

# WÄSTBYGG

## YEAR-END REPORT

Wästbygg Gruppen AB (publ)  
January – December 2021



*Cityterrassen in Malmö, 174 apartments.  
Self-developed project.*

## Strong order intake and a record high order backlog

As usual, our three business areas have delivered many excellent projects to satisfied customers. Despite challenges posed by COVID, price rises and intensified market competition, our order intake during the year was very strong, totalling SEK 5.5 billion of which SEK 2.5 billion arose during Q4. This means that we go into 2022 with a record high order backlog of SEK 6.5 billion, which is double that of a year ago

*Jörgen Andersson, CEO Wästbygg Gruppen*

PUBLICATION DATE: 11 FEBRUARY 2022

# Year-End Report January – December 2021

## GROUP IN SUMMARY

### 1 JANUARY – 31 DECEMBER 2021

- Revenue SEK 3,949 million (3,620)
- Operating profit SEK 235 million (223)
- Profit after tax SEK 241 million (234)
- Earnings per share SEK 7.42 (9.39)
- Cash flow from operating activities SEK -319 million (-237)
- Interest-bearing net cash (+) / net debt (-) SEK 151 million (252)
- Equity ratio 43% (50)
- The Board of Directors proposes that the Annual General Meeting adopt a dividend of SEK 3.50 per share (3.30)

### 1 OCTOBER – 31 DECEMBER 2021

- Revenue SEK 1,231 million (924)
- Operating profit SEK 10 million (65)
- Profit after tax SEK 13 million (82)
- Earnings per share SEK 0.39 (2.66)
- Cash flow from operating activities SEK -192 million (-161)

## SUMMARY ACCORDING TO SEGMENT REPORT<sup>1</sup>

### 1 JANUARY – 31 DECEMBER 2021

- Revenue SEK 3,818 million (3,801)
- Operating profit SEK 277 million (254)
- Profit after tax SEK 290 million (268)
- Earnings per share SEK 8.94 (10.75)
- Cash flow from operating activities SEK -137 million (-95)
- Interest-bearing net cash (+) / net debt (-) SEK 794 million (877)
- Equity ratio 44% (57)
- New orders SEK 5,456 million (3,232)
- Order backlog 31 December SEK 6,572 million (3,201)

### 1 OCTOBER – 31 DECEMBER 2021

- Revenue SEK 1,271 million (1,002)
- Operating profit SEK 69 million (77)
- Profit after tax SEK 74 million (97)
- Earnings per share SEK 2.26 (3.16)
- Cash flow from operating activities SEK -212 million (97)
- New orders SEK 2,514 million (1,266)

## SIGNIFICANT EVENTS IN THE FOURTH QUARTER

- The acquisition of Rekab Entreprenad AB was carried out on 28 October after being approved by the Swedish Competition Authority on 7 October, and the financing solution was decided on at an extraordinary general meeting of the Wästbygg Group on 21 October. The purchase price amounts to SEK 269 million, of which SEK 186 million is paid in cash and SEK 83 million through repurchase and transfer of own shares (consideration shares) The Board of Directors of Wästbygg Gruppen AB decided on 9 December to exercise the authorisation granted at the extraordinary general meeting to buy back company shares. The Wästbygg Group bought back 600,000 shares in December, arranged by Nordea Bank Abp. See note 8 on page 25 for further information.
- On 23 November, Wästbygg issued senior unsecured green bonds of SEK 500 million under a framework totalling SEK 800 million. The bond was listed on Nasdaq Stockholm's corporate bond list for sustainable bonds and the first trading day was 23 December.
- A contract was signed for the acquisition of a logistics and industrial site of roughly 266,000 sqm just north of Gardermoen Airport in Norway. The purchase price is approximately NOK 233 million. The acquisition will be carried out in three phases, which will be paid for with closing dates in 2022, 2023 and 2025. The acquisition is conditional upon the seller completing the preparatory work on the land according to the requirements of the local development plan, and upon the required electricity supply to the site being delivered within the agreed cost framework.

- A decision was taken to start production of three self-developed residential projects: Cityterrassen in Malmö, Hökälla Ängar 2 in Gothenburg and Slottshusen in Täby. The projects comprise a total of 299 apartments and the order value is SEK 742 million.
- Following a public procurement process, a Phase 1 cooperation agreement was signed with Region Västernorrland for the conversion and extension of the regional forensic psychiatric clinic in Sundsvall. The agreement regards joint planning and design to meet the client's framework budget of approximately SEK 320 million, which is also a precondition for signing the construction contract. The estimated order value is included in the order intake and order backlog for Q4.
- The Wästbygg Group's Head of Sustainability, Kristin Lundmark, resigned in December and will step down from her position on 15 February 2022. In connection with her resignation, she has also left the group management team.

## SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- A contract was signed with LKAB for construction of an office building in Luleå including a lab and innovation centre. The building will be used by LKAB to gather development and innovation expertise to support the company's transition to fossil-free production. The order value is SEK 137 million.

<sup>1</sup>As of the interim report for the period January–June 2020, the Group reports revenues and results for project development of owner-occupied flats upon completion. In addition revenue recognition for these projects is reported over time in the segment report, as this is how the board and group management controls and monitors operations. See Note 2 on page 23 for further information.

## Financial overview and key ratios\*

SEK million unless other otherwise specified	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018**	Jan-Dec 2017**
<b>Financial key ratios</b>							
Revenue	1,231	924	3,949	3,620	3,889	3,543	2,822
Operating profit	10	65	235	223	220	147	91
Operating margin, %	0.8	7.0	6.0	6.2	5.7	4.1	3.2
Profit/loss after tax	13	82	241	234	215	142	86
Balance sheet	4,101	3,170	4,101	3,170	2,144	1,697	1,471
Equity/assets ratio, %	43	50	43	50	27	25	24
Return on equity, %	14	21	14	22	43	37	30
Operating capital	1,336	1,010	***1,336	***1,010	270	-17	-29
Interest-bearing net cash (+) / net debt (-)	151	252	***151	***252	-7	173	114
Cash flow from operating activities	-192	-161	-319	-237	-63	141	134
<b>Equity related key ratios****</b>							
Earnings per share, SEK	0.39	2.66	7.42	9.39	9.40	6.16	3.73
Equity per share, SEK	53.62	49.17	53.62	49.17	24.81	18.19	15.50
Number of shares at the end of the period (thousands)	32,591	32,340	32,591	32,340	22,950	22,950	22,950
Average number of shares (thousands)	32,869	30,782	32,474	24,913	22,950	22,950	22,950

### Segment reporting

<b>Financial key ratios</b>							
Revenue	1,271	1,002	3,818	3,801	3,905	3,652	2,838
Operating profit	69	77	277	254	192	171	105
Operating margin, %	5.4	7.7	7.3	6.7	4.9	4.7	3.7
Profit/loss after tax	74	97	290	268	187	163	100
Balance sheet	4,226	2,872	4,226	2,872	1,893	1,599	1,454
Equity/assets ratio, %	44	57	44	57	31	29	27
Return on equity, %	16	23	17	24	35	38	33
Operating capital	1,225	***800	1,225	***800	177	-110	-43
Interest-bearing net cash (+) / net debt (-)	794	***877	794	***877	129	308	151
Cash flow from operating activities	-212	-97	-137	-95	-73	240	179
<b>Equity related key ratios****</b>							
Earnings per share, SEK	2.26	3.16	8.94	10.75	8.15	7.09	4.37
Equity per share, SEK	56.87	50.92	56.87	50.92	25.78	20.27	16.66
Number of shares at the end of the period (thousands)	32,591	32,340	32,591	32,340	22,950	22,950	22,950
Average number of shares (thousands)	32,869	30,782	32,474	24,913	22,950	22,950	22,950

### Operational key ratios

New orders	2,514	1,266	5,456	3,232	3,850	3,077	3,604
Order backlog	6,572	3,201	6,572	3,201	3,752	3,634	4,037
No of employees at end of period	524	311	524	311	305	288	261

For key ratio definitions, see page 27.

\* The key ratios for the Group are shown above, both in accordance with IFRS and the segment accounting applied for internal control and monitoring, see Note 2 on page 23 for further information.

\*\* As of 2019, IFRS 16 Leasing is applied. The years up to and including 2018 have not been recalculated, as the change has little effect on earnings.

\*\*\* As of Q4 2020, the KPIs Working capital and Interest-bearing net cash/net debt have been recalculated due to a reclassification of Other liabilities, see accounting principles on page 22.

\*\*\*\* The company has no options and similar agreements that give rise to a dilution effect, therefore this is not reported separately. The change in the number of shares during the period is attributable to the structure of the acquisition of Rekab Entreprenad AB. No decisions have been taken regarding a new issue or issue of new shares. When all buybacks and transfers of consideration shares have taken place, the number of shares will again correspond to the number of registered shares. See page 28 for further information about the number of shares.

## A word from the CEO



### Strong order intake and a record high order backlog

2021 has been an excellent year for the Wästbygg Group, both from an operational and financial perspective. It was our first full financial year as a listed company. We took a strategic decision to include northern Sweden in our growth plans, both through the acquisition of Rekab Entreprenad at the end of October and the establishment of Logistic Contractor in Luleå. We strengthened our presence in the important Mälardalen market by opening an office in Västerås last spring. Through the launch of a combined green framework, we clarified our ability to create sustainable business, which also led to our shares being awarded the Nasdaq Green Equity Designation. We also had a successful issue of green bonds in Q4.

As usual, our three business areas have delivered many excellent projects to satisfied customers. Despite challenges posed by COVID, price rises and intensified market competition, our order intake during the year was very strong, totalling SEK 5.5 billion of which SEK 2.5 billion arose during Q4. This means that we go into 2022 with a record high order backlog of SEK 6.5 billion, which is double that of a year ago. While revenues for 2021 are on a par with the previous year at SEK 3.8 billion, we had an operating profit of SEK 277 million based on the segment reporting, which is 9 percent higher than in 2020. The operating margin was 7.3 percent, which is well above our long-term target of over 6 percent.

#### OUR BUSINESS AREAS

Residential reported strong profit, and our order backlog in 2022 is twice the amount of the business area's revenues for 2021. The contract market remains buoyant, although there is a continuing tendency for new projects on the market to be smaller than they were a few years ago in terms of the number of apartments. During Q4, we took a decision to start construction of three self-developed residential projects and to commence sales of another one. Increasing our share of self-developed projects is a priority for us, and demand from property buyers remains high. Our building rights portfolio is well distributed geographically, which allows us to commence sales of new projects at a relatively high pace without the different projects competing with each other.

The order intake in the Commercial business area was very strong in 2021, particularly in Q3. However, a lag in profitability can be noted since the vast majority of the new projects not yet entered full production. The volume in Commercial rose sharply during the last two months of the year due to the fact that most of Rekab Entreprenad's operations belong to that business area. Rekab enjoys a strong position among public sector clients in coastal towns in northern Sweden, and their current production mainly consists of community service properties such as preschools, schools, police stations and hospital extensions. When the full profits are seen from the 2021 order intake, combined with Rekab's operations, there will be good potential for stronger profits in Commercial going forward.

Q4 resulted in six new projects in Logistics and Industry, including two development projects. Demand in the market remains very strong. With production of almost half a billion square metres currently in progress, we need to ensure that the organisation grows in a controlled and well-considered way as new products arise.

Our organisations in Denmark, Norway and Finland did a good job in their respective markets. The DHL project at Copenhagen Airport, Kastrup will be completed in 2022 and will be a valuable reference project to support our continued marketing efforts. The land deals carried out in Norway in 2021 provide new opportunities for future projects. We are continuing to expand our contacts in Finland, where Logistic Contractor's brand is becoming increasingly well-known. Hopefully, as the COVID situation improves in 2022 there will be more opportunities for networking in person, an important part of building business.

Rising material prices currently pose challenges throughout the industry. For us, this has especially impacted the Nobia project. We have handled the entire estimated cost increase in Q4. The writing down of profits resulted in Logistics and Industry reporting relatively weak results for Q4, and also impacted the group as a whole during the same period.

#### A LOOK FORWARD

Since the end of October, we have been working intensively to integrate Rekab Entreprenad into the Wästbygg Group. We have made good progress, and everyone involved is strongly motivated to achieve a positive outcome. The more I get to know our new group company, the more convinced I am that the acquisition was an excellent choice. It is clear to me that the company has solid core values and a strong focus on customers and business that is fully in line with our business approach. We will be able to strengthen each other in our continued development efforts throughout the market.

Despite the challenges posed by COVID-19, we are now clearly reaping the benefits of having adhered to the strategies that we established for our continued growth. It is no coincidence that we go into 2022 with a record high order backlog. This is a natural consequence of our focused, systematic efforts, combined with all our investments aimed at strengthening our organisation and operations. Finally, I would like to extend a warm thank you to all the employees in the Wästbygg Group for your fantastic work during the year.

Jörgen Andersson  
CEO Wästbygg Gruppen AB

## General market situation

The Swedish economy continued to grow in the third quarter. This is the fifth consecutive quarter of economic growth. According to current forecasts, GNP is expected to rise by approximately 4.4 percent. This means that several forecasting institutes have raised their forecasts. According to the National Institute of Economic Research's Economic Tendency Survey, the indicators dropped slightly in November compared with October. However, the economy has remained very strong in both the manufacturing industry and the retail and service sectors. Growth is slightly weaker in the construction sector. The strongest growth is seen in the manufacturing industry. Unemployment is tending to decline rapidly, which bodes well for household consumption.

Despite the very positive trend in Q3, there are significant risks going forward. One of these is an explosive rise in the spread of COVID-19 in several European countries, due primarily to the Omicron variant. Another is the rising cost of energy, with average prices currently at their highest since 2011. The factors driving this increase include high fuel prices, strong demand and low wind power and hydropower production. The rising energy costs have driven up inflation rates, although to a lesser extent than in the US. Forecasts suggest that the intensifying inflation is temporary and is expected to recede when energy prices return to normal levels.

The semiconductor shortage continues, primarily affecting the automotive industry, but is expected to culminate during Q1 and Q2 of 2022.

NAVET Analytics expects the total volume of started building construction investments to grow by around 10 percent in 2021, which is an improvement on the previous forecast. This growth is expected to affect most sectors, except for public premises where the trend suggests there will be zero growth. However, it is

primarily investments in new construction that are seeing positive growth, while conversions of private and public premises look set to decline in 2021 from 2020. According to the forecasts, approximately 57,000 apartments are expected to start production by the end of 2021, followed by a further 56,000 in 2022 and 58,000 in 2023. Production of both single-family and multi-residential housing is expected to increase in total during the period, due to the buoyant economy, low interest rates, demand for larger homes and a sustained surge in housing prices.

Construction activity shows signs of increasing in the office, retail and hotel sectors in 2021, albeit from low levels. In light of the uncertainty in demand going forward, we do not expect to see strong increases over the next few years.

The building construction volume in the industry has already widely surpassed the figures for 2020, a trend seen on a broad front and in most regions. After a strong start to 2021 for most sectors in public building construction, the trend normalised during Q2 and Q3. The buoyant economy and the upcoming general elections could cause investment in public building construction to rise slightly in 2022.

Combined investments in the Wästbygg Group's three business areas during the first three quarters of 2021 are estimated at just over 85 percent of the total annual volume for 2020 at a national level. If the investment rate stays the same in Q4, this could mean a total increase of almost 15 percent for 2021. While this indicates a slowdown since the previous report, it is in line with NAVET Analytics' assessment in the previous report. NAVET Analytics' forecast for 2021 shows a total volume increase of 10 percent for all three business areas, followed by a 6 percent decline in 2022.

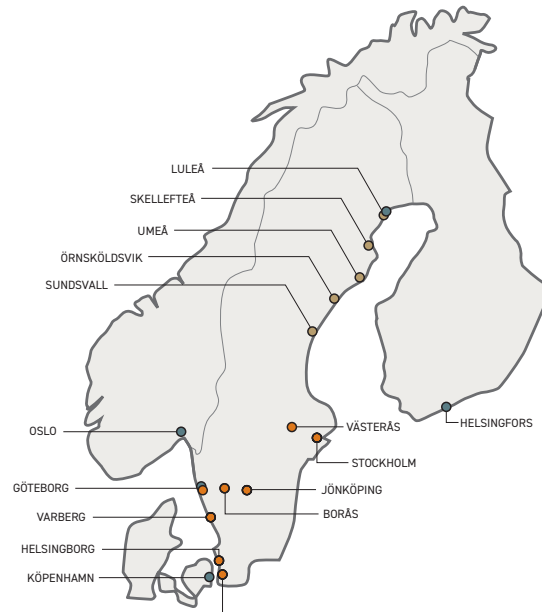
*Information compiled by NAVET Analytics*

# About us

The Wästbygg Group is a construction and project development company with a clear presence in the most rapidly expanding markets in Sweden. The company was founded in Borås in 1981. Following the acquisition of Rekab Entreprenad in October 2021, Wästbygg has offices in thirteen cities in Sweden and via the group company Logistic Contractor in our neighbouring Nordic countries of Norway, Denmark and Finland.

We operate in three business areas: Residential, Commercial – which includes community service properties – and Logistics and Industry, areas in which we have strong expertise and long experience. We also work with project development in each business area, and our expertise ranges from land acquisition/ allocation to completed properties. The group also includes the company Inwita Fastigheter, which owns and manages self-developed community service properties.

All our ongoing and completed projects are presented on our website, [wastbygg.se](http://wastbygg.se).



## A SUSTAINABLE BUSINESS

The Wästbygg Group's business concept is to develop and build sustainable, modern and efficient homes, commercial properties and logistics and industrial facilities in mutual trust with our customers. We take our mission as community builders very seriously. Within our area of activity, we want to contribute to a more sustainable society – ecologically, socially and economically – and thereby improve people's living environments.

Environmentally certified buildings are a way to safeguard the future. We have extensive experience of building according to the most common certification systems in the Swedish market: Miljöbyggnad, Svanen, Breeam and Green Building. We are also certified according to the Nordic Ecolabel Svanen, which means that we have the right to label our self-developed properties with the Nordic Ecolabel Svanen.

Since the mid-1990s, we have focused on developing our quality and environmental management procedures. Today, we use a self-developed management system with detailed procedures and schedules in the areas of quality, environmental care and occupational health and safety. The group companies Wästbygg

Entreprenad and Rekab Entreprenad are certified according to ISO 9001 and 14001. In addition, Wästbygg Entreprenad is also certified according to ISO 45001.

## OUR GROUP STRATEGIES

Wästbygg's five group strategies are set out in the group's business plan. They are designed to promote long-term development in areas defined as business-critical. The five strategies are:

- We generate strong profitability.
- We create added value for our customers and partners.
- We create sustainable business.
- We create proud employees.
- We build strong brands.

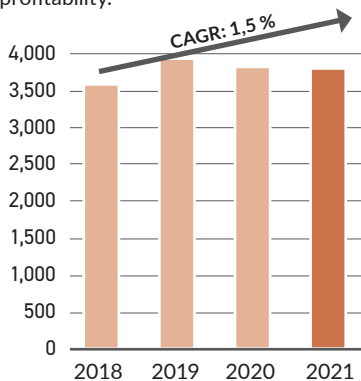
A set of long-term goals is linked to each strategy.

## WÄSTBYGG GROUP'S BUSINESS MODEL

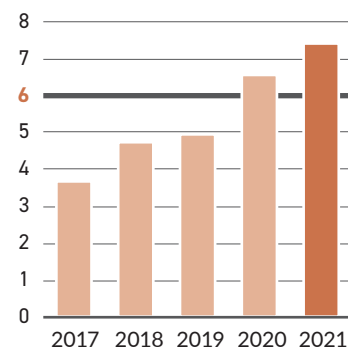
A description of the company's business model can be found in the annual report for 2020.

## OVERALL GOALS (segment reporting)

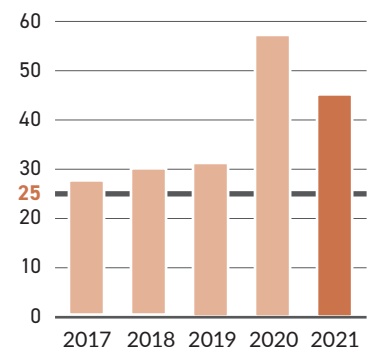
**Growth** measured on the basis of revenue must be 10 percent over time, but always taking into account good profitability.



The long-term **operating margin (EBIT)** must exceed 6 percent.  
31 December 2021: 7.3 percent



The **equity/assets ratio** shall not be less than 25 percent.  
31 December 2021: 44 percent.



For key ratio definitions, see page 27.

# Sustainability data

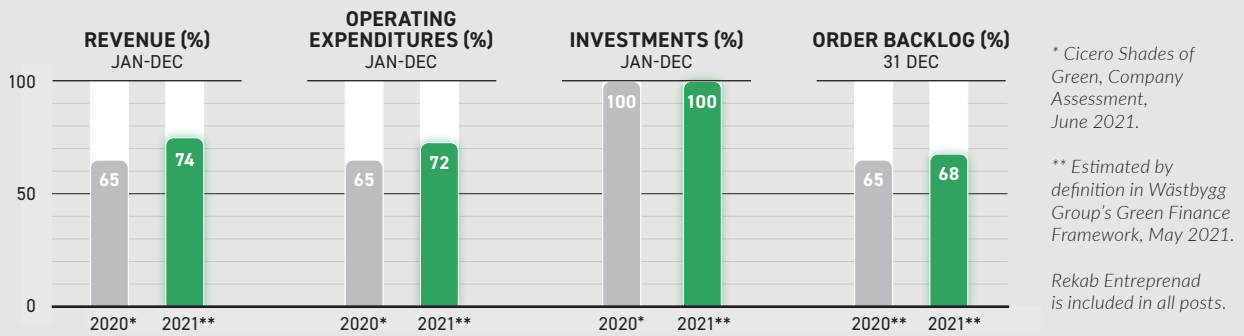
In 2021, Wästbygg launched a green framework that qualifies the company for green labelling of its share and debt instruments. Reporting on the greenness of revenues, operating expenditures, investments and order backlog improves transparency regarding the company's climate commitments. The framework also serves as an internal control tool that helps us make more sustainable business decisions.

The proportion of green revenues, operating expenditures and the green share of the order backlog increased in 2021. The figures calculated for 2021 are based on Wästbygg's own calculations. Rekab's revenues and costs for Q4 have been evaluated in the same way and included in the calculation. Rekab has a lower proportion of projects than Wästbygg that are built with the aim of gaining environmental certification. However, Rekab has very high energy standards for its projects, with 68 percent of its total order backlog consisting of green projects at the turn of the year.

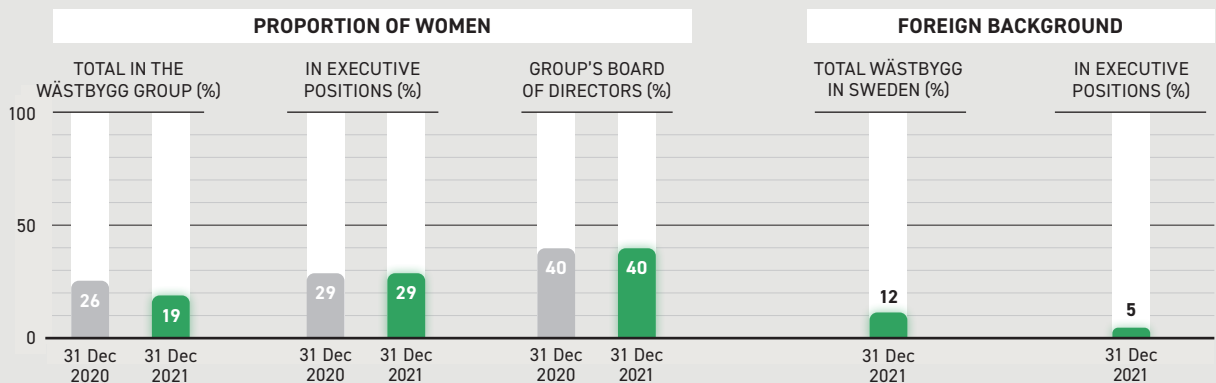
The average number of employees at the turn of the year was 355. As part of Wästbygg's diversity and equality efforts, we report our number of female employees and, as of this report, will also report our proportion of employees with foreign backgrounds. The proportion of women is 19 percent, which is a decrease from the previous report due to the fact that the acquisition of Rekab brought more skilled workers into the group. The proportion of salaried employees who are women is 26 percent, while the proportion of women in senior executive positions is 29 percent. Sick leave was 2,71 percent during the year.



## GREEN SHARES



## DIVERSITY



Definition of senior executive position: Member of a management team at company level or higher, production manager and higher positions.  
 Definition of foreign background: According to SCB (Central Bureau of Statistics) – Employees born outside Sweden, or born in Sweden to two foreign-born parents. (Statistics only apply to employees in Sweden).

# Our business areas

The year ended with a very strong order intake, with contracts signed for a value of SEK 2.5 billion. The order intake for the full year was almost SEK 5.5 billion, well distributed over the company's three business areas.

The Residential business area almost doubled both its order intake and order backlog by the end of the year compared with 2020. Shortly before year end, a decision was taken to start production of three self-developed projects in addition to the four that went into production earlier in the year. Together with two construction assignments, this had a positive effect on both the order intake and the order backlog. Since the acquisition of Rekab, another development project and two more contract assignments have arisen, all of which are in progress.

The Commercial business area had a very strong order intake, especially during the autumn. Moreover, commercial projects represent a large share of Rekab's production in progress, which strengthens the Commercial business area.

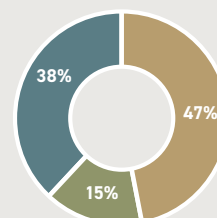
Like last year, Logistics and Industry had an order intake of slightly under a billion SEK in Q4. These orders include four new construction assignments and extensive supplementary orders related to existing projects. The order intake for the full year rose by approximately 10 percent. The business area's order backlog at year end was slightly higher than a year ago.

**COLOUR CODING:** ■ Residential ■ Commercial ■ Logistics and Industry

## NEW ORDERS

SEK million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Residential	1,190	212	2,028	1,084
Commercial	363	64	1,352	266
Logistics and industry	961	990	2,076	1,882
<b>Total</b>	<b>2,514</b>	<b>1,266</b>	<b>5,456</b>	<b>3,232</b>

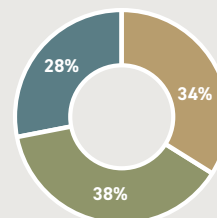
## NEW ORDERS OCT-DEC 2021



## ORDER BACKLOG

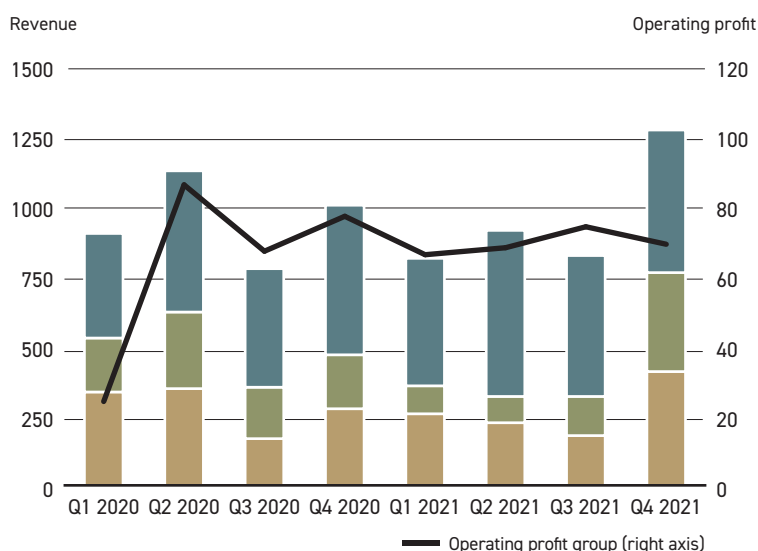
SEK million	31 Dec 2021	31 Dec 2020
Residential	2,248	1,173
Commercial	2,508	265
Logistics and industry	1,816	1,763
<b>Total</b>	<b>6,572</b>	<b>3,201</b>

## ORDER BACKLOG 31 DECEMBER 2021



When Rekab Entreprenad was acquired on 28 October 2021, an order backlog totalling SEK 1.6 billion was taken over in the Residential and Commercial business areas. The order intake referred to above only includes Rekab orders received after 28 October. The remainder of Rekab's order intake during Q4 is included in the order backlog that was taken over.

## REVENUE AND OPERATING PROFIT, SEK million, segment reporting



## SEASONAL VARIATIONS

Wästbygg's seasonal variations are mainly linked to new orders and revenue.

The level of new orders is usually higher during Q2 and Q4. This is explained by the fact that many customers want to conclude negotiations on new projects before the holiday period begins or before the end of the year.

The number of production days is lower during the third quarter of the year, when the holiday period occurs, which is reflected in both revenue and new orders.

As a result of COVID-19, the pattern has changed when it comes to new orders during the whole pandemic period.



## RESIDENTIAL

Wästbygg builds apartment buildings for private and municipal clients. The company also develops and constructs rental apartments and tenant-owned apartments. Our goal is for the proportion of self-developed residential projects to be about 50 percent. As of 31 December, revenues from self-developed projects made up 57 percent of total revenue, compared to 28 percent a year ago. The number of self-developed projects increased significantly during the year. At the end of the year, a decision was taken to launch construction of a further three self-developed residential projects. The proportion of revenue from project development will increase even further during 2022 when these projects start production.

The interim report for the third quarter contained information about the sale of the self-developed project Journalen 1 in Malmö to Lansa Fastigheter, and the aim for Lansa to take possession of the property at the turn of 2021/2022. Wästbygg and Lansa have agreed that the acquisition is no longer conditional on the state investment aid for rental apartments being granted. The other conditions remain, and change of possession is now expected to take place during the second quarter of 2022.

Revenues in this business area were nearly 50 percent higher in Q4 than the same period in 2020. This means that from a full-year perspective, Residential performed almost as well as the previous year. However, the business area reported a much stronger profit of SEK 64 million for the quarter and SEK 81 million for the full year. This positive result is due to successful project development efforts combined with highly profitable projects in progress.

Demand for the company's tenant-owned apartments remains high, and in Q4 sales were launched for three self-developed projects: Cityterrassen in Malmö, Slottshusen in Täby and Tuvebo Glashytta in Gothenburg. The table on the next page shows the status of all tenant-ownership projects in progress. In addition, production is under way on three self-developed tenant-ownership projects.

### NEW PROJECTS AND AGREEMENTS ENTERED INTO

- A contract was signed with the housing company Junehem for the construction of Kaxholmen in Husqvarna, comprising 39 apartments. The order value is SEK 89 million. Kaxholmen will primarily be built with a cross-laminated timber frame.
- A contract was signed with Riksbyggen for the construction of Förslövsängar in Båstad Municipality, comprising 45 apartments built according to their Bonum concept for people aged 55+. The order value is SEK 72 million.
- A decision was taken for the cooperative Malmö Godsfinkan 2 to start construction of Cityterrassen, comprising 174 apartments in Malmö. The order value is SEK 388 million. Self-developed project.
- A decision was taken for the cooperative Skogome 7:13 to start construction of Hökälla Ängar phase 2, comprising 36 terraced houses in Gothenburg. The order value is SEK 91 million. Self-developed project.
- A decision was taken for the cooperatives Spisefronten 1 and 2 to start construction of Slottshusen, comprising 89 apartments in Täby. The order value is SEK 263 million. Self-developed project.
- Wästbygg acquired joint venture partner NNJ Fastigheter's shares in two development projects in Umeå, which comprise a total of 280 apartments. The purchase price is SEK 35 million.
- Wästbygg received a land allocation from Sundsvall Municipality for approximately 80 apartments in two apartment buildings, with a total of 11,200 square metres of gross area. There is a local development plan for the area.

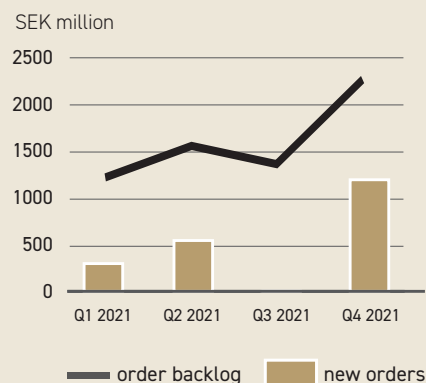
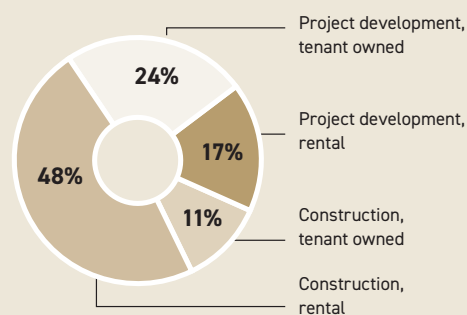


**BUSINESS AREA RESIDENTIAL IN FIGURES**

REVENUE AND PROFIT (SEK million)	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Revenue</b>	<b>407</b>	<b>274</b>	<b>1,065</b>	<b>1,122</b>
- of which construction	141	168	462	812
- of which project development	266	106	602	310
<b>Profit</b>	<b>64</b>	<b>4</b>	<b>81</b>	<b>8</b>

**PRODUCTION, NO OF APARTMENTS**

Completed during the fourth quarter	159
Added from Rekab Entreprenad	434
Ongoing December 31, construction	1,109
Ongoing December 31, project development	748
<b>Total in progress</b>	<b>1,857</b>

**NEW ORDERS/ORDER BACKLOG**

**DISTRIBUTION BY PROJECT TYPE, no of apts.**

**SALES, SELF DEVELOPED TENANT OWNERSHIP PROJECTS, 31 DECEMBER 2021**

Project	Status	No of apts.	Of which sold	Of which reserved
No 12, Kristianstad	Completed	76	73	
Tuveno Ateljé, Gothenburg	Completed	71	69	1
Soluret, Malmö	Production	45	45	
Parklyckan, Stockholm	Production	36	36	
Strandängen, Falkenberg	Production	29	29	
Älgoxen, Umeå	Production	30	21	
Slottshusen, Täby	Production	89	23	3
Cityterrassen, Malmö	Decision to launch construction	174	49	
Hökälla Ångar, phase 2, Gothenburg	Decision to launch construction	36	36	
Tuveno Glashytta, Gothenburg	Sales launched	45	11	3
<b>Total</b>		<b>631</b>	<b>392</b>	<b>7</b>

## COMMERCIAL

The Commercial business area primarily builds retail properties, offices and community service properties. The majority of the projects are currently contract assignments. The company also develops and builds its own commercial projects, with an emphasis on community service properties.

As a result of the acquisition of Rekab Entreprenad on 28 October, volumes in the Commercial business area have doubled based on number of square metres, since most of Rekab's business is in this segment.

The Commercial business area reported a very strong order intake in 2021, which is not fully reflected in revenues and profits. The business area saw a slow start to the year, due to a sluggish market in 2020. After a recovery in Q3, profits declined in Q4. This was because a large proportion of the new projects that arose during the autumn have not yet entered full production and generated revenue. Moreover, in several cases the company had to reinforce its organisation in order to adequately staff the new projects. The Commercial business area had an order backlog of SEK 2.5 billion at year end, which provides a good basis for more stable profits in 2022.

A large proportion of the projects gained through Rekab Entreprenad are for community service properties. Their production in progress includes preschools, schools and extensions of hospitals and other healthcare premises.

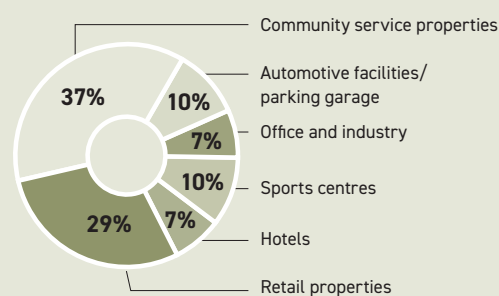
### NEW PROJECTS AND AGREEMENTS ENTERED INTO

- Following a public procurement process, a Phase 1 cooperation agreement was signed with Region Västernorrland for the conversion and extension of the regional forensic psychiatric clinic in Sundsvall. The agreement regards joint planning and design to meet the client's framework budget of approximately SEK 320 million, which is also a precondition for signing the construction contract. The estimated order value is included in the order intake and order backlog for Q4.
- A contract was signed with Kungsleden, a subsidiary of Castellum, for the acquisition of an existing building in Malmö with an area of 4,600 sqm. The building is currently rented out for school activities. In 2017 a new local development plan was adopted, comprising a multi-storey car park, housing, offices and a preschool with an approximate total area of 23,000 sqm. The purchase consideration is SEK 24 million and Wästbygg will take possession of the property on 31 January 2022. Demolition and new construction of the property will start in 2023 at the earliest. Castellum is regarded as a related company of the Wästbygg Group. See note 6 on page 24 for further information.

### BUSINESS AREA COMMERCIAL IN FIGURES

REVENUE AND PROFIT (SEK million)	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Revenue</b>	<b>354</b>	<b>193</b>	<b>688</b>	<b>844</b>
- of which construction	354	172	663	706
- of which project development	0	21	25	138
<b>Profit</b>	<b>-14</b>	<b>8</b>	<b>-11</b>	<b>31</b>

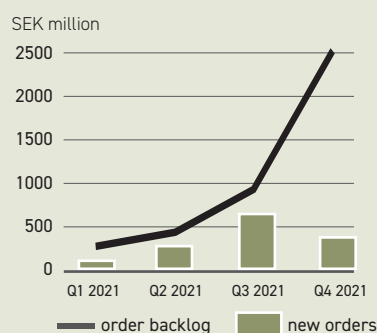
DISTRIBUTION BY PROJECT TYPE, no of sqm



#### PRODUCTION, NO OF SQM

Completed during the fourth quarter	4,785
Added from Rekab Entreprenad	94,860
Ongoing December 31, construction	188,960
Ongoing December 31, project development	0
<b>Total in progress</b>	<b>188,960</b>

#### NEW ORDERS/ORDER BACKLOG



## LOGISTICS AND INDUSTRY

Operations in Wästbygg's logistics and industry segment are conducted in the group company Logistic Contractor, with operations in Sweden, Norway, Denmark and Finland. The company specialises in developing and building large logistics and industrial facilities designed for rational handling and large-scale operations in logistics and light manufacturing. The goal is for 50 percent of revenue to come from self-developed projects. The figures vary considerably from one period to another since most of the projects in Logistics and Industry have a relatively high order value. This means that individual projects have a strong impact on the way the figures are distributed.

The Swedish logistics market has been strong for several years and currently shows no signs of cooling off. However, more players have been attracted by this positive trend, which has resulted in increased competition.

Logistic Contractor's revenue and profit from one period to another is strongly influenced by the number of development projects the company works with as well as which phase each project is in. Two major development projects, Nelly and Dollarstore, were completed and handed over during the first six months, while work on the Mathem facility is ongoing in 2022. Two new development projects and four construction assignments arose during Q4.

Revenues for the full year rose by 13 percent from the previous year. The order intake was slightly higher. At year end, production in progress comprised 138,000 more square metres than at year end 2020. Profits of SEK 38 million were reported in Q4. This was because of a write-down of profits in the Nobia project as a result of increased material costs. For the full year, however, Logistics and Industry reported a stable profit of SEK 241 million. The only year to have seen higher profit than this was 2020.

Work is still under way to build up an organisation in northern Sweden, and moving into the office in Luleå will start in February.

Ensuring access to land in prime logistics and industrial locations is a strategically important complementary step in Logistic Contractor's continued development in Sweden as well as neighbouring Nordic countries. Having our own land is very important in Norway, Denmark and Finland, where access to municipal industrial land is considerably more limited than in Sweden. During 2021, five contracts were signed comprising a total of almost 884,000 sqm of land in Sweden and Norway. Work is under way to identify further opportunities for land acquisitions or partnerships with land owners.

### NEW PROJECTS AND AGREEMENTS ENTERED INTO

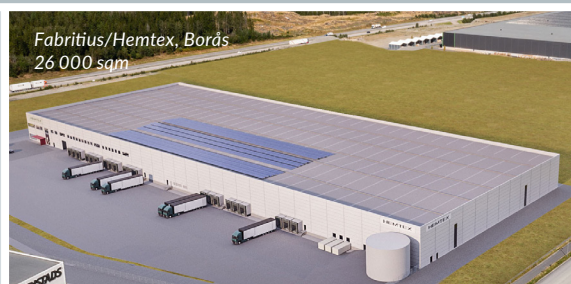
- A contract was signed with Harju Elekter for the development and construction of 6,000 sqm of office and warehouse premises in Västerås. Land has been acquired from Västerås Municipality for this project. The transaction takes the form of a forward commitment. The agreed property value is SEK 76 million excluding land purchase and ground work. When these two costs are included, the value of the transaction is estimated at approximately SEK 100 million. The final settlement will take place when the project is handed over, based on actual cost expended.
- A contract was signed with Logistikpartner in Ulricehamn for the development and construction of a 20,000 sqm facility. A twelve-year lease was signed with a base year annual rent of SEK 9.7 million. The contract value is SEK 124 million.
- A contract was signed with M2 Gruppen for an extension of the premises of online retailer Nordic Nest in Kalmar. The order value of this 14,000 sqm metre extension is SEK 96 million.
- A contract was signed with the Ica Fastigheter to construct a 13,500 sqm warehouse in Västerås designed especially for flowers and plants. The order value is SEK 197 million.
- A contract was signed with Klinga Logistikpark to construct a 31,000 sqm logistics facility in Norrköping. The order value is SEK 162 million.
- A contract was signed with Fabritius Gruppen to construct a 26,000 sqm logistics facility in Borås, which will be leased to the home textiles chain Hemtex.
- A contract was signed for the acquisition of a logistics and industrial site of roughly 266,000 sqm just north of Gardermoen Airport in Norway. The purchase price is approximately NOK 233 million. The acquisition will be carried out in three phases, which will be paid for with closing dates in 2022, 2023 and 2025. The acquisition is conditional upon the seller completing the preparatory work on the land according to the requirements of the local development plan, and upon the required electricity supply to the site being delivered within the agreed cost framework.
- A letter of intent was signed regarding collaboration with Kaldnes Utvikling AS about two plots of land with an area of 20,000 sqm each in Holmestrand Næringspark, 65 km south-west of Oslo. Logistic Contractor will have the right to promote these sites for the purpose of entering into contracts with companies wishing to establish business in Holmestrand. Logistic Contractor will also be responsible for the construction under the agreement.

*Logistikpartner, Ulricehamn, 20 000 sqm.  
Self-developed project.*

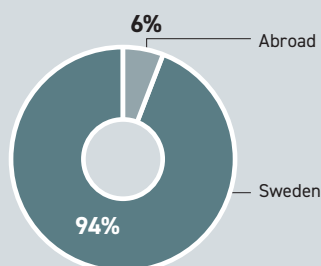
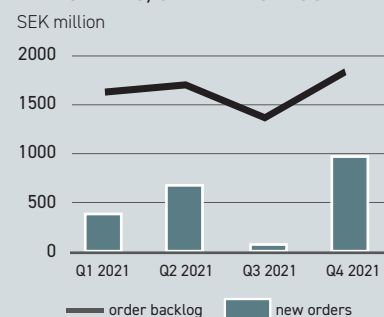


**BUSINESS AREA LOGISTICS AND INDUSTRY IN FIGURES**

REVENUE AND PROFIT (SEK million)	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Revenue Sweden	421	518	1,781	1,513
Revenue abroad	89	17	284	322
<b>Revenue total</b>	<b>510</b>	<b>535</b>	<b>2,065</b>	<b>1,835</b>
- of which construction	299	261	1,265	1,234
- of which project development	211	274	800	601
<b>Profit</b>	<b>38</b>	<b>106</b>	<b>241</b>	<b>274</b>


**PRODUCTION, NO OF SQM**

Completed during the fourth quarter	7,000
Ongoing Dec 31, construction	375,500
Ongoing Dec 31, project development	71,000
<b>Total in progress</b>	<b>446,500</b>

**DISTRIBUTION OF REVENUE**

**NEW ORDERS/ORDER BACKLOG**

**LANDBANK LOGISTICS AND INDUSTRY, 31 DECEMBER 2021**

Location	Type	Area sqm
Enköping, Sweden	Acquisition	133,000
Nyköpings logistikpark, Nyköping, Sweden	Joint venture	400,000
Gardermoen Nord Næringspark, Ormlia, Norge	Acquisition	266,000
Holmestrand Næringspark, Holmestrand, Norge	LOI for Joint venture	40,000
Hanekleiva Næringspark, Sande, Norge*	LOI for Joint venture	45,000
<b>Total</b>		<b>884,000</b>

\*Negotiations regarding an extension of the agreement are ongoing.

## DEVELOPMENT PORTFOLIO, as of 31 December 2021

### ONGOING PROJECTS RESIDENTIAL/COMMERCIAL

Project, municipality	Type	No of apts.	Total area (sqm)	Phase	Start of production	Completion
Lagerkransen 3, Lund	Rental	83	4,696	Production	2020	2022
Värberg youth housing, Stockholm	Rental	174	5,967	Production	2020	2022
Parklyckan, Stockholm	Self owned	36	4,026	Production	2021	2022
Strandängen 1, townhouses, Falkenberg	Self owned	29	2,445	Production	2021	2022
Kv Trädgårn, Svedala	Rental	53	3,768	Production	2021	2023
Soluret, Malmö	Self owned	45	3,240	Production	2021	2023
Älgoxen, Umeå	Self owned	30	2,131	Production	2021	2023
Slottshusen, Täby	Self owned	89	8,469	Production	2021	2023
Hökälla Ängar, phase 2, Gothenburg	Self owned	36	3,589	Production	2021	2023
Cityterrassen, Malmö	Self owned	174	12,460	Production	2021	2024
<b>Total</b>		<b>749</b>	<b>50,791</b>			

### UPCOMING PROJECTS RESIDENTIAL/COMMERCIAL

Project, municipality	Type	No of apts.	Total area (sqm)	Phase	Estimated start of production	Estimated completion
Alliero, Sundsvall*	Self owned/Commercial	80	6,512	ZP in effect	2025	2027
Almen, Umeå	Self owned	200	13,569	Ongoing work ZP	2022	2028
Bollen preschool, Trelleborg*	CSP	0	900	ZP in effect	2023	2024
Borstahuset townhouses, Landskrona*	Self owned	12	1,380	ZP in effect	2023	2024
Borstahuset, Landskrona*	Self owned	60	4,300	ZP in effect	2023	2025
Citadellsfogen, Malmö*	Rental	70	4,550	Ongoing work ZP	2027	2028
Citadellsfogen, Malmö*	Self owned	70	4,550	Ongoing work ZP	2027	2029
Fridhem, Ängelholm*	Self owned	80	5,200	ZP in effect	2023	2024
Guldskrinet, Umeå*	Self owned/Rental	100	7,500	Ongoing work ZP	2023	2026
Hökälla Höjd, Gothenburg	Self owned	42	3,276	ZP in effect	2023	2024
Journalen 1, Malmö	Rental	177	9,622	ZP in effect	2022	2024
Lilla Essingen Parkhuset, Stockholm*	Self owned	24	1,849	ZP in effect	2024	2027
Lilla Essingen Strandhuset, Stockholm*	Self owned	74	6,032	ZP in effect	2026	2028
Norra Saltskog, Södertälje*	Self owned	49	3,055	Ongoing work ZP	2024	2026
Nämnden, Malmö*	Rental/Commercial	60	4,645	ZP in effect	2023	2024
Skarpnäck preschool, Stockholm*	CSP	0	860	ZP in effect	2024	2026
Skarpnäck, Stockholm*	Rental	126	5,659	ZP in effect	2024	2026
Solberga, Stockholm*	Self owned	35	4,025	No ZP	2025	2027
Solvalla hotel, Stockholm*	Hotell	0	6,900	No ZP	2026	2028
Solvalla youth housing, Stockholm*	Rental	120	4,115	No ZP	2026	2028
Sparreallén, Borås	Commercial	0	3,200	ZP in effect	2022	2025
Sparreallén, Borås	Self owned	20	1,200	ZP in effect	2023	2025
Strandängen 2, sheltered housing, Falkenberg*	CSP	80	5,280	No ZP	2024	2025
Strandängen 2, care home, Falkenberg*	CSP	60	3,800	No ZP	2024	2025
Svandammsplan, Stockholm*	Self owned	53	3,010	No ZP	2026	2027
Syrenen, Umeå	Self owned/Commercial	80	7,270	Ongoing work ZP	2023	2026
Tjärleken, Norrtälje	Self owned	111	10,750	ZP in effect	2022	2024
Tuvebo Glashytta, Gothenburg	Self owned	45	2,673	ZP in effect	2022	2023
Vallastråket, Stockholm*	Self owned	70	4,200	Ongoing work ZP	2025	2027
Vantörsvägen, Stockholm*	Rental	100	5,000	No ZP	2026	2028
Västerport, Varberg*	Hotell	0	18,250	Ongoing work ZP	2023	2026
Västra Roslags-Näsby, Täby*	Self owned	40	2,951	ZP in effect	2027	2028
Årsta phase 2n, Stockholm*	Self owned	237	14,506	Ongoing work ZP	2028	2030
Årsta phase 4a, Stockholm*	Self owned	79	5,401	Ongoing work ZP	2029	2031
Årsta phase 4b, Stockholm*	Rental	231	11,764	Ongoing work ZP	2029	2031
Åseberget, Kungälv*	Not decided	150	10,000	No ZP	2026	2030
Östra Station, Kävlinge	Self owned	69	6,802	ZP in effect	2023	2024
<b>Total</b>		<b>2,804</b>	<b>214,556</b>			

\* Options, acquisitions have not yet been made.

ZP = Zoning plan

## Consolidated income statement

SEK million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Revenue	1,231	924	3,949	3,620
Costs in production	-1,128	-758	-3,430	-3,132
<b>Gross profit/loss</b>	<b>103</b>	<b>166</b>	<b>519</b>	<b>488</b>
Sales and administration costs	-96	-101	-292	-269
Other operating revenue	3	0	8	4
Other operating costs	0	0	0	0
<b>Other profit/loss</b>	<b>10</b>	<b>65</b>	<b>235</b>	<b>223</b>
<b>Profit/loss from financial items</b>				
Profit shares from joint ventures and associated companies	-3	0	-4	0
Financial revenue	3	0	12	9
Financial costs	-2	-1	-15	-7
<b>Profit after financial items</b>	<b>8</b>	<b>64</b>	<b>228</b>	<b>225</b>
Change in value of real estate	0	3	6	6
<b>Profit before tax</b>	<b>8</b>	<b>67</b>	<b>234</b>	<b>231</b>
Taxes	5	15	7	3
<b>Profit for the period</b>	<b>13</b>	<b>82</b>	<b>241</b>	<b>234</b>
Profit relating to:				
- the parent company's shareholders	13	82	241	234
- holdings without controlling influence	0	0	0	0
Earnings per share, SEK*	0.39	2.66	7.42	9.39
Number of shares at the end of the period (thousands)	32,591	32,340	32,591	32,340
Average number of shares (thousands)	32,869	30,782	32,474	24,913

\* The company has no options and similar agreements that give rise to a dilution effect, therefore this is not reported separately. The change in the number of shares during the period is attributable to the structure of the acquisition of Rekab Entreprenad AB. No decisions have been taken regarding a new issue or issue of new shares. When all buybacks and transfers of consideration shares have taken place, the number of shares will again correspond to the number of registered shares. See page 28 for further information about the number of shares.

## The Group's report on comprehensive income

SEK million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Profit for the period	13	82	241	234
<b>Other comprehensive income that can be transferred to the income statement</b>				
Currency difference when translating foreign operations	0	0	1	-2
<b>Comprehensive income for the period</b>	<b>13</b>	<b>82</b>	<b>242</b>	<b>232</b>
Total result attributable to:				
- the parent company's shareholders	13	82	242	232
- holdings without controlling influence	0	0	0	0

**COMMENTS ON THE INCOME STATEMENT**

**October - December 2021**

Revenues in Q4 were slightly higher than the previous year, amounting to SEK 1,231 million (924) due to a strong order intake earlier in the year and a high production rate. Operating profit amounted to SEK 10 million (65), and was impacted by negative profit in Commercial and the write-down of SEK 40 million in Logistics and Industry due to the rise in material costs for the Nobia project.

Both revenue and profit are also held back by self-developed tenant-ownership projects under production. Several new tenant-ownership projects commenced during the year with a production period extending into 2024.

Profit after tax amounted to SEK 13 million (82), which corresponds to earnings per share of SEK 0.39 (2.66). The operating margin was 0.8 percent (7.0).

Both Residential and Logistics and Industry had excellent order intakes in Q4, totalling SEK 2,514 million (1,266). This, in turn, contributed to a record high order backlog of SEK 6,572 million (3,201) as of 31 December. The order backlog was well distributed between the company's three business areas, which provides strong security for the whole organisation in 2022.

**January - December 2021**

Revenues of SEK 3,949 million (3,620) were reported for the whole year, which represents a 9 percent increase. Operating profit was also stronger than in 2020, at SEK 235 million (223). Strong profitability in both Residential and Logistics and Industry and a successful year for our project development operations both contributed to the strong profit. Three large self-developed tenant-ownership projects were completed and recognised in the income statement during the year after a production time of almost two years for each project. In addition, one commercial development project and two projects in Logistics and Industry were completed and handed over.

Profit after tax amounted to SEK 241 million (234), corresponding to earnings per share of SEK 7.42 (9.39).

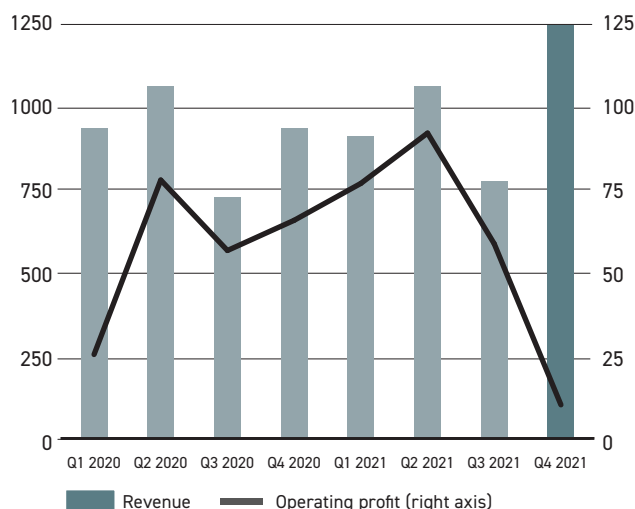
The total order intake was SEK 5,456 million (3,232).

**PERSONNEL**

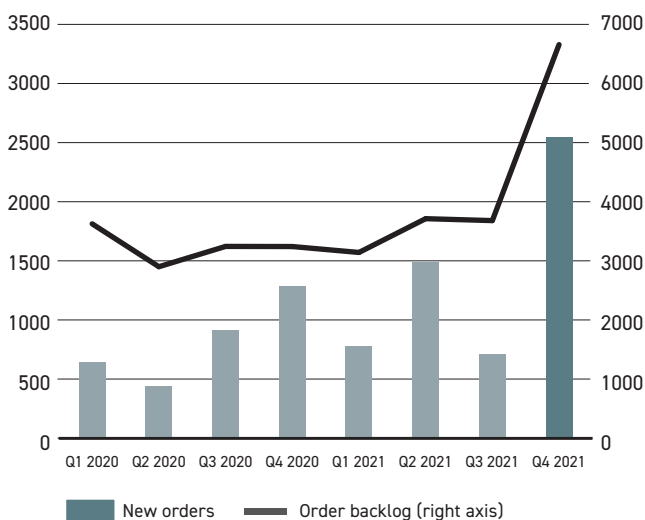
As a result of the acquisition of Rekab Entreprenad, Wästbygg's number of employees rose significantly in Q4. At the end of the year there were 524 employees, compared with 311 at the start of the year. Of these, 179 were employees of Rekab. The rest of the organisation gained 34 employees during the year. Wästbygg's average number of employees in 2021 was 355.

Throughout the COVID-19 pandemic, the group has worked with full staffing, and no redundancies or other reductions have been required.

**REVENUE AND OPERATING PROFIT, SEK million/quarter**



**NEW ORDERS AND ORDER BACKLOG, SEK million/quarter**





## Group balance sheet

SEK million	31 Dec 2021	31 Dec 2020
<b>ASSETS</b>		
<b>Fixed assets</b>		
<i>Intangible fixed assets</i>		
Goodwill	428	229
Other intangible fixed assets	35	8
<b>Total</b>	<b>463</b>	<b>237</b>
<i>Tangible fixed assets</i>		
Investment properties	75	59
User rights assets	34	30
Inventory, tools and installations	5	6
<b>Total</b>	<b>114</b>	<b>95</b>
<i>Financial fixed assets</i>		
Shares in joint ventures and associated companies	17	11
Deferred tax receivables	54	42
Non-current financial assets	0	0
<b>Total</b>	<b>71</b>	<b>53</b>
<b>Total fixed assets</b>	<b>648</b>	<b>385</b>
<b>Current assets</b>		
Development properties, etc.	295	75
Tenant-owner association flats of own development under production	880	740
Accounts receivable	444	506
Accrued but not invoiced	437	272
Tax receivables	16	26
Receivables from group companies	13	12
Other receivables	446	277
Prepaid costs and accrued income	25	17
Cash and cash equivalents	897	860
<b>Total current assets</b>	<b>3,453</b>	<b>2,785</b>
<b>TOTAL ASSETS</b>	<b>4,101</b>	<b>3,170</b>

SEK million	31 Dec 2021	31 Dec 2020
<b>TOTAL EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	4	4
Other contributed capital	946	946
Retained earnings	555	408
This year's comprehensive income	242	232
Total equity attributable to the company's shareholders	1,747	1,590
Holdings without controlling influence	4	3
<b>Total equity</b>	<b>1,751</b>	<b>1,593</b>
<b>Non-current liabilities</b>		
<i>Non-current interest-bearing liabilities</i>		
Bond loans	492	-
Liabilities to credit institutions	154	58
Debts user rights	18	16
Total	664	74
<i>Non-current non-interest-bearing liabilities</i>		
Deferred tax liabilities	18	4
Other provisions	72	63
Total	90	67
<b>Total non-current liabilities</b>	<b>754</b>	<b>141</b>
<b>Current liabilities</b>		
<i>Current interest-bearing liabilities</i>		
Liabilities to credit institutions	145	304
Debts user rights	18	16
Other liabilities*	225	225
Total	388	545
<i>Current non-interest-bearing liabilities</i>		
Accounts payable	480	247
Advance from customer	406	362
Tax liabilities	4	2
Other liabilities*	118	151
Accrued expenses and prepaid income	200	129
Total	1,208	891
<b>Total current liabilities</b>	<b>1,596</b>	<b>1,436</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,101</b>	<b>3,170</b>
<b>INTEREST-BEARING NET CASH / NET DEB</b>		
Interest-bearing assets	1,202	872
Interest-bearing liabilities	1,051	620
Interest-bearing net cash/net debt	151	252

\* A reclassification has been made of Other liabilities, see accounting principles on page 22.

## Changes in the Group's equity in summary

SEK million	Jan-Dec 2021	Jan-Dec 2020
<b>Equity attributable to the parent company's owners</b>		
Amount at the beginning of the period	1,590	569
New issue of shares	-	901
Transaction costs new issue of shares	-	-37
Commitment consideration shares (business acquisition)	83	-
Buyback of shares	-61	-
Dividend	-107	-75
Comprehensive income for the period	242	232
Amount at the end of the period	1,747	1,590
<b>Holdings without controlling influence</b>		
Amount at the beginning of the period	3	3
Comprehensive income for the period	0	0
Amount at the end of the period	4	3
<b>TOTAL EQUITY</b>	<b>1,751</b>	<b>1,593</b>

### COMMENTS ON THE BALANCE SHEET AND EQUITY

The Wästbygg Group has a strong cash position resulting from the new share issue and listing on Nasdaq Stockholm in 2020, and has enjoyed a positive earnings trend for several years. In addition, the company has handed over six self-developed projects this year: three in Residential, one in Commercial and two in Logistics and Industry. In addition, the project development operations were expanded with several new projects during the year, primarily in Residential. At year end, decisions were taken to start construction on further projects. Investments were made in both land and building rights during the year.

The acquisition of Rekab Entreprenad was completed at the end of October. The purchase is to be paid, in part, through consideration shares of a total of 850,626 shares, which corresponds to SEK 83 million. Of these 600,000, which corresponds to SEK 61 million, had been bought back as of the balance sheet date. For more information, see note 8 on page 25.

On 23 November, Wästbygg issued senior unsecured green bonds of SEK 500 million under a framework totalling SEK 800 million, which are recognised under Bond loans. The bonds mature in November 2024 and are subject to a variable interest rate of 3 months STIBOR plus 450 basis points. The first trading day on Nasdaq Stockholm was 23 December. All the terms and conditions of the issue are in the prospectus, which is available for download at [www.wastbygg.se](http://www.wastbygg.se).

Equity per share amounted to SEK 53.62 (49.17) at the end of the period.

The Group reported interest-bearing net cash of SEK 151 million (252) at the end of the period.

The Other receivables item includes a claim related to a non-consolidated project company and the purchase consideration for a non-consolidated project property in Borås acquired during the first quarter. None of the projects in question are self-developed tenant-ownership projects.

The Development properties item includes a land acquisition of logistics and industrial land in Enköping for SEK 165 million.

The equity ratio at the end of the period was 43 percent (50). The company has a strong equity ratio as a result of the new share issue in 2020 and a positive earnings trend this year. However, it was lower than on 31 December 2020 because of an increased debt ratio associated with the issue of the green bonds as well as investments in new development projects. At the same time, it is held back by non-extracted gains in self-developed tenant-ownership projects currently in progress, as in accordance with the accounting principles, these projects will only be recognised in the income statement on completion.

The Annual General Meeting of 6 May adopted a dividend of SEK 3.30 per share, SEK 107 million in total, which was paid out on 14 May.

## Group cash flow analysis

SEK million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Day-to-day operations</b>				
Profit/loss before financial items	10	65	235	223
Adjustment for items not included in cash flow	0	43	9	64
Received interest	3	0	12	9
Paid interest	-2	-1	-15	-7
Paid tax	15	-1	11	-16
<b>Cash flow from operating activities before changes in working capital</b>	<b>26</b>	<b>106</b>	<b>252</b>	<b>273</b>
<b>Cash flow from changes in working capital</b>				
Increase (-)/decrease (+) of tenant-owner association flats of own development in production	-39	-111	-515	-206
Increase (-)/decrease (+) of accounts receivable	-8	-188	165	-144
Increase (-)/decrease (+) of other operating receivables	-240	-63	-532	-52
Increase (+)/decrease (-) of accounts payable	87	-82	133	-268
Increase (+)/decrease (-) of operating liabilities	-18	177	178	160
<b>Cash flow from the day-to-day operations</b>	<b>-192</b>	<b>-161</b>	<b>-319</b>	<b>-237</b>
<b>Investment activities</b>				
Investments in businesses, including additional purchase sums	-129	0	-129	0
Acquisitions of intangible fixed assets	-2	-1	-4	-3
Investments in investment properties	-1	-13	-10	-53
Acquisitions of other tangible fixed assets	-13	-1	-23	-4
<b>Cash flow from investing activities</b>	<b>-145</b>	<b>-15</b>	<b>-166</b>	<b>-60</b>
<b>Financing activities</b>				
New issue of shares	-	901	-	901
Transaction costs new issue of shares	-	-37	-	-37
Buyback of shares	-61	-	-61	-
Paid dividend	-	-	-107	-75
Amortisation of loan liabilities	4	-49	0	-204
Raised loan liabilities	12	118	196	281
Bond loans	492	-	492	-
<b>Cash flow from financing activities</b>	<b>447</b>	<b>933</b>	<b>520</b>	<b>866</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>110</b>	<b>757</b>	<b>35</b>	<b>569</b>
Cash and cash equivalents at the start of the period	787	105	860	298
Exchange rate difference in cash and cash equivalents	0	-2	2	-7
<b>Cash and cash equivalents at the end of the period</b>	<b>897</b>	<b>860</b>	<b>897</b>	<b>860</b>

### COMMENTS ON CASH FLOW

Variations in cash flow from one period to another are a natural consequence of the number of development projects in progress and the number of projects sold. A negative cash flow from current operations during certain periods is completely in line with the company's strategy to increase the proportion of development projects. Raised loans also vary as self-developed tenant-ownership projects start construction or are completed..

#### October-December 2021

Total cash flow during the fourth quarter amounted to SEK 110 million (757), divided into current operations SEK -192 million (-161), investment operations SEK -145 million (-15) and financing operations SEK 447 million (933). Cash flow was affected during the quarter by two extraordinary items: the acquisition of Rekab (investment operations) and the issue of green bonds (financing operations).

#### January-December 2021

Total cash flow for the full financial year amounted to SEK 35 million (569), divided into current operations SEK -319 million (-237), investment operations SEK -166 million (-60) and financing operations SEK 520 million (866). In addition to what has already been reported for Q4, six self-developed projects have been handed over this year, of which five have been settled, with a positive effect on cash flow from current operations. Cash flow was also affected by acquisitions during the year including building rights in Täby, logistics land in Enköping and a project property in Borås.

The company is currently in an investment phase, and cash will continue to be used for new development projects going forward; see increase in self-developed tenant-ownership projects under production. To create even better conditions for this important strategic development, the company issued green bonds in Q4.

Cash flow from financing operations includes an adopted dividend of SEK 107 million.

## Parent company income statement IN SUMMARY

SEK million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Revenue	26	3	99	65
Other operating revenue	0	0	0	0
<b>Total operating income</b>	<b>26</b>	<b>3</b>	<b>99</b>	<b>65</b>
Staff costs	-20	-16	-63	-48
Other external costs	-20	-28	-62	-77
<b>Operating profit/loss</b>	<b>-14</b>	<b>-41</b>	<b>-26</b>	<b>-60</b>
<b>Profit/loss from financial items</b>				
Dividend (anticipated) from subsidiaries	200	184	200	184
Other interest income and similar income items	22	6	43	17
Interest expenses and similar income items	-7	-5	-18	-30
<b>Profit after financial items</b>	<b>201</b>	<b>144</b>	<b>199</b>	<b>111</b>
<b>Year-end appropriations</b>	<b>16</b>	<b>83</b>	<b>16</b>	<b>83</b>
Profit before tax	217	227	215	194
Taxes	2	-7	2	0
<b>Profit for the period</b>	<b>219</b>	<b>220</b>	<b>217</b>	<b>194</b>

## Parent company balance sheet IN SUMMARY

SEK million	31 Dec 2021	31 Dec 2020
<b>ASSETS</b>		
Intangible fixed assets	5	3
Tangible fixed assets	2	4
Financial fixed assets	449	320
<b>Total fixed assets</b>	<b>456</b>	<b>327</b>
Current receivables	1,467	1,134
Cash and bank balances	443	496
<b>Total current assets</b>	<b>1,910</b>	<b>1,30</b>
<b>TOTAL ASSETS</b>	<b>2,366</b>	<b>1,957</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		
Restricted equity	4	4
Unrestricted equity	1,550	1,418
<b>Total equity</b>	<b>1,554</b>	<b>1,422</b>
Non-current liabilities	492	-
Current liabilities	320	535
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,366</b>	<b>1,957</b>

# Notes and other financial information

## NOTE 1. ACCOUNTING POLICIES

The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act.

Consolidated financial statements are prepared in accordance with IFRS from the 2015 financial year. The accounting principles applied in the interim report are described in the annual report for 2020 on pages 81–87. Accounting principles and calculation methods for the Group are unchanged compared with the annual report last year.

### *New standards applied from 1 January 2021*

New or amended IFRS standards applied from 2021 have no or little impact on Wästbygg Gruppen's financial reporting.

### *Standards, amendments and interpretations concerning existing standards that have not yet entered into force and are not applied prematurely by the Group*

As of the date of approval of this financial report, certain new standards, amendments and interpretations of existing standards that have not yet entered into force have been published by IASB. These have not been applied prematurely by the Group and the changes are not expected to have a significant impact on the financial statements during the financial year in which they are to be applied for the first time and therefore no information has been provided.

### *Reclassification of interest-bearing liability*

A short-term interest-bearing liability of SEK 225 million was recognised as a short-term non-interest bearing liability as per 31 December 2020. As of the interim report dated 30 September 2021, this has been corrected and the item is recognised under short-term interest-bearing liabilities. The key ratios Operating capital and Net cash have been recalculated for 31 December 2020, 31 March 2021 and 30 June 2021; see table below. These key ratios were also affected by interest-bearing receivables recognised under the Other receivables item in the balance sheet. As this change has no material impact on profit, no other reports and key ratios have been recalculated. räknats om.

## Recalculated key ratios

SEK million	Dec 31, 2020	Mar 31, 2021	Jun 30, 2021
<i>Operating capital</i>			
Before recalculation	785	748	630
After recalculation	1,010	973	855
<i>Net cash</i>			
Before recalculation	477	664	684
After recalculation	252	523	646

**NOTE 2. SEGMENT REPORTING**

Wästbygg Gruppen's segment reporting follows the Group's internal reporting to company management and the board, as this is how the board and group management controls and monitors

operations. The segment reporting reports revenue recognition for project development of owner-occupied flats over time.

<b>SEGMENT REPORT I IN SUMMARY, SEK million</b>	<b>Oct-Dec 2021</b>	<b>Oct-Dec 2020</b>	<b>Jan-Dec 2021</b>	<b>Jan-Dec 2020</b>
<b>REVENUE</b>				
Residential	407	274	1 065	1 122
<i>Of which internal sales</i>	0	0	1	2
Commercial	354	193	688	844
<i>Of which internal sales</i>	0	-	1	-
Logistics and industry*	510	535	2 065	1 835
<i>Of which internal sales</i>	-	-	-	0
Other**	26	3	99	65
<i>Of which internal sales</i>	26	3	99	65
Group adjustments	-26	-3	-99	-65
<b>Total</b>	<b>1,271</b>	<b>1,002</b>	<b>3,818</b>	<b>3,801</b>
IFRS adjustment (attributable to the Residential segment)	-40	-78	131	-181
<b>Total IFRS</b>	<b>1,231</b>	<b>924</b>	<b>3,949</b>	<b>3,620</b>
<b>OPERATING PROFIT</b>				
Residential	64	4	81	8
<i>Operating margin</i>	15,7 %	1,5 %	7,6 %	0,7 %
Commercial	-14	8	-11	31
<i>Operating margin</i>	-4,0 %	4,1 %	-1,6 %	3,7 %
Logistics and industry*	38	106	241	274
<i>Operating margin</i>	7,5 %	19,8 %	11,7 %	14,9 %
Other**	-15	-41	-26	-60
Group adjustments	-4	-	-8	1
<b>Total</b>	<b>69</b>	<b>77</b>	<b>277</b>	<b>254</b>
<i>Operating margin</i>	5,4 %	7,7 %	7,3 %	6,7 %
Financial items	-3	2	-3	5
Change in value of real estate	0	3	6	6
<b>Profit before tax, segment</b>	<b>66</b>	<b>82</b>	<b>280</b>	<b>265</b>
IFRS adjustment (attributable to the Residential segment)	-58	-15	-47	-34
<b>Profit before tax, IFRS</b>	<b>8</b>	<b>67</b>	<b>234</b>	<b>231</b>

\* Distribution by geographic market is reported under section Logistics and industry on page 13. Only Logistic and industry have operations abroad.

\*\* Segment Other consists of the parent company's operations and contains only internally invoiced revenue. As a result, the operating margin for Other is not reported. The parent company's operations consist of support functions for the segments in the form of departments for finance, HR, QEW, sustainability, IT and communications as well as group management.

The transfer pricing between the operating segments takes place on market terms. Financial items and taxes are not distributed by segment, nor are they followed up by the highest executive decision-makers, which is why they have been excluded from the table above. The equivalent also applies to assets and liabilities. There is also no items affecting cash flow or separate reporting of depreciation per segment as those amounts are small.

**NOTE 3. DISPUTES**

The Group has discussions or disputes with customers or partners from time to time about commercial terms. In exceptional cases, this takes place in an arbitration or other legal instance. In some cases, they are evaluated by external legal representatives in consultation with internal resources. The report reflects at all times the best overall assessment that has been made, but actual outcomes may deviate as in some cases these are complex assessments.

**NOTE 4. RISKS AND UNCERTAINTY FACTORS**

The group is continuously working on managing risks and uncertainty factors and places strong focus on vulnerability reduction measures. The group's risks are primarily related to three areas: external environment risks, operational project and contract risks including sustainability risks, and financial risks. A more comprehensive risk analysis can be found in the company's annual report for 2020 on pages 66–69. No significant changes took place that have changed these reported risks.

The COVID-19 pandemic is ongoing, and infection rates rose again at the end of the year, although generally with milder symptoms thanks to a high vaccination rate. The company continues to actively strive to conduct its operations in accordance with the Public Health Agency of Sweden's guidelines and other restrictions at any given time. The company has also paid special attention to how the continued spread of the pandemic may affect future development and/or risks that may affect financial reporting in the future. The impact on the company is still deemed to be limited, but uncertainty factors remain regarding future developments, not least around the impact of COVID-19 on deliveries of materials and components.

There is some uncertainty regarding availability of domestically produced concrete, which could develop into a risk going forward depending on the decisions ultimately made about limestone quarrying in Gotland. Wästbygg already collaborates with several suppliers, and is reviewing future possibilities for purchasing concrete based on various scenarios.

**NOTE 5. PARENT COMPANY AND OTHER GROUP ITEMS**

The parent company's intra-group revenues for the quarter amounted to SEK 26 million (3) and the profit after net financial items was SEK 201 million (144).

The intra-group revenues for the year amounted to SEK 99 million (65) and the profit after net financial items was SEK 199 million (111). The profit includes anticipated dividends from subsidiaries of SEK 200 million (184).

**NOT 6. TRANSACTIONS WITH RELATED COMPANIES**

Wästbygg's largest shareholder is M2 Holding AB. M2 is owned and controlled by Rutger Arnhult, who is also a Board member of M2. The M2 Group has significant direct and indirect ownership interests in Corem Property Group AB and Castellum AB, which are part of the group of related companies but are not group companies connected with Wästbygg. Rutger Arnhult was Chair of the Board of Castellum at the end of 2021, but became Castellum's CEO on 10 January 2022. In connection with this, he stepped down as Chair of the Board but remains a Board member. Wästbygg carries out construction assignments in competition for Corem Property Group and M2. Wästbygg has previously also carried out assignments for Castellum, but all these assignments were completed before Castellum could be regarded as a related company

Revenue accrued in current projects is shown in the table below. Accounts receivable to related companies stood at SEK 0 million (-).

During the fourth quarter Wästbygg has acquired a property in Malmö from Kungsleden, a subsidiary of Castellum. Wästbygg will take possession of the property on 31 January 2022.

**Accrued revenue**

SEK million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Dan-Dec 2020
Corem*	10	43	53	211
M2	6	2	85	70
<b>Total</b>	<b>16</b>	<b>45</b>	<b>138</b>	<b>281</b>

\*Following Corem's acquisition of Klöver during the second quarter of this year, combined figures for Klöver and Corem are reported. The figures include accrued revenue for Tobin Properties, which is a wholly owned subsidiary of Klöver.

**NOTE 7. FINANCIAL INSTRUMENTS**

The Group's financial instruments essentially consist of financial assets and financial liabilities that are valued at accrued acquisition value. Financial instruments that are valued at fair value consist of currency futures and contingent purchase consideration, which amount to insignificant amounts. Further information can be found in the Group's annual report for 2020 in Note 1 Accounting Principles and Note 26 Financial Risk Management and Financial Instruments.

At the end of the period, the Group had no financial instruments.



**NOTE 8. BUSINESS ACQUISITIONS**

On 24 September 2021, the Wästbygg Group concluded an agreement to acquire all shares in Rekab Entreprenad AB from its holding company Trekcyd AB. Rekab, a company with 175 employees, is one of the leading construction companies in northern Sweden and has local offices in Umeå, Sundsvall, Örnsköldsvik, Skellefteå and Luleå. Through this acquisition, the Wästbygg Group will now also become a significant actor in the construction industry in northern Sweden.

Rekab builds community service properties such as schools and hospitals, as well as residential and commercial buildings. The company also conducts project development operations and has carried out several self-developed residential projects. In the past three years, it has had average annual sales of almost SEK 1 billion and an operating margin that is well in line with the Wästbygg Group's overall goals. For 2020 it reported revenues of SEK 900 million and profit after financial items of SEK 69 million.

The company was purchased for an estimated market value of SEK 230 million on a debt-free basis. When the access accounts were approved, this resulted in the purchase price amounting to SEK 269 million, of which SEK 186 million is paid in cash and SEK 83 million through repurchase and transfer of own shares (consideration shares). The acquisition was conditional on the approval of the Swedish Competition Authority, and the financing solution for the acquisition depended on a decision by the annual general meeting of the Wästbygg Group concerning buyback and transfer of 850,626 of its own shares, split into two equal tranches. The first tranche is to be paid by 31 March 2022 and the second by 28 October 2024. The value of the consideration shares is based on the volume-weighted average price on the ten banking days prior to the possession date. As such, this commitment to pay a fixed number of consideration shares, has been recognised as equity.

The acquisition was completed on 28 October after approval was obtained from the Swedish Competition Authority on 7 October and the necessary decision regarding the financing solution was taken at an extraordinary general meeting of the Wästbygg Group on 21 October.

The acquisition analysis was approved during Q4 2021.

During the two months that Rekab has been a part of Wästbygg Gruppen the company's contribution to the group's revenue amounts to SEK 167 million and to the profit to SEK 0 million. If Rekab had been acquired on 1 January 2021, the group's revenues for 2021 would have increased by SEK 813 million and profit for the year by SEK 32 million.

**Effects of the acquisition of Rekab SEK million**

Details of the business combination:

**Fair value of transferred payment**

Amount settled in cash	186
Payment through own shares/consideration shares	83
<b>Total</b>	<b>269</b>

**Fair value of identifiable net assets**

Intangible assets - Brand	26
Tangible fixed assets	1
Financial assets	5
<b>Total</b>	<b>32</b>

Accounts receivable	100
Other receivables	35
Cash and cash equivalents	68
<b>Total</b>	<b>203</b>

Deferred tax liabilities	-5
Provisions	-6
<b>Total non-current liabilities</b>	<b>-11</b>

Accounts payables	-102
Other liabilities	-50
<b>Total current liabilities</b>	<b>-152</b>

Identifiable net assets	71
<b>Goodwill on acquisition</b>	<b>198</b>

Transferred payment in cash and cash equivalents	186
Acquired cash and cash equivalents	-68
<b>Net cash flow on acquisition</b>	<b>119</b>

<b>Acquisition costs recognised as costs in the profit and loss account</b>	<b>3</b>
---	----------


**Transferred payment**

The acquisition of Rekab was settled through a cash payment of SEK 186 million. The terms of the agreement also included a payment of SEK 83 million through buyback and transfer of own shares.

**Brand**

The Rekab brand was identified as an asset in the purchase and was valued at roughly 10 percent of the purchase consideration, although with a limited useful life of 5 years

**Goodwill**

With thirty years in the industry, the Rekab group has a strong reputation as a stable company in its local market. The brand is a part of this, but it is primarily the company's management and expertise that constitute its strength and potential future earning power.

# Quarterly overview\*

## FINANCIAL OVERVIEW AND KEY RATIOS

	Oct-Dec 2021	Jul-Sep 2021	Apr-Jun 2021	Jan-Mar 2021	Oct-Dec 2020	Jul-Sep 2020	Apr-Jun 2020	Jan-Mar 2020
<b>Financial key ratios</b>								
Revenue	1,231	767	1,051	900	924	720	1,050	926
Operating profit	10	58	91	76	65	56	77	25
Operating margin, %	0.8	7.6	8.7	8.4	7.0	7.8	7.3	2.7
Profit/loss after tax	13	56	99	73	82	58	69	25
Balance sheet	4,101	3,297	3,208	3,134	3,170	2,033	1,806	1,699
Equity/assets ratio, %	43	52	52	53	50	32	33	31
Return on equity, %	14	18	19	17	21	31	39	41
Operating capital	1,336	1,102	**855	**973	**1,010	514	455	338
Interest-bearing net cash (+) / net debt (-)	151	428	**646	**523	**252	-209	-189	-139
Cash flow from operating activities	-192	-191	72	-7	-161	9	-38	-47
<b>Equity related key ratios***</b>								
Earnings per share, SEK	0.39	1.74	3.05	2.27	2.66	2.50	3.01	1.08
Equity per share, SEK	53.62	52.96	51.21	51.49	49.17	28.04	25.52	22.58
Number of shares at the end of the period (thousands)	32,591	32,340	32,340	32,340	32,340	22,950	22,950	22,950
Average number of shares (thousands)	32,869	32,340	32,340	32,340	30,782	22,950	22,950	22,950

### Segment reporting

<b>Financial key ratios</b>								
Revenue	1,271	822	911	814	1,002	773	1,124	901
Operating profit	69	74	68	66	77	67	86	24
Operating margin, %	5.4	9.0	7.5	8.1	7.7	8.7	7.7	2.7
Profit/loss after tax	74	75	77	65	97	68	79	24
Balance sheet	4,226	3,136	3,087	2,857	2,872	1,727	1,596	1,499
Equity/assets ratio, %	44	56	55	60	57	40	39	36
Return on equity, %	16	18	18	18	23	35	32	31
Operating capital	1,225	947	**731	**760	**800	361	328	240
Interest-bearing net cash (+) / net debt (-)	794	856	**996	**1,031	**877	6	-12	-3
Cash flow from operating activities	-212	-141	92	124	-97	47	-3	-47
<b>Equity related key ratios***</b>								
Earnings per share, SEK	2.26	2.31	2.37	2.01	3.16	2.95	3.45	1.03
Equity per share, SEK	56.87	54.33	52.02	52.98	50.92	29.87	26.91	23.43
Number of shares at the end of the period (thousands)	32,591	32,340	32,340	32,340	32,340	22,950	22,950	22,950
Average number of shares (thousands)	32,869	32,340	32,340	32,340	30,782	22,950	22,950	22,950

### Operational key ratios

New orders	2,514	703	1,473	767	1,266	900	433	633
Order backlog	6,572	3,634	3,666	3,102	3,201	3,203	2,864	3,580
No of employees at end of period	524	333	328	315	311	315	308	308

For key ratio definitions, see page 27.

\* The key ratios for the Group are shown above, both in accordance with IFRS and the segment accounting applied for internal control and monitoring, see Note 2 on page 23 for further information.

\*\* As of Q4 2020, the KPIs Working capital and Interest-bearing net cash/net debt have been recalculated due to a reclassification of Other liabilities, see accounting principles on page 22.

\*\*\* The company has no options and similar agreements that give rise to a dilution effect, therefore this is not reported separately. The change in the number of shares during the period is attributable to the structure of the acquisition of Rekab Entreprenad AB. No decisions have been taken regarding a new issue or issue of new shares. When all buybacks and transfers of consideration shares have taken place, the number of shares will again correspond to the number of registered shares. See page 28 for further information about the number of shares.

## KEY RATIOS AND DEFINITIONS

**The Group:** Wästbygg presents certain financial measures in the interim report that are not defined by IFRS. The key ratios on page 3 and 25 are chosen on the basis that they are considered to give a fair view of the Company's operations and development. They are also commonly used among other companies, which facilitates comparisons. The key figures listed below are not defined in accordance with IFRS unless otherwise stated.

**Segment:** As for the key ratios provided in Note 2 and in Appendix 1 on page 30–35, they are regarded as alternative key ratios. They have the same definition as key ratios below, but are based on segment figures.

### Revenue growth (CAGR)

**Definition:** Revenue for the period divided by revenue for the previous period, raised to one divided by the number of years between the two periods, minus one. Wästbygg Gruppen measures CAGR over three years based on the end of the year immediately before the current three-year period.

**Purpose:** Shows the company's ability to increase revenue over time.

**Reconciliation table:**  
 A Revenue  
 B Comparison period revenue  
 C Number of years between periods  
 $(A/B)^{(1/C)} - 1 = \text{Revenue growth, \%}$

### Operating margin

**Definition:** Operating profit/loss in relation to revenue.

**Purpose:** Shows the company's earning capacity.

**Reconciliation table:**  
 A Operating profit/loss  
 B Revenue  
 $A/B = \text{Operating margin, \%}$

### Equity/assets ratio

**Definition:** Equity in relation to the balance sheet total.

**Purpose:** Describes the capital structure of the company.

**Reconciliation table:**  
 A Total equity  
 B Balance sheet total  
 $A/B = \text{Equity/assets ratio, \%}$

### Return on equity

**Definition:** Profit for the period divided by average equity for the period.

**Purpose:** Shows the company's ability to generate return on equity.

**Reconciliation table:**  
 A Profit/loss for the period (rolling 12 months)  
 B Equity at the beginning of the period  
 C Equity at the end of the period  
 $A/(B+C)/2 = \text{Return on equity, \%}$

### Operating capital

**Definition:** Current assets (excluding cash and cash equivalents and tax receivables) less current non-interest-bearing liabilities (excluding tax liabilities).

**Purpose:** Shows the company's tied up capital.

**Reconciliation table:**  
 A Current assets  
 B Cash and cash equivalents  
 C Current non-interest-bearing liabilities  
 $A - B - C = \text{Operating capital}$

### Interest-bearing net debt/net cash

**Definition:** Interest-bearing assets (including cash and cash equivalents and receivables from group companies) less interest-bearing liabilities.

**Purpose:** Shows the company's real indebtedness.

**Reconciliation table:**  
 Receivables from group companies +  
 Cash and cash equivalents +  
 Other interest-bearing receivables  
 = **A Interest-bearing assets**  
 Non-current interest-bearing liabilities +  
 Current interest-bearing liabilities  
 = **B Interest-bearing liabilities**  
**A - B = Interest bearing net debt (+)/net cash (-)**

### Earnings per share, IFRS

**Definition:** Profit/loss attributable to the company's shareholders in relation to the number of outstanding shares

**Purpose:** Illustrates each share's share of the period's earnings.

**Reconciliation table:**  
 A Profit for the period  
 B Average number of outstanding shares at the end of the period\*  
 $A/B = \text{Earnings per share, SEK}$

### Equity per share, IFRS

**Definition:** Equity attributable to the company's shareholders in relation to the number of outstanding shares at the end of the period.

**Purpose:** Illustrates each share's share of the equity.

**Reconciliation table:**  
 A Equity at the end of the period  
 B Number of outstanding shares at the end of the period\*  
 $A/B = \text{Equity per share, SEK}$

### New orders

**Definition:** The value of projects received and changes to existing projects during the current period. Tenant-owner association projects of own development are included in new orders as soon as a construction agreement has been signed for construction.

**Purpose:** Shows the company's sales during the current period.

### Order backlog

**Definition:** The value at the end of the period of the remaining unprocessed project revenue in pending assignments. Tenant-owner association projects of own development are included in the order stock as soon as a construction agreement has been signed for construction.

**Purpose:** Shows the company's revenues in future periods.

\*See page 28 for further information about the number of shares.

As amounts have been rounded to SEK million, the tables do not always sum up.

# The Wästbygg share

Wästbygg Gruppen AB was listed on Nasdaq Stockholm on 13 October 2020 under the ticker code WBGR. At the end of the year the share price closed at SEK 105.80, equivalent to a stock market value of SEK 3,448 million calculated based on the number of outstanding shares.

As per 31 December, the share capital amounted to SEK 3,593,352, divided into 620,000 Class A shares and 31,720,165 Class B shares.

At the end of the year Wästbygg had 4,919 shareholders. The proportion of foreign ownership was just under 5 percent of the share capital. The ten largest shareholders controlled almost 87 percent of the capital and 89 percent of the votes. The table below shows the ten confirmed largest shareholders.

## DIVIDEND

Wästbygg has a long-term goal for the dividend over time to amount to 40 percent of net profit based on the segment reporting. The Board of Directors proposes that the Annual General Meeting approve a dividend of SEK 112,579,000, corresponding SEK 3.50 per distributable share (total of 32,165,478 including 425,313 consideration shares). The number of distributable shares may be affected by further buybacks before the record date for dividends. The dividend corresponds to a direct return of 3.31 percent based on the share price as of 31 December.

## GREEN LABELLING

The Wästbygg share has been one of the first in Sweden to be approved for Nasdaq Green Equity Designation.



## THE WÄSTBYGG GROUP'S TEN LARGEST SHAREHOLDERS, 31 DECEMBER 2021

Name	No of Class A-shares	No of Class B-shares	Total no of shares	Proportion of capital	Proportion of votes
M2 Holding AB	337,500	19,136,063	19,473,563	60,21%	59,36%
Fino Förvaltning AB	282,500	1,656,000	1,938,500	5,99%	11,82%
Svolder	-	2,583,916	2,583,916	7,99%	6,81%
Länsförsäkringar Fonder	-	1,936,897	1,936,897	5,99%	5,11%
Öhman Fonder	-	574,893	574,893	1,78%	1,52%
Carnegie Fonder	-	403,387	403,387	1,25%	1,06%
Gårdarike Invest AB	-	300,000	300,000	0,93%	0,79%
Handelsbanken Fonder	-	207,871	207,871	0,64%	0,55%
SEB Fonder	-	200,421	200,421	0,62%	0,53%
Skandrenting AB	-	175,000	175,000	0,50%	0,50%
Other shareholders	-	3,945,717	3,945,717	12,20%	11,95%
Bought back shares*	-	600,000	600,000	1,86%	-
<b>Number of registered shares</b>	<b>620,000</b>	<b>31,720,165</b>	<b>32,340,165</b>	<b>100,00%</b>	<b>100,00%</b>
Commitment consideration shares**	-	850,626	850,626		
Bought back shares*	-	-600,000	-600,000		
<b>Total number of shares outstanding***</b>	<b>620,000</b>	<b>31,970,791</b>	<b>32,590,791</b>		

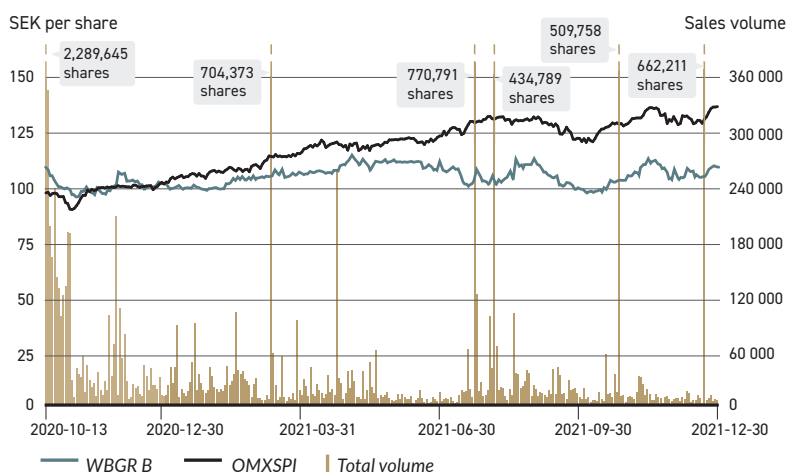
\* Bought back shares do not carry voting rights and therefore do not entitle holders to dividends.

\*\* In conjunction with the acquisition of Rekab, elements of the transferred payment consist of own shares (consideration shares). See Note 8 on page 25.

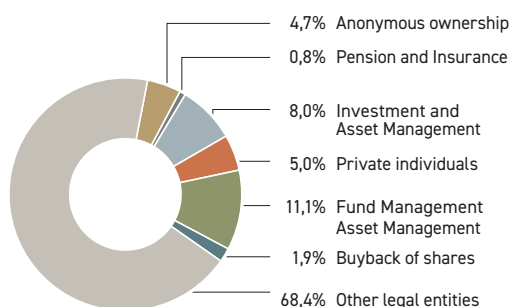
\*\*\* The number of outstanding shares is used to calculate equity per share and includes commitments for consideration shares and bought back shares. The same applies to the calculation of earnings per share, which is based on the average number of shares outstanding.

The number of shares entitled to dividends is 32,165,478 after consideration shares have been settled in 2022 with 425,313 shares before the record date for dividends.

## SHARE PRICE



## SHAREHOLDER DISTRIBUTION



Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen).

# The Board

## DECLARATION

The Board of directors and the President declares that the year-end report provides a fair overview of the parent company's and the Group's operations, position and results and describes significant risks and uncertainties that the parent company and the companies included in the Group face. The report has not been reviewed by the company's auditors.

Gothenburg 11 February 2022

Wästbygg Gruppen AB (publ)

**CECILIA MARLOW**  
Chairman

**JÖRGEN ANDERSSON**  
CEO and board member

**LENNART EKELUND**  
Board member

**CHRISTINA KÄLLENFORS**  
Board member

**JOACIM SJÖBERG**  
Board member

The information is such that the Wästbygg Group (publ) must publish in accordance with the EU Market Abuse Regulation. The information was submitted for publication on 11 February 2021 at 08:00.

This interim report has been published in Swedish and English. In the event of a discrepancy between the language versions, the Swedish version shall prevail.

# Appendix 1

The Wästbygg Group's segment report contains alternative key ratios to describe how the business develops over time and provide an opportunity for a clearer comparison between different periods. These also follows the Group's internal reporting as this is how the board and group management controls and monitors operations. The alternative key figures are a complement to reporting in accordance

with IFRS. The difference between the two ways of reporting is described in Note 2 and concerns how tenant-owner association projects of own development are reported. Below and on the following five pages are the income statement, balance sheet, changes in equity and cash flow analysis according to segment reporting.

<b>CONSOLIDATED INCOME STATEMENT- SEGMENT REPORT, SEK million</b>	<b>Oct-Dec 2021</b>	<b>Oct-Dec 2020</b>	<b>Jan-Dec 2021</b>	<b>Jan-Dec 2020</b>
Revenue	1 271	1 002	3 818	3 801
Costs in production	-1 109	-824	-3 257	-3 281
<b>Gross profit/loss</b>	<b>162</b>	<b>178</b>	<b>561</b>	<b>520</b>
Sales and administration costs	-96	-101	-292	-269
Other operating revenue	3	0	8	4
Other operating costs	0	0	0	-1
<b>Other profit/loss</b>	<b>69</b>	<b>77</b>	<b>277</b>	<b>254</b>
<b>Profit/loss from financial items</b>				
Profit shares from joint venture and associated companies	-3	0	-4	0
Financial revenue	3	3	17	12
Financial costs	-3	-1	-16	-7
<b>Profit after financial items</b>	<b>66</b>	<b>79</b>	<b>274</b>	<b>259</b>
Change in value of real estate	0	3	6	6
<b>Profit before tax</b>	<b>66</b>	<b>82</b>	<b>280</b>	<b>265</b>
Taxes	8	15	10	3
<b>Profit for the period</b>	<b>74</b>	<b>97</b>	<b>290</b>	<b>268</b>
Profit attributable to:				
- the parent company's shareholders	74	97	290	268
- holdings without controlling influence	0	0	0	0
Earnings per share, SEK*	2.26	3.16	8.94	10.75
Number of shares at the end of the period (thousands)	32,591	32,340	32,591	32,340
Average number of shares (thousands)	32,869	30,782	32,474	24,913

\*The company has no options and similar agreements that give rise to a dilution effect, therefore this is not reported separately. The change in the number of shares during the period is attributable to the structure of the acquisition of Rekab Entreprenad AB. No decisions have been taken regarding a new issue or issue of new shares. When all buybacks and transfers of consideration shares have taken place, the number of shares will again correspond to the number of registered shares. See page 28 for further information about the number of shares.

<b>CONSOLIDATED REPORT ON TOTAL PROFIT - SEGMENT REPORT, SEK million</b>	<b>Oct-Dec 2021</b>	<b>Oct-Dec 2020</b>	<b>Jan-Dec 2021</b>	<b>Jan-Dec 2020</b>
Profit for the period	74	97	290	268
<b>Other comprehensive income that can be transferred to the income statement</b>				
Currency difference when translating foreign operations	0	0	2	-2
<b>Total profit for the period</b>	<b>74</b>	<b>97</b>	<b>292</b>	<b>266</b>
Total profit attributable to:				
- the parent company's shareholders	74	97	292	266
- holdings without controlling influence	0	0	0	0

**COMMENTS ON THE INCOME STATEMENT**

**October - December 2021**

Based on the segment reporting, the Wästbygg Group reported strong figures. A strong order intake earlier in the year and a high production rate for projects in progress resulted in revenue of SEK 1,271 million (1,002). Operating profit amounted to SEK 69 million (77), and was impacted by negative profit in Commercial and the write-down of SEK 40 million in Logistics and Industry due to the rise in material costs for the Nobia project.

Profit after tax amounted to SEK 74 million (97), equivalent to earnings per share of SEK 2.26 (3.16). The operating margin was 5.4 percent (7.7).

Both Residential and Logistics and Industry had excellent order intakes in Q4 totalling SEK 2,514 million (1,266). This, in turn, contributed to a record high order backlog of SEK 6,572 million (3,201) as of 31 December. The order backlog was well distributed between the company's three business areas, which provides strong security for the whole organisation in 2022.

**January - December 2021**

Revenues for the full year were on a par with 2020, at SEK 3,818 million (3,801). Volumes were impacted by a lower order intake during parts of 2020, and by the completion of several multi-year projects in spring 2021, while no new projects of an equivalent size arose.

Although volumes did not increase significantly, a stronger operating profit of SEK 277 million (254) was reported. This positive trend is largely ascribable to a very strong year for Residential, characterised by a rise in profitability for projects in progress along with a significant expansion in project development operations in that business area during the year.

Profit after tax amounted to SEK 290 million (268), corresponding to earnings per share of SEK 8.94 (10.75).

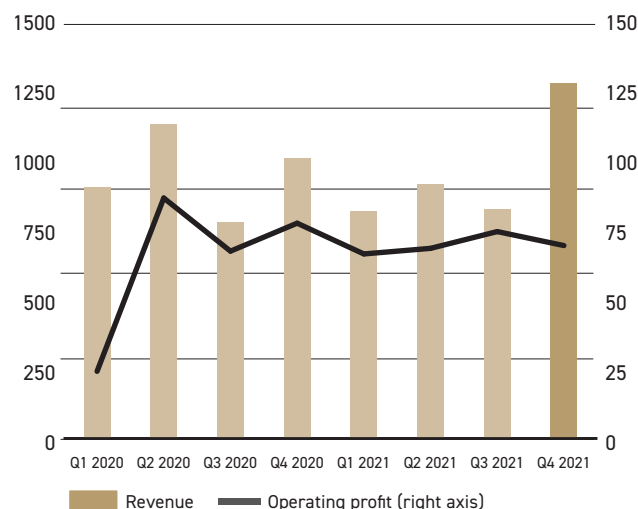
The total order intake was SEK 5,456 million (3,232).

**PERSONNEL**

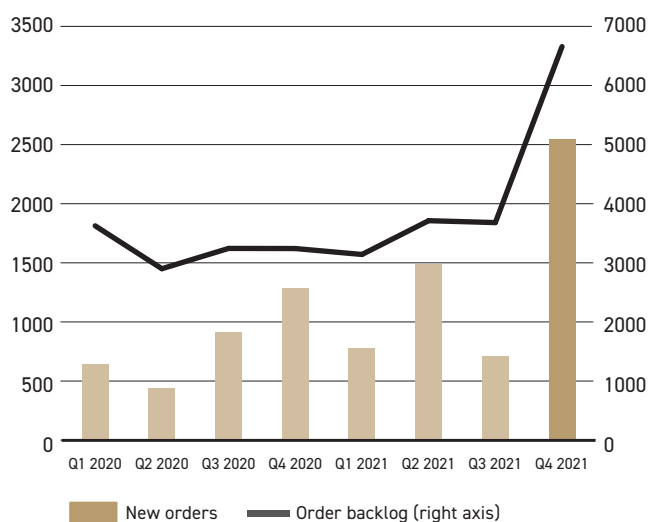
As a result of the acquisition of Rekab Entreprenad, Wästbygg's number of employees rose significantly in Q4. At the end of the year there were 524 employees, compared with 311 at the start of the year. Of these, 179 were employees of Rekab. The rest of the organisation gained 34 employees during the year. Wästbygg's average number of employees in 2021 was 355.

Throughout the COVID-19 pandemic, the group has worked with full staffing, and no redundancies or other reductions have been required.

**REVENUE AND OPERATING PROFIT, SEK million/quarter**



**NEW ORDERS AND ORDER BACKLOG, SEK million/quarter**



<b>CONSOLIDATED BALANCE SHEET - SEGMENT REPORT, SEK million</b>	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
<b>ASSETS</b>		
<b>Fixed assets</b>		
<i>Intangible fixed assets</i>		
Goodwill	428	229
Other intangible fixed assets	36	8
<b>Total</b>	<b>464</b>	<b>237</b>
<i>Tangible fixed assets</i>		
Investment properties	75	59
User rights assets	34	30
Inventory, tools and installations	5	6
<b>Total</b>	<b>114</b>	<b>95</b>
<i>Financial fixed assets</i>		
Shares in joint ventures and associated companies	17	11
Deferred tax receivables	52	38
Non-current financial assets	14	0
<b>Total</b>	<b>83</b>	<b>49</b>
<b>Total fixed assets</b>	<b>661</b>	<b>381</b>
<b>Current assets</b>		
Development properties, etc.	326	75
Accounts receivable	443	506
Accrued but not invoiced	454	282
Tax receivables	16	26
Receivables from group companies	13	12
Other receivables	1,437	797
Prepaid costs and accrued income	25	17
Cash and cash equivalents	851	776
<b>Total current assets</b>	<b>3,565</b>	<b>2,491</b>
<b>TOTAL ASSETS</b>	<b>4,226</b>	<b>2,872</b>



<b>CONSOLIDATED BALANCE SHEET - SEGMENT REPORT, SEK million</b>	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	4	4
Other contributed capital	946	946
Retained earnings	612	431
This year's profit or loss	292	266
Total equity attributable to the company's shareholders	1,854	1,647
Holdings without controlling influence	4	3
<b>Total equity</b>	<b>1,858</b>	<b>1,650</b>
<b>Non-current liabilities</b>		
<i>Non-current interest-bearing liabilities</i>		
Bond loans	492	-
Liabilities to credit institutions	50	0
Debts user rights	18	16
Total	560	16
<i>Non-current non-interest-bearing liabilities</i>		
Deferred tax liabilities	11	3
Other provisions	72	71
Total	83	74
<b>Total non-current liabilities</b>	<b>643</b>	<b>90</b>
<b>Current liabilities</b>		
<i>Current interest-bearing liabilities</i>		
Liabilities to credit institutions	1	0
Debts user rights	18	16
Other liabilities*	230	225
Total	249	241
<i>Current non-interest-bearing liabilities</i>		
Accounts payable	470	244
Advance from customer	433	379
Tax liabilities	3	2
Other liabilities*	96	137
Accrued expenses and prepaid income	474	129
Total	1,476	891
<b>Total current liabilities</b>	<b>1,725</b>	<b>1,132</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,226</b>	<b>2,872</b>
<b>INTEREST-BEARING NET CASH / NET DEBT</b>		
Interest-bearing assets	1,603	1,135
Interest-bearing liabilities	809	258
Interest-bearing net cash/net debt	794	877

\* A reclassification has been made of Other liabilities, see accounting principles on page 22.

<b>CHANGES IN THE GROUP'S EQUITY IN SUMMARY - SEGMENT REPORT, SEK million</b>	<b>Jan-Dec 2021</b>	<b>Jan-Dec 2020</b>
<b>Equity attributable to the parent company's owners</b>		
Amount at the beginning of the period	1,647	592
New issue of shares	-	901
Transaction costs new issue of shares	-	-37
Commitment consideration shares (business acquisition)	83	-
Buyback of shares	-61	-
Dividend	-107	-75
Comprehensive income for the period	292	266
Amount at the end of the period	1,854	1,647
<b>Holdings without controlling influence</b>		
Amount at the beginning of the period	3	3
Total profit/loss for the period	0	0
Amount at the end of the period	4	3
<b>TOTAL EQUITY</b>	<b>1,858</b>	<b>1,650</b>

## COMMENTS ON THE BALANCE SHEET AND EQUITY

The Wästbygg Group has a strong cash position resulting from the new share issue and listing on Nasdaq Stockholm in 2020, and has enjoyed a positive earnings trend for several years. In addition, the company has handed over six self-developed projects this year: three in Residential, one in Commercial and two in Logistics and Industry. In addition, the project development operations were expanded with several new projects during the year, primarily in Residential. At year end, decisions were taken to start construction on further projects. Investments were made in both land and building rights during the year.

The acquisition of Rekab Entreprenad was completed at the end of October. The purchase is to be paid, in part, through consideration shares of a total of 850,626 shares, which corresponds to SEK 83 million. Of these 600,000, which corresponds to SEK 61 million, had been bought back as of the balance sheet date. For more information, see note 8 on page 25.

On 23 November, Wästbygg issued senior unsecured green bonds of SEK 500 million under a framework totalling SEK 800 million, which are recognised under Bond loans. The bonds mature in November 2024 and are subject to a variable interest rate of 3 months STIBOR plus 450 basis points. The first trading day on Nasdaq Stockholm was 23 December. All the terms and conditions of the issue are in the prospectus, which is available for download at [www.wastbygg.se](http://www.wastbygg.se).

Equity per share amounted to SEK 56.87 (50.92) at the end of the period.

The Group reported interest-bearing net cash of SEK 794 million (877) at the end of the year.

The Other receivables item includes an acquisition of building rights in Täby, the purchase consideration for a non-consolidated project property in Borås acquired at the start of the year, and claims related to unconsolidated project properties. The Development properties item includes a land acquisition of logistics and industrial land in Enköping for SEK 165 million, which was carried out during the second quarter.

The equity ratio at the end of the period was 44 percent (57). The company has a strong equity ratio as a result of the new share issue in 2020 and a positive earnings trend this year. However, it was lower than on 31 December 2020 because of an increased debt ratio associated with the issue of the green bonds as well as investments in new development projects.

The Annual General Meeting of 6 May adopted a dividend of SEK 3.30 per share, SEK 107 million in total, which was paid out on 14 May.

<b>GROUP CASH FLOW STATEMENT - SEGMENT REPORT, SEK million</b>	<b>Oct-Dec 2021</b>	<b>Oct-Dec 2020</b>	<b>Jan-Dec 2021</b>	<b>Jan-Dec 2020</b>
<b>Day-to-day operations</b>				
Profit/loss before financial items	69	77	277	254
Adjustment for items not included in cash flow	2	36	20	56
Received interest	3	3	17	12
Paid interest	-3	-1	-16	-7
Paid tax	14	-1	10	-16
<b>Cash flow from operating activities before changes in working capital</b>	<b>86</b>	<b>114</b>	<b>308</b>	<b>299</b>
<b>Cash flow from changes in working capital</b>				
Increase (-)/decrease (+) of accounts receivable	-8	-188	165	-144
Increase (-)/decrease (+) of other operating receivables	-570	-238	-988	-286
Increase (+)/decrease (-) of accounts payable	79	-83	123	-245
Increase (+)/decrease (-) of operating liabilities	201	298	255	281
<b>Cash flow from the day-to-day operations</b>	<b>-212</b>	<b>-97</b>	<b>-137</b>	<b>-95</b>
<b>Investment activities</b>				
Investments in businesses, including additional purchase sums	-129	0	-129	0
Acquisitions of intangible fixed assets	-2	-1	-4	-3
Investments in investment properties	-1	-13	-10	-53
Acquisitions of other tangible fixed assets	-13	-1	-23	-4
<b>Cash flow from investing activities</b>	<b>-145</b>	<b>-15</b>	<b>-166</b>	<b>-60</b>
<b>Financing activities</b>				
New issue of shares	-	901	-	901
Transaction costs new issue of shares	-	-37	-	-37
Buyback of shares	-61	-	-61	-
Paid dividend	-	-	-107	-75
Amortisation of loan liabilities	4	-49	0	-135
Raised loan liabilities	3	-	52	-
Bond loan	492	-	492	-
<b>Cash flow from financing activities</b>	<b>438</b>	<b>815</b>	<b>376</b>	<b>654</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>81</b>	<b>703</b>	<b>73</b>	<b>499</b>
Cash and cash equivalents at the start of the period	770	76	776	285
Exchange rate difference in cash and cash equivalents	0	-3	2	-8
<b>Cash and cash equivalents at the end of the period</b>	<b>851</b>	<b>776</b>	<b>851</b>	<b>776</b>

## COMMENTS ON CASH FLOW

Variations in cash flow from one period to another are a natural consequence of the number of development projects in progress and the number of projects sold. A negative cash flow from current operations during certain periods is completely in line with the company's strategy to increase the proportion of development projects. Raised loans also vary as self-developed tenant-ownership projects start construction or are completed.

### October–December 2021

Total cash flow during the fourth quarter amounted to SEK 81 million (703), divided into current operations SEK -212 million (-97), investment operations SEK -145 million (-15) and financing operations SEK 438 million (815). Cash flow was affected during the quarter by two extraordinary items: the acquisition of Rekab (investment operations) and the issue of green bonds (financing operations).

### January–December 2021

Total cash flow for the full financial year amounted to SEK 73 million (499), divided into current operations SEK -137 million (-95), investment operations SEK -166 million (-60) and financing operations SEK 376 million (654).

In addition to what has already been reported for Q4, six self-developed projects have been handed over this year, of which five have been settled, with a positive effect on cash flow from current operations. Cash flow was also affected by acquisitions during the year including building rights in Täby, logistics land in Enköping and a project property in Borås.

The company is currently in an investment phase, and cash will continue to be used for new development projects going forward. To create even better conditions for this important strategic development, the company issued green bonds in Q4.

Cash flow from financing operations includes an agreed dividend of SEK 107 million.

## CALENDAR

---

Annual report 2021 .....	March 2022
Interim report January – March.....	5 May 2022
Annual General Meeting.....	5 May 2022
Interim report January – June .....	23 August 2022
Interim report January – September.....	8 November 2022
Year-end report 2022 .....	9 February 2023

## CONTACTS

---

For further information, please contact:

Jörgen Andersson, CEO  
Phone +46 703 23 32 02, email [jorgen.andersson@wastbygg.se](mailto:jorgen.andersson@wastbygg.se)

Jonas Jönehall, CFO and Vice President  
Phone +46 739 20 19 01, email [jonas.jonehall@wastbygg.se](mailto:jonas.jonehall@wastbygg.se)

Marie Lindebäck, Head of IR and Deputy Head of Sustainability  
Phone +46 734 67 20 12, email [marie.lindeback@wastbygg.se](mailto:marie.lindeback@wastbygg.se)

# WÄSTBYGG

Wästbygg Gruppen AB (publ) • Sofierogatan 3B • 412 51 Göteborg • Sweden  
Company registration number 556878-5538  
Phone +46 31 733 23 00  
[www.wastbygg.se](http://www.wastbygg.se) • [info@wastbygg.se](mailto:info@wastbygg.se)  
Registered Office: Gothenburg