific bribery policy and business entertainment guidelines. Swedavia likewise complies with the Joint Initiative to Prevent Bribery and Corruption, an agreement between Swedish suppliers and clients in the public-financed construction and property sector.

Swedavia has chosen to be more restrictive in its bribery policy and guidelines than the law explicitly requires. That is because, as a publicly owned company, Swedavia has a responsibility to manage resources invested by society in the best way. Employees of Swedavia may never, either explicitly or implicitly, for themselves or on someone else's behalf, receive, promise to offer or request an unlawful benefit for carrying out their duties. Nor may they give or offer such a benefit.

Training

Swedavia's preventive measures include training programmes, advice, a whistleblowing function and an Ethics Council.

Anti-corruption training is held on a regular basis for the company's leaders and specialists. Since 2018, Swedavia's online training on the company's bribery policy and business entertainment

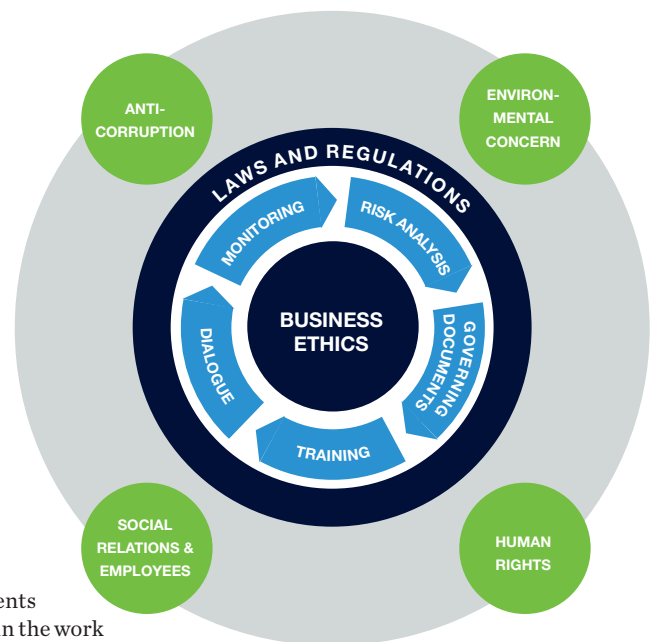
guidelines is mandatory for all employees. Every leader is responsible for informing employees and maintaining an open dialogue with them in a suitable way about the company's bribery policy and business entertainment guidelines. The aim is for employees to be aware of the risks of corruption and bribery. During the year, 97 per cent of Swedavia's leaders were certified for completing this training. In 2021, supplementary training sessions were also provided through shorter digital lessons.

Whistleblowing

For Swedavia's stakeholders, there are a number of options for contacting Swedavia in the event a stakeholder needs to report an irregularity or make a complaint. Swedavia's whistleblowing function is open to both employees and external stakeholders through an independent external party. There is also a well-defined process for handling incoming cases. The function guarantees anonymity.

Human rights

Running airports is a complex operation that can affect the human rights of many different stakeholders.



Share of leaders with certified training in bribery and business entertainment:

97%

Swedavia carries out recurring risk assessments based on:



Respect for human rights is an integral part of all processes and procedures, for example, risk management, health and safety, and equal treatment. Swedavia works continuously to enhance its methods to identify, prioritise and assess the impact of operations on human rights throughout the value chain.

In accordance with the UN's Global Compact for corporate social responsibility and Declaration of Human Rights, Swedavia has identified the risks in its operations of having a negative impact on human rights. Through due diligence, internal processes have been enhanced in order to systematically identify all kinds of human rights and then systematically give priority to any risks that need to be managed promptly.

This commitment to respect human rights is included in the company's Code of Conduct. The Code, which has been adopted by the Board of Directors, lays out clear expectations for

“The commitment to respect human rights is included in Swedavia's Code of Conduct”

how Swedavia's employees and suppliers shall conduct themselves. Leaders at Swedavia have an important role to play as role models. Training material is available as support in the work to continuously maintain a dialogue on business ethics issues, and is used at workplace meetings throughout operations.

Swedavia will continue the work to further develop processes for identifying and managing human rights risks throughout the value chain. Priority is given to the supplier and customer

chains, which potentially have the greatest risks, for example building contracts, trafficking and the handling of goods and services associated with poor working conditions.

Networks

Through collaborations and increased knowledge about human trafficking, the network Arlanda Against Human Trafficking helps to create a safer Stockholm Arlanda Airport for both customers and employees while calling attention to victims of the modern-day slave trade. The network is comprised of companies and other organisations that work at or in the vicinity of the airport, such as the Swedish Police, the Church of Sweden, Clarion Hotel, the women's shelter Kvinnojouren Sigtuna, Loomis, Securitas, Forex, Swedish Customs, the Swedish Migration Agency, Radisson, SAS and Menzies.

Airport safety and security come first

Swedavia's work with safety and security is an integral part of operations and the focus of continuous development. The pandemic has continued to have a major impact on air traffic and the entire aviation ecosystem. The recovery is contingent on a number of new requirements aimed at creating safe travel and reassuring passengers. During the year, intensive work was carried out to adapt the airports' operations on an ongoing basis to the Covid situation in Europe and the rest of the world.

The company's aviation security work is aimed at preventing criminal acts, while its safety work is aimed at preventing accidents.

Swedavia's airports are certified under the European Union Aviation Safety Agency (EASA)'s regulations, with the exception of Ronneby Airport and Luleå Airport, which are both operated in partnership with the Swedish Armed Forces and thus covered by special regulations. All of the airports have also been certified for aviation safety and security by the Swedish Transport Agency.

Through continuous and systematic risk management work, decisions, priorities and change work are directed with a view to the company's overall goals. All of the risks and risk categories are assessed and compiled in risk banks that are continuously updated under the framework for the management's review and for the work with sustainability and business planning.

To ensure a high level of access for passengers and other customers, continuity plans have been developed in order to increase the airports' ability to manage disruptions and shutdowns. Stockholm Arlanda Airport and Göteborg Landvetter Airport both have an operational management centre that plans and monitors quick response work at the airports. At Swedavia, there is a well-established crisis management organisation that is trained and carries out exercises on a regular basis.

A safety mindset

To ensure the health and safety of the company's employees, Swedavia works to raise employees' awareness of safety, that is, attitudes and behaviour in work groups in relation to safety. By taking regular measurements, Swedavia can take action on a negative trend before an incident occurs as well as identify positive trends and share what has been learnt in different operations. Swedavia reports all incidents identified that have an impact on aviation safety to the Swedish Transport Agency and the Swedish Accident Investigation Authority if there is an accident or serious incident. In 2021, there was one accident (one in 2020) and no serious incidents (one in 2020). The accident involved a flight school aircraft. Neither Swedavia's infrastructure nor its procedures are considered to have had any effect in these incidents.

Continued development of security procedures and equipment

The development of new technology contributes to the work to continuously improve security procedures at the airports and make them more efficient while improving the passenger experience. For example, security scanners and new x-ray equipment for cabin baggage are gradually being introduced as important parts of the passenger process. New EU-certified technology is now available that will allow passengers to keep liquids and electronic devices in their hand baggage throughout the screening process. Security



“The work to implement a new standard in order to meet more stringent x-ray requirements has begun”



screening will thus be easier and more efficient. The equipment at the security checkpoints is being upgraded for several reasons. In addition to providing an improved passenger experience, there are also environmental and occupational health and safety aspects involved while conditions are created for measures to reassure passengers about safety from an infection control perspective. The work to introduce a new standard with more stringent requirements for x-raying checked baggage has also begun. The technology will be introduced by 2022 at the latest. The work at Göteborg Landvetter Air-

port and Stockholm Arlanda Airport has been completed and the equipment has been placed in service.

The development work under way at a number of Swedavia's airports is related to stringent security requirements. Security on landside, in other words, before the security checkpoint, is especially important in this context. Responsibility for this is shared with the Swedish police, which means that roles and responsibilities must be clearly defined. A proactive approach to security work combined with close cooperation with statutory authorities is crucial in this area.

Goal

... zero accidents and serious incidents at Swedavia's airports.

1 accident at Swedavia's airports in 2021.

1 accident at Swedavia's airports in 2020.

2 accidents at Swedavia's airports in 2019.

0 serious incidents at Swedavia's airports in 2021.

1 serious incident at Swedavia's airports in 2020.

1 serious incident at Swedavia's airports in 2019.

Swedavia contributes to Sweden's competitiveness and economic growth by enhancing national and international access. After the Covid-19 pandemic hit with full force in 2020, 2021 was a somewhat better year as air traffic began to recover, mainly during the second half. The focus was on cutting costs both in the short and long term and on creating conditions to meet a market in "the new normal".



Difficult priorities along with investments in Real Estate

Most of Swedavia's revenue is variable and entirely dependent on passenger and traffic volumes at the airports. To meet the steep decline in volume due to the pandemic, the intensive work to improve cash flow continued during the year by cutting costs, setting priorities in the investment portfolio and creating conditions for a new market. As a result, Swedavia lowered total annual operating expenses by more than one billion kronor and reduced its investment portfolio by one billion kronor.

In 2020, work also began to develop a new operational structure, which was launched in November 2021. The aim is to build a structure adapted to the market situation and find synergies that will create a more effective structure. The goal is to achieve structural savings of 300 million kronor compared to before the pandemic.

Leisure travel drove the upturn

In 2021, Swedavia worked based on different scenarios that varied during the year. After a difficult start, the trend reversed somewhat during the second quarter, and the summer months were much better than for the same period in 2020. The upturn was driven mostly by leisure travel. New restrictions slowed the recovery towards the end of the year.

Another value creator is Swedavia's property development operations in Real Estate. The sale of a hotel at Stock-

holm Arlanda Airport in 2020 and the sale of the newly opened hotel at Göteborg Landvetter Airport in 2021 generated liquidity and capital gains.

An extensive review and setting of priorities in the investment portfolio were carried out. At Stockholm Arlanda Airport, the expansion of Pier G was paused, while the Portal project, which includes a new security checkpoint and retail space as well as the integration of Terminals 4 and 5, continued. The programmes at Bromma Stockholm Airport and Göteborg Landvetter Airport are in their final stage and nearing completion. Overall, the pace of investment has slowed, but conditions are still being created in order to meet future capacity needs.

200,000 jobs

Before the pandemic, aviation directly and indirectly created around 200,000 jobs in Sweden. Half of these are directly related to the aviation industry. Together, in a normal year they contribute more than 175 billion kronor to Sweden's GDP. Sound, sustainable aviation infrastructure generates a number of positive effects and promotes growth and development economically, socially and environmentally. As a result, the development of the airports will also play a key role in the national and global transport systems of the future, which will connect Sweden together and connect it to the rest of the world.

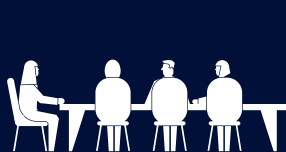
Swedavia's contribution

- Together with airlines and tenants provides inspiring experiences that result in increased passenger satisfaction and increases the attractiveness of the destination.
- Contributes to access, which provides jobs, tax revenue, business opportunities, meetings and diversity and also makes transport available to everyone regardless of gender, age or functional variations.
- Utilises modern technology to find effective forms of work and collaboration.
- Contributes to more jobs and to both national and regional economic growth.

Swedavia's network of airports shall be a growth engine for all of Sweden and contribute to the development of both metropolitan and rural regions.

All of Swedavia's airports are therefore being developed to enhance or optimise infrastructure, promote digitisation and best create efficient flows for a good customer experience. Investments are aimed at increasing both efficiency and capacity, which will provide passengers with smoother, more inspiring travel experiences. The goal is for Swedavia's airports to be the most important meeting places in the Nordic region.

Four measures in response to the pandemic



New organisation



Cost savings



Slower investment pace



Rent relief for tenants



INVESTMENTS, 2021–2023

SEK billion	2021	2022–2023
International Airports	1.6	4.6
Of which:		
Stockholm Arlanda Airport	1.4	3.7
Göteborg Landvetter Airport	0.1	0.2
Bromma Stockholm Airport	0.1	0.0
Malmö Airport	0.0	0.1
Shared	0.2	0.6
Regional Airports	0.0	0.3
Real Estate	0.1	0.6
Total	1.8	5.5

“Focus on creating conditions to handle the new normal”

Green bonds

In 2019, Swedavia established a framework to enable the company to issue green bonds for the first time. The aim is to fund investments and projects for the transition to net-zero aviation and sustainability. The framework has been subject to an independent external review by the international Centre for Climate Research (CICERO).

During the year, Swedavia worked to implement the criteria in the EU Taxonomy of sustainable activities. Read more on page 80.

The different business partners at the airports must be able to meet and adapt to the large-scale changes taking place around the world, including in the form of new kinds of passengers and new business opportunities but also capacity demand and growing climate challenges.

As an airport operator, Swedavia functions as an important driver and link between the different business partners at the airport. In this role, Swedavia can create the conditions to enable the different companies and other organisations at the airports and in the industry to use new knowledge to reduce the climate impact of aviation and help enable some of the UN Sustainable Development Goals be reached. For a number of years, Swedavia has been a pioneer in climate change work, which is an essential requirement in facilitating the development of the industry.



Swedavia's supplier work

A well-functioning supplier chain helps enable Swedavia to achieve its goals. It is therefore important to understand the supplier market as well as the challenges in the company's procurement areas and where the sustainability risks are.

Swedavia complies with the Swedish Utilities Procurement Act and the Swedish Public Procurement Act in certain procurement areas. These laws set requirements for tender contract procedures and how compliance with these requirements is monitored.

Swedavia Purchasing works according to categories, which are determined based on what the supplier's market looks like. This classification consists of 14 main categories, which are broken down into some 90 subcategories. This involves total purchasing volume of more than 5 billion

kronor in a normal year like 2019. A sharp decrease was seen during the pandemic.

Swedavia has agreements with around 800 of its suppliers. In Swedavia's view, 75 of them are strategically important for operations, so greater focus is placed on monitoring these. Another assessment is made to define the 20 top risk suppliers from an operational perspective, in order to provide additional monitoring.

A digital support tool is used to monitor suppliers from a sustainability perspective in a structured way, based on risk assessments. Risk is assessed based on environ-

mental, human rights, social responsibility and anti-corruption aspects. During the pandemic, the work of monitoring suppliers has been given lower priority on account of reduced resources and the setting of new priorities. Swedavia gets support from the Swedish Public Procurement Agency's criteria library to set sustainability requirements in its procurement where this is relevant.

The plan is to continue to focus on improvement and development work in the supply chain and initiatives have been proposed in a number of areas.



Swedavia's suppliers in figures

Total number of suppliers:

2,000

Contracted suppliers:

800

Strategically important suppliers:

75

Risks and risk management

Swedavia's mission is to operate and develop the ten airports in Sweden's national basic infrastructure. For Swedavia, corporate social responsibility entails integrating sustainable development in its business operations – with a focus on the customer. It also entails Swedavia taking responsibility through increased social development, environmental concern and economic growth.

All business operations are associated with risk-taking. Opportunities and risks are assessed and managed to ensure that the owner's goals are reached. Properly managed external factors, as well as risks, could lead to opportunities while a risk that is poorly managed could have a major negative impact both on Swedavia and the rest of society. The work to identify, analyse, manage and monitor risks is a hygiene factor for Swedavia.

Swedavia's risk management framework

Swedavia's risks are managed based on the principles of responsibility, equality and proximity. These principles are put into practice through the requirement that risk analyses be carried out prior to changes and projects. Swedavia's airport operations strive for a low level of risk-taking, which safeguards Swedavia's safety culture and brand, and meets the requirements of oversight authorities, its owner and customers.

Strategic risks

Strategic risks are defined as a risk of loss or other adverse consequence that affects Swedavia's possibility to continue running operations. In general, this concerns risks that have a great impact on the Group as a whole and could also be risks arising as the result of major events in the world.

Operational risks

Operational risks are defined as risks resulting from insufficient or inefficient processes, human error, problems with technical systems or deficiencies in external deliveries.

Financial risks

Currency risks, interest rate risks, credit risks, commodity price risks, climate risks and liquidity and refinancing risks are included under the framework for financial risk management. Read more on pages 141–145, Note 47 Financial risks.

Responsibility for risk work

Operations have responsibility to identify risks on a continuous basis. A risk owner is designated for each identified risk and is responsible for managing the risk in the form of measures, escalation and reporting. The Risk Manager is responsible for developing, coordinating and monitoring the risk management process and for compiling a general risk report on a quarterly basis for the executive management, Audit Committee and Board of Directors. The Board of Directors, Audit Committee and executive management have responsibility for providing feedback if the risk assessment is not considered balanced in terms of measures implemented or planned.

Risk management process



Risk identification and risk change

Risk management is carried out proactively in all parts of the organisation, in all processes and in projects and portfolio operations. Identified risks are assessed and documented based on strategies and goals using a Group-wide format. For each identified risk, a risk owner is designated, measures are documented and risk change work is initiated.

Monitoring and inspection

Risk work is monitored on a continuous basis under the framework for the management's review and business planning work and was modified during the year by adopting a scenario-based way of working. The Group's Risk Committee meets on a quarterly basis and prepares the Group's risk report as well as constitutes a cross-functional platform for strategic and Group-wide risk issues.

The risk report is approved by Swedavia's executive management and then prepared by Swedavia's Audit Committee prior to being adopted by the Board of Directors. Internal auditing examines, tests and validates the effectiveness of Swedavia's risk management through audits of the Risk Management function and of ongoing risk work in the company's operations.

How Swedavia assesses and manages its risks

Swedavia describes its risk work based on its sustainability perspectives – customer, environment, economy and social development. The table below illustrates how Swedavia manages the different risks.

RISK DESCRIPTION	POTENTIAL IMPACT	MEASURES
ECONOMIC AREA		
<p><i>– Weak recovery in air traffic</i></p> <ul style="list-style-type: none"> The pandemic has continued to have a strong impact on air traffic globally. It affects the world's airlines, airports and the entire aviation ecosystem. The outlook for the future remains uncertain. Risk of weak long-term economic growth and thus weak demand for flights. Increased competition from other airports is a challenge to Stockholm Arlanda Airport's market position. 	<ul style="list-style-type: none"> Continued airline bankruptcies and consolidations that can require further aid packages. Change in customer behaviour, for example, increased share of digital meetings. Growing pressure to make the transition to net-zero aviation while aviation market stakeholders are hard-pressed financially, which affects their ability to drive the development towards net-zero aviation. Worse opportunities to achieve strategic goals and key metrics due to lack of progress in the transition to net-zero aviation. 	<ul style="list-style-type: none"> The forecast and scenario group monitors scenarios for managing uncertainties about the fall in and restart of traffic. Intensified route development work in dialogue with airline customers to facilitate the restart. Incentive programme and environmentally-differentiated charges. Roadmap to achieve net-zero aviation prepared in partnership with the Swedish aviation industry.
<p><i>– Failure to make cost savings and limited cost coverage</i></p> <ul style="list-style-type: none"> Risk that cost savings do not compensate for the loss in revenue and that cost coverage is not achieved with the price model. Also risk of cost increases in the recovery phase. A complaint was filed with the European Commission concerning the shareholder contribution received in 2020. The outcome of the Commission's examination is uncertain, but it may affect both the shareholder contribution received and some State aid received due to the Covid-19 pandemic. 	<ul style="list-style-type: none"> Big negative impact on Swedavia's financial position. Difficulty meeting owner's economic target. Need for increased financing. 	<ul style="list-style-type: none"> Implement both volume-adjusted cost cuts and long-term structural savings. Ensure restraint on volume-related costs during recovery through management by objectives. Adjust investment portfolio to current capacity need as well as current financial position. Assess measures to strengthen financial position.
SOCIAL DEVELOPMENT AREA		
<p><i>– Risk of imbalance between capabilities and resources</i></p> <ul style="list-style-type: none"> Lengthy period of great uncertainties and change is a challenge for employees and leaders. Increased competition in the labour market from industries that experienced strong growth during the pandemic. 	<ul style="list-style-type: none"> Key competencies look to other industries. Harder to tackle the skills shortage going forward. New organisation and new ways of working change needs in terms of job specifications and capabilities of leaders and employees. Indirect effect on brand. 	<ul style="list-style-type: none"> Conduct competency inventory on a continuous basis. Conduct and give priority to business-critical recruitment to replace staff in key areas. Resume forward-looking activities such as leader programmes, skills development and process work. Transparent, positive communication that involves employees to encourage engagement and faith in the future. Activities and support for leaders in times of uncertainty.



RISK DESCRIPTION	POTENTIAL IMPACT	MEASURES
<p>– <i>Inadequate work with occupational health and safety</i></p> <ul style="list-style-type: none"> Risks in this area consist of failure to adhere to occupational health and safety work. There is also always the risk of accidents on construction projects and in day-to-day operations at the airports. 	<ul style="list-style-type: none"> Increased number of incidents, absences due to illness and accidents. Limitations on the running of operations. Dismissals and loss of competencies. 	<ul style="list-style-type: none"> Regular training in occupational health and safety. System for workplace incidents accessible to all via the intranet and app. Tools and support materials to conduct safety walks and safety talks. Methods and focused risk management template for good organisational and psychosocial work environment. The Projects work environment team works with lessons learnt and develops the construction work environment strategically. Increased focus on occupational health and safety issues in procurement for construction projects.

CUSTOMER AREA

<p>– <i>Weak recovery in commercial revenue</i></p> <ul style="list-style-type: none"> Generating commercial revenue relative to the passenger trend continues to be a great challenge. Challenges in the balance between short-term relief to secure long-term customer base and revenue and in attracting new commercial customers to the airports. 	<ul style="list-style-type: none"> Risk of bankruptcy for airlines and business partners. The uncertain situation may contribute to commercial customers taking a cautious approach, which would challenge Swedavia's revenue streams. 	<ul style="list-style-type: none"> Market dialogue to understand a new market in terms of willingness to invest, business models and interest in Swedavia's business and airports.
<p>– <i>Delay in adjusting to capacity needs</i></p> <ul style="list-style-type: none"> Uncertain forecasts and scenarios for passenger growth affect the ability to quickly transform and adapt operations to new capacity needs. Difficult to assess and decide on medium- and long-term plans for growth and development of airports. 	<ul style="list-style-type: none"> Capacity shortage and reduced punctuality. Excess capacity. Uncertainty about investments. 	<ul style="list-style-type: none"> Plan and prepare based on scenarios (low, medium, high) for recovery in traffic and passenger volume.
<p>– <i>Dependence on large customers</i></p> <ul style="list-style-type: none"> Swedavia is dependent on a small number of large airline customers. During the pandemic, that dependence has increased. 	<ul style="list-style-type: none"> Far-reaching economic consequences in case of bankruptcy. Changed or greatly reduced operations for a large customer affects the airport. Deterioration in passenger experience with loss of competition and limited offering. Deterioration in access. 	<ul style="list-style-type: none"> Continuously monitor financial stability of Swedavia's large customers. Continue to strive for a broad customer base and carry out targeted work with route development to attract new customers. Impact assessment of continued operations at Bromma Stockholm Airport has been completed.

RISK DESCRIPTION	POTENTIAL IMPACT	MEASURES
CUSTOMER AREA (cont.)		
<p>– <i>Risk of shutdown in operations</i></p> <ul style="list-style-type: none"> The airports' processes and continuous operation depend on a high level of access in critical facilities and systems. 	<ul style="list-style-type: none"> Airport operations disrupted or shut down. Deterioration in access, punctuality, passenger experience or atmosphere have a negative effect on Swedavia's brand. 	<ul style="list-style-type: none"> Maintenance of critical facilities and systems. Active work to prevent injuries and mitigate risks identified. Ensure that continuity plans have been developed, updated and tested. Ensure high capability to manage in a crisis and during disruptions.
<p>– <i>Lack of implementation capacity for construction and civil engineering projects</i></p> <ul style="list-style-type: none"> Implementation risks from the perspective of occupational health and safety, environment, skills supply, access to commodities and other materials. Unclear and changed requirement specifications. 	<ul style="list-style-type: none"> Increased number of incidents and accidents. Loss of skills and recruitment difficulties. Non-compliance with guidelines and processes for project implementation. Greater cost due to commodity shortages. 	<ul style="list-style-type: none"> Training and monitoring of responsibilities of health and safety coordinators for planning/execution. Clarify requirement specifications and building contractor requirements to include aspects such as climate calculations and the EU Taxonomy.
<p>– <i>Insufficiently comprehensive view in asset management and development</i></p> <ul style="list-style-type: none"> Risk of not meeting needs or carrying out investments and maintenance measures at the right time based on solid business principles and sustainably over the long term. 	<ul style="list-style-type: none"> Delay and greater cost for maintenance measures and investments. Increased likelihood of disruptions in systems and processes. 	<ul style="list-style-type: none"> Further develop management governance. Expand the comprehensive view in management and development based on a single undertaking approach. Develop and implement structural capital such as models, systems and a standardised way of working. Increase collaboration between administrative management and portfolio management.
<p>– <i>Cyber risk</i></p> <ul style="list-style-type: none"> Still a high threat landscape with significant activity among threat actors. Risk that antagonists online or compromised units will use a known or unknown flaw in IT service to gain unauthorised access to information or systems. 	<ul style="list-style-type: none"> Unauthorised people gain access to information or systems. Operational disruptions or shutdowns. 	<ul style="list-style-type: none"> Ensure compliance with information security management requirements based on the information security classification. Training measures to raise risk awareness. Preventive work with systems and infrastructure. Minimise risk of unauthorised access to information or breaches and increase preparedness for managing risk outcome.
ENVIRONMENTAL AREA		
<p>– <i>Risk of impact on business due to climate change</i></p> <ul style="list-style-type: none"> Continued climate debate combined with insufficient progress on net-zero aviation. The EU Taxonomy has set environmental targets for climate impact and climate transition. 	<ul style="list-style-type: none"> Negative view of aviation due to climate debate. Reduced air travel and lost revenue. Increased costs to achieve net-zero operations and facilities. 	<ul style="list-style-type: none"> Review of management, development and master plans to ensure changes to mitigate climate change. Actively take part in the climate debate and Swedish industry roadmap for net-zero aviation together with the industry.

Climate risks, opportunities and financial impact

Climate-related financial risks and opportunities affect Swedavia's operations. For more than a decade, Swedavia has gradually reduced emissions from airport operations under the company's own management. The work has driven and met the demand from the market for climate-smart solutions, helped to attract capital, and generated a return on investments in fossil-free technology. Swedavia needs to continue to reduce fossil carbon dioxide emissions from other emission sources and also needs to take into consideration the impact that a changed climate will have on its operations and assets. Swedavia needs to be sustainable and adapt operations based on the change in climate conditions, from the south to the north of the country.

Swedavia has chosen to gradually implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in its internal climate and risk work. The work to identify, analyse, manage and monitor different kinds of risks is carried out on a continuous basis in Swedavia's operations. During the autumn, Swedavia continued to make

an inventory of climate-related financial risks and opportunities, which resulted in a workshop with representatives of different parts of the organisation. An assessment of the risks inventoried was made based on their likelihood and impact. The significant risks were then presented to the Audit Committee and in Swedavia's quarterly risk report. The workshop results serve as the basis for Swedavia's TCFD reporting.

Swedavia works on a continuous basis with scenario analyses in its operations. In 2022, the plan is to focus further on climate scenarios. The work will provide a basis for Swedavia's materiality analysis, TCFD reporting and strategic approach.

TCFD divides risks into transition risks and physical risks. Transition risks are risks as a result of the transition to a society with lower carbon dioxide emissions. Physical risks are risks that may entail direct harm to assets or indirect harm such as a shutdown in airport operations due to an extended period of precipitation.

Risk	Financial impact
Transition risk	
Policy instruments that restrict aviation.	Affects revenue and financial results. Conditions, such as taxes, charges, requirements and regulations, are set by others and Swedavia loses control of its business.
Shortage of biofuels.	Increased demand and new regulations affect access to biofuels. Affects Swedavia's climate work and brand.
Companies, tenants, partners and suppliers do not want to be associated with aviation.	Reduced attractiveness of the airport as a marketplace may reduce revenue and increase costs.
Changes in laws/regulatory requirements that affect construction projects in the implementation phase.	Can generate increased costs.
Dissatisfied customers, suppliers, tenants and partners as a result of Swedavia not being sufficiently proactive in reducing emissions in aviation and the industry.	Risk of damaging brand and reducing revenue.
Swedavia's employer brand is undermined.	Limits opportunities to attract the right skills and retain employees.
Higher operational costs as a result of increased taxes or other regulations related to emissions.	Increases costs of materials, especially during the transition period.
Physical risk	
Lengthy shutdown in airport operations due to extreme weather.	Affects revenue, may increase costs and harm assets.
Higher operating costs and energy costs due to climate change.	Increased costs due to increased need for cooling and energy.

Opportunities

- Collaboration with other stakeholders in the industry and elsewhere on sustainability and innovation.
- Transition to net-zero aviation creates new routes and a new market.
- Enhanced brand through Swedavia's active climate work increases its attractiveness, which creates opportunities both in commercial terms and as an employer.

- Protection of assets and investments that are profitable in the long term by adapting to climate change.
- Enhanced intermodality produces reduced emissions and attractive travel.
- Higher valuation of buildings certified for environmental performance.
- Advantageous funding of capital through transition to net-zero operations.

Sustainability is integrated in the company's management processes

Swedavia's Board of Directors and executive management are ultimately responsible for Swedavia's sustainability work and manage sustainability issues from a strategic perspective. Executive management deals with overall strategies, goals, measures and monitoring.

Sustainability issues are an integral part of business operations through the strategic approach adopted and Swedavia's priority material issues, which are broken down into goals and activities in Swedavia's business plan.

Each business area and operational area suggests goals and activities, for instance, in the area of climate change, which are then measured and monitored on a quarterly basis by the executive management and Board of Directors. As a result, sustaina-

bility issues are integral to the entire organisation.

Swedavia's Board of Directors has overall responsibility for climate-related financial risks and opportunities. Climate-related risks are reported to the Board on a quarterly basis in a Group-wide risk report.

Swedavia monitors international requirements and expectations related to the climate on a continuous basis, and its climate work is a natural part of its business planning process.

Swedavia's Code of Conduct is the foundation of all operations and specifies how Swedavia shall conduct itself in order to meet operational requirements with an approach that Swedavia is proud of. The Code, which has been adopted by the Board of Directors, explicitly specifies expectations of how Swedavia's employees and suppliers shall conduct themselves.

All employees have a responsibility

Swedavia's Code of Conduct is based on recognised conventions for human rights, working conditions and the environment, and an updated Code is adopted each year by the Board of Directors. All leaders have a responsibility to make sure that employees are familiar with the Code of Conduct and comply with it. All employees at Swedavia

Swedavia has selected four of the UN's Sustainable Development Goals as being particularly relevant – 9, 11, 12 and 13:

GOAL
SELECTED



9. Industry, innovation and infrastructure

9.1 Develop sustainable, resilient and inclusive infrastructures.

9.4 Upgrade all industries and infrastructures for sustainability.

How Swedavia affects the goal

- Swedavia owns, operates and develops airports of national interest.
- Provides important infrastructure to connect Swedish regions together and connect Sweden to the rest of the world.
- Swedavia's operational reliability and adaptation of its infrastructure to climate change thus affect regional and national access.
- Creates jobs, increased trade and cultural exchanges.
- Resource-intensive operations in the development of airports.
- Takes part in forums and collaborations to clarify the needs of the future in net-zero aviation.

Swedavia's contribution

- Development and modernisation of the airports.
- Infrastructure investments to improve national and international access and increase intermodality.
- Investments in digital technology, such as biometric tests, and better flows.
- Secures infrastructure adapted to the net-zero aviation of the future, including charging infrastructure for electric aircraft.
- Structured work with innovation management in order to promote new ideas.
- Development of charging infrastructure for ground vehicles.



“Swedavia’s Code of Conduct is the foundation of all operations”

always have a responsibility to be familiar with, and comply with, the Code.

Along with the Code, Swedavia has a number of Group-wide policies that provide direction in a given area. All policies at Swedavia are adopted by the executive management. In addition, six policies are adopted by the Board: a financial policy, credit policy, safety policy, environmental and energy policy, tax policy and risk policy.

Swedavia’s materiality analysis, including its stakeholder dialogue and continuous business intelligence, together with analyses of the impact of its own operations on people, the environment and the economy, provides the basis for its strategic approach and determines what issues are to be the focus of sustainability work.

GOAL
SELECTED



11. Sustainable cities and communities

11.2 Safe, affordable accessible and sustainable transport systems.

11.6 Reduce adverse environmental impact of cities.

How Swedavia affects the goal

- Uses land, resources and energy, generates emissions and waste.
- Interaction between different transport modes at the airports.
- Design of the airports including flight paths, which have an indirect effect on aviation’s carbon dioxide emissions and noise in the vicinity.

Swedavia’s contribution

- Promotes intermodality at the airports in order to create equitable access and reliability.
- Works for more efficient and fossil-free transport.
- Implements extensive development programmes to develop the net-zero airports of the future.
- Works to improve flight paths, cut emissions and reduce noise.

Swedavia strives for continuous improvement in order to promote sustainable development and assesses the Board annually, in part through internal audits, environmental and safety audits, audits of Swedavia's climate work in compliance with its Airport Carbon Accreditation certification and a management review of how the work with environmental and energy issues is carried out. Swedavia's priority material issues are analysed and assessed annually in the materiality analysis process.

UN Sustainable Development Goals

Swedavia takes a number of external requirements and expectations into consideration. International guidelines and principles, such as the United Nations' Agenda 2030 and Sustainable Develop-

ment Goals guide this work. Swedavia works to help meet the goals laid out in the Paris Agreement. Swedavia supports the ten principles for corporate social responsibility in the UN's Global Compact. These principles are based on the UN's Universal Declaration of Human Rights, the International Labour Organisation's Conventions on Fundamental Principles and Rights to Work, the Rio Declaration on Environment and Development, and the UN Convention against Corruption. Swedavia has a direct or indirect impact on a number of the UN's 17 Global Sustainable Development Goals.

Of the 17 goals, Swedavia has identified four that are particularly relevant, and that the company can contribute to, for positive change in the short and long term.

“Swedavia's Board of Directors has overall responsibility for climate-related financial risks and opportunities”

GOAL
SELECTED



12. Responsible consumption and production

- 12.1 Implement the ten-year sustainable consumption and production framework.
- 12.2 Sustainable management and use of natural resources.
- 12.4 Responsible management of chemicals and waste.
- 12.5 Substantially reduce waste generation.
- 12.8 Promote universal understanding of sustainable lifestyles.

How Swedavia affects the goal

- In the commercial sphere, secures revenue, safeguards customer relations and ensures that products and services are developed that meet customer needs and create long-term competitiveness.
- Swedavia has a great impact through its public procurement and purchasing.
- Indirect effect through a business model that is based on increased economic growth, air transport and consumption, which drives consumption at the airports.
- Uses land, resources and energy. Generates emissions and large quantities of waste with complex value chains in some cases. Infrastructure that must handle waste and chemicals for other business partners at the airports.
- Varied internal knowledge in sustainable development. Enhanced skills on different sustainability issues may contribute a positive effect.

Swedavia's contribution

- By working towards net zero, Swedavia has invested indirectly to drive the development of fossil-free alternatives on the market in general.
- Swedavia has requirements and controls for new chemical products and indicators to measure the quantities of waste and chemicals as well as an action plan to increase the recycling rate and reduce the quantity of toxic chemicals.
- Swedish Act on Procurement of Concessions and its sustainability requirements.
- Swedavia sets requirements for structural work with environmental management systems for most of its suppliers and has a system for monitoring suppliers on different sustainability issues. The monitoring work has been affected due to a lack of resources.
- Communication to increase awareness about what the aviation industry is doing to cut carbon dioxide emissions, reduce the quantity of toxic chemicals and increase the quantity of sorted waste.



Swedavia's operations affect the environment in different ways, including through the use of chemicals such as aircraft de-icing fluid.

GOAL
SELECTED



13. Climate action

13.1 Strengthen resilience and adaptive capacity to climate-related disasters.

How Swedavia affects the goal

- Aviation produces carbon dioxide emissions as a result of the fossil fuel used by aircraft. Increased passenger volumes thus produce increased emissions if aircraft do not use sustainable aviation fuel. Aviation today accounts for about 2.5 per cent of global carbon dioxide emissions.
- Many business partners are involved in order for airport operations to function and affect the climate and environment in different ways.
- Has an effect through its long-term planning work, with climate change being an important aspect to take into consideration.

Swedavia's contribution

- Achieved the goal of zero fossil carbon dioxide emissions from the airport operations run under Swedavia's management.
- New goal of net-zero airports by 2025.
- Incentive programme for sustainable aviation fuel (SAF) and renewable diesel (HVO100) as well as climate-differentiated charges for take-off and landing.
- Facilitates the development of electric aircraft in Sweden.
- Increased mix of SAF through coordinated public procurement.
- Work with TCFD, the EU Taxonomy, strategic transition to combat climate change and the Swedish Transition to Net-Zero Aviation project.
- Measurement of energy use and energy efficiency in its own facilities.
- Climate change adaptation of assets.

Stable basis for Swedavia's strategic approach

By integrating social, economic and environmental aspects in its day-to-day work, Swedavia shall be a role model in sustainability both nationally and internationally. The basis of this sustainability work is Swedavia's strategic approach and the material sustainability issues that have been identified.

The materiality analysis is an important tool for understanding, together with Swedavia's stakeholders, the impact of operations on the world and thus identifying the areas that Swedavia has the possibility to make the biggest and most effective difference in. The materiality analysis is carried out with the help of stakeholder dialogues and continuous business intelligence as well as through analyses of the impact of Swedavia's own operations on people, the environment and the economy.

Swedavia's overall goal, based on its strategic approach and materiality analysis, is broken down each year into

the company's business and operational plans. Its strategic approach is thus integral to governance, all the way from long-term plans to the day-to-day work of employees. The outcomes for goals are measured and reviewed on a quarterly basis by the executive management and Board of Directors.

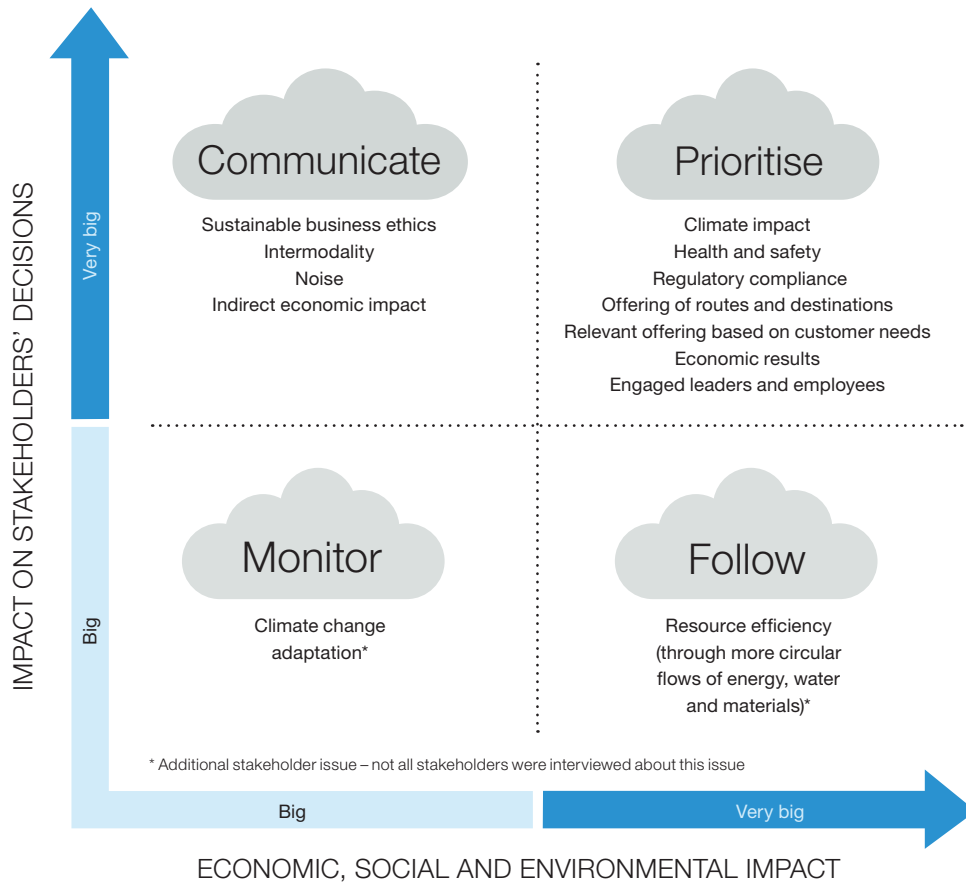
In 2019, an in-depth materiality analysis was carried out. It identified seven priority material issues, which were integrated in the company's strategic approach in 2020 and then implemented in the organisation in 2021. Read more on page 20.

To determine what sustainability issues are material to the company, Swedavia conducted interviews with stakeholders that affect or are affected by its operations in 2019. The interviews were carried out in order to understand how Swedavia's stakeholders view its sustainability work and what expectations they have. This provided a basis for further improving Swedavia's business approach and sustainability work as well as for meeting stakeholder expectations. Read more on page 74.




In order for Swedavia to achieve its goals in its priority material issues, innovation, digitisation and technological development are needed. Constructive collaboration with partners and meeting shared priorities are also required. Those issues that are not defined as material but which could be considered important to Swedavia's continued work are addressed as necessary in the company's ongoing business planning.



Materiality analysis



PRIORITY MATERIAL ISSUES

<p>PRIORITY MATERIAL ISSUE</p>	<p>CLIMATE IMPACT</p> 	<p>HEALTH AND SAFETY</p> 	<p>REGULATORY COMPLIANCE</p> 
<p>WHY THE ISSUE IS MATERIAL</p>	<p>To achieve global, national and regional climate goals and the industry's roadmap for fossil-free competitiveness, this requires that Swedavia and other stakeholders in the value chain work to reduce their climate impact. The transition to net-zero aviation is critical to the development of aviation.</p>	<p>Safety work is critical in order to run airport operations in general. For Swedavia, it is important to safeguard and maintain both the physical and psycho-social health of customers and employees at Swedavia's airports and out in operations.</p>	<p>Swedavia shall comply with laws and regulations. A particularly great focus shall be on compliance with environmental and safety laws and regulations, in accordance with the EU's Safety (EASA) regulations, the Swedish Transport Agency's Security (TSFS) regulations and work environment laws.</p>
<p>LIMITATION AND IMPACT</p>	<p>Swedavia has a direct climate impact in its own operations. The company also has an impact in understanding the customer/supplier chain, such as the transport of employees and customers to and from the airport, emissions and natural resource use in construction operations commissioned by Swedavia, and aviation's climate impact from take-offs and landings at Swedavia's airports.</p>	<p>Swedavia is responsible for safeguarding the physical and psycho-social health of people at its airports as well as ensuring the digital security and integrity of employees and customers at its ten airports.</p> <p>Swedavia has direct responsibility for aviation safety issues and shared responsibility with the police for maintaining public order.</p> <p>Swedavia has some indirect impact on other operators, for example, security service providers, building contractors, partners and customers.</p>	<p>Swedavia has an impact in regulatory compliance both in its own operations but also to some extent in its supplier chain.</p> <p>Swedavia has overall responsibility for regulatory compliance in aviation safety, security and environmental performance at the eight airports for which it has operational responsibility.</p>
<p>GOAL</p>	<p>5 per cent sustainable aviation fuel by 2025.</p> <p>Operate net-zero airports by 2025.</p> <p>100 per cent climate calculations for construction and civil engineering projects.</p>	<p>The goal is zero accidents and serious incidents at the company's airports.</p> <p>Zero serious workplace accidents.</p>	<p>No serious deficiencies in the Swedish Transport Agency's inspections.</p>
<p>ACTUAL OUTCOME</p>	<p>0.44 per cent sustainable aviation fuel (SAF)*</p> <p>At year-end, Stockholm Arlanda Airport and Göteborg Landvetter Airport were in the final phase of ACA 4+ certification.</p> <p>43 per cent climate calculations for construction and civil engineering projects.</p>	<p>1 accident and 0 serious incidents.</p> <p>5 serious workplace accidents.</p>	<p>The actual outcome for serious deficiencies in the Swedish Transport Agency's controls is not reported externally.</p> <p>7 conditions breached out of a total 177 environmental conditions for Swedavia's ten airports.</p>

* To the best of Swedavia's knowledge at year-end. Official figures are published in the autumn of the following year by the Swedish Energy Agency.

OFFERING OF ROUTES AND DESTINATIONS



Swedavia's offering of routes and destinations is of national importance and affects Sweden's competitiveness, among other factors. Access affects all of Sweden and the world's possibility to travel within and to/from the country but is especially important for the regions around Swedavia's ten airports.

Swedavia has an indirect impact on access to and from its ten airports, for example through airport charges and incentives to airlines to establish routes. Swedavia's work is focused on attracting routes for which there is underlying demand/potential for increased traffic or new routes.

Read more about Swedavia's offering of routes and destinations on pages 34–35.

RELEVANT OFFERING BASED ON CUSTOMER NEEDS



Swedavia needs to be able to provide a relevant offering to customers to ensure long-term customer relations and competitiveness. Group-wide commercial strategies along with the continuous development of new services and efficient working methods are critical to passengers and Swedavia's customers.

Limited to Swedavia's identified customer groups at Swedavia's airports: passengers, airlines, tenants, ground handling companies and advertising buyers. Swedavia has a direct impact on products, services and service levels that the company itself offers. Swedavia also has an impact on customers and suppliers that are regulated by contracts, for example through the Swedish Act on Procurement of Concessions.

Index of 85 for positive customer experience in 2025.

Index of 82 for positive customer experience.

ECONOMIC RESULTS



It is an essential requirement that Swedavia has stable economic results in order to carry out its mission and be a competitive market participant.

Swedavia can affect the economic relations of stakeholders through the economic results of its operations, which could increase or decrease stakeholder costs and earnings as well as their risks and opportunities. Direct impact on the airports' own economic results. Indirect impact on the economic results of customers, suppliers and other stakeholders.

6 per cent return on operating capital.

–6.3 per cent return on operating capital.

ENGAGED LEADERS AND EMPLOYEES



Engaged leaders and employees at Swedavia and in companies and other organisations at and in the vicinity of the airports are what drive the aviation industry forward. Through engaged leaders and employees, Swedavia can create value for its customers and other stakeholders.

Includes Swedavia's management of employment conditions, working conditions, talent supply and skills development. Also includes diversity, inclusiveness gender equality and equitable treatment. The impact is both direct and indirect through its impact on leaders and employees in other companies and organisations as well as Swedavia's suppliers.







75 per cent engaged leaders and employees in 2025.

74 per cent engaged leaders and employees in 2021. The actual outcome is the average of the pulse measurements carried out in 2021.

Stakeholder dialogue

In 2019, Swedavia conducted an in-depth dialogue with stakeholders, which provides the basis for the materiality analysis that was integrated in the company's strategic approach. This in turn provides the basis for its business plan.

Stakeholder dialogues were conducted in the form of interviews with selected stakeholders in different stakeholder groups.

Stakeholder group	Stakeholders	Important issues
Corporate customers 	<ul style="list-style-type: none"> • Airlines • Tenants • Advertising buyers • Ground handling companies • Mobility operators 	<ul style="list-style-type: none"> • Climate impact • Offering of routes and destinations • Engaged leaders and employees • Relevant offering based on customer needs • Digitisation and technological development
Passengers 	<ul style="list-style-type: none"> • Passengers 	<ul style="list-style-type: none"> • Climate impact • Regulatory compliance • Offering of routes and destinations • Relevant offering based on customer needs • Digitisation and technological development
Employees 	<ul style="list-style-type: none"> • Swedavia's future and current employees and leaders • Airport employees • Trade unions 	<ul style="list-style-type: none"> • Health and safety • Engaged leaders and employees • Climate impact • Regulatory compliance • Offering of routes and destinations
Owner 	<ul style="list-style-type: none"> • Owner • Board of Directors 	<ul style="list-style-type: none"> • Economic results • Climate impact • Health and safety • Relevant offering based on customer needs • Innovation and digitisation
Partners 	<ul style="list-style-type: none"> • Investors and lending/credit institutions • Financial partners • Strategic suppliers 	<ul style="list-style-type: none"> • Climate impact • Economic results • Sustainable business ethics • Health and safety • Engaged leaders and employees
Society 	<ul style="list-style-type: none"> • Authorities • Regions and municipalities • Trade unions and other associations • Local communities and businesses • Academia 	<ul style="list-style-type: none"> • Climate impact • Health and safety • Aviation noise • Regulatory compliance • Innovation

GRI Index

Swedavia has complied with the Global Reporting Initiative (GRI) standards since 2010 and reports its sustainability work for 2021 in accordance with GRI's core standards. This report also includes relevant industry-specific indicators in accordance with GRI G4 Airport Operator Disclosures. The sustainability information in the combined report for 2021 has been reviewed as per the Board of Directors' wishes by Swedavia's auditors, KPMG. It has also been approved by Swedavia's Board of Directors.

The GRI index shows where all mandatory information is provided in this report. Reporting is limited to those areas in which the company exercises complete control over the collection of data and the quality of information, which means that the entire Group is included unless otherwise indicated. Data for companies in which it owns a minority interest are excluded. Swedavia publishes a combined Annual and Sustainability Report. The reporting cycle is for the full year. Swedavia's Annual and Sustainability Report 2021 was published on March 30, 2022.

Standard information

GRI information	Description	Page reference and comments
Organisational profile		
102-1	Name of the organisation	113
102-2	Activities, brands, products and services	16–19, 88
102-3	Location of headquarters	113
102-4	Location of operations	4, 88
102-5	Ownership and legal form	94
102-6	Markets served	88
102-7	Scale of the organisation	5, 35, 105
102-8	Information on employees and other workers	53, 123. The number of employees regardless of the form of employment is 2,617; 1,964 permanent employees, 1,866 of whom are full-time and 98 of whom are part-time. 33 per cent of permanent employees are women. There are 220 fixed-term employees, 19 per cent of whom are women. There are 433 employees, 37 per cent of whom are women.
102-9	Supply chain	18–19, 60
102-10	Significant changes to the organisation and its supply chain	88–91
102-11	Precautionary principle or approach	61–65
102-12	External initiatives	8, 42–59, 66–69
102-13	Membership of associations	24
A0:G4-7	Environmental permits and other regulations in effect	46–49, 113
A0:G4-8	Catchment area for cargo and passengers	18–19, 35, 113
A0:G4-9	Direct destinations and other information about the size of the airports etc.	28–35. The number of employees at the airports is about 18,000. The number of airline customers is 68 including scheduled and charter operations. Minimum transfer time is 15 minutes.

Standard information (cont.)

GRI information	Description	Page reference and comments
Strategy		
102-14	Statement from the senior decision-maker	6–9
Ethics and integrity		
102-16	Values, principles, standards and norms of behaviour	4, 54, 61
Governance		
102-18	Governance structure	94–99
Stakeholders and stakeholder dialogue		
102-40	List of stakeholder groups	17, 70, 74
102-41	Collective bargaining agreements	100 per cent of Swedavia's employees
102-42	Identifying and selecting stakeholders	70, 74
102-43	Approach to stakeholder engagement	70–74
102-44	Key topics and concerns raised	70–74
Reporting practice		
102-45	Entities included in the consolidated financial statements	113
102-46	Defining report content and topic boundaries	75
102-47	List of material topics	70–74
102-48	Restatements of information	70–73, 75, 81–82
102-49	Changes in reporting	12–13, 22–23, 65, 79–80
102-50	Reporting period	75
102-51	Date of most recent report	75
102-52	Reporting cycle	75
102-53	Contact point for questions regarding the report	2
102-54	Claims of reporting in accordance with the GRI Standards	75
102-55	GRI content index	75–77
102-56	External assurance	75, 84

Specific standard information

GRI number	Description	Page reference and comments
Climate impact		
103-1 – 103-3	Management approach	14–17, 40–41, 42–45, 46–49, 58–59, 62–64, 70–74, 81
305-5	Reduced greenhouse gas (GHG) emissions	24–25, 42–49, 81
Own indicator	Energy use	46–49, 81
Own indicator	Share of sustainable aviation fuel used for refuelling at Swedish airports	42–49, 59, 81
Own indicator	Number of climate calculations	48, 72, 82
Health and safety		
103-1 – 103-3	Management approach	14, 22–23, 54–57, 61–63, 66–74, 81, 83
Own indicator	Number of reported workplace incidents	53, 72, 81
Own indicator	Number of accidents and incidents	22, 56–57, 82
Own indicator	Number of serious deficiencies in Swedish Transport Agency inspections	56–57, 72, 81
Regulatory compliance		
103-1 – 103-3	Management approach	70–74, 113
Own indicator	Number of serious deficiencies in Swedish Transport Agency inspections	56–57, 81
Offering of routes and destinations		
103-1 – 103-3	Management approach	28–35, 70–74, 81
Own indicator	Number of passengers	28–35, 22, 81–82
Own indicator	Number of international destinations	28–35, 22, 81
Own indicator	Number of routes	28–35, 81
Relevant offering based on customer needs		
103-1 – 103-3	Management approach	22–23, 36–37, 63–64, 70–74
Own indicator	Commercial sales revenue per departing passenger	5, 82, 90
Own indicator	Positive customer experience	5, 19, 22–23, 38, 82
Economic results		
103-1 – 103-3	Management approach	20–23, 62, 70–74, 81–82
Own indicator	Return on operating capital	5, 22–23, 82
Own indicator	Debt/equity ratio	5, 82
Own indicator	Operating cost per departing passenger	5, 81
Engaged leaders and employees		
103-1 – 103-3	Management approach	22–23, 50–53, 70–74, 81
Own indicator	Engaged leaders and employees – Pulse measurement	5, 17, 23, 73–74, 81

Cross-reference table, UN Global Compact

Since 2012, Swedavia supports the United Nations Global Compact and its ten principles. Swedavia's Sustainability Report 2021 also constitutes Swedavia's Communication on Progress (COP), which is an annual update on how the Group complies with the ten principles. The table shows where each Global Compact principle can be found in Swedavia's Annual and Sustainability Report 2021.

UN Global Compact's ten principles	Page reference and comments
Human rights	
1. Businesses should support and respect the protection of internationally proclaimed human rights in the spheres they can influence	50–53, 62–64, 66–69
2. Businesses should make sure that they are not complicit in human rights abuses	50–53, 62–64, 66–69
Labour	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	50–53, 62–64, 66–69
4. Businesses should work to eliminate all forms of forced and compulsory labour	54–55
5. Businesses should work to abolish child labour	Swedavia complies with the regulations in effect in laws and agreements for the protection of underage workers in the labour market. Children under 15 are not employed at Swedavia.
6. Businesses should eliminate discrimination in respect of employment and occupation	50–53
Environment	
7. Businesses should support a precautionary approach to environmental challenges	42–49
8. Businesses should undertake initiatives to promote greater environmental responsibility	42–49
9. Businesses should encourage the development and diffusion of environmentally-friendly technologies	42–49
Corruption	
10. Businesses should work against corruption in all its forms, including extortion and bribery	46, 53

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Area	Description	Page reference
Overall	Business model	16–17
Environment	Policies on environmental issues	46–49, 66–68
	Environmental permits	49
	Risks and risk management	61–65
	Goals and actual outcomes	22–23, 46–49
Social relations	Policies on social issues	50–53
	Risks and risk management	61–64
	Goals and actual outcomes	50–53
Human rights	Policies for human rights	54–55
	Risks and risk management	61–64
	Goals and actual outcomes	53, 55
Anti-corruption	Policy for work against anti-corruption	54–55
	Risks and risk management	46–47, 61–64
	Goals and actual outcomes	54–55

Reporting in line with TCFD recommendations

TCFD stands for the Task Force on Climate-related Financial Disclosures. The effects of climate change are clear and may eventually have a significant impact on Swedavia's operations. Climate change and environmental destruction may cause structural changes that will affect the company's economic activities. This may have a positive or negative financial impact.

Swedavia has chosen to gradually implement the recommendations in TCFD's framework, which enables Swedavia to identify, assess and manage the most important climate-related risks and opportunities the company faces.

Governance	Strategy	Risk management	Metrics and targets
Recommended disclosures	Recommended disclosures	Recommended disclosures	Recommended disclosures
A. Describe the Board's oversight of climate-related risks and opportunities. Page 66–67	A. Describe climate-related risks and opportunities the organisation has identified over the short, medium and long term Page 65	A. Describe the organisation's processes for identifying and assessing climate-related risks. Page 61–65	A. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. Page 20–23, 46–49
B. Describe management's role in assessing and managing climate-related risks and opportunities. Page 66–67	B. Describe the impact of climate-related risks and opportunities on the organisation's operations, strategy and financial planning. Page 20–21, 58–59, 66–67	B. Describe the organisation's processes for managing climate-related risks. Page 61–65	B. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and related risks. Page 46–49
	C. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario. Swedavia will develop its scenario work in 2022.	C. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management. Page 61–65	C. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. Page 20–23, 46–49

EU Taxonomy for sustainable investments

The EU Taxonomy is a classification system for assessing whether an economic activity is environmentally sustainable. The taxonomy is an important tool for achieving the EU's climate target objective and targets in the EU's green growth strategy, the European Green Deal.

In order for a given economic activity to be classified as environmentally sustainable, it must contribute significantly to one or more of the six environmental objectives adopted, not cause significant harm to any of the other targets and meet certain minimum sustainability requirements.

The conditions for "substantial contribution" and "significant harm" are specified in technical screening criteria laid out in delegated acts to the Taxonomy Regulation. This is Swedavia's first disclosure in line with the EU Taxonomy.

Swedavia is required to make disclosures under article 1.2c of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the Establishment of a Framework to Facilitate Sustainable Development and amending Regulation (EU) 2019/2088 (the Taxonomy Regulation).

Swedavia has made an assessment based on annexes to the Taxonomy Regulation (Annex I and Annex II) as to which of Swedavia's economic activities are relevant. The assessment resulted in a broad list of economic activities. Based on this broad list, Swedavia has made an assessment of which economic activities are material, in other words, which activities have a significant (material) proportion of Swedavia's total revenue (turnover) (in per cent and SEK) or a significant proportion of operating expenses (operational expenditure or OpEx), or whether a major investment (capital expenditure or CapEx) was made. These material activities are included in the Taxonomy Report for the year in question.

For the financial year 2021, the material economic activities that are considered to be included under the regulation's technical criteria are disclosed. This means that Swedavia has other economic activities that are defined in the taxonomy, but these are immaterial. Swedavia will continue to analyse the taxonomy and follow the market development. Adjustments may be made depending on how the taxonomy develops. For the financial year 2022, Swedavia's operations are considered to be disclosed in line with the criteria.

	Total (SEK M)	Proportion of economic activities that are taxonomy-eligible (%)	Proportion of economic activities that are not taxonomy-eligible (%)
Turnover	2,717	1	99
Operational expenditure	3,191	1	99
Capital expenditure	1,831	4	96

In the table, Swedavia discloses the proportion of turnover, capital expenditure and operational expenditure that is eligible under the taxonomy, in per cent and in kronor, as well as Swedavia's total turnover, capital expenditure and operational expenditure. The table shows Swedavia's figures for the financial year 2021, and the following assumptions have been made:

- The key performance indicator (KPI) for overall turnover was defined as revenue from property management in Real Estate and revenue from

the heating Swedavia charges for externally. It is mainly rental income in Real Estate that is included and income from the separate sale of heating from biofuels.

- The KPI for operational expenditure overall is for operating and maintenance costs related to construction and civil engineering works.
- The KPI for capital expenditure overall consists of total investments during the year. The proportion that is taxonomy-eligible is investments made in Real Estate and in facilities for heat production.

Key metrics

ACCIDENTS AND SERIOUS INCIDENTS

The terms are defined by Regulation (EU) no 996/2010. An accident entails that (i) a person has died or been seriously injured in connection with the aircraft during a flight, with the exception of natural causes, (ii) an aircraft has been subject to damage that seriously affects its performance or (iii) an aircraft is completely unreachable. A serious incident entails that circumstances show there was a high probability that an accident with an aircraft could have occurred during the flight.

ATTRACTIVE OFFERING OF ROUTES AND DESTINATIONS

Swedavia also measures the number of passengers, routes and destinations. Threshold values have been defined in the calculation for a twelve-month period in order to filter out flights that take place on an ad hoc basis and for which the general public cannot buy tickets.

AVERAGE NUMBER OF EMPLOYEES

The average number of employees is calculated based on hours worked. The average number of employees is 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.

BREACH OF TERMS

Swedavia's airports are subject to controls in compliance with environmental law and have environmental permits that specify how and to what extent airport operations may be carried out. A number of conditions for carrying out operations are included in the environmental permits. The majority of conditions regulate flight paths and noise, but conditions related to discharges to water and to the de-icing of runways and aircraft are usually included. Monitoring to ensure compliance with the conditions at the airports is carried out on a continuous basis and figures are compiled annually. The number of times terms are breached gives a picture of how well Swedavia has managed to comply with the conditions specified for the operation of the airports.

CAPITAL TIE-UP PERIOD

Volume-weighted average remaining maturity at the end of the period for interest-bearing liabilities. The metric clarifies the Group's financing risk.

CLIMATE CALCULATIONS

Climate calculations determine energy use and climate load based on resource use and emissions factors (life cycle assessment data) which describe energy use and emissions from the extraction, processing and transport of resources. Requirements for climate calculations are being developed and implemented. The goal is for these climate calculations to help Swedavia make informed decisions in choosing alternative solutions and materials.

COMMERCIAL SALES REVENUE PER DEPARTING PASSENGER*

Sales revenue from retail, food and beverage and from parking and entry divided by the number of departing passengers for the same period. The Group considers it a key metric for monitoring changes in commercial sales revenue.

CUSTOMER EXPERIENCE

In 2021, a new measurement method, Swedavia CX (SCX), was introduced to measure Swedavia's customer experience goal. The goal includes passengers, airlines and tenants. Measurements are taken on a regular basis.

For the passenger customer group, actual figures are compiled monthly and presented as an index. This figure was previously presented as a percentage. In 2021, the SCX was calculated for the passenger customer group at Stockholm Arlanda Airport and Göteborg Landvetter Airport. Measurement for other airports and customer groups were paused due to Covid.

CUSTOMER HEALTH AND SAFETY

To ensure the health and safety of the company's customers, Swedavia registers incidents at the company's airports in terms of the number of accidents, serious incidents and serious deficiencies in Swedish Transport Agency inspections.

DEBT/EQUITY RATIO*

Net liabilities divided by equity. This financial ratio is what the owner uses as a capital structure/gearing goal for the Group. The

metric is considered to be directly related to the Group's actual funding and financial risk.

DESTINATION/INTERNATIONAL DESTINATIONS

Destination is a city served by one or more airlines in which the total number of departures from each Swedavia airport reaches a given number during a twelve-month period. The number of international destinations is determined by the total of international cities that can be reached by direct flights in scheduled service from Swedavia's airports. Threshold values have been used in the calculation in order to filter out such charter flights that take place on an ad hoc basis and for which the general public cannot buy tickets.

EARNINGS PER SHARE

Profit for the year divided by the average number of shares less costs related to Swedavia's hybrid bond issues.

ENERGY USE

The metric includes electricity, district heating and cooling. Heating has been restated for a normal year.

ENGAGED LEADERS AND EMPLOYEES

Engaged leaders and employees is an index from Swedavia's employee survey. In 2019 and 2020, Swedavia changed its data collection method to pulse measurements, which give Swedavia an indication of how employees feel at the time of measurement. The questions that Swedavia asked its employees have varied somewhat between measurements. Swedavia reports and monitors this pulse metric as an average of all questions asked on a single occasion.

INTEREST-BEARING LIABILITIES

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

INTEREST RATE LOCK-IN PERIOD

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

KEY METRICS

INVESTMENTS*

Swedavia's investments in fixed assets and intangible assets including investment projects in progress. Swedavia is in an intensive development phase and its pace of capital spending is important to Swedavia's management and external stakeholders.

NET LIABILITIES

Interest-bearing liabilities plus pension liability less liquid assets.

NET REVENUE

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

OPERATING CAPITAL

Equity plus net liabilities.

OPERATING COSTS PER DEPARTING PASSENGER*

Total of Airport Operations' external expenses and staff expenses less the company's own capitalised work divided by the number of departing passengers for the same period. Swedavia considers it a key metric for monitoring improvements in cost-effectiveness.

OPERATING MARGIN*

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

OPERATING PROFIT EXCLUDING CAPITAL GAINS

Operating profit excluding capital gains as well as impairment losses and disposals. A key metric since Swedavia's management monitors operating profit excluding capital gains.

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

Operating profit excluding restructuring costs (mostly attributable to staffing changes), capital gains, impairment losses and disposals. A key metric since it is considered to provide a better understanding of the operating profit trend.

OWN EMISSIONS OF FOSSIL CARBON DIOXIDE AND CARBON FOOTPRINT

Own emissions of fossil carbon dioxide consist of fossil carbon dioxide emissions divided into Scope 1, 2 and 3. 2005 was chosen as the base year for reporting since Swedavia has worked strategically with climate and energy issues in its operations since 2006. Scope 1

includes vehicle fuels, own-produced (own-used and sold) electricity and heating, and fire-fighting exercise. Scope 2 includes purchased electricity and heating for own use. Scope 3 includes purchased heating that is then sold.

The carbon footprint for Swedavia's airports includes emissions from air traffic in the landing and take-off (LTO) cycle (flying below 3,000 feet including taxiing on the ground), passengers' ground transport to and from the airports and Swedavia's own operations, Scope 1, 2 and 3 as defined above. Reporting includes Swedavia AB and Swedavia's ten airports. Swedavia's construction operations are excluded from Swedavia's zero goal. Carbon dioxide emissions under Scope 1, 2 and 3 with respect to the company's zero goal are calculated based on data in Swedavia's SMIL environmental reporting system. Data for subsidiaries or associated companies in which it owns a minority interest and the offices in Norrköping are excluded. Energy purchased for the office in Norrköping is not measured by Swedavia's landlord since it is included in the rent. These emissions are thus calculated under Scope 3 in accordance with boundary principles in Airport Carbon Accreditation Guidance, which is the application of the Greenhouse Gas (GHG) Protocol for carbon dioxide certification specifically for the airport industry.

PASSENGER

Passenger is defined as a statistical event in which a person has departed from or arrived at one of Swedavia's airports by air. A departing passenger is thus a statistical event in which a person has departed from one of Swedavia's airports by air. Departing passengers are approximated based on the number of passengers divided by two.

PROFIT FOR THE YEAR

Profit after tax.

PUNCTUALITY AND DELAYS CAUSED BY THE AIRPORT

Punctuality is defined as when an aircraft is off block, that is, rolls out from the gate/aircraft parking stand, no later than 15 minutes and 59 seconds after scheduled departure time. "Delays caused by the airport," AF87, is one of the codes airlines can use when reporting a delay.

RETURN ON OPERATING CAPITAL*

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

ROUTES

Route is defined as a route served by an airline in which the number of departures reaches a given threshold value in a twelve-month period.

SERIOUS DEFICIENCIES IN SWEDISH TRANSPORT AGENCY INSPECTIONS

For unannounced inspections of operations carried out by the Swedish Transport Agency, assessment levels range from Serious Deficiency to Deficiency to Recommendation to Full Regulatory Compliance. A serious deficiency is defined as deviations judged to be serious and that could lead to consideration of restricting/revoking a security approval. When the inspector in charge considers classification of deviations as serious, consideration shall be given to the conditions viewed as system deficiencies or that affect a number of safety or security measures, so-called safety or security chains, before they can be classified as a "serious deficiency."

SUSTAINABLE AVIATION FUEL

Swedavia collects data on the quantities of sustainable aviation fuel (SAF) used for refuelling at Swedish airports. Swedavia reports the share of sustainable aviation fuel used, to Swedavia's knowledge, as a percentage of the total amount of kerosene grade jet fuel (Jet A-1) in Sweden used annually. The official statistic for SAF is published in the autumn of the following year by the Swedish Energy Agency.

WORKPLACE INCIDENT

An incident where someone has been affected, or could have been affected by an accident or illness. A workplace incident is considered to be an accident, incident, risk observation or work-related illness. All workplace accidents and workplace-related incidents and risk observations must be reported as soon as possible. All serious workplace accidents and serious incidents must be reported to the Swedish Work Environment Authority within 48 hours. The classification of what is a workplace accident is based on the Swedish Work Environment Authority's guidelines.

* Alternative key metrics according to guidelines from the European Securities and Markets Authority (ESMA) are marked with an asterisk (*).

Definitions

AIRPORT CARBON ACCREDITATION

ACA is a programme for measuring and grading how airports work to reduce their climate impact. Swedavia's ten airports are certified at what was previously the highest level, ACA 3+.

AIRPORT OPERATIONS

Airport Operations is one of Swedavia's two business segments. It owns, operates and develops Swedavia's airports.

AIRSIDE

Airside is the term for the area at the airport that begins at the security checkpoint and extends to the gates, passenger (aircraft) bridges, aprons and aircraft parking stands as well as taxiways and runways. Swedavia is responsible for aviation safety and security on airside.

AVIATION BUSINESS

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

COMMERCIAL SERVICES

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

FACILITIES AND SYSTEMS (ASSETS)

Business unit at Swedavia entrusted with the task of administering and developing the company's facilities and systems (assets) in a long-term sustainable manner.

GLOBAL REPORTING INITIATIVE

GRI sets guidelines for what a sustainability report should include, how it should be prepared and what indicators should be reported.

ISO 14001

ISO 14000 is the internationally accepted standard for environmental management.

LANDSIDE

Landside consists of the area including access roads, car parks and entrances adjacent to the airport terminals as well as parts of the airport's terminals. Landside extends up to the security checkpoint, which is where airside begins. Swedavia and the police share responsibility for safety and security on landside.

MISSION OBJECTIVE

Under its Articles of Association, Swedavia shall help to achieve Sweden's transport policy goals. The overall transport policy objective is to ensure socio-economically effective, long-term sustainable transport for citizens and businesses throughout the country.

NATIONAL BASIC INFRASTRUCTURE

Sweden's national basic infrastructure of airports consists of ten airports that the Government decided Swedavia should own. The decision is aimed at securing long-term operations under the auspices of the State and a long-term sustainable air transport system that guarantees basic inter-regional access throughout the country.

REAL ESTATE

Real Estate is the second of Swedavia's two business segments. It owns, develops and manages properties and developable land at and in the vicinity of Swedavia's airports.

REGIONAL AIRPORTS

Swedavia's regional airports include Kiruna Airport, Luleå Airport, Ronneby Airport, Umeå Airport, Visby Airport and Åre Östersund Airport.

SWEDAVIA CX

In 2021, a new measurement method, Swedavia CX, was introduced to measure Swedavia's customer satisfaction goal. The goal encompasses passengers, airlines and tenants. Measurements are carried out on a continuous basis. For the passenger customer group, figures are compiled monthly and presented as an index. In 2021, SCX was calculated for the passenger customer group at Stockholm Arlanda Airport and Göteborg Landvetter Airport. Measurements for the other airports and customer groups were paused due to Covid.

TCFD

The Taskforce on Climate-related Financial Disclosures is a framework used to identify companies' climate-related financial risks and opportunities.

TSFS

The Swedish Transport Agency's regulations.

UN GLOBAL COMPACT

Consists of ten principles based on the UN's Universal Declaration of Human Rights, the International Labour Organization's conventions on human rights in working life, the Rio Declaration and the UN's Convention against Corruption. Under the UN Global Compact, businesses are encouraged to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.

Auditor's limited assurance report of Swedavia AB's sustainability report and statement regarding the Statutory Sustainability Report

To Swedavia AB, corporate identity number 556797-0818

Introduction

We have been engaged by the Board of Directors of Swedavia AB to undertake a limited assurance engagement of Swedavia AB's Sustainability Report for the year 2021. The company has defined the scope of the sustainability report on pages 75-77 in this document, and the Statutory Sustainability Report on page 78.

Responsibilities of the Board of Directors and the Group Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 75 in the Sustainability Report and are part of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that Swedavia AB has developed. This responsibility also includes the internal control relevant to the preparation of Sustainability Report that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of historical financial information (revised). A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR12. The auditor's opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit

conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Swedavia AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusions

Based on the limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and the Group Management.

A Statutory Sustainability Report has been prepared.

Stockholm March 29 2022
KPMG AB

Tomas Gerhardsson
Authorized public accountant

Torbjörn Westman
Specialist member FAR

Green bonds fund green investments

In October 2019, Swedavia established its first Green Bond Framework in connection with the company's medium-term note programme. The framework facilitates funding through green bonds, and the company has so far issued 1.25 billion kronor in such bonds. That means a quarter of outstanding bonds in Swedavia's MTN programme were green as of December 31, 2021.

The green framework describes how bond proceeds are to be used and how management and reporting are to be carried out. One essential requirement needed for a project to be funded by green bonds is that it meets the requirements specified in Swedavia's Green Bond Framework, which in turn is based on the Green Bond Principles (2018). The framework includes the project:

- green buildings and infrastructure
- renewable energy
- clean transport
- energy efficiency
- pollution prevention and control.

Second opinion on Green Bond Framework

Swedavia's Green Bond Framework has been subject to an independent external review by CICERO Shades of Green (CICERO), which has also issued a second opinion for Swedavia's Green Bond Framework (Swedavia Green Bond Second Opinion, September 26, 2019). Four of the five project categories were given the highest rating, "Dark green". One of the categories, Green buildings and infrastructure, was given the rating "Light green".

In its assessment, CICERO emphasises that Swedavia is a role model for airports globally. CICERO has taken into consideration in its assessment the fact that the framework entails investments in infrastructure to enhance airport capacity, which could bring about an increased environmental impact related to air traffic. CICERO has given the framework's management and governance structure an "Excellent" rating.

The Green Bond Framework and Second Opinion can be read in their entirety at www.swedavia.com/about-swedavia/financial-information.

Investments identified under the framework

Swedavia's investments approved for green bond funding on December 31, 2021, totalled 2,371 million kronor. Of this approved amount, assets equivalent to 1,250 million kronor have been placed in Swedavia's green portfolio, which is equal to the amount of green bonds issued.

GREEN PORTFOLIO AND ALLOCATION BY CATEGORY

SEK M	Investments allocated	Amount paid	Amount (%)
Green buildings	630	630	50%
Sky City Office One, Arlanda	315	315	
Terminal South, Landvetter	315	315	
Renewable energy	162	162	13%
Aquifer, Arlanda	18	18	
Heat production facility, Arlanda	120	120	
Cooling production facility, Arlanda	24	24	
Clean transport	423	423	34%
Energy efficiency	35	35	3%
Pollution prevention and control	—	—	
Total amount	1,250	1,250	100%

GREEN BONDS ISSUED

Loan no.	Volume (SEK)	Issue date	Maturity (years)
122	1,000	Dec 12, 2019	5
125	250	May 26, 2020	5

Representatives of Swedavia's different business and operational areas are responsible for identifying potential environmental investments, and these are then assessed by a committee consisting of the CEO, CFO, Environmental Director, Treasurer and Head of Swedavia's investment portfolio. The committee is responsible for ensuring that the projects classified as green meet the requirements specified in Swedavia's Green Bond Framework.

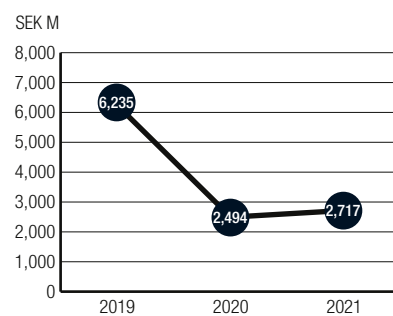
Read more in Swedavia's Green Bond Impact Report 2021 at www.swedavia.com/about-swedavia/financial-information

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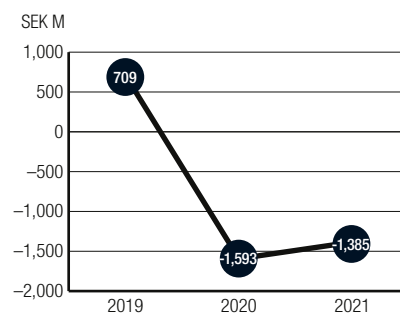
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NET REVENUE



OPERATING PROFIT



Report of the Directors

The Board of Directors and the President and CEO of Swedavia AB (publ), Swedish corporate identity number 556797-0818, hereby submit their annual accounts for Swedavia AB and the consolidated annual accounts for the Swedavia Group for the financial year 2021. The Report of the Directors is for the Group and Parent Company unless otherwise indicated.

Swedavia is a State-owned company that owns, operates and develops a network of ten airports in Sweden. Swedavia's operations are divided into two segments, Airport Operations and Real Estate. In 2021, Swedavia ran operations at ten airports – Bromma Stockholm Airport, Göteborg Landvetter Airport, Kiruna Airport, Luleå Airport, Malmö Airport, Ronneby Airport, Stockholm Arlanda Airport, Umeå Airport, Visby Airport and Åre Östersund Airport – in the national basic infrastructure of airports as determined by the Swedish Government. The airports are managed as and consolidated into an integrated airport system with shared corporate functions. Real Estate owns, develops and manages properties and developable land at and in the vicinity of Swedavia's airports. Swedavia's task from the Swedish State includes working actively based on sound business principles and with long-term profitability to develop the Swedish transport sector and help achieve the Parliament's transport policy objectives. The overall objective of Swedish transport policy is to ensure the socioeconomically efficient, long-term sustainable provision of transport to citizens and businesses throughout the country. As per the instructions of its owner, Swedavia shall measure and report results for five indicators in the areas of access, quality of transport, safety, security, and environment. Swedavia's operations are funded by the revenue generated from operations.

PURPOSE, VISION AND BUSINESS CONCEPT

Swedavia's purpose is "Together we enable people to meet" and its vision is "We develop the airports of the future and create sustainable growth for Sweden". The company's business concept is "Together with our partners, we shall create added value for our customers through attractive airports and access".

IMPORTANT EVENTS DURING THE YEAR

Like 2020, 2021 was a year that entailed great challenges both for Swedavia and the aviation industry. The Covid-19 pandemic has had a devastating impact on the aviation industry and a severe effect on Swedavia's operations and financial position. However, as vaccinations were rolled out and restrictions were eased, passenger volumes recovered during the third and fourth quarter, though from levels last seen in the early 1980s. There is still uncertainty about the trend in the short term and about what the recovery may look like in the long term.

During the year, 11.9 (10.3) million passengers flew to or from Swedavia's airports, an increase of 16 per cent compared to 2020 and a decrease of 70.4 per cent compared to 2019.

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.

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.

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.

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.

On July 1, 2021, Swedavia entered an agreement to sell two companies that own land at Göteborg Landvetter Airport in 2022.

The capital gain from the sale is expected 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.

In September 2022, Swedavia agreed to sell two land-owning companies with building rights in the logistics park at Göteborg Landvetter Airport. The plan is to build a modern, efficient logistics facility with a gross area of about 6,500 square metres in an area covering nearly 14,000 square metres of land. The underlying property value is SEK 20 M, and the capital gain from the sale is expected 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 was about SEK 13 M.

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 CO₂ 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.

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.

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

NET REVENUE AND PROFIT

During the year, the effects of the Covid-19 pandemic continued to have a major impact on air traffic, passenger volumes and Swedavia's operations and financial position.

Consolidated net revenue for 2021 was SEK 2,717 M (2,494), which is 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 was SEK 39 M (31).

Revenue from Aviation Business and Commercial Services totalled SEK 2,704 M (2,478), which is 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 and to higher real estate income, which totalled SEK 399 M (356). In 2021, State aid 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 the hotel property at Göteborg Landvetter Airport and restructuring aid of SEK 208 M (233). In 2020, a capital gain of SEK 427 M from the sale of a hotel property at Stockholm Arlanda Airport had a positive effect on other operating revenue.

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

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

Depreciation, amortisation and impairment losses totalled SEK 1,382 M (1,456), which is a decrease of SEK 73 M, and is due to impairment losses being SEK 137 M lower in 2021 than in 2020. Excluding impairment losses, the underlying increase was due 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 and lower external operating costs. In the Real Estate segment, operating profit totalled SEK 72 M (393), with the lower operating profit due to lower capital gains for the year compared to 2020.

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 is 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).

REPORT OF THE DIRECTORS

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).

CASH FLOW

Cash flow for the year was SEK 638 M (1,385).

Cash flow from operating activities for the full year was negative and totalled SEK -293 M (-435), which is 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 negative 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.

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.

Swedavia's financial targets set by its owner	Actual, 2021	Policy
Return on operating capital, %	-6.3	6.0
Debt/equity ratio, times	0.8	0.7-1.5
Dividend pay-out ratio, %	—	10-50

Financial metrics	Actual, 2021	Actual, 2020	Policy
Average interest rate, %	1.3	1.2	n/a
Interest rate lock-in period, years	2.9	3.3	1-4
Capital tie-up period, years	4.4	4.2	2-5

THE GROUP IN BRIEF¹

SEK M, unless otherwise indicated	2021	2020	2019	2018	2017
Net revenue	2,717	2,494	6,235	5,922	5,745
Operating profit	-1,385	-1,593	709	682	651
Operating margin, %	-51.0	-63.9	11.4	11.5	11.3
Profit for the year	-1,182	-1,282	583	517	407
Return on operating capital, %	-6.3	-7.5	4.6	4.6	5.1
Debt/equity ratio, times	0.8	1.0	1.1	1.1	1.0
Investments	1,831	2,856	3,460	3,195	3,866
Dividend	—	—	—	—	122
Average number of employees	2,244	2,600	3,050	3,217	3,074
Number of passengers, million	11.9	10.3	40.2	42.0	41.9
Operating costs per departing passenger, SEK	526.2	677.5	212.6	200.7	192.9
Commercial sales revenue per departing passenger, SEK	86.9	98.0	81.0	75.2	75.7

¹ For key metrics and definitions, see pages 81-83.

ECONOMIC TARGETS

Swedavia's economic targets consist of a profitability target, which is a return on operating capital of at least 6 per cent, and a capital structure target, which is a debt/equity ratio within the range of 0.7–1.5 times. These economic targets are long-term, which means actual outcomes may exceed or fall below the targets as a result of fluctuations in the general economic trend for some years. The return on operating capital was –6.3 per cent (–7.5), which is significantly lower than the long-term target set of at least a 6 per cent return on operating capital. The deviation is largely explained by the SEK 1,385 M operating loss. The debt/equity ratio was 0.8 times (1.1), which is within the range of 0.7–1.5 times for the capital structure target.

DIVIDEND TARGET

The normal dividend shall be between 10 and 50 per cent of the year's profit after tax. Dividend decisions shall take into consideration the company's operations, implementation of the company's strategy and its financial position. Special consideration shall be given in this assessment to the company's estimated ability to achieve its capital structure target (a debt/equity ratio of 0.7–1.5 times).

SHARES

Swedavia AB (publ) has issued 1,441,403,026 shares, which comprise a single share class, and all shares have equal voting rights in the company. All shares are held by the Swedish State; the State's holdings in Swedavia are administered by the Ministry of Enterprise and Innovation as of December 31, 2021. The par value of a share is one (1) Swedish krona.

ACQUISITIONS AND DISPOSALS

In June 2021, Swedavia sold its wholly owned subsidiary Hotel 1 Landvetter AB, which owns the hotel property for the recently opened hotel Scandic Landvetter at Göteborg Landvetter Airport. The sale resulted in a capital gain of SEK 78 M. In October, 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 capital gain was SEK 13 M.

MARKET AND FUTURE TRENDS

The Covid-19 pandemic, which began in 2020, also had an enormous impact on Swedavia's operations in 2021. In order to limit the spread during the pandemic, Sweden and most countries around the world introduced restrictions to varying degrees, which among other things reduced air travel around the world to a significant extent. In 2020, air travel decreased 74 per cent compared to the year before the pandemic, and in 2021 the decrease was 70 per cent compared to 2019. Due to increased vaccination rates during the first half of 2021, the spread of Covid-19 decreased and restrictions were gradually eased, which enabled an increase in travel. During the third quarter of 2021, air traffic began to recover, with passenger volumes increasing to more than 50 per cent of their pre-pandemic levels. Towards the end of the fourth quarter, the new Omicron variant began to spread widely, which led to the implementation of new restrictions and a fall in passenger volumes.

At present, it is difficult to make forecasts of future passenger trends given continued uncertainty about the spread of the disease and any new variants. Swedavia instead works on a continuous basis with assessments of what passenger volumes may be going forward in the form of different scenarios. Since there is great uncertainty about the trend going forward, preparations must be in place to manage both a high and low scenario, both in operational and financial terms. These scenarios are the best assessment that can be made based on available facts at each point in time. However, the scenarios are associated with a very high level of uncertainty, which means that operational and economic planning needs to be flexible and be able to manage quick and unforeseen changes.

Along with the direct effects of the spread of Covid-19 on air travel, there is also the risk of a long-term negative impact on the global economy, which may affect demand for flights in the longer term. There is great uncertainty about the short-term trend but also about what the recovery may look like in the longer term. It is thus not relevant at present to provide any forecast or scenario for the short- and long-term trend.

SENSITIVITY ANALYSIS

A sensitivity analysis shows how a change in different parameters, both internal and external, would affect the company's performance and financial position.

The three parameters that have the greatest impact on performance are passenger volume, staff expenses and interest rates. Swedavia's situation can generally be described as one where revenue essentially is variable while costs are relatively fixed. That means flexibility is limited in terms of the ability to adjust costs in case revenue should fall.

Parameter	% Effect on profit, SEK M/year	
Passenger volume	+1/–1	+16/–16
Salary level	+1/–1	–16/+16
Interest rate level	+1/–1	–4/–17

Passenger volume

The number of passengers who fly to or from one of Swedavia's airports constitutes the basic condition for all revenue the company generates. About 54 per cent of Swedavia's total revenue comes from Aviation Business and consists of infrastructure services aimed at airlines and ground handling companies. This revenue consists of airport charges, including passenger and take-off charges, which are related to the number of passengers, the number of aircraft movements and aircraft take-off weight in tonnes. There is also revenue from ground handling, which includes revenue for de-icing, apron (ramp) and freight forwarding services, and passenger reimbursements for security screening. A change in the number of aircraft movements, tonnage or number of passengers has a direct impact on Swedavia's revenue. Swedavia's sales revenue from Commercial Services is revenue from commercial services connected to the airports. This consists of revenue from parking and the leasing of

premises for shops, offices, restaurants and logistics. Rental income is based largely on its tenants' sales revenue, which in turn depends directly on the number of passengers at the airport. An increase in passenger volume means increased revenue for Swedavia while a decrease means decreased revenue. The correlation between percentage change in passenger volume and percentage change in revenue is not linear but is an effect of growth discounts and price differences, partly because rental revenue is dependent on sales revenue and is affected by shopping behaviour. For 2021, the sensitivity analysis has been calculated based on the actual figure for the year, which was significantly affected by the effects of the Covid-19 pandemic. A 1 per cent increase in passenger volume is estimated to increase Swedavia's revenue by SEK 16 M (14) on an annualised basis.

Salary level

With an average of 2,244 employees (2,600) Swedavia had staff expenses totalling SEK 1,484 M (1,550). A 1 per cent increase in staff expenses would increase Swedavia's staff expenses by SEK 16 M (17) on an annualised basis.

Interest rate level

As of December 31, 2021, Swedavia had external loan financing totalling SEK 9,672 M (9,734), which constituted 38 per cent (40) of the balance sheet.

As of December 31, 2021, 96 per cent (86) of Swedavia's external financing is fixed rates, which consisted of loans with fixed interest rates and interest rate derivatives. A 1 per cent increase in interest rates would raise Swedavia's interest expense by SEK 4.0 M (13.3), which means that profit after financial items would decrease by the same amount. A 1 per cent decrease in interest rates would increase Swedavia's interest expense by SEK 16.8 M (–0.8) and thus decrease profit after financial items by the same amount. Current lock-in periods and financial instruments are taken into account in calculating the sensitivity analysis.

Other factors that affect profit

There are also other factors that could have an impact on profit in both the short and long term. One critical factor, especially in the long term, is the environmental permits required for Swedavia's operations. A change in these could affect operations on a large scale. In the short term, a pandemic, extreme weather conditions or a natural disaster constitute the main factors that have an immediate impact on air traffic and thus a negative impact on revenue. Swedavia is sensitive to policy decisions that can affect air traffic as well as to changes in the general public's attitudes to air traffic.

ONGOING LITIGATION AND DISPUTES

Swedavia is a party to ongoing litigation and disputes. Legal proceedings and disputes are unpredictable by nature, and the actual outcome may deviate from the assessments Swedavia has made. During the second quarter of 2020, 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. Court proceedings began in the first quarter of 2022.

FINANCIAL RISKS

Swedavia's operations are exposed to a number of different financial risks, such as changes in exchange rates, commodity prices and interest rates or when the prevailing market conditions and capital structure give rise to refinancing risks and credit risks. For information about targets and the principles applied in financial risk management and for each important type of planned transaction for which hedging is used, the hedging principles applied and exposure to price risks, credit risks, liquidity risks and cash flow risks, see Note 47 "Financial risks".

REMUNERATION TO EXECUTIVE OFFICERS

The term "executive officers" refers to the people who together constitute the executive management and/or report directly to the President and CEO. The Swedish government decided on new principles for remuneration and other terms of employment for executive officers in companies with State ownership on February 27, 2020. These principles for remuneration and other terms of employment for executive officers are then adopted annually by Swedavia, which was done at Swedavia's Annual General Meeting on April 28, 2021. Swedavia follows the State's principles for terms of employment for executive officers in companies with State ownership. Information about those involved and the company's process for handling remuneration to executive officers is presented in Note 8 on pages 123–125.

OPERATIONS SUBJECT TO A PERMIT OR AN OBLIGATION TO REPORT

Swedavia's operations subject to a permit consist primarily of environmentally hazardous operations under Chapter 9 of the Swedish Environmental Code (mainly airport operations), and water operations under Chapter 11 of the Swedish Environmental Code (ponds, water treatment facilities and groundwater run-off). Each airport must have an environmental permit to allow airport operations.

STATUTORY SUSTAINABILITY REPORT

In accordance with the Swedish Annual Accounts Act, Chapter 6 Section 11, Swedavia has chosen to prepare the statutory Sustainability Report as a separate report from the Annual Report. The scope of the Sustainability Report is described on page 78 in the Annual and Sustainability Report.

EVENTS AFTER THE BALANCE SHEET DATE

On March 21, 2022, four wholly owned subsidiaries – Logistic 4.1 Landvetter AB, Logistic 4.2 Landvetter AB, Logistic 4.3 Landvetter AB and Logistic 4.4 Landvetter AB – in the logistics park at Göteborg Landvetter Airport were sold, in line with the two agreements signed in September 2021 and October 2021. The capital gain from the sale was SEK 45 M.

PARENT COMPANY

The Parent Company's net revenue for the year was SEK 2,698 M (2,442), which is 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). Like last year, operating profit was negatively affected by the impact of Covid-19. Operating profit was positively affected by lower external costs and staff expenses of SEK 330 M despite increased traffic volumes compared to 2020, mainly due to adjustments in the organisation and cost restraint. Profit before tax was SEK –1,056 M (–1,724) and profit for the year was SEK –898 M (–1,409).

The Parent Company's non-current assets totalled SEK 20,540 M (19,825) and consist mostly of fixed assets at a value of SEK 18,248 M (17,786). Current assets totalled SEK 4,015 M (3,895), with SEK 2,100 M (1,457) of this liquid assets. Equity totalled SEK 10,204 M (8,551). In November 2021, Swedavia issued SEK 2,500 M in hybrid bonds. The Parent Company's liabilities and untaxed reserves totalled SEK 14,351 M (15,140) and consist mostly of interest-bearing liabilities. For further information, see the Parent Company's financial reports and related notes and comments.

DISTRIBUTION OF PROFIT

The proposed distribution of profit is based on the Annual and Sustainability Report 2021. The proposed distribution of profit, income statement and balance sheet of the Parent Company, and the statement of comprehensive income and the report on the financial position of the group will be presented for approval at the Annual General Meeting on April 25, 2022.

In its proposal for the distribution of profit, the Board proposes that the shareholder at the Annual General Meeting 2022 decide that Swedavia AB not pay any dividend for the financial year 2021 but that available funds be carried forward.

The following unrestricted equity at the disposal of the Annual General Meeting, SEK:

Share premium account	2,161,354,539
Hybrid bond	3,500,000,000
Retained earnings	3,983,215,775
Profit for the year	–898,346,638
	8,746,223,676

The Board of Directors proposes that the profit be allocated as follows:

To be carried forward	8,746,223,676
of which to the share premium account	2,161,354,539
of which to the hybrid bond	3,500,000,000
of which to retained earnings	3,084,869,137

The owner's financial targets for Swedavia AB are a return on operating capital of at least six per cent and a debt/equity ratio of 0.7–1.5 times. Decisions on dividends shall take into consideration the

company's operations and capital structure target. Furthermore, in accordance with the company's dividend policy, the dividend shall be between 10 and 50 per cent of the profit for the year. Return on operating capital for 2021 was –6.3 per cent, which is not in line with Swedavia's profitability goal. The debt/equity ratio was 1.0 times, which is within the range of the capital structure target of 0.7–1.5 times.

In view of the impact that the Covid-19 pandemic continued to have on Swedavia's operations, profit and financial position in 2021 and given future uncertainties, the Board has decided to propose to the company's shareholder at the Annual General Meeting on April 25, 2022, that no dividend be paid and that the available funds instead be carried forward.

ANNUAL GENERAL MEETING

Swedavia AB's Annual General Meeting will take place on April 25, 2022. The Annual Report and other financial reports will be available on Swedavia's website www.swedavia.com.

CALENDAR

Annual and Sustainability Report 2021	Mar 30, 2022
Annual General Meeting 2022	Apr 25, 2022
Interim Report Jan–Mar 2022	Apr 25, 2022
Interim Report Jan–Jun 2022	Jul 19, 2022
Interim Report Jan–Sep 2022	Oct 31, 2022
Year-End Report 2022	Feb 15, 2023

For other matters concerning the company's results and position, see the income statements and balance sheets below.

Corporate Governance Statement

Swedavia AB (publ)

Swedavia AB is a Swedish limited liability company with its registered office in the Municipality of Sigtuna. Swedavia's operations are described in the company's Articles of Association as financing, owning, managing, operating and developing airports with their appurtenant buildings and facilities, as well as owning and managing properties. Swedavia shall also take an active part in the development of the Swedish transport sector and help achieve the transport policy goals set by the Swedish Parliament based on sound business principles.

All shares in Swedavia AB are owned by the Swedish State. The Ministry of Enterprise and Innovation represents the Swedish State's shares at Swedavia's Annual General Meeting and general meetings and thereby nominates Board members for Swedavia.

CORPORATE GOVERNANCE

Swedavia's corporate governance is regulated by external legal frameworks such as applicable EU regulations, the Swedish Companies Act and other applicable Swedish laws, the State's ownership policy and the Swedish Code of Corporate Governance (the Code). The Government specifies in the State's ownership policy and 2020 principles for State ownership (the State's ownership policy) that the State applies good corporate governance and gives an account of its position on important matters of principle concerning corporate governance of all State-owned companies. Among other things, the decision has been made that all companies in which the State owns a majority of shares shall apply the Swedish Code of Corporate Governance. The Code is applied based on the "comply or explain" principle, which means that deviations from the Code are allowed but must be explained. Swedavia follows the OECD's guidelines for corporate governance

and for anti-corruption and integrity in State-owned companies.

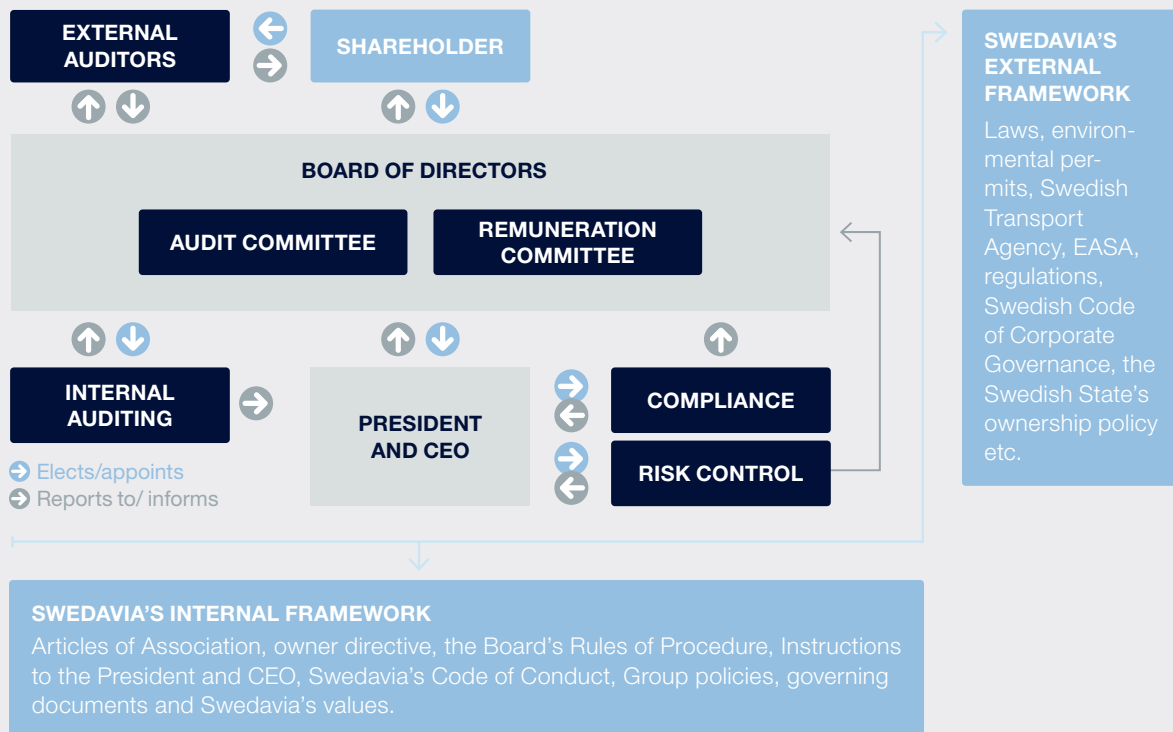
Under the Swedish Companies Act and the Code, the Board of Directors is responsible for Swedavia's internal control. The Board has decided that Swedavia shall apply a framework for documentation and analysis of internal control issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

Swedavia's corporate governance structure is illustrated in the chart below.

DEVIATIONS FROM THE CODE

Swedavia is wholly owned by the Swedish State, and the principles that the Swedish State applies in its ownership policy are generally in agreement with the rules in the Code. However, under the State's ownership policy, Code regulations regarding the selection of Board members are replaced by a special nomination process that applies to companies wholly owned by the State. The primary reason for deviations from the Code is that Swedavia has only one owner whereas the Code is aimed at listed companies with dispersed ownership.

The State's ownership policy also deviates in reporting the independence of Board members relative to major shareholders. The State's



Code requirements	Deviation	Explanation/comment
Code rules 1.2–1.3 and 2.1–2.7, 8.1 and 10.2 The company has a Nomination Committee that represents the company's shareholder.	No Nomination Committee has been set up.	The Nomination Committee has been replaced by the owner's nomination process.
Code rules 4.4, 4.5 and 4.6 The Corporate Governance Statement shall include information about whether Board members are independent of major shareholders.	Dependency relationship with major shareholders is not reported.	The State's ownership policy states that the relevant provision in the Code is mainly aimed at protecting minority owners in companies with dispersed ownership. In State-owned companies, there is no reason to report such independence.

ownership policy specifies that the relevant provisions in the Code are primarily aimed at protecting minority shareholders in companies with dispersed ownership so there is no reason to report such independence.

GENERAL MEETING

The General Meeting is the company's highest governing body, where the shareholder exercises its influence. The matters considered at the General Meeting are regulated by the Swedish Companies Act.

Under the State's ownership policy, the Annual General Meeting (AGM) shall be held no later than April 30. Members of Parliament are entitled to take part in the meeting and ask questions in conjunction with this. The general public shall also be given the opportunity to take part in the meeting. Among other activities, the AGM shall appoint the Board and external auditor, decide on remuneration to them and adopt the income statement and balance sheet. The Board shall also present principles for remuneration to executive officers at the AGM.

Decisions at the AGM are adopted by a simple majority of the votes given. However, for decisions concerning a change in the Articles of Association, a qualified majority is required.

ANNUAL GENERAL MEETING

Swedavia's Annual General Meeting 2021 was held on April 28, 2021. The AGM was not open to the general public due to the spread of Covid-19. Minutes from the AGM are available on Swedavia's website.

At the AGM, it was decided that the number of members elected to the Board of Directors shall be nine with no deputy members. The AGM decided to re-elect Tor Clausen, Nina Linander, Lotta Mellström, Lars Mydland, Eva Nygren, Per Sjödel, Lottie Svedenstedt, Åke Svensson and Annica Ånäs as Board members. Åke Svensson was elected Chairman of the Board by the AGM.

The AGM adopted the Annual Report Annual and Sustainability Report for 2020 and discharged the Board members and the President and CEO from liability for the financial year 2020. The AGM also decided, in accordance with the Board's proposed distribution of profit, that no dividend should be paid to the owner. The decision was in accordance with the dividend policy.

The AGM also decided to adopt principles for remuneration to executive officers, the Swedish State's ownership policy and principles for external reporting in companies with State ownership. At the AGM, the accounting firm KPMG AB was elected to be the company's auditor. The accounting firm has designated Tomas Gerhardsson as principal auditor.

NOMINATION PROCESS FOR BOARD OF DIRECTORS

For companies that are wholly owned by the Swedish State, a nomination process that complies with the Swedish State's ownership policy is applied, replacing the Code's rules for appointing Board members.

The nomination process for Board members is managed and coordinated by the State ownership unit at the Ministry of Enterprise and

Innovation. A working group analyses the need for talent based on the company's operations, situation and future challenges, the composition of the Board and Board assessments carried out. After this, it is determined whether there are any recruitment needs and recruitment work is initiated. Members are selected from a broad recruitment base. When the process has ended, the nominations are announced in accordance with the provisions of the Code.

BOARD OF DIRECTORS

The work and responsibilities of the Board

According to the Swedish Companies Act and the Swedish State's ownership policy, Swedavia's Board is responsible for the company's organisation and management of the company's operations. The Board establishes the Rules of Procedure each year for the Board's work, instructions for the division of labour and responsibilities between the Board and the President and CEO, and instructions for economic reporting to the Board. The Board's duties include determining the company's overall strategies, mission objectives, goals and targets as well as ensuring that there are appropriate systems for monitoring and controlling the company's operations and the risks to the company associated with its operations. The Board is responsible for ensuring that the company develops an overall strategy and adopts strategic goals in a sustainable and responsible way to ensure long-term sustainable value creation. The Board's Rules of Procedure also regulate the Chairman's duties and information to the Board.

Under the Board's Rules of Procedure, at least eight Board meetings for which preparations are made in advance shall be held per calendar year in addition to the statutory Board meeting. Additional meetings may be held when justified by events of major importance. The Board is responsible for financial reporting and has regular meetings through the Audit Committee with the company's auditor. Furthermore, the auditor meets the full Board at least once a year, when no member of the executive management is in attendance.

The Board assesses its work and that of the President and CEO on a continuous basis and gives particular consideration to this matter at least once a year.

Composition of the Board

At the AGM 2021, it was decided that the number of Board members shall be nine. There are also two regular employee representatives and their two deputies on the Board. An account is given on pages 100–101 of each Board member's age, education, main work experience, other important duties outside the company and number of years as a member of Swedavia's Board. Swedavia's executive management has adopted a policy on equal treatment and diversity with the aim of being an inclusive employer that considers people's competences, capabilities and appropriate attitudes. Swedavia shall be a role model in sustainable development by working actively for the equal rights and value of all people and

affirming diversity and differences. This policy is applied by the Board of Directors in the recruitment of executive officers and by the entire Group in all other recruitment. The owner follows the Swedish State's ownership policy and applies the ownership policy's Board nomination process and principles for Board composition, which also take diversity aspects into consideration.

The AGM 2021 elected nine members, four men and five women. The employee representatives in 2021 were two men. The average age of Swedavia's Board members, including the employee representatives, was 60.

Chairman of the Board

The Chairman of the Board is elected at the AGM. Under the Rules of Procedure for Swedavia's Board of Directors, the Chairman shall ensure that the Board's work is managed effectively and that the Board fulfils its duties. The Chairman's duties include organising and managing the Board's work, keeping in regular contact with the President and CEO and ensuring that the Board is given sufficient information and material to make decisions in its work.

The Chairman is also responsible for coordinating the Board's views relative to the owner on issues of critical importance to the company, maintaining a dialogue with the owner concerning the monitoring of objectives, goals and economic targets and communicating these to the Board.

The Board's work in 2021

The Board held eight regular Board meetings, three extraordinary meetings and one statutory meeting in 2021. The meetings in 2021 dealt in particular with the ongoing Covid-19 pandemic and related issues. Among other matters, the meetings also dealt with business operations including strategic development, instructions for economic reporting and the Annual and Sustainability Report and related reports. The Board also dealt with investments, procurements and Swedavia's pricing model for airlines.

Among the main issues dealt with by the Board in 2021 were:

- The company's situation in connection with the Covid-19 pandemic
- Investments in the development plan for Stockholm Arlanda Airport
- Financing and capital structure issues
- Bromma Stockholm Airport and the commission's report on the airport's closure
- Implementation of the "New Normal" change project
- Strategic development
- Access and new air links
- Major tender processes
- Governing documents*
- Internal control
- Risk management and risk assessment
- Financial reports
- Reporting from internal and external audits
- IT security
- Work with aviation safety and security
- Swedavia's and the industry's work for the transition to net-zero operations
- The EU Taxonomy and Climate-related Financial Disclosures (TCFD)

* In addition, at the annual statutory meeting the Board adopts a Code of Conduct, a number of Group policies, the Rules of Procedure for the Board, committees and the Ethics Council, instructions to the President and CEO, and governing documents adopted by the Board.

The Board's committee work

Swedavia's Board of Directors has an Audit Committee and a Remuneration Committee. The committees prepare matters for the Board meetings. Guidelines for the committees' work are found in the Rules of Procedures for each committee.

The Audit Committee's tasks include being responsible for preparing the Board's work to quality assure and prepare the company's financial reports and maintain an ongoing dialogue with the company's auditors. Minutes for each committee meeting are attached to the summons for the next Board meeting. In 2021, the Audit Committee held nine meetings, for which minutes were kept, one of which was held by correspondence. The company's internal and external auditors attended the meetings. During the year, among the matters dealt with by the Audit Committee were financial reports and up-to-date risk reporting, internal control logs and the external auditor's reporting on internal control. The Audit Committee also dealt with internal auditing's reports and had a detailed review of financial matters and the EU Taxonomy.

The Audit Committee also assessed its internal auditors, examined and monitored the impartiality and independence of its external auditor and examined whether the external auditor did not provide any advisory services that affected its impartiality. The committee submitted a recommendation for the election of an external auditor to the AGM. Since the 2021 statutory Board meeting, the Audit Committee includes Board members Nina Linander, Lotta Mellström and Åke Svensson. The committee appointed Nina Linander as Chairman.

The Remuneration Committee's task is to prepare matters concerning remuneration and other terms of employment for executive officers. The committee shall also assess compliance with decisions regarding remuneration made at the AGM. Minutes for each committee meeting are attached to the summons to attend the next Board meeting. The Remuneration Committee held four meetings in 2021, for which minutes were kept.

During the year, among the matters dealt with by the Remuneration Committee were overall remuneration and terms of employment for the team of executive officers and head of internal auditing. The committee also prepared matters concerning the New Normal project, including volume adjustments and an adjusted organisation. The committee furthermore prepared matters for the assessment of the Board of Directors, including an assessment of the work of the President and CEO, which was then carried out under the Board's auspices. The committee likewise reviewed the results and monitoring of Swedavia's continuous pulse measurements regarding employee feedback and in particular workplace issues during the ongoing Covid-19 pandemic.

The committee also reviewed the President and CEO's succession planning and leadership development for executive officers. Since the 2021 statutory Board meeting, the Remuneration Committee includes Åke Svensson as Chairman, Lotta Mellström, Per Sjödel and Lottie Svedenstedt as members and Robert Olsson as employee representative.

Assessment of the Board's work in 2021

During the year, the work of the Board and of the President and CEO was assessed, at the Chairman of the Board's initiative, through a methodical, structured process under the Board's auspices. The assessment is aimed at preparing a good basis for the Board's own development work, among other aspects. The results of the assessment are reported by the Chairman of the Board to the owner. Based on this assessment, the Board adopts measures to develop the Board's working methods and effectiveness. In addition to the annual assessment, the Board conducts a brief assessment of each Board member.

Remuneration of the Board

Compensation to the Board is decided by the AGM. The Chairman of the Board is paid a fee of SEK 460,000, and each member is paid SEK 230,000. It was also decided at Swedavia's AGM that no specific remuneration should be paid to the Board's employee representatives or members employed in the Swedish Government Offices. The Chairman of the Audit Committee is paid a fee of SEK 42,000 and the committee members are each paid SEK 24,000. A fee of SEK 25,000 for the Chairman of the Remuneration Committee and SEK 20,000 for each of the members was decided.

THE PRESIDENT AND CEO AND THE EXECUTIVE MANAGEMENT

The Board of Directors appoints the company's President and CEO. Jonas Abrahamsson was Swedavia's President and CEO in 2021. The President and CEO is responsible for the day-to-day management of the company in conformity with the Board's guidelines and instructions. Within the bounds determined by the Board, the President and CEO manages operations and keeps the Chairman of the Board continuously informed about significant business matters. The President and CEO shall organise the company's management to meet the aims set for governance and control of operations. Other executive officers are appointed by the President and CEO. The executive management is a forum for information, discussions and decisions for Group matters.

Executive management meetings are chaired by the President and CEO and normally held each month. In 2021, the executive management met far more frequently to manage the effects of the ongoing Covid-19 pandemic. Swedavia's executive management, including the President and CEO, is presented in more detail on pages 102–103.

Remuneration to executive officers

The State's ownership policy contains principles for remuneration and other terms of employment for executive officers. At Swedavia's AGM on April 28, 2021, it was decided that these principles shall apply to Swedavia. Similar principles are applied in Swedavia's subsidiaries.

Swedavia does not use variable remuneration for executive officers.

Remuneration to executive officers is disclosed in Swedavia's Annual and Sustainability Report as well as in the remuneration report presented to the AGM.

Subsidiaries and associated companies

Swedavia had two subsidiaries at year-end 2021: Swedavia Real Estate AB, which in turn is the parent company of a property group, and Swedavia Airport Telecom AB. During the year, the former subsidiary Swedavia Energi AB merged with the Parent Company, Swedavia AB. Through Swedavia Real Estate, Swedavia also has one associated company, Swedish Airport Infrastructure. Joint ventures are strategic partnerships and jointly owned companies in which Swedavia does not have a controlling interest. There is an officer from Swedavia's executive management on the Board of every subsidiary and associated company in the Group.

The Parent Company, Swedavia AB, has decided on an owner directive to be applied in all Group companies and which is aimed at ensuring consistent management principles.

AUDITORS

External auditing

Under the Swedish State's ownership policy in effect at the AGM 2021, the company's Board of Directors submits proposals for the election of an auditor after a recommendation from the Audit Committee. The final decision on the choice of auditor was made at the AGM. The auditor's duties are to examine the financial reporting of the company and the Group as well as the administration of the company by the Board and the President and CEO. At Swedavia's AGM on April 28, 2021, the audit firm KPMG was elected as auditor. Audit duties are to be performed until the end of the AGM held in 2022. KPMG designated authorised public accountant Tomas Gerhardsson as principal auditor. Tomas Gerhardsson had no duties in other companies that affect his independence as an auditor for Swedavia. A limited amount of remuneration has been paid to the auditor and accounting firm for auditing and audit-related advice,

Facts about the Board of Directors

Members elected at the AGM	Main Board	Attendance Board meetings	Year elected	Attendance Audit Committee	Attendance Remuneration Committee
Åke Svensson	Chairman	12/12	2016	9/9	4/4
Tor Clausen	Member	12/12	2020		
Nina Linander	Member	12/12	2020	9/9	
Lotta Mellström	Member	12/12	2015	9/9	4/4
Lars Mydland	Member	12/12	2014		
Eva Nygren	Member	11/12	2020		
Per Sjödel	Member	11/12	2020		2/4 ¹
Lottie Svedenstedt	Member	12/12	2010		4/4
Annica Ånäs	Member	11/12	2020		
Employee representatives					
Robert Olsson	Member	12/12	2010		4/4
Agne Lindbom	Member	10/12	2018		
Conny Moholi	Deputy member	3/12	2018		
Mikael Nordenståhl	Deputy member	0/12	2018		

¹ Per Sjödel was elected to the Remuneration Committee on April 28, 2021.

which is monitored by the Audit Committee. EY AB has been engaged for other accounting and tax advice.

Internal auditing

The Board has a special internal auditing function at Swedavia to support the Board in carrying out its oversight and assessment of the company's operations, internal governance and control which reports to the Board. The Board has adopted instructions for internal auditing, which in 2021 consisted of two auditors.

THE BOARD'S REPORTING ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Under the Swedish Companies Act and the Code, the Board is responsible for internal control of financial reporting. Under the Code and the Annual Accounts Act, the Board must submit a description each year of the most important features of the company's system for internal control over and risk management of financial reporting. The Board has a formalised procedure for ensuring that there is compliance with the established method for financial reporting and internal control. The Board receives reports with feedback on monitoring the status of measures taken based on recommendations from internal auditing and external auditing concerning internal control at the company. Internal control over financial reporting is aimed at providing reasonable assurance about the reliability of the external reporting and that it is prepared in compliance with laws, appropriate accounting principles, specific requirements from the owner and other requirements for limited liability companies.

The Corporate Governance Statement has been prepared in accordance with the Swedish Annual Accounts Act and the Code of Corporate Governance and is restricted to internal control over financial reporting.

The Board has decided that Swedavia shall follow the established Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework for internal control. The COSO framework consists of five interdependent components: the governance and control environment; risk assessment; control activities; information and communication; and monitoring and assessment.

The governance and control environment

The basis of Swedavia's internal control consists of the control environment, which is comprised mainly of the organisational structure and governing documents such as the Code of Conduct and Group policies. Swedavia's Board has established rules of procedure for its work and the work of the committees. Some of the Board's work entails developing, updating and adopting a number of basic Group policies in line with the State's ownership policy that govern the company's work. The control environment is aimed at providing operations with the conditions for carrying out their tasks in a clear way in accordance with the Board's goals, targets and intentions as well as influencing control awareness and risk awareness in the organisation. This is done by delegating responsibility and authority to the company's managers and employees.

The control environment consists essentially of external documents such as laws, agreements, generally accepted accounting principles, the ownership policy and guidelines as well as other internal governing documents. The control environment also consists of the Board's Rules of Procedure and instructions to the President and CEO. The President and CEO has adopted rules of procedure for Swedavia that among other things delegate responsibility and authority to members of the executive management concerning their mandate to enter agreements, make investment decisions and authorise invoices.

There are specific rules for investment decisions. The Code of Conduct and all Group policies are reviewed annually and adopted by the Board and executive management. They are then made available on the company's intranet, where employees can access them.

The table of Swedavia's governing documents below specifies what policies the Annual General Meeting, the Board of Directors and executive management decided on.

Swedavia's governing documents	Decided by
Guidelines for remuneration and other terms of employment for executive officers	ÅGM
The Board of Directors' rules of procedure	Board of Directors
Rules of procedure for the Audit Committee	Board of Directors
Rules of procedure for the Remuneration Committee	Board of Directors
Instructions to the President and CEO	Board of Directors
Rules of procedure for the Ethics Council	Board of Directors
Instructions for financial reporting	Board of Directors
Instructions for internal auditing	Board of Directors
Code of Conduct	Board of Directors
Financial policy	Board of Directors
Credit policy	Board of Directors
Environmental and energy policy	Board of Directors
Tax policy	Board of Directors
Risk policy	Board of Directors
Security policy	Board of Directors
Workplace and drug policy	Executive management
Fire safety policy	Executive management
Crisis management policy	Executive management
Aviation safety policy	Executive management
Insurance policy	Executive management
Information security policy	Executive management
Procurement policy	Executive management
Communication, information and insider policy	Executive management
Competition policy	Executive management
Quality policy	Executive management
Equal treatment and diversity policy	Executive management
Anti-corruption policy	Executive management

Risk management

The Board has ultimate responsibility for the company's risk management and has assigned the President and CEO the task of managing this operationally. Swedavia's risk management is aimed at identifying potential events that can affect the organisation's ability to achieve the goals and targets set. The risk management method used by the company is based on a model with three lines of defence. The first line of defence consists of the company's operations, in the form of airports and Group-level functions that have responsibility for identifying, assessing and reporting risks on a continuous basis.

The second line of defence consists of the company's Compliance Officer, who is responsible for the process of developing comprehensive governing documents, and the Risk Manager, who follows the framework adopted for risk management. For a detailed description of Swedavia's risk management, see pages 61–65.

The third line of defence consists of the company's internal auditing, which examines Swedavia's operations and reports to the Board. Risks are monitored on a continuous basis by the airport units, business units and corporate functions and reported to the Risk Manager, who together with the Risk Committee consolidates them on a quarterly basis. Swedavia's greatest risks are then compiled in a risk report which is approved by the President and CEO and then prepared by the Audit Committee before it is adopted by the Board. Financial risks are handled under the framework for the first line of defence and for the risk work in the operations and are addressed on a quarterly basis in a special report on compliance with the company's financial and credit policies, which are prepared by the Audit Committee and adopted by the Board of Directors.

Control activities

Swedavia's control activities for financial reporting consist of three parts – monitoring and analysis of economic results, the risk report, and monitoring of key controls for treasury and the financial statements process.

The Chief Financial Officer (CFO) monitors and analyses economic results on a monthly basis and reports this to the President and CEO. In the processes for bookkeeping, financial statements and financial reports, key controls are monitored by operations on an ongoing basis. These operations also study and follow up on audit reports from the external auditor and internal auditing.

Swedavia's Board of Directors receives reports on economic results with analysis and comments from the company's President and CEO on a monthly basis. Swedavia's publicly available reports are compiled by the CFO and the President and CEO for preparation in the Audit Committee before they are adopted by the company's Board of Directors and then published. In addition to the Annual and Sustainability Report, at least one of the interim reports is examined by the company's auditor, who reports on his or her review work to the Audit Committee and the Board of Directors. Swedavia's internal auditing also conducts reviews in different areas in order to ensure quality in financial processes and in the financial reporting. The Audit Committee also has the possibility to

conduct in-depth dialogue and follow-up on financial and accounting matters with the company's CFO and auditors taking part in the committee's meetings.

Information and communication

Swedavia is a State-owned company and under the Swedish State's guidelines shall follow the same regulations for accounting and reporting as publicly listed companies. Swedavia has issued financial instruments listed on the Nasdaq OMX exchange, which means the company is obliged to apply Nasdaq OMX's regulations for issuers, the EU Market Abuse Regulation and other regulations that arise regarding this. Swedavia has therefore developed a communication, information and insider policy that regulates the dissemination of information internally and the disclosure of information to the market.

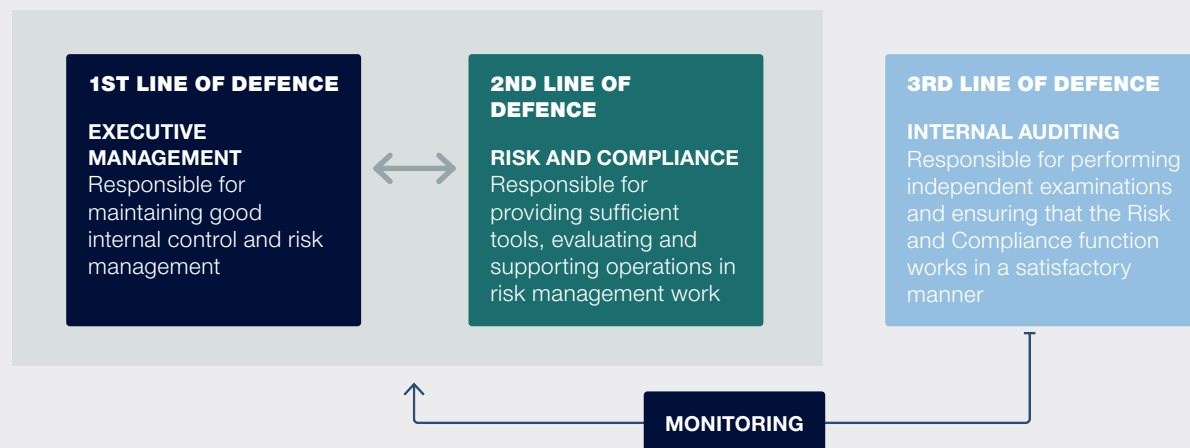
Swedavia's public financial reports consist of four interim reports and an Annual and Sustainability Report. External financial reporting shall be characterised by openness and transparency and is aimed at giving the company's different stakeholders a relevant picture of operations.

Monitoring and assessment

The executive management meets on a monthly basis and reviews operations. Due to the Covid-19 pandemic, the executive management also held a large number of meetings and members consulted one another on a continuous basis in 2021.

The Board also evaluates the company's performance and economic results on a monthly basis and furthermore monitors the company's financial position and cash flow, sustainability goals and mission objectives on a quarterly basis. At the Group level, there are corporate functions, including a control unit and an accounting unit, that analyse and monitor results compared to the budget and forecasts which are reported to the company's President and CEO and to the CFO. All people with responsibility for business units regularly report results and annual forecasts to the CFO. These reports are subsequently consolidated for the company's two operating segments and then submitted to the company's President and CEO. The President and CEO submits financial reports on a monthly basis to the Board of Directors. The Board evaluates the information provided by the President and CEO on a continuous basis. There is also an internal auditing function that serves as an independent examination function.

INCLUDED IN OPERATIONS



Swedavia's Board of Directors

DEPUTY MEMBERS

CONNY MOHOLI

Born: 1966.

MIKAEL NORDENSTÅHL

Born: 1961.

AUDITOR

TOMAS GERHARDSSON

Principal auditor,
KPMG AB.

Born: 1969.



ÅKE SVENSSON

*Chairman of the Board (elected 2016),
Chairman Remuneration Committee,
member Audit Committee.*

Born: 1952.

Other Board duties: Parker Hannifin Corporation (USA), Business Sweden.

Education: MS in Applied Physics and Electrical Engineering, Linköping University.

Work experience: Formerly CEO Saab AB, CEO Association of Swedish Engineering Industries.



TOR CLAUSEN

Member (elected 2020).

Born: 1962.

Other Board duties: Wexthuset AB (Chairman), Honey Pot Holding AB (Chairman), Goldmarsh AB, Paradis parking AB.

Education: Executive Management Program Stockholm School of Economics, TUI High Performance Leadership, IMD Switzerland.

Work experience: Consultant and Board member. Formerly Product & Aviation Director TUI Nordic, Chairman TUIFly Nordic, Product Director TUI Travel and executive positions in hotel industry, Spain.



EVA NYGREN

Member (elected 2020).

Born: 1955.

Other Board duties: Diös AB, Troax Group AB, Ballingslöv International AB, Nye Veier AS, NRC Group AS, Tyréns AB and Prince Eugen's Waldemarsudde Foundation.

Education: Architecture, Chalmers University of Technology.

Work experience: Senior Advisor BENygren AB. Formerly Director of Investment Swedish Transport Administration, President and CEO Rejlers, CEO Sweco Sweden, CEO Sweco Russia and Sweco International, CEO FFNS Arkitekter.



PER SJÖDELL

Member (elected 2020).

Born: 1972.

Other Board duties: Posti Group OY (Vice Chairman), Identity Works AB (Chairman), Linneverket Group AB (Chairman), Red City PR SARL (Chairman), Rainbow Fund (Chairman), Project Soar NGO (Deputy Chairman), Spendrups, Carismar, Abury.

Education: Master's degree in economics, Linköping University.

Work experience: Board professional. Formerly CEO Gant Sweden, CEO Fiskars Sweden, CEO Pocket Shop, Global Marketing Director H&M, Head of Marketing Communication ICA, Head of Business Development Lantmännen.



LOTTIE SVEDENSTEDT

*Member (elected 2010), member
Remuneration Committee.*

Born: 1957.

Other Board duties: MiL Foundation (Chairman), Tillväxt Helsingborg (Chairman), MiL Institute AB, Gullberg & Jansson AB, Helsingborg IF, CargoSpace24 AB and Fine Little Day AB.

Education: Law degree, Uppsala University.

Work experience: Own company, K-utveckling Engineering AB. Formerly CEO Kid Interiör A/S, Business Area Manager, IKEA of Sweden, Deputy General Manager IKEA Systems BV, CEO Inter IKEA Systems A/S and Regional Director H&M AB.



NINA LINANDER

Member (elected 2020), member Audit Committee.

Born: 1959.

Other Board duties: Asker Healthcare Group, Telia Company AB, Suominen Corporation, AWA Holding AB (Chairman), GreenIron H2 AB (Chairman).

Education: International Baccalaureate, United World Colleges of the Atlantic, Wales, UK, master's degree, Stockholm School of Economics and MBA, IMEDE, Switzerland.

Work experience: Formerly founder and partner Stanton Chase International AB, Head of Group Finance AB Electrolux (publ), executive positions at Vattenfall AB, work in corporate finance at investment banks in London.



LOTTA MELLSTRÖM

Member (elected 2015), member Remuneration Committee, member Audit Committee.

Born: 1970.

Other Board duties: Jernhusen AB and LKAB.

Education: MBA, Lund University.

Work experience: Scientific Council, Division for Companies with State Ownership, Ministry of Enterprise and Innovation. Formerly management consultant, Resco AB, Controller for the Sydkraft and ABB groups.



LARS MYDLAND

Member (elected 2014).

Born: 1954.

Other Board duties: mydland ehrling AB (Chairman), Special Adviser Board of Directors Veling Ltd.

Education: Fighter pilot training RNAF/USAF, Norwegian Air Force.

Work experience: Chairman SESAR Performance Partnership, Senior Consultant IATA. Formerly SVP & Accountable Manager Scandinavian Airlines, airline captain SAS, CEO SAS Flight Academy AB, fighter pilot and officer Norwegian Air Force. Formerly member of SAS Commuter AB, SAS Sverige AB, SAS Norge AS, SAS Danmark AS, SAS Technical Services (STS). Formerly Chairman EAC (Spain) and Norwegian Aviation College.



ANNICA ÅNÄS

Member (elected 2020).

Born: 1971.

Other Board duties: JM AB.

Education: Law degree and MBA, Stockholm University.

Work experience: CEO Atrium Ljungberg AB. Formerly CFO Atrium Ljungberg AB, CFO Hemsö AB and auditor at Deloitte.



AGNE LINDBOM

Employee representative (elected 2018).

Born: 1961.

Other Board duties: SEKO Swedavia negotiation organisation.

Education: Diverse trade union training.

Work experience: Formerly apron technician Swedavia.



ROBERT OLSSON

Employee representative (elected 2010).

Born: 1966.

Other Board duties: Chairman, Swedish Union of Civil Servants.

Education: Upper secondary school, trade union training etc. Safety officer/security guard, Swedavia.

Swedavia's executive management*

*As of December 31, 2021.



JONAS ABRAHAMSSON

President and CEO, assumed position January 2017.

Born: 1967.

Education: MBA, Lund University.

Work experience: President and CEO E.ON Sverige AB, CFO E.ON Energy Trading SE and various executive positions and Board duties in the E.ON Group.

Board duties: Board member Stockholm Exergi Holding AB, Confederation of Swedish Enterprises, Almega – Employers' Organisation for the Swedish Service Sector, and ACI Europe. Member Royal Swedish Academy of Engineering Sciences (IVA). Formerly Board member AFRY AB and Enerjisa Enerji A.S., among other companies.



JOHAN BILL

Director of Projects.

Born: 1958.

Education: MS in Engineering, KTH Royal Institute of Technology.

Work experience: Regional Manager Uppsala County, Skanska, Assistant Division Head Stockholm Peab, CEO Bjerking, Director of Major Projects, Swedish Transport Administration.

Board duties: None.



CHARLOTTE LJUNGGREN

Director Marketing & Sales.

Born: 1967.

Education: Management, Finance & Law, IHM Business School, Gothenburg.

Work experience: Airport Director Göteborg Landvetter Airport, Route Director Stena Line Scandinavia AB, Route Director SeaCat AB, Finance & HR Manager Sea Containers Ltd, Route Director Silja Line Eesti Oy, Route Director Color SeaCat AS and various positions at B&B Fondkommission AB.

Board duties: Board member Swedish Exhibition and Congress Centre and Thomas Concrete Group AB, Chairman of the Board West Sweden Chamber of Commerce.



SUSANNE NORMAN

Director Regional Airports.

Born: 1966.

Education: BS in Information Systems, Mid Sweden University, Östersund.

Work experience: Airport Director Åre Östersund Airport, CEO Recall AS Oslo, Head of Production/Site Manager Recall AB Sweden, Head of Sales Central Region Cap Gemini AB and operations developer Jämtkraft AB.

Board duties: Board member Svensk Turism AB, Länsförsäkringar Jämtland AB and Winterlife AB.



CAROLINE OTTOSON

Director of Facilities & Systems.

Born: 1968.

Education: KTH Royal Institute of Technology.

Work experience: Head Stockholm County Public Transport Administration, CEO public transport companies Storstockholms lokaltrafik (SL) and Waxholmsbolaget, Acting Director-General Swedish Transport Administration and Director, traffic management Swedish Transport Administration, Director of Roads Swedish Road Administration, CFO Swedish Mapping, Cadastral and Land Registration Authority.

Board duties: Board member Swedish National Road and Transport Research (VTI), Swedish Airport Infrastructure AB and Keolis Sverige AB. Chairman of the Board Swedavia Real Estate AB, Swedavia Energi AB and Swedavia Airport Telecom AB.



ANNA BOVALLER

Chief Legal Counsel.

Born: 1963.

Education: Law degree, Lund University, IHM Master n Leadership and Executive Management Program, IFL at Stockholm School of Economics.

Work experience: Chief Legal Counsel LFV, Assistant Chief Legal Counsel Posten AB, commercial lawyer Posten AB, lawyer Dahlman Magnusson Advokatbyrå, law clerk Nacka District Court and legal assistant Michelsons Advokatbyrå.

Board duties: None.



PEDER GRUNDITZ

Chief Operating Officer.

Born: 1963.

Education: Executive MBA, M-gruppen.

Work experience: Airport Director Stockholm Arlanda Airport, Airport Director Bromma Stockholm Airport, Director Regional Airports, various positions at LFV including Airport Director Visby Airport and Acting Division Head, Director Passenger Services Malmö Aviation, Director Ground Operations Braathens Sweden and Head of Traffic Transwede Airways.

Board duties: Airport City Stockholm AB.



FREDRIK JARESVED

Director of Strategic Initiatives & Innovation.

Born: 1974.

Education: MS in Aviation Technology.

Work experience: CEO Airport City Stockholm, various positions at Swedavia and Luftfartsverket such as Aviation Safety Coordinator Stockholm Arlanda Airport, Head of Structural Development and Head of External Collaborations. Transport policy officer and Manager for Swedish regional airports at the Swedish Association of Local Authorities and Regions.

Board duties: Destination Sigtuna, Segelflygarna i Uppsala FK.



MATS PÅLSSON

Chief Financial Officer.

Born: 1963.

Education: Economics, Växjö University.

Work experience: CFO AcadeMedia, CFO Poolia, CFO Lernia, CFO AGA S/A Brazil and CFO AGA Gas Sverige.

Board duties: Board member Criar AB and Swedavia Real Estate AB.



MARIE WIKSBORG

Director of Business Support.

Born: 1965.

Education: MBA, School of Business, Economics and Law, Gothenburg University.

Work experience: HR Director Swedavia, Head of HR Stockholm Arlanda Airport, Director of HR and Employees KF Group including Coop, Head of Business Support KF Fastigheter AB, HR Director Sheraton Stockholm Hotel & Towers and Head of Training Sheraton Stockholm Hotel & Towers.

Board duties: None.

Consolidated income statement

Amounts in SEK M	Note	2021	2020
Net revenue	3, 4, 5	2,717	2,494
Other operating revenue	6	325	700
Total revenue		3,042	3,194
Own work capitalised		161	172
External costs	7	-1,707	-1,932
Staff expenses	8	-1,484	-1,550
Depreciation/amortisation and impairment losses on fixed assets and intangible assets	9	-1,382	-1,456
Other operating costs	10	-14	-21
Operating income		-1,385	-1,593
Profit from financial items	11		
Profit from holdings in associated companies and joint ventures		71	54
Financial income		4	5
Financial expenses		-131	-138
Profit before tax		-1,441	-1,672
Tax	13	258	391
Profit for the year		-1,182	-1,282
Earnings per share			
Earnings per share before and after dilution, SEK		-0.83	-0.90
Number of shares		1,441,403,026	1,441,403,026

Consolidated statement of comprehensive income

Amounts in SEK M	Note	2021	2020
Profit for the year		-1,182	-1,282
Other comprehensive income:			
Items that can be reclassified to the income statement			
Cash flow hedges:			
Reclassified to the income statement		8	-5
Change in value for the year		177	-77
Tax		-38	17
Other comprehensive income, associated companies and joint ventures, net		13	-7
Items that can be reclassified to the income statement			
Revaluations of defined benefit pensions		-3	-48
Tax		1	10
Total other comprehensive income, net after tax		157	-110
Comprehensive income for the year		-1,025	-1,392

Consolidated balance sheet

Amounts in SEK M	Note	Dec 31, 2021	Dec 31, 2020
ASSETS			
Non-current assets			
Intangible assets	14	702	729
Other fixed assets	15, 16, 17, 18, 19	18,464	18,112
Right-of-use assets	22	1,088	1,184
Investment properties	21	668	697
Biological assets	20, 23	83	81
Deferred tax assets	39	169	—
Derivative instruments	20, 28	42	—
Non-current financial assets	24, 25, 26, 28	1,282	1,130
Total non-current assets		22,498	21,934
Current assets			
Materials and supplies	29	62	57
Trade receivables	47	383	328
Receivables from associated companies and joint ventures	31	27	7
Other receivables	32	248	277
Prepaid expenses and accrued income	33	95	57
Short-term investments	34	297	175
Liquid assets	28, 43	2,100	1,462
Total current assets		3,213	2,364
Assets held for sale	46	—	388
TOTAL ASSETS		25,711	24,686

CONSOLIDATED ACCOUNTS

Consolidated balance sheet (cont.)

Amounts in SEK M	Note	Dec 31, 2021	Dec 31, 2020
EQUITY AND LIABILITIES			
Equity	35		
Share capital		1,441	1,441
Other paid-in capital		4,661	4,661
Hedge reserve	47	6	-141
Hybrid bonds		3,500	1,000
Retained earnings including profit for the year		2,381	3,570
Total equity		11,990	10,533
Non-current liabilities	41		
Provisions	36, 37, 38	1,153	1,122
Deferred tax liability	39	—	53
Interest-bearing liabilities	40, 42	8,002	8,297
Lease liabilities	22, 40	1,022	1,103
Derivative instruments	20, 28	35	172
Other non-current liabilities		128	204
Total non-current liabilities		10,339	10,951
Current liabilities	41		
Provisions	36, 38	98	89
Interest-bearing liabilities	40, 41, 42	1,671	1,437
Derivative instruments	20, 28	4	7
Lease liabilities	22, 40	122	129
Trade payables		565	591
Liabilities to associated companies and joint ventures	31	64	44
Other liabilities	44	305	249
Accrued expenses and prepaid income	45	553	654
Total current liabilities		3,382	3,199
Liabilities attributable to assets held for sale	46	0	3
TOTAL EQUITY AND LIABILITIES		25,711	24,686

Consolidated changes in equity

Amounts in SEK M	Share	Other paid-in capital	Hedge reserves	Hybrid bonds	Retained earnings including profit for the year	Total equity
2021						
Equity, opening balance, Jan 1	1,441	4,661	-141	1,000	3,570	10,533
Hybrid bond issue	—	—	—	2,500	—	2,500
Transaction costs, hybrid bonds	—	—	—	—	-3	-3
Interest expenses, hybrid bonds	—	—	—	—	-15	-15
Total transactions with owner etc.	—	—	—	2,500	-18	2,482
Profit for the year	—	—	—	—	-1,182	-1,182
Other comprehensive income	—	—	147	—	10	157
Total comprehensive income for the year	—	—	147	—	-1,172	-1,025
Equity, closing balance, Dec 31, 2021	1,441	4,661	6	3,500	2,381	11,990

Amounts in SEK M	Share	Other paid-in capital	Hedge reserves	Hybrid bonds	Retained earnings including profit for the year	Total equity
2020						
Equity, opening balance, Jan 1	1,441	2,161	-77	1,000	4,914	9,440
Interest expenses, hybrid bonds	—	—	—	—	-16	-16
Shareholder contribution	—	2,500	—	—	—	2,500
Total transactions with owner etc.	—	2,500	—	—	-16	2,484
Profit for the year	—	—	—	—	-1,282	-1,282
Other comprehensive income	—	—	-64	—	-46	-110
Total comprehensive income for the year	—	—	-64	—	-1,328	-1,392
Equity, closing balance, Dec 31, 2020	1,441	4,661	-141	1,000	3,570	10,533

Consolidated cash flow statement

Amounts in SEK M	Note	2021	2020
Operating activities	49		
Profit before tax		-1,441	-1,672
Adjustments for items not included in cash flow etc.		993	994
Tax paid		-16	65
		-463	-614
Increase(-)/Decrease(+) in materials and supplies		-5	-4
Increase(-)/Decrease(+) in operating receivables		160	249
Increase(-)/Decrease(+) in operating liabilities		14	-67
Cash flow from operating activities		-293	-435
Investing activities			
Disposal of subsidiaries	46	488	1,181
Disposal of holdings in associated companies		—	83
Acquisition of intangible assets		-74	-46
Acquisition of fixed assets		-1,755	-2,810
Acquisition of short-term investments	34	-347	-275
Disposal of short-term investments	34	225	100
Dividend from associated companies		78	72
Cash flow from investing activities		-1,386	-1,696
Financing activities			
Hybrid bonds	35	2,500	—
Hybrid bonds, interest expenses and transaction costs		-18	-16
Shareholder contribution received		—	2,500
Loans borrowed	40	4,494	5,269
Loans repaid	40	-4,555	-4,104
Lease liabilities repaid	22	-104	-104
Increase (+)/Decrease (-) in other financial liabilities		—	-29
Cash flow from financing activities		2,317	3,515
Cash flow for the year		638	1,385
Liquid assets, opening balance		1,462	77
Liquid assets, closing balance		2,100	1,462

Parent Company income statement

Amounts in SEK M	Note	2021	2020
Net revenue	5	2,698	2,442
Other operating revenue	6	233	272
Total revenue		2,932	2,714
Own work capitalised		161	172
External costs	7	-1,913	-2,217
Staff expenses	8	-1,494	-1,519
Depreciation/amortisation and impairment losses on fixed assets and intangible assets	9	-1,263	-1,327
Other operating costs	10	-14	-21
Operating income		-1,592	-2,198
Profit from financial items	11		
Interest income and similar items		10	16
Interest expenses and similar items		-141	-137
Profit after financial items		-1,722	-2,319
Appropriations	12	667	595
Profit before tax		-1,056	-1,724
Tax	13	157	316
Profit for the year		-898	-1,409

Parent Company statement of comprehensive income

Amounts in SEK M	Note	2021	2020
Profit for the year		-898	-1,409
Other comprehensive income		—	—
Comprehensive income for the year		-898	-1,409

Parent Company balance sheet

Amounts in SEK M	Note	Dec 31, 2021	Dec 31, 2020
ASSETS			
Non-current assets			
Intangible assets	14	555	606
Fixed assets	15, 16, 17, 18, 19	18,248	17,786
Non-current financial assets	24, 25, 26, 27, 39	1,737	1,434
Total non-current assets		20,540	19,825
Current assets			
Materials and supplies	29	61	53
Current receivables	30, 31, 32	1,557	2,180
Short-term investments	34	297	175
Cash and bank balances	28, 43	2,100	1,457
Total current assets		4,015	3,865
TOTAL ASSETS		24,555	23,691
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (1,441,403,026 shares)	35	1,441	1,441
Reserve for development expenditures		17	28
Total restricted equity		1,458	1,470
Unrestricted equity			
Share premium reserve		2,161	2,161
Hybrid bonds		3,500	1,000
Retained earnings		3,983	5,328
Profit for the year		-898	-1,409
Total unrestricted equity		8,746	7,080
Total equity		10,204	8,551
Total untaxed reserves			
Provisions for pensions and similar items under Swedish Pension Obligations Vesting Act	12	1,083	1,575
Provisions for pensions and similar items under Swedish Pension Obligations Vesting Act	36, 37	1,106	1,136
Other provisions	38	376	307
Total provisions		1,482	1,443
Total non-current liabilities	40, 41, 42	8,120	8,491
Total current liabilities	40, 41, 42	3,666	3,631
TOTAL EQUITY AND LIABILITIES		24,555	23,691

Parent Company changes in equity

Amounts in SEK M	Restricted equity		Unrestricted equity			
	Share capital	Fund for development expenditures	Share premium reserve	Hybrid bonds	Retained earnings	Total equity
2021						
Equity, opening balance, Jan 1	1,441	28	2,161	1,000	3,920	8,551
Hybrid bond issue	—	—	—	2,500	—	2,500
Transaction costs, hybrid bonds	—	—	—	—	-2	-2
Interest expenses, hybrid bonds	—	—	—	—	-15	-15
Merger difference, Swedavia Energi AB	—	—	—	—	68	68
Total transactions with owner etc.	0	0	0	2,500	51	2,551
Reclassification to/from fund for development expenditures	—	-11	—	—	11	—
Profit for the year	—	—	—	—	-898	-898
Other comprehensive income	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	-898	-898
Equity, closing balance, Dec 31, 2021	1,441	17	2,161	3,500	3,084	10,204

Amounts in SEK M	Restricted equity		Unrestricted equity			
	Share capital	Fund for development expenditures	Share premium reserve	Hybrid bonds	Retained earnings	Total equity
2020						
Equity, opening balance, Jan 1	1,441	35	2,161	1,000	2,837	7,476
Interest expenses, hybrid bonds	—	—	—	—	-16	-16
Shareholder contribution	—	—	—	—	2,500	2,500
Total transactions with owner etc.	0	0	0	0	2,484	2,484
Reclassification to/from fund for development expenditures	—	-7	—	—	7	—
Profit for the year	—	—	—	—	-1,409	-1,409
Other comprehensive income	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	-1,409	-1,409
Equity, closing balance, Dec 31, 2020	1,441	28	2,161	1,000	3,920	8,551

Parent Company cash flow statement

Amounts in SEK M	Note	2021	2020
Operating activities	49		
Profit before tax		-1,722	-2,319
Adjustment for items not included in cash flow etc.		1,185	1,439
Tax paid		-5	80
		-542	-801
Increase(-)/Decrease(+) in materials and supplies		-5	-3
Increase(-)/Decrease(+) in operating receivables		979	858
Increase(-)/Decrease(+) in operating liabilities		-436	355
Cash flow from operating activities		-4	410
Investing activities			
Payment received for merger		5	—
Acquisition of intangible assets		-74	-46
Acquisition of fixed assets		-1,703	-2,507
Acquisition of short-term investments	34	-347	-275
Disposal of short-term investments	34	225	100
Cash flow from investing activities		-1,894	-2,728
Financing activities			
Hybrid bonds	35	2,500	—
Hybrid bonds, interest expenses, transaction costs		-18	-16
Shareholder contribution received		—	2,500
Loans borrowed	40	4,494	5,269
Loans repaid	40	-4,555	-4,104
Increase (+)/Decrease (-) in other financial liabilities		—	8
Group contribution received		120	48
Cash flow from financing activities		2,541	3,705
Cash flow for the year		643	1,386
Liquid funds, opening balance		1,457	71
Liquid funds, closing balance		2,100	1,457

Notes

NOTE 1 Corporate information and accounting principles

Swedavia AB (publ), Swedish corporate identity number 556797-0818, has its registered office in the Municipality of Sigtuna, Sweden. The address of the main office is 190 45 Stockholm-Arlanda (Flygvägen 1), Sweden. Swedavia AB is wholly owned by the Swedish State. Swedavia's task is to own, operate and develop the national basic infrastructure of airports decided by the Swedish Government, which consists of ten airports: Bromma Stockholm Airport, Göteborg Landvetter Airport, Kiruna Airport, Luleå Airport, Malmö Airport, Ronneby Airport, Stockholm Arlanda Airport, Umeå Airport, Visby Airport and Åre Östersund Airport.

Regulations governing operations

Swedavia's operations are mostly regulated by Swedish and European Union regulations, with the most important regulations for running airport operations consisting of, among others:

- Swedish Environmental Code (1998:808), with subsequent regulations requiring a permit for airport operations
- Swedish Civil Aviation Act (2010:500), with subsequent regulations governing, among other issues, permission to establish an airport
- Swedish Civil Aviation Security Act (2004:1100) concerning searches of persons and baggage in security screening
- Swedish Aerodrome Ground Services Act (2000:150), which regulates matters concerning ground services at airports and obligations of airport operators to allow the establishment of external ground service provider operations
- Swedish Act on Airport Charges (2011:866) regulating requirements for consultation with the users, airlines, on airport charges

Conditions for preparing the Parent Company and consolidated financial reports

The consolidated accounts for Swedavia and its subsidiaries have been prepared in conformity with the International Financial Reporting Standards (IFRS) to the extent these have been adopted by the European Union (EU).

The Parent Company applies Sweden's Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendation RFR 2 "Accounting for legal entities". The differences arising between the Parent Company and consolidated accounting principles are due to restrictions on applying IFRS in the Parent Company as a result of Sweden's Annual Accounts Act and Pension Obligations Vesting Act as well as, in some cases, the connection between accounting and taxation.

In this report, the Swedavia Group is called "Swedavia" or "the Group", and Swedavia AB is called either by its full name or "the Parent Company".

Reporting for the Group and the Parent Company is in millions of Swedish kronor (SEK M) unless otherwise indicated. Swedish kronor is abbreviated as SEK, and thousands of kronor is abbreviated as SEK T. The amounts recognised have in some cases been rounded off. In cases where the amount is less than SEK 1 M and rounded down, this is presented as a zero (0); if there is no value, a dash (—) has been used. This means that tables, charts and calculations do not always add up. Figures in parentheses are for the previous year.

Fixed assets, non-current liabilities and non-current provisions consist in all essential respects only of amounts that are expected to be recovered or paid after more than twelve months calculated from the balance sheet date. Non-current liabilities consist in all essential respects of amounts that Swedavia has an unconditional right to pay further in time than within twelve months of the end of the report period. If Swedavia does not have such a right at the end of the report period, the amount of the liability is recognised as a current liability. Current assets and current liabilities consist in all essential respects only of amounts that are expected to be recovered or paid within twelve months calculated from the balance sheet date.

Assets, provisions and liabilities have been recognised at cost unless otherwise indicated below. Financial assets and liabilities are recognised at amortised cost, apart from derivative instruments, which are recognised at fair value. Biological assets are recognised at fair value; see Note 23. For information concerning measurement and information about fair value under IFRS 13, see Note 20.

New accounting principles in 2021

None of the new and revised standards and pronouncements applied since January 1, 2021, has had a material effect on Swedavia's annual accounts.

The Group's accounting principles specified here have been applied consistently for all periods presented in the consolidated financial reports.

New and revised standards and pronouncements that enter into force in 2022 or later

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

Consolidation principles

The consolidated financial accounts include the Parent Company and all the companies over which the Parent Company directly or indirectly has controlling interest. Subsidiaries are companies over which the Parent Company has a controlling interest.

A controlling interest exists if the Parent Company has control over the investee, has exposure or is entitled to a variable return from its commitment and can use its control over the investment to influence its return. In determining whether there is a controlling interest, consideration is given to shares with potential voting rights and whether there is de facto control. The Parent Company in all cases owns, directly or indirectly, shares/holdings in the companies included in the consolidated financial accounts.

Subsidiaries are included in the consolidated financial accounts starting from the time controlling interest is achieved and are excluded from the consolidated financial accounts from the time controlling interest is no longer exercised. Where necessary, adjustments are made in the subsidiaries' financial statements to adapt their accounting principles to those used by the Group. Transaction expenditures, with the exception of transaction fees related to the issuance of equity instruments or debt instruments, are recognised directly in profit for the year.

Business combinations

Acquisitions of businesses are recognised using the acquisition method. Cost is calculated as the total fair value of assets purchased, liabilities that have arisen or are assumed, and equity instruments issued as payment in exchange for controlling interest over the acquired entity. Identifiable assets, liabilities and contingent liabilities acquired are recognised at fair value on the acquisition date. The premium that consists of the difference between the cost of the acquired holdings and the total fair value of the identifiable net assets acquired is recognised as goodwill. A discount is recognised as a gain in the income statement. Transaction expenditures related to business combinations are recognised as a cost in the income statement.

Associated companies and joint ventures

Holdings in associated companies and joint ventures are recognised in the consolidated accounts using the equity method. The equity method entails that the carrying amount of shares in the associated company or joint venture is equivalent to the Group's share of the associated company's or joint venture's equity and any residual value of the consolidated premiums or discounts. The Group's share of the associated company's or joint venture's profit after tax adjusted for any amortisation on or liquidation of premiums or

NOTES

discounts on acquisitions is recognised in the consolidated income statement as "Profit from holdings in associated companies and joint ventures" to the extent that the Group owns shares in the company.

Elimination of transactions between Group companies

Intra-Group receivables and liabilities and transactions between Group companies as well as unrealised gains in conjunction with these are eliminated in full. Unrealised gains arising from transactions with associated companies and joint ventures are eliminated against "Holdings in associated companies and joint ventures" to the extent that the Group owns shares in the company. Unrealised losses are eliminated in the same way as unrealised gains as long as there is no need for impairment.

Revenue

Revenue is measured based on the payment specified in contracts with customers. The Group recognises revenue when control of a good or service is transferred to the customer. Information about the nature and timing for satisfaction of a performance obligation in contracts with customers and related accounting principles for revenue recognition is given below.

Swedavia's recognised net revenue consists of revenue flows from Aviation Business and Commercial Services and other net revenue.

Aviation Business

Revenue from Aviation Business consists of revenue related to passengers, aircraft, external regulated charges, ground handling and other ancillary services.

Passenger-related revenue consists of revenue from passenger charges, escorting of passengers and ground handling service fees. Swedavia's performance obligation is to give airline customers the opportunity to use Swedavia's infrastructure and services, help passengers with reduced mobility to and from the aircraft and provide infrastructure to airlines and ground handling companies that want to operate at the airports. Revenue for passenger charges and escorting is recognised on departure from one of Swedavia's airports, and ground handling fees are recognised as revenue in conjunction with the airline's or ground handling company's use of Swedavia's infrastructure. Revenue is recognised when control has been transferred to the customer.

The revenue category "aircraft-related revenue" consists of revenue from airlines for services and infrastructure used by the airlines' aircraft or passengers in conjunction with take-off or landing at Swedavia's airports. Examples of revenue streams are take-off charges, emissions charges, noise charges, aircraft parking fees, air traffic control charges and ground handling fees related to the handling of aircraft. Swedavia's performance obligation is to provide infrastructure to enable take-off and landing. Aircraft-related revenue, with the exception of ground handling fees, is recognised when an aircraft has taken off from one of Swedavia's airports. Ground handling fees are recognised as revenue in conjunction with the airlines' use of Swedavia's infrastructure. In all cases, control is transferred to the customer with the recognition of revenue.

Externally regulated charges consist of four revenue streams – security screening (GAS), slot coordination (SCC), Stockholm Arlanda Airport air traffic management (TNC), and communication, navigation and surveillance (CNS). Swedavia's performance obligation is to provide security screening of passengers and baggage, offer airport coordination services for aircraft in conjunction with take-off and landing, provide infrastructure for air traffic control and assist with CNS infrastructure. Revenue is recognised for all four revenue streams after the performance obligation has been satisfied. Revenue from GAS is accrued on a monthly basis and final settlement is made following a decision by the Swedish Transport Agency. Revenue from SCC, CNS and TNC is recognised when the aircraft has taken off from one of Swedavia's airports. The right of complaint expires once use of the good or service is invoiced.

Revenue from ground handling is related to apron (ramp) services and freight forwarding fees. Swedavia's performance obligation is to provide services and infrastructure needed to receive aircraft and to prepare aircraft in turnaround for departure. Revenue is recognised in this revenue category on departure from one of Swedavia's airports, and it is at that point in time that the performance obligation has been satisfied and control is transferred to the customer.

The revenue category "other ancillary services" consists of ancillary services that customers can use in return for payment, for example glycol handling or security services, which are primarily for fast track service. Swedavia's performance obligation for fast track service is to enable the airlines' passengers to save time by providing special security checkpoints. The obligation begins when the passenger enters the security checkpoint and is satisfied in conjunction with the passenger exiting the security checkpoint. Revenue is recognised when the performance obligation is completed.

Commercial Services

Revenue from Commercial Services consists of revenue from parking & entry, retail, food & beverage, property revenue, advertising and other commercial services. Revenue from parking & entry, advertising and other commercial services is recognised under IFRS 15. Revenue from the category retail, food & beverage and revenue from leases in the property revenue category are recognised under IFRS 16; see below.

The revenue category parking & entry consists of revenue from parking operations. Swedavia's performance obligation consists of providing facilities for passengers and other customers for parking & entry at the airports. Revenue for parking & entry is recognised on an open account basis when either control or right of use is transferred to the customer. Revenue from the right to run car rental operations is also recognised after control has been transferred to the customer.

Revenue from retail, food & beverage consists of revenue from tenants at the airports whose operations offer passengers the possibility to eat, drink or shop for commercial goods. Rental revenue is classified as revenue from leases, with Swedavia being the lessor, and all revenue is recognised under IFRS 16, which means it is recognised on a straight-line basis over the lease term. Rental revenue is based on sales revenue, and preliminary revenue is recognised on a monthly basis with final settlement at the end of the year.

Property revenue consists of rental revenue from leasing premises and land during the lease term as well as revenue from property services and the sale of energy and telecom services, which are recognised with the provision of the service. Leases of premises and land that generate revenue are classified as leases in which Swedavia is the lessor, and revenue is recognised on a straight-line basis over the lease term under IFRS 16. The Group's performance obligation for providing media and property services is regulated in contracts with external parties. Invoicing and revenue recognition for external customers occur when control is transferred to the customer.

Advertising revenue consists of the sale of advertising space, and revenue is recognised on a monthly basis in conjunction with the use of the advertising space and transfer of control to the customer. Swedavia's obligation is to provide advertising space, which entitles it to receive payment from the customer.

For other services, revenue is recognised when the service is provided. Discounts provided have reduced net revenue.

State aid

Government grants are recognised in the balance sheet when it is reasonably certain that a grant will be received and that the entity will comply with conditions attached to the grant. Grants are recognised as income over the period necessary to match them with costs for which they are intended to compensate. Rent discounts provided as a result of the Covid-19 pandemic were recognised for the lease term the rent discounts were intended. The rent discounts have been determined to be temporary compensation for reduced use of premises and not as a modification of the original lease. The grant can be recognised in the income statement either 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 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 a research and development programme aimed at providing air navigation services (ANS) to support the provision of general or operational air traffic within the EU – which means aircraft will not be constricted by airspace configurations and can meet the expected volume increase up to 2035. 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 grant, which is issued by the Swedish Tax Authority, is recognised as other operating income in the income statement.

Financial income and expenses

Financial income consists of interest income on invested funds, dividends, the gain on changes in the value of hedging instruments recognised at fair value through other comprehensive income and such gains on hedging instruments, which are recognised in net financial items. Financial expenses consist of interest expenses on liabilities to credit institutions, bonds, medium-term notes and commercial paper, credit losses on hedging instruments, effects of reversing provisions recognised at their present value, losses on changes in the value of hedging instruments recognised at fair value through other comprehensive income and such losses on hedging instruments as are recognised in net financial items.

Interest income and interest expenses on financial instruments are recognised using the effective interest method. Dividend income is recognised when the right to receive a dividend is established. Foreign exchange gains and losses are offset.

Tax

The Group's total tax consists of current tax and deferred tax. Tax is recognised in the income statement except when the underlying transaction is recognised in other comprehensive income. Current tax is tax that is to be paid or received during the current year. Current tax is calculated based on the taxable profit for the year. Taxable profit is distinguished from profit recognised in the income statement. The difference concerns revenue that is subject to tax and expenses that are deductible in other years (temporary differences) as well as items that are not subject to tax or are not tax-deductible (permanent differences). The Group's current tax liability is calculated using the tax rates that are in effect on the balance sheet date. An adjustment in current tax related to earlier periods is also recognised as current tax.

Deferred tax is calculated using the balance sheet method based on the temporary differences between book and tax values of assets and liabilities. Deferred tax is calculated using the tax rates and tax regulations that are decided or advised on the balance sheet date. Temporary differences related to consolidated goodwill and asset acquisitions are not taken into account, and normally nor are differences related to holdings in subsidiaries, associated companies and joint ventures that are not expected to be taxed within the foreseeable future. Untaxed reserves including deferred tax liability are recognised for legal persons. However, in consolidated accounts, untaxed reserves are divided into deferred tax liability and equity. Deferred tax assets for temporary differences and loss carryforwards that are tax-deductible are only recognised to the extent it is likely that a taxable profit occurs against which tax-deductible temporary differences can be used. The carrying amount of deferred tax assets is reviewed on each closing date. Deferred tax liabilities are normally recognised for all temporary differences subject to tax.

Intangible assets

The Group's intangible assets consist of goodwill and other intangible assets. Goodwill arises when the cost of the acquisition of shares in a subsidiary exceeds the fair value of the net assets of the company acquired. Goodwill is recognised at cost less any impairment loss. Goodwill has an indeterminable expected useful life, and an impairment review is carried out at least once a year. Other intangible assets consist mostly of noise insulation for the properties of others. Straight-line amortisation is used for noise insulation measures and is reviewed annually. Useful life shall correspond to the time the environmental permit or conditions contained therein are in effect but never more than 25 years. Other intangible assets also consist of assets developed by the company with a useful life of 5-10 years.

Fixed assets

Fixed assets are recognised at cost less accumulated depreciation and any accumulated impairment losses.

Cost comprises the purchase price and expenditures directly related to the asset in order to convey it to its location and to use it for the purpose for which it was acquired. Borrowing costs directly related to major renovation or new construction projects where the time of completion is longer than twelve months are included in the cost of the fixed asset to the extent they have arisen during the construction period. Interest expenses are calculated based on the Group's average interest rate on all loan liabilities.

Additional expenditures are added to the asset's carrying amount or recognised separately when it is likely that the company will derive future economic benefits related to the asset and the cost of the asset can be calculated in a reliable way. Other expenditures that arise are recognised as a cost in the period in which they arise.

Depreciation is recognised based on the expected and estimated useful life using the straight-line depreciation method. For cases where parts of the Group's assets consist of different components, where each part has an expected useful life that differs significantly from the asset as a whole, depreciation of such components occurs on an individual basis using the estimated useful life of each component.

Depreciation begins when the assets are ready for their intended use. Scheduled depreciation is based on cost less estimated residual value. The residual value and useful life are reviewed on an annual basis and adjusted if necessary. The Group's field structures consist of various assets such as parking facilities, roads, ditches and ponds, where the useful life varies. The Group's buildings consist of different types of property such as terminal buildings and buildings with more basic constructions, which have a different useful life.

Useful life for the Group is:

Buildings	
– Foundations and frame	20–60 years
– Roof	20–60 years
– Facade	20–60 years
– Internal structures and room functions	10–25 years
– Electrical installations	7–30 years
– District networks	15–50 years
Equipment, buildings	5–30 years
Equipment, land	10–60 years
Field structures, Runway systems	
– Load-bearing surfaces	60 years
– Surface sealings	4 years
– Other parts	12–40 years
Field structures, other	30–70 years
Electrical installations, vehicles and equipment	3–10 years
Modifications for tenants	Length of lease

Investment properties

Investment properties are properties held in order to obtain rental revenue, appreciation in value or a combination of the two. Investment properties are recognised at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes the purchase price and expenditures directly attributable to the asset to convey it to the site and in the state it is to be used in accordance with the reason for the purchase. Borrowing costs directly attributable to significant renovation and new construction projects where the time of completion exceeds twelve months are included in the cost of the fixed asset for the portion of the construction period they arose. Interest expenses are calculated based on the Group's average interest rate for all loan liabilities.

Additional expenditures are added to the asset's carrying amount or recognised separately when it is likely that the company will derive future economic benefits attributable to the asset and the cost of the asset can be calculated in a reliable way. Other expenditures that arise are recognised as a cost in the period in which they arise.

Depreciation is recognised based on the expected and estimated useful life using the straight-line depreciation method. For cases where parts of the Group's assets consist of different components, where each part has an expected useful life that differs significantly from the asset as a whole, depreciation of such components occurs on an individual basis using the estimated useful life of each component.

Depreciation begins when the assets are ready for their intended use. Scheduled depreciation is based on cost less estimated residual value. The residual value and useful life are reviewed on an annual basis and adjusted if necessary. Properties under construction that are intended to be used as investment properties when the work is completed are classified as investment properties. Investment properties are valued annually to determine their fair value, in other words, estimated market value.

Biological assets – standing timber

The Group's forest assets are divided into standing timber, which is recognised as a biological asset, and land. Standing timber is measured and recognised at fair value on each reporting date. Changes in fair value are recognised in the income statement. Fair value has been calculated as the present value of the discounted future return from long-term sustainable forest operations, that is, the expected future cash flow from forest operations. For further information, see Notes 20 and 23.

Leases

When a contract is entered into, Swedavia determines whether the contract is, or contains, a lease. A contract is or contains a lease if the contract transfers the right to decide the use of an identified asset over a given period in exchange for payment.

As a lessee, Swedavia recognises a right-of-use asset and a lease liability on the lease commencement date. The right-of-use asset is valued initially at cost, which consists of the original value of the lease plus lease charges paid on or prior to the lease commencement date plus any initial direct expenditures. The right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the underlying asset's period of use or the end of the lease term, which normally for Swedavia is the end of the lease term. In rarer cases when the cost of the right-of-use reflects that Swedavia will exercise an option to purchase the underlying asset, the asset is written off at the end of the period of use.

The lease liability – which is divided into a non-current and current portion – is initially measured at the present value of remaining lease charges during the expected lease term. The lease term consists of the non-cancellable period with a supplement for additional periods if it is determined on the commencement date that it is reasonably certain the option on these periods will be exercised.

Lease charges are normally discounted using Swedavia's incremental borrowing rate (IBR), which reflects along with Swedavia's credit risk the lease term, currency and quality of the underlying asset intended as security for each lease. However, in cases where the interest rate implicit in the lease can easily be determined, that rate is used, which is the case for some of Swedavia's vehicle leases.

The lease liability includes the present value of the following charges under the expected lease term:

- fixed charges, including in-substance fixed payments,
- variable lease charges linked to an index (such as CPI) or interest rate (such as STIBOR), initially valued using the index or interest rate in effect on the commencement date,

- any residual value guarantees for which payment is expected,
- the exercise price of a purchase option that Swedavia is reasonably certain it will exercise and
- penalties to be paid for termination of the lease if the expected lease term reflects that such a termination will occur.

The value of the liability is increased by the interest expenses and decreased by the lease payments for each period. The interest expense is calculated as the value of the liability multiplied by the discount rate.

The lease liability for Swedavia's premises with index-linked rent is calculated based on the rent in effect at the end of each reporting period. At that time, the liability is adjusted by the same amount as the adjustment in the carrying value of the right-of-use asset. Similarly, the value of the liability and the asset is adjusted in conjunction with reassessment of the lease term. This occurs when the last cancellation date in the previously expected lease term for the lease of premises has passed or when significant events occur or circumstances change significantly in a way that is within Swedavia's control and affects the prevailing expected length of the lease term.

Swedavia presents right-of-use assets and lease liabilities as separate items in the report on its financial position.

For leases that have a lease term of twelve months or less or an underlying asset with a low value, less than SEK 50 T, no right-of-use asset or lease liability is recognised. Lease charges for these leases are recognised as a cost on a straight-line basis over the lease term.

As lessor, Swedavia determines on the commencement date of each lease whether the contract shall be classified as a finance or operating lease. In determining the classification, an overall assessment is made of whether the lease transfers substantially all economic risks and benefits associated with ownership of the underlying asset. If that is the case, the lease is a finance lease; otherwise it is an operating lease. As part of this assessment, Swedavia takes into consideration a number of indicators. Examples of such indicators are whether the lease term constitutes the major part of the remaining economic life of the asset or whether ownership of the underlying asset is transferred to the lessee when the lease expires.

When a leased asset is subleased, the main lease and the sublease are recognised as two separate leases. Swedavia classifies the sublease based on the right of use conveyed by the main lease, not based on the underlying asset. Swedavia has a small number of subleases, but none of the leases is material in nature.

Swedavia recognises lease charges from operating leases on a straight-line basis over the lease term as part of the item "net revenue".

Impairment losses

On each balance sheet date, the Group analyses the carrying amounts of fixed assets and intangible assets to determine whether there is anything to indicate that these assets have decreased in value. If there is an indication of this, the replacement value is calculated in order to determine the value of any impairment loss.

In valuation of the airports, a systems approach is applied. Since the airports included in the national basic airport infrastructure are operated as a system, integrated and mutually dependent, the individual airports have been valued according to their systemic useful life rather than based on recognised profit. Operating the airports as a system means that it is not possible to isolate cash flow related to individual airports included in the system on a meaningful basis. Therefore the system of airports that are included in Sweden's national basic infrastructure is treated as a single cash-generating unit.

An impairment loss is recognised in the income statement. If an impairment loss is reversed, it is done so only to the extent the carrying amount of the asset does not exceed the carrying amount, less depreciation, if no impairment loss had been made. A reversal of an impairment loss is recognised in the income statement. A reversal of an impairment loss is never recognised for goodwill.

Materials and supplies

Inventories are recognised at the lower of cost using the first-in first-out method or fair value. As a result, obsolescence risks are mitigated.

Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies have been translated at the exchange rate on the balance sheet date. Exchange rate differences for operating receivables and operating liabilities are included in the operating profit, while exchange rate differences for financial receivables and financial liabilities are recognised in financial items.

Liquid assets

Liquid assets comprise cash and banking holdings that are immediately available.

Trade payables

Liquid assets comprise cash and banking holdings that are immediately available.

Financial instruments

A financial asset or financial liability is recognised in the balance sheet when an asset or liability arises under the terms of the instrument stipulated in the contract. A financial asset is derecognised from the balance sheet when the contractual rights are realised, expire or when the company loses control over it. A financial liability is derecognised from the balance sheet when the contractual obligation has been fulfilled or in any other way eliminated.

Financial instruments that are not derivatives are recognised at fair value plus or minus transaction costs, except for those financial assets belonging to the category of financial asset or liability recognised at fair value through profit or loss. Derivative instruments are recognised at fair value; increases and decreases in value are recognised on a regular basis as revenue or expenses in other comprehensive income in cases where hedge accounting is appropriate. Financial assets and liabilities are measured at fair value based on their hierarchy level; see Note 20.

Financial assets and liabilities are offset and recognised as a net amount in the balance sheet when there is a legal right to offset and when the intention is to settle the items with a net amount or to realise the asset and settle the liability simultaneously.

On each balance sheet date, the company assesses whether there are objective indications that an impairment loss needs to be taken on a financial asset or group of financial assets on initial recognition. Impairment losses are calculated and recognised for financial assets that are measured at amortised cost and for financial assets valued at fair value through other comprehensive income. A provision for credit losses is calculated and recognised initially based on twelve months' expected credit losses. If the credit risk has increased significantly since the financial asset was first recognised, a provision for credit losses is calculated and recognised based on expected credit losses for the entire life of the asset. For trade receivables that do not include a significant financing component, a simplified method is applied and a provision for credit losses is calculated based on expected credit losses for the entire remaining life regardless of whether the credit risk has increased significantly or not. Swedavia bases its calculation of expected credit losses on a combination of historical data, based on customer type and due date, which are considered relative to future economic prospects. In addition, an assessment is made of customers' future economic ability to pay, based on market data, credit ratings and other financial information.

The carrying amount after impairment losses on assets is calculated as the present value of future cash flows discounted by the effective interest rate that applied when the asset was recognised for the first time. Assets with a short maturity are not discounted. An impairment loss is charged to the income statement. The asset is eliminated from the balance sheet in the event of bankruptcy.

Financial assets measured at amortised cost

The Group's financial debt instruments are classified using the business model for collecting contractual cash flows. This category includes loan receivables, trade receivables, receivables from associated companies and joint ventures, other receivables and liquid assets. Since these assets are classified according to its business model for collecting contractual cash flows, it is important for the classification whether the financial asset is complex or not. Classification is determined through a test to decide whether the asset's cash flows consist only of repayment of the capital and interest.

All assets except derivative instruments passed the test, which means they are classified as non-complex and are measured at amortised cost. Loan receivables and trade receivables with short maturities are measured at their nominal cost with no discounting. Trade receivables are recognised at the amount expected to be received less any expected credit losses that are assessed in terms of credit exposure based on forward-looking information and historical data; see Note 47.

Financial assets measured at fair value through profit and loss

Derivative instruments with a positive value that are subject to hedge accounting are recognised at fair value through other comprehensive income, with increases in value recognised on an ongoing basis through profit or loss.

Financial liabilities measured at amortised cost

Loans and other financial liabilities, apart from derivatives, are recognised at amortised cost. Amortised cost is determined based on the effective interest rate calculated at the time the amount was borrowed. This means that discounts/premiums and the direct costs of share issues are allocated over the maturity of the loan. Trade payables have short expected maturities and are recognised without discounting their nominal amount. Non-current liabilities have an expected maturity of more than one year whereas current liabilities have a maturity of less than one year.

Financial liabilities measured at fair value through profit and loss

In this category are derivatives with a negative value that are not subject to hedge accounting. Financial instruments in this category are measured on an ongoing basis at fair value through profit or loss.

Classification and recognition of hybrid bonds

Financial instruments issued by the company are recognised either as a liability or equity, based on whether there is any contractual obligation to settle the contract in cash or another financial asset.

Swedavia AB (publ) has issued hybrid bonds with a perpetual maturity, and the company is entitled to defer interest payments for an indeterminate period insofar as the hybrid bond holders are informed within the agreed period. The hybrid bonds are classified at the first call date as equity in accordance with IAS 32 "Financial instruments: Presentation". Transaction costs related to the hybrid bonds are recognised in equity. Interest on the hybrid bonds is recognised as a liability at the time there is a contractual obligation to pay interest, decreasing unrestricted equity. If the company calls the hybrid bonds for redemption, a liability is recognised at the time there is a contractual obligation to redeem the bonds, and there is a decrease in the hybrid bonds recognised as unrestricted equity.

Hedge accounting

General

Derivative instruments are recognised in the balance sheet on the contract date at fair value through comprehensive income, both initially and in subsequent remeasurements. The method for recognising profit or loss arising from remeasurement depends on whether the derivative has been identified as a hedging instrument and, if so, the nature of the hedged item. The Group identifies some derivatives as a hedge of a given risk which is connected to a recognised liability or a very likely forecast transaction (cash flow hedge).

The Group uses derivative instruments to limit exposure to the negative effect of financial fluctuations on the Group's income statement, balance sheet and cash flow.

When the transaction is entered into, the relationship between the hedging instrument and the hedged item is analysed and assessed against the Group's risk management objectives for hedging. The analysis is documented at the inception of the hedge and on a continuous basis, to ensure that the derivative instruments used in hedging transactions are effective in evening out changes in fair value or changes in cash flow for hedged items. Gains and losses on hedges are recognised in profit for the year at the same time the gains and losses on the items hedged are recognised.

To hedge interest rate risk for likely forecast interest cash flows related to loan liabilities at variable interest rates, interest rate swaps – in which the

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company receives a variable rate and pays a fixed rate – are used. Interest rate swaps are recognised at fair value on the balance sheet, with changes in value recognised in other comprehensive income. The interest coupon portion is recognised directly in profit for the year as part of interest expenses. Unrealised changes in fair value on the interest rate swaps are recognised in other comprehensive income and are included in the hedge reserve until the hedged item affects profit for the year and as long as the criteria for hedge accounting and effectiveness are fulfilled. The gain or loss related to the non-effective portion of unrealised value changes on the interest rate swaps is recognised in profit or loss.

Hedge accounting has also been applied for commodity and currency derivatives. Currency derivatives are used mainly to lock in the exchange rate for future flows of foreign currencies, which arise mostly in conjunction with investments and with electricity trading. Commodity derivatives are used to hedge the risk of electricity prices that arises in the Group's business operations. Changes in the fair value of these derivative instruments are recognised in other comprehensive income and are accumulated in the hedge reserve under equity. The accumulated gains or losses in the hedge reserve are reclassified to the income statement in the same period that the hedged item affects profit. When a hedging instrument or hedging relationship is terminated but the hedged transaction is still expected to occur, the accumulated gains and losses in the hedge reserve remain and are recognised in profit for the year when the contracted or projected transaction is recognised in the income statement. However, if the hedged transaction is no longer expected to occur, the accumulated gains and losses in the hedge reserve are immediately reclassified to profit or loss.

Provisions

A provision is recognised in the balance sheet when the company has a formal or informal obligation as a result of an event occurring, it is likely that an outflow of resources is required to settle the obligation, and a reliable estimate of the amount can be made. A present value calculation is made to take into account significant time effects of future payments. Provisions are divided into non-current and current provisions.

Restoration reserve

In conformity with the Group's published environmental principles and applicable legal requirements, a provision to restore contaminated assets shall be recognised when the asset is contaminated.

Restructuring reserve

A provision is recognised when a detailed restructuring plan has been adopted and the restructuring has either begun or been publicly announced.

Other provisions

Other provisions consist of provisions related to estimated amounts for disputes, onerous contracts, social security funds and other commitments. A provision for onerous contracts is recognised when the expected economic benefits the Group expects to receive from a contract are lower than the unavoidable costs of fulfilling the terms of the contract.

Contingent liabilities

A contingent liability is a possible obligation resulting from past events and whose occurrence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events, which are not entirely in the company's control, or there is an obligation resulting from past events but which is not recognised as a liability or provision since it is not likely that an outflow of resources will be required to settle the obligation, or the size of the obligation cannot be estimated with sufficient accuracy. No accounting is necessary when the likelihood of an outflow of resources is extremely limited.

Earnings per share

Earnings per share before and after dilution is calculated based on profit for the year attributable to the Parent Company's owner and the weighted average number of shares during the year. In calculating earnings per share before and after dilution, profit for the year is adjusted for transaction costs and interest expenses attributable to hybrid bonds.

Employee benefits

Short-term benefits

Short-term employee benefits are calculated on an undiscounted basis and recognised as a cost when the related services are provided.

Pensions

In the Group, there are both defined contribution and defined benefit pension plans, which are recognised in the following ways.

Defined contribution pension plans

Defined contribution pension plans are classified as plans for which the company's obligation is limited to the contributions the company has committed to pay. The size of the employee's pension depends on the contributions the company pays into the plan or to an insurance company and the return on capital generated by the contributions. Consequently, the employee bears the actuarial risk and the investment risk. The company's obligations concerning contributions to defined contribution plans are recognised as a cost in profit for the year at the rate they are vested by the employee providing services to the company during a period.

Defined benefit pension plans

Defined benefit plans are employee benefit plans once employment is terminated that are other than defined contribution plans. The Group's obligation concerning defined benefit plans is calculated separately for each plan by estimating the employee's future benefits vested through his or her employment for both the current and future periods. The benefit is discounted at present value, and the discount rate is the yield on the balance sheet date for an investment-grade corporate bond, including mortgage-backed securities, with a maturity corresponding to the Group's pension obligations. The calculation is made by a licenced actuary.

The net interest expense/income on the defined benefit obligation/asset is recognised in profit for the year from financial items. Net interest is based on the interest arising from discounting the obligation. Other components are recognised in operating profit.

Revaluation effects consist of actuarial gains and losses and are recognised in other comprehensive income. Changes or reductions in a defined benefit plan are recognised at the earlier of the following: a) when the change in the plan or reduction takes place or b) when the company recognises related restructuring costs and employee benefits upon termination. Changes/reductions are recognised directly in profit for the year. Employee pension tax is included in the actuarial assumptions and thus recognised as part of the obligation.

Termination benefits

A cost for benefits in conjunction with the termination of staff is recognised at the earliest point at which the company can no longer rescind its offer to employees or when the company recognises costs for restructuring. The benefits expected to be paid within twelve months are recognised at their present value. Benefits not expected to be paid within twelve months are recognised in long-term employee benefits.

Fixed assets held for sale

When a fixed asset, or disposal group, is classified as held for sale, it means its carrying amount will be recovered mainly through selling the asset and not its usage. A fixed asset or disposal group is classified as held for sale if it is available for immediate sale in its present state and based on normal conditions, and the sale must be highly probable. These assets or disposal groups are presented separately as a current asset or current liability in the balance sheet.

Immediately before an asset is classified as held for sale, the carrying amount of the fixed asset and all assets and liabilities in a disposal group is determined in accordance with applicable standards. On initial classification as held for sale, fixed assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell. Some assets, individually or as part of a disposal group, are excluded from the measurement requirements described above, namely investment properties, financial assets, deferred tax assets and plan assets attributable to defined-benefit pension plans.

PARENT COMPANY ACCOUNTING PRINCIPLES

The Parent Company prepares its financial reports in conformity with Sweden's Annual Accounts Act (1995:1554) and the Swedish Financial Accounting Standards Council's recommendation RFR 2 "Accounting for legal entities". The differences between the consolidated and Parent Company accounting principles are presented below. The accounting principles specified for the Parent Company have been applied consistently in all the periods presented in the Parent Company's financial reports.

New accounting principles

Parent Company accounting principles are unchanged compared to the annual report for 2020.

Group contributions and dividends

Group contributions received and paid are recognised as appropriations. Dividends from subsidiaries are recognised in profit for the year under profit from financial items from holdings in Group companies.

Intangible assets

The Parent Company recognises goodwill from the acquisition of assets that have an expected useful life of 20 years. Useful life reflects the company's estimate of the period under which future economic benefits that goodwill and other intangible assets represent will flow to the company. Straight-line amortisation is applied over the expected useful life of the asset.

Leases

The Parent Company does not apply IFRS 16, in accordance with the exception found in RFR 2. As a lessee, Swedavia recognises lease charges as an expense on a straight-line basis over the lease term, so rights of use and lease liabilities are not recognised in the balance sheet. The contracts in which the Parent Company constitutes the lessor are recognised as operating leases.

Associated companies and joint ventures

Holdings in associated companies and joint ventures are recognised in the Parent Company using the cost method. Dividends received are recognised in the income statement. In cases where joint ventures are limited partnerships, the value of the holding is adjusted by the value of the Parent Company's share of the limited company's net profit.

Group companies

Holdings in Group companies are recognised in the Parent Company using the cost method. The recognised value of holdings in a limited partnership changes annually by the Parent Company's share of the limited partnership's net profit and any withdrawals or contributions made during the year.

Equity

Equity is divided between unrestricted and restricted reserves in accordance with the Annual Accounts Act. Group contributions paid are recognised by the donor as an increase in holdings in Group companies. The recipient recognises the contribution as unrestricted equity.

Untaxed reserve

In the Parent Company, untaxed reserves are recognised in their entirety without being divided between equity and deferred taxes.

Financial instruments

The Parent Company does not apply IFRS 9; instead, financial instruments are recognised based on their cost in conformity with the Annual Accounts Act. This means that non-current financial assets are recognised at cost less any impairment loss, and current financial assets are measured based on the lower of cost or market rule.

Interest rate swaps are recognised at cost and accrued interest.

Pensions

The Parent Company complies with the statutes in the Swedish Pension Obligations Vesting Act and the instructions of the Swedish Financial

Supervisory Authority since that is a requirement for making tax deductions. The most significant differences compared to reporting in the consolidated financial accounts and in that case with the regulations in IAS 19 are the way the discount rate is determined, with the calculation of the defined benefit obligation based on the current salary level without any assumption of future salary increases, and actuarial gains and losses are recognised in the income statement. The Parent Company's total commitments for defined benefit pensions are covered by credit insurance with FPG/PRI.

Merger

A merger is recognised in accordance with Swedish Accounting Standards Board (BFNAR) 1999:1 "Merger of wholly-owned subsidiaries in the parent company". The group valuation method is applied, which means that the assets and liabilities of the merged subsidiary have been recognised in the Parent Company at the values they had in the consolidated accounts.

NOTE 2 Significant judgements and estimates

In the preparation of the financial reports in accordance with IFRS, the company's management is required to make judgements and estimates as well as assumptions that affect application of the accounting principles and the carrying amounts of assets, liabilities, revenue and costs. Estimates and assumptions are based on historical experience and a number of other factors that seem reasonable under prevailing conditions. The actual outcome may differ from previous estimates and judgements. Estimates and assumptions are reviewed on a regular basis. Changes in estimates are recognised in the period the change is made if it only affected that period, or in the period the change is made and future periods if the change affects both the current and future periods.

Below is a description of the areas that have a material effect on judgements and estimates.

Measurement of goodwill

Goodwill is allocated to the Airport Operations segment and tested for impairment at least annually. The recoverable amount is based on calculations of its value in use. These calculations are based on estimated cash flows in the business plan adopted and forecasts. Significant assumptions in determining the value in use are passenger volume trends, future interest rates and cost trends. See also Note 14.

Measurement of pension liability

Defined benefit pension obligations were taken over in conjunction with the division of operations at LFV and the formation of Swedavia. The assumption consists of the present value of expected future payments and is determined annually by independent actuaries. The size of the provision is affected by assumptions about the discount rate, which is assigned based on the duration, and inflation, which is assigned based on market expectations. See also Note 37.

Other

The management makes significant estimates and judgements concerning new construction in progress, which includes among other things whether costs incurred such as the company's own time and loan expenses can be capitalised, completion times, periods of use and future values in use. The management's best judgement is taken into consideration in conjunction with the recognition of disputed amounts since legal procedures and disputes are unpredictable by nature.

NOTE 3 Segment reporting

An operating segment is defined as a part of the Group that carries out business operations from which it can generate revenue and costs, whose operating profit is regularly examined by the company's highest executive officer and for which there is independent financial information. At Swedavia, the highest executive officer is identified as the chief executive officer of the

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Parent Company. Swedavia's operations are organised and run as two business segments, Airport Operations and Real Estate.

- **Airport Operations** owns, operates and develops Swedavia's airports. Most revenue consists of passenger-related revenue
- **Real Estate** owns, develops and administers properties and developable land at and in the vicinity of Swedavia's airports. Most revenue consists of revenue from properties.

The basis of segment reporting is internal reporting. Capitalisation of interest on loans under IAS 23, IFRS 16 "Leases" and revaluation of biological assets and financial instruments at fair value are not monitored at the segment level but are instead handled at the Group level and are included with eliminations of intra-Group items under "Eliminations/adjustments".

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

	Airport Operations		Real Estate		Eliminations/adjustments		Group	
Income statement Jan–Dec ¹	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	233	272	101	440	–9	–12	325	700
Capitalised work for own account	161	172	—	—	—	—	161	172
Operating costs	–3,339	–3,625	–43	–51	176	173	–3,206	–3,503
Depreciation, amortisation and impairment losses	–1,245	–1,316	–25	–27	–112	–113	–1,382	–1,456
Operating profit	–1,475	–1,999	72	393	18	13	–1,385	–1,593
Gain/loss from holdings in associated companies and joint ventures	—	—	71	54	—	—	71	54
Financial income	10	16	0	—	–6	–11	4	5
Financial expenses	–148	–150	–6	–11	24	22	–131	–138
Group contribution	36	–72	–36	72	—	—	—	—
Profit before tax	–1,577	–2,205	101	508	35	24	–1,441	–1,672
Tax	265	415	1	–19	–7	–5	258	391
Profit for the year	–1,312	–1,790	102	489	28	19	–1,182	–1,282
Other segment information								
Gain/loss from holdings in associated companies and joint ventures	—	—	71	54	—	—	71	54
Investments	1,777	2,570	54	286	—	—	1,831	2,856
Gain/loss from sale of shares, holdings and operations	–2	—	101	439	–9	–12	90	427
Restructuring costs	18	36	—	—	—	—	18	36
Impairment losses/disposals	51	191	—	0	—	—	51	191

	Airport Operations		Real Estate		Eliminations/adjustments		Group	
Balance sheet, as of December 31 ¹	2021	2020	2021	2020	2021	2020	2021	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
Total assets	24,227	23,453	2,091	2,683	–607	–1,450	25,711	24,686
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
Total equity and liabilities	24,227	23,453	2,091	2,683	–607	–1,450	25,711	24,686

¹ One customer accounted for 13 per cent (11) of the Group's revenue in 2021, equal to SEK 410 M (349), allocated to both segments.

NOTE 4 Net revenue

	Airport Operations		Real Estate		Eliminations/adjustments		Group	
Revenue by source ¹	2021	2020	2021	2020	2021	2020	2021	2020
Aviation Business								
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	94	—	—	—	—	93	94
Total Aviation Business	1,653	1,507	—	—	—	—	1,653	1,507
Commercial Services								
Parking & entry	339	295	—	—	—	—	339	295
Retail, food & beverage	181	196	—	—	—	—	181	196
Property revenue	384	344	32	28	-16	-16	399	356
Advertising	61	57	—	—	—	—	61	57
Other commercial products	79	76	7	4	-15	-13	70	67
Total Commercial Services	1,044	968	39	32	-31	-28	1,051	971
Other net revenue	19	23	1	0	-6	-7	14	16
Total net revenue	2,715	2,498	39	31	-37	-35	2,717	2,494
Of which revenue for contracts with customers	2,355	2,139	25	17	-21	-19	2,359	2,137
Of which not revenue for contracts with customers	360	359	15	14	-17	-16	358	357

¹ Swedavia's geographic market is Sweden. Swedavia's airports are run, consolidated and reported internally as a cohesive system of airports. During the year, revenue from contracts with customers under IFRS 15 totalled SEK 2,314 M (2,103), which pertains to total net revenue as of December 31 apart from revenue in retail, food & beverage of SEK 181 M (196) and some property revenue of SEK 222 M (195). For the full year, revenue under IFRS 16 totalled SEK 403 M (391), with SEK 385 M (378) of this attributable to the Airport Operations segment and SEK 17 M (14) to the Real Estate segment.

Performance obligations

Swedavia's revenue from contracts with customers consists of revenue from Aviation Business, Commercial Services and other net revenue. Independently determined sales prices are used for all performance obligations. Discounts provided have reduced net revenue. Trade receivables are non-interest-bearing assets usually with 30-day payment terms. Trade receivables in 2021 were lower compared to the previous year as a result of the current market situation. Information about the Group's performance obligations is summarised below:

Aviation Business

Revenue from Aviation Business consists of passenger-related revenue, aircraft-related revenue, externally regulated charges, ground handling and other ancillary services. This revenue is related to the provision of infrastructure aimed at airlines and ground handling companies for take-off and landing and is recognised in conjunction with airlines and ground handling companies using Swedavia's range of services on offer – in other words, when there is a departure from one of Swedavia's airports. Discounts given have reduced net revenue in the same period the revenue is generated. Revenue is invoiced after the performance obligation has been completed.

Commercial Services

Revenue from Commercial Services consists of revenue from parking & entry, retail, food & beverage, property revenue, advertising and other commercial services. This revenue is related to services associated with the airports such as the leasing of premises, parking operations and the

provision of advertising space. Revenue from parking & entry is recognised in conjunction with the parking customer using the parking space. Advertising revenue consists of the sale of advertising space, and revenue is recognised during the period of use. Real estate revenue and other commercial products consist of the sale of energy and telecom services, which are recognised when the service is provided. Discounts given have reduced net revenue in the same period the revenue is generated.

Other net revenue

Revenue under other net revenue is recognised on delivery and consists of revenue from goods sold and services provided that are included in the company's regular operations but that are not related to revenue from Aviation Business or Commercial Services. Discounts given have reduced net revenue in the same period the revenue is generated. Revenue is invoiced after the performance obligation has been completed.

Contract balances

Contract assets and contract liabilities arise in conjunction with customer invoicing and are reclassified as trade receivables upon invoicing. Contract assets consist of the right to receive payment for performance completed when the service has been transferred to the customer. Contract liabilities consist of the customer's right to be provided with a performance obligation by Swedavia – in other words, if payments are made prior to completion of the performance obligation – as well as the right to receive volume discounts in accordance with the contract.

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Contract assets and contract liabilities from contracts with customers:

	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Contract assets	22	7	—	7
Contract liabilities	104	40	104	40

Impairment losses recognised on any contract assets arising from contracts with customers totalled SEK 0 M (0) during the year.

	Group	
	2021	2020
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of periods	40	35
Revenue recognised during the reporting period from performance obligations satisfied in previous periods	7	16

NOTE 5 Related party transactions

Related party transactions involve transactions with State-owned companies or operations that conduct business in which the State has a controlling interest. In addition, due to the large investments that Swedavia makes at the airports, from time to time there are other contributions such as partial funding of investments from the EU's research and development operations and from local authorities and county administrative boards. Related parties also include companies over which Swedavia may exercise a controlling interest or significant influence in terms of operating and finance decisions made; for transactions with them, see the table below. Concerning Swedavia AB's receivables from and liabilities associated companies and joint ventures"; see Note 31 "Receivables from and liabilities to associated companies and joint ventures". Shares in Group companies are described in detail in Note 27 "Holdings in Group companies" and in Note 26 "Holdings in associated companies and joint ventures". Concerning long-term receivables from the Swedish Transport Administration related to the restoration reserve for estimated future expenditures to address identified historical environmental damage, see Note 25 "Other long-term receivables" and Note 38 "Other provisions". Transactions are carried out on market terms, and operations are subject to competition. Related parties that are physical persons are defined as executive officers, Board members and immediate family members of such persons. For information about remuneration to executive officers and Board members, see Note 8 "Employees and staff expenses". There are no securities pledged by or contingent liabilities from Swedavia for executive officers or Board members.

	Group		Parent Company	
	2021	2020	2021	2020
Sale of goods and services				
Subsidiaries	—	—	46	122
Associated companies and joint ventures	63	37	38	5
Total sale of goods and service	63	37	84	127
Sale of immovable property or other assets				
Subsidiaries	—	—	3	14
Associated companies and joint ventures	—	—	—	—
Total sale of immovable property or other assets	—	—	3	14
Purchase of goods and services				
Subsidiaries	—	—	94	330
Associated companies and joint ventures	106	97	106	97
Total purchase of goods and services	106	97	200	427
Interest, net				
Subsidiaries	—	—	6	11
Total interest	—	—	6	11

Transactions with the Swedish State

Swedavia AB is wholly owned by the Swedish State. The Swedavia Group's products and services are provided to the State, government agencies and State-owned companies (hereinafter called other related parties) in competition with other suppliers on commercial terms. Similarly, Swedavia AB and its Group companies purchase products and services from government authorities and State-owned companies at market prices and on commercial terms. Costs for other related parties consist mostly of the purchase of meteorological services, charges to government authorities and air navigation services, which are largely included in the costs covered via remuneration from the Swedish Transport Agency for security screening and parts of air traffic management services. The Group's sale of goods and services to other related parties totalled SEK 237 M (184) and purchases of goods and services totalled SEK 276 M (257). In 2021, Swedavia received government grants totalling SEK 313 M (433), with SEK 208 M (233) this for restructuring aid, SEK 81 M (187) for aid for furloughs and SEK 24 M (13) for rent concessions. Transactions with the Swedish State related to taxes and payroll fees have not been included.

NOTE 6 Other operating income

	Group		Parent Company	
	2021	2020	2021	2020
Other operating income				
Capital gains	98	435	7	7
Other	227	265	226	265
Total	325	700	233	272

Capital gains in 2021 are related to the sale of subsidiaries, SEK 92 M (427), a revised sale price for land, SEK -2 M (—) and other capital gains, SEK 7 M (7). Other mainly concerns restructuring aid of SEK 208 M (233).

NOTE 7 Remuneration and reimbursements to auditors

	Group		Parent Company	
	2021	2020	2021	2020
KPMG				
Auditing assignments	3	3	3	3
Other assignments	1	—	1	—
Total	4	3	4	3

Auditing assignments refers to the statutory auditing of the annual accounts and the administration of the Board of Directors and the President and CEO as well as auditing and other examination performed in accordance with agreements or contracts. This includes other duties incumbent upon the company's auditor as well as advice or other assistance stemming from observations made during such audits or the performance of other such duties.

Other assignments refers to advice on accounting issues as well as advice on processes and internal control.

Audit expense pertains to the accrued expense for the financial year that the audit is for.

KPMG was re-elected auditor at the Annual General Meeting 2021.

NOTE 8 Employees and staff expenses

	2021			2020		
Average number of employees, Sweden	Total	Share of women, %	Share of men, %	Total	Share of women, %	Share of men, %
Parent Company	2,244	34	66	2,600	34	66
Group	2,244	34	66	2,600	34	66

	2021			2020		
Average number of executive officers	Total	Share of women, %	Share of men, %	Total	Share of women, %	Share of men, %
Group						
Board members	9	56	44	9	45	55
Other executive officers, including the President and CEO	10	50	50	11	64	36

	Group		Parent Company	
	2021	2020	2021	2020
Salaries, other benefits and payroll taxes, SEK M				
Salaries and other benefits				
Board of Directors	2	2	2	2
President and CEO	22	22	22	22
Other employees ¹	971	1,004	971	1,004
Total	995	1,028	995	1,028
Payroll taxes ²	471	496	481	465
of which pension expenses including employee pension tax for CEO and executive officers	8	8	8	8
of which pension expenses including employee pension tax for other employees	133	141	133	111
Other staff-related expenses	18	25	18	25
Total staff expenses	1,484	1,550	1,494	1,519

¹ Salaries in 2021 were reduced by SEK 76 M (172) in conjunction with furloughs.

SEK 14 M (30) was related to salary waivers and SEK 62 M (142) was related to government grants.

² Payroll taxes in 2021 were reduced by SEK 24 M (55) in conjunction with furloughs, SEK 5 M (11) of which was related to salary waivers and SEK 19 M (44) of which was related to government grants.

Board remuneration, 2021, SEK T	Board fee	Audit Committee	Remuneration Committee	Other Benefits
Chairman of the Board				
Åke Svensson	457	23	25	—
Board members				
Nina Linander	228	41	—	—
Lotta Mellström	—	—	—	—
Lars Mydland	228	—	—	—
Lottie Svedenstedt	228	—	20	—
Tor Claussen	228	—	—	—
Eva Nygren	228	—	—	—
Per Sjödel ¹	228	—	13	—
Annica Ånäs	228	—	—	—
Total	2,055	64	58	—

¹ Per Sjödel was elected to the Remuneration Committee at the statutory Board meeting on April 28, 2021.

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Board remuneration, 2020, SEK T	Board fee	Audit Committee	Remu- neration Committee	Other benefits
Chairman of the Board				
Åke Svensson	431	21	24	—
Board members				
Lars Backemar ²	73	—	—	—
Lottie Knutson ²⁾	73	—	7	—
Nina Linander ¹	189	29	—	—
Lotta Mellström	—	—	—	—
Lars Mydland	216	—	—	—
Mikael Norman ²	73	13	—	—
Lottie Svedenstedt	216	—	19	—
Tor Claussen ³	143	—	—	—
Eva Nygren ³	143	—	—	—
Per Sjödel ³	143	—	—	—
Annica Ånäs ³	143	—	—	—
Total	1,843	63	50	—

¹ Nina Linander was elected to the Board and the Audit Committee on February 13. She was elected chairman of the Audit Committee on May 1.

² Stepped down from the Board at the AGM on April 29, 2020.

³ Was elected to the Board at the AGM on April 29, 2020.

Remuneration to the Board is based on the fees adopted by the AGM, with one twelfth of the annual fee paid monthly. In 2020, all Board members during the period April 1 to August 31, 2020. The amounts above consist of the fee adopted by the Board less the fee voluntarily waived calculated based on the monthly fee for the period specified.

Guidelines for Board remuneration

Swedavia follows the State's guidelines for Board remuneration. A fee is paid to the Chairman and Board members based on a decision at the Annual General Meeting (AGM) on April 28, 2021. No pension contribution is paid for Board members. No remuneration is paid to Board members who are employed in the Swedish Government Offices. No Board fee is paid to employee representatives or their deputies. No Board fee is paid to Board members in any subsidiary since all members are employees of companies in the Swedavia Group. Remuneration for members of the Audit Committee is based on a decision taken at the AGM held on April 28, 2021. Since the statutory Board meeting on April 28, 2021, the Audit Committee consists of Board members Nina Linander as committee chairman and Åke Svensson and Lotta Mellström as committee members. Remuneration for members of the Audit Committee is based on a decision taken at the AGM held on April 28, 2021. Since the statutory Board meeting on April 28, 2021, Board Chairman Åke Svensson is committee chairman and Board members Lotta Mellström and Lottie Svedenstedt are members, while Robert Olsson is employee representative.

Remuneration to executive officers executive officers ¹ in 2021, SEK T		Base salary	Other benefits ⁶	Pension expenses	Total remuneration	Employer's period of notice of termination + number of months' severance pay
President and CEO	Jonas Abrahamsson	4,429	9	1,305	5,743	6 + 12
Director of Projects	Johan Bill	2,252	15	676	2,943	6 + 6
Director, Governance & Compliance	Anna Bovaller	1,583	3	444	2,030	6 + —
Airport Director, Bromma Stockholm Airport	Mona Glans ²	375	1	96	472	6 + 6
Chief Operating Officer, International Airports	Peder Grunditz ³	2,103	15	631	2,749	6 + 6
Director, Strategic Initiatives & Innovation	Fredrik Jaresved ⁴	255	1	64	320	6 + 6
Director, Marketing & Sales, International Airports	Charlotte Ljunggren	2,121	4	627	2,752	6 + 6
Director, Regional Airports	Susanne Norman	1,564	3	400	1,967	6 + 6
Director, Facilities & Systems, International Airports	Caroline Ottoson	2,186	7	656	2,849	6 + 6
Chief Financial Officer	Mats Pålson	2,317	4	685	3,006	6 + 6
Airport Director, Göteborg Landvetter Airport	Anna Strömwall ⁵	1,300	3	333	1,636	6 + 6
Director, Business Support	Marie Wiksborg	1,944	3	536	2,483	6 + 6
Total		22,428	67	6,455	28,950	

¹ Remuneration has been recognised based on the period that each executive officer was part of the executive management team. Remuneration has been recognised based on monthly salary and statutory holiday pay. Pension expense includes a premium for supplementary health insurance.

² Mona Glans was part of the executive management team until March 31, 2021 when she stepped down from the executive team and then took a position outside the company.

³ As of April 1, 2021, the Airport Director of Bromma Stockholm Airport reported to the Airport Director of Stockholm Arlanda Airport, Peder Grunditz. Peder Grunditz stepped down from the position of Airport Director of Stockholm Arlanda Airport on October 31, 2021, and assumed the position of Chief Operating Officer (COO) of International Airports on November 1, 2021.

⁴ Fredrik Jaresved assumed the position of Director of Strategic Initiatives & Innovation on November 1, 2021, and joined the executive management team on the same date.

⁵ Anna Strömwall stepped down from the executive management team in conjunction with the new organisation for International Airports entering into force on November 1, 2021.

⁶ Benefits consist primarily of benefits in the form of parking, public transport allowances and health insurance.

Remuneration to executive officers executive officers ¹ in 2020, SEK T		Base salary	Other benefits ²	Pension expenses	Total remuneration	Employer's period of notice of termination + number of months' severance pay
President and CEO	Jonas Abrahamsson	4,082	11	1,214	5,307	6 + 12
Director of Major Projects	Johan Bill	2,130	14	640	2,784	6 + 6
Chief Legal Counsel	Anna Bovaller	1,491	5	410	1,906	6 + –
Airport Director, Bromma Stockholm Airport	Mona Glans	1,452	4	372	1,827	6 + 6
Airport Director, Stockholm Arlanda Airport	Peder Grunditz	1,885	14	566	2,465	6 + 6
Director, Marketing & Commercial Development	Charlotte Ljunggren	1,998	4	587	2,588	6 + 6
Airport Director, Regional Airports	Susanne Norman	1,479	3	378	1,860	6 + 6
Director, Facilities & Systems	Caroline Ottoson	2,036	14	612	2,662	6 + 6
Chief Financial Officer	Mats Pålson	2,181	15	644	2,840	6 + 6
Airport Director, Göteborg Landvetter Airport	Anna Strömwall	1,461	3	374	1,839	6 + 6
Director, Business Support & Security	Marie Wiksborg	1,831	3	505	2,339	6 + 6
Total		22,027	89	6,301	28,417	

¹⁾ Remuneration has been recognised based on monthly salary and statutory holiday pay. Pension expense includes a premium for supplementary health insurance. During the period April 1 to August 31, 2020, executive officers voluntarily waived 10% of their gross salary.

²⁾ Benefits consist primarily of benefits in the form of parking, public transport allowances and health insurance.

Remuneration to executive officers

Executive officer refers to the people who together with the chief executive officer (CEO) constitute the company's executive management and report directly to the CEO. The executive management is appointed by the CEO. Remuneration to the CEO and Head of Internal Auditing is decided by Swedavia's Board of Directors, following preparation of the matter in the Remuneration Committee. The CEO determines remuneration for other executive officers following preparation of the matter in the Remuneration Committee.

The Board's proposed guidelines for remuneration and other terms of employment for the company's executive management stipulate that Swedavia AB (publ) shall strive for remuneration and terms of employment that are competitive and well informed. Remuneration shall be characterised by reasonableness and transparency and shall contribute to good ethics and corporate culture. Remuneration shall not be such that it drives salaries relative to comparable companies but shall instead be characterised by moderation. For matters concerning remuneration and other terms of employment, Swedavia applies the principles adopted in its Guidelines for Terms of Employment for Executive Officers in Companies. These are based on the Swedish Government's Principles for Remuneration and Other Terms of Employment for Executive Officers in Companies under State Ownership adopted on February 27, 2020. The guidelines shall result in remuneration that is competitive, capped, reasonable and appropriate. The principle is a fixed base salary, which means there may not be any incentive programmes or other types of variable pay for executive officers.

Pensions

A pension provision of 30 per cent of fixed salary was made as a premium-based pension to the CEO. A pension provision was made to other executive officers in accordance with the ITP 1 defined contribution plan with the exception of the Director of Marketing & Sales, who has an agreement for a premium-based pension which includes a provision equivalent to 30 per cent of that person's fixed salary. One executive officer, who was employed in the transition from LFV to Swedavia on April 1, 2010, is also covered by an age-related graduated pension premium for the ITP 1 plan determined through a collective bargaining agreement. For other executive officers, who are not covered by the graduated pension premium for ITP 1, a

pension provision in addition to the defined contribution pension for the ITP 1 plan has been agreed. However, these pension benefits do not exceed the Swedish State's guidelines in effect at any time. The retirement age for the CEO and other executive officers is 65.

Termination and severance pay

For notice of termination given by the company, the period of notice of termination and severance pay are specified in the table. Severance pay is equal to a fixed salary. If that person assumes a new position, is given another additional salaried assignment or earns income from some business activity, termination pay and the severance package shall be reduced by the amount equal to the new income during the period in question. Severance pay is not pensionable income and is not subject to statutory holiday pay. The CEO and other executive officers have six months' notice of termination by mutual consent, except for one person who must give four months' notice of termination. All executive officers are entitled to all employment benefits that apply during the period of notice.

Other employees

Employees in the Swedavia Group receive remuneration in the form of a fixed, base salary, a fixed hourly wage, benefits and pension provision in accordance with collective bargaining agreements. For some age groups whose positions were transferred from LFV to Swedavia on April 1, 2010, there is also an age-related graduated pension premium for the ITP 1 plan as determined through a collective agreement. As a supplement to their fixed base salary, advertising sales representatives also have a variable portion of their salary that is commission-based, which is capped.

Organisational change

On November 1, 2021, a change was made in Swedavia's operational structure and organisation. The four international airports Stockholm Arlanda, Bromma Stockholm, Göteborg Landvetter and Malmö Airport were organised into a single airport organisation, International Airports. The six regional airports were structured under the scope of Regional Airports. For more detailed information about the organisational change, see pages 26–27.

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NOTE 9 Depreciation, amortisation and impairment losses on fixed and intangible assets

	Group		Parent Company	
	2021	2020	2021	2020
Depreciation/amortisation				
Goodwill	—	—	25	25
Other intangible assets	61	62	61	62
Buildings and land	390	312	389	312
Investment properties	20	21	—	—
Field structures	262	262	261	261
Electrical installations, vehicles and equipment	612	624	492	493
Total	1,346	1,281	1,228	1,154
Impairment losses				
New construction in progress	37	174	36	173
Total	37	174	36	173
Total	1,382	1,456	1,263	1,327

NOTE 10 Other operating expenses

	Group		Parent Company	
	2021	2020	2021	2020
Other operating expenses				
Cost for disposal of fixed assets	15	17	15	18
Other	—1	3	—1	2
Total	14	21	14	21

NOTE 11 Financial income and expenses

	Group		Parent Company	
	2021	2020	2021	2020
Profit from holdings in associated companies and joint ventures				
Portion of profit for the year from holdings in associated companies and joint ventures	71	54	—	—
Total	71	54	—	—

	Group		Parent Company	
	2021	2020	2021	2020
Financial income				
Interest income	4	5	10	16
Total	4	5	10	16

	Group		Parent Company	
	2021	2020	2021	2020
Financial expenses				
Interest expenses, financial liabilities	33	36	79	80
Interest rate derivatives	40	37	40	34
Interest on pension expense for the year	7	12	—	—
Interest expenses, lease liabilities	35	37	—	—
Net effect, changes in foreign exchange rates	2	5	8	11
Other financial expenses	14	12	13	11
Total	131	138	141	137

Financial income is related to financial instruments recognised at amortised cost. Financial expenses related to interest expenses from financial liabilities and other financial expenses are measured at amortised cost. Derivative instruments are measured at fair value through other total comprehensive income.

Interest expenses from financial liabilities are related to liabilities to credit institutions, corporate bonds and commercial paper. Borrowing costs related to refurbishments and new construction projects, totalling SEK 46 M (44), were capitalised during the year. The average interest rate for 2021 is 1.1 per cent (1.2).

NOTE 12 Appropriations and untaxed reserves

	Parent Company	
	2021	2020
Appropriations		
Change in accelerated depreciation/amortisation	550	475
Group contribution paid	117	120
Total appropriations	667	595
Untaxed reserves		
Accumulated accelerated depreciation/amortisation	1,083	1,575
Total untaxed reserves	1,083	1,575

Accumulated accelerated amortisation and depreciation are related to other intangible assets, electrical installations, vehicles and equipment.

NOTE 13 Tax

	Group		Parent Company	
	2021	2020	2021	2020
Current tax expense (-)/tax income (+)				
Tax expense/tax income for the year	-1	-21	—	0
Restatement of tax pertaining to previous years	0	33	—	33
	-1	12	—	33
Deferred tax expense (-)/tax income (+)				
Deferred tax for temporary differences	261	378	160	283
Restatement of deferred tax for temporary differences pertaining to previous years	-2	—	-2	—
	259	378	157	283
Total tax expense recognised	258	391	157	316

Group	2021		2020	
	Per cent	Amount	Per cent	Amount
Reconciliation of effective tax				
Profit before tax		-1,441		-1,672
Tax using the tax rate in effect	20.6	297	21.4	358
Tax effect of non-deductible costs	-1.1	-16	-1.0	-16
Tax effect of non-taxable revenue	1.4	21	5.6	94
Temporary difference, not capitalised	-1.9	-27	-1.5	-26
Effect on deferred tax of change in tax rates	—	—	-0.9	-15
Tax for taxation in previous years	-0.1	-2	—	—
Other	-1.0	-15	-0.3	-5
Recognised effective tax	17.9	258	23.4	391

Parent Company	2021		2020	
	Per cent	Amount	Per cent	Amount
Reconciliation of effective tax				
Profit before tax		-1,056		-1,724
Tax calculated using tax rate in effect for the Parent Company	20.6	217	21.4	369
Tax effect of non-deductible costs	-1.4	-15	-0.9	-16
Tax effect of non-taxable revenue	0.0	0	0.0	1
Loss for the year, not used	-2.6	-27	-1.5	-26
Effect on deferred tax of change in tax rates	—	—	-0.7	-11
Tax for taxation in previous years	-0.2	-2	—	—
Other	-1.5	-16	0.0	-1
Recognised effective tax	14.9	157	18.3	316

In the consolidated accounts, non-taxable revenue in 2021, SEK 21 M, and in 2020, SEK 94 M, is mostly capital gains from the sale of shares and holdings. The tax rate for 2021 is 20.6 per cent and the tax rate for 2020 is 21.4 per cent.

NOTE 14 Intangible assets

Intangible assets	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Goodwill	352	352	204	228
Other intangible assets	351	378	351	378
Total	702	729	555	606

Goodwill	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Accumulated cost				
Opening balance	352	352	493	493
Closing balance	352	352	493	493
Accumulated scheduled amortisation				
Opening balance	—	—	-265	-241
Scheduled amortisation for the year	—	—	-25	-25
Closing balance	—	—	-290	-265
Carrying amount, closing balance	352	352	204	228

Goodwill

In conjunction with the conversion of airport operations into a limited liability company on April 1, 2010, assets and liabilities from LFV were transferred to Swedavia at an estimated market value. In conjunction with the transaction, goodwill of SEK 493 M arose, which in the transition to IFRS in the Group totalled SEK 352 M.

Goodwill impairment testing

The recognised value of goodwill is derived from Airport Operations (operating segment). The airports included in Sweden's national basic infrastructure of airports are operated as a single system, which is cohesive and mutually

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dependent. This notion of system means that it is not possible to isolate cash flows related to individual airports included in the system in a meaningful way so the airports included in the national basic infrastructure are treated as a single cash-generating unit. Goodwill has an indeterminable useful life in the Group but is amortised according to schedule in the Parent Company. Impairment testing is carried out annually or more frequently if there is an indication of a decline in value. The recoverable value is determined based on calculations of value in use. The calculations for the first two-year period in 2021 are based on estimated cash flows in the business plan adopted.

The Swedavia Group works with strategic plans and long-term scenarios, based on industry assessments, which run through 2035. After the end of the business plan, impairment testing is based on the estimated cash flows in the strategic plan adopted. In calculating the value in use, lease payments have been treated as cash flows in the business. That means lease liabilities did not affect the discount rate, in line with previous years. The lease liability is deducted from the unit's carrying amount because the value in use is reduced by future lease payments, in which the right-of-use assets are included in impairment testing.

Significant assumptions in determining the value in use are the passenger trend, investment level and cost trend. The Covid-19 pandemic has had a drastic impact on the aviation market and created great uncertainties about the passenger trend in both the short and long term. Swedavia has prepared three scenarios – high, low and medium – in determining the future passenger trend, both in its business plan and strategic plan. Of the three scenarios, the middle one was chosen since it was considered to reflect the most likely passenger trend. Cash flows beyond 2035 are assumed to have annual growth equivalent to 2.0 per cent (2.0). The discount rate used before tax is 8.1 per cent (8.2). This testing has not entailed any impairment loss on goodwill.

Sensitivity analysis

The estimated recoverable amount for Airport Operations exceeded the carrying amount as of December 31, 2021. A 0.5 per cent increase in the discount rate (WCC) would entail a SEK 2,600 M decrease in the recoverable amount, in which case the recoverable amount would fall below the carrying amount. A 0.5 per cent decrease in annual growth would entail a SEK 1,500 M increase in the recoverable amount, in which case the recoverable amount would be on the same level as the carrying amount.

	Group		Parent Company	
Other intangible assets	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Accumulated cost				
Opening balance	737	698	737	698
Reclassifications for the year	37	40	35	40
Reclassification/acquisition through merger for the year	—	—	2	—
Disposals and divestments for the year	–12	–1	–12	–1
Closing balance	763	737	763	737
Accumulated scheduled amortisation				
Opening balance	–359	–275	–359	–275
Reversal of amortisation on disposals	11	1	11	1
Scheduled amortisation for the year	–64	–85	–64	–85
Closing balance	–412	–359	–412	–359
Carrying amount, closing balance	351	378	351	378

Other intangible assets pertain to noise insulation for the properties of others, SEK 173 M (188), and IT systems, SEK 178 M (190), SEK 17 M (28) of which pertain to intangible assets developed in-house. Other intangible assets that pertain to investments in the properties of others constitute a condition for running airport operations. Necessary investments in noise insulation are regulated in the environmental permit for each airport.

NOTE 15 Fixed assets

	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Buildings and land (Note 16)	6,595	5,288	6,570	5,268
Field structures (Note 17)	3,789	3,506	3,777	3,497
Electrical installations, vehicles and equipment (Note 18)	3,521	3,021	3,477	2,877
New construction in progress (Note 19)	4,558	6,296	4,425	6,143
Total	18,464	18,112	18,247	17,786

NOTE 16 Buildings and land

	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Accumulated cost				
Opening balance	8,436	8,206	8,409	8,168
Acquisitions/reclassifications for the year	1,703	261	1,695	272
Disposals and divestments for the year	–21	–31	–21	–31
Closing balance	10,118	8,436	10,083	8,409
Accumulated scheduled depreciation				
Opening balance	–3,141	–2,851	–3,134	–2,844
Reversal of depreciation on disposals	16	23	16	22
Scheduled depreciation for the year	–390	–312	–389	–312
Closing balance	–3,516	–3,141	–3,508	–3,134
Accumulated impairment				
Opening balance	–7	–11	–7	–11
Reversal of impairment from previous years	1	4	1	4
Impairment for the year	—	—	—	—
Closing balance	–6	–7	–6	–7
Carrying amount, closing balance	6,595	5,288	6,570	5,268
Of which land				
Opening balance	382	382	359	359
Acquisitions for the year	—	—	—	—
Disposals for the year	–4	—	—	—
Carrying amount, closing balance	378	382	359	359

NOTE 17 Field structures

	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Accumulated cost				
Opening balance	5,285	5,010	5,275	4,999
Reclassifications for the year	550	376	545	376
Disposals and divestments for the year	-80	-101	-80	-101
Closing balance	5,755	5,285	5,739	5,275
Accumulated scheduled depreciation				
Opening balance	-1,777	-1,609	-1,777	-1,609
Reversal of depreciation on disposals	76	94	76	94
Scheduled depreciation for the year	-262	-262	-261	-261
Closing balance	-1,965	-1,777	-1,962	-1,777
Accumulated impairment losses				
Opening balance	-1	-1	-1	-1
Reversal of impairment losses on disposal	—	—	—	—
Impairment losses for the year	—	—	—	—
Closing balance	-1	-1	-1	-1
Carrying amount, closing balance	3,789	3,506	3,777	3,497

Net field structure assets acquired have been treated for tax purposes as land. Field structures consist mostly of take-off and landing runways.

NOTE 18 Electrical installations, vehicles and equipment

	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Accumulated cost				
Opening balance	6,645	6,384	6,449	6,198
Reclassifications for the year	1,006	530	954	520
Reclassification/acquisition through merger for the year	—	—	172	—
Disposals and divestments for the year	-194	-269	-194	-269
Closing balance	7,457	6,645	7,380	6,449
Accumulated scheduled depreciation				
Opening balance	-3,623	-3,374	-3,572	-3,338
Reversal of depreciation on disposals	188	261	188	261
Scheduled depreciation for the year	-500	-510	-492	-493
Closing balance	-3,935	-3,623	-3,902	-3,572
Accumulated impairment losses				
Opening balance	-1	-1	-1	-1
Reversal of impairment losses	—	0	—	0
Impairment losses for the year	—	—	—	—
Closing balance	-1	-1	-1	-1
Carrying amount, closing balance	3,521	3,021	3,477	2,877

NOTE 19 New construction in progress related to fixed assets

	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Opening balance	6,296	5,113	6,143	5,031
Acquisitions for the year	1,581	2,501	1,544	2,435
Acquisitions through merger for the year	—	—	0	—
Disposals for the year	-3	0	-3	-14
Reclassifications for the year	-3,278	-1,142	-3,224	-1,136
Depreciation for the year	-38	-174	-36	-173
Carrying amount, closing balance	4,558	6,296	4,425	6,143

New construction in progress related to fixed assets mostly consists of investments in infrastructure and terminals. Reclassification of the asset class in question occurs when the asset is placed in service. Impairment losses in 2021 are mainly attributable to development projects that cannot be capitalised. Of the acquisitions for the year, SEK 161 M (172) is capitalised work for Swedavia's own account.

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NOTE 20 Fair value

The table below presents the assets and liabilities measured at fair value. Fair value is defined as the price at the time of measurement that would be received in the sale of the asset or charged in the transfer of a liability in an orderly transaction between market participants. Assets and liabilities measured at fair value are classified in a hierarchy with three different levels based on the information used to determine their fair value. Level 1 applies when fair value is determined based on listed prices (unadjusted) in active markets for identical assets and liabilities. Level 2 applies when fair value is determined based on observable data for the asset or liability other than listed prices included in Level 1. Level 3 applies when fair value is determined based on inputs for the asset or liability that are not based on observable market data.

Measurement at fair value

Hierarchy levels in measurement of fair value Dec 31, 2021	Level 1	Level 2	Level 3	Total
Items recognised at fair value in the balance sheet				
Derivative instruments (Note 28) ¹	—	4	—	4
Biological assets (Note 23) ²	—	—	83	83
Total	—	4	83	87

Measurement at fair value

Hierarchy levels in measurement of fair value Dec 31, 2020	Level 1	Level 2	Level 3	Total
Items recognised at fair value in the balance sheet				
Derivative instruments (Note 28) ¹	—	-180	—	-180
Biological assets (Note 23) ²	—	—	81	81
Total	—	-180	81	-99

¹ Recognised at fair value through comprehensive income in the consolidated balance sheet.

² Recognised at fair value in the consolidated balance sheet. The fair value of biological assets is determined based on Level 3; information for the comparative year has been restated.

Derivative instruments

Interest rate swaps

For interest rate swaps, fair value is calculated as the present value of expected future cash flows based on current market interest rates.

Electricity derivatives

For electricity derivatives, fair value is determined based on listed rates. If there are no listed rates, fair value is calculated by discounting the difference between the contracted forward rate and the forward rate available on the balance sheet date for the remainder of the contract period.

Currency futures

The fair value of currency futures is calculated by discounting the difference between the contracted forward rate and the forward rate that can be contracted on the balance sheet date for the remainder of the contract period. Discounting is done at a risk-free interest rate.

Biological assets

Swedavia's biological assets consist of large forest holdings adjacent to Swedavia's airports, with standing timber assessed at fair value.

The holdings are measured on each balance sheet date. Measurement is made by an external appraiser in conjunction with the year-end closing at

least once every two years or at another time if there is any indication of changes in market value. For other balance sheet dates, the stock of standing timber is measured through an internal valuation. An external valuation was carried out in conjunction with the annual accounts for 2021.

The measurement method used for external valuation is in accordance with the Swedish land registration authority Lantmäteriet's forest valuation method. This method is based on a discounted cash flow valuation of expected future cash flows from long-term sustainable forestry. Important inputs are local pricelists for timber and pulp with average prices for the past ten years, potential harvestable volume in accordance with the Swedish Forestry Act's restrictions on clear-cutting, and discount rates based on the age of the forest. A change in fair value is recognised in the income statement as other profit or other external costs. Fair value is determined based on Hierarchy Level 3, which means that the fair value of the biological assets cannot be directly related to observable market data.

In internal valuations, the stock is compared on the valuation date with the stock on the date of the previous external valuation. After this, an interview is/ interviews are carried out with a key person/key people to determine whether any factors have had an effect on the stock and thus the market value.

NOTE 21 Investment properties

Swedavia recognises properties classified as investment properties at cost in the consolidated balance sheet. Investment properties are found in the Real Estate operating segment, and the portfolio consists of cargo and office properties as well as land at Göteborg Landvetter Airport, Malmö Airport and Stockholm Arlanda Airport. Revenue from investment properties totalled SEK 19 M (19) and direct costs totalled SEK 27 M (35). For information about the depreciation method and estimated useful life, see Note 1 "Corporate information and accounting principles". For information about valuation assumptions concerning fair value for disclosure purposes, see below.

	Group	
	Dec 31, 2021	Dec 31, 2020
Accumulated cost		
Opening balance	752	931
Acquisitions for the year	2	221
Disposals for the year	-8	0
Reclassification for the year	0	-17
Reclassification of assets held for sale	—	-382
Closing balance	745	752
Accumulated scheduled depreciation		
Opening balance	-49	-28
Scheduled depreciation for the year	-20	-21
Reclassification of assets held for sale	—	—
Closing balance	-69	-49
Accumulated impairment losses		
Opening balance	-7	-7
Impairment losses for the year	—	0
Closing balance	-7	-7
Carrying amount, closing balance	668	697
Fair value (Level 3)	1,841	2,137
Reclassification of assets held for sale	—	-480
Fair value, after reclassification	1,841	1,657

Swedavia's investment properties are recognised at cost. The properties are measured to determine their fair value, that is, their estimated market value. The portfolio of investment properties is measured annually in conjunction with the year-end closing. Measurement is made either by external independent appraisers or through internal valuation. An external valuation was carried out in conjunction with the 2021 annual accounts.

The valuation of properties is based on the cash flows the asset is expected to generate, discounting net operating profit. To estimate net operating profit, estimates are made of inflation, rents, vacancies, and operating and maintenance costs. The value of the property is based on the expected cash flows of each property appraised over the next ten years. For properties with a lease on premises or land longer than ten years, the calculations have been extended. For the last year of the calculation period, a residual value is calculated, which shall constitute an estimated market value at that time. The information used to determine the fair value of the investment properties is classified as Level 3 which means that the fair value of the investment properties cannot be directly attributed to observable market data. Fair value was reduced from SEK 2,137 M to SEK 1,841 M, mainly due to the sale of Hotell 1 Landvetter AB during the year. Investments mainly in Logistic City 1 AB had the effect of increasing their value.

NOTE 22 Leases

Leases in which Swedavia is the lessee

The Group's fixed assets consist of both owned and leased assets. None of Swedavia's leased assets consists of investment properties.

	Group	
	Dec 31, 2021	Dec 31, 2020
Fixed assets	18,464	18,112
Right-of-use assets	1,088	1,184
Total	19,552	19,296

The Group leases different kinds of assets including buildings and land for office and airport maintenance operations, vehicles, machinery and construction, office and IT equipment. No lease contract includes covenants or other restrictions apart from the guarantee for the leased asset.

	Group					
Right-of-use asset	Building	Land	Equipment	Machinery	Vehicles	Total
Depreciation for the year	-92	-5	-3	0	-12	-112
Closing balance, December 31, 2021	1,035	45	3	0	5	1,088

	Group					
Right-of-use asset	Building	Land	Equipment	Machinery	Vehicles	Total
Depreciation for the year	-93	-5	-4	0	-13	-114
Closing balance, December 31, 2020	1,127	41	5	0	11	1,184

Additions to right-of-use assets in 2021 totalled SEK 16 M (10). This amount includes the cost of newly acquired rights during the year and additional amounts from the reassessment of lease liabilities due to the change in payments as a result of the change in the lease term.

	Group	
Lease liabilities	2021	2020
Current lease liabilities	122	129
Non-current lease liabilities	1,022	1,103
Lease liabilities included in the statement of financial position	1,144	1,232

To see the maturity analysis of Swedavia's lease liabilities, see Note 47 "Financial risks" and the section on liquidity risk and refinancing risk.

	Group	
Amount recognised in the income statement	2021	2020
Depreciation on right-of-use assets	-112	-114
Interest on lease liabilities	-35	-37
Variable lease charges not included in the valuation of the lease liability	-3	-2
Costs of short-term leases	-1	-2
Cost of leases of low-value assets, not short-term leases of low-value assets	-1	-1

	Group	
Amount recognised in cash flow statement	2021	2020
Total cash flow attributable to leases	-104	-104

The cash outflows above include both the amount paid for leases recognised as lease liabilities and the amount paid for variable lease charges, short-term leases and leases of low-value assets.

	Parent Company	
Non-cancellable lease payments amount to:	2021	2020
Within one year	121	134
Between one and five years	458	458
More than five years	793	898

	Parent Company	
Charges for operating leases recognised as an expense amount to:	2021	2020
Minimum lease charges	133	134
Variable charges	6	6
Total lease expenses	139	140

Buildings and land

Swedavia leases buildings and land for office and other operations. Leases usually contain extension options that Swedavia can exercise up to one year before the expiration of the non-cancellable lease term. When it is possible in practice, Swedavia tries to include such options in new leases since they contribute to operational flexibility. The options can only be exercised by Swedavia, not by the lessor. Whether it is reasonably certain that an extension option will be exercised or not is determined at the commencement date of the lease. Swedavia reassesses whether it is reasonably certain that an extension option will be exercised or not if there is a significant event or substantial changes in circumstances that are within Swedavia's control.

Leases consist of non-cancellable periods of 2-20 years, with options for Swedavia to extend for additional periods. The leases have no final end date. At the commencement of the contract, Swedavia makes an individual assessment for each contract in order to determine whether Swedavia is reasonably certain to use one or more such extension periods.

NOTES

During the year, lease liabilities/assets increased SEK — M as a result of the exercise of options not previously included in the lease liability. Significant changes could occur in the future should there be a reassessment of the lease term for one of Swedavia's key property contracts.

Some leases include lease charges based on changes in the local price index, and Swedavia pays charges related to property taxes that are charged to the lessor. These amounts are determined annually.

Other leases

Swedavia leases vehicles, machinery and equipment with lease terms of two to five years. In some cases, Swedavia has the option to purchase the asset at the end of the lease term. In other cases, Swedavia guarantees the residual value of the leased asset at the end of the lease term. Extension options occur to only a negligible extent.

Swedavia also leases construction equipment, office equipment and IT equipment with lease terms of one to three years. These leases are short-term contracts and/or leases of low-value assets. Swedavia has chosen not to recognise right-of-use assets and lease liabilities for these leases.

Sale and leaseback

No sale and leaseback transactions were carried out during the financial year.

Leases not utilised

There were no leases that were not utilised by the Group during the financial year.

Leases where Swedavia is the lessor

Operating leases – the Group as lessor

The Group's operating leases, which generate rental revenue, pertain to the rental of premises in commercial parts of its owner-occupied properties and to a few contracts for investment properties. Rental revenue is generated from both fixed and sales revenue-based rents. Variable charges included in profit for the period totalled SEK 187 M (182).

Payments for contractual lease charges on existing contracts fall due as follows:

	Group	Parent Company
Due date	2021	2021
Within one year	514	496
Between one and two years	472	459
Between two and three years	463	452
Between three and four years	428	418
Between four and five years	416	408
More than five years	844	821
Total	3,137	3,055

	Group	Parent Company
Due date	2020	2020
Within one year	162	158
Between one and two years	366	353
Between two and three years	370	359
Between three and four years	386	376
Between four and five years	404	397
More than five years	1,593	1,571
Total	3,281	3,214

NOTE 23 Biological assets

	Group	
	Dec 31, 2021	Dec 31, 2020
Accumulated cost		
Opening balance	81	82
Change in fair value	2	-2
Carrying amount, closing balance	83	81

Swedavia's biological assets consist of large forest holdings adjacent to Swedavia's airports, with standing timber assessed at fair value. The stock is measured on each balance sheet date. Measurement is made by an external appraiser in conjunction with the year-end closing at least once every two years or at another time if there are any indication of significant changes in market value. For other balance sheet dates, the stock of standing timber is measured through an internal valuation. An external valuation was carried out in conjunction with the 2021 annual accounts. The change in fair value is recognised in the income statement as other revenue or other external expenses. For information about valuation assumptions, see Note 20 "Fair value".

NOTE 24 Non-current financial assets

	Group	
	Dec 31, 2021	Dec 31, 2020
Holdings in associated companies and joint ventures (Note 26)	894	888
Other non-current receivables (Note 25)	387	242
Total	1,282	1,130

	Parent Company	
	Dec 31, 2021	Dec 31, 2020
Holdings in Group companies	870	870
Other non-current receivables (Note 25)	387	242
Deferred tax	479	322
Total	1,737	1,434

NOTE 25 Other non-current receivables

	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Accumulated cost				
Opening balance	242	217	242	217
New receivables	146	25	146	25
Carrying amount, closing balance	387	242	387	242

Other non-current receivables pertain to expected remuneration from the Swedish Transport Administration for compensation related to historical environmental damage and expected remuneration from the Swedish Transport Agency related to terminal revenue.

NOTE 26 Holdings in associated companies and joint ventures

	Group	
	Dec 31, 2021	Dec 31, 2020
Accumulated cost		
Opening balance	888	913
Acquisition for the year	—	—
Share of profit	83	47
Dividend	–78	–72
Sale	—	—
Carrying amount, closing balance	894	888

The dividend from Swedish Airport Infrastructure KB was SEK 78 M (72).

Specification of the Parent Company's and Group's holdings in associated companies and joint ventures

	Group, Dec 31, 2021					
Company, corp. identity no., registered office	Profit for the year, Swedavia's holding	Number of shares	Ownership in %	Value of holding in the Group	Carrying amount in the Parent Company	Classification
Swedish Airport Infrastructure AB, 559012-5182, Stockholm County, Municipality of Sigtuna	—	25,000	50.0	0	—	Joint venture
Swedish Airport Infrastructure KB, 969775-2609, Stockholm County, Municipality of Stockholm	83	1	49.9	894	—	Joint venture
Airport City Stockholm AB, 556872-9619, Stockholm County, Municipality of Sigtuna	—	495	33.0	0	—	Associated company
Total				894	—	

Specification of the Parent Company's and Group's holdings in associated companies and joint ventures

	Group, Dec 31, 2020					
Company, corp. identity no., registered office	Profit for the year, Swedavia's holding	Number of shares	Ownership in %	Value of holding in the Group	Carrying amount in the Parent Company	Classification
Swedish Airport Infrastructure AB, 559012-5182, Stockholm County, Municipality of Sigtuna	—	25,000	50.0	0	—	Joint venture
Swedish Airport Infrastructure KB, 969775-2609, Stockholm County, Municipality of Stockholm	47	1	49.9	888	—	Joint venture
Airport City Stockholm AB, 556872-9619, Stockholm County, Municipality of Sigtuna	—	495	33.0	0	—	Associated company
Total	47			888	—	

The associated company Swedavia Airport Infrastructure KB is considered to be material to the Group. The associated company manages and develops developable properties at Stockholm Arlanda Airport, Göteborg Landvetter Airport and Malmö Airport that meet the specific needs of operators at and in the vicinity of the Group's airports. The company's registered office is in Sweden, and Swedavia's ownership stake in 49.9 per cent.

Balance sheet and income statement for the Swedish Airport Infrastructure KB Group based on Swedavia's consolidated accounting principles:

SEK M	Dec 31, 2021	Dec 31, 2020
Investment properties	4,652	4,734
Liquid assets	219	152
Other assets	172	64
Non-current interest-bearing liabilities	3,048	3,040
Current liabilities	205	133
Equity	1,789	1,777
Carrying amount of the Group's holding	894	888

NOTES

SEK M	2021	2020
Revenue	414	415
Depreciation and amortisation	-104	-144
Other costs	-130	-118
Financial income	0	0
Financial expenses	-42	-46
Profit before tax	139	108
Tax	3	0
Profit for the year	142	108
Other comprehensive income	26	-14
Total comprehensive income	167	94
The Group's share of comprehensive income for the year	83	47

In 2021, SEK 78 M (72) in dividends was received from Swedish Airport Infrastructure.

The carrying amount for the other associated company that the Swedavia Group holds a share in did not change in 2021. The carrying amount was SEK 0 M (0).

NOTE 27 Holdings in Group companies

The Parent Company's holdings in Group companies	Dec 31, 2021	Dec 31, 2020
Accumulated cost		
Opening balance	870	870
Effect of merger ¹	0	—
Carrying amount, closing balance	870	870

Specification of the Parent Company's holdings in Group companies

Subsidiary, corp. identity no, registered office	Number of shares	Ownership in %	Carrying amount Dec 31, 2021	Carrying amount Dec 31, 2020
Swedavia Real Estate AB, 556858-9872, Stockholm County, Municipality of Stockholm	500,000	100	870	870
Swedavia Energi AB, ¹ 556951-8185, Stockholm County, Municipality of Sigtuna	—	—	—	0
Swedavia Airport Telecom AB, 556951-8193, Stockholm County, Municipality of Sigtuna	50,000	100	0	0
Carrying amount, closing balance			870	870

¹ During the year, Swedavia Energi AB merged with the Parent Company, Swedavia AB.

NOTE 28 Financial assets and liabilities

The Group's financial assets and liabilities, excluding the Group's derivative instruments, are recognised at amortised cost. The Group's derivative instruments are recognised at fair value through profit or loss if they have not been identified as hedging instruments for which hedge accounting is applied. See the relevant accounting principles for hedge accounting in Note 2. Other financial assets and liabilities are measured at fair value for disclosure purposes; for information about fair value related to derivative instruments, see the Group's valuation below and Note 20. For current receivables and liabilities, such as trade receivables and trade payables with an outstanding term of less than six months, the carrying amount is considered to reflect fair value.

No financial assets or liabilities are offset in the balance sheet in accordance with IAS 32. For derivatives, the Group has ISDA agreements, which allow offset in the event of a bankruptcy. As of December 31, 2021, there were no significant financial liabilities or assets that should be offset in the event of a bankruptcy.

The Parent Company recognises financial instruments at amortised cost.

In the summary of the Group's financial assets and liabilities below, lease liabilities have been excluded. The Group's lease liabilities have not been measured at fair value. See Note 22 for carrying amounts related to lease liabilities.

Financial assets		Carrying amount		Fair value	
Group	Measurement under IFRS 9	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Other non-current receivables	Amortised cost	60	25	60	25
Trade receivables	Amortised cost	383	328	383	328
Receivables from associated companies	Amortised cost	27	7	27	7
Other receivables	Amortised cost	191	212	191	212
Derivative instruments	Fair value via other comprehensive income	42	—	42	—
Accrued income	Amortised cost	51	7	51	7
Short-term investments	Amortised cost	297	175	297	175
Liquid assets	Amortised cost	2,100	1,462	2,100	1,462
Total		3,151	2,216	3,151	2,216

Financial liabilities

Group	Measurement under IFRS S 9	Carrying amount		Fair value	
		Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Non-current interest-bearing liabilities ¹	Amortised cost	8,002	8,297	7,986	8,320
Current interest-bearing liabilities	Amortised cost	1,671	1,437	1,671	1,437
Derivative instruments	Fair value via other comprehensive income	35	177	34	177
Derivative instruments	Fair value via the income statement	4	3	4	3
Other non-current liabilities	Amortised cost	128	204	128	204
Trade payables	Amortised cost	565	591	565	591
Other liabilities	Amortised cost	5	37	5	37
Liabilities to associated companies	Amortised cost	64	44	64	44
Accrued expenses	Amortised cost	215	359	215	359
Total		10,689	11,149	10,672	11,172

¹ Recognised at cost in the consolidated balance sheet. Amount in the fair value column is provided for disclosure purposes.

Measurement at fair value

Assets and liabilities measured at fair value are classified in a hierarchy with three different levels based on the information used to determine their fair value. The Group's financial assets and liabilities are measured at fair value based on Level 2. For more information about measurement at fair value, see Note 20.

	Dec 31, 2021		
	Level 1	Level 2	Level 3
Derivative instruments net, receivable	—	4	—
Non-current interest-bearing liabilities ²	—	-7,986	—
Total	—	-7,982	—

	Dec 31, 2020		
	Level 1	Level 2	Level 3
Derivative instruments net, liability	—	-180	—
Non-current interest-bearing liabilities ²	—	-8,320	—
Total	—	-8,500	—

² Recognised at cost in the consolidated balance sheet. The amounts above are fair values for disclosure purposes. The fair value of a loan is calculated by discounting future cash flows. Any change in Swedavia's credit risk since the loan was entered into is also taken into consideration in the calculation. For some borrowings, the carrying amount is considered to reflect fair value given the short term of the liabilities.

There was no change in levels in 2021 compared to 2020.

Net gain from items for which hedge accounting is not applied

	2021	2020
Financial assets/liabilities measured at fair value ³	4	3
Total	4	3

³ The subcategory held for sale.

NOTE 29 Materials and supplies

	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Supply materials	54	52	54	48
Gravel stocks	1	2	1	1
Supplies, building and land	2	2	2	2
Other stocks	5	2	3	2
Total	62	57	60	53

NOTE 30 Current receivables

	Parent Company	
	Dec 31, 2021	Dec 31, 2020
Trade receivables	372	311
Receivables from Group companies	808	1 539
Receivables from associated companies	27	0
Other receivables	216	256
Tax assets	11	8
Prepaid expenses and accrued income	123	67
Total	1,557	2,180

NOTE 31 Receivables from and liabilities to associated companies and joint ventures

In the Group, receivables from associated companies and joint ventures totalled SEK 27 M (7) and pertain mostly to the receivable from Altuna Hangar KB. Liabilities to associated companies and joint ventures totalled SEK 64 M (44). For the Parent Company, receivables from associated companies and joint ventures totalled SEK 27 M (0) and liabilities totalled SEK 64 M (44).

NOTES

NOTE 32 Other receivables

	Group	
	Dec 31, 2021	Dec 31, 2020
Tax assets	51	36
Other receivables	199	241
Total	248	277

NOTE 33 Prepaid expenses and accrued income

	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Accrued income, Aviation Business, Commercial and energy	51	7	51	0
Prepaid expenses, materials and maintenance	15	20	25	20
Prepaid expenses, operations	6	6	11	6
Prepaid expenses, property and rental	7	7	10	7
Other accrued income and prepaid expenses	16	16	26	34
Total	95	57	123	67

NOTE 34 Short-term investments

	Group		Parent Company	
	2021	2020	2021	2020
Commercial paper	—	100	—	100
Medium-term notes	297	75	297	75
Total	297	175	297	175

The book value of Swedavia's short-term investments corresponds to their fair value. The fair value is the amount that would be paid for outstanding short-term investments upon disposal on the balance sheet date. The short-term investments are categorised as financial assets and recognised at amortised cost in the balance sheet.

NOTE 35 Equity

Group

Equity related to the Parent Company consists of share capital, other paid-in-capital, hedge reserves, hybrid bonds and retained earnings.

Share capital

Share capital is divided into 1,441,403,026 shares with a stated value of SEK 1.

Other paid-in capital

Other paid-in capital pertains to the premium in connection with new share issues and shareholder contributions.

Hedge reserves

The reserve for cash flow hedging consists of unrealised changes in the value of interest rate, electricity and currency derivatives (net of deferred tax). Hedge accounting entails that the change in value has been charged to equity in the balance sheet via other comprehensive income.

Retained earnings

Retained earnings includes profit for the year and the portion of untaxed reserves that constitute equity. This also includes remeasurements of defined benefit pensions in accordance with IAS 19 (net of deferred tax) and interest on hybrid bonds.

Hybrid bonds

In November 2021, Swedavia issued a total of SEK 2,500 M in new unsecured hybrid bonds, and after the issue, Swedavia's outstanding hybrid bonds total SEK 3,500 M. The hybrid bonds have perpetual maturity, and thus no maturity date, but the company is entitled to redeem the hybrid bonds at a determined future point in time and then at every subsequent interest payment date, as well as in the case of specific events. The company is entitled to defer interest payments to a determined time as long as holders of the hybrid bonds are informed within the contractual period. The hybrid bonds are not included in the company's sensitivity analysis for borrowing rates or in the maturity analysis of financial liabilities.

Hybrid bonds

Nominal amount issued (SEK M)	3,500
Currency	SEK

In November 2019, Swedavia issued a total of SEK 1,000 M in hybrid bonds. The hybrid bonds have a floating rate up to the first redemption date of 3m STIBOR + 1.5 per cent and the first call date is November 26, 2024. Of the hybrid bonds issued in November 2021, SEK 2,300 M have a floating rate of 3m STIBOR plus a 2 per cent. The remaining SEK 200 M have a fixed rate of 2.632 per cent. The first call date is November 17, 2026. The company has no contractual obligation to pay interest. After the time of the first call date, the interest rate will increase 500 basis points. Under the terms of the hybrid bonds, Swedavia must pay deferred interest on the hybrid bonds if it chooses to pay a dividend to its shareholder. In addition, Swedavia has the option but not the obligation to buy back the hybrid bonds, provided the State reduces its ownership of Swedavia. If Swedavia chooses not to buy back the hybrid bonds, provided the State reduces its ownership in the company, the interest rate will increase (step up) 500 basis points.

Capital management	2021		2020	
Group's financial targets	Actual	Target	Actual	Target
Return on operating capital	-6.3%	6.0%	-7.5%	6.0%
Debt/equity ratio	0.8 times	0.7–1.5 times	1.0 times	0.7–1.5 times

Parent Company

Restricted and unrestricted equity

Equity is divided between restricted and unrestricted (payable as dividends) capital in accordance with the Annual Accounts Act. A dividend may only be paid if there is full coverage for restricted equity after the payment of dividends. Dividends are also regulated by the precautionary principle, which means that a dividend may only be paid if this is justifiable taking into consideration the risks that the nature and scope of operations place on the size of the Parent Company's and consolidated equity as well as the Group's consolidation requirements, liquidity and financial position in general.

In the Parent Company, restricted capital consists of share capital of SEK 1,441 M (1,441) and a reserve for development expenditures of SEK 17 M (28). The unrestricted capital in the Parent Company is SEK 8,746 M (7,082) and consists of a share premium reserve of SEK 2,161 M (2,161), retained earnings of SEK 3,983 M (5,329), IFRS hybrid bonds of SEK 3,500 M (1,000) and profit for the year of SEK -898 M (-1,409). Retained earnings include a capital injection from the owner in 2020 of SEK 2,500 M. For more information about the shareholder contribution, see Note 47 "Financial risks".

Proposed distribution of profit

The following unrestricted equity is at the disposal of the Annual General Meeting, SEK:

Share premium reserve	2,161,354,539
Hybrid bonds	3,500,000,000
Retained earnings	3,983,215,775
Profit for the year	–898,346,638
	8,746,223,676

The Board proposes that the profit be appropriated as follows:

Brought forward	8,746,223,676
Of which to share premium reserve	2,161,354,539
Of which to hybrid bonds	3,500,000,000
Of which to retained earnings	3,084,869,137

	Dec 31, 2021	Dec 31, 2020
Profit for the year attributable to the Parent Company's owner (SEK M)	–1,182	–1,282
Transaction costs and interest expenses attributable to hybrid bonds (SEK M)	–17	–16
Profit for the year attributable to the Parent Company's owner, including hybrid bond costs	–1,200	–1,298
Average number of outstanding shares, before and after dilution	1,441,403,026	1,441,403,026
Earnings per share outstanding (SEK), before and after dilution	–0.83	–0.90

NOTE 36 Provisions

	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Provisions for pensions	874	903	1,106	1,136
Other provisions	376	307	376	307
Total	1,250	1,210	1,482	1,443

NOTE 37 Provisions for pensions

The Group has both premium and defined benefit pension obligations.

Defined contribution pension obligations

The defined contribution ITP 1 plan has been applied since the formation of the company and is secured through payments to insurance companies or trust funds. A defined contribution pension plan is a pension plan in which a company pays fixed contributions to a separate legal entity. The company subsequently has no legal or informal obligations to pay additional contributions related to the pension earned by the employee.

Defined benefit pension obligations

Most of the defined benefit pension obligations pertain to PA91 and PA03 government employee pension agreements that were taken over from LfV in conjunction with the division of operations. No new pension rights accrue for these commitments; instead the commitments are in the form of paid-up pension policies. The actuarial bases for calculating the value of capital are

the provisions in FFFS 2007:24 adopted by the Swedish Financial Supervisory Authority, which include interest rate assumptions. The remaining defined benefit plans consist mostly of pension obligations under collective bargaining agreements and pension obligations as specified in transitional provisions adopted in conjunction with the conversion into a limited liability company of operations run by LfV. The company's obligations are calculated at least once a year by independent actuaries. This assumption is based on current expectations of future payments. The Group bears the risk of ensuring that the payments determined are effected. Employee pension tax is recognised as a receivable or liability depending on whether the pension expense is lower or higher than the pension expense determined by a legal entity and the present-day value is not calculated. Unvested pension obligations are entered as a liability at 100 per cent in both the Parent Company and the Group. The unvested pension obligations pertain to a small number of employees who have the option of taking early retirement at the age of 63.

The Parent Company complies with the statutes in the Swedish Pension Obligations Vesting Act and the instructions of the Swedish Financial Supervisory Authority since that is a requirement for making tax deductions. The most significant differences compared to the regulations in IAS 19 are the way the discount rate is determined, the way the value of the defined benefit obligation is calculated based on the current salary level without any assumption of future salary increases, and the way actuarial gains and losses are recognised in the income statement. The Parent Company's total commitments for defined benefit pensions are covered by credit insurance with FPG/PRI.

Actuarial assumptions

A discount rate curve is used in determining the discount rate used in the Group. The discount rate curve is produced through an analysis of mortgages of different durations in which an interpolation is made in order to arrive at an adjusted rate for a duration that corresponds to the length of the commitment. The duration was 14 years (14). The assumed interest rate level for 2020 was 1.6 per cent (0.8), an increase attributable to the current interest rate situation.

Inflation is assumed to be 2.3 per cent (1.5), with the increase based on the actual trend and market expectations.

	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Actuarial assumptions				
The following important actuarial assumptions have been applied in calculating the obligations (weighted average values)				
Discount rate	1.6%	0.8%	–1.5%	–1.4%
Future changes in price base amount (inflation)	2.3%	1.5%	2.3%	1.5%
Changes in the present value of defined benefit obligations				
Obligation on Jan 1	949	937	1,136	1,197
Payments made during the year	–40	–38	–40	–38
Cost of vesting, current period	0	0	0	0
Interest expense	7	12	—	—
Actuarial gains (–)/losses (+)	3	38	10	–23
Obligation on Dec 31	919	949	1,106	1,136
Less employee income tax asset	–45	–45	—	—
Provisions for pensions	874	903	1106	1,136

NOTES

	Group		Parent Company	
Cost recognised in profit for the year	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Defined benefit plans				
Cost of pensions vested during the year	0	0	0	0
Cost of defined benefit plans	6	6	16	-17
Employee pension tax	2	3	3	-6
Interest expense	7	12	—	—
Cost of defined benefit plans	15	20	19	-23
Cost of defined contribution plans	105	111	105	111
Employee pension tax	25	27	25	27
Cost of defined contribution plans	130	138	130	138
Total cost of remuneration after termination of employment in profit for the year	146	158	149	115

	Group	
Expense recognised in other comprehensive income	Dec 31, 2021	Dec 31, 2020
Defined benefit plans		
Revaluation including employee pension tax		
Actuarial gains (-)/ losses (+) from a change in financial assumptions	3	48
Tax	-1	-10
Recognised in other comprehensive income	3	38

	Group			
	2021		2020	
Sensitivity analysis	Increase	Decrease	Increase	Decrease
Change in discount rate	0.5% percent-age pts	0.5% percent-age pts	0.5% percent-age pts	0.5% percent-age pts
Effect on obligation	-58	65	-63	70
Change in inflation	0.5% percent-age pts	0.5% percent-age pts	0.5% percent-age pts	0.5% percent-age pts
Effect on obligation	66	-60	71	-65

	Group	
The obligation is broken down by members in the plan as follows:	Dec 31, 2021	Dec 31, 2020
Active members	17	19
Paid-up pension policyholders	1,846	1,978
Pensioners	1,392	1,321
Total number of obligations	3,255	3,318

Payments made from the pension liability affected the Group's cash flow as follows:	Dec 31, 2021	Dec 31, 2020
Within one year	41	43
Between one and five years	125	120
More than five years	970	903
Effect of discounting	-217	-117
Total	919	949

Since the defined benefit plans are generally fully vested and the commitment is in the form of a paid-up policy, no payments were made in these pension plans. For plans that are not paid up, no payments are made since they are secured through a provision in the balance sheet.

NOTE 38 Other provisions

	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Restoration reserve, opening balance	247	232	247	232
Provision for the year	85	25	85	25
Provisions used during the year	-1	-10	-1	-10
Restoration reserve, closing balance	331	247	331	247
of which current portion	90	45	—	—
Restructuring reserve, opening balance	21	47	21	47
Provision for the year	19	33	19	33
Provisions used during the year	-33	-59	-33	-59
Restructuring reserve, closing balance	7	21	7	21
of which current portion	7	21	—	—
Other provisions, opening balance	39	50	39	48
Provisions for the year	2	13	2	15
Provisions used during the year	-3	-24	-3	-24
Other provisions, closing balance	38	39	38	39
of which current proportion of total	—	22	—	—
of which current portion	98	89	—	—
Total provisions	376	307	376	307

Current provisions constitute SEK 98 M (89) of provisions. The current portion consists of a restoration reserve of SEK 90 M (45), a restructuring reserve of SEK 7 M (21) and other provisions of SEK — M (22). The restoration reserve pertains to estimated future expenditures to address identified historical environmental damage; the restructuring reserve corresponds to future expenditures related to termination salaries for periods when terminated staff are off work, and other provisions pertain to future expenditures to fund environmentally-related investments associated with

the taxi parking & entry product, which once approved by employee representatives could fund training activities for employees who are members of trade unions.

The definition of provisions can be found in the accounting principles on page 118.

NOTE 39 Deferred tax

Group Dec 31, 2021	Deferred tax asset	Deferred tax liability
Temporary difference goodwill	—	–15
Temporary difference fixed assets	34	—
Temporary difference right-of-use assets	—	–224
Temporary difference biological assets	—	–7
Temporary difference trade receivables	3	—
Temporary difference financial instruments	—	–1
Temporary difference untaxed reserves	—	–228
Temporary difference pensions	—	–45
Temporary difference lease liabilities	248	—
Temporary difference unused tax loss/credit	411	—
Offset	–514	514
Total	169	—

Group Dec 31, 2020	Deferred tax credit	Deferred tax liability
Temporary difference goodwill	—	–10
Temporary difference fixed assets	23	—
Temporary difference right-of-use assets	—	–238
Temporary difference biological assets	—	–6
Temporary difference trade receivables	8	—
Temporary difference financial instruments	37	—
Temporary difference untaxed reserves	—	–341
Temporary difference pensions	—	–46
Temporary difference lease liabilities	254	—
Temporary difference unused tax loss/credit	266	—
Offset	–588	588
Total	—	–53

Parent Company Dec 31, 2021	Deferred tax asset	Deferred tax liability
Temporary difference tax loss/credit	411	—
Temporary difference fixed assets	63	—
Other temporary differences	5	—
Total	479	—

Parent Company Dec 31, 2020	Deferred tax credit	Deferred tax liability
Temporary difference tax loss/credit	266	—
Temporary difference fixed assets	45	—
Other temporary differences	10	—
Total	322	—

NOTE 40 Interest-bearing liabilities

	Group		Parent Company	
Non-current interest-bearing liabilities	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Liabilities to credit institutions	3,700	3,200	3,700	3,200
Bonds and medium-term notes	4,302	5,097	4,302	5,097
Lease liabilities	1,022	1,103	—	—
Total	9,023	9,400	8,002	8,297

Current interest-bearing liabilities	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Bonds and medium-term notes	1,571	787	1,571	787
Commercial paper	100	650	100	650
Lease liabilities	122	129	—	—
Total	1,793	1,566	1,671	1,437

	Group				
	Changes not affecting cash flow				
Changes in liabilities related to financing activities	Dec 31, 2020	Cash flow	New leases	Interest rates	Dec 31, 2021
Liabilities to credit institutions	3,200	500	—	—	3,700
Bonds and medium-term notes	5,884	–11	—	—	5,872
Commercial paper	650	–550	—	—	100
Lease liabilities	1,232	–104	15	2	1,144
Total liabilities related to financing activities	10,965	–165	15	2	10,816

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Changes in liabilities related to financing activities	Group				
	Dec 31, 2019	Cash flow	Changes not affecting cash flow		Dec 31, 2020
			New leases	Interest rates	
Liabilities to credit institutions	2,700	500	—	—	3,200
Bonds and medium-term notes	5,150	734	—	—	5,884
Commercial paper	720	–70	—	—	650
Lease liabilities	1,321	–104	12	2	1,232
Other liabilities	25	–25	—	—	—
Total liabilities related to financing activities	9,916	1,035	12	2	10,965

Changes in liabilities related to financing activities	Parent Company		
	Dec 31, 2020	Cash flow	Dec 31, 2021
Liabilities to credit institutions	3,200	500	3,700
Bonds and medium-term notes	5,884	–11	5,873
Commercial paper	650	–550	100
Total liabilities related to financing activities	9,734	–61	9,672

Changes in liabilities related to financing activities	Parent Company		
	Dec 31, 2019	Cash flow	Dec 31, 2020
Liabilities to credit institutions	2,700	500	3,200
Bonds and medium-term notes	5,150	734	5,884
Commercial paper	720	–70	650
Total liabilities related to financing activities	8,570	1,164	9,734

NOTE 41 Non-current and current liabilities

Non-current liabilities	Parent Company	
	Dec 31, 2021	Dec 31, 2020
Liabilities to credit institutions, bonds and medium-notes	8,002	8,297
Other long-term liabilities	118	194
Total	8,120	8,491
Short-term liabilities	Parent Company	
	Dec 31, 2021	Dec 31, 2020
Bonds and medium-term notes	1,571	787
Commercial paper	100	650
Trade payables	559	575
Liabilities to Group companies	536	782
Liabilities to associated companies	64	44
Other liabilities	290	204
Accrued expenses and prepaid income	546	588
Total	3,666	3,631

NOTE 42 Loan liabilities

	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Liabilities to credit institutions	3,700	3,200	3,700	3,200
Bonds and medium-term notes	5,872	5,884	5,872	5,884
Commercial paper	100	650	100	650
Total	9,672	9,734	9,672	9,734

Capital market programme

Swedavia has a medium-term note (MTN) programme, denominated in SEK, for medium-term borrowing in the Swedish capital market. The limit is set at SEK 15,000 M (15,000) and total borrowings in the programme were SEK 4,622 M (4,635). Swedavia also has corporate bonds totalling SEK 1,249 M (1,249) pertaining to a private investment. Swedavia furthermore has a Swedish commercial paper programme, with a limit set at SEK 5,000 M (5,000) and total borrowings in this programme of SEK 100 M (650). Liabilities to credit institutions on the balance sheet date totalled SEK 3,700 M (3,200). There was also a framework loan on the balance sheet date with Nordic Investment Bank for SEK 500 M (500) that allows loans with durations of up to six years, with SEK 500 M (500) of this unutilised on the balance sheet date.

NOTE 43 Overdraft facilities

	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Credit amount approved	300	300	300	300
Unutilised portion	–300	–300	–300	–300
Credit amount utilised	—	—	—	—

As of December 31, 2021, Swedavia had an overdraft facility of SEK 300 M (300) of which SEK — M (—) was utilised on the balance sheet date.

NOTE 44 Other liabilities

	Group	
	Dec 31, 2021	Dec 31, 2020
Current tax liabilities	11	24
Other liabilities	294	225
Total	305	249

NOTE 45 Accrued expenses and prepaid income

	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Prepaid income	170	131	173	112
Accrued staff-related expenses	167	164	167	164
Accrued expenses, construction and properties	38	109	38	104
Accrued expenses, construction projects	77	92	69	50
Accrued interest	21	22	21	22
Other accrued expenses	79	136	79	134
Total	553	654	546	588

NOTE 46 Assets held for sale and discontinued operations

	Group	
	Dec 31, 2021	Dec 31, 2020
Assets held for sale		
Fixed assets	—	382
Trade receivables	—	0
Other current receivables	—	6
Total	—	388
	Group	
	Dec 31, 2021	Dec 31, 2020
Liabilities related to assets held for sale		
Current liabilities	—	3
Accrued expenses and prepaid income	—	—
Total	—	3

No assets were classified as held for sale on December 31, 2021.

On the balance sheet date December 31, 2020, assets classified as held for sale and liabilities related to assets held for sale pertained to the company Hotell 1 Landvetter AB, which was sold on June 14, 2021. Assets held for sale in 2020 belonged to the Real Estate segment.

Assets held for sale are not depreciated from the time of reclassification. The assets are financed by intra-Group loans.

On June 14, 2021, the Group sold the subsidiary Hotell 1 Landvetter AB, which owns the hotel property for Scandic Landvetter at Göteborg Landvetter Airport. On the balance sheet date December 31, 2020, the operations were classified as assets held for sale. The purchase price for the shares was SEK 163 M and the capital gain was SEK 78 M.

On October 7, 2021, the Group sold three wholly-owned subsidiaries – Logistic 4.5 Landvetter AB, Logistic 4.6 Landvetter AB and Logistic 4.7 Landvetter AB – in the logistics area at Göteborg Landvetter Airport. The purchase price for the shares was SEK 16 M and the capital gain was SEK 13 M.

On January 30, 2020, the Group sold the subsidiary Airport Hotel 2 AB, which owns the hotel property for Comfort Hotel, which is located at Stockholm Arlanda Airport. The purchase price for the shares was SEK 439 M and the capital gain was SEK 427 M. Transaction costs related to the sales totalled SEK 1 M (2).

Below is a summary of effects on individual assets and liabilities in the Group in conjunction with the sales:

	Group	
	Dec 31, 2021	Dec 31, 2020
Effect on individual assets and liabilities in conjunction with the sales		
Fixed assets	414	876
Trade receivables	1	0
Other receivables	3	17
Intra-Group loans	312	767
Current tax liabilities	2	1
Accrued expenses and prepaid income	3	—
Assets and liabilities sold, net	14	115
Purchase price received	86	11
Less liquid assets in the operations sold	—	—
Less downpayment received in 2018	—	–25
Less final payment not received	–4	—
Plus repayment of intra-Group loan	312	767
Effect on liquid assets	488	1 181

NOTE 47 Financial risks

The Group is exposed to a number of different financial risks in its operations, which may have an impact on the company's profit, cash flow and valuation. Swedavia's financial policy identifies and defines these risks and governs the risk mandate and principles for calculation, reporting, monitoring and control. This policy is characterised by a low risk level, and compliance is ensured through quarterly reports to the Board of Directors. The Board adopts the policy each year, and assessment is on a continuous basis.

The Group's financing operations and financial risk management are centralised in the corporate economy and finance unit and is part of Swedavia's overall risk management methodology. The objective is to minimise the Group's capital costs through effective funding solutions while ensuring efficient management and control of the Group's financial risks.

Swedavia has exposure to changes in exchange rates, commodity prices and interest rates as well as when current market conditions and the Group's capital structure give rise to refinancing and credit risks. To minimise the Group's exposure to adverse fluctuations in interest rates, electricity prices

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and exchange rates, different kinds of derivatives are used. In addition to the financial risks above, as described on page 62, a complaint was filed with the European Commission concerning the shareholder contribution received in 2020. The outcome of the European Commission's ongoing proceedings is uncertain but may affect the shareholder contribution received.

Currency risks

Exchange rate risk is defined as the risk that movements in currency prices will have a negative impact on the Group's profit, financial position and/or cash flow. Since all subsidiaries are Swedish and use SEK as their currency, there is no translation exposure.

Transaction exposure

Most revenue is not affected by any foreign exchange fluctuations since invoices are largely denominated in SEK. When invoicing is in a foreign currency, an internal match against supplier invoices is made in the corresponding foreign currency. For other payments in foreign currencies, currency hedges are entered into that match the foreign flow. Currency hedges are entered into in conjunction with the signing of a contract or on receipt of an invoice. According to the company's financial policy, net positions above the equivalent value of SEK 1 M per currency are hedged for at least 75% and for a maximum of 100% for those to be paid within two years. As of December 31, 2021, 86% (91%) of forecast payments in foreign currencies were hedged. A 10% strengthening/weakening of the Swedish krona would decrease/increase costs by SEK 2 M (2) given Swedavia's exposure as of December 31, 2021. The nominal amount of outstanding currency hedges as of December 31, 2021, was SEK 129 M (240).

Interest rate risks

Interest rate risk is defined as the risk that changes in market interest rates will have a negative impact on the Group's net interest income/expense.

As of December 31, 2021, Swedavia has external financing of SEK 9,672 M (9,734). To reduce the sensitivity to interest rate changes, Swedavia works actively to reduce interest paid through interest rate swaps and borrowing at fixed interest rates. On December 31, 2021, 96 per cent (86) of external financing was interest-rate hedged and 4 per cent (14) was not interest-rate hedged. On the balance sheet date, the nominal amount of interest rate swaps was SEK 5,750 M (4,250) with a fair value of SEK -33 M (-166). Financing at fixed interest rates totalled SEK 9,271 M (8,406). Based on those

hedges, a 1 percentage point increase in the interest rate would increase Swedavia's interest rate expenses by SEK 4.0 M (13.3), which means that operating profit would decrease by the equivalent amount. A 1 percentage point decrease in the interest rate would increase Swedavia's interest rate expenses by SEK 16.8 M (-0.8) and thus decrease operating profit by the equivalent amount. Current lock-in periods and financial instruments have been taken into account in carrying out the sensitivity analysis. According to the company's financial policy, interest rates shall be locked in for a period of not less than one year and not more than four years. On the balance sheet date, the interest rate lock-in period was 2.9 years (3.3).

Commodity price risks

Swedavia's commodity price risk is concentrated in the purchase of electricity, and the way this is handled is governed in its financial policy. There is continuous hedging of electricity prices in accordance with the policy. Hedging is done through electricity futures, in which spot prices are hedged, as well as through bilateral agreements with producers. The hedge ratio is correlated with the time horizon, and the hedging period may not exceed ten years. On the balance sheet date December 31, 2021, the hedge ratio was 84 per cent (87) of projected use for 2022. A 10 per cent increase/decrease in the price of electricity for the unhedged volume would have an increased/decreased effect on profit of SEK 2.2 M (3.8), given the current level of hedging.

Hedge accounting

The Group applies cash flow hedging for its interest rate risk, foreign exchange risk and electricity price risk; the hedge relationship is in effect the entire time and is not restarted. In order to apply hedge accounting, hedge relationships must satisfy all criteria for hedge accounting. The Group determines the economic relationship between the hedged item and the hedging instrument to assess the effectiveness of the hedge. This is done by assessing the critical conditions between the hedged item and the hedging instrument, which includes assessing the nominal amount, currency and cash flow date. If the critical conditions for the hedged item and the hedging instrument match, the hedge relationship is considered to be effective. The Group uses a one-to-one ratio in the hedge relationship for all current hedges that satisfy the criteria for hedge accounting. The effective portion of the changes in fair value recognised in other comprehensive income during the year was SEK 185 M (-81).

Group, Dec 31, 2021

Nominal amounts¹ by risk category of hedging instruments – Maturity structure

	< 1 year	2 years	3 years	4 years	5 years	> 5 years	Total
Currency risk (EUR)	122	4	0	0	0	0	126
Currency risk (USD)	0	0	0	0	0	0	0
Currency risk (NOK)	3	0	0	0	0	0	3
Interest rate risk, SEK M (interest rate derivatives)	0	1,750	250	250	250	3,250	5,750
Commodity price risk (electricity – MWh)	102,936	43,800	35,136	17,520	0	0	199,392

Group, Dec 31, 2020

Nominal amounts¹ by risk category of hedging instruments – Maturity structure

	< 1 year	2 years	3 years	4 years	5 years	> 5 years	Total
Currency risk (EUR)	121	58	4	0	0	0	182
Currency risk (USD)	0	0	0	0	0	0	0
Currency risk (NOK)	57	0	0	0	0	0	57
Interest rate risk, SEK M (interest rate derivatives)	0	250	750	250	250	2,750	4,250
Commodity price risk (electricity – MWh)	118,174	80,999	43,800	17,568	0	0	260,541

¹ All amounts above are in SEK M, except for commodity price risk (electricity), which is given in MWh.

As of December 31, 2021, Swedavia had a hedge reserve totalling SEK 6 M (–141). The hedge reserve consists solely of current cash flow hedges. The change in the hedge reserve for equity concerning currency risk is mostly related to a weakening of the SEK. The change concerning interest rate risk is mostly related to interest rate derivatives having a smaller negative value since market interest rates have risen, and the change concerning commodity price risk (electricity) is related to the higher positive value of electricity futures since the price of electricity has risen. The change in deferred tax is a residual related to all of the cash flow hedges and financial risks noted above. There were no reversals during the period.

	Group	
Reconciliation of risk components in equity	Dec 31, 2021	Dec 31, 2020
Opening balance, hedge reserves	–141	–77
Currency risk	13	–13
Interest rate risk	133	–57
Commodity price risk (electricity)	39	–11
Deferred tax	–38	17
Closing balance, hedge reserves	6	–141

Sources of ineffectiveness in hedging relationships for all cash flow hedges and financial risks are related to the cash flow date, expiration date, credit risk and day count conventions. Ineffectiveness on December 31, 2021, recognised in the income statement, was SEK –1 M (–1).

Reclassification from the hedge reserve via other comprehensive income to the income statement totalled SEK –8 M (5), with SEK –12 M of this related to currencies and SEK 4 M related to electricity. Hedging instruments and hedged risk for Swedavia's cash flow hedges and their effect on the Group's financial position and profit are shown below.

	Group	
Effects of hedge accounting of cash flow hedges for the Group's cash flow hedges on its financial position and profit	Dec 31, 2021	Dec 31, 2020
Currency risk related to purchases		
Hedging instruments		
Nominal amount ¹	129	240
Carrying amount		
Financial assets	–1	0
Financial liabilities	0	–14
Carrying amount, net	–1	–14
Change in fair value of hedging instruments ¹	13	–13
Reclassification from hedge reserve to profit or loss	–12	–3
Hedged risk		
Change in fair value of hedged item ²	–13	13
Reserve, cash flow hedges	–1	–14
Hedging profit/loss in other comprehensive income	13	–13

	Group	
Interest rate risk related to loans with variable interest rates	Dec 31, 2021	Dec 31, 2020
Hedging instruments		
Nominal amount	5,750	4,250
Carrying amount		
Financial assets	28	0
Financial liabilities	–61	–166
Carrying amount, net	–33	–166
Change in fair value of hedging instruments ¹	133	–57
Reclassification from hedge reserve to profit or loss	0	0
Hedged risk		
Change in fair value of hedged item ²	–131	55
Reserve, cash flow hedges	–33	–166
Gain/loss on hedges in other comprehensive income	133	–57

	Group	
Commodity price risk related to purchase of electricity	Dec 31, 2021	Dec 31, 2020
Hedging instruments		
Nominal amount (MWh)	199,392	260,541
Carrying amount		
Financial assets	45	6
Financial liabilities	–2	–3
Carrying amount, net	43	3
Change in fair value of hedging instruments ¹	39	–11
Reclassification from hedge reserve to profit or loss	4	8
Hedged risk		
Change in fair value of hedged item ²	31	–3
Reserve, cash flow hedges	42	3
Gain/loss on hedges in other comprehensive income	39	–11

¹ Change in fair value of hedging instruments used for measuring hedge ineffectiveness for the period.

² Change in fair value of item used for measuring hedge ineffectiveness for the period.

Liquidity risk and refinancing risk

Liquidity risk and refinancing risk refer to the risk that funding possibilities will be limited and that the cost will be higher when loans are to be re-negotiated. It also includes the risk that payment obligations cannot be met due to insufficient liquidity. The Group's target capital structure is to have the Group's fixed assets funded by equity and have no more than 40 per cent of its loan portfolio mature in the same twelve-month period. According to Swedavia's financial policy, its loan portfolio shall have a capital tie-up period of not less than two years and not more than five years. The average interest rate lock-in period on its borrowings on December 31, 2021, was 2.9 years (3.3) with an average interest rate of 1.3 per cent (1.2). To guarantee the Group's short-term ability to pay, there shall be confirmed credit facilities and/or liquid assets as well as short-term financial investments equivalent to at least all loan maturities shorter than twelve months. On the balance sheet date, there was cash of SEK 2,100 M, short-term financial investments of SEK 297 M, unutilised credit facilities of SEK 3,750 M and overdraft facilities of SEK 300 M. The Group has determined that there are no risks related to the possibility of refinancing.

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Key metrics, financial risks	Group	
	Dec 31, 2021	Dec 31, 2020
Average interest rate, %	1.3	1.2
Interest rate lock-in period, years	2.9	3.3
Capital tie-up period, years	4.4	4.2

The tables below show the undiscounted cash flows related to financial liabilities and net settled derivatives at the prices on the reporting date. Variable interest rates on loans and interest rate swaps in effect on the reporting date are assumed to apply for the remaining maturity of each instrument.

Group, Dec 31, 2021							
Financial liabilities (including future interest expenses and derivative instruments) – Maturity structure	< 1 year	2 years	3 years	4 years	5 years	> 5 years	Total
Bonds and medium-term notes	1,616	1,478	121	1,670	505	605	5,996
Bank loans	24	24	24	24	24	3,749	3,870
Commercial paper	100	—	—	—	—	—	100
Lease liabilities	122	115	114	111	110	572	1,144
Trade payables	565	—	—	—	—	—	565
Other liabilities	—	—	—	—	—	—	0
Derivative liabilities:							
Interest rate derivatives (interest rate swaps)	53	51	42	38	34	80	298
Currency derivatives (FX futures and FX swaps)	3	0	—	—	—	—	3
Electricity derivatives	30	12	13	6	—	—	61
Total	2,513	1,680	315	1,849	673	5,005	12,037

Group, Dec 31, 2020							
Financial liabilities (including future interest expenses and derivative instruments) – Maturity structure	< 1 year	2 years	3 years	4 years	5 years	> 5 years	Total
Bonds and medium-term notes	836	2,744	770	1,14	1,464	103	6,032
Bank loans	13	10	10	10	10	3,231	3,383
Commercial paper	650	—	—	—	—	—	650
Lease liabilities	129	118	112	111	109	652	1,232
Trade payables	591	—	—	—	—	—	591
Other liabilities	—	—	—	—	—	—	—
Derivative liabilities:							
Interest rate derivatives (interest rate swaps)	39	39	37	33	30	67	245
Currency derivatives (FX futures and FX swaps)	0	1	0	—	—	—	1
Electricity derivatives	2	3	—	—	—	—	4
Total	2,260	2,915	929	268	1,613	4,053	12,039

Credit risks and counterparty risks

The Group's commercial and financial transactions give rise to credit risks. Credit risk refers to the risk of loss if the counterparty does not meet its contractual obligations. The credit risk that Swedavia is exposed to consists of financial credit risk and credit risk for trade receivables.

Financial credit risk

The credit risk for financial transactions arises when the Group invests liquid assets and when the Group enters into contracts for financial instruments with banks. A credit risk also arises when excess liquidity is invested in financial assets. The exposure allowed for financial investments is based on the limits in Swedavia's financial policy, which are related to ratings, ownership and the instrument's residual maturity. The maximum credit risk consists of the carrying amount of financial assets including derivatives with a positive market value. The Group's policy is to work with banks that have a good credit rating, and Swedavia has entered ISDA master agreements with its counterparty banks.

Credit risk in trade receivables

The credit risk for commercial transactions arises when there is a risk that customers will not meet their payment obligations to the Group. For trade receivables, operations are run in accordance with a provision regulating credit terms and working methods. Terms of payment are in most cases net 30 days. Swedavia's geographic market is Sweden, and as of December 31, 2021, the credit exposure on trade receivables was SEK 383 M (328). As of December 31, 2021, the carrying amount for the Group's largest customer was SEK 69 M (29).

Provision for expected credit losses

A provision is made for expected customer credit losses on first recognition. For trade receivables that do not include any material financial component, a simplified method is used so that the provision for expected credit losses is calculated and recognised based on expected credit losses for the entire residual maturity regardless of whether the credit risk has increased or not. Swedavia has chosen to use segmenting by customer category based on prospective information and historical data. The method is based on Sweden's forecast GDP trend and the effect of this on credit losses relative to historical credit losses in each customer category and the interval. Furthermore, an assessment has been made of the customers' future financial ability to pay, based on market data, credit ratings and other financial information.

On each balance sheet date, the company assesses whether there are objective indicators of impairment. Objective indicators could be a breach of contract, such as a default or past due payment of interest or principal, significant financial difficulties for the debtor or a deterioration in creditworthiness, as well as credit risk exposure.

Historically, there has generally been a low risk of credit losses in the Group. Due to the major adverse impact that the Covid-19 pandemic has had and continues to have on Swedavia's customers in Aviation Business and Commercial Services, the assessment is that many customers, despite the relief decided and increased passenger volumes in the third and fourth quarter, will nonetheless have such great economic problems that there is a great risk they will discontinue operations or file for bankruptcy. The provision for expected credit losses as of December 31, 2021, was SEK 15 M, compared to SEK 74 M the year before.

In estimating the provision for credit losses, Swedavia has used a credit rating from Bloomberg based on a default risk, which indicates the likelihood that a company will no longer be able to pay its debts. The credit rating divides companies into three main categories, "investment grade" (low risk), "high yield" (stable risk) and "distressed" (above-normal risk of default). Below is a summary of Swedavia's credit exposure and expected customer losses as of December 31, 2021, based on these categories:

	Group, Dec 31, 2021		Parent Company, Dec 31, 2021	
	Carrying amount	Expected credit losses	Carrying amount	Expected credit losses
Credit rating				
Investment grade	291	4	282	4
High yield	10	1	10	1
Distressed	82	10	80	10
Total	383	15	372	15

	Group, Dec 31, 2020		Parent Company, Dec 31, 2020	
	Carrying amount	Expected credit losses	Carrying amount	Expected credit losses
Credit rating				
Investment grade	121	2	112	2
High yield	96	6	94	6
Distressed	112	66	105	62
Total	329	74	311	15

	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Age analysis				
Trade receivables not due	340	248	330	236
Trade receivables past due 1–30 days	9	69	8	64
Trade receivables past due 31–90 days	39	11	38	10
Trade receivables due >90 days	–5	1	–5	0
Total	383	328	372	311

	Group		Parent Company	
	2021	2020	2021	2020
Expected credit losses				
Expected credit losses, opening balance	74	3	71	3
Reversal of expected credit losses	–23	1	–22	1
Booked credit losses	–51	–1	–48	–1
Provisioning for expected credit losses	15	71	15	68
Expected credit losses, closing balance	15	74	15	71

	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Provisioning for expected credit losses				
Trade receivables not due	14	9	14	9
Trade receivables past due 1–30 days	0	57	0	55
Trade receivables past due 31–90 days	1	5	1	5
Trade receivables >90 days	0	3	0	2
Total	15	74	15	71

NOTES

NOTE 48 Pledged assets and contingent liabilities

	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Pledged assets	894	888	11	11

Swedavia's pledged assets consist of shares and holdings in the joint ventures Swedish Airport Infrastructure KB and Swedish Airport Infrastructure AB, which totalled SEK 894 M (888), and pension obligations in endowment policies owned by the company of SEK 12 M (11).

Contingent liabilities

Swedavia also has obligations related to environmental requirements. Swedavia handles chemical substances in its operations and is responsible for waste, emissions, pollution and other effects on the environment at Swedavia's airports. Swedavia's obligations cover events after the company was formed.

NOTE 49 Cash flow

SEK M	Group		Parent Company	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Adjustments for items not included in the cash flow				
Profit from holdings in associated companies/Group companies	-71	-54	—	—
Capital gain on sale of operations/subsidiaries	-88	-427	—	—
Depreciation, amortisation and impairment losses	1,291	1,385	1,282	1,370
Change in pension provisions	-29	30	-30	-61
Change in other provisions	69	-22	69	-20
Other	-177	82	-137	150
Total	993	994	1,185	1,439
Interest paid and dividends received				
Dividends received	78	71	—	—
Interest received	4	5	10	16
Interest paid	-148	-138	-141	-136

Short-term borrowings (maturity of three months or less) that are raised and repaid during the same month are offset.

NOTE 50 Merger

During the year, the subsidiary Swedavia Energi AB, corporate identity number 556951-8185, merged with the Parent Company. The income statement and balance sheet of the subsidiary Swedavia Energi AB on the merger date, October 18, 2021, are presented below.

	Swedavia Energi AB
Merger date	Oct 18, 2021
Net revenue	260
Operating profit	74
Fixed assets	135
Current assets	119
Total assets	254
Total equity	143
Untaxed reserves	58
Liabilities	53
Total equity and liabilities	254

NOTE 51 Supplementary information for financial key metrics

Supplementary information for key financial metrics. For definitions and the reasoning behind them, see pages 81–82, "Key metrics".

Debt/equity ratio

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

Return on operating capital excluding capital gains, impairment losses, disposals and restructuring costs

In calculating this key metric as of December 2021, operating profit for the rolling twelve months was adjusted by restructuring costs of SEK 18 M, impairment losses and disposals of SEK 51 M and capital gains of SEK 90 M. Operating profit as of December 31, 2020, for the rolling twelve months was adjusted by restructuring costs of SEK 36 M, impairment losses and disposals of SEK 191 M and capital gains of SEK 427 M.

NOTE 52 Events after the balance sheet date

On March 21, 2022, four wholly owned subsidiaries – Logistic 4.1 Landvetter AB, Logistic 4.2 Landvetter AB, Logistic 4.3 Landvetter AB and Logistic 4.4 Landvetter AB – in the logistics park at Göteborg Landvetter Airport were sold, in line with the two agreements reached in September 2021 and October 2022. The capital gain from the sale was SEK 45 M.

SIGNATORIES TO THE ANNUAL REPORT

The undersigned certify that the consolidated accounts and Annual Report have been prepared in conformity with international financial reporting accounting standards (IFRS) such as have been adopted by the European Union in line with generally accepted accounting principles and give a true and fair picture of the financial position and results of the Group and the Parent Company.

The Report of the Directors gives a true and fair picture of the performance of the Group's and the Parent Company's operations, financial position and results and describes significant risks and uncertainty factors faced by the companies included in the Group. The Board of Directors adopts the Sustainability Report.

Stockholm-Arlanda March 29, 2022

Åke Svensson
Chairman of the Board

Tor Clausen
Board member

Nina Linander
Board member

Lotta Mellström
Board member

Lars Mydland
Board member

Eva Nygren
Board member

Per Sjödel
Board member

Lottie Svedenstedt
Board member

Annica Ånäs
Board member

Agne Lindbom
Board member
Employee representative

Robert Olsson
Board member
Employee representative

Jonas Abrahamsson
President and CEO

Our Auditor's Report was submitted on March 29, 2022
KPMG AB

Tomas Gerhardsson
Authorised Public Accountant

The income statements and balance sheets of the Group and the Parent Company will be subject to approval at the Annual General on April 25, 2022.

Auditor's report

To the general meeting of the shareholders of Swedavia AB, corp. id 556797-0818

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Swedavia AB for the year 2021, except for the corporate governance statement on pages 94–103. The annual accounts and consolidated accounts of the company are included on pages 88–147 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 94–103. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Investments in construction in progress

See disclosure note 15, 19, 9 and 2 and accounting principles on page 115 in the annual accounts and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

Construction in progress related to tangible fixed assets totaled MSEK 4,558 in the group and MSEK 4,425 in the parent company as at December 31, 2021. The group and the parent company conduct large investment projects at their ten airports, primarily related to Stockholm Arlanda Airport and Göteborg Landvetter Airport. In view of the changed market situation caused by the covid-19 pandemic, a continued prioritization of the investment portfolio's sub-projects has been made during the year.

The accounting for construction in progress related to tangible fixed assets comprises several judgments, including whether costs incurred such as own time and borrowing costs are capitalizable, completion date, useful lives and future value in use, which means that changed judgments could result in significant effects on the group's and the parent company's result and financial position.

Response in the audit

In our audit, we have assessed the risks of the processes and internal controls for construction in progress related to tangible fixed assets. We have also evaluated the accounting principles applied and, through sampling, substantively tested investment expenditure to assess activability, completion date, useful life and future value in use.

We have also assessed the disclosures for construction in progress related to tangible fixed assets that is included in the annual accounts and the consolidated accounts.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2–87. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Chief Executive Officer are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Chief Executive Officer intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Chief Executive Officer.
- Conclude on the appropriateness of the Board of Directors' and the Chief Executive Officer's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Chief Executive Officer of Swedavia AB for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Chief Executive Officer shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Chief Executive Officer in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to

assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 94–103 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

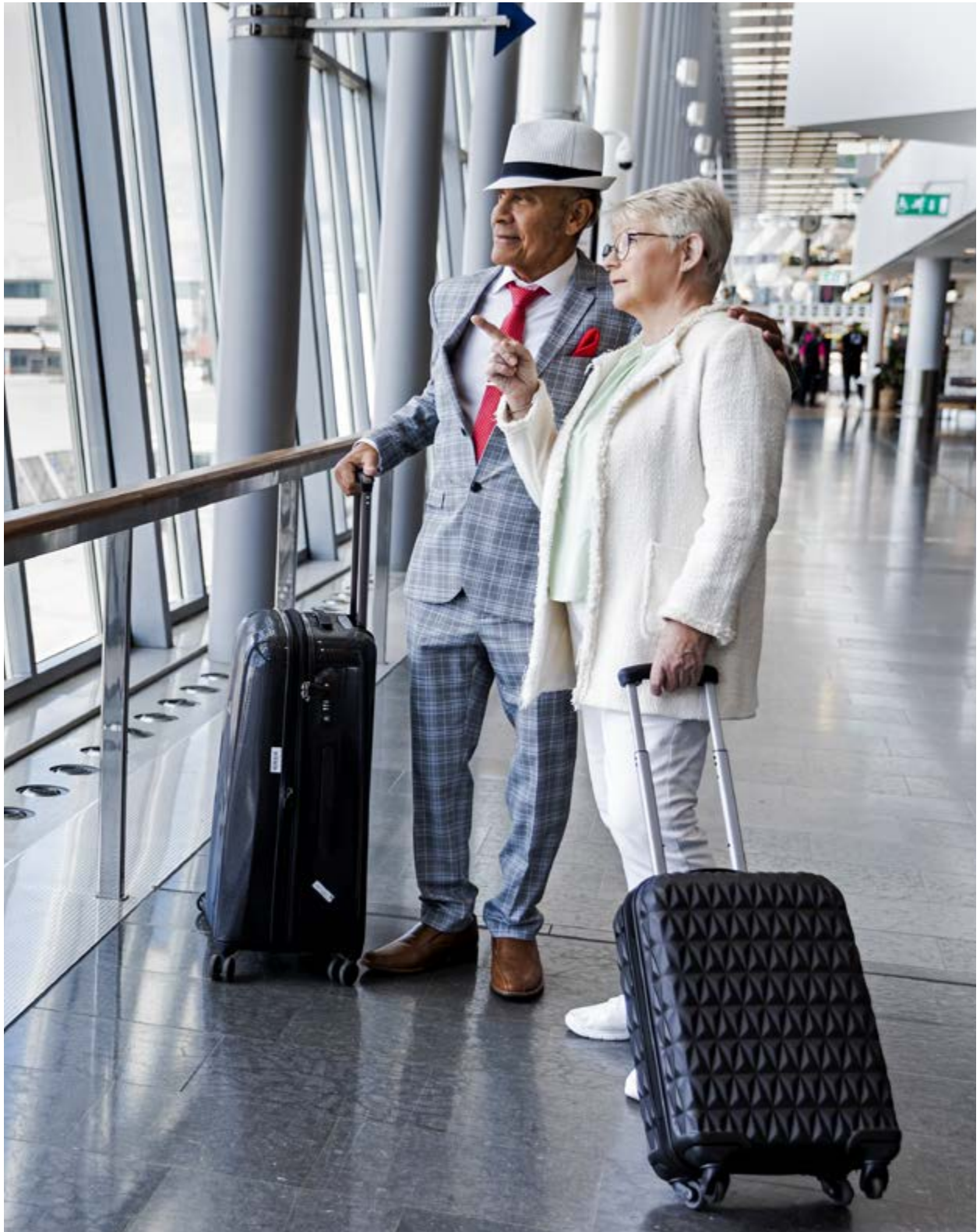
KPMG AB, P.O. Box 382, SE-101 27, Stockholm, was appointed auditor of Swedavia AB by the general meeting of the shareholders on April 28, 2021. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2019.

Stockholm March 29, 2022

KPMG AB

Tomas Gerhardsson

Authorized Public Accountant



PRODUCTION

Swedavia in partnership with Newsroom AB

Translation: Susan Long

Cover image: Orlando Boström

Photos: Daniel Asplund, Brendan Austin, Orlando Boström, Daniel Bromander, Jens Christian, Anna Kern, Maskot, Tim Meier, Sara Nässén, Felix Odell, Pixabay, Kalle Sanner, Scandic, Victoria Ström, Pär Wilhelmsson, Svante Örnberg

Printing: Arkitektkopia



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