

Interim Report, January – June 2024

Events in brief

Second Quarter

- Income totalled SEK 82.9 million (109.6), of which SEK 39.6 million (42.5) pertains to rental income and SEK 39.0 million (66.9) pertains to operating activities.
- Gross profit amounted to SEK 6.8 million (35.1), and was affected by lower income from Operating activities
- Loss for the period amounted to SEK 29.6 million (profit: 46.2), of which unrealised changes in value of properties amounted to SEK -0.5 million (95.1)
- A new energy strategy was adopted and a decision was made to invest SEK 54 million in solar cells and batteries for production, storage and frequency trading.
- Sales of 3,000 sq.m. of land for SEK 4,450/sq.m. to a new joint venture half-owned by Arlandastad Group and half-owned by BRA Bygg. The joint venture has entered into a 10-year lease agreement. The agreement covers the construction of a building of 1,800 sq.m.
- An agreement was reached for the purchase of 50 per cent of property of 57,000 sq.m. of land in Skavsta for SEK 11.5 million and to enter into a joint venture with Fjellskärs Gård AB in order to develop airport-related operations.
- An agreement was entered into to sell approximately 7,300 sq.m. of land to Connect Skavsta Property AB for SEK 17 million with approximately SEK 16.8 million in capital gain. Completion is expected in Q3

Six-month period

- Income totalled SEK 172.0 million (210.3), of which SEK 79.1 million (81.1) pertains to rental income and SEK 87.5 million (128.3) pertains to operating activities.
- Gross profit amounted to SEK 15.9 million (49.5), and was affected by lower income from Operating activities
- Loss for the period amounted to SEK 69.6 million (25.2), of which unrealised changes in value of properties amounted to SEK -9.5 million (69.0)
- In the first quarter, the Swedish Transport Administration paid SEK 100 million in preventive compensation related to the construction of the Ostlinken railway.

After the end of the period

- Autohero is extending and expanding the contract to a total of approximately 1,800 sq.m. of premises and 600 parking spaces. Total rental value: approximately SEK 28 million

Property portfolio market value

SEK
6,492 MILLION

Income

SEK
172.0 MILLION

Cash and cash equivalents

SEK
247.3 MILLION

NAV per share

SEK 85

	Jan–June 2024	Jan–June 2023	Apr–June 2024	Apr–June 2023	Jan–Dec 2023
Financial performance indicators					
Income, SEK million	172.0	210.3	82.9	109.6	421.7
Gross profit, SEK million	15.9	49.5	6.8	35.1	111.9
Profit prior to changes in value, SEK million	-72.8	-49.0	-33.3	-14.6	-89.5
Pre-tax profit, SEK million	-69.2	-7.1	-27.5	56.8	-128.4
Profit for the period, SEK million	-69.6	-25.2	-29.6	46.2	-127.4
Profit per share, prior to dilution, SEK	-1.1	-0.4	-0.5	0.7	-2.0
Profit per share, after dilution, SEK	-1.1	-0.4	-0.5	0.7	-2.0
Cash flow from operating activities after changes in working capital, SEK million	-21.6	-78.7	-44.7	-12.9	-106.3
Loan-to-value ratio, properties, %	25	25	25	25	25
Return on equity, %	-3.8	-4.6	-3.8	-4.6	-2.8
Properties, key performance indicators					
Market value properties, SEK million	6,492	6,621	6,492	6,621	6,515
Change in underlying rental value, %	-0.2	14.9	-0.2	19.6	27.9
Underlying rental value, SEK million	237.4	213.7	237.4	213.7	237.8
Surplus ratio, % *	74	72	79	78	75
Realised changes in value of properties, SEK million	-0.2	-	-	-	-
Unrealised changes in value of properties, SEK million	-9.5	69	-0.5	95.1	-40.1
Share					
Net asset value (NAV), per share, SEK	85	88	85	88	86

* The surplus ratio for the periods Jan–June 2023 and Jan–Dec 2023 has been restated after reclassification of costs in Skavsta from operating costs to property expenses.

Increased market activity and continued cost optimisation

Market activity increased during the first half of the year, and we are planning for a higher rate of development in the future. Measures to improve profitability remain a key priority.

Since the end of the year, we have seen increased business interest with new agreements and cooperation projects as a result.

We sold 3,000 sq.m. of land for SEK 4,450/sq.m. to a new joint venture half-owned by Arlandastad Group and half-owned by BRA Bygg. The joint venture has entered into a 10-year lease agreement. The agreement includes that we build a building of 1,800 sq.m.. The model with a joint venture means that we develop properties while safeguarding liquidity.

We signed an agreement in Skavsta to form a joint venture with Fjellskärs gård AB and acquire 50 per cent of a property of 57,000 sq.m. Four buildings of 2,500 sq.m. each are planned on the property for letting to parties who conduct operations in connection with the airport.

We also signed an agreement to sell 7,300 sq.m. to Connect Skavsta Property AB for SEK 17 million, corresponding to a land value of SEK 2,329 per sq.m. The impact on earnings of the sale, with a capital gain of approximately SEK 16.8 million, is expected in the third quarter.

Our tenant Autohero chose in July to extend and expand its contract to a total of approximately 1,800 sq.m. of premises and 600 parking spaces. The rental value will amount to approximately SEK 5.7 million per year, totalling approximately SEK 28 million, starting in January 2025.



|| Last year's restraint has shifted to gradually increasing market activity and establishment interest

Lower income from operating activities

Income during the first half-year amounted to SEK 172.0 million (210.3), of which rental income amounted to SEK 79.1 million (81.1) and income from Operating activities amounted to SEK 87.5 million (128.3). Loss for the period amounted to SEK 69.6 million (25.2).

Organisational changes and efficiency improvements to achieve profitability in Skavsta are proceeding according to plan, but income and profitability are negatively affected by fewer air passengers as Wizz Air is having problems getting the required maintenance of its aircraft. Even activities are impacted by a strong comparative period after letting operations during Sweden's residency of the EU in the first half of 2023.

Cash flow from operating activities after changes in working capital totalled SEK -21.6 million (-78.7), and cash and cash equivalents at the end of the period amounted to SEK 247.3 million (244.9).

In the last twelve months, the underlying rental value has increased from SEK 213.7 million to SEK 237.4 million.

Energy strategy for climate neutrality 2030

In the spring, we adopted a new energy strategy for climate neutrality by 2030. It means that we will reduce our climate footprint and reduce the costs for properties, tenants and operations. In a first step, this means that we decided to invest SEK 54 million in solar cells and batteries for production, storage and frequency trading, which is expected to have a significant positive impact on earnings.

Increased growth rate

In summary, we see that last year's restraint has shifted to gradually increasing market activity and establishment interest. Expected interest rate reductions and infrastructure investments are contributing to a more positive business environment. We look forward to increasing the growth rate with our partners and in dialogue with the municipalities in which we operate.

Dieter Sand

Managing Director and CEO

This is Arlandastad Group

Arlandastad Group identifies and utilises the potential in large strategically placed areas, thus creating value for investors and for society at large. We control the entire value chain from land acquisition to long-term management, and we conduct operating activities in cases where this adds value to the property transaction.

Long-term goals

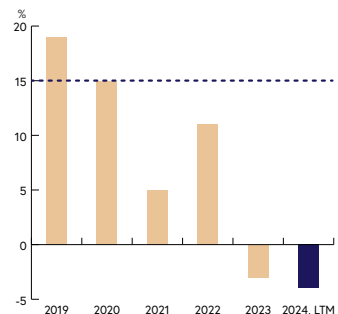
Return on equity

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

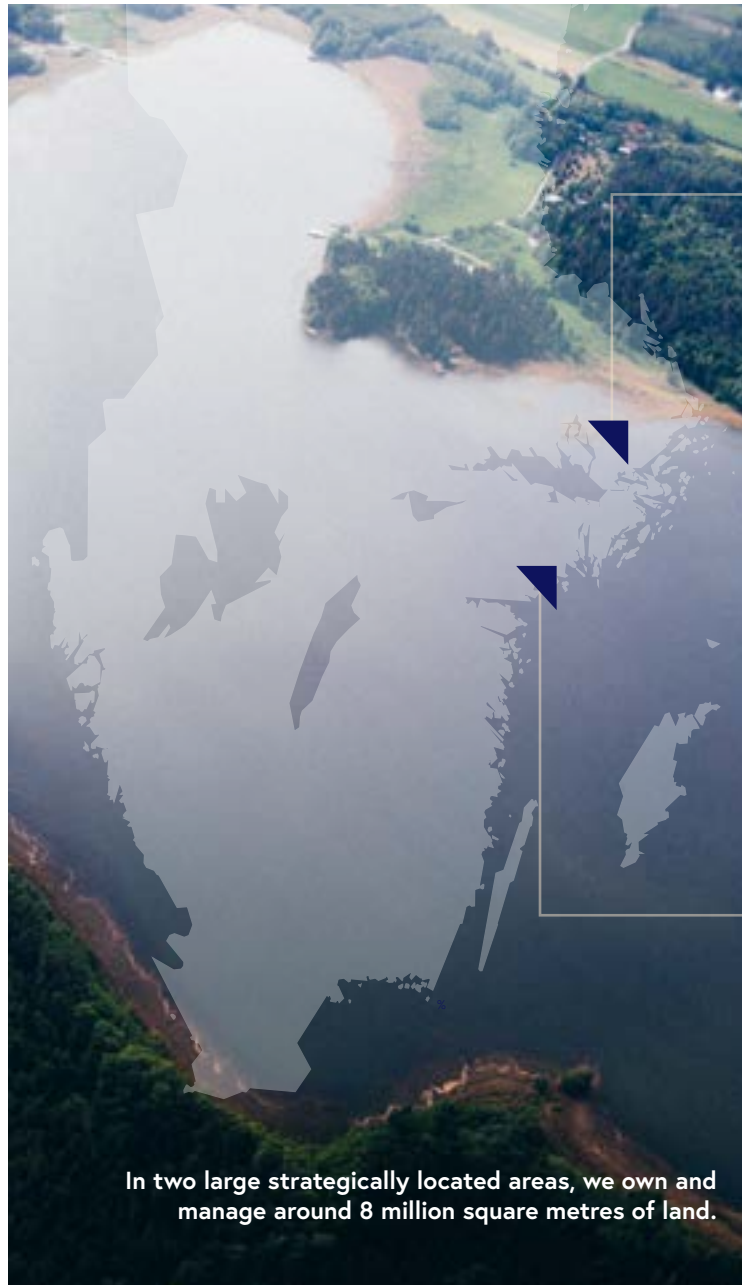
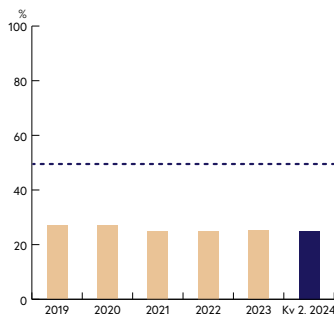
Loan-to-value ratio, properties

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

Return on equity



Loan-to-value ratio, properties



In two large strategically located areas, we own and manage around 8 million square metres of land.

Activity during the period

Project development in Explore Arlandastad

- Building for Bankomat AB of 1700 sq.m. completed together with BRA Bygg
- New joint venture with BRA Bygg and 10-year lease with new tenant. Building of 1,800 sq.m. built, occupancy in summer 2025

Project development in Explore Skavsta

- Agreement to sell approximately 7,300 sq.m. of land to Connect Skavsta Property for SEK 17 million, corresponding to a land value of SEK 2,329 per sq.m.
- Agreement to acquire 50 per cent of a property comprising 57,000 sq.m. of land in Skavsta, joint venture with Fjellskärs Gård for the development of the property

Developments in Operating activities

- TUI decided to start flights from Stockholm Skavsta Airport from October 2024
- Flight activity at Stockholm Skavsta Airport continued to be affected by Wizz Air having fewer available planes
- Stable business situation in Training Partner
- Lower activity in Scandinavian XPO compared to the strong comparative period in 2023

Projects and building rights

Ongoing projects

Location	Projects	Type of project	Status	Planned area (sq.m.)	Timetable	Estimated investment (SEK million)	Of which remaining, (SEK million)	Occupancy rate
Explore Arlandastad	F60 Business Park (JV 50%)	Business park	Project development	124,392	2022–2027	1,813	1,675	4%
Explore Arlandastad	Bake My Day (JV, associated company 49%)	Bakery	Project development	9,676	2022–2024	205	85	100%
Explore Arlandastad	Scandinavian XPO – Phase 2	Offices, service, hotel, healthcare	Project development	16,550	2020–2025	160	61	34%
Explore Arlandastad	Bankomat (JV 50%)	Warehousing and distribution	Project development	1,695	2023–2024	37	5	100%
Explore Arlandastad	Unnamed tenant (JV 50%)	Production/warehousing	Project development	1,770	2024–2025	24	24	100%
Subtotal				154,083		2,239	1,850	-

Planned/future projects

Location	Projects	Type of project	Phase	Planned area (sq.m.)	Timetable	Estimated investment (SEK million)	Of which remaining, (SEK million)	Occupancy rate
Explore Arlandastad	DRIVELAB BIG Evroc (50%)	Data centre	Project development	3,500	2024–2025	130	130	-
Explore Arlandastad	DRIVELAB BIG – Phase 2	Training and conferences	Project development	4,500	2026–2027	90	90	-
Explore Arlandastad	DRIVELAB Sales & Service – Phase 2	Car sales and service	Project development	9,000	2026–2027	95	95	-
Explore Arlandastad	F60 Business Park – Phase 2	Business park	Project development	38,000	2026–2028	551	551	-
Explore Arlandastad	XPO Congress Center	Congress/hotel	Project development	10,000	2025–2027	300	300	-
Explore Arlandastad	Scandinavian XPO co-working	Offices	Project development	6,000	2027–2028	120	120	-
Explore Arlandastad	Infrastructure/road District 6	Infrastructure/road	Detailed planning process		2026–2027	50	50	-
Explore Arlandastad	District 6 – Phase 1	Offices and businesses	Detailed planning process	17,000	2027–	375	375	-
Explore Skavsta	Refining the existing portfolio Skavsta	Tenant adaptation	Project development	5,000	2024–2025	100	100	-
Explore Skavsta	New production in the Eastern area	Offices/business	Project development	10,000	2024–2025	150	150	-
Explore Skavsta	Skavstalund (50%)	Operations and services	Project development	9,400	2024–2026	113	113	-
Subtotal				103,000		2,074	2,074	-

Building rights

Location	Projects	Type of project	Phase	Building rights (sq.m.)	Timetable
Explore Arlandastad	Accepted	Not specified	Project development	492 192	-
Explore Skavsta	Accepted	Not specified	Project development	605,000	-
Explore Arlandastad	Accepted in JV/associated company	Not specified	Project development	134 240	-
Explore Arlandastad	In detailed planning process, estimated	Not specified	Detailed planning process	500,000	–2025
Explore Arlandastad	In detailed planning process, estimated	Not specified	Detailed planning process	150,000	–2025
Explore Skavsta	In detailed planning processes, estimated	Not specified	Detailed planning process	430,000	2023–
Subtotal				2,311,432	

Project phases over the next three years



Sustainable development

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

Since Arlandastad Group controls the entire value chain from land acquisition to long-term management of completed properties, the company can influence both the environment and ecosystems in connection with the development of areas and the climate impact in connection with the construction and operation of properties. The real estate sector has a major impact on people and the environment. Our focus is on minimising negative impact and making a positive contribution whenever possible. Arlandastad Group strives to reduce greenhouse gas emissions within our operations and in the production chain. When developing land, we take responsibility for natural resources, biodiversity and water management. We also take into account climate-related risks entailed by climate change.

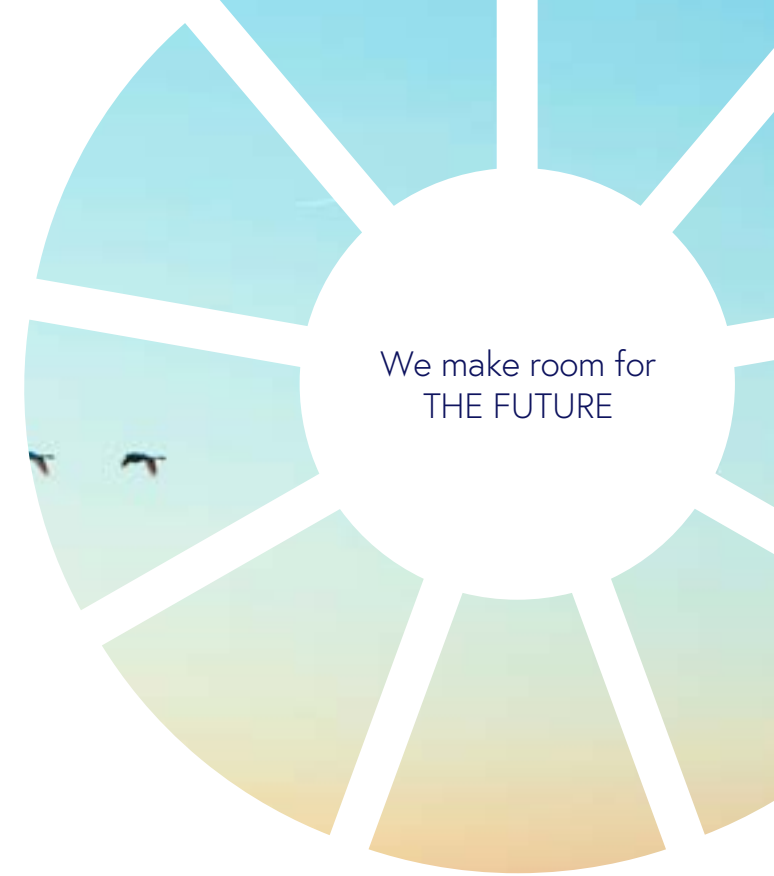
Systematic sustainability work

Arlandastad Group's sustainability framework addresses material sustainability areas. The framework is integrated into the business through systematic sustainability work with goals, key initiatives, activities and KPIs to enable measurement of results and progress.

Events during the period

Investment in the sustainable energy system of the future

During the spring, a new energy strategy for climate neutrality by 2030 was adopted, which means that Arlandastad Group will reduce its climate footprint and lower the costs for properties, tenants and operations. In a first step, the company will invest SEK 54 million in solar cells and batteries for production, storage and frequency trading. Through frequency trading, the company can relieve the energy system for the area. Complementing renewable energy sources with energy storage enables the company to distribute energy over the day. The batteries also contribute to creating a power reserve.



Current environmental certifications

Projects	Status	Time	Certification	Level	Project type
DRIVELAB Test Track 1	Completed	2013	CEEQUAL	Very Good	Civil engineering project
DRIVELAB Sales & Service	Completed	2015	Miljöbyggnad	Silver	New construction
Long-term parking P1	Completed	2017	CEEQUAL	Excellent	Civil engineering project
DRIVELAB BIG	Completed	2019	Miljöbyggnad	Silver	New construction
Scandinavian XPO – Existing hotel	Ongoing	Q1 2024	BREEAM Refurbishment	Very Good (under processing)	Redevelopment
Scandinavian XPO – New hotel	Ongoing	Q1 2024	BREEAM New Construction	Excellent (under processing)	New construction
Scandinavian XPO – Event	Ongoing	Q1 2024	BREEAM New Construction, Bespoke	Excellent (under processing)	New construction and redevelopment
Scandinavian XPO – Phase 2*	Ongoing	2025	BREEAM In Use	Very Good or Excellent (Application in progress)	Redevelopment
Bake My Day	Ongoing	Q4 2024	Miljöbyggnad	Silver	New construction

* For Scandinavian XPO – Phase 2, one and the same certification applies to all tenants and premises. Choice of level affects the possible timetable.

KPI, sustainable development

	Jan–June 2024	Jan–Dec 2023
Energy intensity, kWh/sq.m. Atemp*	71	131

KPI, sustainable development

	Jan–June 2024	Jan–Dec 2023
Number of workplace accidents	0	2

* Total energy use from heating, cooling, tenant electricity and property electricity divided by the average estimated total heated leased area, excluding garage space.

Climate footprint Jan–June 2024

	Jan–June 2024	tonnes CO2e
Scope 1	104	tonnes CO2e
Scope 2 market based	281	tonnes CO2e
Scope 2 location based	289	tonnes CO2e
Scope 3 Leased assets	33	tonnes CO2e

Scope 1: Direct emissions from sources controlled by the company.
 Scope 2: Indirect emissions from purchased energy (such as electricity, steam, heating, cooling) generated at the producer site.
 Scope 3: Indirect emissions not covered by scope 1 or 2, for example purchased goods and services.

Condensed statement of the Group's comprehensive income

Amounts in SEK thousands	Jan–June 2024	Jan–June 2023	Apr–June 2024	Apr–June 2023	Jan–Dec 2023
Rental income	79,069	81,134	39,635	42,500	184,008
Income from operating activities	87,506	128,281	38,983	66,886	223,215
Other operating income	5,433	888	4,281	195	14,472
Income	172,008	210,304	82,899	109,582	421,695
Property expenses*	-46,042	-46,995	-19,262	-21,379	-94,470
Expenses from Operating activities*	-110,019	-113,775	-56,868	-53,143	-215,280
Gross profit	15,947	49,533	6,770	35,059	111,945
Administration costs	-38,204	-49,759	-14,967	-26,070	-108,016
Profit from divestment of equipment	-	-	-	-	2,173
Financial income	4,017	60	2,079	46	7,435
Financial expenses	-54,514	-48,831	-27,204	-23,674	-103,037
Profit prior to changes in value	-72,755	-48,997	-33,322	-14,639	-89,500
Profit from participations in associated companies	13,332	-27,102	6,260	-23,720	1,176
Realised changes in value of properties	-239	-	-	-	-
Unrealised changes in value of properties	-9,499	68,966	-480	95,146	-40,106
Pre-tax profit/loss for the period	-69,161	-7,133	-27,542	56,787	-128,430
Tax on profit for the period	-463	-18,024	-2,097	-10,610	1,039
Profit for the period	-69,624	-25,157	-29,639	46,177	-127,391
Other comprehensive income for the period	-	-	-	-	-
Comprehensive income for the period attributable to					
Shareholders of the Parent Company	-65,390	-21,702	-27,853	45,716	-136,587
Non-controlling interests	-4,234	-3,455	-1,786	461	9,196
– of which share of other comprehensive income	-	-	-	-	-
Profit per share, before/after dilution, SEK	-1.1	-0.4	-0.5	0.7	-2.0

* There was a reclassification in 2024 relating to the recognition of property expenses in Skavsta. Previously, Skavsta's property expenses were recognised as expenses from operating activities in their entirety. Costs attributable to the operation of properties are recognised as property expenses. The comparative period of 2023 was reclassified in an amount of SEK 4.1 million for the second quarter, SEK 9.1 million for the six-month period and SEK 18.6 million for the full year of 2023.

Condensed statement of the Group's comprehensive income

Turnover and profit

Turnover and profit January - June 2024

In the first six months of the year, the Group's income amounted to SEK 172.0 million (210.3), of which SEK 79.1 million (81.1) pertains to rental income and SEK 87.5 million (128.3) comes from Operating activities. Of income from Operating activities, SEK 48.3 million (49.4) was attributable to training activities, SEK 23.5 million (35.5) to airport operations and SEK 15.6 million (43.3) to event activities. Income from airport operations decreased as Wizz Air had fewer available aircraft, and thus fewer passengers passed through the airport. When it comes to event activities, the comparative period was positively affected by letting operations during Sweden's presidency of the EU in the first half of 2023. For more information on contracts with customers, see page 20.

Property expenses amounted to SEK 46.0 million (47.0). There was a reclassification in 2024 relating to the recognition of property expenses in Skavsta. Previously, Skavsta's property expenses were recognised as expenses from operating activities in their entirety. Costs attributable to the operation of properties are now recognised as property expenses. The figures for the comparative period were reclassified in an amount of SEK 9.1 million.

Expenses from Operating activities decreased to SEK 110.0 million (113.8). A change in the redistribution of salary expenses means that expenses of SEK 23.2 million (12.1) were redistributed from administrative expenses to expenses for Operating activities. Gross income totalled SEK 15.9 million (49.5), of which SEK 56.0 million (45.8) pertains to profit/loss from property management and SEK -46.0 million (-9.3) pertains to profit/loss operating activities.

Administrative expenses consist of expenses for corporate management and central support functions, business development and financial management. Administrative expenses amounted to SEK 38.2 million (49.8), and are affected by the redistribution of salary expenses, which means that expenses of SEK 23.2 million (12.1) were redistributed from administrative expenses to expenses for Operating activities. Net financial items amounted to SEK -50.5 million (-48.8).

Profit from participations in associated companies amounted to SEK 13.3 million (-27.1) and was affected by a positive change in value in new production projects. As the properties in associated companies are not yet completed, the profit share of rental income or property expenses is not affected. Unrealised changes in value of management properties amounted to SEK -9.5 million (69.0) and was affected by changed required rates of return. All of the Group's properties were valued externally, by Forum Fastighetsekonomi, as of 30 June 2024.

Tax on profit for the period amounted to SEK -0.5 million (-18.0) and includes deferred tax on divested properties of SEK 3.1 million (0.0). Profit for the period totalled SEK -69.6 million (-25.2), corresponding to earnings per share of SEK -1.1 (-0.4).

Turnover and profit, second quarter 2024

In the second quarter, income totalled SEK 82.9 million (109.6), of which SEK 39.6 million (42.5) pertains to rental income and SEK 39.0 million (66.9) pertains to operating activities. Of income from Operating activities, SEK 24.3 million (24.2) was attributable to training activities, SEK 11.8 million (20.4) to airport operations and SEK 2.8 million (21.9) to event activities. Income for the quarter was affected by the same factors as the six-month period.

Property expenses amounted to SEK 19.3 million (21.4). The reclassification of property expenses means that expenses for Operating activities in Q2, 2023 were reclassified to property expenses in an amount of SEK 4.1 million..

Expenses from Operating activities amounted to SEK 56.9 million (53.1). Redistribution of salary expenses means that expenses of SEK 16.0 million (6.0) were redistributed from administrative expenses to expenses for Operating activities.

Gross profit totalled SEK 6.8 million (35.1), of which SEK 29.8 million (26.8) relates to profit from property management and SEK -29.0 million (1.0) relates to profit from Operating activities.

Administrative expenses amounted to SEK 15.0 million (26.1), and are affected by the redistribution of salary expenses, which means that expenses of SEK 16.0 million (6.0) were redistributed from administrative expenses to expenses for Operating activities. Net financial items amounted to SEK -23.6 million (-95.6). Profit from participations in associated companies amounted to SEK 6.3 million (-23.7). Unrealised value changes in management properties totalled SEK -0.5 million (95.2).

Tax on profit for the period amounted to SEK -2.1 million (-10.6). Profit for the period totalled SEK -29.6 million (46.2), corresponding to earnings per share of SEK -0.5 (0.7).

Condensed statement of the Group's financial position

Assets

Amounts in SEK thousands	30/06/2024	30/06/2023	31/12/2023
Goodwill	22,550	15,718	15,718
Other intangible assets	1,436	652	844
Management properties	5,939,300	6,054,750	5,956,550
Operating properties	539,784	554,845	549,575
Right-of-use assets	8,249	8,812	9,529
Inventories	2,092	2,978	1,750
Other fixed assets	83,494	80,232	79,884
Participations in associated companies	346,248	304,637	332,904
Fixed assets	6,943,153	7,022,624	6,946,754
Current receivables	254,532	132,603	232,960
Cash and cash equivalents	247,295	244,939	234,216
Current assets	501,827	377,542	467,176
TOTAL ASSETS	7,444,980	7,400,167	7,413,930

Equity and liabilities

Equity	4,452,083	4,623,917	4,521,707
Long-term liabilities	681,359	1,625,003	1,427,345
Advances	200,000	-	100,000
Long-term lease liabilities	6,847	4,555	1,461
Deferred tax liability	917,078	935,571	916,507
Provisions	50,000	50,000	50,000
Total long-term liabilities	1,855,284	2,615,129	2,495,313
Interest-bearing liabilities	911,275	20,098	170,386
Current lease liabilities	1,402	4,294	7,404
Current tax liabilities	18,877	1,304	21,939
Other current liabilities	206,059	135,426	197,181
Total current liabilities	1,137,613	161,122	396,910
Total equity and liabilities	7,444,980	7,400,167	7,413,930

Properties

Arlandastad Group's property portfolio consists of management and operating properties, in addition to which the company holds a significant amount of building rights. The commercial properties consist of management properties and properties that are treated as operating properties for reporting purposes. According to an external valuation, the market value of the properties as at 30 June 2024 was SEK 6.49 billion, compared with SEK 6.52 billion at year-end. The property portfolio includes a land facility located on leased land. During the first six months, the market value of the building rights decreased by SEK 11 million. The market value of management properties decreased by SEK 17 million, of which SEK 15 million is due to divestment. The market value of operating properties decreased by SEK 10 million. In total, the market value of the commercial properties decreased by SEK 5 million compared with 31 December 2023 (see tables on page 11). In this report, the operating properties are recognised at book value.

Valuation method

Valuation of the property portfolio is carried out by external, authorised/certified valuers. The main method for carrying out valuations is a model in which future cash flows and an estimated residual value are subjected to present value calculation (DCF model). The calculation period used in the valuation is 10–20 years. For building rights and raw land, the market value is assessed on the basis of the local price method by comparing with contracts for transfers of similar objects. The large amount of building rights in the Group means that not all building rights are deemed to be able to be developed at the same time. An assumption of "waiting time" is made in the valuation, whereby the value of the building rights is calculated to present value with a "waiting interest rate" from the intended time of development to today's date. The interest rate has been assessed at 4 per cent, and the waiting time at 0-20 years in Arlandastad and 0-50 years in Skavsta. For more information on the valuation method, see note 14 on page 62 of the Annual Report for 2023.

Assumptions about the use of building rights made in the valuation of these (excluding joint ventures)

Arlandastad

Time	Proportion	Sq.m. GTA
Now	1%	9,922
0-3 years	6%	59,532
4-5 years	30%	297,658
6-10 years	38%	377,033
11-15 years	15%	148,829
16-20 years	10%	99,219
	100%	992,192

Skavsta

Time	Proportion	Sq.m. GTA
Now	7%	43,000
0-10 years	8%	50,000
10-20 years	8%	50,000
20-40 years	8%	50,000
40 years onwards	68%	412,000
	100%	605,000

Assumptions about required rate of return

The required rate of return was assessed individually for each property. A present value calculation of all cash flows is performed in the model with a discount rate corresponding to the assumed required rate of return and the average inflation assumption during the calculation period. The average required rate of return as of 30 June amounted to 6.85 per cent (6.89). The range for the average required rate of return is 5.75 – 9.25 per cent (6.47 – 9.25 per cent).

Material input data for property valuation

Valuation assumptions, weighted average	30 June 2024	31 Dec 2023
Calculation period, number of years	10-20	10-20
Annual inflation	2%	2%
Rent development, per year	2%	2%
Discount rate	8.98%	9.08%
Range, discount rate	7.87%-11.44%	8.58%-11.44%
Average required rate of return*	6.85%	6.89%
Range of required rate of return	5.75%-9.25%	6.47%-9.25%
Average long-term vacancy rate	6.45%	8.50%

Sensitivity analysis

The estimate of the fair value of the properties is based on future earnings capacity and the market's required rate of return and always contains a degree of uncertainty. The table below shows the change in fair value based on changes in individual valuation parameters.

Sensitivity analysis, fair value	Change in assumption of	30 June 2024 Amounts in SEK thousands
Rent	+/- 10%	253,342
Operating costs	+/- 10%	-48,333
Discount rate	+1 %pt.	-234,989
Discount rate	-1 %pt.	269,429
Required rate of return	+1 %pt.	-98,769
Required rate of return	-1 %pt.	140,171
Long-term vacancy rate	+3 %pt.	-133,861

Participations in associated companies

Participations in associated companies totalled SEK 346.2 million (332.9) and consist primarily of participations in the joint venture Arlandastad F60 AB of SEK 272.3 million (269.7) and Arlandastad Extra Fem AB (Bake My Day) of SEK 71.6 million (70.1). The participations are recognised using the equity method.

Carrying amount, operating properties

Amounts in SEK million	30 June 2024	31 Dec 2023
Opening acquisition value	550	575
Investments in existing properties	3	15
Reclassification to management properties	-	-10
Depreciation for the period	-13	-30
Closing carrying amount	540	550

Fair value, management properties

Amounts in SEK million	30 June 2024	31 Dec 2023
Fair value as of 1 January	5,956	5,953
Investments in existing properties	7	33
Divestments	-15*	-
Reclassifications	-	10
Unrealised changes in value	-10	-40
Fair value at the end of the period	5,939	5,956
Distribution of fair value, management properties		
Commercial properties	2,587	2,593
Building rights	3,352	3,363

airport area. For the environmental risks, a provision of SEK 50 million was made in connection with the taking over Skavsta during the second quarter of 2022. The provision remained unchanged at the end of the period.

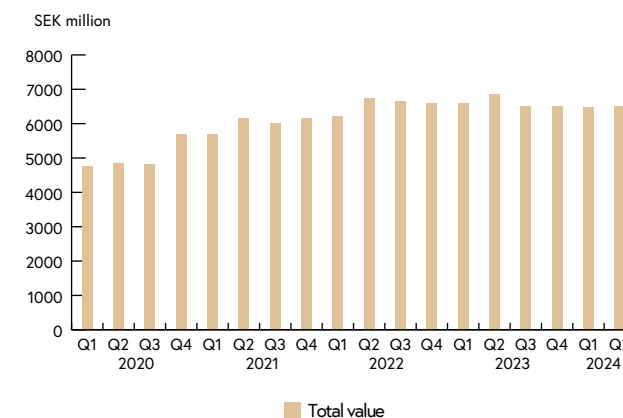
Financing

Interest-bearing liabilities at end of the period amounted to SEK 1,591.9 million (1,597.0). The average interest rate for the financing was 6.50 percent (6.16). The interest coverage ratio was 1.5 (1.16). The average term of the loans in the company is 1.6 years (2.5).

The company's financing consists mainly of bank debt, which is covered by loan covenants related to a sub-group of the Arlandastad Group. The covenants are linked to interest coverage ratio, debt/equity ratio, liquidity and loans in relation to the market value of properties. As of 30 June 2024, the company fulfilled all covenants according to the loan agreement with the bank. Discussions on refinancing outstanding subordinated loans and existing bank debt take place within the framework of operating activities.

The finance policy provides the opportunity to use financial instruments, for example for interest rate and loan maturity management. No such instruments were used in the first six months of the year.

Property portfolio market value



Loan-to-value ratio in property portfolio

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

Equity

Arlandastad Group's balance sheet total was SEK 7.4 billion (7.4) at the end of the period. Equity amounted to SEK 4.5 billion (4.5). The Group's debt/equity ratio amounted to 60 per cent (61). The return on equity, rolling twelve months, stood at -3.8 per cent (-2.8).

Taxes

Deferred tax liabilities as of 30 June 2024 totalled SEK 917.1 million (916.5). 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

Distribution of interest-bearing liabilities

Amounts in SEK million	30 June 2024	31 Dec 2023
Property loans	1,441.9	1,447.0
Subordinated loans	150.0	150.0
Total interest-bearing liabilities	1,591.9	1,597.0
Unused credit facility	8.0	8.0

Schedule of due dates for credit liabilities, 30 June 2024

Credit agreements	SEK million	Proportion, %
0-1 years	911.3	57
1-2 years	30.2	2
2-3 years	600.5	38
3-4 years	50.0	3
4-5 years	0.0	0
> 5 years	0.0	0
Total	1,591.9	100

*Relates to divestment of property for Bankomat to JV.

** Existing construction credits are located in the joint ventures and are thus not consolidated in Arlandastad Group.

Condensed statement of the Group's changes in equity

	Share capital	Other contributed equity	Profit brought forward	Non-controlling interests	Total equity
Equity 01/01/2023	569	834,256	3,813,022	1,227	4,649,073
Profit for the period Jan-June 2023	-	-	-21,702	-3,455	-25,157
Other comprehensive income Jan-June 2023	-	-	-	-	-
Equity 30/06/2023	569	834,256	3,791,320	-2,228	4,623,917
Profit/loss for the period July-Dec 2023	-	-	-114,885	12,651	-102,234
Other comprehensive income July-Dec 2023	-	-	-	-	-
Profit from mergers	-	25	-	-	25
Equity 31/12/2023	569	834,281	3,676,435	10,423	4,521,707
Profit/loss for the period Jan-June 2024	-	-	-65,390	-4,234	-69,624
Other comprehensive income	-	-	-	-	-
Equity 30/06/2024	569	834,281	3,611,045	6,189	4,452,083



Consolidated cash flow statement

Amounts in SEK thousands	Jan–June 2024	Jan–June 2023	Apr–June 2024	Apr–June 2023	Jan–Dec 2023
Pre-tax profit	-69,161	-7,133	-27,542	56,787	-128,430
Adjustments for non-cash items	13,295	-18,281	2,738	-67,066	92,154
Total	-55,866	-25,414	-24,804	-10,279	-36,276
Tax paid	-3,091	-3,164	-1,878	-1,692	19,843
Cash flow from operating activities prior to changes in working capital	-58,957	-28,578	-26,682	-11,971	-16,433
Cash flow from changes in working capital					
Change in inventories	-342	22	-327	113	1,250
Change in operating receivables	30,548	13,142	-11,808	990	-89,587
Change in operating liabilities	7,176	-63,237	-5,849	-9,715	-1,481
Cash flow from operating activities	-21,575	-78,651	-44,666	-20,583	-106,251
Investing activities					
Business combinations	-6,223	-	-6,223	-	-
Investments in properties and equipment	-17,169	-27,629	-10,575	3,095	-63,955
Divestment of properties	14,761	-	-	-	-
Acquisition of intangible fixed assets	-607	-235	-456	-251	-427
Acquisition of financial assets	-12	-29,736	-12	-3,394	-28,987
Cash flow from investing activities	-9,250	-57,600	-17,266	-550	-93,369
Financing activities					
Loans raised from credit institutions	-	1,644,399	-	1,644,399	50,000
Advances received	100,000	-	-	-	100,000
Repayment of loan liabilities	-5,096	-1,657,517	-5,096	-1,654,299	-110,471
Current loans to associated companies	-51,000	-	-51,000	-	-
Cash flow from financing activities	43,904	-13,118	-56,096	-9,900	39,529
Cash flow for the period	13,079	-149,369	-118,028	-31,033	-160,091
Cash and cash equivalents at the start of the period	234,216	394,307	365,323	275,970	394,307
Cash and cash equivalents at the end of the period	247,295	244,939	247,295	244,939	234,216

Interest received and paid

During the first six months of 2024, the Group received SEK 4.0 million (0.0) in interest income and paid SEK 33.6 million (46.0) in interest expenses. In 2023, interest income was SEK 7.4 million and interest expenses were SEK 104.1 million.

Cash flow and liquid assets

Cash flow for the period totalled SEK 13.1 million (-149.4), which consists of cash flow from operating activities of SEK -21.6 million (-78.7), investing activities of SEK -9.3 million (-57.6) and financing activities of SEK 43.9 million (-13.1).

Cash flow from operating activities before changes in working capital amounted to SEK -59.0 million (-28.6). Non-cash items totalled SEK 13.3 million (-18.3). The change in working capital amounted to SEK 37.7 million (-50.1).

Cash flow from investment activities amounted to SEK -9.3 million (-57.6). During the second quarter, Verkstads och besiktnings teknik i Mälardalen AB was acquired for SEK 8.1 million, which, less liquid funds in the acquired company, affected cash flow by SEK -6.2 million. Investments in properties totalled SEK -17.2 million (-27.6) and divestment of properties totalled SEK 14.8 million (-).

Financing activities affected the cash flow by SEK 43.9 million (-13.1) and include a payment from the Swedish Transport Administration of SEK 100 million included in the item Advances received; see page 21 for more information. Cash and cash equivalents at end of the period amounted to SEK 247.3 million (244.9).

Adjustments for non-cash items

	Jan– June 2024	Jan– June 2023	Apr– June 2024	Apr– June 2023	Jan– Dec 2023
Depreciation and impairment losses	16,889	23,583	8,518	4,360	53,224
Capital gains from divestment of properties	239	-	-	-	-
Unrealised changes in value of properties	9,499	-68,966	480	-95,146	40,106
Profit from participations in associated companies	-13,332	27,102	-6,260	23,720	-1,176
Total	13,295	-18,281	2,738	-67,066	92,154

Segment accounting – Business areas

Arlandastad Group consists of three business areas, which are also its accounting segments: Property Development, Property Management and Operating Activities.

Property Development includes concept development and realisation of the existing land portfolio comprising around 8 million sq.m. split between two of Sweden's largest development projects, Explore Arlandastad and Explore Skavsta. The work consists of land acquisition, detailed planning, project development and the conversion of existing properties into new operations. Property Management is responsible for the operation and maintenance of properties, including lease agreements, maintenance, financial management and contact with tenants. Operating Activities consist of business-related training, conference and event activities as well as airport operations.

A reclassification under 2024 regarding the accounting of property expenses in Skavsta means that expenses attributable to property operations previously recognised as expenses from Operating activities are now recognised as property expenses. The six-month period of 2023 was reclassified in an amount of SEK 9.1 million, and the second quarter in an amount of SEK 4.1 million. This change also means that the figures in the table for segment accounting have also been reclassified, which has entailed a movement of costs from the Operating Activities segment to the Property Management segment. The redistribution of salary expenses was also changed. This means that expenses for the six-month period of SEK 23.2 million (12.1) and SEK 16.0 million (6.0) for the second quarter were reallocated from administrative expenses to expenses for Operating activities.

Group 2024 Jan-June, SEK thousands	Property development	Property management	Operating activities	Unallocated Group costs and eliminations	Total
Rental income	2,956	96,383	6,129	-26,399	79,069
Income from Operating activities	-	85	87,506	-85	87,506
Other income	4,592	164	626	51	5,433
Operating income	7,548	96,632	94,261	-26,433	172,008
Property expenses	-1,044	-25,459	-6,523	-	-33,026
Depreciation of properties	-3	-11,989	-1,024	-	-13,016
Expenses from Operating activities	-	-3,171	-132,680	25,831	-110,019
Gross profit	6,502	56,013	-45,967	-602	15,947
Administration costs	-988	-11,078	-10,139	-15,999	-38,204
Net financial items	3,294	-47,398	-383	-6,010	-50,497
Profit prior to changes in value	8,808	-2,462	-56,488	-22,611	-72,755
Profit from participations in associated companies	13,332	-	-	-	13,332
Realised changes in value of properties	-	-239	-	-	-239
Unrealised changes in value of properties	-14,050	4,551	-	-	-9,499
Pre-tax profit	8,089	1,849	-56,488	-22,611	-69,161
Fair value of properties	3,352,000	2,587,300	553,000	-	6,492,300

Group 2023 Jan-June, SEK thousands	Property development	Property management	Operating activities	Unallocated Group costs and eliminations	Total
Rental income	13,014	87,255	2,765	-21,900	81,134
Income from Operating activities	-	-	128,281	-	128,281
Other income	0	50	105	734	889
Operating income	13,014	87,305	131,151	-21,166	210,304
Property expenses	164	-24,006	-5,324	-331	-29,498
Depreciation of properties	-	-17,497	-	-	-17,497
Expenses from Operating activities	-	-	-135,079	21,304	-113,775
Gross profit	13,178	45,802	-9,253	-193	49,533
Administration costs	-2,740	-15,355	-13,854	-17,810	-49,759
Net financial items	6	-47,122	-1,675	20	-48,771
Profit prior to changes in value	10,444	-16,675	-24,782	-17,983	-48,997
Profit from participations in associated companies	-27,102	-	-	-	-27,102
Unrealised changes in value of properties	-99,914	168,880	-	-	68,966
Pre-tax profit	-116,572	152,205	-24,782	-17,983	-7,133
Fair value of properties	3,507,450	2,547,300	566,250	-	6,621,000

Property Management business area

Rental income totalled SEK 96.4 million (87.3*).

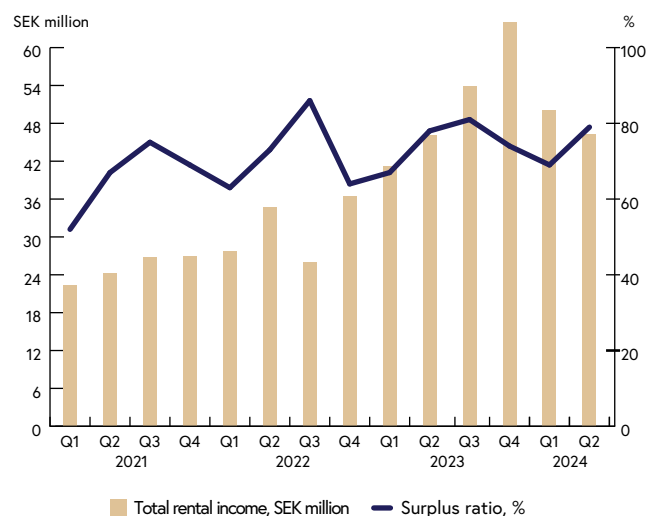
Property expenses totalled SEK 25.5 million (24.0) and depreciation on operating properties totalled SEK 12.0 million (17.5). Gross profit amounted to SEK 56.0 million (45.8).

Administration costs totalled SEK 11.1 million (15.4). Financial items totalled SEK -47.4 million (-47.1) and are primarily related to interest costs for loan financing. The average interest rate for the financing was 6.50 per cent (6.16) for the period.

Loss prior to changes in value totalled SEK 2.5 million (16.7). Arlandastad Group determines the value of management properties through external valuations by independent valuation agencies at each quarter. As of 30 June 2024, the properties have been valued externally by Forum Fastighetskonomi AB. The average required rate of return for the portfolio was 6.85 per cent (6.89). The underlying rental value amounted to SEK 237.4 million (237.8).

* The rental income includes intra-group rents, which are eliminated at the Group level, see tables on page 14.

Rental income and surplus ratio



Key performance indicators, Property management	Accumulated		Quarter		Full year
	Jan–June 2024	Jan–June 2023	Apr–June 2024	Apr–June 2023	Jan–Dec 2023
Net operating income, SEK million	70.9	63.2	36.7	35.7	154.3
Surplus ratio, %	74	72	79	78	75
Profit prior to changes in value, SEK million	-2.5	-16.7	2.1	-2.5	18.2
Underlying rental value, SEK million	237.4	213.7	237.4	213.7	237.8
Change in underlying rental value, %	-0.2	14.9	0.8	19.6	27.9
Change in underlying rental value adjusted for acquired properties, %	-0.2	14.9	0.8	19.6	27.9
Loan-to-value ratio, %	25	25	25	25	25
Market value of commercial properties, SEK million	2,587	2,547	2,587	2,547	2,593

Business area

Property development

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.

Explore Arlandastad is a development project of 2.9 million sq.m. between Stockholm and Uppsala, next to the E4 motorway and close to Stockholm Arlanda Airport. As of 30 June 2024, less than ten per cent of the potential building rights of a gross total area (GTA) of approximately 1.3–1.4 million square metres in Explore Arlandastad had been utilised.

Explore Skavsta is a 4.8 million sq.m. development project at Nyköping and Stockholm Skavsta Airport, close to the E4 motorway and the Port of Oxelösund, and where the future Ostlänken railway line will run.

The value of building rights and the development properties in Arlandastad Group amounts to SEK 3,352 million, a decrease of SEK 12 million from the beginning of the year and of SEK 155 million compared with the corresponding period in 2023. The decrease in value during the twelve-month period is due to generally higher required rates of return.

Since the turn of the year, the average value of the building rights in Explore Arlandastad has decreased from SEK 3,181 to SEK 3,165 per square metre GTA. During the same period, the average value of the building rights in Explore Skavsta has increased from SEK 287 to SEK 313 per square metre GTA. The total project profit was 39 per cent (40).

Key performance indicators, Property development

	30 June 2024	30 June 2023	31 Dec 2023
Investments, SEK million	7	29	48
Project profit, %	39	40	40
Average value of building rights Arlandastad (SEK/sq.m.)	3,165	3,318	3,181
Average value of building rights Skavsta (SEK/sq.m.)	313	307	287
Market value of development properties, SEK million	3,352	3,507	3,364



Business area

Operating activities

Operating activities consist primarily of three subsidiaries. Training Partner offers training courses for dealers and general agents in the automotive industry. Scandinavian XPO conducts event activities. Stockholm Skavsta Airport operates the airport in Skavsta.

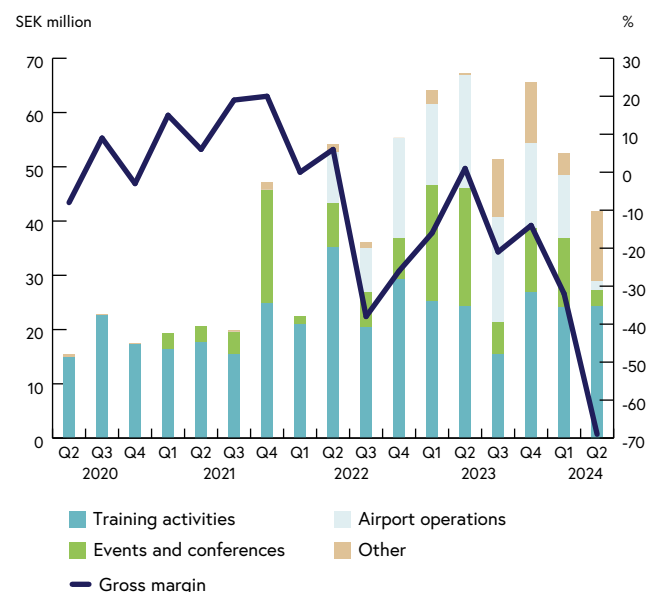
Rental income totalled SEK 94.3 million (131.2). Revenues from training activities contributed SEK 48.3 million (49.4) and airport operations provided SEK 23.5 million (35.5). Income from event activities totalled SEK 15.6 million (43.3). Income from airport operations decreased due to fewer available aircraft from Wizz Air. When it comes to event activities, the comparative period was positively affected by letting operations during Sweden's presidency of the EU in the first half of 2023. During the period, Training Partner acquired Verkstad och Besiktningsteknik i Mälardalen AB (VBT) for SEK 8.1 million.

The total order book, pre-booked events and training totalled SEK 92.4 million (93.8) at the end of the period, of which SEK 68.0 million (64.2) is expected to be included in the accounts in the coming twelve months. Airport operations are not included in the order book. Gross loss increased to SEK 46.0 million (9.3), mainly due to Stockholm Skavsta Airport. The redistribution of salary expenses means that expenses for the six-month period of SEK 23.2 million (12.1) and SEK 16.0 million (6.0) for the second quarter were reallocated from administrative expenses to expenses for Operating activities.

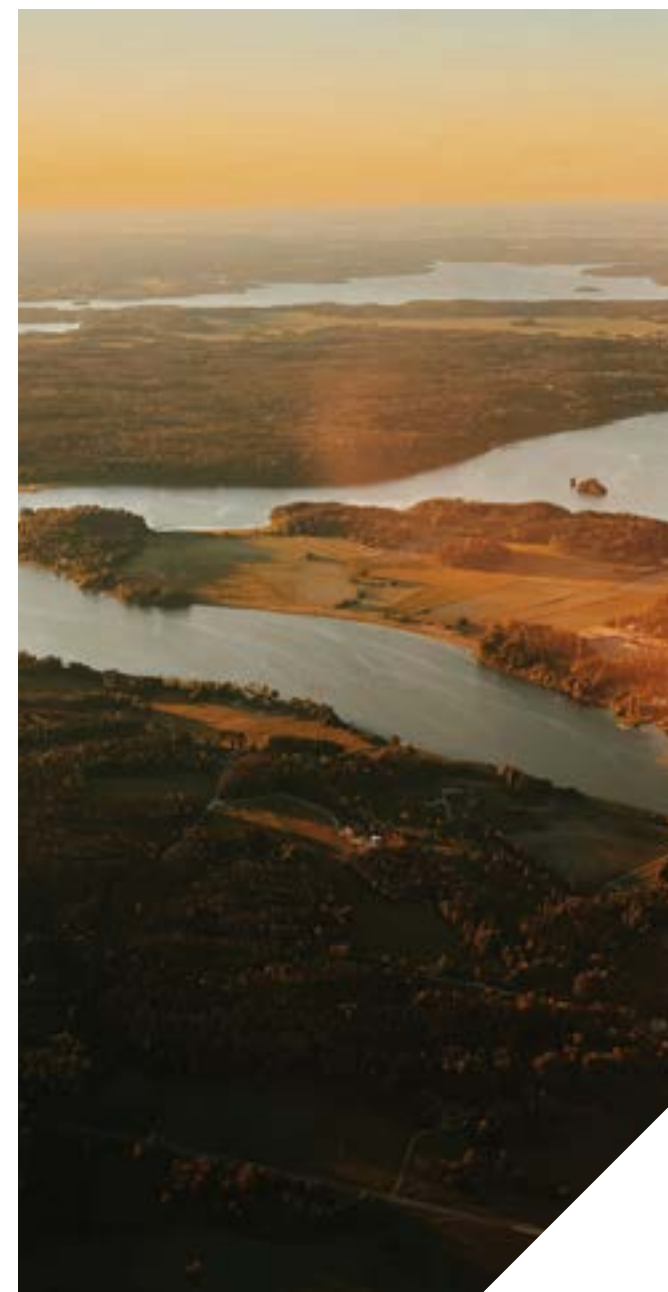
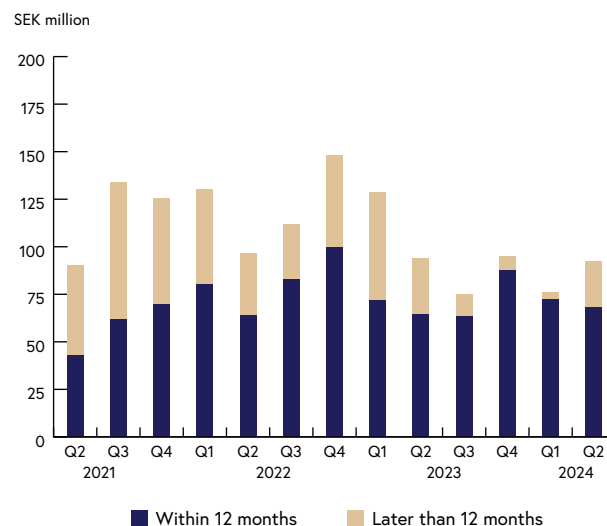
Key performance indicators, Operating Activities

SEK million	Jan– June 2024	Jan– June 2023	Apr– June 2024	Apr– June 2023	Jan– Dec 2023
Operating income from Operating activities	94.3	131.1	41.9	68.1	223.2
Gross profit	-46.0	-9.3	-29.0	4.2	-37.6
Total order book	92.4	93.8	92.4	93.8	95.1
Order book coming 12 months	68.0	64.2	68.0	64.2	87.5

Total income and gross margin



Order book



Condensed income statement for the Parent Company

Amounts in SEK thousands	Jan–June 2024	Jan–June 2023	Apr–June 2024	Apr–June 2023	Jan–Dec 2023
Rental income	-	10,189	-	4,811	9,989
Other operating income	3,904	5,768	1,956	2,896	11,576
Total revenue	3,904	15,957	1,956	7,707	21,565
Property expenses	120	-4,792	157	-1,976	-5,680
Operating surplus	4,024	11,165	2,113	5,731	15,885
Administration costs	-22,405	-22,951	-11,561	-13,166	-44,819
Depreciation and impairment of tangible fixed assets	-199	-2,824	-99	-1,430	-3,022
Net financial items	-3,842	149,733	-1,879	154,642	152,977
Profit from participations in Group companies	-74,200	-	-74,200	4,909	-
Profit from property management	-96,622	135,123	-85,626	150,686	121,021
Loss from divestment of property	-	-44,641	-	-44,641	-44,641
Appropriations	-	-	-	-	-28,727
Pre-tax profit	-96,622	90,482	-85,626	106,045	47,653
Tax on profit for the year	-	-	-	-	-4,703
Profit for the period	-96,622	90,482	-85,626	106,045	42,950
Comprehensive income for the Parent Company					
Profit for the period as per the income statement	-96,622	90,482	-85,626	106,045	42,950
Other comprehensive income for the period	-	-	-	-	-
Comprehensive income for the period	-96,622	90,482	-85,626	106,045	42,950

Income statement

The operations of the Parent Company, Arlandastad Group, consist of Group functions and Group administration. Total revenues for the period amounted to SEK 3.9 million (16.0). Rental income totalled SEK 0.0 million (10.2). The lack of rental income is due to last year's restructuring of the loan portfolio, whereby properties and loans were moved from the Parent Company to a sub-group. Other operating income amounted to SEK 3.9 million (5.8) and mainly relates to management fees and the re-invoicing of Group-wide costs to subsidiaries.

Administration costs totalled SEK 22.4 million (23.0). Depreciation and impairment losses amounted to SEK 0.2 million (2.8). Net financial items amounted to SEK -3.8 million (149.7). Profit from participations in Group companies of SEK -74.2 million (0.0) relates to the impairment of participations in Group companies. The Parent Company's loss totalled SEK 96.6 million (profit: 90.5).

Condensed statement of the Parent Company's financial position

Assets	30/06/2024	30/06/2023	31/12/2023
Amounts in SEK thousands			
Management properties	-	267	-
Participations in Group companies	43,397	32,197	32,197
Receivables from Group companies	874,740	864,278	1,045,003
Other fixed assets	64,202	68,740	64,312
Fixed assets	982,339	965,482	1,141,512
Receivables from Group companies	124,445	37,840	66,186
Other current receivables	84,102	31,612	79,752
Cash and bank	61,284	154,112	75,581
Current assets	269,831	223,563	221,519
Total assets	1,252,170	1,189,046	1,363,031
Equity and liabilities			
Equity	886,231	1,030,385	982,853
Liabilities to credit institutions	-	150,000	-
Long-term liabilities	-	150,000	-
Liabilities to Group companies	211,736	0	218,723
Current liabilities	154,203	8,661	161,455
Current liabilities	365,939	8,661	380,178
Total equity and liabilities	1,252,170	1,189,046	1,363,031

Equity and indebtedness

The Parent Company's balance sheet total amounted to SEK 1,252.2 million compared with SEK 1,363.0 million at the end of the year and SEK 1,189.0 million at the corresponding time in 2023. Equity totalled SEK 886.2 million compared with SEK 982.9 million at the end of the year and SEK 1,030.4 million at the end of the second quarter of 2023. The item current liabilities of SEK 154.2 million includes interest-bearing subordinated loans of SEK 150.0 million.

In connection with a restructuring of the Group's loan portfolio, the property Norslunda 1:8 was sold internally during the second quarter of 2023.

The Parent Company's statement of changes in equity

	Share capital	Other contributed equity	Profit brought forward	Profit/loss for the year	Total equity
Equity 01/01/2023	569	530,918	216,605	191,811	939,903
Transfer of previous year's profit	-	-	191,811	-191,811	-
Profit/loss for the period Jan-June 2023	-	-	-	90,482	90,482
Equity 30/06/2023	569	530,918	408,416	90,482	1,030,385
Profit/loss for the period July-Dec 2023	-	-	-	-47,532	-47,532
Equity 31/12/2023	569	530,918	408,416	42,950	982,853
Transfer of previous year's profit	-	-	42,950	-42,950	-
Profit/loss for the period Jan-June 2024	-	-	-	-96,622	-96,622
Other comprehensive income	-	-	-	-	-
Equity 30/06/2024	569	530,918	451,366	-96,622	886,231



Other information

Employees

At the end of the period, there were 125 (159) full-time employees.

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. 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

In this context, subsidiaries and associated companies are related parties to the Parent Company. During the second quarter, SEK 25 million was lent to Bake My Day Holding AB at market interest rates. Bake My Day Holding AB is a partner in the associated company Arlandastad Extra Fem AB. In addition, SEK 26 million was lent to the associated company BM Norslunda AB. For more information on related-party transactions, see notes 21 and 22 on page 64 of the Annual Report for 2023.

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. The Group's income reported in accordance with IFRS 15 consists of income from training for the automotive industry and income from event activities.

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.

Comparative figures

Comparative figures in parentheses for profit and loss items refer to the outcome for the corresponding period in the previous year. Comparative figures in parentheses for balance sheet items refer to the outcome at the end of the previous year.

Management properties

Management properties are properties held for the purpose of generating rental income and/or increases in value. Management properties are initially recognised at acquisition value, including directly attributable transaction costs. After the initial recognition, management properties are recognised at fair value.

Fair value is primarily based on return-based valuations according to the cash flow model. This means that future cash flows that the property is expected to generate are forecasted and discounted to a present value. Building rights are valued based on local price studies, the status of the planning process and determined divestment values. For more information on the valuation of management properties, see Note 14 Management properties on pages 61-62 of the Annual Report for 2023.

To ensure that the valuations are accurate, independent external valuation consultants are used. In 2024, Forum Fastighetsekonomi AB was engaged to estimate the fair value of the property holdings. The main method for carrying out valuations is a model where future cash flows and an estimated residual value are subjected to present value calculation (DCF method). For building rights, the market value is assessed using an extended local price method by comparing with contracts for transfers of similar objects.

The property valuation is based on observable and unobservable input data. The observable data that has the greatest impact on the value mainly comprises current rents, actual operating and maintenance costs, planned investments and current vacancy rates. Input data that can be deemed unobservable includes required rates of return as well as expectations regarding rent and vacancy levels. As in previous years, the property portfolio is valued by external valuers four times a year, at the end of each quarter. All properties are not inspected at each valuation, but with agreed periodicity according to age, use and duration of lease agreements.

Both unrealised and realised changes in value are recognised in the income statement. Unrealised changes in value are calculated on the basis of valuation at the end of the period compared to valuation at the beginning of the period, or acquisition value if the property was acquired during the period, taking into account the investments made during the period. Additional expenditures are capitalised when it is likely that future economic benefits associated with the expenditure will be received by the Group and thus increase the value, and the expenditure can be reliably determined. Other maintenance costs and repairs are recognised in the income statement on an ongoing basis in the period in which they arise. The Group only reclassifies a property from a management property when there is a change in the area of use. A change in the area of use occurs when the property ceases to meet the definition of a management property and there is evidence of the change in the area of use.

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. For properties with mixed use, when part of the property is held for the purpose of generating rental income and/or value increase and another part is used in the business, the company makes an assessment whether the parts can be sold separately. If so, the property is divided into a management property and an operating property. If the parts are not deemed to be separately saleable, the company classifies the property as a management property if the portion used in the business amounts to a maximum of 10 per cent of the total property. Otherwise, the entire property is classified as an operating property. Depreciation takes place on a straight-line basis over the estimated useful life of the asset. The estimated useful life of operating properties is 25 years.

Valuation of interest-bearing liabilities

Interest-bearing liabilities are reported at amortised cost. 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.

Cash flow structure

There has been a change in the reporting of cash flow whereby the cash flow statement is based on pre-tax profit, in accordance with IAS 7. The figures for the comparative periods have been restated, which has resulted in the item "Adjustments for items not included in the cash flow" being increased by the change in value of properties and profit from participations in associated companies.

Compensation from the Swedish Transport Administration for work linked to the planned Ostlänken railway line

In October 2023, Arlandastad Group's subsidiary Stockholm Skavsta Flygplats AB entered into an agreement with the Swedish Transport Administration relating to damages of SEK 385 million for remedial measures at the facility that will need to be carried

during the period 2024–2027 in preparation for the development of the Ostlänken railway project. In December 2023, the company received a first payment under the agreement, amounting to SEK 100 million. In March 2024, an additional SEK 100 million was received. An additional SEK 185 million will be received in the coming years, of which approximately SEK 50 million in 2024.

In accordance with IAS 20, the company will recognise the received amounts as advances for measures that are to be implemented in order to meet the undertakings in the agreement. In this way, income will be recognised as costs for the undertakings arise, so that income is matched against expenses. To the extent that an amount remains, in accordance with the plan for the cost of the compensation, said amount will be recognised as revenue when the size of the cost for remaining undertakings can be assessed with the requisite level of reliability.

Risks and uncertainties

Within the company, 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.

Access to borrowed capital has varied in a strained capital market, with rising credit margins as a result. In addition to the above, the Group's and the Parent Company's risks and risk management are described in the Annual Report for 2023. No significant changes have been made to the company's assessment of risks after the publication of the Annual Report for 2023.

Ownership structure

The number of outstanding shares on 30 June 2024 totalled 63,255,586. The closing price on 28 June 2024 was SEK 26.50 per share, corresponding to a market value of SEK 1,676 million. As of 28 June 2024, the largest shareholders in Arlandastad Group AB comprised Gelba Management AB with 46.6 per cent, Samhällsbyggnadsbolaget i Norden AB with 14.2 per cent and Styviken Invest AS with 9.8 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 2024

At Arlandastad Group's Annual General Meeting on 16 April 2024, the Annual Report for 2023 was adopted. No dividend was decided.

The Board of Directors shall consist of eight ordinary members. For the period until the next Annual General Meeting, Krister Karlsson was elected as a new Board member, while Peter Wågström, Leif West, Per Taube, Sunniva Fallan Röd, Maria Rankka, Tomas Rudin and Peter Markborn were re-elected. Peter Wågström was also appointed Chairman. Lars Thagesson has declined re-election as a Board member.

The Annual General Meeting reached a decision on a long-term incentive programme ("LTIP 2024"), as well as the issue of warrants and the subsequent transfer of shares and/or warrants. For more information, see: arlandastadgroup.se/sv/bolagsstyrning/bolagsstamma

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 decide on the issue of shares, convertibles and/or warrants entailing a dilution of the share capital as of the Annual General Meeting by no more than 10 per cent.

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, Leif West was elected as Deputy Chairman of the Board.

Declaration

The Board of Directors and the Managing Director declare that the six-month report provides a fair and true overview of the Parent Company's and the Group's operations, position and earnings, and describes the material risks and uncertainties faced by the Parent Company and the companies that are part of the Group.

Arlandastad, 18 July 2024
Arlandastad Group AB (publ)

The company's auditors have not audited the report for the first six months of 2024.

This information is such that Arlandastad Group is obliged to publish in accordance with the EU Market Abuse Regulation. The information was submitted for publication by the above contact persons on 18 July 2024 at 8:00 AM CET.

Calendar

14 November 2024	Interim report for the period January – September 2024
13 February 2025	Year-end report 2024

Peter Wågström

Chairman of the Board

Krister Karlsson

Board member

Tomas Rudin

Board member

Leif West

Board member, Deputy Chairman

Peter Markborn

Board member

Per Taube

Board member

Sunniva Fallan Röd

Board member

Maria Rankka

Board member

Dieter Sand

Managing Director

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, attributable to shareholders of the Parent Company.

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 shares outstanding during the period.

Order book income 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 reversal 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.

Average required rate of return*

Average required rate of return is comprised of the weighted average of the estimated required rate of return for the residual value calculation for each property.

Rental income

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

Rental value

Contracted annual rents, including turnover-based 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.

Derivation of key performance indicators

The company presents certain financial performance indicators that are not defined in accordance with IFRS, but which are common practice in the real estate industry. The company feels that these key performance indicators provide valuable supplementary information to external stakeholders as they are used to describe the development of the business and increase comparability between periods. Because companies calculate key performance indicators in different ways, these key performance indicators are not always comparable to those used by other companies. These key performance indicators should therefore not be viewed as a substitute for key performance indicators defined in accordance with IFRS. The table below presents key performance indicators that are not defined according to IFRS, unless otherwise stated, as well as reconciliation of the key performance indicators.

Surplus ratio, SEK thousands	Jan–June 2024	Jan–June 2023	Apr–June 2024	Apr–June 2023	Jan–Dec 2023
Rental income	96,383	87,255	46,284	45,967	205,134
Property expenses	-25,459	-24,006	-9,586	-10,187	-50,751
Net operating income	70,924	63,249	36,698	35,780	154,383
Surplus ratio	74%	72%	79%	78%	75%

Definition

Net operating income, excluding depreciation on operating properties, in the Property Management segment, as a percentage of reported rental income.

Explanation

Used to highlight ongoing earnings in property management.

Interest coverage ratio, Property Management

SEK thousands	Jan–June 2024	Jan–June 2023	Apr–June 2024	Apr–June 2023	Jan–Dec 2023
Net operating income	70,924	63,249	36,698	35,780	154,383
Financial expenses	-47,398	-47,122	-23,670	-22,777	-94,208
Interest coverage ratio	1.5	1.3	1.6	1.6	1.6

Definition

Net operating income from the Property Management segment, excluding depreciation on operating properties, through financial expenses.

Explanation

Used to highlight the company's sensitivity to interest rate changes.

Profit per share (SEK)	Jan–June 2024	Jan–June 2023	Apr–June 2024	Apr–June 2023	Jan–Dec 2023
Profit for the period	-69,624	-25,157	-29,639	46,177	-127,391
Average number of outstanding shares	63,255,586	63,255,586	63,255,586	63,255,586	63,255,586
Profit per share	-1.1	-0.4	-0.5	0.7	-2.0

Definition

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

Explanation

Used to highlight the return on the shares.

Derivation of key performance indicators

Loan-to-value ratio, properties

SEK thousands	30 June 2024	30 June 2023	31 Dec 2023
Interest-bearing liabilities	1,592,634	1,645,101	1,597,731
Fair value of properties	6,492,300	6,621,000	6,506,125
Loan-to-value ratio	25%	25%	25%

Definition

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

Explanation

Used to highlight the company's financial risk.

Return on equity

SEK thousands	30 June 2024	30 June 2023	31 Dec 2023
Profit for the period (R12)	-171,858	-219,538	-127,391
Opening equity	4,520,258	4,846,818	4,651,396
Closing equity	4,445,895	4,629,694	4,520,258
Average equity	4,483,077	4,738,256	4,585,827
Return on equity	-3.8%	-4.6%	-2.8%

Definition

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

Explanation

Shows the company's ability to generate a return on equity invested by the company's owners.

Debt/equity ratio

SEK thousands	30 June 2024	30 June 2023	31 Dec 2023
Equity	4,452,083	4,629,694	4,521,707
Balance sheet total	7,444,980	7,400,167	7,413,930
Debt/equity ratio	60%	63%	61%

Definition

Reported total equity at the end of the period in relation to the balance sheet total.

Explanation

Used to highlight the company's financial position.

Net asset value (NAV), per share

SEK thousands	30 June 2024	30 June 2023	31 Dec 2023
Equity	4,452,083	4,629,694	4,521,707
Deferred tax liability	917,078	935,571	916,507
Outstanding shares	63,255,586	63,255,586	63,255,586
Net asset value	5,369,161	5,565,265	5,438,214
Net asset value (NAV), per share	84.9	88.0	86.0

Definition

Reported equity with reversal of deferred tax, divided by the number of outstanding shares at the end of the period.

Explanation

Used to provide stakeholders with information on the company's long-term net asset value per share calculated in a uniform manner for listed property companies.

For further information, please contact:

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