


Interim report

January – March 2019



“Safety and security come first,
with a focus on more effective
solutions”

Jonas Abrahamsson
President and CEO



Q1
2019

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- During the first quarter, Swedavia's airports had 8.9 million (9.3)¹ passengers, which is a decrease of 4.2 per cent compared to the previous year
- Net revenue totalled SEK 1,474 M (1,403)
- Operating profit totalled SEK 70 M (58). Operating profit was affected by restructuring costs of SEK 13 M related to the cost reduction and change programme decided in December 2018
- Operating profit excluding restructuring costs was SEK 83 M (58)
- Profit for the period was SEK 47 M (36)
- Investments for the Group during the first quarter totalled SEK 656 M (687). The pace of investment remains high, in line with the Group's investment programme
- As a result of the transition to IFRS 16, operating profit increased SEK 5 M during the first quarter. Due to the introduction of the new standard, the debt/equity ratio increased by 0.1 times. Last year, accounts were measured in accordance with IAS 17.

KEY FINANCIAL FIGURES, GROUP ⁴

	2019 Jan-Mar	2018 Jan-Mar	2018 Jan-Dec
SEK M, unless otherwise indicated			
Net revenue	1,474	1,403	5,922
Operating profit	70	58	682
Operating profit excluding capital gains, impairment losses and disposals ²	83	58	711
Operating margin, %	4.8	4.1	11.5
Operating margin excluding capital gains, impairment losses and disposals, % ²	5.6	4.1	12.0
Profit for the period	47	36	517
Return on operating capital, %	4.4	4.5	4.6
Return on operating capital excluding capital gains, impairment losses, and disposals, % ²	4.6	5.6	4.7
Debt/equity ratio, times	1.3	1.0	1.1
Cash flow from operating activities	448	187	1,359
Capital spending	656	687	3,195
Average number of employees	3,234	3,111	3,217
Passengers, million	8.9	9.3	42.0
Operating costs per departing passenger, SEK ³	257.3	244.1	205.4
Commercial revenues per departing passenger, SEK	82.9	76.8	75.2

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

² As of March 31, 2019, restructuring costs are excluded in the calculation of this key metric

³ The key metric operating costs per departing passenger is calculated excluding restructuring costs as of March 31, 2019

⁴ For definitions of key metrics, see pages 19-20

Safety and security come first, with a focus on more effective solutions

We have a fantastic mission, but also a major responsibility. The work with safety and security always comes first and lays the foundation for everything we do – for our customers, our partners and our employees.

At Swedavia, we are carrying out extensive development and change work to ensure Swedavia's competitiveness in both the long and short term and in order to meet the future in the best way possible. Since the autumn of 2018, we have been working to make our methods more efficient, be even more cost-effective and gradually fine-tune our process-oriented approach to create better collaboration, both within the organisation and with our customers. With these changes, we are also creating more streamlined roles with a clearer focus on the customer and the operating process at the airport, while working Group-wide with business support and strategic development. Along with our fundamental work with safety and security, continuous improvements and sustained work to improve efficiency, both in terms of operational processes internally at Swedavia and with respect to our customers, are an important success factor as we go forward.

TRAVEL, PROFIT AND REVENUE

After many years of uninterrupted and strong passenger growth at our airports, in late 2018 we saw falling passenger volumes. This trend continued during the first quarter of the year. During the period, 8.9 million passengers flew to or from Swedavia's airports, a 4.2 per cent decrease compared to the same period last year. This trend is specific to Sweden, whereas passenger volume is still increasing in almost every other country in Europe. We are following this development while at the same time continuing the work to create access for Sweden. It is therefore gratifying to be able to welcome several other new airlines to our airports during the first quarter of the year. We were also able to announce some twenty future new routes at our airports this year.

Revenue for the period totalled SEK 1,474 M (1,403) and operating profit was SEK 70 M (58). Lower passenger volume had only a partial effect on revenue during the period since the number of aircraft movements did not fall to the same extent as passenger volume. Airport charges were also raised at the beginning of the year due to the extensive investments now being made to increase capacity. Restructuring work at Swedavia entailed restructuring costs of SEK 13 M during the quarter.

DEVELOPMENT AND CONDITIONS

During the quarter, Maria Wetterstrand, the head of a Swedish government inquiry, submitted her report on policy instruments to promote the use of biofuel for aviation to the Minister for Environment and Climate. At Swedavia, we have a favourable view of the main proposal in the report, a reduction quota scheme for using bio fuel in aviation. This requires effective, long-term policy instruments and new political decisions to reduce the negative impact of air travel on climate change. Introducing a reduction quota scheme as an alternative to Sweden's national aviation tax would be a step in the right direction, since it both reduces emissions and helps create the conditions needed for large-scale production of biofuel in the country. If Sweden is a driver in the production and development of bio jet fuel, we can create a brand-new industry and many new jobs in this country.

At Swedavia, we continue the work to run our operations with as little impact on the climate as possible. For many years, we have worked towards our target of having zero emissions of fossil carbon dioxide in our own operations by 2020 at the latest. At the start of the year, three of our airports had already achieved the target – Visby Airport, Ronneby Airport and Luleå Airport. This year and next year, seven airports will also do the same. Since the summer of 2018, we have therefore added another sustainability target and are working so that the share of renewable jet fuel at Swedish airports will be five per cent by 2025 at the latest, in line with international agreements on climate change.

DEVELOPMENT AND INVESTMENTS

One of Swedavia's most important tasks is to ensure and develop access both within Sweden and to the rest of the world. For many years, capacity at our airports has been strained so for a number of years we have been carrying out extensive investment programmes to meet this need. Infrastructure investments are by nature long-term and require planning, perseverance and continuity. It is gratifying that our development programmes are generally proceeding as planned. During the quarter, at Stockholm Arlanda Airport we inaugurated our new airport maintenance area, and we have taken the next step in carrying out investments in a new pier, an expanded marketplace and a new, central security checkpoint for all passengers departing from Terminal 5. Going forward, we will also integrate domestic and international traffic in order to better use all of the airport's capacity. Meanwhile, our property development is advancing, with new tenants moving into Office One and the new Forrest hotel under construction right next to the terminal buildings. Our work to develop Stockholm Arlanda Airport is crucial, not just for the region but for all of Sweden.

In operations, we strive to continuously improve our passengers' experience. Automation and digitisation are important tools that can make a big difference in matters both large and small. During the spring, for instance, we inaugurated a new automated baggage drop-off facility at Visby Airport, and we were able to conduct a pilot test at Åre Östersund Airport for checking baggage outside the airport – even at the hotel or in the city centre. Our passengers' experience is crucial to us, and we are working with our partners and airline customers to continuously improve our work.

SAFETY, SECURITY, COLLABORATION, ACCOUNTABILITY

In view of the tragic airplane accident that occurred in Ethiopia in March, I would like to say a few words about the importance of continuous, meticulous safety work in the aviation industry. At Swedavia, we shall run efficient airports with a focus on safety, security and sustainable development. For us, the work with safety and security always has the highest priority – for our customers, employees and partners. Swedavia's airports shall be safe and secure, with employee engagement and accountability being completely natural aspects of operations. We are working with the objective that our airline customers shall have as high a level of punctuality as possible, but given that safety and security always have top priority, unfavourable weather situations may sometimes mean cancelled flights and delays. It is always regrettable when our passengers have to experience disruptions related to their journey, but everyone who flies to and from our airports should feel secure knowing that we at Swedavia always put safety and security first. I am extremely proud of and grateful for the good collaboration we have with our customers and the companies and other organisations that work at our airports and in the regions, who all contribute skills and engagement to keep air traffic running without compromising on safety and security.

IMPORTANT MEETINGS AND MEETING PLACES

The way forward shall continue to be characterised by continuous improvements and creating the important air links that Sweden needs. Swedavia's objective remains clear – we shall be a leader in sustainability and ensure access within the country and to the rest of the world. At the same time, we shall continue to be a role model in running and developing sustainable airports, with smooth, efficient solutions and with responsibility for society and people.

Together we can continue to enable people to meet, experience, learn and benefit from important socioeconomic exchanges. Through meetings between people, cultures and companies, Sweden can continue to be competitive and ensure beneficial growth, which in turn enables steadfast and successful work with sustainability in a broader perspective.

Jonas Abrahamsson
President and CEO



About Swedavia

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

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

- Swedavia has the task of operating and developing the ten airports included in Sweden's national basic infrastructure and contributing to good access for Sweden and for the country's different regions.



SUSTAINABLE DEVELOPMENT AS A STRATEGIC FOCUS

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



OUR SUSTAINABILITY TARGETS

	Actual ⁵	Actual ⁵	Targets	Targets
	Mar 31, 2019	Mar 31, 2019	2019	2025
Satisfied passengers, %	79	76	75	85
Engaged leaders and employees, % ⁶	65	65	70	75
Return on operating capital, %	4.4	4.5	6.0	6.0
Carbon dioxide emissions, tonnes ⁷	595	1,980	1,200	0
Mixture of renewable jet fuel, % ⁸	0.0	-	-	5

⁵ The actual figure is for 12 rolling months

⁶ Starting in 2019, the key metric is measured every other year. The book value for 2019 pertains to the measurement in 2018.

⁷ Measured once a year

⁸ Starting in 2019, the key metric is measured every other year. The book value for 2019 pertains to the measurement in 2018.

Mission

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

Objective

Together, we enable people to meet.

Vision

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

Business concept

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

Values

- Reliable
- Engaged
- Innovative
- Welcoming

Important events

January – March

NEW GROUP ORGANISATION INTRODUCED

In December 2018, a new Group organisational structure for Swedavia was decided, which was implemented on January 1, 2019. The new organisation will help ensure that Swedavia has the conditions needed to gradually change its working methods, be more results- and process-oriented and create better potential to realise the Company's strategies. As a result of the organisational change, Swedavia has to some extent a new executive management team, under the direction of the President and CEO, Jonas Abrahamsson.

In conjunction with this, Swedavia has made changes in the executive management team and reduced the number of people who report directly to the President and CEO.

SWEDAVIA ANNOUNCES LAYOFFS

Swedavia is taking measures to ensure its competitiveness and meet changes in market conditions. The measures will ensure efficiency and adjust cost levels in both the short and long term. As a result of a cost reduction and change programme, on January 15 Swedavia notified the Swedish public employment agency Arbetsförmedlingen that it would lay off employees. A total of 125 full-year equivalent employees will be affected, both in the corporate units and at Swedavia's airports. The executive management's decision serves as a basis for coming collaborative negotiations with the trade unions. The goal is to have the new organisation and these changes implemented by July 1, 2019.

NEW AIRPORT MAINTENANCE AREA AT STOCKHOLM ARLANDA AIRPORT

After five years of work, the new airport maintenance area at Stockholm Arlanda Airport was completed in February. The maintenance area houses many of Stockholm Arlanda's operational and maintenance functions such as the Airside and Landside field unit, surveillance, buses, runway lighting and vehicle workshops. Its mission is to make sure the airport's operations and maintenance work are in compliance with laws and regulations and based on the traffic situation. The new maintenance area was certified as "excellent" under Swedish environmental standards, and the change in location is part of the preparations for the new pier at Terminal 5, which will be completed in 2025.

NEW DIRECTOR OF FACILITIES AND SYSTEMS CORPORATE UNIT

In March, Swedavia appointed Caroline Ottosson, CEO of the Swedish transport companies SL and Waxholmsbolaget, to be the new director of its Facilities and Systems corporate unit and a new member of Swedavia's Group management. She will assume the position in August.

INVESTMENT DECISION ON STOCKHOLM ARLANDA AIRPORT

In March, Swedavia's Board of Directors made an implementing decision concerning the construction of a new pier and an expanded marketplace as well as a new central security checkpoint for all passengers implementation is fully in line with and part of Stockholm Arlanda's development programme which includes total investments of SEK 17.3 B in the period 2016-2025. The aim of Stockholm Arlanda's development programme is to meet current and future capacity needs and improve the passenger experience at the airport.

APPEAL ON AIRPORT CHARGES CONCLUDED

In October 2018, Swedavia made a pricing decision for 2019 which entails an underlying increase in charges to airlines of 7.8 per cent starting January 1, 2019. A number of airlines submitted an appeal to the Swedish Transport Agency concerning Swedavia's decision on airport charges for 2019, and the agency examined the matter. After the examination, the Swedish Transport Agency announced in mid-March that the decision on charges was properly made by Swedavia. The charges were introduced on January 1, 2019.

Events after the end of the period

NEW DIVIDEND POLICY

At the Annual General Meeting 2019, a new dividend policy was adopted. The policy stipulates that the regular dividend shall be between 10 and 50 per cent of profit after tax. Annual dividend decisions shall take into consideration the company's operations, implementation of the company's strategy and its financial position. In deciding the matter, special consideration shall be given to the company's assessed ability to achieve its capital structure target (a debt/equity ratio of 0.7–1.5 times) going forward.

Passenger trends

January – March

Passenger volume decreased 4.2 per cent during the first quarter of 2019, with international passenger volume down 3.7 per cent and domestic passenger volume down 5.2 per cent. Domestic traffic had trended negatively for a year, and now the number of international passengers is also falling.

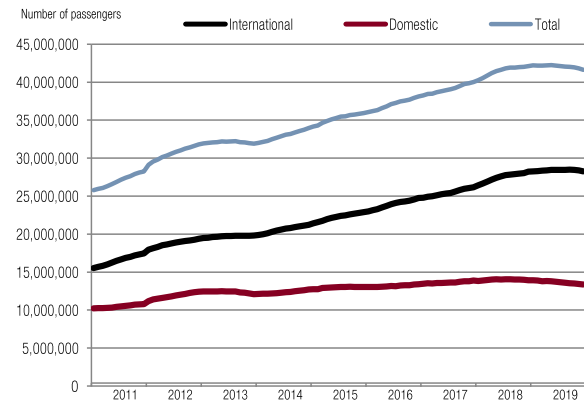
Air traffic at Swedavia's airports has been adversely affected by the discussion on climate change and the introduction of a national aviation tax. Some decelerating effect is also likely after the lengthy period of high growth.

The general economic trend is still strong both in Sweden and globally. However, the Swedish economy looks to be entering a deceleration phase while there are a growing number of reports indicating weaker growth in large global markets. Worries about weaker economic growth and a weak Swedish krona are also believed to have had a negative impact on air travel during the quarter.

Airlines increased the number of seats available in both domestic and international traffic during the quarter. As a result of the higher number of seats combined with lower passenger numbers, the cabin factor was lower during the first quarter of the year.

Charter traffic at Swedavia's airports also fell compared to the previous year. The rolling passenger trend shows a decelerating trend in 2019, after a lengthy period of strong growth.

PASSENGER VOLUME TREND – SWEDAVIA
ROLLING TWELVE-MONTH TREND, APRIL 2010 TO MARCH 2019



PASSENGER VOLUMES
- SWEDAVIA'S FIRST QUARTER OF 2019

Number of passengers Jan-Mar			
Passengers	2019	2018	Per cent change
International	5,779,348	6,002,982	-3.7%
Domestic	3,100,780	3,270,755	-5.2%
Total	8,880,128	9,273,737	-4.2%

Economic overview

Net revenue and operating profit

JANUARY-MARCH

Consolidated revenue for the period totalled SEK 1,474 M (1,403), which is an increase of SEK 72 M or 5.1 per cent compared to the same period the previous year.

Revenue from aviation business totalled SEK 939 M (892), which is an increase of SEK 48 M. Passenger- and aircraft-related revenue increased 10.8 per cent. The increase in revenue despite lower passenger volume is mainly due to the 12 per cent increase in airport charges for 2019. The change in airport charges is the result of the pricing decision for 2019, an 8 per cent increase, and retroactive adjustments based on previous decisions of 4 per cent. Revenue from ground handling and other ancillary services was lower than last year, which is explained by lower sales of de-icing and glycol handling.

Revenue from commercial services totalled SEK 529 M (504), which is an increase of SEK 25 M. Commercial revenue per passenger was SEK 82.9 (76.8).

Revenue from food & beverage fell compared to last year due to lower passenger volume while revenue from retail exceeded the figure last year as a result of a new lease for the tax- and duty-free stores. Revenue from car parking & parking facilities was in line with the figure last year.

The key metric operating costs per departing passenger was SEK 257.3 (244.1).

External costs were SEK 31 M lower compared to last year, with winter costs having a negative effect and lower use of external services having a positive effect.

Staff expenses increased SEK 38 M. The most important reasons were increased resources in development projects, the replacement of consultants with permanent staff, and annual salary reviews. Of this figure, SEK 13 M is restructuring costs.

Depreciation and amortisation increased SEK 61 M compared to the previous year, which is largely explained by the placing in service of projects in the development programmes at Stockholm Arlanda and Bromma Stockholm during the first quarter of 2019 and the latter part of 2018. Consolidated operating profit was SEK 70 M (58). The operating margin was 4.8 per cent (4.1).

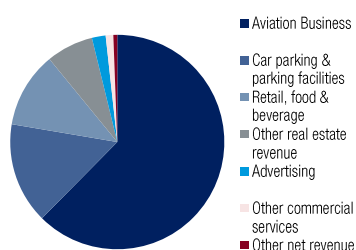
Financial items for the period totalled SEK -7 M (-7). Compared to the previous year, interest-bearing liabilities increased, but net interest decreased due to a lower average interest rate. The share of profit from joint ventures had a positive effect on net financial items of SEK 17 M (15).

Profit for the period

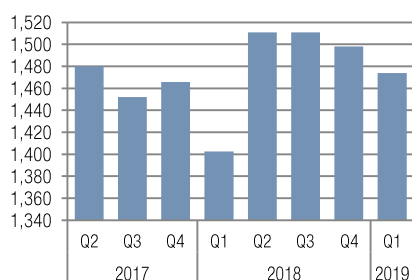
Profit before tax for the period totalled SEK 63 M (50) and profit for the period was SEK 47 M (36).

Financial items

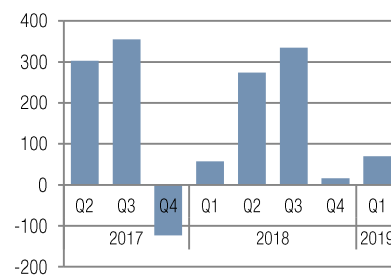
BREAKDOWN OF NET REVENUE,
Jan-Mar 2019



NET REVENUE, SEK M



OPERATING PROFIT, SEK M
(including capital gains)



Investments

During the period investments totalled SEK 656 M (687). Important capital spending during the period was used to enhance capacity in Stockholm Arlanda Airport's and Göteborg Landvetter Airport's development programmes. Maintenance of the landing runways also represents a significant share of investments for 2019.

In Real Estate and property development, investments were made in the Forrest hotel at Stockholm Arlanda Airport and Hotel Winger at Göteborg Landvetter Airport.

Cash flow

Cash flow for the period totalled SEK 76 M (63). Cash flow from operating activities was SEK 448 M (187), which is SEK 261 M higher compared to the same period last year. The difference is explained by the trend in operating capital, which had a positive effect during the first quarter compared to the same period last year. Investments for the period entailed payments of SEK 656 M while the disposal of fixed assets had an effect of SEK 0 M. Cash flow from financing operations totalled SEK 298 M (559). Commercial paper borrowings increased SEK 319 M and the balance on a line of credit decreased SEK 7 M.

Liquidity and financial position

Consolidated equity at the end of the period was SEK 8,036 M (7,715).

Swedavia's net liabilities at the end of the period totalled SEK 8,675 M (7,092), which is an increase of SEK 1,583 M. Swedavia's borrowings are divided into bank loans of SEK 1,700 M (1,200), medium-term notes of SEK 5,150 M (4,992), and commercial paper of SEK 1,825 M (901). At the end of the period, the average capital tie-up period was 3.8 years (4.5) and the average interest rate lock-in period was 3.1 years (3.0). The average interest rate as of March 31, 2019, was 1.0 per cent (1.3).

Liquid assets increased SEK 76 M during the first quarter to SEK 86 M (10). Net liabilities during the quarter increased SEK 1,334 M, from SEK 9,195 M to SEK 10,529 M, mostly due to the introduction of IFRS 16 but also due to increased borrowings as a result of the high investment pace. The debt/equity ratio was 1.3 times (1.1).

On the balance sheet date, there were also unused credit facilities totalling SEK 1,800 M (1,793) and a loan agreement with Nordic Investment Bank of SEK 2,000 M with maturities of up to 10 years, with SEK 1,700 M (1,200) of this utilised.

The key metric net liabilities/EBITDA increased from 5.1 on December 31, 2018, to 5.7 on March 31, 2019. As a result of the transition to IFRS 16, the key metric increased 0.6.

SWEDAVIA'S FINANCIAL TARGETS

	Actual Mar 31, 2019	Target
Return on operating capital, %	4.4	6.0
Debt/equity ratio, times	1.3	0.7-1.5
Dividend target, % ⁹	n/a	10-50

⁹ Pertains to the dividend pay-out ratio in accordance with the new dividend pay-out ratio policy adopted by the AGM 2019.

FINANCIAL METRICS

	Actual Mar 31, 2019	Actual Mar 31, 2018	Actual Dec 31, 2018	Policy
Average interest rate, %	1.0	1.3	1.0	n/a
Average interest rate lock-in period, year	3.1	3.0	2.7	1-4
Average capital tie-up period, years	3.8	4.5	4.2	2-5

Employees

The average number of employees for the period April 1, 2018 – March 31, 2019, was 3,234 (3,111). The change is explained by an increase in operational staff and the replacement of consultants with permanent staff, including in IT. Ongoing restructuring work had a marginal effect on the number of employees through March 31.

Risks and uncertainty factors

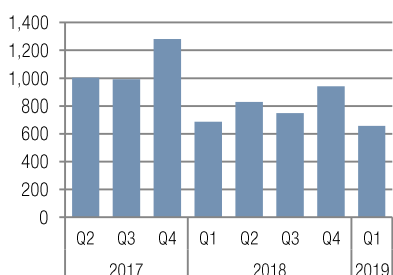
Risk is defined here as an event that affects the Group's prospects of achieving its operational goals and implementing its strategies. Swedavia works continuously to map, monitor and manage risks in its operations. Risk reports are prepared and presented to the Board of Directors on a quarterly basis. Swedavia's significant risks are described in the Annual Report 2018 on pages 65-71 and in Note 46. Swedavia's overall top risks consist of a reduction in air traffic, in which a decrease in passengers can have a negative effect on Swedavia in the form of lower revenue. A decrease can occur as an effect of aviation taxes introduced, the discussion on climate change or the general economic trend. There are also risks in the ability to meet the need in the long term for investments in capacity and carry them out in a sustainable and cost-effective way. There is also a risk of disruptions or interruptions in service in the airport's aviation and commercial operations as well as the risk of not being able to convert insights and customer needs quickly enough into new business opportunities. There is likewise the risk of not being able to attract and retain employees, which could lead to insufficient resources and competences, but Swedavia carries out proactive work on the workplace environment here. Swedavia has a few major airline customers, which could have a large effect on Swedavia's operations in the event one of these were to have economic problems. Furthermore, other external factors could affect Swedavia's performance.

Parent Company

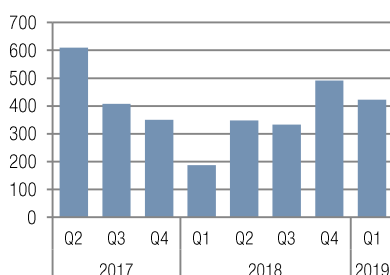
Net revenue and operating profit

The Parent Company's net revenue for the first quarter totalled SEK 1,452 M (1,383), which was an increase of SEK 69 M. Operating profit totalled SEK 27 M (17) and the operating margin was 1.9 per cent (1.2). Profit before tax was SEK 11 M (-7) and profit for the period was SEK 9 M (-7).

INVESTMENTS, SEK M



CASH FLOW FROM OPERATING ACTIVITIES, SEK M



Income statement

Amounts in SEK M	Note	2019 Jan-Mar	2018 Jan-Mar	2018 Jan-Dec
Net revenue	2.7	1,474	1,403	5,922
Other operating revenue		5	6	104
Work performed by the company for its own use and capitalised		49	40	170
External expenses		-600	-631	-2,366
Staff expenses		-560	-522	-2,030
Depreciation/amortisation and impairment losses on tangible fixed assets and intangible non-current assets		-298	-237	-1,103
Other operating expenses		-1	-1	-16
Operating profit	2	70	58	682
Income from financial items				
Income from holdings in associated companies and joint ventures		17	15	53
Interest income and similar items		1	1	3
Interest expenses and similar items		-25	-23	-96
Income after financial items		63	50	642
Tax		-16	-14	-126
Profit for the period		47	36	517
Earnings per share				
Earnings per share before and after dilution, SEK		0.03	0.03	0.36
The total number of shares was 1,441,403,026 for all periods				

Statement of comprehensive income

Amounts in SEK M	Note	2019 Jan-Mar	2018 Jan-Mar	2018 Jan-Dec
Profit for the period		47	36	517
Other comprehensive income:				
Items that can be reclassified to the income statement				
Cash flow hedges				
Items reclassified to the income statement		-2	-1	1
Change in fair value for the period		-48	15	57
Tax		10	-3	-13
Other comprehensive income from joint ventures, net after tax		-3	2	4
Items that cannot be reclassified to the income statement				
Revaluations of defined benefit pensions		0	-	-54
Tax		0	-	12
Total other comprehensive income, net after tax		-43	13	7
Comprehensive income for the period		4	50	523

Balance sheet

Amounts in SEK M	Note	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
ASSETS	2			
NON-CURRENT ASSETS				
Intangible non-current assets		782	623	777
Tangible non-current assets		16,495	15,192	16,257
Right-of-use assets		1,125	53	44
Non-current financial assets		1,214	1,111	1,192
Total non-current assets		19,617	16,925	18,225
CURRENT ASSETS				
Materials and supplies		54	44	47
Trade receivables		552	488	575
Receivables from associated companies		24	93	20
Other receivables		234	173	220
Prepaid expenses and accrued income		193	180	154
Derivative instruments	4	13	9	31
Liquid assets		86	121	10
Total current assets		1,155	1,108	1,057
Assets held for sale	8	536	0	442
TOTAL ASSETS		21,307	18,033	19,725
EQUITY AND LIABILITIES	2			
EQUITY				
Share capital		1,441	1,441	1,441
Other paid-in capital		2,162	2,162	2,162
Hedge reserve		21	-51	-18
Retained earnings		4,411	4,163	4,480
Total equity		8,036	7,715	8,066
NON-CURRENT LIABILITIES				
Provisions ¹⁰		983	990	947
Deferred tax liability		470	502	488
Interest-bearing liabilities		5,725	5,876	6,025
Lease liability		1,051	45	38
Derivative instruments	4	104	91	76
Other non-current liabilities		136	10	23
Total non-current liabilities		8,468	7,514	7,597
CURRENT LIABILITIES				
Provisions		94	9	121
Interest-bearing liabilities		2,975	1,254	2,376
Lease liability		103	13	13
Derivative instruments	4	0	0	0
Trade payables		591	596	651
Other liabilities		198	136	161
Liabilities to associated companies		0	0	0
Accrued expenses and prepaid income		762	808	750
Total current liabilities		4,722	2,804	4,059
Liabilities attributable to assets held for sale	8	81	0	2
TOTAL EQUITY AND LIABILITIES		21,307	18,033	19,725

¹⁰ Pension provision and related tax receivable are netted. The comparative period has been adjusted

Change in equity

Amounts in SEK M	Note	Mar 31, 2018	Mar 31, 2018
GROUP			
Equity, opening balance		8,066	7,665
Comprehensive income for the period		4	50
Adjustments	1	-34	-
Equity, closing balance		8,036	7,715

Cash flow statement

Amounts in SEK M	Note	2019 Jan-Mar	2018 Jan-Mar	2018 Jan-Dec
Operating activities				
Profit after financial items		63	50	642
Adjustments for items not included in cash flow etc.		333	205	989
Tax paid		-58	-69	-135
Cash flow from operating activities before changes in working capital		338	186	1,496
Cash flow from changes in working capital				
Increase(-)/Decrease(+) in materials and supplies		-7	0	-2
Increase(-)/Decrease(+) in operating receivables		-1	157	-1
Increase(+)/Decrease(-) in operating liabilities		118	-156	-134
Cash flow from operating activities		448	187	1,359
Investing activities				
Disposal of subsidiaries		-	-	55
Acquisitions/disposal of intangible non-current assets		-23	-3	-224
Acquisitions/disposal of tangible fixed assets		-633	-681	-2,955
Acquisitions/disposal of other financial assets		-13	-	0
Cash flow from investing activities		-669	-684	-3,124
Financing activities				
Borrowings raised	6	319	1,800	3,805
Borrowings repaid	6	-7	-1,240	-1,980
Repaid lease liabilities		-25	-3	-9
Increase(+)/Decrease(-) in other financial liabilities		11	2	23
Dividend paid		-	-	-122
Cash flow from financing activities		298	559	1,717
Cash flow for the period		76	63	-48
Liquid assets at the beginning of the period		10	58	58
Liquid assets at the end of the period		86	121	10

Income statement

Amounts in SEK M	Note	2019 Jan-Mar	2018 Jan-Mar	2018 Jan-Dec
Net revenue		1,452	1,383	5,873
Other operating income		5	6	49
Work performed by the company for its own use and capitalised		49	40	170
External expenses		-641	-644	-2,453
Staff expenses		-566	-526	-2,083
Depreciation/amortisation and impairment losses on tangible fixed assets and intangible non-current assets		-273	-241	-1,111
Other operating expenses		-1	-1	-16
Operating profit		27	17	429
Income from financial items				
Profit on holdings in Group companies		-	-	0
Interest income and similar items		4	1	15
Interest expenses and similar items		-19	-25	-97
Income from financial items		11	-7	346
Appropriations		0	0	44
Profit before tax		11	-7	390
Tax		-3	0	-118
Profit for the period		9	-7	272

Statement of comprehensive income

Amounts in SEK M	Note	2019 jan-mar	2018 jan-mar	2018 jan-dec
Profit for the period		9	-7	272
Other comprehensive income		-	-	-
Comprehensive income for the period		9	-7	272

Balance sheet

Amounts in SEK M	Note	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
ASSETS				
NON-CURRENT ASSETS				
Intangible non-current assets		702	568	703
Tangible fixed assets		15,426	14,149	15,249
Total financial assets	3	1,113	1,091	1,132
Non-current assets		17,241	15,808	17,083
CURRENT ASSETS				
Materials and supplies		50	41	44
Current receivables	3	2,632	2,154	2,645
Liquid assets		79	113	5
Total current assets		2,761	2,307	2,694
Total assets		20,002	18,115	19,777
EQUITY AND LIABILITIES				
EQUITY				
Restricted equity				
Share capital (1,441,403,026 shares)		1,441	1,441	1,441
Reserve for development expenditures		41	38	44
Unrestricted equity				
Retained earnings/Share premium reserve		4,739	4,588	4,460
Profit for the period		9	-7	272
Total equity		6,230	6,060	6,217
Untaxed reserves		2,035	2,000	2,035
Provisions		1,417	1,357	1,367
Non-current liabilities		5,814	5,896	6,040
Current liabilities	3	4,506	2,802	4,117
TOTAL EQUITY AND LIABILITIES		20,002	18,115	19,777

Notes

NOTE 1. ACCOUNTING PRINCIPLES

GENERAL

This interim report was prepared in conformity with IAS 34 and Sweden's Annual Accounts Act. The report was prepared in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), to the extent these have been adopted by the EU, as well as interpretations of standards in effect issued by the IFRS Interpretations Committee (IFRIC).

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

New accounting principles

As of January 1, 2019, Swedavia applies IFRS 16 "Leases". When a contract is entered into, Swedavia assesses whether the contract is, or includes, a lease. A contract is, or includes, a lease if the contract transfers the right to control the use of an identified asset during 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 measured 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 costs. The right-of-use asset is then 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.

The lease liability is initially measured at the present value of future lease charges that have not been paid by the lease commencement date. The lease charges are discounted using the rate implicit in the lease. If this rate cannot easily be determined, the Group's incremental borrowing rate is used.

The lease liability is measured at amortised cost using the effective interest method. The lease liability is remeasured if the future lease charges change, including as a result of changes in an index or a rate. When the lease liability is remeasured in this way, a corresponding adjustment is made in the book value of the right-of-use asset.

In accordance with IFRS 16 5a and 5b, Swedavia has chosen to apply a simplified approach to short-term leases and contracts with a low value of the underlying asset, which means that the cost is recognised on a straight-line basis over the lease term, while no right-of-use asset or lease liability is recognised. Swedavia has chosen not to distinguish lease components from non-lease components for each class of underlying assets under IFRS 16 p15.

Summary of effects of the transition to IFRS 16 "Leases"

The following paragraph concerns leases in which Swedavia is the lessee. Swedavia has not needed to make any adjustments in contracts in which Swedavia is the lessor.

Swedavia previously classified leases as operational or finance leases based on whether the lease transferred significant risks and benefits that ownership of the underlying asset entails to the Group. Under IFRS 16, Swedavia recognises right-of-use assets and lease liabilities for most leases – in other words, leases are included in the balance sheet. Exceptions are specified in the text below and in the accounting principles for leases.

To determine opening balances for the leases previously classified as operational, Swedavia has chosen to apply a modified retrospective approach, which means that any transition effects

are adjusted in the opening balance of equity for 2019 and no restatement was made for the previous year. Lease charges are discounted using the incremental borrowing rate (IBR) on the initial application date. In accordance with IFRS 16 appendix C p10a, Swedavia has chosen to apply a single discount rate on a portfolio of leases with somewhat similar qualities such as leases with a similar remaining lease term and a similar class of underlying assets. The discount rate is based on Swedavia's IBR. The weighted average IBR used on the application date to discount future lease charges is 2.92 per cent. Swedavia has chosen the option of measuring, for each contract, the right-of-use of all contracts as though the standard had been applied since the initial date under IFRS 16 appendix C p8b i.

On the initial application date, initial direct costs were excluded from the measurement in accordance with IFRS 16 appendix C p10d. Assessments, for example, to determine the lease term if the contract includes options to extend or cancel the lease were subsequently made in accordance with IFRS 16 C p10e. In accordance with IFRS 16 C p10c, Swedavia has also chosen not to recognise right-of-use assets and lease liabilities for leases whose lease terms end in 12 months or less.

Swedavia has a number of leases that are recognised as finance leases under IAS 17. No adjustments in the values of assets or liabilities for these were made in the opening balance. However, the assets in question have been reclassified from other tangible fixed assets to right-of-use assets, while the liabilities have been reclassified from interest-bearing liabilities to lease liabilities.

On January 1, 2019, Swedavia recognised additional lease liabilities of SEK 1,117 M, right-of-use assets of SEK 1,096 M and deferred tax receivables of SEK 9 M in the Group while prepaid lease costs were reduced SEK 22 M, for a net reduction in equity of SEK 34 M on January 1, 2019. In the Annual Report 2018, Swedavia recognised operational lease obligations of SEK 1,318 M. The difference between the present value of these lease obligations and the additional lease liability recognised on January 1, 2019, is immaterial.

The income statement for the first quarter of 2019 with current and previous accounting principles is shown below.

Income statement Jan- Mar 2019	Group	
	IFRS 16	IAS 17
Amounts in SEK M		
Total revenue	1,528	1,528
Operating expenses	- 1,160	- 1,186
Depreciation, amortisation and impairment losses	- 298	- 277
Operating profit	70	65
Income from financial items	- 7	1
Income after financial items	63	66
Tax	- 16	- 17
Profit for the period	47	49

As a result of the transition to IFRS 16, the portion of the lease charges paid down is now recognised as a payment in financing activities instead of being included in operating activities. This means that the cash flow from operating activities for the first quarter of 2019 is SEK 25 M higher while cash flow from financing activities is now SEK 25 M lower compared to if previous accounting principles had been used for the period.

RELATED PARTY TRANSACTIONS

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

PARENT COMPANY

The Parent Company applies Sweden's Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendation RR 2 *Financial reporting for legal entities*. The differences arising between the accounting principles of the Parent Company and the Group are caused by the limited ability to apply IFRS in the Parent Company as a result of Sweden's Annual Accounts Act and the Swedish Pension Obligations Vesting Act as well as in some cases by the relationship between financial reporting and taxation.

NOTE 2. SEGMENT REPORTING

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

- **Airport Operations** owns, operates and develops Swedavia's airports. Most revenue consists of passenger-related revenue
- **Real Estate** owns, develops and manages properties and developable land at and around Swedavia's airports. Most revenue consists of rental income

The basis of segment reporting is the Group's internal reporting. The Board of Directors and executive management mainly use operating profit by segment for their monitoring. The capitalisation of financial expenses, financial income and income tax are handled at the Group level. The accounting principles otherwise conform to those applied in consolidated financial reporting.

SEGMENT REPORTING, NOTE 2 "

Income statement Jan-Mar Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments ¹¹		Group	
	2019	2018	2019	2018	2019	2018	2019	2018
Net revenue, external	1,473	1,402	1	0	-	-	1,474	1,403
Net revenue, internal	6	2	3	1	-9	-3	-	-
Other operating income, external	5	6	0	0	-	-	5	6
Work performed by the company for its own use and capitalised, external	49	40	-	-	-	-	49	40
Revenue, internal	34	32	90	88	-124	-121	-	-
Total revenue	1,532	1,450	5	2	-9	-3	1,528	1,449
Operating expenses	-1,186	-1,154	-13	-2	39	3	-1,160	-1,154
Depreciation, amortisation and impairment losses	-269	-237	-4	0	-25	-	-298	-237
Operating profit	77	59	-12	-1	5	-	70	58

Balance sheet Amounts in SEK M	Airport Operations		Real Estate		Eliminations/adjustments ¹¹		Group	
	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
Non-current assets	17,316	15,824	2,331	1,757	-31	-656	19,617	16,925
Current assets	2,785	2,322	65	50	-1,695	-1,264	1,155	1,108
Assets held for sale	-	-	-	-	536	-	536	-
Total assets	20,101	18,146	2,396	1,808	-1,190	-1,921	21,307	18,033
Equity	8,237	7,969	565	478	-766	-732	8,036	7,715
Liabilities	11,865	10,177	1,830	1,329	-505	-1,189	13,190	10,318
Liabilities related to assets held for sale	-	-	-	-	81	-	81	-
Total equity and liabilities	20,101	18,146	2,396	1,808	-1,190	-1,921	21,307	18,033

¹¹ Eliminations consist of intra-group transactions, and adjustments consist of consolidating adjustments, including adjustments for IFRS 16.

¹² Last year's figures for the segments have been restated because, since the end of the year, Swedavia Airport Telecom AB and Swedavia Energi AB are no longer part of the Real Estate segment

NOTE 3. RECEIVABLES FROM GROUP COMPANIES

Receivables, non-current and current, from Group companies pertain mostly to loans funding the Swedavia Real Estate group.

NOTE 4. FINANCIAL INSTRUMENTS, FAIR VALUE**MEASUREMENT AT FAIR VALUE**

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

Fair value for interest-bearing liabilities is calculated by discounting the future cash flow of the amount of capital and interest discounted at the current market interest rate. All derivatives on the balance sheet date are classified under Level 2, which means prices for derivatives can be determined through directly or indirectly quoted prices based on observable market data. The Group has entered ISDA agreements for derivatives, which allow set-off, for instance, against payments. There is no net accounting.

Amounts in SEK M	Group	
	2019 Mar 31	2018 Dec 31
Loan receivables and trade receivables	972	886
Other financial liabilities	-10,672	-9,179
Derivatives	-73	-23
Total	-9,774	-8,317
Total book value	-9,770	-8,312

NOTE 5. PLEDGED ASSETS AND CONTINGENT LIABILITIES

Swedavia's pledged assets consist of shares and holdings in the joint ventures Swedish Airport Infrastructure KB and Swedish Airport Infrastructure AB. The carrying amount is SEK 949 M (896).

Swedavia's contingent liabilities consist of pension obligations in endowment insurance owned by the company, totalling SEK 10 M (8) and a guarantee of SEK 67 M (81) for the joint venture owned together with Bockasjö, Landvetter Logistik Center AB.

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

NOTE 6. CASH FLOW STATEMENT

Starting in 2018, commercial paper issued and repaid with the same transaction date is classified as refinancing and is offset. Comparative periods have been adjusted.

NOTE 7. NET REVENUE

Group, amounts in SEK M	2019 Jan-Mar	2018 Jan-Mar	2018 Jan-Dec
Breakdown of net revenue			
<i>Aviation Business</i>			
Passenger-related revenue	386	392	1,821
Aircraft-related revenue	215	150	623
Externally regulated charges	183	188	748
Ground handling	95	97	294
Other additional services	59	64	210
	939	892	3,696
<i>Commercial Services</i>			
Car parking & parking facilities	203	202	903
Retail, food & beverage	159	152	676
Real estate revenue	120	111	421
Advertising	28	22	123
Other commercial services	19	16	68
	529	504	2,191
Other net revenue	6	7	35
Total net revenue	1,474	1,403	5,922

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

Of net revenue for the period, SEK 1,474 M, SEK 5 M (2) was attributable to Real Estate, broken down into real estate revenue of SEK 4 M (2), other commercial products of SEK 1 M

(-) and other net revenue of SEK 0 M (-). For the full year 2018, the figure was SEK 14 M, broken down into real estate revenue of SEK 9 M, other commercial products of SEK 4 M and other net revenue of SEK 1 M.

Revenue from contracts with customers under IFRS 15 totalled SEK 1,253 M (1,190) and includes total net revenue

except for retail, food and beverage products of SEK 159 M (152) as well as parts of the real estate revenue product of SEK 62 M (62). For the full-year 2018, the corresponding figures of revenue from retail, food and beverage products were SEK 676 M and parts of the real estate products SEK 245 M. Last year's figures for the segments were restated since Swedavia Airport Telecom AB and Swedavia Energi AB no longer belong to the Real Estate segment as of the end of 2018.

NOTE 8. ASSETS HELD FOR SALE

In December 2017, Swedavia signed an agreement to sell the company that owns the property at Stockholm Arlanda Airport on which a future major hotel is now under construction. Under the agreement, the transfer will take place in November 2019 when the hotel is operational.

Assets classified as "held for sale" consist of investment properties with a book value of SEK 518 M and operating assets of SEK 18 M. Assets held for sale are not depreciated from the time of their reclassification. The assets are financed through intra-Group loans. Liabilities related to assets held for sale totalled SEK 81 M and consist mostly of operating liabilities.

NOTE 9. SUPPLEMENTARY INFORMATION FOR KEY FINANCIAL DATA

DEBT-TO-EQUITY RATIO (LEVERAGE)

Swedavia's debt-to-equity ratio is affected by the pension liability trend and the provision for pensions less payroll tax receivable, which totalled SEK 761 M on March 31, 2019, and SEK 727 M on March 31, 2018. On December 31, 2018, the figure was SEK 765 M.

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

In calculating this financial ratio as of March 2019, operating profit for the rolling 12-month period was adjusted by capital gains, an earnout of SEK 55 M, impairment losses and disposals of SEK 84 M, and restructuring costs of SEK 13 M. As of March 2018, operating profit for the rolling 12-month period was adjusted by impairment losses and disposals of SEK 160 M. Operating profit for January-December 2018 was adjusted for impairment losses and disposals of SEK 84 M as well as capital gains, an earnout of SEK 55 M.

NOTE 10. EVENTS AFTER THE END OF THE PERIOD

NEW DIVIDEND POLICY

At the Annual General Meeting 2019, a new dividend policy was adopted. The policy stipulates that the regular dividend shall be between 10 and 50 per cent of profit after tax. Annual dividend decisions shall take into consideration the company's operations, implementation of the company's strategy and its financial position. In deciding the matter, special consideration shall be given to the company's assessed ability to achieve its capital structure target (a debt/equity ratio of 0.7–1.5 times) going forward.

Definitions

AIRPORT OPERATIONS

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

AVERAGE NUMBER OF EMPLOYEES

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

AVERAGE OPERATING CAPITAL

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

AVIATION BUSINESS

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

CAPITAL TIE-UP PERIOD

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

COMMERCIAL REVENUE PER DEPARTING PASSENGER

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

COMMERCIAL SERVICES

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

DEBT-TO-EQUITY RATIO*

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

DIVIDEND PAY-OUT RATIO

The normal dividend shall be between 30 and 50 per cent of profit for the year, excluding capital gains from real estate sales as well as changes in valuation and tax related to this.

EARNINGS PER SHARE

Profit for the period divided by the average number of shares.

EBITDA

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

INTEREST-BEARING LIABILITIES

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

INTEREST RATE LOCK-IN PERIOD

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

INVESTMENTS*

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

NET LIABILITIES

Interest-bearing liabilities plus pension liability minus liquid assets.

NET LIABILITIES/EBITDA

Interest-bearing liabilities plus pension liability minus liquid assets divided by EBITDA.

NET REVENUE

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

Definitions (cont.)

OPERATING CAPITAL

Equity plus net liabilities.

OPERATING COSTS PER DEPARTING PASSENGER*

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

OPERATING MARGIN*

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

OPERATING PROFIT*

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

OPERATING PROFIT EXCLUDING CAPITAL GAINS*

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

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

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

PASSENGER

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

REAL ESTATE

Real Estate is the second of Swedavia's two operating segments. Owns, develops and manages

RETURN ON OPERATING CAPITAL*

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

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

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

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

SUSTAINABILITY TARGETS

Swedavia's sustainability targets are monitored continuously based on the latest verified data for each target and in accordance with the same accounting principles described in the Annual and Sustainability Report 2018.

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



Calendar

Interim report Jan-Jun 2019	July 16, 2019
Interim report Jan-Sep 2019	October 25, 2019
Year-end report 2019	February 13, 2020

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

Swedavia AB (publ) is required to disclose the information in this interim report under the EU Market Abuse Regulation and the Securities Market Act. The information was provided by the contact persons below for publication on April 17, 2019, at 5:00 p.m. CET. This is an English translation of the original Swedish text, which takes precedence in the event of a discrepancy.

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

Contact people

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The CEO hereby submits the interim report for the period January-March 2019 on behalf of the Board of Directors.

Stockholm-Arlanda April 17, 2019

Jonas Abrahamsson

President and CEO

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