



Interim report

Second quarter

January–June 2024



Kv Hansastaden, Nyköping, Sweden

“The second quarter is characterized by continued high revenue and margins that remain at similar levels as in Q1”

1. Sweden

Around 2,200 completed apartments
Around 1,400 apartments under construction
Around 95 employees in the Group
Group Management and Head office in Stockholm

2. UK

In partnership with the property developer Donard Living, SIBS will construct approximately 600 apartments located within commuting distance to central London in the first two agreed projects. SIBS and Donard’s future ambition is to build around 1,000 apartments per year in the UK and Ireland, in line with market demand.

3. NEOM, Saudi Arabia

SIBS has signed two separate agreements with NEOM in Saudi Arabia for the production, delivery, and installation of a total of approximately 3,500 fully equipped and turn-key apartments. Production is proceeding according to plan, and all apartments are expected to be completed by the fourth quarter of 2024.

4. Malaysia

Two factories in Penang
Total production capacity of 6,000 modules per year
3,3350 employees



6,000 Scalable production capacity of up to 6,000 apartments per year.	30% Lower production cost compared with traditional construction.	50% Time savings from planning to completion compared with traditional construction.
2 Factories in Penang, Malaysia	90% Completion rate in the factory (including elevator shafts, installations and stairwells).	30-50% Energy savings in houses delivered.

Scalability
Scalability in both the value chain and production.

Adaptable production
Design automation that enables production to be adapted to new markets and local regulations.

Quality assurance throughout the chain
Over 400 control points are checked along the entire chain and are documented digitally.

Circularity
The bulidings are designed in such a way that they can be dismantled, moved and rebuilt using the same frame and installations.

Interim report January-June 2024

January-June 2024

- Net sales amounted to SEK 3,458.3 (992.7) M.
- Gross profit for the period amounted to SEK 704.6 (12.5) M.
- Operating profit/loss before value changes for the period amounted to SEK 568.9 (-49.2) M.
- Specific energy use of buildings in operation for at least one year: 38 kWh/m² on average.
- Gross profit for the period amounted to SEK 499.9 (-288.8) M.

Significant events during the second quarter

- In June 2024, SIBS AB issued additional senior unsecured bonds of around SEK 100 million, under the existing SEK 800 million framework. After the issue, a total of SEK 598,958,270 had been issued under the framework. The price of the New Bonds was set at 100 per cent of the nominal amount and they will be listed on Nasdaq Stockholm's corporate bond list. The company's strategy of repaying outstanding bonds at maturity with its own generated cash flow, as previously announced, remains unchanged.

Other events

- Sveaviken Bostad has sold 71 homes in the Söderby 2:776 property in Brandbergen and 117 homes in the Dansbanan 1 property in Norrköping to its half-owned JV company Slättö Sveaviken Bostad AB. These sales are fully in line with the company's strategy of focusing on the core business and optimising the portfolio for long-term growth.

1,437 APARTMENTS
COMPLETED
IN JAN-JUN 2024

2,910 APARTMENTS
UNDER
CONSTRUCTION

38 KWH/M² AVERAGE
ANNUAL SPECIFIC
ENERGY USE

1,040 MWH
OF SOLAR POWER
GENERATED
ANNUALLY

4,206 APARTMENTS
COMPLETED
IN TOTAL

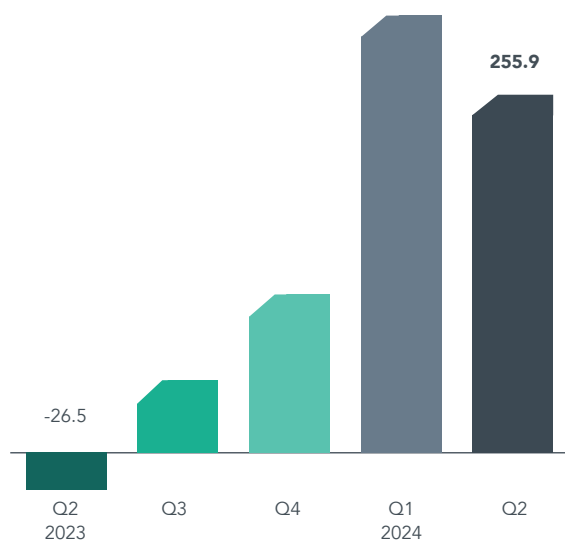
KEY RATIOS

MSEK

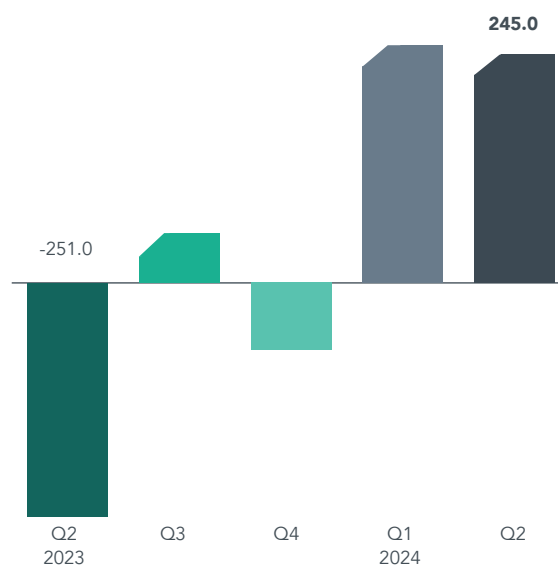
	2024 Jan-Jun	2023 Jan-Jun	2024 Apr-Jun	2023 Apr-Jun	2023 Jan-Dec
Net revenue	3,458.3	992.7	1,565.1	453.8	2,690.2
Operating profit/loss before value changes	568.9	-49.2	255.9	-26.6	115.9
Operating profit/loss	499.9	-288.8	245.0	-251.0	-307.4
Profit after tax	418.9	-439.4	205.5	-355.5	-490.8
Market value of completed investment properties	1,558.1	1,300.5	1,558.1	1,300.5	1,596.2
Market value of completed properties*	1,527.6	868.7	1,527.6	868.7	1,779.6
Construction starts on apartments during the period	-	2,174	-	2,174	3,474
Apartments completed during the period	1,437	332	706	91	1,105
Apartments under construction	2,910	3,820	2,910	3,820	4,347
Apartments under project development	9,360	9,648	9,360	9,648	9,251
Equity/assets ratio	36%	29%	36%	29%	31%
Adjusted equity/asset ratio (adjusted for cash and cash equivalents)	39%	30%	39%	30%	33%
Loan-to-value ratio of completed properties	57%	51%	57%	51%	59%

* The total market value of all completed properties under own management, as well as SIBS' share of corresponding values in associated companies and joint ventures.

Operating profit/loss before value changes MSEK



Operating profit/loss MSEK



Industrial sales continue to drive SIBS' growth



The second quarter delivered a strong earnings performance, building on the foundation established at the beginning of the year. Our focus on industrial sales and efficient production has remained central, and we are proud to see results that reflect a strong business.

Good earnings performance

The second quarter saw continued high sales and margins that stayed at similar levels to Q1. Total sales during the quarter amounted to SEK 1.57 billion and operating profit (before value changes) totalled SEK 256 million.

Our international business is continuing to contribute positively, which is the single most important reason for our performance. The Swedish market is still challenging, however. Inflationary pressures are easing, further interest rate cuts are expected and, although we are seeing a slow recovery, we have chosen, as in the previous quarter, to concentrate on completing and delivering existing projects rather than starting new ones. We are continuing to systematically work to optimise and streamline our ongoing projects to ensure future growth opportunities.

In Saudi Arabia, we are in the final stages of our first project involving around 2,200 homes, which has been very well received. At the same time, we have started production on a second project covering 1,300 additional homes in NEOM. The country has a huge need for high-quality, energy-efficient housing, and there are massive opportunities for our leading products.

During the quarter, SIBS continued its strategic work to improve its ability to adapt quickly to both increased demand and changing market conditions. This has meant a greater focus on flexible production and strengthened co-operation with our suppliers. Innovation and close co-operation with customers and suppliers are key factors in maintaining a strong market position and planning future expansion.

Continued progress with our strategic initiatives

During the quarter, we continued to invest in our production capacity, to not only increase our capacity and efficiency but also to improve our sustainability performance. We are continuing to work on implementing digital tools and automating our processes. These investments have already yielded results in the first half of the year by enabling more resource-efficient production and improving the working environment, strengthening our long-term competitiveness.

As part of our long-term strategy, we divested two properties, in Brandbergen and Norrköping, during the quarter, to our half-owned JV with Slättö, freeing up capital for new investments and reinforcing our financial position. The divestments are fully in line with our strategy of concentrating on our core business.

Outlook and commitment

We are looking forward to the second half of 2024 with confidence. Despite the continued uncertain macroeconomic and geopolitical environment, we have managed to deliver another good quarter, with a stable financial performance. I am convinced that our persistent work on our strategic transition will allow SIBS to continue to grow and take further market share. This puts us in a good position to continue delivering value to our shareholders, customers and employees. Our strategy and commitment will continue to drive our development forwards, even in a changing market.

I would like to conclude by thanking all our staff for their continued commitment and hard work. It is thanks to their efforts that SIBS will be able to carry on growing, and to build a strong and sustainable future.

Erik Thomaus
CEO, SIBS AB

SIBS business model

Building on SIBS’ leading expertise and patented ConstructionTech systems, we are optimising our assets and focusing on three business areas with distinct concepts. SIBS has inherently automated processes with high predictability and precision. At the same time, the business strategy offers

opportunities for a high degree of variety to meet different needs in different markets, projects and for different customers. We are constantly working to develop a robust and adaptive business. Through our business strategy, we are building a long-term sustainable company that meets today’s



Scandinavian Industrialized Building Systems

ConstructionTech

Building systems: Flexible and scalable design automation software that transforms automatically generated drawings into finished buildings
Production systems: Processes and production machines developed in-house to be integrated with the software

Industrial Sales



In the Industrial Sales business area, SIBS sells and delivers projects in line with the Project Sales or Module Sales concept to a global market. The business area includes both the Group’s concept houses and bespoke buildings tailored to the customer’s needs and wishes.



SIBS is one of the leading industrial producers of housing in the global market. With a scalable capacity of up to around 6,000 homes per year, we deliver either turnkey houses or modules, providing assistance all the way to the turnkey stage.

Products

Project Sales

Turnkey houses

Design and production of modules to be transported to the construction site. SIBS is responsible for assembly, completion and commissioning.

Modular Sales

Modules with turnkey assistance

Design and production of modules to be transported to the construction site. The customer is responsible for assembly, completion and commissioning. SIBS assists until the commissioning stage.

Property Development & Management

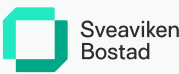


The development and management of rental housing and commercial properties within the Group in the Nordic market. This business area covers the entire value chain of property development from acquisition to turnkey.



Through the wholly owned subsidiary Sveaviken Bostad, we develop, build, and own properties within the group. In Sveaviken, we have built nearly 2,200 apartments in Sweden. We have refined and developed the concept with quality assurance of the entire chain and the final product. Through the wholly owned subsidiary Sveaviken PM, we manage both our own and others’ properties.

Brands



Develops, owns and manages homes within the Group in the Nordic market.

rehouse

Concept houses for rapid delivery of housing where the need is greatest. Development and management for the group and for external parties.

rehotel

A hotel property concept. Develops and lets hotels to reputable operators.

The Home Factory



Develops and builds turnkey, production-ready factories.



Develops and builds turnkey, production-ready factories. Also includes a licence for the SIBS building system.

SIBS project process overview



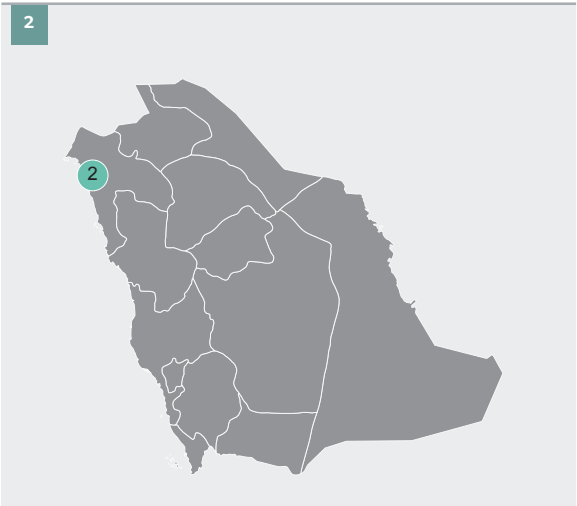
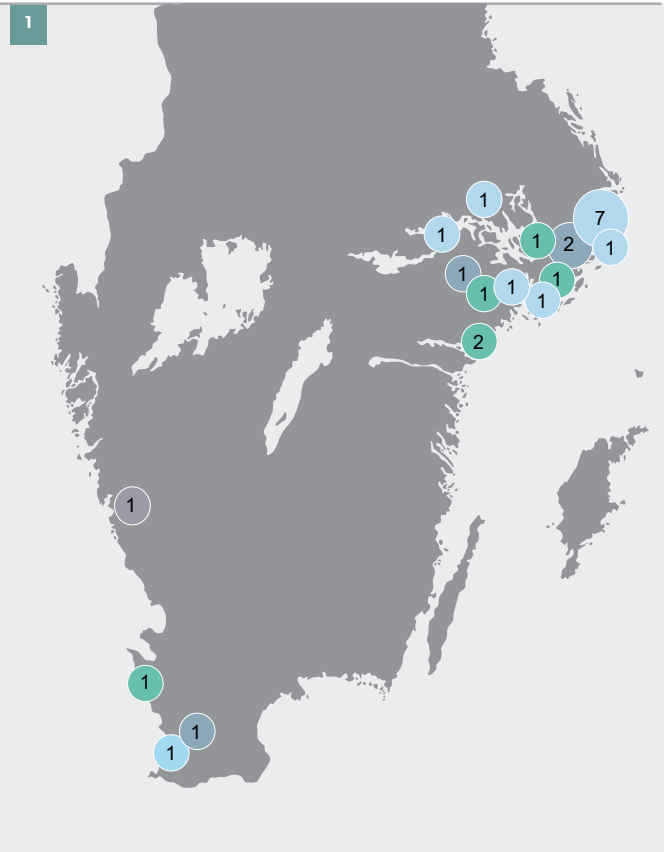
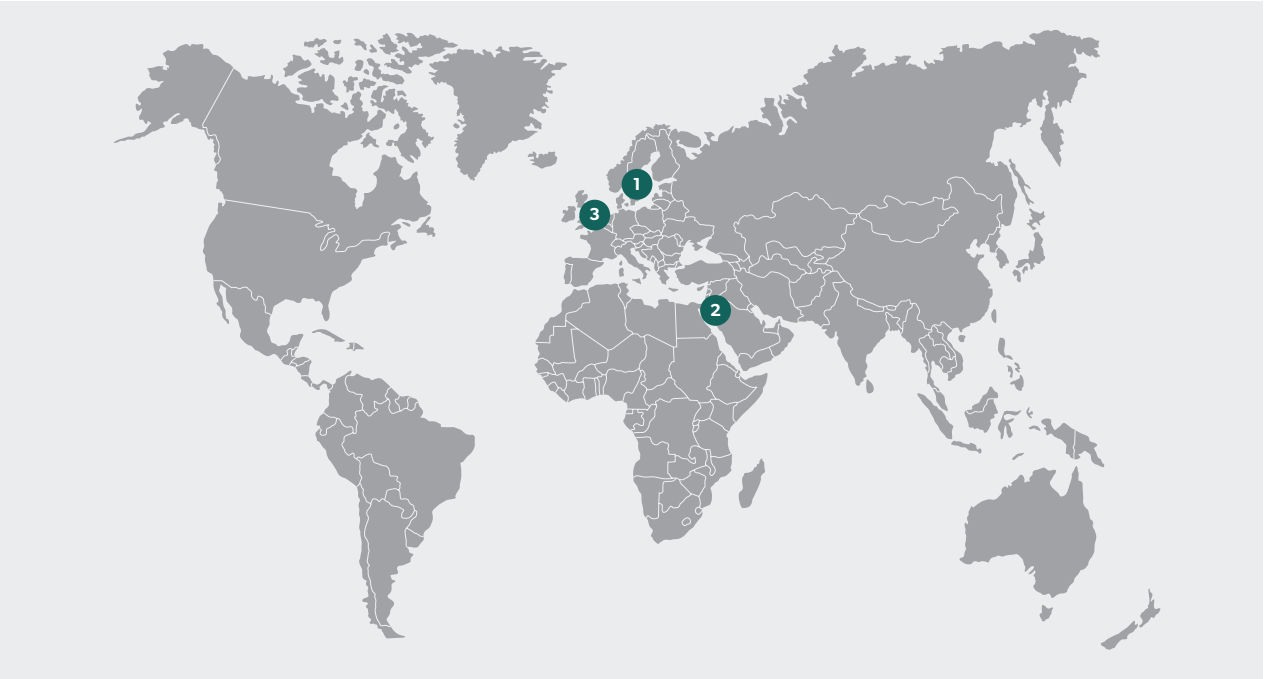
	Design and configuration	Planning and resourcing	Production	Logistics and transport	Assembly and completion
TIME ✓	Up to 70% faster.	Order points in ERP system. Timely ordering for just-in-time delivery.	Optimised industrial production in parallel with ground work.	Just-in-time.	Building completed 3–4 months after assembly begins. Foundation completed. Up to 60–70% faster.
COST ✓	>70% lower cost.	Streamlined process with small number of components all purchased in large volumes.	Industrial production. Around 50% faster.	Up to 90% fewer HGV shipments to construction site.	30% cost saving thanks to 90% completion rate in the factory.
QUALITY ✓	Automated quality assurance in the building system.	Rigorous review and testing of materials in sourcing department and separate procurement department.	Over 400 quality points digitally measured and documented.	An established, detailed process facilitates and enhances.	Over 50 quality points in each module documented digitally.
SUSTAINABILITY ✓	Building system developed for good energy performance.	Assessed suppliers with environmentally certified construction products.	Safer work environment in a controlled industrial environment.	Sea freight for reduced climate impact.	Third-party-certified sustainable buildings.
DIFFERENTIATION ✓	Flexibility. Low mixture high volume.	Volume purchase of tested, standardised products in an auto-generated procurement process.	Production machines manufactured in-house.	Proprietary shipping system CC-light to reduce stress on the module during shipping.	Delivered 90% complete to the construction site. Vertical shafts in place within the walls, finished stairwells and lift shafts, modular slab.
	SIBS has developed a dynamic configurator that automates the drawing process for modular buildings using predefined parameters. This provides greater flexibility in the drawing process than is possible using a conventional modular builder.	The automated drawing process means material components can be determined and ordered at an early stage, with very high precision and cost transparency. Just-in-time delivery to the factory of all materials in the right quantities dispenses with the need to hold large stocks.	<p>The factories in Penang, Malaysia, receive digital drawings and material components and then build the housing modules in a streamlined, systematic and semi-automated process.</p> <p>Production takes place in a controlled indoor environment. This guarantees quality and provides a better working environment for manual work elements that would otherwise be carried out at the construction site.</p> <p>For a typical project, the modules are ready around 4–6 weeks after production start.</p> <p>A large number of standardised quality controls are performed during production. All materials and components installed in the apartments are registered to make them easily traceable.</p>	<p>SIBS' integrated logistics infrastructure manages shipping from Penang, Malaysia, all the way to the final destination at the construction site.</p> <p>Large-scale procurement of freight shipment by land and sea before production begins allows for a high level of efficiency and cost transparency.</p>	<p>Ground work and foundations are completed while the modules are being produced in the factory and once the modules arrive at the construction site, assembly work begins on the completed foundations.</p> <p>The modules are easy to assemble using SIBS-Connect, which also enables the modules to be lifted out and the building dismantled.</p> <p>The facade and roof are fitted on site.</p> <p>On average, 20 modules are assembled per day.</p>

SPS Flow

SPS-Flow is a in-house developed digital platform that supports collaboration, information sharing, and efficient project management throughout the entire operational process. The system serves as a digital backbone, providing features that enable instruction presentation, checklists, and documentation of quality controls.

Broader perspective in the projects portfolio

SIBS has close to 13,000 apartments in ongoing and planned projects in Sweden, England and NEOM.



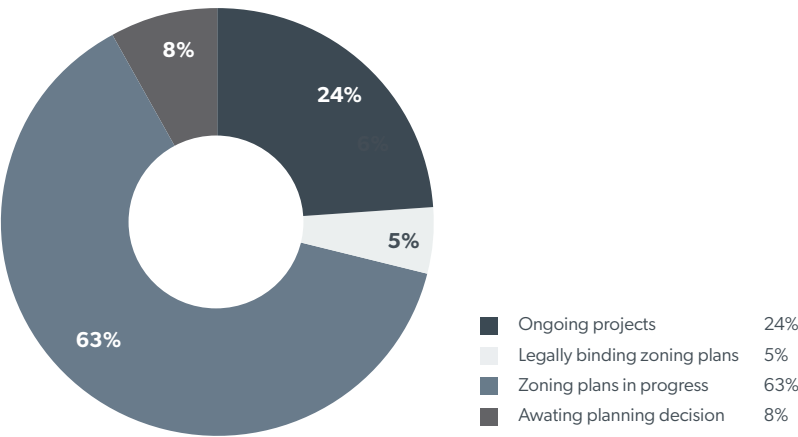
- Ongoing projects
- Building rights with zoning plans
- Zoning plans in progress
- Zoning plans in pre-stages

Project portfolio

Project name	Municipality	Country	Number of homes	Current status	Estimated production start
NCI	NEOM	Saudi Arabia	200	Ongoing projects	In progress
SBC	NEOM	Saudi Arabia	1,300	Ongoing projects	In progress
Nykvarn Centrum	Nykvarn	Sweden	147	Ongoing projects	In progress
Helsingborg *	Helsingborg	Sweden	39	Ongoing projects	In progress
Brädgården *	Nyköping	Sweden	471	Ongoing projects	In progress
Enköping Centrum *	Enköping	Sweden	328	Ongoing projects	In progress
Stockrosen *	Nyköping	Sweden	434	Ongoing projects	In progress
Svanholmen	Stockholm	Sweden	300	Legally binding zoning plans	2024
Mariefred station etapp 2**	Strängnäs	Sweden	161	Legally binding zoning plans	2025
Portkvarteren	Lund	Sweden	100	Legally binding zoning plans	2025
Svanholmen 2	Stockholm	Sweden	100	Legally binding zoning plans	2027
Eskilstuna	Eskilstuna	Sweden	300	Zoning plans in progress	2025
Kallfors	Södertälje	Sweden	350	Zoning plans in progress	2025
Hemmesta	Värmdö	Sweden	300	Zoning plans in progress	2025
Tangenten Sorgenfri	Malmö	Sweden	400	Zoning plans in progress	2025
Enköping station**	Enköping	Sweden	500	Zoning plans in progress	2025
Maltesholm	Stockholm	Sweden	100	Zoning plans in progress	2025
Rulletten	Sollentuna	Sweden	400	Zoning plans in progress	2026
Tumba	Botkyrka	Sweden	560	Zoning plans in progress	2026
Söderby 2	Haninge	Sweden	280	Zoning plans in progress	2026
Kassmyra	Botkyrka	Sweden	2,000	Zoning plans in progress	2026
Kassmyra	Botkyrka	Sweden	2,000	Zoning plans in progress	2027
Rogaland	Stockholm	Sweden	400	Zoning plans in progress	2027
Sjödalen	Huddinge	Sweden	100	Zoning plans in progress	2027
Kungsbacka	Kungsbacka	Sweden	1,000	Awaiting planning decision	2027
Total			12,270		

* Joint venture (50/50) with Slättö
** Joint venture (50/50) with Nordsten Sveafastigheter

PROJECT STATUS



Other information

Related-party transactions

There have been no transactions with related parties that have not been carried out at arm's length.

Seasonal trends

SIBS' activities are not affected by any clear seasonal trends. Larger projects may have an impact on income and profit/loss during specific quarters, however. Changes in income and profit/loss should therefore be assessed over a longer cycle.

Bonds

SIBS has an unsecured green bond issue totalling SEK 598 million that was listed on 25 November 2020 on Nasdaq Stockholm's Sustainable Bond List under the name SIBS 01 GB.

Liquidity and financing

SIBS' operations can be capital-intensive at times, depending on how different investments are able to be financed. However, the company is able to dispose of assets as required in order to release liquidity and the Board evaluates this need on an ongoing basis.

The investments made to date in production capacity provide opportunities to meet demand on new markets and also for new business models, which it is considered may lead to more regular ongoing cash flow.

In December 2023, SIBS received its bondholders' approval to change the bonds' terms. The changes involved include the extending of the bonds' maturity by 18 months (their previous maturity date was in April 2024), the changing of the interest rate to a fixed rate of 12 per cent, and two redemptions of a total of SEK 200 million in 2024 and 2025. The changes are due to the fact that in 2023 SIBS secured several large international orders that should be completed in 2024 and 2025.

Personnel

The number of permanent employees, including probationary employees, in the group at the end of the period, was 3,453, consisting of 71 women and 3,382 men.

Segment reporting

The group's activities are divided into two operating segments, Property Management and Other Group. Each segment is monitored in terms of operational activities, with regular reporting to the group management. The group management monitors operating results and, on the asset side, the value of properties and investments.

Risks and uncertainties

SIBS' activities are affected by a number of external environmental factors, the effect of which on its profit/loss and financial position can be controlled to varying degrees. The goal of SIBS' risk management is to identify, measure, control and limit the risks affecting its activities. Significant risks include credit risk (the risk that a counterparty will be unable to meet its financial obligations towards the company), liquidity risk (the risk that the company will experience a shortage of cash, for example due to the company's inability to renew its credit lines), market risk (changes in conditions in the company's customer markets that may, among other things, lead to a fall in profitability) and interest rate and currency risks (changes in the fixed income and currency markets that may have a material adverse financial effect on the company).

Read more about the company's risks and risk management in the 2023 Annual Report, pages 80-83 and Note 43, page 119-120. The 2023 Annual Report is available on the company's website.

Ownership structure as at 30 June 2024

Owners	Number of shares	Ownership by %
Industrium AB	129,111	21.1
Neptunia Invest AB	112,054	18.3
J&G Invest AB	101,156	16.6
Ramstedt Gruppen AB	75,935	12.4
Exoro Capital AB	52,156	8.6
Other shareholders	140,803	23.0
Total	611,215	100.0

Condensed consolidated income statement

SEK million	Jan-Jun 2024	Jan-Jun 2023	Apr-Jun 2024	Apr-Jun 2023	Jan-Dec 2023
Rental income	15.8	38.2	6.9	18.2	58.6
Project and contracting income	3,442.5	954.5	1,558.2	435.6	2,631.6
Net sales	3,458.3	992.7	1,565.1	453.8	2,690.2
Property expenses	-5.9	-10.8	-2.6	-3.7	-16.0
Project and contracting activity expenses	-2,747.8	-969.4	-1,238.2	-445.0	-2,378.6
Gross profit/loss	704.6	12.5	324.3	5.1	295.6
Work carried out by the company on its own behalf and capitalised	38.5	59.1	20.9	33.0	107.1
Development expenses	-38.5	-59.1	-20.9	-33.0	-107.1
Administrative expenses	-106.6	-53.5	-53.4	-27.7	-130.4
Non-project-related depreciation/amortisation	-29.1	-8.2	-15.0	-4.0	-49.3
Operating profit/loss before value changes	568.9	-49.2	255.9	-26.6	115.9
Change in value of investment properties	-126.4	-231.3	-87.8	-217.3	-145.2
Other operating income	32.9	6.5	41.3	2.7	20.8
Other operating expenses	-	-	-	-	-
Profit/loss from associated companies	24.5	-14.8	35.6	-9.8	-298.9
Operating profit/loss	499.9	-288.8	245.0	-251.0	-307.4
Financial income	2.1	1.8	1.0	1.0	6.0
Financial expenses	-80.5	-129.4	-40.3	-79.6	-235.5
Profit/loss before tax	421.5	-416.4	205.7	-329.6	-536.9
Taxes	-2.6	-23.0	-0.2	-25.9	46.1
Profit/loss for the period	418.9	-439.4	205.5	-355.5	-490.8
Attributable to:					
The parent company's shareholders	336.2	-443.6	164.6	-358.7	-524.9
Non-controlling interests	82.7	4.2	40.9	3.2	34.1
Total profit/loss for the period	418.9	-439.4	205.5	-355.5	-490.8
PROFIT/LOSS FOR THE PERIOD	418.9	-439.4	205.5	-355.5	-490.8
Other comprehensive income					
<i>Items that may be reclassified to the income statement</i>					
Revaluation of owner-occupied properties	-	-5.6	-	-	75.0
Translation differences	24.6	-10.9	2.3	-4.2	-8.6
Tax attributable to components of other comprehensive income	-	-	-	-	-
Other comprehensive income for the year, net after tax	24.6	-16.5	2.3	-4.2	66.4
Total comprehensive income for the period	443.5	-455.9	207.8	-359.7	-424.4
Comprehensive income attributable to:					
The parent company's shareholders	360.8	-459.5	166.9	-362.9	-465.0
Non-controlling interests	82.7	3.6	40.9	3.2	40.6
Total comprehensive income for the period	443.5	-455.9	207.8	-359.7	-424.4

Commentary on comprehensive income

Interim report January-June 2024

Comparative figures in brackets refer to the same period of last year.

Rental income for the period amounted to SEK 15.8 million (38.2) and operating expenses to SEK 5.9 million (10.8). The lower rental income and operating expenses are due to the group owning a smaller portfolio of rental housing than during the same period of last year.

The group recorded project and contracting income of SEK 3,442.5 million (954.5) and SEK 2,747.8 million (969.4) of expenses. The income for the period represents the value of all the contracting revenue charged to the Neom project, and around 7 ongoing projects in which the group does not have a controlling interest.

The expenses represent the actual costs incurred by the group for these contracts. The increase compared with the same period of 2023 is partly attributable to the larger number of ongoing projects, and the fact that several of the ongoing projects are in capital-intensive phases.

Changes in the value of investment properties amounted to SEK -126.4 million (-231.3) for the period. Changes in the existing building stock amounted to SEK -1.5 million. Unrealised changes in the value of other properties amounted to SEK -37.9 million. Realised value adjustments and effects on disposal amounted to SEK -87.0 million.

Profit/loss from associated companies consists of changes in the value of the group's shares in associated companies. This change in value includes both the operating surplus generated by the associated companies and any unrealised changes in the value of the project properties owned by these companies. The profit from associated companies for the period totalled SEK 24.5 million (-14.8).

Throughout the period, the group continued its work on the development of the building system and its processes. Development expenses amounted to SEK 38.5 million (59.1) and are capitalised in the balance sheet under Capitalised development expenses.

Administrative expenses amounted to SEK 106.6 million (53.5) and the depreciation/amortisation charges recognised in the income statement amounted to SEK 29.1 million (8.2), primarily consisting of the amortisation of development expenses.

Condensed consolidated statement of financial position

SEK million	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
ASSETS			
Non-current assets			
Capitalised development expenses	443.7	420.4	430.7
Investment properties	1,558.1	2,217.2	2,095.1
Owner-occupied properties	659.6	558.0	642.3
Right-of-use assets	6.8	1.6	8.2
Expenses incurred through improvements to other people's property	0.1	0.7	0.1
Machinery and equipment	179.3	95.0	123.8
Deferred tax assets	78.1	50.0	71.2
Shares in associated companies	448.5	638.4	427.5
Other non-current receivables	7.0	7.7	7.0
Total non-current assets	3,381.2	3,989.0	3,805.9
Current assets			
Inventories	453.2	154.5	123.4
Trade receivables	15.0	8.2	0.2
Income earned but not invoiced	550.4	210.1	70.0
Debts due from associated companies	79.6	62.3	59.4
Other receivables	169.4	78.7	210.6
Cash and cash equivalents	416.7	149.2	265.1
Total current assets	1,684.3	663.0	728.7
TOTAL ASSETS	5,065.5	4,652.0	4,534.6

Condensed consolidated statement of financial position

SEK million	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
EQUITY AND LIABILITIES			
Equity			
Parent company's shareholders			
Share capital	0.6	0.6	0.6
Other capital contributions	737.4	737.4	737.4
Reserves	127.8	28.5	104.4
Retained earnings including profit/loss for the period	823.8	569.6	486.5
Total equity attributable to The parent company's shareholders	1,689.6	1,336.1	1,328.9
Non-controlling interests	136.1	16.2	53.3
Total equity	1,825.7	1,352.3	1,382.2
Non-current liabilities			
Non-current interest-bearing liabilities	1,113.9	1,651.0	1,173.0
Deferred tax liabilities	1.4	54.5	13.3
Other liabilities	339.1	340.8	339.2
Provisions for other liabilities and charges	0.4	4.8	2.1
Total non-current liabilities	1,454.8	2,051.1	1,527.6
Current liabilities			
Current interest-bearing liabilities	649.2	210.4	800.4
Invoiced unearned income	-	67.5	118.0
Trade payables	843.7	426.6	511.1
Debts owed to associated companies	101.1	70.0	20.0
Other liabilities	191.0	474.1	175.3
Total current liabilities	1,785.0	1,248.6	1,624.8
TOTAL EQUITY AND LIABILITIES	5,065.5	4,652.0	4,534.6

Commentary on the consolidated statement of financial position

Interim report January-June 2024

Comparative figures in brackets refer to the same period of last year.

Investment properties

At period-end, the group's investment properties had an estimated market value of SEK 1,558.1 million (2,095.1), which also includes development rights valued at SEK 495.0 million (495.0).

During the period, the group invested SEK 44.5 million (53.8) in existing properties. As these investments did not result in an increase in the estimated market value, the corresponding amount has been recognised as a negative change in value.

Shares in associated companies

Shares in associated companies represent the value of the group's shares in companies in which the group does not have a controlling interest. At period-end, this value amounted to SEK 448.5 million (427.5). Also see the commentary on the item *Profit/loss from associated companies*.

Accrued expenses not invoiced/Invoiced expenses not accrued

The items include receivables of SEK 550.4 million (70.0) and liabilities of SEK 0 million (118.0). These items relate to the net accrued production expenses not invoiced for the Neom project, and the projects carried out by, and invoiced to, associated companies.

Non-current liabilities

Non-current liabilities mostly comprise bank loans secured against the group's investment and owner-occupied properties and bonds.

Consolidated cash flow statement

SEK million	Jan-June 2024	Jan-June 2023	April-June 2024	April-June 2023	Jan-Dec 2023
Operating activities					
Profit/loss after financial items	418.9	-416.4	205.6	-329.6	-536.9
- Depreciation/amortisation and impairments	29.1	28.0	15.0	14.3	49.3
- Capital gains/losses	24.1	-	29.8	-	348.3
- Capitalised interest	-	-	-	-	3.7
- Change in fair value through profit or loss	126.4	231.3	87.8	217.3	145.2
- Share in profit/loss of associated companies and JVs	-24.5	14.8	-35.6	9.8	298.9
- Unrealised exchange rate differences and other items	13.4	-2.2	1.8	1.2	11.5
	587.5	-144.5	304.4	-87.0	320.0
Income tax paid	-0.9	-10.8	-	-4.7	6.0
Cash flow from operating activities before changes in working capital	586.5	-155.3	304.4	-91.7	326.0
Cash flow from changes in working capital					
Decrease(+)/increase(-) in inventories	-323.2	-23.0	-260.1	-84.6	1.7
Decrease(+)/increase(-) in current receivables	-485.1	221.3	-303.2	163.9	-112.2
Decrease(-)/increase(+) in current liabilities	236.6	-51.4	255.6	-76.7	-16.5
Total change in working capital	-571.7	146.9	-307.6	2.6	-127.0
Cash flow from operating activities	14.8	-8.4	-3.2	-89.1	199.0
Investing activities					
Capitalised development expenses	-38.5	-59.1	-20.9	-33.0	-107.1
Investments in investment properties	-44.5	-14.5	-9.7	1.5	-64.8
Acquisition of owner-occupied properties	-2	-82.9	2.0	-70.7	-109.4
Acquisition of, and capital contributions to, associated companies	3.4	1.0	4.9	-0.4	1.5
Acquisition/sale of subsidiaries	52.7	104.2	30.5	104.2	89.2
Acquisition of property, plant and equipment	-53.8	-27.8	-14.4	-16.2	-50.1
Cash flow from investing activities	-82.8	-79.1	-7.6	-14.6	-240.7
Financing activities					
Dividends	-	-	-	-	-1.0
Share issues	-	118.6	-	-	118.6
Change in bonds	-2.0	-	-2.0	-	-
Bank loans raised	235.3	217.4	55.9	118.6	392.3
Bank loan repayments	-80.4	-85.0	-37.9	125.5	-155.6
Lease liability repayments	-	-	-	-50.6	-
Loans to associated companies	61.6	-136.7	63.6	-22.5	-177.2
Cash flow from financing activities	214.4	114.3	79.6	171.0	177.1
CASH FLOW FOR THE PERIOD	146.4	26.8	68.8	67.3	135.4
Cash and cash equivalents at the start of the period	265.1	122.6	347.5	81.9	122.6
Exchange rate differences in cash and cash equivalents	5.0	-0.2	0.1	-	7.1
Cash and cash equivalents at the end of the period	416.5	149.2	416.4	149.2	265.1

Condensed consolidated statement of changes in equity

SEK million	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Equity			
Opening equity attributable to the parent company's shareholders	1,328.9	1,678.2	1,678.2
Profit/loss for the period	336.2	-443.5	-524.9
Other equity	24.5	-17.2	57.0
Dividends	-	-	-
Share issues	-	118.6	118.6
Total equity attributable to the parent company's shareholders	1,689.6	1,336.1	1,328.9
Non-controlling interests	53.3	12.8	12.8
Profit/loss for the period	82.7	3.4	34.1
Other equity	-	-	7.4
Dividends	-	-	-1.0
Total equity attributable to non-controlling interests	136.1	16.2	53.3
Closing equity	1,825.7	1,352.3	1,382.2

Condensed parent company income statement

SEK million	Jan-Jun 2024	Jan-Jun 2023	Apr-Jun 2024	Apr-Jun 2023	Jan-Dec 2023
Net sales	19.8	12.5	13.8	6.3	44.7
Work carried out by the company on its own behalf and capitalised	38.5	59.1	20.9	33.0	107.1
Other operating income	2.1	1.4	2.0	-	0.2
	60.4	73.0	36.7	39.3	152.0
Operating expenses					
Development expenses	-38.5	-57.1	-20.9	-30.6	-107.1
Administrative expenses	-61.5	-27.5	-33.1	-15.7	-94.6
Operating profit/loss	-39.6	-11.6	-17.3	-7.0	-49.7
Profit/loss from financial investments					
Profit/loss from shares in group companies	-	-	-	-	-221.4
Profit/loss from shares in associated companies	3.4	1.4	3.4	-	1.9
Interest and similar income	5.6	5.9	2.7	4.3	12.4
Interest and similar expenses	-39.1	-35.9	-19.9	-18.6	-77.0
Profit/loss after financial items	-69.7	-40.2	-31.1	-21.3	-333.8
Group contributions received	-	-	-	-	0.7
Tax	-	-	-	-	9.9
PROFIT/LOSS FOR THE PERIOD	-69.7	-40.2	-31.1	-21.3	-323.2

Condensed parent company balance sheet

SEK million	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Non-current intangible assets			
Capitalised expenses	449.0	425.8	436.1
	449.0	425.8	436.1
Property, plant and equipment			
Expenses incurred through improvements to other people's property	0.1	-	0.1
Equipment	0.4	0.3	0.4
	0.5	0.3	0.5
Financial assets			
Shares in group companies	445.3	237.8	445.3
Debts due from group companies	285.3	316.3	285.3
Shares in associated companies	-	-	-
Deferred tax assets	27.2	17.3	27.2
Other non-current receivables	6.7	7.7	6.7
	764.5	579.1	764.5
Total non-current assets	1,214.0	1,005.2	1,201.1
Current assets			
Current receivables			
Trade receivables	8.9	13.1	6.3
Debts due from group companies	590.0	203.1	311.6
Debts due from associated companies	3.2	9.3	-
Other receivables	12.6	3.3	20.5
	614.7	228.8	338.4
Cash at bank and in hand	103.7	133.8	132.4
Total current assets	718.4	362.6	470.8
TOTAL ASSETS	1,932.4	1,367.8	1,671.9

Condensed parent company balance sheet

SEK million	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	0.6	0.6	0.6
Revaluation reserve	230.0	-	230.0
Reserve for development expenses	449.0	425.8	436.1
	679.6	426.4	666.7
Non-restricted equity			
Other capital contributions	237.0	237.0	737.4
Retained earnings	-875.7	-529.3	-539.5
Share premium reserve	500.4	500.4	-
Profit/loss for the period	-69.7	-40.2	-323.2
	-208.0	167.9	-125.4
Total equity	471.6	594.4	541.3
Non-current liabilities			
Debts owed to group companies	-	-	-
Non-current interest-bearing liabilities	598.0	597.7	500.0
	598.0	597.7	500.0
Current liabilities			
Current interest-bearing liabilities	40.0	40.0	140.0
Trade payables	6.3	68.2	6.4
Debts owed to group companies	787.8	24.6	461.9
Other liabilities	28.7	42.9	22.3
	862.8	175.7	630.6
TOTAL EQUITY AND LIABILITIES	1,932.4	1,367.8	1,671.9

Segment reporting

	Property Management*		Other Group		Adjustments		Group total		Property Management*	Other Group	Adjustments	Group total
SEK million	Jan-Jun 2024	Jan-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023	Jan-Dec 2023	Jan-Dec 2023	Jan-Dec 2023
Rental income	21.3	41.2	-	-	-5.5	-3.0	15.8	38.2	62.6	-	-4.0	58.6
Project and contracting income	-	-	3,442.5	954.5	-	-	3,442.5	954.5	-	2,631.6	-	2,631.6
Total income	21.3	41.2	3,442.5	954.5	-5.5	-3.0	3,458.3	992.7	62.6	2,631.6	-4.0	2,690.2
Property expenses	-8.1	-12.9	-	-	2.2	2.1	-5.9	-10.8	-18.2	-	2.3	-15.9
Project and contracting activity expenses	-	-	-2,747.8	-969.3	-	-	-2,747.8	-969.3	-	-2,378.5	-	-2,378.5
Gross profit/loss	13.2	28.3	694.7	-14.8	-3.3	-0.9	704.6	12.6	44.4	253.1	-1.7	295.8
Work carried out by the company on its own behalf and capitalised	-	-	38.5	59.1	-	-	38.5	59.1	-	107.2	-	107.2
Development expenses	-	-	-38.5	-59.1	-	-	-38.5	-59.1	-	-107.2	-	-107.2
Administrative expenses	-2.3	-2.9	-104.3	-50.6	-	-	-106.6	-53.5	-6.8	-123.5	-	-130.3
Non-project-related depreciation/amortisation	-	-	-29.1	-8.2	-	-	-29.1	-8.2	-	-49.3	-	-49.3
Operating profit/loss before value changes	10.9	25.4	561.3	-73.6	-3.3	-0.9	568.9	-49.1	37.6	80.3	-1.7	116.2
Change in value of investment properties	-126.4	-222.1	-	-9.2	-	-	-126.4	-231.3	-	-145.2	-	-145.2
Other operating income	-	-	32.9	6.4	-	-	32.9	6.4	-	20.6	-	20.6
Other operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss from associated companies	-	-	24.5	-15.7	3.3	0.9	24.5	-14.8	-	-300.0	1.7	-298.9
Operating profit/loss	-115.5	-196.7	618.7	-92.1	0.0	0.0	499.9	-288.8	37.6	-345.1	0.0	-307.3
Financial income	-	-	2.1	1.8	-	-	2.1	1.8	-	6.0	-	6.0
Financial expenses	-9.4	-40.4	-71.1	-89.0	-	-	-80.5	-129.4	-52.2	-183.3	-	-235.5
Profit/loss before tax	-125.4	-237.1	549.7	-179.3	-	-	421.5	-416.4	-14.6	-522.4	-	-536.8
Taxes	-	-23.1	-2.6	-	-	-	-2.6	-23.0	-4.3	50.4	-	46.1
Profit/loss for the period	-125.4	-260.2	547.1	-179.2	-	-	418.9	-439.4	-18.9	-472.0	-	-490.7
ASSETS												
Capitalised development expenses	-	-	443.7	420.4	-	-	443.7	420.4	-	430.7	-	430.7
Investment properties	1,527.4	1,668.0	504.0	549.2	-473.3	-	1,558.1	2,217.2	1,669.2	425.9	-	2,095.1
Shares in associated companies	-	-	448.5	638.4	-	-	448.5	638.4	-	427.5	-	427.5
Other assets	192.0	232.4	2,423.2	1,143.6	-	-	2,615.2	1,376.0	294.5	1,286.8	-	1,581.3
Total assets	1,719.4	1,900.4	3,819.4	2,751.6	-473.3	-	5,065.5	4,652.0	1,963.7	2,570.9	-	4,534.6
EQUITY AND LIABILITIES												
Equity	121.1	158.7	1,704.6	1,193.6	-	-	1,825.7	1,352.3	320.5	1,061.7	-	1,382.2
Interest-bearing liabilities	763.3	839.9	990.6	1,021.5	-	-	1,753.6	1,861.4	915.5	1,057.9	-	1,973.4
Other liabilities	835.0	901.8	1,124.2	536.5	-473.3	-	1,486.2	1,438.3	727.7	451.3	-	1,179.0
Total equity and liabilities	1,719.4	1,900.5	3,819.4	2,751.5	-473.3	-	5,065.5	4,652.0	1,963.7	2,570.9	-	4,534.6

*In the Property Management segment, rental income, and property and administrative expenses from the group's joint ventures have been included and adjusted for in the Adjustments column.

Notes

NOTE 1 ACCOUNTING POLICIES

SIBS applies the International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report has been drafted in accordance with IAS 34 Interim reporting as well as the Swedish Annual Accounts Act. The accounting policies and methods applied are the same as those described in SIBS' 2023 Annual Report.

The parent company is compliant with the Swedish Annual Accounts Act and RFR 2 (Accounting for Legal Entities). The application of RFR 2 means that the parent company applies all the IFRS and statements approved by the EU in the interim report on the legal entity, as far as possible within the framework of the Swedish Annual Accounts Act and Pension Obligations Vesting Act and taking into account the relationship between accounting and taxation.

New standards from 2024.

None of the amended IFRS applicable from 2024 have had any impact on SIBS' financial reporting.

Change in accounting policy for receivables and liabilities in respect of joint venture (JV) companies

When preparing the report for the third quarter of 2023, the company carried out a review of the definition of counterparty in the JV projects for the group's construction company Moby. The review led to a more appropriate approach according to which each JV structure as a whole is the counterparty to the group's construction company. This means that there were two parties involved in the group's JV projects during the period: Slättö Sveaviken Bostad and Nordsten. Previously, the policy was that the counterparty to the group's construction company was an individual project company within a JV structure.

The new policy has an impact on the accounts in terms of how the receivables and liabilities relating to each JV are recognised in the balance sheet. As a result of the new policy whereby each JV is a counterparty, receivables and liabilities are recognised net against each JV.

The change in policy has no material impact on the financial statements for the first quarter of 2024 compared with the first quarter of 2023.

NOTE 2 JOINT ARRANGEMENTS

Projects carried out under a syndicate type arrangement, i.e. one based on joint ownership and control, are classified as "joint arrangements". Joint control exists when decisions require the unanimous consent of the parties that collectively share control.

In the case of SIBS' collaborative projects, SIBS and its other collaboration partners have joint control over the projects and the related agreements give the parties a right to the projects' net assets. These projects are identified as joint ventures and are accounted for in accordance with the equity method. This means that holdings in joint ventures are initially recognised at cost in the consolidated statement of financial position. The carrying amount is then increased or decreased to reflect the group's share of the profit/loss and other comprehensive income from joint ventures after the acquisition date. The group's share of the profit/loss is included in the consolidated profit/loss and the group's share of other comprehensive income is included in the consolidated other comprehensive income.

Notes

NOTE 3 INVESTMENT PROPERTIES

	30/06/2024	31/12/2023
Opening value	2,095.1	2,809.2
Property investments	44.5	53.8
Property acquisitions	-	757.6
Value changes	-39.3	-263.9
Disposal of properties	-542.2	-1,261.6
Investment subsidies	-	-
Reclassifications of JVs	-	-
Closing value	1,558.1	2,095.1

NOTE 4 SHARES IN ASSOCIATED COMPANIES

	30/06/2024	31/12/2023
Opening cost	427.5	727.8
Acquisitions/Contributions	-	-
Share in profit/loss of associated companies	24.5	-298.9
Dividends	-3.5	-1.4
Reclassifications	-	-
Closing carrying amount	448.5	427.5

Investment properties are valued by working with external valuation agencies and applying the company's documented internal valuation process.

Properties are initially valued at the start of construction by external valuation agencies and their market value is then continuously monitored.

Property valuations are determined using the yield method. The yield method is based on calculating the present value of the estimated future cash flows in the form of net operating income. The net operating income is based on market-led assumptions.

Stockholm, 30 August 2024
SIBS AB (publ)

Erik Thomaeus
CEO

This interim report has not been audited by the company's auditors.

Definitions and glossary

Loan-to-value ratio

Group investment property-to-property loan ratio.

Operating surplus

Rental income less property expenses. A key performance indicator that is useful for measuring management profitability before central expenses, financial income and expenses and unrealised changes in value.

Interest coverage ratio

The operating surplus less central administrative expenses as a proportion of net interest income/expenses. The interest coverage ratio is used to show the income statement's sensitivity to changes in interest rates and central expenses.

Equity/assets ratio

Equity as a percentage of the balance sheet total at period-end. The equity/assets ratio is used as a key performance indicator to indicate long-term financial stability.

Adjusted equity/assets ratio

Equity at period-end as a proportion of the balance sheet total adjusted for cash and cash equivalents.

Residential floor area

The residential floor area refers to the surface area of a building that is usable for residential purposes. The residential floor area is the surface area from which rental income may be earned.

Gross floor area

The gross floor area is the sum of the surface area of every floor and is bounded by the outside of the encompassing building components. The gross floor area is used in many contexts, e.g. planning decisions, property valuations and fee calculations.

Planning permission

Planning permission refers to a permit to build a new building, or rebuild, extend or change the use of a building or facility. The purpose of this permit is to ensure that the project adheres to local land use and construction rules. In the project summary, planning permission refers to a planning permission that has become enforceable.

Development rights

The assessed possibility of building a property. The granting of development rights requires ownership of the land or some form of contract or agreement, such as a purchase agreement, land allocation agreement or cooperation agreement.

Detailed development plan, planning decision and awaiting planning decision

The planning process for detailed development plans is regulated by the Swedish Planning and Building Act. It is the municipality that decides on starting planning work. The planning process may be initiated through a planning decision on when the planning work may begin, or by the municipality itself taking the initiative to starting the planning work. The planning decision states guidelines for the continued planning. In connection with the planning work being initiated the municipality will assess whether a planning programme is necessary. A potential planning programme is presented in a programme consultation before it is forwarded for approval.

The municipality will present a planning proposal together with the property owner/developer which will thereafter be sent for consultation. A consultation will normally be in progress for about six weeks. After the consultation the municipality will establish a consultation presentation where all opinions that have been received during the consultation are compiled and discussed. A reworked planning proposal is communicated a second time by being sent out for review. The review period is at least two weeks.

After the review period the municipality will compile and go through the opinions that have been received in a review statement. After the review only smaller adjustments may be made to the planning proposal before a decision for adoption. After the adoption the detailed development plan may be appealed.

The time for appeal is three weeks from when the municipality announced the decision. If the detailed development plan is not annulled or appealed, or if appeals are rejected in the higher instances, it becomes legally enforceable. This means that the detailed development plan governs land use and construction within the area.

Legally binding

A detailed development plan is a physical planning document that sets out how a limited area of a municipality or the equivalent should be built on and how it may be used. In project summaries, legally binding refers to a detailed development plan that has become legally enforceable.

Specific energy use

Measured energy use adjusted for degree days, indoor temperature (based on individual metering and billing and a few temperatures above 21 degrees) and occasional cases of high hot water use

Parametric modularisation

SIBS' proprietary modular design and construction system automates large parts of the planning process and industrialises construction. It offers greater design flexibility and significantly shorter planning and construction times. The method is almost as flexible as the site-built approach. This allows the construction of all types of apartment buildings without the limitations that other industrial home builders are often subject to.

ConstructionTech

ConstructionTech is the combination of automated design systems and industrial construction, which transforms generated drawings into finished buildings with precision. Our technical platform has scalable functionality that allows the final product to be easily adapted to different conditions. This allows us to move away from traditional approaches to real estate development, where each construction project has its own process. This makes the production of comfortable and affordable homes smarter, more flexible and more cost-effective. The scalable building system - the core of ConstructionTech - is also integrated into our factory. Thanks to the structured on-site work and digital systems support, we can produce homes of varying sizes quickly and with a high degree of completion.

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Next financial report

The 3rd quarter interim report will be published on 29 November 2024.

This information is the kind of inside information that SIBS AB (publ) is obliged to make public in accordance with the EU Market Abuse Regulation and the Swedish Securities Market Act.

The information was submitted for publication, through the contact people above, at 3pm CET on 30 August 2024.