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This is Swedavia's Annual and Sustainability Report for the financial year 2022. 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. 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 66–69. The index for the statutory Sustainability Report in accordance with Sweden's Annual Accounts Act is found on page 70. The report also constitutes Swedavia's Communication on Progress (COP) report for the UN Global Compact.

► 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 connectivity that provide smooth and 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 fossil-free 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 fossil-free since 2020, and other sources of emissions at its airports will be phased out in the years ahead through incentives and partnerships. Swedavia is driving the large-scale transition to sustainable aviation fuel, and the airports of the future are being prepared for electric aircraft, hydrogen gas and other new technology. In the fossil-free 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.



Swedavia's 2022 in brief

JANUARY

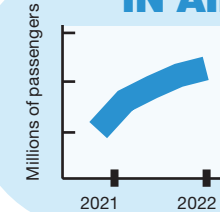
- Widespread transmission of the new omicron coronavirus variant is noted and entry restrictions are reintroduced.

FEBRUARY

- Most Covid-19 measures are lifted in Sweden, including entry restrictions. Many other countries still have entry and social distancing regulations.
- Russia launches its invasion of Ukraine, creating a humanitarian disaster.



SHARP INCREASE IN AIR PASSENGERS



2022: 27.6 million passengers

2021: 11.9 million

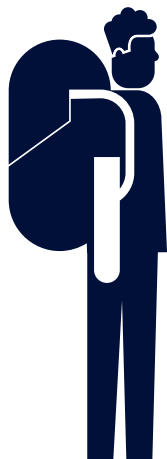
APRIL

- Covid-19 is no longer classified as a public health emergency of international concern.
- The number of passengers at Swedavia's airports increases rapidly, leading to capacity challenges mainly at Stockholm Arlanda Airport.



JULY

- Pilots in SAS Scandinavia's pilot unions go on strike July 4, which has a major impact on SAS's air traffic.



MARCH

- The recovery in air travel continues, and four times more passengers fly to or from Swedavia's airports between January and March compared to the same period in 2021.



JUNE

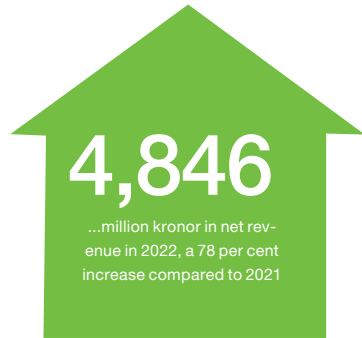
- The connecting walkway between Terminals 4 and 5 is inaugurated, and Terminal 4 opens.
- Due to crowding, entry restrictions are implemented at Stockholm Arlanda Airport. Only passengers with fewer than three hours before their departure may enter the terminal.
- Investigator Peter Norman presents the Arlanda Commission's report. One of the conclusions is that preparations to increase capacity at Stockholm Arlanda Airport need to be speeded up.
- The world's first flight using 100 per sustainable aviation fuel (SAF) in both aircraft engines takes place between Malmö Airport and Bromma Stockholm Airport. Read more on page 19.

+200%

– approximate increase in air passengers through September.

AUGUST

• The summer’s capacity challenges are handled through a number of effective measures. The experience at the airports, especially Stockholm Arlanda Airport, is once again considered to be about the same as before the pandemic.



SEPTEMBER

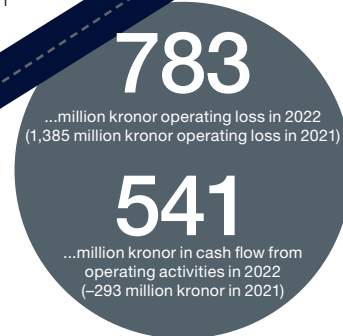
• More than 20 million passengers fly to or from Swedavia’s airports between January and September – an increase of nearly 200 per cent compared to the same period in 2021 and 66 per cent compared to 2019.
• Swedavia takes a seat on Heart Aerospace’s Industry Advisory Board.



The aircraft manufacturer Heart Aerospace is the company behind the ES-30, a battery-powered regional aircraft that seats 30 passengers.

OCTOBER

• The political parties involved in Sweden’s so-called Tidö Agreement agree that there will be no decision on closing down Bromma Stockholm Airport during the government’s current term of office.
• Swedavia is named one of Sweden’s most attractive employers for 2023. Read more on page 50.



DECEMBER

• Malmö Airport celebrates 50 years.
• Another four airports are Airport Carbon Accredited at ACA 4+: Malmö Airport, Östersund Åre Airport, Kiruna Airport and Visby Airport. Read more on pages 45–46.
• Nearly 28 million passengers fly to or from Swedavia’s airports in 2022 – an increase of more than 130 per cent compared to 2021.



CEO JONAS ABRAHAMSSON:

A year of recovery

Airports have a wonderful pulse. Few places radiate such anticipation, and nowhere else does the entire world feel so close at hand. At Swedavia's ten airports, hundreds of businesses and other organisations, and tens of thousands of people work together to connect Sweden from north to south and connect it with the rest of the world.

By enabling rapid, time-efficient travel across long distances, this ecosystem of operators makes people's lives easier and enriches them. Seldom has this been so apparent as in recent years.

After the two previous years, 2022 was a year of recovery. Nearly 28 million passengers flew to or from Swedavia's airports. That is an increase of more than 130 per cent compared to nearly 12 million passengers in 2021. Passenger volume increased despite growing concerns about the economy, which clearly shows that there is a great need to travel and meet.

In the spring and summer of 2022, we and other operators at the airport had difficulties hiring enough workers to meet this growing demand. This led to queueing problems especially at Stockholm Arlanda Airport. During the autumn, these problems were addressed, and operations at Stockholm Arlanda Airport ran as usual. The conditions in place as summer now approaches have improved considerably, and there has been and continues to be intense planning for this.

Despite the robust passenger growth, the aviation industry continues to be impacted by the effects of the Covid pandemic. Compared to 2019, travel has slumped to a level seen ten years ago.

Enhanced connectivity

Both passenger volumes and destinations increased in 2022. A total of 309 destinations were served from Swedavia's airports, and much of the connectivity that was lost during the first year of the pandemic has been restored. At Stockholm Arlanda Airport, nearly 50 new destinations were added in 2022, and the total number of destinations now corresponds to 90 per cent of the pre-pandemic level. Important destinations were also added at Swedavia's other airports. Late in the year, at Göteborg Landvetter Airport, SAS launched its new service to New York, a route for which there has long been good demand. At Luleå Airport, new international routes were added, including to London and Paris. As a result, travel in December at Luleå Airport exceeded

travel for the same month before the pandemic.

Good financial position

Because of the pandemic, the past few years have been incredibly challenging for Swedavia's finances, as they have been for virtually every operator in the aviation industry. Our financial position remains good, but the accelerating recovery in the aviation industry in 2022 was very important. When travel increases and airlines invest in our airports, our revenue rises. In 2022, revenue surged and our cash flow was positive, which is important and gratifying. But we should also note that for the third straight year and for the third time in the history of the company, we posted a loss, as a direct consequence of the pandemic.

In order to manage the recovery, in 2022 and early 2023 we needed to allocate resources for what was assumed would be increased growth in travel going forward.

In the short term, that drives up costs, which has a negative effect on profit. Nat- ▶



CEO JONAS ABRAHAMSSON:

A year of recovery

Usually, increased travel going forward is nothing but welcome. It is good for Sweden and leads to higher revenue for Swedavia.

Continuous development

The aviation industry is an industry in constant change. For Swedavia, this means that we must run efficient airport operations today and meanwhile develop the airports of the future – airports that are environmentally sustainable, adapted to our customers’ needs and expectations, and at the same time have sufficient capacity. Apart from the pandemic years, travel has grown continuously for decades. Security requirements have changed in view of world events and technological advances. Furthermore, more ambitious climate goals and the need to make a green transition have set new requirements for infrastructure and equipment, for instance. It is this constant forward motion that makes the aviation industry so exciting.

We are proud that we continued to develop our airports despite the difficulties entailed by the pandemic. Early in the pandemic, some capacity-enhancing projects were paused, such as a new pier at Stockholm Arlanda Airport. However, we decided to complete the efficiency measures already under way, such as the refurbishment of Terminal 5. This work continued at full speed in 2022, and a new security checkpoint as well as the first phase of a new mar-

ketplace will be completed in 2023. At Göteborg Landvetter Airport, the south terminal expansion was inaugurated, providing more than 18,000 square metres of terminal space and three gates with passenger bridges. This is a crucial addition in the development of Landvetter.

International role model

Swedavia wants to be and is an international role model in the aviation industry’s green transition. In 2022, we were given further confirmation that we are a leader, when six of our airports were certified at the highest level of Airport Carbon Accreditation (ACA), which is a framework for assessing the climate work of airports. We are the only operator in the world with this certification.

But we have even higher ambitions. At the end of 2020, we eliminated all fossil carbon dioxide emissions from our own airport operations, a feat we also achieved in 2021 and 2022. The next step is to assist our partners at the airports in their transition work so that our airports can be completely fossil-free by 2025. This will require continued hard work from everyone in the years ahead, but this is absolutely necessary. Future generations both require and expect us to safeguard the opportunity to travel by air and to make the aviation of the future fossil-free.

In the past year, we worked with our long-term development and defined our strategic vision for 2030. In order for us

to successfully enable people to meet in the future as well, we must future-proof air travel, make the journey easier from door to door and create magical meeting places. Our strategic goals for sustainable value creation support this strategic vision and are important tools in the transition work. Using these goals, we have laid out a path forward not just to fossil-free aviation, but also in order to contribute to a sustainable society from a social and economic perspective as well. These goals also help to integrate our sustainability work in everything we do, which is vital for a company with ambitions to contribute to long-term value creation for the well-being of society – ambitions that Swedavia has.

Competencies for the future

For Swedavia, nothing is more important than our employees. That was the case during a challenging 2022, and they will continue to be our highest pri-

ority going forward. Our employees are the ones who make it possible for people to travel anywhere in the world from our airports.

Even before the pandemic, attracting new talent and retaining existing talent was an essential condition for success – but the importance of this has been highlighted in recent years. Many talented employees have left the aviation industry, and there has been strong competition for labour. In 2022, Swedavia was named one of Sweden’s most attractive employers by the employer branding organisation Karriärföretagen. The Financial Times also identified Swedavia as a Diversity Leader among European companies. This is confirmation that we are on the right path, but above all honours like these spur us to be even better going forward.

Swedavia has a wonderfully exciting mission, and I know that everyone who works with me at our airports shares this feeling. Each day, I see an engagement from all of our employees that originates in our socially vital mission, enabling thousands of unique meetings between people every day. Each year, there are many millions of meetings. It makes me proud, and that mission will be just as important in the future as it is today.

Stockholm, March 2023

Jonas Abrahamsson
President and CEO

“Our employees will continue to be our highest priorities going forward”



Increase and decrease

In 2022, passenger volume increased more than 130 per cent compared to 2021. But compared to 2019 – in other words, before the pandemic – travel during the year was equivalent to the level seen ten years ago.

“Aviation is of vital importance for the future”

THREE QUESTIONS TO CHAIRMAN OF THE BOARD ÅKE SVENSSON:

2022 was a year of recovery for the aviation industry. How was Swedavia affected?

“It is very positive that the recovery accelerated last year, especially for Swedish connectivity. Swedavia successfully managed both the dramatic decline in traffic during the first year of the pandemic and the sharp increase in traffic in 2022. Despite exceptional conditions throughout the pandemic, we were able to keep the airports open. That was incredibly important especially for aviation vital to society, for example, medical transport. During the year, Swedavia’s employees and our partners made significant efforts to handle the robust passenger growth.

“Despite all these efforts, we faced a strained situation, mainly at Stockholm Arlanda Airport, with long queues and crowded terminals at times. These challenges were mostly due to difficulties hiring workers at the airports quickly enough. We saw similar problems at many airports around the world, but the consequences for our passengers, naturally, were unacceptable. Among the top advantages of air travel are efficiency and predictability for customers. Ensuring that we are as efficient and reliable as our customers expect is extremely important, and I know that the entire aviation industry is working hard with this.”

Swedavia has repaid some of the shareholder contribution the company was given in 2020. Why is that?

“When the pandemic hit in the spring of 2020, policy decisions were made all around the world to protect society. Among other measures, extensive travel restrictions were introduced, which in Swedavia’s case meant that nearly all revenue disappeared in less than a month. Swedavia, which runs operations that are essential to society, received a shareholder contribution of SEK 2.5 billion later that year from its owner.

“After a complaint was filed, the European Commission launched an investigation into the shareholder contribution based on the praxis established during the Covid-19 pandemic. Subsequently, the Swedish government determined that the European Commission will be able to approve about SEK 1.6 billion of this contribution in accordance with State aid regulations in the Treaty on the Functioning of the European Union. The Swedish government commissioned the Swedish Legal, Administrative and Financial Services Agency to examine the matter of a recovery of funds. Following its decision, Swedavia repaid the excess amount plus interest (about SEK 900 M) in October 2022. Our financial position remains good, but we are still in a strained situation.”

What do you think will be particularly important looking forward?

“Aviation is of vital importance for the future. The green industrial development now under way in northern Sweden is a clear example – there is already a great need for both domestic and international connectivity and this will grow. As the Swedish transport system develops over the long term, we need to take into consideration the overall network of airports and make sure that the airports are connected, for example, with road and rail traffic.

“Technological advances and the climate transition will also entail new opportunities for aviation. New propulsion systems based on electric and hydrogen power place new requirements on airport infrastructure, and they can also give small airports a new role when, for example, small electric-powered aircraft suitable for flying shorter-haul routes are introduced. This development needs to be factored in when society plans the integrated transport systems of the future.

“Finally, I would like to express my thanks to all of Swedavia’s employees, suppliers, partners and customers for our good collaboration. I would also like to extend a warm welcome to passengers at our airports.”



“Long-term development of the entire Swedish transport system is needed”

A photograph of an airport at sunset. The sky is a vibrant orange and yellow, with the sun low on the horizon. Several tall, lattice-structured towers are silhouetted against the sky. An airplane is seen in flight, silhouetted against the bright sky. The foreground shows the dark silhouettes of airport buildings and structures.

Operations

Intense period when passengers returned

After two tough years for the aviation industry, 2022 started out with a sense of hopefulness. During the first half of the year, four times more passengers flew to or from Swedavia's airports compared to the same period in 2021. The industry's preparations for an intense restart continued, and there were many indications that an intense summer lay ahead.

Despite political turmoil around the world and the new omicron coronavirus variant, the number of passengers rose sharply in Sweden, Europe and the world during the first half of the year. To meet the expected increase in demand at Stockholm Arlanda Airport, it was decided in January that Terminal 4 would be temporarily opened for the summer. Among other things, that would give the airport higher capacity and make more security checkpoints available.

Early in the year, it was apparent that Stockholm Arlanda Airport and to some extent Göteborg Landvetter Airport faced three major challenges:

- A staff shortage at the security checkpoints but also at Swedavia, airlines, ground handling companies and other sub-suppliers in the value chain.
- Great difficulties rehiring employees at a fast enough pace.
- The arrival of many inexperienced travelers at the airport up to eight hours before their departure, with crowding as a result.

Priorities for operations

Starting in April, demand for flights increased at an even higher rate than expected, and as

summer approached the situation at Stockholm Arlanda Airport but also Göteborg Landvetter Airport was very strained at times, with long waiting times at the security checkpoints but also at check-in and passport control. Construction projects under way at Stockholm Arlanda Airport also took over some passenger space.

Three priorities for operations were decided:

1. Safety and the workplace
2. The airport's operational flows and the passenger experience
3. The customer satisfaction of airlines

Based on these priorities, a number of compensatory measures were taken to handle the acute situation for operations, both at Swedavia and together with operators at the airport. A number of Swedavia's other airports managed passenger growth without major disruptions and could help out to some extent by providing resources.

Measures at Stockholm Arlanda Airport

Some of the measures at Stockholm Arlanda Airport were borrowing airport control staff from other airports and adding extra staffing at the Terminal 4 security checkpoint. Adminis-



trative employees and newly hired additional staff were able to help passengers in the terminal. Restrictions on entering the terminal were also introduced by only letting in passengers with fewer than three hours before their departure, which reduced queues and crowding.

In June, the new connecting walkway between Terminals 4 and 5 opened, which improved passenger flows, and the overall enhancement of resources gradually had an ever greater impact. In August, the three-hour restriction was lifted, and waiting times at check-in, the security checkpoints and passport control were back to normal.

Similar challenges beyond Sweden

The rapid growth in traffic created similar problems for many other major airports in Europe. Heathrow Airport and Gatwick Airport in London, Amsterdam Airport Schiphol and Charles de Gaulle Airport in Paris, like Stockholm Arlanda Airport, were forced to take measures such as restricting entry to the terminal and cancelling departures in order to handle the large number of passengers.

The pattern of understaffing and a strained queueing situation in the terminals was seen across the world. Staffing in the aviation industry will probably continue to be a challenge since many

employees changed industries and switched to other professions.

Passenger growth enabled expanded offering

During the third quarter, 8.5 million passengers flew to or from Swedavia's airports. That was almost twice the number compared to the same period in 2021. Despite growing concerns about the economy, high inflation and a challenging security policy situation, travel continued to increase during the fourth quarter.

Due to the increased demand for travel, airlines gradually expanded their offering by adding destinations and departures, especially at Stockholm

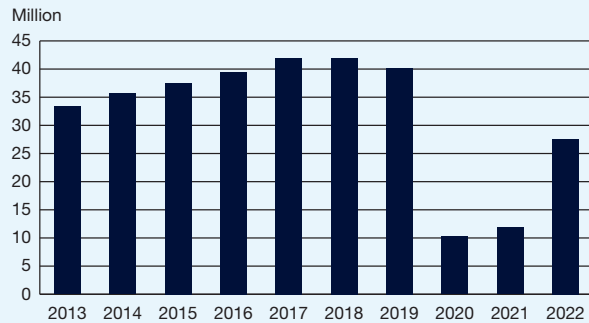
Arlanda Airport but also at Swedavia's regional airports. In December, Stockholm Arlanda Airport posted the biggest passenger increase for a single month since the start of the pandemic.

Recovery still affected

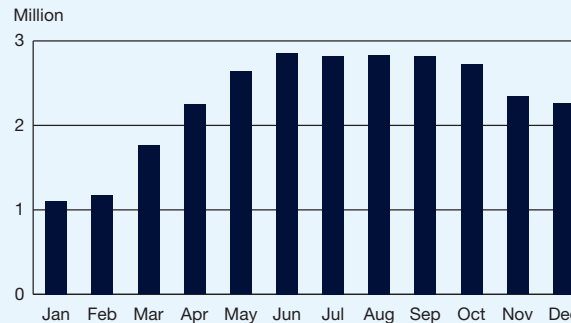
Although the pandemic continued around the world throughout the year, the same level of travel restrictions as in 2021 was not needed. Meanwhile, it was noted towards the end of the year that other external factors would affect the recovery of the aviation market in the short term. In the long term, there are many indications of a global increase in air travel.

“Due to the increase in demand, airlines gradually expanded their offering by adding destinations and departures”

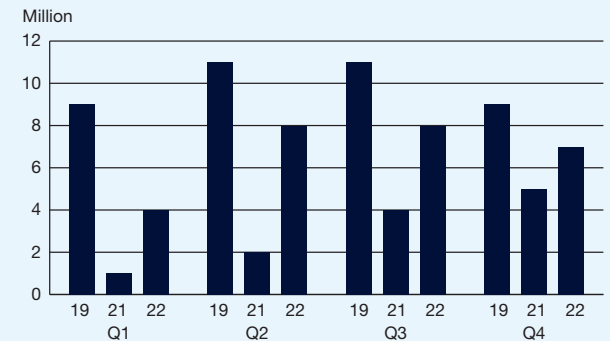
NUMBER OF PASSENGERS AT SWEDAVIA'S AIRPORTS, BY YEAR, 2013–2022



NUMBER OF PASSENGERS AT SWEDAVIA'S AIRPORTS, BY MONTH, 2022



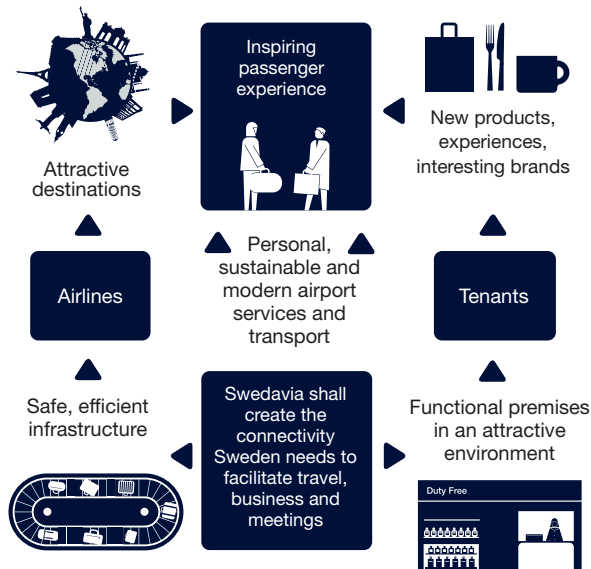
NUMBER OF PASSENGERS AT SWEDAVIA'S AIRPORTS, BY QUARTER, 2019, 2021 AND 2022



Connectivity, growth and business opportunities

Swedavia creates connectivity within as well as to and from Sweden. Growth and business opportunities are created through its operations. Swedavia contributes to jobs, tax revenue, diversity, and the exchange of culture and knowledge for the company's stakeholders.

Swedavia also works actively in the development of the transport sector and helps to achieve Sweden's transport policy goals.



Swedavia's resources

Relational capital

27.6 million passengers and relations with customers, tenants, suppliers, partners and decisionmakers.

About 8 million visitors to Swedavia' website and about 215,000 followers in 20 different social media channels.

Human capital

2,962 engaged employees who contribute to giving passengers an inspiring and safe travel experience.

Tangible and intangible capital

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

Financial capital

Own and borrowed capital.

Natural capital

Energy, forests and material use.

Swedavia provides

Swedavia's airports have safe, optimised infrastructure. As a result, efficient flows are created for a smooth and inspiring customer experience.

Airlines deliver attractive destinations to passengers

Swedavia's ten airports form a network that links Sweden together and connects Sweden to 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 provides premises for retail, offices, warehousing and logistics that meet customer needs and create long-term competitiveness.

Inspiring passenger 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 -709 M.
- Return on operating capital -3.3 per cent.
- International role model in sustainability.
- Helps to achieve Sweden's transport policy goals.

Suppliers, partners, financiers

- Long-term, mutual partnership.
- Financial return on interest-bearing capital.
- Jobs.

Passengers, airlines, tenants

- Attractive airports.
- Connectivity.
- Smooth and inspiring travel experiences.
- Personal meeting places.

Employees

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

Society

- Connectivity within as well as to and from Sweden.
- Employment and business opportunities.

- Tax revenue.
- Exchange of culture and knowledge.

Environment

- Aviation accounted for about 2.5 per cent of Sweden's total carbon dioxide emissions in 2021 according to the Swedish Environmental Protection Authority, with domestic air travel accounting for 0.3 per cent of total emissions.
- Swedavia is driving the large-scale transition to fossil-free aviation; read more on pages 42-44.
- A world leader in developing airports with the least possible environmental impact; read more on pages 45-48.

-3.3%
Return on operating capital

60
Engaged leaders and employees (index)

As of 2022, a new method for measuring engaged leaders and employees was adopted.

0.46%
sustainable aviation fuel

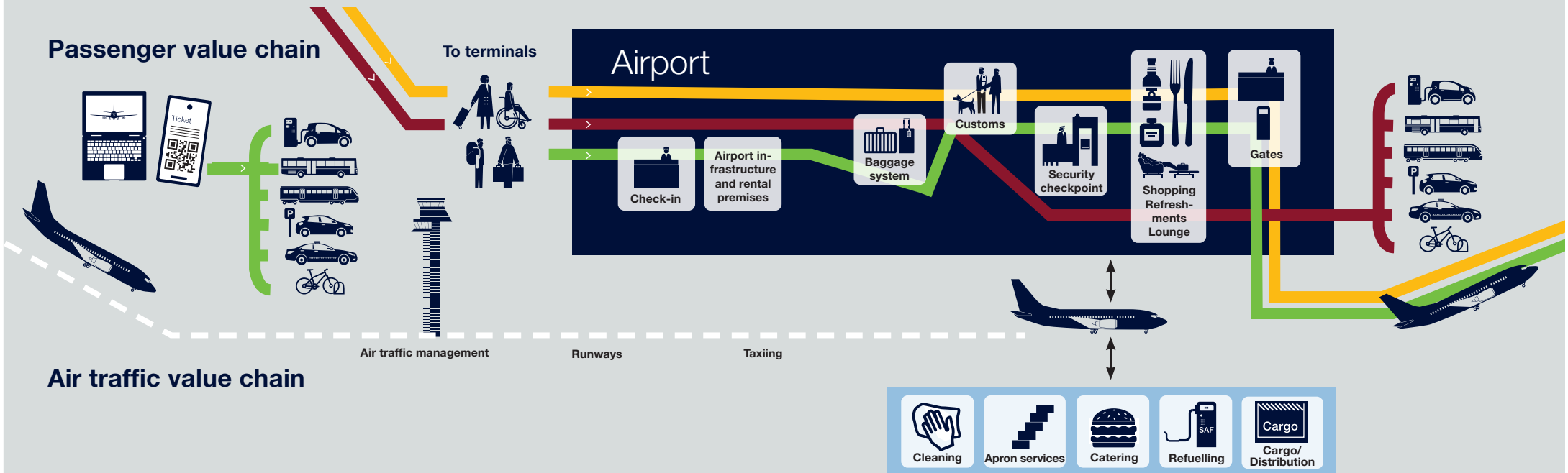
76
positive customer experience

Swedavia enables people to meet

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 connectivity and contributes to a competitive Swedish tourism industry. This is how value is created, for customers and society as a whole.



● Transfer ● Arrivals ● Departures



BUSINESS SEGMENT

AIRPORT OPERATIONS

Owns, 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**

Commercial Services

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

* People with functional differences. ** Including baggage handling and refuelling.

Value created:

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

BUSINESS SEGMENT

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 fossil-free airports of the future.

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 value 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

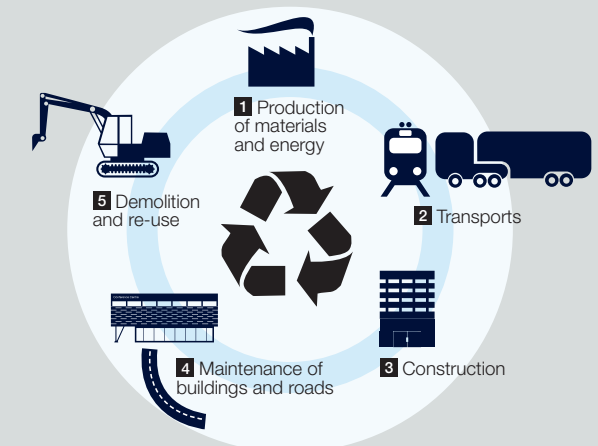
customers and employees, and a good workplace environment.

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 for construction and real estate operations

Both the Airport Operations and Real Estate segments generate construction operations



New operational structure for enhanced competitiveness

In November 2021, a new operational structure was implemented to enhance Swedavia's competitiveness in an aviation market that has changed fundamentally in a short period of time.

Four airports were organised under the grouping International Airports, with Stockholm Arlanda Airport as the hub for international travel. The airports will reinforce one another and advance Swedavia's market position internationally. Six regional airports continue to link Sweden together and meet local needs for collaboration and entrepreneurship.

The new operational structure clarifies roles, responsibilities and decision paths and is based on a clear process and customer orientation. 2022 was the first full year that the company was run under the new structure.

Increased collaboration and shared learning

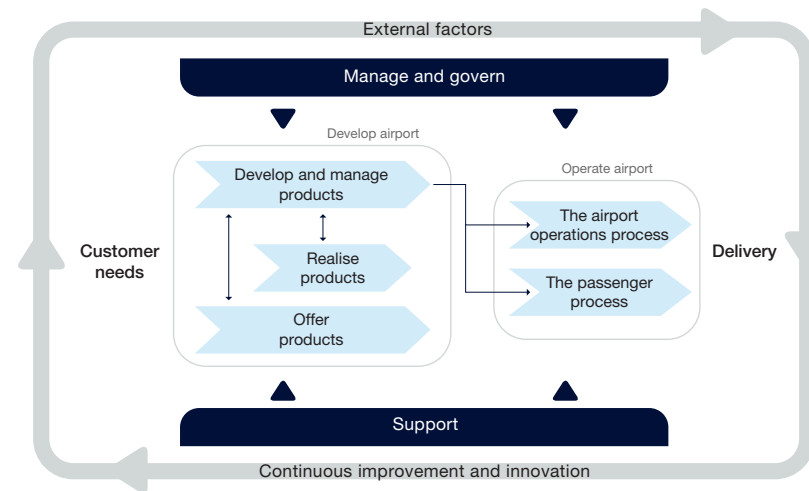
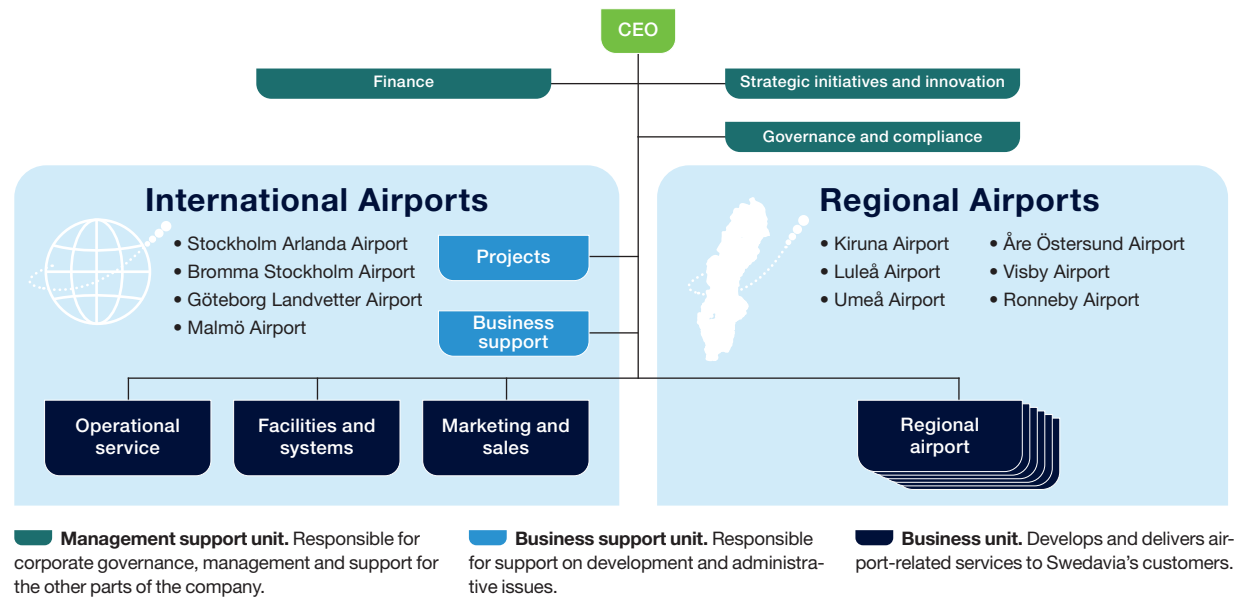
Collaboration between the different parts of operations has been strengthened as a result of the introduction of the new operational structure. The operational challenges faced mostly by Stockholm Arlanda Airport during the second quarter helped to increase collaboration and shared learning.

Examples of enhanced cooperation can be seen in, among other places, the new Group-wide department for Health, Security, Safety and Environment (HSSE), which brings together Swedavia's shared competencies in occupational safety, environment, aviation safety, aviation security, risk and crisis management, and quality. After one year, the company sees greater opportunities for new ways of working and shared learning between these areas.

This process-oriented way of working, which continued to be implemented during the year, contributes to increased value creation and is a robust tool for collaboration between different parts of the organisation.

Continued process development work

The process development work at Swedavia has been under way since 2018. The first areas involved were the operational parts of the company. The strategic vision was a complete process orientation in all parts of the company by 2025. During the pandemic and in early 2022, it was not possible to carry out the work at the pace envisaged. During the autumn of 2022, an implementation plan was prepared describing the activities needed in order to maintain and achieve the vision of full process orientation by 2025.



Two mega processes: develop airport and operate airport with underlying main processes. As of 2022, the process perspective is included in Swedavia's business planning. This process orientation is to be implemented throughout the company by 2025.

Capacity challenges when air travel took off

The spread of the new omicron variant and the war in Ukraine contributed to an uncertain start to the year for the four airports in International Airports. During the spring, demand for flights increased quickly and sharply, which led to capacity challenges.

For two months early in the year, total passenger volume increased as much as it did in the 20 years before the pandemic. During the summer, the number of passengers was equivalent to 75 per cent of the volume in 2019. On a full-year basis, passenger volume was 70 per cent of the volume in 2019.

Despite accurate forecasts and preparations for the restart, operations at the airports were adversely affected, especially at Stockholm Arlanda Airport and Göteborg Landvetter Airport. Lead times for recruitment were long, which resulted in a greater labour shortage at the security checkpoints and a higher

“Despite strong passenger growth in 2022, there is uncertainty going forward”

staff turnover than expected. Many inexperienced travellers needed more time than usual, and refurbishment work took over passenger space. Combined with the extraordinary passenger growth, this affected flows, which at times created crowding and very long waiting times.

A number of compensatory measures to deal with staffing and crowding were carried out. The situation stabilised later in the summer, and in the autumn the situation was considered to be back to normal. Nonetheless, every airport needed to continue to be prepared to manage a turbulent market and monitor any spread of infection in society which could have a new impact on operations.



International Airports in brief

- Swedavia's International Airports are **Stockholm Arlanda Airport, Bromma Stockholm Airport, Göteborg Landvetter Airport and Malmö Airport.**
- 272 destinations are served, 42 of which are domestic.
- A total of about 19,500 employees work in operations, 2,136 of whom are employed by Swedavia.

15:50	Düsseldorf	DL4050	Gate closed
16:00	Stockholm BMA	EW9231	Gate closed
16:10	Stockholm ARN	TF031	Final call
16:10	Bergen	ET1961	Gate open
16:15	Copenhagen	AF6557	Hold / Cancelled
16:20	Belgrade	OST506	Go to gate
16:40	Oslo	W64206	Boarding
16:45	Cambridge	5K3021	Beriknad 18:07
16:55	Krakow	BA8236	
17:05	Helsinki	FR4011	Beriknad 17:25
17:20	Amsterdam	AY898	
17:20	Istanbul IST	MF9941	
17:30	Stockholm BMA	TX1800	
17:35	Stockholm ARN	TF033	
17:35	Stockholm ARN	ET1863	
17:50	Paris CDG	G35219	
18:10	London LGW	DY4441	
18:10	Brussels	NH5164	
18:15	Munich	EY3791	
18:30	Copenhagen	P17911	
18:30	Stockholm BMA	TF039	
18:35	London LHR	BA703	
18:40	Frankfurt	SK3965	
18:45	Stockholm ARN	DV4051	

Passenger trend, 2022

- Stockholm Arlanda Airport had 18.5 million passengers in 2022 (7.5 million in 2021).
- Bromma Stockholm Airport had 1.1 million passengers in 2022 (0.6 million in 2021).
- Göteborg Landvetter Airport had 4.4 million passengers in 2022 (1.9 million in 2021).
- Malmö Airport had 1.3 million passengers in 2022 (0.7 million in 2021).



Punctuality, 2022

- Stockholm Arlanda Airport 72.3 per cent (79.3 per cent in 2021).
- Bromma Stockholm Airport 89.5 per cent (85.8 per cent in 2021).
- Göteborg Landvetter Airport 70.1 per cent (77.2 per cent in 2021).
- Malmö Airport 80.3 per cent (82.3 per cent in 2021).

Challenges and opportunities

- Work to re-establish both airline operations and capacity.
- Continued development of areas near the terminal into attractive and growing places for meetings and work.
- Closure of Bromma Stockholm Airport would entail new conditions for Stockholm Arlanda Airport. However, no decision will be made during the government's current term of office.

Stockholm Arlanda Airport

Stockholm Arlanda Airport was the hardest hit of Swedavia's airports, experiencing capacity challenges as early as during the Easter holidays. Just before summer, Terminal 4 and the new connecting walkway between Terminals 4 and 5 both opened up, which provided relief for the strained situation and added capacity. The moving walkway between the two gate areas in Terminal 5 was inaugurated.

Following the outbreak of war in Ukraine, a collaboration was set up between Stockholm Arlanda Airport, the Swedish Migration Agency, the Municipality of Sigtuna and the Swedish Border Police. Since the Swedish Migration Agency already has premises, staff and established procedures for asylum seekers at Stockholm Arlanda Airport, the increased flow of asylum seekers had no major consequences for the airport.



The new emergency preparedness base for Sweden's air ambulance service, Svenskt Ambulansflyg, was set up at Stockholm Arlanda Airport during the year and constitutes a key component of the country's air ambulance system. The Arlanda base has two crewed aircraft during the day and one crewed aircraft at night and constitutes a hub for central Sweden, providing emergency preparedness for both the north and south of the country.

The German carrier Eurowings, the French carrier Transavia and the Irish carrier Ryanair saw even more opportunities in the Stockholm region. The low cost carriers enhanced their presence, adding a number of new destinations both in Sweden and elsewhere in Europe. Existing airline customers also saw growth.

In October, the international trade association Airports Council International Europe named Stockholm Arlanda Airport Eco-Innovation Airport of the Year. The honour was attributed to Swedavia's green transition work and its work as a leader in driving climate-smart airports.



Göteborg Landvetter Airport

As a result of the war in Ukraine, a collaboration was launched between the Swedish Migration Agency, the Swedish Border Police and the Municipality of Härryda. The airport set up premises for people waiting for transport to the Swedish Migration Agency.

The national air ambulance service Svenskt Ambulansflyg also opened a base at Göteborg Landvetter Airport with 24/7 emergency preparedness, offering one air ambulance crewed by two pilots and a nurse. The service provides a boost for Swedish healthcare, enabling easier access to specialist care located throughout the country, no matter the geographic distance.

During the autumn, a digital queuing system at the check-in counters was tested. Using a QR code, passengers could monitor their place in the queue. The test was successful. The next step is to introduce a so-called proof-of-concept test for the security checkpoint at Stockholm Arlanda Airport.

A number of measures to increase capacity were completed during the year, including the widening of taxiways, completion of a new terminal section with three exits giving direct access to the aircraft, and smoother departures and arrivals for non-Schengen passengers.

Wizz Air expanded operations, with a new direct route to Rome, and the Icelandic carrier PLAY launched its first route in Sweden, between Gothenburg and Reykjavik. This entails not just non-stop service to Iceland but also a smooth transfer for connecting flights to the US. In June, the Mediterranean carrier Air Corsica launched a new direct route between Gothenburg and the French island of Corsica.



4.4
 ...million passengers
 flew to or from Göteborg
 Landvetter Airport in
 2022.



1.3
...million passengers flew to or from Malmö Airport in 2022.

Malmö Airport

In 2022, Malmö Airport celebrated its 50th anniversary. The first aircraft landed at Malmö Airport on December 1, 1972. Since then, more than 60 million passengers have passed through the airport. With more than four million residents in the region, Malmö Airport is a vital complement to Kastrup in Copenhagen. The airport is also important for cargo to and from the region as well as for aviation that is critical to society, such as for the police, healthcare transport, the Swedish Migration Agency and the Swedish Armed Forces.

In the initial phase of the war in Ukraine, a collaborative group was set up with the Municipality of Svedala, the Swedish Border Police and the Red Cross. The collaboration enabled refugees to receive proper care.

Malmö Airport celebrated the world's first flight of an aircraft using 100 per cent sustainable aviation fuel in both engines in June. The aircraft took off from Malmö Airport and landed at Bromma Stockholm Airport in June. A number of airlines that offered scheduled service to international destinations before the pandemic resumed service during the year.



1.1
...million passengers flew to or from Bromma Stockholm Airport in 2022.

Bromma Stockholm Airport

Bromma Stockholm Airport had a more stable passenger trend during the year. Two new routes were inaugurated in March, when the start-up Skåneflyg launched service to Kristianstad and Västflyg resumed service to Trollhättan. Service on the Bromma–Aarhus and Bromma–Helsinki routes was also relaunched.

In collaboration with Braathens Regional Airlines (BRA), Neste, which develops and produces sustainable aviation fuel (SAF), and the aircraft manufacturer ATR carried out the world's first commercial flight using 100 per cent SAF in both engines (SAF) in June. The passenger aircraft, though without any passengers, took off from Malmö Airport and landed 1.5 hours later at Bromma Stockholm Airport.

Sharp increase in domestic air travel positive for regional airports

Domestic traffic from Swedavia's regional airports saw a strong recovery during the year. Traffic to and from the airports mainly increased on the coast of northern Sweden. This is mostly due to the rapid growth there, thanks to new long-term investments, and a lack of practical transport options.

The six regional airports, together with Swedavia's four international airports, constitute an integrated infrastructure network that covers the entire country. The regional airports mainly have domestic traffic, which is supplemented with some charter and seasonal traffic.

“Above all Luleå Airport had a stable recovery throughout the year”

Visby Airport, Umeå Airport, Kiruna Airport and above all Luleå Airport had a stable recovery throughout the year. Air transport was the only way to get to and from these regions quickly and easily. Growth in the Luleå region was robust, with a large number of companies setting up operations there and low unemployment.

The positive increase at the regional airports was due to domestic flights, though there was also some recovery in charter flight operations. The number of passengers during the year was equiva-



REGIONAL AIRPORTS

lent to 66 per cent of the volume in 2019, before the pandemic.

Strong demand for flights and difficulties hiring new workers due to increased competition in the labour market were among the factors that created challenges at a number of the regional airports. Many employees from the regional airports also contributed by stepping up and working extra shifts at Stockholm Arlanda Airport during the summer season, which helped to further enhance collaborative skills and the sense of team spirit among Swedavia's employees.

During the year, Swedavia developed its collaboration with the Swedish Civil Aviation Administration on remote air traffic services in preparation for 2023, when Umeå Airport and Malmö Airport will be added to the group using these services, which already includes Kiruna Airport and Åre Östersund Airport.

There are a number of development projects to find climate-smart alternatives to fossil fuel that Swedavia takes part in through its regional collaborations. They include projects at Umeå Airport, Visby Airport and Åre Östersund Airport to prepare the airports for the electric aircraft of the future. This mainly involves charging infrastructure, which will be necessary with the electrification of aircraft but also in the airport car parks

The projects are carried out through different collaborations with the State-owned Research Institutes of Sweden (RISE), the Swedish Energy Agency, the Swedish Agency for Innovation Systems (Vinnova), the Swedish start-up Heart Aerospace and a number of regional organisations and companies.

Regional Airports in brief

- Swedavia's six regional airports are:
 - Kiruna Airport
 - Luleå Airport
 - Umeå Airport
 - Åre Östersund Airport
 - Visby Airport
 - Ronneby Airport
- 37 destinations served, 21 of which are domestic. Luleå Airport has the biggest range of destinations on offer.
- A total of about 900 employees work in operations, 524 of whom are employed by Swedavia.



Passenger trend, 2022

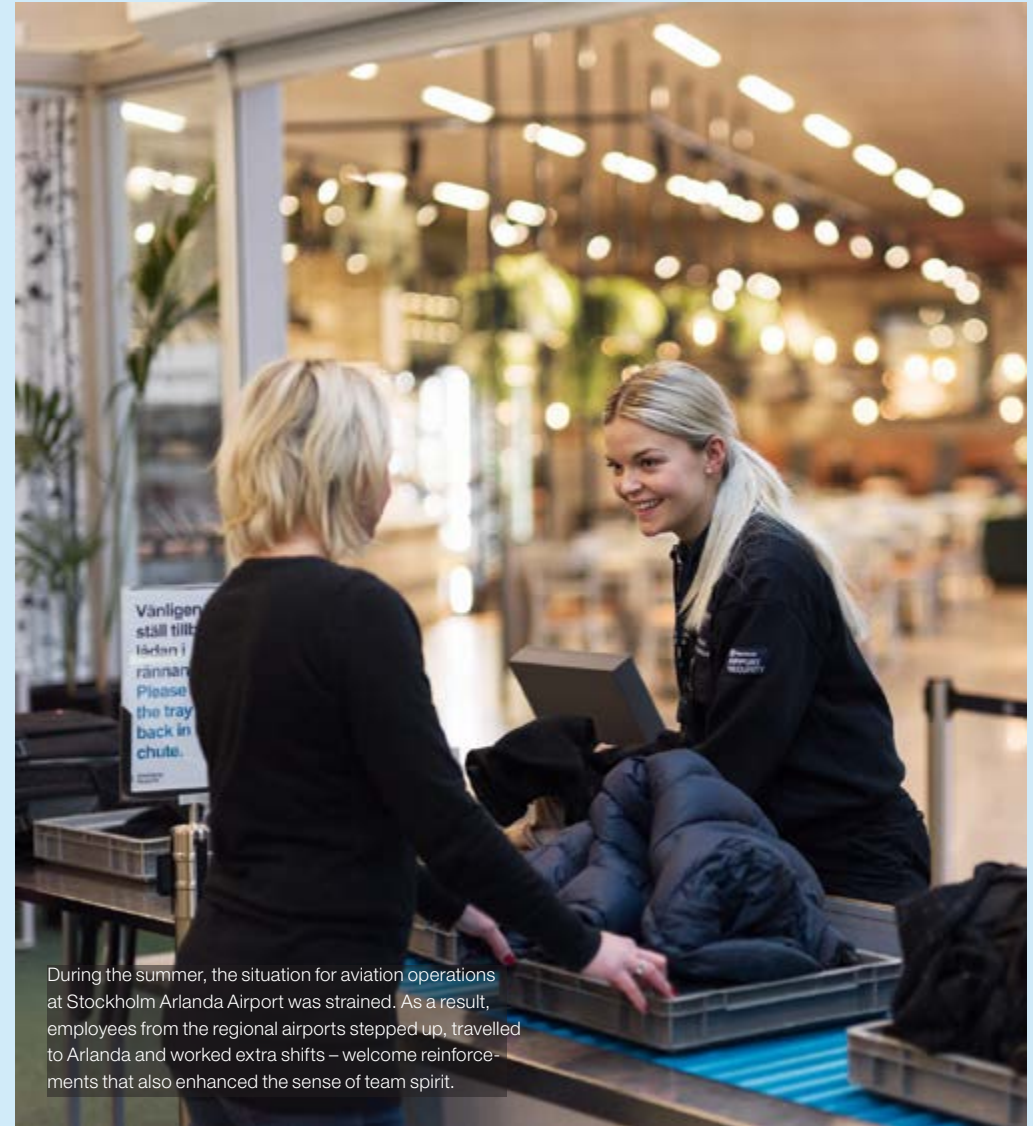
- In 2022, the regional airports had 2.3 million passengers (1.3 million in 2021).

Punctuality, 2022

- Punctuality during the year was 84.1 per cent (81.6 in per cent 2021).

Challenges and opportunities

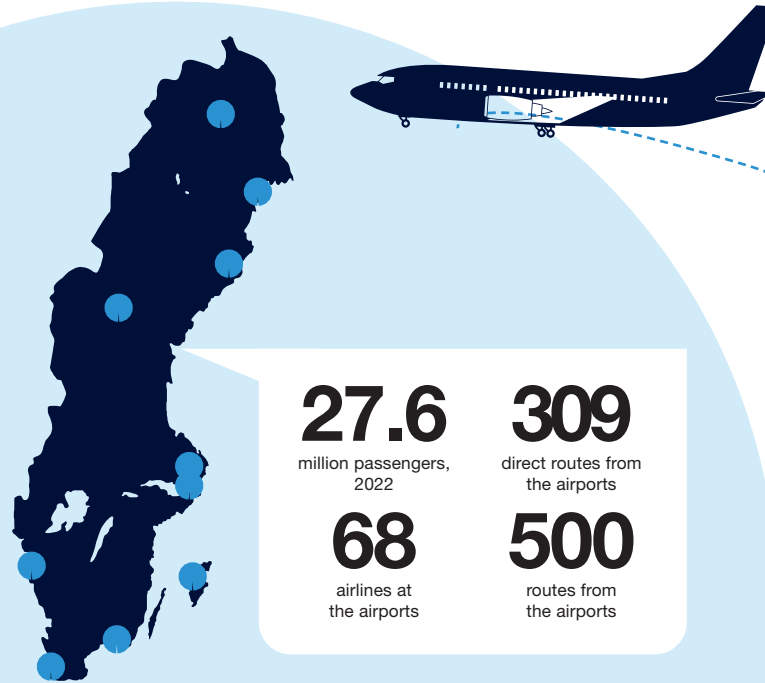
- Business travel has probably declined permanently in favour of digital meetings. A future recession on top of that may entail another downturn in the traffic trend.
- The climate change issue still needs to be tackled quickly, and that requires strong demand.
- Connectivity is as important as ever, and external events draw attention to the importance of air connectivity both for aviation critical to society and commercial aviation.
- The development of electric aircraft is going faster than expected and creates new opportunities for a new network of domestic routes.
- Sustainability issues are driving long-term industrial investments in northern Sweden, which may benefit regional domestic traffic.



During the summer, the situation for aviation operations at Stockholm Arlanda Airport was strained. As a result, employees from the regional airports stepped up, travelled to Arlanda and worked extra shifts – welcome reinforcements that also enhanced the sense of team spirit.

Across Sweden and to the world beyond

Swedavia's ten airports form a network that links Sweden together – and connects Sweden to the rest of the world.



Swedavia's airports from north to south:

Airport:	KIRUNA AIRPORT	LULEÅ AIRPORT	UMEÅ AIRPORT	ÅRE ÖSTERSUND AIRPORT	STOCKHOLM ARLANDA AIRPORT	BROMMA STOCKHOLM AIRPORT	GÖTEBORG LANDVETTER AIRPORT	VISBY AIRPORT	RONNEBY AIRPORT	MALMÖ AIRPORT
Runway length (metres):	2,502	3,350	2,302	2,500	3,301, 2,500 and 2,500	1,668	3,300	2,000 and 800	2,231	2,800 and 797
Take-offs and landings	3,290	13,314	14,982	5,988	170,500	34,402	47,624	9,499	5,969	23,085
Number of passengers:	195,277	911,595	607,893	219,410	18,418,444	1,114,367	4,444,502	294,515	101,105	1,290,820
Direct routes:	1 international, 3 domestic	7 international, 5 domestic	4 international, 2 domestic	2 international, 3 domestic	130 international, 22 domestic	2 international, 13 domestic	73 international, 4 domestic	2 international, 6 domestic	2 domestic	25 international, 3 domestic
Most popular destinations:	Stockholm, Brussels, Gothenburg	Stockholm, Gran Canaria	Stockholm, Gran Canaria, Crete	Stockholm, Umeå, Gothenburg	Luleå, Copenhagen, London	Visby, Malmö, Brussels	Stockholm, Amsterdam, Frankfurt	Stockholm, Gothenburg, Malmö	Stockholm, Kalmar, Frankfurt	Stockholm, Pristina, Skopje

Low cost carriers are advancing their positions

In 2022, a strong recovery from record-low traffic volumes in 2020 was noted. Primarily European traffic took off during the summer. New bases were set up and new airline customers were added at Swedavia’s airports.

Well-functioning infrastructure is a strong contributing factor, which affects people’s ability to live and work throughout Sweden. Businesses, industries and jobs are dependent on the possibility of moving quickly between cities, countries and other parts of the world. In the 2010s, all-time records in passenger growth were set a number of times. In the past decade, traffic increased nearly 50 per cent at Swedavia’s airports.

When the Covid-19 pandemic paralysed the aviation industry in early 2020, the situation changed completely. The pandemic restricted Sweden, an export-dependent country that extends great distances and has a small population. It became clear that Sweden’s air transport will continue to be vital in conducting trade, attracting investments and enabling people to meet.

Change in positions

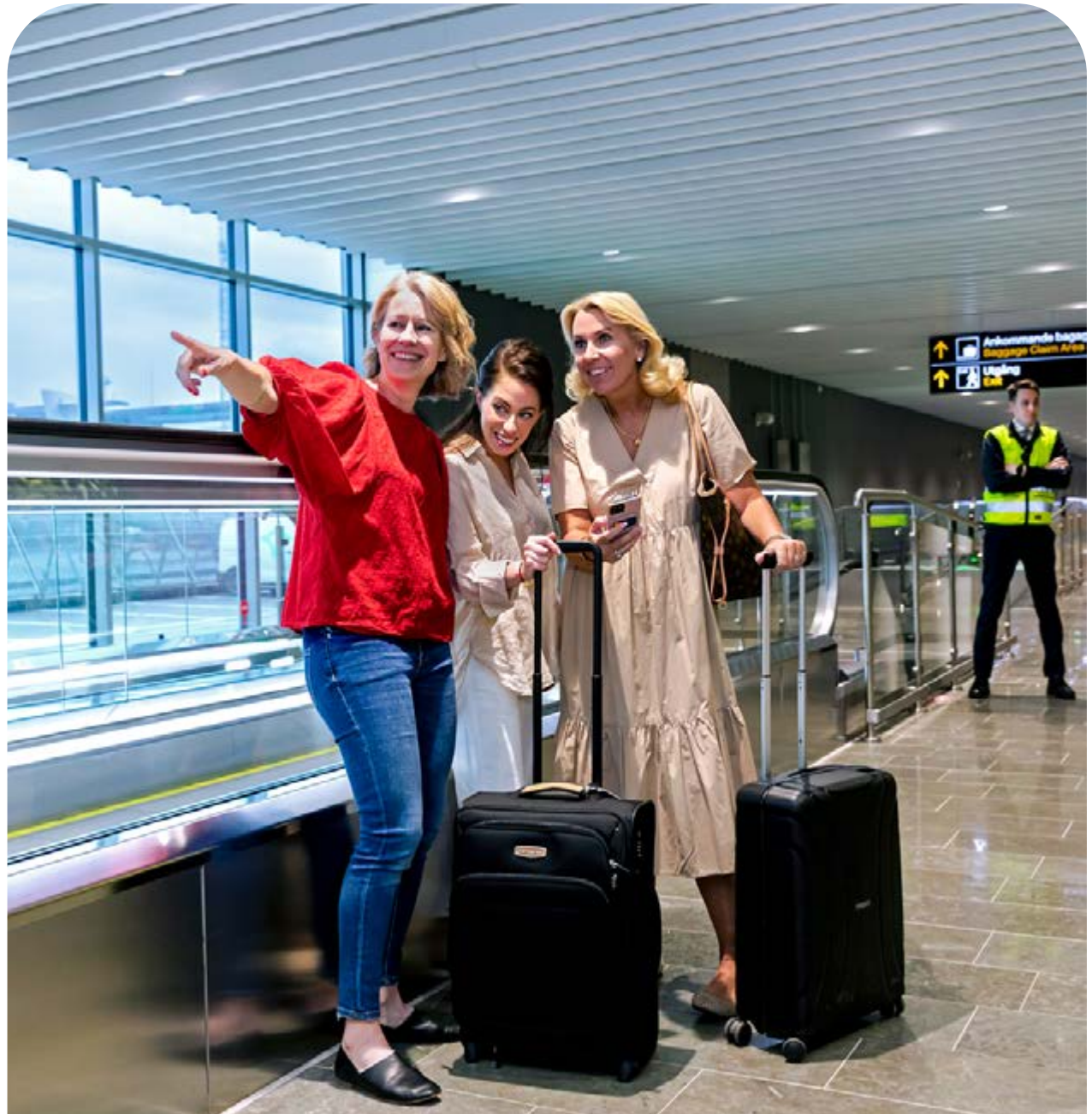
The downturn was fully apparent to all the airlines. Different forms of cor-

porate restructuring were required for a number of Swedavia’s biggest customers. Other airlines, mostly low cost carriers, have advanced their positions. Both Ryanair and Eurowings opened bases at Stockholm Arlanda Airport during the year, while Norwegian re-established its base. Delta Airlines returned after a long absence, offering non-stop service to New York. More than 60 new routes in all were launched during the year, 28 of which were to brand-new destinations.

[Read more about routes and destinations on page 22](#)

Uncertain future

Business travel is still a major uncertainty factor. Working from home, digitisation and new patterns of behaviour have a strong impact on air travel, and the future of the aviation industry in the short term is uncertain from a number of other perspectives. Crowding in European airspace because commercial traffic has been



unable to pass through Ukrainian and Russian airspace has contributed to many delays.

War, rising electricity and fuel prices, inflation and an aviation industry under heavy pressure from a climate perspective will affect the industry's development for many years going forward.

Cargo capacity increased

A large share of goods is normally transported in the hold of passenger planes. With the resumption of inter-continental air traffic during the year, cargo capacity also increased again.

Given the change in purchasing habits and the growth in online shopping, the need for rapid transport has increased. Although air cargo only accounts for one per cent of global transport volume, it accounts for 35 per cent of the value of such goods in a normal year. Aviation plays a key role in transporting protective equipment as well as high-value, time-critical and sensitive goods and provides spare parts to manufacturers.

Environmentally-differentiated charges

Following a decision by the Swedish parliament, at the turn of 2021–2022, Swedavia introduced climate-differentiated airport charges. The model at Stockholm Arlanda Airport and Göteborg Landvetter Airport includes sustainable aviation fuel (SAF). As a result, take-off and landing charges became climate-differentiated, which means airlines that use the most climate-efficient aircraft are given priority over those with aircraft that have a worse climate performance. The charges will serve as a catalyst to help reduce the industry's environmental impact. Swedavia's airports already have aviation noise charges and nitrogen oxide charges linked to their take-off charges.

Swedavia decided to leave its airport charges unchanged in 2022 in order to create better conditions for maintaining traffic and enabling the re-establishment of operations. Starting January 1, 2023, airport charges were raised 2.3 per cent in order to cover increased costs.



This is Aviation Business

Together with its partners, the business area works to develop connectivity and air traffic available. The business area includes services aimed at Swedavia's customers in aviation operations, such as take-off and landing services and ground handling services.

Positive events during the year?

ELIZABETH AXTELIUS, AVIATION BUSINESS:

"Starting in April, we noted that people had a strong need to travel and be able to meet again. It is mainly international travel that is on the rise, but some markets have still not re-opened yet, for example Asia."

What risks and challenges have needed to be managed?

"Obviously, the war in Ukraine. Among other things, this has entailed longer flight paths to some destinations. Higher fuel prices have also had a major adverse impact on airlines. High inflation and higher energy prices affect both consumers and businesses. As a result, consumers have a really negative outlook for their finances in the future."

What is the main lesson you take from your work?

"The recovery itself has been a challenge for every market operator, and it may continue to be challenging."

What is the best way to act going forward?

"We will continue to work to ensure the set-up of new operations. During the pandemic, many people have seen new opportunities in the market, and I think that is interesting."



"During the pandemic, many people have seen new opportunities"

Aviation Business by area, net revenue, SEK M	2022	2021
Passenger-related revenue	1,278	578
Aircraft-related revenue	585	325
Externally regulated charges	781	539
Ground handling	208	116
Other ancillary services	143	93
Total Aviation Business	2,995	1,653

Aviation Business in figures

2,995

Net revenue, SEK million

62%

Share of consolidated net revenue



Increased attractiveness with investment in broader offering

During the year, more than 30 public concession contracts were signed for commercial premises at Swedavia's airports. Preparations continued for the gradual opening, starting in 2023, of the 11,000 square metre marketplace at Stockholm Arlanda Airport.

Mission to safeguard and develop

The overall mission in commercial operations is to ensure revenue, safeguard customer relations and secure Group-wide commercial strategies. Products and services must be developed to meet customer needs and create long-term competitiveness. Shops, restaurants, hotels, parking spaces, advertising sales, rental of premises and various energy, telecom and data communication services generate income that helps to maintain competitive airport charges and finance investments. That in turn helps to sustainably develop and expand capacity and make the airports more attractive.

Revenue gradually increased

In 2022, commercial revenue began to return to Swedavia as air travel increased. The war in Ukraine created some uncertainty in the market, while at the same time people had a strong desire to travel. During the second quarter, demand for flights increased dramatically. This led to capacity challenges at the biggest airports and also created challenges for many

parts of commercial business, for example in Retail, Food and Beverage. Long queues also meant limits on passengers' consumption behaviour, and they were not as receptive to advertisements for commercial products.

Connecting walkway enhances commercial business

To improve flows, Terminal 4 at Stockholm Arlanda Airport was opened in June. At the same time, the new connecting walkway between Terminals 4 and 5 linking the gate areas in those terminals was also opened. That creates conditions to enable more passengers to explore the expanded and rejuvenated range of products and services available in the new marketplace, which will gradually open starting in 2023.

New marketplace provides wide offering

The new 11,000 square metre marketplace, which is being developed with the least possible environmental impact, is one of the biggest investments ever in food and beverage at Stockholm Arlanda Airport. It will



house shops with Swedish and international brands as well as restaurants with everything from fine and casual dining to cafés and basic grab-and-go outlets. At Göteborg Landvetter Airport too, new concepts will be launched in 2023 for shops and restaurants along with a number of café concepts.

Swedavia is governed by the Swedish Concessions Procurement Act. The work has been ongoing for many years but intensified during the year. Around 30 public procurement contracts were agreed.

Procurement contracts in Retail, Food and Beverage were the most extensive carried out in the market, even from an international perspective. The contracts set sustainability requirements, which include systematic work to reduce waste and resource use and increase the volume of sorted waste, but also requirements for a mutual partnership with Swedavia in order to boost the work for social sustainability.

This commercial strategy covers all of Swedavia's airports, which enhances the

passenger experience in some one hundred different commercial premises.

Charging infrastructure and environmental management system for taxis

There is total focus on developing the business areas in Commercial Services in 2023. New payment methods for car parks and developed charging infrastructure for electric vehicles at all the airports are two examples. At Göteborg Landvetter Airport, systems support is being introduced for handling taxis, which will increase reliability. This will also enable clearer environmental management for taxis with the best environmental performance and help to achieve Swedavia's goal of totally fossil-free airports. Stockholm Arlanda Airport already has an environmental management system in place.

Processes and business models are being developed

The ambition in Commercial Services is to realise the full benefit of implementing the operational structure for International

“The marketplace is one of the biggest investments ever in food and beverage”

Airports, with responsibility for revenue gathered in one place at the company. The process of “offering products” will be refined in order to increase customer satisfaction among tenants and airlines. Efforts to promote increased sales will be secured and optimised.

In order to further enhance Swedavia's position in sustainability, business models are being developed that give priority to green incentives and pricing models that can accelerate aviation's green transition on the ground as well as in the air.



This is Commercial Services

The business area ensures that Swedavia, in collaboration with its partners, airlines and tenants, has a commercial offering that is attractive to common customers.

Operations include the set-up of airline operations, the rental of premises for restaurants, shops, offices, warehousing and logistics, as well as parking and entry.



Commercial Services in figures

1,804

Net revenue, SEK million

37%

Share of consolidated revenue

Commercial Services by area, net revenue, SEK M	2022	2021
Parking and entry	716	339
Retail, food and beverage	500	181
Rental income	438	384
Advertising	83	61
Other commercial products	67	79
Total Commercial Services	1,804	1,044

Property development bolsters finances

The Real Estate business segment builds, owns and develops buildings and land adjacent to Swedavia's airports. By selling properties, it helps finance investments and the development of operations in the Airport Business segment. In 2021 and 2022, logistics area 4 at Göteborg Landvetter Airport was sold, and the development of a number of commercial properties at Stockholm Arlanda Airport continued.

Uncertainty and opportunities

Operations in the Real Estate business segment have been growing for many years. This has been possible because property needs and development opportunities for land located next to the airports have been identified at an early stage.

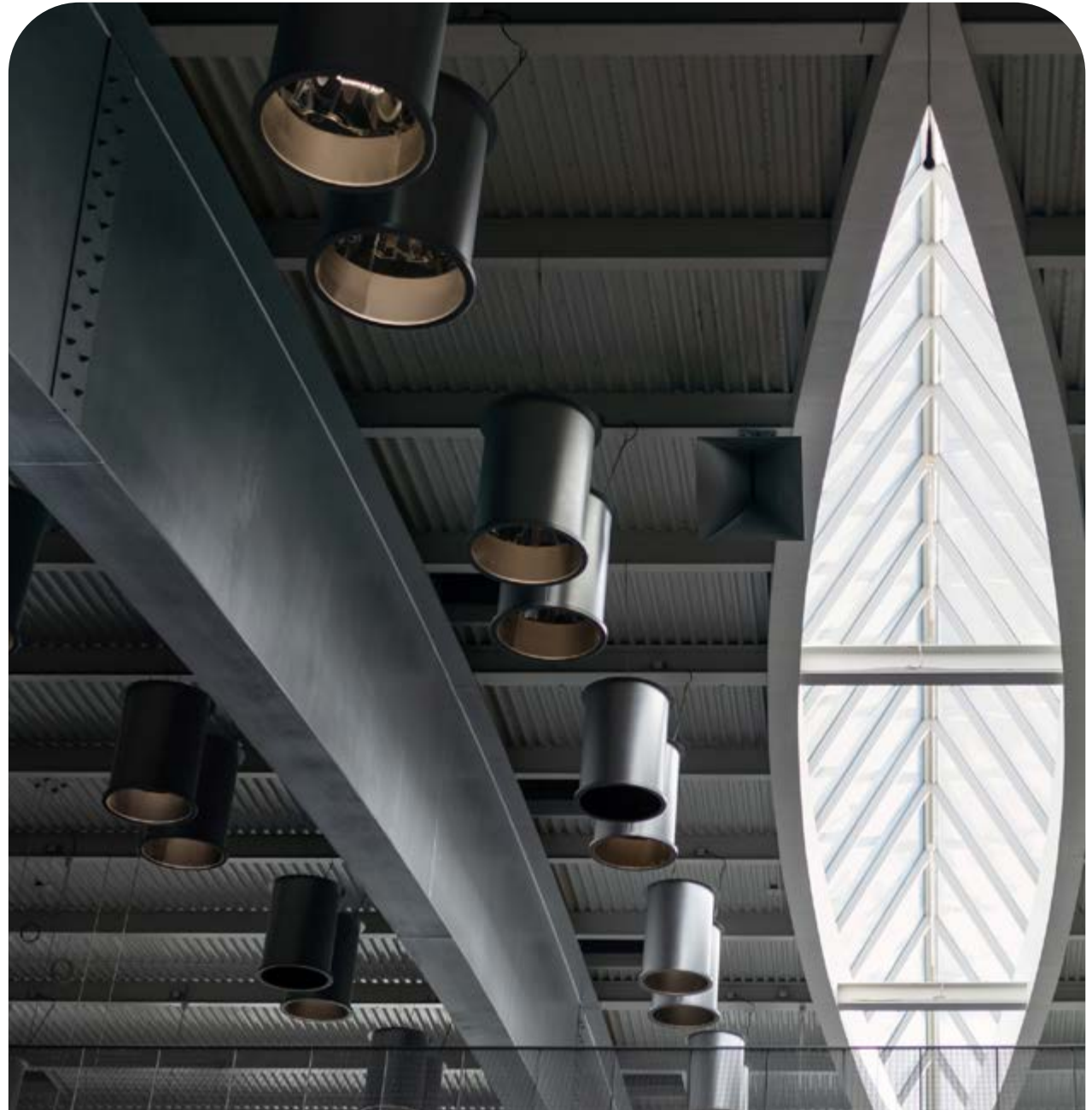
Due to external factors, it is difficult to know at what pace property development should and can be carried out. The business process – from creating the zoning plan to fully developing the property – takes many years, and it is natural for there to be economic fluctuations during this period. In an economic downturn where there is great uncertainty, decisions may take longer and at the same time new opportunities may arise.

The airports are becoming increasingly important as meeting places

with increasing globalisation. In view of that, the work to create zoning plans and building rights is intensifying in order to maintain preparedness and ensure a greater range of business opportunities. In that way, there is greater potential to react and act when business opportunities arise.

Plans for further expansion

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, utility installations and surface water drainage is now under way. In the future, the area may cover nearly one million square metres.



Preparations are also under way at Stockholm Arlanda Airport for an integrated terminal and hangar area for smaller private jets and aviation critical to society, also called general aviation.

“The airports are becoming increasingly important meeting places with increasing globalisation”

There are plans to build a hotel with connecting conference facilities in the Airport City Stockholm area now taking shape. In order to coordinate the development, Swedavia has a joint venture with Arlandastad Group AB and the Municipality of Sigtuna, Airport City Stockholm.

Along with the previous sale of logistics area 4, there are plans for the further expansion of the logistics area at Göteborg Landvetter Airport. At Umeå Airport, a hangar for air ambulances is planned, and a hotel is planned adjacent to Kiruna Airport. Real Estate’s presence in Malmö will be expanded by creating building rights and development opportunities.

Developed collaborations

Many business development projects are also in an early stage, and a number of them could be realised. Zoning planning

and development of various land sites are also to be carried out to ensure preparedness when the expected economic downturn is over.

There is close collaboration with strategic partners that complement Swedavia’s own operations. One example in real estate operations is Alecta, which together with Swedavia Real Estate owns Swedish Airport Infrastructure, which manages properties around the airports.

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

Fossil-free construction operations by 2035

Swedavia has the ambition to reduce the carbon footprint of its operations in the construction process. It has therefore set a goal for the company’s construction operations to be fossil-free by 2035. The goal covers emissions linked to materials, propellants and transport in the construction process.

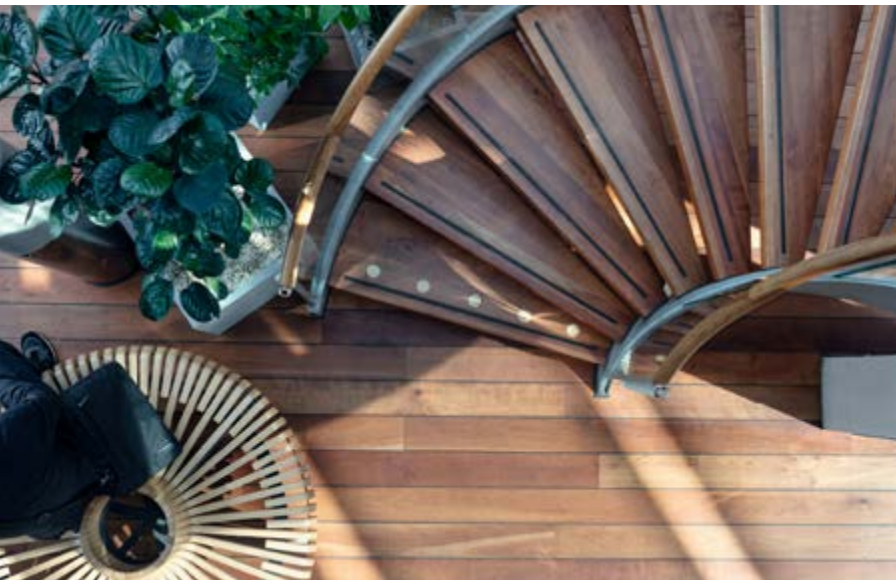
These requirements will be implemented gradually, with a 10 per cent reduction in carbon dioxide emissions starting in 2023, so that construction operations will ultimately be completely fossil-free by 2035. This goal is being monitored by making climate calculations that show the reduction for each project, using 2015 as the comparative year.

To achieve this goal, increased awareness, accountability and collaboration between different operators in the value chain are required.



This is Real Estate

- 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.
- Operations create development projects for properties such as hotels, office premises and logistics parks.
- The business area develops the attractiveness of the airports as demand to set up operations at the airports grows.






Strategic focus

A complex world with continued uncertainty creates new opportunities

The pandemic has accelerated trends, the world has a new security climate, the economy is slowing and the risk of climate change is leading to transformative changes. Other factors noted are rapid digitisation, an increasingly essential sustainability mindset and new generations that are putting their mark on travel, consumption and working life. Swedavia has identified eight trends that especially affect the aviation industry and operations.



Eight trends of relevance to Swedavia's operations

New patterns of living increase demand for air travel



Globally, there are strong long-term drivers for increased air travel as the population grows, prosperity increases and people move to cities for better education, healthcare and work, especially in Asia. This migration will continue, which creates demand for flights to visit relatives and friends.

The recovery in air traffic has been welcome, but at the same time the industry is challenged in meeting demand with the right capacity. There is a risk that the recovery will be hampered going forward by the increased cost of living and consumers' growing concerns about their own finances.

Vulnerability of society is increasing



The consequences of global warming are increasingly apparent. Extreme weather is on the rise, and many ecosystems will soon have a hard time adapting to climate change if they have not already been wiped out. With each tenth of a degree increase in the earth's temperature, the vulnerability of society escalates, which will lead to increasingly drastic measures.

The new security order entails an increased threat to critical infrastructure. There is a growing likelihood that critical functions such as transport systems and energy supply will be hit by cyberattacks. Ever smarter security solutions are needed to address this development.

From sustainable to regenerative



Companies are increasingly aware of the importance of sustainability for consumers and people's choice of employers. Under the framework for Fossil-Free Sweden, Swedish industries have agreed on roadmaps to become fossil-free. The EU's taxonomy and new directives now being drafted are intended to counter the negative effects on human rights and the environment. Consumers and investors are placing ever more stringent demands for sustainability reporting in all aspects and from all perspectives.

Meanwhile, the need for energy is growing around the world. Electrification is accelerating, as are investments in hydrogen gas technology as a fuel for the transport of tomorrow. Many researchers believe that reducing emissions is not enough and that carbon dioxide needs to be captured and stored.

The transport sector is making a green transition



Even as finances in the aviation industry are strained by debt and low margins, carbon dioxide emissions need to be reduced through the modernisation of aircraft fleets, the addition of sustainable aviation fuel (SAF) to the fuel blend and, in the long term, electrification and fuel from hydrogen. That drives up costs and the need for capital. In the short term, SAF is crucial, but there is a lack of large-scale production.

Commercial routes with smaller electric aircraft will be launched in around 2025. After that, rapid growth will probably be seen in the market for other electric-powered aircraft, which can serve as flying taxis, so-called eVTOLs. Airports continue to have potential to be important hubs.

Physical-digital integration

Digitisation is rapidly changing how people live, travel, work and consume. The new 5G networks will be a springboard for the Internet of Things, self-driving cars and other pioneering applications.

Today it is possible to speak to devices and use digital assistants. Biometric technology is used more and more to verify people's identity. In the long term, the digital and physical worlds will merge with the help of VR headsets, faster internet connections and better sensors. The thinking is that we will move seamlessly between the physical and digital world, for example, to explore a destination.

5

Seamless travel

Alongside digitisation, there are growing expectations that systems will interact so that information about the entire journey will be integrated and accessible despite the different transport modes involved.

New services based on sharing economy business models and digital service platforms are being developed in the field of combined mobility. This is something that may be very important for people's everyday lives as well as for transport needs and solutions.

Meanwhile, airports continue to invest in digitisation and automation to make people's airport experience smooth and give travellers greater control over their journey.

6

New ways to serve passengers

Almost everything nowadays is available around the clock. We live in a fast-paced society, and information fatigue is spreading. Experiences and services, rather than goods, are growing in importance.

The environment, the climate and social responsibility are considered to be more important than ever. That has inspired some people to consume less, and many to shun companies that do not take these issues seriously. There is a strong trend for wellness, while the number of people with mental health issues is surging given the high demands set by society.

Travelling is part of our everyday world, and once we are off on a trip we want to be able to relax and socialise but also get a few errands done. Many people are receptive to new products and experiences and like to be inspired. In a travel context, many find what is unique and local more interesting than simply ordering something on their mobile phone.

While people shop more and more online, the store concept still plays an important role. Receptive travellers can be converted into customers if they later make a purchase online.

7

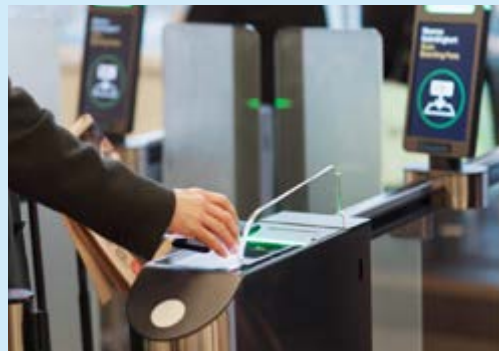
Flexible work life with continuous search for skills

The desired way of working, at whatever age, is switching between remote work and offices with space for social and creative tasks. The pandemic has accelerated this trend, and companies are now preparing for a hybrid model of work. This entails developing new office solutions and coworking options.

Automation both replaces and creates jobs. With this trend, jobs are often redefined, with more time available for valuation creation and creativity. Combined with the rapid pace of change in the world, this sets demands for new skills and continuous learning on the job.

Competition for skills is stiffening, and there is a great shortage in many fields. The importance of being a good employer is growing, and the company's purpose and working conditions are becoming ever more important. Widespread mental health issues also entail a need for sustainable conditions and preventive measures.

8



Biometric technology, digitisation and automation are changing the conditions for travel.



How Swedavia reacts to trends

TREND	CONSEQUENCES	HOW DOES SWEDAVIA ACT?
<p>1 New patterns of living increase demand for air travel</p>	<ul style="list-style-type: none"> • Urbanisation, population growth and increased prosperity provide development opportunities for new routes. • Decreased business travel affects important customers. Demands for customer responsiveness, fast processes and punctuality. 	<ul style="list-style-type: none"> • Works actively to enhance connectivity and boost demand through a broad range of routes and airline customers. • Ensures competitive airport charges. • Ensures an efficient product for customers through process-oriented work.
<p>2 The vulnerability of society is increasing</p>	<ul style="list-style-type: none"> • Protection against the effects of extreme weather must be safeguarded. • Protection against cybercrime and hybrid warfare must be enhanced, and staff awareness must be raised. 	<ul style="list-style-type: none"> • Identifies the airports' needs for protection against extreme weather. • Measures to increase security awareness. • Training in awareness about cyberthreats.
<p>3 From sustainable to regenerative</p>	<ul style="list-style-type: none"> • Compliance with new regulations is required. • Increased importance of proactive sustainability work. • Increased transparency and more extensive sustainability reporting. • Need for circularity to reduce resource use. 	<ul style="list-style-type: none"> • Identifies and prioritises potential circular flows. • Has fossil-free airport operations run under its own management since 2020. • Purchases energy from renewable sources and district heating from biofuels. • Works so that all businesses and other organisations at the airports will be fossil-free. • Sets goals and carries out measures to increase the fossil-free content of construction operations. • Trains and prepares operations for future standards in sustainability reporting to ensure access to information and quality data, and also reviews internal processes.
<p>4 The transport sector is making a green transition</p>	<ul style="list-style-type: none"> • Transition to sustainable aviation fuel (SAF), electric aircraft and, in the long term, fuel from hydrogen. • The rapid growth in demand for charging infrastructure must be met with a renewable energy supply. 	<ul style="list-style-type: none"> • Goal to have five per cent sustainable aviation fuel (SAF) used in refuelling by 2025. • Purchases SAF to carbon-offset fuel used in the company's own business travel since 2016. • Coordinates joint tender for SAF and offers financial support for public sector organisations. • Environmentally-differentiated airport charges provide better conditions to encourage airlines to make the green transition. • Works to drive the use of SAF through incentives for airlines. • Has strategy for electric aircraft and takes part in electric aircraft projects. • Identifies conditions needed for hydrogen-powered aviation. • Provides information about how to get to the airport in a fossil-free way.

TREND	CONSEQUENCES	HOW DOES SWEDAVIA ACT?
<p>5 Physical-digital integration</p>	<ul style="list-style-type: none"> • Large flows at airports entail optimisation opportunities through data gathering, sensors and analytical tools. • New technology needs to be continuously tested and evaluated. • New requirements for the company's innovation and implementation capabilities and for benefiting from external innovativeness. 	<ul style="list-style-type: none"> • Drives strategic shift to digital transformation in order to create customer value. • Has dynamic plan and roadmap for digital transformation. • Generates and tests ideas based on established idea management process. • Makes data accessible via application interface. • Airport Operations Centre (APOC) Phase II enables digital collaboration between Swedavia's airports and common operations centre. • Continues implementation of autonomous plough, sweep and blow snow removal vehicles • Continued European collaboration on research and development for the Single European Sky (SES). • Internal LevelT campaign to boost digital maturity.
<p>6 Seamless travel</p>	<ul style="list-style-type: none"> • Passengers set higher demands for customised information, methods of payment and the range of products and services available. • New demands for collaboration in ecosystem with different market participants. Vision and benefits need to be communicated. • Systems need to interact so that updated information about the journey is available in digital channels and assistants used by passengers. • Customer groups expect an automated process, including contactless services and biometrics. • New car-related business models reduce the need for parking in the long term. Drop-off/pick-up facilities and intermodality will be more important. 	<ul style="list-style-type: none"> • Ensures an efficient product for customers through process-oriented work. • Wants to take a leading position as a market player in promoting more seamless travel. • Works to connect transport modes digitally so that buses, trains and taxis can be booked via Swedavia's external digital channels. • Conducts feasibility studies and prepares pilot projects on biometric technology. • Looks for new partnership solutions with innovative transport operators to provide pick-up/drop-off service at the airports.
<p>7 New ways to serve passengers</p>	<ul style="list-style-type: none"> • Need to make apparent what is unique about airports. • The business models of brands are changing. Airports are important channels for converting customers. • Different store solutions for passengers, who want unique and sustainable shopping. • Health and wellness need to be reflected in the physical environment and the range of products and services available. • Messages need to be based on benefits. Quick responses are needed. • Waiting times that create no value need to be prevented, and information about expected queue times needs to be provided. 	<ul style="list-style-type: none"> • Continues to implement its process orientation in order to deliver customer value. • Updates its customer promises to address changes in customer behaviour and customer needs. • Carries out concession tenders for vendors in Retail, Food and Beverage with concepts that will meet different customer needs. • Is building a new marketplace at Stockholm Arlanda Airport. • Increases information available in digital channels, for example in Swedavia's app and at its customer service desks, so passengers can better manage their journey. • The airport offers different levels of service, and passengers can upgrade the level of service themselves.
<p>8 Flexible working life with continuous search for skills</p>	<ul style="list-style-type: none"> • Increased need to safeguard critical competencies. • Growing importance of continuous learning and being seen as an attractive employer to safeguard talent. • Remote working places requirements on trust-based leadership with clear management by objectives. • Need for increased inclusion, access, gender equality, well-being and safety for everyone. • Need for proactive workplace environment in order to prevent accidents and illness. 	<ul style="list-style-type: none"> • Defines employer value proposition. • Prepares a coordinated employer strategy that ensures Swedavia has the right capacity to meet changing conditions in the world. • Works proactively against ill health and monitors workplace incidents reported to management on a continuous basis.

Dynamic scenario planning provides crucial support

The planning for four scenarios through 2025 that was prepared in 2020 was also used as planning support in 2022.

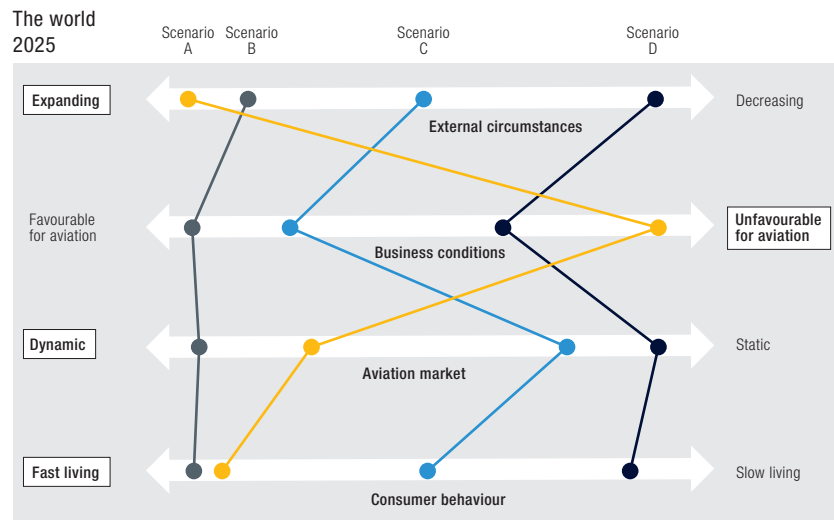
The scenarios will provide support for planning and prepare for the historically great uncertainties brought by the Covid-19 pandemic. These scenarios combine different uncertainty outcomes, and each one entails different realities for Swedavia.

Ongoing business intelligence captures

significant events around the world that may trigger changes in the direction of one of these scenarios.

Over time, a large number of events around the world have fitted well with the four futures described by the scenarios. Monitoring shows that the scenarios occur in combination, while great uncertainties still remain and the picture can quickly change.

Swedavia needs different adjustments in its business model in the different scenarios, and the customer value proposition will look somewhat different for its customer groups.



Sustainability is basis for new strategic focus

During the year, Swedavia set a new strategic vision for 2030 which identifies how the company will also be able to enable people to meet in the future.

Strategic vision, 2030

Swedavia will future-proof aviation

Swedavia is a world leader today in developing climate-smart airports and will be one in the future as well. The company also drives the development of the sustainable air transport of the future, where aviation is part of a transport system that generates the least possible environmental impact and enables people to travel smoothly and efficiently to, from and all across Sweden. Fossil fuels will be phased out. By 2030, Swedavia will be an integral part of the circular economy.

Swedavia will simplify the journey from door to door

Swedavia's airports will be hubs in a seamless transport system. Connections to other transport modes will be improved – digitally and physically – for even smoother and more sustainable travel. It will be easy to book and easy to travel from door to door.

“By 2030, Swedavia will be an integral part of the circular economy”

Swedavia will create magical meeting places

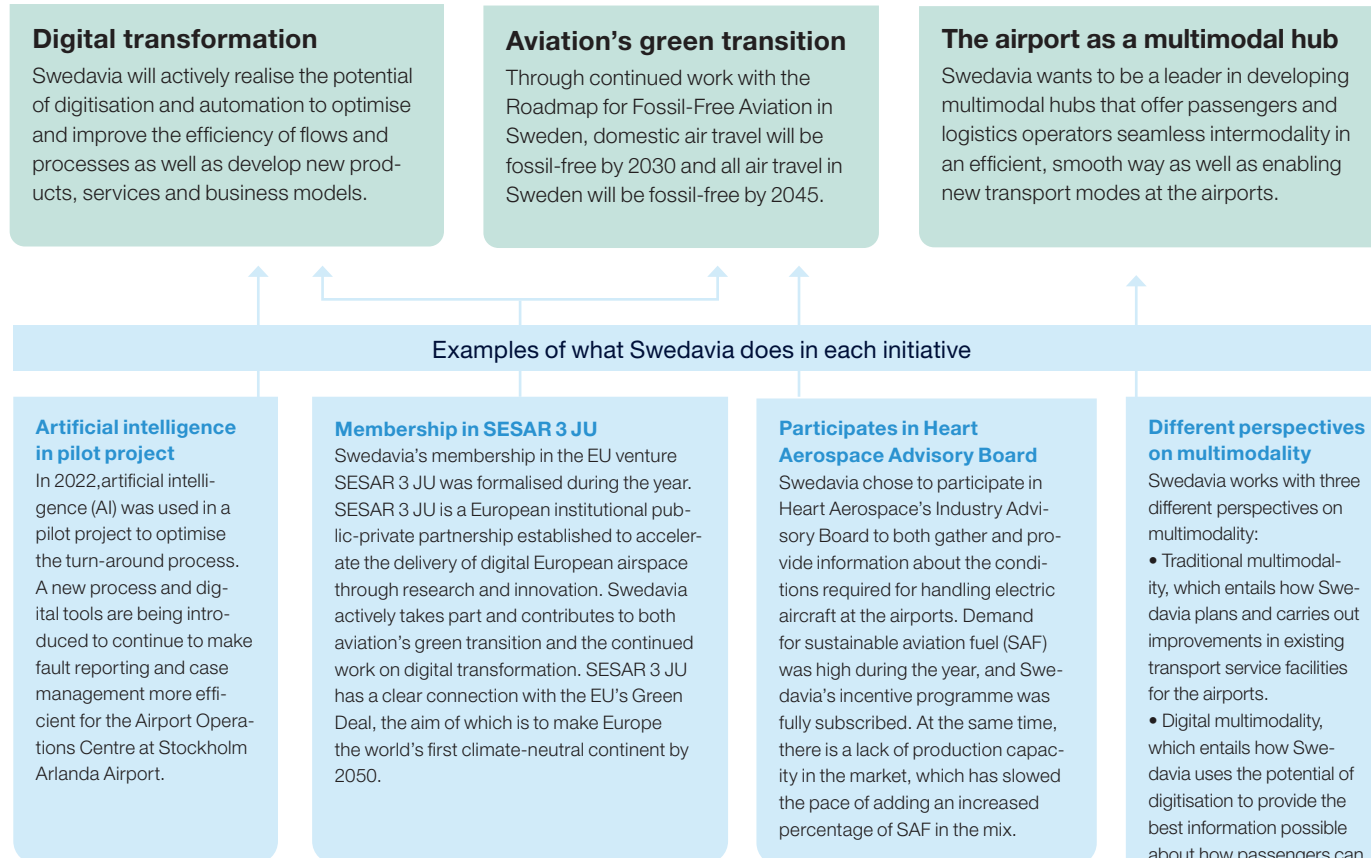
Swedavia's airports will be magical meeting places – for people, ideas and companies. They will offer the best customer experience in the market for customers, but they will also be meeting places that create value for the top competencies and collaborations in the market. They will be characterised by inclusiveness and the diversity of talent and backgrounds that are found in the whole of society.

Three strategic initiatives to achieve the strategic vision

To meet the future needs of customers and society's expectations of operations as well as deliver on its overall strategic vision, Swedavia needs to focus on a number of strategic initiatives that help the company to achieve its strategic vision with the greatest possible resource efficiency.



Three strategic initiatives to achieve the strategic vision



The strategic focus work continues

Swedavia's strategic focus describes how we manage our mission and how we deliver on our customer promises and the requirements set by our owner. It also describes how Swedavia works

to meet its commitment to the UN's Sustainable Development Goals and Agenda 2030 as well as address external factors and trends.

The work to make this strategic focus concrete and implement it, based on a new strategic vision, will continue in 2023.



FREDRIK JARESVED,
STRATEGIC INITIATIVES
AND INNOVATION

Positive events during the year?

"During the year, we pooled our resources to ensure stable operations in a challenging situation. We see that the company has been adaptive, and at the same time we have learned how to handle rapidly changing conditions in the most favourable way."

What risks and challenges have needed to be managed?

"The situation around the world, with war and rising energy prices but also general unease, has naturally affected us as a Group. While travel has increased, there is a risk of potential consequences from global factors."

What is the main lesson you take from your work?

"Swedavia lives in an ecosystem with many interdependent operators. When this ecosystem is damaged, as was the case during the pandemic, it takes time for the system to recover."

What is the best way to act going forward?

"We will continue to develop operations based on customers' needs and society's expectations. Aviation's green transition is one of the most important issues, which we will contribute solutions for."




Swedavia's mission, targets and goals

Swedavia's mission

To own, operate and develop the airports in Sweden's national basic infrastructure. Swedavia shall also actively take part, based on sound business practices, in developing the Swedish transport sector and help to achieve the transport policy goals adopted by 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, 2022 1.0 times (0.8)
-  **Profitability**
 6% return on operating capital
 Actual, 2022, -3.3% (-6.3)
-  **Dividend pay-out ratio**
 10–50%
 Actual, 2022 – (–)

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 connectivity 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 2022

(2021 figures in parentheses)

 **Customer experience**

76 (82)

In 2021, a new measurement method was implemented, which is expressed as an index instead of as a percentage.

 **Number of international destinations***

246 (172)

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

 **Millions of passengers, domestic**

7.6 (4.0)

Millions of passengers, international

20.0 (7.9)

CONCERN GOAL, actual 2022

(2021 figures in parentheses)

 **Carbon footprint, thousands of tonnes***

366 (178)

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

* at the airports

Strategic targets for sustainable value creation

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

AREA

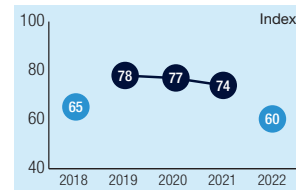
Engaged leaders and employees
Swedavia develops the airports of the future and enables people to meet through an inclusive corporate culture based on ethical guidelines and values.

TARGET

70
(2024*)

* As of 2022, a new measurement method was established for engaged leaders and employees. The target figure of 70 has been adopted for the business plan in effect for 2024. A new target figure for engaged leaders and employees will be determined in 2023.

ACTUAL, 2018–2022



- In 2018 and 2022, major employee surveys were carried out. In 2022, a new tool and new questions were used.
- Pulse measurements were taken in 2019–2021.

AREA

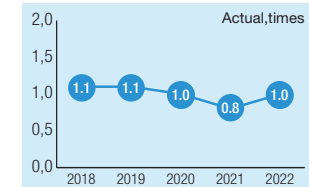
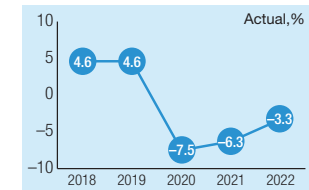
Return on operating capital
Along with the long-term target of six per cent annually, Swedavia's owner has set a capital structure target, a debt/equity ratio of 0.7–1.5 times.

TARGET

6%

0.7–1.5
(times)

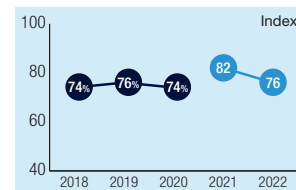
ACTUAL, 2018–2022



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)

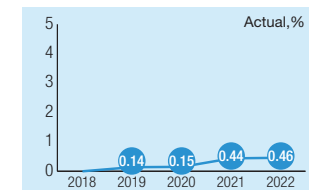


- In 2021, a new measurement method was implemented that is expressed as an index instead of a percentage.
- In 2018–2020, the customer experience was measured in percentage.

Sustainable aviation fuel

Swedavia's goal is to have five per cent of all aviation fuel used for fuelling in Sweden be renewable by 2025. One condition needed for Swedish industry to meet the goal of fossil-free aviation 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 strength. Swedavia has a number of collaborations and partnerships in areas ranging from environmental issues to working conditions. A selection of active collaborations is presented below.

Airport Carbon Accreditation (ACA) climate programme

Swedavia is a member of ACI Europe's Climate Task Force, the aim of which is to develop long-term climate goals for EU airports and airlines. These goals shall meet the intentions of the Paris Agreement.

Alliance for Zero Emission Aviation (AZEVA)

Swedavia is a member of AZEVA, an initiative from the European Commission aimed at preparing the aviation industry and the market for battery- and hydrogen-powered commercial aircraft.

Arlanda against Human Trafficking

The network consist 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 concerning the interests of the airport and the 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 enhance 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 knowledge and insights as well as enrich employees' everyday lives and thus enhance 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.

f3 innovation cluster

f3 is an innovation cluster based at Chalmers University of Technology. The aim of f3 is to work in collaboration for a rapid transition to sustainable fuels, which provides the transport sector with conditions needed to achieve its goals without having a negative impact on other climate and sustainability goals. Swedavia works actively to promote the transition to sustainable air

transport and, as a new member of f3, increases the aviation industry's representation in the cluster.

Fly Green Fund

Partner in this non-profit organisation, which works to increase demand for sustainable aviation fuel (SAF) while supporting production of such fuel in the Nordic region.

Heart Aerospace – for sustainable regional air transport

Swedavia is a partner on Heart Aerospace's Industry Advisory Board. The aim is to work together for the development of sustainable electric regional aircraft that reduce the environmental and climate impact of aviation. Members of the Industry Advisory Board will help define requirements for the ES30, and their efforts will contribute to the development and shorten the time to launch of the aircraft.



Lena Wennberg, Fredrik Jaresved and John Nilsson from Swedavia visit Heart Aerospace on September 15, 2022.

Fossil-Free Aviation in Northern Sweden

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

Fossil-Free Sweden

Initiative started by the Swedish government that brings together over 450 stakeholders with 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. Its goal, to prepare Åre Östersund Airport to manage trial operations for electric aviation starting in autumn 2020, was achieved.

Håll Nollan ('zero tolerance')

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 connectivity issues. Swedavia is also involved in a number of fo-

rum, including Go:Connect in Gothenburg, Sweden's Chambers of Commerce and the Council for the Stockholm Mälardalen 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 47.

SESAR 3 JU

A European institutional public-private partnership established to accelerate the delivery of digital European airspace through research and innovation. The partnership brings together the EU, Eurocontrol and

more than 50 other organisations covering the entire aviation value chain, including airports, every category of airspace user, providers of air traffic management services, drone operators and service providers, manufacturers and the research world.

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.

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 a sustainable direction.

**Skill Shift Initiative:
New arrivals from Ukraine
reinforced staffing**

Twelve recently arrived Ukrainian citizens were able to find jobs as airport hosts at Stockholm Arlanda Airport when the need for staffing was at its peak.

"Work is a vital key to integration, and we are pleased about our collaboration with the non-profit association Skill Shift Initiative's Ukrainian Professional Support Center Sweden. We have had a very rewarding exchange in being able to hire skilled Ukrainian citizens, who helped passengers in the terminals for six months," says Marie Wiksborg, Director of Business Support.

The collaboration with the Skill Shift Initiative will continue.



Andreas Binz from Swedavia with three of the new airport hosts.



Sustainability

Fossil-free fuels contribute to aviation's green transition

The opportunity to travel contributes to cultural exchange, growth and greater prosperity in an increasingly globalised and rapidly changing world. Today, access to fast, efficient flights is crucial in order for people to meet and for businesses to work in Sweden. The tourism industry has an especially great need for a functioning air transport system in combination with other transport modes to improve connectivity and increase the country's competitiveness.

The aviation industry and the world in general face major challenges from a climate and environmental perspective. As a key operator in the industry, Swedavia has taken a number of initiatives to enable and promote the development of airports and air transport with a low climate impact. While working to develop the environmental work at its own airports, Swedavia also helps enable other operators in the industry to develop their work in their aim to reduce their climate impact.

Both domestic and international air travel in Sweden will be fossil-free by 2045. For Swedavia, this means stimulating the use of biofuel (sustainable aviation fuel or SAF). No new aircraft or infrastructure is needed – instead, a blend of up to 50 per cent SAF in existing fossil jet fuel will achieve this. The next step is to ensure that Swedavia has electric infrastructure at all of its airports. The first commercial flights with electric-powered aircraft can

begin as early as 2025. Along with SAF and rechargeable batteries, the aircraft of the future will also run on hydrogen.

By using SAF, aviation's fossil carbon dioxide emissions can be cut by up to 85 per cent from a life cycle perspective. This is a solution that works here and now. To achieve the vision of fossil-free aviation by 2045, business development, technological advances, research on new fuels, new innovation and new customer offerings are needed.

Swedavia has contributed to achieving the 2025 goal by purchasing SAF for its own flights for business purposes since 2016, and the company has coordinated joint tenders for SAF with the public and private sectors since 2019. Swedavia has also implemented an incentive programme in which airlines can apply for subsidies for voluntarily refuelling with SAF. This is part of Swedavia's drive to increase demand for and access to SAF. To boost demand

–85

... how much in per cent that aviation's fossil carbon dioxide emissions can be reduced by using SAF, seen from a life cycle perspective.

Bio Fuel

and give producers an incentive to invest in SAF production, more organisations and companies as well as individual travellers need to purchase SAF for their flights.

Swedavia estimates that the share of SAF used for refuelling in 2022 was 0.46 per cent (0.44 per cent in 2021).

Electric-powered aircraft

Swedavia actively participates in collaborations with external parties in regional projects and initiatives in order to promote the development of electric- and hydrogen-powered aircraft as well as electrofuels.

Electric aircraft already exist today and are used on a small scale, as two-seat aircraft at flying schools and private aircraft. Within a few years, there will be more electric aircraft with greater capacity. Larger 30-passenger aircraft are expected to reach the market after 2028, and battery capacity is expected to improve, thus enabling flights over longer distances with more passengers. Electric aircraft will be

used on shorter regional routes, and as a result new routes will need to be developed. Electric aircraft will mainly develop new air connectivity rather than replace existing air transport.

By working together with operators in different industries, Swedavia has developed a deeper understanding of the needs that electric and hydrogen-powered aircraft may give rise to at Swedavia's airports. Extensive investments in power production, battery storage and charging infrastructure have been and are needed to set up electric aviation operations.

Swedavia participates in various collaborations and projects preparing the aviation industry for electric aircraft. In 2022, Swedavia joined Heart Aerospace's Industry Advisory Board. Read more under "Collaborations" on pages 39–40.

Challenges for electric- and hydrogen-powered aircraft

The aviation industry is in a development phase. To achieve the goal of fossil-free

aviation, continued new innovation and business development are needed in order for Swedavia to plan for the coming changes required to introduce electric and hydrogen-powered aircraft. In the longer term, the challenges are considered to be power grid capacity and funding for new infrastructure.

Continued emission reductions required

According to the Intergovernmental Panel on Climate Change (IPCC), aviation accounts for about 2–3 per cent of global carbon dioxide emissions. Although air travel has increased sharply in recent decades, carbon dioxide emissions have increased marginally.

Emissions per passenger-kilometre have been reduced sharply in recent years, largely due to the development of new planes that use less fuel. Yet in order to achieve global climate goals, aviation's climate impact must continue to be reduced, and that requires many oper-

ators all across the value chain joining forces and working together to achieve this.

The new generation of aircraft are more fuel-efficient than ever. If fossil fuel were also replaced with a renewable alternative available today, emissions could be cut by up to 85 per cent from a life cycle perspective.

Sustainable aviation fuel (SAF) can also reduce the so-called high-altitude effect produced by flights at high altitude since the fuel contains less particulate matter that forms condensation. Flying at lower altitudes also further lessens the high-altitude effect.

By increasing the passenger load factor, working for more direct flight paths and continuing to promote new innovation, aviation's climate impact can be further reduced.

Aviation fuel in Sweden is subject to a greenhouse gas reduction mandate, which means SAF must be blended with fossil aviation fuel. This mandate was intro-

To achieve the goal of fossil-free aviation, continued new innovation and business development are needed

duced on July 1, with a compulsory reduction level of 0.8 per cent, which will gradually be increased to 27 per cent in 2030. In the European Union, there are proposals to introduce an EU-wide instrument mandating a blend of SAF in jet kerosene. As a result, the Swedish Energy Agency is carrying out a review of the country's reduction mandate.



How Swedavia will achieve its vision of fossil-free aviation by 2045

Swedavia’s ambition is to contribute to different aspects of aviation’s green transition. Some of the work that Swedavia aims to contribute to is described below.

“Renewable as an option with each ticket purchase”

Goal, 2025

5 per cent of all aviation fuel used for refuelling at Swedish airports will be sustainable.

- Swedavia will be an international role model in sustainability and create conditions needed for air travel with a sustainable future – economically, socially and environmentally and always with a customer focus.
- All of Swedavia’s airports will be able to handle electric aircraft.
- Swedish production of sustainable aviation fuel (SAF) will be made from forest by-products. A number of commercial facilities will be active, both in Europe and elsewhere.
- The actual blend of SAF in aircraft will be 5 per cent.
- SAF will be offered as an option with every ticket purchase.
- The Swedish public sector will procure SAF to reduce fossil carbon dioxide emissions from its own business travel.
- Carbon dioxide will have a clear cost.
- There will be an understanding of the impact of hydrogen-powered aircraft at airports.

“The climate impact built into the ticket prices”

Goal, 2030

Domestic air transport will be fossil-free.

- There will be sufficient production of SAF to meet the entire demand for domestic air transport.
- Commercial electric aircraft with improved capacity and range will be able to serve domestic and regional routes.
- Smaller electric aircraft for up to 30 passengers can start to be introduced for commercial traffic.
- International standards for electric aircraft will have been implemented.
- All of Swedavia’s airports will have infrastructure for electric aircraft.
- Infrastructure for hydrogen and electrofuels will be available at selected Swedavia airports.
- Regulations and division of responsibilities will be made clear in hydrogen and electrofuels.
- It will be easy for customers to do the right thing – for example, the climate impact will be built into ticket prices.
- There will be easy, smooth flows at Swedavia’s airports, where different transport modes will work together.

“Electric aircraft as part of the basic offering”

Goal, 2045

All air transport that takes off from Swedish airports will be fossil-free.

- Sweden will have access to sustainable locally produced bio- and electrofuels, new technological solutions in the form of electric-powered aircraft with fuel cells or rechargeable batteries and innovative customer offerings.
- Rail traffic will be linked to Swedavia’s international airports.
- Production facilities for biofuel and electrofuel in Sweden and the Nordic region will meet Sweden’s need for fossil-free fuel; the surplus will be exported.
- Airport infrastructure – for example, power supply, electricity storage, refuelling and fuel storage – will be adapted to the increased complexity and integration of aviation in the transport system.
- Electric aircraft will be part of Sweden’s national basic infrastructure for domestic and regional routes.
- Biofuel will power intercontinental flights.
- Enhanced infrastructure and local production will have safeguarded air connectivity and the growth of aviation in rural areas and in that way create many jobs across Sweden.
- The industry will have developed new pricing models, new destinations and increased potential for customers to contribute to the co-creation of sustainable solutions.



Consistent, long-term environmental work produces results

Since it was formed in 2010, Swedavia has worked to reduce fossil carbon dioxide emissions and other negative effects on the environment as a result of its airport operations. The company has worked consistently and on a long-term basis to eliminate fossil propellants and fossil energy in its own operations. Since 2020, when Swedavia achieved its goal of zero fossil carbon dioxide emissions in its own airport operations, the company has continued to help reduce the use of fossil propellants and fossil energy throughout the value chain. Starting in 2023, the company will shift gears up and adopt the goal of also achieving fossil-free construction operations by 2035.

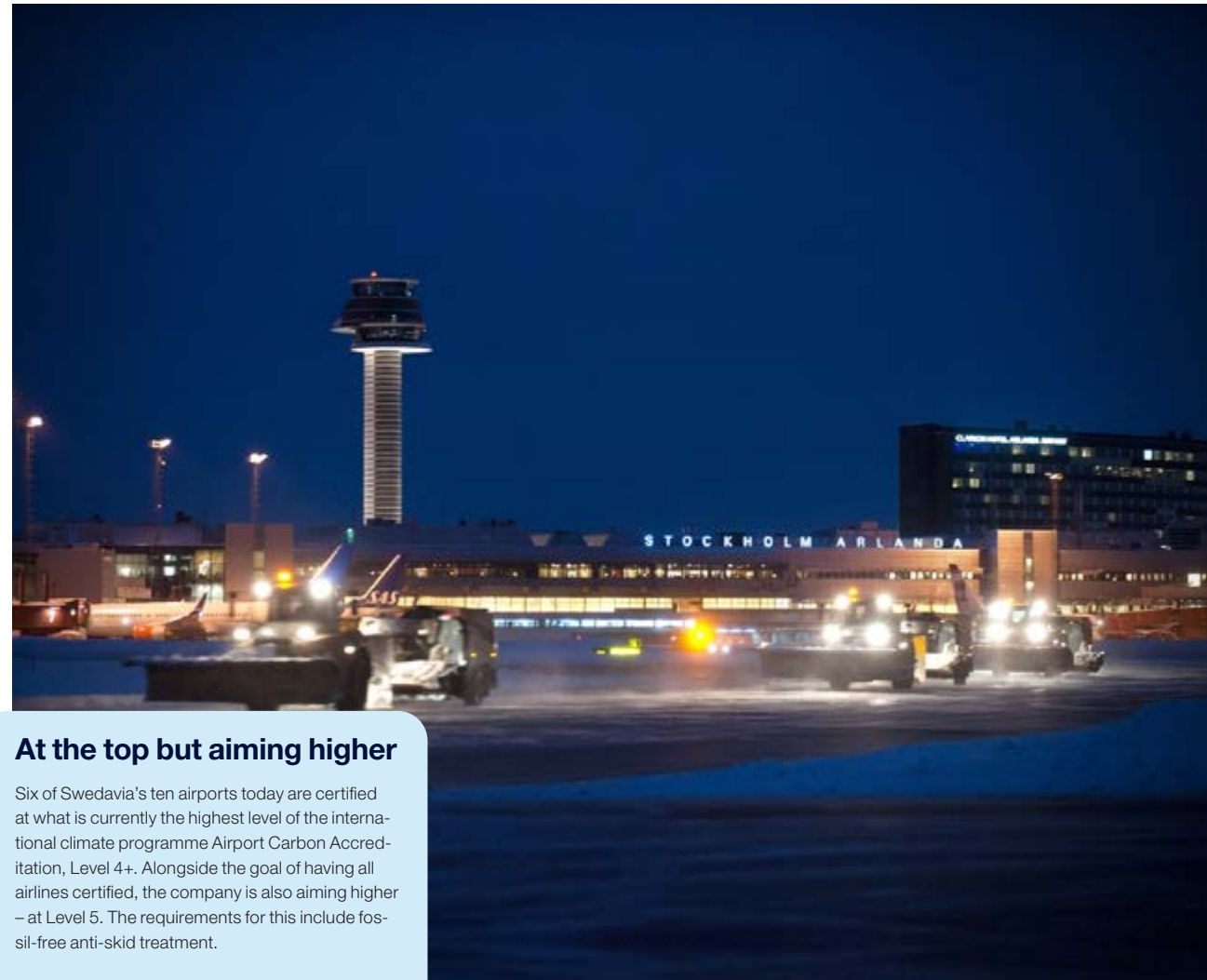
Håll Nollan ('Keep Zero')

At the end of 2020, the goal of zero emissions of fossil carbon dioxide in the airport operations Swedavia runs under its own management was achieved. The focus during the year and going forward is to maintain this goal alongside the work to reduce fossil emissions from other operators at the airports. To ensure that the goal is maintained, monthly monitoring is carried out, with reports sent to the executive management and Board of Directors. A root cause analysis is conducted if there is any deviation. During the year, there were two incidents where fossil-free propellants were used. This produced 1.55 tonnes of fossil carbon dioxide during the year. A root cause analysis is being carried out and the incidents are being dealt with.

There is still some equipment for which the market does not provide fossil-free solutions, and Swedavia has chosen to place that in storage while fossil-free alternatives are being discussed.

Fossil-free airports within reach

To safeguarding the take-off and landing of aircraft, Swedavia has many operations on the ground. For Swedavia, this entails collaboration and requirements to ensure that all operators at the airport reduce their emissions in order for greenhouse gas emissions to be as low as practically possible. Already today, Swedavia is fossil-free in its own airport operations, and the company has started to set new requirements for how its partners are to work in an environmentally-friendly way in order to operate at Swedavia's airports.



At the top but aiming higher

Six of Swedavia's ten airports today are certified at what is currently the highest level of the international climate programme Airport Carbon Accreditation, Level 4+. Alongside the goal of having all airlines certified, the company is also aiming higher – at Level 5. The requirements for this include fossil-free anti-skid treatment.

All operations that are active within the boundaries of its airports will be fossil-free by 2025. All transport to and from the airport will be fossil-free by 2030. In that way, Swedavia can facilitate the transport industry's transition in the regions it operates in. Swedavia's construction operations will also be fossil-free by 2035.

Swedavia is involved in the Airport Carbon Accreditation international climate programme and aims to have all ten of its airports certified at what is currently the highest level, ACA 4+. At year-end 2022, Stockholm Arlanda Airport, Göteborg Landvetter Airport, Malmö Airport, Åre Östersund Airport, Visby Airport and Kiruna Airport achieved the current highest level, 4+. Alongside work to certify the remaining airports, preparations are under way to ensure conditions are in place to achieve ACA 5. Level 5 entails, among other things, requirements for fossil-free anti-skid treatment and aircraft de-icing as well as carbon storage instead of climate offsets for any remaining emissions.



Reduce aviation noise

Swedavia works actively so that aviation noise is reduced and that the noise exposure is considered acceptable relative to the social benefits of aviation. The noise load is calculated as an ACI Noise Rating Index (NRI) to see how noise exposure changes over time (see chart below 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 their cruising altitude to the runway. This reduces noise, saves fuel and also lowers emissions.

In 2021, Swedavia was granted permission to implement curved approach procedures. A total of 967 curved approaches were carried out at Göteborg Landvetter Airport, Malmö Airport and Stockholm Arlanda Airport in

Carbon footprint, kilotonnes of CO₂

Airport	Air traffic		Ground transport		Swedavia		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Stockholm Arlanda Airport	158	82	87	30	1	0	246	112
Göteborg Landvetter Airport	34	18	18	8	0	0	52	26
Malmö Airport	13	11	16	6	0	0	29	17
Bromma Stockholm Airport	8	5	1	1	1	0	10	6
Umeå Airport	5	3	2	1	0	0	7	4
Luleå Airport	7	4	6	3	0	0	13	7
Åre Östersund Airport	2	1	1	0.7	0	0	3	2
Kiruna Airport	1.5	1	0.8	0.5	0	0	2.3	2
Ronneby Airport	1	0.5	0.4	0.2	0	0	1.4	0.7
Visby Airport	2	2	0.9	0.5	0	0	2.9	2
Total	233	128	133	50	2	0	366	178
<i>Percentage change, 2021–2022:</i>	<i>82%</i>		<i>166%</i>		<i>161%</i>		<i>106%</i>	

The carbon footprint for Swedavia's airports in 2022 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 106 per cent, from about 178 kilotonnes of carbon dioxide in 2021 to 366 kilotonnes in

2022. Traffic volume in 2021 was exceptionally low due to the Covid-19 pandemic, which explains a large share of the increase.

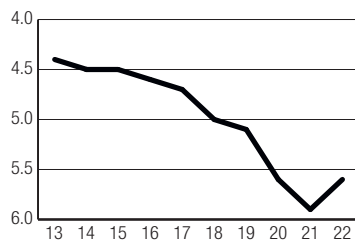
Emissions from Swedavia's own operations increased by about 1.55 tonnes since 2021. That means the overall carbon footprint per passenger increased 14 per cent.

2022, which reduced fossil carbon dioxide emissions by about 175 tonnes. The approaches at Stockholm Arlanda Airport accounted for the majority of the 801 (402) curved approaches, which reduced emissions by 153 tonnes. Swedavia will continue the work with curved approaches in 2023, since it reduces fuel use and greenhouse gas emissions.

In late summer 2022, Stockholm Arlanda Airport had a noise level meter installed in the municipality of Knivsta, which measured the noise for different aircraft types in conjunction with take-off and landing for 5–6 weeks. These measurements are compared with theoretical models used in connection with calculations.

With the recovery in aviation and increased traffic, the number of noise complaints has also increased significantly. Nearby residents who grew accustomed to a low traffic pattern during the pandemic now experience an increased noise load at a number of the airports as a result.

Overall NRI for Swedavia's airports



The overall NRI trend for Swedavia's airports. A higher NRI indicates reduced noise.

It is therefore vital that Swedavia continues to maintain good communication with its neighbours through meetings and other measures.

Energy

Energy use at Swedavia's airports totalled about 159 GWh (149 GWh) in 2022. During the year, energy use increased somewhat from the year before. Electricity use increased 10 per cent, and heating increased 2 per cent.

PFAS

Per- and polyfluoroalkyl substances (PFAS) are a very large group (about 10,000) of closely related chemical substances. Among other applications, these

“Nearby residents who grew accustomed to a low traffic pattern during the pandemic now experience an increased noise load”

substances are used to make coatings that resist water, grease and dirt for many products, such as textiles, food packaging and beauty products.

Many PFAS are recognised as persistent, bioaccumulative and toxic (PBT). Firefighting foam containing PFAS was previously used at what are now 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.

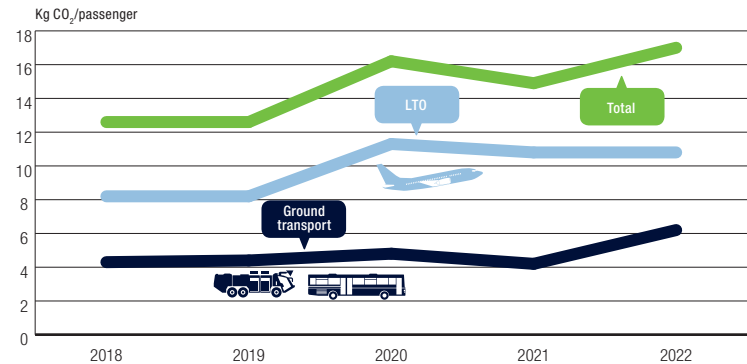
Swedavia works actively in its investigatory work on PFAS contamination at the airports for which Swedavia has an environmental permit, except Åre Östersund Airport, where the Swedish Armed Forces carries out the investigatory work. All investigatory efforts under Swedavia's management follow action 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. The goal is to investigate the extent of contamination and identify any risks and remediation measures through risk assessments. A number of airports are in or nearing the remediation action plan phase, where different site-specific remediation strategies are compared and assessed.

As the owner of a number of sites contaminated by PFAS, Swedavia is an important stakeholder in driving the development of remediation measures for the aftercare of soil and water. In 2018, a project was launched at Stockholm Arlanda Airport aimed at identifying and evaluating potential remediation methods

to reduce the spread from the firefighting exercise site. In 2021, two field studies were conducted: stabilising surface soil and groundwater. Preliminary results from the field studies show that to date stabilisation of surface soil has decreased leakage by about 95 per cent, and stabilisation of PFAS in the groundwater has reduced concentrations in the groundwater by 90 per cent. The field studies will also be followed up and evaluated in 2023. Swedavia is also taking part in a number of research projects involving PFAS remediation methods and is working in partnership with Örebro University, Luleå University of Technology, Uppsala University and the Swedish University of Agricultural Sciences.

Swedavia has developed framework agreements for facilities to treat PFAS in surface water, groundwater and construction production water. A total of ten suppliers have framework agreements, and tender processes for treatment facilities through renewed competition are under way. In 2022, the first tender was opened under the framework agreement for a treatment facility expected to reduce PFAS by about 0.5 kg a year at Stockholm Arlanda Airport. The tender for the treatment facility is a temporary safeguard measure before a permanent treatment facility is set up and is a key measure in the work to reduce the spread of PFAS to the River Märsta and further to Lake Mälaren, which is used for drinking water.

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.

-153

...how much fossil carbon dioxide emissions were reduced in 2022 in (approximate) tonnes through 967 curved approaches carried out at Stockholm Arlanda Airport.

Swedavia collaborates with agencies that work with PFAS through the Collaboration on the Swedish State's Contaminated Sites (SFO). Also in 2022, Swedavia submitted its response to the Swedish Geotechnical Institute's public consultation regarding new PFAS benchmarks and emphasised that there would probably be enormous consequences if lower benchmarks are implemented, including unsustainable handling of PFAS-contaminated material that may be produced in earthworks and civil engineering works.

Impact of construction operations

Swedavia's airports are continuously developed through extensive construc-

tion and civil engineering projects. In 2022, the goal of fossil-free construction operations by 2035 was adopted, covering construction materials, transport and propellants. Gradual reductions will be implemented, initially with a 10 per cent reduction for 2023 and ultimately fossil-free operations by 2035.

Extensive requirements are set and recognised standards adhered to for all construction projects in order to reduce their environmental impact. Environmental requirements cover, for example, material selection, managed through the non-profit organisation for material selection, Byggvarubedömningen, as well as energy, resource use, vehicles,

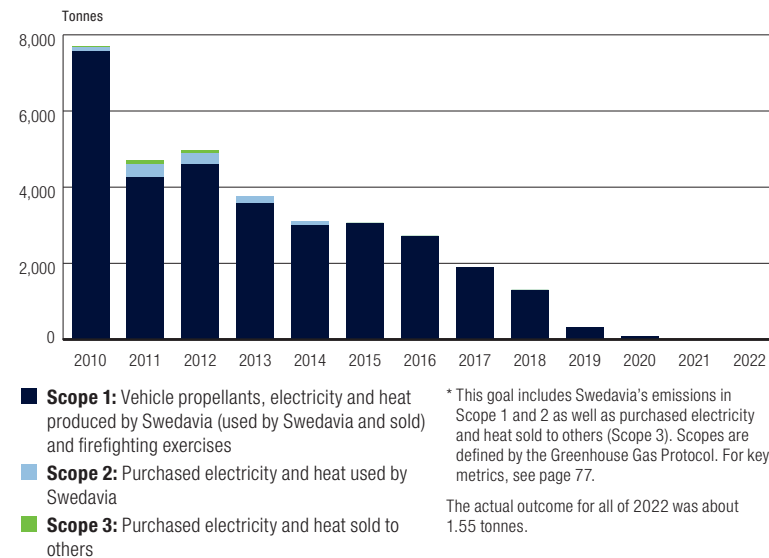
propellants and waste. Requirements are monitored on a regular basis through environmental inspections of the projects.

Work with climate calculations has been included in the New Central Warehouse project, and a laminated timber solution for the building frame was chosen to reduce the climate impact. The project has taken into account sustainable materials and work methods. For instance, local management of surface water uses plant beds instead of grease separators, and different qualities of concrete have been used depending on how the space will be used, which has reduced the climate footprint.

Climate calculations were also made in the Veranda project, which lowered the climate footprint. For example, a wood frame supplemented with steel was selected instead of a completely steel frame.

Challenges in this area are the generation of mixed waste, which in some cases is unavoidable due to the composite nature of some components, which cannot be separated on site. Separating waste for new construction can be improved. Although waste is sorted afterwards, the goal is to sort at the source. Documenting materials with information about their placement in the building and volume can be challenging and requires significant resources for projects. This is a challenge both in the short and long term, particularly since this is one condition necessary for circularity. The new roadmap for achieving fossil-free construction operations by 2035 will be challenging now and in the long run.

Trend for Swedavia's zero target for fossil carbon dioxide emissions*



Environmental permits

Swedavia's operations that are subject to an environmental permit consist mostly of:

- Environmentally hazardous operations under Chapter 9 of the Swedish Environmental Code (mainly airport operations).
- Water operations under Chapter 11 of the Swedish Environmental Code (mainly ponds, water treatment facilities and groundwater drainage).

Each airport must have a valid environmental permit for aviation operations to be allowed to run. The permits are business-critical and govern what Swedavia may do. At year-end 2022, 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.

Employee mobilisation a clear sign of strength

The knowledge and engagement of employees contribute to Swedavia's success and are the company's most important asset. This was quite apparent in 2022, when employees from all across the organisation pitched in to assist colleagues at Stockholm Arlanda Airport in the challenging situation that arose during the summer.

In 2022, operations were positively affected by the recovery in air travel. This entailed challenges for Swedavia as well as for other operators at the airports, especially at Stockholm Arlanda Airport. Staffing needs increased all across the airport, and many companies needed to hire workers at the same time. A number of forceful measures were taken to address the staffing shortage. During the most intense period, nearly 150 students, Ukrainian citizens, additional staff hired, and employees from other airports as well as administrative staff helped in the mobilisation at Stockholm Arlanda Airport.

Collaboration with occupational health services

A healthy, safe and secure workplace environment and respect for human rights are natural and important conditions needed in order for Swedavia's operations to be run efficiently and successfully. This is also a key element in Swedavia's drive to be seen as an attractive employer and collaborative partner.

Occupational safety always has the highest priority. To safeguard a sustainable workplace environment in a strained situation, a review of the organisational

and social workplace environment was carried out with the company's occupational health services. The resulting insights have been incorporated into action plans and measures in the short and long term. Other measures during the year included the launch of an employee support service to quickly provide professional help, lectures and webinars.

Zero tolerance promotes safer construction

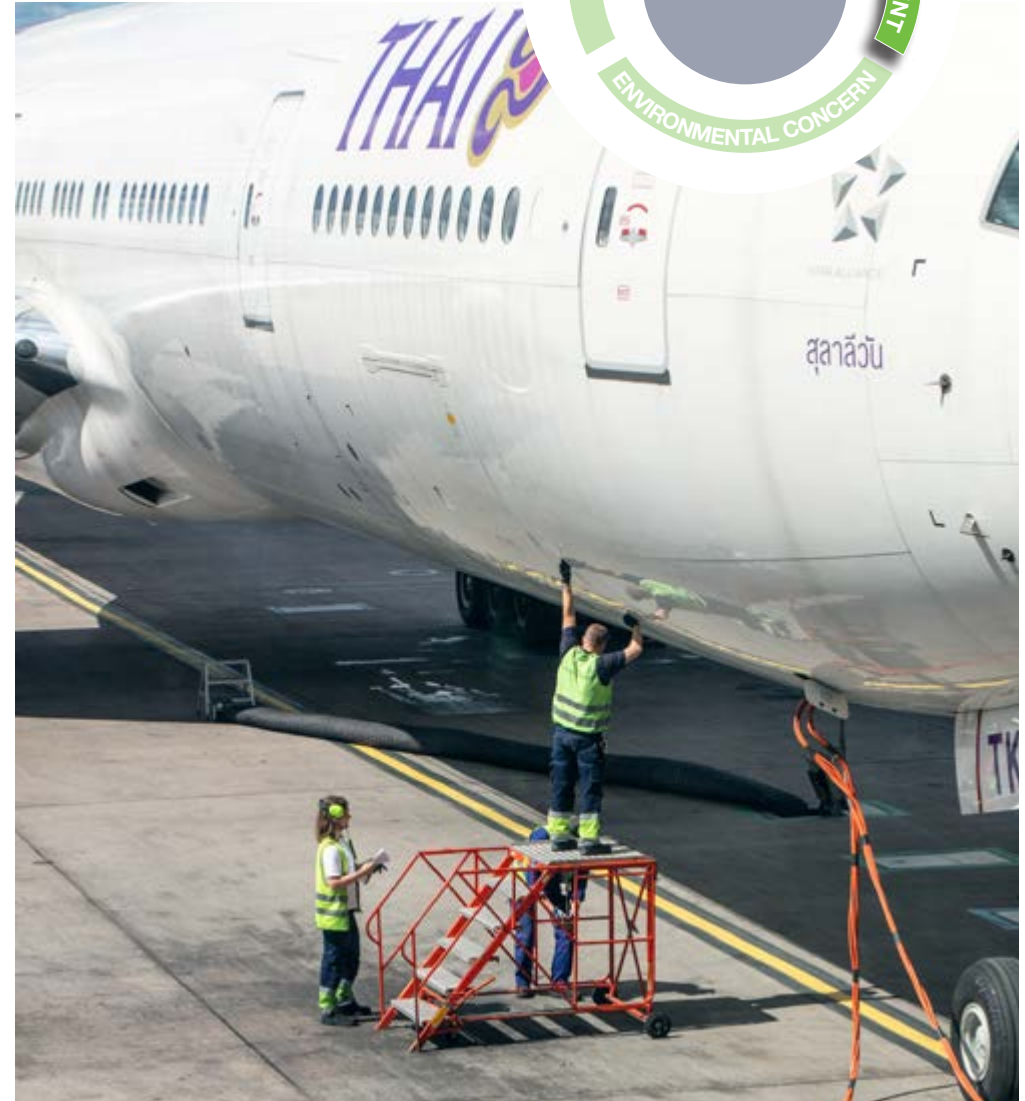
For the third straight year, Swedavia took part in a drive for safer construction sites arranged by the Swedish trade association Håll Nollan ('zero tolerance'). The drive involves stopping work and bringing employees and sub-suppliers together for 30 minutes to make clear how collaboration plays a key role in creating a construction industry with no accidents.

Leadership development

In order for employees and Swedavia to develop together with customers and partners and reach their full potential, leadership is an important component in creating a sustainable company with a shared culture. Leading involves understanding and being able to implement Swedavia's strategic focus, create engagement and consensus, plan and organise. Leaders and employees together create an engaging and inclusive culture that provides opportunities for a good performance, creativity and innovation.

The foundation of Swedavia's operations is always the company's values and focus on sustainable development. Swedavia's view of leadership is based on every leader taking responsibility and creating conditions for good performances and engagement. This is a matter of trust, dialogue, openness, courage, honesty, clarity and mutual respect.

In 2022, Swedavia launched the first of four modules in a new leader development programme, "The personal and leadership". The training is focused on



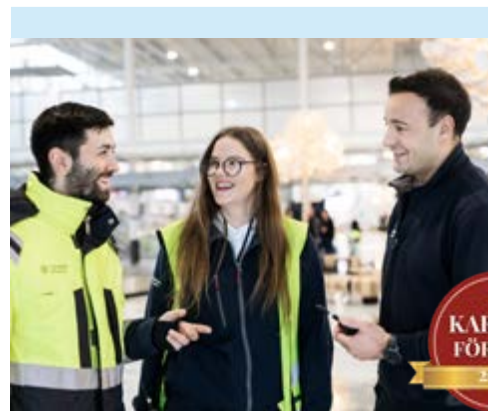
learning about oneself and one's own leadership, creating an understanding of Swedavia's leader model and different methods for developing behaviour. Leaders at Swedavia are responsible for the performance and development of their own employees. They are also responsible for compliance with regulations, running successful operations and creating a good work climate that is aligned with Swedavia's values.

Employee survey

Swedavia regularly carries out surveys and measurements to develop and improve operations. The last large-scale employee survey to improve the workplace environment and operations was carried out in 2018. Since then, the company, the industry and the whole of society have experienced a few exceptional and tumultuous years. There have been adaptations and a concentration of efforts in the face of this new reality. During the autumn of 2022, a large-scale employee survey was once again carried out. Since this was a new tool with new questions, the results were considered to be a base measurement and a description of present circumstances. The survey showed what strengths and improvement areas Swedavia has as a company, in the different departments and in different work groups. Action plans for the different operations were developed based on the employee survey results before the end of the year.

Inclusive culture

Swedavia as a workplace is characterised by diversity, inclusion and respect for the individual on every level. Many different skills work together in Swedavia's operations in order for the company to achieve 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 treatment and diversity, while the employee's responsibility is to contribute to an inclusive, unprejudiced culture. The work with equal treatment is based on the Swedish Discrimination Act, and Swedavia has clear guidelines and policies in this area.



One of Sweden's most attractive employers

Swedavia was named one of Sweden's most attractive employers of 2023 by the employer branding organisation Karriärföretagen. It has distinguished itself with its employer profile and activities to attract new employees and has also been given good marks in external measurements of employer attractiveness.

From Karriärföretagen's citation: "Swedavia continues to develop its employer brand and does so with flying colours. We see an engaged and appealing corporate culture, and there are masses of development opportunities in the company for new as well as long-time employees."

Swedavia's view of leadership is based on every leader:

- Taking responsibility.
- Creating conditions for good performances and engagement.
- Having an ethos based trust, dialogue, openness, courage, honesty, clarity and mutual respect.



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 dialogues 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.

Focus areas for development

- Leadership and employeeship
- Inclusion
- Workplace environment

Absence due to illness

In 2022, Swedavia's overall rate of absence due to illness increased from 3.89 per cent at the start of the year to 5.03 per cent at the end of the year. The increase applies to both short- and long-term absences as well as to both women and men. The changes in the rate of absence due to illness is mostly an effect of the pandemic, which early in the year led to increased short-term absence due to illness. The increase is also due to a much lower rate of absence due to illness during the pandemic years of 2020 and 2021 as a result of furloughs. The overall rate of absence due to illness in 2022 is on a par with pre-pandemic levels.

Workplace incidents

Swedavia's goal is for there to be no workplace accidents that entail a threat to anyone's life or health – in other words, no deaths, serious injuries, injuries on the job that affect a number of workers at the same time, or serious incidents.

In 2022, there were nine serious workplace accidents, none involving any deaths. The categorisation of what a serious workplace accident is follows the Swedish Work Environment Authority's guidelines.

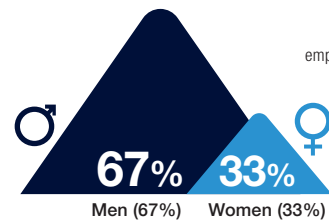


Gender equality and diversity in figures

(figures for 2021 in parentheses)

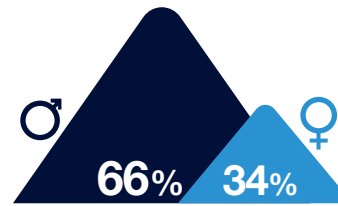


Gender breakdown, all employees*



Men (67%) Women (33%)

Gender breakdown, leaders

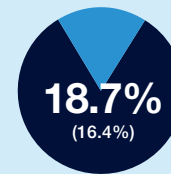


Men (65%) Women (35%)

Average number of employees



Employees with a foreign background**



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

Swedavia's diversity internationally recognised

The Financial Times recognised 850 European businesses with the best gender balance and openness to all forms of age, ethnicity, disability and sexual orientation. Swedavia was ranked fifth in the category Transport and Logistics.

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 strategic focus.

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 its 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. Swedavia works continuously and proactively against corruption and irregularities in the company. 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 best manage resources invested by society. 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 whistle-blowing 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 suit-



able way about the company's anti-corruption 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 2022, 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 wants to report an irregularity.

Swedavia's whistleblowing function is open to employees and external stakeholders through an independent external party. There is also a well-defined process for handling incoming cases. The function guarantees anonymity. Read more at swedavia.com.

Human rights

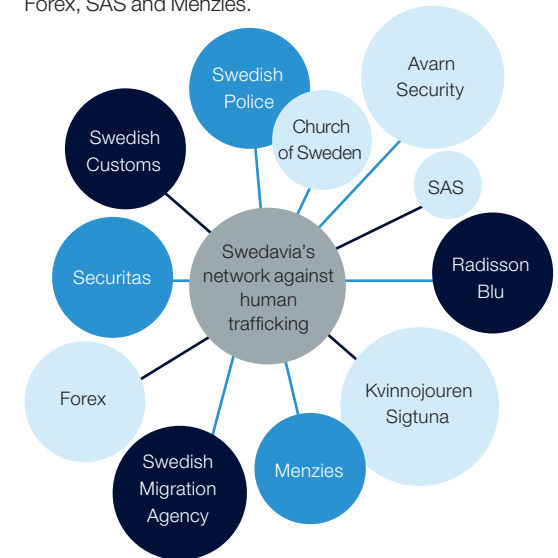
Swedavia respects all universally recognised human rights and works actively to fully comply with the UN Guiding Principles on Business and Human Rights in the Group's operations. This means that Swedavia commits to the principle of not causing, contributing to or being linked to adverse human right impacts. 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 how Swedavia's employees and suppliers shall conduct themselves.

In accordance with the UN Guiding Principles on Business and Human Rights, Swedavia has identified the risks its operations have and their impact on human rights. Through due diligence, internal processes and governing documents have been strengthened in order to systematically and continuously identify all kinds of risks to human rights throughout the value chain. In 2022, Swedavia strengthened and developed the work to identify, assess, prioritise and manage human rights risks in its supplier and customer chains.

Network against human trafficking

Running airports is a complex operation that can affect the human rights of many different stakeholders. One example is the risk of trafficking occurring at an airport, which involves the violation of the victim's fundamental rights. In collaboration with the relevant authorities and operators at and in the vicinity of Stockholm Arlanda Airport, Swedavia runs a network against human trafficking.

By increasing awareness and knowledge about human trafficking, the network helps to create a safer Stockholm Arlanda Airport for both customers and employees and bring attention to the victims caught in the modern slave trade. In 2022, the network increased the number of participating organisations and worked to develop common digital training. Participants include the Swedish Police, Swedish Customs, the Swedish Migration Agency, the Church of Sweden, Radisson Blu Hotel, the women's shelter Kvinnojouren Sigtuna, Avarn Security, Securitas, Forex, SAS and Menzies.



Some of the organisations in Swedavia's network against human trafficking located at and in the vicinity of Stockholm Arlanda Airport.

Safety and security at the airport always come first

Work with safety and security is an integral part of Swedavia's operations and the focus of continuous development. The pandemic has had an impact on air traffic and the entire aviation ecosystem. The recovery is linked to a number of new challenges.

In all operations run by Swedavia, aviation safety and security and occupational health and safety have the highest priority. Aviation security work is aimed at, among other things, preventing criminal acts, while aviation safety work is aimed at preventing accidents.

Swedavia's airports are certified under the European Union Aviation Safety Agency (EASA)'s regulations, except for 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



The following aspects are included in Swedavia's safety awareness:

-  Safe workplace linked to the workplace environment.
-  Safe infrastructure and facilities for Swedavia's airline customers and passengers from an aviation safety perspective.
-  Safe place to be at from an aviation security perspective.



In 2022, there were zero accidents (one in 2021) and one serious incident (zero in 2021). Swedavia's infrastructure or procedures were considered not to have any effect in the accident.



framework for the management’s review and for the work with sustainability and business planning.

To ensure a high level of connectivity 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 airport operations 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.

Swedavia’s safety awareness

Together it is possible to prevent incidents related to aviation safety, aviation security and the workplace environment. Swedavia works to raise the safety awareness of all employees. This involves attitudes and behaviour in the company’s work groups concerning safety and security.

For 2022, executive management decided on work to promote a positive trend in the strategic goal for Swedavia’s safety awareness.

Safety awareness for Swedavia entails:

- a safe workplace linked to the workplace environment.
- safe infrastructure and facilities for airline customers and passengers from an aviation safety perspective.
- a safe place to be in from an aviation security perspective.

“At Swedavia, new technology is being installed that will make security procedures more efficient”

What is measured is employees’ overall understanding of the importance/priority of safety and security at Swedavia. Through regular measurements, Swedavia can take action on negative trends before an incident occurs, see positive trends and share lessons learnt between operations. Along with the strategic goal for security awareness, the number of accidents and serious incidents is also continuously monitored based on the Swedish Transport Agency’s compliance control activities.

Swedavia reports all incidents identified that have an impact on aviation safety to the Swedish Transport Agency and reports to the Swedish Accident Investigation Authority if there is an accident or serious incident. In 2022, there were zero accidents (one in 2021) and one serious incident (zero in 2021). The incident classified as a serious incident involved an aircraft landing at Bromma Stockholm Airport, though there were no injuries. A tyre puncture was caused by faulty seams in

the surface of the runway. Swedavia took immediate physical measures and also implemented more stringent procedures for monitoring the condition of the runway to avoid similar incidents going forward. The long-term solution to this problem is that the runway will be resurfaced.

Continued development of security procedures and equipment

At Swedavia, new technology is being installed that will make security procedures more efficient and improve the passenger experience. Security scanners and new x-ray equipment for cabin baggage are being installed at Stockholm Arlanda Airport. In that way, passengers will be able to keep liquids and electronic devices in their hand baggage throughout the security screening process. The technology is advanced and has been EU certified. Plans for similar equipment at the other airports are being analysed.

Swedavia shares responsibility for security with the Swedish police. It is essential to have a proactive approach to security work, and this is to be carried out in close collaboration with the responsible authorities. The cyber threat picture for all the world’s businesses remains very concerning, with a high level of activity among threat actors. There is a risk that Swedavia will be subject to data theft or data sabotage by a potential antagonist, for example, using malware and thus gaining unauthorised access to information and systems. Swedavia works actively to mitigate data safety risks.



Increased financial preparedness in an uncertain situation

The general trend in 2022 was more positive than in previous years from an economic perspective. There were clear indications of a pent-up desire to travel again. To manage uncertainty, a number of different scenarios were created to address this.

Most of Swedavia's revenue is variable and entirely dependent on passenger and traffic volumes at the airports. The effects of inflation and the state of the economy created uncertainty about the future development of the aviation market. The methodology of working with different scenarios was implemented during the pandemic and continues to be an important tool in Swedavia's planning. Although the pandemic dominated the start of the year, planning for a recovery continued. This became a reality thanks to increased air traffic and passenger numbers.

Expanded customer base

In 2022, Swedavia's dependence on large customers was reduced through an expansion of its customer base of the largest airline customers. In Retail, Food and Beverage, concessions were awarded through a tender process in accordance with the Swedish Act on Procurement of Concessions, which means that a large share of the con-

tracts in Retail, Food and Beverage, including the new commercial premises at Stockholm Arlanda Airport, needed to be renewed. All in all, this creates the conditions required to meet new market needs and deliver a good experience to passengers.

Sharp improvement in earnings

Financial results for 2022 entailed a sharp improvement compared to previous years, and operating activities once again generated a positive cash flow. Financial preparedness was enhanced to meet the increased uncertainty in financial markets. The company's debt/equity ratio of 1.0 reflected a continued strong financial position. The challenge going forward is to manage the uncertain situation, with war in nearby Ukraine, soaring electricity prices and high inflation. Whatever scenario materialises, it is important to deliver a good product and manage this financially and always with a customer focus.



Swedavia's contribution

- The airport operator, airlines and tenants deliver inspiring experiences that provide increased customer satisfaction and increase the destination's attractiveness.
- Contributes to connectivity, 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.



Investments

Over the past five years, measures to increase capacity at Stockholm Arlanda Airport, Göteborg Landvetter Airport and Bromma Stockholm Airport were carried out. In 2022, capacity investments were focused on Stockholm Arlanda Airport, where a new, modernised security checkpoint and a marketplace with 12,000 square metres of shopping, food and other services will be inaugurated in 2023.

The investment portfolio for the years ahead includes reinvestments to maintain capacity as well as initiatives for safeguarding digitisation and the green transition. The work on the new security checkpoint and new marketplace continues, and in 2023 the security checkpoint and the first phase of the marketplace will be placed in service, important milestones in the modernisation of Stockholm Arlanda Airport.

The second phase of the marketplace will continue in 2024. There are preparations to further invest in capacity at Stockholm Arlanda Airport through the restart of the paused project to build a new pier in order to meet demand. Property development in Real Estate completed a number of transactions during the year and is pursuing different business prospects, especially in logistics.

Financing

Operating, owning and developing the Swedish national basic infrastructure of airports entails capital-intensive operations, and access to funding with favourable terms is an essential condition for running operations in the best way. The past year was characterised by rising market interest rates and a volatile capital market, with widening credit margins as investors became more selective. However, for a company like Swedavia, with high creditworthiness, access to funding from both banks and the capital market has remained good. Swedavia's financing strategy, with a broad spread of maturities and well-diversified funding sources and debt instruments, has alleviated the effect of last year's rise in interest rates. The Green Bond Framework launched in 2019 was updated during the year, and Swedavia received a new second party opinion from CICERO Shades of Green. CICERO has rated the overall framework Light Green, and governance was rated Excellent.

Growth engine for all of Sweden

Before the pandemic, aviation directly and indirectly created around 200,000 jobs in Sweden. Half of these were directly related to the aviation industry. Altogether, in a normal year they contribute more than 175 billion kronor to

Positive events during the year?



MATS PÅLSSON, FINANCE:

“The year started out with great uncertainty in view of the omicron variant, but during the year we saw that there was pent-up demand for travel, which also contributed to improved financial results for Swedavia.”

What risks and challenges have needed to be managed?

“Just like many other airports in Europe and other industries, we underestimated how the labour

market had changed during the pandemic, which for us entailed challenges in quickly finding the right competencies.”

What is the main lesson you take from your work?

“That we must continue to plan and act based on scenarios.”

What is the best way for the company to act going forward?

“High inflation and higher interest rates and energy prices create uncertainty about what demand for travel will look like. Our ambition as an air-

port operator, no matter what the scenario, is to always do our utmost to ensure as good an experience as possible with smooth, safe flows.”

“The biggest challenge is the uncertain global situation”

INVESTMENTS, AIRPORTS

SEK billion	Actual, 2022	Business plan, 2023–2024
International Airports	1.7	3.1
<i>Of which:</i>		
<i>Stockholm Arlanda Airport</i>	<i>1.4</i>	<i>2.1</i>
<i>Göteborg Landvetter Airport</i>	<i>0.1</i>	<i>0.2</i>
<i>Bromma Stockholm Airport</i>	<i>0.0</i>	<i>0.1</i>
<i>Malmö Airport</i>	<i>0.0</i>	<i>0.1</i>
<i>Shared</i>	<i>0.2</i>	<i>0.6</i>
Regional Airports	0.1	0.5
Total	1.8	3.6

Sweden's GDP. 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. The investments made are aimed at increasing efficiency and capacity, which will provide passengers with smoother and more inspiring travel experiences. Swedavia's airports shall be the most important meeting places in the Nordic region.

Supply chain risks and challenges

In order for Swedavia to achieve its goals, it is important to have a well-functioning supply chain. During the year, the challenge mainly involved managing the raw material shortage and price increases that have accelerated in recent years and monitor the ownership structure in the supply chain based on the sanctions list.

For Swedavia, it is important to understand the supplier market. There are both challenges and risks in the areas subject to a tender process, particularly from a sustainability perspective.

Swedavia complies with the Swedish Utilities Procurement Act, the Swedish Concessions 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. The Swedish State's ownership policy and principles for State-owned companies provide Swedavia with basis for its sustainability work in tender processes.

Sharp decrease

Swedavia Purchasing works according to categories, which are determined based on what the supplier market looks like. This classification consists of 14 main categories, which are broken down into one hundred sub-categories. This involves total purchasing volume of more than 5 billion kronor in a normal year like 2019. As a result of cuts made during the pan-

democ, there was a sharp decrease in 2022 as well, with volume totalling about 3.9 billion kronor.

In the autumn of 2022, energy and commodity prices started to climb, which entailed renegotiations, price adjustments in existing contracts and generally mitigating the risks of supply shortages.

In Swedavia's view, 75 of its contracted suppliers are strategically important for operations, and great focus is placed on monitoring them; 20 are high-risk suppliers from an operational perspective and are monitored particularly closely.

Risk assessments

Swedavia monitors suppliers from a sustainability perspective based on risk assessments. Risks are assessed based on environmental, human rights, social responsibility and anti-corruption aspects. Swedavia gets support from the Swedish Public Procurement Agency's criteria library to set sustainability requirements in its procurement where this is relevant.

Work to improve and develop the supply chain is carried out on a continuous basis.



The supply chain in figures



Sustainability is integrated in the company's management processes

Swedavia's Board of Directors and executive management are ultimately responsible for the company's sustainability work and manage sustainability issues from a strategic perspective. Issues that are managed concern 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, from a climate perspective, which are then measured and monitored on a quarterly basis by the executive management and Board of Directors. As a result, sustainability 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 and other strategically important risks are reported to the Board on a quarterly basis in a risk report covering the entire Group.

Swedavia monitors climate requirements and expectations around the world, while its climate work is a natural part of its business planning process and in determining other strategically important risks.

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

Along with the Code, Swedavia has Group-wide policies that provide direction in the areas of financial

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

GOAL
SELECTED



9. 9. Sustainable industry, innovation and infrastructure

9.1 Develop quality, reliable, sustainable, resilient and inclusive infrastructure.

9.4 Upgrade infrastructure and retrofit industries to make them sustainable.

How Swedavia affects the goals

- 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 climate adaptation of its infrastructure thus affect regional and national connectivity.
- 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 fossil-free aviation of the future.

Swedavia's contribution

- Development and modernisation of the airports.
- Infrastructure investments to improve national and international connectivity and increase intermodality.
- Investments in digital technology such as biometric tests and better flows.
- Safeguards infrastructure adapted to the fossil-free 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.

policy, credit policy, security policy, environmental and energy policy, tax policy and risk policy. These policies are adopted by Swedavia's Board of Directors. Swedavia has another 12 policies adopted by its executive management. These are the company's anti-corruption policy, workplace environment policy, competition policy, fire safety policy, crisis management policy, quality policy, equal treatment and diversity policy, aviation safety policy, insurance policy, information security policy, procurement policy, and communication, information disclosure and insider policy. Swedavia's Code of Conduct and its environmental and energy policy are published on Swedavia's website; the other policies lay out Swedavia's approach to its internal work and are not publicly available for security reasons. All suppliers and tenants commit to Swedavia's Code of Conduct. The other policies are used internally, and each leader is responsible for communicating the relevant policies to their employees.

Swedavia sets the foundation for its strategic focus and the focus areas for its sustainability work using its materiality analysis, stakeholder dialogue, continuous business intelligence and analyses of the impact of its own operations on people, the environment and the economy.

Swedavia strives for continuous improvement in order to promote sustainable development. The Board is assessed annually, in part

through internal and external audits of Swedavia's climate work in compliance with its Airport Carbon Accreditation certification and of Swedavia's environmental and climate work in compliance with ISO 14001 environmental management standards. Priority material issues are analysed and assessed in the materiality analysis process.

UN Sustainable Development Goals

Various external requirements and expectations serve as the basis for Swedavia's sustainability work, including Agenda 2030 and the 17 UN Sustainable Development Goals. The strategic goals for sustainable value creation that Swedavia has set for the company also correlate with the aims of the Paris Agreement. Swedavia supports the ten principles for corporate social responsibility in the UN 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.

GOAL
SELECTED



11. Sustainable cities and communities

11.2 Provide sustainable transport systems for all.

11.6 Reduce adverse environmental impact of cities.

How Swedavia affects the goals

- Uses land, resources and energy, generates emissions and waste.
- Interaction between different transport modes at the airports and increased connectivity with 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 connectivity and reliability.
- Works for more efficient and fossil-free transport.
- Implements extensive development programmes to develop the fossil-free airports of the future.
- Works to improve flight paths, cut emissions and reduce noise.

GOAL
SELECTED



12. Responsible consumption and production

- 12.1 Implement the ten-year framework for sustainable consumption and production patterns.
- 12.2 Achieve sustainable management and use of resources.
- 12.4 Achieve sound management of chemicals and waste.
- 12.5 Reduce waste generation significantly.
- 12.8 Ensure people's awareness about lifestyles in harmony with nature.

How Swedavia affects the goals

- 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 and air transport, 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. Provides 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 Swedavia's goal for fossil-free airport operations and fossil-free construction operations and for the aviation industry's green transition, Swedavia has invested indirectly to drive the development of a sustainable future.
- Swedavia has requirements and controls for new chemical products and indicators to measure the quantities of waste and toxic chemicals as well as an action plan to increase the recycling rate and reduce the quantity of toxic chemicals.
- Procurement in accordance with the Swedish Utilities Procurement Act, the Swedish Concessions Procurement Act and the Swedish Public Procurement Act and their sustainability requirements.
- Swedavia sets requirements for structured 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.

GOAL
SELECTED



13. Climate action

- 13.1 Strengthen resilience to climate change hazards and disasters.

How Swedavia affects the goals

- 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 the 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 airport operations run under Swedavia's management.
- New goal of fossil-free airports by 2025.
- Incentive programme for sustainable aviation fuel (SAF) and renewable diesel (HVO100), fossil-free construction operations by 2035, and climate-differentiated charges for take-off and landing.
- Facilitates the development of electric aircraft in Sweden.
- Increased blend of SAF in jet fuel through coordinated public procurement.
- Work with TCFD, the EU taxonomy, strategic transition to combat climate change and the Swedish Transition to Fossil-Free Aviation project.
- Measurement of energy use and energy efficiency improvements in its own facilities.
- Climate change adaptation of assets.
- New goal of fossil-free construction by 2035.
- Climate calculations have been carried out for projects of a significant size.

All operations are based on the company's strategic focus

Swedavia's ambition is to continue to integrate social, economic and environmental aspects in its day-to-day work based on a robust foundation. As a result, the company shall be a role model in sustainability at the national and international level. The strategic focus and material sustainability issues that have been identified constitute the basis of Swedavia's sustainability work.

The materiality analysis is an important tool for understanding, together with Swedavia's stakeholders, and giving priority to Swedavia's most important sustainability issues. 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.

To identify Swedavia's material sustainability issues, in 2019 interviews were conducted with stakeholders who affect or are affected by Swedavia's operations. The interviews led to a deeper understanding of how stakeholders view Swedavia's sustainability work and what expectations they have.

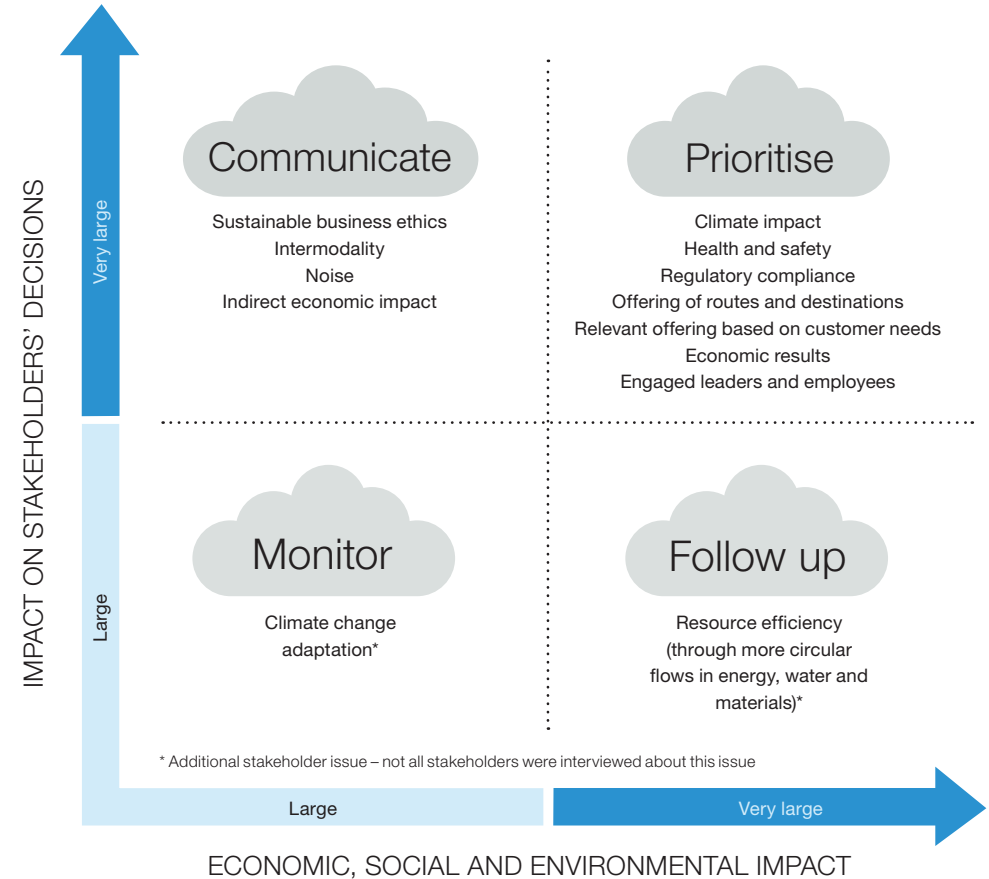
Stakeholder dialogues were carried out with selected stakeholders in each stakeholder group. Employees responsible for customers and other stakeholders assisted in the work to identify and interview candidates in each stakeholder group and took part in the conducting of interviews.

The materiality analysis was converted into actions by integrating it in Swedavia's strategic focus and overall goals, which are broken down each year into the company's business and operational plans. The




analysis is also important in the work process to achieve the strategic vision for 2030. The strategic focus characterises governance the whole way, from long-term plans to the day-to-day work of employees. The outcomes for Swedavia's goals are measured and monitored on a quarterly basis in reports to the executive management and Board of Directors. Read more on pages 30–38.

In the materiality analysis for 2019, climate impact was the sustainability issue with the highest priority for almost every stakeholder group. This confirmed the priorities that Swedavia had already set in the area "aviation's climate impact" (see how Swedavia has worked in this area on pages 42–44). It has also led to Swedavia sharpening its focus on its climate impact in construction operations. In 2022, Swedavia had a target for and monitored the number of climate calculations for construction and civil engineering projects and also focused on developing more relevant metrics for the continued work. In 2022, Swedavia adopted the goal of fossil-free construction operations by 2035. A new materiality analysis was carried out in 2022, which will be presented in 2023.





Materiality analysis



- 2019**
An in-depth materiality analysis is carried out, identifying seven material issues.
- 2020**
The issues are integrated in Swedavia's strategic focus.
- 2021**
The issues are implemented elsewhere in the organisation.
- 2022**
A new materiality analysis is carried out.
- 2023**
The new materiality analysis is presented when the areas have been implemented in operations.

PRIORITY MATERIAL ISSUE	CLIMATE IMPACT 	HEALTH AND SAFETY 	REGULATORY COMPLIANCE 
WHY THE ISSUE IS MATERIAL	To achieve global, national and regional climate goals and the industry's roadmap for fossil-free competitiveness, it requires that Swedavia and other stakeholders in the value chain work to reduce their climate impact. The industry's green transition is critical to the development of aviation.	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.	Swedavia shall comply with laws and regulations. Especially great focus shall be on compliance with environmental and safety laws and regulations, in accordance with environmental permits, the Swedish Transport Agency's Safety (EASA) and Security (TSFS) regulations, and work environment laws.
LIMITATION AND IMPACT	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.	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. Swedavia has direct responsibility for aviation safety issues and shared responsibility with the police for maintaining public order. Swedavia has some indirect impact on other operators, for example, security service providers, building contractors, partners and customers.	Swedavia has an impact on regulatory compliance in its own operations but also to some extent on its supply chain. Swedavia has overall responsibility for regulatory compliance in aviation safety, aviation security and environmental performance at the eight airports for which it has operational responsibility.
GOAL	5 per cent sustainable aviation fuel by 2025. Operate fossil-free airports by 2025. 100 per cent per cent climate calculations for construction and civil engineering projects.	Zero accidents and serious incidents at the company's airports. No serious workplace accidents.	No serious deficiencies in the Swedish Transport Agency's inspections.
ACTUAL OUTCOME	0.46 per cent per cent sustainable aviation fuel (SAF).* At year-end, Malmö Airport, Kiruna Airport, Visby Airport and Åre Östersund Airport had achieved ACA 4+ certification. Stockholm Arlanda Airport and Göteborg Landvetter Airport are already certified at the highest level, ACA4+. 6/6 climate calculations in selected construction and civil engineering projects.	0 accidents and 1 serious incident 9 serious workplace accidents.	The actual outcome for serious deficiencies in the Swedish Transport Agency's controls is not reported externally. 14 breached out of a total of 186 conditions for Swedavia's ten airports.

* 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.

<p>PRIORITY MATERIAL ISSUE</p>	<p>OFFERING OF ROUTES AND DESTINATIONS</p> 	<p>RELEVANT OFFERING BASED ON CUSTOMER NEEDS</p> 	<p>ECONOMIC RESULTS</p> 	<p>ENGAGED LEADERS AND EMPLOYEES</p> 
<p>WHY THE ISSUE IS MATERIAL</p>	<p>Swedavia's offering of routes and destinations is of national importance and affects Sweden's competitiveness, among other factors. Connectivity 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.</p>	<p>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.</p>	<p>It is an essential requirement that Swedavia has stable economic results in order to carry out its mission and be a competitive market participant.</p>	<p>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.</p>
<p>LIMITATION AND IMPACT</p>	<p>Swedavia has an indirect impact on connectivity to and from its ten airports, for example through airport charges and incentives to airlines to establish routes.</p>	<p>Limited to Swedavia's identified customer groups at Swedavia's airports: passengers, airlines, tenants, ground handling companies and advertising buyers.</p> <p>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 Concessions Procurement Act.</p>	<p>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.</p> <p>Direct impact on the airports' own economic results. Indirect impact on the economic results of customers, suppliers and other stakeholders.</p>	<p>Includes Swedavia's management of employment conditions, working conditions, talent supply and skills development. Also includes diversity, inclusiveness, gender equality and equitable treatment.</p> <p>The impact is both direct and indirect through its impact on leaders and employees in other companies and organisations as well as on Swedavia's suppliers.</p>
<p>GOAL</p>		<p>Index of 85 for positive customer experience by 2025.</p>	<p>6 per cent return on operating capital.</p>	<p>Index of 70 for engaged leaders and employees in 2024. Starting in 2022, a new measurement method was adopted. The goal of 70 applies to the current business plan for 2024. A new goal for engaged leaders and employees will be determined in 2023.</p>
<p>ACTUAL OUTCOME</p>	<p>Read more about Swedavia's offering of routes and destinations on page 22.</p>	<p>Index of 76 for positive customer experience.</p>	<p>-3.3 per cent return on operating capital.</p>	<p>Index of 60 for engaged leaders and employees. The index is the calculated average of all responses to questions in the employee survey. The average has been indexed on a scale of 0-100.</p>

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 as interviews with selected stakeholders in each stakeholder group.

STAKEHOLDER GROUP	CORPORATE CUSTOMERS	PASSENGERS	EMPLOYEES	OWNER	PARTNERS	SOCIETY
STAKEHOLDERS	<ul style="list-style-type: none"> • Airlines • Tenants • Advertising buyers • Ground handling companies • Mobility operators 	<ul style="list-style-type: none"> • Passengers 	<ul style="list-style-type: none"> • Swedavia's future and current employees and leaders • Other employees at the airports • Trade unions 	<ul style="list-style-type: none"> • The owner • The Board of Directors 	<ul style="list-style-type: none"> • Investors and lending institutions/creditors • Venture partners • Strategic suppliers 	<ul style="list-style-type: none"> • Government authorities • Regions and municipalities • Trade associations and stakeholder organisations • Local communities and businesses • Universities
IMPORTANT ISSUES	<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 	<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 	<ul style="list-style-type: none"> • Health and safety • Engaged leaders and employees • Climate impact • Regulatory compliance • Offering of routes and destinations 	<ul style="list-style-type: none"> • Economic results • Climate impact • Health and safety • Relevant offering based on customer needs • Innovation and digitisation 	<ul style="list-style-type: none"> • Climate impact • Economic results • Sustainable business ethics • Health and safety • Engaged leaders and employees 	<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 2022 with reference to GRI Core Standards for the reporting period January 1, 2022–December 31, 2022. There are currently no sector standards that cover Swedavia's core operations, which is why reporting with

reference to such standards is not included in this index. However, this report includes relevant industry-specific indicators in accordance with GRI G4 Airport Operator Disclosures. The sustainability information in the combined report for 2022 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 2022 was published on March 30, 2023.

Standard disclosures

Indicator	Page reference and comments	Omission
GRI 1: Foundation		
Statement of use	66	
GRI 1 used	GRI 1: Foundation 2021	
Applicable GRI sector-specific standards	Not available	NA
GRI 2: General disclosures		
2-1	Organisational details	113
2-2	Entities included in the organisation's sustainability reporting	66
2-3	Reporting period, frequency and contact point	2, 66
2-4	Restatements of information	There have been no restatements of information in the company's sustainability reporting.
2-5	External assurance	66, 80, 98–99
2-6	Activities, value chain and other business relations	3, 13–14, 23–28, 90
2-7	Employees	51, 69
2-8	Workers who are not employees	51, 69
2-9	Governance structure and composition	95–102
2-10	Nomination and selection of the highest governance body	95–96
2-11	Chair of the highest governance body	99, 101, 103
2-12	Role of the highest governance body in overseeing the management of impacts	59–60, 62, 65, 99–100, 83–86
2-13	Delegation of responsibility for managing impacts	59–60, 62, 65, 97–98, 83–86
2-14	Role of the highest governance body in sustainability reporting	59, 66, 97
2-15	Conflicts of interest	101–104, 113, 121

	Indicator	Page reference and comments	Omission
2-16	Communication of critical concerns		A key aspect of social sustainability is that all employees understand and comply with Swedavia's Code of Conduct together with the company's other policies and guidelines. Swedavia complies with the "whistleblower law" in effect since December 21, 2017 and has an internal reporting channel (whistleblower function) that can be accessed via Swedavia's website and its intranet. Swedavia's whistleblower function gives all employees an opportunity to report information about irregularities, in a work-related context, where it is of public interest that it comes to light. Reporting can be orally or in writing, and there is the possibility of reporting anonymously. All cases reported are handled in accordance with procedures adopted by the Board of Directors and are classified as confidential. Swedavia therefore does not report the number of cases or circumstances involved in the cases submitted.
2-17	Collective knowledge of the highest governance body	97, 101–102	
2-18	Evaluation of the performance of the highest governance body	97–98	
2-19	Remuneration policies	93, 96–98, 122–123, 124	
2-20	Process to determine remuneration	95, 98, 122–123, 124	
2-21	Annual total compensation ratio	The president and chief executive officer (CEO) is the highest paid person at Swedavia, and total remuneration is specified in Note 8, pages 122–124. The annual total compensation ratio for other employees is SEK 520,000. The annual total compensation ratio increased 6 per cent compared to the previous year, both for the president and CEO and for other employees. Total remuneration comprises base salary including statutory holiday pay, benefits and occupational pension provision. Examples of benefits are health insurance and subsidised mass transit.	
2-22	Statement on sustainable development strategy	6–7	
2-23	Policy commitments	51–53, 59–60, 95, 97, 99	
2-24	Embedding policy commitments	51–53, 59–60, 99	
2-25	Processes to remediate negative impacts	53, 83–86	
2-26	Mechanisms for seeking advice and raising concerns	53	
2-27	Compliance with laws and regulations	93	
2-28	Membership associations	39–40	
2-29	Approach to stakeholder engagement	52–53, 60, 62–65	
2-30	Collective bargaining agreements	100 per cent of Swedavia's employees are covered by collective bargaining agreements.	
GRI 3: Material topics			
3-1	Process of determining material topics	59, 60, 62–65, 84–85	
3-2	List of material topics	62–65	
3-3	Management of material topics	30–33, 35, 38, 60	

Material topic disclosures

	Indicator	Page reference and comments	Omission
Climate impact			
3-1 – 3-3	Management approach	12, 15, 35–38, 42–48, 59–65	
305-5	Reduced greenhouse gas (GHG) emissions	12–15, 35–38, 42–48	
Own indicator	Energy use	35–37	
Own indicator	Share of sustainable aviation fuel (SAF) used for refuelling at Swedish airports	42–48	
Own indicator	Number of climate calculations	48, 61, 62, 63, 79	
Health and safety			
3-1 – 3-3	Management approach	32–33, 52–53, 54–55, 62–63, 83–86	
Own indicator	Number of reported workplace incidents	33, 51, 85	
Own indicator	Number of accidents and incidents	37, 51, 54–55, 63, 78	
Own indicator	Number of serious deficiencies in Swedish Transport Agency inspections	54–55, 79	
Regulatory compliance			
3-1 – 3-3	Management approach	54–55, 62–65, 113	
Own indicator	Number of serious deficiencies in Swedish Transport Agency inspections	54–55, 78	
Offering of routes and destinations			
3-1 – 3-3	Management approach	15–26, 37, 62–65, 77–78	
Own indicator	Number of passengers	15–26, 37, 92	
Own indicator	Number of international destinations	22, 37	
Own indicator	Number of routes	22	
Relevant offering based on customer needs			
3-1 – 3-3	Management approach	23–24, 35–36, 37–38, 56–57, 62–65, 85–86	
Own indicator	Commercial sales revenue per departing passenger	78, 92	
Own indicator	Positive customer experience	12, 25–26, 37–38, 64	
Economic results			
3-1 – 3-3	Management approach	5, 6–7, 12, 24–26, 35–38, 62, 64, 91, 92	
201-1	Economic value generated and distributed	105–108, 119–124, 133–134, 141	
Own indicator	Return on operating capital	5, 12, 37–38, 64, 77, 92	
Own indicator	Debt/equity ratio	37–38, 78, 91, 92, 94, 133	
Own indicator	Operating cost per departing passenger	78, 92	

Indicator	Page reference and comments	Omission
Engaged leaders and employees		
3-1 – 3-3	Management approach	12, 38, 49–50, 62–65, 77, 98
Own indicator	Engaged leaders and employees – Pulse measurement	5, 12, 38, 64, 98
Sector-specific standards		
AO:G4-7	Environmental permits and other regulations in effect	46–48, 78
AO:G4-8	Catchment area for cargo and passengers	13–15, 22
AO:G4:9	Direct destinations and other information about the size of the airports etc.	15–26. Total of 68 airline customers including in scheduled and charter operations.

Employees

Swedavia employees

At the end of the reporting period, the number of employees irrespective of the type of contract was 2,962. Of these, 2,066 have permanent contracts, 1,959 of whom have full-time and 107 of whom have part-time contracts. Of employees with permanent contracts, 33 per cent are women. Of the 330 employees with fixed-term contracts, 26 per cent are women. Of the 566 employees with intermittent contracts, 39 per cent are women.

Swedavia gives an account of the number of employees at the end of the reporting period. The number of employees is reported based on Swedavia’s organisational structure, which means that Business Support units, Facilities and Systems, Aviation Operations, Projects, Marketing and Sales, and Business Support have employees in the Stockholm region, Gothenburg, Malmö and Norrköping. Swedavia only has employees in Sweden.

Swedavia regularly monitors the number of employees, and in 2022 the number of employees increased for most of the year. The increase is due to the increased number of passengers and was greatest in May–June 2022 in Aviation Operations for intermittent employees at Stockholm Arlanda Airport. The increase in 2022 compared to 2021 is in every form of contract and applies to the number of both women and men.

Non-Swedavia employees

At year-end 2022, Swedavia had roughly 450 consultants under contract. The majority of these carried out duties at Stockholm Arlanda Airport, but external consultants also worked under contract at the other airports.

Swedavia hires external consultants through call-off contracts under framework agreements in accordance with the Swedish Utilities Procurement Act. Examples of workers covered by framework agreements are management consultants, consultants in construction technology and people hired through staffing agencies. All consultants at Swedavia are hired through a special unit, the Resource Office, using an internal call-off process. Swedavia also has some contractors, and work is under way to collect data on them, which is expected to be completed in 2023.

Swedavia contracts consultants for many kinds of assignments, and examples of this include administrators, controllers, property consultants, construction managers and asphalt specialists. The single largest group of consultants is in construction projects as a result of infrastructure projects at Stockholm Arlanda Airport.

The number of consultants is reported as the number of people at the end of the reporting period. All consultant assignments are registered in a business system and may involve one or more consultants per assignment,

	Number of employees	Permanent	Fixed-term	Hourly	Full-time	Part-time
Business Support units	110	104	6	0	104	0
Facilities and Systems	487	438	18	31	435	3
Marketing and Sales	89	88	1	0	88	0
Aviation Operations	1,421	853	226	342	785	68
Projects	68	68	0	0	68	0
Business Support	71	68	3	0	67	1
Ronneby Airport	44	32	5	7	32	0
Umeå Airport	225	129	17	79	109	20
Kiruna Airport	78	59	8	11	59	0
Visby Airport	96	70	9	17	56	14
Åre Östersund Airport	86	54	16	16	54	0
Luleå Airport	183	99	21	63	98	1
Regional management	4	4	0	0	4	0
Total	2,962	2,066	330	566	1,959	107

and a rough indication is given in the description of how they have been contracted.

Swedavia regularly monitors the number of consultants, and in 2022 the need for external consultants was higher compared to 2021. Due to the increase in the

number of passengers, there was an increased need for staff in aviation operations, mainly at Stockholm Arlanda Airport. During the period, Swedavia took on consultants working in passenger services, queue hosts at security checkpoints and entrance hosts.

Cross-reference table, UN Global Compact

Since 2012, Swedavia supports the United Nations Global Compact and its ten principles. Swedavia's Sustainability Report 2022 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 2022.

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	49, 52–53, 58–61
2. Businesses should make sure that they are not complicit in human rights abuses	49, 52–53, 58–61
Labour	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	49, 52–53, 58–61, 64
4. Businesses should work to eliminate all forms of forced and compulsory labour	52–53
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, 124
Environment	
7. Businesses should support a precautionary approach to environmental challenges	42–48, 63
8. Businesses should undertake initiatives to promote greater environmental responsibility	42–48, 63
9. Businesses should encourage the development and diffusion of environmentally-friendly technologies	42–48
Corruption	
10. Businesses should work against corruption in all its forms, including extortion and bribery	51, 52–53

Index, statutory sustainability report

Area	Description	Page reference
Overall	Business model	12–15
Environment	Policies on environmental issues	42–48
	Environmental permits	48
	Risks and risk management	83–87
	Goals and actual outcomes	38, 43, 45–48
Social relations	Policies on social issues	49–53
	Risks and risk management	83–87
	Goals and actual outcomes	12, 38, 49–53
Human rights	Policies on human rights	51–53
	Risks and risk management	83–87
	Goals and actual outcomes	51
Anti-corruption	Policies for work against corruption	52
	Risks and risk management	83–87
	Goals and actual outcomes	51

TCFD-aligned reporting

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
<p>A. Describe the Board's oversight of climate-related risks and opportunities.</p> <p>Pages 59–60, 97, 99</p>	<p>A. Describe climate-related risks and opportunities the organisation has identified over the short, medium and long term.</p> <p>Page 87</p>	<p>A. Describe the organisation's processes for identifying and assessing climate-related risks.</p> <p>Pages 83–87</p>	<p>A. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>Pages 30–36, 42–48</p>
<p>B. Describe management's role in assessing and managing climate-related risks and opportunities.</p> <p>Pages 59–60, 97, 99</p>	<p>B. Describe the impact of climate-related risks and opportunities on the organisation's operations, strategy and financial planning.</p> <p>Pages 30–36, 27–28, 59–60</p>	<p>B. Describe the organisation's processes for managing climate-related risks.</p> <p>Pages 83–87</p>	<p>B. Disclose Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions.</p> <p>Pages 42–48</p>
	<p>C. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios.</p> <p>Swedavia will develop its scenario work in 2023.</p>	<p>C. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.</p> <p>Pages 83–87</p>	<p>C. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</p> <p>Pages 35–38, 42–48</p>

Swedavia's reporting in accordance with the EU Taxonomy Regulation

The EU Taxonomy Regulation is a classification system for sustainable finances and is aimed at assessing whether an investment is environmentally sustainable. The EU taxonomy is an important tool for achieving the EU's climate goals and the goals of EU's green growth strategy, the European Green Deal.

For an economic activity to be classified as environmentally sustainable, it must make a substantial contribution to at least one of the six environmental objectives adopted without doing significant harm to any of the other environmental objectives and meet certain minimum requirements in human rights, anti-corruption, competition and taxes.

Swedavia is required to report under article 1.2c of the Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (the Taxonomy Regulation).

Reporting according to the Taxonomy Regulation has been introduced in two phases, with Swedavia reporting for the financial year 2021 what share of its operations is eligible under the EU taxonomy. For the financial year 2022, the reporting requirements are more extensive, with the company having to specify what share of its operations is aligned with the EU taxonomy. That includes revenue (turnover), operating costs (operating expenditure or OpEx) and investments (capital expenditure or CapEx) related to these activities.

In Swedavia's view, there is not sufficient harmonisation of or application to airport operations under the taxonomy. For that reason, Swedavia has chosen to take a conservative interpretation of the EU taxonomy as a whole; this also reflects the activities that Swedavia has chosen to report,

both in the number and share of taxonomy-aligned economic activities.

The EU taxonomy is not as such an exhaustive list of sustainable activities since many sustainable activities are not currently included in the EU taxonomy. The reporting therefore does not provide an accurate picture of how sustainable Swedavia's operations are.

Swedavia will continue to analyse the taxonomy and await technical screening criteria for the four remaining environmental objectives. The choice of economic activities that Swedavia reports may change in the future based on changes in interpretations, additional technical screening criteria for the remaining environmental objectives and/or industry-specific standards that cover airport operations.

Swedavia conducted a review of all economic activities in the EU taxonomy, with a selection of these activities chosen as being relevant to Swedavia's operations, before delimiting the activities that Swedavia is to report for 2022. After this, a broad interpretation of these activities and related criteria was made. Swedavia will expand the interpretation of its economic activities in its next report and as a result will include a greater share of its activities in its taxonomy reporting.

In Swedavia's view, based on the two environmental objectives that have technical screening criteria, "Climate change mitigation" is the objective that can be linked to the company's operations, so Swedavia has decided to contribute to this environmental objective in this year's taxonomy reporting. Swedavia has carried out an assessment of the Do No Significant Harm (DNSH) criteria and a review of the UN Guiding Principles on Business and Human Rights in order to determine to what extent these economic activities are aligned with the taxonomy.

DNSH (Do No Significant Harm)

Climate change mitigation

In 2021, Swedavia ordered a climate risk analysis that covers all regions the company has operations in. Swedavia has also prepared a TCFD report (see page 71) and a risk bank that is used throughout the organisation to work systematically with risks. Scenario analysis work will be carried out in 2023. Templates have also been developed and filled in to assess, evaluate and manage the climate-related risks associated with its economic activities.

Sustainable use and protection of water and marine resources

Swedavia represents a significant environmental impact on nearby surface water and groundwater resources since large, hardened surfaces change conditions for the filtration and concentration of surface water run-off into recipient water bodies. In Swedavia's operational area, the historical use of firefighting foam has left residual contaminants containing PFAS which spread to nearby soil and water. Swedavia therefore works actively with the delay and treatment of surface water, but also with the identification and separation of streams of pollution that are treated locally in order to reduce the load on nearby surface water and groundwater resources. Swedavia is at the cutting edge in evaluating, among other things, pilot trials to assess new technology for treating PFAS and has extensive sampling and mapping activities, which also include the study of environmental quality norms of recipient water bodies.

Transition to a circular economy

Stringent environmental requirements and generally accepted standards are set for all construction projects to reduce their environmental impact. For 2023, Swedavia has adopted a new goal of fossil-free construction operations. Environmental requirements include, for example, material selection managed through the non-profit organisation for material selection Byggarubedömningen as well as energy, resource use, vehicles, propellants and waste; read more on pages 32 and 48.

Pollution prevention and control

Systematic work for noise and dust abatement etc. is included in preventive measures for construction work. The work to submit environmental permits also includes measuring emissions in compliance with relevant best available techniques (BAT) conclusions.

Protection and restoration of biodiversity and ecosystems

Swedavia evaluates its impact on biodiversity for all environmental permit applications. To gain an understanding of the biodiversity around the airports, Swedavia has compiled natural heritage inventories. Swedavia sees a need to continue developing this work to align with future international biodiversity requirements.

Criteria for minimum safeguards

Human rights

Swedavia respects all internationally recognised human rights and commits to and runs its operations in accordance with the UN Guiding Principles on Business and Human Rights. In accordance with these principles, Swedavia has identified and assessed the risks and the impact that its operations have on human rights. Based on this review, internal processes and governing documents have been strengthened in order to systematically and continuously identify all kinds of human rights risks throughout the value chain. In 2022, Swedavia strengthened and developed its work for identifying, assessing, prioritising and managing human rights risks in its supplier and customer chains. No one on Swedavia's Board of Directors or executive management has been convicted of any human rights violation.

Taxes

Swedavia has a tax policy that stipulates that Swedavia shall follow the laws in effect regarding taxes, both in the design and aim of the laws (see pages 112–113).

Competition

Swedavia has a competition policy that stipulates that the company shall work under conditions of free competition, including equal conditions, in compliance with applicable laws and regulations, including competition regulations.

Definitions of the KPIs turnover, operating expenditure and capital expenditure

Turnover

The EU taxonomy's definition of the key performance indicator (KPI) turnover has been interpreted by Swedavia to mean the Group's net revenue for economic activities governed by the taxonomy, broken down into environmentally sustainable and not environmentally sustainable activities, divided by the Group's total net revenue. See Note 4, "Net revenue" for more information.

Most of the share of net revenue that is covered by the taxonomy and considered to be environmentally sustainable pertains to income from the sale of heat and cooling under activity 4.24, Production of heat/cool from bioenergy, which is reported under "Property revenue" in Note 4. Income from 4.24 has been calculated based on the share of Swedavia's own production relative to total use multiplied by total revenue from the sale of heat and cooling. Income from activity 6.17, Low-carbon airport infrastructure, is attributable to revenue in Aviation Business, where an assumption was made that revenue is roughly on a par with costs. Swedavia's interpretation of 6.17 is conservative, with most of its fossil-free airport operations excluded from this economic activity given that they cannot be traced to this activity; read more about Swedavia's fossil-free airport operations on pages 45–48.

The share of turnover covered by the taxonomy but considered not environmentally sustainable pertains to economic activity 7.7, Acquisition and ownership of buildings. Only income from buildings in the Real Estate segment is included in this activity. Buildings used in airport operations have been excluded. Swedavia has chosen to make this delimitation based on the judgement that these buildings do not have a clear connection to the definition of economic activity 7.7, Acquisition and ownership of buildings, but instead pertain to the activity of running airports, an activity not yet covered by the taxonomy. The share of net revenue covered by 7.7 pertains mostly to rental revenue reported under "Property revenue" in Note 4. Swedavia has issued green bonds, but we determined that, in our view, the green bonds did not result in any turnover aligned with the EU taxonomy in 2022.

Capital expenditure (CapEx)

The EU taxonomy's definition of the KPI capital expenditure has been defined by Swedavia as investments in activities covered by the taxonomy, broken down into environmentally sustainable and not environmentally sustainable activities, divided by the Group's total investments. Investments are recognised as the acquisition cost of an asset, excluding depreciation, amortisation and any impairment losses as well as any revaluation to fair value. Acquisition cost includes the purchase price and fees directly attributable to bringing the asset to the locations and condition necessary for it to be capable of operating in the manner intended during the year. For more information about investments, see Note 3, "Segment reporting", Note 14, "Intangible assets" and Note 15, "Fixed assets".

The main investments covered by the taxonomy and considered to be environmentally sustainable pertain to investments aligned with activity 7.3, Installation, maintenance and repair of energy-efficient equipment. These investments were in airport operations.

No investments were made in the activities that Swedavia has reported but which are not considered to be environmentally sustainable. These activities are included in 7.7, Acquisitions and ownership of buildings, where investments were made in buildings in the Real Estate segment, in line with the delimitation made regarding what buildings are included in the activity. See the section "Turnover" above for further information.

Swedavia has issued green bonds, but we determined in our review that the green bonds did not result in any investments aligned with the EU taxonomy during the year.

Operating expenditure (OpEx)

The EU taxonomy's definition of the KPI operating expenditure is significantly narrower than the common definition from a financial management perspective, where operating expenses are defined as the sum of external costs and staff expenses. Based on the EU taxonomy's definition, operating expenditure comprises research and development costs, renovation costs, short-term rental costs and costs for repair and maintenance. Based on the total external costs that Swedavia reports – see "External costs" in the consolidated income statement on page 103 – a judgement was made about what costs are included in the definition. Since Swedavia does not currently have systems support to extract operating expenditure in accordance with the EU taxonomy's definition, some simplifications and assumptions were made in determining total operating expenditure.

The definition of operating expenditure in the Annual and Sustainability Report 2022 differs from that for the previous year. In Swedavia's Annual and Sustainability Report 2021, operating expenditure was defined as the sum of consolidated external costs and staff expenses.

Most of the share of operating expenditure that is covered by the taxonomy and considered to be environmentally sustainable pertains to operating expenditure from the sale of heat and cooling in activity 4.24, Production of heat/cool from bioenergy. Operating expenditure is reported in the Airport Operations segment as external costs; see Note 3, "Segment reporting".

The share of operating expenditure for activities covered by the taxonomy but considered not environmentally sustainable pertains in full to activity 7.7, Acquisition and ownership of buildings. For a delimitation of what buildings are included in the activity, see the section "Turnover" above. Swedavia has issued green bonds, but we determined in our review that the green bonds did not result in any operating expenditure aligned with the EU taxonomy in 2022.

TAXONOMY

TURNOVER	Code/Codes (2)	Total turnover (3)	Share of turnover (4)	Substantial contribution criteria						Do No Significant Harm (DNSH) criteria							Minimum safeguards (17)	Taxonomy-aligned share of turnover, 2022 (18)	Taxonomy-aligned share of turnover, year N-1 (19)	Category (enabling activities) (20)	Category (transitional operations) (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)						
Economic activities (1)		SEK M	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	Enabling	Transitional	
A. ACTIVITIES COVERED BY THE TAXONOMY																					
A1 Environmentally sustainable (taxonomy-aligned) activities																					
Production of heat/cool from bioenergy		4.24	18	0.4	100	0	—	—	—	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.4				
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)		7.4	0	0	100	0	—	—	—	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0		E		
Environmentally sustainable (taxonomy-aligned) activities (A.1)			21	0.4	100	0	—	—	—	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.4				
A2. Activities covered by the taxonomy that are not environmentally sustainable (non-taxonomy-aligned)																					
Low-carbon airport infrastructure		6.17	2	0.1																	
Acquisitions and ownership of buildings		7.7	17	0.3																	
Turnover from activities covered by the taxonomy but not environmentally sustainable (non-taxonomy-aligned) (A.2)			17	0.4																	
Total (A.1 + A.2)			38	0.8													0.4				
B. ACTIVITIES NOT COVERED BY THE TAXONOMY																					
Turnover of activities not covered by the taxonomy (B)			4,808	99.2																	
Total (A+B)			4,846	100																	

TAXONOMY

CAPITAL EXPENDITURE	(2) Code/Codes	(3) Total turnover	(4) Share of turnover	Substantial contribution criteria						Do No Significant Harm (DNSH) criteria							(17) Minimum safeguards	Taxonomy-aligned share of capital expenditure, 2022 (18)	Taxonomy-aligned share of capital expenditure, year N-1 (19)	Category (enabling activities) (20)	Category (transitional operations) (21)
				(5) Climate change mitigation	(6) Climate change adaptation	(7) Water and marine resources	(8) Circular economy	(9) Pollution	(10) Biodiversity and ecosystems	(11) Climate change mitigation	(12) Climate change adaptation	(13) Water and marine resources	(14) Circular economy	(15) Pollution	(16) Biodiversity and ecosystems	Yes/No					
Economic activities (1)		SEK M	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	Enabling	Transitional
A. ACTIVITIES COVERED BY THE TAXONOMY																					
A1 Environmentally sustainable (taxonomy-aligned) activities																					
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	1	0	100	0	—	—	—	—	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0		E	
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling energy performance of buildings	7.5	1	0	100	0	—	—	—	—	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0		E	
Capital expenditure for environmentally sustainable (taxonomy-aligned) activities (A.1)		2	0.1	100	0	—	—	—	—	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.1			
A2. Activities covered by the taxonomy that are not environmentally sustainable (non-taxonomy-aligned)																					
Installation, maintenance and repair of energy-efficient equipment	7.3	12	0.6																		
Turnover of activities covered by the taxonomy but not environmentally sustainable (non-taxonomy-aligned) (A.2)		12	0.6																		
Total (A.1 + A.2)		14	0.7															0.1			
B. ACTIVITIES NOT COVERED BY THE TAXONOMY																					
Turnover of activities not covered by the taxonomy (B)		1,800	99.3																		
Total (A+B)		1,814	100																		

TAXONOMY

OPERATING EXPENDITURE	(2) Code/Codes	(3) Total turnover	(4) Share of turnover	Substantial contribution criteria						Do No Significant Harm (DNSH) criteria							(17) Minimum safeguards	Taxonomy-aligned share of operating expenditure, 2022 (18)	Taxonomy-aligned share of operating expenditure, N-1 (19)	Category (enabling activities) (20)	Category (transitional operations) (21)
				(5) Climate change mitigation	(6) Climate change adaptation	(7) Water and marine resources	(8) Circular economy	(9) Pollution	(10) Biodiversity and ecosystems	(11) Climate change mitigation	(12) Climate change adaptation	(13) Water and marine resources	(14) Circular economy	(15) Pollution	(16) Biodiversity and ecosystems	Yes/No					
Economic activities (1)		SEK M	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	Enabling	Transitional
A. ACTIVITIES COVERED BY THE TAXONOMY																					
A1 Environmentally sustainable (taxonomy-aligned) activities																					
Production of heat/cool from bioenergy		4.24	14	9.8	100	0	—	—	—	—	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9.8			
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)		7.4	0	0.3	100	0	—	—	—	—	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.3		E	
Operating expenditure for environmentally sustainable (taxonomy-aligned) activities (A.1)			14	11.1	100	0	—	—	—	—	Yes	Yes	Yes	Yes	Yes	Yes	Yes	11.1			
A2. Activities covered by the taxonomy that are not environmentally sustainable (non-taxonomy-aligned)																					
Low-carbon airport infrastructure		6.17	2	1.7																	
Acquisitions and ownership of buildings		7.7	3	1.8																	
Turnover of activities covered by the taxonomy but that are not environmentally sustainable (non-taxonomy-aligned) (A.2)			5	3.5																	
Total (A.1 + A.2)			19	13.6														11.1			
B. ACTIVITIES NOT COVERED BY THE TAXONOMY																					
Turnover of activities not covered by the taxonomy (B)			122	86.4																	
Total (A+B)			141	100																	

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.

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 into water, anti-skid treatment of runways and de-icing of aircraft are usually included. Monitoring to ensure compliance

with 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.

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.

DEBT/EQUITY RATIO*

The ratio the owner uses as a capital structure/gearing target 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 purchased electricity, district heating and cooling. Heating has been restated for a normal year.

ENGAGED LEADERS AND EMPLOYEES

Engaged leaders and employees is a composite index of all subject fields included in Swedavia's large-scale employee survey. The index is calculated as an average value of all responses to the questions. The average value has been indexed on a scale of 0–100. Since 2022, Swedavia has used a new tool to carry out employee surveys. The value for the current year is thus considered to be a base value.

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.

NET LIABILITIES

Interest-bearing liabilities plus pension liability less liquid assets.

OPERATING COSTS PER DEPARTING PASSENGER*

Total of Airport Operations' external costs 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.

Key metrics (cont.)

OWN EMISSIONS OF FOSSIL CARBON DIOXIDE AND CARBON DIOXIDE EQUIVALENTS

Own emissions of fossil carbon dioxide consist of fossil carbon dioxide emissions divided into Scope 1 and 2. 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, back-up power, own-produced heating and firefighting exercises. Scope 2 includes purchased electricity and heating for own use. Scope 3 includes purchased electricity and 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) and passengers' ground transport to and from the airports. 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 target are calculated based on data in Swedavia's SMIL environmental reporting system. Data for subsidiaries or associate 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 associate companies for a rolling twelve-month period divided by average operating capital. The metric is the owner's metric for profitability at Swedavia and one of the Group's sustainability targets. The measurement reflects the Group's capital costs.

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, serious incident, risk observation or work-related illness. All workplace accidents and work-related incidents and risk observations must be reported as soon as possible. All workplace accidents and serious workplace-related 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.

Definitions

ACI

International trade association for airports.

AIRPORT CARBON ACCREDITATION

ACA is a programme for measuring and grading how airports work to reduce their climate impact. The goal is for Swedavia's ten airports to be certified at the highest level, ACA 4+. Six of Swedavia's airports have now achieved that level.

AIRPORT OPERATIONS

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.

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 aviation security on airside.

AVERAGE OPERATING CAPITAL

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

AVIATION BUSINESS

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

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

climate-conscious decisions in selecting alternative solutions and materials.

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.

CUSTOMER HEALTH AND SAFETY

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

FACILITIES AND SYSTEMS

Business unit at Swedavia entrusted with the task of administering and developing the company's facilities and systems 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.

INTERNATIONAL AIRPORTS

Swedavia's International Airports is a grouping consisting of Stockholm Arlanda Airport, Bromma Stockholm Airport, Göteborg Landvetter Airport and Malmö Airport.

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.

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

In accordance with its owner's instructions, 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. Under the framework for the function and concern goals in Swedish transport policy, the company shall measure and give an account of the actual figures for five indicators in the areas of connectivity, transport quality, safety and environment.

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 connectivity throughout the country.

NET REVENUE

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

OPERATING CAPITAL

Equity plus net liabilities.

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 is a grouping consisting of 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 a set of core values within their sphere of influence in the areas of human rights, labour standards, the environment and anti-corruption.

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

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 2022. The company has defined the scope of the sustainability report on pages 66–69 in this document, and the Statutory Sustainability Report on page 70.

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 22 2023
KPMG AB

Tomas Gerhardsson **Torbjörn Westman**
Authorized public accountant 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 (MTN) programme. In October 2022, Swedavia published a new framework based on the updated Green Bond Principles 2021. 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, 2022.

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 2021. The framework includes the project categories:

- Green buildings
- Renewable energy
- Clean transportation
- 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 also issued a Second Opinion for Swedavia’s Green Bond Framework (Swedavia Green Bond Second Opinion, September 19, 2022). The project categories

renewable energy, clean transportation and energy efficiency were rated Medium to Dark Green, while the category pollution prevention and control was rated Dark Green, and the category green buildings was rated 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, 2022, totalled 2.667 billion Swedish kronor. Of this

approved amount, assets equivalent to 1.25 billion kronor have been placed in Swedavia’s green portfolio, which is equal to the amount of green bonds issued. Representatives of Swedavia’s different business areas 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 2022 at www.swedavia.com/about-swedavia/financial-information

GREEN PORTFOLIO AND ALLOCATION BY CATEGORY

SEK M	Investments	Amount paid	Allocation (%)
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 transportation	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



Risks

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 contributing to increased social development, environmental concern and economic growth.

All operations are associated with risk-taking. Opportunities and risks are assessed and managed to ensure that the owner’s goals for operations are reached. Properly managed external factors such as risks could lead to opportunities while a risk that is poorly managed could have a major negative impact on Swedavia and the rest of society. The work to identify, analyse, manage and monitor risks is a fundamental task 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 137–140, Note 43, “Financial risks”.

Responsibility for risk work

Operations have a responsibility to identify risks on a continuous basis. A so-called 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 owner 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, the Finance and Audit Committee and the Board of Directors. The Board of Directors, Finance and 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

The Group’s Risk Committee consists of members of the executive management and stakeholders from operations. They meet quarterly and prepare the Group’s risk report as well as serve as a cross-functional decision-making platform on strategic and Group-wide risk issues. The risk report is approved by Swedavia’s executive management and then prepared by Swedavia’s Finance and 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. The monitoring of risks is also part of the executive management’s review.



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
<p>ECONOMIC AREA</p> <p>– <i>Weak recovery in air traffic</i></p> <ul style="list-style-type: none"> • The pandemic has had a strong impact on air traffic globally, and the recovery has been challenging. The outlook for the future remains uncertain, which affects the world’s airlines, airports and the entire aviation ecosystem. • During the year, geopolitical tensions escalated further given the conflict in Ukraine. The macroeconomic trend has deteriorated, and there is a growing risk of ever worsening economic conditions. Increased inflation, rising interest rates, high energy prices and falling asset values can affect the demand for travel. • Increased competition from other airports challenges Stockholm Arlanda Airport’s market position. 	<ul style="list-style-type: none"> • Change in customer behaviour, more seasonal demand and an increased share of digital meetings. • Growing pressure to make the green transition for an aviation industry under great financial strain, which affects the ability to drive the development of fossil-free aviation. • Worse opportunities to achieve strategic goals and key metrics due to lack of progress in aviation’s green transition. 	<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. • Established a common roadmap to achieve fossil-free Swedish aviation in collaboration with the industry.
<p>– <i>Risk of weak profitability and challenges for long-term funding</i></p> <ul style="list-style-type: none"> • Weak passenger growth means lower revenue and the risk that costs will be negatively affected by inflation as well as shortages and price increases for important goods and services. • Uncertainty and changes in passenger volumes going forward entail challenges in adjusting costs. 	<ul style="list-style-type: none"> • Big negative impact on Swedavia’s financial position. • Difficulty meeting owner’s economic target. • Need for increased financing and shareholder contribution. • Limited access to materials and products necessary to operations. • Uncertainty and a change in demand can entail difficulties keeping operating costs on a par with those in Swedavia’s scenarios. 	<ul style="list-style-type: none"> • Optimise commercial revenue. • Review the need for volume-based cost adjustments and lasting structural efficiency improvements on a continuous basis. • Ensure that targets set for costs during the recovery are in line with capacity demand. • Adjust investment portfolio to current capacity need as well as current financial position. • Assess measures to strengthen financial position. • Increased stock levels to manage shortage of materials and components.
<p>SOCIAL DEVELOPMENT AREA</p> <p>– <i>Risk of imbalance between capabilities and resources</i></p> <ul style="list-style-type: none"> • Lengthy period of great uncertainties and change as well as the rapid post-Covid recovery are challenging for employees and leaders. • Increased competition in the labour market from industries that have seen strong growth during the pandemic. • External operators at Swedavia’s airports have challenges staffing their operations. 	<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 the job specifications and capabilities of leaders and employees. • High workload for leaders hiring staff due to the scale of staffing needs and regulatory requirements. 	<ul style="list-style-type: none"> • Take inventory of competencies on a continuous basis. • Carry out and give priority to business-critical recruitment to replace staff in key areas. • Resume forward-looking activities such as leader programmes and skills development. • Transparent, positive communication that involves employees to encourage engagement and faith in the future. • Activities and support for leaders in times of uncertainty. • Collaborate with operators at the airport on recruitment activities.

RISK DESCRIPTION

POTENTIAL IMPACT

MEASURES

SOCIAL DEVELOPMENT AREA *(cont.)*

– *Inadequate work with occupational health and safety*

- Risks in this area consist of failure to adhere to systematic work with occupational health and safety and the psychosocial perspective.
- A strong recovery is under way while a new organisational structure is being implemented.
- There is also always the risk of accidents on construction projects and in day-to-day operations at the airports.

- Increased number of incidents, absences due to illness and accidents.
- Increased workload and stress.
- Limitations on the running of operations.
- Dismissals and loss of competencies.

- Regular training in occupational health and safety.
- System for workplace incidents accessible to all via Swedavia’s intranet and app.
- Tools and support materials to conduct safety walks and safety talks.
- Methods and focused risk management template for a 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

– *Negative effect on commercial revenue*

- Slow passenger growth due to uncertainty around the world.
- Challenges in safeguarding a long-term customer base and attracting new commercial customers to the airports.
- Continued challenges in generating commercial revenue since there is a very strong correlation with the passenger trend.
- Postponement of Swedavia’s development projects can entail risks for the company’s revenue budget as well as for future earnings expectations.

- Risk of bankruptcy for airlines and commercial operators.
- The uncertain situation can contribute to commercial customers taking a cautious approach, which would challenge Swedavia’s revenue streams.
- A change in the customer base and new travel patterns affect the attractiveness of offers and can increase competition from other transport modes.

- Market dialogue to understand a new market in terms of willingness to invest, business models and interest in Swedavia’s business and airports.
- Ensure engagement for development plans and product plans to safeguard conditions needed for commercial business.
- Established preparedness and methods of working to close down spaces based on the current market situation.

– *Operational challenges in adjusting to capacity needs*

- Uncertain forecasts and scenarios for passenger growth affect ability to quickly transform and adapt operations to new capacity needs.
- Difficult to assess and decide on medium- and long-term plans for the growth and development of the airports.
- Insufficient capability to realise terminal development plans at a fast enough pace.
- Regulatory changes, which can contribute to more stringent requirements for capacity and space.

- Insufficient use of infrastructure.
- Capacity shortage and reduced punctuality.
- New and temporary flows as well as new technology can challenge processing speed.
- Deterioration in customer satisfaction.
- Work under way on critical infrastructure limits capacity and makes a rapid restart more difficult.

- Plan and prepare based on scenarios (low, medium, high) for recovery in traffic and passenger volume.
- Development of analytical tools for capacity.
- Continued work with development plans.
- Participation in international collaborative organisations in order to jointly affect and create effective solutions.
- Operational coordination of processes and operators with a high impact on capacity in a short-term perspective.
- Communication measures to enable an improved customer experience and increased customer satisfaction.

– *Dependence on large customers*

- Dependence on a small number of large airline customers entails less competition and weaker or no connectivity in a number of regions in Sweden as well as worse transfer possibilities for people travelling elsewhere in the world or in Sweden.

- 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 connectivity.

- Continuously monitor the financial stability of Swedavia’s large customers.
- Continue to work for a broad customer base and work with great focus for route development to attract new customers.
- Scenario planning has been developed to ensure management in adverse events.

RISK DESCRIPTION

POTENTIAL IMPACT

MEASURES

CUSTOMER AREA (cont.)

– Risk of shutdown in operations

- The airports' processes and continuous operation depend on a high level of access in critical facilities and systems.
- External events such as a supply disruption, IT-related incidents, weather phenomena or antagonistic threats constitute a risk to airport operations.

- Airport operations are disrupted or shut down.
- Deterioration in connectivity, punctuality, passenger experience or atmosphere have a negative effect on Swedavia's brand.

- 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.

– Lack of implementation capacity for construction and civil engineering projects

- Risk of delays in Swedavia's ongoing projects.
- Inadequate quality in planning documentation and insufficient coordination between units involved.

- Lack of maintenance of adjoining building components, technical installations and fittings creates a risk that the scope of projects will be expanded in order to meet requirements and quality standards.
- Deficient as-built documentation entails a risk of increased costs, lost time and increased risks of workplace accidents.

- Establish a change management process that contributes to improved performance of projects alongside ongoing operations.
- Secure production plans for major projects and increased collaboration for structured operational handover.

– Insufficiently comprehensive view in asset management and development

- 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.

- Increased occurrence of disruptions in systems and processes.

- Develop and implement structural capital as models, systems and a common way of working.
- Increased collaboration between administrative management and portfolio management.

– Cyber risk

- The cyber threat picture for all operations around the world remains very significant with a high level of activity among threat actors, which is now considered the new normal.
- 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.

- Unauthorised people gain access to information or systems.
- Non-compliance can lead to restrictions in Swedavia's permits and certificates as well as penalties.
- Operational disruptions or shutdowns.

- 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.

– Risk of negative impact on brand

- After the pandemic and very low demand, the rapid recovery is a challenge for the industry and its operators.
- Low trust in aviation as an efficient and punctual transport mode.
- Continued climate debate combined with insufficient progress on aviation's green transition.

- Partners can choose other industries for collaboration, which can lead to businesses not setting up new operations and existing customer dialogues being challenging.
- Due to low punctuality and inefficient flows, aviation and especially domestic air transport can no longer compete with other transport modes.
- People's view of aviation's emissions can affect the choice of transport mode for business and individuals.

- Active work with measures such as brand surveys for relevant target groups.
- Communication measures to describe Swedavia's strategic vision and plan to carry out its mission internally and externally.
- Ensure a strong brand that inspires trust in Swedavia as an infrastructure operator and for aviation as an efficient and sustainable transport mode.
- Active participation in the climate debate in partnership with the industry's other operators and partners.

ENVIRONMENTAL AREA

– Risk of impact on business due to climate change

- Interest groups promote quick measures to reduce the climate impact, such as reduced air travel.
- The EU Taxonomy's technical screening criteria are so stringent that no airports will be able to comply with them.
- Insufficient capacity in the power grid.
- Major changes in climate, precipitation, heat waves and more.

- Negative view of aviation due to climate debate.
- Introduction of economic instruments that have a negative impact on airline finances and do not reduce the climate impact.
- Reduced air travel and lost revenue.
- Increased costs for operations and facilities to implement climate adaptation measures.
- Climate adaptation measures such as electrification are made more difficult when there is a capacity shortage.

- Drive the dialogue on a joint roadmap for fossil-free Swedish aviation.
- Work actively to ensure connectivity and production of sustainable aviation fuel (SAF).
- Review management plans, development plans and masterplans to ensure climate adaptations.
- Safeguard power supply in order to enable access to infrastructure for the green transition.

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. Work to identify, analyse, manage and monitor different kinds of risks is carried out on a continuous basis in Swedavia's operations.

The results from the workshop held in the autumn of 2021 serve as the basis for Swedavia's TCFD-aligned reporting.

Swedavia works on a continuous basis with scenario analyses in its operations. In 2022, various climate trends were included in the scenarios for operations in 2030. This work serves as the basis for Swedavia's materiality analysis, TCFD reporting and strategic focus, which will be presented in 2023. TCFD divides risks into transition risks and physical risks. Transition risks are risks related to the transition to a lower carbon economy. Physical risks are risks that can entail direct damage to assets or indirect damage such as a shutdown of airport operations due to a lengthy 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. What is classified as sustainable fuel can change, which would affect access to sustainable fuel and the price of the fuel if it is not considered sustainable. Affects our climate work and our brand if it is no longer possible to use renewable propellants.
Companies, tenants, partners and suppliers do not want to be associated with aviation.	Reduced attractiveness for the airport as a marketplace can 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 the aviation industry.	Risk of damaging the brand and reducing revenue.
Swedavia's employer brand is undermined.	Limits the potential to attract the right competencies and retain employees.
Higher operational costs as a result of increased taxes or other emissions-related regulations.	Increases material costs, especially during the transition period.
Physical risk	
Lengthy shutdown in airport operations due to extreme weather.	Affects revenue, may increase costs and damage 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 in sustainability and innovation.
- Transition to fossil-free aviation creates new routes and a new market.

- A reinforced brand through Swedavia's active climate work increases attractiveness, which creates opportunities commercially as well as opportunities as an employer.
- Protection of assets and investments that pay off in the long term.

- Enhanced intermodality means reduced emissions and attractive travel.
- Higher valuation for certified buildings.
- Favourable funding of capital through green transition.



Financial information

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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 2022. 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 2022, 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 socio-economically 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 connectivity, 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 connectivity".

IMPORTANT EVENTS DURING THE YEAR

The year 2022 was characterised by a strong recovery in both passenger volumes and connectivity after the significant downturn during the Covid-19 pandemic years of 2020 and 2021. However, the year started out with an increased spread of the omicron variant, which led to the reintroduction of restrictions and reduced air traffic. The effects of this virus variant gradually decreased, and most restrictions were lifted in early February. As a result, demand for travel increased sharply starting in March and continued to rise for the rest of the year.

In 2022, 27.6 million passengers flew via Swedavia's airports. That is more than twice as many passengers as in 2021, when Swedavia had 11.9 million passengers. Passenger volume in 2022 was 70 per cent of the volume compared to 2019, the year before the pandemic.

On February 15, 2022, the previous Swedish government appointed a commission entrusted with the task of preparing a plan for the development and expansion of Stockholm Arlanda Airport, including its environmental permit. The investigator was also instructed to take into consideration assessments and proposals included in the report Bromma Airport – Documentation for Decommissioning and Closure (doc no: I2021/02251). The government thus wanted to ensure sufficient airport capacity at Stockholm Arlanda Airport in order to shut down Bromma Stockholm Airport in the long term.

The commission's report was presented on June 17 and was then open to public consultation until October 31, 2022. Among the commission's findings were that preparations for expanding capacity at Stockholm Arlanda Airport need to be accelerated, essential air transport services need to be brought together at Stockholm Arlanda Airport, more people should take mass transport to the airport, the need for increased capacity in the road and rail transport system around Arlanda has to be investigated, an aviation fuel commission should be appointed, and it was proposed that Bromma Stockholm Airport only operate fossil-free air traffic after 2030 and could be closed at the earliest in 2035.

On March 21, 2022, four land-owning companies with building rights in the logistics park at Göteborg Landvetter Airport were sold. The underlying property value was SEK 60 M and the capital gain was SEK 43 M.

Scandinavian Airlines (SAS) is one of Swedavia's biggest customers. On July 4, pilots employed by SAS Scandinavia went on strike. Flights operated by SAS Link, SAS Connect and SAS's external partners were not affected

by the strike. On July 19, the parties announced that an agreement had been reached and the strike ended. SAS serves all of Swedavia's airports except Bromma Stockholm Airport, and the strike had a negative effect on Swedavia's traffic and revenue.

On July 5, SAS and some of its subsidiaries filed for Chapter 11 bankruptcy protection (a legal process for financial restructuring) in the US. On July 7, the US court announced that SAS can maintain its normal business operations while the Chapter 11 proceedings are under way. So far, these proceedings have not had any negative effect for Swedavia. The process is monitored continuously by Swedavia in order to assess any future consequences.

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

The owner's decision to provide a shareholder contribution of SEK 2.5 billion in October 2020 was based on market terms. Following the filing of a complaint, the European Commission examined the shareholder contribution in light of the praxis established during the Covid-19 pandemic. After examining the matter, the Legal, Financial and Administrative Services Agency determined on October 5, 2022, that Swedavia must repay SEK 879 M of the shareholder contribution paid earlier plus SEK 19 M in interest. The payment was made to the Agency on October 31, 2022.

Swedavia previously received restructuring aid totalling SEK 441 M on account of the Covid-19 pandemic. It is management's view that the decision from the Legal, Financial and Administrative Services Agency on this matter may entail a requirement for repayment, and as a result a reserve was set aside for the full amount in the annual accounts.

The review of the shareholder contribution and uncertainty about the potential effect on other restructuring aid were noted earlier in the risk section in Swedavia's quarterly reports and Annual and Sustainability Report 2021.

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

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

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

NET REVENUE AND PROFIT

Consolidated net revenue for 2022 was SEK 4,846 M (2,717). In the Airport Operations segment, net revenue increased SEK 2,109 M to SEK 4,824 M (2,715). Net revenue in the Real Estate segment was SEK 40 M (39).

Revenue from Aviation Business and Commercial Services totalled SEK 2,995 M (1,653), which was SEK 1,342 M or 81 per cent higher compared to 2021, mostly due to higher passenger volumes and increased air traffic. Revenue from Commercial Services was SEK 1,819 M (1,051), an increase of SEK 768 M or 73 per cent compared to the previous year. The recovery in passenger volumes led to higher revenue from Parking & Entry and Retail, Food & Beverage, which combined was SEK 696 M higher compared to the previous year at SEK 1,216 M (520). Property revenue was higher compared to the previous year at SEK 457 M (399), mostly due to increased revenue from the sale of electricity and heating to others. Revenue from Commercial Services during the year was positively affected by State rent relief of SEK 8 M (24).

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

External costs and staff expenses, including own work capitalised, totalled SEK 3,912 M (3,031), which was SEK 881 M higher compared to the previous year. Increased costs are mostly explained by operations being adjusted to handle more than twice the passenger volume compared to 2021, but also by price effects from energy and inventory purchases. In 2021, State aid for employee furloughs had a positive effect of SEK 81 M.

Depreciation, amortisation and impairment losses totalled SEK 1,363 M (1,382). Consolidated operating profit totalled SEK -783 M (-1,385) and the consolidated operating margin was -16.2 per cent (-51.0). Excluding restructuring costs, impairment losses and capital gains, operating profit was SEK -799 M (-1,420). Excluding a reserve for potential repayment of restructuring aid, the underlying operating profit was SEK -358 M (-1,420).

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

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

LIQUIDITY AND FINANCIAL POSITION

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

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

Liquid assets decreased SEK 840 M and at the end of the year totalled SEK 1,260 M (2,100). Short-term investments at the end of the year totalled SEK 392 M (297), which is an increase of SEK 95 M since year-end 2021. Net liabilities increased SEK 1,864 M, from SEK 9,293 M to SEK 11,157 M.

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

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

At year-end, there were no unutilised framework loan agreements; at year-end 2021, unutilised framework loan agreements totalled SEK 500 M.

Return on operating capital, excluding restructuring costs, capital gains, impairment losses and disposals, at the end of the year was -3.3 per cent (-6.3).

CASH FLOW

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

Cash flow from operating activities for the full year was positive and totalled SEK 541 M (-293), which was SEK 834 M higher compared to

2021. The improved cash flow is mainly explained by higher cash-generating income. Cash flow from the change in operating capital was SEK -56 M (169).

Cash flow from investing activities was SEK -1,767 M (-1,386), which was SEK 381 M higher than in 2021. Payments attributable to investments totalled SEK 1,814 M (1,831). The sale of subsidiaries generated a positive cash flow of SEK 64 M (488). During the year, increased short-term investments generated a net cash flow of SEK -95 M (-122).

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

INVESTMENTS

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

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

Swedavia's financial targets set by its owner	Actual, 2022	Target
Return on operating capital, %	-3.3	6.0
Debt/equity ratio, times	1.0	0.7-1.5
Dividend pay-out ratio, %	—	10-50

Key financial figures	Actual, 2022	Actual, 2021	Policy
Average interest rate, %	2.2	1.3	n/a
Interest rate lock-in period, years	4.2	2.9	1-5
Capital tie-up period, years	3.6	4.4	2-5

THE GROUP IN BRIEF¹

SEK M, unless otherwise indicated	2022	2021	2020	2019	2018
Net revenue	4,846	2,717	2,494	6,235	5,922
Operating profit	-783	-1,385	-1,593	709	682
Operating margin, %	-16.2	-51.0	-63.9	11.4	11.5
Profit for the year	-709	-1,182	-1,282	583	517
Return on operating capital, %	-3.3	-6.3	-7.5	4.6	4.6
Debt/equity ratio, times	1.0	0.8	1.0	1.1	1.1
Investments	1,814	1,831	2,856	3,460	3,195
Dividend	—	—	—	—	—
Average number of employees	2,364	2,244	2,600	3,050	3,217
Number of passengers, million	27.6	11.9	10.3	40.2	42.0
Operating costs per departing passenger, SEK	291.4	526.2	677.5	212.6	200.7
Commercial sales revenue per departing passenger, SEK	88.1	86.9	98.0	81.0	75.2

¹ For key metrics and definitions, see pages 77–79.

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 -3.3 per cent (-6.3), which is 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 783 M operating loss for the year. The debt/equity ratio was 1.0 times (0.8), 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, 2022. The par value of a share is one (1) Swedish krona.

ACQUISITIONS AND DISPOSALS

On March 21, 2022, four wholly-owned subsidiaries – Logistic 4.1 Landvetter AB, Logistic 4.2 Landvetter AB, Logistic 4.3 Landvetter AB and Logistic 4.4 Landvetter AB – in the logistics park at Göteborg Landvetter Airport were sold. The underlying property value was SEK 60 M, the capital gain was SEK 43 M, and the purchase price was SEK 54 M. The transaction generated a positive cash flow of SEK 60 M.

MARKET AND FUTURE TRENDS

Swedavia's operations were affected by the Covid-19 pandemic in 2020 and 2021 in the form of decreased air traffic and thus decreased revenue

and a deterioration in profit. However, there was a strong recovery in air traffic in 2022, which had a positive effect on Swedavia. The year began with an increased spread of the virus due to the omicron variant, which entailed the reintroduction of restrictions and reduced air traffic. The effects of this virus variant gradually decreased, and most restrictions were lifted in early February. As a result, demand for travel rose sharply in March and continued to rise during the rest of the year. Due to growing demand for flights, airlines gradually expanded their offering by adding destinations and increasing the number of departures.

During the year, 27.6 million passengers flew via Swedavia's airports. That is more than twice the number of passengers as in 2021, and passenger volume during the year overall was 70 per cent of the volume in 2019, before the pandemic. Given the accelerating rate of recovery, during the last part of the year, the number of passengers was nearly 80 per cent of the volume in 2019. The increase in passengers during the year entailed increased revenue and improved profitability.

Despite the recovery that took place in 2022, it is difficult to forecast future passenger trends, partly due to the lingering effects of the pandemic and partly due to the uncertain geopolitical situation and economic uncertainty. Swedavia instead works on a continuous basis with assessments of what passenger volumes may be going forward using 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 able to manage quick and unforeseen changes.

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	+32/-32
Salary level	+1/-1	-16/+16
Interest rate level	+1/-1	-9/+9

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 67 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 revenue 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. A 1 per cent increase in passenger volume is estimated to increase Swedavia's revenue by SEK 32 M (16) on an annualised basis.

Salary level

With an average of 2,364 (2,244) employees, Swedavia had staff expenses totalling SEK 1,664 M (1,484). A 1 per cent increase in staff expenses would increase Swedavia's staff expenses by 16 M (16) on an annualised basis.

Interest rate level

As of December 31, 2022, Swedavia had external loan financing totalling SEK 11,144 M (9,672), which constituted 42 per cent (38) of the balance sheet.

As of December 31, 2022, 92 per cent (96) of Swedavia's external financing was at fixed rates and 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 8.5 M (4.0), 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 8.5 M (-4.0) 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 constitutes the main factors that have an immediate impact on air traffic and thus a negative impact on revenue. A deterioration in the situation around the world and the impact of macroeconomic factors such as increased inflation and higher prices for energy, propellants and commodities have a negative impact on the global economy, which in turn affects the development of the aviation industry. Swedavia is sensitive to policy decisions that can affect air traffic and to changes in the general public's attitudes to air traffic. Climate-related risks may affect Swedavia's operations and financial position both in the short and long term.

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. The District Court issued a ruling on the case on March 24, 2022, in Swedavia's favour. The ruling has been appealed by the counterparty, and the Court of Appeal has granted leave of appeal.

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 43, "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 25, 2022. 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, "Employees and staff expenses".

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 70 in the Annual and Sustainability Report.

EVENTS AFTER THE BALANCE SHEET DATE

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

PARENT COMPANY

The Parent Company's net revenue for the year was SEK 4,824 M (2,698), which compared to 2021 is an increase of SEK 2,126 M, mostly attributable to increased passenger volumes, starting in the second quarter and continuing through the rest of the year. Other operating revenue, SEK -392 M (233), was affected by a reserve for potential repayment of a shareholder contribution of SEK 441 M and restructuring aid of SEK 20 M (208). Operating profit for the full year was SEK -890 M (-1,592) and the operating margin was -18.4 per cent (-59.0). Profit before tax was SEK -183 M (-1,056) and profit for the year was SEK -25 M (-898).

The Parent Company's non-current assets totalled SEK 21,402 M (20,540) and consist mostly of fixed assets at a value of SEK 18,858 M (18,248). Current assets totalled SEK 3,557 M (4,015), with SEK 1,260 M (2,100) of this liquid assets. Equity totalled SEK 9,249 M (10,204). The Parent Company's liabilities and untaxed reserves totalled SEK 15,710 M (14,351) and consist mostly of interest-bearing liabilities. For further information, see the Parent Company's financial reports and related notes and comments.

DISTRIBUTION OF EARNINGS

The proposed distribution of profit is based on the Annual and Sustainability Report 2022. The proposed distribution of profit, income statement and balance sheet for the Parent Company as well as the statement of comprehensive income and statement of financial position for the Group will be presented at the Annual General Meeting on April 28, 2023.

In its proposed distribution of profit, the Board of Directors proposes that the company's shareholder decide that Swedavia AB not pay any dividend for the financial year 2022 and that the funds available instead be carried forward.

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

Share premium account	2,161,354,539
Hybrid bonds	3,500,000,000
Retained earnings	2,162,483,527
Profit for the year	-24,654,379
	7,799,183,687

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

To be carried forward	7,799,183,687
of which to the share premium account	2,161,354,539
of which to the hybrid bonds	3,500,000,000
of which to retained earnings	2,137,829,148

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 2022 was -3.3 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.

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

ANNUAL GENERAL MEETING

Swedavia AB's Annual General Meeting will take place on April 28, 2023. The Annual Report and other financial reports will be available on Swedavia's website www.swedavia.com.

CALENDAR

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

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.

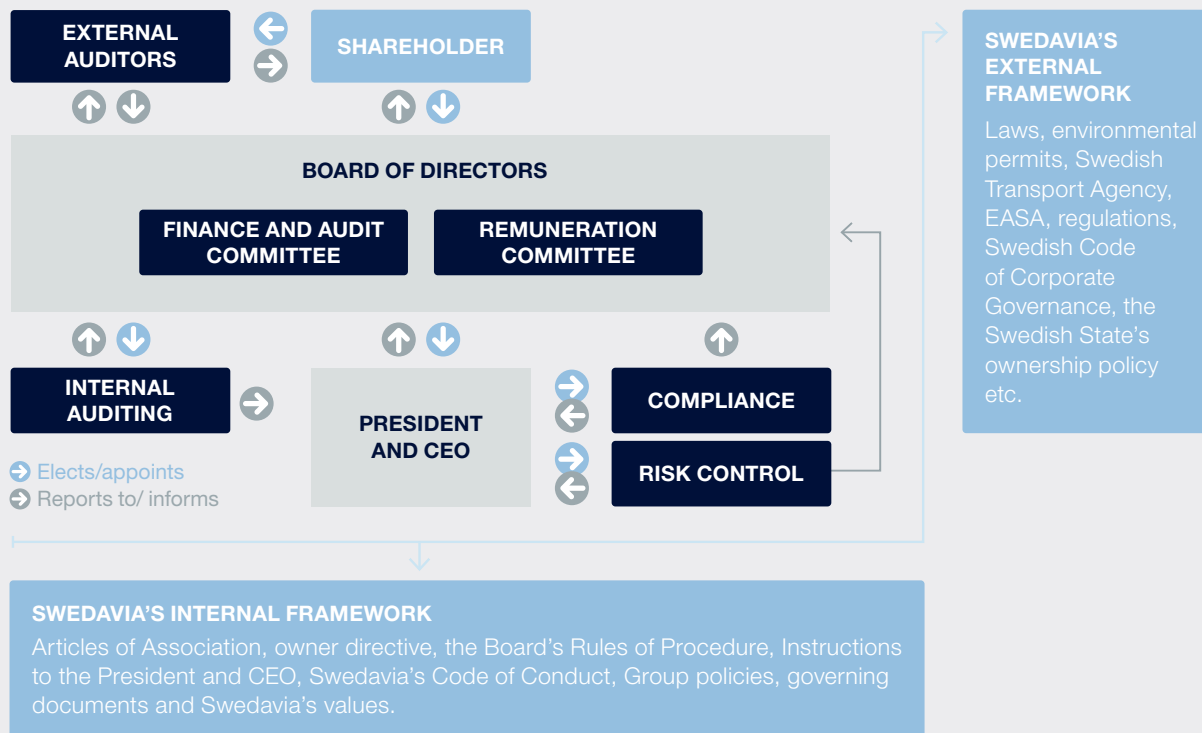
All shares in Swedavia AB are owned by the Swedish State. In 2022, the Ministry of Enterprise and Innovation represented the Swedish State's shares at Swedavia's Annual General Meeting and general meetings and nominated Board members for Swedavia.

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 above right.



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 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 2022 was held on April 25, 2022. 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. Åke Svensson was elected Chairman of the Board by the AGM.

The AGM adopted the Annual Report Annual and Sustainability Report for 2021, and discharged the Board members and the President and CEO from liability for the financial year 2021. 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 a number of 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 THE 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.

In 2022, the nomination process for Board members was 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.

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 owner's nomination process is used in place of a Nomination Committee.
Code rules 4.4, 4.5 and 4.6 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.

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 of Directors 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 Finance and 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 2022, 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 101–102 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 competencies, 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 2022 elected nine members, four men and five women. The employee representatives in 2022 were two men. The average age of Swedavia's Board members, including the employee representatives, was 61.

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 matters 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 2022

The Board held eight regular Board meetings, three extraordinary meetings and one statutory meeting in 2022. The meetings in 2022 dealt in particular with the company's situation during the rapid recovery after the Covid-19 pandemic and related issues such as the adjustment and rebuilding of capacity. 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 2022 were:

- The company's situation in connection with the recovery after the Covid-19 pandemic
- The company's situation in connection with capacity adjustment and queue problems at Stockholm Arlanda Airport
- Issues related to the status of the development plan for Stockholm Arlanda Airport concerning the new security checkpoint and marketplace
- The Arlanda investigation
- The Airport investigation
- Financing and capital structure issues
- Bromma Stockholm Airport and the commission's report on the airport's closure
- Strategic development
- Connectivity 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

Facts about the Board of Directors

Members elected at the AGM	Main Board	Attendance Board meetings	Year elected	Attendance Finance and Audit Committee	Attendance Remuneration Committee
Åke Svensson ¹	Chairman	12/12	2016	4/9	5/5
Tor Clausen ²	Member	12/12	2020	5/9	
Nina Linander	Member	11/12	2020	9/9	
Lotta Mellström	Member	12/12	2015	9/9	5/5
Lars Mydland	Member	12/12	2014		
Eva Nygren	Member	12/12	2020		
Per Sjödel	Member	12/12	2020		5/5
Lottie Svedenstedt	Member	12/12	2010		5/5
Annica Ånäs	Member	11/12	2020		
Employee representatives					
Robert Olsson	Member	12/12	2010		4/5
Agne Lindbom	Member	12/12	2018		
Conny Moholi	Deputy	0/12	2018		
Mikael Nordenståhl	Deputy	0/12	2018		

¹ Åke Svensson stepped down from the Finance and Audit Committee in conjunction with the statutory Board meeting on April 25, 2022.

² Tor Clausen was elected as a member on the Finance and Audit Committee in conjunction with the statutory Board meeting on April 25, 2022.

- Work with aviation safety
- Work with aviation security
- Sustainability work
- Swedavia's and the industry's work for a green transition
- EU Taxonomy, CSRD and Climate-Related Financial Disclosures (TCFD)
- Injunction from the Swedish Transport Agency related to CNS certificate

* 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 a Finance and 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 Finance and 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. The Chairman reports to the Board, and minutes for each committee meeting are attached to the summons for the next Board meeting. In 2022, the Finance and Audit Committee held nine meetings, for which minutes were kept, two of which were held by correspondence. The company's internal and external auditors attended the meetings. During the year,

among the matters dealt with by the Finance and Audit Committee were financial reports, internal and external audits, management of operational risks and monitoring of the company's risk management work. The committee also ensured compliance with rules in, among other areas, financial reporting, accounted standards and other requirements for listed companies. The Finance and Audit Committee also dealt with internal audit's reports and conducted an in-depth review of financing issues and sustainability issues.

The 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 2022 and completed a tender process for the AGM 2023. Since the 2022 statutory Board meeting, the Finance and Audit Committee includes Board members Nina Linander, Lotta Mellström and Tor Clausen. The committee appointed Nina Linander as Chair in a meeting held by correspondence.

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 2022, 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 furthermore prepared matters for the assessment of the Board of Directors, including an assessment of the work of the President and CEO. An assessment of the Board was then carried out using a questionnaire with the help of an external operator, which was then assessed by the company's own management. The committee likewise reviewed the results and monitoring of Swedavia's continuous pulse measurements regarding employee feedback and in particular workplace issues during the recovery after the Covid-19 pandemic.

The committee also reviewed the President and CEO's succession planning and leadership development for executive officers. Since the 2022 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 2022

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 developing 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 470,000, and each member is paid SEK 234,000. 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 Finance and Audit Committee is paid a fee of SEK 45,000 and the committee members are each paid SEK 26,000. A fee of SEK 25,000 for the Chair 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 2022. 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 2022, 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 103–104.

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 25, 2022, 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 associate companies

Swedavia AB had one subsidiary at year-end 2022: Swedavia Real Estate AB, which in turn is the parent company of a property group. In 2022, the former subsidiary Swedavia Airport Telecom AB merged with the parent company, Swedavia AB. Through Swedavia Real Estate, Swedavia also has one associate company, Swedish Airport Infrastructure. Joint ventures are strategic partnerships and entail joint ownership of 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 associate 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 2022, the company's Board of Directors submits proposals for the election of an auditor after a recommendation from the Finance and 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 25, 2022, the audit firm KPMG was elected as auditor. Audit duties are to be performed until the end of the AGM held in 2023. KPMG then designated authorised public accountant Tomas Gerhardsson 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, which is monitored by the Finance and 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. Internal auditing provides independent, objective assurance and advisory services to add value and improve Swedavia's operations. The head of internal auditing reports functionally to the Finance and Audit Committee and administratively to the the Director of Legal and Governance. Internal auditing's reports are presented to the responsible member of the executive management, and a summary of results and measures is presented to the Finance and Audit Committee. In 2022, internal auditing 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 procedure 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. Leaders at all levels are responsible for ensuring that the organisation complies with the delegations of responsibility and authority, financial governing documents and other Group requirements. The governance and control environment is aimed at providing operations in a clear way with the conditions needed for carrying out their tasks in accordance with the Board's goals, targets and intentions as well as influencing control awareness and risk awareness in the organisation.

The control environment consists essentially of external documents such as laws, agreements, generally accepted accounting principles, the Swedish State's 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 authorisation to enter agreements, make investment decisions and approve 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 to the right 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	AGM
The Board of Directors' rules of procedure	Board of Directors
Rules of procedure for the Finance and 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 procedure 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 airport units, Business units and Group units, which have responsibility for identifying, assessing and reporting risks on a continuous basis.

The second line of defence consists of the company’s Director of Legal and Governance, who is responsible for the procedure for general governing documents such as the company’s policies. The company has a risk manager who is responsible for managing risks and ensuring that the company complies with the risk management framework adopted. For a detailed description of Swedavia’s risk management, see pages 82–87.

The third line of defence consists of the company’s internal auditing, which examines Swedavia’s operations and reports to the Finance and Audit Committee on a regular basis. Assessment and management of risks are carried out on a continuous basis by the line manager, who reports to the risk manager on a quarterly basis. Prior to the start of each quarter, an additional risk assessment is made by the company’s Risk Committee, which is documented as a consolidated Group risk report. This risk report is approved by the President and CEO and then prepared by the Finance and Audit Committee before it is adopted by the Board. Financial risks are managed and reviewed on a quarterly basis in a special report on compliance with the company’s financial and credit policies, which is prepared by the Finance and 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 in 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 Finance and Audit Committee

INCLUDED IN OPERATIONS



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 Finance and 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 Finance and Audit Committee also has the possibility of in-depth dialogue and follow-up on financial and accounting matters with the company’s CFO and auditors, who take 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 in relation to 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 char-

acterised 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 recovery and capacity challenges after the Covid-19 pandemic, in 2022 the executive management also held a large number of regular and follow-up meetings on a continuous basis.

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 inspection function.

Swedavia's Board of Directors

As of December 31, 2022.



ÅKE SVENSSON

Chairman of the Board (elected 2016), Chairman Remuneration 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 Finance and Audit Committee (elected 2020).

Born: 1962.

Other Board duties: Wexthuset AB (Chairman), Goldmarsh AB, Paradisparkering 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.



NINA LINANDER

Chair Finance and Audit Committee (elected 2020).

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 Finance and 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 RNAS/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.



EVA NYGREN

Member (elected 2020).

Born: 1955.

Other Board duties: Troax Group AB, Ballingslöv International AB, NRC Group AS, Prince Eugen's Waldemarsudde Foundation and Kaj Johansson Group AB.

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.

Swedavia's Board of Directors

As of December 31, 2022.



PER SJÖDELL

Member (elected 2020), member Remuneration Committee.

Born: 1972.

Other Board duties: Posti Group OY (Vice Chairman), Identity Works AB / IW Family AB (Chairman), Arkvision Nordic AB (Chairman), CIP Global Executive Search AB (Chairman), Equestrian Stockholm AB (Chairman), Parfym Sverige AB / Parfym Sverige Holding AB (Chairman), Husse Group AB (Chairman), Spendrups Bryggeriaktiebolag (member), Carismar Software AB / Carismar Holding AB (member), Haypp Group AB (member) and Spring Wine & Spirits AB (member).

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: Tillväxt Helsingborg (Chairman), Gullberg & Jansson AB, Helsingborg IF (Vice Chairman) 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.



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.

Work experience: Formerly apron technician Swedavia.



ROBERT OLSSON

Employee representative (elected 2010) on Remuneration Committee.

Born: 1966.

Other Board duties: Chairman, Swedish Union of Civil Servants.

Education: Upper secondary school, trade union training etc.

Safety officer/security guard, Swedavia.

DEPUTY MEMBERS

CONNRY MOHOLI

Born: 1966.

MIKAEL NORDENSTÅHL

Born: 1961.

AUDITOR

TOMAS GERHARDSSON

Principal auditor, KPMG AB.

Born: 1969.

Swedavia's executive management

As of December 31, 2022.



JONAS ABRAHAMSSON
President and CEO.

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: Regional Manager Uppsala County, Skanska, Assistant Division Head Stockholm Peab, CEO Bjerking, Director of Major Projects, Swedish Transport Administration.
Board duties: None.



ANNA BOVALLER
Chief Legal Officer.

Born: 1963.
Education: Law degree, Lund University, IHM Master in 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.

Swedavia's executive management

As of December 31, 2022.



CHARLOTTE LJUNGGREN
Chief Commercial Officer.

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 of 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.



ALI SADEGHI
Director of Facilities & Systems.

Born: 1976.

Education: Construction Engineering, KTH Royal Institute of Technology.

Work experience: Director of Investments, Swedish Transport Administration. Director New Mainlines, Swedish Transport Administration.

Board duties: Chairman, Swedavia Real Estate AB.



MATS PÅLSSON
Chief Financial Officer.

Born: 1963.

Education: Economics programme, 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	2022	2021
Net revenue	3, 4, 5	4,846	2,717
Other operating revenue	6	-349	325
Total revenue		4,497	3,042
Own work capitalised		121	161
External costs	7	-2,370	-1,707
Staff expenses	8	-1,664	-1,484
Depreciation, amortisation and impairment losses on fixed assets and intangible assets	9	-1,363	-1,382
Other operating costs	10	-5	-14
Operating income		-783	-1,385
Profit from financial items	11		
Profit from holdings in associate companies and joint ventures		72	71
Financial income		24	4
Financial expenses		-182	-131
Profit before tax		-870	-1,441
Tax	13	161	258
Profit for the year		-709	-1,182
Earnings per share	33		
Earnings per share, before and after dilution, SEK		-0.55	-0.83
Number of shares		1,441,403,026	1,441,403,026

Consolidated statement of comprehensive income

Amounts in SEK M	Note	2022	2021
Profit for the year		-709	-1,182
Other comprehensive income:			
Items that can be reclassified to the income statement			
Cash flow hedges:			
Reclassified to the income statement		35	8
Change in value for the year		629	177
Tax		-137	-38
Other comprehensive income, associate companies and joint ventures, net		39	13
Items that can be reclassified to the income statement			
Revaluations of defined benefit pensions		271	-3
Tax		-56	1
Total other comprehensive income, net after tax		782	157
Comprehensive income for the year		73	-1,025

Consolidated balance sheet

Amounts in SEK M	Note	Dec 31, 2022	Dec 31, 2021
ASSETS			
Non-current assets			
Intangible assets	14	695	702
Other fixed assets	15, 16, 17, 18, 19	19,080	18,464
Right-of-use assets	22	1,031	1,088
Investment properties	21	634	668
Biological assets	20, 23	97	83
Deferred tax assets	37	138	169
Derivative instruments	20, 28	665	42
Non-current financial assets	24, 25, 26, 28	1,439	1,282
Total non-current assets		23,778	22,498
Current assets			
Materials and supplies	29	78	62
Trade receivables	28, 43	489	383
Receivables from associate companies and joint ventures	5	11	27
Derivative instruments	20, 28	7	—
Other receivables	30	126	248
Prepaid expenses and accrued income	31	146	95
Short-term investments	32	392	297
Liquid assets	28, 40	1,260	2,100
Total current assets		2,509	3,213
TOTAL ASSETS		26,288	25,711

Amounts in SEK M	Note	Dec 31, 2022	Dec 31, 2021
EQUITY AND LIABILITIES			
Equity			
Share capital	33	1,441	1,441
Other paid-in capital		3,783	4,661
Hedge reserves	43	533	6
Hybrid bonds		3,500	3,500
Retained earnings including profit for the year		1,827	2,381
Total equity		11,084	11,990
Non-current liabilities			
Provisions	34, 35, 36	915	1,153
Interest-bearing liabilities	38, 39	8,800	8,002
Lease liabilities	22, 38	972	1,022
Derivative instruments	20, 28, 43	2	35
Other non-current liabilities		13	128
Total non-current liabilities		10,700	10,339
Current liabilities			
Provisions	34, 36	49	98
Interest-bearing liabilities	38, 39	2,344	1,671
Derivative instruments	20, 28, 43	4	4
Lease liabilities	22, 38	122	122
Trade payables		613	565
Liabilities to associate companies and joint ventures	5	33	64
Other liabilities	41	629	305
Accrued expenses and prepaid income	42	710	553
Total current liabilities		4,503	3,382
TOTAL EQUITY AND LIABILITIES		26,288	25,711

Consolidated statements of changes in equity

Amounts in SEK M	Share capital	Other paid-in capital	Hedge reserves	Hybrid bonds	Retained earnings including profit for the year	Total equity
2022						
Equity, opening balance, Jan 1, 2022	1,441	4,661	6	3,500	2,381	11,990
Interest expenses, hybrid bonds	—	—	—	—	–81	–81
Repayment of unconditional shareholder contribution plus interest	—	–879	—	—	–19	–898
Total transactions with owner etc.	—	–879	—	—	–100	–979
Profit for the year	—	—	—	—	–709	–709
Other comprehensive income	—	—	527	—	255	782
Total comprehensive income for the year	—	—	527	—	–454	73
Equity, closing balance, Dec 31, 2022	1,441	3,782	533	3,500	1,827	11,084

Amounts in SEK M	Share capital	Other paid-in capital	Hedge reserves	Hybrid bonds	Retained earnings including profit for the year	Total equity
2021						
Equity, opening balance, Jan 1, 2021	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

Consolidated cash flow statement

Amounts in SEK M	Note	2022	2021
Operating activities	45		
Profit before tax		-870	-1,441
Adjustments for items not included in cash flow etc.		1,524	993
Tax paid		-57	-16
		597	-463
Increase(-)/Decrease(+) in materials and supplies		-16	-5
Increase(-)/Decrease(+) in operating receivables		-92	160
Increase(-)/Decrease(+) in operating liabilities		52	14
Cash flow from operating activities		541	-293
Investing activities			
Disposal of subsidiaries	45	64	488
Acquisition of intangible assets	3	-56	-74
Acquisition of fixed assets	3	-1,758	-1,755
Acquisition of short-term investments	32	-2,199	-347
Disposal of short-term investments	32	2,104	225
Dividend from associate companies	5	79	78
Cash flow from investing activities		-1,767	-1,386
Financing activities			
Hybrid bond issue	33	—	2,500
Hybrid bonds, interest expenses and transaction costs	33	-81	-18
Repayment of unconditional shareholder contribution plus interest	33	-898	—
Loans borrowed	38, 39	3,694	4,494
Loans repaid	38, 39	-2,223	-4,555
Lease liabilities repaid	22	-107	-104
Cash flow from financing activities		385	2,317
Cash flow for the year		-840	638
Liquid assets, opening balance		2,100	1,462
Liquid assets, closing balance		1,260	2,100

Parent Company income statement

Amounts in SEK M	Note	2022	2021
Net revenue	3, 4, 5	4,824	2,698
Other operating revenue	6	-392	233
Total revenue		4,431	2,932
Own work capitalised		121	161
External costs	7	-2486	-1,913
Staff expenses	8	-1,701	-1,494
Depreciation/amortisation and impairment losses on fixed assets and intangible assets	9	-1,251	-1,263
Other operating costs	10	-5	-14
Operating income		-890	-1,592
Profit from financial items	11		
Profit from holdings in Group companies	5	700	—
Interest income and similar items		35	10
Interest expenses and similar items		-186	-141
Profit after financial items		-340	-1,722
Appropriations	12	157	667
Profit before tax		-183	-1,056
Tax	13	158	157
Profit for the year		-25	-898

Parent Company statement of comprehensive income

Amounts in SEK M	Note	2022	2021
Profit for the year		-25	-898
Other comprehensive income		—	—
Comprehensive income for the year		-25	-898

Parent Company balance sheet

Amounts in SEK M	Note	Dec 31, 2022	Dec 31, 2021
ASSETS			
Non-current assets			
Intangible assets	14	523	555
Fixed assets	15, 16, 17, 18, 19	18,858	18,248
Non-current financial assets	24, 25, 26, 27, 37	2,022	1,737
Total non-current assets		21,402	20,540
Current assets			
Materials and supplies	29	78	61
Trade receivables	28, 43	485	372
Receivables from Group companies	5	1,061	808
Receivables from associate companies and joint ventures	5	11	27
Other receivables	30	97	227
Prepaid expenses and accrued income	31	172	123
Short-term investments	32	392	297
Cash and bank balances	28, 40	1,260	2,100
Total current assets		3,557	4,015
TOTAL ASSETS		24,959	24,555
EQUITY AND LIABILITIES			
Equity	33		
Restricted equity			
Share capital (1,441,403,026 shares)		1,441	1,441
Reserve for development expenditures		9	17
Total restricted equity		1,450	1,458

Amounts in SEK M	Note	Dec 31, 2022	Dec 31, 2021
Unrestricted equity			
Share premium reserve		2,161	2,161
Hybrid bonds		3,500	3,500
Retained earnings		2,162	3,983
Profit for the year		-25	-898
Total unrestricted equity		7,799	8,746
Total equity		9,249	10,204
Total untaxed reserves			
	12	988	1,083
Provisions for pensions and similar obligations	34, 35	1,098	1,106
Other provisions	36	392	376
Total provisions		1,491	1,482
Bond loans	38, 39	4,600	4,302
Liabilities to credit institutions	38, 39	4,200	3,700
Other non-current liabilities		—	118
Total non-current liabilities		8,800	8,120
Bond loans	38, 39	1,450	1,571
Liabilities to credit institutions	38, 39	893	100
Trade payables		605	559
Liabilities to Group companies	5	109	536
Liabilities to associate companies and joint ventures	5	33	64
Other current liabilities		627	290
Accrued expenses and prepaid income	42	714	546
Total current liabilities		4,431	3,666
TOTAL EQUITY AND LIABILITIES		24,959	24,555

Parent Company statements of changes in equity

Amounts in SEK M	Restricted equity		Unrestricted equity			Total equity
	Share capital	Fund for development expenditures	Share premium reserve	Hybrid bonds	Retained earnings	
2022						
Equity, opening balance, Jan 1, 2022	1,441	17	2,161	3,500	3,084	10,204
Interest expenses, hybrid bonds	—	—	—	—	-81	-81
Merger difference, Swedavia Airport Telecom AB	—	—	—	—	49	49
Repayment of unconditional shareholder contribution plus interest	—	—	—	—	-898	-898
Total transactions with owner etc.	—	—	—	—	-930	-930
Reclassification to/from fund for development expenditures	—	-7	—	—	7	—
Profit for the year	—	—	—	—	-25	-25
Other comprehensive income	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	-25	-25
Equity, closing balance, Dec 31, 2022	1,441	9	2,161	3,500	2,138	9,249

Amounts in SEK M	Restricted equity		Unrestricted equity			Total equity
	Share capital	Fund for development expenditures	Share premium reserve	Hybrid bonds	Retained earnings	
2021						
Equity, opening balance, Jan 1, 2021	1,441	28	2,161	1,000	3,920	8,551
Hybrid bond issue	—	—	—	2,500	—	2,500
Transaction costs, hybrid bonds	—	—	—	—	-3	-2
Interest expenses, hybrid bonds	—	—	—	—	-15	-15
Merger difference, Swedavia Energi AB	—	—	—	—	68	68
Total transactions with owner etc.	—	—	—	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

Parent Company cash flow statement

Amounts in SEK M	Note	2022	2021
Operating activities	45		
Profit before tax		-340	-1,722
Adjustment for items not included in cash flow etc.		1,283	1,185
Tax paid		-22	-5
		920	-542
Increase(-)/Decrease(+) in materials and supplies		-16	-5
Increase(-)/Decrease(+) in operating receivables		-318	979
Increase(-)/Decrease(+) in operating liabilities		-127	-436
Cash flow from operating activities		461	-4
Investing activities			
Payment received for merger		—	5
Acquisition of intangible assets		-56	-74
Acquisition of fixed assets		-1,758	-1,703
Acquisition of short-term investments	32	-2,199	-347
Disposal of short-term investments	32	2,104	225
Cash flow from investing activities		-1,909	-1,894
Financing activities			
Hybrid bond issue	33	—	2,500
Hybrid bonds, interest expenses, transaction costs	33	-81	-18
Repayment of unconditional shareholder contribution plus interest	33	-898	—
Loans borrowed	38, 39	3,694	4,494
Loans repaid	38, 39	-2,223	-4,555
Group contribution received	3	116	120
Cash flow from financing activities		608	2,541
Cash flow for the year		-840	643
Liquid funds, opening balance		2,100	1,457
Liquid funds, closing balance		1,260	2,100

Notes

NOTE 1 Corporate information and accounting principles

Swedavia AB (publ), Swedish corporate identity number 556797-0818, has its registered officer 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 choose 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 and provisions 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 2022

None of the new and revised standards and pronouncements applied since January 1, 2022, 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 2023 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 2023 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 2024 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.

Associate companies and joint ventures

Holdings in associate 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 associate company or joint venture is equivalent to the Group's share of the associate company's or joint venture's equity and any residual value of the consolidated premiums or discounts. The Group's share of the associate company's or joint venture's profit after tax adjusted for any depreciation/amortisation or liquidation of surplus or deficit value acquired is recognised in the consolidated income statement as "Profit from holdings in associate companies and joint ventures".

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 associate companies and joint ventures are eliminated against "Holdings in associate 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 retail, food & beverage category and revenue from leases in the property revenue category are recognised under IFRS 16; see below.

The car parking & entry revenue category 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 for. 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 through 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 the Covid-19 pandemic, the Swedish State has introduced a restructuring 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, associate 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 carry forwards 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 significant renovation or new construction 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 carrying amount of the asset 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 or 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 in which they arose. Interest expenses are calculated based on the Group's average interest rate for all loan liabilities.

Additional expenditures are added to the carrying amount of the asset 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 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

Trade payables have a short expected maturity and are measured at their nominal amount with no discounting.

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 of assets after impairment losses 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 associate 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 43.

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 at their nominal amount with no discounting. 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.

Cash flow hedge

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 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 interest expense for the defined benefit obligation is recognised in profit for the year from financial items. The interest expense 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.

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 2021.

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.

Associate companies and joint ventures

Holdings in associate 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 reserves

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 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 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 35.

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 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	
	2022	2021	2022	2021	2022	2021	2022	2021
Income statement Jan–Dec¹								
Net revenue	4,824	2,715	40	39	–18	–37	4,846	2,717
Other operating income	–392	233	43	101	0	–9	–349	325
Capitalised work for own account	121	161	—	—	—	—	121	161
Operating costs	–4,155	–3,339	–55	–43	171	176	–4,038	–3,206
Depreciation, amortisation and impairment losses	–1,226	–1,245	–22	–25	–114	–112	–1,363	–1,382
Operating profit	–828	–1,475	7	72	38	18	–783	–1,385
Gain/loss from holdings in associate companies and joint ventures	—	—	72	71	—	—	72	71
Profit from holdings in subsidiaries	700	—	—	—	–700	—	—	—
Financial income	35	10	—	0	–11	–6	24	4
Financial expenses	–199	–148	–9	–6	26	24	–182	–131
Group contribution	48	36	–48	–36	—	—	—	—
Profit before tax	–244	–1,577	21	101	–647	35	–870	–1,441
Tax	171	265	1	1	–11	–7	161	258
Profit for the year	–73	–1,312	22	102	–658	28	–709	–1,182
Other segment information								
Gain/loss from holdings in associate companies and joint ventures	—	—	72	71	—	—	72	71
Investments	1,798	1,777	16	54	—	—	1,814	1,831
Gain/loss from sale of shares, holdings and operations	—	–2	43	101	—	–9	43	90
Restructuring costs	6	18	—	—	—	—	6	18
Impairment losses/disposals	22	52	—	—	—	—	22	52
Balance sheet, as of December 31¹								
	Airport Operations		Real Estate		Eliminations/adjustments		Group	
	2022	2021	2022	2021	2022	2021	2022	2021
Non-current assets	21,100	20,292	1,632	1,637	1,047	569	23,778	22,498
Current assets	3,557	3,934	144	455	–1,191	–1,176	2,509	3,213
Total assets	24,656	24,227	1,776	2,091	–144	–607	26,288	25,711
Equity	10,461	11,298	685	1,324	–62	–631	11,084	11,990
Liabilities	14,195	12,929	1,091	768	–82	24	15,204	13,720
Total equity and liabilities	24,656	24,227	1,776	2,091	–144	–607	26,288	25,711

¹ One customer accounted for 14 per cent (13) of the Group's revenue in 2022, equal to SEK 701 M (410), allocated to both segments.

NOTE 4 Net revenue

Revenue by source ¹	Airport Operations		Real Estate		Eliminations/adjustments		Group	
	2022	2021	2022	2021	2022	2021	2022	2021
Aviation Business								
Passenger-related revenue	1,278	578	—	—	—	—	1,278	578
Aircraft-related revenue	585	325	—	—	—	—	585	325
Externally regulated charges	781	539	—	—	—	—	781	539
Ground handling	208	116	—	—	—	—	208	116
Other ancillary services	143	93	—	—	—	—	143	93
Total Aviation Business	2,995	1,653	—	—	—	—	2,995	1,653
Commercial Services								
Parking & entry	716	339	—	—	—	—	716	339
Retail, food & beverage	500	181	—	—	—	—	500	181
Property revenue	438	384	32	32	-13	-16	457	399
Advertising	83	61	-8	—	—	—	83	61
Other commercial products	67	79	—	7	-12	-15	63	70
Total Commercial Services	1,804	1,044	39	39	-24	-31	1,819	1,051
Other net revenue	25	19	1	1	6	-6	32	14
Total net revenue	4,824	2,715	40	39	-18	-37	4,846	2,717
Of which revenue for contracts with customers	4,111	2,355	28	25	-5	-21	4,134	2,359
Of which not revenue for contracts with customers	712	360	12	15	-12	-17	712	358

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 4,100 M (2,314), which pertains to total net revenue as of December 31 apart from revenue in retail, food & beverage of SEK 500 M (181) and some property revenue of SEK 245 M (222). For the full year, revenue under IFRS 16 totalled SEK 745 M (403), with SEK 726 M (385) of this attributable to the Airport Operations segment and SEK 19 M (17) 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 2022 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.

Contract assets and contract liabilities from contracts with customers:

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Contract assets	74	22	74	22
Contract liabilities	110	104	110	104

Impairment losses recognised on any contract assets arising from contracts with customers totalled SEK 0 M (0) during the year.

	Group	
	2022	2021
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of periods	104	40
Revenue recognised during the reporting period from performance obligations satisfied in previous periods	22	7

NOTE 5 Related party transactions

Related party transactions involve transactions with State-owned companies or operations that conduct business in which the Swedish State has a controlling interest. 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 to associate companies and joint ventures, see Note 28. Shares in Group companies are specified in Note 27, "Receivables from and liabilities to associate companies and joint ventures" and in Note 26, "Holdings in associate companies and joint ventures".

Concerning long-term receivables from the Swedish Transport Administration related to the restoration reserve for estimated future expenditures to remedy identified historical environmental damage, see Note 25, "Other long-term receivables" and Note 36, "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	
	2022	2021	2022	2021
Sale of goods and services				
Subsidiaries	—	—	16	46
Associate companies and joint ventures	46	63	46	38
Total sale of goods and service	46	63	62	84
Sale of immovable property or other assets				
Subsidiaries	—	—	7	3
Associate companies and joint ventures	—	—	—	—
Total sale of immovable property or other assets	—	—	7	3
Purchases of goods and services				
Subsidiaries	—	—	6	94
Associate companies and joint ventures	17	106	17	106
Total purchases of goods and services	17	106	23	200
Other				
Subsidiaries, net interest	—	—	9	6
Subsidiaries, dividends	—	—	700	—
Associate companies and joint ventures, dividends	79	78	—	—
Associate companies and joint ventures	79	78	709	6
Receivables				
Subsidiaries	—	—	1,061	808
Associate companies and joint ventures	11	27	11	27
Total receivables	11	27	1,072	835
Liabilities				
Subsidiaries	—	—	109	536
Associate companies and joint ventures	33	64	33	64
Total liabilities	33	64	142	600

Transactions with the Swedish State

Swedavia AB is wholly owned by the Swedish State. The products and services of the group are provided to the Swedish 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 204 M (237) and purchases of goods and services totalled SEK 304 M (276). In 2022, Swedavia received government grants totalling SEK 28 M (313), with SEK 20 M (208) this for restructuring aid, SEK — M (81) for aid for furloughs and SEK 8 M (24) for rent concessions.

Transactions with the Swedish State related to taxes and payroll fees have not been included.

Receivables and liabilities for subsidiaries pertained mostly to bank deposits and other receivables while liabilities for subsidiaries consisted of interim balances and invoice balances.

Receivables and liabilities for associate companies and joint ventures pertained mostly to invoice balances.

NOTE 6 Other operating income

	Group		Parent Company	
	2022	2021	2022	2021
Other operating income				
Restructuring aid received and provisioned for possible repayment	–421	208	–421	208
Capital gains	51	98	8	7
Other	21	20	21	18
Total	–349	325	–392	233

Concerning restructuring aid received and provisioned for possible repayment, the provision for possible repayment of restructuring aid was SEK –441 M and restructuring aid received was SEK 20 M for 2022. Capital gains pertain to the sale of subsidiaries, SEK 43 M (92), and other capital gains of SEK 8 M (7).

NOTE 7 Remuneration and reimbursements to auditors

	Group		Parent Company	
	2022	2021	2022	2021
KPMG				
Auditing assignments	3	3	3	3
Other assignments	1	1	1	1
Total	4	4	4	4

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 2022.

NOTE 8 Employees and staff expenses

	2022			2021		
	Total	Share of women, %	Share of men, %	Total	Share of women, %	Share of men, %
Average number of employees, Sweden						
Parent Company	2,364	33	67	2,244	34	66
Group	2,364	33	67	2,244	34	66
	2022			2021		
	Total	Share of women, %	Share of men, %	Total	Share of women, %	Share of men, %
Average number of executive officers						
Board members	9	56	44	9	56	44
Other executive officers, including the President and CEO	11	45	55	10	50	50

	Group		Parent Company	
	2022	2021	2022	2021
Salaries, other benefits and payroll taxes, SEK M				
Salaries and other benefits				
Board of Directors	2	2	2	2
President and CEO	23	22	23	22
Other employees ¹	1,103	971	1,103	971
Total	1,128	995	1,128	998
Payroll taxes ²	503	471	540	481
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	128	133	165	143
Other staff-related expenses	32	18	32	18
Total staff expenses	1,664	1,484	1,701	1,494

¹ Salaries were reduced by SEK — M (76) in conjunction with furloughs. SEK — M (14) was related to salary waivers and SEK — M (62) was related to government grants.

² Payroll taxes were reduced by SEK — M (24) in conjunction with furloughs, SEK — M (5) of which was related to salary waivers and SEK — M (19) of which was related to government grants.

Board remuneration 2022, SEK T	Finance and Audit Committee	Remuneration Committee	Other benefits
	Board fee	Committee	Committee
Chairman of the Board			
Åke Svensson ¹	467	8	25
Board members			
Nina Linander	233	44	—
Lotta Mellström	—	—	—
Lars Mydland	233	—	—
Lottie Svedenstedt	233	—	20
Tor Clausen ²	233	17	—
Eva Nygren	233	—	—
Per Sjödel	233	—	20
Annica Ånäs	233	—	—
Total	2,095	69	65

¹ Åke Svensson stepped down from the Finance and Audit Committee in conjunction with the statutory Board meeting on April 25, 2022.

² Tor Clausen was elected to the Finance and Audit Committee in conjunction with the statutory Board meeting on April 25, 2022.

Board remuneration 2021, SEK T	Finance and Audit Committee	Remuneration Committee	Other benefits
	Board fee	Committee	Committee
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 Clausen	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.

Remuneration to the Board is based on the fees adopted by the AGM, with one twelfth of the annual fee paid monthly. The fees are adopted at the AGM in April and are in effect until the next AGM. For administrative reasons, it means that the fee is for the period May 1–April 30. This overview gives an account of what was paid during a single calendar year, which may entail different remuneration levels for different parts of the calendar year.

Guidelines for Board remuneration

Swedavia follows the State's guidelines for Board remuneration. A fee is paid to the Chairman of the Board and Board members based on a decision at the AGM on April 25, 2022. No pension contribution is paid for Board members. No remuneration is paid to Board members who are employed by the Swedish Government Office. 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 to members of the Finance and Audit Committee is based on a decision taken at the AGM held on April 25, 2022. Since the statutory Board meeting on April 28, 2021, the Finance and Audit Committee consists of Nina Linander as committee chair and Tor Clausen and Lotta Mellström as committee members.

Remuneration to the Remuneration Committee is based on a decision taken at the AGM held on April 25, 2022. Since the statutory Remuneration Committee meeting on April 25, 2022, Board chairman Åke Svensson is committee chair and Board members Lotta Mellström, Per Sjödel and Lottie Svedenstedt are committee members, while Robert Olsson is employee representative.

Remuneration to executive officers ¹ in 2022, SEK T		Base salary	Other benefits ⁸	Pension expense	Total remuneration	Employer's period of notice of termination + number of months' severance pay
President and CEO	Jonas Abrahamsson	4,673 ²	4	1,390	6,067	6 + 12
Director of Projects	Johan Bill	2,288	15	687	2,990	6 + 6
Chief Legal Officer	Anna Bovaller	1,618	3	442	2,063	6 + –
Chief Operating Officer, International Airports	Peder Grunditz ⁴	2,074	13	565	2,651	6 + 6
Acting Chief Commercial Officer	Christina Hiller ³	262	3	55	320	3 + –
Director of Strategic Initiatives & Innovation	Fredrik Jaresved	1,553	4	390	1,947	6 + 6
Chief Commercial Officer	Charlotte Ljunggren ⁴	2,274	4	659	2,937	6 + 6
Director of Regional Airports	Susanne Norman	1,646	3	422	2,071	6 + 6
Director of Facilities and Systems	Caroline Ottoson ⁵	1,129	5	330	1,464	6 + 6
Chief Financial Officer	Mats Pålsson	2,513	3	742	3,258	6 + 6
Director of Facilities and Systems	Ali Sadeghi ⁶	900	0	270	1,170	6 + 6
Acting Director of Facilities and Systems	Elisabeth Svedberg ⁷	215	1	48	264	6 + –
Director of Business Support	Marie Wiksborg	1,979	3	546	2,528	6 + 6
Total		23,123	61	6,545	29,729	

¹ Remuneration has been recognised based on the period that each executive officer was part of the executive management team. Recognised remuneration consists of monthly salary, additional salary where applicable, and statutory holiday pay. Pension expense includes a premium for supplementary health insurance.

² The amount includes a market salary adjustment as of August 1, 2022.

³ Christina Hiller assumed the position of acting Chief Commercial Officer on June 15, 2022 and has been a co-opted member of the executive management team since October 18, 2022.

⁴ Due the absence of the person normally holding the position, Charlotte Ljunggren assumed the position of acting Chief Operating Officer, International Airports during the period June 15 to August 15, 2022. Charlotte Ljunggren also served as acting head of Stockholm Airports/Airport Director of Stockholm Arlanda Airport during the period June 15 to December 31, 2022. Charlotte Ljunggren represented the Marketing & Sales Business unit on the executive management team until October 17, 2022.

⁵ Caroline Ottoson stepped down from her position as Director of Facilities and Systems and from the executive management team on June 9, 2022, and then assumed a position outside the company.

⁶ Ali Sadeghi assumed the position of Director of Facilities and Systems on August 1, 2022.

⁷ Elisabeth Svedberg served as acting Director of Facilities and Systems during the period June 10 to July 31, 2022, during the wait for the new executive officer to assume the position.

⁸ Benefits consist primarily of benefits in the form of parking, public transport allowances and health insurance.

Remuneration to executive officers ¹ in 2021, SEK T		Base salary	Other benefits ⁶	Pension expense	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 Major Projects	Johan Bill	2,252	15	676	2,943	6 + 6
Chief Legal Officer	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 of Strategic Initiatives & Innovation	Fredrik Jaresved ⁴	255	1	64	320	6 + 6
Director of Marketing & Sales, International Airports	Charlotte Ljunggren	2,121	4	627	2,752	6 + 6
Director of Regional Airports	Susanne Norman	1,564	3	400	1,967	6 + 6
Director of 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 of 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. Recognised remuneration consists of 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 his position as 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 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 Chief Commercial Officer, 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.

NOTE 9 Depreciation, amortisation and impairment losses on fixed assets and intangible assets

Depreciation/amortisation	Group		Parent Company	
	2022	2021	2022	2021
Goodwill	—	—	25	25
Other intangible assets	62	61	62	61
Buildings and land	371	390	368	389
Field structures	19	20	0	—
Electrical installations, vehicles and equipment	257	262	256	261
Field structures	634	612	521	492
Sub-total	1,343	1,346	1,231	1,228
Impairment losses				
New construction in progress	20	37	20	36
Sub-total	20	37	20	36
Total	1,363	1,382	1,251	1,263

NOTE 10 Other operating expenses

	Group		Parent Company	
	2022	2021	2022	2021
Other operating expenses				
Cost for disposal of fixed assets	2	15	2	15
Other	3	-1	2	-1
Total	5	14	5	14

NOTE 11 Financial income and expenses

	Group		Parent Company	
	2022	2021	2022	2021
Profit from holdings in associate companies and joint ventures				
Portion of profit for the year from holdings in associate companies and joint ventures	72	71	—	—
Total	72	71	—	—

	Group		Parent Company	
	2022	2021	2022	2021
Financial income				
Interest income	20	4	29	10
Net effect, changes in foreign exchange rates	5	—	6	—
Total	24	4	35	10

	Group		Parent Company	
	2022	2021	2022	2021
Financial expenses				
Interest expenses, financial liabilities	97	33	148	79
Interest rate derivatives	24	40	24	40
Interest on pension expense for the year	13	7	—	—
Interest expenses, lease liabilities	33	35	—	—
Net effect, changes in foreign exchange rates	—	2	—	8
Other financial expenses	15	14	14	13
Total	182	131	186	141

Financial income is related to financial instruments recognised at amortised cost. Financial expenses pertaining to interest expenses from financial liabilities under "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 pertaining to liabilities to credit institutions, corporate bonds and commercial paper. Borrowing costs related to refurbishment and new construction projects, totalling SEK 51 M (46), were capitalised during the year. The average interest rate for 2022 is 2.2 per cent (1.1).

NOTE 12 Appropriations and untaxed reserves

	Parent Company	
	2022	2021
Appropriations		
Change in accelerated depreciation/amortisation	109	550
Group contribution received	48	117
Total appropriations	157	667
Untaxed reserves		
Accumulated accelerated depreciation/amortisation ¹	988	1,083
Total untaxed reserves	988	1,083

¹ During the year, Swedavia Airport Telecom AB merged with the Parent Company, Swedavia AB, and accumulated accelerated depreciation/amortisation increased SEK 15 M.

Accumulated accelerated depreciation/amortisation is calculated based on other intangible assets, electrical installations, vehicles and equipment.

NOTE 13 Tax

	Group		Parent Company	
	2022	2021	2022	2021
Current tax expense (-)/tax income (+)				
Current tax expense	—	-1	—	—
Restatement of tax pertaining to previous years	-1	0	0	—
	-1	-1	0	—
Deferred tax expense (-)/tax income (+)				
Deferred tax for temporary differences	143	261	140	160
Restatement of deferred tax for temporary differences pertaining to previous years	19	-2	19	-2
	162	259	159	157
Total recognised tax expense	161	258	158	157

Group	2022		2021	
	Per cent	Amount	Per cent	Amount
Reconciliation of effective tax				
Profit before tax		-870		-1,441
Tax calculated using tax rate in effect	20.6	179	20.6	297
Tax effect of non-deductible costs	-1.4	-13	-1.1	-16
Tax effect of non-taxable revenue	1.1	10	1.4	21
Temporary difference, not reversed	-3.6	-31	-1.9	-27
Tax for taxation in previous years	2.1	18	-0.1	-2
Other	-0.3	-3	-1.0	-15
Recognised effective tax	18.5	161	17.9	258

Parent Company	2022		2021	
	Per cent	Amount	Per cent	Amount
Reconciliation of effective tax				
Profit before tax		-183		-1,056
Tax calculated using tax rate in effect for the Parent Company	20.6	38	20.6	217
Tax effect of non-deductible costs	-6.8	-12	-1.4	-15
Tax effect of non-taxable revenue	79.1	145	0.0	0
Loss for the year, not used	-16.9	-31	-2.6	-27
Tax for taxation in previous years	10.3	19	-0.2	-2
Other	0.2	0	-1.5	-16
Recognised effective tax	86.5	158	14.9	157

In the consolidated accounts, non-taxable income in 2022, SEK 10 M, and in 2021, SEK 21 M, is mostly capital gains from the sale of shares and holdings. In the Parent Company, non-taxable income in 2022 of SEK 145 M is mostly intra-Group dividends from subsidiaries.

NOTE 14 Intangible assets

Intangible assets	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Goodwill	352	352	179	204
Other intangible assets	344	351	344	351
Total	695	702	523	555

Goodwill	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Accumulated cost				
Opening balance	352	352	493	493
Closing balance	352	352	493	493
Accumulated scheduled amortisation				
Opening balance	—	—	-290	-265
Scheduled amortisation for the year	—	—	-25	-25
Closing balance	—	—	-315	-290
Carrying amount, closing balance	352	352	179	204

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 totalled SEK 352 M in the Group with the transition to IFRS.

Goodwill impairment testing

The recognised value of goodwill is derived from Airport Operations (business segment). The airports included in Sweden's national basic infrastructure of airports are operated as a single system, which is cohesive and mutually 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 2022 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. In 2022, the effects of the Covid-19 pandemic decreased significantly and air traffic has recovered to a considerable extent. The global situation also deteriorated in 2022 given the war in Ukraine, increased inflation and higher prices for energy, propellants and raw materials. This has an adverse impact on global economic growth, which in turn affects growth in the aviation industry. It is challenging at present to make credible forecasts for a short-term recovery and the future long-term passenger trend. Swedavia instead works on a continuous basis with different scenarios of potential future travel trends and prepares action plans based on these. In determining future travel trends for both its business plan and strategic plan, Swedavia has prepared three scenarios – high, low and medium. Of these scenarios, the medium scenario has been determined to be the most likely passenger trend. Cash flow beyond 2036 is assumed to grow 2.0 per cent (2.0) annually. The discount rate used before tax is 8.5 per cent (8.1). Testing has not entailed any goodwill impairment loss.

Sensitivity analysis

The estimated recoverable amount for Airport Operations exceeded the carrying amount as of December 31, 2022. A 0.5 per cent increase in the discount rate (WACC) would entail a decrease of about SEK 2,500 M 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 decrease of about SEK 1,400 M, in which case the recoverable amount would be about SEK 100 M less than the carrying amount.

Other intangible assets	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Accumulated cost				
Opening balance	763	737	763	737
Reclassifications for the year	55	37	55	35
Reclassification/acquisition for the year through merger	—	—	—	2
Disposals and divestments for the year	0	-12	0	-12
Closing balance	817	763	817	763
Accumulated scheduled amortisation				
Opening balance	-412	-359	-412	-359
Reversal of amortisation on disposals	0	11	0	11
Scheduled amortisation for the year	-62	-64	-62	-64
Closing balance	-473	-412	-473	-412
Carrying amount, closing balance	344	351	344	351

Other intangible assets pertain to noise insulation for the properties of others, SEK 159 M (173), and IT systems, SEK 185 M (178), SEK 8 M (17) of which pertains 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, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Buildings and land (Note 16)	6,580	6,595	6,510	6,570
Field structures (Note 17)	3,747	3,789	3,739	3,777
Electrical installations, vehicles and equipment (Note 18)	3,641	3,521	3,625	3,477
New construction in progress (Note 19)	5,112	4,558	4,984	4,425
Total	19,080	18,464	18,858	18,247

NOTE 16 Buildings and land

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Accumulated cost				
Opening balance	10,118	8,436	10,083	8,409
Acquisitions/reclassifications for the year	354	1,703	308	1,695
Disposals and divestments for the year	-1	-21	-1	-21
Closing balance	10,472	10,118	10,391	10,083
Accumulated scheduled depreciation				
Opening balance	-3,516	-3,141	-3,508	-3,134
Reversal of depreciation on disposals	1	16	1	16
Scheduled depreciation for the year	-371	-390	-368	-389
Closing balance	-3,886	-3,516	-3,875	-3,508
Accumulated impairment				
Opening balance	-6	-7	-6	-7
Reversal of impairment from previous years	—	1	—	1
Impairment for the year	—	—	—	—
Closing balance	-6	-6	-6	-6
Carrying amount, closing balance	6,580	6,595	6,510	6,570
Of which land				
Opening balance	382	382	359	359
Acquisitions for the year	—	—	—	—
Disposals for the year	—	—	—	—
Carrying amount, closing balance	382	382	359	359

NOTE 17 Field structures

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Accumulated cost				
Opening balance	5,755	5,285	5,739	5,275
Reclassifications for the year	215	550	219	545
Disposals and divestments for the year	-6	-80	-6	-80
Closing balance	5,965	5,755	5,952	5,739
Accumulated scheduled depreciation				
Opening balance	-1,965	-1,777	-1,962	-1,777
Reversal of depreciation on disposals	5	76	5	76
Scheduled depreciation for the year	-257	-262	-256	-261
Closing balance	-2,217	-1,965	-2,213	-1,962
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	3,747	3,789	3,739	3,777

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, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Accumulated cost				
Opening balance	7,457	6,646	7,380	6,449
Reclassifications for the year	645	1,006	633	954
Reclassification/acquisition for the year through merger	—	—	63	172
Disposals and divestments for the year	-87	-194	-87	-194
Closing balance	8,015	7,457	7,990	7,380
Accumulated scheduled depreciation				
Opening balance	-3,935	-3,623	-3,902	-3,572
Reversal of depreciation on disposals	85	188	85	188
Depreciation on merged assets	—	—	-25	-27
Scheduled depreciation for the year	-523	-500	-521	-492
Closing balance	-4,373	-3,935	-4,364	-3,902
Accumulated impairment losses				
Opening balance	-1	-1	-1	-1
Reversal of impairment	—	—	—	—
Impairment for the year	—	—	—	—
Closing balance	-1	-1	-1	-1
Carrying amount, closing balance	3,641	3,521	3,625	3,477

NOTE 19 New construction in progress related to fixed assets

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Opening balance	4,558	6,296	4,425	6,143
Acquisitions for the year	1,837	1,581	1,796	1,544
Acquisitions through merger	—	—	0	0
Disposals for the year	-1	-3	-1	-3
Reclassifications for the year	-1,263	-3,278	-1,215	-3,224
Impairment losses for the year	-20	-38	-20	-36
Carrying amount, closing balance	5,112	4,558	4,984	4,425

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 2022 pertain mainly to development projects that cannot be capitalised. Of the acquisitions for the year, SEK 121 M (160) is capitalised work for Swedavia's own account.

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, 2022

	Level 1	Level 2	Level 3	Total
Items recognised at fair value in the balance sheet				
Derivative instruments (Note 28) ¹	—	666	—	666
Biological assets (Note 23) ²	—	—	97	97
Total	—	666	97	763

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

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 2022.

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 23 M (20) and direct costs totalled SEK 39 M (27). 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, 2022	Dec 31, 2021
Accumulated cost		
Opening balance	745	752
Acquisitions for the year	9	2
Disposals for the year	-16	-8
Reclassification for the year	-7	0
Closing balance	730	745
Accumulated scheduled depreciation		
Opening balance	-69	-49
Scheduled depreciation for the year	-19	-20
Closing balance	-88	-69
Accumulated impairment losses		
Opening balance	-7	-7
Impairment losses for the year	—	—
Closing balance	-7	-7
Carrying amount, closing balance	634	668
Fair value (level 3)	1,669	1,841

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 2022 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 decreased SEK 172 M, from SEK 1,841 M to SEK 1,669 M, mainly due to the sale of Logistic 4.1 Landvetter AB and Logistic 4.3 Landvetter AB during the year.

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, 2022	Dec 31, 2021
Fixed assets	19,080	18,464
Right-of-use assets	1,031	1,088
Total	20,111	19,552

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.

Right-of-use asset	Group					
	Buildings	Land	Equip-ment	Machinery	Vehicles	Total
Depreciation for the year	-93	-4	-3	-1	-10	-111
Closing balance, Dec 31, 2022	987	38	3	2	0	1,031

Right-of-use asset	Group					
	Buildings	Land	Equip-ment	Machinery	Vehicles	Total
Depreciation for the year	-92	-5	-3	0	-12	-112
Closing balance, Dec 31, 2021	1,035	45	3	0	5	1,088

Additions to right-of-use assets in 2022 totalled SEK 42 M (16). 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.

Lease liabilities	Group	
	2022	2021
Current lease liabilities	122	122
Non-current lease liabilities	972	1,022
Lease liabilities included in statement of financial position	1,094	1,144

To see the maturity analysis of Swedavia's lease liabilities, see Note 43, "Financial risks" and the section on liquidity risk and refinancing risk.

Amount recognised in income statement	Group	
	2022	2021
Depreciation on right-of-use assets	-111	-112
Interest on lease liabilities	-33	-35
Variable lease charges not included in the valuation of the lease liability	-4	-3
Costs of short-term leases	-1	-1
Cost of leases of low-value assets, not short-term leases of low-value assets	-1	-1

Amount recognised in cash flow statement	Group	
	2022	2021
Total cash flow attributable to leases	-107	-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.

Non-cancellable lease payments amount to:	Parent Company	
	2022	2021
Within one year	136	121
Between one and five years	512	458
More than five years	762	793

Charges for operating leases recognised as an expense amount to:	Parent Company	
	2022	2021
Minimum lease charges	116	133
Variable charges	11	6
Total lease expenses	127	139

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.

During the year, lease liabilities/assets increased SEK 6 M 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 exercised

There were no leases that were not exercised by the Group during the financial year.

Leases in which 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 500 M (187).

Payments for contractual lease charges on existing contracts fall due as follows:

Due date	Parent Company		
	Group	2022	2021
Within one year	573	553	
Between one and two years	528	512	
Between two and three years	463	452	
Between three and four years	432	421	
Between four and five years	421	409	
More than five years	530	484	
Total	2,948	2,831	

Due date	Parent Company		
	Group	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	

¹ The comparative period has been adjusted.

NOTE 23 Biological assets

	Group	
	Dec 31, 2022	Dec 31, 2021
Accumulated cost		
Opening balance	83	81
Change in fair value	14	2
Carrying amount, closing balance	97	83

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 indications 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 costs. For information about valuation assumptions, see Note 20, "Fair value".

NOTE 24 Non-current financial assets

	Group	
	Dec 31, 2022	Dec 31, 2021
Holdings in associate companies and joint ventures (Note 26)	926	894
Other non-current receivables (Note 25)	513	387
Total	1,439	1,282

	Parent Company	
	Dec 31, 2022	Dec 31, 2021
Holdings in Group companies	870	870
Other non-current receivables (Note 25)	513	387
Deferred tax (Note 37)	638	479
Total	2,022	1,737

Other non-current receivables pertain to expected compensation from the Swedish Transport Administration for the obligation to remedy historical environmental damage as well as compensation from the Swedish Transport Agency for terminal revenue.

NOTE 25 Other non-current receivables

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Accumulated cost				
Opening balance	387	242	387	242
New receivables	126	146	126	146
Carrying amount, closing balance	513	387	513	387

Other non-current receivables pertain to expected compensation from the Swedish Transport Administration for the obligation to remedy historical environmental damage as well as compensation from the Swedish Transport Agency for the Slot Coordination Charge (GAS).

NOTE 26 Holdings in associate companies and joint ventures

	Group	
	Dec 31, 2022	Dec 31, 2021
Accumulated cost		
Opening balance	894	888
Share of profit	111	83
Dividend	-79	-78
Carrying amount, closing balance	926	894

The dividend from Swedish Airport Infrastructure KB was SEK 79 M (78).

Specification of the Parent Company's and the Group's holdings in associate companies and joint ventures

Company, corp. identity no., registered office	Group, Dec 31, 2022					Classification
	Profit for the year, Swedavia's holding of shares	Number	Ownership in %	Value of holding in the Group	Carrying amount in the Parent Company	
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	111	1	49.9	926	—	Joint venture
Airport City Stockholm AB, 556872-9619, Stockholm County, Municipality of Sigtuna	—	495	33.0	0	—	Associate company
Total				926	—	

Company, corp. identity no., registered office	Group, Dec 31, 2021					Classification
	Profit for the year, Swedavia's holding of shares	Number	Ownership in %	Value of holding in the Group	Carrying amount in the Parent Company	
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	—	Associate company
Total				894	—	

The associate company Swedavia Airport Infrastructure KB is considered to be material to the Group. The associate 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 is 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, 2022	Dec 31, 2021
Investment properties	4,548	4,652
Liquid assets	361	219
Other assets	134	172
Non-current interest-bearing liabilities	—	3,048
Current liabilities	3,189	205
Equity	1,853	1,789
Carrying amount of the Group's holding	926	894
SEK M	2022	2021
Revenue	419	414
Depreciation and amortisation	-140	-104
Other costs	-92	-130
Financial income	3	0
Financial expenses	-50	-42
Profit before tax	140	139
Tax	3	3
Profit for the year	143	142
Other comprehensive income	79	26
Total comprehensive income	222	167
The Group's share of comprehensive income for the year	111	83

In 2022, SEK 79 M (78) in dividends was received from Swedish Airport Infrastructure.

The carrying amount for the other associate company that the Swedavia Group holds a share in did not change in 2022. The carrying amount was SEK 0 M (0).

NOTE 27 Holdings in Group companies
The Parent Company's holdings in Group companies

	Dec 31, 2022	Dec 31, 2021
Accumulated cost		
Opening balance	870	870
Effect of merger ¹	0	0
Carrying amount, closing balance	870	870

¹ During the year, Swedavia Airport Telecom AB merged with the Parent Company, Swedavia AB.

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, 2022	Carrying amount Dec 31, 2021
Swedavia Real Estate AB, 556858-9872, Stockholm County, Municipality of Stockholm	500,000	100	870	870
Swedavia Airport Telecom AB, 556951-8193, Stockholm County, Municipality of Sigtuna	50,000	100	—	0
Carrying amount, closing balance			870	870

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 1. 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, 2022, 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	Group	Measurement under IFRS 9	Carrying amount		Fair value	
			Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Other non-current receivables		Amortised cost	170	60	170	60
Trade receivables		Amortised cost	489	383	489	383
Receivables from associate companies and joint ventures		Amortised cost	11	27	11	27
Other receivables		Amortised cost	65	191	65	191
Derivative instruments		Fair value via other comprehensive income	672	42	672	42
Accrued income		Amortised cost	61	51	61	51
Short-term investments		Amortised cost	392	297	392	297
Liquid assets		Amortised cost	1,260	2,100	1,260	2,100
Total			3,121	3,151	3,121	3,151

Financial liabilities	Group	Measurement under IFRS 9	Carrying amount		Fair value	
			Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Non-current interest-bearing liabilities ¹		Amortised cost	8,800	8,002	8,685	7,986
Current interest-bearing liabilities		Amortised cost	2,344	1,671	2,344	1,671
Derivative instruments, short-term		Fair value via other comprehensive income	2	35	2	34
Derivative instruments, short-term		Fair value via the income statement	4	4	4	4
Other non-current liabilities		Amortised cost	13	128	13	128
Trade payables		Amortised cost	613	565	613	565
Other liabilities		Amortised cost	7	5	7	5
Liabilities to associate companies and joint ventures		Amortised cost	33	64	33	64
Accrued expenses		Amortised cost	242	215	242	215
Total			12,058	10,689	11,943	10,672

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, 2022		
	Level 1	Level 2	Level 3
Derivative instruments net, receivable	—	666	—
Non-current interest-bearing liabilities ²	—	-8,685	—
Total	—	-8,019	—

	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	—

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 maturity of the liabilities.

There was no change in levels in 2022 compared to 2021.

Net gain from items for which hedge accounting is not applied	2022	2021
Financial assets/liabilities measured at fair value ³	6	4
Total	6	4

³ The subcategory held for sale.

NOTE 29 Materials and supplies

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Supply materials	65	54	65	54
Gravel stocks	—	1	—	1
Supplies, building and land	2	2	2	2
Other stocks	12	5	12	3
Total	78	62	78	61

NOTE 30 Other receivables

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Tax receivables	59	51	35	33
Other receivables	67	199	62	193
Total	126	248	97	226

NOTE 31 Prepaid expenses and accrued income

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Accrued income, Aviation Business, Commercial and energy	74	51	74	51
Prepaid expenses, materials and maintenance	21	15	31	25
Prepaid expenses, operations	9	6	11	11
Prepaid expenses, property and rental	30	7	39	10
Other accrued income and prepaid expenses	11	16	16	26
Total	146	95	172	123

NOTE 32 Short-term investments

	Group		Parent Company	
	2022	2021	2022	2021
Commercial paper	174	—	174	—
Medium-term notes	218	297	218	297
Total	392	297	392	297

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 33 Equity

Group

Equity related to the Parent Company's shareholder 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 include 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

Swedavia has issued a total of SEK 3,500 M in hybrid bonds. 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 recognised in consolidated equity and in the Parent Company's equity, and they are subordinate to all liabilities. Interest expenses related to the hybrid bonds are recognised on a continuous basis directly in retained earnings under "Equity". 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 + 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 500 basis points.

Capital management

Group financial targets	2022		2021	
	Actual	Target	Actual	Target
Return on operating capital	-3.3%	6.0%	-6.3%	6.0%
Debt/equity ratio	1.0	0.7–1.5 times	0.8	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 10 M (17). The unrestricted capital in the Parent Company is SEK 7,799 M (8,746) and consists of a share premium reserve of SEK 2,161 M (2,161), retained earnings of SEK 2,162 M (3,983), IFRS hybrid bonds of SEK 3,500 M (3,500) and profit for the year of SEK -25 M (-898). Retained earnings include a capital injection from the owner in 2020 of SEK 2,500 M. In 2022, a shareholder contribution of SEK 879 M was repaid along with SEK 19 M in interest.

Proposed distribution of profit

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

Share premium reserve	2,161,354,539
Hybrid bonds	3,500,000,000
Retained earnings	2,162,483,527
Profit for the year	-24,654,379
Total	7,799,183,687

The Board proposes that the profit be appropriated as follows:

Brought forward	7,799,183,687
Of which to share premium reserve	2,161,354,539
Of which to hybrid bonds	3,500,000,000
Of which to retained earnings	2,137,829,148

Earnings per share

	Dec 31, 2022	Dec 31, 2021
Profit for the year attributable to the Parent Company's owner (SEK M)	-709	-1,182
Transaction costs and interest expenses attributable to hybrid bonds (SEK M)	-81	-18
Profit for the year attributable to the Parent Company's owner, including hybrid bond costs	-790	-1,200
Average number of outstanding shares, before and after dilution	1,441,403,026	1,441,403,026
Earnings per shares outstanding (SEK), before and after dilution	-0.55	-0.83

NOTE 34 Provisions

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Provisions for pensions	572	874	1,098	1,106
Other provisions	343	279	392	376
Total	915	1,153	1,491	1,482

NOTE 35 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 mortgage bonds 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 12 years (14). The assumed interest rate level for 2022 was 4.0 per cent (1.6), an increase attributable to the current interest rate situation.

Inflation is assumed to be 2.0 per cent (2.3), with the increase based on the actual trend and market expectations.

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Actuarial assumptions				
The following important actuarial assumptions have been applied in calculating the obligations (weighted average values)				
Discount rate	4.0%	1.6%	-1.5%	-1.5%
Future changes in price base amount (inflation)	2.0%	2.3%	2.0%	2.3%
Changes in the present value of defined benefit obligations				
Obligation on Jan 1	919	949	1,106	1,136
Payments made during the year	-41	-40	-41	-40
Cost of vesting, current period	0	0	0	0
Interest expense	13	7	—	—
Actuarial gains (-)/losses (+)	-215	3	33	10
Obligation on Dec 31	675	919	1,098	1,106
Less employee income tax asset	-103	-45	—	—
Provisions for pensions	572	874	1,098	1,106

Expense recognised in profit for the year	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Defined benefit plans				
Cost of pensions vested during the year	0	0	0	0
Cost of defined benefit plans	1	6	31	16
Employee pension tax	0	2	8	3
Interest expense	13	7	—	—
Cost of defined benefit plans	14	15	39	19
Defined contribution plans				
Cost of defined benefit plans	106	105	106	105
Employee pension tax	26	25	26	25
Cost of defined contribution plans	132	130	132	130
Total cost of remuneration after termination of employment in profit for the year	146	146	171	149

Expense recognised in other comprehensive income	Group	
	Dec 31, 2022	Dec 31, 2021
Defined benefit plans		
Revaluation including employee pension tax		
Actuarial gains (-)/ losses (+) from a change in financial assumptions	297	3
Actuarial gains (-)/ losses (+) from a change in demographic assumptions	-26	—
Tax	-56	-1
Recognised in other comprehensive income	215	3

Sensitivity analysis	Group			
	2022		2021	
	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	-37	41	-58	65
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	43	-39	66	-60

The obligation is broken down by members in the plan as follows:	Group	
	Dec 31, 2022	Dec 31, 2021
Active members	10	17
Paid-up pension policyholders	2,168	1,846
Pensioners	1,002	1,392
Total number of obligations	3,180	3,255

Payments from the pension liability affected the Group's cash flow as follows:	Group	
	Dec 31, 2022	Dec 31, 2021
Within one year	43	41
Between one and five years	121	125
More than five years	926	970
Effect of discounting	-415	-217
Total	675	919

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 36 Other provisions

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Restoration reserve, opening balance	331	247	331	247
Provision for the year	15	85	15	85
Provisions used during the year	—	-1	—	-1
Restoration reserve, closing balance	346	331	346	331
of which current portion	46	90	—	—
Restructuring reserve, opening balance	7	21	7	21
Provision for the year	6	19	6	19
Provisions used during the year	-10	-33	-10	-33
Restructuring reserve, closing balance	3	7	3	7
of which current portion	3	7	—	—
Other provisions, opening balance	38	39	38	39
Provision for the year	4	2	4	2
Provisions used during the year	—	-3	—	-3
Other provisions, closing balance	42	38	42	38
of which current proportion of total	—	—	—	—
of which current portion	49	98	—	—
Total provisions	392	376	392	376

Of these provisions, SEK 49 M (98) is considered to be current. The current portion consists of a restoration reserve of SEK 46 M (90), a restructuring reserve of SEK 3 M (7) and other provisions of SEK — M (—). The restoration reserve pertains to estimated future expenditures to remedy 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 environment-related investments associated with the taxi parking & entry product which once approved by employee representatives could fund training activities for employees who are trade union members.

NOTE 37 Deferred tax

Group Dec 31, 2022	Deferred tax credit	Deferred tax liability
	Temporary difference goodwill	—
Temporary difference fixed assets	46	—
Temporary difference right-of-use assets	—	-217
Temporary difference biological assets	—	-10
Temporary difference trade receivables	2	—
Temporary difference financial instruments	—	-137
Temporary difference untaxed reserves	—	-206
Temporary difference pensions	—	-106
Temporary difference lease liabilities	236	—
Temporary difference current liabilities	93	—
Temporary difference unused tax loss/credit	458	—
Offset	-696	696
Total	138	—
Group Dec 31, 2021	Deferred tax credit	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	—

Parent Company Dec 31, 2022	Deferred tax credit	Deferred tax liability
Temporary difference unused tax loss/credit	458	—
Temporary difference fixed assets	83	—
Temporary different current liabilities	93	—
Other temporary differences	5	—
Total	638	

Parent Company Dec 31, 2021	Deferred tax credit	Deferred tax liability
Temporary difference unused tax loss/credit	411	—
Temporary difference fixed assets	63	—
Other temporary differences	5	—
Total	479	

NOTE 38 Interest-bearing liabilities

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Non-current interest-bearing liabilities				
Liabilities to credit institutions	4,200	3,700	4,200	3,700
Bonds and medium-term notes	4,600	4,302	4,600	4,302
Lease liabilities	972	1,022	—	—
Other interest-bearing liabilities	—	—	—	—
Total	9,772	9,023	8,800	8,002
Current interest-bearing liabilities				
Bonds and medium-term notes	1,450	1,571	1,450	1,571
Commercial paper	893	100	893	100
Lease liabilities	122	122	—	—
Total	2,465	1,793	2,343	1,671

Changes in liabilities related to financing activities	Group				
	Dec 31, 2021	Cash flow	Changes not affecting cash flow		Dec 31, 2022
			New leases	Interest	
Liabilities to credit institutions	3,700	500	—	—	4,200
Bonds and medium-term notes	5,872	178	—	—	6,050
Commercial paper	100	793	—	—	893
Lease liabilities	1,144	-107	51	6	1,094
Total liabilities related to financing activities	10,816	1,364	51	6	12,237

Changes in liabilities related to financing activities	Group				
	Dec 31, 2020	Cash flow	Changes not affecting cash flow		Dec 31, 2021
			New leases	Interest	
Liabilities to credit institutions	3,200	500	—	—	3,700
Bonds and medium-term notes	5,884	-11	—	—	5,872
Commercial paper	650	-550	—	—	100
Leasingskulder	1,232	-104	15	2	1,144
Total liabilities related to financing activities	10,965	-165	15	2	10,816

Changes in liabilities related to financing activities	Parent Company		
	Dec 31, 2021	Cash flow	Dec 31, 2022
Liabilities to credit institutions	3,700	500	4,200
Bonds and medium-term notes	5,872	178	6,050
Commercial paper	100	793	893
Total liabilities related to financing activities	9,672	1,471	11,143

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

NOTE 39 Loan liabilities

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Liabilities to credit institutions	4,200	3,700	4,200	3,700
Bonds and medium-term notes	6,050	5,872	6,050	5,872
Commercial paper	893	100	893	100
Total	11,144	9,672	11,144	9,672

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 4,801 M (4,622). 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 the programme of SEK 893 M (100). Liabilities to credit institutions on the balance sheet date totalled SEK 4,200 M (3,700). At year-end, there was no unused framework loan; at year-end 2021, SEK 500 M of the framework loan was unused.

NOTE 40 Overdraft facilities

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Credit amount approved	300	300	300	300
Unused portion	-300	-300	-300	-300
Credit amount unused	—	—	—	—

As of December 31, 2022, Swedavia had an overdraft facility of SEK 300 M (300), SEK— M (—) of which was used on the balance sheet date.

NOTE 41 Other liabilities

	Group	
	Dec 31, 2022	Dec 31, 2021
Current tax liabilities	—	11
Other liabilities	629	294
Total	629	305

NOTE 42 Accrued expenses and prepaid income

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Prepaid income	251	170	258	173
Accrued staff-related expenses	170	167	170	167
Accrued expenses, construction and properties	19	38	19	38
Accrued expenses, construction projects	112	77	112	69
Accrued interest	45	21	45	21
Other accrued expenses	112	79	108	79
Total	710	553	714	546

NOTE 43 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 and exchange rates, different kinds of derivatives are used.

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, 2022, 95 per cent (86) 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, 2022. The nominal amount of outstanding currency hedges as of December 31, 2022, was SEK 231 M (129).

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, 2022, Swedavia had external financing of SEK 11,144 M (9,672). 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, 2022, 92 per cent (96) of external financing was interest-rate hedged and 8 per cent (4) was not interest-rate hedged. On the balance sheet date, the nominal amount of interest rate swaps was SEK 7,100 M (5,750) with a fair value of SEK 567 M (-33). Based on those hedges, a 1 percentage point increase in the interest rate would increase Swedavia's interest rate expenses by SEK 8.5 M (4.0), which means that operating profit would decrease by the equivalent amount. A 1 percentage point decrease in the interest rate would decrease Swedavia's interest rate expenses by SEK 8.5 M (-16.8) and thus increase 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 4.2 years (2.9).

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, 2022, the hedge ratio was 80 per cent (84) of projected use for 2023. 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 0.2 M (2.2), given the current hedging level.

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 664 M (185).

Nominal amount ¹ by risk category of hedging instruments – Maturity structure	Group, Dec 31, 2022						
	< 1 year	2 years	3 years	4 years	5 years	> 5 years	Total
Currency risk (EUR)	203	15	0	0	0	0	219
Currency risk (USD)	7	0	0	0	0	0	7
Currency risk (NOK)	5	0	0	0	0	0	5
Interest rate risk, SEK M (interest rate derivatives)	750	500	500	750	750	3,850	7,100
Commodity price risk (electricity – MWh)	89,759	52,704	43,800	26,280	0	0	212,543

Nominal amount ¹ by risk category of hedging instruments – Maturity structure	Group, Dec 31, 2021						
	< 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

¹ All amounts above are in SEK M except for commodity price risk, which is given in MWh.

As of December 31, 2022, Swedavia had a hedge reserve totalling SEK 533 M (6). 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 positive effect because 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.

Reconciliation of risk components in equity	Group	
	Dec 31, 2022	Dec 31, 2021
Opening balance, hedge reserves	6	-141
Currency risk	9	13
Interest rate risk	601	133
Commodity price risk (electricity)	54	39
Deferred tax	-137	-38
Closing balance, hedge reserves	533	6

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, 2022, recognised in the income statement, was SEK 4 M (-1).

Reclassification from the hedge reserve via other comprehensive income to the income statement totalled SEK 35 M (-8), with SEK -3 M of this related to currencies and SEK 37 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.

Effects of hedge accounting for cash flow hedges on the company's financial position and profit	Group	
	Dec 31, 2022	Dec 31, 2021
Currency risk related to purchases		
Hedging instruments		
Nominal amount ¹	231	129
Carrying amount		
Financial assets	8	-1
Financial liabilities	-1	0
Carrying amount, net	8	-1
Change in fair value of hedging instruments ¹	9	13
Reclassification from hedge reserve to profit or loss	-3	-12
Hedged risk		
Change in fair value of hedged item ²	9	-13
Reserve, cash flow hedges	8	-1
Hedging profit/loss in other comprehensive income	9	13

Interest rate risk related to loans with variable interest rates	Group	
	Dec 31, 2022	Dec 31, 2021
Hedging instruments		
Nominal amount	7,100	5,750
Carrying amount		
Financial assets	567	28
Financial liabilities	0	-61
Carrying amount, net	567	-33
Change in fair value of hedging instruments ¹	601	133
Reclassification from hedge reserve to profit or loss	0	0
Hedged risk		
Change in fair value of hedged item ²	601	-131
Reserve, cash flow hedges	567	-33
Gain/loss on hedges in other comprehensive income	601	133

Commodity price risk related to purchase of electricity	Group	
	Dec 31, 2022	Dec 31, 2021
Hedging instruments		
Nominal amount (MWh)	212,543	199,392
Carrying amount		
Financial assets	103	45
Financial liabilities	-7	-2
Carrying amount, net	96	43
Change in fair value of hedging instruments ¹	54	39
Reclassification from hedge reserve to profit or loss	37	4
Hedged risk		
Change in fair value of hedged item ²	54	31
Reserve, cash flow hedges	96	42
Gain/loss on hedges in other comprehensive income	54	39

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 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, 2022, was 4.2 years (2.9) with an average interest rate of 2.2 per cent (1.3). In order 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 1,260 M, short-term financial investments of SEK 392 M, unused credit facilities of SEK 3,250 M and overdraft facilities of SEK 300 M. The Group has determined that there are no risks related to the possibility of refinancing.

Key metrics, financial risks	Group	
	Dec 31, 2022	Dec 31, 2021
Average interest rate,%	2.2	1.3
Interest rate lock-in period, years	4.2	2.9
Capital tie-up period, years	3.6	4.4

The tables to the right 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.

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.

Group, Dec 31, 2022

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	1,609	976	1,753	577	1,568	107	6,591
Bank loans	133	135	135	134	625	3,835	4,997
Commercial paper	903	—	—	—	—	—	903
Lease liabilities	122	130	127	124	122	469	1,094
Trade payables	613	—	—	—	—	—	613
Other liabilities	—	—	—	—	—	—	0
Derivative liabilities:							
Interest rate derivatives (interest rate swaps)	–86	–66	–62	–60	–47	–80	–402
Currency derivatives (FX futures and FX swaps)	–6	0	—	—	—	—	–6
Electricity derivatives	–79	–15	–19	–13	—	—	–126
Total	3,209	1,159	1,933	762	2,268	4,331	13,663

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

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 credit directive that regulates 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, 2022, the credit exposure on trade receivables was SEK 489 M (383). As of December 31, 2022, the carrying amount for the Group's biggest customer was SEK 103 M (69).

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 their range. 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. The provision for expected credit losses as of December 31, 2022, was SEK 26 M, compared to SEK 15 M the year before. The increase in the provision for expected credit losses is mostly due to higher trade receivables in 2022 compared to 2021.

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, 2022, based on these categories:

	Group, Dec 31, 2022		Parent Company, Dec 31, 2022	
	Carrying amount	Expected credit losses	Carrying amount	Expected credit losses
Credit rating				
Investment grade	241	2	238	2
High yield	23	1	23	1
Distressed	224	23	224	23
Total	489	26	485	15

	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		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Age analysis				
Trade receivables not due	440	340	436	330
Trade receivables past due 1–30 days	17	9	17	8
Trade receivables past due 31–90 days	6	39	6	38
Trade receivables due >90 days	25	-5	26	-5
Total	489	383	485	372

	Group		Parent Company	
	2022	2021	2022	2021
Expected credit losses				
Expected credit losses, opening balance	15	74	15	71
Reversal of expected credit losses	-13	-23	-13	-22
Booked credit losses	-1	-51	-1	-48
Provisioning for expected credit losses	26	15	26	15
Expected credit losses, closing balance	26	15	26	15

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Provisioning for expected credit losses				
Trade receivables not due	24	14	23	14
Trade receivables past due 1–30 days	1	0	1	0
Trade receivables past due 31–90 days	1	1	1	1
Trade receivables >90 days	1	0	1	0
Total	26	15	26	15

NOTE 44 Pledged assets and contingent liabilities

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Pledged assets	926	894	12	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 926 M (894), 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 impacts on the environment at Swedavia's airports. Swedavia's obligations cover events after the company was formed.

NOTE 45 Cash flow

	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
SEK M				
Adjustments for items not included in the cash flow				
Profit from holdings in associate companies/Group companies	-72	-71	—	—
Capital gain on sale of operations/subsidiaries	-49	-88	—	—
Depreciation, amortisation and impairment losses	1,250	1,291	1,253	1,282
Change in pension provisions	-302	-29	-7	-30
Change in other provisions	16	69	16	69
Provision for possible repayment of restructuring aid	441	—	—	—
Other	240	-177	21	-137
Total	1,524	993	1,283	1,185
Cash flow from acquisition/disposal of subsidiaries				
Disposal of subsidiaries	64	488	—	—

On March 21, 2022, four wholly owned subsidiaries – Logistic 4.1 Landvetter AB, Logistic 4.2 Landvetter AB, Logistic 4.3 Landvetter AB and Logistic 4.4 Landvetter AB – in the logistics park at Göteborg Landvetter Airport were sold. The underlying property value was SEK 60 M, the capital gain was SEK 43 M, and the purchase price was SEK 54 M.

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. 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.

Transaction costs related to the sales totalled SEK 1 M (1).

Summary of effect on individual assets and liabilities in conjunction with the sales:

Effect on individual assets and liabilities in conjunction with the sale	Group	
	2022	2021
Fixed assets	16	414
Trade receivables	—	1
Other receivables	0	3
Intra-Group loans	5	312
Current tax liabilities	0	2
Current liabilities	0	3
Accrued expenses and prepaid income	0	14
Assets and liabilities sold, net	10	86
Purchase price received	54	179
Less liquid assets in the operations sold	—	—
Final payment received	4	—
Final payment not received	—	–4
Plus repayment of intra-Group loan	5	312
Effect on liquid assets	64	488

SEK M	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Interest paid and dividend received				
Dividend received	79	78	700	—
Interest received	26	4	35	10
Interest paid	–199	–148	–186	–141

Short-term borrowings (maturity of three months or less) that are raised and repaid during the same month are offset.

NOTE 46 Merger

On October 18, 2022, the subsidiary Swedavia Airport Telecom AB, corporate identity no. 556951-8193, merged with the Parent Company. On October 18, 2021, the subsidiary Swedavia Energi AB, corporate identity no. 556951-8185, merged with the Parent Company. The income statement and balance sheet for the merged subsidiaries are presented below.

Merger date	Swedavia Airport Telecom AB	Swedavia Energi AB
	Oct 18, 2022	Oct 18, 2021
Net revenue	103	260
Operating profit	68	74
Fixed assets	32	135
Current assets	122	119
Total assets	154	254
Total equity	117	143
Untaxed reserves	15	58
Liabilities	23	53
Total equity and liabilities	154	254

NOTE 47 Supplementary information for financial key metrics

Supplementary information for financial key metrics. For definitions and reasonings, see pages 77–78, “Key metrics” and page 79, “Definitions”.

Debt/equity ratio

The debt/equity ratio is affected by the pension liability trend. The pension liability was SEK 572 M as of December 31, 2022, and SEK 874 M as of December 31, 2021.

Return on operating capital excluding capital gains, impairment losses, disposals and restructuring costs

In calculating this key metric as of December 31, 2022, operating profit for the rolling twelve months was adjusted by restructuring costs of SEK 6 M, impairment losses and disposals of SEK 22 M and capital gains of SEK 43 M. Operating profit as of December 31, 2021, for the rolling twelve months was adjusted by restructuring costs of SEK 18 M, impairment losses and disposals of SEK 52 M and capital gains of SEK 90 M.

NOTE 48 Events after the reporting period

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

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 22, 2023

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 22, 2023

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 28, 2023.

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 2022, except for the corporate governance statement on pages 95–104. The annual accounts and consolidated accounts of the company are included on pages 90–142 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 2022 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 2022 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 95–104. 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 totalled MSEK 5,112 in the group and MSEK 4,984 in the parent company as at December 31, 2022. The group and the parent company conduct large investment projects at their ten airports, primarily related to Stockholm Arlanda Airport. In view of the development in the aviation industry, 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 2–89. 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 2022 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 95–104 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's recommendation 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 25, 2022. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2019.

Stockholm, March 22, 2023

KPMG AB

Tomas Gerhardsson
Authorized Public Accountant

Swedavia AB

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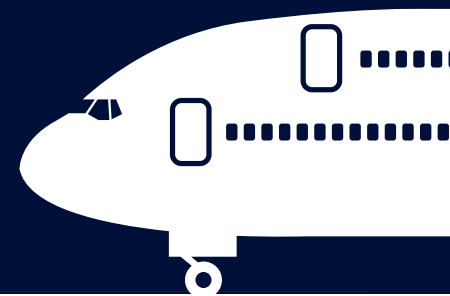
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