

**HOLMSTRÖM
GRUPPEN**

ANNUAL REPORT
2021





When I look back on the 2021 financial year, I can state that Holmströmgruppen has seen its best results ever. We have also significantly improved the equity/assets ratio, putting us in a secure position for the continued expansion we are planning over the coming years.

– FREDRIK HOLMSTRÖM
CHAIRMAN OF THE BOARD

2021 IN BRIEF

Ankarhagen takes its place in the portfolio

Holmströmgruppen and Areim acquired shares corresponding to 20% each in the property company Ankarhagen. Ankarhagen primarily invests in commercial properties in Mälardalen and Central Sweden focusing mainly on warehouses, light industry and business premises close to the city.



Leif Andersson, chairman of Areim with Fredrik Holmström, chairman of Holmströmgruppen.

Bonds issued for SEK 500 million

Holmström Fastigheter Holding AB (publ), a wholly-owned subsidiary of Holmströmgruppen, issued senior unsecured bonds of SEK 500 million under a total framework of SEK 750 million. The bonds are listed for trading on the Nasdaq Stockholm bond list.



Magnolia Bostad bought out of the stock exchange

In July 2021, Holmströmgruppen and Areim announced a cash offer to Magnolia Bostad's shareholders to transfer their shares in Magnolia Bostad to Holmströmgruppen's associated company HAM Nordic AB. In September, the process was completed and Magnolia Bostad was delisted from Nasdaq Stockholm.

New private equity investments

In 2021, four new holdings were added to Holmström Private Equity's portfolio. The new companies are Centripetal, Vivium, Chaintraced and Novedo. Read more about Holmström Private Equity and the new acquisitions on pages 54 to 65.

Eleven new properties acquired in Kalmar

In 2021 Holmström Fastigheter signed an agreement to acquire eleven additional properties in Kalmar, totalling around 9,500 m² GLA. The acquisition includes two community service properties and one newly constructed row of terraced houses.

KPIS, HOLMSTRÖMGRUPPEN	2021	2020
Profit after financial items, SEK m	2,131	1,085
Balance sheet total, SEK m	7,060	8,799
Return on equity,%	58	40
Return on capital employed,%	35	19
Return on total capital,%	29	17
Liquid ratio,%	484	162
Equity/assets ratio,%	60	36

CONTENTS

This Annual Report is a translation of the original audited Swedish Annual Report, which prevails in the event of discrepancies between this translation and the Swedish original.



New asset management assignments

In 2021, Holmströmgruppen received four new asset management assignments:

- New construction in Luleå, 117 apartments and a commercial premises.
- Örebro, 182 apartments
- Upplands-Bro, 112 apartments
- Management assignment in Eskilstuna, 116 apartments

In 2020, a management and rental agreement was signed for a residential property in production in Östersund. In November 2021, all 216 apartments were rented out.

Green financing framework

Brunswick Real Estate Capital and Holmström Fastigheter have developed a green, social business plan for the property portfolio. The plan includes a model to measure and monitor social improvement. The current loan is of SEK 600 million directed to Holmström Fastigheter's portfolio of 39 properties in the Kalmar Region.

ANNUAL REPORT 2021

This is Holmströmgruppen	4
A word from the CEO	8
Financial targets and strategy	10
Geographical spread	12
Executive management	14
Sustainability	16
A word from the Chairman	18
Holmström Fastigheter	20
Property management	22
Stockholm	26
Greater Stockholm	28
Linköping	30
Kalmar	32
Örnsköldsvik	34
Borgholm	36
Other locations	37
Other property holdings	38
Vincero Fastigheter	40
Ankarhagen	44
Project development	46
Projects and properties	50
Selected projects	52
Holmström Private Equity	54
Novedo	58
Centripetal	59
Dentalum	60
Sdiptech	61
Hidden Dreams	62
Stureplansgruppen	63
Sachajuan	64
Other holdings	65

FINANCIAL INFO AND ACCOUNTS

Board of Directors' Report	66
Consolidated income statement	68
Consolidated balance sheet	70
Changes in group equity	71
Consolidated cash flow statement	73
Parent company income statement	74
Parent company balance sheet	75
Changes in parent company equity	76
Parent company cash flow statement	77
Additional information	78
Auditors' Report	79

Holmströmgruppen's legal annual report, which contains the Directors' report and financial reports, can be found on pages 66–96.

THIS IS HOLMSTRÖM-GRUPPEN

Holmströmgruppen's operations are divided into three areas: ownership and management of properties, project development in the property sector and holdings of private equity companies.

Holmströmgruppen is in a strong financial position and thus has a good opportunity to be able to take initiatives and expand in all its business areas when suitable investment opportunities arise regardless of the economic situation.

HOLMSTRÖM FASTIGHETER

Holmströmgruppen has brought together the Group's directly owned properties, other property holdings and management operations in the subsidiary Holmström Fastigheter.

Property management

Holmström Fastigheter manages both its own and external properties, currently around 200,000 m², of which 71% consists of residential, 25% of commercial premises and 4% of community service properties.

Directly owned properties

Holmström Fastigheter's own property portfolio consists of 70 properties. These are located in Stockholm, Greater Stockholm, Linköping, Kalmar, Borgholm, Örnköldsvik and Norrköping and consist of around 108,000 m², of which 75% is residential property, 17% commercial premises and 8% community service properties.

Other property holdings

Holmström Fastigheter owns 50% of Vincero VF5 ("Vincero Fastigheter"), which owns and manages 26 commercial properties consisting of around 54,900 m² with good transport links, in Stockholm and Uppsala.

Holmströmgruppen also owns 20% of the property company Ankarhagen, which owns, manages

and renovates commercial properties in warehouses and light industry in growth regions in Central Sweden. Ankarhagen currently owns 32 properties with around 437,000 m² with zoning plans in place.

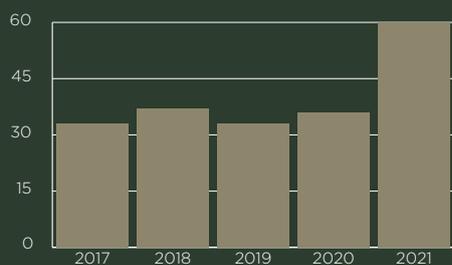
PROJECT DEVELOPMENT

Project development takes place through the associated company Magnolia Bostad, an urban developer that creates new neighbourhoods and residential areas. The company develops rental and tenant-owned apartments, community service properties and hotels in Sweden's growth areas and metropolitan cities, partly for sale and partly for self-management. At the end of 2021, the company had just over 20,000 building rights in its building rights portfolio, and during the year more than 1,000 residential units were completed. Holmströmgruppen's ownership share in Magnolia Bostad is 56%.

HOLMSTRÖM PRIVATE EQUITY

Part of the positive cash flow generated from property operations is used to make investments in private equity. The portfolio consists of holdings in small or mid-sized companies with good conditions for growth.

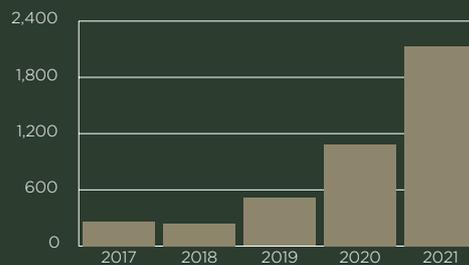
Holmströmgruppen works professionally with risk-adapted return requirements on their investments. Furthermore, the company must be active and responsible in its ownership role, providing knowledge and contributing to an increase in value. Thanks to a committed and experienced organization and the significant contact network that exists around the company, the expertise required by the business model has been acquired.



EQUITY/ASSETS RATIO, %

60

(2020: 36)



PROFIT AFTER NET FINANCIAL ITEMS
SEK M

2,131

(2020: 1,085)



HOLMSTRÖM FASTIGHETER

200,000 m² managed area

PROJECT DEVELOPMENT

20,000 estimated building rights in Magnolia Bostad

HOLMSTRÖM PRIVATE EQUITY

Active owner of twelve private equity companies



Johan Kjerr, Property Manager, and Felicia Björkqvist, EA to the CEO.



Elisabeth Kihlgren, Property Manager Assistant, and Denis Trifunovic, Property Manager.



Fredrik Tibell, Advisory Board.



Olivia Henåker (Communications Manager) Erik Rune (CEO), Johan Tärnell (Accountant) and Marija Nikolic (Head of Property and Sustainability Management).



Christian Fredefors and Olivia Henåker work as CFO and Communications Manager respectively.



Katarina Strömberg, Head of Finance.



Åsa Sjöblom, Finance Assistant.



Max Melin, Business Developer.

CONTINUED SUCCESS IN ALL AREAS

When I wrote my CEO's statement last year, I was delighted to be able to present Holmströmgruppen's best results ever. I can now state that we are once again reporting record figures. Success in all parts of the Group lies behind this fine performance.

The profit after net financial items amounted to SEK 2,131 million, an increase of 96% compared with 2020. Holmström Fastigheter, Project Development and Holmström Private Equity have all contributed to this excellent result.

HOLMSTRÖM FASTIGHETER

Our directly owned properties and property management are the basis of our business. During the year, we won a number of new management assignments and expanded our portfolio of directly owned properties with eleven new properties in Kalmar and one in Norrköping. Property management currently consists of 97 properties, of which 70 are directly owned. Good additional acquisitions during the year, investments in existing portfolios and continued favourable market conditions have contributed to good value growth for our portfolio of directly owned properties.

Holmströmgruppen also owns 50% of Vincero Fastigheter, which invests in commercial properties with good transport links, in Greater Stockholm and Uppsala. The intention is to develop building rights for housing in these properties. In 2021, the plan started in the company's Sjödalen project in Huddinge, where the construction of around 2,000 residential units is planned. Vincero Fastigheter has decided to develop most of the properties for self-management, paving the way for good future value growth.

PROJECT DEVELOPMENT

Last summer, together with Areim, we announced an offer to the shareholders of Magnolia Bostad to transfer their shares in the company to us. In September, the process was completed and Magnolia Bostad was delisted from Nasdaq Stockholm.

We intend to develop Magnolia Bostad in the long term in a private environment and Areim plans to contribute SEK 2 billion of financing to the company in the coming years, which will support Magnolia Bostad's strategy to develop properties for self-management.

HOLMSTRÖM PRIVATE EQUITY

Holmström Private Equity has developed well during the year and will become an increasingly important part of the Group's operations with asset values of around SEK 1 billion. Major investments were made during the year in Novedo and Centripetal, both of which have contributed with positive value growth.

SUSTAINABILITY

Holmström Fastigheter puts sustainability issues high on the agenda. For example, we continuously invest in energy-saving measures and offer our tenants security packages that include, among other things, installation of security doors, access control systems, LED lighting and improvement of common areas.



During the year, we also developed a social, green business plan together with the lender Brunswick. The business plan, which is based on local conditions and development opportunities, includes a model for metrics and monitoring social improvement. The current loan is of SEK 600 million directed to Holmström Fastigheter's portfolio of 39 properties in the Kalmar Region.

THE FUTURE

Holmströmgruppen believes in a long-term perspective, and we strive to establish collaborations with strong partners. Our collaboration with Areim regarding Magnolia Bostad is one example. At the start of 2022, we announced another, this time with Slättö, where we will together own and develop Klippudden Fastigheter, a company within Holmström Fastigheter. We intend to expand the company over time to a property portfolio of

SEK 10 billion, where Slättö will contribute the majority of the financing for the expansion.

At the time of writing, war is raging in Ukraine. This is a terrible humanitarian disaster, and we feel for those affected. The war is an example of the uncertainties of the world around us. We are following developments and planning for flexibility while continuing to work on our mission.

I would like to thank our employees, the Board and our partners for good collaboration in 2021, and I look forward to continuing our journey in 2022.

Stockholm, May 2022

Erik Rune
CEO

FINANCIAL TARGETS

Holmströmgruppen's business concept is to be a committed and active property owner in selected markets. The company must also be active in property development and selectively invest in companies when the right business opportunities arise to achieve risk diversification. Added value is created through actively and responsibly carrying out the ownership role.

RETURN ON EQUITY

> 15%

The Group's return on equity in 2021 was just over 58%. The average return over the past five years has been just over 30%, which exceeds the annual target of 15%.

Over the past five years, equity, excluding minority shares, has grown by an average of 36% annually.

EQUITY/ASSETS RATIO

> 30%

At the end of 2021, the equity/assets ratio was 60%. On average over the past five years, the equity/assets ratio has been 39.8%.



INVESTMENT STRATEGY
HOLMSTRÖM FASTIGHETER

Direct property investments:

- Mainly residential property
- Presence in a few markets to ensure efficient management and the right market expertise
- Purchases and sales are preceded by an analysis in which risks are weighed against the development potential of the properties
- Other property investments
- Investment intervals should normally be SEK 50-250 million
- Active ownership and long-term perspective



INVESTMENT STRATEGY
PROJECT DEVELOPMENT

- Properties are developed for sale as residential units, community service properties or hotels based on current market conditions and each property's individual potential and characteristics
- Projects are also developed for self-management with the aim of strengthening the balance sheet, generating continuous cash flow and creating long-term value growth.
- Collaboration with strong, long-term partners



INVESTMENT STRATEGY
HOLMSTRÖM PRIVATE EQUITY

- Investment intervals should normally be SEK 25-75 million
- Investments can be made in growth companies
- An annual assessment is made of whether the investment meets Holmströmgruppen's return requirements



Holmströmgruppen is represented in many areas around Sweden through property holdings and development projects and through its subsidiary Holmström Fastigheter and associated companies Magnolia Bostad and Vincero Fastigheter.

- Holmström Fastigheter
- Vincero Fastigheter
- Magnolia Bostad (Project Development)



Magnolia Bostad's Strandblick project in Östersund.



Fajansen 11, Stockholm



Plommonträdet 6, Kalmar.

EXECUTIVE MANAGEMENT

At the end of 2021, Holmströmgruppen's management team consisted of CEO Erik Rune, Head of Finance Katarina Strömberg, Head of Business Development Gustav Carp and Head of Property and Sustainability Marija Nikolic. In early 2022, Gustav Carp left his position and Christian Fredefors took the post of CFO of the company.



Erik Rune

CEO (since 2020)

Working for the Group since 2015

Born: 1973

Most recently deputy CEO and COO of Magnolia Bostad. Previously CFO of CBRE Global Investors and CEO of London and Regional Properties' Nordic operations. Has also worked in property finance at Eurohypo and SEB and property consulting at SEB Enskilda.

Master in Business Administration from the Stockholm School of Economics.



Christian Fredefors

CFO

Working for the Group since 2022

Born: 1984

Most recently Investment Manager at Brunswick Real Estate Debt. Previously worked with financing and transactions at Hemfosa Fastigheter, and financing and analysis at Swedbank and SBAB.

MSc in Economics from the Swedish University of Agricultural Sciences in Uppsala.



Katarina Strömberg

Head of Finance

Working for the Group since 2019

Born: 1970

Most recently CFO at JLL, previously Nordic CFO at SIX Financial Information.

MSc in Economics from Uppsala University.



Holmströmgruppen's executive management with Chairman of the Board Fredrik Holmström (left).



Marija Nikolic
 Head of Property and Sustainability
 Management
 Working for the Group since 2019
 Born: 1971

Most recently Head of Property at HEBA
 Fastighets AB (publ), previously Head of
 Property at Savills.

Studied Property at Stockholm Univer-
 sity.



Gustav Carp
 Head of Business Development
 Working for the Group since 2006
 Born: 1984

In February 2022, Gustav Carp left his
 position at Holmström Fastigheter for
 a new position as CEO of Klippudden
 Fastigheter, an associated company of
 Holmström Fastigheter.

SUSTAINABILITY

We pay attention to the environment and people, and take responsibility for future generations. We are convinced that a healthy approach to sustainability issues brings great benefits for us as a company, for our employees and for the outside world as a whole. For us, sustainability is about understanding our role in society and acting responsibly in our business areas.



ENVIRONMENT AND CLIMATE

Together with Brunswick Real Estate (“Brunswick”), which is one of the Nordic region’s leading investors in the Nordic property market, Holmströmgruppen established a framework for allocating capital to sustainable investments in 2021. This has resulted in sustainable activities to be implemented with a focus on social responsibility and the environment and climate. We use digital solutions to measure and control the indoor climate and to map and assess physical climate risks. Temperature sensors in our apartments allow us to improve comfort for our tenants and ensure that energy is used only to the necessary extent.

Through framework agreements, we set sustainability requirements for our suppliers, with annual monitoring.

In September 2015, world leaders adopted a new development agenda and global goals for sustainable development. The 2030 Agenda consists of 17 global sustainable development goals that aim to eradicate poverty, halt climate change and create peaceful and secure societies.

At Holmströmgruppen, we have chosen to prioritise three global goals from the UN’s 2030 Agenda. The goals and areas we are focusing on in our sustainability work are good health and well-being, affordable energy for everyone, and sustainable cities and communities.

► EVENTS IN 2021

- Employees receive sustainability training/certification.
- Purchase of environmentally friendly company cars encouraged.
- Continued installation of indoor temperature sensors in our buildings to save energy and improve comfort for our residents.
- Introduced digital indoor temperature control
- Continued investment in and installation of energy-efficient white goods in our homes.
- Continued investment in measures in our Security Package, such as security doors, LED lighting and access control systems. These measures in turn lead to security certification.
- Signed a cooperation agreement with the Her House foundation, where we offer apartments to vulnerable women in cooperation with women’s shelters.

“We will create long-term value and nurture and enhance this in our day-to-day operations,” says Marija Nikolic, Head of Property and Sustainability at Holmströmgruppen. “Our property investments and decisions must include a sustainability perspective. For example, we are actively working on energy optimization and heat recovery in our buildings.”

“We see it as a matter of course to take responsibility for our climate and environmental footprint, and want to enable more sustainable lives for everyone living in and around our buildings.”



Marija Nikolic, Head of Property and Sustainability, with Pontus Sundin, CEO of Brunswick Real Estate Capital.

SOCIAL RESPONSIBILITY

“Our employees’ expertise and well-being are important for us to be a sustainable and successful company in the long term,” says Marija. “It’s important to take care of our staff if we want to be a successful company. If we have healthy people who are happy at work and feel good, we are convinced that this will have a positive impact on the organization’s operations and profitability.”

Holmströmgruppen has developed a social business plan for its property portfolio. It includes security measures and improvements to communal and sports areas to contribute to improved health, safety and self-image.

In cooperation with the Her House foundation, Holmström Fastigheter enables vulnerable women with children to be offered housing. In turn, Her House works with women’s shelters to help them find accommodation where they can feel safe. Regular resident dialogue is a part of the process and results will be assessed annually, including through the use of customized tenant surveys.

The security package includes the installation of security doors, access control systems, LED lighting, improvement of communal areas such as football pitches and basketball courts.

As part of our security initiative and to ensure that we achieve security in our properties, we have now

chosen to certify our properties with a Security Certification.

Diversity and gender equality

Diversity and gender equality within the organization is a key factor in terms of growth and profitability and also helps to increase understanding of partners, customers and the local market. If the company does not work with diversity and gender equality, there is a great risk that the company will not succeed in attracting the talents that are necessary for growth and thus miss out on business opportunities. The Code of Conduct, personnel handbook and policy on diversity contain guidelines on diversity and gender equality. The workforce is currently made up of equal numbers of men and women. The company’s executive management is 50% women.

SUSTAINABILITY CERTIFICATION

During the year, our employees underwent training and were certified in sustainability. The training will be part of the induction of every new employee. Sustainability Certification is a starting point to educating different industries, companies, organizations and professional roles about sustainability. The overall objective of the certification is to create awareness and make employees aware of the activities required to achieve a transition to a sustainable economy and future.

WE HAVE HAD AN AMAZING JOURNEY

When I look back at the 2021 financial year, I can state that Holmström-gruppen has seen its best results ever. We have also significantly improved our equity/assets ratio, putting us in a secure position for the continued expansion we are planning over the coming years. One of the things I am most proud of is the fantastic organization that we have built up in recent years and which is contributing to our success.

I spend most of my time planning for the future and how I see the company five to ten years from now. However, it is also important to take a step back and see the journey we have actually made.

Over the past ten years, we have gone from being a pure property company with a presence in principle only in Stockholm to being a nationwide organization that also operates in housing development and actively invests in private equity.

Our three business areas are stable, and are distributed fairly evenly in our asset base on the balance

For the past ten years, we have gone from being a pure property company with a presence in principle only in Stockholm to being a nationwide organization that also operates in housing development and actively invests in private equity.

– FREDRIK HOLMSTRÖM,
CHAIRMAN OF THE BOARD

sheet. It gives us a sound financial position and we also have current cash flows from investment properties in stable regional cities. The excess return that the business generates has been invested in housing development, through Magnolia and Vincero Fastigheter, as well as in private equity.

Risk and volatility are increasing in housing development. Over the past decade, we have established ourselves as one of the major developers in the

country and created great value in the companies.

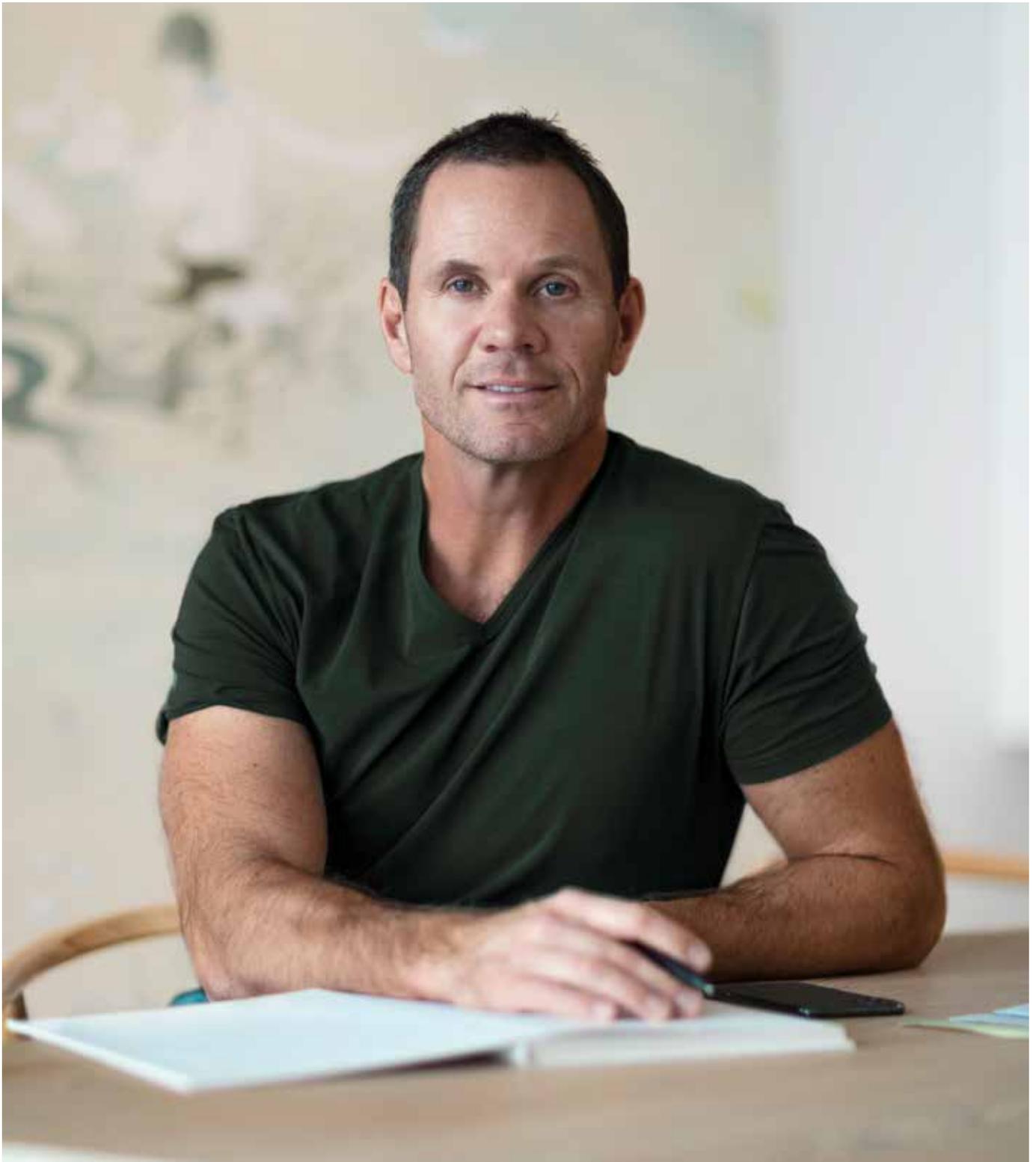
The third aspect, private equity, has developed well and in recent years we have become a major player in the buy-and-build sector. Today, we are partners in some of the most rapidly expanding companies in everything from IT, education and dental clinics to urban infrastructure and construction.

Over the past ten years, our total assets have grown from 0.7 to 7 billion, which means that we have grown by an average of 25% per year. We have also done this in a strong financial position where we now have an equity/assets ratio of 60%. In terms of results, we have gone from a level of SEK 20–30 million per year to showing a profit of almost SEK 2 billion after tax in 2021. Net sales vary between the years, but on average we have seen growth of 30% annually and equity has gone from about SEK 0.4 billion to about 4 billion.

This growth rate will be difficult to maintain in the long-term, but we think that the platform we have with a strong financial position, good cash flows and three operating parts gives us relatively good conditions for further growth in the next few years.

One thing that has been important in recent years is that we have successfully established collaborations with strong Swedish institutions. This has helped us to grow at a faster pace. Holmström-gruppen and Areim's purchase of Magnolia Bostad from the stock exchange is one such example. In a private environment and with a healthy capital structure, we have excellent opportunities to create good values over time in the new structure.

Another example is the partnership with Slättö, where we will build up Klippudden Fastigheter



together into a significant player in residential and community service properties. This type of collaboration, where we act as a type of asset manager for Swedish or foreign institutions, is something we see we can do more of in the future and create long-term value for both our partners and Holmströmgruppen.

When I look back at all the business and projects that have come our way, a final reflection is that we have never selected a specific industry or trend to invest in. We have always chosen people. At the end of the day, it is the relationships we build with

partners and within our organization that are our greatest asset and that open up the paths for our excellent development.

With that, I would like to thank our partners, customers and all the fantastic people who work in our companies for a great 2021 and for the fantastic journey that we have all been a part of.

Stockholm, May 2022

Fredrik Holmström
Chairman, Holmströmgruppen

HOLMSTRÖM FASTIGHETER



Our property portfolio continues to expand, and we established ourselves in five new locations during the year. There has been a strong focus on sustainability, which is why, together with Brunswick, we have set up a framework for the allocation of capital to sustainable investments in environmental and social areas.

– MARIJA NIKOLIC
HEAD OF PROPERTY AND SUSTAINABILITY
HOLMSTRÖMGRUPPEN

HOLMSTRÖM FASTIGHETER



Berga 10:6, Åkersberga

Holmström Fastigheter includes the Group's management portfolio, holdings of directly owned properties and other property investments.

INVESTMENT PROPERTIES

Holmströmgruppen's management portfolio currently consists of 199,711 m² and the management operations are conducted within the wholly-owned subsidiary Holmström Fastigheter.

The property business is run with an emphasis on delivering active management with excellent service for sustainable and comfortable housing and commercial premises. Holmström Fastigheter works with a long-term focus with the aim of managing the property for many generations.

Read more about Holmströmgruppen's property management on the coming pages.

DIRECTLY OWNED PROPERTIES

Holmströmgruppen's own property portfolio consists of 70 properties. The properties are located in Stockholm, Greater Stockholm, Linköping, Kalmar, Borgholm, Örnköldsvik and Norrköping and comprise around 108,000 m² of which around 75% is residential, 17% commercial premises and 8% community service properties.

OTHER PROPERTY HOLDINGS

Vincero Fastigheter

Holmström Fastigheter owns 50% of Vincero Fastigheter, which owns and manages 26 commercial properties comprising around 54,900 m² with

► EVENTS IN 2021

- Holmströmgruppen established itself in a new location - Norrköping (community service property).
- The portfolio in Kalmar will be expanded with another eleven properties, two of which will be community service properties
- All apartments in Östersund rented.
- New management assignments:
 - Luleå, around 5,100 m² All apartments rented.
 - Örebro, around 8,400 m²
 - Upplands-Bro, around 6,100 m²
 - Eskilstuna, around 6,000 m²
- The management agreement for Skogskarlen expires on the final day of June.
- Implemented framework for green loan financing together with Brunswick
- Four properties in Bonäsudden sold.
- Ankarhagen takes place among Holmströmgruppen's Other Property Holdings as Holmströmgruppen acquires 20% of the shares.

good transport links in Greater Stockholm and Uppsala. Read more about Vincero Fastigheter on pages 40–43.

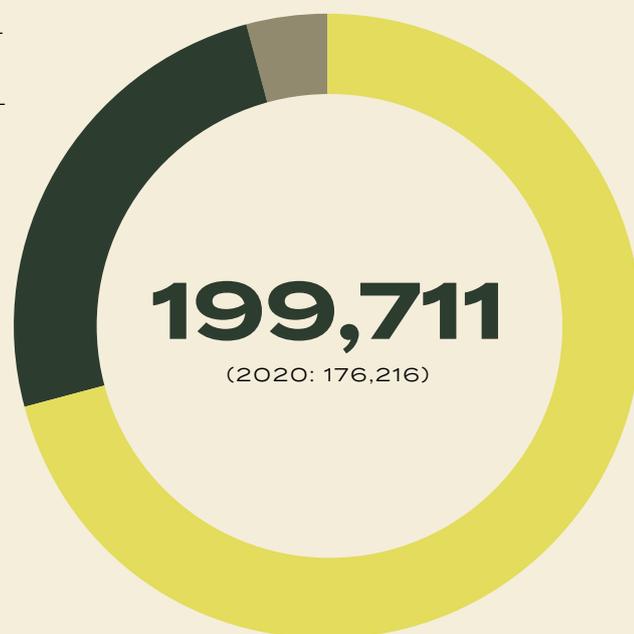
Ankarhagen

Holmströmgruppen also owns 20% of the property company Ankarhagen, which owns, manages and renovates commercial properties in warehouses and light industry in growth regions in Central Sweden. Ankarhagen currently owns 32 properties with around 437,000 m² with zoning plans in place.

INVESTMENT PROPERTIES, DIVIDED BY PROPERTY TYPE

M²

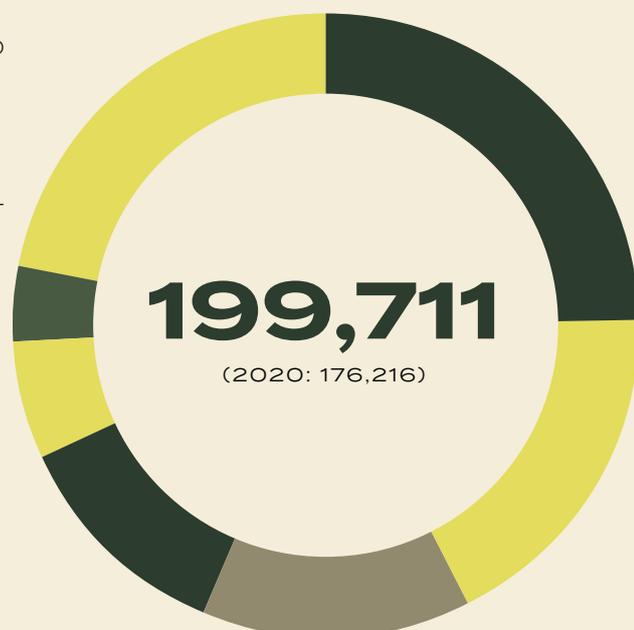
- » RESIDENTIAL
141,338
(71%)
- » COMMERCIAL PREMISES
50,061
(25%)
- » COMMUNITY SERVICE PROPERTIES
8,312
(4%)



INVESTMENT PROPERTIES, GEOGRAPHIC DISTRIBUTION

M²

- » KALMAR
50,300 (25%)
- » LINKÖPING
35,820 (18%)
- » GREATER STOCKHOLM
27,104 (14%)
- » ÖRNSKÖLD-SVIK
23,040 (12%)
- » STOCKHOLM
11,374 (6%)
- » BORGHOLM
7,999 (4%)
- » OTHER LOCATIONS
44,074 (22%)



FIVE NEW LOCATIONS ADDED IN 2021



Liggunderlaget 1, Luleå.

In November 2021, Holmström Fastigheter acquired a property consisting of 1,153 m² in central Norrköping.

During the year, Holmströmgruppen was also awarded management assignments in four new locations: Upplands-Bro, Luleå, Örebro and Eskilstuna. Eskilstuna, Luleå and Örebro are joint ventures between Magnolia Bostad and Slättö. Upplands-Bro is a joint venture between Magnolia Bostad and Heimstaden. In total, the properties consist of 25,681 m².



Brogård 1:169, Upplands-Bro



Nätverket 2, Eskilstuna.

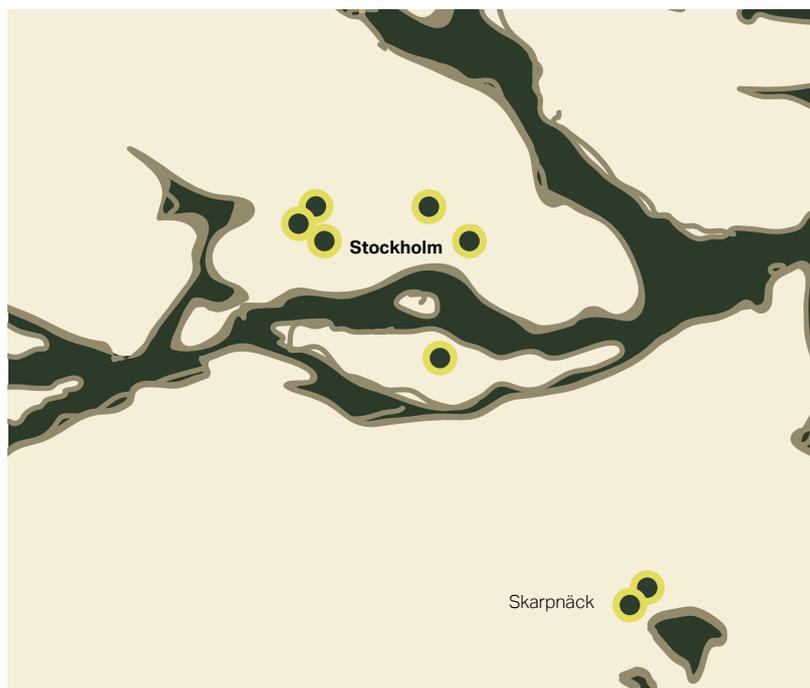


Autogyron 1, Örebro.



Växthuset 1 (nursery school), Norrköping.

STOCKHOLM



Holmströmgruppen manages eight properties in Stockholm municipality, of which six are owned by Holmströmgruppen and two privately owned by Fredrik Holmström. The properties comprise a total of 11,374 m² divided into 118 residential units and 16 commercial premises.

Holmströmgruppen's properties consist of a total of 9,373 m² of which 76% consist of residences.

The properties at Skeppargatan 13 and Danderydsgatan 17, which are owned by Fredrik Holmström, comprise a total of 2,001 m² of which 65% consists of residences.



Fajansen 11, Stockholm.

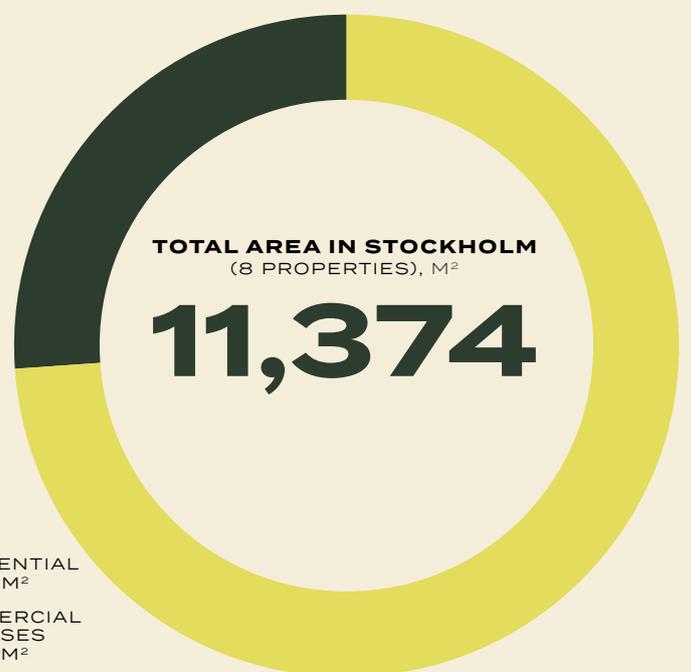


Kyrkogården 12, Stockholm.



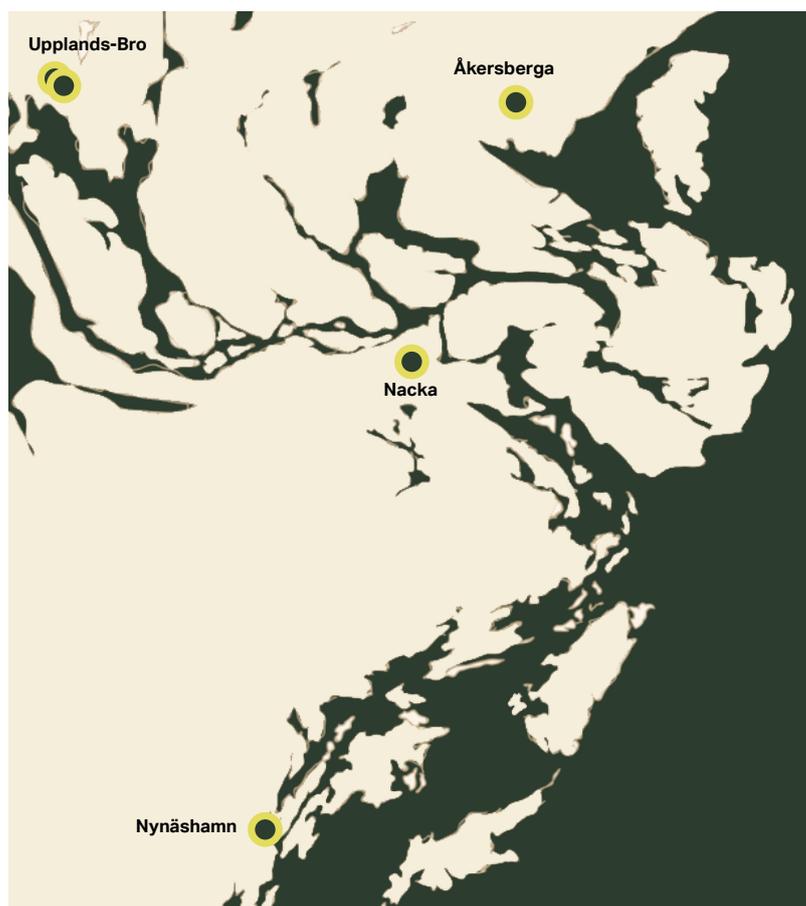
Näktergälen 30, Stockholm.

INVESTMENT PROPERTIES, STOCKHOLM
M²



- » RESIDENTIAL
8,388 M²
- » COMMERCIAL
PREMISES
2,986 M²

GREATER STOCKHOLM



Holmströmgruppen manages four properties in Greater Stockholm, comprising a total of 27,104 m².

Holmströmgruppen's property in Nynäshamn consists of a total of 9,443 m² and is centrally located about 200 metres from the railway station. Surrounding buildings consist mainly of homes with shops on the ground floor. The location is very good for residential purposes and also attractive for office and store use. The property has a total of four buildings with 3-4 floors, which together make up an entire block. In total, the properties comprise 80 apartments and 18 commercial premises.

The Berga 10: 6 property is located near the centre of Åkersberga, in Österåker municipality. The property, which was built in 1991, has 41 apartments and eight commercial premises. In total, the property consists of 5,294 m².

The Orminge 52: 1 property in Orminge, consists of 20 commercial premises spread over 6,303 m².

Holmströmgruppen also manages the Brogård 1: 169 property in Upplands-Bro. It covers a total of 6,064 m² and consists of 112 apartments.



Berga 10:6, Åkersberga.

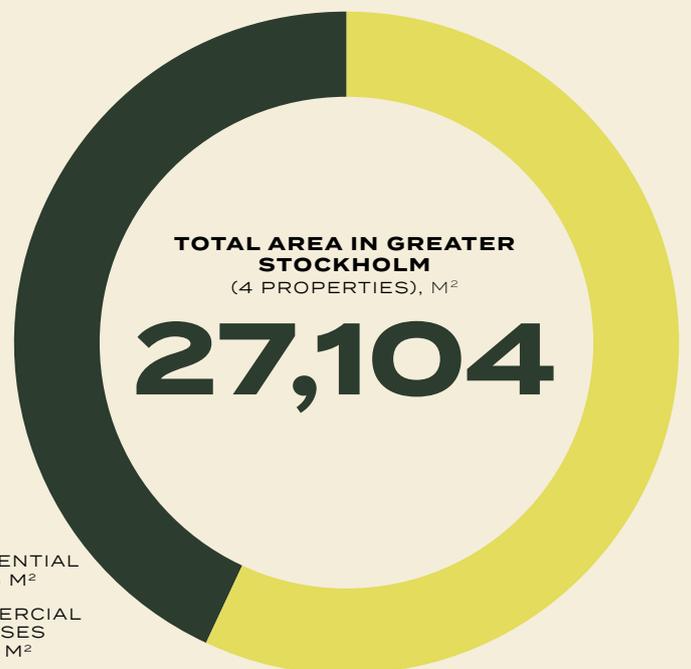


Postmästaren 2, Nynäshamn.



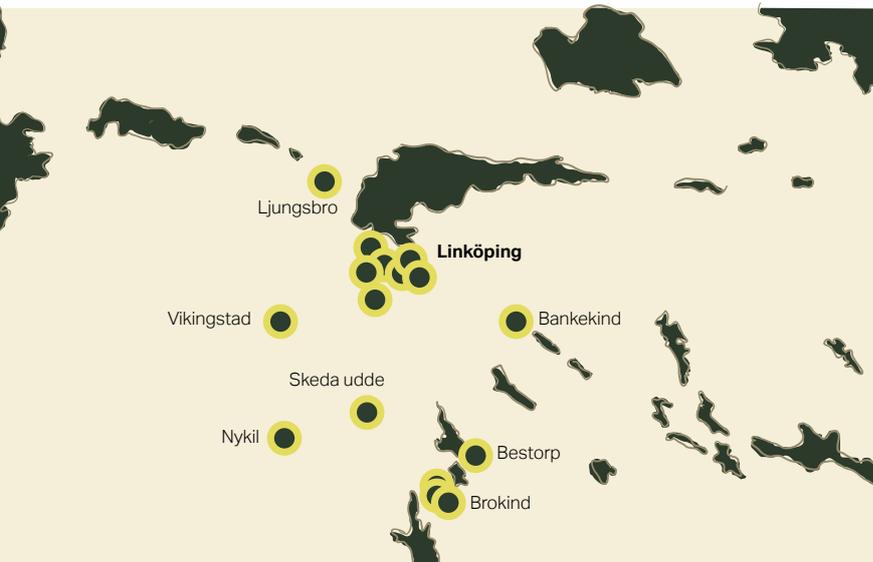
Berga 10:6, Åkersberga.

INVESTMENT PROPERTIES, GREATER STOCKHOLM
M²



- » RESIDENTIAL
15,495 M²
- » COMMERCIAL PREMISES
11,609 M²

LINKÖPING



Holmströmgruppen manages 17 properties in Linköping, comprising a total of 35,820 m².

Two of the properties are owned by Holmströmgruppen. They comprise a total of 2,363 m², divided into 42 residential units and one commercial premises.

The other 15 properties are owned by Bonäsud-den. They comprise a total of 33,457 m², divided into 287 residential units and 43 commercial premises. In addition, there are 206 parking spaces.



Amor 4, Linköping.



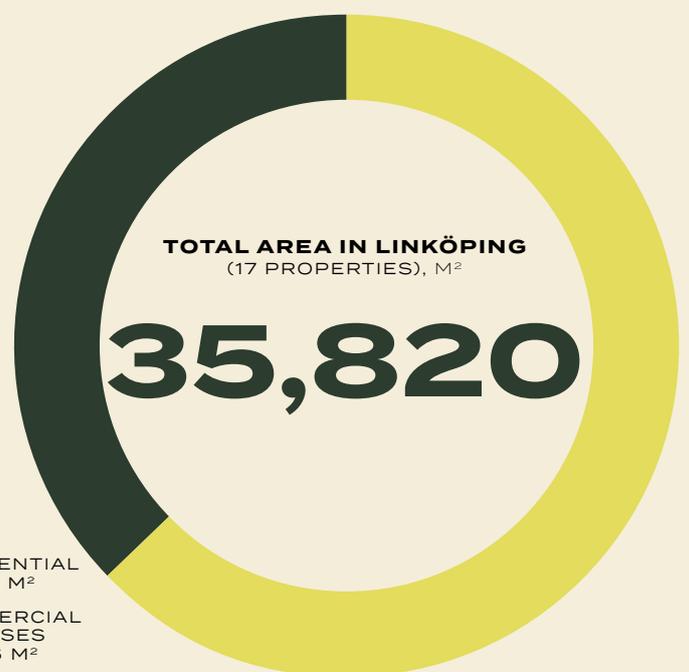
Kardanen 1 and 2, Linköping.



Apeln 9, Linköping.

INVESTMENT PROPERTIES, LINKÖPING

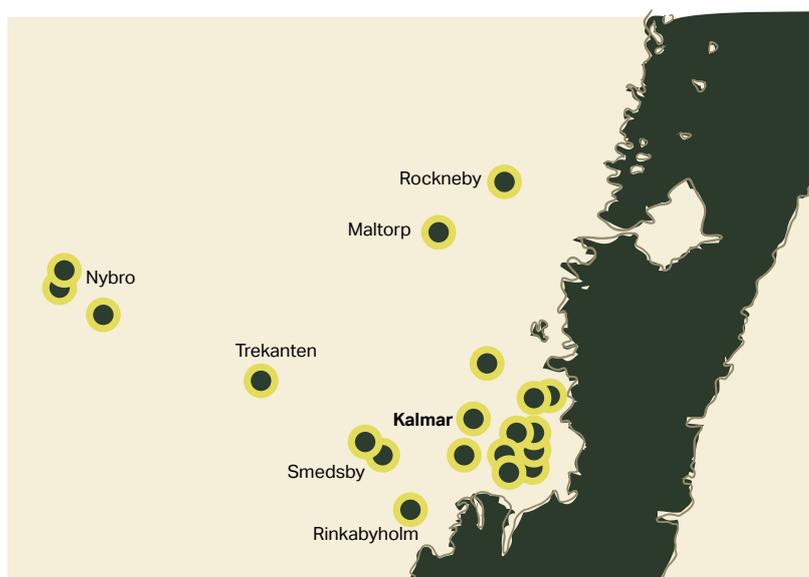
M²



» RESIDENTIAL
22,514 M²

» COMMERCIAL
PREMISES
13,306 M²

KALMAR



In 2021, Holmströmgruppen acquired another eleven properties in Kalmar. Thus, the Group currently owns 35 properties in Kalmar and the surrounding area.

The properties comprise a total of 50,300 m², divided into 543 residential units, 35 commercial premises and 12 community service properties. In addition, there are 526 parking spaces.



Bofinken 8, Kalmar.



Kastanjen 2, Kalmar.

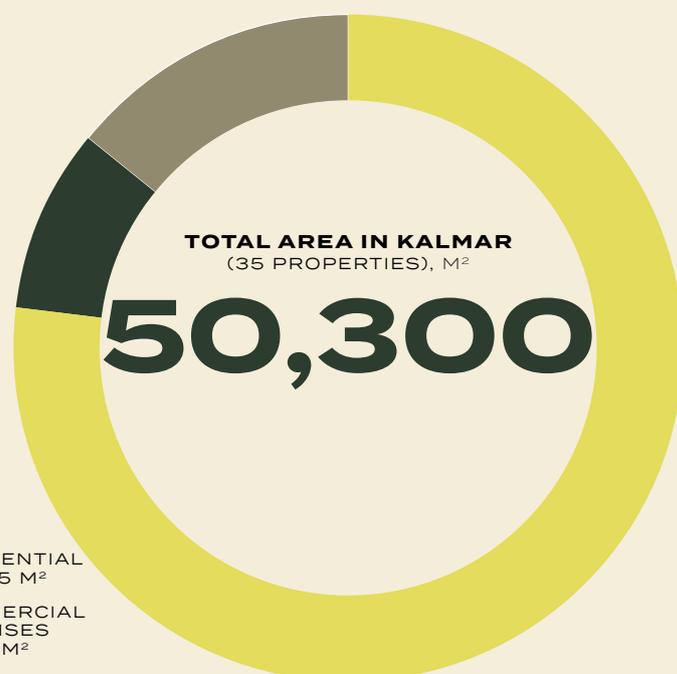


Måsen 6, Kalmar.



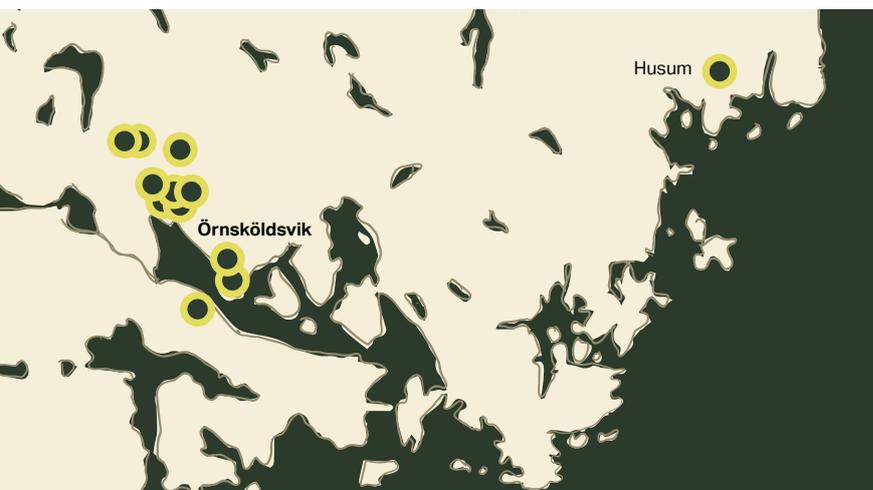
Bjällaget 11, Kalmar.

INVESTMENT PROPERTIES, KALMAR
M²



- » RESIDENTIAL
39,835 M²
- » COMMERCIAL
PREMISES
4,572 M²
- » COMMUNITY SERVICE
PROPERTIES
7,159 M²

ÖRNSKÖLDSVIK



Holmströmgruppen manages 21 properties in Örnköldsvik, of which 20 are owned by the partly-owned subsidiary Pelle Holmström Fastigheter KB.

The properties comprise a total of 23,040 m², divided into 261 apartments and 36 commercial premises. In addition, there are 257 parking spaces.



Norrlungänger 2:201, Örnköldsvik.



Husum 1:217, Örnköldsvik.

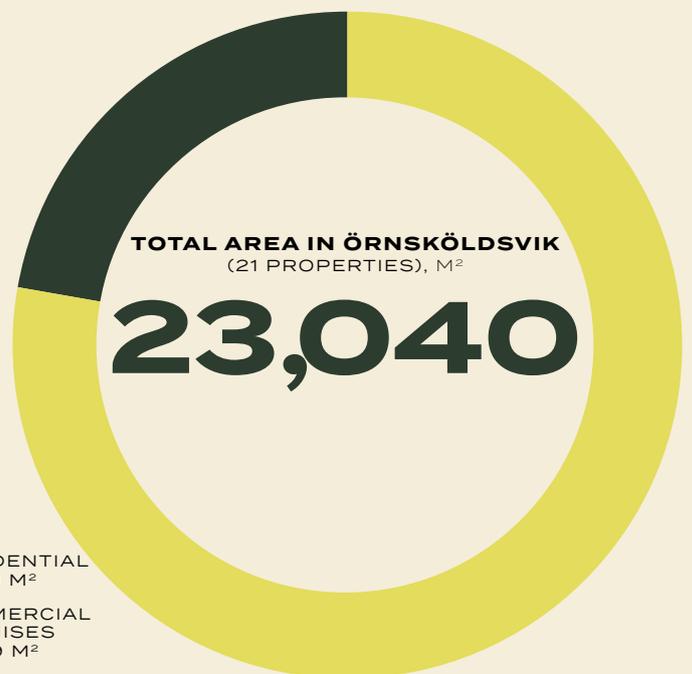


Turkiet 7, Örnsköldsvik.



Husum 1:113, Örnsköldsvik.

INVESTMENT PROPERTIES, ÖRNSKÖLDSVIK
M²

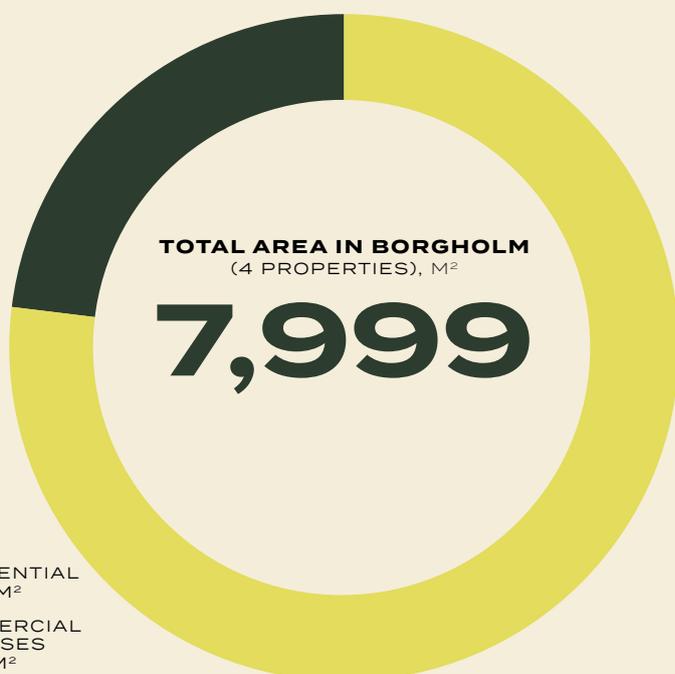




Verdandi 5, Borgholm.

BORGHOLM

INVESTMENT PROPERTIES, BORGHOLM M²

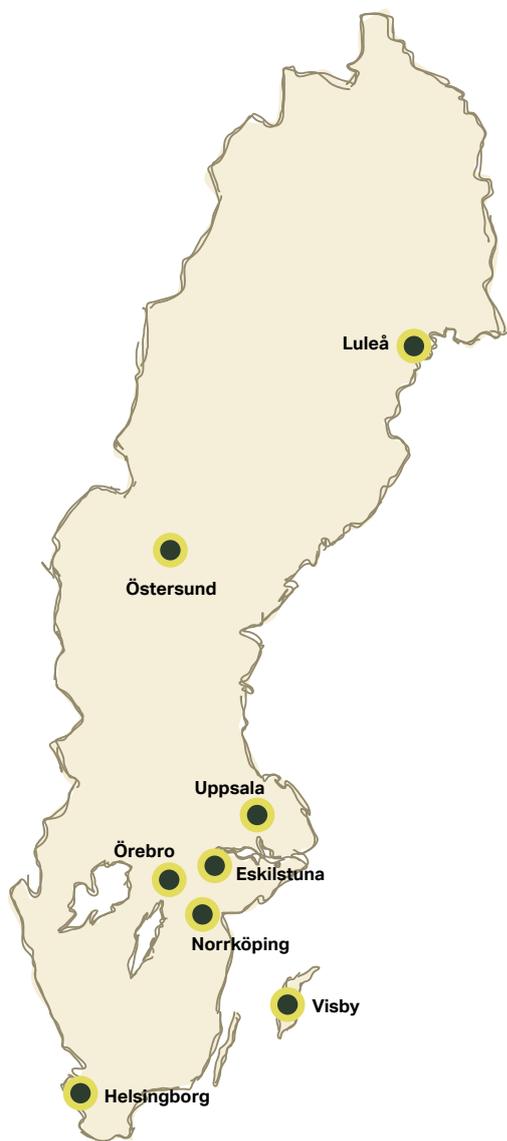


- » RESIDENTIAL
6,189 M²
- » COMMERCIAL
PREMISES
1,810 M²

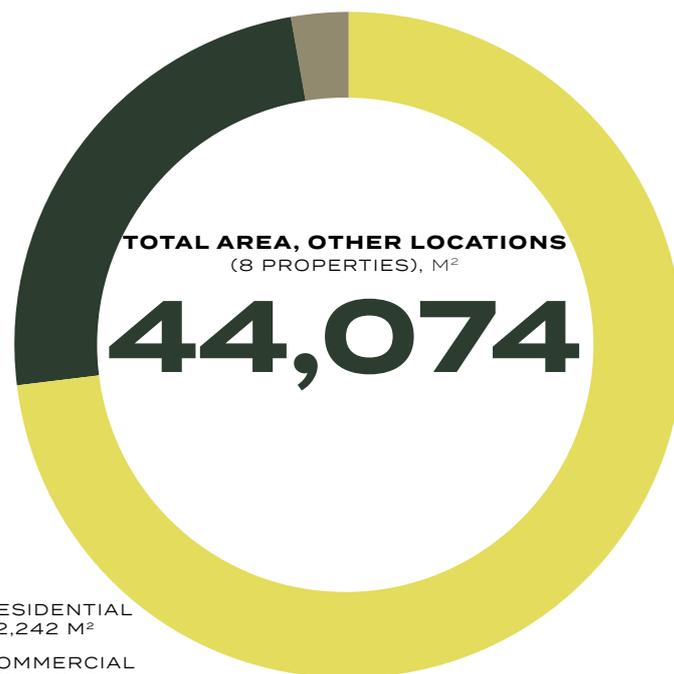
Holmströmgruppen owns and manages four properties in Borgholm. They comprise a total of 7,999 m², divided into 93 residential units and 13 commercial premises.



Åkaren 25, Borgholm.



INVESTMENT PROPERTIES, OTHER LOCATIONS
M²



- » RESIDENTIAL
32,242 M²
- » COMMERCIAL
PREMISES
10,679 M²
- » COMMUNITY SERVICE PROPERTIES
1,153 M²

OTHER LOCATIONS

PLACE	NUMBER OF PROPERTIES	M ² RESIDENTIAL	M ² COMMERCIAL PREMISES	M ² COMMUNITY SERVICE PROPERTIES	M ² TOTAL
Östersund	1	9,366	0	0	9,366
Örebro	1	8,481	0	0	8,481
Uppsala	1	0	4,157	0	4,157
Helsingborg	1	0	6,493	0	6,493
Norrköping	1	0	0	1,153	1,153
Luleå	1	5,099	29	0	5,128
Visby	1	3,288	0	0	3,288
Eskilstuna	1	6,008	0	0	6,008
TOTAL	7	32,242	10,679	1,153	44,074

OTHER PROPERTY HOLDINGS

VINCERO FASTIGHETER



Robin Rutili, CEO,
Vincero AB.

The positive development of our building rights portfolio during the year will provide us with considerable business opportunities in 2022.

– ROBIN RUTILI, CEO



Fjärdingen 27:5, Uppsala.

Vincero Fastigheter owns, manages and develops commercial properties in areas with good transport links in Greater Stockholm and Uppsala. The focus is on creating the right conditions for its tenants' operations and thereby increasing returns over time.

The company was founded in 2016 and in its first year of operation acquired 16 commercial properties in Greater Stockholm and Uppsala. In 2021, three properties were divested while two in Aspud-den were acquired, covering around 5,700 m². On 31 December 2021, the portfolio comprised 26 properties covering around 54,900 m².

The company is not expanding its own organization but ensures expertise in both commercial and financial management through a management agreement with Vincero AB, run by brothers Robin and Andreas Rutili. Vincero AB and Holmström Fastigheter both own 50% of Vincero Fastigheter. The company has the potential to continue being an active buyer in the coming years.



Fjärdingen 27:5, Uppsala.

PROPERTY PORTFOLIO 31/12/2021

AREA	COMPANY	VF5 % OW- NERSHIP	PROPERTY	LAND	MUA/GFA
Sjödalen (Stage 4), Huddinge	Sjödalen Fastigheter 1 AB	100%	Hantverket 5	2,575	1,205
Sjödalen (Stage 4), Huddinge	Sjödalen Fastigheter 1 AB	100%	Hantverket 6	2,629	1,379
Sjödalen (Stage 4), Huddinge	Sjödalen Fastigheter 1 AB	100%	Hantverket 11	3,502	2,145
Sjödalen (Stage 4), Huddinge	Sjödalen Fastigheter 2 AB	100%	Verkstaden 15	1,401	570
Sjödalen (Stage 4), Huddinge	Sjödalen Fastigheter 2 AB	100%	Verkstaden 23	1,374	1,400
Sjödalen (Stage 2), Huddinge	Sjödalen Fastigheter 3 AB	100%	Förrådet 6	1,014	675
Sjödalen (Stage 4), Huddinge	Sjödalen Fastigheter 4 AB	100%	Tonfisken 5	4,487	1,482
Sjödalen (Stage 4), Huddinge	Sjödalen Fastigheter 5 AB	100%	Hantverket 3	3,321	826
Sjödalen (Stage 4), Huddinge	Sjödalen Fastigheter 6 AB	100%	Hantverket 14	588	430
Sjödalen (Stage 4), Huddinge	Sjödalen Fastigheter 6 AB	100%	Hantverket 15	966	420
Sjödalen (Stage 4), Huddinge	Sjödalen Fastigheter 7 AB	100%	Verkstaden 24	4,719	3,255
Sjödalen (Stage 4), Huddinge	Sjödalen Fastigheter 8 AB	100%	Verkstaden 25	8,188	5,400
Sjödalen (Stage 4), Huddinge	Sjödalen Fastigheter 9 AB	100%	Hantverket 10	2,015	1,985
Sjödalen (Stage 4), Huddinge	Sjödalen Fastigheter 9 AB	100%	Hantverket 13	4,039	2,685
Sjödalen (Stage 4), Huddinge	Sjödalen Fastigheter 10 AB	100%	Tonfisken 8	5,846	3,160
Sjödalen (Stage 4), Huddinge	Sjödalen Fastigheter 11 AB	100%	Verkstaden 14	1,378	849
Sjödalen (Stage 4), Huddinge	Sjödalen Fastigheter 12 AB	100%	Hantverket 12	3,859	0
Sjödalen (Stage 4), Huddinge	Sjödalen Fastigheter 13 AB	100%	Verkstaden 18	2,600	1,400
Sjödalen (Stage 4), Huddinge	Sjödalen Fastigheter 14 AB	100%	Tonfisken 3	1,565	0
Aspudden, Stockholm	Provberg Fastigheter 1 AB	88%	Provröret 9	1,232	2,752
Aspudden, Stockholm	Provberg Fastigheter 1 AB	88%	Provröret 15	3,861	10,270
Aspudden, Stockholm	Strumento Fastigheter 1 AB	100%	Instrumentet 13	1,700	2,604
Aspudden, Stockholm	Strumento Fastigheter 1 AB	100%	Instrumentet 18	2,854	3,126
Spånga, Stockholm	VK Projektfastigheter AB	50%	Mandelblomman 9	3,894	1,815
Uppsala centre	Stradella Fastigheter 1 AB	100%	Fjärdingen 27:5	2,425	1,304
Uppsala centre	Stradella Fastigheter 2 AB	100%	Fjärdingen 27:6	2,713	3,728
TOTAL				74,745	54,865

INNOVATIVE URBAN DEVELOPMENT

Vincero Fastigheter acquires and manages commercial properties in areas with good transport links in Greater Stockholm that are being transformed into attractive residential areas through active urban planning. In Storängen, which is next to the centre of Huddinge, Vincero Fastigheter has ambitions to innovate in developing a major residential area of around 2,000 residential units.

Andreas and Robin Rutili, founders of Vincero Fastigheter.



“Through innovative urban planning, we are creating areas with unique qualities for their residents that contribute to more sustainable urban environments,” says Andreas Rutili, who founded Vincero Fastigheter together with his brother Robin. “With our large, pooled, development volumes, we are in a good position to invest in the latest technology and next generation solutions.”

In Storängen, less than a kilometre east of Huddinge centre, Vincero Fastigheter has acquired over 20 properties grouped within an area of 90,000 m². Storängen has good potential to become an attractive residential area with good transport links and proximity to services, schools and recreation. Central Stockholm is 15 minutes away by commuter train from Huddinge town centre and Flemingsberg is just a few minutes away. Flemingsberg is one of the fastest growing development areas in the country, and will become a hub for transportation, education and work in the south of the city.

Vincero Fastigheter has the ambition to develop a next-generation residential area in Storängen consisting of eight large neighbourhoods. To understand how residential areas will be developed in the future, the company has chosen to work with around fifty of Sweden’s and Europe’s leading experts in areas such as energy, mobility, digitalisation, the environment and social issues. These specialists, who come from industry, academia and government, have been working for a couple of years to develop an innovation programme to form the basis for the development of the next-generation residential area in Storängen. This innovation programme will also act as a guideline for urban planning in other residential areas developed by the company.



Storängen Stage 2, Huddinge.



Storängen Stage 4, Huddinge.

ANKARHAGEN



Markus Sjövall, CEO.

I'm proud and happy that Holmströmgruppen and Areim have chosen to invest in Ankarhagen. We intend to grow strongly in the next few years and their skills and financial muscle will be of great help in that.

– MARKUS SJÖVALL, CEO

PROPERTY PORTFOLIO 31/12/2021

MUNICIPALITY	NUMBER OF PROPERTIES	LAND	MUA
Karlstad	12	171,247	48,425
Kristinehamn	2	76,903	11,398
Eskilstuna	3	64,671	6,206
Västerås	4	36,411	8,524
Örebro	2	20,707	1,993
Strängnäs	1	10,668	711
Arboga	1	9,701	620
Karlskoga	1	9,572	2,868
Hammarö	1	8,926	3,084
Enköping	1	8,049	763
Stockholm	2	7,701	5,159
Köping	1	6,700	729
Haninge	1	6,061	1,700
TOTAL	32	437,317	92,180

In 2021, Holmströmgruppen acquired shares corresponding to 20% in the property company Ankarhagen. At the same time, our partner Areim acquired an equally large part of the company.

Ankarhagen, which was founded in 2011, invests primarily in commercial properties in Mälardalen and Central Sweden, focusing mainly on warehouses, light industry and business premises close to the city. The company's business concept is to acquire, manage and renovate commercial properties in warehouses and light industry in locations close to cities in growth regions in Central Sweden.

The company is also responsible for the project development of previously unused land, where it develops and builds new premises for new and existing customers.

Ankarhagen's properties are located in Greater Stockholm and in other major cities in Mälardalen and the rest of Central Sweden. The Group owns a total of 32 properties with around 437,000 m² with zoning plans in place and a total lettable area of 92,000 m².



Östanvinden 4, Karlstad



Nattvinden 5, Karlstad



Jordbromalm 1:10, Haninge

PROJECT DEVELOPMENT



During the year, we added over 3,600 building rights to our building rights portfolio, which at the end of the year consisted of just over 20,000 building rights. We started production on over 1,600 residential units, with around 40% being sold and around 60% being developed for self-management. At the turn of the year, we had 9,400 residencies in production.

– JOHAN TENGELIN,
CEO, MAGNOLIA BOSTAD

MAGNOLIA BOSTAD



Leif Andersson, chairman of Areim, with Fredrik Holmström, chairman of Holmströmgruppen.

Since September 2021, Magnolia Bostad has been controlled by HAM Nordic AB and its owner Holmströmgruppen, and funds and units that are managed and advised by Areim AB.

MAGNOLIA

“A year passes quickly but it packs a lot in, something I know after my first year as CEO. During the year, we added over 3,600 building rights to our building rights portfolio, which at the end of the year consisted of just over 20,000 building rights. We started production on over 1,600 residential units, with about 40% being sold and about 60% being developed for self-management. At the turn of the year, we had 9,400 residencies in production. In addition, we completed just over 1,000 residential units during the year. All this is thanks to the drive that I see in our organization. This drive remained despite the adjustments to our way of working that we had to make during the pandemic. Many thanks to all employees who made this possible.

NEW OWNERSHIP STRUCTURE

During the year, our focus on developing residencies for self-management became increasingly clear. In September, we put in place a new ownership structure, Holmströmgruppen and Areim. Shortly afterwards, we delisted Magnolia Bostad's shares from the stock market.

Through capital contributions from our new owners, we have reached a stronger financial position and can therefore develop more properties for self-management in a shorter time. Our target is to hold just over 6,000 completed residencies for self-management by the end of 2026.

During the year, we completed 108 residential units for self-management, which means that we are now up to a total of 176 managed properties. We will now accelerate our development of properties for self-management while at the same time continuing to develop properties for sale.

OUR COMMITMENT AS AN URBAN DEVELOPER

In our role as urban developers, we collaborate with other parties to help with the industry's adaptation to the global sustainability goals. During the year, we started HS30 (Hållbart (Sustainable) Stockholm 30) together with Rise and five other

housing developers, having already been involved with LFM30 in Malmö.

We also took part in a pilot project on proactive climate calculations and began to measure our climate impact in all three scopes of greenhouse gases according to the Greenhouse Gas Protocol.

We have also applied for a research-based climate goal, an SBT (Science-Based Target), in order to set the relevant targets to become climate neutral.

As a result of our business focus on sustainability at all levels, financing that is sustainable based on environmental and social aspects feels natural. During the year, we issued another green bond and redeemed an older bond. This means that we now only have green bonds. Our aim is for all our future financing in the long-term to be sustainable in terms of environmental and social aspects.

We increased our community involvement by starting a collaboration with Her House whose purpose is to support, promote and strengthen women's health through various initiatives in society, and through a partnership with Mitt Liv, which runs mentoring schemes for academics of foreign descent. We are already working for integration and gender equality, including through our involvement in girls' and women's football, where we now support about 30 clubs around Sweden.

THE FUTURE

At the start of 2022, we are seeing great geopolitical unrest due to the war started by Russia in Ukraine. This is a terrible humanitarian catastrophe.

We live at a time of various uncertain external factors that we are monitoring, and plan for flexibility while we continue to work on our mission.

Within five years, we will complete just over 6,000 residencies for self-management and our journey has begun in earnest towards becoming the Nordic region's most colourful landlord.



Stockholm, March 2022

Johan Tengelin
CEO, Magnolia Bostad

VALUE, PROPERTIES FOR SELF-MANAGEMENT SEK MILLION



BUILDING RIGHTS PORTFOLIO

NUMBER



PRODUCTION STARTS IN BUILDING RIGHTS PORTFOLIO

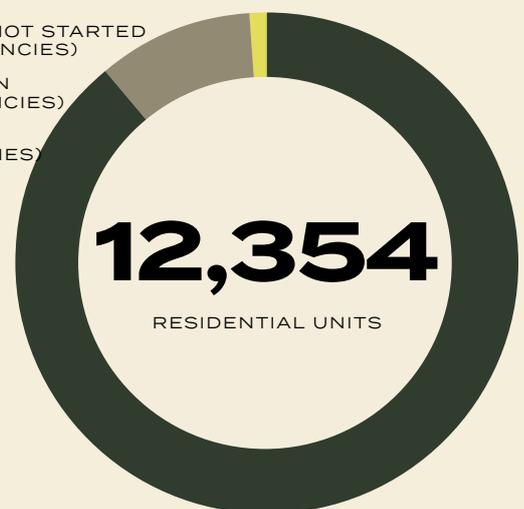
NUMBER



PROJECT STATUS

PROPERTIES FOR SELF-MANAGEMENT

- » PRODUCTION NOT STARTED (10,724 RESIDENCIES)
- » IN PRODUCTION (1,454 RESIDENCIES)
- » COMPLETED (176 RESIDENCIES)



PROJECTS AND PROPERTIES

Magnolia Bostad has one of Sweden's largest construction rights portfolios and develops rental apartments as well as residential apartments, community service properties and hotels. Housing is developed as individual projects or as part of a larger project when a completely new neighbourhood emerges.

At the end of December 2021, Magnolia Bostad's building rights portfolio consisted of just over 20,000 building rights. Just over half are intended for development for self-management and the other half for development for sale. The company's ambition is to reach a percentage of at least 10% for all projects developed for sale.

As of 31 December 2021, the company's assessment is that it will be able to carry out 3,000-4,000 production starts per year over the next two years. This figure may change as the building rights portfolio is replenished with newly acquired building rights, some completed with a zoning plan in force. There are also uncertainties such as zoning plan processes, government decisions or unspecified dates for vacant project properties that can cause estimates to change over time.

NUMBER OF ESTIMATED BUILDING RIGHTS IN THE PROJECT PORTFOLIO

20,000

NUMBER OF RESIDENTIAL UNITS IN PRODUCTION

9,400

NUMBER OF RESIDENTIAL UNITS COMPLETED IN 2021

1,000





The Öresjö Ångar project in Borås.



The LU:1 project in Luleå.

SELECTED PROJECTS



The Bro Mälarstad project in Upplands-Bro consists of around 2,300 residencies. The project began in 2018 with the acquisition of land and has since grown with further land acquisitions. The area is divided into three stages. Occupancy in stage one began in 2021 and the entire area is expected to be completed in around 2030.

Bro Mälarstad is a good example of how Magnolia Bostad develops entire neighbourhoods. Rental accommodation, tenant-owned apartments, detached houses and community service properties such as nursery schools and schools are being developed. Some of the residencies are being developed for long-term self-management and others for sale. Some parts are being developed together with JV partners such as Heimstaden and KF-fastigheter.

The Föreställningen project is located in Björkalund just outside Norrköping. The project was completed in 2021 and occupancy took place at the end of 2021 and beginning of 2022.

The property is certified according to the Swedish Green Building Council's silver certification and has solar panels on the roof that provide electricity in the public areas. The project consists of 116 rental apartments that Heimstaden has bought and now manages.





Magnolia Bostad is developing around 350 homes on the site of the old Fix factory in Majorna, Göteborg. The project consists of two blocks of tenant-owned apartments and around 110 additional rental units. Some of the rental accommodation is special units, i.e. residencies with access to care, support and service. The project is being run as a JV with Niam.



Magnolia Bostad's Nyponrosen project was completed in 2021 and consists of a care home, specially adapted housing for adults, rental apartments, a gym, a hairdresser's and an underground car park. The entire project is environmentally certified in accordance with LEED. Northern Horizon Capital has purchased the residencies and premises from Magnolia Bostad, which developed and completed them. The project is in the Rosengården district in Helsingborg, a stone's throw from Helsingborg city centre.

HOLMSTRÖM PRIVATE EQUITY



An investment in a company is often an investment in people and their abilities. Over time, therefore, the importance of the company's status at the time of investment decreases. Management's governance and commitment are central to value growth.

– FREDRIK TIBELL,
ADVISORY BOARD,
HOLMSTRÖMGRUPPEN

MAJOR ACTIVITY IN THE PORTFOLIO IN 2021

2021 was an active year for Holmströmsgruppen's private equity holdings. During the financial year, the portfolio grew due to four new holdings. The majority of the holdings have shown strong growth in their respective sectors.

Holmström Private Equity is becoming an increasingly important part of the Group's operations. Reported assets for the companies were valued at SEK 736 million at the end of the year.

During the financial year, the portfolio grew due to four new holdings, Novedo and Centripetal being the largest. The majority of the holdings showed strong growth in their respective sectors.

STRATEGY AND TARGETS

By choosing companies with good conditions for growth and by taking an active ownership role, the foundations are laid for good value growth in investments. The portfolio companies operate in different sectors and are in different phases, which provides a suitable risk spread.

Holmströmsgruppen generally retains ownership for many years. Divestments normally take place

▶ EVENTS IN 2021

- Holmström Friends & Family was founded, where people within and close to the company can invest in unlisted holdings.
- Positive changes in value of holdings compared to the previous year of SEK 297 million.
- Four new holdings.

only when it is appropriate with regard to other owners and often coincides with the companies entering a new development phase.

The goal is for the portfolio to show annual growth in value of 20% over time, a target we have historically met.

 STUREPLANSGRUPPEN

SACHAJUAN

 SDIPTech

MUTATE

 HIDDEN DREAMS

 CENTRIPETAL

NOVEDO

SWEED
PROFESSIONAL LASHES

DENTALUM

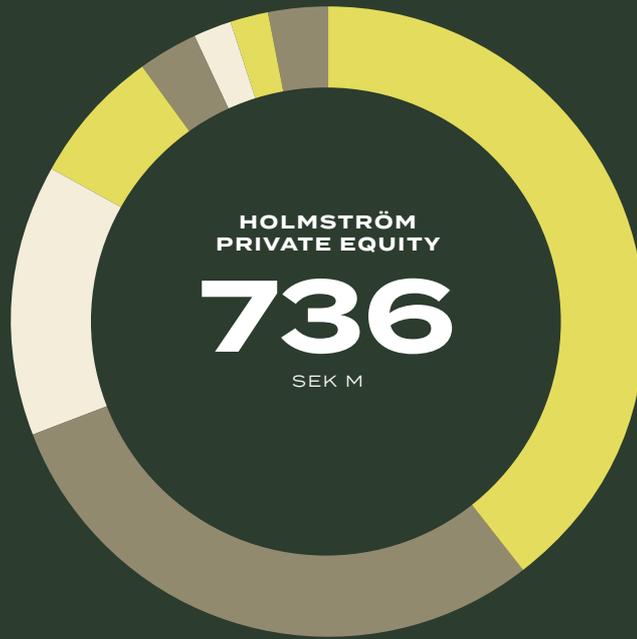
 VIVIUM

 ChainTraced

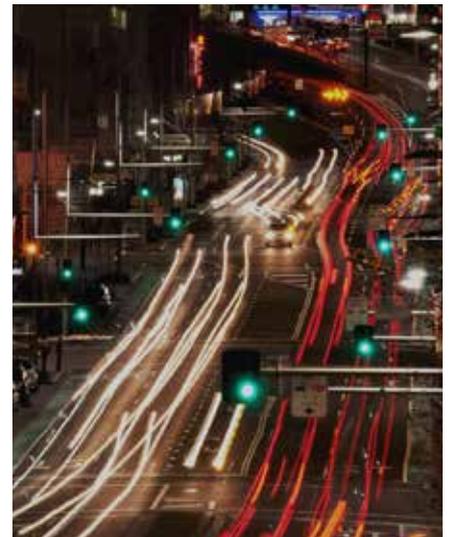
Goldlogic
THE LOGICAL GOLD INVESTMENT

HOLMSTRÖM PRIVATE EQUITY
BOOKED VALUES IN SEK M

- » SDIPTECH, 40%
- » NOVEDO, 30%
- » DENTALUM, 14%
- » CENTRIPETAL, 7%
- » SACHAJUAN, 3%
- » STUREPLANSGRUPPEN, 2%
- » MUTATE, 2%
- » OTHER, 3%



Dentalum provides dental care at 20 clinics around Sweden.



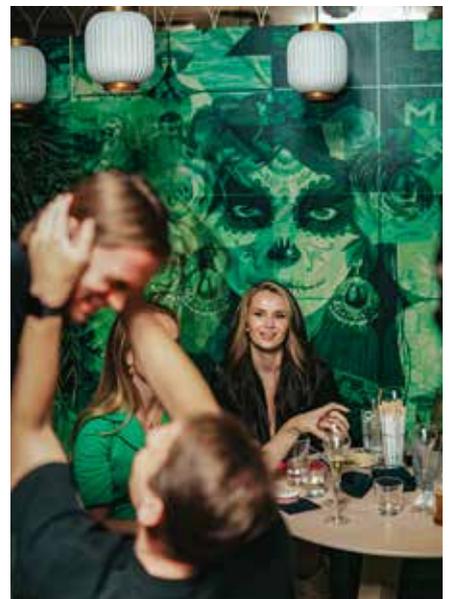
Sdiptech develops urban infrastructure.



The founders of Hidden Dreams: Fabian Assarsson, Maria Norberg and Johan Lindblad.



Hair care products from Sachajuan.



Stureplansgruppen's restaurant Senior Bob.

NOVEDO



Per-Johan Dahlgren, CEO, Novedo.

“The fact that the owners of the acquired companies have offered to become partners in Novedo, coupled with our decentralized management, creates a strong incentive for entrepreneur-led enterprises to become part of Novedo.

– PER-JOHAN DAHLGREN, CEO, NOVEDO

Novedo, which was founded in July 2020, is a group of companies that acquires and develops companies where the entrepreneur wants to both sell his company and run it further.

On that basis, Novedo acquires commercial companies with a good culture - companies that take care of their employees and have satisfied customers, good profitability and a strong cash flow.

“The companies’ owners enter as partners in Novedo. They continue to lead their companies in the same positive spirit as before, but with

greater development opportunities. Exchanging experience between entrepreneurs and support in strategic issues makes you stronger together,” says the company’s CEO, Per-Johan Dahlgren.

EVENTS

- Acquisitions of nine companies were completed during the first financial year.
- Bonds worth SEK 750 million under a framework of a total of SEK 1,500 million were issued for the purpose of refinancing existing bank loans and financing acquisitions.
- During the first months of 2022, two more companies were acquired.

NOVEDO’S ENTERPRISES

- Fog & Byggtjänst
- Kulturmålarna
- Hansson & Ekman
- Elarbeten
- Elforum
- Valter Eklund
- Tyresö Målericentral
- Ventilationskontroll
- ProvideU
- Deramont
- Elinzity
- Skanstulls Måleri
- Gnesta Bergbyggare
- Timblads
- Uni-Vent

NOVEDO

CEO:
Per-Johan Dahlgren

SECTOR:
Acquisition of companies in industry, infrastructure and installation and services.

GEOGRAPHIC PRESENCE:
Sweden (currently from Malmö to Uppsala), abroad from 2022.

WEBSITE: www.novedo.se

INVESTMENT YEAR: 2021

	Jul 2020 –Dec 2021	Pro forma 2021
NET SALES, SEK 000	370,906	1,465,000
EBITDA, SEK 000	39,590	186,000
OPERATING PROFIT (EBIT), SEK 000	30,978	n/a
PROFIT AFTER NET FINANCIAL ITEMS, SEK 000	13,497	n/a
NUMBER OF EMPLOYEES, average	485	855
HOLMSTRÖMGRUPPEN’S OWNERSHIP, approx.	14%	-

As this is the company’s first financial year, it is not possible to report figures for previous years.

CENTRIPETAL



” 2021 was an eventful year for Centripetal with a number of new companies in our portfolio, one exit and a growing team. I look forward to continued expansion for the company in the coming years.

– KRISTOFFER AHLBOM, CEO, CENTRIPETAL

Centripetal Capital is a venture capital company that mainly invests in companies where there is an ambition to be listed within 12 - 18 months after the investment.

“Both Centripetal’s owners and employees have extensive experience as entrepreneurs, financiers, managers and investors,” says the company’s CEO, Kristoffer Ahlbom. “We strive to create, finance, build and develop value for our portfolio companies. Through close collaboration with our portfolio companies on both operational and financial strategy, we help them realize their potential.”

Among the companies so far invested in are:

- Acamp
- AiBetic
- Airmee
- Bricknode
- Clar Global
- MEDS
- Mindler
- Nextory
- Novedo
- Occultech
- Sitoo Tipser (Bolt.com)
- Truecaller
- Workaround



CEO:

Kristoffer Ahlbom

SECTOR:

Venture Capital

GEOGRAPHIC PRESENCE:

Sweden and the US

WEBSITE: www.centripetal.com

INVESTMENT YEAR: 2021

	2021
SECURITIES HOLDINGS, SEK m	553
NUMBER OF PORTFOLIO COMPANIES	14
NUMBER OF EMPLOYEES, average	5
HOLMSTRÖMGRUPPEN'S OWNERSHIP, approx.	20%

As this is the company's first financial year, it is not possible to report figures for previous years.

DENTALUM



” The pandemic continued to make its mark in 2021, with high rates of Covid-19 infection being driven by multiple mutations. Despite this, Dentalum has continued to grow strongly in line with our growth strategy and we made nine successful acquisitions during the year.

– MAX DORTHÉ LADOW, CEO

Dentalum is one of Sweden’s fastest growing dental care chains. The focus is on creating long-term and sustainable dental care focusing on staff and patients.

Dentalum does not believe in centralized processes and top-down management, but in the local base where each clinic is allowed to be unique. Employees and management together create a motivated, committed and involved culture that has developed for both employees and Dentalum in general.

BUSINESS 2021

“The pandemic continued to make its mark in 2021, with a high rate of Covid-19 infection being driven by multiple mutations. Despite this, Dentalum has continued to grow strongly in line with our growth strategy and we made nine successful acquisitions during the year. We have also worked actively to position ourselves correctly for a planned listing in 2023, by strengthening our capital structure and organization,” says Max Dorthé Ladow, CEO of Dentalum.

“In November, the Board set financial targets for achieving an EBITDA of SEK 280 million before the end of 2024, while maintaining sustainable profitability in excess of 20%.”

“In parallel, the ambition was announced to list Dentalum’s shares on a trading platform in 2023. In order to achieve our goals, we intensified our work during the year to increase financing. In October, we issued a bond of SEK 100 million, which attracted great interest. Along with the bond process, we improved our balance sheet through a new share issue.”

“A total of SEK 170 million was added to the Dentalum Group, while we had the pleasure of welcoming new well-known investors to become part of our continuing journey. We are now well positioned to continue to grow and achieve our goals sustainably and profitably.”



CEO: Max Dorthé Ladow
SECTOR: Dental care
GEOGRAPHIC PRESENCE: Sweden
WEBSITE: www.dentalum.com
INVESTMENT YEAR: 2020

	2021	2020
NET SALES, SEK 000	232,254	56,422
OPERATING PROFIT/LOSS, SEK 000	38,477	5,452
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	-38,732	-9,210
NUMBER OF EMPLOYEES, average	195	138
HOLMSTRÖMGRUPPEN'S OWNERSHIP, approx.	7%	10%

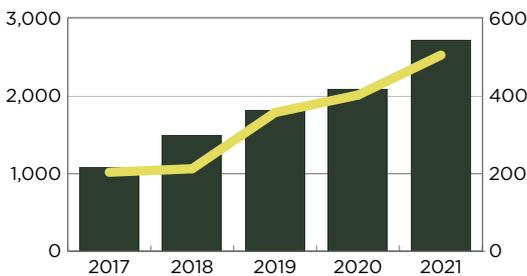


SDIPTTECH

” To sum up it was another record year for Sdipotech. High organic growth, increased profitability, increased acquisition rate and important investments for the future. The Group has once again met all its financial targets despite challenges in society and the economy.

– JAKOB HOLM, CEO

NET SALES AND OPERATING PROFIT/LOSS (EBITDA), SEK M



CEO: Jakob Holm
SECTOR: Urban infrastructure
GEOGRAPHIC PRESENCE: Sweden, Norway, the UK, Austria and Croatia
WEBSITE: www.sdiptech.com/sv/
INVESTMENT YEAR: 2017

	2021	2020
NET SALES, SEK 000	2,718,900	2,088,000
OPERATING PROFIT/LOSS (EBITDA), SEK 000	506,000	402,900
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	325,000	284,200
NUMBER OF EMPLOYEES, average	1,673	1,499
HOLMSTRÖMGRUPPEN'S OWNERSHIP, approx.	2%	2%

Sdipotech, whose shares are listed on the Nasdaq Large Cap, works with urban infrastructure. The company provides niche products and services in modernization, new installation, services and maintenance in areas such as hospitals, traffic systems, water supply systems and data centres.

BUSINESS 2021

“We made a number of important investments for the future in 2021,” says the company’s CEO, Jakob Holm. “These included: strategic divestments in the PTS business area, a greater level of ambition in sustainability work, a list change from Nasdaq First North to Nasdaq Large Cap and establishing Italy and the Netherlands as new acquisition markets.”

FUTURE OUTLOOK

“Through our growth and profitability in 2021, Sdipotech has continued to show resilience in our business, which creates additional confidence in our business model for the future,” says Jakob. “Our 33 operations in varying segments involve a good spread of risk and our decentralized structure ensures quick decisions close to our customers and deliveries.”

“In addition to a great need for investment in sustainable infrastructure solutions, there are several strong driving forces - such as climate change, automation, electrification, globalization, urbanization and digitalisation - which point to long-term demand in our segments. I therefore view Sdipotech’s continued journey very positively, both in the short- and long-term. With important sustainability steps and a scalable business model, we are better equipped than ever, and there are fantastic opportunities for us to continue our profitable growth.”

HIDDEN DREAMS



” 2021 was incredibly exciting. Of the eleven companies we started during the year, three came from our entrepreneurship programme, three from social media and five from our outreach work, which shows that our expanded sourcing strategy has been successful. We are now preparing for a higher tempo and accelerated value growth in the coming years.

–FABIAN ASSARSSON, CEO, HIDDEN DREAMS

In terms of number of businesses started, Hidden Dreams is one of Europe’s most ambitious and rapidly expanding Venture Builders. The company specializes in eliminating time-consuming and inefficient work processes through self-founded tech companies, and processes that are widespread in a sector but hidden from the outside world. These hidden problems that the portfolio companies start from are difficult to find and niche but technically easy to solve, which the companies do with their Software-as-a-Service services. On social media and through active outreach work, Hidden Dreams invites employees to share their niche problems that are administratively burdensome but often critical in terms of compliance, reporting or administration.

BUSINESS 2021

2021 was an expansive year for Hidden Dreams with another eleven businesses started. The portfolio today therefore consists of 16 companies. In addition to the founding company, there is a tailor-made entrepreneurial programme - Dream Catcher Academy - that will accelerate the growth rate by contributing to more companies started with a shorter time-to-market.

Hidden Dreams also carried out two directed share issues and successfully project managed the raising of external capital for four portfolio companies, which paved the way and improved the path for 2022.



CEO: Fabian Assarsson
GEOGRAPHIC PRESENCE: Sweden, Norway, the UK, Austria and Croatia
SECTOR: Risk capital
WEBSITE: www.hiddendreams.se
INVESTMENT YEAR: 2019

	2021	2020
NET SHARE VALUE ADJUSTED FOR CAPITAL CONTRIBUTED, SEK 000	104,136	23,715
NET SHARE VALUE PER PREFERENCE SHARE ADJUSTED FOR MANAGEMENT CARRY, SEK	392	186
NUMBER OF PORTFOLIO COMPANIES	16	5
NUMBER OF FULL-TIME EMPLOYEES, average	9	4
HOLMSTRÖMGRUPPEN'S OWNERSHIP, approx.	16%	14%

STUREPLANS-GRUPPEN



Röda Huset restaurant in Stockholm.

” During a testing pandemic, we have worked to reduce the fixed cost base and streamline our internal processes. Since the beginning of the year, we have seen a very strong development that in volume terms exceeded 2019. During the year, we will improve our positions in our three strategic areas: Restaurants, nightlife and Hotels and Meetings.

– VIMAL KOVAC
CEO, STUREPLANSGRUPPEN

Stureplansgruppen is one of the country’s leading players in the restaurant, conference, catering, concert, hotel and event sectors, and is one of Sweden’s largest privately owned restaurant groups. The business has grown significantly from 2010 onwards.

SELECTED EVENTS IN 2021

- Cinder Invest became a partner in Stureplansgruppen. In this way, Stureplansgruppen created the conditions to get through the pandemic, develop existing operations and continue to create new guest experiences. Cinder Invest will own 20%.
- In May, we welcomed people to the new twelfth-floor rooftop bar Tetto. A well-visited watering hole throughout the summer.
- In Norra Latin’s majestic renaissance building, we created Sweden’s first boutique house.
- Sturegallerian got a new meeting place when the group behind Sturebaren by Poké Burger opened Señor Bob.
- Anton, Axel and Simon, the restaurant trio from Calle P, took over the creative and operational side of Bern’s Asiatiska.
- Multiple award-winning bartender Hampus Thunholm opened his new cocktail bar and restaurant Röda Huset, in the middle of the city.
- In December, we introduced Boo Living, a modern lifestyle hotel for Co Living with fully equipped apartments.
- La Gondola, a restaurant located in the middle of Åre’s ski lift system, became Supperfamiljen’s new addition.

STUREPLANSGRUPPEN

CEO: Vimal Kovac
BRANCH: Hotels and restaurants
GEOGRAPHIC PRESENCE: Stockholm and Göteborg
WEBSITE: www.stureplansgruppen.se
INVESTMENT YEAR: 2007

	2021	2020
NET SALES, SEK 000	811,158	1,231,553
OPERATING PROFIT/LOSS, SEK 000	-26,797	-480
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	-48,020	-6,268
NUMBER OF EMPLOYEES, average	627	920
HOLMSTRÖMGRUPPEN’S OWNERSHIP, approx.	8%	10%

SACHAJUAN



” In 2021, Sachajuan continued to develop and change its distribution into a hybrid strategy. This means selling directly to retailers, online retailers and salons, in the markets where the organization has the capacity to support direct sales. This model has mainly been applied in the USA and Canada, and has resulted in higher margins and sales.

– SACHA MITIC, CEO

Sachajuan was founded in 1997 by hairdressers Sacha Mitic and Juan Rosenlind, both well-qualified hairdressers with a long background and experience in the hairdressing and fashion sector.

The main business consists of the development, production, marketing and sales of hair care and beauty products. The company also runs its own hair salon in central Stockholm.

EVENTS IN 2021

- In 2021, the company continued to develop distribution in over 40 markets where the brand is active.
- During the year, the company launched its own webshop. Through the subsidiary Sachajuan Inc., the group has continued its expansion in North America and also launched its own webshop there, which has been very successful.
- The Group and parent company were affected by the Covid pandemic during the year, which was clearly felt in some markets, but less so in others. As the Group has a large geographical spread, the impact of the pandemic has been limited.

SACHAJUAN

CEO: Sacha Mitic
SECTOR: Hair care and beauty products
GEOGRAPHIC PRESENCE: Over 40 markets worldwide
WEBSITE: www.sachajuan.se
INVESTMENT YEAR: 2010

	2021	2020
NET SALES, SEK 000	60,153	54,966
OPERATING PROFIT/LOSS, SEK 000	4,453	4,808
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	4,394	4,747
NUMBER OF EMPLOYEES, average	15	15
HOLMSTRÖMGRUPPEN'S OWNERSHIP, approx.	32%	32%



OTHER HOLDINGS

MUTATE

SECTOR: Game development
WEBSITE: www.mutate.se
INVESTMENT YEAR: 2018

	2021	2020
NET SALES, SEK 000	1	0
OPERATING PROFIT/LOSS, SEK 000	-20,597	-13,166
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	-20,604	-13,179
NUMBER OF EMPLOYEES, average	16	16
HOLMSTRÖMGRUPPEN'S OWNERSHIP, approx.	7%	8%

Data for 2021 is preliminary.



SECTOR: Software development
WEBSITE: www.vivium.se
INVESTMENT YEAR: 2021

	2021	2020
NET SALES, SEK 000	0	0
OPERATING PROFIT/LOSS, SEK 000	-4,651	-1,036
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	-4,651	-1,036
NUMBER OF EMPLOYEES, average	3	1
HOLMSTRÖMGRUPPEN'S OWNERSHIP, approx.	5%	-

Data for 2021 is preliminary.



SECTOR: Software production
WEBSITE: www.chaintraced.com
INVESTMENT YEAR: 2021

	2021	2020
NET SALES, SEK 000	854	107
OPERATING PROFIT/LOSS, SEK 000	-3,099	-1,820
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	-3,046	-1,820
NUMBER OF EMPLOYEES, average	6	2
HOLMSTRÖMGRUPPEN'S OWNERSHIP, approx.	3%	-

Data for 2021 is preliminary.



SECTOR: Cosmetic products and services
WEBSITE: www.sweedlashes.com
INVESTMENT YEAR: 2018

	2021	2020
NET SALES, SEK 000	15,329	4,310
OPERATING PROFIT/LOSS, SEK 000	3174	76
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	3162	63
NUMBER OF EMPLOYEES, average	4	2
HOLMSTRÖMGRUPPEN'S OWNERSHIP, approx.	25%	25%

Data for 2021 is preliminary.



THE LOGICAL GOLD INVESTMENT

SECTOR: Mining and extraction of precious metals
WEBSITE: www.goldlogic.com
INVESTMENT YEAR: 2017

	2021	2020
NET SALES, SEK 000	34,804	30,155
OPERATING PROFIT/LOSS, SEK 000	12,228	5,511
PROFIT/LOSS AFTER NET FINANCIAL ITEMS, SEK 000	12,228	5,511
NUMBER OF EMPLOYEES, average	1	1
HOLMSTRÖMGRUPPEN'S OWNERSHIP, approx.	5%	5%

The company reports in USD. Exchange rate 31/12/2021: SEK 9.05.
 Data for 2021 is preliminary.

FINANCIAL INFO AND ACCOUNTS



Holmströmgruppen delivered a profit after net financial items of SEK 2,131 million for 2021. This is an increase of 96% compared to 2020 and our best result ever.

– KATARINA STRÖMBERG,
HEAD OF FINANCE

DIRECTORS' REPORT

The Board of Directors and the CEO of F. Holmströmgruppen AB, co.reg.no. 556696-3590, hereby submits the Annual Report and consolidated accounts for 2021. Information in parentheses refers to the previous year.

HOLMSTRÖMGRUPPEN

Parent company

Holmströmgruppen owns companies mainly in the property sector. The company has no employees.

The Group

The Group divides its operations into three areas: ownership and management of properties, project development in the property sector and holdings in private equity companies.

Property management refers to both own properties and external assignments and takes place primarily through F. Holmström Fastigheter AB, co. reg. no. 556530-3186 ("Holmström Fastigheter"). A total of 200,000 m² is managed, of which 71% consists of residential property, 25% commercial premises and 4% community service property.

Holmströmgruppen's own property portfolio comprises 70 properties. The properties are located in Stockholm, Greater Stockholm, Linköping, Kalmar, Borgholm, Örnköldsvik and Norrköping and comprise around 108,000 m² of which 75% consists of residential property, 17% commercial premises and 8% community service properties.

Holmströmgruppen owns 50% of Vincero VF5, which owns and manages 26 commercial properties comprising around 54,900 m² with good transport links in Stockholm and Uppsala. Holmströmgruppen also owns 20% of the property company Ankarhagen, which owns, manages and renovates commercial properties in warehouses and light industry in growth regions in Central Sweden. Ankarhagen currently owns 32 properties with around 437,000 m² of zoning planned land.

Project development takes place through the associated company Magnolia Bostad, an urban developer that creates new neighbourhoods and residential areas. The company develops rental and tenant-owned apartments, community service properties and hotels in Sweden's growth areas and major cities, partly for sales and partly for self-management. At the end of 2021, the company had just over 20,000 building rights in its building rights portfolio, and during the year more than 1,000 residential units were completed.

Holmströmgruppen invests through F. Holmström Private Equity AB, co. reg. no. 556724-4800, especially in small or mid-sized entrepreneurial companies with good conditions for growth.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR IN THE GROUP

During the period, property management acquired eleven new properties, mainly residential and community service properties located in Kalmar and Norrköping.

During the spring of 2021, a restructuring of the F Holmström Fastigheter AB group was carried out, whereby assets were sold into the subsidiaries under Holmström Fastigheter Holding AB (publ).

In Q2 the parent company issued a bond of a nominal SEK 300 million within a framework of SEK 750 million, with a variable interest rate of Stibor 3m + 5.0% maturing in October 2024. In Q3 an additional bond of a nominal SEK 200 million within the same framework was issued.

In July 2021, an offer was made to the shareholders of Magnolia Bostad to transfer their shares in Magnolia Bostad to HAM Nordic AB, one of the Group's associated companies. In September, the process was completed and Magnolia Bostad was delisted from Nasdaq Stockholm. As a result, the Group now owns 40% of Magnolia Bostad. Areim owns 44% and Holmströmgruppen owns the remaining 16%. We intend to develop Magnolia Bostad in the long-term in a private environment and Areim plans to contribute SEK 2 billion of financing to the company in the coming years, which will support Magnolia Bostad's strategy to develop properties for self-management.

General market conditions have changed as a result of concerns about the spread of COVID-19. So far, it has not had any significantly negative effects on the Group.

LEGAL STRUCTURE

In addition to holdings reported according to the equity method, the Holmströmgruppen Group consisted of 49 companies (255) as of 31 December 2021.

ORGANIZATION

Magnolia Bostad is run independently and is divided into the following departments: Business Development, Project Development, Business Generation with specialist functions, Magnolia Architects, Marketing and Communications, Legal and Finance. In 2021, Magnolia Bostad became an associated company instead of a subsidiary.

Employees in the Group work primarily with investment properties and are divided into the Property Management and Finance departments. There are a total of 20 employees (18), of which 11 women and 9 men at offices in Stockholm, Linköping, Kalmar and Örnköldsvik.

SUSTAINABILITY

Holmström Fastigheter works for sustainable development and we see sustainability issues as a natural part of our work. We take the environment and people into account and take responsibility for future generations. We are convinced that a healthy approach to sustainability issues brings great benefits for us as a company, for our employees and for the outside world as a whole. For us, sustainability is about understanding our role in society and acting responsibly in the areas that we can influence.

OWNERSHIP

Fredrik Holmström owns all the shares in F. Holmströmgruppen AB.

THE GROUP'S RESULTS AND FINANCIAL POSITION

In 2021, the Group's shareholding in Magnolia Bostad AB was reclassified from a subsidiary to an associated company to reflect the terms the Group is bound by through the shareholder agreement with Areim.

MULTI-YEAR TOTALS

CONDENSED INCOME STATEMENT, SEK M	2021	2020	2019	2018	2017
Net sales	593	2,465	975	1,125	1,087
Operating income	2,254	1,293	696	378	385
Profit/loss after financial items	2,131	1,085	512	235	263
CONDENSED FINANCIAL POSITION, SEK M					
Investment properties	3,440	4,157	2,881	1,581	806
Buildings held for sale	0	999	1,382	1,196	1,314
Cash and cash equivalents	163	535	608	616	347
Equity including the minority shares	4,270	3,133	2,297	2,029	1,614
Balance sheet total	7,060	8,799	6,858	5,520	4,922
KPIS					
Return on equity	58	40	24	13	17
Return on capital employed, %	35	19	13	8	10
Return on total equity, %	29	17	12	8	9
Liquidity ratio, %	484	162	311	311	371
Equity/assets ratio, %	60	36	33	37	33

Financial information for the years 2018 to 2021 is reported in accordance with IFRS and for previous years in accordance with K3.

Net sales for the financial year amounted to SEK 593 million (2,465) and consisted mainly of sales of development and project properties as well as rental income.

The operating income was SEK 2,254 million (1,293) and includes the profit from the revaluation of a transfer from a subsidiary to an associated company of SEK 769 million (0), changes in value of investment properties of SEK 506 million (580), a profit from participations in associated companies of SEK 531m (81) and a profit from other securities and receivables of SEK 479 million (113).

Net financial items amounted to SEK -123 million (-208).

The profit after tax for the full year amounted to SEK 1,983 million (953).

Total assets amounted to SEK 7,060 million (8,799). The Group's equity as of 31 December 2021 amounted to SEK 4,270 million (3,133), which gave an equity/assets ratio of 60% (36). The minority share of equity amounted to SEK 99 million (874). In 2021, the return on equity was 58% (40).

The Group's cash flow from operating activities amounted to SEK xx million (377), cash flow from investment activities amounted to SEK -xx million (-441) and cash flow from financing activities amounted to SEK -x million (-8). Cash and cash equivalents as of 31 December 2021 amounted to SEK 163 million (535). In addition to cash and cash equivalents, there are unutilized credits of SEK 25 million (515).

EVENTS AFTER THE END OF THE PERIOD

The subsidiary Holmström Fastigheter Holding AB (publ) ("HFH") together with Slättö Core Plus AB ("Slättö") and Latona Fastigheter AB ("Latona") has established a JV regarding ownership of Klippudden Fastigheter AB. The collaboration was set up in February 2022. After the transaction, the JV is (di-

rectly or indirectly) 50% owned by Slättö, 47.5% by HFH and 2.5% by Latona. The properties will be sold at the valuations available as of 31 December 2021. For properties not yet occupied, HFH will receive an additional purchase price of almost SEK 50 million. F Holmström Fastigheter AB will continue to be asset manager for Klippudden Fastigheter.

PROPOSED APPROPRIATION OF COMPANY PROFITS

The following is available to the Annual General Meeting, SEK:

Profit/loss carried forward	124,496,279
Net profit/loss for the year	1,000,751,892
Total	1,125,248,171
The Board proposes:	
To be carried forward	1,125,248,171
Total	1,125,248,171

CONSOLIDATED INCOME STATEMENT

AMOUNTS IN SEK M	Note	01/01/2021 31/12/2021	01/01/2020 31/12/2020
Operating income			
Net sales	4, 6	593	2,465
Production and operating costs	5, 8	-543	-1,799
Gross profit		50	666
Central administration	5, 10	-80	-119
Depreciation and impairment of fixed assets	5, 7, 9	-1	-28
Profit/loss from shares in associated companies and joint ventures	13	531	81
Revaluation with transfer from subsidiary to associated company	12	769	0
Profit from other securities and receivables	14	479	113
Changes in value, investment properties	20	506	580
Operating profit		2,254	1,293
Financial income	15	11	14
Financial expenses	16	-134	-222
Profit/loss after financial items		2,131	1,085
Profit before tax		2,131	1,085
Tax on profit for the year	17, 18	-148	-132
PROFIT FOR THE YEAR		1,983	953
Profit/loss attributable to			
Parent company shareholders		1,998	626
Minority interests		-15	327

CONSOLIDATED BALANCE SHEET

AMOUNTS IN SEK M	Note	31/12/2021	31/12/2020
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Goodwill	19	0	6
Total intangible fixed assets		0	6
<i>Tangible fixed assets</i>			
Investment properties	20	3,440	4,157
Right of use assets	7	24	84
Equipment	21	120	112
Total tangible fixed assets		3,584	4,353
<i>Financial fixed assets</i>			
Shares in associated companies	23,24	2,264	473
Receivables from associated companies	25	88	92
Other long-term securities	26	755	300
Other long-term receivables	27	11	1,070
Total financial fixed assets		3,118	1,935
Total fixed assets		6,702	6,294
Current assets			
<i>Inventories etc</i>			
Development and project property	28	0	999
Tenant-owned apartments		0	11
Total inventories		0	1 010
<i>Current receivables</i>			
Rent and accounts receivable	29	5	46
Receivables from associated companies	25	6	136
Other receivables	31	177	750
Prepaid expenses and accrued income	30	7	28
Total current receivables		195	960
<i>Cash and bank balances</i>		163	535
Total current assets		358	2,505
TOTAL ASSETS		7,060	8,799

AMOUNTS IN SEK M	Note	31/12/2021	31/12/2020
EQUITY AND LIABILITIES			
Equity			
Share capital		0	0
Retained profits including profit for the year		4,171	2,259
Equity attributable to parent company's shareholders		4,171	2,259
Holdings without a controlling influence		99	874
Total equity		4,270	3,133
Long-term liabilities			
Deferred tax liability	33	444	379
Long-term interest-bearing liabilities	34	1,844	2,580
Long-term leasing liability		20	66
Long-term liabilities to associated companies		0	11
Other long-term liabilities	34	2	535
Total long-term liabilities		2,310	3,571
Current liabilities			
Current interest-bearing liabilities	34	406	1,172
Current leasing liability		4	21
Current derivative liability		0	1
Accounts payable		6	72
Liabilities to associated companies		0	13
Tax liability		1	2
Other current liabilities		22	634
Accrued expenses and deferred income	35	41	180
Total current liabilities		480	2,095
TOTAL EQUITY AND LIABILITIES		7,060	8,799

CHANGES IN CONSOLIDATED EQUITY

AMOUNTS IN SEK M	Share capital	Other contributed capital	Retained profits including net profit/loss for the year	Non-controlling interests	Total share capital
Opening equity 01/01/2020	0	0	1,711	586	2,297
Dividend			-45	-57	-102
Acquisition of non-controlling interests			-9	-9	-18
Displacement effect upon transition to IFRS			-25	26	1
Translation difference			1	0	1
Profit for the year			626	327	953
Closing equity 31/12/2020	0	0	2,259	874	3,133
Opening equity 01/01/2021	0	0	2,259	874	3,133
Dividend			-85	-8	-93
Disposal of holdings without a controlling influence				-756	-756
Acquisition of holdings without a controlling influence			-2	3	1
Displacement effect on shareholders' contributions			-1	1	0
Translation difference			2		2
Group contributions made					0
Profit for the year			1,998	-15	1,983
Closing equity 31/12/2021	0	0	4,171	99	4,270

CONSOLIDATED CASH FLOW STATEMENT

AMOUNTS IN SEK M	01/01/2021 31/12/2021	01/01/2020 31/12/2020
Operating activities		
Profit/loss after financial items	2,131	1,085
<i>Adjustments for items not included in cash flow</i>		
Less share in profits in associated companies	-531	-81
Less transfer from subsidiary to associated company	-769	0
Depreciation and impairment of assets	1	-28
Changes in value, investment properties	-506	-580
Changes in value, other securities and liabilities	-479	0
Revenue from sale of development properties	0	-691
Other non-liquidity-affected profit and loss items	7	-26
Tax paid	-3	-1
Cash flow from operating activities before changes in working capital	-149	-322
Cash flow from changes in working capital		
Decrease/increase in current receivables	-188	1,137
Decrease/increase current liabilities	600	182
Decrease/increase inventories/work in progress	0	-627
Decrease/increase inventories/securities	0	5
Cash flow from operating activities	263	375
Investment activities		
Acquisition of tangible fixed assets	-312	-386
Sale of tangible fixed assets	-277	0
Dividends received from associated companies	0	4
Acquisition of associated companies	0	-5
Contribution to associated companies	0	-87
Sale of associated companies	99	82
Changes in long-term receivables from associated companies	0	69
Investments in shares and participations	-197	-92
Sale of shares and participations	180	1
Changes in other long-term receivables	0	-27
Cash flow from investment activities	-507	-441
Financing activities		
Dividend paid	-85	-43
Dividend paid to holdings without a controlling influence	-8	-57
Acquisition/sale from/to holdings without controlling influence	-2	-16
Borrowings	404	2,350
Amortization of loan	-437	-2,242
Cash flow from financing activities	-128	-8
Cash flow for the year	-372	-74
Cash and cash equivalents at the beginning of the year	535	609
Cash and cash equivalents at the end of the year	163	535

PARENT COMPANY'S INCOME STATEMENT

AMOUNTS IN SEK M	Note	01/01/2021 31/12/2021	01/01/2020 31/12/2020
Operating income			
Net sales		0	0
Total operating income		0	0
Operating expenses			
Other external expenses		-1	0
Total operating expenses		-1	0
Operating loss		-1	0
Profit/loss from financial items			
Profit/loss from shares in Group companies	12	1,000	42
Financial income	15	1	2
Total financial items		1,001	44
Profit/loss after financial items		1,000	44
Profit before tax		1,000	44
Tax on profit for the year		0	0
PROFIT FOR THE YEAR		1,000	44

PARENT COMPANY'S BALANCE SHEET STATEMENT

AMOUNTS IN SEK M	Note	31/12/2021	31/12/2020
ASSETS			
Fixed assets			
<i>Financial fixed assets</i>			
Shares in Group companies	22	30	30
<i>Total financial fixed assets</i>		30	30
Total fixed assets		30	30
Current assets			
<i>Current receivables</i>			
Receivables from Group companies		1,112	184
Prepaid expenses and accrued income	30	1	0
<i>Total current receivables</i>		1,113	184
<i>Cash and bank balances</i>		0	0
Total current assets		1,113	184
TOTAL ASSETS		1,143	214
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	32	0	0
<i>Total restricted equity</i>		0	0
<i>Non-restricted equity</i>			
Retained profits		125	165
Profit for the year		1,000	44
<i>Total non-restricted equity</i>		1,125	209
Total equity		1,125	209
<i>Current liabilities</i>			
Other current liabilities		18	5
<i>Total current liabilities</i>		18	5
TOTAL EQUITY AND LIABILITIES		1,143	214

CHANGES IN PARENT COMPANY'S EQUITY

AMOUNTS IN SEK M	Share capital	Reserve fund	Profit/loss carried forward	Profit/loss for the year	Total share capital
Opening equity 01/01/2020	0	0	162	48	210
Disposal according to the AGM	-	-	48	-48	0
Dividend	-	-	-45	-	-45
Profit for the year	-	-	-	44	44
Closing equity 31/12/2020	0	0	165	44	209

AMOUNTS IN SEK M	Share capital	Reserve fund	Profit/loss carried forward	Profit/loss for the year	Total share capital
Opening equity 01/01/2021	0	0	165	44	209
Disposal according to the AGM	-	-	44	-44	0
Dividend	-	-	-85	-	-85
Group contribution received	-	-	0	-	
Profit for the year	-	-	-	1,000	1,000
Closing equity 31/12/2021	0	0	125	1,000	1,125

PARENT COMPANY'S CASH FLOW STATEMENT

AMOUNTS IN SEK M	01/01/2021 31/12/2021	01/01/2020 31/12/2020
Operating activities		
Profit/loss after financial items	1,000	0
<i>Adjustments for items that are not included in cash flow</i>		
Less profit/loss from share in Group companies	-1,000	0
Interest paid		2
Cash flow from operating activities before changes in working capital	0	2
Cash flow from changes in working capital		
Decrease/increase in current receivables	71	-3
Decrease/increase current liabilities	13	3
Cash flow from operating activities	84	2
Investment activities		
Changes in other long-term receivables		0
Cash flow from investment activities	0	0
Financing activities		
Dividend paid	-84	-45
Dividend received		42
Cash flow from financing activities	-84	-3
Cash flow for the year	0	-1
Cash and cash equivalents at the beginning of the year	0	1
Cash and cash equivalents at the end of the year	0	0

ADDITIONAL INFORMATION

Note 1 Accounting principles

ABOUT THE COMPANY IN GENERAL

F. Holmströmgruppen AB co. reg. no. 556696-3590 is a company registered in Stockholm. Its address is Sturegatan 6, Box 5184, 102 44 Stockholm, Sweden.

APPLIED REGULATIONS

The consolidated accounts were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations from the IFRS Interpretations Committee as adopted by the EU. Furthermore, the consolidated accounts were prepared in accordance with Swedish law and the Swedish Financial Reporting Board's recommendation RFR1, Supplementary Accounting Rules for Corporate Groups. This is the first annual report in accordance with IFRS.

The Parent Company applies the same accounting principles as the Group with the exception of the cases set out below in the section entitled "Parent Company accounting principles". Deviations that arise between the Parent Company and the Group principles are the result of limitations to the possibilities for applying IFRS in the Parent Company due to the Annual Accounts Act and, in some cases, applicable tax regulations.

CONDITIONS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE PARENT COMPANY AND THE GROUP

The Parent Company's functional currency is SEK, which is also the reporting currency for the Parent Company and the Group. All amounts, unless stated otherwise, are rounded to the nearest million. Assets and liabilities are reported at cost, with the exception of some financial assets and liabilities that in the Consolidated Statement of Financial Position are measured at fair value. Investment properties are also reported at fair value. Financial assets and liabilities measured at fair value consist of derivative instruments and securities, measured at fair value via the consolidated income statement.

The Group's accounting principles have been applied consistently to the accounts and consolidation of the Parent Company and subsidiaries.

In preparing the annual accounts and consolidated accounts, the Board of Directors and CEO are responsible for assessing the company's ability to continue as a going concern. They disclose, where applicable, conditions that may affect the ability to continue as a going concern and to use the going concern assumption. However, the going concern assumption does not apply if the Board of Directors and CEO intend to wind up the business or have no realistic alternative but to do so.

CLASSIFICATION

Non-current assets and liabilities in the Parent Company and Group consist only of amounts that are expected to be recoverable or paid later than twelve months from the balance sheet date, while current assets and liabilities in the Parent Company and the Group consist only of amounts that are expected to be recoverable or paid within twelve months from the balance sheet date.

INPUT DATA FOR MEASUREMENTS AT FAIR VALUE

- Level 1 Listed, unadjusted prices on active markets for identical assets or liabilities that the company has access to at the date of measurement.
- Level 2 Other input data than the listed prices that are included in Level 1, which are directly or indirectly observable for assets and liabilities.
- Level 3 Input data at Level 3 are non-observable input data for assets and liabilities.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated income statement and balance sheet encompass all companies in which the Parent Company directly or indirectly holds more than half of the shares' voting rights as well as companies in which the Group in any other way has a controlling influence.

The financial statements for the Parent Company and the subsidiaries that are included in the consolidated financial statements refer to the same period and are prepared in accordance with the accounting principles that apply to the Group. A subsidiary is included in the consolidated financial statements as of the date of acquisition, which is the date the Parent Company acquires a controlling influence, normally more than 50% of the votes, and is included in the consolidated financial statements until the date on which the controlling influence ceases. Intra-Group transactions and any associated profit/loss are eliminated.

Business acquisitions vs. asset acquisitions

The acquisition of companies can be classified as either a business acquisition or an asset acquisition. The assessment is made on a case-by-case basis per acquisition. Company acquisitions, the primary purpose of which is to acquire the company's property and where the company's management organization and administration is of subordinate importance for the acquisition, are classified as asset acquisitions. Other company acquisitions are classified as business acquisitions.

The difference between the cost of a business acquisition and the acquired share of net assets in the acquired operations is classified as goodwill and reported as an intangible asset in the balance sheet. Goodwill is measured at cost less accumulated write-downs. Goodwill is distributed among cash-generating units following an annual impairment test in accordance with IAS 36. Transaction costs are expensed directly to the period's profit/loss. When acquiring assets, the cost is distributed among the acquired net assets in the acquisition analysis.

The percentage of equity attributable to owners with a non-controlling influence (previously referred to as minority holding) is reported as an individual item under equity separate from the share of equity of the Parent Company's owner. A special note is also provided regarding their share of the period's profit/loss.

Control over tenant-owner associations/Reporting of tenant-owner associations

Magnolia Bostad consolidates tenant-owner associations during the construction period and up to the time when the final

tenant-owners purchase their apartments and control is judged to pass to the final tenant-owners. This means that Magnolia Bostad reports unoccupied tenant-owned apartments as work in progress within the asset item Project and development properties.

Reporting of associated companies and joint arrangements

Joint ventures are arrangements in which the company has joint deciding influence and the investment is reported using the equity method (see the section on associated companies below). Assets (including any goodwill and fair value adjustments) and liabilities for acquired or divested joint arrangements during the year are included in the consolidated financial statements from the date on which the joint controlling influence is acquired and removed on the date on which the joint controlling influence ceases.

The Group's holding of participations in a company that is not a subsidiary but in which the Group exercises a significant but non-controlling influence is classified as a holding of participations in associated companies. Associated companies normally arise when the Group has more than 20% but less than 50% of the votes in the legal entity. The Group reports participations in associated companies and joint ventures in accordance with the equity method. In the event the Group acquires additional participations in the associated company, but the company remains an associated company to the Group, the previous holding is not remeasured. When participations in associated companies are divested so that the significant influence is no longer present, the entire holding is reported as divested and any gains or losses are recognized in the consolidated income statement. In the event participations are left, they are reported as Other securities.

The equity method means that the holding is initially reported at cost. The carrying amount is increased or decreased thereafter to take into account the Group's share of profit/loss and other comprehensive income from its joint ventures after the date of acquisition. The Group's share of profit/loss from holdings reported under the equity method is included in the consolidated profit/loss and the consolidated share of other comprehensive income is included in other comprehensive income in the Group.

Gradual acquisitions

During the gradual acquisition of previous associated companies, previous holdings are remeasured at fair value and profit/loss is reported in the income statement when the controlling influence is acquired.

REVENUE RECOGNITION

Revenue recognition takes place when a performance commitment is fulfilled by transferring a promised product or service to a customer. An asset is transferred when control of the asset is transferred to the customer. When a performance commitment is met, or as a result of it being met, a company must recognize the amount of the transaction price allocated to the performance commitment.

The subsidiary Magnolia Bostad develops new housing, both rental and tenant-owned apartments, care homes, community service properties and hotels. In the case of sales, two different agreements are entered into with the customer, an agreement regarding the sale of the project (the property) and an agreement regarding project management. According to IFRS 15, these two agreements are seen as a single agreement. The Group has two separate performance commitments: project management that is reported over time based on the degree of completion of the project and the sale of the project (the property) that is reported at the time when control has passed to the customer. The transaction price is allocated between the two performance

commitments based on an independent sales price for project management.

Revenue recognition of project management agreements

Project management is reported as a performance commitment and revenue attributable to project management is reported over time according to the input method, as control is transferred over time. The input method means that income is reported on the basis of efforts or input to fulfil a performance commitment in relation to the total expected input for the fulfilment of the performance commitment. Magnolia Bostad has chosen discontinued project expenses in relation to total estimated expenses for each project management agreement. This method has been chosen because incurred expenses are best judged to reflect the transfer to the customer. Expenses for the project management agreement mostly consist of personnel expenses and expenses for sub-consultants.

Revenue recognition of projects (property)

Magnolia Bostad considers that the moment of revenue recognition of projects (property) to be when control has been passed to the buyer. The control is deemed to pass when (i) a binding agreement is entered into with a purchaser of the project (the property), (ii) zoning planning is in place, and (iii) a binding turnkey contract has been entered into with a contractor. The turnkey contract is signed by or transferred to the buyer. The Group makes the assessment that control over the asset is passed at the point in time when there is a legally binding agreement with the purchaser and the significant risks and benefits associated with the ownership of the asset are thus passed to the purchaser.

The transaction price contains elements of variable consideration. For rental apartment projects, hotels and community service properties, the variable consideration is linked to the future property's rent/net operating income and area. Variable remuneration amounts are estimated at the expected value and included in the transaction price to the extent that a significant reversal at a later point in time is highly improbable. At the end of each reporting period, the estimated transaction price is updated to correctly reflect the circumstances at that point in time. The variable consideration for rents is dependent on warranties limited in time and scope linked to future rent levels/net operating income and future vacancy levels for rental apartment projects. The vacancy guarantee is updated using the current rental status. For tenant-owner projects, the Group has an obligation to the tenant-owner association to buy unsold tenant-owner apartments, whereby unsold tenant-owner apartments are treated as an additional variable component in the transaction price for tenant-ownership projects, in addition to the variable component for area. By "sold apartments" it is meant that there must be a binding agreement with tenant-owners.

Variable consideration in the transaction price linked to the area consists of planning risk and any risk in the turnkey contract. Planning risk is based on due diligence regarding the zoning planning work and is reported as revenue when the building permit gains legal force, which is when the uncertainty surrounding planning risk ceases. The risk in the turnkey contract is considered to cease and is reported as revenue when the turnkey contract has been concluded. The Group makes an individual assessment of the expected value of any variable consideration in each individual project.

Following revaluation of the projects' expected final profit/loss, previously calculated profit in said projects is adjusted and the projects are recognized as revenue or reported as a decrease in revenue in the period during which the transaction price is changed.

Rental income

Rental income is announced in advance and reported in the period to which it is attributable, which is specified in the rental contract. The rental contract includes additional charges such as invoiced property tax and heating expenses.

REMUNERATION TO EMPLOYEES AND THE BOARD OF DIRECTORS

Remuneration to employees in the form of salaries, paid vacation, paid absence due to illness, etc. and pensions, are reported as earned.

Defined-contribution pensions

The Group only utilizes defined-contribution pension plans. In defined-contribution plans, the company pays fixed fees to an external public or private legal entity that manages the future pension commitments. The Group's profit is debited for costs as benefits are accrued. The Group has no additional payment commitments or other obligations once the fees are paid.

FINANCIAL INCOME AND EXPENSES

Financial income consists of interest-bearing income on bank balances, receivables and financial investments. Interest income is reported using the effective interest method. When the value of a receivable classified as a loan receivable and accounts receivable or a loan liability has been impaired, the Group lowers the carrying amount to the recoverable amount, which is determined by the forecast cash flow discounted by the original effective interest rate for the instrument, and continues to dissolve the discounting effect as interest income. Interest income on impaired loan receivables and accounts receivable are reported at the original effective interest rate.

Financial expenses consist of interest expenses and other borrowing costs. Interest expenses are reported using the effective interest method. Financial expenses are reported in the period to which they refer.

LEASING – LESSOR

Lease agreements are classified as either finance or operating leases. Finance leases occur when the economic risks and rewards attributable to the leasing object in all material respects are transferred to the lessee. All other leases are considered to be operating leases. The Group does not have any material finance lease agreements and all lease agreements are therefore reported as operating lease agreements, which means that the lease fee is distributed on a straight-line basis over the term of the lease.

LEASING - LESSEE

As the lessee, rights of use and leasing liabilities for the vast majority of leasing agreements are recognized in the balance sheet. Depreciation of rights of use and interest costs for leasing liabilities are reported in the income statement. In the cash flow analysis, payments attributable to the amortization of leasing debt are reported in financing operations and payments attributable to interest in operating activities.

The lease liability is valued at the acquisition date at the present value of unpaid leasing fees at the commencement date. Subsequently, the lease liability increases with interest costs and decreases with paid lease fees. The right of use is initially reported at acquisition value, i.e. the original value of the lease liability. The right of use then depreciates over the period of use. Leasing fees are discounted by the marginal loan interest rate. The Group applies the exceptions that the standard allows for short-term leases and leases for which the underlying asset is of low value. These lease agreements are reported as other expenses. After the start date, the lease liability is revalued to reflect re-evaluations and changes to the lease agreement.

The revaluation of the lease liability is adjusted against the right of use. Profits or losses attributable to changes in lease agreements are recognized in the income statement.

TAXES

Income tax consists of current tax and deferred tax. Income tax is reported in the income statement, except when the underlying transaction is reported under Other comprehensive income, or directly against Equity, whereupon the related tax effect is also reported under either Other comprehensive income or Equity.

Current tax is tax that must be paid or received for the year in question, under application of the tax rates that have been enacted or effectively enacted as of the balance sheet date. This also includes adjustments to current tax attributable to previous periods. Deferred tax is calculated in accordance with the balance sheet method and is based on temporary differences between reported and taxable values of assets and liabilities. Deferred tax is not reported for temporary differences that arise during the initial reporting of assets and liabilities that are asset acquisitions and which at the time of the transaction affect neither reported nor taxable profit/loss. Furthermore, temporary differences are not considered to be attributable to participations in subsidiaries and associated companies that are not expected to be reversed within the foreseeable future. Deferred tax is calculated using the tax rates and tax rules that have been enacted or effectively enacted as of the balance sheet date.

Deferred tax assets for deductible temporary differences and loss carry-forwards are only reported to the extent that it is probable they will be used. The value of deferred tax assets is written down when it is no longer judged to be probable that they can be used.

INTANGIBLE FIXED ASSETS

Intangible assets acquired by the company are reported at acquisition value less accumulated depreciation and write-downs. Expenses for internally generated goodwill and brands are reported in the income statement as an expense when they arise. Additional expenses are added to the acquisition value only if they increase the future economic benefits that exceed the original assessment and the expenses can be calculated in a reliable manner. All other expenses are expensed as incurred.

INVESTMENT PROPERTIES

Investment properties are properties held for the purpose of collecting rental income or for an increase in value or a combination of the two. Initially, investment properties are reported at acquisition cost, including costs attributable to the acquisition. Investment properties are normally reported on the balance sheet from the contract date, unless the transfer from the seller is made on a different date. If ownership of the property is transferred on a different date, this second date is used for the reporting of the investment property.

Additional expenditure that provides an economic benefit to the company, i.e. that increases its value, and that can be measured reliably is capitalized as an asset. Expenses for repair and maintenance are reported in the period in which they occur.

Investment properties are reported at fair value on the balance sheet date. Fair value is the estimated amount that would be received in a transaction at the time of reporting between knowledgeable parties independent of each other and who have an interest in the transaction being carried out. The valuations are made at the end of each quarter and all investment properties are externally valued at least once a year. Both unrealized and realized changes in value are reported in the income statement under the heading Changes in value of investment properties in the operating profit.

Income from the sale of investment properties is normally reported on the contract date, if the transfer to the buyer is not made on a different date. The transfer of the asset may have oc-

curred at a different time to the contract date. If this is the case, the revenue is reported under this other date. When assessing the revenue recognition date, consideration is given to what has been agreed between the parties regarding risks and benefits and involvement in day-to-day management.

EQUIPMENT

Tangible fixed assets are reported as an asset in the balance sheet when, on the basis of available information, it is probable that the future economic benefit associated with the holding will flow to the company and the cost for the asset can be calculated in a reliable manner. Tangible fixed assets are reported at cost after deductions for depreciation according to plan and any write-downs.

IMPAIRMENT PRINCIPLES FOR INTANGIBLE ASSETS AND INVENTORIES

Depreciation according to plan is based on the original cost less the estimated residual value. Depreciation/amortization occurs on a straight-line basis over the estimated useful life of the asset.

Licenses	5 years
Inventories	3–5 years

IMPAIRMENT LOSSES

Carrying amounts for the company's assets are tested every balance sheet date to assess whether there is a need for impairment. If such an indication is present, the asset's recoverable amount is calculated as the higher of the value in use and the net realizable value. Impairment losses are applied if the recoverable amount is less than the carrying amount. An impairment loss is only reversed if the asset's carrying amount after the reversal does not exceed the carrying amount that the asset would have had if no impairment loss had been applied. For goodwill and intangible assets with indefinite useful lives, the impairment test is conducted annually.

DEVELOPMENT AND PROJECT PROPERTIES

Development and project properties are held for the purpose of developing and selling residential units, such as rental apartments and tenant-owned apartments. The properties are reported as current assets, even if some properties are under management and generate rental income pending their development. They are reported at the lowest of cost and net realizable value. Development and project properties are reported in their entirety when a binding agreement exists. In certain agreements on asset acquisitions, there are additional payments that are payable if certain events occur in the future. These additional payments are recognized when the underlying event causing an additional payment occurs. Any tax discounts at acquisition reduce the property's cost.

PROVISIONS AND CONTINGENT LIABILITIES

A provision is reported in the balance sheet when the company has an existing legal or informal obligation following the occurrence of an event, it is probable that an outflow of economic resources will be required to settle the obligation and it is possible to reliably estimate the amount. Where the effect of the timing of the payment is significant, provisions are calculated by discounting the expected future cash flow at an interest rate before tax that reflects current market conditions of the value of the money and, where appropriate, the risks associated with the debt. Provisions are retested at every period end.

Contingent liabilities are possible obligations that derive from the occurrence of events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent liabilities also include claims deriving from the occurrence of events, but which are not reported as a liability or provision since it is probable that an outflow of

resources will be required to settle the claim and/or it is not possible to reliably estimate the amount.

FINANCIAL INSTRUMENTS

A financial asset or financial liability is recognized in the balance sheet when the company becomes party to the instrument's contractual terms and conditions. Financial assets are derecognized from the balance sheet when the rights of the agreement are realized, fall due or the company in any other way loses control over them. Financial liabilities are derecognized from the balance sheet when the obligations in the agreement are discharged or in any other way extinguished.

Financial instruments reported in the balance sheet include cash and cash equivalents, accounts receivable, other long-term receivables, other receivables and derivatives and securities. Liabilities include accounts payable, loans, other liabilities and derivatives. The company does not apply hedge accounting.

Financial instruments are initially reported at cost corresponding to the instrument's fair value at the time of acquisition including transaction costs for all financial instruments except those that belong to the category Financial asset reported at fair value in the income statement, which are reported without transaction costs. Reporting thereafter depends on how they are classified in accordance with the categories stated below.

The financial assets category consists of three sub-groups: financial assets measured at fair value through the income statement, financial assets measured at accrued acquisition value and financial assets measured at fair value via Other comprehensive income.

Financial assets measured at accrued acquisition value

Assets held for the purpose of collecting contractual cash flows that only constitute payments of principal amounts and interest, and which are not identified as valued at fair value through profit or loss, are valued at accrued acquisition value. The reported value of these assets is adjusted with any reported expected credit losses. Interest income from these financial assets is reported in net financial items using the effective interest method.

Customer receivables are reported at the amount that is expected to be received after deductions for doubtful receivables that have been assessed individually. The expected maturity of rental receivables is short, which is why the value is reported at a nominal amount without discounting. Receivables are reported at cost less any impairment losses. A receivable is tested individually for its estimated probability of default and recognized at the amount expected to be received. Write-downs are made for bad debts and are reported under operating expenses.

Financial assets measured at fair value through the income statement

Assets that do not meet the criteria for accrued acquisition value are measured at fair value through the income statement. Profits or losses due to a debt instrument that after initial recognition are valued at fair value through profit or loss and are not included in a hedging relationship are recognized in net financial items when they arise. Interest income from these financial assets is reported in net financial items using the effective interest method.

Cash and cash equivalents and blocked accounts

Cash and cash equivalents consist of cash and immediately accessible balances at banks and equivalent institutions.

Amounts in blocked accounts are funds serving as collateral for repayment of loans or the financing of investments in properties as well as rent deposits and are reported as other receivables.

Liability instruments are only reclassified when the Group's business model for managing these assets changes.

Equity instruments are instruments that meet the definition of equity from the issuer's perspective, which means instruments

without a contractual obligation to pay and which deposit a residual right in the issuer's net assets. Profits or losses due to equity instruments measured at fair value via the balance sheet are recognized in net financial items.

Financial assets measured at fair value through the income statement

Investments in participations in companies other than Group companies, joint ventures and associated companies are included in assets measured at fair value through the income statement.

The financial liabilities category consists of two sub-groups: financial liabilities measured at fair value through the income statement and financial liabilities measured at amortized cost.

Financial liabilities measured at fair value through the income statement

Financial liabilities measured at fair value through the income statement consist of derivative instruments. Derivative instruments are measured in the consolidated accounts at fair value with changes in value reported in the income statement.

Financial liabilities measured at accrued acquisition value

Refers to all other financial liabilities, such as borrowing, accounts payable, accrued costs for services and goods that are settled in cash. Financial liabilities (interest-bearing loans and other financing), with the exception of short-term liabilities where the interest rate effect is insignificant, are measured initially at fair value, and thereafter at amortized cost when applying the effective interest method. Accounts payable and other liabilities with short-term expected maturities are measured without discounting to a nominal amount. Liabilities are reported when the counterparty has delivered and a contractual payment obligation arises, even if the invoice has not yet been received. Accounts payable are reported when the invoice has been received.

A financial asset and a financial liability are netted and reported as a net amount in the balance sheet only in the presence of a legal right to net the amounts and to settle the items with a net amount or simultaneously realize the asset and settle the liability. As of the balance sheet date, there were no financial instruments reported net or covered by offset agreements.

CASH FLOW STATEMENT

The indirect method is applied to the preparation of the cash flow statement. The reported cash flow only includes transactions that result in incoming or outgoing payments.

PARENT COMPANY ACCOUNTING PRINCIPLES

The Parent Company prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The Swedish Financial Reporting Board's statements for listed enterprises also apply. Under RFR 2, the Parent Company in the annual report for the legal entity shall apply all of the IFRS and statements approved by the EU to the extent possible within the framework of the Swedish Annual Accounts Act and with consideration given to the link between accounting and taxation. The recommendation states which exceptions and additions may be made in relation to IFRS.

Shares in Group companies

Shares in Group companies are reported using the cost method. Costs related to acquisition of subsidiaries are included as part of the cost for participations in Group companies. The carrying amount for shares in Group companies is tested for any impairment need when such indications arise.

Group contributions, dividends and shareholders' contributions

The company reports Group contributions according to the alternative rule, which entails that Group contributions received or paid are reported under appropriations. Anticipated dividends are reported as financial income by the recipient. Shareholders' contributions are reported directly under equity by the recipient and capitalized in shares and participations by the issuer to the extent a write-down is not required. Shareholders' contributions received are reported as an increase in unrestricted equity.

CHANGED REPORTING PRINCIPLES

New or changed existing standards that came into force on 1 January 2021 have not had any significant impact on the Group's financial reports.

New and changed standards that are not yet applied by the Group

None of the new or revised existing standards that have not yet come into force are expected to have any significant impact on the Group's financial reports.

In other respects, accounting principles and calculation methods are unchanged compared with the annual report last year.

Note 2 Critical assessments and estimations

The preparation of the financial statements in accordance with IFRS requires that the Board of Directors and executive management make assessments, estimations and assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. The estimations and assumptions are based on historical experiences and a number of other factors that given the current circumstances are deemed to be reasonable. The results of these estimations and assumptions are then used to assess the carrying amounts for assets and liabilities that otherwise are not clearly evident from other sources. The actual outcome may deviate from these estimations and assessments. The estimations and assumptions are reviewed regularly.

REVENUE RECOGNITION OF PROJECTS (PROPERTY)

The project development of rental apartments is recognized as revenue as of the date that (i) a binding agreement has been signed with a rental project purchaser, (ii) there is a zoning plan, and (iii) a binding turnkey contract has been signed with a contractor. The turnkey contract is signed by or transferred to the buyer. The Group makes an individual assessment on the need for any provisions in each individual project. The Group establishes certain guarantees for the project in relation to vacancy and rental levels for which the Group makes provisions based on the specific circumstances of each respective project. Reassessment of the provision for rental guarantees takes place regularly based on the current rental situation. The Group makes provisions for planning risk on the basis of its knowledge of the local planning work. The provision for planning risk is dissolved when the building permit enters into legal force. The Group also makes provisions for any risk in the turnkey contract. Variable remuneration amounts are estimated at the expected value and included in the transaction price to the extent that a significant reversal at a later point in time is highly improbable. Assessment and estimation of variable components to include in the transaction price is largely based on an assessment of future expected performance and all information (historical, current and forecast) that is reasonably available to us. Reassessments of the expected end result of the project mean adjustments of previously calculated profit in the projects concerned. These changes to forecasts are included in the recognized profit/loss for the period. Estimated losses are charged directly to the prof-

it/loss in the period in which they are identified. Assessments and estimates affect the receivable property sales, which is stated in Note 27 - Other long-term receivables and Note 31 - Other receivables.

REVENUE RECOGNITION, RIGHT OF USE (TENANT-OWNED APARTMENTS)

Magnolia Bostad assesses that controlling influence over tenant-owner associations ceases at the time when the final tenant-owners purchase their apartments and the tenant-ownership is consolidated until this time. Revenues and costs for tenant-owned apartment projects are reported as the apartment buyers take over the tenant-owned apartments and consist of the actual revenue for the apartment sold and the sold apartment's share of the project's total cost. Revaluations of the projects' expected end result entail a correction of previously prepared results in the projects concerned. This forecast change is included in the period's reported results. Assessed losses are charged in their entirety directly to the profit for the period in the period in which they are identified.

REVENUE RECOGNITION PROJECT MANAGEMENT

Revenue from project management agreements are reported successively based on the degree of completion of the project. The degree of completion is determined mainly on an ongoing basis as the work is carried out.

DEFERRED TAX ASSETS

Deferred tax assets and liabilities are reported for temporary differences and unutilized loss carry-forwards. The measurement of loss carry-forwards and the Group's ability to utilize loss carry-forwards are based on company management's estimations of future taxable income. Since a large portion of the Group's income according to current tax rules is treated as non-taxable income, the company's management has made the assessment that no deferred tax asset for loss carry-forwards is reported.

CLASSIFICATION OF DEVELOPMENT AND PROJECT PROPERTIES AND INVESTMENT PROPERTIES

When acquiring a property, an assessment is made whether the property should be developed or used as an investment property. The assessment affects the consolidated profit/loss and financial position since each approach is handled differently from an accounting perspective. Properties that are to be developed are classified as development and project properties. Development and project properties are reported as inventory since the intent is to sell the property after completion. The measurement is then the lowest of cost and net realizable value. Investment properties, however, are held with the aim of generating rental income and appreciation. Investment properties are measured at fair value and the change in value is recorded in the income statement. Executive management makes an individual assessment of each property to determine whether the purpose is to develop and sell residential units, both rental apartments and tenant-owned apartments, or whether it is to own the property in the long-term.

DEMARCATON BETWEEN BUSINESS ACQUISITIONS AND ASSET ACQUISITIONS

When acquiring businesses, an assessment is conducted of how the acquisition should be reported based on whether there are employees and the complexity of internal processes. Such an assessment also takes into account the number of businesses and the occurrence of contracts with varying degrees of complexity. If the above criteria are largely present, the acquisition is classified as a business acquisition, and if they are minimally present, as an asset acquisition. Executive management makes an assessment on an acquisition-by-acquisition basis which criteria are met. In 2020 and 2019, the company's management made the assessment that only asset acquisitions occurred.

ADDITIONAL PAYMENTS FOR ASSET ACQUISITIONS

In certain asset acquisitions, there are additional payments that are payable if certain events occur in the future. These additional payments are recognized when the underlying event causing an additional payment occurs.

Note 3 Financial risks and finance policy

Through its operations, the business is exposed to different types of financial risks. Financial risks refer to fluctuations in the company's profit/loss and cash flow as a result of changes in, for example, interest rates. The company is primarily exposed to liquidity risk, financing risk, interest rate risk and credit risk. The Group's finance policy for management of financial risks has been drawn up and decided by the Board of Directors. The finance policy forms a framework of guidelines and rules in the form of risk mandates and limits for the financial operations. The company's financial risk-taking and position can be derived from, for example, the equity/assets ratio, interest coverage ratio and loan-to-value ratio.

LIQUIDITY RISK

Liquidity risk refers to the risk that there would not be sufficient liquidity to meet future payment obligations. Internal liquidity forecasts are prepared on a regular basis for the coming twelve months, where all items affecting the cash flow are analysed in aggregate. The aim of the liquidity forecast is to verify the need for capital. Capital tie-up is evaluated individually for each project financing and synchronized with each project maturity. The objective is to match cash flows from forward funding and final consideration from buyers with maturities on financing.

FINANCING RISK

Financing risk refers to the risk that either no financing can be obtained or financing can only be obtained at much higher prices. In order to manage this risk, the finance policy contains rules regarding the spread of capital tie-up for the credit stock and the size of unutilized loan facilities and investments. The refinancing risk is reduced through a structured and early start to the refinancing process. For large loans, the process is begun 9 months prior to the maturity date. The Group has an equity/assets ratio target of at least 30%.

CREDIT RISK

Credit risk refers to the risk that a counterparty or issuer cannot discharge its obligations to the company. The credit risk among receivables for property sales is judged to be limited as the risk that the counterparties would not be able to fulfil their obligations is judged to be low. At the end of the year, past due accounts receivable amounted to SEK 21 million (0).

THE GROUP, SEK M	31/12/2021	31/12/2020
Long-term receivables	99	1,162
Current receivables	195	960
Cash and cash equivalents	163	535
Maximum exposure to credit risk	457	2,657

MARKET RISK

Interest rate risk

Interest rate risk can consist in part of a change in fair value as a result of changes in interest rates (price risk) and changes in cash flow (cash flow risk). Fixed interest periods are an important factor that influence the interest rate risk. Long fixed interest periods mean a higher price risk and short fixed interest period mean higher cash flow risk. The Group strives to have a short interest rate adjustment period.

CATEGORIZATION OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and financial liabilities by measurement category in accordance with IFRS 9 are shown in the table below.

THE GROUP, SEK M	Financial assets/ liabilities measured at fair value through the income statement	Accrued acquisition value
Financial assets in the balance sheet, 31/12/2021		
Receivables from associated companies		94
Other long-term securities	755	
Other long-term receivables		11
Accounts receivable		5
Other receivables		177
Prepaid expenses and accrued income		7
Cash and cash equivalents		163
Total	755	457
Financial liabilities in the balance sheet, 31/12/2021		
Long-term interest-bearing liabilities		1,844
Liabilities to associated companies		1
Other long-term liabilities		1
Derivative liabilities		0
Current interest-bearing liabilities		406
Accounts payable		6
Other current liabilities		22
Accrued expenses and deferred income		41
Total	0	2,321

THE GROUP, SEK M	Financial assets/ liabilities measured at fair value through the income statement	Accrued acquisition value
Financial assets in the balance sheet, 31/12/2020		
Receivables from associated companies		228
Other long-term securities	300	
Other long-term receivables		1,070
Accounts receivable		46
Other receivables		750
Prepaid expenses and accrued income		28
Cash and cash equivalents		535
Total	300	2,657
Financial liabilities in the balance sheet, 31/12/2020		
Long-term interest-bearing liabilities		2,580
Liabilities to associated companies		24
Other long-term liabilities		535
Derivative liabilities	1	
Current interest-bearing liabilities		1,172
Accounts payable		72
Other current liabilities		634
Accrued expenses and deferred income		180
Total	1	5,197

VALUATION AT FAIR VALUE

The carrying amount of all financial assets and liabilities is not judged to deviate significantly from the fair value except for the bonds, where the fair value is estimated to amount to SEK 503 million (1,247), compared to the carrying amount of SEK 500 million (1,215). Fair value for the bonds has been assessed according to Level 1, which means that the value is derived from listed prices on an active market. Accounts receivable, other receivables, cash and cash equivalents, accounts payable and some other liabilities have a remaining life of less than six months, which is why the carrying amount is considered to reflect the fair value. The majority of the interest-bearing bank loans have a variable interest rate, and the carrying amount thus

is considered to reflect fair value. Financial assets assessed at fair value through the income statement refer to an unlisted holding in Norefjell Prosjektutvikling AS and A&B Invest AB. The holdings have been valued based on transactions between two independent parties. The fair value of holdings has been assessed according to level 3 in the fair value hierarchy as the value is based on the adjusted value of transactions in an inactive market. No significant earnings effect has been reported in 2021.

The Group's investment properties are valued at fair value according to level 3.

MANAGEMENT OF CAPITAL RISK

The Group's goal with regard to its capital structure is to secure the Group's ability to be a going concern, so it is able to continue to generate returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to keep capital costs low. In order to maintain or adjust the capital structure, the Group can change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to decrease liabilities.

The Group assesses its capital on the basis of the adjusted equity/assets ratio. This key figure is calculated as equity, including holdings without a controlling influence and subordinated shareholder loans, as a percent of the balance sheet total.

In 2021, the Group's strategy was to maintain an equity/assets ratio of at least 30%. The adjusted equity/assets ratio on 31 December 2021 was 60% (36). The Group's strategy is unchanged compared to last year.

Note 4 Net sales per business area

THE GROUP, SEK M	2021	2020
Net sales per business area		
Property business	121	123
Sales, buildings held for sale	459	1,973
Revenue from property management	7	4
Other	6	365
Total	593	2,465

PARENT COMPANY, SEK M	2021	2020
Net sales per business area		
Property business	13	12
Revenue from property management	13	10
Other	6	7
Total	32	29

Consolidated sales refers in its entirety to Sweden. Property activities consist mainly of residential leases. These are normally concluded for an indefinite period, with tenants having the option to terminate with three months' notice.

Note 5 Costs for the business broken down by cost type

THE GROUP, SEK M	2021	2020
Operating and maintenance expenses	-469	-51
Production expenses	-50	-1 691
Other external expenses	-24	-94
Personnel expenses	-80	-170
Depreciation and impairment	-1	-28
Other operating expenses	0	-38
Capitalized project expenses	0	126
Total	-624	-1 946

Note 6 Leasing - lessor

Rental contracts in the company from an accounting perspective can be viewed as operational leasing contracts. The contracts refer to rental of commercial premises and residential units. Below are the agreed future minimum lease fees within each interval. Housing contracts are considered to be of indefinite duration.

THE GROUP, SEK M	2021	2020
Contractual rental income within one year	102	89
Contractual rental income between one and five years	16	35
Contractual rental income beyond five years	9	2
Total	127	126

Note 7 Leasing - lessee

The Group's leasing fees consist mainly of rent for parking spaces rented out in three projects and rent for the premises in which the Group conducts its business. Right of use assets are reported in the balance sheet as Rights of use.

THE GROUP, SEK M	2021	2020
Rights of use		
Opening carrying amount	84	55
Acquisitions	12	58
Depreciation	0	-21
Effect of reclassification of subsidiary to associated company	-72	0
Terminated contracts	0	-8
Closing carrying amount	24	84

Note 8 Disclosures regarding fees and cost reimbursement to the auditor

Production and operating expenses include fees and cost reimbursement to the auditor of:

THE GROUP, SEK M	2021	2020
Ernst & Young AB		
auditing assignment	-3	-6
audit operations in addition to auditing assignment	0	0
other assignment	0	-1
Total	-3	-7

PARENT COMPANY, SEK M	2021	2020
Ernst & Young AB		
auditing assignment	0	0
Total	0	0

Auditing assignment refers to the auditor's remuneration for the statutory audit. The work includes audit of the annual accounts and financial statements, the management of the Board of Directors and the CEO, and fees for audit consulting in connection with the audit assignment.

Note 9 Depreciation and impairment of fixed assets

THE GROUP, SEK M	2021	2020
Equipment, tools and installations	-1	-7
Leasing depreciation	0	-21
Total	-1	-28

Note 10 Remuneration to employees

THE GROUP, SEK M	2021	2020
Salaries and other remuneration		
Board, CEO and Executive Management	-3	-3
Other employees	-71	-109
Total	-74	-112
Social security expenses	-8	-54
- of which pension expenses including special employer's contribution	-2	-18
Total	-82	-166

During 2021, Magnolia Bostad was reclassified from a Group company to an associated company.

In 2020, certain staff expenditures within the Group were capitalized in the projects. Therefore, the amount stated in the note exceeds the amount reported in the income statement.

The Board, CEO and senior executives consist of Fredrik Holmström and Erik Rune (who took over as CEO on 17 August 2020).

Note 11 Average number of employees

THE GROUP	2021	2020
The average number of employees divided into gender is:		
Women	11	72
Men	9	51
Total	20	123

Note 12 Profit/loss from shares in Group companies

THE GROUP, SEK M	2021	2020
Revaluation in transfer from subsidiary to associated company	769	0
Total	769	0
PARENT COMPANY, SEK M	2021	2020
Dividend from shares in Group companies	1,000	42
Total	1,000	42

Note 13 Profit/loss from shares in associated companies

THE GROUP, SEK M	2021	2020
Profit from shares in associated companies	531	81
Total	531	81

Note 14 Profit/loss from other securities and liabilities that are fixed assets

THE GROUP, SEK M	2021	2020
Profit/loss from divestment of shares in other companies	3	8
Impairment of shares in and long-term receivables from other companies	0	-4
Impairment reversals deducted from long-term receivables from other companies	4	0
Unrealized changes in value	472	109
Total	479	113

Note 15 Financial income

THE GROUP, SEK M	2021	2020
Interest income, other	6	5
Other financial income	5	9
Total	11	14

PARENT COMPANY, SEK M	2021	2020
Interest income, Group companies	1	2
Total	1	2

Note 16 Financial expenses

THE GROUP, SEK M	2021	2020
Interest expenses, other	-129	-208
Other financial expenses	-5	-14
Total	-134	-222

Note 17 Tax on profit for the year

THE GROUP, SEK M	2021	2020
Current tax		
- tax on profit for the year	-2	-3
Deferred tax		
- relating to temporary difference between carrying amounts and taxable values of buildings	-118	-107
- relating to temporary difference between carrying amounts and taxable values of securities	-28	-22
Total	-148	-132

Note 18 Reconciliation of effective tax

THE GROUP, SEK M	2021	2020
Profit before tax	2,131	1,085
Tax according to current tax rate, 20,6% (21,4%)	-439	-232
Tax effect of non-deductible interest expenses	-6	-44
Tax effect of other non-deductible expenses	0	-6
Tax effect of non-taxable sale of investment property	0	24
Tax effect of other non-taxable income	240	164
Tax effect of non-capitalized loss carryforwards	0	-24
Tax effect of temporary differences	57	-13
Tax effect of Group contributions made	0	0
Tax effect of other items	0	-1
Reported effective tax	-148	-132

Note 19 Goodwill

THE GROUP, SEK M	31/12/2021	31/12/2020
Opening acquisition value	6	6
Effect of reclassification of subsidiary to associated company	-6	0
Closing carrying amount	0	6

The annual impairment test of goodwill did not identify any impairment requirements.

Note 20 Investment properties

THE GROUP, SEK M	31/12/2021	31/12/2020
Opening fair value	4,156	2,881
Reclassifications *	-1,483	543
Investments and acquisitions	261	1 019
Unrealized changes in value	506	604
Sales to JV	0	-186
Divestments	0	-705
Closing fair value	3,440	4,156

* The value was deconsolidated as a result of the reclassification of the holding in Magnolia Bostad.

The number of investment properties amounted to 70 (61).

Investment properties are reported in accordance with IFRS as fair value. Fair value is based on market valuations performed by independent valuation agencies. Normally, a cash flow model is used where the operating surplus less remaining investments is calculated at present value over a five- or ten-year calculation period to determine fair value. The calculation interest rate constitutes a nominal interest rate requirement for total capital before tax. The interest requirement is based on assessments of the market's return requirements for similar objects. In the valuations, a long-term inflation assumption of 2.0% has been used. The direct yield requirement is in the range of 1.5% to 6.7%. Investment properties are valued according to level 3.

SENSITIVITY ANALYSIS, PROPERTY VALUE

CHANGES IN VALUE,	Effect on profit/ loss (SEK m)	Equity/assets ratio, %
	Effect on profit/	Equity/assets ratio,
	loss (SEK m)	%
before tax, %	loss (SEK m)	%
+10	344	62
0	0	60
-10	-344	58

Note 21 Equipment

THE GROUP, SEK M	31/12/2021	31/12/2020
Opening acquisition value	134	98
Reclassification	-29	0
Purchases	21	36
Closing accumulated acquisition value	126	134
Opening depreciation according to plan	-22	-15
Reclassification	17	0
Depreciation according to plan for the year	-1	-7
Closing accumulated depreciation according to plan	-6	-22
Closing carrying amount	120	112

The amount includes art that is not depreciated of SEK 118 m (97).

Note 22 Shares in Group companies

PARENT COMPANY, SEK M	31/12/2021	31/12/2020
Opening acquisition value	81	81
Opening impairment	-51	-51
Closing carrying amount	30	30

SPECIFICATION OF THE COMPANY'S SHAREHOLDINGS

NAME	Co. reg. no	Reg. office	Number of shares,%	Holding per cent*	Carrying amount
F Holmström Fastigheter AB	556530-3186	Stockholm	100	100,00%	30
F Holmström Private Equity AB	556724-4800	Stockholm	100	100,00%	0
					30

* Refers to both capital and ownership.

Note 23 Shares in associated companies

THE GROUP, SEK M	31/12/2021	31/12/2020
Opening acquisition value	483	382
Acquisition	1,194	7
Divestment	-99	-73
Shareholders contribution	0	87
Share of associated companies profit	308	77
New share issue	471	0
Revaluation	267	0
Reclassification	-360	3
Closing accumulated acquisition value	2,264	483
Opening impairment	-10	-10
Impairment for the year	0	0
Reclassifications	10	0
Closing accumulated impairment	0	-10
Closing carrying amount	2,264	473

Note 24 Specification of the company's shareholding and ownership of associated companies

NAME	Co. reg. no	Reg. office	Holding per cent *	Reported value SEK m
Kvitfjell Prosjektutvikling AS	992601787	Oslo, Norway	34.0%	0
Vincero Fastigheter 5 AB	559299-5467	Stockholm	50.0%	532
HAM Nordic AB	559279-7376	Stockholm	50.0%	1,627
Ankarhagen Holding AB	559343-8699	Stockholm	20.1%	81
Sachajuan Haircae AB	556646-8152	Stockholm	32.0%	19
My Jemma SARL	7000094929	Monaco, France	40.0%	0
Beauty Pro AB	556969-6410	Stockholm	25.3%	5
Total				2,264

* Refers to both capital and ownership.

Note 25 Receivables from associated companies, long-term and current

THE GROUP, SEK M	31/12/2021	31/12/2020
Carrying amount at the beginning of the year	228	297
Reclassification	-181	0
Additional items	88	95
Outgoing items	-41	-164
Closing carrying amount	94	228

Note 26 Other long-term securities

THE GROUP, SEK M	31/12/2021	31/12/2020
Carrying amount at the beginning of the year	300	107
Acquisitions	197	90
Revaluation	471	107
Reclassifications	-41	-3
Outgoing items	-172	-1
Closing carrying amount	755	300

Note 27 Other long-term receivables

THE GROUP, SEK M	31/12/2021	31/12/2020
Receivable, property sales	0	1,005
Down payments	0	33
Deposits	3	9
Other	8	23
Closing carrying amount	11	1,070

Note 28 Development and project property

THE GROUP, SEK M	31/12/2021	31/12/2020
Carrying amount at the beginning of the year	999	1,382
Construction in progress	0	773
Reclassifications *	-999	-543
Acquisitions	0	1,078
Sales	0	-1,691
Closing carrying amount	0	999

* The value was deconsolidated as a result of the reclassification of the holding in Magnolia Bostad.

Note 29 Rent and accounts receivable

THE GROUP, SEK M	31/12/2021	31/12/2020
Net rent and accounts receivable	5	46
Provision for bad debt	0	0
Closing carrying amount	5	46

Rent and accounts receivable divided by due date	31/12/2021	31/12/2020
Rent and accounts receivable not yet due	4	27
Past due < 30 days	0	11
Past due 31-90 days	0	0
Past due > 90 days	1	11
Total unimpaired rent and accounts receivable	5	49
Past due and impaired rent and accounts receivable	0	-3
Total rent and accounts receivable	5	46

Note 30 Prepaid expenses and accrued income

THE GROUP, SEK M	31/12/2021	31/12/2020
Prepaid expenses	7	19
Accrued income	0	1
Accrued interest income	0	8
Other items	0	0
Total	7	28

PARENT COMPANY, SEK M	31/12/2021	31/12/2020
Accrued interest income	1	0
Total	1	0

Note 31 Other receivables

THE GROUP, SEK M	31/12/2021	31/12/2020
Receivable, property sales	0	625
Receivable, sales of securities	150	0
Down payments	25	86
Deposits	0	6
Other	2	33
Total	177	750

Note 32 Number of shares and quotient value, parent company

PARENT COMPANY

The number of shares amounts to 1,000 and the quotient value is SEK 1 per share

Note 33 Deferred tax

THE GROUP, SEK M	31/12/2021	31/12/2020
Deferred tax liability		
for temporary difference between carrying amounts and taxable values of buildings	390	353
for temporary difference between carrying amounts and taxable values of securities	53	25
for temporary difference between carrying amounts and taxable values of untaxed reserves	1	1
for temporary difference between carrying amounts and taxable values of derivatives	0	0
Total	444	379

Note 34 Interest-bearing liabilities and other long-term liabilities

THE GROUP, SEK M	31/12/2021	31/12/2020
Long-term interest-bearing liabilities		
Bank loan	1,304	1,524
Bonds	500	965
Deposits	0	91
Other long-term liabilities	42	535
Total	1 846	3 115
Current interest-bearing liabilities		
Bank loan	402	754
Bonds	0	251
Other loans	4	167
Total	406	1,172
Total	2,252	4,287
Liabilities that fall due for payment within one year after the balance sheet date	1,492	1,172
Liabilities that fall due for payment within one and five years after the balance sheet date	760	3,115
Liabilities that fall due for payment more than five years after the balance sheet date	0	0
Total	2 252	4 287

Note 35 Accrued expenses and deferred income

THE GROUP, SEK M	31/12/2021	31/12/2020
Deferred rental income	15	13
Accrued personnel expenses	2	37
Accrued interest expenses	9	40
Other items	15	90
Total	41	180

Note 36 Pledged assets

THE GROUP, SEK M	31/12/2021	31/12/2020
Property mortgages	1,439	1,639
Pledged internal reversals	601	742
Pledged shares in subsidiaries	26	1,378
Pledged shares in associated companies	0	60
Subordinated shareholder loans	121	0
Other pledged assets	82	65
Total	2,269	3,884

Note 37 Contingent liabilities

THE GROUP, SEK M	31/12/2021	31/12/2020
Other guarantee commitments	0	167
Total	0	167

Note 38 Transactions with related parties

THE GROUP

Transactions with related parties have occurred between the parent company, its parent company, its subsidiaries and associated companies and between the subsidiaries, in the form of loans of cash and cash equivalents and invoicing of internal services between the companies.

THE GROUP, SEK M	2021	2020
Purchases /sales from/to associated companies	0	0
Receivables from associated companies		
Svenska Husgruppen Intressenter AB	-	36
FL Properties Uppsala AB	-	0
Magnolia Senap AB	-	0
Moutarde Equity AB	-	0
Bollmora Vårdfastigheter AB	-	2
Magsam Holding AB	-	55
Bryggkaffe Fastighetsutveckling AB	-	4
Upplandsbro Brogårds Etapp 2 AB	-	12
Magnolia Projekt 5224 AB	-	69
Magnolia Projekt 595 AB	-	3
JV Edeh Bostad AB	-	0
Vincero Fastigheter 3 AB	-	42
Kvittfjell Projektutvikling AS	6	5
Vincero Fastigheter 5 AB	40	-
HAM Nordic AB	8	-
Ankarhagen Holding AB	40	-
Total	94	228
Liabilities to associated companies		
Moutarde Equity AB	-	3
Upplandsbro Brogårds Etapp 2 AB	-	0
Magnolia Projekt 5224 AB	-	20
Total	0	24

Note 39 Definition of KPIs

Return on equity, %

Profit/loss for the year as a percentage of average equity.

Return on capital employed, %

Operating profit for the year plus financial income as a percentage of average balance sheet total less non-interest-bearing liabilities.

Return on total equity, %

Operating profit plus financial income for the year as a percentage of average total capital.

Liquidity ratio, %

Current assets excluding inventories as a percentage of non-interest-bearing liabilities.

Equity/assets ratio, %

Equity as a percentage of balance sheet total.

Note 40 Events after the end of the period

The subsidiary Holmström Fastigheter Holding AB (publ) ("HFH") together with Slättö Core Plus AB ("Slättö") and Latona Fastigheter AB ("Latona") has established a JV regarding ownership of Klippudden Fastigheter AB. The collaboration was set up in February 2022. After the transaction, the JV is (directly or indirectly) 50% owned by Slättö, 47.5% by HFH and 2.5% by Latona. The properties will be sold at the valuations available as of 31 December 2021. For properties not yet occupied, HFH will receive an additional purchase price of almost SEK 50 million. F Holmström Fastigheter AB will continue to be asset manager for Klippudden Fastigheter.

Note 41 Proposed appropriation of profits

The Board of Directors and CEO propose the following appropriation of available profits (SEK):

Retained profits	124,496,279
Profit/loss for the year	1,000,751,892
	1,125,248,171
Dividend	
To be carried forward	1,125,248,171
	1,125,248,171

Signatures

The undersigned declare that the consolidated and annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and with generally accepted accounting principles and give a true and fair view of the position and performance of the Group and

the company, and that the Directors' Report for the Group and the parent company gives a true and fair view of the development of the Group's and the company's business, position and performance and describes the principal risks and uncertainties that the companies that make up the Group face.

Stockholm, 23 May 2022

Fredrik Holmström
Chairman of the Board

Erik Rune
CEO

We issued our Auditor's Report on 23 May 2022.

Ernst & Young AB

Fredric Hävrén
Authorized auditor

AUDITOR'S REPORT

To the general meeting of the shareholders of F. Holmströmgruppen AB,
corporate identity number 556696-3590

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of F. Holmströmgruppen AB for the financial year 2021. The annual accounts and consolidated accounts of the company are included on pages 68-97 in this document.

In our opinion, the financial statements have been prepared in accordance with the Swedish Annual Accounts Act and give a true and fair view, in all material respects, of the financial position of the parent company as of 31 December 2021 and of its financial performance and cash flow for the year in accordance with the Swedish Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and give a true and fair view, in all material respects, of the financial position of the Group as of 31 December 2021 and of its financial performance and cash flow for the year in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the Swedish Annual Accounts Act. The Directors' Report is consistent with the other parts of the annual report and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under these standards are described in more detail in the section Auditor's responsibility. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

The Board of Directors and CEO are responsible for the other information. The other information consists of pages 1-67, but does not include the Annual Report, the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual report and consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual report and consolidated accounts. In performing our review, we also consider other knowledge we have obtained during the audit and assess whether the information otherwise appears to contain significant errors.

If, based on the work performed regarding this information, we conclude that the additional information contains a

significant error, we are required to report it. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the CEO are responsible for the preparation and fair presentation of the annual report and consolidated accounts in accordance with the Swedish Annual Accounts Act and, in the case of the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the CEO are also responsible for such internal control that they determine necessary to enable the preparation of the annual report and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and CEO are responsible for assessing the company's ability to continue as a going concern. They disclose, where applicable, conditions that may affect the ability to continue as a going concern and to use the going concern assumption. However, the going concern assumption does not apply if the Board of Directors and CEO intend to wind up the company, cease business or have no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual report and consolidated accounts as a whole are free from significant misstatement, whether due to fraud or error, and to submit an audit report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit performed in accordance with ISA and generally accepted auditing standards in Sweden will always detect material misstatement if it exists. Misstatements may arise from irregularities or errors and are considered significant if, individually or in combination, they could reasonably be expected to influence the financial decisions that users make on the basis of the annual report and consolidated accounts.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement in the annual report and consolidated accounts, whether due to fraud or error, design and perform audit procedures, including those based on these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement due to an irregularity is greater than for a material misstatement due to an error, as irregularities may include collusion, falsification, deliberate omissions, misrepresentation or breach of internal control.
- obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related dis-

closures made by the Board of Directors and the Managing Director.

- conclude on the appropriateness of the use of the going concern assumption by the Board of Directors and the CEO in the preparation of the annual report and consolidated accounts. We also conclude, based on the audit evidence obtained, whether there are any significant uncertainties related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a significant uncertainty exists, we must draw attention in the auditor's report to the disclosures in the financial statements about this significant uncertainty or, if such disclosures are inadequate, modify our opinion on the annual report and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may make it impossible for a company to continue operating.
- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual report and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence about the financial information of the units or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the management, supervision and execution of the group audit. We are independently responsible for our opinions.

We are obliged to inform the Board of Directors of, among other things, the planned scope and focus of the audit and its timing. We are also obliged to disclose significant observations made during the audit, including any significant deficiencies in internal control that we have identified.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of F. Holmströmgruppen AB for the financial year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities in accordance with this are described in more detail in the Auditor's responsibility section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's

and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general. The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with accepted auditing standards in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgement with a starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions made, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Swedish Companies Act.

Stockholm, 23 May 2022

Ernst & Young AB

Fredric Hävrén
Authorized auditor

CONTACT INFORMATION

Street address: Sturegatan 6, Stockholm

Postal address: Box 5184, 102 44 Stockholm

Telephone: +46 8 660 94 00

Website: www.holmstromgruppen.se

HOLMSTRÖMGRUPPENS ANNUAL REPORT 2021

Project management: Holmströmgruppen

Layout, editing and original: Paues Media

Print: Taberg Media Group, Stockholm 2022



HOLMSTRÖM | Sturegatan 6
GRUPPEN | Stockholm