

Arlandastad Group AB

Year-End Report 2021

X SCANDINAVIAN XPO



Year-End Report 2021

SEK
199.3 million
Income

SEK
74,4 million
Gross profit

SEK
6 166 million
Market value properties

Arlandastad Group takes a long-term investment perspective with a focus on identifying strategic land areas and developing properties to their full potential. The company's lodestar is property development and management aimed at creating added value.

We have laid the foundation for expansion

January to December 2021

- Revenues increased by 68 per cent and totalled SEK 199.3 million (118.5).
- The annual underlying rental value totalled SEK 145 million (133), corresponding to an increase of 9 per cent.
- Profit prior to value changes was SEK –40.8 million (–31.2).
- Unrealised changes in value for the period totalled SEK 281.0 million (681.8).
- Profits before and after taxes totalled SEK 240.2 million (650.6).
- Profit for the period totalled SEK 176.4 million (496.1), corresponding to SEK 3.0 (8.7) per share prior to dilution.
- The market value of the properties totalled SEK 6.2 billion (5.7).
- Loans on the properties totalled SEK 1.6 billion (1.6), corresponding to a loan-to-value ratio of 25 per cent (27).
- Net asset value (NAV) per share increased to SEK 81 (69).
- The return on equity was 5 per cent over the last 12-month period (20).
- The Board of Directors proposes not issuing a dividend.

Financial performance indicators

Amounts in SEK million	Full year		Fourth quarter	
	Jan–Dec 2021	Jan–Dec 2020	Oct–Dec 2021	Oct–Dec 2020
Income	199.3	118.5	76.7	29.5
Gross profit	74.4	49.7	28.4	6.7
Change in underlying rental value (%)	9%	–3%	–	–
Surplus ratio (%)	66%	68%	69%	52%
Profit prior to value changes	–40.8	–31.2	0.3	–13.6
Unrealised changes in value properties	281.0	681.8	108.3	776.7
Net profit	176.4	496.1	83.8	588.7
Earnings per share, prior to dilution, SEK	3.0	8.7	1.3	10.3
Earnings per share, after dilution, SEK	3.0	8.7	1.3	10.3
Cash flow from operating activities	–16.4	7.4	24.1	–67.9
Market value properties	6,166	5,690	6,166	5,690
Loan-to-collateral ratio, properties	25%	27%	25%	27%
Net asset value (NAV) per share, SEK	81	69	81	69
Return on equity %	5%	20%	–	–

For definitions, see page 25.

We have laid the foundation for expansion

The fourth quarter of the year saw our single biggest land transaction to date, where we secured an additional 1.4 million square metres of land adjacent to Explore Arlandastad. Scandinavian XPO also served as the host arena for a successful OSCE meeting with ministers from 57 countries. Revenues increased by 68 per cent from SEK 119 million to SEK 199 million. Arlandastad Group had a milestone year in 2021 with many positive developments: A successful listing, the first stage of the billion kronor project Scandinavian XPO was completed, we welcomed new tenants and new opportunities emerged for the company. We are now entering a phase with a faster pace for both existing and new projects.

Profit for the quarter totalled SEK 84 million. Profit for the year totalled SEK 176 million. Rental income for the fourth quarter totalled SEK 26 million (12), driven by new leases and good occupancy rates. In total, revenues increased from SEK 29.5 million to SEK 76.7 million, of which approximately SEK 25 million came from the newly started event business. Overall, the Group's revenues increased by 68 per cent to SEK 199 million (119) for the full year. The market value of our property portfolio totalled SEK 6,166 million (5,690) at the end of December, an increase of 8 per cent in 2021. The loan-to-value ratio was 25 per cent (27).

Expanded our offerings over the year

The billion kronor project Scandinavian XPO opened its doors in the first quarter of 2021. We were pleased to see how well our offer of a modern meeting and event arena was received by the market. There was significant interest in hosting meetings and events here. The new opening of Quality Hotel Arlanda XPO and the opening of Scandic at the beginning of the year mean that we now have Sweden's two leading hotel operators on site – Scandic and Choice. These two strong, firmly established hotel chains allow us to offer more training, meetings and events in the area. Our new offer has reached both Swedish and international customers. In December, Scandinavian XPO served as the host for the successful OSCE meeting, where foreign ministers from 57 countries met. This



demonstrated the strength of Scandinavian XPO – the delegates could meet, spend time, sleep and eat in a safe, closed setting very close to Arlanda.

Positive signals despite the pandemic

The pandemic resulted in postponed events in the first quarter of 2022 for Scandinavian XPO. The meeting and event arena was nearly fully booked until the new restrictions in December. Now that the restrictions have been lifted, we once again see very good levels of bookings from the end of March. There was less of an impact on training activities in DRIVELAB and Training Partner. The full year was characterised by continued solid interest from potential new tenants at Explore Arlandastad.

Tunnel for the future

Arlandastad Group had a milestone year in 2021. The company was listed on Nasdaq First North Growth Market. This entailed the quality assurance of the company's processes. We completed the first part of our biggest project to date, Scandinavian XPO, which has been well received by the market as

an international meeting place. We also laid the foundation for rapid acceleration of our future property development with a new tunnel under the E4 that will serve as an artery for the Arlandastad area.

During the pandemic, we have focused on completing ongoing projects and preparing for the future. The listing's capital injection now allows us to accelerate through organic growth, strategic acquisitions and new partnerships. We see several exciting project opportunities in both existing and new geographies. Our employees have been crucial in these efforts. Our project expertise is our most important resource, and we have created a strong corporate culture that is vital to maintain. To help in this effort, key resources were recruited in 2021 – key functions in our upcoming expansion phase. During the year, we improved our access to expertise and skills with new staff, and new recruitment will continue as a priority in the future.

We also made significant investments in infrastructure to increase the pace of project development. One of these investments was the completion of a tunnel under the E4, which connects the western and eastern parts of the area. The tunnel allows us to develop the area at a much higher pace by working simultaneously from three directions instead of simply from a single direction. The completion of Scandinavian XPO's first stage put the area on the map. Stage two began with the construction of a longstay hotel allowing accommodation for everyone staying for extended periods in the area. We also began the groundwork in developing F60, a business park of approximately 125,000 m² near airport. In addition to this, the company has several projects in the starting blocks.

Improved potential

Through the acquisition of Arlandastad Golf in November 2021, we created new opportunities by securing an additional land area totalling 1.4 million square metres adjacent to Explore Arlandastad. The first development stage consists of 490,000 square meters. This is our single biggest land deal to date, and the ambition is to use the land for projects in areas like health, sports and innovation.

Our business model includes owning and running operating companies when they benefit our long-term property business. Training activities in the automotive industry began to recover in 2021, and several international players established or expanded their premises, which contributed significantly to earnings.

Expansion in 2022

I look forward to an exciting 2022. As of this writing in February, all pandemic restrictions have been lifted, which will benefit further development. In 2022, we are increasing the pace of development for the entire Arlandastad, including the new F60 Business Park. I am also looking forward to stage two of Scandinavian XPO. We will also create a new parking deck at DRIVELAB Center that enables future development of a bigger cohesive, attractive area. In addition to this, we are exploring exciting opportunities in new geographies. I look upon 2022 and the expansion of the coming years with optimism and confidence. We are setting the stage for good and long-term profitability by building the smart business clusters of the future.

Arlandastad in February 2022

Dieter Sand

Managing Director and CEO

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About the Arlandastad Group

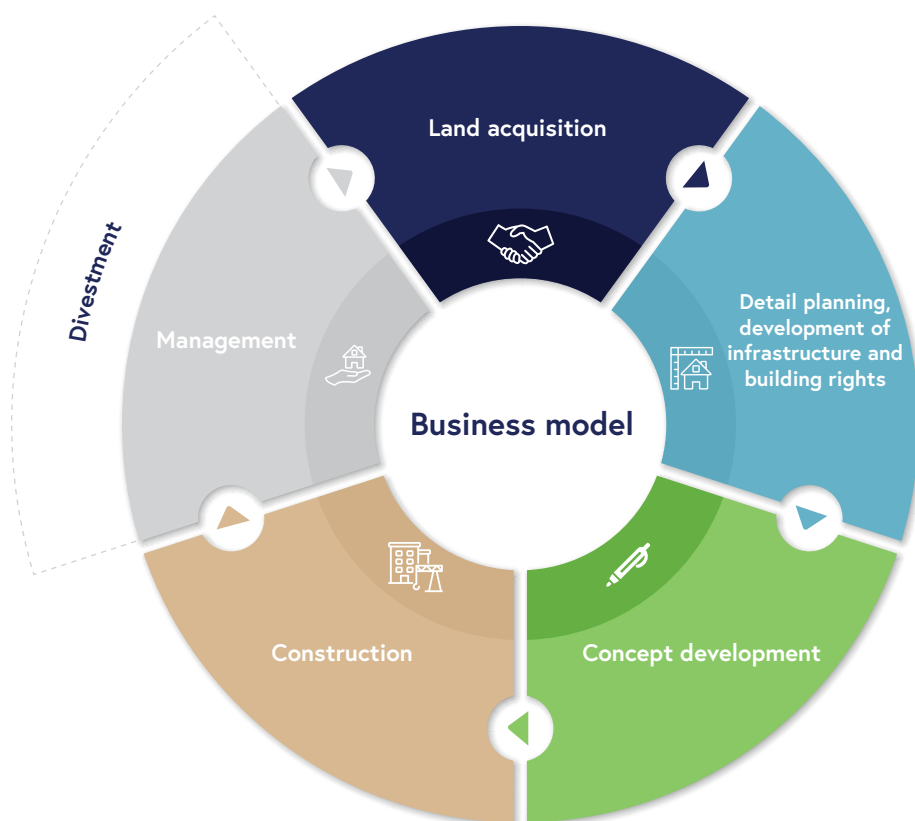
Arlandastad Group is a property company founded in 2005. It takes a long-term investment perspective with a focus on identifying strategic land areas and developing properties to their full potential. Our lodestar is property development and management aimed at creating added value through good business acumen and structured and creative processes in close collaboration with selected partners, solid support in the community and financial strength that gives the company staying power. Arlandastad Group developed out of Gelba Management, which has successfully invested in properties and created large-scale value since the 1990s.

Up until now, the business has focused on developing and managing a 240-hectare property that serves as the gateway to Stockholm Arlanda Airport. This has occurred by acquiring land, which then received local zoning and planning approval and was developed, and through the conversion of existing properties that have been repurposed and redeveloped for entirely new activities. From 2008 until the fourth quarter of 2021, the company has created added value of SEK 4.2 billion before tax, and today has a balance sheet total of just over SEK 6.7 billion. In the existing project portfolio, which has a potential value of approximately SEK 30 billion, the company estimates it will create around SEK 5–7 billion in added value over time through organic growth.

Arlandastad Group conducts its operations in three business areas – Property Development, Property Management and Operating Companies.

The Company's business model

The company's property operations include land acquisitions, planning processes, concepts, renting and construction through to management or divestment. The model is applicable in many places, and Arlandastad Group will be gearing up its activities both in the Arlandastad area and in identifying new large projects.



Sustainability

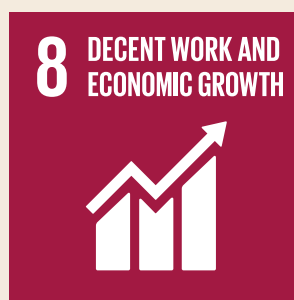
Arlandastad Group is a community builder that strives to create a sustainable future. We are committed to helping bring about sustainable development – economic, social and environmental – and we always focus on safety and reducing climate impact.

In the current year, Arlandastad Group has been working to further improve the company's sustainability strategy. All company employees are involved in developing this strategy. From an environmental perspective, Arlandastad Group follows a long-term plan to improve water treatment, recycle demolition waste from construction and measure air quality in all projects.

The goal is for all use of energy, water and other natural resources to occur in an efficient, resource-conserving and environmentally friendly manner, and for all electricity delivered to properties to come from renewable sources.

Sustainability efforts are based on the Brundtland Report (1987), where sustainability is defined based on three perspectives: ecological sustainability, social sustainability and economic sustainability.

Sustainability efforts are inspired by the UN's 17 global goals, where Arlandastad Group has chosen to prioritise four areas:



Arlandastad Group strives to always think long-term and sustainably, in all situations and contexts. The company cares about the environment in which it operates, and it is a matter of course that both employees and partners feel that we take social responsibility and never accept deviations from our Code of Conduct or our values."

Strategy and goals

Arlandastad Group's strategy

Arlandastad Group's strategy is based on concept and property development, including control of the entire chain from land acquisition and infrastructure to long-term management of completed properties.

Land acquisition	Arlandastad Group focuses on identifying and acquiring strategic bigger land areas with the potential of developing and improving properties using the company's concept model.
Detailed planning & development of infrastructure & building rights	Detailed local planning is central for Arlandastad Group and is governed by the key concepts of being well thought out, well planned and well prepared. Detailed planned areas serve as effective clusters and create platforms and synergies.
Concept development	With a deep understanding of the customer's operations, Arlandastad Group develops hubs with additional organisations and operations that support and multiply synergies between each other based on the anchor customer.
Construction	The focus for Arlandastad Group is building flexible and attractive buildings. The construction process follows a comprehensive sustainability strategy.
Management	Property management includes the ownership of operating companies working in the area when Arlandastad Group judges that these companies strengthen the property business. The management portfolio's cash flow generation contributes to the ability of Arlandastad Group to finance further development and acquisitions.

Long-term financial goals

Return on equity

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

>15%

Loan-to-value

The properties' loan-to-value ratio is not to exceed 50% over time

<50%

Dividend policy

Arlandastad Group intends to use its cash flow from operating activities to finance further development of the existing project portfolio and to explore potential future acquisitions. As such, the Board does not intend to propose a dividend in the coming years.

Arlandastad Group's existing land area

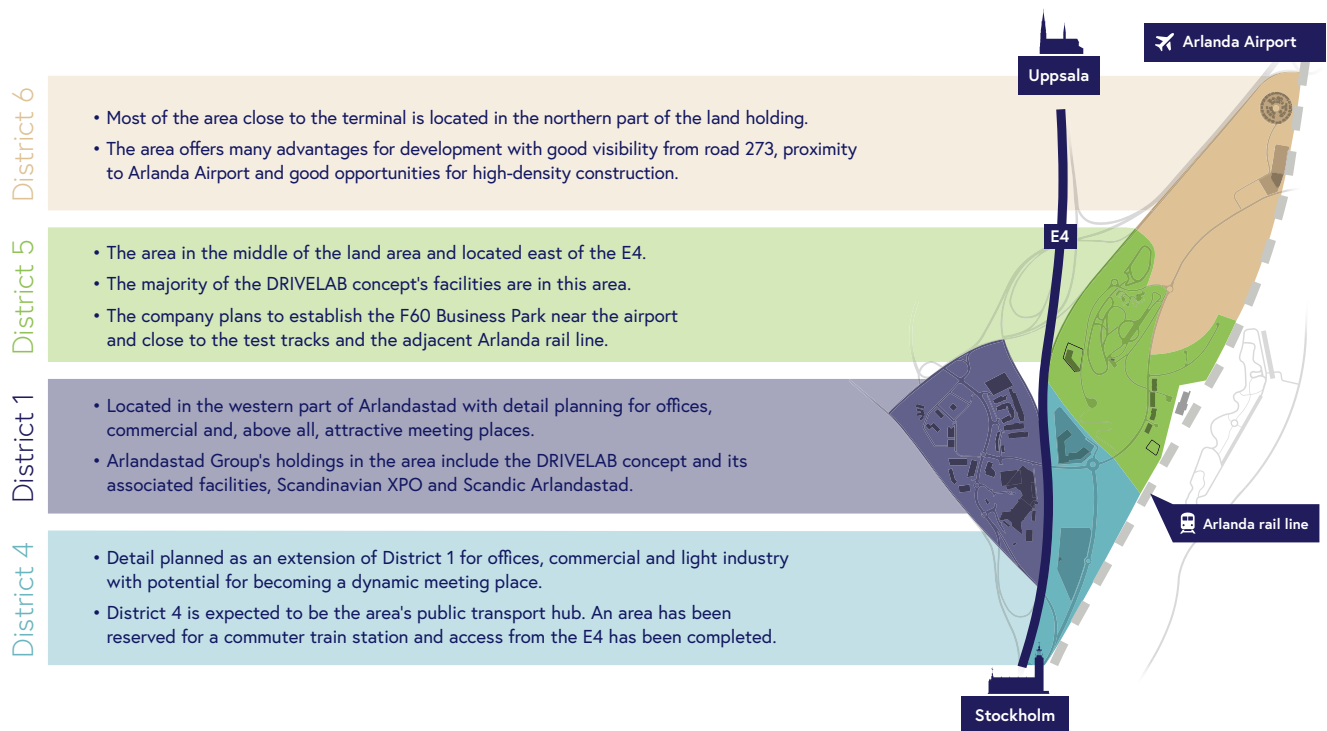
Explore Arlandastad is a location brand within the Arlandastad Group. The purpose of creating unique place brands is to differentiate them while also providing a framework for future major development projects. "Explore" is the model for developing a geography – no matter where it is located – and Explore Arlandastad is our first development project. The location brand launched on the market in 2021, and its mission is to put the area on the map.

About Explore Arlandastad

Arlandastad Group owns Explore Arlandastad – a 240-hectare expansive and unique area close to the airport that enables our customers to create the future they dream of. This is where we have also developed, established and launched our conceptual platforms Scandinavian XPO, Drivelab Stockholm and Nybygget.

Explore Arlandastad's districts

Arlandastad is divided into six districts, four of which are within Arlandastad Group's area and are called districts 1, 4, 5 and 6. Together they make up the Explore Arlandastad area.

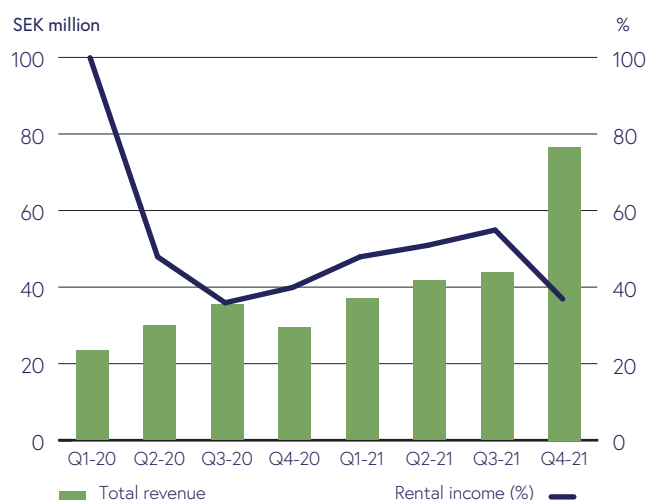


Condensed statement of the Group's comprehensive income

Amounts in SEK thousands	Jan–Dec 2021	Jan–Dec 2020	Oct–Dec 2021	Oct–Dec 2020
Rental income	88,529	62,506	25,575	11,871
Income from operating companies	106,603	49,402	47,110	17,172
Other operating income	4,197	6,616	3,975	487
Income	199,330	118,524	76,661	29,529
Property expenses	–51,355	–30,677	–15,474	–10,063
Costs from operating companies	–73,578	–38,123	–32,802	–12,772
Gross profit	74,397	49,724	28,385	6,694
Administration costs	–74,416	–44,779	–17,316	–14,141
Write-down goodwill	-	–4,743	-	–4,743
Financial income	342	2,954	316	2,820
Financial expenses	–41,110	–34,352	–11,077	–9,016
Profit prior to value changes	–40,786	–31,196	307	–18,387
Unrealised changes in value properties	280,964	681,820	108,317	776,659
Pre-tax profit	240,177	650,624	108,624	758,272
Income tax	–63,738	–154,478	–24,866	–169,589
Profit for the period	176,440	496,146	83,759	588,683
Other comprehensive income				
Items that may later be transferred to the income statement:				
Conversion of foreign offices	2,565	-	701	-
Other comprehensive income	2,565	-	701	-
Total comprehensive income	179,005	496,146	84,459	588,683
Earnings per share, prior to dilution, SEK	3.0	8.7	1.3	10.3
Earnings per share, after dilution, SEK	3.0	8.7	1.3	10.3

The profit for the year and comprehensive income are attributable to the Parent Company's shareholders.

Total revenue and rental income



Sales and earnings

The Group's income totalled SEK 199.3 million (118.5) for the full year, of which SEK 88.5 million (62.5) pertains to rental income and SEK 106.6 million (49.4) can be attributed to the Operating Companies segment. The increase in rental income is mainly attributable to renegotiated and new leases. Of revenues from operating companies of SEK 106.6 million, SEK 74.3 million pertains to training activities, SEK 31.1 million comes from event activities started up in 2021 and SEK 1.3 million to parking facilities.

The Group's income for the third quarter totalled SEK 76.7 million (29.5), of which SEK 25.6 million (11.8) is attributable to rental income, SEK 47.1 million (17.1) to operating companies and SEK 4.0 million (0.5) to other income. The increase from the Operating Companies segment of SEK 30.4 million is primarily attributable to the start of event operations in 2021.

Gross profit for the full year totalled SEK 74.4 million (49.7). This increase is mainly attributable to the Operating Companies segment. The Group's gross profit for the fourth quarter totalled SEK 28.4 million (6.7), of which SEK 14.0 million (5.0) is attributable to property management, SEK 9.5 million to Operating Companies, SEK 3.7 million to property development and SEK 1.3 million to other.

Administrative costs totalled SEK –74.4 million (–44.8) for the whole year. The increase compared to the previous year is mainly attributable to non-recurring costs related to preparations for the listing and increases in personnel expenses. The listing costs total SEK 22 million. For the fourth quarter, administrative costs totalled SEK –17.3 million (–14.1). The increase compared with the same quarter last year is also mainly attributable to higher personnel expenses. Due to the company's intention to expand and increase its rate of investment, additional resources were added to strengthen the organisation in 2021.

Net interest income was SEK –40.8 million (–31.4) and is related primarily to interest costs for loan financing. The increase in interest expenses is attributable to an increase in the interest-bearing debt. See also the section Financing on page 12–13.

Unrealised value changes in management properties totalled SEK 281.0 million (681.8) for the whole year. The changes in value are mainly explained by lower return requirements in valuations and new leases. Unrealised value changes totalled SEK 108.3 million (776.7) for the fourth quarter.

Taxes on profit for the year totalled SEK –63.7 million (–154.5). The tax refers in its entirety to deferred tax and is attributable to unrealised changes in the property value, reversed depreciation and other adjustments to the properties residual tax value. No deferred tax on losses carried forward has been considered.

Profit for the period totalled SEK 176.4 M (496.1), which corresponds to earnings per share of SEK 3.0 before dilution.



Condensed statement of the Group's financial position

Amounts in SEK thousands	31 Dec 2021	31 Dec 2020
Assets		
Goodwill	15,718	15,718
Management properties	5,610,328	5,221,548
Operating properties	512,549	502,396
Rights of use	8,698	11,556
Other fixed assets	37,820	33,157
Fixed assets	6,185,113	5,784,376
Current receivables	104,596	95,275
Available funds	441,435	163,351
Current assets	546,032	258,625
Total assets	6,731,145	6,043,001
Equity and liabilities		
Equity	4,160,446	3,555,759
Long-term liabilities	1,505,409	1,552,232
Long-term liabilities, rights of use	5,472	8,031
Deferred tax liability	889,249	825,511
Long-term liabilities	2,400,130	2,385,774
Short-term interest-bearing liabilities	66,876	7,670
Accounts payable, rights of use	3,225	3,525
Current tax liabilities	7,826	4,689
Other accounts payable	92,641	85,585
Accounts payable	170,569	101,468
Total equity and liabilities	6,731,145	6,043,001

Goodwill

Training Partner Invest Nordic AB, which conducts training in the automotive industry through subsidiaries and is a tenant in one of the Group's properties, was consolidated from the second quarter of 2020. Goodwill attributable to acquisitions amounts to SEK 15.7 million (15.7) and as of 31 December 2021 is solely attributable to the acquisition of Training Partner.

Properties

At the end of the period, Arlandastad's property portfolio consisted of twelve properties, which are made up of commercial properties and building rights. According to an external valuation as of 31 December, the market value of the properties totalled SEK 6.2 billion (5.7). The property portfolio includes a land facility located on leased land. Since the fourth quarter of 2020, two buildings have been classified as operating properties where two Group companies, Training Partner and Scandinavian XPO, have their main operations.

	Jan-Dec 2021	Jan-Dec 2020
Realised value management properties, SEK million		
Market value as of 1 January	5,222	4,689
Investments in existing properties	108	273
Re-classifications	-	-422
Unrealised changes in value	281	682
Market value as of the end of the period	5,610	5,222
Distribution of market value management properties		
Commercial properties	1,995	1,735
Building rights	3,615	3,487
	Jan-Dec 2021	Jan-Dec 2020
Reported value of operating properties, SEK million		
Opening acquisition value	502	-
Investments in existing properties	25	129
Re-classifications from management properties	-	378
This year's depreciations	-15	-5
Accounted value carried forward	513	502

The loan-to-value ratio was 25 per cent (27) at the end of the quarter.

	31 Dec 2021	31 Dec 2020
Loan-to-value (LTV)	25%	27%

The loan-to-value ratio is calculated as interest-bearing liabilities in relation to value of management and operating properties.

Equity

Arlandastad's total assets totalled SEK 6.7 billion (6.0) as of 31 December 2021. Equity totalled SEK 4.2 billion, an increase of SEK 604.7 million since the start of the year. The increase is attributable to a new share issue of SEK 425.5 billion and the comprehensive income for the year of SEK 179.0 million. Other comprehensive income includes a translation difference from foreign offices of SEK 2.6 million. The Group's equity/assets ratio was 62 per cent at the end of the period, compared with 59 per cent at the end of last year. The return on equity was 5 per cent during the last 12-month period (20). The decrease in return on equity compared with the previous year is partly due to the new share issue of SEK 425.5 million, and partly to the fact that the previous year's earnings were positively impacted by a change in value of 681.8 compared with 281.0 this year.

The 18 August 2021 Extraordinary General Meeting approved the introduction of an incentive programme for key individuals within the company. In short, the programme involves issuing a maximum of 286,195 warrants to leading decision makers, which would lead to a dilution of 0.5 per cent relative to the current share count. The warrants were valued at market

value according to Black & Scholes' valuation model, and each warrant entitles the holder to subscribe to one (1) new share in the company at a subscription price corresponding to 130 per cent of the volume-weighted average price on the first trading day at listing, however, no less than SEK 30. As of 31 December 2021, 20,000 warrants have been exercised resulting in a dilution of less than 0.1 per cent.

Taxes

Deferred taxes as 31 December totalled SEK -889.2 million (-825.5). The deferred tax is mostly attributable to management properties. The deferred tax is booked as 20.6 per cent, which applies from financial year 2021. The translation effect of the changed tax rate was booked in previous years.

Financing

Interest-bearing net liabilities totalled SEK 1.6 billion (1.6) at the end of the period, which was in line with the most recent year-end. The average interest rate for financing was 2.7 per cent (2.8). The interest coverage ratio for the full year was 1.8 (1.5). Of liabilities to credit institutions that fall due within one year, SEK 77.6 million pertains to construction loans that will be converted into long-term financing. Liabilities that fall due within 2–3 years include subordinated loans of SEK 150 million. Loan commitments for construction loans in projects not yet started totalled SEK 213.0 million as of 31 December 2021.

Distribution of interest-bearing liabilities, SEK million

Property loans	1,343.5
Subordinated loans	150.0
Construction credit, used in ongoing projects	77.6
Other financing	-
Total interest-bearing liabilities	1,571.1

Granted construction credit, unused	11.0
Loan commitments for building credit in upcoming projects	213.0
Unused credit facility	8.0

Schedule of due dates for credit liabilities 31 December 2021

Credit agreements	SEK million	Percentage, %
0–1 year	143.5	9%
1–2 years	826.1	53%
2–3 years	594.5	38%
3–4 years	1.0	0%
4–5 years	0.2	0%
> 5 years	5.8	0%
Total	1,571.1	

Schedule of due dates for interest liabilities 31 December 2021

Maturity date	SEK million	Percentage, %
0–1 year	45.5	42%
1–2 years	41.2	38%
2–3 years	20.8	19%
3–4 years	0.2	0%
4–5 years	0.1	0%
> 5 years	0.1	0%
Total	107.9	

Of the SEK 143.5 million that falls due within one year, SEK 77.6 million is for building loans that are to be converted into property loans.

The table does not consider any potential refinancing.



Condensed statement of the Group's changes in equity

Amounts in SEK thousands	Share capital	Other contributed equity	Translation reserve	Profit brought forward	Total equity
Equity 1 January 2020	179	303,255	-	2,650,709	2,954,143
Profit for the period Jan–Dec 2020	-	-	-	496,146	496,146
Other comprehensive income for the period Jan–Dec 2020	-	-	-	-	-
New share issue	-	105,470	-	-	105,470
Equity 31 December 2020	179	408,725	-	3,146,855	3,555,759
New share issue registered	11	-11	-	-	-
Bonus issue	323	-	-	-323	-
New share issue	56	425,542	-	-	425,598
Profit for the period Jan–Dec 2021	-	-	-	176,440	176,440
Other comprehensive income Jan–Dec 2021*	-	-	2,565	-	2,565
Transactions with owners					
Other contributed equity	-	84	-	-	84
Equity 31 December 2021	569	834,340	2,565	3,322,972	4,160,446

The entirety of the Group's equity is attributable to the Parent Company's shareholders.

* Refers to translation differences in Nordic offices of operating companies.

Consolidated cash flow statement

Amounts in SEK thousands	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Profit after financial items	-40,786	-26,452	307	-13,643
Adjustments for items not included in the cash flow	21,721	6,997	6,469	4,855
	-19,065	-19,455	6,776	-8,788
Tax paid	1,700	-2,740	4,161	-5,657
Cash flow from operating activities prior to changes in operating capital	-17,365	-22,195	10,937	-14,445
Cash flow from changes in operating capital				
Changes in operating receivables	-6,829	-35,805	3,555	-35,002
Changes in operating debt	7,827	65,430	9,601	56,626
Cash flow from operating activities	-16,367	7,430	24,094	7,179
Investment activities				
Acquisition of subsidiaries	-	957	-	-
Divestment of subsidiaries	-18	-	-18	-
Acquisitions of tangible fixed assets	-139,512	-432,042	-44,439	-159,599
Sale of financial assets	-	919	-	-2,500
Cash flow from investment activities	-139,530	-430,166	-44,457	-162,099
Financing activities				
New shares issue	425,598	105,470	25,598	105,470
Incentive programme	84	-	84	-
Borrowings	19,954	330,887	12,862	205,672
Repayment of loan debits	-11,689	-21,884	-6,889	-11,347
Cash flow from financing activities	433,947	414,473	31,655	299,795
Cash flow for the period	278,050	-8,263	11,292	144,875
Available funds at the start of the year	163,351	171,614	430,125	18,476
Exchange rate difference in available funds	34	-	18	-
Available funds at the end of the year	441,435	163,351	441,435	163,351

Cash flow and available funds

Cash flow for the period totalled SEK 278.1 million (-8.3) for the full year, which consists of cash flow from operating activities of SEK -16.4 million, investment activities of SEK -139.5 million and financing activities of SEK 433.9 million.

Cash flow from operating activities was primarily impacted by the operating loss. The change in operating capital totalled SEK 1 million (29.6) and non-cash items totalled SEK 21.7 million (7.0). Adjustments for items not included in the cash flow are primarily depreciations, SEK 20.2 million (10.3) and unrealised exchange rate differences, SEK 1.5 million (-). The increase in depreciations is explained by a reclassification from management properties to operating properties where depreciation on operating properties is charged to the Group's earnings.

Cash flow from investment activities of SEK -139.5 million (-430.2) refers to investments in management properties, SEK -108 million, in operating properties, SEK -25 million and in equipment SEK -6.5 million.

Financing activities affect cash flow by SEK 433.9 million (414.5) and mainly pertain to new issues of SEK 425.6 million.

Available funds at the end of the period totalled SEK 441.4 million compared with SEK 163.4 million for the same period last year. In addition, there are available unutilised credit facilities of SEK 8 million.

Segment Accounting – Business Areas

Arlandastad Group is a real estate company built around operations in three business areas, which are also its accounting segments: Property Development, Property Management and Operating Companies.

Up until now, the business has focused on developing and managing a 240-hectare property that serves as the gateway to Stockholm Arlanda Airport. This has occurred by acquiring land, which then received local zoning and planning approval and was developed, and through the conversion of existing properties that have been repurposed and redeveloped for entirely new activities. Since the fourth quarter of 2020, two buildings have been classified as operating properties where two Group companies, Training Partner and Scandinavian XPO, conduct their main operations.

These operating companies contribute to an ecosystem where the whole becomes stronger than the individual operations and thus attract new establishments in the area, which in turn means both that the company can sign leases of higher value than before when a district is gradually being completed and that leasing levels are normally higher in nearby areas and municipalities. Furthermore, the activities of operating companies, like Training Partner and Scandinavian XPO, lead to more visits to areas and increase demand for related services, which in turn contributes to higher revenue potential for tenants and thus higher revenue for the company in the form of higher percentage leases based on the leaseholder's monthly sales volumes.

Group 2021 Jan–Dec, SEK thousands	Property Development	Property Management	Operating Companies	Unallocated Group costs and eliminations	Total
Rental income	4,796	100,147	-	-16,414	88,529
Income from operating companies	-	-	106,603	-	106,603
Other income	2,702	4	222	1,269	4,197
Operating income	7,498	100,151	106,825	-15,145	199,330
Property expenses	-2,805	-33,568	-	-	-36,373
Depreciation of property	-	-14,982	-	-	-14,982
Costs from operating companies	-	-	-89,991	16,414	-73,578
Gross profit	4,693	51,601	16,834	1,269	74,397
Administration costs	-794	-11,490	-6,568	-55,564	-74,416
Net interest income/expense	-2,157	-35,447	-3,060	-103	-40,768
Profit prior to value changes	1,742	4,664	7,206	-54,398	-40,786
Unrealised changes in value properties	14,576	266,388	-	-	280,964
Pre-tax profit	16,318	271,052	7,206	-54,398	240,177

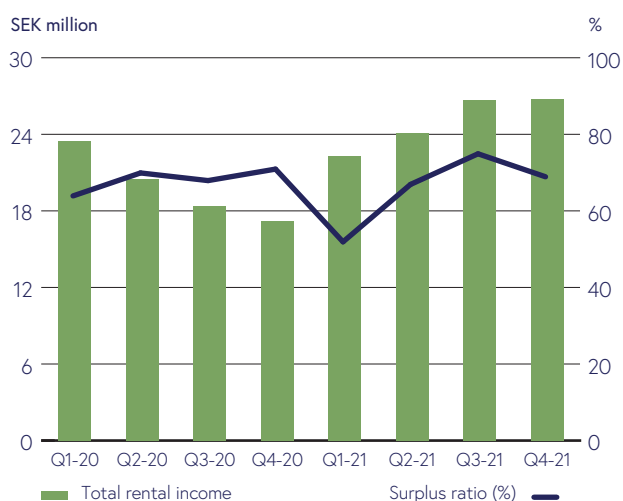
Group 2020 Jan–Dec, SEK thousands	Property Development	Property Management	Operating Companies	Unallocated Group costs and eliminations	Total
Rental income	-	79,803	-	-17,296	62,507
Income from operating companies	-	-	49,402	-	49,402
Other income	116	77	6,422	-	6,615
Operating income	116	79,880	55,824	-17,296	118,524
Property expenses	-	-25,587	-	-	-25,587
Depreciation of property	-	-5,090	-	-	-5,090
Costs from operating companies	-	-	-55,419	17,296	-38,123
Gross profit	116	49,203	405	-	49,724
Write-down goodwill	-	-	-4,743	-	-4,743
Administration costs	-2,170	-3,433	-22,389	-16,786	-44,778
Net interest income/expense	-	-28,349	-3,049	-	-31,398
Profit prior to value changes	-2,054	17,421	-29,776	-16,786	-31,195
Unrealised changes in value properties	776,659	-94,839	-	-	681,820
Pre-tax profit	774,605	-77,418	-29,776	-16,786	650,625

Property Management business area

Income from rent totalled SEK 100.1 million (79.8). Renegotiated leases have resulted in an increase of approximately SEK 30 million, while the pandemic effect on other percentage rents caused a decrease of approximately SEK 10 million. Since the fourth quarter of 2020, two of the buildings have been classified as operating properties where two Group companies, Training Partner and Scandinavian XPO, have their main operations.

As of 31 December 2021, Arlandastad Group's holdings totalled approximately 93,000 m² (87,000) GLA and approximately 18,000 m² (18,000) of other areas (e.g., garages). Arlandastad Group's holdings are divided among ten management units and two operating properties. The Group's management properties also include test tracks, long-term car parks and Nybygget, which does not include GLA.

Rental income and surplus ratio



Property costs (excluding depreciations) totalled SEK –33.6 million (–25.6). The increase compared to the previous year is explained by higher costs for property maintenance (mainly costs for winter maintenance) and higher tax-related costs. The increase is also explained by the fact that a new facility opened at the beginning of the year.

Gross profit for the full year totalled SEK 51.6 million (49.2). The increase can mainly be attributed to higher property revenues.

Financial items totalled SEK –35.4 million (–28.3) and are related primarily to interest costs for loan financing. The increase is due to a higher interest-bearing debt. The average interest rate was 2.7%.

Profit prior to value changes totalled SEK 4.7 million (17.4). Adjusted for depreciations on operating properties, earnings before value changes are SEK 2.9 million higher than the previous year. Unrealised value changes in commercial properties totalled SEK 266.4 million (–94.9). The increase is mainly due to lower yield requirements but also to newly signed and renegotiated leases.

Arlandastad Group normally determines the value of management properties through external valuations by independent valuation institutes twice a year, at the end of the second and fourth quarters. In the first and third quarters, the value is normally determined through internal valuations based on the latest external valuations with adjustments for new leases,

investments, completed projects and changes in required returns. From 31 December 2021, the properties are valued externally by Forum Fastighetsekonomi AB. The average required rate of return for the portfolio stood at 5.92% (6.38).

Key performance indicators, Property Management, SEK million	Accumulated		Quarter	
	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Net operating income	66.6	54.2	26.9	17.3
Surplus ratio	66%	68%	69%	52%
Profit prior to value changes	4.7	17.4	-4.2	0.2
Underlying rental value	145	133	139	133
Changes in underlying rental value	8.8%	-2.8%	4.0%	-2.8%
Loan-to-collateral ratio	25%	27%	25%	27%
Market value of commercial properties	1,995	2,203	1,995	2,203



Photographer: Wester+Elsner

Property Development business area

The property development business is the operational part of Arlandastad Group that handles strategy, or developing the concept, and the development of the existing land portfolio owned by the company. The business model is based on controlling the entire value chain from the acquisition of land and planning processes to the development and subsequent management of the properties.

As of 31 December 2021, Arlandastad had used less than 10 per cent of its potential building rights of between 1.3–1.4 million square metres of gross floor area. Investments in new construction and remodelling and extensions of existing holdings are important factors in the company's value creation.

As of 31 December, three major investment projects are in the implementation phase with a total investment volume of SEK 214 million, of which SEK 167 million relates to infrastructure to increase accessibility in the area and enable future projects, and the remainder relates to redevelopment in Scandinavian XPO for Longstay. Upon completion, the Longstay project is ex-

pected to contribute with a rental value in the order of SEK 8.3 million on a full-year basis. For the full year, total investments in the company's property holdings amounted to SEK 133 million (402), of which approximately SEK 77.7 million consisted of two major infrastructure projects.

The value of building rights and development properties has increased during the past year to SEK 3,615 million (3,487), both because of increases in the average value of building rights from SEK 3,093/m² GTA to SEK 3,206/m² GTA and because the valuation's assumptions for deductions resulting from waiting times for utilising building rights has decreased. The reason is that the company is expected to increase its pace of investments as a result of the listing, particularly in the F60 Business Park.

Loan commitments regarding building credit in future projects totalled SEK 213 million, of which SEK 11 million remain to finance for part of the new Longstay Hotel. Total profit margin for projects was 40 per cent (28) for the year. Arlandastad Group's infrastructure projects are not included in project profits as they do not generate an increase in value based on external valuation.

Key performance indicators, Property Development, SEK million	Full year		Fourth quarter	
	Jan–Dec 2021	Jan–Dec 2020	Oct–Dec 2021	Oct–Dec 2020
Investments	108	402	19	172
Project profit (%)	40%	28%		28%
Average value building rights (SEK/m ²)	3,206	3,093	3,206	3,093
Market value of development properties	3,615	3,487	3,615	3,487

Ongoing development projects

District	Project name	Area, m ²	Rent value		Total investment incl. land	Of which invested at the end of the period	Of which left to invest, SEK million	Occupancy rate	Completed	Category
			SEK million	SEK/m ²						
1.4	Passage under the E4*				99.0	97.8	1.2		Q1 2022	Infrastructure
5	Road District 5*				67.7	35.5	32.2		Q2 2022	Infrastructure
1	XPO Longstay	3700	8.325	2250	47.1	13.8	33.3	100%	Q3 2022	Refurbishment

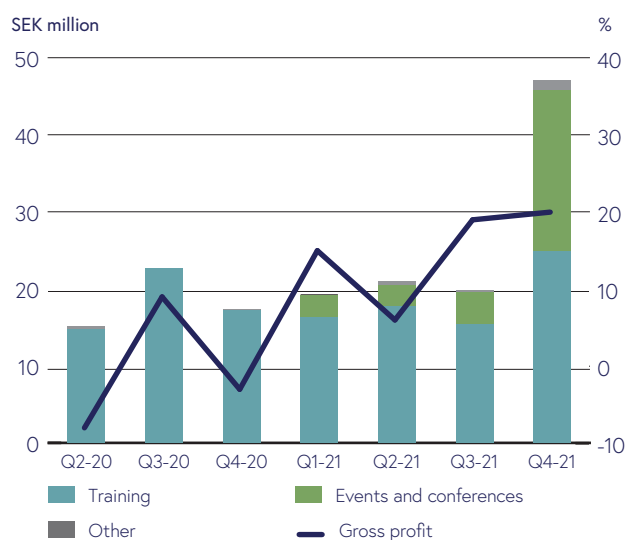
The tunnel under the E4 is built by the Swedish Transport Administration and roads in District 5 are built by Sigtuna municipality, but is paid for by Arlandastad Group, which means Arlandastad Group does not control forecasts and finances.

Operating Companies business area

The business area Operating Companies primarily includes two subsidiaries: Training Partner and Scandinavian XPO AB. Training Partner is a former large tenant of the Group's properties that offers training to dealers and general agents in the automotive industry. Scandinavian XPO conducts events (events, trade fairs and conferences) in the new meeting and event arena that was completed during the first quarter 2021.

Gross profit for the full year totalled SEK 106.6 million (54.7). The increase is due in part to the start of event operations in Scandinavian XPO in 2021 and in part to the fact that the subsidiary Training Partner, acquired in Q2 2020, has contributed an additional quarterly profit this year compared with the same period last year.

Total income and gross profit

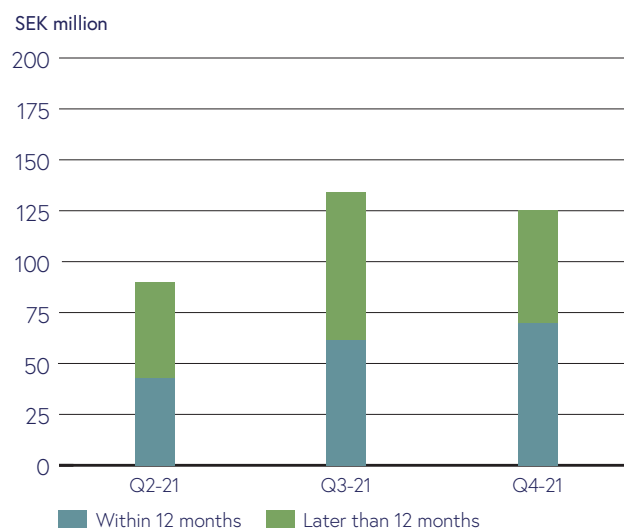


Of the business area's total income for the full year of SEK 106.6 million, Training Partner contributed SEK 74.3 million and Scandinavian XPO SEK 31.0 million. The remaining income is from parking facilities. Of the fourth quarter's revenues of SEK 47.1 million, Training Partner contributed SEK 24.8 million and Scandinavian XPO SEK 21.0 million. The increase in income from Scandinavian XPO can be explained primarily by the OSCE meeting that was held in the arena at the turn of November–December.

The response from the event industry has far exceeded expectations and the facility was more or less fully booked for the first six months of 2021 before the pandemic worsened during last year and resulted in all the larger events being postponed. Bookings have increased since Q4 2020, and even with the ongoing pandemic several larger contracts have been signed by Scandinavian XPO during the year.

The business area's total order book, prebooked events, training etc. totalled for the period SEK 125.4 million (-), of which SEK 69.8 million is expected to be included in accounts in the coming 12-month period. Gross profit totalled SEK 16.8 M (0.4), with a margin of 16 per cent (1). Profits before taxes totalled SEK 7.2 million (-29.7).

Order book



Key performance indicators, Operating Companies, SEK million

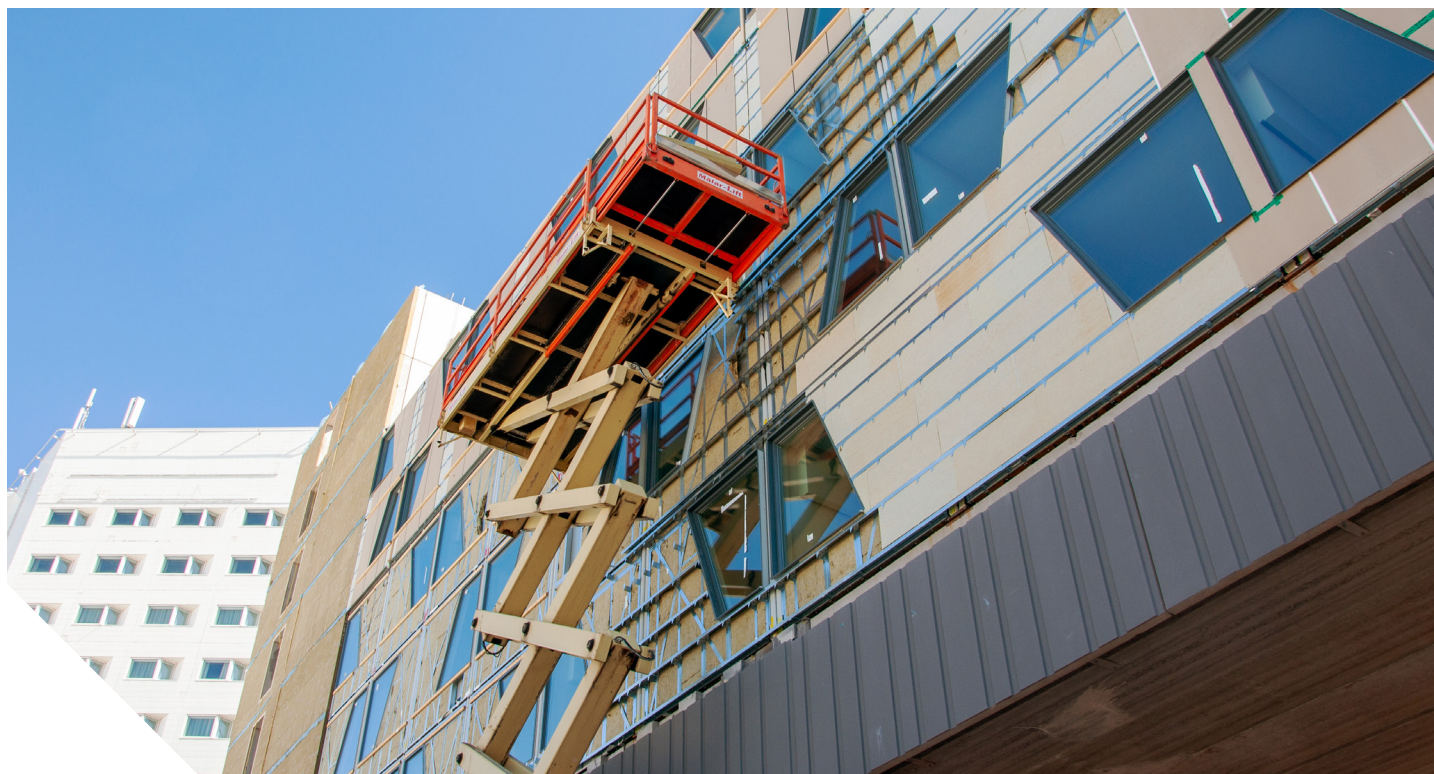
	Jan-Dec 2021	Jan-Dec 2020
Income from operating companies	106.6	54.7
Gross profit	16.8	-3.8
Total order book	125.4	-
Order stock coming 12 months	69.8	-

Condensed income statement for the Parent Company

Amounts in SEK thousands	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Rental income	19,206	19,968	5,303	5,050
Other operating income	9,065	145	9,065	75
Total revenue	28,271	20,113	14,368	5,125
Property expenses	-7,245	-6,242	-1,938	-1,559
Operating profit	21,026	13,871	12,430	3,566
Administration costs	-49,511	-20,910	-7,854	-6,007
Depreciations and write-downs	-18,689	-53,436	-14,660	-34,646
Net interest income/expense	-12,431	-10,630	-3,361	6
Profit from property management	-59,605	-71,105	-13,445	-37,081
Balance sheet allocations	-30,913	6,081	-30,913	6,081
Pre-tax profit	-90,518	-65,024	-44,358	-31,000
Income tax	715	572	715	572
Profit for the period	-89,803	-64,452	-43,643	-30,428

The Parent Company Arlandastad Group's operations currently consist of Group functions, Group administration and property management. Total revenue for the full year totalled SEK 28.3 million (20.1). Income from rent totalled SEK 19.2 million (20.0) and other income totalled SEK 9.1 million (0.1). Other

income mainly relates to re-invoicing of Group-wide costs to the subsidiaries. Administrative costs totalled SEK -49.5 million (-20.9). The increase compared with the previous year is mainly attributable to the listing (SEK 22 million) and higher personnel expenses. The Parent Company's profit for the year totalled SEK -89.8 million (-64.5).



Condensed statement of the Parent Company's financial position

Amounts in SEK thousands	31 Dec 2021	31 Dec 2020
Management properties	137,684	138,907
Participations in Group companies	151,459	146,810
Receivables with Group companies	425,496	349,336
Other fixed assets	4,336	4,538
Fixed assets	718,974	639,591
Receivables with Group companies	-	108,922
Other current receivables	17,887	7,481
Available funds	418,254	161,565
Current assets	436,140	277,968
TOTAL ASSETS	1,155,114	917,559
EQUITY AND LIABILITIES		
Equity	748,176	412,296
Long-term interest-bearing liabilities	315,600	337,660
Long-term liabilities	315,600	337,660
Liabilities to Group companies	50,988	-
Accounts Payable	40,350	167,603
Accounts payable	91,338	167,603
TOTAL EQUITY AND LIABILITIES	1,155,114	917,559

Equity and indebtedness

The Parent Company's balance sheet total amounted to SEK 1,155.1 million as of 31 December compared with SEK 917.6 million at the end of last year. Equity totalled SEK 748.2 compared with SEK 412.3 million as of 31 December 2020. The increase in equity is mainly due to the new share issue completed during the third quarter.

The Parent Company's statement on changes in equity

Amounts in SEK thousands	Share capital	Other contributed equity	Profit brought forward	Profit for the year	Total equity
Equity 1 January 2020	179	-	381,051	-9,953	371,277
Transfer of last year's profit	-	-	-9,953	9,953	-
New share issue	1	105,470	-	-	105,470
Profit for the period Jan-Dec 2020	-	-	-	-64,451	-64,451
Equity 31 December 2020	180	105,470	371,098	-64,451	412,296
New share issue registered	11	-11	-	-	-
Transfer of last year's profit	-	-	-64,451	64,451	-
Bonus issue	323	-	-323	-	-
New share issue	55	425,543	-	-	425,598
Incentive programme	-	-	84	-	84
Profit for the period Jan-Dec 2021	-	-	-	-89,803	-89,803
Equity 31 December 2021	569	531,002	306,408	-89,803	748,176

Other information

Employees

During the period, there were an average 64 (67) full-time employees. The change is mainly explained by restructuring Training Partner, which was acquired in 2020, while the number of employees in the Group's other operations increased.

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 caused by higher costs for heating and property management such as snow removal. The Group's operating companies also have seasonal variations where operations decrease during the Christmas and New Year weekends and during the summer months.

Accounting principles

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

The Parent Company applies the same accounting principles as the Group; however, it also considers recommendations from the Swedish Financial Reporting Board, 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

On 1 February 2021, the company entered into a consulting agreement with Arrecta AB, which is owned by Peter Wågström (Chairman of the Board of Arlandastad Group). The contract expired on 31 August 2021. During the year, the related fee was charged to earnings (SEK 0.9 million). In addition to what is described above, no significant transactions with related parties occurred during the period.

Income from operating companies

Income from operating companies is reported in accordance with IFRS 15. Revenue is reported when the Group fulfils a performance commitment, which is when the customer takes control of the product or service. The assessment is that each training occasion or event constitutes a separate performance commitment.

Management properties

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

Operating properties

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

Management properties and value changes

For a detailed description of valuation principles, see the 2020 annual report.

Valuation of interest-bearing liabilities

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

Significant risks and uncertainties

The Group's and the Parent Company's business risks and risk management as well as management of financial risks are described in the annual report for 2020 on page 5 and in Note 24.

No events of material significance occurred during the period that materially affect or change these descriptions of the Group's and the Parent Company's risks and their management.

Ownership structure

As of 31 December 2021, the share ownership in Arlandastad Group AB was as follows:

Gelba Management AB 45%, SBB 20%, other shareholders with holdings over 5% own 15% of the shares, and other shareholders 20%.

Share issue

During the quarter, the Board, with the support of an over-allotment option approved at the Annual General Meeting, decided to issue 375,548 new shares.

Accountant

On 1 November 2021, the Extraordinary General Meeting selected Ernst & Young AB as the auditing company and appointed Oskar Wall as lead auditor.

Forecast

Arlandastad Group does not provide a forecast.

The interim report has not been audited.**Significant events after the accounting date**

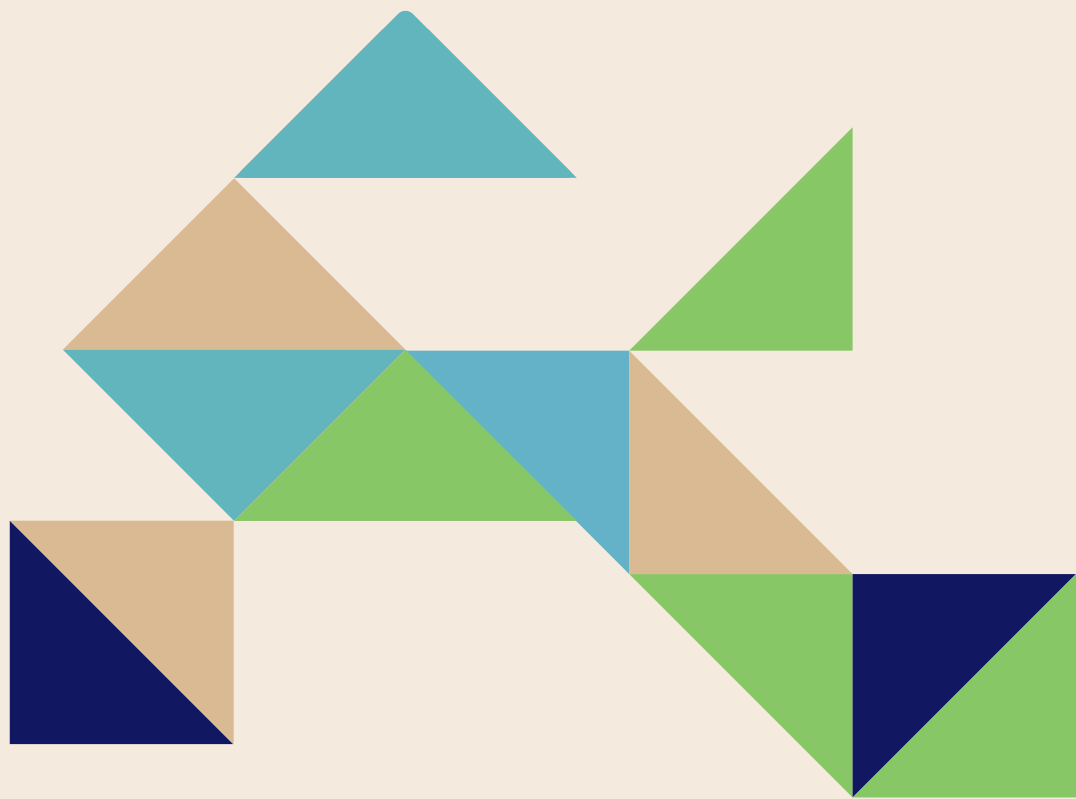
No significant events have occurred after the accounting date.

Financial calendar

Annual Financial Report 2021	31 March 2022
Annual General Meeting	22 April 2022
Interim report January–March 2022	17 May 2022
Interim report January–June 2022	14 July 2022
Interim report January–September 2022	10 November 2022

Arlandastad, 16 February 2022

The Board



Financial definitions

Average number of outstanding shares

Number of outstanding shares at the end of the period.

Debit/equity ratio

Booked equity at end of the period in per cent of the balance sheet total. This is used to highlight Arlandastad Group's financial stability.

Earnings per share, SEK

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

Gross profit Operating Companies

Income from operating companies minus operating expenses for these companies.

Gross profit Property Management

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

Interest coverage ratio

Gross profit after financial income through financial costs.

Loan-to-value ratio, properties (%)

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

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 real estate companies.

Order stock from operating companies

Agreed future income for training, meetings and events in the operating companies.

Outstanding shares

Number of registered shares at end of period.

Return on equity (%)

The most recent 12-month profit for the period after taxes in per cent of average equity.

Property related definitions

Changes in underlying rental value

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

GLA, m²

The building(s) gross leasable space (GLA).

GTA, m²

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.

Project profit (%)

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

Property costs

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

Rent income

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

Rent value

Contracted annual rents excluding rent surcharges. This is used to highlight the Group's income potential.

Surplus ratio

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

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