

Interim report, January–March 2023

The period in brief

- Income totalled SEK 100.7 million (46.7).
- Profit prior to changes in value totalled SEK -34.4 million (-10.5).
- Profit before tax totalled SEK -63.9 million (-10.5).
- Profit for the period totalled SEK -71.3 million (-12.4), corresponding to SEK -1.1 per share (-0.2) before and after dilution.
- Property portfolio market value SEK 6.6 billion (6.2).
- Loans on the properties totalled SEK 1.7 billion (1.5), corresponding to a loan-to-value ratio of 25 per cent (25).
- Net asset value (NAV) per share amounted to SEK 87 (80).

After the end of the period

- Arlandastad Group has hired Henrik Morén as interim CFO.

Financial performance indicators

	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Income, SEK million	100.7	46.7	295.9
Gross profit, SEK million	14.5	15.5	68.4
Profit prior to changes in value, SEK million	-34.4	-10.5	269.5
Pre-tax profit, SEK million	-63.9	-10.5	415.8
Profit for the period, SEK million	-71.3	-12.4	486.6
Profit per share, prior to dilution, SEK	-1.1	-0.2	7.7
Profit per share, after dilution, SEK	-1.1	-0.2	7.7
Cash flow from operating activities, SEK million	-58.1	-30.8	-93.1
Loan-to-value ratio, properties, %	25	25	25
Return on equity, %	10	5	11

Properties, key performance indicators

	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Market value properties, SEK million	6,586	6,201	6,584
Net asset value (NAV), per share, SEK	87	80	89
Change in underlying rental value, %	-4.3	0.0	29.5
Surplus ratio, %	53	63	66
Realised changes in value of properties, SEK million	-	-	91.1
Unrealised changes in value of properties, SEK million	-26.2	-	55.1

Property portfolio market value
SEK 6.586 MILLION
 (SEK 6.201 million)

Loan-to-value ratio
25%
 (25%)

Profit for the period
SEK -71.3 MILLION
 (SEK -12.4 million)

NAV per share
SEK 87
 (SEK 80)

Income
SEK 100.7 MILLION
 (SEK 46.7 million)

Return on equity
10%
 (5%)

Focus on property development and detailed planning work

The external situation remains challenging. Our rental income and other income more than doubled in the first quarter. Despite this, our profit decreased as a result of increased financial expenses, increased expenses according to plan in Skavsta and a negative unrealised change in value for the management properties. On an uncertain market, we remain stable, which is supported by our property valuation and our financial position.



Dieter Sand
Managing Director and CEO

One area of strength in these difficult times is made up of our financial stability, our long-term investment perspective and our property development portfolio, which are contributing to significant stability as regards the company's asset values.

Income increased to SEK 101 million

Income during the first quarter increased by 116 per cent to approximately SEK 101 million (47). Rental income accounted for approximately SEK 38 million (24), where the increase is mainly due to indexation, increased turnover rent and the business in Skavsta. Income from operating activities amounted to approximately SEK 62 million (23).

Profit decreased to SEK -71 million

Profit for the period decreased to approximately SEK -71 million (-12). The primary explanation is higher financial expenses, where our average interest rate level has risen from 2.7 to 5.2 per cent. As expected, profit is also being affected by increased administration costs linked to Stockholm Skavsta Airport, where the focus is now on achieving profitability, and by a negative unrealised change in value of approximately SEK 26 million for the management properties.

Unchanged loan-to-value ratio of 25 per cent

One area of strength in these difficult times is made up of our financial stability, our long-term investment perspective and our property development portfolio, which are contributing to significant stability as regards the company's asset values. The market value of properties as of 31 March amounted to SEK 6.6 billion (6.2). The loan-to-value ratio stood at 25 per cent (25). Ongoing and adopted projects are fully funded. In addition, we had cash and cash equivalents at the end of the period amounting to approximately SEK 276 million.

Detailed planning the key to value creation

We own and have at our disposal a total of almost 8 million square metres of land, split between two of Sweden's largest development projects, Explore Arlandastad and Explore Skavsta, both strategically located adjacent to infrastructure nodes. During the quarter, work

was conducted on detailed plans at both sites which, when adopted, offer the potential for in excess of an additional 1 million square metres of building rights. This work is being carried out in close cooperation with affected municipalities and alongside the Swedish Transport Administration for ongoing infrastructure investments such as the important East Link Project.

For Stockholm Skavsta Airport, in addition to achieving profitability, the focus lies on the continued development of airport operations. From 1 April 2023, the airline Norwegian will be flying from the airport. The construction of the 10,000 square metre bakery Bake My Day progressed in Arlandastad during the quarter, and this is expected to be completed in the first quarter of 2024. The meeting and events arena Scandinavian XPO and the entire Quality Hotel Arlanda XPO are being leased to the Government Offices during Sweden's presidency of the EU up until June 2023. The leasing agreement is an example of the way we conduct property transactions by creating synergies between the various operations in our properties. The lease, in turn, has attracted new tenants.

Significant potential to develop value in our large land areas

Despite the current market situation, we can see significant potential to expand and develop the large, strategically located land areas that we have acquired at favourable initial values. Arlandastad Group is and will remain a long-term property developer that creates lasting value in dialogue with municipalities, authorities and companies, for the benefit of both shareholders and society at large.

*Dieter Sand,
Managing Director and CEO*

About the Arlandastad Group

Arlandastad Group is a property development company. Through our ability to see and take advantage of the potential in large, strategically placed areas, we create value for investors and for society at large. Arlandastad Group governs the entire chain from land acquisition to long-term management, as well as running operating activities where it adds value to the property business.

Goals

Return

Return on equity over time is to exceed 15 per cent.

Risk reduction

The properties' loan-to-value ratio is not to exceed 50 per cent over time.

The way our business model creates value

Property development, project development

We adapt the way we build based on the environment's conditions. Developing areas in phases not only increases the value where we build, but also at the same time the value of all the remaining building rights that have not yet been developed.

Operating activities

In those cases where we see that we can add value, such as attracting other tenants or driving traffic to the area in our property business, we can also run operating activities that generate cash flow.

Property management

The focus is on understanding and cooperating with our tenants. We manage our buildings with a long-term and sustainable perspective that generates value and cash flow.

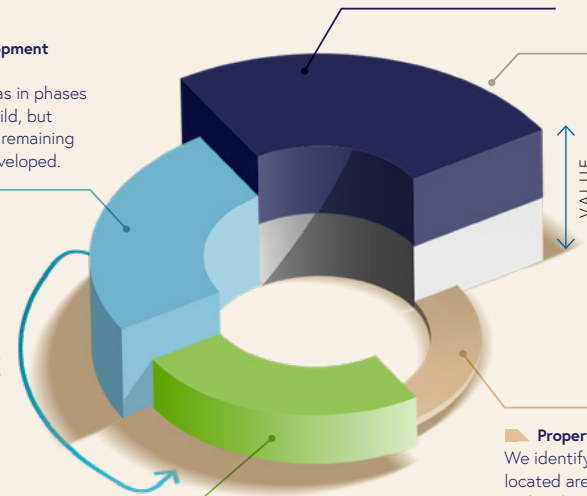
Property development, detailed planning process

Our key words in working with detailed development plans are analysis, function and a long-term perspective. It's about us realising our business concept of harnessing the potential in large, strategically placed areas. An important step in this process is to create general detailed development plans that allow us to adapt the area to the needs that arise.

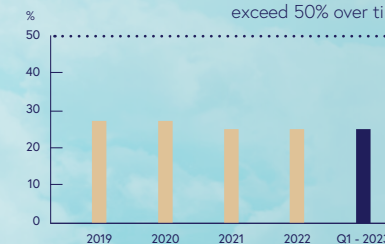
Property development, land acquisition

We identify and acquire large, strategically located areas with a growing infrastructure and undeveloped potential. Each location should be able to be sustainably planned, developed, built and managed based on our business model.

Increase in value, building rights



Our goals



Explore Arlandastad

Explore Skavsta

Projects and building rights

Explore Arlandastad – Building rights

Projects	Type of project	Building rights (sq.m.)	Status	Timetable	Estimated investment (SEK million)	Of which remaining, (SEK million)	Occupancy rate
Accepted	Not specified	493,524	Project development	-	-	-	-
Accepted in JV/associated company	Not specified	134,120	Project development	-	-	-	-
In detailed planning process District 6	Not specified	Estimated 500,000	Detailed planning process	-2023	-	-	-
In the detailed development planning process 'A district for exercise, health and innovation'	Not specified	Estimated 150,000	Detailed planning process	-2024	-	-	-
Subtotal		1,277,644			-	-	-

Explore Arlandastad – Ongoing projects

Projects	Type of project	Planned area (sq.m.)	Status	Timetable	Estimated investment (SEK million)	Of which remaining, (SEK million)	Occupancy rate
F60 Business Park (JV 50%)	business park	124,444	Project development	2022-2027	1,813	1,725	1%
Bake My Day (associated company 49%)	Bakery	9,676	Project development	2022-2024	170	130	100%
Scandinavian XPO – Phase 2	Offices, service, hotel, healthcare	16,550	Project development	2020-2025	160	99	28%
Car park	Car park	19,500	Project development	2023-2024	68	65	0%
Subtotal		170,170			2,211	2,019	-

Explore Arlandastad – Planned/future projects

Projects	Type of project	Planned area (sq.m.)	Status	Timetable	Estimated investment (SEK million)	Of which remaining, (SEK million)	Occupancy rate
DRIVELAB BIG – Phase 2 and 3	Training and conferences	12,000	Project development	2024-2026	180	180	-
DRIVELAB Sales & Service – Phase 2	Car sales and service	9,000	Project development	2024-2025	95	95	-
Care and rehab	Care and rehab	790	Project development	2023	12	12	-
F60 Business Park – Phase 2	business park	38,000	Project development	2026-2028	551	551	-
Hotel	Hotel	6,000	Project development	2024-2025	150	150	-
Co-working Scandinavian XPO	Offices	6,000	Project development	2025-2026	120	120	-
DRIVELAB Center office and expansion	Office/training	8,000	Project development	2024-2026	170	170	-
Infrastructure/road District 6	Infrastructure/road		Detailed planning process	2025-2026	50	50	-
District 6 – Phase 1	Offices and businesses	17,000	Detailed planning process	2025-2026	375	375	-
Subtotal		96,790			1,703	1,703	-

Explore Skavsta – Building rights

Projects	Type of project	Building rights (sq.m.)	Status	Timetable	Estimated investment (SEK million)	Of which remaining, (SEK million)	Occupancy rate
Accepted	Not specified	612,000	Project development	-	-	-	-
In detailed planning process	Not specified	Estimated 430,000	Detailed planning process	-2024	-	-	-
Subtotal		1,042,000			-	-	-

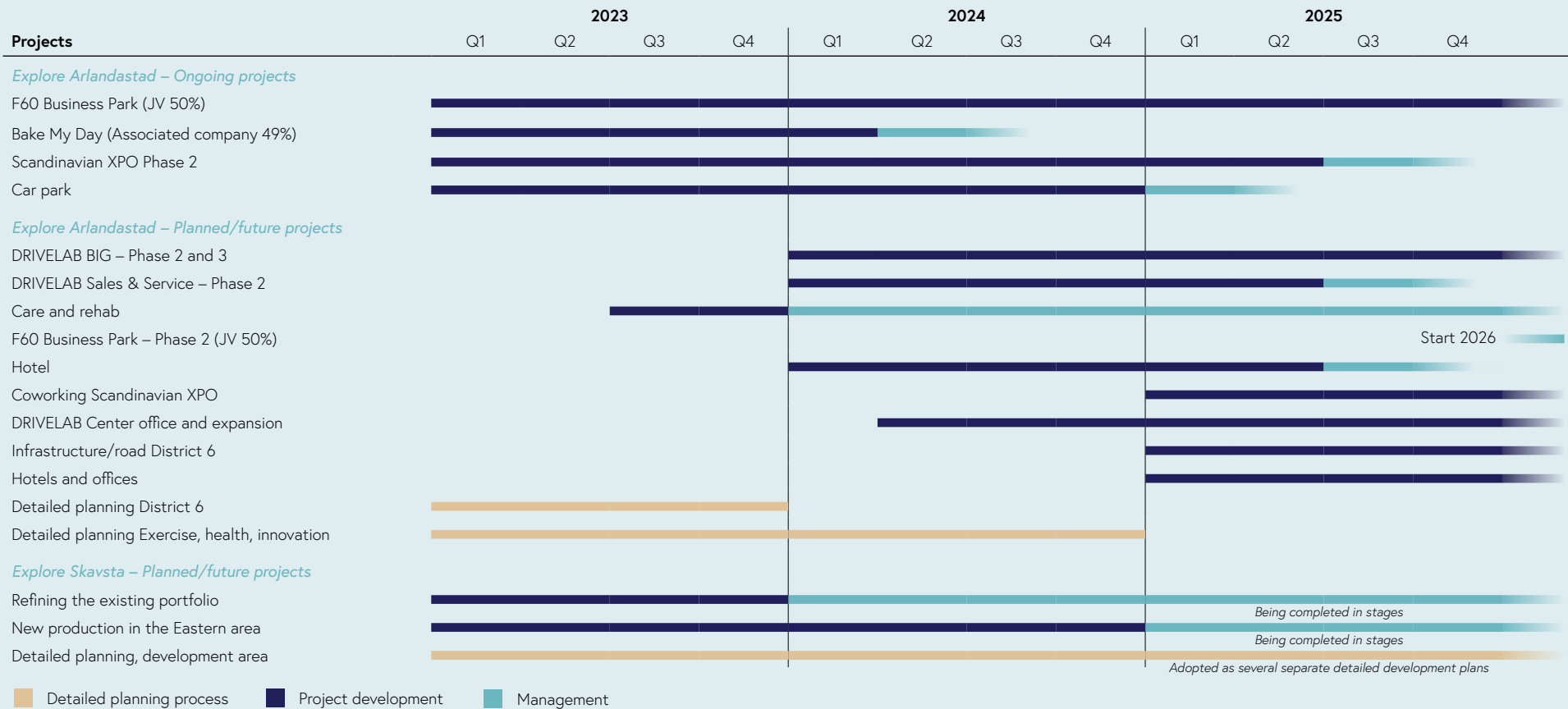
Explore Skavsta – Planned/future projects

Projects	Type of project	Building rights (sq.m.)	Status	Timetable	Estimated investment (SEK million)	Of which remaining, (SEK million)	Occupancy rate
Refining the existing portfolio	Tenant adaptation	5,000	Project development	2023-2025	100	100	0%
New production in the Eastern area	Offices/business	10,000	Project development	2024-2025	150	150	0%
Subtotal		15,000			250	250	-





Project phases over the next three years



Two of Sweden's largest development projects

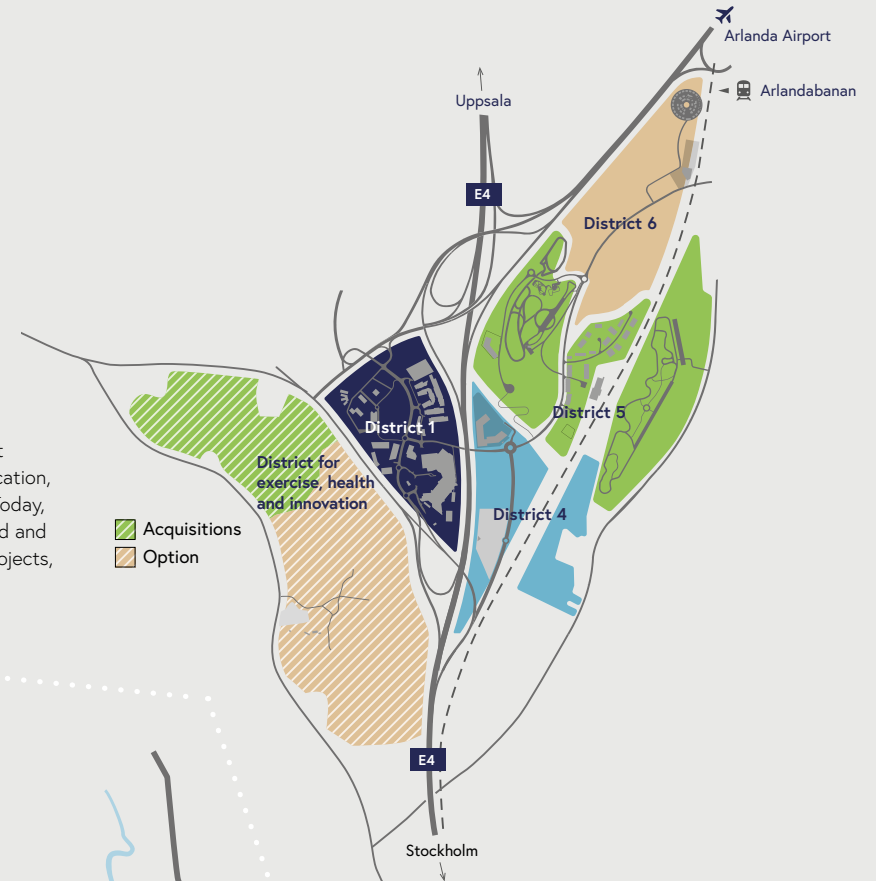
Arlandastad Group owns and operates two of Sweden's largest development projects. We own and have at our disposal almost 8 million square metres of land, split into two strategically located areas.



Explore Arlandastad

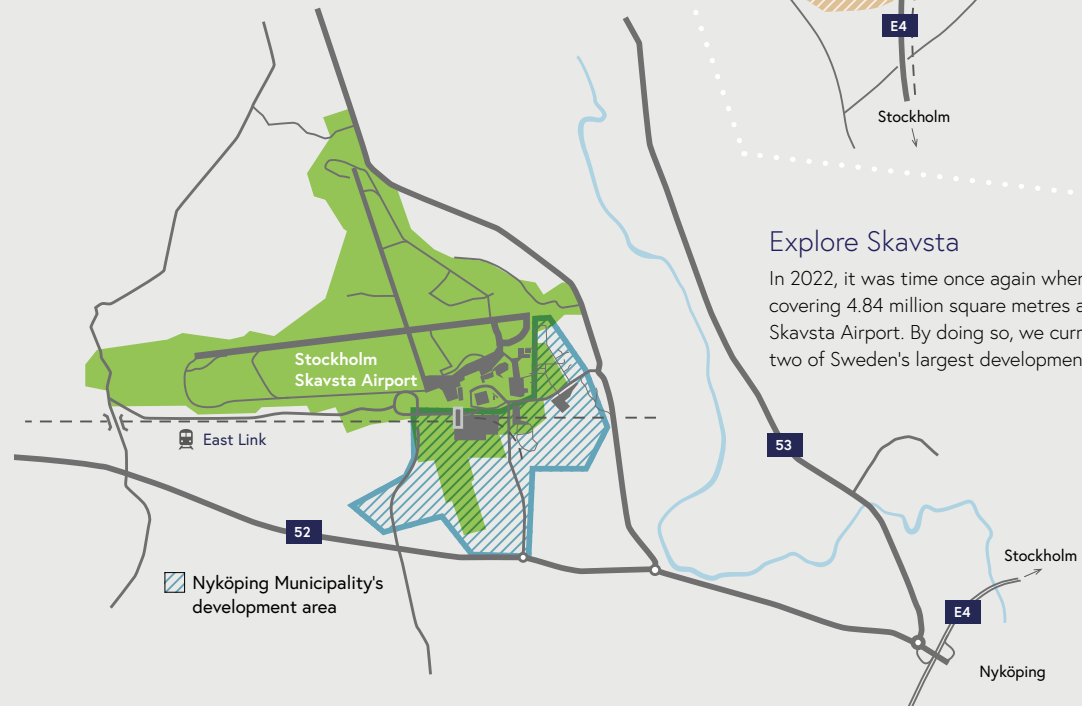
When we acquired the large plot of land at Arlanda, it was an area with no clear application, and this was reflected in the initial value. Today, the same area is called Explore Arlandastad and is one of Sweden's largest development projects, totalling 2.9 million square metres.

Acquisitions
Option



Explore Skavsta

In 2022, it was time once again when we acquired an area covering 4.84 million square metres adjacent to Stockholm Skavsta Airport. By doing so, we currently own and operate two of Sweden's largest development projects.



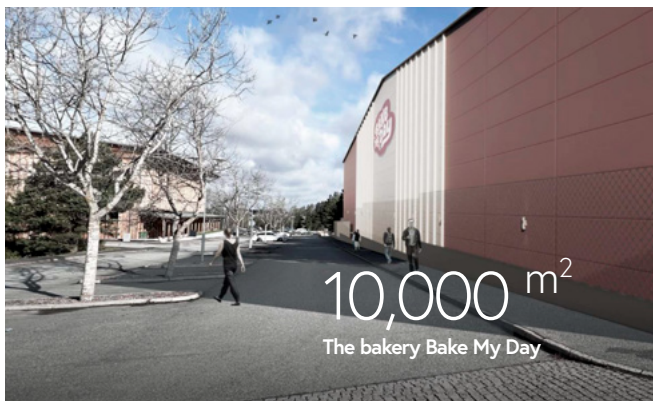
Explore Arlandastad

Property development and detailed planning work

During the quarter, work was carried out on detailed development plans in District 6 and in the area allocated for sport and health. The construction of the 10,000 square metre bakery Bake My Day progressed according to plan, and is expected to be completed in the first quarter of 2024.

Leasing to the Government Offices

The meeting and events arena Scandinavian XPO and the entire Quality Hotel Arlanda XPO are being leased to the Government Offices during Sweden's presidency of the EU's Council of Ministers between January and June 2023. The meeting, in turn, has attracted new tenants.



Explore Skavsta

Property development of land planned in detail

During the first quarter, the work continued on developing the area around the terminal building, where positive planning decisions have already been made, as well as in relation to areas adjacent to the future railway, for which detailed plans have been completed.

Detailed planning

Preparatory work ahead of the start of new detailed plans continued for other land areas, where Nyköping Municipality is responsible for the progress with our support, for example through project management and technical documentation. The Swedish Transport Administration's work in relation to ongoing infrastructure investments, such as the important East Link Project, new roads and other infrastructure, is determining the pace and the order in which the detailed planning work is being carried out for the area.

Stockholm Skavsta Airport

For Stockholm Skavsta Airport, development of the airport operations is set to continue, with a focus on achieving profitability. From 1 April 2023, the airline Norwegian is flying from the airport.



Sustainability

We view our sustainability work as a central aspect for future-proofing the Arlandastad Group. In this work, we are focusing on three areas: **the planet, collaboration and people.**

The planet

We manage the entire chain, from land acquisition to long-term management of completed properties. This is giving us the opportunity to influence both the environment and ecosystems in the areas we are developing, as well as the climate impact resulting from the construction and operation of properties. We are aware that our sector has a major impact on the planet and will therefore be minimising our negative impact and contributing positively whenever possible.

Last year, we reduced our greenhouse gas emissions by 19 per cent.

Collaboration

In order to ensure good working conditions and reduce the risk of corruption, the stipulation of requirements and the following up of our suppliers, for example, are important elements. The best way to achieve results is through collaboration with our suppliers and partners. Through dialogue and the joint assumption of responsibility, we are able to move the sector in a sustainable

direction. Collaboration with society, the government and municipalities is important when it comes to property development work. In this way, it is possible to ensure infrastructure solutions, societal investments and efficient decision-making paths.

People

We safeguard a good working environment with an open and welcoming working climate, where our employees are happy and can develop both professionally and as individuals. Working and spending time at our destinations should be both attractive and healthy. We achieve this, for example, by collaborating with tenants who offer opportunities for exercise, healthcare and good food. In order to achieve our vision, our employees are our most important asset and a key factor in our development.

Activities in the first quarter of 2023

During the first quarter, the focus has been on climate goals and the following activities:

Increasing knowledge among employees

During Q1, work began with the aim of engaging and increasing knowledge among employees regarding the climate, climate goals

and climate calculations. This work will continue during Q2. The aim is to ensure they possess basic knowledge about the climate and climate goals.

Procedures and processes for monitoring climate data

Focus on developing procedures for monitoring climate data in relation to project activities, in order to ensure good traceability and transparency. We have also entered into an agreement with a new supplier of sustainability data systems, who will assist in the process of verification, traceability and transparency of sustainability data in general, including CO₂ data. The implementation of the new system will commence during Q2.

Requirements and following up suppliers

Documents for stipulating requirements in relation to suppliers have been drawn up, specifying what should be included in climate calculations, how CO₂ values should be produced and how results should be presented.

Climate roadmap

In parallel with this, work is being carried out to develop a climate roadmap that describes in greater detail various activities and measures for how goals are intended to be achieved.

The planet

For the environment and climate

We will

- Take responsibility for natural resources, biodiversity and water management
- Reduce our greenhouse gas emissions through resource efficiency and a circular approach

Collaboration

For increased assumption of responsibility

We will

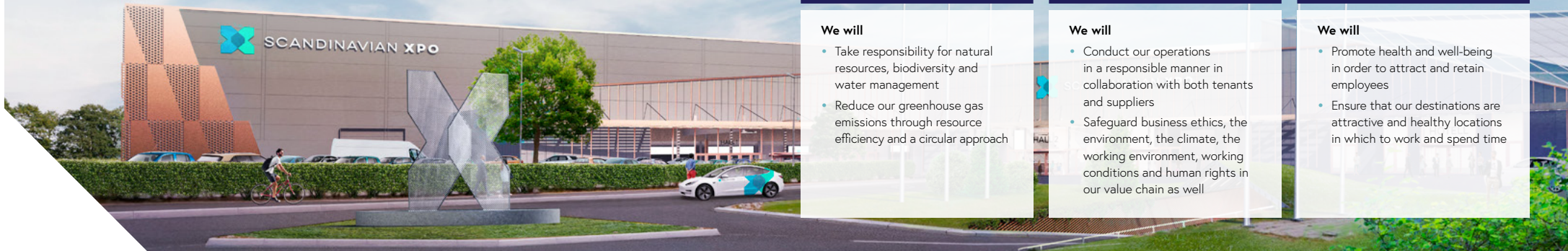
- Conduct our operations in a responsible manner in collaboration with both tenants and suppliers
- Safeguard business ethics, the environment, the climate, the working environment, working conditions and human rights in our value chain as well

People

For our well-being

We will

- Promote health and well-being in order to attract and retain employees
- Ensure that our destinations are attractive and healthy locations in which to work and spend time



Condensed statement of the Group's comprehensive income

Amounts in SEK thousands	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Rental income	37,517	23,723	122,781
Income from operating activities	62,512	22,976	170,216
Other operating income	693	32	2,945
Income	100,722	46,731	295,941
Property expenses	-20,591	-14,951	-61,262
Expenses from operating activities	-65,657	-16,316	-166,278
Gross profit	14,474	15,464	68,401
Administration costs	-23,689	-15,800	-83,350
Financial income	14	546	1,331
Financial expenses	-25,157	-10,738	-54,166
Profit from business combinations	-	-	337,289
Profit prior to changes in value	-34,358	-10,528	269,506
Investments in associated companies	-3,382	-	-
Realised changes in value of properties	-	-	91,142
Unrealised changes in value of properties	-26,180	-	55,133
Pre-tax profit	-63,920	-10,528	415,781
Tax on annual profit	-7,414	-1,845	70,769
Profit for the period	-71,334	-12,372	486,550
Other comprehensive income			
<i>Items that may later be transferred to the income statement:</i>			
Recalculation of foreign branches	-	1,657	-
Other comprehensive income	0	1,657	0
Total comprehensive income	-71,334	-10,716	486,550
Comprehensive income for the period attributable to			
Shareholders	-67,418	-	490,050
Non-controlling interests	-3,916	-	-3,500
- of which share of other comprehensive income	-	-	-
<i>Profit per share, before/after dilution, SEK</i>	<i>-1.1</i>	<i>-0.2</i>	<i>7.7</i>

Turnover and profit

The Group's income totalled SEK 100.7 million (46.7), of which SEK 37.5 million (23.7) pertains to rental income and SEK 62.5 million (23.0) can be attributed to operating activities. The increase in rental income is mainly attributable to indexation and increased turnover rent, SEK 5.8 million, and the business in Skavsta, SEK 8 million. Of income from operating activities of SEK 62.5 million (23.0), SEK 25.2 million (21.0) relates to training activities, SEK 21.5 million (1.4) to event activities, SEK 1.1 million (0.5) to parking operations and SEK 14.5 million (0) to airport operations.

Property expenses include depreciation of operating properties amounting to SEK 8.5 million (4.5).

Gross profit totalled SEK 14.5 million (15.5) for the period. Gross profit is mainly affected by the leasing of Scandinavian XPO for SEK 10.5 million, property management operations totalling SEK 9.3 million and Stockholm Skavsta Airport at SEK -23.7 million.

Administration costs totalled SEK 23.7 million (15.8). SEK 5.1 million (0) of this increase relates to airport operations, with the remaining SEK 2.8 million (9.3) coming from central administration.

Net financial items totalled SEK -25.1 million (-10.2) and are related to interest expenses for loan financing. The increase is due to increased financing and higher interest rates.

Unrealised changes in value in management properties totalled SEK -26.2 million (0). All of the Group's properties were valued externally, by Forum Fastighetsekonomi, as of 31 March 2023.

Tax on profit for the period amounted to SEK -7.4 million (-1.8). The tax relates to deferred tax and is attributable to unrealised changes in the value of properties, reversed depreciation and other adjustments to the residual tax value of the properties.

Profit for the period totalled SEK -71.3 million (-12.4), corresponding to earnings of SEK -1.1 (-0.2) per share before and after dilution.

Condensed statement of the Group's financial position

Assets

Amounts in SEK thousands	31/03/2023	31/03/2022	31/12/2022
Goodwill	15,718	15,718	15,718
Other intangible assets	401	-	416
Management properties	5,945,150	5,645,143	5,953,500
Operating properties	570,713	518,996	574,628
Rights of use	10,185	8,169	14,994
Inventories	3,091	-	-
Other fixed assets	81,516	36,941	82,504
Participations in associated companies	328,345	-	302,003
Fixed assets	6,952,029	6,224,967	6,943,764
Current receivables	136,074	127,573	147,535
Liquid assets	275,970	355,844	394,307
Current assets	412,044	483,417	541,842
Total assets	7,364,073	6,708,384	7,485,606

Equity and liabilities

Equity	4,577,740	4,149,730	4,649,074
Long-term liabilities	1,629,984	1,493,642	1,635,287
Long-term liabilities, rights of use	7,607	4,791	4,435
Deferred tax liability	924,960	890,854	917,547
Provisions	50,000	-	50,000
Long-term liabilities	2,612,551	2,389,286	2,607,268
Current interest-bearing liabilities	23,229	70,717	24,317
Current liabilities, rights of use	3,024	3,212	3,024
Current tax liabilities	2,383	-	3,256
Other current liabilities	145,139	95,439	198,662
Current liabilities	173,776	169,368	229,264
Total equity and liabilities	7,364,073	6,708,384	7,485,606

Properties

At the end of the period, Arlandastad Group's property portfolio consisted of 14 properties, which comprise commercial properties and building rights. According to an external valuation, the market value of the properties as at 31 March was SEK 6.6 billion (6.2). The property portfolio also includes a land facility located on leased land.

Participations in associated companies

Participations in associated companies totalled SEK 328.3 million (0) and consist primarily of participations in the joint venture Arlandastad F&O AB of SEK 273.3 million and Arlandastad Extra Fem AB (Bake My Day) of SEK 55.0 million. The participations have been recognised using the equity method.

Market value of the property portfolio



Loan-to-value ratio in property portfolio

The loan-to-value ratio was 25 per cent (25) at the end of the quarter. The loan-to-value ratio is calculated as interest-bearing liabilities in relation to the total value of management and operating properties.

Equity

Arlandastad Group's balance sheet total was SEK 7.4 billion (6.7). Equity amounted to SEK 4.6 billion (4.1), which is an increase from the same period last year of SEK 428 million and is attributable to the profit achieved in 2022. The Group's debt/equity ratio was 62 per cent at the end of the period, compared with 62 per cent in the same quarter of 2022. The return on equity, rolling twelve months, stood at 10 per cent (5 per cent).

Taxes

Deferred tax as of 31 March totalled SEK 925.0 million (890.9). The deferred tax liability is mainly attributable to management properties.

Provisions

In connection with the acquisition of Stockholm Skavsta Airport, an environmental study was carried out to determine the environmental risks associated with the acquisition. The largest environmental risk relates to possible future treatment of water catchment in the airport area. A provision of SEK 50 million has been made for environmental risks.

Financing

Interest-bearing net debt amounted to SEK 1.7 billion (1.6) at the end of the period. The average interest rate for the financing was 5.2 per cent (2.7). The interest coverage ratio for the period was 0.6 (1.14). Of liabilities to credit institutions that mature within one year, SEK 31 million relates to construction loans that will be converted into long-term financing in the second quarter of 2023. Liabilities that fall due within 1–2 years include subordinated loans of SEK 150 million.

Distribution of interest-bearing liabilities

Amounts in SEK million	
Property loans	1,471.5
Subordinated loans	150.0
Construction credit, used in ongoing projects	31.0
Total interest-bearing liabilities	1,652.5
Unused credit facility	8.0

Schedule of due dates for credit liabilities, 31 March 2023

Credit agreements	SEK million	Percentage, %
0–1 years	50.9	3%
1–2 years	169.8	10%
2–3 years	751.8	45%
3–4 years	108.3	7%
4–5 years	571.7	35%
> 5 years	0.0	0%
Total	1,652.5	100%

Management property market value

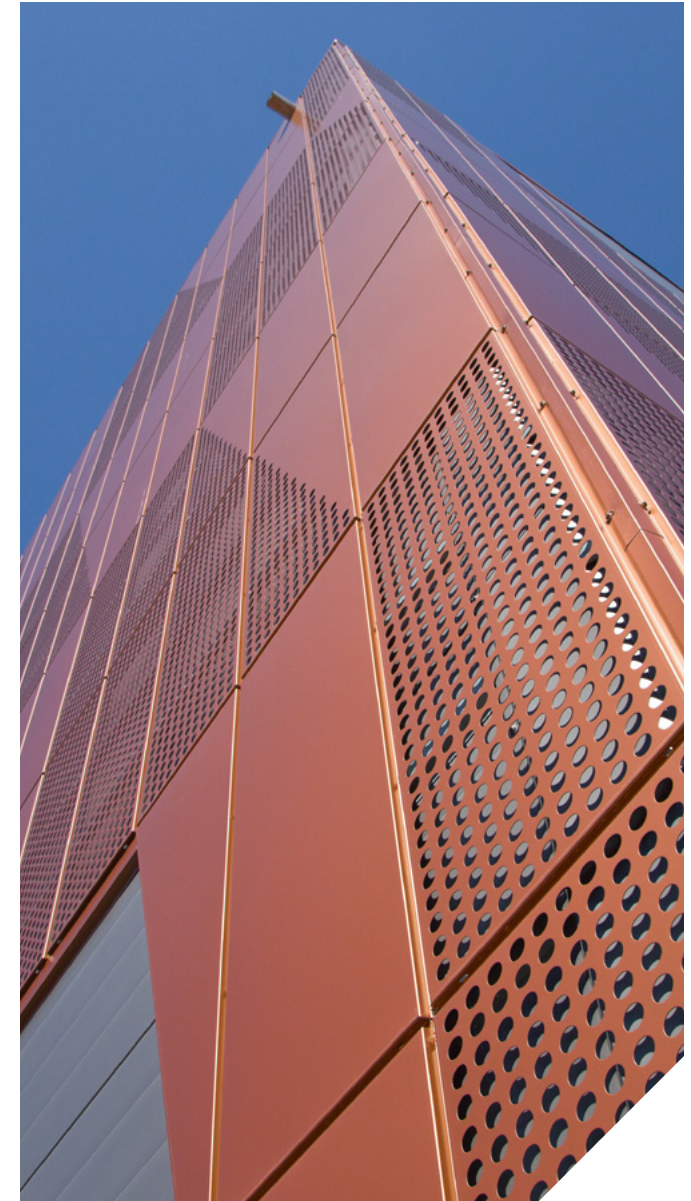
Amounts in SEK million	Jan–Mar 2023	Jan–Mar 2022
Market value as of January 1	5,953	5,610
Investments in existing properties	18	35
Acquisitions of the year	-	-
Disposals	-	-
Reclassifications	-	-
Unrealised changes in value	-26	-
Market value as of the end of the period	5,945	5,645
Distribution of fair value management properties		
Commercial properties	2,333	2,030
Building rights	3,612	3,615

Carrying amount, operating properties

Amounts in SEK million	Jan–Mar 2023	Jan–Mar 2022
Opening acquisition value	575	513
Investments in existing properties	4	11
Reclassifications from management properties	-	-
This year's depreciations	-8	-5
Accounted value carried forward	571	519

Condensed statement of the Group's changes in equity

Amounts in thousand SEK	Share capital	Other contributed equity	Translation reserve	Profit brought forward	Non-controlling interests	Total equity
Equity 01/01/2022	569	834,340	2,565	3,322,972	-	4,160,446
New share issue	-	-	-	-	-	-
Profit for the period Jan–Mar 2022	-	-	-	-12,372	-	-12,372
Transfer of translation reserve	-	-	1,656	-	-	1,656
Minority interest	-	-	-	-	-	-
Transactions with owners:	-	-	-	-	-	-
Incentive programme	-	-	-	-	-	-
Equity 31/03/2022	569	834,340	4,221	3,310,600	-	4,149,730
Transfer of translation reserve	-	-	-4,221	-	-	-4,221
Profit for the period Apr–Dec 2022	-	-	-	502,422	-3,500	498,922
Minority interest	-	-	-	-	4,727	4,727
Transactions with owners:	-	-	-	-	-	-
Incentive programme	-	-84	-	-	-	-84
Equity, 31 Dec 2022	569	834,256	-	3,813,022	1,227	4,649,074
Profit for the period Jan–Mar 2023	-	-	-	-67,418	-	-67,418
Transactions with owners:	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-3,916	-3,916
Equity 31/03/2023	569	834,256	-	-3,745,604	-2,689	4,577,740



Consolidated cash flow statement

Amounts in SEK thousands	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Profit after financial items	-34,358	-10,528	269,506
Adjustments for items not included in the cash flow	19,223	6,310	-309,590
Total	-15,135	-4,218	-40,084
Tax paid	-1,472	-4,380	-3,605
Cash flow from operating activities prior to changes in working capital	-16,607	-8,598	-43,689
Cash flow from changes in working capital			
Change in inventories	-91	0	-1,145
Changes in operating receivables	12,152	-25,031	-33,727
Changes in operating liabilities	-53,522	2,789	-14,533
Cash flow from operating activities	-58,068	-30,840	-93,094
Investment activities			
Business combinations	-	-	-30,140
Divestment of property	-	-	266,146
Divestment of intangible fixed assets	16	-	-10
Down payment made	-	-	-30,000
Acquisitions of tangible fixed assets	-30,724	-45,942	-216,967
Acquisitions of financial fixed assets	-26,342	-	-28,491
Cash flow from investment activities	-57,050	-45,942	-39,462
Financing activities			
Incentive programme	-	0	-84
Loans raised	-	0	114,505
Repayment of loan liabilities	-3,218	-8,843	-28,993
Cash flow from financing activities	-3,218	-8,843	85,428
Cash flow for the period	-118,336	-85,625	-47,128
Liquid assets at year start	394,307	441,435	441,435
Exchange rate difference in liquid assets	-	33	-
Liquid assets at end of period	275,970	355,844	394,307

Cash flow and liquid assets

Cash flow for the period totalled SEK -118.3 million (85.6), which consists of cash flow from operating activities of SEK -58.1 million (-30.8), investing activities of SEK -57.1 million (-45.9) and financing activities of SEK -3.2 million (-8.8).

The change in working capital totalled SEK -41.5 million (-22.2), and non-cash items totalled SEK 19.2 million (6.3). Adjustments for items not included in the cash flow comprise depreciation.

The cash flow from investing activities of SEK -57.1 million (-45.9) is attributed to investments in properties amounting to SEK -30.7 million (-45.9), as well as financial fixed assets comprising shareholder contributions to participations in associated companies totalling SEK -26.3 million (0).

Financing activities affect cash flow by SEK -3.2 million (-8.8) and mainly pertain to the repayment of loan liabilities.

Liquid assets at the end of the period totalled SEK 276.0 million, compared with SEK 355.8 million at the same time last year.

Segment accounting – Business areas

Arlandastad Group is a property development company with three business areas, which are also its accounting segments: Property Development, Property Management and Operating Activities.

The company owns and has at its disposal a total of almost 8 million square metres of land, split between two of Sweden's largest development projects, Explore Arlandastad and Explore Skavsta, adjacent to infrastructure nodes. The company's property development is made up of detailed planning, project development and the conversion of existing properties into new operations. The business model is based on governing the entire value chain from the acquisition of land and planning processes to the construction and subsequent management of the properties. In cases where the company sees that it can add value, such as attracting other tenants or driving traffic to the area in the property business, the company runs operating activities that generate cash flow.

As of 31 December 2022, part of the property portfolio in Explore Skavsta has been reclassified as operating property. This applies to the properties used in the operations of Stockholm Skavsta Airport.

Group 2023 Jan–Mar, SEK thousand	Property Development	Property Management	Operating Activities	Unallocated Group costs and eliminations	Total
Rental income	6,282	42,382	-	-11,146	37,518
Income from operating activities	-	-	62,513	-	62,513
Other income	-	16	500	176	693
Operating income	6,282	42,398	63,013	-10,970	100,722
Property expenses	-333	-11,649	-	-158	-12,140
Depreciation of property	-	-8,451	-	-	-8,451
Expenses from operating activities	-	-	-76,506	10,849	-65,657
Gross profit	5,949	22,298	-13,493	-279	14,474
Administration costs	-967	-8,873	-6,695	-7,154	-23,689
Net financial items	2	-24,345	-809	9	-25,143
Profit from business combinations	-	-	-	-	-
Profit prior to changes in value	4,984	-10,920	-20,997	-7,424	-34,358
Changes in the value of financial investments	-3,382	-	-	-	-3,382
Unrealised changes in value of properties	-3,922	-22,258	-	-	-26,180
Pre-tax profit	-2,320	-33,178	-20,997	-7,424	-63,920

Group 2022 Jan–Mar, SEK thousand	Property Development	Property Management	Operating Activities	Unallocated Group costs and eliminations	Total
Rental income	1,838	27,778	-	-5,893	23,723
Income from operating activities	-	-	22,976	-	22,976
Other income	7	200	25	-200	32
Operating income	1,846	27,978	23,001	-6,093	46,731
Property expenses	-12	-10,394	-	-	-10,406
Depreciation of property	-	-4,546	-	-	-4,546
Expenses from operating activities	-	-	-22,409	6,093	-16,316
Gross profit	1,834	13,038	592	0	15,464
Administration costs	-527	-2,781	-6,499	-5,993	-15,800
Net financial items	-675	-8,829	-697	9	-10,192
Profit prior to value changes	632	1,428	-6,604	-5,984	-10,528
Unrealised changes in value of properties	-	-	-	-	-
Pre-tax profit	632	1,428	-6,604	-5,984	-10,528

Property Management business area

Income from rent totalled SEK 42.4 million (27.8). The increase in rental income is mainly attributable to indexation and increased turnover rent, as well as the business in Skavsta.

Property expenses (excluding depreciation) amounted to SEK 11.6 million (10.4). The increase is mainly due to increased costs for winter services and property management.

Gross profit totalled SEK 22.3 million (13.0). The increase can mainly be attributed to indexation and increased turnover rent, as well as Skavsta.

Administration costs amounted to SEK 8.9 million (2.8). The increase over the same period last year is mainly attributable to higher personnel expenses due to the enlargement of the organisation as well as expenses in Stockholm Skavsta Airport.

Financial items totalled SEK -24.3 million (-8.8) and are primarily related to interest costs for loan financing. The increase is due to a higher interest-bearing debt and a higher interest rate. The average interest rate in the first quarter stood at 5.2 per cent (2.7).

Profit prior to changes in value totalled SEK -34.4 million (-10.5).

Arlandastad Group determines the value of management properties through external valuations by independent valuation agencies at each quarter. As of 31 March 2023, the properties have been valued externally by Forum Fastighetskonomi AB. The average required rate of return for the portfolio stood at 6.62 per cent (5.92).

Key performance indicators, Property management

Net operating income, SEK million	22.3	17.4	93.0
Surplus ratio, %	53	63	66
Profit prior to changes in value, SEK million	-5.4	1.4	-9.7
Underlying rental value, SEK million	179	145	186
Change in underlying rental value, %	-4.3	0.0	29.5
Change in underlying rental value adjusted for acquired properties, %	-0.1	-	9.7
Loan-to-value ratio, %	25	25	25
Market value of commercial properties, SEK million	2,333	2,030	2,341

	Quarter		Accumulated
	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Net operating income, SEK million	22.3	17.4	93.0
Surplus ratio, %	53	63	66
Profit prior to changes in value, SEK million	-5.4	1.4	-9.7
Underlying rental value, SEK million	179	145	186
Change in underlying rental value, %	-4.3	0.0	29.5
Change in underlying rental value adjusted for acquired properties, %	-0.1	-	9.7
Loan-to-value ratio, %	25	25	25
Market value of commercial properties, SEK million	2,333	2,030	2,341

Rental income and surplus ratio



Property Development business area

Property Development is the Arlandastad Group business area that handles strategy or concept development, along with realisation of the existing land portfolio that the company has at its disposal. The business model is based on controlling the entire value chain from the acquisition of land and planning processes to the construction and subsequent management of the properties.

As of 31 March 2023, the Group has claimed less than 10 per cent of the potential building rights in the development project Explore Arlandastad, which comprise a gross total area (GTA) of approximately 1.3–1.4 million square metres. Investments in new construction as well as renovation and extension of the existing portfolio are important factors in Arlandastad Group's value creation.

The value of building rights and the development properties in Arlandastad Group is in line with the previous year and amounts to SEK 3,612 million (3,615). Arlandastad Group has divested approximately 134,000 square metres of GTA to associated companies. At the same time, Skavsta has contributed additional value of SEK 204 million, of which SEK 163 million relates to building rights and the remaining valuation of undeveloped land.

In Explore Arlandastad, the average value of building rights has increased from SEK 3,206 to SEK 3,426/square metre of GTA, largely due to the business the Group has done in the area and changed assumptions about the time within which the building rights are expected to be used. In Explore Skavsta, the building rights have been rated at an average value of SEK 302/square metre GTA.

Total project profit was 34 per cent for the period (30). Arlandastad Group's infrastructure projects are not part of the project profit.

Key performance indicators, Property Development	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Investments, SEK million	22	46	195
Project profit, %	34	30	35
Average value of building rights, Arlandastad, SEK/square metre	3,426	3,206	3,426
Average value of building rights, Skavsta, SEK/square metre	302	-	302
Market value of development properties, SEK million	3,612	3,615	3,612



Operating Activities business area

The Operating Activities business area mainly comprises three subsidiaries: Training Partner and Scandinavian XPO and, since 17 May 2022, the airport operations in Skavsta. Training Partner offers training courses to dealers and general agents in the automotive industry. Scandinavian XPO conducts event activities (events/fairs/conferences) in the meeting and event arena of the same name.

Total revenues amounted to SEK 62.5 million (23.0) for the period. The increase is mainly due to the event operations in Scandinavian XPO, whose revenues increased by SEK 20.0 million. Airport operations have contributed SEK 14.8 million and training activities SEK 4.2 million.

The business area's total order book, prebooked events, training, etc., totalled SEK 129.0 million (128.4) at the end of the period, of which SEK 71.7 million is expected to be included in accounts in the coming 12-month period. Gross profit totalled SEK -13.5 million (0.6). The lower profit is mainly due to Stockholm Skavsta Airport.

Total income and gross margin



Order book



Key performance indicators	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Operating activities, SEK million			
Income from			
Operating activities	63.0	22.9	170.2
Gross profit	-13.5	0.6	-20.2
Total order book	129.0	128.4	148.2
Order book coming 12 months	71.7	77.5	99.7



Condensed income statement for the Parent Company

Amounts in SEK thousands	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Rental income	5,378	4,849	21,693
Other operating income	2,872	2,028	10,132
Total revenue	8,250	6,877	31,825
Property expenses	-2,816	-1,955	-10,106
Operating surplus	5,434	4,922	21,719
Administration costs	-9,785	-7,928	-40,444
Depreciation and impairment losses	-1,394	-1,329	-40,504
Net financial items	-4,909	-2,393	251,407
Profit from property management	-10,655	-6,729	192,178
Balance sheet allocations	-	-	-1,073
Pre-tax profit	-10,655	-6,729	191,105
Tax on annual profit	-	-	706
Profit for the period	-10,655	-6,729	191,811

Income statement

The operations of the Parent Company, Arlandastad Group, currently consist of Group functions, Group administration and Property Management. Total revenue for the period amounted to SEK 8.2 million (6.9). Rental income amounted to SEK 5.4 million (4.8) and other income to SEK 2.9 million (2.0). Other operating income mainly relates to management fees and the re-invoicing of Group-wide costs to the subsidiaries.

Administration costs totalled SEK 9.8 million (7.9). Depreciation and impairment losses amounted to SEK 1.4 million (1.3). Net financial items amounted to SEK -4.9 million (-2.4) and are mainly attributable to increased personnel expenses, as well as increased interest expenses and interest income. The Parent Company's profit for the year totalled SEK -10.7 million (-6.7).

Condensed statement of the Parent Company's financial position

Assets

Amounts in SEK thousands	31/03/2023	31/03/2022	31/12/2022
Management properties	137,385	137,814	138,569
Participations in group companies	215,712	151,459	215,712
Receivables with Group companies	1,728,736	426,182	1,869,549
Other fixed assets	68,982	4,311	39,247
Fixed assets	2,150,816	719,766	2,263,077
Receivables with Group companies	24,629	5,586	-
Other current receivables	32,383	9,452	39,562
Liquid assets	249,743	348,767	340,761
Current assets	306,755	363,805	380,323
Total assets	2,457,571	1,083,570	2,643,399
Equity and liabilities			
Equity	929,248	741,448	939,903
Long-term interest-bearing liabilities	1,498,281	310,085	1,503,262
Long-term liabilities	1,498,281	310,085	1,503,262
Liabilities to Group companies	-	-	167,969
Current liabilities	30,041	32,037	32,266
Current liabilities	30,041	32,037	200,235
Total equity and liabilities	2,457,571	1,083,570	2,643,399

Equity and indebtedness

The Parent Company's balance sheet total amounted to SEK 2,457.6 million at 31 March 2023, compared with SEK 1,083.6 million for the same period last year. Equity amounted to SEK 929.2 million, compared with SEK 741.4 million at 31 March 2022. The increase in equity comes from the profit for the year.

The Parent Company's statement on changes in equity

Amounts in SEK thousands	Share capital	Other contributed equity	Profit brought forward	Profit for the year	Total equity
Equity 01/01/2022	569	531,002	306,408	-89,803	748,176
Transfer of last year's profit	-	-	-89,803	89,803	-
Profit for the period	-	-	-	-6,729	-6,729
Equity 31 Mar 2022	569	531,002	216,605	-6,729	741,448
Profit for the period	-	-	-	198,540	198,540
Transactions with owners:					
Incentive programmes	-	-84	-	-	-84
Equity, 31 Dec 2022	569	530,918	216,605	191,811	939,903
Transfer of last year's profit	-	-	191,811	-191,811	-
Profit for the period	-	-	-	-10,655	-10,655
Equity 31/03/2023	569	530,918	408,416	-10,655	929,248



Other information

Interim CFO

After the end of the first quarter, Arlandastad Group has hired Henrik Morén as interim CFO. Henrik Morén has previously worked as CFO of a listed property company and has many years of experience in property companies, banks and the financial markets.

Employees

At the end of the period, the number of full-time employees was 162 (78), of which 80 were added through the acquired operation Stockholm Skavsta Airport.

Seasonal variations

Arlandastad Group's operating surplus is affected by seasonal variations in operating costs. In general, costs are higher during the first and last quarters of the year, mainly because of higher costs for heating and property management, such as snow removal. The Group's operating activities also have seasonal variations, with operations decreasing during the Christmas and New Year holidays and during the summer months.

Accounting principles

Arlandastad Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The interim report is prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. Disclosures in accordance with IAS 34 Interim Financial Reporting are presented both in the notes and elsewhere in the interim report.

The Parent Company applies the same accounting principles as the Group, but taking into account recommendations from the Swedish Financial Reporting Council, RFR 2, Accounting for Legal Entities.

Applied accounting principles and calculation methods are unchanged since the annual report last year.

Transactions with closely related parties

During the period, no significant transactions have occurred with related parties, except for customary remuneration of the Board of Directors and senior executives.

Income from agreements with customers

In order for the Group to be able to report income from agreements with customers, each customer agreement is analysed in accordance with the five-step model, which can be found in IFRS 15.

Income from Operating activities

Income from Operating activities is reported in accordance with IFRS 15. The income is reported when the Group fulfils a performance commitment, i.e. when the customer assumes control of the product or service. The assessment is that each training session or event constitutes a separate performance commitment.

Management properties

Management properties consist of properties held for rent to external tenants. Management properties are valued at fair value in accordance with IAS 40 in the statement of financial position. Valuation was performed in accordance with level 3 of the IFRS valuation hierarchy.

Operating properties

Operating properties are properties held for the Group's production and provision of goods or services, storage or administrative purposes, and are reported at acquisition value minus depreciation in accordance with IAS16.

Management properties and changes in value

For a detailed description of valuation principles, see the 2022 Annual Report.

Valuation of interest-bearing liabilities

The Group's interest-bearing liabilities are reported at accrued acquisition value. Financial liabilities reported at accrued acquisition value are initially valued at fair value including transaction costs. After the first reporting occasion, they are valued using the effective interest method.

Risks and uncertainties

Within Arlandastad Group, property valuation, project operations, financing and letting, taking into account both complexity and the size of the amounts, are the primary priority areas for risk management. The company has procedures to continuously evaluate and minimise these risks.

A turbulent outside world has led to increased inflation and greater uncertainty in supply chains in terms of both price and delivery times for construction materials.

Access to borrowed capital has varied with a strained capital market, with rising credit margins as a result. Thus, the total financing cost in the market is significantly higher than at the beginning of the year.

In addition to the above, the Group's and the Parent Company's risks and risk management are described in the Annual Report for 2022.

Ownership structure

As of 31 March 2023, share ownership in Arlandastad Group AB was distributed as follows:

Gelba Management AB approx. 47 per cent; SBB approx. 14 per cent; other shareholders with holdings over 5 per cent own 21 per cent of shares; other shareholders 20 per cent.

Dividend policy

Arlandastad Group will use its ongoing cash flow to finance further realisation of the existing project portfolio and explore potential future acquisitions. The Board of Directors therefore does not intend to propose any dividend within the next few years.

Annual General Meeting 2023

At Arlandastad Group's Annual General Meeting on 19 April 2023, the Annual Report for 2022 was approved. No dividend was decided.

The AGM reached a decision on a long-term incentive programme ("LTIP 2023"), as well as the issue of warrants and the subsequent transfer of shares and/or warrants. More information about the incentive programme can be found on the company's website: arlandastadgroup.se/sv/bolagsstyrning/bolagsstamma

The Annual General Meeting further resolved that the Board of Directors should consist of eight ordinary members. For the period until the next Annual General Meeting, the following were re-elected: Peter Wågström, who was also appointed Chairman, Leif West, Per Taube, Sunniva Fallan Röd, Maria Rankka, Tomas Rudin, Peter Markborn and Lars Thagesson.

The Annual General Meeting resolved to authorise the Board of Directors, on one or more occasions during the period until the next Annual General Meeting, to resolve to issue shares not exceeding 10 per cent of the number of shares at the time of issue.

At the Annual General Meeting, it was resolved to re-elect Ernst&Young AB as the audit firm, with Gabriel Novella as auditor in charge.

During the statutory Board meeting following the Annual General Meeting, the Board of Directors of Arlandastad Group AB has elected Leif West as Deputy Chairman of the Board.

Events after the accounting date

No significant events have occurred since the end of the accounting date.

The interim report has not been subject to the auditors' review.

Arlandastad, 17 May 2023.

The Board

This report is also available in Swedish. The English version is a translation of the Swedish original. If there are any differences, the Swedish version takes precedence

Calendar

18 July 2023

Interim report for the period January–June 2023

15 November 2023

Interim report for the period January–September 2023

15 February 2024

Year-end report for the period January–December 2023



Financial definitions

Outstanding shares

Number of registered shares at end of period.

Return on equity, %

Period profit after tax for the most recent 12-month period, as a percentage of average equity.

Loan-to-value ratio, properties, %

Interest-bearing liabilities, excluding liabilities for financial leasing, as a percentage of the properties' fair value at end of period.

Gross profit Property Management

Rental income minus costs for property management and depreciation on operating properties.

Gross profit Operating Activities

Income from operating activities minus operating costs for these activities.

Average number of outstanding shares

Average number of outstanding shares during the period.

Order book incomes from operating activities

Agreed future income for training, meeting and event operations of the operating activities.

Profit per share, SEK

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

Interest coverage ratio

Gross profit after financial income through financial costs.

Debt/equity ratio

Reported equity at the end of the period as a percentage of the balance sheet total. Used to highlight Arlandastad Group's financial stability.

Net asset value (NAV), per share, SEK

Reported equity adjusted for the fair value of the entire property portfolio, with the repayment of deferred tax divided by the number of outstanding shares at the end of the period.

Net asset value (NAV) is used to inform stakeholders of Arlandastad Group's long-term net asset value per share calculated in a uniform manner for listed property companies.

Property-related definitions

GTA, sq.m.

Gross Total Area refers to the total area of the building, including exterior walls.

Net operating income, Property Management

Rental income minus costs for property management, excluding depreciation on properties.

Property expenses

The item includes both direct property expenses and costs for operation, property taxes and depreciation on operating properties.

Change in underlying rental value

The year's change in contracted rental value in relation to the previous year's contracted rental value.

Rental income

Charged rent fees plus supplements, such as costs for heating, electricity and property tax.

Rental value

Contracted annual rents excluding rental surcharges. Used to highlight the Group's income potential.

GLA, sq.m.

The Gross Leasable Area of the building(s).

Project profit, %

The market value after completed projects minus total investment, as a percentage of total investment.

Surplus ratio

Net operating income, not including depreciation on operating properties, in the Property Management segment, as a percentage of reported rental income.



Arlandastad Group AB

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