

Alternative performance measures and financial definitions

Alternative performance measures are used to describe the development of operations and to enhance comparability between periods. These are not defined under IFRS but correspond to the methods applied by executive management and Board of Directors to measure the company's financial performance. Alternative performance measures should not be viewed as a substitute for financial information presented in accordance with IFRS but rather as a complement.

The difference between segment reporting and reporting according to IFRS is described in more detail in note 1, note 2 and note 5 in the Annual Report 2020. The difference primarily consists of differences in accounting principles for our own housing development projects where revenue and profit are recognized over time in segment reporting and at one point in time, when homebuyers take over their homes, in reporting according to IFRS. In segment reporting leasing fees for the lessee are recognized linearly over the leasing period for leases that are classified by the counterparty (the lessor) as operational leases. IFRS 16 Leases is applied in Group reporting according to IFRS, which entails that lessees recognize depreciation and interest attributable to leasing assets and liabilities. As a result the difference between segment reporting and reporting according to IFRS even affects the items on the balance sheet, including net debt. Nonetheless, in the key ratios below the method of calculation is the same for both segment reporting and reporting according to IFRS.

Definition and motivation of use	Calculation at year-end report January-December 2021	
<p>Available liquidity Liquid funds and short-term investments along with unutilized credit facilities, not including unutilized project financing. Shows the Group's available liquidity.</p>	<p>Reporting according to IFRS</p>	<p>MSEK</p>
	<p>Liquid funds 2,951 Unutilized credit facilities 7,639 <hr/>Available liquidity 10,590</p>	
<p>Equity per share Equity attributable to shareholders in parent company divided by the number of outstanding shares at the end of the period. Shows equity per share.</p>	<p>Reporting according to IFRS</p>	
	<p>Equity, MSEK 13,682 Less equity attributable to non-controlling interests, MSEK -1 <hr/>Equity attributable to shareholders in parent company, MSEK 13,681 Number of outstanding shares at the end of the period 294,962,746 Equity per share, SEK 46.38</p> <p>Segment reporting</p>	
	<p>Equity, MSEK 14,656 Less equity attributable to non-controlling interests, MSEK -1 <hr/>Equity attributable to shareholders in parent company, MSEK 14,655 Number of outstanding shares at the end of the period 294,962,746 Equity per share, SEK 49.68</p>	
<p>Cash flow per share Cash flow per share calculated as the total of the cash flow from current operations and cash flow from investment operations divided by the average number of outstanding shares during the period. Shows cash flow per share.</p>	<p>Reporting according to IFRS</p>	
	<p>Cash flow from current operations, MSEK 2,818 Cash flow from investment operations, MSEK -1,766 <hr/>Total cash flow before financing, MSEK 1,052 Average number of outstanding shares 294,962,746 Cash flow per share, SEK 3.57</p> <p>Segment reporting</p>	
	<p>Cash flow from current operations, MSEK 4,807 Cash flow from investment operations, MSEK -1,766 <hr/>Total cash flow before financing, MSEK 3,041 Average number of outstanding shares 294,962,746 Cash flow per share, SEK 10.31</p>	

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<p>Net investments Change in the period of the reported value of current assets (CB-OB) plus depreciation and write-downs. Shows how large investments are.</p>																																																																						
<p>Net debt Interest-bearing liabilities including provisions for pensions less liquid funds and interest-bearing assets. Shows financial position.</p>	<table> <tr> <td colspan="2">Reporting according to IFRS</td> <td>MSEK</td> </tr> <tr> <td>Interest-bearing long-term liabilities</td> <td></td> <td>5,281</td> </tr> <tr> <td>Interest-bearing long-term liabilities, project financing</td> <td></td> <td>346</td> </tr> <tr> <td>Interest-bearing current liabilities</td> <td></td> <td>2,386</td> </tr> <tr> <td>Interest-bearing current liabilities, project financing</td> <td></td> <td>7,003</td> </tr> <tr> <td>- Interest-bearing long-term receivables</td> <td></td> <td>-1,208</td> </tr> <tr> <td>- Interest-bearing current receivables</td> <td></td> <td>-342</td> </tr> <tr> <td>- Liquid funds</td> <td></td> <td>-2,951</td> </tr> <tr> <td>Net debt</td> <td></td> <td>10,515</td> </tr> <tr> <td colspan="2">Segment reporting</td> <td>MSEK</td> </tr> <tr> <td>Interest-bearing long-term liabilities</td> <td></td> <td>3,865</td> </tr> <tr> <td>Interest-bearing long-term liabilities, project financing</td> <td></td> <td>-</td> </tr> <tr> <td>Interest-bearing current liabilities</td> <td></td> <td>2,063</td> </tr> <tr> <td>Interest-bearing current liabilities, project financing</td> <td></td> <td>977</td> </tr> <tr> <td>- Interest-bearing long-term receivables</td> <td></td> <td>-1,208</td> </tr> <tr> <td>- Interest-bearing current receivables</td> <td></td> <td>-342</td> </tr> <tr> <td>- Liquid funds</td> <td></td> <td>-2,951</td> </tr> <tr> <td>Net debt</td> <td></td> <td>2,404</td> </tr> <tr> <td colspan="2">Reconciliation between IFRS and segment reporting</td> <td></td> </tr> <tr> <td>Net debt according to IFRS</td> <td></td> <td>10,515</td> </tr> <tr> <td>Additional IFRS 16 Leases</td> <td></td> <td>-1,720</td> </tr> <tr> <td>Project financing, sold part of housing projects</td> <td></td> <td>-6,391</td> </tr> <tr> <td>Net debt according to segment reporting</td> <td></td> <td>2,404</td> </tr> </table>	Reporting according to IFRS		MSEK	Interest-bearing long-term liabilities		5,281	Interest-bearing long-term liabilities, project financing		346	Interest-bearing current liabilities		2,386	Interest-bearing current liabilities, project financing		7,003	- Interest-bearing long-term receivables		-1,208	- Interest-bearing current receivables		-342	- Liquid funds		-2,951	Net debt		10,515	Segment reporting		MSEK	Interest-bearing long-term liabilities		3,865	Interest-bearing long-term liabilities, project financing		-	Interest-bearing current liabilities		2,063	Interest-bearing current liabilities, project financing		977	- Interest-bearing long-term receivables		-1,208	- Interest-bearing current receivables		-342	- Liquid funds		-2,951	Net debt		2,404	Reconciliation between IFRS and segment reporting			Net debt according to IFRS		10,515	Additional IFRS 16 Leases		-1,720	Project financing, sold part of housing projects		-6,391	Net debt according to segment reporting		2,404
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<p>Orders received The sum of orders received during the period. Measures how new orders replace produced work. In our own developed housing projects tenant-owned housing associations/residential limited companies are considered external customers.</p>																																																																						
<p>Order backlog The value at the end of the period of the remaining income in ongoing production plus orders received yet to be produced. Order backlog is based on segment reporting. Shows how much will be produced in the future.</p>																																																																						

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<p>Return on equity Profit of the rolling 12 month period attributable to shareholders in the parent company divided by the average (last four quarters) equity attributable to shareholders in the parent company. The measurement is used to create an efficient business and a rational capital structure and to show the yield on the shareholder's equity.</p>	<p>Reporting according to IFRS</p> <table> <tr> <td>Profit for the period, MSEK</td> <td></td> <td>2,377</td> </tr> <tr> <td>Average equity, MSEK</td> <td></td> <td></td> </tr> <tr> <td>Q4 2021</td> <td>13,681</td> <td></td> </tr> <tr> <td>Q3 2021</td> <td>12,499</td> <td></td> </tr> <tr> <td>Q2 2021</td> <td>11,693</td> <td></td> </tr> <tr> <td>Q1 2021</td> <td>12,516</td> <td></td> </tr> <tr> <td></td> <td>50,389 / 4</td> <td>12,597</td> </tr> <tr> <td>Return on equity, %</td> <td></td> <td>18.9</td> </tr> </table> <p>Segment reporting</p> <table> <tr> <td>Profit for the period, MSEK</td> <td></td> <td>2,507</td> </tr> <tr> <td>Average equity, MSEK</td> <td></td> <td></td> </tr> <tr> <td>Q4 2021</td> <td>14,655</td> <td></td> </tr> <tr> <td>Q3 2021</td> <td>13,555</td> <td></td> </tr> <tr> <td>Q2 2021</td> <td>12,653</td> <td></td> </tr> <tr> <td>Q1 2021</td> <td>13,407</td> <td></td> </tr> <tr> <td></td> <td>54,270 / 4</td> <td>13,568</td> </tr> <tr> <td>Return on equity, %</td> <td></td> <td>18.5</td> </tr> </table>	Profit for the period, MSEK		2,377	Average equity, MSEK			Q4 2021	13,681		Q3 2021	12,499		Q2 2021	11,693		Q1 2021	12,516			50,389 / 4	12,597	Return on equity, %		18.9	Profit for the period, MSEK		2,507	Average equity, MSEK			Q4 2021	14,655		Q3 2021	13,555		Q2 2021	12,653		Q1 2021	13,407			54,270 / 4	13,568	Return on equity, %		18.5
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<p>Return on capital employed Pre-tax profit of the rolling 12 month period with the addition of financial expenses in percent of the average (last four quarters) capital employed. The measurement is used to measure capital efficiency and to allocate capital for new investments and show the Group's earning capacity independent of financing.</p>	<p>Reporting according to IFRS</p> <table border="0"> <tr><td>Pre-tax profit, MSEK</td><td>2,902</td></tr> <tr><td>Financial expenses, MSEK</td><td>167</td></tr> <tr><td>Total profit, MSEK</td><td>3,069</td></tr> <tr><td>Average capital employed, MSEK</td><td></td></tr> <tr><td>Q4 2021</td><td>28,698</td></tr> <tr><td>Q3 2021</td><td>26,840</td></tr> <tr><td>Q2 2021</td><td>25,849</td></tr> <tr><td>Q1 2021</td><td>25,019</td></tr> <tr><td></td><td>106,406 / 4</td></tr> <tr><td>Return on capital employed, %</td><td>11.5</td></tr> </table> <p>Segment reporting</p> <table border="0"> <tr><td>Pre-tax profit, MSEK</td><td>3,076</td></tr> <tr><td>Financial expenses, MSEK</td><td>116</td></tr> <tr><td>Total profit, MSEK</td><td>3,192</td></tr> <tr><td>Average capital employed, MSEK</td><td></td></tr> <tr><td>Q4 2021</td><td>21,561</td></tr> <tr><td>Q3 2021</td><td>20,691</td></tr> <tr><td>Q2 2021</td><td>19,867</td></tr> <tr><td>Q1 2021</td><td>19,659</td></tr> <tr><td></td><td>81,778 / 4</td></tr> <tr><td>Return on capital employed, %</td><td>15.6</td></tr> </table>	Pre-tax profit, MSEK	2,902	Financial expenses, MSEK	167	Total profit, MSEK	3,069	Average capital employed, MSEK		Q4 2021	28,698	Q3 2021	26,840	Q2 2021	25,849	Q1 2021	25,019		106,406 / 4	Return on capital employed, %	11.5	Pre-tax profit, MSEK	3,076	Financial expenses, MSEK	116	Total profit, MSEK	3,192	Average capital employed, MSEK		Q4 2021	21,561	Q3 2021	20,691	Q2 2021	19,867	Q1 2021	19,659		81,778 / 4	Return on capital employed, %	15.6
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