

# Interim report, January–June 2023

## The period in brief

- Income totalled SEK 210.3 million (131.1)
- Profit prior to changes in value totalled SEK -49.0 million (317.8)
- Profit before tax totalled SEK -7.1 million (668.5)
- Profit for the period totalled SEK -25.2 million (680.9), corresponding to SEK -0.4 per share (10.8) before and after dilution
- The market value of the property portfolio totalled SEK 6.62 billion (6.75)
- Loans on the properties totalled SEK 1.65 billion (1.56), corresponding to a loan-to-value ratio of 25 per cent (23)
- Net asset value (NAV) per share amounted to SEK 88 (94)
- The reclassification of the terminal building in Skavsta from operating property to investment property has affected profit for the period by SEK 122.3 million
- Henrik Morén started as the new CFO and member of the Group Management on 1 June 2023

	Jan–June 2023	Jan–June 2022	Apr–June 2023	Apr–June 2022	Jan–Dec 2022
<b>Financial performance indicators</b>					
Income, SEK million	210.3	131.1	109.6	84.3	295.9
Gross profit, SEK million	49.5	39.3	35.0	23.8	68.4
Profit prior to changes in value, SEK million	-49.0	317.8	-14.6	328.3	269.5
Pre-tax profit, SEK million	-7.1	668.5	56.8	679.0	415.8
Profit for the period, SEK million	-25.2	680.9	46.1	693.3	486.6
Profit per share, prior to dilution, SEK	-0.4	10.8	0.7	11.0	7.7
Profit per share, after dilution, SEK	-0.4	10.8	0.7	11.0	7.7
Cash flow from operating activities after changes in working capital, SEK million	-78.7	-98.0	-12.9	-67.2	-93.1
Loan-to-value ratio, properties, %	25	23	25	23	25
Return on equity, %	-5	21	-5	21	11
<b>Properties, key performance indicators</b>					
Market value properties, SEK million	6,621	6,749	6,621	6,749	6,584
Net asset value (NAV), per share, SEK	88	94	88	94	89
Change in underlying rental value, %	14.9	25.4	19.6	25.4	29.5
Underlying rental value, SEK million	213.7	171.7	213.7	171.7	186.0
Surplus ratio, %	57	67	61	77	66
Realised changes in value of properties, SEK million	-	70.0	-	-	91.1
Unrealised changes in value of properties, SEK million	69.0	280.8	95.1	280.8	55.1

## Property portfolio market value

**SEK 6,621** MILLION  
(SEK 6,749 million)

## Loan-to-value ratio

**25%**  
(23%)

## Profit for the period

**SEK -25.2** MILLION  
(SEK 680.9 million)

## NAV per share

**SEK 88**  
(SEK 94)

## Income

**SEK 210.3** MILLION  
(SEK 131.1 million)

## Return on equity

**-5%**  
(21%)



**Dieter Sand**  
Managing Director and  
CEO

**Business activity in Arlandastad and Skavsta increased during the period. More than 100 EU meetings were held in the meeting and event arena Scandinavian XPO.**

## Increased activity and new agreements in a continued uncertain market

The market was characterised by continued uncertainty and higher interest rate levels during the period. Our income increased, whereas earnings were impacted by higher financial costs. Measures aiming at improving profitability are starting to have an effect and are a high priority. One positive signal is that we are now seeing increased business activity in both Arlandastad and Skavsta, and our focus on filling vacancies has yielded results in the form of a number of new and renegotiated agreements.

### Increased revenue

Revenue during the period increased by 60 per cent to SEK 210.3 million (131.1), of which rental income accounted for SEK 78.4 million (53.4), with the increase primarily being due to the operation in Skavsta, increased turnover rent and indexation. Income from Operating activities amounted to SEK 131.0 million (77.1). This increase is mainly attributable to the operation in Skavsta and to the agreement with the Government Offices during Sweden's presidency of the EU.

(-25.2) and was affected by an operating loss from the operation in Skavsta, a change in operating liabilities, shareholder contributions in associated companies and investments in property. The Group's cash and cash equivalents at the end of the period amounted to SEK 244.9 million. Ongoing projects are fully funded.

### Measures aiming at improving profitability are starting to have an effect

Profit for the period amounted to SEK -25.2 million (680.9). Profit prior to changes in value totalled SEK -49.0 million (317.8). The main explanations for the reduced profit level are costs linked to Stockholm Skavsta, higher financial expenses and the fact that last year's profit figure included a gain from business combinations amounting to SEK 337.3 million following the acquisition of Skavsta. Measures designed to improve profitability, such as new agreements and structural changes, are starting to have an effect and are a high priority.

### New agreements and increased activity

We own and have at our disposal areas of land totalling almost 8 million square metres, split between two of Sweden's largest development projects, both strategically located adjacent to infrastructure nodes at Arlandastad and Skavsta. In these projects, work is in progress on detailed plans with a combined potential of additional building rights totalling more than one million square metres.

Business activity in Arlandastad and Skavsta increased during the period. More than 100 EU meetings were held in the meeting and events arena Scandinavian XPO, which the Government Offices leased during Sweden's presidency of the EU, along with the entire Quality Hotel Arlanda XPO. At the same time, we observed the highest occupancy to date for the long-term car park. In the middle of the year, our order book for a rolling twelve-month period for Operating activities was slightly higher than the corresponding twelve-month period a year earlier.

### Low loan-to-value ratio

The market value of the properties as of 30 June amounted to SEK 6.62 billion (6.75). The Group's loan-to-value ratio was 25 per cent (23). The cash flow for the period amounted to SEK -149.4 million

Our focus on filling vacancies has yielded results. We entered into an agreement with the electric car company Tesla regarding the establishment of one of Sweden's largest charging stations at Scandinavian XPO in Arlandastad, where building permits remain for starting construction. The electric car company NIO is also new as a tenant, and work is in progress regarding the installation of the company's Battery Swap Station. We have also entered into a lease agreement with the company Skincare by us in relation to premises for a showroom, offices and warehousing in Arlandastad.

Construction of the 10,000 square metre bakery Bake My Day in Arlandastad has continued, now with green financing from Danske Bank. The bakery is environmentally certified in line with our goal of obtaining environmental certification for all new constructions.

Since 1 April, the airline Norwegian has been flying to Malaga and Alicante from Stockholm Skavsta Airport, which has led to an increase in passenger numbers. In late April and early May, the airport was visited by around a hundred military personnel in connection with Aurora 23 – the largest exercises by the armed forces in Sweden for more than 30 years. The Swedish Armed Forces were very satisfied and are anticipating ongoing collaboration in the future, as Skavsta has now been established as a contingency airport by the Government.

The work aimed at developing the area around the terminal building at Skavsta continued. Planning permission has been granted. Work is also underway on areas adjacent to the future railway, for which detailed plans are now ready. 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. The Swedish Transport Administration's ongoing infrastructure investments, such as the East Link Project, new roads and other infrastructure, are influencing the pace and the order in which the detailed planning work is being carried out for the area.

## Sustainable growth and collaboration

Sustainable growth and collaboration are crucial for a long-term operator like Arlandastad Group. This autumn, working alongside Sigtuna and Nyköping municipalities, we will be involved in arranging the Nordic region's largest sustainability conference, with forums in both Arlandastad and Skavsta. We are also collaborating with RISE, Vy, Adastec and Applied Autonomy regarding the development of electric, self-driving buses that will operate the route between the long-term car park at Arlandastad and the terminal buildings at the airport. It is through dialogue with municipalities, authorities and companies that we are building lasting values.

*Dieter Sand,  
Managing Director and CEO*



**This autumn, working alongside Sigtuna and Nyköping municipalities, we will be involved in arranging the Nordic region's largest sustainability conference, with forums in both Arlandastad and Skavsta.**



# 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.

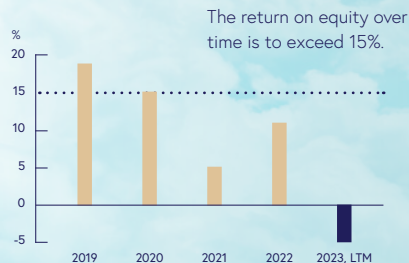
### Property development, land acquisition

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

VALUE

## 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	-2024	-	-	-
In the detailed planning process A district for exercise, health and innovation <sup>1</sup>	Not specified	Estimated 150,000	Detailed planning process	-2024	-	-	-
<b>Subtotal</b>		<b>1,277,644</b>			<b>-</b>	<b>-</b>	<b>-</b>

## 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	1,715	1%
Bake My Day (associated company 49%)	Bakery	9,676	Project development	2022-2024	190	121	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%
<b>Subtotal</b>		<b>170,170</b>			<b>2,231</b>	<b>2,000</b>	<b>-</b>

## 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	2023-2024	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	-
Scandinavian XPO – Co-working	Offices	6,000	Project development	2025-2026	120	120	-
DRIVELAB Center – offices and expansion	Offices/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	-
<b>Subtotal</b>		<b>96,790</b>			<b>1,703</b>	<b>1,703</b>	<b>-</b>

## 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	2023-	-	-	-
<b>Subtotal</b>		<b>1,042,000</b>			-	-	-

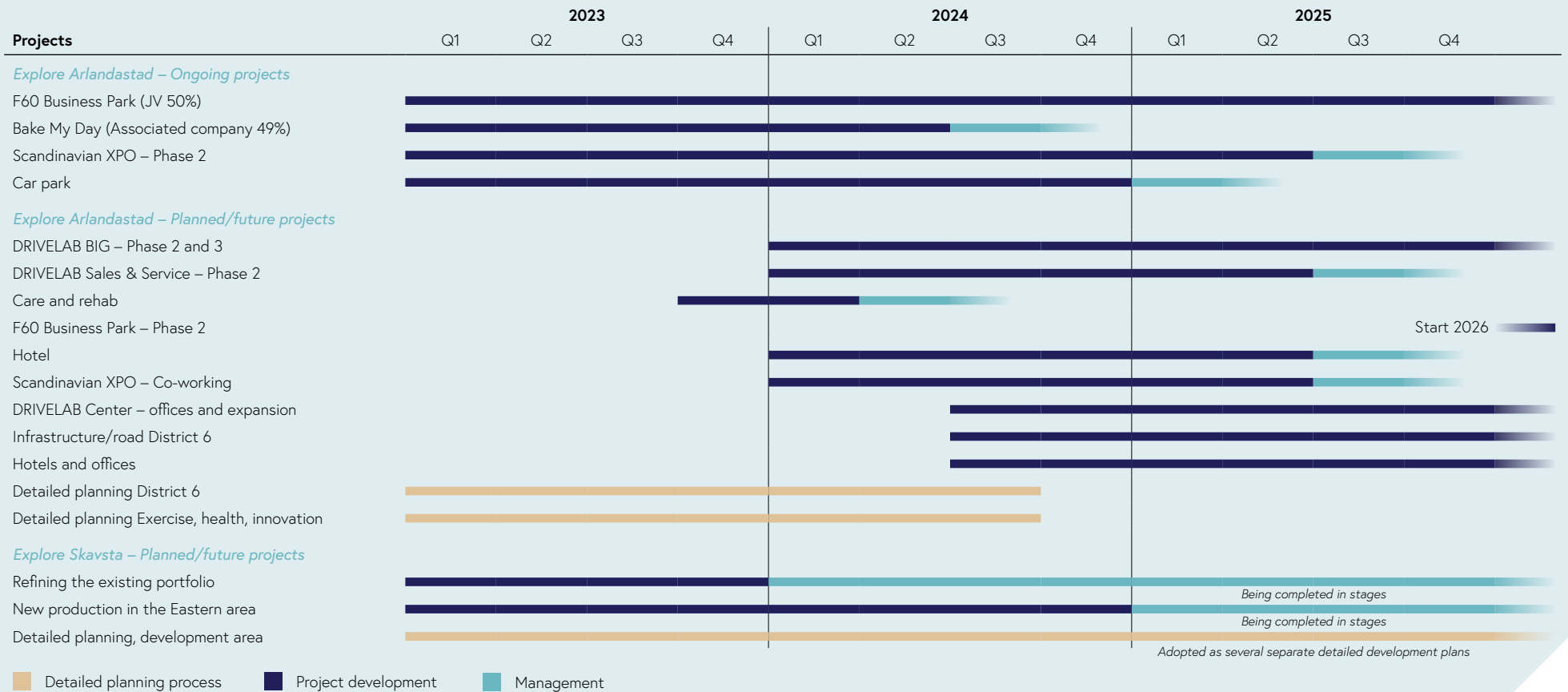
## Explore Skavsta – Planned/future projects

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%
<b>Subtotal</b>		<b>15,000</b>			<b>250</b>	<b>250</b>	-





# Project phases over the next three years



■ Detailed planning process   
 ■ Project development   
 ■ Management

*Adopted as several separate detailed development plans*

# Two of Sweden's largest development projects

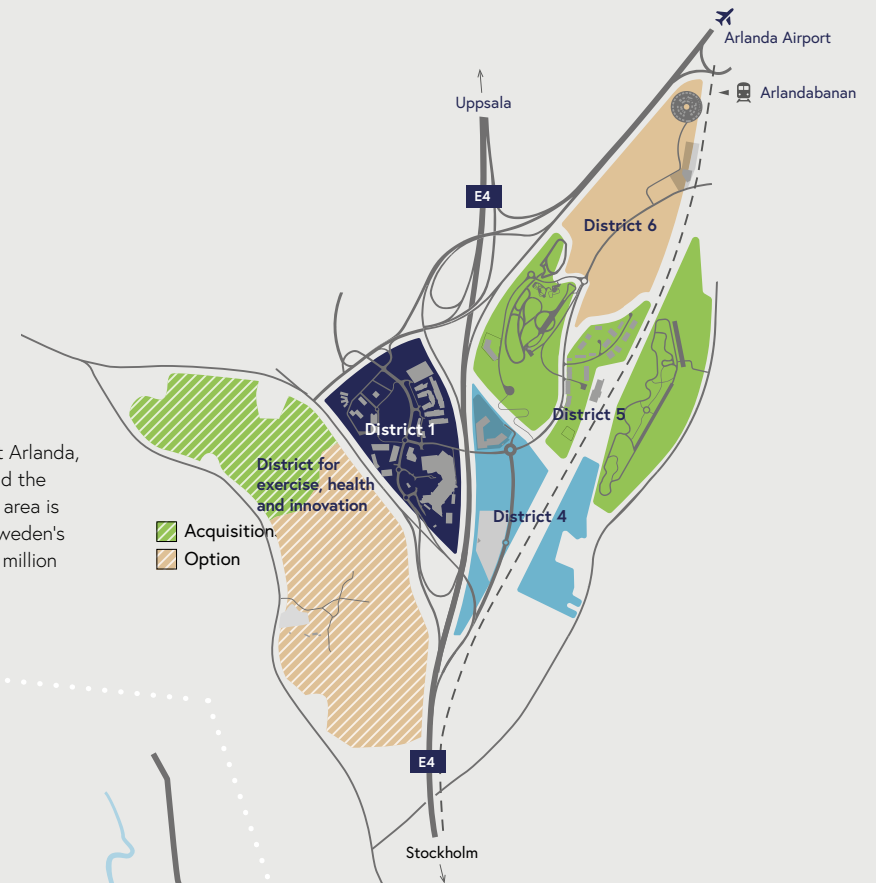
Arlandastad Group owns and operates two of Sweden's largest development projects. We own and have at our disposal almost 8 million square metres of land, split into two strategically located areas.



## Explore Arlandastad

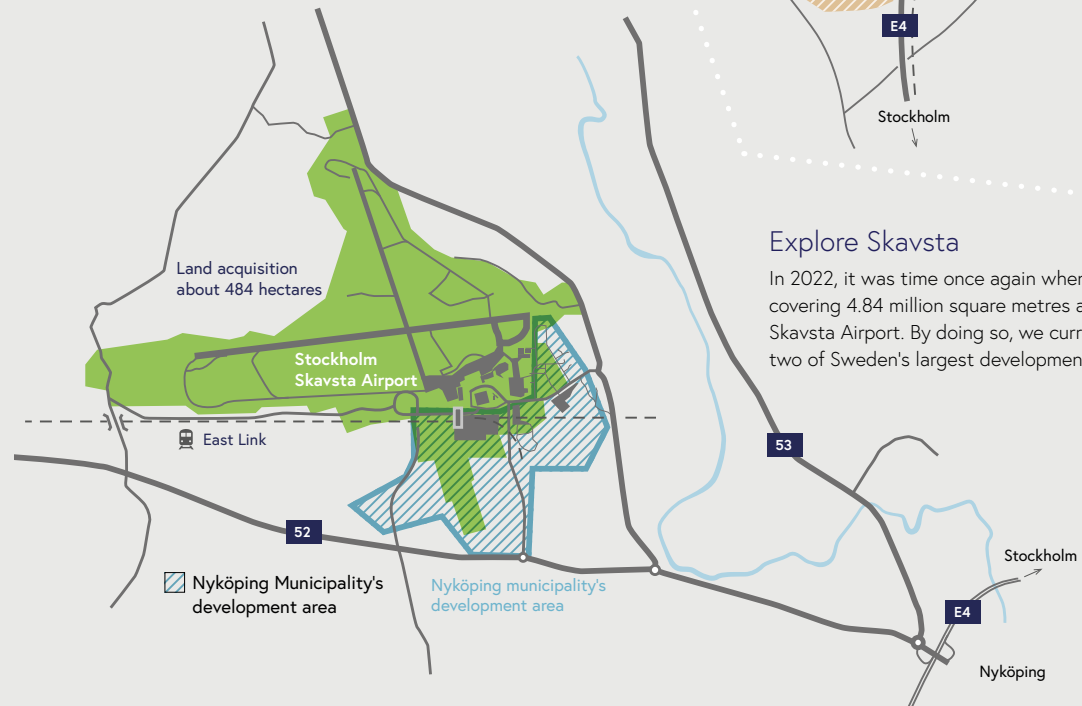
When we acquired the large plot of land at Arlanda, it was an area with no clear application, and the initial value reflected this. Today, the same area is called Explore Arlandastad and is one of Sweden's largest development projects, totalling 2.9 million square metres.

Acquisition  
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

### Detailed planning and green financing of Bake My Day

The work was carried out on detailed development plans in District 6 and in the area allocated for sport and health. Construction continued for the 10,000 square metre bakery Bake My Day in Arlandastad, now with green financing from Danske Bank. The bakery is environmentally certified in line with our goal of obtaining environmental certification for all new constructions.



### More than 100 EU meetings in Scandinavian XPO

Over the course of six months, more than 100 EU meetings with delegates from all around the world have been held in the meeting and events arena Scandinavian XPO, which the Government Offices leased along with the entire Quality Hotel Arlanda XPO for Sweden's presidency of the EU. The meeting, in turn, has attracted new tenants.

### Agreements with new customers

An agreement was entered into with the electric car company Tesla regarding the establishment of one of Sweden's largest charging stations at Scandinavian XPO in Arlandastad, where building permits remain for starting construction. The electric car company NIO is a new tenant, and work is in progress regarding the installation of the company's Battery Swap Station. A lease agreement was also entered into with the company Skincare by us in relation to premises for a showroom, offices and warehousing.

### Highest occupancy to date in long-term car park

The long-term car park recorded its highest occupancy level to date.



## Explore Skavsta

### New routes and a major exercise by the Swedish Armed Forces at Stockholm Skavsta Airport

From 1 April, the airline Norwegian started flying to Malaga and Alicante from Stockholm Skavsta Airport. In late April and early May, the airport was visited by around a hundred military personnel in connection with Aurora 23 – the largest exercises by the armed forces in Sweden for more than 30 years. These exercises took place principally using combat and transport aircraft from Norrbotten's F21 squadron. Neither commercial nor public aviation was affected during the exercises.

Airport operations will be developed, and the focus remains on restoring profitability.

### Detailed planning work and development of land planned in detail

Work was carried out 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.

Preparatory work ahead of the start of new detailed plans was carried out 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 on ongoing infrastructure investments, such as the East Link Project, new roads and other infrastructure, are influencing the pace and the order in which the detailed planning work is being carried out for the area.



# Sustainability

We view our sustainability work as a central aspect in future-proofing the Arlandastad Group. It gives us the opportunity to continue to generate value for everyone who works and spends time on our destinations.

## New sustainability framework in place: **THE FUTURE**

Sustainability is a central part of our business strategy and, in line with our overall aim as a company *i.e.* "Making way for the future", we launched a new sustainability framework during the second quarter entitled THE FUTURE (English translation of Swedish acronym for Financing, Resource Efficiency, Business Ethics, People, Together, Innovative, Decarbonisation, Ecosystem Services, Now).

Our sustainability framework is based on earlier goals and strategies, but is more wide-ranging. For us as a property developer with a long-term perspective as regards our investments, it is important to adopt a holistic approach in which we employ a 360° perspective on the issue of sustainability. With THE FUTURE, we are addressing the company's key sustainability areas:

**Financing** – By linking financing to our sustainability work, we are making it possible to achieve a broader base of investors as well as relationships with our financiers that are characterised by greater trust

**Resource efficiency** – We will work to achieve increased resource efficiency and circularity

**Business ethics** – Good business ethics will permeate our entire operation and value chain

**People** – Our aim is to promote health and well-being among of our employees as well as among those who work in and spend time on our sites

**Together** – We are contributing towards sustainable development together with our stakeholders throughout the value chain

**Innovative** – The transition to a sustainable society requires us to think innovatively to identify new ways of moving forward

**Decarbonisation** – With decarbonisation, we are working to reduce greenhouse gas emissions throughout the entire value chain

**Ecosystem services** – Our aim is to protect ecosystem services and biodiversity

**Now** – We need to act now in order to create the future we want

## Systematic sustainability work

The sustainability framework is integrated into the business through systematic sustainability work. Each area incorporates goals, key initiatives, activities and KPIs, making it possible to measure results and progress.



# Condensed statement of the Group's comprehensive income

Amounts in SEK thousands	Jan–June 2023	Jan–June 2022	Apr–June 2023	Apr–June 2022	Jan–Dec 2022
Rental income	78,369	53,401	40,852	29,678	122,781
Income from Operating activities	131,046	77,122	68,534	54,146	170,216
Other operating income	888	549	195	517	2,945
<b>Income</b>	<b>210,304</b>	<b>131,072</b>	<b>109,581</b>	<b>84,341</b>	<b>295,941</b>
Property expenses	-37,863	-28,842	-17,272	-13,891	-61,262
Expenses from Operating activities	-122,907	-62,995	-57,250	-46,639	-166,278
<b>Gross profit</b>	<b>49,533</b>	<b>39,275</b>	<b>35,059</b>	<b>23,810</b>	<b>68,401</b>
Administration costs	-49,759	-36,125	-26,070	-20,324	-83,350
Financial income	60	546	46	-	1,331
Financial expenses	-48,831	-23,222	-23,674	-12,485	-54,166
Profit from business combinations	-	337,289	-	337,289	337,289
<b>Profit prior to changes in value</b>	<b>-48,997</b>	<b>317,662</b>	<b>-14,639</b>	<b>328,290</b>	<b>269,506</b>
Changes in value, associated companies	-27,102	-	-23,720	-	-
Realised changes in value of properties	-	69,967	-	69,967	91,142
Unrealised changes in value of properties	68,966	280,752	95,146	280,752	55,133
<b>Pre-tax profit</b>	<b>-7,133</b>	<b>668,481</b>	<b>56,787</b>	<b>679,008</b>	<b>415,781</b>
Tax on profit for the period	-18,024	12,450	-10,610	14,295	70,769
<b>Profit for the period</b>	<b>-25,157</b>	<b>680,931</b>	<b>46,177</b>	<b>693,303</b>	<b>486,550</b>
<b>Other comprehensive income</b>					
<i>Items that may later be transferred to the income statement:</i>					
Recalculation of foreign branches	-	795	-	-861	-
<b>Other comprehensive income</b>	<b>-</b>	<b>795</b>	<b>-</b>	<b>-861</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>-25,157</b>	<b>681,725</b>	<b>46,177</b>	<b>692,442</b>	<b>486,550</b>
<b>Profit for the period attributable to</b>					
shareholders of the Parent Company	-21,702	689,201	49,632	701,573	490,050
Non-controlling interests	-3,455	-8,270	-3,455	-8,270	-3,500
- of which the share of profit for the period					
<b>Comprehensive income for the period attributable to</b>					
shareholders of the Parent Company	-21,702	689,996	49,632	700,712	490,050
Non-controlling interests	-3,455	-8,270	-3,455	-8,270	-3,500
- of which share of other comprehensive income					
<i>Profit per share, before/after dilution, SEK</i>	<i>-0.4</i>	<i>10.8</i>	<i>0.7</i>	<i>11.0</i>	<i>7.7</i>

## Turnover and profit

The Group's income totalled SEK 210.3 million (131.1), of which SEK 78.4 million (53.4) pertains to rental income and SEK 131.0 million (77.1) can be attributed to Operating activities. The increase in rental income is mainly attributable to indexation and increased turnover rent, SEK 16.3 million, and the business in Skavsta, SEK 8.7 million. Of income from Operating activities of SEK 131.0 million (77.1), SEK 49.4 million (55.6) relates to training activities, SEK 43.3 million (9.4) to event activities, SEK 2.5 million (2.0) to parking operations and SEK 35.5 million (9.5) to airport operations.

Property expenses include depreciation of operating properties amounting to SEK 17.5 million (9.1). Gross profit totalled SEK 49.5 million (39.3) for the period. Gross profit is attributable e.g. to property management operations totalling SEK 9.5 million and to Stockholm Skavsta Airport at SEK 22.8 million.

Administration costs totalled SEK 49.8 million (36.1). Of this increase, SEK 9.7 million (7.5) relates to airport operations. The remaining SEK 40.1 million (28.6) relates to central administration, where SEK 17.8 million is made up of central Group costs while the remainder is attributable to Operating activities. In the comparison figure for 2022, the operation in Skavsta is only included for part of the period.

Net financial items totalled SEK -48.8 million (-22.7) and are related to interest expenses for loan financing. This change is due to increased financing and higher interest expenses as a result of generally higher interest rates. Unrealised changes in value in management properties totalled SEK 69.0 million (280.8). All of the Group's properties were valued externally, by Forum Fastighetsekonomi, as of 30 June 2023.

As of mid-year, the terminal building at the property Skavsta 8:9 has been reclassified from operating property to investment property due to the operations that are planned to be conducted in future. This reclassification is affecting profit for the period by SEK 122.3 million.

Tax on profit for the period amounted to SEK -18.0 million (12.5). This tax relates to deferred tax and is basically attributable to unrealised changes in the value of properties and reversed depreciation. Profit for the period totalled SEK -25.2 million (680.9), corresponding to earnings of SEK -0.4 (10.8) per share before and after dilution.

# Condensed statement of the Group's financial position

## Assets

Amounts in SEK thousands	30/06/2023	30/06/2022	31/12/2022
Goodwill	15,718	15,718	15,718
Other intangible assets	652	401	416
Management properties	6,054,750	6,184,152	5,953,500
Operating properties	554,845	515,095	574,628
Lease assets	8,812	7,418	14,994
Inventories	2,978	-	-
Other fixed assets	80,232	81,396	82,504
Participations in associated companies	304,637	245,572	302,003
<b>Fixed assets</b>	<b>7,022,624</b>	<b>7,049,752</b>	<b>6,943,764</b>
Current receivables	132,603	133,089	147,535
Liquid assets	244,939	416,183	394,307
<b>Current assets</b>	<b>377,542</b>	<b>549,272</b>	<b>541,842</b>
<b>Total assets</b>	<b>7,400,167</b>	<b>7,599,024</b>	<b>7,485,606</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>4,623,917</b>	<b>4,846,818</b>	<b>4,649,074</b>
Long-term liabilities	1,625,003	1,541,540	1,635,287
Long-term lease liabilities	4,555	4,330	4,435
Deferred tax liability	935,571	978,230	917,547
Provisions	50,000	50,000	50,000
<b>Long-term liabilities</b>	<b>2,615,129</b>	<b>2,574,100</b>	<b>2,607,268</b>
Current liabilities	20,098	20,163	24,317
Current lease liabilities	4,294	2,755	3,024
Current tax liabilities	1,304	1,199	3,256
Other current liabilities	135,426	153,989	198,662
<b>Current liabilities</b>	<b>161,122</b>	<b>178,106</b>	<b>229,264</b>
<b>Total equity and liabilities</b>	<b>7,400,167</b>	<b>7,599,024</b>	<b>7,485,606</b>

## 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 at 30 June 2023 was SEK 6.62 billion (6.75). The property portfolio also includes a land facility located on leased land.

The market value of the building rights has decreased during the period by SEK 105 million, while the market value of the commercial properties has increased by SEK 206 million. The decrease in the value of building rights is attributable to higher yield requirements, while the increase in the value of the commercial properties is attributable to higher rental values, with the latter more than offsetting the effect of the higher yield requirement.

## Participations in associated companies

Participations in associated companies totalled SEK 304.6 million (245.6) and consist primarily of participations in the joint venture Arlandastad F60 AB of SEK 264.4 million and Arlandastad Extra Fem AB (Bake My Day) of SEK 40.2 million. The participations have been recognised using the equity method.

## Market value of the property portfolio



## Management property market value

Amounts in SEK million	Jan–June 2023	Jan–June 2022*	Jan–Dec 2022
<b>Market value as of 1 January</b>	<b>5,953</b>	<b>5,610</b>	<b>5,610</b>
Investments in existing properties	22	88	140
Acquisitions for the period	-	626	626
Disposals	-	-	-452
Reclassifications	10	-	-25
Unrealised changes in value	69	281	55
<b>Market value as of the end of the period</b>	<b>6,054</b>	<b>6,184</b>	<b>5,953</b>
<b>Distribution of management properties' market value</b>			
Commercial properties	2,547	2,516	2,341
Building rights	3,507	3,668	3,612

\* In accordance with report for Q2 2022, notwithstanding subsequent adjustments in Q3 2022

## Carrying amount, operating properties

Amounts in SEK million	Jan–June 2023	Jan–June 2022	Jan–Dec 2022
<b>Opening acquisition value</b>	<b>575</b>	<b>513</b>	<b>513</b>
Investments in existing properties	7	12	55
Reclassifications from management properties	-	-	25
Reclassifications to management properties	-10	-	-
Depreciation for the period	-17	-9	-18
<b>Accounted value carried forward</b>	<b>555</b>	<b>515</b>	<b>575</b>

## Loan-to-value ratio in property portfolio

The loan-to-value ratio was 25 per cent (23) at the end of the period. 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 (7.6) at the end of the period. Equity amounted to SEK 4.6 billion (4.9). The Group's debt/equity ratio amounted to 62 per cent (64). The return on equity, rolling twelve months, stood at -5 per cent (21). The return has been negatively impacted by previously announced accounting errors in Q2/Q3 2022.

## Taxes

Deferred tax as of 30 June 2023 totalled SEK -935.6 million (-978.2). 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 was made for environmental risks in the second quarter of 2022.

## Financing

Interest-bearing liabilities amounted to SEK 1,645 million (1,562) at the end of the period. The average interest rate for the financing was 5.9 per cent (2.9). The interest coverage ratio for the period was 1.02 (1.71).

The average term of the loans in Arlandastad Group is 2.6 years.

Arlandastad Group's financing consists primarily of long-term bank debt. The liabilities are covered by 'loan covenants' that are linked to interest coverage ratio, debt/equity ratio and loans in relation to the market value of properties. At the end of the second quarter, the Group fulfilled its reported loan covenants.

## Distribution of interest-bearing liabilities

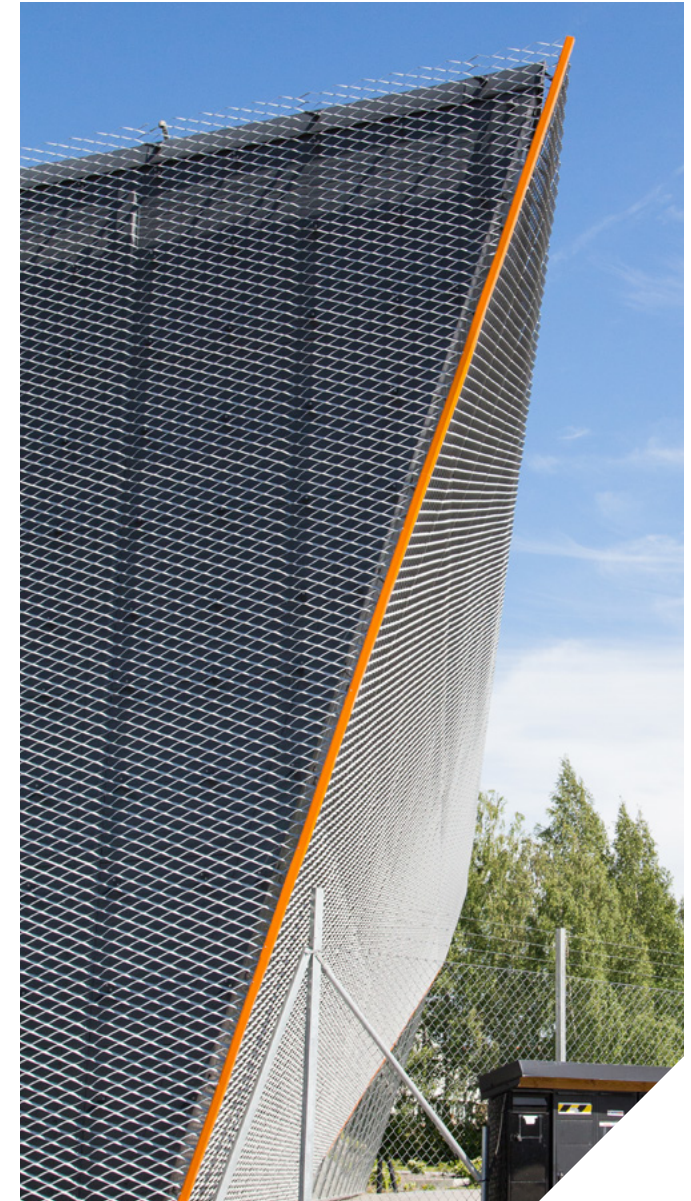
Amounts in SEK million	
Property loans	1,494.5
Subordinated loans	150.0
Construction credit, used in ongoing projects	-
Other financing	-
<b>Total interest-bearing liabilities</b>	<b>1,644.5</b>
Granted construction credit, unused	-
Loan commitments for construction credit in upcoming projects	-
Unused credit facility	7.9

## Schedule of due dates for credit liabilities, 30 June 2023

Credit agreements	SEK million	Percentage, %
0–1 year	20.1	1%
1–2 years	920.8	56%
2–3 years	0.0	0%
3–4 years	703.6	43%
4–5 years	0.0	0%
> 5 years	0.0	0%
<b>Total</b>	<b>1644.5</b>	<b>100%</b>

# 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
<b>Equity 01/01/2022</b>	<b>569</b>	<b>834,340</b>	<b>2,565</b>	<b>3,322,972</b>	<b>-</b>	<b>4,160,446</b>
Profit for the period Jan-June 2022	-	-	-	680,931	8,270	689,201
Transfer of translation reserve	-	-	795	-	-	795
<b>Transactions with owners:</b>						
Non-controlling interests	-	-	-	-	-3,540	-3,540
Incentive programme	-	-84	-	-	-	-84
<b>Equity 30 June 2022</b>	<b>569</b>	<b>834,256</b>	<b>3,360</b>	<b>4,003,903</b>	<b>4,730</b>	<b>4,846,818</b>
Discontinued foreign operations	-	-	-3,360	-	-	-3,360
Profit/loss for the period July-Dec 2022	-	-	-	-190,881	-11,770	-202,651
Minority interest	-	-	-	-	8,267	8,267
<b>Transactions with owners:</b>						
Incentive programme	-	-	-	-	-	-
<b>Equity, 31 Dec 2022</b>	<b>569</b>	<b>834,256</b>	<b>-</b>	<b>3,813,022</b>	<b>1,227</b>	<b>4,649,074</b>
Profit for the period Jan-June 2023	-	-	-	-21,702	-3,455	-25,157
<b>Transactions with owners:</b>						
Non-controlling interests	-	-	-	-	-	-
<b>Equity, 30 June 2023</b>	<b>569</b>	<b>834,256</b>	<b>-</b>	<b>3,791,320</b>	<b>-2,228</b>	<b>4,623,917</b>



# Consolidated cash flow statement

Amounts in SEK thousands	Jan–June 2023	Jan–June 2022	Apr–June 2023	Apr–June 2022	Jan–Dec 2022
Profit prior to changes in value	-48,996	317,762	-14,638	328,290	269,506
Adjustments for items not included in the cash flow	23,582	-395,006	12,081	-401,316	-309,590
<b>Total</b>	<b>-25,414</b>	<b>-77,244</b>	<b>-2,557</b>	<b>-73,026</b>	<b>-40,084</b>
Tax paid	-3,164	-5,527	-1,692	-1,147	-3,605
<b>Cash flow from operating activities prior to changes in working capital</b>	<b>-28,578</b>	<b>-82,771</b>	<b>-4,249</b>	<b>-74,173</b>	<b>-43,689</b>
<b>Cash flow from changes in working capital</b>					
Change in inventories	22	-	113	-	-1,145
Changes in operating receivables	13,142	-18,716	990	6,315	-33,727
Changes in operating liabilities	-63,237	3,494	-9,715	705	-14,533
<b>Cash flow from operating activities</b>	<b>-78,651</b>	<b>-97,993</b>	<b>-12,861</b>	<b>-67,153</b>	<b>-93,094</b>
<b>Investment activities</b>					
Business combinations	-	-30,140	-	-30,140	-30,140
Divestment of property	-	245,542	-	245,542	266,146
Acquisition of intangible fixed assets	-235	-	-251	-	-
Divestment of intangible fixed assets	-	-	-	-	-10
Down payment made	-	-30,000	-	-30,000	-30,000
Acquisitions of tangible fixed assets	-27,629	-99,805	-4,627	-53,863	-216,967
Acquisition of financial assets	-29,736	-	-3,394	-	-28,491
<b>Cash flow from investment activities</b>	<b>-57,600</b>	<b>85,597</b>	<b>-8,272</b>	<b>131,539</b>	<b>-39,462</b>
<b>Financing activities</b>					
Incentive programme	-	-84	-	-84	-84
Loans raised from credit institutions	1,644,399	10,797	1,644,399	10,797	114,505
Repayment of loan liabilities	-1,657,517	-23,564	-1,654,299	-14,721	-28,993
<b>Cash flow from financing activities</b>	<b>-13,118</b>	<b>-12,851</b>	<b>-9,900</b>	<b>-4,008</b>	<b>85,428</b>
<b>Cash flow for the period</b>	<b>-149,369</b>	<b>-25,247</b>	<b>-31,033</b>	<b>60,378</b>	<b>-47,128</b>
Liquid assets at start of the period	394,307	441,435	275,970	355,843	441,435
Exchange rate difference in liquid assets	-	-5	-	-38	-
<b>Liquid assets at end of the period</b>	<b>244,939</b>	<b>416,183</b>	<b>244,939</b>	<b>416,183</b>	<b>394,307</b>

## Cash flow and liquid assets

Cash flow for the period totalled SEK -149.4 million (-25.2), which consists of cash flow from operating activities of SEK -78.7 million (-98.0), investing activities of SEK -57.6 million (85.6) and financing activities of SEK -13.1 million (-12.9). The change in working capital totalled SEK -50.1 million (-15.2), and non-cash items totalled SEK 23.6 million (-395.0). Adjustments for items not included in the cash flow comprise depreciation.

Cash flow from operating activities before changes in working capital amounted to SEK -28.6 million (-82.8). The corresponding figure for Q1 2023 was SEK -16.6 million (-8.6).

An adjustment has been made for incorrectly reported depreciation for the first quarter of 2023 amounting to SEK 7.7 million.

The cash flow from investing activities of SEK -57.6 million (85.6) is attributed to investments in properties amounting to SEK -27.6 million (-99.8), as well as financial fixed assets comprising shareholder contributions to participations in associated companies totalling SEK -29.7 million (0).

Financing activities affect cash flow by SEK -13.1 million (-12.9) and mainly pertain to the repayment of loan liabilities. Liquid assets at end of the period amounted to SEK 244.9 million (416.2).

## 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. 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 controlling 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.

Group 2023 Jan-June, SEK thousands	Property development	Investment properties	Operating activities	Unallocated Group expenses	Eliminations	Total
Rental income	13,014	87,255	-	-	-21,900	78,369
Income from Operating activities	-	-	131,046	-	-	131,046
Other income	-	50	105	734	-	889
<b>Operating income</b>	<b>13,014</b>	<b>87,305</b>	<b>131,151</b>	<b>734</b>	<b>-21,900</b>	<b>210,304</b>
Property expenses	164	-20,064	-135	-331	-	-20,366
Depreciation of property	-	-17,497	-	-	-	-17,497
Expenses from Operating activities	-	-	-144,211	-596	21,900	-122,907
<b>Gross profit</b>	<b>13,178</b>	<b>49,744</b>	<b>-13,195</b>	<b>-193</b>	<b>-</b>	<b>49,533</b>
Administration costs	-2,740	-15,355	-13,854	-17,810	-	-49,759
Net financial items	6	-47,122	-1,675	20	-	-48,771
<b>Profit prior to changes in value</b>	<b>10,444</b>	<b>-12,733</b>	<b>-28,724</b>	<b>-17,983</b>	<b>-</b>	<b>-48,997</b>
Changes in value, associated companies	-27,102	-	-	-	-	-27,102
Unrealised changes in value of properties	-99,914	168,880	-	-	-	68,966
<b>Pre-tax profit</b>	<b>-116,572</b>	<b>156,147</b>	<b>-28,724</b>	<b>-17,983</b>	<b>-</b>	<b>-7,133</b>

Group 2022 Jan-June, SEK thousands	Property development	Investment properties	Operating activities	Unallocated Group expenses	Eliminations	Total
Rental income	3,560	62,483	-	-	-12,642	53,401
Income from Operating activities	-	-	77,122	-	-	77,122
Other income	-	364	355	-170	-	549
<b>Operating income</b>	<b>3,560</b>	<b>62,847</b>	<b>77,477</b>	<b>-170</b>	<b>-12,642</b>	<b>131,072</b>
Property expenses	-102	-19,610	-11	-28	-	-19,751
Depreciation of property	-	-9,092	-	-	-	-9,092
Expenses from Operating activities	-	-	-75,795	200	12,642	-62,953
<b>Gross profit</b>	<b>3,458</b>	<b>34,146</b>	<b>1,671</b>	<b>2</b>	<b>-</b>	<b>39,275</b>
Administration costs	-224	-6,100	-15,815	-13,986	-	-36,125
Net financial items	-	-20,847	-1,829	-	-	-22,675
Reversal of negative goodwill	-	-	337,289	-	-	337,289
<b>Profit prior to value changes</b>	<b>3,233</b>	<b>7,199</b>	<b>321,315</b>	<b>-13,984</b>	<b>-</b>	<b>317,762</b>
Realised changes in value of properties	69,967	-	-	-	-	69,967
Unrealised changes in value of properties	172,752	108,000	-	-	-	280,752
<b>Pre-tax profit</b>	<b>416,479</b>	<b>-55,328</b>	<b>321,315</b>	<b>-13,984</b>	<b>-</b>	<b>668,481</b>



## Property Management business area

Income from rent totalled SEK 87.3 million (62.5). 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 20.1 million (19.6). Gross profit consequently totalled SEK 49.7 million (34.1). The increase can mainly be attributed to indexation and increased turnover rent, as well as Skavsta.

Administration costs amounted to SEK 15.4 million (6.1). The increase compared to the corresponding 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 -47.1 million (-20.8) and are related primarily 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 during the period stood at 5.9 per cent (2.9).

Profit prior to changes in value totalled SEK -12.7 million (7.2). Arlandastad Group determines the value of management properties through external valuations by independent valuation agencies at each quarter. As of 30 June 2023, the properties have been valued externally by Forum Fastighetskonomi AB. The average required rate of return for the portfolio stood at 6.74 per cent (6.41).

### Key performance indicators, Property management

Net operating income, SEK million	49.7	62.5	27.4	34.7	93.0
Surplus ratio, %	57.0	69	61.0	77	66
Profit prior to changes in value, SEK million	-12.7	7.2	-7.3	5.8	9.7
Underlying rental value, SEK million	213.7	171.7	213.7	171.7	186
Change in underlying rental value, %	14.9	25.4	19.6	25.4	29.5
Change in underlying rental value adjusted for acquired properties, %	-0.5	6.8	-0.4	6.8	9.7
Loan-to-value ratio, %	25	23	25	27	25
Market value of commercial properties, SEK million	2,547	2,516	2,547	2,516	2,341

	Accumulated		Quarter		Full year
	Jan–June 2023	Jan–June 2022	Apr–June 2023	Apr–June 2022	Jan–Dec 2022
Net operating income, SEK million	49.7	62.5	27.4	34.7	93.0
Surplus ratio, %	57.0	69	61.0	77	66
Profit prior to changes in value, SEK million	-12.7	7.2	-7.3	5.8	9.7
Underlying rental value, SEK million	213.7	171.7	213.7	171.7	186
Change in underlying rental value, %	14.9	25.4	19.6	25.4	29.5
Change in underlying rental value adjusted for acquired properties, %	-0.5	6.8	-0.4	6.8	9.7
Loan-to-value ratio, %	25	23	25	27	25
Market value of commercial properties, SEK million	2,547	2,516	2,547	2,516	2,341

### Rental income and surplus ratio



## Property Development business area

Property Development is the Arlandastad Group business area that handles 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 30 June 2023, the Group has claimed less than 10 per cent of the potential building rights in the Explore Arlandastad development project, 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 amounts to SEK 3,507 million (3,668). At the same time, Skavsta has contributed additional value of SEK 207 million, of which SEK 166 million relates to building rights and the remaining valuation of undeveloped land.

In Explore Arlandastad, the average value of building rights has decreased from SEK 3,453 to SEK 3,318/square metre GTA. In Explore Skavsta, the building rights have been rated at an average value of SEK 307/square metre GTA. Total project profit was 40 per cent for the period (26).

Key performance indicators, Property Development	Jan–June 2023	Jan–June 2022	Apr–June 2023	Apr–June 2022	Jan–Dec 2022
Investments, SEK million	29	88	22	42	195
Project profit %	40	26	-	-	35
Average value of building rights Arlandastad (SEK/sq.m.)	3,318	3,453	3,318	3,453	3,426
Average value of building rights Skavsta (SEK/sq.m.)	307	302	307	302	302
Market value of development properties, SEK million	3,507	3,668	3,507	3,668	3,612



## Operating Activities business area

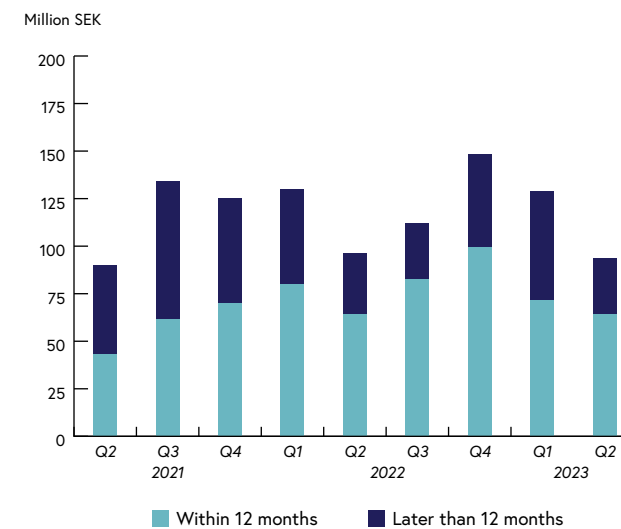
The Operating Activities business area mainly comprises three subsidiaries: Training Partner and Scandinavian XPO, while airport operations in Skavsta have also been included since 17 May 2022. Training Partner offers training courses to dealers and general agents in the automotive industry. Scandinavian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

Total revenues amounted to SEK 131.1 million (77.1) for the period. Revenue from event operations in Scandinavian XPO increased to SEK 43.3 million. Airport operations have contributed SEK 35.5 million and training activities SEK 49.4 million. The business area's total order book, prebooked events, training, etc., totalled SEK 93.8 million (96.4) at the end of the period, of which SEK 64.2 million is expected to be included in the accounts in the coming 12-month period. Gross profit totalled SEK -13.2 million (1.7). The lower profit is mainly due to Stockholm Skavsta Airport.

### Total income and gross margin



### Order book



Key performance indicators	Jan-June 2023	Jan-June 2022	Jan-Dec 2022
<b>Operating activities, SEK million</b>			
Income from			
Operating activities	131.1	77.1	170.2
Gross profit	-13.2	1.7	-20.2
Total order book	93.8	96.4	148.2
Order book coming 12 months	64.2	64.1	99.7



## Condensed income statement for the Parent Company

Amounts in SEK thousands	Jan–June 2023	Jan–June 2022	Apr–June 2023	Apr–June 2022	Jan–Dec 2022
Rental income	10,189	10,020	4,811	5,171	21,693
Other operating income	5,768	4,016	2,896	1,988	10,132
<b>Total revenue</b>	<b>15,957</b>	<b>14,036</b>	<b>7,707</b>	<b>7,160</b>	<b>31,825</b>
Property expenses	-4,792	-3,759	-1,976	-1,804	-10,106
<b>Operating surplus</b>	<b>11,165</b>	<b>10,278</b>	<b>5,731</b>	<b>5,356</b>	<b>21,719</b>
Administration costs	-22,951	-17,790	-13,166	-9,862	-40,444
Depreciation and impairment of tangible fixed assets	-2,824	-2,659	-1,430	-1,330	-40,504
Net financial items	149,733	-6,873	154,642	-4,480	-
Sale of shares in subsidiaries	-	250,847	4,909	250,847	251,407
<b>Profit from property management</b>	<b>135,123</b>	<b>233,802</b>	<b>145,777</b>	<b>240,531</b>	<b>192,178</b>
Loss from divestment of property	-44,641	-	-44,641	-	-
Balance sheet allocations	-	-	-	-	-1,073
<b>Pre-tax profit</b>	<b>90,482</b>	<b>233,802</b>	<b>101,136</b>	<b>240,531</b>	<b>191,105</b>
Tax on profit for the period	-	-	-	-	706
<b>Profit for the period</b>	<b>90,482</b>	<b>233,802</b>	<b>101,136</b>	<b>240,531</b>	<b>191,811</b>

### Income statement

The operations of the Parent Company, Arlandastad Group, consist of Group functions, Group administration and Property Management. Total revenues for the period amounted to SEK 16.0 million (14.0). Rental income totalled SEK 10.2 million (10.0) and other income totalled SEK 5.8 million (4.0). Other operating income mainly relates to management fees and the re-invoicing of Group-wide costs to the subsidiaries.

Administration costs totalled SEK 23.0 million (17.8). Depreciation and impairment losses amounted to SEK 2.8 million (2.7). Net financial items amounted to SEK 149.7 million (244.0) and are mainly attributable to restructuring work within the Group, as well as increased interest expenses and interest income. Loss from divestment of property refers to internal sales in connection with restructuring. The Parent Company's profit totalled SEK 90.5 million (233.8).

## Condensed statement of the Parent Company's financial position

### Assets

Amounts in SEK thousands	30/06/2023	30/06/2022	31/12/2022
Management properties	267	138,873	138,569
Participations in group companies	32,197	185,506	215,712
Receivables with Group companies	864,278	1,659,020	1,869,549
Other fixed assets	68,740	5,795	39,247
<b>Fixed assets</b>	<b>965,482</b>	<b>1,989,194</b>	<b>2,263,077</b>
Receivables with Group companies	37,840	115,034	-
Other current receivables	31,612	39,555	39,562
Cash and bank	154,112	382,356	340,761
<b>Current assets</b>	<b>223,563</b>	<b>536,945</b>	<b>380,323</b>
<b>Total assets</b>	<b>1,189,046</b>	<b>2,526,139</b>	<b>2,643,399</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>1,030,385</b>	<b>981,896</b>	<b>939,903</b>
Liabilities to credit institutions	150,000	1,513,223	1,503,262
<b>Long-term liabilities</b>	<b>150,000</b>	<b>1,513,223</b>	<b>1,503,262</b>
Liabilities to Group companies	0	-	167,969
Current liabilities	8,661	31,020	32,266
<b>Current liabilities</b>	<b>8,661</b>	<b>31,020</b>	<b>200,235</b>
<b>Total equity and liabilities</b>	<b>1,189,046</b>	<b>2,526,139</b>	<b>2,643,399</b>

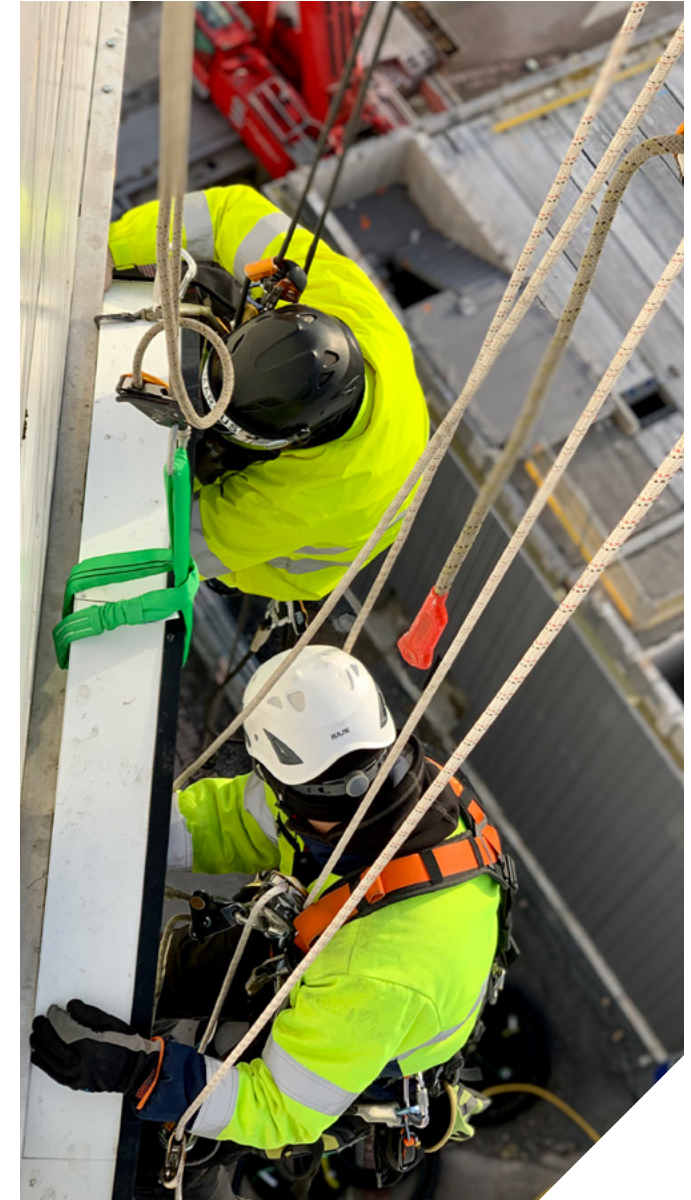
### Equity and indebtedness

The Parent Company's balance sheet total was SEK 1,189.0 million (2,526.1). Equity amounted to SEK 1,030.4 million (981.9). The increase in equity comes from the profit for the period.

The property Norslunda 1:8 was sold internally during the second quarter in connection with a restructuring of the Group's loan portfolio. The value of investment property at the end of the period is made up of equipment.

## The Parent Company's statement of changes in equity

Amounts in SEK thousands	Share capital	Share premium reserve	Profit brought forward	Profit for the period	Total equity
<b>Equity 01/01/2022</b>	<b>569</b>	<b>531,002</b>	<b>306,408</b>	<b>-89,803</b>	<b>748,176</b>
Transfer of last year's profit	-	-	-89,803	89,803	-
Profit for the period	-	-	-	233,802	233,802
<b>Transactions with owners:</b>					
Incentive programmes	-	-	-	-84	-84
<b>Equity 30 June 2022</b>	<b>569</b>	<b>531,002</b>	<b>216,605</b>	<b>233,720</b>	<b>981,896</b>
Transfer of last year's profit	-	-	-	-	-
Profit for the period	-	-	-	-41,991	-41,991
<b>Transactions with owners</b>					
Incentive programmes	-	-84	-	84	-
<b>Equity, 31 Dec 2022</b>	<b>569</b>	<b>530,918</b>	<b>216,605</b>	<b>191,811</b>	<b>939,903</b>
Transfer of last year's profit	-	-	191,811	-191,811	-
Profit for the period	-	-	-	90,482	90,482
<b>Transactions with owners</b>					
Incentive programmes	-	-	-	-	-
<b>Equity, 30 June 2023</b>	<b>569</b>	<b>530,918</b>	<b>408,416</b>	<b>90,482</b>	<b>1,030,385</b>



## Other information

### CFO

Henrik Morén took over as the new CFO and member of the Group Management on 1 June 2023.

### Employees

The number of full-time employees at the end of the period stood at 159 (161).

### 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 caused increased inflation and greater uncertainty in supply chains in terms of both price and delivery times for construction materials during the spring. By the end of the period, however, prices and delivery times had returned to the levels witnessed before the Covid-19 pandemic.

Access to borrowed capital has varied on 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 30 June 2023, the largest shareholders in Arlandastad Group AB were: Gelba Management AB with 46.6 per cent and Samhällsbyggnadsbolaget i Norden AB with 14.2 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](https://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, 18 July 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

### **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.

### **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.

### **Rental income**

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

### **Rental value**

Contracted annual rents, including turnover rent, excluding rental surcharges.

### **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**

Cederströms Slinga 17, SE-195 61 Arlandastad, Sweden, +46 (0)8 505 666 00

**For further information, please contact:**

*Dieter Sand, Managing Director and CEO, [dieter.sand@arlandastad.se](mailto:dieter.sand@arlandastad.se), mobile: 0722-253 771*

*Henrik Morén, CFO, [henrik.moren@arlandastad.se](mailto:henrik.moren@arlandastad.se), mobile: 070-300 63 38*

**Arlandastad Group AB**

*Org. no: 556694-0978, Box 214, SE-190 47 Stockholm-Arlanda*

**Visiting address:**

*Cederströms Slinga 17, SE-195 61 Arlandastad*