

The SIBS logo, featuring a stylized icon of three vertical bars of increasing height to the left of the letters "SIBS".

SIBS

Annual Report 2023



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The annual report for 2023 is presented by the board of directors and the CEO of SIBS. The statutory annual report can be found on pages 74-120 and has been audited by SIBS's external auditor. The sustainability report is available on pages 26-59, as well as the pages found in the GRI index on pages 60-68, and is prepared in accordance with Chapter 6 of the Annual Accounts Act. SIBS reports with reference to the GRI Standards 2021.

SIBS is today a global leader in the industrial production of apartment buildings. Through our efficient, flexible, and scalable system, we have created a platform for housing with unique solutions for several markets.

Our business model has been refined into three business areas. Industrial Sales, where projects are delivered according to the concepts of Project Sales or Module Sales to a global market. The Home Factory, which involves the development and construction of turnkey, production-ready factories, and Property Development and Management, where we, through subsidiaries, develop, build, own, and manage properties within the group. Read more about our business model on page 13.

During the year, we started our international expansion and transitioned from primarily producing apartment buildings for ourselves in our Swedish home market to also producing for external international clients. Our order intake has been strong, and we have expanded our production capacity. Now with five production lines, we have a scalable capacity of up to approximately 6,000 homes, or 12,000 apartment modules per year. You can read more about our scaled-up capacity on page 22.

Leading industrial producer of apartment modules in the global market

SIBS’ long-term objective is to drive the development of tomorrow’s construction industry, where construction projects cost less, are completed faster and are more predictable. Taking months, not years, to build new homes. Our ambition is to lead developments within industrial construction and we invested early in the development of automated, high-tech, highly flexible building systems.

SIBS is one of the leading industrial producers of buildings 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.

Our three business areas, which are perfectly tailored to the global market and SIBS’ expansion.



Industrial Sales

Projects are delivered in line with the Project Sales or Module Sales concept to a global market. The business area includes the Group’s concept houses, Rehouse and Rehotel, as well as bespoke buildings tailored to the customer’s needs and wishes.

Property Development & Management

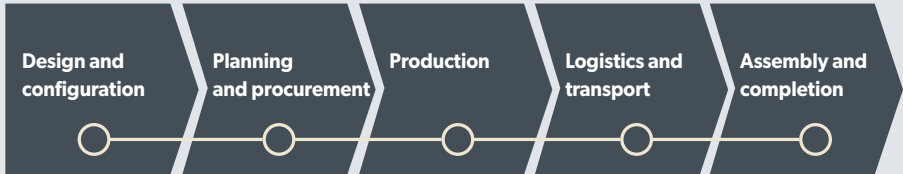
Through subsidiary Sveaviken Bostad, we develop, build, own and manage properties within the Group. We have refined and developed the concept of quality assurance for the whole chain and the final product.

The Home Factory

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

Vertically integrated value chain

SIBS provides a turnkey solution that manages the entire value chain from design and configuration to assembly and completion.



- Ca 4,400 apartments under construction globally
- Around 3,000 apartments completed
- 3,474 order intake apartments 2023
- Around 2,080 employees worldwide
- Around 50 production capacity of modules/day



- 1. Sweden**
Around 2,200 completed apartments
Around 1,600 apartments under construction
Around 100 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 turnkey apartments. The production of the first 2,000 apartments is in full swing, 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
2,000 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 350 control points are checked along the entire chain and are documented digitally.
- Circularity**
The buildings are designed in such a way that they can be dismantled, moved and rebuilt using the same frame and installations.

Key events in 2023

Continued collaboration between SIBS and Donard
Around 600 apartments to be built in partnership



Barkarby block 15
Järfälla Barkarby 2:59, 2:297 and 2:298
350 apartments, 105 parking spaces and commercial premises



SIBS signs a contract with NEOM, Saudi Arabia
Contract for a total of 3,474 homes to be fully delivered and commissioned in 2024



Marielundshöjden, Mariefred



Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> SIBS will build around 600 apartments, in partnership with property developer Donard Living, in two developments located within commuting distance of central London. Delivery is planned for Q4 2024 and Q1 2025. Carl Saidac became Deputy CEO of the subsidiary Sveaviken Bostad. 	<ul style="list-style-type: none"> SIBS partially registered 26,352 newly issued shares, which provided the company with approximately SEK 119 million of issue proceeds. This concluded the rights issue launched in November 2022. Sveaviken Bostad sold 274 apartments, one commercial unit and a 161-space car park in the Örebro Auto-gyron 4–5 and Glidplanet 4 properties to SEB’s housing fund Domestica V. SIBS continued to grow internationally and signed a contract with NEOM in Saudi Arabia for the delivery of 2,174 apartments in 2024. Sveaviken Bostad AB sold 350 apartments, 105 parking spaces and 2,547m² of commercial premises at Järfälla Barkarby 2:59, 2:297 and 2:298 to CBRE Investment Management (CBRE IM) on behalf of one of the company’s funds. 	<ul style="list-style-type: none"> In September, SIBS signed a new contract with NEOM in Saudi Arabia for the delivery of a further 1,300 apartments in 22 buildings, in addition to the previous order for 2,174 apartments. The contract is for the delivery of turnkey buildings and the entire project will be delivered and commissioned during the fourth quarter of 2024. NEOM is currently the world’s largest urbanisation project. 	<ul style="list-style-type: none"> SIBS initiated written proceedings relating to its bonds. The changes involved include the extending of the bonds’ maturity by 18 months, the changing of the interest rate to a fixed rate of 12%, 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. SIBS received its bondholders’ approval to make changes to its bonds. In October, Sveaviken Bostad transformed its management division into a new company, Sveaviken PM, which remains within the group as a wholly owned subsidiary of SIBS AB.

Significant events
after the end of the reporting period

- In February 2024, Sveaviken Bostad sold 75 apartments in the Lund Parasollet 2 property to SEB’s housing fund Domestica V. This represents a total lettable area of 3,593m². The property was sold for an underlying property value of SEK 147.4 million, in line with the book value as at 31 December 2023.

A word from the CEO

2023 was a significant and transformative year for SIBS. We managed to successfully navigate the challenges that defined the year and become a leading industrial producer of housing. We both established ourselves in an international market and achieved a record-breaking number of housing starts. This marked a significant milestone in our transformation.

During the year, we proved our determination, as we not only dealt with the uncertain environment, but also made progress towards achieving our vision and ambition. SIBS took a significant step forward in its journey as a result, establishing itself as a trusted and leading force in our industry.

We are leaving this year behind us stronger and more confident that our focus on our industrial sales business segment will continue to differentiate us and create value for our shareholders, customers and business partners.

A sustainable working environment

Sustainability and, health and safety are central and important issues for our business. We are constantly working to achieve our sustainability goals and have continued to prioritise safety in our workplaces. By applying industry-leading safety standards and solutions, and focusing on systematic targeted measures, we have been able to minimise risks and create a safe working environment for our employees. We are proud to have had no serious workplace accidents during the year, despite our rapid growth and increased production capacity.

Record production capacity

We greatly expanded our production capacity during the year, paving the way for us to be able to deliver high capacity in a short time. In 2023, we started the production of a total of 3,474 apartments (970), all for delivery outside Sweden. In the Swedish market, which is still marked by high market interest rates, great uncertainty and few transactions, we focused on moving our on-going projects forward and did not carry out any new production starts during the year.

The interest rate path is being gradually stabilised, which bodes well for future property valuations. This may in turn lead to more project starts in Sweden, when financial conditions are more favourable.

Expansive growth

The strong expansion in 2023 is reflected in full-year sales of SEK 2,690 million, an increase of almost 100 percent on 2022. From the second half-year, the profitable business conducted outside Sweden began to be reflected in operating profit (before changes in value), standing at SEK 116 million for the year. Admittedly, our Swedish projects contributed negatively to our earnings, mainly due to the higher cost of shipping, ground work and assembly work in Sweden, and to inflation, which previously reached an historic high. We have learned a lot from this and will review our commitments going forward to minimise these risks. Despite challenges in the Swedish market, our transition towards becoming an industrial producer, and our international business, continued to move ahead according to plan and budget.

During the year, we recognised changes in the value of our properties in Sweden of SEK -444 million, primarily because of higher interest rates, which increased direct yield requirements. This amount includes wholly-owned properties and properties owned through joint ventures, and consists of both realised and unrealised changes in value. The realised changes in value are from the properties that we have disposed of to reduce our loan-to-value ratio and strengthen our cash position. These disposals are another step taken in our strategic refocusing on our industrial business.

This results in an operating loss for the year of SEK -307 million. Negative full-year earnings, which were largely affected by a change in the perception and level of property valuations, are of course disappointing. I am confident about the way forward, however, and that the refocusing of our business will make us less sensitive to changes in the market's view of property valuations.

Strategic outlook and objectives

In order to fully deliver, we reorganised ourselves and rebalanced our skills internally in 2023. This included increasing our sales, production and project delivery capacity. We also completed a number of property sales, primarily driven by our new industrial



ERIK THOMAEUS

focus, but also by the changing market conditions. Sales to reputable institutional investors are a testament to the high quality of our products.

To enable us to continue to accelerate our expansion, we also successfully extended the maturity date of our bonds in the last quarter, and I am pleased and grateful that our investors have faith in the journey that lies ahead for our company.

Looking ahead, we aim to expand our business through more profitable projects and to remain a leading industrial producer of apartment buildings. With our high production capacity of around 12,000 apartment modules a year, we are increasing our competitiveness in the world-leading projects that we target. SIBS sees international sales as an important part of future growth, while continuing to remain active in the Swedish market.

Our aim is to continue our expansion in 2024, with profitable projects ranging from large-scale international ventures to customised properties for external developers. Our flexible business model allows us to scale up across different geographical markets, and to drive growth in line with market needs.

Looking ahead, I am sure that the hard work that we did in 2023 puts us in a good position to face the future. We will continue to improve our core business, expand our market-leading position

in the industrial production of apartment buildings, increase our revenues and utilise new technologies in our building system and production.

In 2023, we continued to build a stronger SIBS, and I am proud of our fantastic staff, whose efforts are a big reason why we have come so far. We are a strong player with opportunities to constantly improve and innovate. Our strength lies in our skilled and dedicated workforce, and we are continuing to invest in research and development, in order to retain our competitive edge and remain one of the largest and most ambitious players in the industry.

A handwritten signature in black ink, appearing to read 'Erik Thomaeus'.

Erik Thomaeus
CEO SIBS AB

2023 in brief

1,105 COMPLETED APARTMENTS JAN-DEC 2023

4,347 APARTMENTS UNDER CONSTRUCTION

SEK MILLION
1,780 MARKET VALUE OF COMPLETED PROPERTIES INCL. JOINT VENTURES

3,474 PRODUCTION STARTED APARTMENTS JAN-DEC 2023

12,000 MODULES ANNUAL PRODUCTION CAPACITY

1,040 MWH SOLAR POWER GENERATED

44 PERCENT OF TURNOVER TAXONOMY-ALIGNED

38 KWH/M² AVERAGE SPECIFIC ENERGY USE

KEY RATIOS

SEK Millions

Rental income including SIBS' share in joint ventures

62.6 55.0

Rental income

58.6 46.2

Annual rental value of completed properties*

43.0 111.9

Estimated normalised annual operating surplus for completed properties*

39.3 95.0

Occupancy rate (economic) by %

99% 99%

Operating profit/loss before value changes

115.9 -62.3

Value change in investment properties

-145.2 1.5

Res. from associated companies and SIBS' share of joint ventures

-298.9 390.5

Operating profit/loss

-307.4 336.7

Profit/loss after tax

-490.8 270.6

Market value of completed investment properties

1,596.2 2,263.0

Market value of completed properties**

1,779.6 2,439.9

Construction starts on apartments during the period

3,474 970

Apartments completed during the period

1,105 590

Apartments under management

748 1,471

Apartments under construction

4,347 1,978

Apartments under project development

9,251 9,959

Total apartments

14,346 13,408

Lettable area of completed properties, m²*

33,614 52,222

Equity/assets ratio

31% 31%

Adjusted equity/assets ratio (adjusted for cash and cash equivalents)

33% 32%

Loan-to-value ratio of completed properties

59% 59%

*SIBS' share

**Total market value of all completed properties under own management plus SIBS' share of corresponding value in associated companies and joint ventures.

This is SIBS

VISION

Setting a new standard in construction

Our long-term objective is to drive the development of tomorrow's construction industry, where construction projects cost less, are completed faster and are more predictable. Taking months, not years, to build new homes. Our ambition is to lead developments within ConstructionTech – the combination of automated design systems and industrial construction, which transforms generated drawings into finished buildings with precision.

We're moving beyond traditional construction towards industrial intelligence, transforming the way we design, build, deliver and manage properties.

MISSION

We develop and make construction more efficient through technology

Through ConstructionTech, we are reinventing a traditional industry, making it more cost-effective, productive and digital. With an improved construction industry, we can produce high-quality housing that is both energy efficient and designed to be circular and available on a global scale.

OUR CORNERSTONES

Scalable Optimised growth

Everything we do is scalable, enabling rapid development that benefits our partners, investors and tenants.

Digital Digitisation at every step

Our proprietary processes and systems have enabled us to be digital from the start and develop smart solutions and concepts from scratch.

Sustainable Designed for circularity

We strive for a circular approach in both our business and production. Our perspective is always long-term.

Focused No compromises

By using digitisation from start to finish, as well as streamlined industrial production, we reduce construction time without compromising quality.

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 needs while staying ahead into the future.



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.

Module 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.



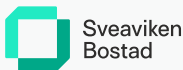
Property Development & Management

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.



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



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



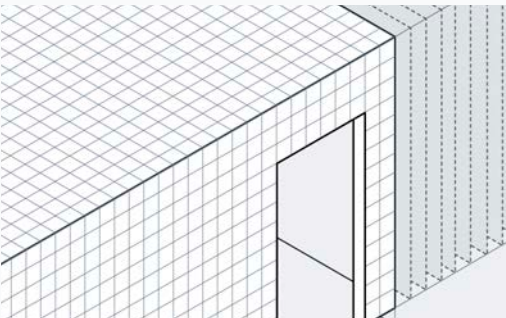
The Home Factory

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.

COST



>70% lower cost.

QUALITY



Automated quality assurance in the building system.

SUSTAINABLE



Building system developed for good energy performance.

DIFFERENTIATION



Flexibility
Low mixture high volume.

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.

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.

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. For a typical project, the modules are ready around 4–6 weeks after production start.

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.

SIBS’ integrated logistics infrastructure manages shipping from Penang, Malaysia, all the way to the final destination at the construction site.

Large-scale procurement of freight shipment by land and sea before production begins allows for a high level of efficiency and cost transparency.

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.

The modules are easy to assemble using SIBS-Connect, which also enables the modules to be lifted out and the building dismantled.

The facade and roof are fitted on site.

On average, 20 modules are assembled per day.

SPS Flow

SPS Flow

Projects completed in 2023

In total, SIBS completed 1,105 apartments in 2023, most of which are part of NEOM, our international project in Saudi Arabia. Our projects include a large variety of designs and exterior layouts, demonstrating the strength of our flexible building system. Our projects are carefully adapted to the surrounding environment, and both our building system and our production can be adapted to different markets, as demonstrated by our work in both Sweden’s northern climate and NEOM’s desert climate.

We work with materials and design solutions that stand the test of time, for buildings that are built to last. Sustainability, digitisation and welcoming environments are at the heart of our development approach. SIBS is one of the few operators to deliver prefabricated modular buildings in which even the stairwells and shafts are produced using a modular approach.

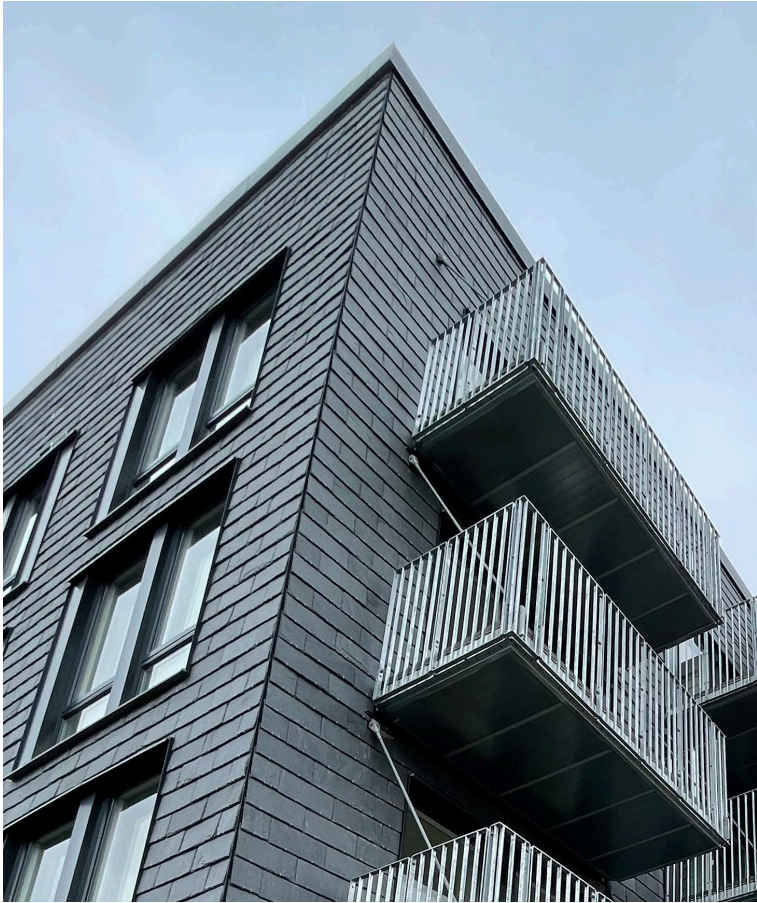
MARIELUNDSHÖJDEN, MARIEFRED
239 HOMES COMPLETED IN 2023

Stylish apartments in a scenic commuter location

In popular Marielund, in western Mariefred, we have built homes in a scenic and elevated location right next to Läggesta train station. The station is only a five-minute walk from the apartment buildings and the direct train to Stockholm takes only 35 minutes.

The facades are carefully designed in natural stone and wood and create an attractive gateway to Mariefred. The apartments have modern furnishings, with single-strip oak parquet flooring and fully tiled bathrooms with underfloor heating. The kitchens are either a contemporary graphite grey colour or a sober sand colour. Solar panels have been installed on the roofs and, together with geothermal heating, contribute to the energy efficiency of the homes.

The property has large cycle rooms and plenty of parking spaces, half of which are in an indoor car park.



VEGA PHASE 2, HANINGE
121 HOMES COMPLETED IN 2023

Bright and modern apartments in Haninge’s new hotspot

Vega is Haninge’s new hotspot. The neighbourhood is growing, with mixed housing in surroundings close to nature and transport links. A new commuter train station opened here in 2019, and Port 73, which has several shops and restaurants, is within walking distance. Haninge town centre is a 10-minute bike ride away.

The inspiration for the buildings in the Vega project was taken from the surrounding natural environment, and they blend beautifully into the communal green spaces and well-developed pedestrian and cycle paths. The apartments are stylish, with dark grey kitchen fittings, induction hobs and quartz worktops. Plenty of light comes in through extra large floor-to-ceiling windows. In the Vega project, we have built a total of 232 homes with one to four rooms and a garage. Phase 1 was completed in 2022 and phase 2 in 2023.

The project was divested in 2022.



Selected ongoing projects

At present, SIBS has a total of approximately 4,347 apartments under production both in Sweden and abroad. Sweden has been our proof of concept market from the outset and will continue to be a region where there is strong demand for housing. At the same time, in 2024 we broadened our perspective and expanded our market globally, producing a little over 3,000 homes abroad in 2024.

NEOM, NC1, SAUDI ARABIA
2,174 HOMES IN PROGRESS

A state-of-the-art and energy efficient urbanisation project

In May 2023, a contract was signed with NEOM for the delivery of more than 2,000 apartments in 35 buildings, and production began shortly afterwards. The apartments are intended for the people working on planning, engineering and construction for NEOM.

NEOM, located in northwest Saudi Arabia, is currently the world's largest urbanisation project, and will be a centre for world-leading innovation.

The project is located in the area that is the main site for staff housing and offices. The apartments have from one to three rooms, and are equipped with well-designed kitchens, exclusive bathrooms and balconies. Their high quality and design help to ensure a high standard of living. The buildings are optimised for energy efficiency, through everything from low-flow taps to high airtightness and solar panels on the roof.

The buildings are customised in detail to meet NEOM's requirements, and are designed to be relocatable if there is a need in other areas as the construction of NEOM progresses.

3D rendering. This temporary residential area of NEOM is intended for the people helping to develop the area.



Picture of a construction site. This temporary residential area of NEOM is intended for the people helping to develop the area.



Picture of a construction site. This temporary residential area of NEOM is intended for the people helping to develop the area.



SILHUETTEN, BARKARBY TOWN, BLOCK 20, JÄRFÄLLA
208 HOMES IN PROGRESS

Modern and sustainable properties in the heart of Barkarby town.

A new, vibrant neighbourhood is under construction in Barkarby town, with 206 rental apartments. The homes are close to public transport, schools, nursery schools, shops, cultural activities, nature and entertainment. The bus stops outside the gates and Barkarby retail park is within walking distance.

Silhuetten is designed to be recognisable from all directions. The buildings vary in volume and the facades are framed by slate and wood.

The homes have ingenious layouts, are bright and modern, and come in sizes ranging from one to four rooms. The mixed-use buildings are on two levels, with the possibility of a workshop, studio or shop on the ground floor. The basic aim is to create a neighbourhood where engagement, creativity and innovation are allowed to develop in an inspiring environment. The properties and apartments will be accessed digitally using Parakey's mobile locking system.



HANSASTADEN, BRÄDGÅRDEN, NYKÖPING
471 HOMES AND RETAIL AND RESTAURANT PREMISES IN PROGRESS

Penthouses and townhouses near Nyköpingsån

IN the southern part of Nyköping city centre, close to Nyköpingsån, the harbour area and Stadsfjärden, the production of a total of 471 apartments, divided between four blocks, is under way. The project is in a beautiful location by the river and several apartments will have riverside views. In addition to apartments, units will be created for street-facing businesses and services.

The development will be full of architectural detail reflecting Nyköping's cultural history. The blocks will be completed in phases and the first apartments should be occupied in spring 2024.

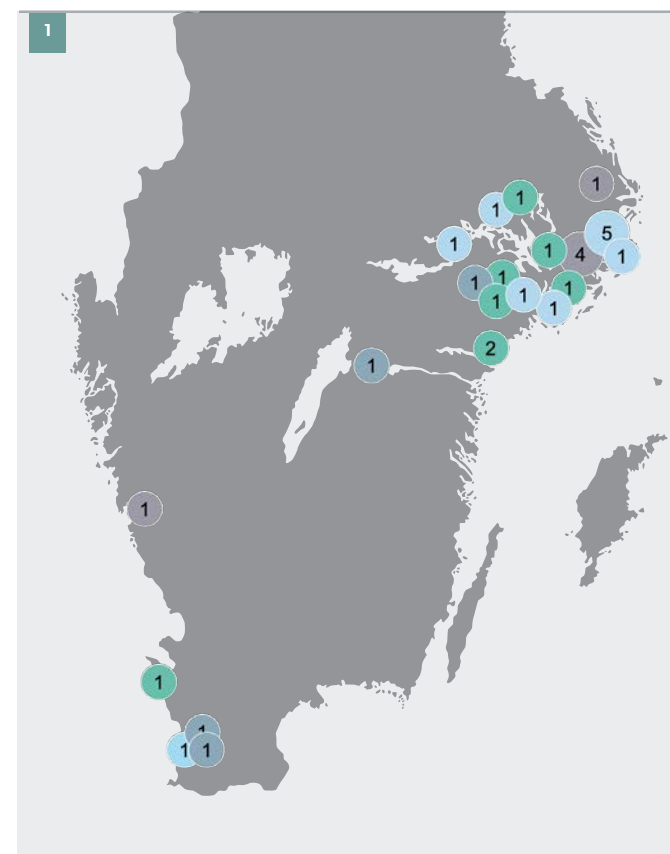
The homes are cleverly planned, with beautiful material choices such as oak parquet flooring, quartz worktops and fully tiled bathrooms with underfloor heating. There is a choice of apartments, loft apartments and townhouses. Sustainability is a major focus and the apartments will be highly energy efficient, with rooftop solar panels for example.

The properties and apartments will be accessed digitally using Parakey's mobile locking system.

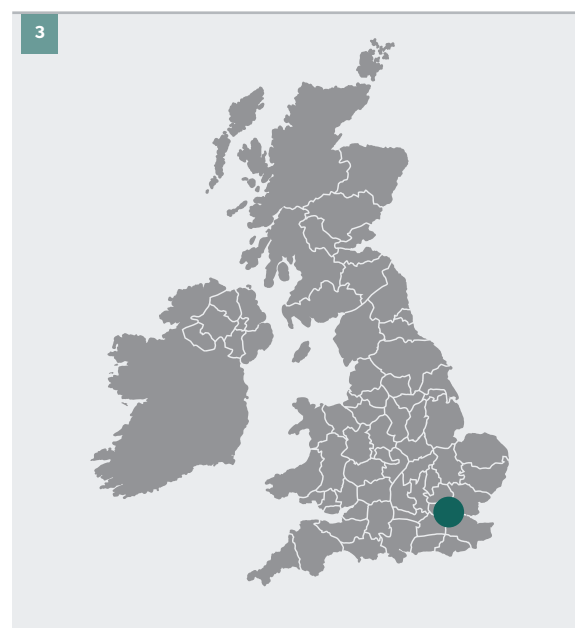
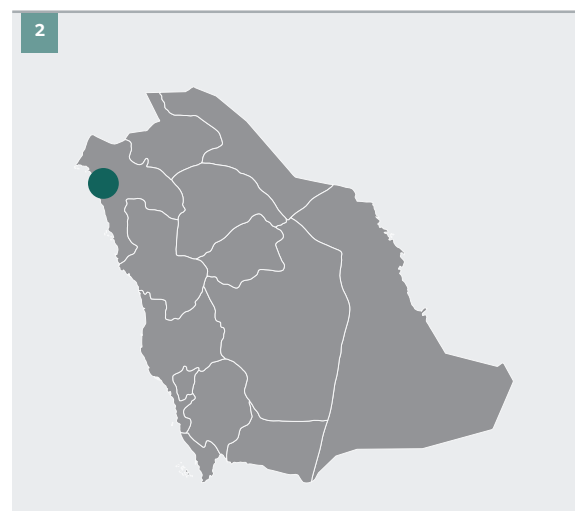


Broader perspective in the project portfolio

SIBS has over 15,000 apartments in ongoing and planned projects in Sweden, England, and NEOM.



- In progress
- Legally binding
- Detailed development plan
- Comprehensive plan



Project portfolio Sweden

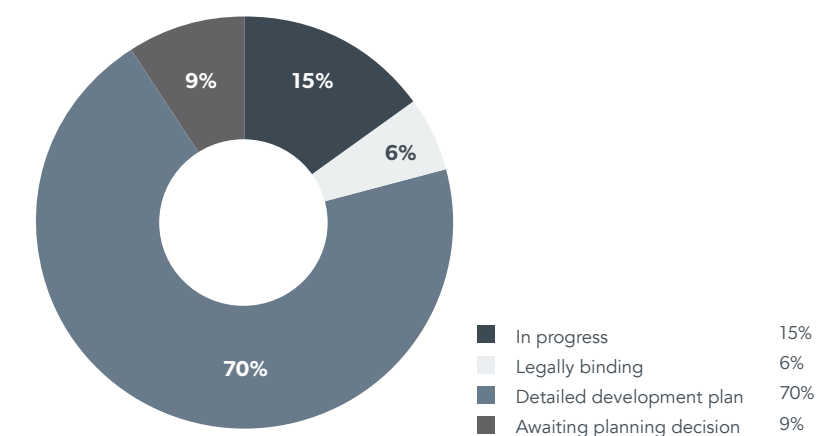
Project name	Municipality	Number of homes	Current status	Estimated production start
Nykvarn Centrum	Nykvarn	147	In progress	In progress
Helsingborg *	Helsingborg	39	In progress	In progress
Brädgården *	Nyköping	471	In progress	In progress
Enköping Centrum *	Enköping	328	In progress	In progress
Barkarby 2 *	Stockholm	208	In progress	In progress
Stockrosen *	Nyköping	434	In progress	In progress
Svanholmen	Stockholm	300	Legally binding	2024
Mariefred station etapp 2**	Strängnäs	161	Legally binding	2025
Portkvarteren	Lund	100	Legally binding	2025
Svanholmen 2	Stockholm	100	Legally binding	2027
Eskilstuna	Eskilstuna	300	Detailed development plan	2025
Kallfors	Södertälje	350	Detailed development plan	2025
Hemmesta	Värmdö	300	Detailed development plan	2025
Tangenten Sorgenfri	Malmö	400	Detailed development plan	2025
Enköping station**	Enköping	500	Detailed development plan	2025
Maltesholm	Stockholm	100	Detailed development plan	2025
Ruletten	Sollentuna	300	Detailed development plan	2026
Tumba	Botkyrka	560	Detailed development plan	2026
Söderby 2	Haninge	280	Detailed development plan	2026
Kassmyra	Botkyrka	2 000	Detailed development plan	2026
Kassmyra	Botkyrka	2 000	Detailed development plan	2027
Rogaland	Stockholm	400	Detailed development plan	2027
Sjödalen	Huddinge	100	Detailed development plan	2027
Kungsbacka	Kungsbacka	1 000	Awaiting planning decision	2027

Total	10 878
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* Joint venture (50/50) with Slättö

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

PROJECT STATUS SWEDEN



From vision to reality.

A leading global player in sustainable industrial housing construction

SIBS started in 2016 with a vision of transforming housing construction. Today, the company is a global leader in the industrial and large-scale production of apartment buildings.

Right from the start, SIBS identified the global need for large-scale industrial housing production and adjusted its ambitions accordingly. Over the past year, the company has gone from mainly producing homes for itself in the Swedish domestic market, to also offering high-quality homes to, and producing them for, external clients in an international market. This has also meant an increase in demand, and that our production capacity has had to be expanded to meet it.

In 2018, SIBS’ first factory was inaugurated, followed by a second factory in 2022. With two fully developed factories, we are now using all five production lines, which gives us a capacity of around 6,000 apartments a year.

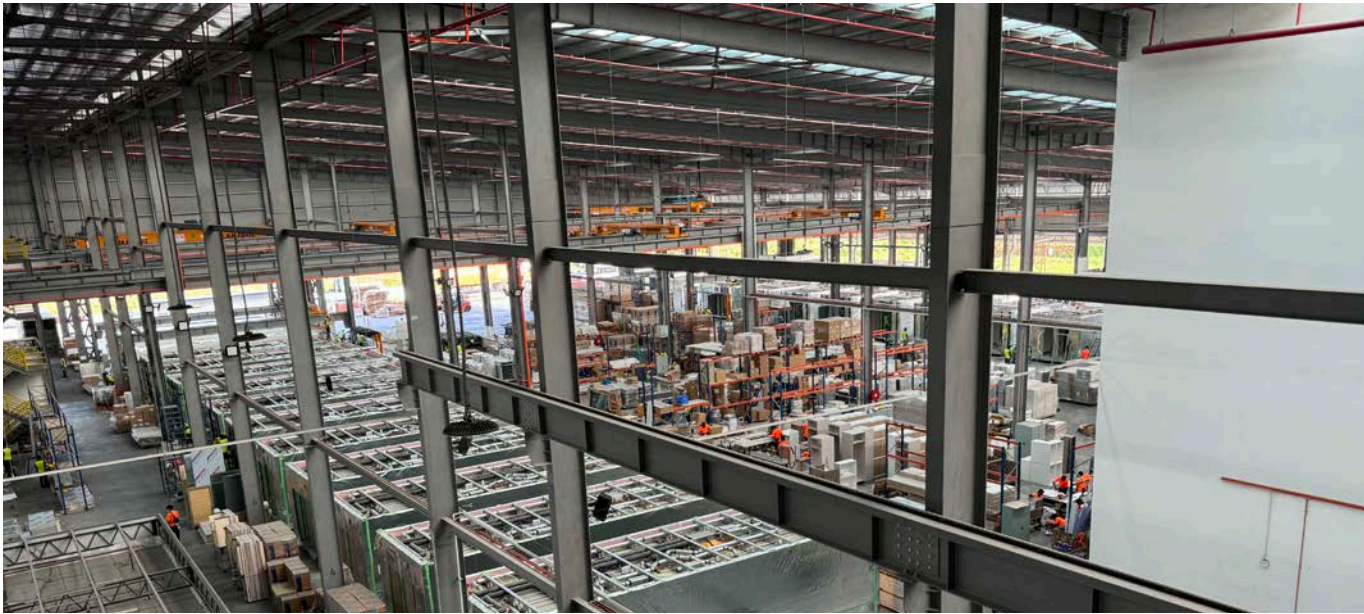
Quality and efficiency are central to SIBS’ activities
Our rapid growth has not compromised quality or control. The flow through the factory is fast and all the modules have to undergo quality checks before moving further along the production line. Over 400 quality points are measured and documented for every module. With the many integrated quality controls and careful planning of each stage of the development process, the company has ensured a smooth expansion that can be adapted as needed.

Through its innovative and sustainable methodology, SIBS has brought about a tangible change in housing construction in a short period of time. By offering high-quality, energy-efficient and circu-

“With our large capacity, we currently produce around 50 modules a day. Production is flexible and we can adapt design and production to whatever is prioritised.
If volume is the priority, we can produce a high-quality output, but with limited variety, at a very high rate. If variety is prioritised, we adapt production accordingly”

lar housing, the company has taken major steps towards achieving a more sustainable future for the industry. With strong growth and a clear focus on industrial sales, SIBS is well-equipped to maintain its position as a leading player and to drive positive change globally.

Quality certified in accordance with global and local regulations
Ensuring quality certification in accordance with global and local standards is a central concern for SIBS. The company’s management system is certified in accordance with ISO 1090, ISO 9001 and ISO 14001, and for production and construction in accordance with ISO 45001. SIBS is also certified under the BOPAS Buildoffsite Property Assurance Scheme, a third-party certification that ensures longevity and best practice in design, industrial manufacturing and construction.



Fast, flexible and forward-looking in NEOM



This temporary residential area of NEOM is intended for the people helping to develop the area.

In May 2023, SIBS signed two different contracts with NEOM for the delivery of a total of 3,474 homes for people working on the planning, engineering and construction of NEOM.

Being responsible for more than 3,000 homes, SIBS is a major player in NEOM’s expansive urbanisation plans. This also strengthens SIBS’ position as a world-leading industrial producer of housing. NEOM, located in northwest Saudi Arabia, is currently the world’s largest urbanisation project, and the site is designed to be a centre for world-leading innovation.

The first order for more than 2,000 homes is in full production and assembly is in full swing on site. The state-of-the-art, energy-efficient homes are optimised for energy efficiency, with features such as low-flow taps and solar panels on the roof. The apartments are equipped with well-designed kitchens, exclusive bathrooms and balconies.

The buildings are customised in detail to meet NEOM’s requirements, and are designed to be relocatable if there is a need in other areas as the construction of NEOM progresses.

“The project for NEOM is an excellent example of how SIBS’ building system and production can be adapted to demanding requirements, building regulations, soil conditions and varying

climates. Our design is ingenious, with limited variation in the number of modules, which can be combined to produce a very high degree of variety. Our scalable capacity and efficient production also allow us to deliver high-quality buildings quickly,” says David Österström, COO, SIBS

Orders for NEOM fall under SIBS’ Industrial Sales business segment and are delivered under Project Sales. This means that SIBS will deliver finished buildings from the completed floor slab upwards.

“Developing such large projects and managing people in a completely new market poses challenges. But we have fantastic staff on the ground who are taking on the task in the best possible way. We are working closely with a large HSE team to ensure a pleasant and safe working environment,” says Simon Österström, Project Director, SIBS.

NEOM plans to become a pioneer for the sustainable cities of the future. Located in northwest Saudi Arabia, on the Red Sea coast, NEOM will be a place where entrepreneurship and innovation point the way towards the future of advanced technology, sustainability and innovation in various sectors, such as energy, transport, housing and tourism. A vibrant and dynamic city is growing here that is promoting economic growth and improving its residents’ quality of life.

A new era for property management – Sveaviken PM is driven by digital innovation and increased satisfaction

In the autumn of 2023, Sveaviken Bostad incorporated its property management business, creating Sveaviken PM (Property Management) as a wholly-owned subsidiary of SIBS AB. As part of Sveaviken Bostad, the management business had developed and become very successful, with a data-driven property management approach built on an open source digital ecosystem. The formation of a separate management company opened up the possibility of offering more efficient management that would reduce costs, increase net operating income and create higher customer satisfaction for property owners throughout Sweden.

Sveaviken PM has grown since its inception in October, and in 2024 the company now manages approximately 170,000m² of living space divided between 30 projects and 3,200 apartments, nine garages and 11,000m² of commercial space. The company also provides financial management services to some seventy property companies across the country and is poised for strong growth. As most of the management services are provided automatically and digitally, the company can easily start up new management operations across Sweden, at short notice and with no growing pains.

Inspiration taken from other digital industries
Sveaviken PM has taken inspiration from the hospitality industry, digital healthcare and e-commerce in developing a completely new management concept based on a digital ecosystem. The system enables the easy integration of services and brings all the property data together in one place. Some twenty systems are

now integrated in the platform, enabling data-driven management that reduces administration, manual processes and unnecessary site visits.

The platform gives property owners a comprehensive overview and data-based insights into the management and performance of their properties, while residents are offered a fast and personalised round-the-clock service directly in a residents’ app. With a market-leading AI-based chatbot, self-help instructional videos and the booking of video calls for troubleshooting, the platform creates high customer satisfaction while reducing the need for in-person site visits. This saves both time and money, as well as reducing transport-related emissions.

Overall, the high level of service offered through digital assistance is estimated to reduce the number of site visits by 40 to 70 percent compared with traditional management, which is reflected in the property owners’ management costs and in the tenants’ customer experience.

“We believe that part of our success lies in our streamlining by automating monitoring and reporting. We have made use of technology and integrated systems to create a seamless customer service environment. This allows us to spend more time on value-creating activities while more closely monitoring properties. The high level of interest in our digitalised management service made the decision to offer it to more customers an easy one to make,” says Peter Backström, CEO of Sveaviken PM.

In a world where every interaction counts, Sveaviken PM has transformed customer service, both raising standards and minimising costs. This is a world where cost savings and superior service come together.



PETER BACKSTRÖM
CEO SVEAVIKEN PM

Key facts about Sveaviken PM

Headquarters at Hammarbybacken 27 / Sthlm01

Created in 2023

Specialist expertise in digital management, letting (inherited property and new build lettings), property development, energy, sustainability and financial and technical management

In 2024, it is now managing approximately 170,000m² of living space divided between around 30 projects, 3,200 apartments and 11,000m² of commercial units, from Lund and Helsingborg in Skåne to Örebro and Norrköping in central Sweden, and in several municipalities in the Stockholm area.

It manages town centres, rental housing and garages.

The digital management process handles 82.3% of all customer queries (March 2024)



Sustainability Report



Industrialisation as the foundation for sustainability

SIBS has established itself as a leading player in the industrial production of housing, its vision being to redefine construction industry standards and strive for sustainability and efficiency. Through its pioneering industrial methods and strong commitment to sustainability, SIBS has not only changed the way we build, but also the way we think about the circularity of buildings.

SIBS uses an industrial method that is groundbreaking for the real estate industry and allows us to build faster and more efficiently than using traditional construction methods. With its own resource- and flow-optimised production facilities, SIBS can complete around 90 percent of its homes in its factories. This provides major sustainability gains in construction in the form of higher production efficiency and less waste, significantly less construction transport and a better working environment. The housing is built undercover in a process-oriented, systematised and well-controlled flow.

Our buildings are designed to be circular, meaning they can be dismantled, moved and rebuilt with the same frame, the same installations, and even the same finish. Industrial construction, together with our safety, environmental and working environment procedures, also reduces the risk of accidents compared with conventional construction. Despite the fact that SIBS expanded considerably over the year, with a significant increase in production and more employees in an international market, we have not had any serious workplace accidents.

Our industrial and digital processes and automated design approach are a factor in SIBS' success. They provide access to data and models, enabling us to continually improve quality, sustainability and resource efficiency.

Spotlight on sustainability over the year

Like everyone else, SIBS is affected by several new requirements relating to its sustainability work and sustainability reporting, our primary focus in 2022 being on compliance with the EU Taxonomy, the European Commission's framework for sustainable finance. In 2023, our international expansion took place at a rapid pace, and we focused our sustainability efforts on aspects other than just the EU Taxonomy. We concentrated particularly on environmental issues, health and safety and business ethics.

By conducting stakeholder and materiality assessments and gap analyses in accordance with the Sustainability Reporting Directive (CSRD), we were able to adapt our operations and processes in order to meet the reporting standards (ESRS). We also adjusted our corporate responsibility due diligence processes to ensure compliance with the various EU frameworks and directives in the area of social sustainability, including corporate responsibility for the environment and human rights.

Reducing our climate impact is one of our top priorities. As part of our efforts, we have been actively working with a number of suppliers to reduce the carbon footprint of our building materials and to promote the development of more Environmental Product Declarations (EPDs). These EPDs provide detailed information about the climate impact of each product. We have also resumed the work of producing EPDs for our modules, further increasing our transparency and consolidating our efforts to reduce our environmental impact.



Sustainable value creation

SIBS helps to meet the strong global demand for high-quality, safe living environments without the buildings' impact resulting in humanity exceeding the planetary boundaries or in any person being harmed in the process. We believe that the industrialisation of construction is key to achieving this in a sustainable manner. SIBS' combination of a high-tech building system, automated processes and optimised, safe production in our factories provides impressive opportunities for streamlining and development.

External factors

Globalisation, digitisation and automation, AI, international trade policy, climate change, legislation, geopolitical conflicts, need for adaptability, values.

Our resources

- Expertise and experience in the high-tech, industrial construction of energy-optimised properties
- Insights into, and extensive knowledge of, factors that drive value for customers and consumers
- Robust and highly flexible organisation
- Borrowing and equity
- Market-adaptive financing structures
- Resources – Energy, water, building materials
- Logistics and transport
- Two factories in Malaysia with a production capacity of around 6,000 flats per year globally
- Around 4,400 apartments under construction
- Good relationships with partners and suppliers
- High level of trust in the company's various disciplines, secure cooperation internally and externally
- Processes for sustainable supply chains
- Around 2,080 employees within the Group
- Close to 1,400 apartments under own management

Our offering

Leading industrial producer of volumetric apartment modules

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.

Industrial Sales

Projects are delivered in line with the Project Sales or Module Sales concept to a global market. The business area includes the Group's concept houses, Rehouse and Rehotel, as well as bespoke properties tailored to the customer's needs and wishes.

Global reach

The location of the factories was chosen, among other things, because of the strong local supply chain, and the availability of raw materials and highly-skilled engineers. It is also a globally strategic location.

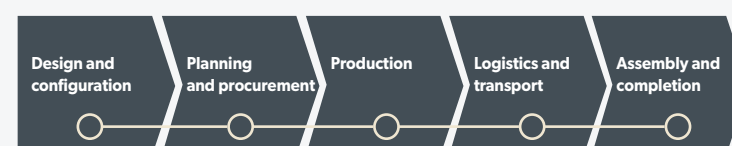
Property Development & Management

Through the wholly-owned subsidiary Sveaviken Bostad and Sveaviken PM, we develop, build, own and manage properties within the Group and also for external customers. We have embraced the new era of property management, with its digital solutions, and offer efficient management that reduces costs, increases net operating income and creates higher customer satisfaction.

The Home Factory

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

Vertically integrated value chain



Value for our stakeholders

For shareholders

- Good long-term growth
- Sustainable growth on a global market
- Leader in the industrial production of apartments
- Expanding operations in growth segments
- Rigorous control system for quality and development
- Market-adaptive financing structures

For customers

- Scalable capacity of up to 6,000 apartments per year
- High-tech, flexible building system adapts buildings according to needs and location
- Value chain adaptable to the rules and requirements of different countries
- Highly time-efficient production and completion provides an earlier return on investment.
- Total time saving of around 50% compared with site-built
- Costs around 30% less than traditional methods
- High-quality materials used for interiors and exteriors

For residents

- High-quality homes in safe living environments
- Management that is present and available, both through personal contact and digital meeting places
- Individual energy metering for every apartment
- Integrated digital systems that improve sustainability, efficiency and customer satisfaction
- Insight into factors that drive value for tenants

For employees

- A safe and inclusive corporate environment with a strong sense of community
- An organisation offering continuous learning, development and innovation, both collectively and at individual level
- Safe and secure workplace in the factory, at the construction site and in the office

For sustainable development

- Energy-efficient properties
- Certified sustainable properties
- An excellent, healthy indoor climate
- Circular buildings that can be dismantled and rebuilt
- SIBS works sustainability based on the UN Global Goals, the UN Global Compact and the OECD Guidelines for Multinational Enterprises
- Code of Conduct, Sustainability Policy and Environmental Policy apply to supplier partnerships
- Management systems certified according to ISO 9001, 14001 and 45001
- Building system third-party certified under the Buildoffsite Property Assurance Scheme (BOPAS)

Sustainable enterprise

Our sustainability strategy guides our actions to achieve a sustainable society and reduced climate impact in line with the Paris Agreement. We work with our customers, suppliers and partners to implement sustainability throughout the value chain.

Our Sustainability Policy, Code of Conduct and Environmental Policy are based mainly on the OECD Guidelines for Multinational Enterprises, UN Global Compact, 2030 Agenda and the Global Sustainable Development Goals.

To live up to our Code of Conduct and policies, we carry out well-structured work with focus areas, goals and action plans, as well as a thorough process for following up on ourselves and our suppliers. SIBS' management system is certified in accordance with ISO 9001 and ISO 14001, and for production and construction also in accordance with ISO 45001.

Our three prioritised non-financial goals

- Nobody harmed at our workplaces
- Net zero emissions of carbon dioxide by 2045
- 100% environmentally certified properties

Circular construction designed for disassembly and reuse

It is a sad fact that today many buildings are demolished not because they are outdated, but because they are no longer the right building in the right place. During demolition, it is difficult to separate out different building materials, which means they can rarely be reused and at best their constituent materials can be recycled. Our buildings can be moved instead of demolished. This means that almost all the building materials can be reused: frames, flooring, doors, windows, kitchens, installations, mouldings, etc. can be moved module by module. We are continuously working to further reduce waste and to increase the recycling of waste from both the factories and construction sites.

Governance

Strategic management of sustainability work

SIBS’ policy documents, such as the Environmental and Quality Policy, Code of Conduct, Due Diligence process, action plans and procedures form the strategic framework for its sustainability work. All policies are approved by SIBS’ Board of Directors and reviewed annually. The Environmental and Quality Policy and the Code of Conduct are published on www.sibs.se. A whistleblowing service is also available on SIBS’ website. This is external to ensure anonymity so there is no hindrance to reporting if anything questionable is experienced in relation to our policies by an employee or other stakeholder. No incidents were reported during the period.

Governance of sustainability work follows the organisational structure. SIBS’ Head of Sustainability is a member of the operational management team and is responsible for the Group’s sustainability efforts. He also supports the Group companies and assists with our projects, together with sustainability coordinators, and quality, environmental and health and safety managers, in Sweden and internationally. Responsibility for compliance with laws and regulations lies with the CEO of each company. The strategic sustainability work is carried out in close cooperation with SIBS’ management team, and the CEO reports on follow-up to the Board on a quarterly basis.

Quality-assured management systems

MOKO, Sveaviken Bostad and Svaviken PM have quality and environmental management systems certified to ISO 9001:2015 and ISO 14001:2015 standards. The management systems at SIBS Malaysia and MOBY are also health and safety certified in accordance with ISO 45001:2018. Our building system is certified under the Buildoffsite Property Assurance Scheme (BOPAS).

The CEO of each Group company and associated company is responsible for compliance with SIBS’ Business Policy, the Internal Code of Conduct and the Supplier Code of Conduct. SIBS’ policies are integrated in its daily work through training and continuous review and follow-up. SIBS’ policy documents do not group or categorise stakeholders. SIBS does not accept any form of discrimination, and there is a particular focus on equal treatment for all, regardless of gender, ethnicity, age, disability, religion or political persuasion.

Health and safety and working conditions

In addition to our support and governance systems, employees are also encouraged to contact their immediate superior if they have any doubts about how to act in relation to the company’s policies. Our managers should be visible and accessible for this kind of conversation and input.

As we have entered new international markets, we have focused particularly on ensuring good health and safety and working conditions for our employees, as well as compliance with business ethics in our own operations and in the value chain.

Governance

SIBS was founded in 2016 by brothers Erik and Pär Thomaeus and co-founders Jonas Ramstedt and Johan Karlsson. Since its inception, SIBS’ Board of Directors has been made up of our founders, all of whom have been strong contributors to the company’s growth journey and success. Erik and Pär are operationally active in the SIBS Group as CEO of SIBS Group and CEO of Sveaviken Bostad AB respectively. Jonas Ramstedt is a major shareholder through J&G Invest AB and Ramstedt Gruppen AB, and is also the principal owner of Landia AB, which is one of SIBS’ partners in real estate and development rights transactions. Johan Karlsson is a major shareholder through Neptunia Invest AB and is important for the joint venture projects with Slättö, in which Neptunia Invest is the majority shareholder. Mikael Wolf is the Chair of the Board of Directors and is independent in relation to the company and its shareholders.

SIBS’ Board decides on all major deals through an Investment Committee. Potential conflicts of interest are managed through the people concerned not participating in Investment Committee meetings at which transactions with a potential or actual conflict of interest are decided on.

By scanning a module’s unique QR code, we can see the quality checks completed for the specific module in SPS Flow, or directly bring up the checklist to be completed in the current phase of the work process.



SIBS Code of Conduct

SIBS’ Code of Conduct and policies are based on the Ten Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises. They apply to our own operations and our entire value chain.

SIBS’ commitment to responsible business is governed strategically by our Sustainability Policy, Code of Conduct, Health and Safety Policy, Environmental Policy and operational tools in the form of Human Rights Due Diligence and anti-corruption processes. These are based mainly on the OECD Guidelines for Multinational Enterprises, the Ten Principles of the UN Global Compact, the 2030 Agenda and Minimum Safeguards (MS) in line with the EU Taxonomy. The Code of Conduct covers human rights, working conditions, health and safety, the environment, bribery and the prevention of corruption and applies to all employees of the Group, suppliers and business partners.

An anonymous whistleblowing service is available on SIBS’ website, enabling any misconduct to be reported. Corrective action is taken if an employee fails to comply with the Code of Conduct. If a supplier or business partner fails to comply with the Code of Conduct or commits a serious breach of the Code, the business relationship is terminated. No serious incidents were reported in 2023.

Certified management systems and processes

Having systematic processes and a high degree of control is a major and important part of SIBS’ industrial construction. Our quality and environmental management systems are certified to ISO standards (ISO 9001 and ISO 14001). The construction operations in Sweden and production in Malaysia are also certified to ISO 45001 for health and safety management.

ISO certificates

ISO 9001 - SIBS AB, SIBS Malaysia, MOKO, MOBY, Sveaviken Bostad and Sveaviken PM
ISO 14001 - SIBS AB, SIBS Malaysia, MOKO, MOBY, Sveaviken Bostad and Sveaviken PM
ISO 45001 - SIBS Malaysia and MOBY

Steel construction and welding

Our steel construction and welding is certified in accordance with EN 1090-1:2009+A1:2011.

BOPAS certificates

SIBS is accredited under the Buildoffsite Property Assurance Scheme (BOPAS), which means that the company has been audited and approved by a third party and therefore follows best practice for design, industrial manufacturing and construction.

WE SUPPORT



As a signatory to the UN Global Compact, SIBS has committed to following the Ten Principles on human rights, labour standards, the environment and the prevention of corruption. The principles have been implemented at all the companies within the Group, and apply to employees and supply chains in Sweden, Malaysia and our international projects. Our progress is regularly reported to stakeholders and a Communication on Progress (CoP) is published annually via the UN Global Compact, containing information about our work on the Ten Principles and our contribution to the Global SDGs. SIBS’ CoP for 2023 is available on the UN Global Compact’s website <https://unglobalcompact.org/what-is-gc/participants>.

The Ten Principles of the UN Global Compact

Human rights

- PRINCIPLE 1: Support and respect the protection of internationally proclaimed human rights.
- PRINCIPLE 2: Make sure that they are not complicit in human rights abuses.

Labour standards

- PRINCIPLE 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining.
- PRINCIPLE 4: Uphold the elimination of all forms of forced and compulsory labour.
- PRINCIPLE 5: Uphold the effective abolition of child labour.
- PRINCIPLE 6: Uphold the elimination of discrimination in respect of employment and occupation.

Human rights

- PRINCIPLE 7: Support a precautionary approach to environmental challenges.
- PRINCIPLE 8: Undertake initiatives to promote greater environmental responsibility.
- PRINCIPLE 9: Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

- PRINCIPLE 10: Work against corruption in all its forms, including extortion and bribery.

Due Diligence

SIBS corporate responsibility process

Doing business in today’s global environment entails assuming significant responsibilities in terms of society, the environment and human rights. To ensure that we meet our commitments and prevent adverse impacts, we have developed and implemented a due diligence process based on the OECD Guidelines.

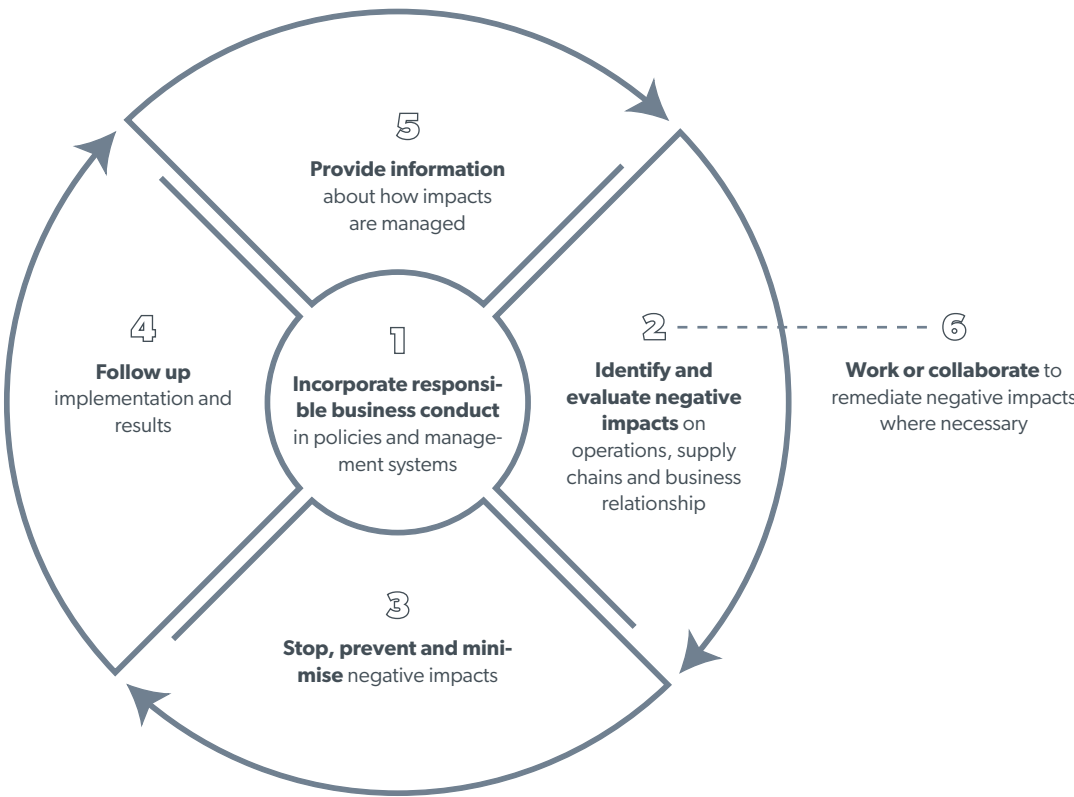
SIBS’ corporate responsibility due diligence process is based on the OECD guidelines. The process guides our work aimed at the prevention and management of adverse impacts on people, the environment and society in respect of human rights, labour standards, health and safety, the environment, and bribery and corruption, in our own operations and in our value chain.

Our operational due diligence process includes well-mapped procurement processes and monitoring of compliance with the Code of Conduct through regular risk and vulnerability assessments before entering new geographical markets, making other business-critical decisions or partnering with new suppliers. Evaluation takes the form, for example, of self-assessment forms and audits of suppliers and our own production operations in the factories in Malaysia, construction sites in Sweden and our international projects.

Follow-ups in 2023
In 2023, we conducted follow-ups of our five largest supply chain partners in Asia, where the production of kitchens, flooring, steel structures and stone products mainly takes place in Malaysia, but also in Thailand, China and Indonesia. All these suppliers have adopted and committed to following SIBS’ Code of Conduct, and have implemented policies that promote human rights, combat corruption, ensure good working conditions and promote environmental considerations.

During the year, we also carried out extensive checks of environmental and quality management systems and of the sustainability labelling of wood products, and produced emission reports on volatile substances and chemical analyses for around 30 suppliers. These measures are key to ensuring that our suppliers meet our high sustainability standards, and that our choices of materials are in line with our environmental and quality requirements.

In addition to scheduled audits, we have daily contact and a presence with several of our largest suppliers, through which we have introduced improvements in areas such as health and safety.



Stakeholder engagement and materiality assessment

Since 2021, SIBS has been reporting on sustainability in accordance with Global Reporting Initiative (GRI) standards. We also report on the basis of these standards in this year’s sustainability report. However, as a result of the new Corporate Sustainability Reporting Directive (CSRD) we need to adapt our operations and processes to the mandatory European Sustainability Reporting Standards (ESRS). The ESRS are designed to promote sustainability and transparency in companies through reporting requirements in the areas of the environment, social sustainability and business ethics. As part of its preparations for ESRS reporting, SIBS has carried out a double materiality assessment.

Double materiality assessment
A double materiality assessment was performed during the year, to decide which sustainability aspects according to the EU’s new ESRS sustainability standards are material for SIBS. The assessment covers two perspectives: How the company affects the outside world (impact materiality) and how the outside world affects the company (financial materiality). We took our own operations and our value chain as the basis for the assessment with regard to business relationships with suppliers (upstream) and customers/distributors (downstream), for example, for which there is a risk of significant impacts on SIBS or on stakeholders. Impacts may depend on where (geographical location, activities/sectors, operations, suppliers, customers, other relationships, etc.) in the value chain they are likely to occur.

Based on the materiality assessment, we also performed a gap analysis to identify the gaps that need to be filled in order to meet the reporting requirements under ESRS, and determine how to build and report on our corporate governance, strategy, policies, management of impacts, risks, opportunities, and work on metrics and goals, under the new standards.

A sustainability aspect is material from an **impact perspective** when it has a significant actual or potential, positive or negative, impact on people or the environment in the short, medium or long term.



A sustainability aspect is material from a **financial perspective** if it has a significant financial impact in relation to the company’s risks and opportunities in the short, medium or long term.

Approach to stakeholder engagement
SIBS’ materiality assessment is based on extensive work gathering the opinions of our stakeholders in our own operations and in the value chain (downstream and upstream). Our communication with stakeholders takes place verbally through ongoing engagement, through workshops and surveys, and through client requirements for various projects, and other forms of communication. A large quantity of data from national, international and local studies, surveys and external assessments by various relevant players have also been used in the work of understanding how different stakeholders are affected by different sustainability aspects.

Main stakeholders		
Tenants, customers, authorities, distributors, employees, owners, the Board, financial backers and joint venture partners.		
Most material sustainability aspects according to SIBS’ double materiality assessment		
Impact perspective	<i>Positive:</i>	Circular economy
	<i>Negative:</i>	Climate change
Financial perspective	<i>Opportunity:</i>	Circular economy
	<i>Risk:</i>	Climate change

SIBS’ sustainability strategy

The UN estimates that by 2050 there will be 9.7 billion people on the planet, with 80 percent of them living in cities. Global greenhouse gas emissions are continuing to rise and the building and construction sector accounts for 20 percent of Swedish emissions. Our main focus is therefore on helping to meet the strong global demand for high-quality living environments, where ordinary people can be safe and comfortable, without the buildings’ impact resulting in humanity exceeding the planetary boundaries, or in any person being harmed in the process.

We believe that the industrialisation of construction is key to creating these living environments in a sustainable manner. Using a building system for construction and having a high degree of completion in a controlled factory environment provides almost limitless opportunities for streamlining and development.

Through our sustainability strategy, we actively work to achieve a sustainable society and reduced climate impact in line with the Paris Agreement. We work with our customers, suppliers and partners to implement sustainability throughout the value chain.

SIBS’ sustainability work is part of our commitment to responsible business and is governed by our Sustainability Policy, Code of Conduct and Environmental Policy. These in turn are based mainly on the OECD Guidelines for Multinational Enterprises, UN Global Compact, 2030 Agenda and the Global Sustainable Development Goals.

To live up to our Code of Conduct and Environmental Policy, we carry out well-structured work with focus areas, goals and action plans, and have a thorough process for following up on ourselves and our suppliers. SIBS’ management system is certified in accordance with ISO 9001 and ISO 14001, and for production and construction also in accordance with ISO 45001. We are also certified under BOPAS.

Our three prioritised non-financial goals

- Nobody harmed at our workplaces
- Net zero emissions of carbon dioxide by 2045
- 100 percent environmentally certified properties

SIBS’ focus areas for Social sustainability

Nobody harmed at our workplaces

Occupational health and safety is the top priority at our factories and at our construction sites. We reduce the risk of injury by continuing to allow time for occupational health and safety work and through structured reviews, risk assessments and the development of better working methods. Our fundamental belief is that moving as many work elements as possible from the construction site to a highly automated, controlled factory environment reduces the risk of injury. The occupational health and safety work at both factories and at our construction sites is certified in accordance with ISO 45001, and we have zero tolerance of non-compliance with safety equipment and safety regulations.

Living environments where people are happy and safe

We aim to use innovation and ConstructionTech (industrial construction with a high degree of digitisation and automation) to create good housing at a reasonable cost, without compromising on quality, architecture and design. We build using underfloor heating, oak parquet flooring with clinker in front of external doors, exclusive kitchens and wardrobes, fully tiled bathrooms with clinker floors and glass shower partitions, and washing machines/tumble dryers, etc. We believe that attractive buildings with pleasant green outdoor environments and spaces for social interaction create wellbeing and security.

Sustainable supply chains

Our suppliers must comply with our Code of Conduct in terms of human rights, labour standards and the prevention of corruption, based on the UN’s 10 principles for human rights. Through our new process, we use training, the specifying of requirements, process and material reviews, and regular checks, to create a complete and sustainable supply chain.

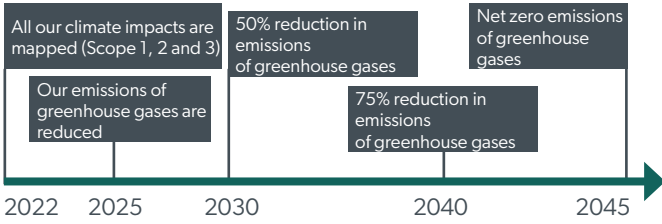
Increased diversification

SIBS was founded in 2016 by brothers Erik and Pär Thomaeus, along with Jonas Ramstedt and Johan Karlsson. Since its inception, SIBS’ Board of Directors has been made up of our founders, although it grew in 2022 with the addition of Michael Wolf as the independent Chair. Based on our ambition for continued development, and on our belief that diversity creates wellbeing and profitability, we are working to increase diversity in the Board of Directors and management teams, as well as in the Group as a whole, in order to establish a broader perspective and become a more attractive employer and business partner.

SIBS’ focus areas for Environmental sustainability

Net zero emissions of greenhouse gases by 2045

Our climate work follows the building and construction sector’s roadmap towards achieving the goal of complete climate neutrality by 2045, with the milestones shown in the figure below. Given that we are in a strong growth phase, our milestones are intensity-based. This means that we aim to reduce our climate impact for each built and managed area on the way towards net zero emissions.



We believe that industrial construction is the key to achieving net zero greenhouse gas emissions. Having a building process that is more reminiscent of industrial manufacture than a traditional construction project gives us greater opportunities to measure and improve our process.

Energy-efficient buildings

We have developed our building system to enable us to be long-term property owners, and we have therefore prioritised constructing energy-efficient buildings based on our vision of having the most energy-efficient buildings on the market. We strive to construct buildings of the highest energy class by installing well-insulated walls and ceilings, high-quality windows and doors, smart heating solutions, ventilation using rotary heat exchangers and other innovative solutions. We are continue to supply our buildings with 100 percent green electricity and we aim to reduce the energy consumption of our buildings by 5 percent per year.

Environmentally certified buildings

Our environmental certifications are confirmation that we construct sustainable buildings. We work with both the Swedish certification system Miljöbyggnad and the US LEED system, depending on the circumstances of the individual project. SIBS’s aim is to achieve environmental certification for all our own properties to Miljöbyggnad Silver or LEED EBOM Gold standard.

Fulfilling the requirements of the EU Taxonomy Regulation

The EU Taxonomy guidelines define what constitutes an environmentally sustainable economic investment. To be classified as environmentally sustainable under the Taxonomy, it must make a substantial contribution to at least one of the six environmental objectives of the EU Taxonomy, do no significant harm to any of the objectives and meet minimum social safeguards. We work to ensure that all our buildings are classified as sustainable according to at least one of the six environmental objectives.

Non-toxic construction

The main steps to ensure non-toxic construction have been to assess all building materials purchased from Asia in Byggarubedömningen, to replace products with alternatives that have better

content and to keep logbooks for all our projects. In addition to new building materials and suppliers, we are now focusing on installation materials and other products that fall outside the criteria according to which products need to be assessed for certification to Miljöbyggnad Silver standard.

SIBS’ focus areas for Economic sustainability

High-quality living environments where ordinary people can afford to live and work

Through ConstructionTech, and by working with the entire chain from project development and design to industrial production, construction and own management, we are revolutionising construction. We want to build more quickly, more cost effectively and with higher quality than traditional construction. For example, all of our completed projects to date have underfloor heating, oak parquet flooring with clinker in front of external doors, exclusive kitchens and wardrobes, fully tiled bathrooms with clinker floors and glass shower partitions, and washing machines/tumble dryers. We want to give more people access to a high-quality living environment at a reasonable cost by expanding into new markets.

Predictable costs

Our buildings may look very different but they are built in the same way using largely the same components. By continuing to incorporate our experiences from previous projects we are constantly improving our calculations. We are always striving to achieve even better cost control in order to reduce risks and increase predictability.

Efficient resource use with minimum waste

From the outset, we and our closest supplier in Penang have manufactured customised building materials in order to reduce the amount of transport and waste, and save time and money, during production. We are continuing to develop our processes to achieve greater customisation and smarter use of building materials.

Circular construction designed for disassembly and reuse

It is a sad fact that today many buildings are demolished not because they are outdated, but because they are no longer the right building in the right place. During demolition, it is difficult to separate out different building materials, which means they can rarely be reused and at best their constituent materials can be recycled. Our buildings can be moved instead of demolished and almost all the building materials can be reused. Frames, flooring, doors, windows, kitchens, installations, mouldings, etc. do not need to be demolished and can instead be moved module by module. We are currently working on projects to reduce waste and to increase the recycling of waste from both the factories and construction sites.

SIBS’ work to reduce its climate impact

SIBS’ climate impact in 2023

SIBS reports its total climate impact, including all the direct and indirect greenhouse gas emissions related to the company’s operations (Scopes 1 to 3). All calculations are based on the control and management model (operational control), according to which 100 percent of the emissions over which the Group has control are reported. This means that we also report 100% of the climate impact for the companies within the Group and the properties in the portfolio that are not wholly owned. SIBS’ own direct emissions (Scope 1) come from fossil fuels and consist of the use of vehicles with combustion engines and the temporary use of electricity generators and heating boilers. There was no refrigerant leakage during the year, which would otherwise have been recognised in the Scope 1 emissions. Own indirect emissions from energy use (Scope 2) come from purchased electricity and district heating. In Saudi Arabia, all the electricity used by SIBS in 2023 was produced by generators and is therefore recognised in the Scope 1 emissions.

In 2023, Scope 1 emissions increased compared with 2022 due to the use of diesel generators in Saudi Arabia and the overall expansions of our operations. Scope 1 emissions from our operations in Malaysia were almost halved, as they previously mainly came from diesel generators, which we have replaced with electricity from the grid and solar panels. Thanks to this and the higher utilisation rate

for the factories, Scope 1 emissions have decreased in relation to net sales.

Operations in Malaysia have expanded significantly and Scope 2 emissions from electricity use have therefore also increased. Scope 2 emissions in relation to sales are unchanged.

Other indirect emissions (Scope 3) mainly come from the purchasing of building materials for the construction of our modules and buildings. SIBS has chosen to include these emissions in the Scope 3 calculations based on the life cycle calculations that we make for our projects. The results of the life cycle calculations for projects are reported in Scope 3 in the year of completion of each project. In accordance with the Swedish Property Federation’s guide to Scope 3 calculations, emissions have been recognised for the energy use of sold properties during their remaining lifetime and future demolition, which also has a significant impact on SIBS’ Scope 3 emissions. This means that our total Scope 3 emissions from year to year are affected by sold buildings and completed projects more than by the improvements that we have made. That being said, the improvements in our processes can be seen in the section “Reduced climate impact of construction” on page 40 and in “Energy monitoring for 2023” on page 42.

Climate calculations for previous years have been adjusted for a couple of minor calculation errors, and the fact that the wrong unit was reported in the Sustainability Report for 2022.

SIBS’ greenhouse gases emissions

Emissions of CO ₂ equivalents	2023 (tonnes)	2023 in relation to net sales (tonnes per SEK m)	2022 (tonnes)	2022 in relation to net sales (tonnes per SEK m)	2021 (tonnes)	2021 in relation to net sales (tonnes per SEK m)
Scope 1 total	366	0.14	296	0.21	95	0.11
Of which Sweden	82	0.03	53	0.04	43	0.05
Of which Malaysia	117	0.04	244	0.18	53	0.06
Of which Saudi Arabia	167	0.06	0	0	0	0
Scope 2 total	954	0.36	482	0.35	474	0.56
Of which Sweden	17	0.01	26	0.02	2	<0.00
Of which Malaysia	937	0.35	456	0.33	472	0.55
Of which Saudi Arabia	0	0	0	0	0	0
Scope 3 total	20,616	8	21,612	16	N/A	N/A
Scope 3 total including the construction of a factory in 2022			52,462	38		

SIBS’ calculations of its Scope 3 carbon dioxide emissions by category

Emissions of CO ₂ equivalents	Climate impact in 2023 [tonnes CO _{2e}]	Climate impact in 2022 [tonnes CO _{2e}]
Category 1. Purchased goods and services		
Ongoing and planned care and maintenance, repair and replacement of building products, minor renovations (not value-increasing), demolition works, contractors and technical consultants.	957	821
Category 2. Capital goods		
The climate impact of new production from life cycle assessments according to Level(s) for projects completed during the year. The construction of the factory in Malaysia in 2022 is reported separately, with a total climate impact of 30,849 tonnes CO _{2e} .	13,926	18,123
Category 3. Fuel- and energy-related activities		
Upstream emissions from purchased fuel, electricity, heating and cooling.	188	541
Category 4. Upstream transportation and distribution		
Upstream transportation and distribution of purchased products. Purchased transportation and distribution services.	1	1
Category 5. Waste generated in operations		
Waste generated in own operations. Transportation of office waste is excluded.	-1	-1
Category 6. Business travel		
Travel by air, rail, public transport and passenger vehicle.	343	308
Category 7. Employee commuting		
Relates to our employees’ and temporary workers’ travel to and from work.	249	235
Category 8. Upstream leased assets		
Refers to the headquarters in Stockholm	22	22
Category 11. Use of sold products		
Expected emissions from operating energy in the sold portfolio over its lifetime (excluding electricity supplied to tenants)	2,444	374
Category 12. End-of-life treatment of sold products		
Calculated from life cycle assessments according to Level(s)	1,097	214
Category 13. Downstream leased assets		
Tenants’ electricity consumption, waste and driving.	1,388	973
Category 15. Investments		
	N/A	N/A

Reduced climate impact of construction

SIBS’ climate work follows the building and construction sector’s roadmap towards achieving the goal of complete climate neutrality by 2045. We build robust apartment blocks with a long lifespan. The carbon emissions from the operation and management of our properties are also very low, thanks to high energy efficiency, efficient management and solar panels. The biggest climate impact is indirectly generated by the building materials that we use in our constructions. This is where we focused our efforts during the year to reduce the carbon footprint of our buildings.

Life cycle assessments (LCA)

In 2022, the climate impact of most of SIBS’ buildings was calculated according to the EU framework for sustainable buildings known as Level(s), and standard SS-EN 15978:2011, to ensure alignment with the EU Taxonomy. The results of the life cycle assessments are our baseline for monitoring the reduction of our climate impact and the achievement of the climate goals in SIBS’ Sustainability Strategy.

The life cycle assessments cover every stage of a building’s life cycle, including building materials, installations such as solar cells, and external landscaping. The results of these assessments are reported with a 50-year Global Warming Potential (GWP) value.



The life cycle assessment has been divided into two models in the LCA tool: 1. Malaysia and 2. Sweden to obtain the right data and emission factors depending on where production takes place (in-factory module production and assembly including site-built construction in Sweden). Dividing the life cycle assessment into two models made it easier to identify where the largest climate-impacting emissions occur for different types of resources.

Measures to reduce the climate impact of our properties

In 2023, our engagement with our suppliers was stepped up to increase the availability of EPDs (Environmental Product Declarations) with product-specific climate data for the materials that we use in the factories and in site-built constructions in Sweden. EPDs provide detailed information about the climate impact of each building material, which is crucial for our life cycle assessment and carbon footprinting work. Our engagement with suppliers also covered the conditions for using climate-enhanced materials, such as green concrete and concrete blocks. Work on developing EPDs for our own modules began in 2023 and will continue in 2024.

We are also continuing to reduce our climate impact at an early stage through the close management of a number of carbon-impacting choices, such as the choice of facade materials, foundations, number of apartments, type of energy supply and apartment size. The modules use 90% recycled steel. Waste has been minimised for several types of materials, such as steel and rock wool. In the factories, we are working to recover any waste that is still generated; for instance, waste from wooden pallets has been reduced by 90% since we started manufacturing composite materials as a recycling incentive. Our new factory is also largely powered by solar energy.

To reduce our climate impact over time, we are continuing to improve material selection and module configuration, while continuing to work on the optimisation of constructions, climate calculations at the design stage and improving the climate impact of transport. Many of the measures that might significantly reduce our climate impact are costly, as they require reorganisation or are simply considerably more expensive. This also means that they require more time and resources to be implemented.

In 2023, our climate impact from the life cycle of buildings was reduced by around 12% for modules, and by around 6% for the buildings’ total climate impact, including production in both Malaysia and Sweden (life cycle stages A1 to A5). This reduction is primarily computational, as we have access to more EPDs with product-specific data instead of using generic data. The implementation of direct climate mitigation measures will continue in 2024.



Energy Monitoring 2023



Energy-efficient buildings

Since the start of 2016, SIBS has been particularly focused on energy-efficient construction. To this end, we have implemented a building system that boasts good U-values, FTX ventilation (exhaust and supply air ventilation with heat recovery) and other smart solutions, such as underfloor heating in every apartment. This enables lower temperatures in the heating circuit, in turn allowing us to make our heat pumps more efficient. Our properties are also fitted with solar panels, energy-efficient appliances, low-flow fixtures and LED lighting, which helps to reduce energy consumption.

Reduced energy use

As a result of these measures, we saw an actual 9 percent reduction in energy use in 2023 compared with 2022. This shows the positive impact of our focus on energy optimisation, and also underlines the importance of continuing to implement measures that can contribute to energy efficiency.

For example, we see that the need for car charging infrastructure is growing, and we are investing in this in both existing and upcoming projects. We are also exploring the possibilities of energy storage in our properties.

2023

Average specific energy use ¹	38 kWh/m ²
Median specific energy use	37 kWh/m ²
Total solar power generated	1 040 MWh
Of which Sweden	530 MWh
Of which Malaysia	510 MWh

¹ 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.

Environmentally certified buildings provide green financing

SIBS green bonds

The purpose of green bonds is to allocate capital to green projects according to predefined criteria, secured by specialists. The year 2020 saw the successful launch of our green and sustainable bonds, dedicated to the financing or refinancing of green properties and projects. This was a natural step in our sustainability work, which is central to both the development and financing of our projects.

SIBS’ framework for the bonds is based on the Green Bond Principles and is verified by CICERO Shades of Green. The framework requires buildings financed by the bonds to be environmentally certified to a certain level and to have an energy performance at least 25% better than the national regulatory framework. The bonds have been admitted to trading on Nasdaq Stockholm’s Sustainable Bond List with a total amount of SEK 600 million. During 2023, the maturity of the bonds has been extended by 18 months.

SIBS is working towards environmental certification of all our projects according to the requirements of the framework (Miljöbyggnad Silver or LEED EBOM Gold), and the table below shows the status. All our projects constructed to date surpass the energy requirement.



CICERO
Shades of
Green

CICERO Shades of Green is a leading independent reviewer of green bond frameworks.

Project name	Municipality	Number of apartments	Project status	Environmental certification	Certification status
Sandtorp	Norrköping	117	Completed	LEED EBOM Gold	Certification work in progress
Brandbergen	Haninge	71	Completed	LEED EBOM Gold	Certified
Glidplanet	Örebro	157	Completed and sold	LEED EBOM Gold	Certified
Autogyron	Örebro	117	Completed and sold	LEED EBOM Gold	Certification work in progress
Parasollet	Lund	75	Completed	LEED EBOM Gold	Certification work in progress
Barkarby 1	Järfälla	224	Completed and sold	Miljöbyggnad Silver	Certified
Helsingborg	Helsingborg	78	Part 1 completed, Part 2 in progress	Miljöbyggnad Silver	Part 1 Certified, Part 2 prepared
Vallentuna Centrum 1	Vallentuna	36	Completed	Miljöbyggnad Silver	Certified
Vallentuna Centrum 2	Vallentuna	36	Completed	Miljöbyggnad Silver	Certified
Nykvarn Centrum	Nykvarn	282	In progress	LEED EBOM Gold	Planned and prepared
Brädgården	Nyköping	462	In progress	LEED EBOM Gold	Planned
Mariefred station etapp 1	Strängnäs	239	Completed	Miljöbyggnad Silver	Certification work in progress
Barkarby 2	Stockholm	208	In progress	LEED EBOM Gold	Planned
Enköping Centrum	Enköping	328	In progress	Miljöbyggnad Silver / LEED EBOM Gold	Certification work in progress
Stockrosen	Nyköping	434	In progress	Miljöbyggnad Silver / LEED EBOM Gold	Certification work in progress
Linköping	Linköping	48	Legally binding detailed development plan	Miljöbyggnad Silver	Planned and prepared
Mariefred station etapp 2	Strängnäs	161	Legally binding detailed development plan	Miljöbyggnad Silver	Planned
Portkvarterern	Lund	100	Legally binding detailed development plan		To be investigated
Hyllie	Malmö	120	Legally binding detailed development plan		To be investigated
Svanholmen 2	Stockholm	100	Legally binding detailed development plan		To be investigated

A successful strategy for risk minimisation and health and safety improvements

The risk of accidents is significant in traditional construction activities. Many different hazardous activities take place at the same time, and external factors such as weather conditions also affect the working environment. By moving hazardous, heavy-duty operations to a controlled and automated factory environment, SIBS significantly reduces the risk of such serious accidents and incidents as occur on exposed construction sites.

In 2023, we improved the systematic working environment management at our Swedish construction sites, including by introducing improved digital reporting of noted risks in SPS flow. (Our proprietary system whose functions include the management of system anomalies.) We now have better statistics, and it is also easier to carry out investigations and safety inspections. As a result, risk awareness has increased among staff, making it easier to work proactively on safety and the working environment.

Growth and health and safety initiatives

SIBS underwent a global expansion during the year, resulting in increased production and a large rise in the number of employees at our factories in Malaysia. We also set up construction sites in a new market in Saudi Arabia.

Bringing in a large number of new staff is always a risk, which is why we have mandatory health and safety training for all employ-

ees, daily inspections and financial incentives for workers who use safety equipment correctly in our factories in Malaysia. To comply with exacting client requirements and our internal policies in Saudi Arabia, we have created a dedicated environment and health and safety team for the project. We also have staff from Sweden on the ground in both Malaysia and Saudi Arabia to ensure compliance with our guidelines.

An effective safety culture

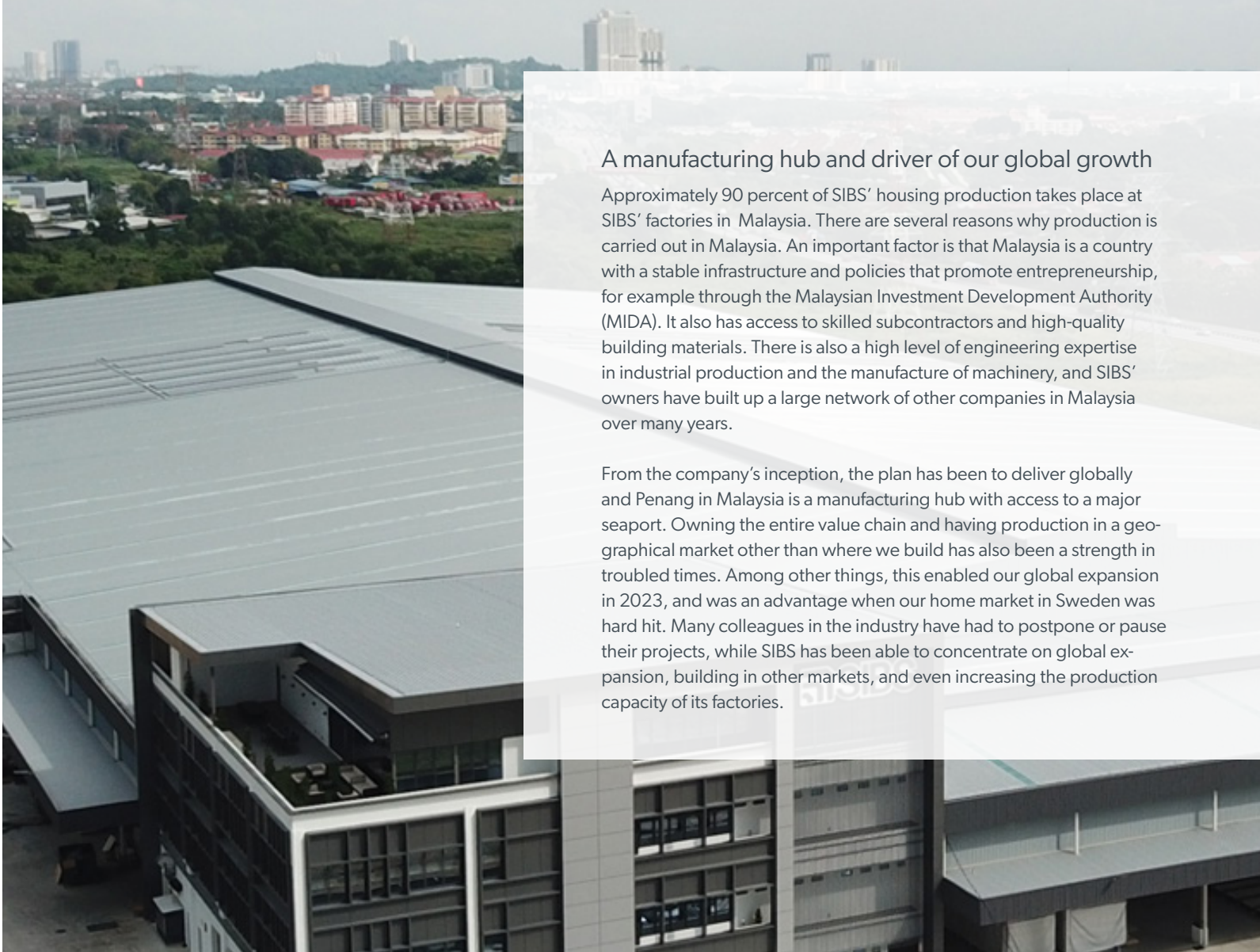
We are actively working on health and safety throughout the Group, and despite the fact that the number of employees in the factories doubled during the year as we established ourselves in a new market, we have not had any serious accidents¹ either in the factories, on our construction sites in Sweden and Saudi Arabia, or in our other Group companies. At SIBS, we strongly believe that the industrialisation of housing construction is one of the keys to reducing health and safety risks.

¹ According to the GRI's definition of high-consequence work-related injuries

"Despite the fact that we scaled up our production rate during the year, with significantly more employees as a result, we have not had any serious workplace accidents. I am pleased that our systematic working environment management "

DANIAL OTHMAN

Environmental and Health and Safety
Manager, SIBS Malaysia



A manufacturing hub and driver of our global growth

Approximately 90 percent of SIBS' housing production takes place at SIBS' factories in Malaysia. There are several reasons why production is carried out in Malaysia. An important factor is that Malaysia is a country with a stable infrastructure and policies that promote entrepreneurship, for example through the Malaysian Investment Development Authority (MIDA). It also has access to skilled subcontractors and high-quality building materials. There is also a high level of engineering expertise in industrial production and the manufacture of machinery, and SIBS' owners have built up a large network of other companies in Malaysia over many years.

From the company's inception, the plan has been to deliver globally and Penang in Malaysia is a manufacturing hub with access to a major seaport. Owning the entire value chain and having production in a geographical market other than where we build has also been a strength in troubled times. Among other things, this enabled our global expansion in 2023, and was an advantage when our home market in Sweden was hard hit. Many colleagues in the industry have had to postpone or pause their projects, while SIBS has been able to concentrate on global expansion, building in other markets, and even increasing the production capacity of its factories.

GRI 403-9, 403-10 WORK-RELATED INJURIES AND ILLNESSES

	Sweden		Malaysia		Saudi Arabia	
	Employees	Suppliers	Employees	Suppliers	Employees	Suppliers
Number of work-related deaths	0	0	0	0	0	0
Number of high-consequence work-related injuries	0	0	0	0	0	0
Total number of reported work-related injuries	0	12	39	1	0	1
Injury rate per 1,000,000 hours	0	13.3	11.5	2.6	0	7.7
Number of reported work-related illnesses	0	0	0	0	0	0
Injury rate per 1,000,000 hours	0	0	0	0	0	0
Total hours worked*	179,222	901,481	3,386,812	375,483	**	128,230

*The injury rate was calculated per 1,000,000 hours worked

** Two employees were hired late in the year at SIBS Malaysia's subsidiary SIBS Limited in Saudi Arabia. Their hours worked are excluded

SIBS is committed to, and responsible for, ensuring that neither employees nor suppliers suffer work-related illnesses or injuries. Our health and safety procedures cover all employees, subcontractors and temporary staff.

Over the year, a total of 53 work-related accidents were reported. The accidents mainly consisted of slips, falls, trips and occasional cuts. SIBS continuously carries out risk assessments, regular safety inspections, training and systematic working environment management, to promote health and prevent illnesses and accidents.

In Sweden, all employees have access to a wellness allowance. The new factory in Malaysia has a staff gym, and various wellness activities have been introduced in Malaysia and Saudi Arabia to promote employee health. No cases of work-related illness were reported during the year.

SIBS’ Taxonomy alignment

The EU Taxonomy is the European Commission’s framework for sustainable finance. The framework classifies which economic activities are environmentally sustainable with the principal aim of meeting the Paris Agreement and climate neutrality targets by 2050. For the 2023 financial year, companies covered by the Taxonomy must report the share of their economic activities that are subject to all of the Taxonomy Regulation’s environmental objectives. The comparison with 2022 for the first two climate-related objectives must also be reported: Climate change mitigation and Climate change adaptation.

SIBS is covered by the EU Taxonomy Delegated Act, Part 7. Construction and real estate activities and the following economic activities for 2023:

CCM+CCA 7.1/CE 3.1	Construction of new buildings
CCM+CCA 7.2 / CE 3.2	Renovation of existing buildings
CCM+CCA 7.3	Installation, maintenance and repair of energy efficiency equipment
CCM+CCA 7.7	Acquisition and ownership of build-ings

Six environmental objectives of the EU Taxonomy

1. Climate change mitigation (CCM)
2. Climate change adaptation (CCA)
3. Sustainable use and protection of water and marine resources (WTR)
4. Transition to a circular economy (CE)
5. Pollution prevention and control (PPC)
6. Protection and restoration of biodiversity and ecosystems (BIO)

SIBS’ EU Taxonomy alignment

SIBS has aligned the majority of its Swedish new construction projects with the EU Taxonomy through the fulfilment of the technical screening criteria that determine whether the company’s economic activities contribute substantially to the climate-related environmental objectives. The majority of SIBS’ economic activities make a substantial contribution to one or more environmental objectives.

Of the Taxonomy-eligible economic activities, it is primarily 7.1 and 7.7 that generate expenditure and turnover. For the 2023 financial year, data that verifies the fulfilment of the criteria for Economic activity 7.7 Acquisition and ownership of buildings, in accordance with Environmental Objective 1. Climate change mitigation (CCM) and Environmental Objective 2. Climate change adaptation (CCA), were prioritised. The economic activities must also do no significant harm (DNSH) to any of the other environmental objectives according to specific criteria, and must also meet minimum safeguard requirements in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on

Business and Human Rights. In all ongoing new construction projects in the refocused contracting activity, priority is given to fulfilling criteria according to Economic activity 7.1 Construction of new buildings (CCM, CCA). For new construction under own ownership, priority is given to fulfilling criteria according to Economic activity 7.7 Acquisition and ownership of buildings (CCM, CCA). 2023 was a year of rapid and extensive internationalisation, and this activity has not been Taxonomy-aligned.

Proportion aligned with the EU Taxonomy in 2023

SIBS’ alignment with the EU Taxonomy in 2023

		Environmentally sustainable activities (Taxonomy-aligned)	Not environmentally sustainable activities (not Taxonomy-aligned)	Taxonomy-non-eligible activities
SEK million	Total			
Turnover	2,690.2	44%	54%	2%
CapEx	1,019.6	80.5%	19.5%	0%
OpEx	16.0	95%	5%	0%

For the 2023 financial year, it is estimated that 44% of turnover, 80.5% of capital expenditure and 95% of operating expenditure is environmentally sustainable in accordance with EU Taxonomy Environmental Objectives 1 (CCM) or 2 (CCA). See the Taxonomy reporting on pages 46–56.

Accounting policies

Economic activities and EU Taxonomy alignment are reported using the following key performance indicators (KPIs): Turnover, Capital Expenditure (CapEx) and Operating Expenditure (OpEx). Under the EU Taxonomy, the criteria in Section 7.1. must be applied when a new building is built, from the construction company’s perspective. However, for the owner of the new building (irrespective of whether they acquire the building through a purchase or by constructing it themselves), the value of the building may be accounted for on the basis of the criteria in Section 7.7. SIBS has reported new construction in accordance with 7.7, with the exception of properties that are owned by another developer for which SIBS carries out a contracting activity, which are reported in accordance with 7.1. All the properties reported in accordance with 7.7, Environmental Objective 1 (CCM), also fulfil the criteria for Environmental Objective 2 (CCA). SIBS’ green bonds were issued before the EU Taxonomy Regulation came into force. No cash from SIBS’ green bonds was used in 2023.

Turnover

Income from the company’s Taxonomy-eligible economic activities. For SIBS, this means all the income from properties owned by the company, including project and contracting income.

Capital expenditure (CapEx)

All the investments related to the company’s properties are Taxonomy-eligible.

Operating expenditure (OpEx)

Expenditure related to the following activities is Taxonomy-eligible:

- research and development
- building renovation measures
- short-term leases
- maintenance and repairs

Reporting of turnover

Turnover corresponds to the Group’s comprehensive income pertaining to rental income and other income from property management, for the properties that fulfil Environmental Objective 1 (CCM) under Directive 2013/34/EU on annual financial statements and consolidated financial statements. For properties that fulfil Environmental Objective 2 (CCA) for economic activities that have been adapted to climate change, turnover may not be recognised as environmentally sustainable according to the EU Taxonomy’s definition. This turnover is reported as not Taxonomy-aligned. See the Consolidated income statement on page 84.

Reporting of capital expenditure (CapEx)

Includes acquisitions, new construction, extensions and conversions, and equipment that constitutes capital expenditure for properties that fulfil Environmental Objective 2. Properties that fulfil Environmental Objective 1 are owned in joint ventures and are only reported in turnover in order to avoid double counting. In the enabling and transitional activity categories, no capital expenditure is reported that enables more existing properties to be Taxonomy-aligned, as the capital expenditure plan for this has not yet been adopted. See Note 19 Investment properties on page 107.

Reporting of operating expenditure (OpEx)

Operating expenditure includes operating costs for property management, research and development costs, building renovations and tenant adaptations that are not recognised as capital expenditure, short-term leases, maintenance or repairs. Operating expenditure and the development of SIBS’ building system have not been classified as environmentally sustainable, as there is uncertainty regarding the proportions that can be linked to Taxonomy-aligned projects. Taxonomy-aligned operating expenditure for two of our smaller joint venture projects has also not been recognised as environmentally sustainable for the same reasons. See the Consolidated income statement on page 84.

Economic activity 7.7 Acquisition and ownership of buildings

Buying real estate and exercising ownership of that real estate.

Environmental Objective 1. Climate change mitigation

Technical screening criteria:

- Substantial contribution to climate change mitigation
1. For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED).
 2. For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1.
 3. Where the building is a large non-residential building, it is efficiently operated through energy performance monitoring and assessment.

Assessment of SIBS’ compliance

All the properties that are considered to fulfil the technical screening criteria were built after 31 December 2020. The properties fulfil the energy performance criteria. Properties reported under Economic activity 7.7, Environmental Objective 1, have undergone leakage testing and thermography. Life cycle assessments (LCA) according to Level(s) and the EN 15978 standard have been carried out for all the properties reported.

DNSH criteria:

Environmental Objective 2. Climate change adaptation

The activity complies with the criteria set out in Appendix A to Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, “Generic criteria for DNSH to climate adaptation measures”.

3. Sustainable use and protection of water and marine resources

N/A

4. Transition to a circular economy

N/A

5. Pollution prevention and control

N/A

6. Protection and restoration of biodiversity and ecosystems

N/A

Assessment of SIBS’ compliance

SIBS has performed robust climate risk and vulnerability assessments, including the assessment of adaptation solutions that may reduce the climate risk for each property and are considered to meet the DNSH criteria of the EU Taxonomy. The time perspective of the assessment covers the lifetime of the building. The performance of climate and vulnerability assessments is described in the section Assessment of SIBS’ compliance with regard to technical screening criteria for Environmental Objective 2. Climate change adaptation.

Minimum safeguards

Minimum safeguards are to be understood as procedures implemented to ensure that the economic activity is being carried out in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Assessment of SIBS’ compliance

Reported in the Code of Conduct section on page 33. Policies are based on the Ten Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

Environmental Objective 2. Climate change adaptation

Technical screening criteria:

Substantial contribution to climate change adaptation

1. The economic activity has implemented physical and non-physical solutions (adaptation solutions) that substantially reduce the most important physical climate risks that are material to that activity.

2. The physical climate risks that are material to the activity have been identified from those listed in Appendix A to the EU Taxonomy Regulation by performing a robust climate risk and vulnerability assessment with the following steps:

(a) screening of the activity to identify which physical climate risks from the list in Appendix A may affect the performance of the economic activity during its expected lifetime;

(b) where the activity is assessed to be at risk from one or more of the physical climate risks listed in Appendix A, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity;

(c) an assessment of adaptation solutions that can reduce the identified physical climate risk. The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that:

(a) for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections.

(b) for all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios consistent with the expected lifetime of the activity, including, at least, 10 to 30 year climate projections scenarios for major investments.

3. The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications and open source or paying models.

4. The adaptation solutions implemented:

(a) do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities;

(b) favour nature-based solutions or rely on blue or green infrastructure to the extent possible;

(c) are consistent with local, sectoral, regional or national adaptation plans and strategies;

(d) are monitored and measured against pre-defined indicators and remedial action is considered where those indicators are not met;

(e) where the solution implemented is physical and consists in an activity for which technical screening criteria have been specified in this Annex, the solution complies with the do no significant harm technical screening criteria for that activity.

Assessment of SIBS’ compliance

SIBS has performed robust climate risk and vulnerability assessments, with the assessment and implementation of adaptation solutions that may reduce the climate risk for each property. The time perspective of the assessment covers the lifetime of the building. The assessment of current climate risks is based on rainfall and heat maps, risk maps for subsidence, landslides, erosion and stormwater studies, etc. The assessment of future climate risks for properties includes climate projections according to the UN climate panel (IPCC), known as Representative Concentration Pathways (RCP). Climate projections have been made for the current properties using scenarios RCP2.6, RCP4.5 and RCP8.5. The climate risk and vulnerability assessment includes a general screening of all risks and an in-depth probability and impact assessment of significant risks in accordance with Appendix A to the EU Taxonomy Regulation. The following climate risks have been identified for all projects:

- Heatwave
- Change and variation in precipitation
- Heavy rainfall
- Flooding as significant risks

The following climate risks have also been identified for a few projects:

- Landslide
- Subsidence

The results show that SIBS’ buildings are relatively safe from the indicated significant present and future climate risks that might affect the results of our economic activities.

All the properties analysed have adaptation solutions in accordance with the probability and impact assessment. The Heavy rainfall and Flooding climate risks require specific adaptation solutions and continuous monitoring. Blue-green solutions in the form of plant beds, green roofs and permeable hardened surfaces, together with appropriate elevations, stormwater storage, sun shading, construction adapted for wind loads, and soil reinforcement, in keeping with local conditions, are examples of adaptation solutions implemented in projects. The adaptation efforts are not considered to adversely affect climate adaptation or the level of

resilience to physical climate risks of other people, of nature, of cultural heritage, of assets or of other economic activities. The adaptation solutions are also compatible with local, regional and national guidelines. The assessment is that the climate risk and vulnerability assessments fulfil the technical criteria of the EU Taxonomy for Environmental Objective 2.

DNSH criteria:

1. Climate change mitigation

The building is not dedicated to extraction, storage, transport or manufacture of fossil fuels. For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class C. As an alternative, the building is within the top 30% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings. For buildings built after 31 December 2020, the Primary Energy Demand (PED) defining the energy performance of the building resulting from the construction does not exceed the threshold set for the nearly zero-energy building (NZEB) requirements in national regulation implementing Directive 2010/31/EU. The energy performance is certified using an as-built Energy Performance Certificate (EPC).

3. Sustainable use and protection of water and marine resources

N/A

4. Transition to a circular economy

N/A

5. Pollution prevention and control

N/A

6. Protection and restoration of biodiversity and ecosystems

N/A

Assessment of SIBS’ compliance

SIBS’ buildings are not dedicated to extraction, storage, transport or manufacture of fossil fuels. SIBS builds energy-efficient homes with well-insulated building shells, a combination of geothermal heating and solar panels, and exhaust and supply ventilation with high energy recovery, all as standard for heating in our properties. All the properties were built after 31 December 2020 and meet the DNSH criteria for 1. Climate change mitigation in line with nearly zero-energy buildings in national legislation implementing Directive 2010/31/EU.

Minimum safeguards

Minimum safeguards are to be understood as procedures implemented to ensure that the economic activity is being carried out in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Assessment of SIBS’ compliance

Reported in the Code of Conduct section on page 33. Policies are based on the Ten Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.



KPI Turnover

				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution(8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion compliant with taxonomy requirements (A.1) or covered by taxonomy requirements (A.2) turnover, Year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		(M)SEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and Ownership of Buildings	CCM 7.7	1,180.9	44%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	91%	–	–
Turnover of environmentally sustainable (taxonomy-compliant) activities (A.1)		1,180.9	44%	44%	0%	0%	0%	0%	0%	–	Y	–	–	–	–	Y	91%		
Of which enabling activities		0,0	0%	0%	0%	0%	0%	0%	0%	–	–	–	–	–	–	–	0%	E	
Of which transitional activities		0,0	0%	0%						–	–	–	–	–	–	–	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Construction of New Buildings	CCM 7.1	1,450.7	54%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6%		
Acquisition and Ownership of Buildings	CCM 7.7	1,7	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Turnover of activities covered by the taxonomy but not environmentally sustainable (non-taxonomy-compliant) (A.2)		1,452.4	54%	54%	0%	0%	0%	0%	0%								0%		
A. Turnover for activities covered by the taxonomy (A.1+A.2)		2,633.3	98%	98%	0%	0%	0%	0%	0%								97%		
B. ACTIVITIES NOT COVERED BY THE TAXONOMY																			
Turnover of activities not covered by the taxonomy (B)		56.9	2%																
Total (A+B)		2,690.2	100%																

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Capital expenditure (CapEx)

				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion compliant with taxonomy requirements (A.1) or covered by taxonomy requirements (A.2) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		(M)SEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and Ownership of Buildings	CCA 7.7	820.7	80.5%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y	–	–	–	–	–	Y	72%	–	–
Turnover of environmentally sustainable (taxonomy-compliant) activities (A.1)		820.7	80.5%	0%	80.5%	0%	0%	0%	0%	Y	Y	–	–	–	–	Y	72%		
Of which enabling activities		0,0	0%	0%	0%	0%	0%	0%	0%	–	–	–	–	–	–	–	0%	E	
Of which transitional activities		0,0	0%	0%						–	–	–	–	–	–	–	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and Ownership of Buildings	CCM 7.7	198.9	19.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								28.0%		
Capital Expenditures for Activities Covered by the Taxonomy but Not Environmentally Sustainable (Non-Taxonomy-Compliant) (A.2)		198.9	19.5%	19.5%	0%	0%	0%	0%	0%								28.0%		
Total (A.1+A.2)		1019.6	100%	19.5%	80.5%	0%	0%	0%	0%								100.0%		
B. ACTIVITIES NOT COVERED BY THE TAXONOMY																			
Capital Expenditures for Activities Not Covered by the Taxonomy (B)		0.0	0.0%																
Total (A+B)		1,019.6	100%																

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023.

Operating expenditure (OpEx)

				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx(4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion compliant with taxonomy requirements (A.1) or covered by taxonomy requirements (A.2) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		(M)SEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and Ownership of Buildings	CCA 7.7	15.2	95%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y	–	–	–	–	–	Y	95%	–	–
Operating Expenditures for Environmentally Sustainable (Taxonomy-Compliant) Activities (A.1)		15.2	95%	0%	95%	0%	0%	0%	0%	Y	Y	–	–	–	–	Y	95%		
Of which enabling activities		0.0	0%	0%	0%	0%	0%	0%	0%	–	–	–	–	–	–	–	0%	E	
Of which transitional activities		0.0	0%	0%						–	–	–	–	–	–	–	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and Ownership of Buildings	CCM 7.7	0.8	5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5%		
Operating Expenditures for Activities Covered by the Taxonomy but Not Environmentally Sustainable (Non-Taxonomy-Compliant) (A.2)		0.8	5%	5%	0%	0%	0%	0%	0%								5%		
Total (A.1+A.2)		16.0	100%	5%	95%	0%	0%	0%	0%								100%		
B. ACTIVITIES NOT COVERED BY THE TAXONOMY																			
Operating Expenditures for Activities Not Covered by the Taxonomy (B)		0.0	0%																
Total (A+B)		16.0	100%																

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023.

Nuclear and fossil gas related activities

Nuclear energy related activities		Yes/No
Row		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Summary of all the objectives

Turnover	Proportion of turnover/total turnover	
	Taxonomy alignment by objective	Taxonomy eligibility by objective
CCM	44%	98%
CCA	N/A	N/A
WTR	N/A	N/A
CE	0%	0%
PPC	N/A	N/A
BIO	N/A	N/A

CAPEX	Proportion of CapEx/Total CapEx	
	Taxonomy alignment by objective	Taxonomy eligibility by objective
CCM	0%	100%
CCA	81%	100%
WTR	N/A	N/A
CE	0%	0%
PPC	N/A	N/A
BIO	N/A	N/A

OPEX	Proportion of OpEx/Total OpEx	
	Taxonomy alignment by objective	Taxonomy eligibility by objective
CCM	0%	100%
CCA	96%	100%
WTR	N/A	N/A
CE	0%	0%
PPC	N/A	N/A
BIO	N/A	N/A



Sustainability definitions

2030 Agenda and the Global Goals

In September 2015, world leaders adopted a new development agenda and global sustainable development goals. The 2030 Agenda consists of 17 global goals, with 169 targets, for sustainable development that aims to eradicate poverty, halt climate change and create peaceful and secure societies. The ambition is to achieve the goals by 2030.

UN Global Compact

The Global Compact is a UN initiative for global coordination on human rights, labour standards, the precautionary principle, environmental responsibility issues and anti-corruption. The Global Compact comprises ten principles.

Sweden Green Building Council and Miljöbyggnad

Certifies according to the Miljöbyggnad system, which is a Swedish system for certifying buildings in terms of energy, indoor climate and building materials. The system awards the distinctions Gold, Silver or Bronze and is used for both residences and commercial premises.

GRI Global Reporting Initiative

The GRI is an independent, non-profit, international organisation that supports companies and organisations in prioritising and reporting on their sustainability performance. The GRI sustainability reporting framework is one of the most widely used and trusted in the world.

EPRA European Public Real Estate Association

The EPRA is an independent, non-profit, international organisation for European listed real estate companies and investors. Among other things, it sets financial reporting standards that promote clear and transparent information for stakeholders.

CSRD Corporate Sustainability Reporting Directive

The CSRD is the European Directive on sustainability reporting. Companies subject to the provisions of the Directive, as transposed in the Annual Accounts Act, must prepare their sustainability reports in accordance with the European Sustainability Reporting Standards (ESRS) framework.

ESRS European Sustainability Reporting Standards

The ESRS are new EU common, comprehensive reporting standards for sustainability reporting. The ESRS mean that significantly more information about environmental, social and governance issues will need to be included in annual sustainability reports.

LEED

LEED is a global certification system that aims to identify, implement and measure environmentally friendly design, construction, operation and maintenance. There are several LEED systems for different types of projects. For example, for tenant adaptations to commercial, institutional and residential buildings, as well as public transport facilities, urban areas and entire cities.

LEED EBOM or LEED Existing Building Operations and Maintenance:

LEED EBOM is a system for the environmental certification of the performance of existing buildings in the following categories: location and transport, sustainable land use, water use, energy and climate impact, materials and resources, indoor environment and innovation.

National Board of Housing, Building and Planning's building regulations

The Swedish National Board of Housing, Building and Planning's building and construction regulations are the minimum requirements that society demands that buildings must meet. These include child safety, accessibility, fire protection, load-bearing capacity and a pleasant indoor climate. These requirements must be met for all new buildings.

ISO 9001, 14001 and 45001

International standards for management systems for quality, the environment and health and safety. Certification under each standard involves regular third-party audits to ensure the functioning of the management system.

Due diligence

Sustainability due diligence is an internationally recognised process for addressing companies' adverse impacts on human rights, the environment and business ethics in their operations and value chain. Due diligence may become mandatory for large companies within the EU as a result of the Corporate Sustainability Due Diligence Directive (CSDDD).

EPD Environmental Product Declaration

Environmental Product Declarations for construction products describe the environmental impact of products throughout their life cycles. EPDs from different manufacturers must cover the same criteria in accordance with certain standards to ensure comparability between results.

GRI-index

SIBS AB has reported with reference to the GRI Standards for the reporting period from January 1 to December 31, 2023.
GRI 1: Foundation 2021. No applicable GRI Sector-Specific Standard available for the real estate sector.

GRI Standards	Disclosure	Page reference
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	5, 20, 76, 101
	2-2 Entities included in the organization’s sustainability reporting	76, 122
	2-3 Reporting period, frequency and contact point	60, 126
	2-4 Restatements of information	36, 38
	2-5 External assurance	104, 122
	2-6 Activities, value chain and other business relationships	4, 13, 21
	2-7 Employees	45, 64, 67
	2-8 Workers who are not employees	45, 64, 68
	2-9 Governance structure and composition	32, 71-73
	2-10 Nomination and selection of the highest governance body	32
	2-11 Chair of the highest governance body	32, 71
	2-12 Role of the highest governance body in overseeing the management of impacts	32
	2-13 Delegation of responsibility for managing impacts	32
	2-14 Role of the highest governance body in sustainability reporting	32
	2-15 Conflicts of interest	32
	2-16 Communication of critical concerns	32
	2-17 Collective knowledge of the highest governance body	32
	2-18 Evaluation of the performance of the highest governance body	32
	2-19 Remuneration policies	32, 64
	2-20 Process to determine remuneration	32, 64
	2-21 Annual total compensation ratio	32, 64
	2-22 Statement on sustainable development strategy	31-33
	2-23 Policy commitments	32, 34, 36
	2-24 Embedding policy commitments	32, 34, 36
	2-25 Processes to remediate negative impacts	32-34, 36-37, 40
	2-26 Mechanisms for seeking advice and raising concerns	32-33, 83
	2-27 Compliance with laws and regulations	32, 64
	2-28 Membership associations	64
	2-29 Approach to stakeholder engagement	35
	2-30 Collective bargaining agreements	64
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	35
	3-2 List of material topics	35, 68
Economic impact		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	84
	201-4 Financial assistance received from government	64
GRI 3: Material Topics 2021	3-3 Management of material topics	32
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	64
GRI 3: Material Topics 2021	3-3 Management of material topics	32
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	32-34
	205-2 Communication and training about anti-corruption policies and procedures	32-34
	205-3 Confirmed incidents of corruption and actions taken	64
GRI 3: Material Topics 2021	3-3 Management of material topics	32

GRI Standards	Disclosure	Page reference
Environmental impact		
GRI 302: Energy 2016	302-1 Energy consumption within the organization (EPRA – CRE1)	65
GRI 3: Material Topics 2021	3-3 Management of material topics	32
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	65
	303-2 Management of water discharge-related impacts	65
	303-5 Water consumption (EPRA – CRE2)	65
GRI 3: Material Topics 2021	3-3 Management of material topics	32
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	38
	305-2 Energy indirect (Scope 2) GHG emissions (EPRA – CRE3)	38
	305-3 Other indirect (Scope 3) GHG emissions	39
GRI 3: Material Topics 2021	3-3 Management of material topics	32
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	66
	306-2 Management of significant waste-related impacts	66
	306-3 Waste generated	66
GRI 3: Material Topics 2021	3-3 Management of material topics	32
	EPRA CRE8 Environmentally certified buildings	43
Social impact		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	67
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	67
	401-3 Parental leave	67
GRI 3: Material Topics 2021	3-3 Management of material topics	32, 33
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	32, 36
	403-2 Hazard identification, risk assessment, and incident investigation	32, 44
	403-4 Worker participation, consultation, and communication on occupational health and safety	44
	403-6 Promotion of worker health	44, 45
	403-9 Work-related injuries	44, 45
	403-10 Work-related ill health	44, 45
GRI 3: Material Topics 2021	3-3 Management of material topics	32
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	67
GRI 3: Material Topics 2021	3-3 Management of material topics	32, 36
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	67
	405-2 Ratio of basic salary and remuneration of women to men	67
GRI 3: Material Topics 2021	3-3 Management of material topics	32, 36
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	68
GRI 3: Material Topics 2021	3-3 Management of material topics	32
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	68
GRI 3: Material Topics 2021	3-3 Management of material topics	32
GRI 409: Forced or Compulsory Labour	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	68
GRI 3: Material Topics 2021	3-3 Management of material topics	32
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	68
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	68
GRI 3: Material Topics 2021	3-3 Management of material topics	32

GRI 2-7
EMPLOYEES

Total number of employees	Number of full-time employees	Gender (proportion of men, %)
Total	2,080	81
Sweden	100	71
Malaysia	1,980	98
Permanent employees and probationary employment	Number of full-time employees	Gender (proportion of men, %)
Total	521	97
Sweden	94	80
Malaysia	427	93
Temporary employees	Number of people	Gender (proportion of men, %)
Total	1,553	99
Sweden	0	0
Malaysia guest workers	1,553	99
Hourly rate employees	Number of people	Gender (proportion of men, %)
Total	6	50
Sweden	6	50
Malaysia	0	0
Part-time employees	Number of people	Gender (proportion of men, %)
Total	0	0
Sweden	0	0
Malaysia	0	0

The calculation of employees also includes the staff of the associated companies MOKO and Frontlog. In Note 13 Employees and employee benefit expenses on page 105, the staff at associated companies are excluded.

GRI 2-8
WORKERS WHO ARE NOT EMPLOYEES

The total number of employees at the end of the reporting period (31/12/2023) was 2,080. SIBS also employs subcontractors, the number of whom could not be calculated. Almost all companies use consultants from both large and small consultancies. Moby does not have its own skilled workers; the physical work of assembly, etc. that takes place on construction sites is done entirely by subcontractors.

In the factories in Malaysia, we have subcontractors for kitchen assembly, tiling, packing and as security guards. We are experiencing strong growth, which means that the number of staff employed by our subcontractors also increased significantly during the year.

Due to complicated legislation concerning the employment of foreign labour in Saudi Arabia, all the clerical employees for our Saudi projects have been hired through a HR partner. By the end of 2023, we had 37 temporary clerical workers and 243 skilled workers on the ground in Saudi Arabia. The skilled labour force consisted of subcontractors and temporary workers provided by another HR partner.

GRI 2-19, 2-20
REMUNERATION POLICIES, PROCESS TO DETERMINE REMUNERATION

The members of the Board of Directors do not receive any remuneration. The Chair of the Board of Directors receives annual remuneration of SEK 250,000. The level of remuneration of the Chair of the Board of Directors is decided by the other Board members. SIBS’ strategic and operational management teams consist of key personnel at SIBS, whose remuneration

is decided by the CEO of SIBS and key personnel at the subsidiaries and associated companies. The salary of the CEO of SIBS is set by the Board of Directors and the remuneration of the CEOs of subsidiaries and associated companies is set according to the procedures of each company. No pay consultants have been engaged.

GRI 2-21
ANNUAL TOTAL COMPENSATION RATIO

The highest total annual remuneration for employees within the Group is SEK 2,153,356 and the median is SEK 58,853. This represents a ratio of 37:1. The calculation includes bonuses and overtime. The percentage decrease in 2023 compared with 2022 is 20 percent of total remuneration and 20 percent of the median salary.

GRI 2-27
COMPLIANCE WITH LAWS AND REGULATIONS

Neither the SIBS Group, nor the company management, nor our associated companies, paid fines or penalties in 2023. We have also not been subject to criminal or civil proceedings relating to human rights, labour standards, corruption, taxation or fair market conditions.

GRI 2-28
MEMBERSHIP ASSOCIATIONS

Relevant membership associations for SIBS are: UN Global Compact, Byggarubedömningen, Sweden Green Building Council.

GRI 2-30
COLLECTIVE BARGAINING AGREEMENTS

SIBS does not have a collective bargaining agreement. We offer working and employment conditions equivalent to collective bargaining agreements, and details are negotiated individually. Trade union involvement is encouraged in our Code of Conduct, and our employees are active in issues related to health and safety and working conditions. This is done in Sweden through safety representatives, participation in exercises and risk mapping, etc. In Malaysia, this is done mainly through participation as representatives in the Health and Safety Committee, which in turn monitors and evaluates the working environment. The subsidiary Sveaviken PM AB has a collective bargaining agreement.

GRI 201-4
FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

SIBS did not receive any government assistance during the year. No state or state-controlled company has a shareholding in SIBS.

GRI 202-1
RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE
None of SIBS’ staff earn below the statutory minimum wage in Malaysia of RM 1,500. This applies to all staff, including probationary and temporary workers. The median total monthly remuneration (including allowances) for our staff in Malaysia is RM 2,173, which is 1.45 times the minimum wage. This has been ensured through full transparency in our factories’ financial accounts.

GRI 302-1
ENERGY CONSUMPTION WITHIN THE ORGANISATION

	2023	2022	2021
Fuels, fossil	TJ	TJ	TJ
Diesel	4	4	4
Petrol	1	3	5
Electricity	MWh	MWh	MWh
Total	6,753	5,087	3,949
Sweden	5,050	4,258	3,118
Malaysia	1,703	829	829
District heating	MWh	MWh	MWh
Total	307	234	0
Electricity sold	MWh	MWh	MWh
Some properties have a central electricity system through which we sell electricity to our tenants.			
Electricity sold to tenants	1,193	885	663
Heat sold	102	55	46
Heat sold	MWh	MWh	MWh
Some properties have separate billing for heating and hot water.			
Self-produced solar power sold to the grid	1,373	1,469	355
Energy for hot water sold is not reported.			
The total volume of hot water sold in 2023 was 16,482m³.			

GRI 303-1, 303-2, 303-5
WATER

SIBS’ water use in Sweden consists of buying water from the municipal company for our property operations, offices and establishments, and the waste water goes to municipal water treatment plants. We use small amounts of water on construction sites to clean tools and, when necessary, for dust control, and our factories use relatively limited quantities of water for cleaning and sanitation. Also in Malaysia, water is purchased from public companies, which also provide sewage treatment. For SIBS’ project in Saudi Arabia, there is no water pipeline available, and dust suppression takes place using water delivered by tanker.

To reduce water dependency for residents, we have low-flow fixtures and toilets, as well as individual metering and billing of both hot and cold water. Water use for residential buildings is lower than commonly occurring ratios.

Total energy use	TJ	TJ	TJ
Total energy use, excluding energy sold to tenants	21	17	19
Total energy use, including energy sold to tenants	30	26	23
Key ratios	TJ/SEK m	TJ/SEK m	TJ/SEK m
Total energy use, excluding energy sold to tenants, in relation to turnover	0.011	0.019	0.027
Proportion of renewable energy	0.6	0.6	N/A

In 2023, SIBS used fossil fuels for vehicles, power plants and temporary combustion to heat buildings. The proportion of renewable fuel blended into the diesel and petrol purchased is calculated on a standardised basis. SIBS did not purchase any steam or cooling during the year. Heating was provided by electricity to heat pumps and a small amount of district heating at peak times. Heating and cooling are included in the lease for our office and are therefore not reported here. The data for the calculations come mainly from grid owners, own meters and car leasing companies. The consumption of some cars has been calculated from an estimate of how much the specific car has been driven and tabulated consumption data. Conversion factors from the Greenhouse Gas Protocol have been used.

The total water consumption for the entire Group in 2023 (2022) was 132,660m³ (74,065).

CRE 2: Water use in our own properties is on average 56m³ (65) per apartment per year, which is equivalent to 152 (177) litres per apartment per day. This is low compared with the reference value from Svenskt Vatten of an average consumption of 140 litres per person per day, as there is usually more than one person living in the apartments. The calculation is based on the properties that we managed during the full year 2023.

GRI 306-1, 306-2, 306-3
WASTE

SIBS’ largest waste streams originate from the production process in the factories, waste from construction in Sweden and Saudi Arabia, the demolition of existing buildings ahead of new construction, and waste generated by residents. The production process in the factories and on construction sites is our own process. Demolition is also seen as our own activity, as it is carried out by our subcontractor.

In the factories, we optimise material purchases and manufacture customised components as far as possible. Thanks to SIBS’ building system and industrialisation, we can have light joists, ventilation pipes and other products manufactured in exact sizes, minimising waste. One of the factories has a team working on material logistics to handle recyclable materials and

hazardous waste. On construction sites in Sweden, waste is handled in accordance with the Swedish Construction Industry (Byggindustrin) guidelines. When demolishing, we always inventory hazardous waste and materials that can be recycled or reused prior to demolition. In Saudi Arabia, waste is sorted into fractions and, during set-up, several recycling incentives were developed and will be implemented in 2024.

Waste sorting is available to tenants at all the properties that we manage. Waste statistics for tenants have been calculated from averages based on actual data from our properties, where sensors are used to measure waste. Waste is also sorted at our offices, but the proportion of recycled waste is not reported as the volumes are calculated on a standardised basis.

WASTE FOR THE YEAR 2023 AND THE BASE YEAR 2022

Waste in 2023	Total (tonnes)	For recycling (tonnes)	For recycling including energy recovery (tonnes)	Proportion for recycling	Proportion for recycling including energy recovery
Total	17,288				
Construction and factories (SIBS’ waste)	7,741	4,913	5,673	0.63	0.73
Of which factories (Malaysia)	3,908	2,259	2,259	0.58	0.58
Of which construction (Sweden)	3,789	2,630	3,390	0.69	0.89
Of which construction (Saudi Arabia)	45	25	25	0.55	0.55
Other waste					
Of which demolition (Subcontractors)	499	N/A	N/A		
Of which from tenants ¹	1,302	685	1,302	0.53	1.00
Of which from SIBS’ offices (standard value)	5	3	5	0.65	1.00
Total waste in relation to turnover (tonnes/SEK m)	6	1	1		
Waste in 2022	Total (tonnes)	For recycling (tonnes)	For recycling including energy recovery (tonnes)	Proportion for recycling	Proportion for recycling including energy recovery
Total	12,182				
Construction and factories	2,857	460	1,908	0.16	0.67
Of which factories (Malaysia)	1,436	853	853	0.59	0.59
Of which construction (Sweden)	1,421	460	1,055	0.32	0.74
Waste from demolition (Subcontractors)	8,788				
Waste from tenants (standard value)	533				
Waste from offices (standard value)	5				
Total waste in relation to turnover (tonnes/SEK m)	9				

¹ Calculated from measurements in two projects

GRI 401-1
NEW EMPLOYEE HIRES
AND EMPLOYEE TURNOVER

	Total	Percentage %	Sweden		Malaysia	
			Number	Percentage %	Number	Percentage %
New hires during the year						
Total	1,516	73	9	9	1,507	76
Men under 30	1,184	82	1	8	1,183	83
Women under 30	15	47	0	0	15	68
Men aged 30–50	309	55	7	12	302	60
Women aged 30–50	6	19	0	0	6	38
Men over 50	2	29	1	33	1	25
Women over 50	0	0	0	0	0	0
People who left during the year						
Total	422	22	7	7	415	21
Men under 30	301	14	2	8	299	21
Women under 30	10	<0	0	0	10	45
Men aged 30–50	104	5	3	5	101	20
Women aged 30–50	6	<0	1	7	5	31
Men over 50	0	0	0	0	0	0
Women over 50	1	<0	1	33	0	0

The average number of full-time employees, including probationary employees, in the Group during the year was 2,070 (938), of whom 60 were women (41) and 2,010 men (897). The sickness rate for the whole Group was 1.4 percent, of which the Swedish operations accounted for 1.2 percent and the Malaysian operations 0.8 percent. In terms of permanent staff

alone, excluding probationary staff, the number of people who left our employment in Malaysia is 40 or 9.4 percent. For operations in Sweden, the number of full-time employees is calculated as an average over the year. For operations in Malaysia, the number of full-time employees as at 31/12/2023 is stated.

GRI 401-2
BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES

In Malaysia, permanent employees have better benefits compared with probationary and fixed-term employees. The difference is two extra days of holiday, better health insurance and the fact that only permanent employees have insurance for dental care and glasses.

In Sweden, benefits vary between companies, but an occupational pension, a health allowance and medical insurance are available to all.

GRI 401-3
PARENTAL LEAVE

All employees within the Group are entitled to parental leave. In SIBS Malaysia, no employee has taken parental leave. In Sweden, 17 employees took parental leave, of which 15 men and 2 women. They all took short-term leave and returned to work during the year. No one has resigned after returning from parental leave.

GRI 404-1
AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

In Malaysia, staff have had an average of 4 hours of training and in Sweden 2.5 days.

GRI 405-1, 405-2
DIVERSITY AND EQUAL OPPORTUNITY

	Total %	Sweden %	Malaysia %
Women	3	22	3
Men	97	78	97
Under 30	56	22	57
Aged 30–50	43	72	42
Over 50	1	6	1

Guest workers from Myanmar make up 45 percent of our employees in Malaysia.

Average salary of women in relation to men, %	
Region	
Total	96
Sweden	94
Malaysia	181

Our 2023 survey shows that there are no differences between the pay of women and men that are not fully explained by job type, age and experience.

Across the Group, without adjusting for occupation and location, women earn 96 percent more than men on average. This is because we do not have any women physically working in production in the factories and we have a higher proportion of women in Sweden than in Malaysia.

For staff in Malaysia, women earn more because they all have clerical jobs, compared with the majority of the factory staff, who are men, but if we only count clerical staff and exclude directors, women earn less. However, this difference is fully explained by the type of position and experience. In Malaysia, a relatively small proportion of women are employed and many stop working when they have a family. It is therefore difficult to achieve a balance with older women in the office.

In Sweden, women earn less, but even here the difference is fully explained by experience, age and type of position. Comparable benefits received by both women and men are available in Sweden only at the associated company MOKO. There is no gender pay gap left after adjusting for year of birth.

GRI 407-1, 408-1, 409-1
FREEDOM OF ASSOCIATION, CHILD LABOUR, FORCED LABOUR

Trade union involvement is encouraged in our Code of Conduct, and our employees are active in issues related to health and safety and working conditions. This is done in Sweden through safety representatives, participation in exercises and risk mapping, etc. In Malaysia, this is done mainly through participation as representatives in the Health and Safety Committee, which in turn monitors and evaluates the working environment. In Saudi Arabia, we have both our own staff from Sweden and temporary staff, who are all required to comply with SIBS’ Code of Conduct and the extensive client requirements regarding health and safety and working conditions that apply to the project.

The prohibition of child labour and forced labour is covered by our Code of Conduct and our Supplier Code of Conduct.

Foreign labour has been identified as a risk group in terms of human rights violations and during the year SIBS has developed and worked on new procedures for control and monitoring of suppliers in Asia as well as at Swedish workplaces.

GRI 3-2
LIST OF MATERIAL TOPICS

Economic impact	
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed 201-4 Financial assistance received from government
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken
Environmental impact	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource 303-2 Management of water discharge-related impacts 303-5 Water consumption
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts 306-2 Management of significant waste-related impacts 306-3 Waste generated
Social impact	
GRI 401: Employees 2016	401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees 401-3 Parental leave
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system 403-2 Hazard identification, risk assessment, and incident investigation 403-4 Worker participation, consultation, and communication on occupational health and safety 403-6 Promotion of worker health 403-9 Work-related injuries 403-10 Work-related ill health
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees 405-2 Ratio of basic salary and remuneration of women to men
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour
GRI 409: Forced or Compulsory Labour	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

The Sustainability Report is prepared annually for SIBS AB, including Group companies and subsidiaries. An adjustment has been made since the 2022 Sustainability Report. This relates to the calculation of the climate impact and is described in more detail on page 38.

GRI 416-1, 416-2
CUSTOMER HEALTH AND SAFETY

SIBS’ modules and completed buildings are assessed for health and safety through our own calculations, self-checks, expert investigations, and checks by the person responsible in accordance with the Swedish Planning and Building Act, the building permit process and their equivalents. Our services and products fulfil all the health and safety requirements for our customers.





Board of Directors



MICHAEL WOLF
Chairman of the Board of Directors of SIBS AB

Michael is the Chairman of the Board of Directors of SIBS AB. His previous roles include CEO of Swedbank and Intrum. Michael is also an adviser to several private equity firms and a partner in communications agency Bellbird.



ERIK THOMAEUS
Founder and CEO of SIBS AB. Member of the Board of Directors of SIBS AB and Sveaviken Bostad.

Erik founded SIBS in 2016. He was previously the CEO of Nolek Group and is also a co-owner of Exoro Capital AB, Industrium AB and Landexo AB. He has a Bachelor’s degree in International Economics and Management from Milan’s Bocconi University.



PÄR THOMAEUS
Founder and member of the Board of Directors of SIBS AB. CEO and member of the Board of Directors of Sveaviken Bostad.

Pär is a founder and Director of SIBS AB and CEO of Sveaviken Bostad. Pär was previously head of Exoro Capital for 15 years. He has a Bachelor’s degree in Finance from St. Louis University.



JONAS RAMSTEDT
Co-founder and member of the Board of Directors of SIBS AB

Jonas has a long and successful background within both property and acquisitions. He is currently the principal owner and CEO of Landia, as well as the owner of J&G Invest. Jonas has a Master’s degree in Business Administration – Financial Reporting from the Stockholm School of Economics.



JOHAN KARLSSON
Co-founder and member of the Board of Directors of SIBS AB

Johan is the founder, co-owner and CEO of Slättö Förvaltning. He is also a co-owner of the Swedish investment company Neptunia Invest (publ) together with his brother Mikael Karlsson, Georg Ehrnrooth and Gunnar Brock. Johan studied commercial and business law at Linköping University.

Strategic management



ERIK THOMAEUS
CEO SIBS AB & Group

Erik is the founder, CEO and Director of SIBS AB. He founded SIBS in 2016. He was previously the CEO of Nolek Group and is also a co-owner of Exoro Capital AB, Industrium AB and Landexo AB. He has a Bachelor's degree in International Economics and Management from Milan's Bocconi University.



ULF THOMAEUS
CFO SIBS AB & Group

Ulf has more than a decade of experience from working as an authorised public accountant specialising in property companies at Ernst & Young. He has also worked as a controller at JM and as Head of Accounting at Besqab before taking over as CFO at SIBS.



DAVID ÖSTERSTRÖM
CEO Frontlog, COO SIBS AB

David is the founder and CEO of Frontlog AB. He is responsible for SIBS' shipping and logistics and is also head of the SIBS Group's international expansions. He has had a long career within the shipping industry, which began at sea, and he has worked both in maritime financial services and as a shipbroker.



ERIK SÖDERHOLM
CTO SIBS AB & Group

Erik is the chief technology officer for the Group. He has extensive experience of industrial construction and has worked in various management positions with a focus on production, quality and efficiency improvements. Erik has an extensive academic background, including a Licentiate degree in Industrialised Construction and a Master's degree in Engineering specialising in Industrial Production.



PÄR THOMAEUS
CEO Sveaviken Bostad

Pär is a founder and Director of SIBS AB and CEO of Sveaviken Bostad. He is also a co-owner of Exoro Capital AB, Industrium AB and Landexo AB. Pär was previously head of Exoro Capital for 15 years. He has a Bachelor's degree in Finance from St. Louis University.



CARL SAIDAC
Deputy CEO Sveaviken Bostad

Carl has been employed at Sveaviken Bostad since mid-2020, previously in the role of COO/Transaction Manager. He has several years of previous experience from senior business development positions in the real estate and retail sectors. Carl holds a Bachelor's degree in Business Administration from the Stockholm School of Economics.

Operational management



ERIK THOMAEUS
CEO SIBS AB & Group

Erik is the founder, CEO and Director of SIBS AB. He founded SIBS in 2016. He was previously the CEO of Nolek Group and is also a co-owner of Exoro Capital AB, Industrium AB and Landexo AB. He has a Bachelor's degree in International Economics and Management from Milan's Bocconi University.



PÄR THOMAEUS
CEO Sveaviken Bostad

Pär is a founder and Director of SIBS AB and CEO of Sveaviken Bostad. He is also a co-owner of Exoro Capital AB, Industrium AB and Landexo AB. Pär was previously head of Exoro Capital for 15 years. He has a Bachelor's degree in Finance from St. Louis University.



DAVID ÖSTERSTRÖM
CEO Frontlog, COO SIBS AB

David is the founder and CEO of Frontlog AB. He is responsible for SIBS' shipping and logistics and is also head of the SIBS Group's international expansions. He has had a long career within the shipping industry, which began at sea, and he has worked both in maritime financial services and as a shipbroker.



JON MELLQVIST
Head of Sustainability

Jon has plentiful experience of working with sustainability within the construction and property industry, primarily as a consultant and consulting manager. He has a broad scope when working with the Group's sustainability issues, from strategies and accounting to environmental certifications and issues concerning materials in the projects.



PATRIK JENSEN
CEO MOKO AB

Patrik has 15 years of experience as a design engineer and has developed several construction systems that have been implemented on the market. Patrik has a PhD in Modular Construction Systems and Design Automation.



VIKTOR RYD
CEO MOBY AB

Viktor has a Master's degree in Engineering from KTH Royal Institute of Technology. He worked at Skanska for 12 years in various roles, most recently as a project manager. Viktor has extensive experience from early-stage planning and urban development and was a pioneer in the environmental certification of residential projects.



PÄR-HENRIK ALMÉN
Deputy CEO MOBY AB

Pär-Henrik is Deputy CEO of MOBY AB. He has extensive experience from industrial construction, specialising in modular assembly and completion. He has a four-year structural engineering education and training as a certified control manager in accordance with the Swedish Planning and Building Act.



EBBA EKMAN
LOGISTICS MANAGER FRONTLOG

Ebba has worked at Frontlog since 2019 and is responsible for the entire logistics chain of housing modules within the organisation. From production in Malaysia to final delivery at the construction site. She is also responsible for procurement logistics. Ebba holds a Bachelor's degree in Logistics from Linköping University.



JENNY GARNEJ
CHIEF OF STAFF SIBS AB

Jenny is the Group's chief of staff and is responsible for driving key initiatives within the fields of marketing, HR and IT. She has extensive experience from various management positions at growth companies. Jenny has worked in the real estate sector for many years.



PETER BACKSTRÖM
CEO SVEAVIKEN PM

Peter has extensive experience of property management and from various senior positions within the real estate sector. Formerly business area manager at Fastighetsägarna. He holds a Bachelor's degree in Human Geography from Karlstad University and completed the Executive Leadership Programme at Stockholm School of Economics.

Financial reporting



Directors’ report

The Board of Directors and the CEO of SIBS AB (publ), corp. reg. no 559050-3073, hereby present its annual report and consolidated financial statements for the financial year 1 January to 31 December 2023. Data in brackets refer to the previous financial year. The seat of the Board is in Stockholm.

January – December 2023

🏠 **Net sales** increased to SEK 2,690.2 million (1,384.3), of which rental income totalled SEK 58.6 million (46.2). Project and contracting income increased to SEK 2,631.6 million (1,338.1). The increase in sales is mainly due to a rise in module sales to external parties.

🏠 **Gross profit** increased to SEK 295.6 million (61.8).

🏠 **Operating profit before changes in value** was SEK 115.9 million (-62.3).

🏠 Changes in the value of investment properties totalled SEK -145.2 million (1.5) and profit from associated companies and joint ventures came to SEK -298.9 million (390.5). The negative changes in value reflect the change in market conditions and are mainly attributable to increased yield requirements.

🏠 **Operating profit** amounted to SEK -307.4 million (336.7).

🏠 Net financial items totalled SEK -229.5 million, of which interest income amounted to SEK 6.0 million (4.9) and interest expenses to SEK -235.5 million (-109.5).

🏠 **The profit for the year** after tax was SEK -490.8 million (270.6).

🏠 During the year, the Group invested around SEK 53.8 million in its wholly-owned investment properties and acquired development rights and investment properties for approximately SEK 757.6 million. A further SEK 83.2 million were invested in the Group’s production facilities. These investments were financed through self-generated funds, approximately SEK 675.0 million of additional bank debt and a new share issue of around SEK 118.6 million.

🏠 **Cash flow for the financial year** totalled SEK 135.4 million (-57.2), of which cash flow from operating activities was SEK 199.0 million (323.3). Investing activities had a SEK -240.7 million (-1,029.2) impact on cash flow and cash flow from financing activities totalled SEK 177.1 million (648.7). Cash and cash equivalents at the end of the year totalled SEK 265.1 million (122.6).

The business in general

The SIBS Group was founded in 2016 with the idea of challenging norms and creating a smarter approach to industrial housing construction. Together with our civil engineers, doctors in industrial construction, and architects, we realised the idea of our own modular design and construction system. We call it “parametric modularisation”. The system allows for greater design flexibility and significantly shorter lead times compared with both traditional construction and other modular construction systems. SIBS is one of the leading industrial producers of housing in the

global market. SIBS has a scalable capacity at existing factories of up to around 6,000 homes per year and delivers either turnkey houses or modules, providing assistance all the way to the turnkey stage. The SIBS Group operates across the entire real estate chain – from land acquisition, the development of detailed development plans and development rights, to the design, production, transport, construction, and finally management, of the finished residential properties. Expertise and continuous development stay within the Group and contribute to a quality-assured and growth-focused business.

Vision

SIBS’ vision is to set a new standard in the construction industry. Our long-term objective is to drive the development of tomorrow’s construction industry, where construction projects cost less, are completed faster and are more predictable. Taking months, not years, to build new homes. Our ambition is to lead developments within ConstructionTech – a combination of automated design systems and industrial construction, which transforms generated drawings into finished buildings with precision.

We’re moving beyond traditional construction towards industrial intelligence, transforming the way we design, build, deliver and manage properties.

Group companies

The Group currently consists of seven operating associated and Group companies and additional property-owning Group companies. (See Note 25 for more information.)

- 🏠 SIBS AB is the parent company and performs all Group Management functions.
- 🏠 MOKO AB is the Group’s engineering and architectural company and is responsible for development and design.
- 🏠 MOBY AB is the construction company and is responsible for everything on building sites.
- 🏠 SIBS Sdn Bhd is the module manufacturing company located in Malaysia, which owns and operates our two factories.
- 🏠 Frontlog AB is the logistics company that procures and is responsible for all transport from the factories to construction sites.
- 🏠 Sveaviken Bostad AB is the company that actively works on acquisitions and works closely with our joint venture partners.
- 🏠 Sveaviken PM is the company responsible for technical and financial management for Group companies and external customers.

Ownership structure as at 31 December 2023

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	74,225	12.1
Exoro Capital AB	52,156	8.5
Other shareholders	142,513	23.4
Total	611,215	100.0

Significant events during the year

- 🏠 SIBS continued to grow internationally during the year, including through its continued collaboration with property developer Donard Living on the building of around 600 apartments within commuting distance of central London. Delivery is planned for Q4 2024 and Q1 2025. During the year, SIBS also signed a contract with NEOM in Saudi Arabia for the construction of a total of 3,447 apartments. The contract with NEOM is for turnkey buildings, whose delivery and commissioning are all planned for the fourth quarter of 2024.
- 🏠 Sveaviken Bostad sold a total of 624 apartments, 266 parking spaces and 2,645m² of commercial premises during the year. The sales were fully in line with the SIBS Group’s stated strategy of increasing its focus on SIBS as a leading industrial producer of housing.
- 🏠 At the end of the year, Sveaviken Bostad’s management arm was spun off and incorporated as Sveaviken PM. Sveaviken PM remains within the Group as a wholly-owned subsidiary of SIBS AB. Incorporation also makes it easier for the company to bring in external customers and to develop its digital property management offering. Former Head of Property Management Peter Backström has taken over as the new CEO of Sveaviken PM.
- 🏠 Carl Saidac took up the position of Deputy CEO of Sveaviken Bostad during the year.
- 🏠 During the second quarter, the new share issue initiated in November 2022 was completed and approximately SEK 118.6 million were raised for the Group. At the end of the year, SIBS also initiated written proceedings for its bonds. SIBS received its bondholders’ approval to make changes to its bonds’ terms in December. The changes are due to the fact that in 2023 SIBS secured several large international orders that should be completed in 2024 and 2025.

Significant events after the end of the financial year

Events after the end of the financial year can also be found in Note 45.

- 🏠 In February 2024, Sveaviken Bostad sold 75 homes in the Lund Parasollet 2 property to SEB’s housing fund Domestica V. This represents a total lettable area of 3,593m². The property was sold for an underlying property value of SEK 147.4 million, in line with the book value as at 31 December 2023.

Organisation and employees

The average number of full-time employees, including probationary employees, in the Group during the year, was 2,070 (938), of whom 60 were women (41) and 2,010 men (897). The most recruitment took place in production in Malaysia. The sickness rate for the whole Group was 1.4 percent, of which the Swedish operations accounted for 1.2 percent and the Malaysian operations for 0.8 percent.

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. At the end of the financial year, the company received the bondholders’ approval to amend its bonds’ terms, meaning that their maturity date has been extended by 18 months. The bond matures in full in October 2025 with two partial redemptions in 2024 and 2025.

Material market factors

2023 saw high inflation rates, rising interest rates and war in the wider world. These factors slowed down new construction in Sweden. The consensus is now that interest rates have peaked and no interest rate hikes seem likely in the short term. Uncertainty remains about how central banks will act, however. The Group makes the majority of its purchases in markets other than its domestic market, and costs have not increased as much in these markets as in Sweden. As always, we are continuing to monitor market developments closely and to ensure that we are well-equipped to handle various possible scenarios in Sweden and the rest of the world.

SIBS has not been significantly affected by the large cost increases for building materials in Europe. This is mainly because material prices have not increased as much in Southeast Asia, where the majority of SIBS’ purchases are made. The price of materials in Asia stabilised during the year and the market prices of steel and sea freight, for example, have returned to pre-pandemic levels. On the other hand, the ongoing conflict in the Red Sea has had some impact on sea freight costs.

SIBS’ business model is flexible and is able to be rebalanced in keeping with changing market conditions. As the domestic market has changed, we have increased our focus on industrial sales. These include large and conceptual projects in several geographical markets, and bespoke properties on behalf of external developers. This is allowing SIBS to scale up the business across multiple geographical segments and to continue growing in step with the market. The factories in Malaysia have full order books and production capacity was scaled up over the year.

Sustainability

SIBS is actively working on sustainability and addressing sustainability issues throughout its operations through health and safety, environmental and quality policies and certified management systems. We are affected by the demands of the outside world, both from investors and increasingly extensive environmental, health and safety and social sustainability legislation. Sustainability issues are also linked to the financial outlook in a way that they haven't been previously.

Aligning our buildings with the European Commission's framework for environmentally sustainable finance, the EU Taxonomy, and carrying out environmental certifications and climate calculations were our primary focus in 2022. In 2023, our international expansion took place at a rapid pace, and we focused our sustainability efforts on other aspects for these projects. We concentrated particularly on environmental issues, health and safety and business ethics. The strategic sustainability work across the Group has been aimed at alignment with the new EU Corporate Sustainability Reporting Directive (CSRD) through the conducting of stakeholder and materiality assessments, and a gap analysis, in order to adjust our processes and operations so as to meet the upcoming sustainability reporting requirements under the new reporting standards (ESRS). We have also aligned our due diligence processes relating to our corporate responsibility in the areas of business ethics, the environment and human rights in accordance with the forthcoming EU corporate responsibility framework (the CSDDD) and our commitments as a signatory to the UN Global Compact. During the year, we worked on the process through several audits of our supply chain and reported our progress in line with the requirements of the UN Global Compact.

Reducing our climate impact is one of our top operational priorities and we are working with our suppliers to reduce the carbon footprint of our buildings and promote the development of more Environmental Product Declarations (EPDs) for building materials and for our own modules. Health and safety is another priority issue in our factories, on construction sites in Sweden and internationally. Despite the fact that we scaled up our production rate during the year, with significantly more employees as a result, we have not had any serious workplace accidents.

Significant risks and uncertainties

SIBS' activities involve both risks and opportunities. Risk management and risk minimisation are therefore priority areas that help SIBS to maintain the long-term stability of the company and which are one of the prerequisites for good, profitable growth and development. A description of the risks can be found in the table on pages 80–83.

The work is also guided by a number of policies such as

- Information policy
- Insider policy
- IT policy
- Financial policy
- Sustainability policy
- Environmental and quality policy
- Code of Conduct
- Health and Safety policy

The policies are reviewed annually and approved by the Board of Directors.

SIBS is well-positioned for growth

SIBS is one of the leading industrial producers of housing in the global market. With a scalable capacity at existing factories of up to around 6,000 homes per year, we deliver either turnkey buildings or modules, providing assistance all the way to the turnkey stage. The business model includes three business areas.

Industrial Sales

Projects are delivered in line with the Project Sales or Module Sales concept to a global market. The business area includes the Group's concept buildings, Rehouse and Rehotel, as well as bespoke properties tailored to the customer's needs and wishes.

The Home Factory

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

SIBS has been built from the start with scalability, capacity and the power to deliver on the international stage in mind. We have a keen awareness of the demands and needs of the market. Making our offering clearer in our business model gives us better opportunities to meet demand with high customer value, lower barriers to entry and well-balanced risk.

SIBS' position at the forefront of the international arena for design automation in the industrial construction field has been confirmed by factors such as the growing number of requests from a diversified geographical market. There are a number of attractive geographical markets where SIBS is well-placed for expansion. We choose markets carefully, however, as certain criteria must be met to ensure that the figures look good for any potential new operations.

Property Development & Management

Through the wholly-owned subsidiary Sveaviken Bostad, we develop, build and own properties within the Group. We have refined and developed the concept of quality assurance for the whole chain and the final product. Through our subsidiary Sveaviken PM, we manage both our own and other people's properties.

Proposed appropriation of profit (SEK) parent company	
The following accumulated losses of the parent company are at the disposal of the Annual General Meeting:	
Retained earnings	-539,476,792
Capital injections received	737,358,785
Profit for the year	-323,244,390
Total	-125,362,397

The Board of Directors and the CEO propose:

Carried forward	-125,362,397
Total	-125,362,397

For the company's other results and position, please refer to the following financial statements and related notes.



Risks

SIBS’ activities involve both risks and opportunities. Risk management and risk minimisation are therefore priority areas that help SIBS to maintain the long-term stability of the company. It is also part of the basis for good, profitable growth and development. SIBS conducts annual risk mapping and assessment, and implements an annual risk management plan, to ensure that the business is well-equipped to deal with different scenarios.

OPERATIONAL RISKS

RISK AREA	DESCRIPTION	MANAGEMENT
Project risks	<p>Various types of risks arise during the course of projects, such as during land acquisition, the detailed development planning stage and design, where the right analysis and calculations are of paramount importance for a predictable process with good profitability.</p> <p>Environmental circumstances or technical problems can also lead to delays and increased costs or reduced revenues.</p>	<p>SIBS has clear project management with continuous evaluation and development. Calculations and projections are regularly reconciled for good cost control and accurate revenue assessments. There are clear decision points in the process for obtaining approval after reviewing the evidence. SIBS’ Quality and Environmental Policy is an important basis for risk management in projects. SIBS attaches great importance to the right analysis, from the early stages of projects, for the right input. Specific expertise in areas such as construction engineering and environmental strategic analysis is ensured. SIBS’ proprietary “Parametric Modularisation” building system and configurator allows projects to be designed with great flexibility, and to be tailored to maximise the use of the development provisions in detailed development plans. Project risks are minimised through a regulated system that warns of and prevents the non-compliance of what is being designed with predetermined parameters or regulatory requirements. Architectural objects in the design process ensure the transferring of experience.</p>
Disruptions to production at the factories	<p>During the production phase, there is a risk of unplanned production stoppages at the factories. This could cause delays in our projects, which in turn could drive up project expenses.</p>	<p>SIBS implements continuous quality assurance of its internal production procedures and processes. Each step is documented to ensure proper execution and a good basis for the development and improvement of process control. Furthermore, the production process is divided into 45 main processes, and where the production risk is greatest, the main process is, in turn, divided into several sub-processes. SIBS’ two factories with scalable capacity provide excellent operational reliability.</p>
Disruptions to the logistics flow	<p>Disruptions to logistics flows risk resulting in delays and costly processes during waiting times or rescheduling.</p>	<p>Very clear process control provides good predictability in production, allowing us to plan, synchronise and optimise transport. SIBS is also ready to respond quickly to unplanned events (e.g. accidents) with minimal disruption.</p>
Quality	<p>SIBS has a scalable production capacity of up to 6,000 apartments per year. This places high demands on our expertise, processes and established quality controls, implemented to ensure that the same high quality is always achieved whatever the volume produced.</p>	<p>SIBS has extensive quality controls, more than 400 quality points being digitally measured and documented throughout the production chain. SIBS has well-established processes and procedures to ensure efficiency and quality. New employees receive comprehensive onboarding and ongoing support in order to ensure that expertise is passed on. SIBS also has the company-specific system SPS Flow (SIBS Production System Flow), which supports, manages and documents projects from their early stages right through to the management stage.</p>
Organisation	<p>SIBS’ value chain requires a high level of expertise at different levels and in specific specialist areas. The loss of these competencies can lead to wrong decisions or lower efficiency. If the company is perceived as lacking values or leadership, staff turnover may increase and recruitment may be made more difficult.</p>	<p>SIBS is committed to offering its employees security, community and opportunities for development. We have clear values and policies that are naturally implemented in our business. Guidelines and procedures are continuously developed. We document development to ensure that no element is dependent on a particular person.</p>
Property expenses	<p>Management costs are partly dependent on general cost trends. However, they are also included in the costs that have to be borne by SIBS and cannot be covered by relevant rent increases or re-invoicing. There are also risks associated with unplanned repairs or maintenance that may also affect the value of properties.</p>	<p>All properties have quality-assured maintenance plans. The management team works continuously to optimise the cost and revenue side, ensuring that plans are followed and identifying any need for early action. Our properties have very low energy consumption, thanks to solar panels, geothermal heating systems, etc., and the energy efficiency of the building system.</p>
IT and information security	<p>Lack of IT security can have major consequences, such as the destruction, loss or theft of data.</p>	<p>SIBS has a well-developed and fully-implemented IT policy governing procedures, behaviour, systems and storage. SIBS keeps abreast of developments in data security and engages the assistance of external expertise to ensure a high level of data and information security.</p>

FINANCIAL RISKS

RISK AREA	DESCRIPTION	MANAGEMENT
Investments	<p>SIBS’ activities include ongoing investments such as acquisitions and increasing its production capacity.</p> <p>If investments do not meet the yield requirement, the value of the properties risks being eroded. If production capacity is insufficient to meet expected delivery times, there is a risk that growth targets will not be met and that individual projects may be subject to delays and high costs.</p>	<p>Good knowledge of the market and an analysis of the conditions of each individual acquisition provide a good basis for calculation. The property portfolio is evaluated on an ongoing basis.</p> <p>Investments in the factory are systematically and continuously assessed and evaluated. Production capacity is ensured continuously.</p>
Currency risk	<p>SIBS operates in a market where exchange rate fluctuations may affect the Group’s results, cash flow and balance sheet.</p> <p>Currency risk refers to the risk of the Group’s financial position and reporting being affected by fluctuating exchange rates.</p>	<p>The Group carries out regular reconciliations to assess the risk of currency fluctuations. In cases where there is deemed to be a high risk with regard to the Group’s income statement, balance sheet and cash flows, currencies are hedged on the open market.</p>
Refinancing and liquidity risk	<p>SIBS operates in a capital-intensive industry, where financing costs are a major cost item. Refinancing risk refers to the risk that financing cannot be obtained or renewed at maturity, or that refinancing can only be renewed at a significantly higher cost.</p> <p>Liquidity risk refers to the risk of not having a sufficient payment capacity to deal with foreseen and/or unforeseen expenses. Liquidity is necessary for the financing of ongoing projects, the operation of the business and the payment of interest and repayments.</p> <p>Lack of compliance with rules or agreements may entail penalties, as well as damage to confidence or the conditions for external funding.</p>	<p>The management of financial risks is governed by the financial policy, which is reviewed once a year and adopted by the Board of Directors. The financial policy sets out guidelines and rules for the conducting of financial activities. The aim is to ensure good control and satisfactory financing terms.</p> <p>In order to guarantee compliance with its financial policy, the Group conducts regular reviews during the year to verify and manage the Group’s refinancing and liquidity risk.</p>
Interest rate risk	<p>The cost of interest on borrowed capital is a major expense item in SIBS’ income statement. Interest rate risk means that fluctuations in market interest rates and credit institutions’ margins can have a significant impact on the company’s results. If market interest rates rise or if SIBS fixes its interest rates at a level higher than the market rate, there is a risk of rising interest expenses.</p>	<p>The financial policy regulates interest rate fixation and risk mandates. The aim is to ensure good control and satisfactory financing terms.</p>
Financial reporting	<p>Financial reporting is important for making the right decisions, as well as for transparent and trust-building engagement with external parties and stakeholders.</p>	<p>The finance department has a high level of competence, and the company has a financial calendar for all external reporting. SIBS works internally on monthly reporting and weekly project reconciliation. Reconciliation with the auditor takes place on an ongoing basis.</p>
Property valuation	<p>SIBS recognises its investment property holdings at fair value, which means that the consolidated book value of the properties corresponds to the estimated market value in accordance with accounting standard IAS 40 Investment Property. A decline in the market value of the properties therefore has a direct negative impact on the consolidated earnings and financial position, even though the Group’s cash flow is not affected until the property is sold.</p>	<p>To ensure a fair and credible assessment of the market value of the properties, the company engages external, independent and reputable valuation companies, which perform annual market valuations of all of the Group’s properties.</p>
Rental income and vacancies	<p>Rental income is influenced by a number of factors, including supply and demand, which is driven by factors such as existing housing stock, population growth and employment. In addition, demand is created according to how well-designed the housing is for meeting the needs and wants of the target group.</p> <p>A lack of knowledge about the needs of the target group and a lack of management quality can lead to lower customer satisfaction and an increased risk of vacancies.</p>	<p>SIBS prioritises very good knowledge of the market so that it establishes operations in locations with good demand. Priority is given to the development of housing with a focus on the tenant and insight into the needs and motivations of the target groups. Close dialogue is also maintained with tenants. Tenants are approved according to an established process that also ensures the tenants’ ability to pay.</p>

EXTERNAL RISKS

RISK AREA	DESCRIPTION	MANAGEMENT
Crises	A crisis in the wider world can comprise various events that are difficult to predict but have a major impact on society. This may include, for example, cyber attacks, armed attacks, pandemics, environmental disasters or other extreme events.	SIBS has a well-developed crisis plan that also includes a succession plan for senior management. The crisis plan is reviewed annually, and employees are informed of, and trained to act in accordance with, the plan.
Reputation	Trust is a foundation for both business and good relations with our stakeholders. Damage to our reputation that harms trust may affect the company's ability to operate successfully. If mistakes are made due to lack of competence or ignorance of SIBS' values or processes, or the applicable regulations, its reputation may be adversely affected.	SIBS strives and actively works to ensure that we meet the expectations of the world around us. We have good internal governance, high internal efficiency and a clear set of values that all employees and suppliers are expected to act upon. We continuously develop and revise our internal governance documents and communicate with and train our employees to enable everyone to contribute to compliance and quality assurance.
Regulatory compliance	Lack of compliance, governance and procedures can lead to the risk of wrong decisions being made or inefficiencies both internally and externally. The consequences of non-compliance may include financial losses or penalties, and an adverse impact on trust in SIBS and thus its ability to operate successfully.	Good internal control, including governance documents, such as processes, policies and procedures, is communicated to employees, and compliance is monitored. SIBS works continuously to develop processes and guidelines. SIBS' Code of Conduct is clear about the company's expectations of employees and suppliers with respect to human rights, zero tolerance of corruption, and environmental, social and economic responsibility.

STRATEGIC RISKS

RISK AREA	DESCRIPTION	MANAGEMENT
Political decisions and regulatory changes	SIBS' activities are affected by political decisions and regulations. Changes to tax legislation, planning processes or government grants, for example, may lead to changes in the conditions for doing business.	SIBS closely monitors the development of laws and regulations and prepares well for any changes. Legal or other external expertise is engaged when required. The company continuously analyses potential scenarios and prepares to deal with any changes in circumstances.
Changes in property values	Changes in the value of properties represent a risk and an opportunity. They are influenced by a large number of factors, such as the geographical composition of the property portfolio, the quality of the properties and how well they are managed. This, in turn, is reflected in rent levels, occupancy rates and property costs. Valuations are also affected by the business cycle, as are yield requirements on valuation.	SIBS has a well-balanced project portfolio with an appropriate geographical spread in attractive locations. Each property has a clear plan. Sustainability is a priority and therefore the properties have solar panels and geothermal heating systems. Management is long term, with a focus on both property and technological developments that will benefit both the company's property valuations and customers' enjoyment of the housing.
Development of the project portfolio	A well-balanced project portfolio is the basis for the company's future development and growth. Limits on the company's ability to develop the portfolio according to the desired strategy may impede or dampen future growth.	SIBS works diligently to achieve the right balance in its portfolio in relation to current and future demand in terms of both property type and geographical market. The company continuously engages with municipalities, property owners and other influential stakeholders. Analyses of business conditions and the market are carried out regularly and are included in the parameters taken into account in the development of the portfolio. SIBS has a clear investment strategy that also manages risks and opportunities.

SUSTAINABILITY RISKS

RISK AREA	DESCRIPTION	MANAGEMENT
Negative impact on the climate	The construction and operation of buildings generally has a major impact on the climate. This impact must be reduced rapidly if we are to meet the two degree target.	A strong focus on energy-efficient buildings and a clear sustainability strategy for net zero climate emissions by 2045. SIBS carries out structured work throughout the Group to reduce its climate impact.
Workplace accidents	SIBS is active in both industry and construction, both of which are sectors with a high risk of workplace accidents such as falls and crushing injuries and, in the worst case scenario, deaths. A good psychosocial working environment is also prioritised.	Systematic occupational health and safety management throughout the process, with regular investigations, risk assessments, measures and follow-up. The working environment is a top priority. The construction company MOBY and SIBS' factories in Malaysia are certified according to ISO 45001. The induction process for new employees includes a review of the risks and how we minimise these and promote a good, safe working environment.
Failure to meet environmental requirements	Our green certifications, the Miljöbyggnad and LEED certification systems, land allocations and legislation all impose requirements that we must meet.	Systematic environmental management according to ISO 14001. We have a summary of all the overall environmental requirements and develop project-specific requirements for all projects. There is a person in charge of each requirement who ensures that we meet them.
Failure to live up to our values	A failure on the part of SIBS or our suppliers to live up to our core values regarding human rights, labour standards, the environment and anti-corruption.	We train all employees in our Code of Conduct and monitor compliance. We have implemented a whistleblowing scheme and actively follow up and report according to the UN Global Compact. SIBS prioritises suppliers that have active environmental management. SIBS is a member of Byggsvarubedomningen to ensure a good, non-toxic built environment, as well as a responsible supply chain.

Consolidated income statement

SEK million	Note	Jan-Dec 2023	Jan-Dec 2022
Rental income	9, 10	58.6	46.2
Project and contracting income	9	2,631.6	1,338.1
Net sales		2,690.2	1,384.3
Property expenses	11	-16.0	-8.1
Project and contracting activity expenses		-2,378.6	-1,314.4
Gross profit/loss		295.6	61.8
Work carried out by the company on its own behalf and capitalised	18	107.1	104.8
Development expenses		-107.1	-104.8
Administrative expenses	12, 13	-179.7	-124.1
Operating profit/loss before changes in value		115.9	-62.3
Change in value of investment properties	19	-145.2	1.5
Other operating income		20.8	7.0
Other operating expenses		-	-
Profit/loss from associated companies and joint ventures	27	-298.9	390.5
Operating profit/loss		-307.4	336.7
Financial income	15	6.0	4.9
Financial expenses	16	-235.5	-109.5
Profit/loss before tax		-536.9	232.1
Taxes	17	46.1	38.5
Profit/loss for the period		-490.8	270.6
Attributable to:			
The parent company's shareholders		-524.9	266.4
Non-controlling interests		34.1	4.2
Total profit/loss for the period		-490.8	270.6
PROFIT/LOSS FOR THE PERIOD		-490.8	270.6
Other comprehensive income			
<i>Items that may be reclassified to the income statement</i>			
Revaluation of owner-occupied properties		75.0	20.3
Translation differences		-8.6	22.2
Other comprehensive income for the year, net after tax		66.4	42.5
Total comprehensive income for the period		-424.4	313.1
Comprehensive income attributable to:			
The parent company's shareholders		-465.0	304.6
Non-controlling interests		40.6	8.5
Total comprehensive income for the period		-424.4	313.1

Commentary on the consolidated income statement

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

Rental income for the period amounted to SEK 58.6 million (46.2) and operating expenses to SEK 16.0 million (8.1). The increases are due to the Group owning a larger portfolio of rental housing than during the same period of last year.

The Group recorded project and contracting income of SEK 2,631.6 million (1,338.1) and expenses of SEK 2,378.6 million (1,314.4). The income represents the value of all the contracting revenue charged to the Neom project, and around 8 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 2022 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 -145.2 million (1.5) for the period. Changes in the existing portfolio amount to SEK -120.1 million and are mainly due to increased yield requirements. Unrealised changes in value in respect of other properties totalled SEK 225.0 million, of which SEK 73.6 million relate to reclassifications from joint ventures to wholly-owned companies. Realised value adjustments and effects on disposal amounted to SEK -250.1 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 -298.9 million (390.5).

Throughout the period, the Group continued its work on the development of the building system and its processes. Development expenses amounted to SEK 107.1 million (104.8) and are capitalised in the balance sheet under Capitalised development expenses.

Administrative expenses amounted to SEK 130.4 million (108.1) and the depreciation/amortisation charges recognised in the income statement amounted to SEK 49.3 million (16.0), primarily consisting of the amortisation of development expenses.

Changes in the value of investment properties include changes in value up to the date of disposal or the ceasing of control.

Consolidated statement of financial position

SEK MILLION	Note	Jan-Dec 2023	Jan-Dec 2022
ASSETS			
Non-current assets			
Capitalised development expenses	18	430.7	366.7
Investment properties	19	2,095.1	2,809.2
Owner-occupied properties	20	642.3	500.5
Right-of-use assets	23	8.2	3.2
Expenses incurred through improvements to other people's properties	21	0.1	0.1
Machinery and equipment	22	123.8	82.3
Deferred tax assets	24	71.2	52.8
Shares in associated companies and joint ventures	27	427.5	727.8
Other non-current receivables	28	7.0	7.7
Total non-current assets		3,805.9	4,550.3
Current assets			
Inventories	29	123.4	134.9
Trade receivables	30	0.2	5.6
Income earned but not invoiced	9	70.0	46.5
Debts due from associated companies		59.4	317.6
Other receivables	31	190.6	78.5
Prepaid expenses and accrued income	32	20.0	114.5
Cash and cash equivalents	33	265.1	122.6
Total current assets		728.7	820.2
TOTAL ASSETS		4,534.6	5,370.5

Consolidated statement of financial position

SEK MILLION	Note	Jan-Dec 2023	Jan-Dec 2022
EQUITY AND LIABILITIES			
Equity			
parent company's shareholders			
Share capital	34	0.6	0.6
Other capital contributions		737.4	618.8
Reserves		104.4	44.4
Retained earnings including profit/loss for the year		486.5	1,014.4
Total equity attributable to the parent company's shareholders		1,328.9	1,678.2
Non-controlling interests		53.3	12.8
Total equity		1,382.2	1,691.0
Non-current liabilities			
Interest-bearing liabilities	35	1,173.0	2,291.6
Deferred tax liabilities	24	13.3	40.6
Other liabilities		339.2	354.7
Provisions for other liabilities and charges	36	2.1	4.3
Total non-current liabilities		1,527.6	2,691.2
Current liabilities			
Interest-bearing liabilities	35	800.4	178.9
Invoiced unearned income	9	118.0	145.5
Trade payables		511.1	253.5
Debts owed to associated companies		20.0	186.0
Current tax liabilities		1.6	1.7
Other liabilities	37	106.1	130.4
Accrued expenses and deferred income	38	67.6	92.3
Total current liabilities		1,624.8	988.3
TOTAL EQUITY AND LIABILITIES		4,534.6	5,370.5

For information on the Group's pledged assets and contingent liabilities, see Note 39.

Commentary on the consolidated statement of financial position

Comparative figures in brackets refer to the position at the end of the previous year.

Investment properties

At period-end, the Group's investment properties had an estimated market value of SEK 2,095.1 million (2,809.2), which also includes development rights valued at SEK 495.0 million (117.0).

During the period, the Group invested SEK 53.8 million (384.1) 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 427.5 million (727.8). 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 70.0 million (46.5) and liabilities of SEK 118.0 million (145.5). 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 statement of changes in equity

SEK MILLION	Attributable to the parent company's shareholders					Total Equity
	Share capital	Paid-up capital	Reserves	Retained earnings incl. profit/loss for the year	Non-controlling interests	
Opening equity at 1 January 2022	0.6	486.9	1.9	850.0	4.3	1,343.7
Comprehensive income for the year:						
Profit for the year	-	-	-	266.4	4.2	270.6
Revaluation of owner-occupied properties	-	-	20.3	-	2.3	22.6
– Translation differences, net	-	-	22.2	-2.0	2.0	22.2
Total comprehensive income	-	-	42.5	264.4	8.5	315.4
Transactions with shareholders:						
Dividends	-	-	-	-100.0	-	-100.0
Share issues	<0.1	131.9	-	-	-	131.9
Total transactions with shareholders	<0.1	131.9	-	-100.0	-	31.9
Closing equity at 31 December 2022	0.6	618.8	44.4	1,014.4	12.8	1,691.0
Opening equity at 1 January 2023	0.6	618.8	44.4	1,014.4	12.8	1,691.0
Profit for the year	-	-	-	-524.9	34.1	-490.8
Revaluation of owner-occupied properties	-	-	67.6	-	7.5	75.1
– Translation differences, net	-	-	-7.6	-2.1	-	-9.7
Total comprehensive income	-	-	60.0	-527.0	41.6	-425.4
Transactions with shareholders:						
Dividends	-	-	-	-	-1.0	-1.0
Share issues*	<0.1	118.6	-	-	-	118.6
Total transactions with shareholders	<0.1	118.6	-	-	-1.0	117.6
Closing equity at 31 December 2023	0.6	737.4	104.4	487.4	53.4	1,382.2

*The company carried out a new share issue of approximately SEK 250.5 million in 2022, of which SEK 131.9 million was partially registered in 2022 and SEK 118.6 million in 2023.

Consolidated cash flow statement

SEK MILLION	Jan-Dec 2023	Jan-Dec 2022
Operating activities		
Profit/loss after financial items	-536.9	232.1
<i>Non-cash items</i>		
– Depreciation/amortisation and impairments	49.3	41.1
– Capital gains/losses	348.3	-
– Capitalised interest	3.7	14.7
– Measurement at fair value through profit or loss	145.2	42.1
– Share in profit/loss of associated companies and joint ventures	298.9	-390.5
– Provisions	-	-
– Unrealised exchange rate differences	11.5	-0.6
	320.0	-61.1
Income tax paid	6.0	-4.0
Cash flow from operating activities before changes in working capital	326.0	-65.1
Cash flow from changes in working capital		
Decrease(+)/increase(-) in inventories	1.7	-71.6
Decrease(+)/increase(-) in current receivables	-112.2	344.8
Decrease(-)/increase(+) in current liabilities	-16.5	115.2
Total change in working capital	-127.0	388.4
Cash flow from operating activities	199.0	323.3
Investing activities		
Capitalised development expenses	-107.1	-104.8
Investments in investment properties	-64.8	-384.1
Acquisition of owner-occupied properties	-109.4	-197.3
Acquisition of, and capital contributions to, associated companies	1.5	-9.1
Acquisition of subsidiaries	-35.0	-273.4
Sale of subsidiaries	124.2	
Acquisition of property, plant and equipment	-50.1	-60.5
Change in long-term loans	-	-
Cash flow from investing activities	-240.7	-1,029.2

Consolidated cash flow statement

SEK MILLION	Note	Jan-Dec 2023	Jan-Dec 2022
Financing activities	40		
Dividends		-1.0	-100.0
Shareholders' contributions received		-	-
Share issues		118.6	131.9
Bonds issued		-	-
Other borrowings		-	-
Bank loans raised		392.3	683.7
Bank loan repayments		-155.6	-25.8
Lease liability repayments		-	-
Loans to associated companies and joint ventures		-177.2	-41.1
Cash flow from financing activities		177.1	648.7
CASH FLOW FOR THE YEAR		135.4	-57.2
Cash and cash equivalents at the start of the year		122.6	178.9
Exchange rate differences in cash and cash equivalents		7.1	0.9
Cash and cash equivalents at the end of the year	33	265.1	122.6

Parent company income statement

SEK MILLION	Note	Jan-Dec 2023	Jan-Dec 2022
Operating income			
Net sales		44.7	26.7
Work carried out by the company on its own behalf and capitalised	18	107.1	106.8
Other operating income		0.2	4.1
Total operating income		152.0	137.6
Operating expenses			
Development expenses		-107.1	-106.8
Administrative expenses	12, 13	-94.6	-50.4
Other operating expenses		-	-
Operating profit/loss		-49.7	-19.6
Profit/loss from financial investments			
Profit/loss from shares in Group companies	14	-221.4	-70.0
Profit/loss from shares in associated companies	15	1.9	0.4
Interest and similar income	15	12.4	3.0
Interest and similar expenses	16	-77.0	-55.9
Profit/loss after financial items		-333.8	-142.1
Group contributions received		0.7	-
Deferred tax	17	9.9	17.3
PROFIT/LOSS FOR THE YEAR		-323.2	-124.8

The profit/loss for the year corresponds to the comprehensive income of the parent company.

Parent company balance sheet

SEK MILLION	Note	Jan-Dec 2023	Jan-Dec 2022
ASSETS			
Non-current assets			
Non-current intangible assets			
Capitalised development expenses	18	436.1	372.0
		436.1	372.0
Property, plant and equipment			
Expenses incurred through improvements to other people's properties	21	0.1	0.1
Equipment	22	0.4	0.4
		0.5	0.5
Financial assets			
Shares in Group companies	25	445.3	237.8
Debts due from Group companies	26	285.3	316.3
Shares in associated companies	27	-	-
Deferred tax assets	24	27.2	17.3
Other non-current receivables	28	6.7	7.7
		764.5	579.1
Total non-current assets		1,201.1	951.6
Current assets			
Current receivables			
Trade receivables	30	6.3	0.7
Debts due from Group companies		311.6	145.6
Other receivables	31	4.5	3.7
Debts due from associated companies		-	30.7
Prepaid expenses and accrued income	32	16.0	2.4
		338.4	183.1
Cash at bank and in hand	33	132.4	122.6
Total current assets		470.8	305.7
TOTAL ASSETS		1,671.9	1,257.3

Parent company balance sheet

SEK MILLION	Note	Jan-Dec 2023	Jan-Dec 2022
EQUITY AND LIABILITIES			
Equity	34		
Restricted equity			
Share capital		0.6	0.6
Revaluation reserve		230.0	-
Reserve for development expenses		436.1	372.0
		666.7	372.6
Non-restricted equity			
Other capital contributions		737.4	618.8
Retained earnings		-539.6	-350.6
Profit for the year		-323.2	-124.8
		-125.4	143.4
Total equity		541.3	516.0
Non-current liabilities			
Debts owed to Group companies		-	-
Non-current interest-bearing liabilities	35	500.0	596.3
		500.0	596.3
Current liabilities			
Current interest-bearing liabilities	35	140.0	40.0
Trade payables		6.4	9.2
Tax liabilities		0.8	0.4
Debts owed to Group companies		461.9	64.0
Other liabilities	37	0.9	17.6
Accrued expenses and deferred income	38	20.6	13.8
		530.6	145.0
TOTAL EQUITY AND LIABILITIES		1,671.9	1,257.3

For information on the parent company's pledged assets and contingent liabilities, see Note 39.

Parent company statement of changes in equity

SEK MILLION	Share capital	Reserve for development expenses	Revaluation reserve	Paid-up capital	Retained earnings including profit/loss for the year	Total equity
Opening equity at 1 January 2022	0.6	276.0	-	486.9	-154.6	608.9
Reserve for development expenses	-	96.0	-	-	-96.0	-
Profit for the year	-	-	-	-	-124.8	-124.8
Bonus issues	-	-	-	-	-	-
Transactions with shareholders						
Dividends	-	-	-	-	-100.0	-100.0
Share issues	<0.1	-	-	131.9	-	131.9
Closing equity at 31 December 2022	0.6	372.0	-	618.8	-475.4	516.0
Opening equity at 1 January 2023	0.6	372.0	-	618.8	-475.4	516.0
Reserve for development expenses	-	64.0	-	-	-64.0	-
Revaluations	-	-	230.0	-	-	230.0
Profit for the year	-	-	-	-	-323.2	-323.2
Transactions with shareholders						
Dividends	-	-	-	-	-	-
Share issues*	<0.1	-	-	118.6	-	118.6
Closing equity at 31 December 2023	0.6	436.0	230.0	737.4	-862.6	541.3

*The company carried out a new share issue of approximately SEK 250.5 million in 2022, of which SEK 131.9 million was partially registered in 2022 and SEK 118.6 million in 2023.

Parent company cash flow statement

SEK MILLION	Note	Jan-Dec 2023	Jan-Dec 2022
Operating activities			
Profit/loss after financial items		-333.2	-142.1
<i>Non-cash items</i>			
– Depreciation/amortisation and impairments		43.5	11.0
– Capitalised interest		18.8	14.7
– Unpaid anticipated dividends		-	-
Income tax paid/received		0.4	0.2
Cash flow from operating activities before changes in working capital		-270.5	-116.2
Cash flow from changes in working capital			
Decrease(+)/increase(-) in operating receivables		-160.0	96.5
Decrease(-)/increase(+) in operating liabilities		374.7	-17.5
Total change in working capital		214.7	79.0
Cash flow from operating activities		-55.8	-37.2
Investing activities			
Acquisition of subsidiaries		-	-32.5
Acquisition of associated companies		-	-
Acquisition of non-current intangible assets		-107.1	-106.8
Acquisition of property, plant and equipment		-0.4	-0.3
Change in long-term lending		-	0.9
Cash flow from investing activities		-107.5	-138.7
Financing activities			
	40		
Share issues		118.6	131.9
Dividends		-	-100.0
Bond issuance		-	-
Loans, borrowings		54.5	116.8
Loans, amortisation		-	-
Shareholders' contributions received		-	-
Cash flow from financing activities		173.1	148.7
Cash flow for the year		9.8	-27.2
Cash and cash equivalents at the start of the year		122.6	149.8
Cash and cash equivalents at the end of the year	33	132.4	122.6

Notes to the financial statements

NOTE 1 COMPLIANCE WITH PRESENTATION REQUIREMENTS AND LAW

Basis of preparation of the financial statements
The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU, and the Annual Accounts Act. Recommendation RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board, has also been applied.
The parent company applies the same accounting policies as the Group, except as set out below in Note 5 Significant accounting policies, parent company accounting policies.

New and amended accounting standards and interpretations
Other new and amended standards endorsed by the EU and interpretations issued by the IFRS Interpretations Committee are not currently expected to have a material impact on the financial position or performance of the Group or the parent company.

NOTE 2 BASES OF VALUATION APPLIED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Assets and liabilities are stated at cost, except for investment properties, which are stated at fair value.

NOTE 3 FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The parent company's functional currency is the Swedish krona, which is also the presentation currency for the parent company and the Group. This means that the financial statements are presented in Swedish kronor. Unless otherwise stated, all amounts are rounded to the nearest million (SEK m/SEK million).

Financial statements of foreign operations

The results and financial position of all Group companies that have a functional currency other than the presentation currency are translated into the presentation currency of the Group as follows:
- the assets and liabilities in each balance sheet are translated at the exchange rate on the balance sheet date
- the income and expenses in each income statement are translated at the average exchange rate; and
- all the exchange rate differences arising are recognised in other comprehensive income and accumulated in a separate component of equity, called the translation reserve.

NOTE 4 JUDGEMENTS AND ESTIMATES IN THE FINANCIAL STATEMENTS

The preparation of financial statements in accordance with IFRS requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and judgements.

Estimates and assumptions are regularly reviewed. Changes in estimates are recognised in the period in which the change is made if the change affects only that period, or in the period in which the change is made and future periods if the change affects both the current period and future periods.

Judgements made by the management in the application of IFRS that have a significant impact on the financial statements, and estimates made that may result in material adjustments to the subsequent year's financial statements, are described in more detail in Note 7.

NOTE 5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied in the Group's financial statements, with the exceptions described in more detail. The Group's accounting policies have also been consistently applied by the Group companies.

Consolidation policies and business combinations

Subsidiaries are companies under the controlling influence of SIBS AB. Control exists if SIBS AB has influence over the investment object, is exposed to or has the right to variable returns from its involvement, and can use its influence over the investment to affect returns.

In assessing whether a controlling interest exists, consideration is given to potential voting shares and whether real influence exists. Acquisitions of properties are often carried out in the form of corporate acquisitions. When such an acquisition is made, consideration is given to whether the acquisition is a business combination. A corporate acquisition is a business combination if, in addition to the property, the acquisition includes other resources and processes.

When the corporate acquisition is not deemed to be a business combination, it is recognised as an acquisition of assets and liabilities, and the cost is allocated to the assets and liabilities based on their fair value with no goodwill or deferred tax being recognised. The deferred tax initially deducted does not affect the valuation in subsequent financial statements.

Subsidiaries are recognised in accordance with IFRS 3 Business Combinations. The method treats the acquisition of a subsidiary as a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis determines the fair value at the acquisition date of the identifiable assets acquired and liabilities assumed and any non-controlling interests. Transaction costs incurred are recognised directly in profit or loss, except for transaction costs related to the issuing of equity or debt instruments. Intra-Group receivables and payables, income or expenses and unrealised gains or losses arising from intra-Group transactions are eliminated in their entirety in the preparation of the consolidated financial statements.

Associated companies

Associated companies are all those companies in which the Group has a significant but not a controlling influence, which generally applies to shareholdings of between 20 percent and 50 percent of the voting rights. Investments in associated companies are recognised using the equity method.

Joint ventures

Joint ventures are, for accounting purposes, those entities over which the Group has joint control of the operational and financial management through cooperation agreements with one or more parties. In the consolidated financial statements, investments in joint ventures are consolidated using the equity method. Under the equity method, the carrying amount of the Group’s interest in joint ventures is equal to the Group’s share of the equity of the joint ventures, together with the amount of any consolidated surplus or deficit. The Group’s share in the results of the companies, adjusted for any depreciation, amortisation, impairment or reversals of impairment losses, is recognised in the Group’s results as “Profit/loss from associated companies and joint ventures”.

The profit shares less dividends received from the companies represent the main change in the carrying amount of shares in joint ventures.

Segment reporting

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

Revenue

Rental income (operating leases)

Rental income from investment properties is recognised on a straight-line basis in the income statement, based on the terms of the leases. The total cost of the benefits provided is recognised as a reduction of rental income on a straight-line basis over the term of leases.

Project income (Construction contracts)

SIBS has construction contracts with joint ventures, which are recognised in accordance with IFRS 15 Revenue from Contracts with Customers. Revenue from construction contracts is recognised by applying the “percentage of completion” method. This means that income and expenses are recognised in relation to the stage of completion of the project at the balance sheet date. The percentage of completion is determined by calculating the ratio of contract costs incurred for work performed at the balance sheet date to the estimated total contract costs. An anticipated loss on a construction contract is recognised immediately as an expense. When the outcome of a contract cannot be measured reliably, revenue is recognised only for the amount of the contract costs incurred that are likely to be reimbursed by the client. Contract costs are recognised as expenses in the period in which they are incurred. The difference between the amount invoiced and the income earned is recognised as income earned but not invoiced if the amount invoiced is less than the income earned. Similarly,

invoiced unearned income is recognised in the balance sheet if the invoiced income exceeds the income earned.

Income from property sales

Income from property sales is recognised when the significant risks and rewards of ownership have been transferred to the buyer, normally on the date of contract or completion. The timing of revenue recognition takes into account the risks and rewards agreed between the parties and their involvement in day-to-day management. Circumstances that may affect the outcome of the transaction that are beyond the control of the seller and/or the buyer are also taken into account.

Financial income

Financial income consists of interest income on invested funds recognised using the effective interest method.

Financial expenses

Financial expenses consist of interest expenses on loans recognised using the effective interest method. Interest expenses are only capitalised in the consolidated financial statements.

Borrowing costs attributable to the construction of “qualifying assets” are capitalised as part of the cost of the qualifying asset. A qualifying asset is an asset that necessarily takes a significant amount of time to complete. Borrowing costs incurred on loans specific to the qualifying asset are capitalised. Borrowing costs incurred on general loans that are not specific to any other qualifying assets are also capitalised. For the Group, the capitalisation of borrowing costs is mainly relevant for major new construction, extensions or conversions of investment properties.

Leases

For leases where the Group is the lessee, the Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which consists of the initial value of the lease liability, plus any lease payments made on or before the commencement date, plus any initial direct costs. The right-of-use asset is depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term, which for the Group usually means the end of the lease term. Ground leases are not amortised because these leases are considered to be perpetual from the Group’s perspective, as the Group has no right to terminate the leases.

Lease liabilities, which are divided into current and non-current portions, are initially measured at the present value of the remaining lease payments over the estimated lease terms. Lease term means the non-cancellable period, plus any additional periods in the lease, if, at the commencement date, it is reasonably certain that they will be used.

Taxes

Income taxes consist of current tax and deferred tax. Current tax is the tax payable or receivable in respect of the current year, using tax rates enacted, or substantively enacted, at the balance sheet date. Deferred tax is calculated using the balance sheet method on the basis of temporary differences between the carrying amount

and taxable value of assets and liabilities. Temporary differences are not taken into account in consolidated goodwill, and nor are differences arising on the initial recognition of assets and liabilities that are not business combinations and which, at the time of the transaction, affect neither the accounting nor taxable profit or loss. Temporary differences relating to investments in Group companies that are not expected to be recovered in the foreseeable future are also not taken into account. The valuation of deferred tax is based on how the underlying assets or liabilities are expected to be realised or settled.

Deferred tax is calculated using the tax rates and tax laws enacted, or substantively enacted, at the balance sheet date. Deferred tax assets relating to deductible temporary differences and tax loss carryforwards are recognised only to the extent that it is probable that they can be utilised. The value of deferred tax assets is reduced when it is no longer probable that they can be utilised.

Financial instruments

Financial instruments recognised on the asset side of the balance sheet include cash and cash equivalents, loans receivable and trade receivables. Trade payables and loans payable are reported on the liabilities side.

Recognition in, and derecognition from, the balance sheet

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party to it in accordance with the contractual terms of the instrument. A receivable is recognised when the company has performed and there is a contractual obligation on the counterparty to pay, even if an invoice has not yet been sent. Trade receivables are recognised in the balance sheet when the invoice has been sent. A liability is recognised when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been received. Trade payables are recognised when the invoice is received.

A financial asset is derecognised from the balance sheet when the rights under the contract are realised, expire or the company loses control of them. The same applies to part of a financial asset. A financial liability is derecognised from the balance sheet when the obligation under the contract is discharged or otherwise extinguished. The same applies to part of a financial liability.

A financial asset and a financial liability are offset and presented net in the balance sheet only when there is a legal right to offset the amounts and an intention to settle the items net, or to realise the asset and settle the liability simultaneously.

Classification and measurement

The classification of financial instruments determines how the financial assets and liabilities are measured and recognised. The Group’s policies for classifying and measuring financial assets are based on an assessment of both (i) the entity’s business model for managing financial assets, and (ii) the characteristics of the contractual cash flows from the financial asset. Financial assets at amortised cost are debt instruments that are managed with the objective of realising the instruments’ cash flows by receiving

contractual cash flows consisting only of principal and interest on the principal amount outstanding. The Group’s financial assets are measured at amortised cost because the assets are held as part of a business model whose objective is to hold financial assets for the purpose of collecting contractual cash flows, and the contractual terms of those assets give rise to cash flows at specified points in time that are payments only of principal and interest on the principal amount outstanding.

Inventories

Inventories are stated at the lower of cost and net realisable value. For raw materials, all the expenditure directly attributable to the acquisition of the goods is included in the cost. Inventories consist mainly of input materials for module production in Malaysia and are measured at cost.

Cash and cash equivalents

Cash and cash equivalents consist of deposits with banks.

Loans receivable and rent/trade receivables

Rent and other receivables are measured at amortised cost, being the amount expected to be collected, i.e. net of expected credit losses.

Financial liabilities

Loans and other financial liabilities, such as trade payables, are included in this category. Liabilities are measured at cost.

Investment properties

Investment properties are properties held for the purpose of obtaining rental income, or capital appreciation, or a combination of these two purposes. Properties under construction that are intended to be used as investment properties when the works are completed are also classified as investment properties.

Investment properties are initially recognised at cost, which includes expenditure directly attributable to acquisitions. Investment properties are carried at fair value in the balance sheet. Fair values are based on market values, which are the estimated amounts that would be received in a transaction at the date of valuation between knowledgeable, independent parties in an arm’s length transaction where both parties are presumed to have acted prudently, wisely and without compulsion. Both realised and unrealised changes in value are recognised in profit or loss for the year. Rental income is recognised in accordance with the policies described in the section on revenue recognition.

Subsequent costs

Subsequent costs are added to the cost of an asset only if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably. All other subsequent costs are recognised as an expense in the period in which they are incurred.

Impairments

The Group’s recognised assets are assessed at each balance sheet date to determine whether there is any indication of an impairment need. IAS 36 is applied to impairment losses on assets other than financial assets recognised under IFRS 9, investment properties recognised at fair value under IAS 40, and deferred tax assets recognised under IAS 12. For exempt assets as described above, the carrying amount is assessed in accordance with the respective standard.

Impairment of financial assets

The reserve for expected credit losses is calculated and recognised for financial assets measured at amortised cost. The company classifies trade receivables as doubtful following an individual assessment. The impairment of receivables is determined based on historical experience of customer losses for similar receivables. Impaired trade receivables are stated at the present value of the expected future cash flows. Short-term receivables are not discounted, however.

Reversal of impairment losses

An asset impairment within the scope of IAS 36 is reversed if there is both an indication that the impairment loss no longer exists and there has been a change in the assumptions used to calculate the recoverable amount. The recoverable amount is the higher of the net realisable value (fair value less costs to sell) and the value in use as defined in IAS 36.

The value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

An increase in the carrying amount of an asset as a result of the reversal of a previous impairment loss must not cause the carrying amount to exceed what the entity would have recognised (net of amortisation) if no impairment loss had been recognised for the asset.

Other property, plant and equipment

Other property, plant and equipment consists of owner-occupied properties and equipment under the control of the Group. Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Subsequent costs that meet the asset criterion are included in the carrying amount of the asset. Expenditure on routine maintenance and repairs is recognised as an expense when incurred. Owner-occupied properties are properties held for production purposes. These properties are valued annually by an external valuer in order to identify any need for impairment. Where a significant overvaluation is identified, a revaluation of the owner-occupied property is recognised.

Items of property, plant and equipment are depreciated in such a way that the cost of the asset, less any estimated residual value at the end of its useful life, is depreciated on a straight-line basis over its estimated useful life. If an asset has been divided into different components, each component is depreciated separately over its useful life. Depreciation begins when the item of property, plant and equipment is ready for use.

The useful lives of property, plant and equipment are estimated at:
Owner-occupied property 5–60 years
Equipment 3–10 years

Other non-current intangible assets

Other non-current intangible assets consist of capitalised development expenses. Intangible assets are recognised if it is probable that the future economic benefits attributable to the asset will accrue to the Group and the cost of the asset can be measured reliably. Consideration is given to the technical feasibility of completing and using the asset, to whether it can be demonstrated that there is a market for what the asset is used for, and to whether the Group has the technical and financial resources to complete the development of the asset. An asset’s useful life begins when it is put into service and is stated at cost less accumulated depreciation and any accumulated impairment losses. Other non-current intangible assets are controlled by the company.

The useful lives of non-current intangible assets are estimated at:
Development expenses 10 years
When the useful life of assets was assessed, historical experience of similar assets, their uses and their specific characteristics were taken into account.

Defined contribution pension plans

Defined contribution pension plans are those where the company’s obligation is limited to the contributions it has undertaken to pay. In this case, the amount of the employee’s pension depends on the contributions paid by the company to the plan or to an insurance company, and the return on capital that the contributions generate. Consequently, it is the employee who bears the actual risk (that the remuneration will be lower than expected) and the investment risk (that the invested assets will be insufficient to provide the expected remuneration). The company’s obligations in respect of contributions to defined contribution plans are recognised as an expense in profit or loss for the year as they are earned by employees by providing services to the company over a given period.

Short-term benefits

Short-term employee benefits are calculated without discounting and are recognised as an expense when the related services are rendered. A provision is recognised for the expected cost of profit-sharing and bonus payments when the Group has a present legal or constructive obligation to make such payments as a result of services rendered by employees, and if the obligation can be measured reliably.

Provisions

A provision differs from other liabilities in that there is uncertainty about the timing or amount of payment to settle the provision. A provision is recognised in the balance sheet when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are made at the best estimate of the amount required to settle the present obligation at the balance sheet date. Where the effect of the timing of payments is material, provisions are calculated by discounting the expected future cash flows at a pre-tax interest rate that reflects current market assessments of the time value of money and, where appropriate, the risks associated with the liability.

Contingent liability

A contingent liability is recognised when there is a possible obligation that arises from past events and whose existence will be confirmed only by one or more uncertain future events, or when there is an obligation that is not recognised as a liability or provision because it is not probable that an outflow of resources will be required to settle it.

Classification, etc.

Non-current assets and non-current liabilities consist essentially of amounts expected to be recovered or paid more than twelve months after the balance sheet date. Current assets and current liabilities consist essentially of amounts expected to be recovered or paid within twelve months of the balance sheet date.

Cash flow statement

The cash flow statements are prepared using the indirect method. Profit or loss after financial items is adjusted for transactions not involving cash receipts or payments during the year, and for income and expenses related to investing or financing activities.

Accounting policies of the parent company

The parent company has prepared its annual accounts in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board’s recommendation RFR 2 Accounting for Legal Entities. The statements issued by the Swedish Financial Reporting Board for listed companies have also been applied. RFR 2 requires the parent company to apply all the IFRS and statements adopted by the EU in the annual report of the legal entity as far as possible within the framework of the Annual Accounts Act and Pension Obligations Vesting Act, and taking into account the relationship between accounting and taxation. The recommendation specifies the exceptions from and additions to IFRS which are to be made. The provisions of RFR 2 relating to enhanced disclosure requirements in the annual report in relation to IFRS have been taken into account only insofar as they apply to smaller private limited companies.

Differences between Group and parent company accounting policies

The differences between the accounting policies of the Group and the parent company are set out below. The accounting policies of the parent company set out below have been applied consistently to all the periods presented in the parent company financial statements.

Classification and forms of presentation

The parent company income statement and balance sheet have been prepared in accordance with the requirements of the Annual Accounts Act, while the statement of comprehensive income, statement of changes in equity and cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows, respectively. The differences between the consolidated financial statements and the parent company’s income statement and balance sheet are mainly related to the recognition of financial income and expenses and equity.

Leases

The parent company does not apply IFRS 16 “Leases”, in accordance with the exemption in RFR 2. As a lessee, lease payments are recognised as an expense on a straight-line basis over the lease term, meaning that no right of use or lease liability is recognised in the balance sheet.

Financial instruments

The parent company has chosen not to apply IFRS 9 for financial instruments. However, some of the policies in IFRS 9 are still applicable, such as those relating to impairment, recognition/derecognition and the effective interest method for interest income and interest expenses. At the parent company, financial non-current assets are measured at cost less any impairment, while financial current assets are measured in accordance with the lowest value principle. For financial assets carried at amortised cost, the impairment rules in IFRS 9 are applied.

Shares in Group companies

Shares in Group companies are recognised at the parent company using the cost method.

Taxes

Untaxed reserves are presented in the parent company balance sheet with no division between equity and deferred tax liabilities, unlike in the consolidated balance sheet. Similarly, no part of the appropriations is allocated to deferred tax expenses in the parent company income statement.

Group contributions

Group contributions received by the parent company from a subsidiary are recognised at the parent company as ordinary dividends from subsidiaries. Group contributions made by the parent company to subsidiaries are recognised as an investment in shares in subsidiaries.

NOTE 6 PARENT COMPANY INFORMATION

SIBS AB is a Swedish-registered public limited company whose registered office is in Stockholm, Sweden. The address of the head office is Birger Jarlsgatan 4, 114 34 Stockholm, Sweden. The consolidated financial statements for the year 2023 cover the parent company, also referred to as the Company, and its subsidiaries, together referred to as the Group.

NOTE 7 SIGNIFICANT ESTIMATES AND JUDGEMENTS

The company management has discussed the development, selection and disclosure of the Group's significant accounting policies and estimates, and the application of these policies and estimates.

Major sources of uncertainty in estimates

The sources of estimation uncertainty identified below relate to those that pose a significant risk of causing a material adjustment to the value of assets or liabilities within the next financial year.

Measurement of an asset or liability at fair value

When determining the fair value of an asset or liability, the Group uses observable inputs to the extent possible. Fair values are categorised into different levels of a fair value hierarchy based on the inputs used in the measurement technique as follows:

Level 1: According to quoted prices in active markets for identical assets or liabilities.

Level 2: Based on directly or indirectly observable market data not included in Level 1.

Level 3: Based on inputs that are not observable in the market. Investment properties and contract item measurements are allocated to Level 3.

Measurement of investment properties at fair value

Measurement is based, as indicated in Note 19, on an estimate of future cash receipts and payments and a discounting of these, taking into account a risk-free interest rate and a risk premium. All

these factors are therefore judgements regarding the future and, as such, are uncertain.

Measurement of contract revenue, contract costs, invoiced unearned income and income earned but not invoiced

These items are measured on an ongoing basis using the projection for each project. The commitment to the customer (estimated final revenue) is compared with the projected costs. Profits are recognised over time, while any losses are recognised immediately. The projections are based on assumptions about the future. There is some uncertainty in that any misjudgements may affect the outcome.

Project activities

The Group recognises revenue from project contracts with joint ventures on a percentage of completion basis.

NOTE 8 SEGMENT REPORTING

The Group monitors the results from 2021 onwards on the basis of two segments: Property Management and Other Group.

SEK million	Property Management*		Other Group		Adjustments		Group total	
	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Rental income	62.6	55.0	-	-	-4.0	-8.8	58.6	46.2
Project and contracting income	-	-	2,631.6	1,338.1	-	-	2,631.6	1,338.1
Total income	62.6	55.0	2,631.6	1,338.1	-4.0	-8.8	2,690.2	1,384.3
Project and contracting activity expenses	-	-	-2,378.5	-1,314.4	-	-	-2,378.5	-1,314.4
Property expenses	-18.2	-12.5	-	-	2.3	4.4	-15.9	-8.1
Gross profit/loss	44.4	42.5	253.1	23.7	-1.7	-4.4	295.8	61.8
Work carried out by the company on its own behalf and capitalised	-	-	107.2	104.8	-	-	107.2	104.8
Development expenses	-	-	-107.2	-104.8	-	-	-107.2	-104.8
Administrative expenses	-6.8	-11.9	-123.5	-96.2	-	-	-130.3	-108.1
Non-project-related depreciation/amortisation	-	-	-49.3	-16.0	-	-	-49.3	-16.0
Operating profit/loss before changes in value	37.6	30.6	80.3	-88.5	-1.7	-4.4	116.2	-62.3
Change in value of investment properties	-	-111.4	-145.2	112.9	-	-	-145.2	1.5
Other operating income	-	-	20.6	7.0	-	-	20.6	7.0
Other operating expenses	-	-	-	-	-	-	-	-
Profit/loss from associated companies	-	-	-300.0	386.1	1.7	4.4	-298.9	390.5
Operating profit/loss	37.6	-80.8	-345.1	417.4	-	-	-307.3	336.7
Financial income	-	-	6.0	4.9	-	-	6.0	4.8
Financial expenses	-52.2	-32.6	-183.3	-76.9	-	-	-235.5	-109.5
Profit/loss before tax	-14.6	-113.4	-522.4	345.4	-	-	-536.8	232.0
Taxes	-4.3	22.9	50.4	15.6	-	-	46.1	38.5
Profit/loss for the period	-18.9	-90.5	-472.0	361.0	-	-	-490.7	270.5
ASSETS								
Capitalised development expenses	-	-	430.7	366.7	-	-	430.7	366.7
Investment properties	1,669.2	2,263.0	425.9	546.2	-	-	2,095.1	2,809.2
Shares in associated companies	-	-	427.5	727.8	-	-	427.5	727.8
Other assets	294.5	97.6	1,286.8	1,376.2	-	-	1,581.3	1,473.8
Total assets	1,963.7	2,360.6	2,570.9	3,016.9	-	-	4,534.6	5,377.5
EQUITY AND LIABILITIES								
Equity	320.5	234.4	1,061.7	1,456.6	-	-	1,382.2	1,691.0
Interest-bearing liabilities	915.5	1,614.9	1,057.9	1,210.3	-	-	1,973.4	2,825.2
Other liabilities	727.7	511.3	451.3	350.0	-	-	1,179.0	861.3
Total equity and liabilities	1,963.7	2,360.6	2,570.9	3,016.9	-	-	4,534.6	5,377.5

*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.

NOTE 9 RENTAL INCOME AND REVENUE

	Group	
	2023	2022
Rental income	58.6	46.2
Project income (Construction contracts)	2,631.6	1,338.1
Total	2,690.2	1,384.3

Rental income includes supplements to the rent to cover electricity, heating, refuse and other operating costs. Project income relates to income from construction contracts with joint ventures and other external customers. Following a review of the contractual relationship in construction contracts, it was judged that the contracts should be recognised in accordance with IFRS 15 Revenue from Contracts with Customers using the percentage of completion method. Payment flows in project activities take place regularly on the basis of incurred costs, which are invoiced in arrears with payment terms of 30 days. All contracts will be delivered and completed in 2024.

NOTE 10 LEASES (LESSOR)

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. All current leases relating to SIBS' investment properties are considered to be operating leases from an accounting perspective. The majority of SIBS' properties currently consist of residential units. The housing contracts have a notice period of three months, which means that the rental income consists mainly of short-term contracts.

	Group	
	2023	2022
Due for payment within 1 year	15.4	21.0
Due for payment within 2–5 years	20.5	4.9
Due for payment in more than 5 years' time	19.5	-
Total	55.4	25.9

NOTE 12 AUDITOR REMUNERATION

	Group		parent company	
	2023	2022	2023	2022
PWC				
Remuneration for audit assignments	3.0	1.7	2.0	1.2
Remuneration for audit activities other than audit assignments	0.1	0.2	-	0.1
Total	3.1	1.9	2.0	1.3
Messer Ooi & Associates				
Remuneration for audit assignments	0.5	0.2	-	-
TOTAL	0.5	0.2	-	-

Audit assignment means the audit of the annual report and accounts and of the management by the Board of Directors and the CEO, other tasks that it is incumbent on the company's auditors to perform, and advice or other assistance arising from observations made during such an audit or the performance of such other tasks. Everything else falls under other assignments.

Data from the statement of financial position related to contracting income

Income earned but not invoiced

Group	2023	2022
Accrued income from contracts in progress	1,954.3	519.6
Invoicing of contracts in progress	-1,884.3	-473.1
Total	70.0	46.5

Income invoiced but not earned

Group	2023	2022
Accrued income from contracts in progress	1,641.6	829.2
Invoicing of contracts in progress	-1,523.6	-683.7
Total	118.0	145.5

NOTE 11 PROPERTY EXPENSES

	Group	
	2023	2022
Operating costs	16.0	8.1
Total	16.0	8.1

NOTE 13 EMPLOYEES AND EMPLOYEE BENEFIT EXPENSES

Salaries and other remuneration for directors, Chief Executive Officers and other employees are shown in the table below:

	Group		parent company	
	2023	2022	2023	2022
Average number of employees by gender				
Sweden:				
Women	14	9	7	5
Men	34	28	8	6
Malaysia:				
Women	39	32	-	-
Men	1,939	869	-	-
Total	2,028	938	15	11
Salaries and benefits:				
CEO and Board of Directors	2.1	2.8	2.1	2.7
Other senior executives	16.0	11.4	2.3	2.8
Other employees	129.7	85.0	11.1	6.3
Total salaries and benefits	147.7	99.3	15.5	11.8
Statutory and contractual social security contributions	15.3	11.7	6.0	4.2
Pension costs:				
CEO and Board of Directors	1.7	1.1	0.5	0.5
Other senior executives	1.3	0.8	0.7	0.5
Other employees	13.2	8.6	2.0	1.0
Total salaries, benefits, social security contributions and pension costs	179.2	121.4	24.7	18.0

Salaries and benefits refer to short-term employee benefits. Pension costs relate to occupational pension premiums paid. There are no other long-term employee benefits, termination benefits or share-based payments in the Group. A mutual 12-month notice period applies for the CEO. In Note 13 Employees and employee benefit expenses, the associated companies' employees are excluded.

NOTE 14 PROFIT/LOSS FROM SHARES IN GROUP COMPANIES

	Group		parent company	
	2023	2022	2023	2022
Impairments	-	-	-230.0	-70.0
Dividends	-	-	8.6	-
Total	-	-	-221.4	-70.0

NOTE 15 FINANCIAL INCOME

	Group		parent company	
	2023	2022	2023	2022
Interest income, Group companies	-	-	11.7	3.0
Interest income, other	6.0	4.9	0.7	-
Dividends, associated companies	-	-	1.9	0.4
Exchange rate differences	-	-	-	-
Other financial income	-	-	-	-
Total	6.0	4.9	14.3	3.4

NOTE 16 FINANCIAL EXPENSES

	Group		parent company	
	2023	2022	2023	2022
Interest expenses, bank loans	66.8	49.9	2.0	0.4
Interest expenses, Group companies	-	-	-	-
Interest expenses, other	94.9	4.1	1.2	-
Interest expenses, bonds	73.8	55.5	73.8	55.5
Total	235.5	109.5	77.0	55.9

NOTE 17 TAXES

	Group		parent company	
	2023	2022	2023	2022
The following components are included in tax expenses:				
Current tax	-	-	-	-
<i>Deferred tax relating to:</i>				
Temporary differences, investment properties	19.5	5.3	-	-
Loss carryforwards	26.6	33.2	9.9	17.3
Tax adjustment, changed tax rate	-	-	-	-
Tax recognised	46.1	38.5	9.9	17.3
Tax rate				
Applicable tax rate, Sweden	Sweden	20.6%	20.6%	20.6%

	Group		parent company	
	2023	2022	2023	2022
Reported profit/loss before tax	-536.9	232.1	-333.1	-142.1
Tax at current rate	110.6	-47.8	68.6	29.3
Tax effect of:				
Non-deductible expenses/non-taxable income	-136.1	23.2	-58.7	-25.3
Change in tax loss carryforwards without corresponding recognition of deferred tax assets	82.8	63.1	-	13.3
Other tax rates for foreign operations	-11.2	-	-	-
Utilised opening loss	-	-	-	-
Revaluation of deferred tax relating to tax changes	-	-	-	-
Tax recognised	46.1	38.5	9.9	17.3

NOTE 18 CAPITALISED DEVELOPMENT EXPENSES

	Group		parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Opening cost	398.9	294.1	404.2	297.5
Internally generated	107.1	104.8	107.1	106.7
Closing accumulated cost	506.0	398.9	511.3	404.2
Opening depreciation/amortisation	-32.2	-21.5	-32.2	-21.5
Depreciation/amortisation for the year	-43.1	-10.7	-43.0	-10.7
Closing accumulated depreciation/amortisation	-75.3	-32.2	-75.2	-32.2
Closing accumulated cost	430.7	366.7	436.1	372.0

Capitalised development expenses refer to costs for developed modular building systems. The value is tested annually for impairment and has not indicated any need for impairment. The useful life of the asset is estimated at 10 years.

NOTE 19 INVESTMENT PROPERTIES

	31/12/2023	31/12/2022
Investment properties		
Fair value at beginning of year	2,809.2	680.0
Cost of investment properties, corporate acquisitions	757.6	2,003.1
Investments in real estate (subsequent costs)	64.8	382.9
Investment subsidies	-	-206.3
Disposals	-1,648.0	-
Changes in value	111.5	-46.7
Reclassifications	-	-3.8
Fair value at end of year	2,095.1	2,809.2

Changes in value for the year relating to properties held at the end of the year amount to SEK 124.7 million (SEK -46.7 million).

The Group's properties are held for the purpose of generating rental income and capital appreciation. Investment properties are valued by valuation agencies with recognised and relevant qualifications and up-to-date knowledge of the valuation of the Group's portfolio. Valuation is also based on the company's documented valuation process. Properties are initially valued at the start of construction by external valuation agencies and their market value is then continuously monitored. An external valuation of the portfolio is obtained annually. The Group has a low vacancy rate, so direct costs relating to unlet properties are negligible.

The Group's investment properties have been valued externally by reputable valuation companies Newsec and Forum, according to which a carrying amount of SEK 2,095.1 million is the best estimate of fair value as at 31 December 2023. The value of the properties has been 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. The calculation period is 15 years and the residual value is assessed through the perpetual capitalisation of an estimated market net operating profit the following year.

Where the Group has been granted investment subsidies for the construction of rental properties, the investment subsidies are recognised as a receivable until payment is made. The subsidies are seen as a reduction in the construction cost of the rental properties. The Group recognises changes in the value of the portfolio during the construction phase, which means that expenditure on properties for future years is capitalised in the balance sheet without having to recognise any change in value. Changes in value are reported based on the Group's projection for each property. The projection for each property takes into account risks such as market risk, interest rate risk, currency risk and behavioural risk.

The assumptions and sensitivity analysis below are based on the properties Dansbanan 1 in Norrköping, Söderby 2:776 in Haninge, Parasollet 2 in Lund and Grytan 14, 15, 17 and 18 in Nykvarn.

Value assumptions	2023	2022
Average rent, SEK/m ²	2,066	1,862
Average vacancy rate (residential units) %	0.0–0.3	0.0–0.5
Operating cost/SEK/m ² excluding periodic maintenance	294	296
Inflation rate 1–15 years* %	2.0	2.2
Discount rate %	5.9–6.7	5.6–6.1
Direct yield requirement for assessment of residual value %	3.8–4.4	3.3–3.8

*=lower inflation rate in years 1–2

If the assumptions for the following parameters were changed, the estimated fair value would change as follows:

		SEK million	SEK million
Market rent for commercial premises	(+/- 5.0%)	18.3	-18.3
Estimated rent for residential units	(+/- 5.0%)	75.2	-75.2
Long-term vacancies	(+/- 2.0%)	-28.1	-8.9
Operation and maintenance	(+/- 5.0%)	-13.2	13.2
Discount rate	(+/- 0.25%)	-38.4	39.8
Direct yield requirement	(+/- 0.25%)	-48.9	55.1

NOTE 20 OWNER-OCCUPIED PROPERTY

	Group	
	31/12/2023	31/12/2022
Opening cost	496.7	279.2
Purchases	108.3	197.4
Sales/disposals/reclassifications	3.8	-5.7
Translation difference	-36.3	25.8
Closing accumulated cost	572.5	496.7
Opening depreciation/amortisation	-38.5	-24.9
Reclassifications	-	-
Depreciation/amortisation for the year	-12.7	-11.2
Translation difference	3.1	-2.4
Closing accumulated depreciation/amortisation	-48.1	-38.5
Opening revaluations	42.3	19.7
Revaluations for the year	75.1	22.6
Closing net accumulated revaluations	117.9	42.3
Closing book value	642.3	500.5

Depreciation/amortisation is included in project expenses

NOTE 21 EXPENSES INCURRED THROUGH IMPROVEMENTS TO OTHER PEOPLE'S PROPERTIES

	Group		parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Opening cost	0.8	0.7	0.8	0.7
Purchases	-	0.1	-	0.1
Closing accumulated cost	0.8	0.8	0.8	0.8
Opening depreciation/amortisation	-0.7	-0.7	-0.7	-0.7
Depreciation/amortisation for the year	<-0.1	<-0.1	<-0.1	<-0.1
Closing accumulated depreciation/amortisation	-0.7	-0.7	-0.7	-0.7
Closing book value	0.1	0.1	0.1	0.1

Depreciation/amortisation is included in administrative expenses

NOTE 22 MACHINERY AND EQUIPMENT

	Group		parent company	
	2023	2022	2023	2022
Opening cost	117.9	52.3	0.9	0.6
Purchases	83.5	62.2	0.3	0.3
Sales/disposals/reclassifications	-5.9	-0.3	-	-
Translation difference	-10.7	3.7	-	-
Closing accumulated cost	184.8	117.9	1.2	0.9
Opening depreciation/amortisation	-35.6	-18.6	-0.5	-0.3
Sales/disposals	0.1	0.3	-	-
Depreciation/amortisation for the year	-28.8	-15.9	-0.3	-0.2
Translation difference	3.3	-1.4	-	-
Closing accumulated depreciation/amortisation	-61.0	-35.6	-0.8	-0.5
Closing book value	123.8	82.3	0.4	0.4

Depreciation/amortisation is included in project and administrative expenses

NOTE 23 RIGHT-OF-USE ASSETS

	Group	
	31/12/2023	31/12/2022
Opening cost	7.5	3.2
Additional contracts	8.7	4.3
Closing accumulated cost	16.2	7.5
Opening depreciation/amortisation	-4.3	-1.1
Depreciation/amortisation for the year	-3.7	-3.2
Closing accumulated depreciation/amortisation	-8.0	-4.3
Closing book value	8.2	3.2

The Group's right-of-use assets consist mainly of leases and company cars.

NOTE 24 DEFERRED TAX ASSETS AND LIABILITIES

	Group		parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Opening deferred tax assets	52.8	12.1	17.3	-
Reversal/reclassification	-	1.3	-	-
Recognised in profit/loss	18.4	40.3	9.9	17.3
Translation difference	-	-0.9	-	-
Closing deferred tax assets	71.2	52.8	27.2	17.3
Deferred tax assets relating to temporary differences for:				
investment properties	7.6	4.6	-	-
Loss carryforwards	63.6	48.2	27.2	17.3
Deferred tax assets	71.2	52.8	27.2	17.3

	Group		parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Opening deferred tax liability	40.6	39.6	-	-
Reclassification to joint ventures	-	-	-	-
Recognised in profit/loss	-27.3	1.0	-	-
Translation difference	-	-	-	-
Closing deferred tax liability	13.3	40.6	-	-
Deferred tax liability relating to temporary differences for:				
investment properties	13.3	40.6	-	-
Deferred tax liability	13.3	40.6	-	-

NOTE 25 SHARES IN GROUP COMPANIES

	parent company	
	31/12/2023	31/12/2022
At start of year	307.9	205.3
Purchases	-	0.1
Capital injections made	437.5	102.5
Total	738.4	307.9
Opening impairment	-70.0	-
Accumulated impairment losses	-230.0	-70.0
Total	-300.0	-70.0
Closing carrying amount	445.3	237.8

Table of the parent company's direct and indirect holdings of shares in subsidiaries

Directly owned	Comp. reg. no	Registered office	Number of shares	Ownership %	Book value
MOBY Modulärt Byggande AB	559151-7544	Stockholm	5,000	100.0	12.4
Rehouse CC AB	559349-7539	Stockholm	25,000	100.0	3.0
Scandinavian IBS SDN. BHD.	201601022969	Malaysia	30,000,000	90.0	382.0
Shiperty PTE Ltd	20177318G	Singapore	47,500	95.0	<0.1
Sveaviken PM AB	559387-1030	Stockholm	25,000	100.0	<0.1
Sibs Modular AB	559446-2482	Stockholm	25,000	100.0	<0.1
Sveaviken Bostad AB	559050-3065	Stockholm	50,000	100.0	47.6
Total					445.3

Indirectly-owned companies	Comp. reg. no	Registered office	Number of shares	Ownership %
Aktiebolaget Hemmesta Torg	556450-3810	Stockholm	3,000	100.0
Fastighets AB Brandberget	559177-5423	Stockholm	50,000	100.0
Fastighets AB Linköpingshälsa	559338-4570	Stockholm	25,000	100.0
Fastighets AB Norrutveckling	559104-6171	Stockholm	50,000	100.0
Fastighets AB Vårbergstoppen	559081-4660	Stockholm	25,000	100.0
Fastighetsaktiebolaget Tango	559134-5052	Stockholm	50,000	100.0
Hemmesta Förvaltning AB	556726-9765	Stockholm	200,000	100.0
KS Förvaltning AB	559354-1591	Stockholm	250	100.0
Mätbordet Farsta Fastighets AB	559349-7406	Stockholm	25,000	100.0
Rehouse Holding AB	559403-5502	Stockholm	1,000	100.0
Sveaviken Holding 1 AB	559172-1500	Stockholm	50,000	100.0
Sveaviken Holding 2 AB	559221-4729	Stockholm	50,000	100.0
Sveaviken Holding 3 AB	559242-2413	Stockholm	50,000	100.0
Sveaviken Holding 4 AB	559282-6316	Stockholm	25,000	100.0
Sveaviken Holding 5 AB	559319-3401	Stockholm	25,000	100.0
Sveaviken Holding 6 AB	559335-9424	Stockholm	25,000	100.0
Sveaviken Holding 7 AB	559338-5890	Stockholm	25,000	100.0
Sveaviken Holding 8 AB	559347-5402	Stockholm	25,000	100.0
Sveaviken Holding 9 AB	559355-9890	Stockholm	25,000	100.0
Sveaviken Holding 10 AB	559355-9882	Stockholm	25,000	100.0
Sveaviken Holding 11 AB	559359-9060	Stockholm	25,000	100.0
Buyout of Sveaviken Holding 1 AB	559245-0133	Stockholm	50,000	100.0
Buyout of Sveaviken Holding 2 AB	559261-6360	Stockholm	25,000	100.0

NOTE 26 RECEIVABLES FROM GROUP COMPANIES

	Group		parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
At start of year	-	-	316.3	637.1
Additional receivables	-	-	-	-
Outgoing receivables	-	-	-31.0	-320.9
Reclassifications	-	-	-	-
Debts due from Group companies	-	-	285.3	316.3

NOTE 27 SHARES IN ASSOCIATED COMPANIES AND JOINT VENTURES

The Group's shares in associates and joint ventures are consolidated using the equity method. The reported share corresponds to the Group's share of the equity of the associated company/joint venture plus transaction costs related to acquisitions.

	Group		parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
At start of year	727.8	673.2	-	-
Purchases	-	18.9	-	-
Share of profit/loss	-298.9	390.5	-	-
Dividends	-1.4	-0.4	-	-
Reclassifications	-	-354.4	-	-
Total	427.5	727.8	-	-
Closing carrying amount	427.5	727.8	-	-

Table of associated companies and joint ventures, parent company

Name	Comp. reg. no	Registered office	Number of shares	Ownership %	Book value
MOKO AB (IF)	559143-4427	Stockholm	50,000	20.0	<0.1
Frontlog AB (IF)	559171-7938	Norrköping	50,000	49.0	<0.1
					<0.1

Table of associated companies and joint ventures, Group

Name	Comp. reg. no	Registered office	Number of shares	Ownership %	Book value
MOKO AB (IF)	559143-4427	Stockholm	50,000	20.0	7.5
Frontlog AB (IF)	559171-7938	Norrköping	50,000	49.0	13.0
Sveaviken Nordsten Holding 1 AB (JV)	559291-7859	Stockholm	25,000	50.0	95.2
Slättö Sveaviken Bostad AB (JV)	559340-8957	Stockholm	25,000	50.0	311.8
					427.5

NOTE 28 OTHER NON-CURRENT RECEIVABLES

	Group		parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
At start of year	7.7	7.7	7.7	7.7
Outgoing receivables	-0.7	-	-1.0	-
Total	7.0	7.7	6.7	7.7

Opening receivables for 2023 refers to a non-controlling interest in SIBS Malaysia.

NOTE 29 INVENTORIES

	Group	
	31/12/2023	31/12/2022
Inventories		
Raw materials and consumables	123.4	69.9
Work in progress	-	52.2
Stocks of finished goods	-	12.8
Total	123.4	134.9

NOTE 30 TRADE RECEIVABLES

Group

Trade receivables are recognised in the amount expected to be received, i.e. SEK 0.2 million at 31/12/2023, and SEK 5.6 million at 31/12/2022.

Parent company

Trade receivables are recognised in the amount expected to be received, i.e. SEK 6.3 million at 31/12/2023, and SEK 0.7 million at 31/12/2022.

	Group		parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Receivables from real estate transactions	27.9	37.1	-	-
Investment subsidies	-	-	-	-
VAT receivable	53.7	27.6	2.3	3.7
Current tax receivables	1.3	8.4	0.8	-
Other items	107.8	5.4	1.4	-
Other receivables	190.6	78.5	4.5	3.7

NOTE 32 PREPAID EXPENSES AND ACCRUED INCOME

	Group		parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Prepaid property/operating expenses	18.7	57.6	-0.6	2.4
Accrued rental income/other income	1.3	56.9	16.6	-
Prepaid expenses and accrued income	20.0	114.5	16.0	2.4

NOTE 33 CASH AND CASH EQUIVALENTS

Group

The Group's cash and cash equivalents consist of bank deposits.

parent company

Cash at bank and in hand at the parent company refers to bank deposits.

NOTE 34 SHARE CAPITAL

	Number of shares	Percentage	Number of votes per share	Total number of votes	Share of votes
Class of shares:					
Ordinary	0.6	100%	1	0.6	100%
Total	0.6	100%	1	0.6	100%

Dividends

The Board proposes that no dividend be paid for the 2023 financial year.

Non-restricted equity

Non-restricted equity, i.e. the amount available for distribution to shareholders, consists of all of the parent company's equity, except for the share capital and the reserve for development expenses.

NOTE 35 INTEREST-BEARING LIABILITIES

The following provides information on the Group's and the parent company's contractual terms and conditions for interest-bearing liabilities. For more information on the exposure of the Group and the parent company to interest rate risk and foreign exchange risk, please refer to Note 38.

	Group		parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Interest-bearing liabilities				
Bank loans	662.9	1,689.5	-	-
Building credits	-	-	-	-
Lease liabilities	10.1	2.5	-	-
Bonds	500.0	596.3	500.0	596.3
<i>Total non-current interest-bearing liabilities</i>	<i>1,173.0</i>	<i>2,288.3</i>	<i>500.0</i>	<i>596.3</i>
Bank loans	148.1	178.9	40.0	40.0
Building credits	552.3	-	-	-
Lease liabilities	-	3.3	-	-
Bonds	100.0	-	100.0	-
<i>Total current interest-bearing liabilities</i>	<i>800.4</i>	<i>182.2</i>	<i>140.0</i>	<i>40.0</i>
Interest-bearing liabilities	1,973.4	2,470.5	640.0	636.3
Loans due within one year of the balance sheet date	800.4	182.2	140.0	40.0
Loans due between two and five years after the balance sheet date	1,173.0	2,288.3	500.0	596.3

Conditions and repayment periods

Collateral for bank loans has been provided in the amount of SEK 826.7 million (1,874.6) through mortgages on the Group's investment properties and owner-occupied property in Malaysia. All the covenants have been met.

The bonds are unsecured and have paid a fixed interest rate of 12 percent since the terms were changed on 27/12/2023. The framework amount of SEK 600 million had been utilised at the end of the year. The bond issue is listed on the Stockholm Sustainable Bond list under the name SIBS 01 GB.

NOTE 36 PROVISIONS FOR OTHER LIABILITIES AND CHARGES

	Group	
	31/12/2023	31/12/2022
At start of year	4.3	6.8
Provisions for the year	4.2	1.5
Outgoing	-6.4	-4.0
Total	2.1	4.3

Provisions for guarantee commitments

Provisions for guarantees are made for probable future costs relating to the Group's projects. The calculation is made using individual estimates based on the project's calculated costs, the company management's judgement, and experience from previous transactions. Provisions for future costs relating to guarantee commitments are recognised at the amount required to settle the commitments.

Guarantee provisions are charged to the project on completion and are recognised as they are expected to be incurred for each project. The majority of the guarantee provisions are retained for approximately five years and relate to projects in which SIBS is carrying out work for companies that are not wholly owned.

NOTE 37 OTHER LIABILITIES

	Group		parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
VAT	47.9	89.0	-	-
Staff withholding tax/soc. sec. contrib.	2.3	2.2	0.9	0.9
Liabilities related to acquisitions	-	-	-	-
Other liabilities	55.9	39.2	-	16.7
Total	106.1	130.4	0.9	17.6

NOTE 38 ACCRUED EXPENSES AND DEFERRED INCOME

	Group		parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Prepaid rental income	2.0	6.8	-	-
Accrued employee benefit expenses	3.6	2.8	1.6	1.0
Accrued interest	28.7	18.3	15.1	11.8
Accrued project expenses	21.3	38.1	-	-
Other accrued expenses	12.1	26.3	3.9	1.0
Accrued expenses and deferred income	67.6	92.3	20.6	13.8

NOTE 39 PLEDGED ASSETS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	Group		parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
<i>In the form of collateral for own liabilities</i>				
Corporate mortgages	40.0	40.0	40.0	40.0
Real estate mortgages	826.7	1,874.6	-	-
	866.7	1,914.6	40.0	40.0

	Group		parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Guarantee commitments	349.0	1,623.9	-	-
Contingent liabilities	349.0	1,623.9	-	-

Neither the Group nor the parent company has any contingent assets.

NOTE 40 LIABILITIES RELATED TO FINANCING ACTIVITIES

	31/12/2023			
Group	Bank loans	Bonds	Other loans	Total liabilities
At start of year	1,874.3	596.3	-	2,470.6
Loans raised	392.3	-	-	392.3
Repayments	-155.6	-	-	-155.6
Non-cash items	-	-	-	-
Liabilities related to leases	8.0	-	-	8.0
Capitalised fees	-	3.7	-	3.7
Liabilities in acquired Group companies	419.9	-	-	419.9
Translation difference	-1,141.8	-	-	-1,141.8
Offsetting	-23.7	-	-	-23.7
At end of year	1,373.4	600.0	-	1,973.4

	31/12/2022			
Group	Bank loans	Bonds	Other loans	Total liabilities
At start of year	417.3	593.4	123.6	1,134.3
Loans raised	680.4	-	-	680.4
Repayments	-25.8	-	-	-25.8
Non-cash items	-	-	-81.5	-81.5
Liabilities related to leases	2.8	-	-	2.8
Capitalised fees	-	2.9	-	2.9
Liabilities in acquired Group companies	793.7	-	-42.1	751.6
Translation difference	5.9	-	-	5.9
Offsetting	-	-	-	-
At end of year	1,874.3	596.3	-	2,470.6

	31/12/2023			
Parent company	Bank loans	Bonds	Loans, Group companies	Total liabilities
At start of year	-	596.3	-	596.3
Loans raised	-	-	-	-
Repayments	-	-	-	-
Non-cash items	-	-	-	-
Capitalised fees	-	3.7	-	3.7
Shareholders' contributions	-	-	-	-
At end of year	-	600.0	-	600.0

	31/12/2022			
Parent company	Bank loans	Bonds	Loans, Group companies	Total liabilities
At start of year	-	593.4	29.3	622.7
Loans raised	-	-	-	-
Repayments	-	-	-	-
Non-cash items	-	-	-29.3	-29.3
Capitalised fees	-	2.9	-	2.9
Shareholders' contributions	-	-	-	-
At end of year	-	596.3	-	596.3

NOTE 41 LEASES

Leases where the company is the lessee

SIBS' property, plant and equipment consists of both owned and leased assets. Leased assets are recognised in the items owner-

occupied properties, right-of-use assets and equipment. See the table below for the closing balance of leased assets and the depreciation of these leased assets in 2022.

	Owner-occupied properties	Right-of-use assets	Equipment	Total
Carrying amount at 31/12/2022	3.9	3.2	2.5	9.6
Additional/Outgoing	-0.8	8.7	1.1	9.0
Depreciation for the year	-0.3	-3.7	-0.9	-4.9
Carrying amount at 31/12/2023	2.8	8.2	2.7	13.7

NOTE 42 FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES AND CLASSIFICATION

The Group currently has no financial assets or liabilities measured at fair value through profit or loss, and the carrying amount is therefore deemed to be the fair value of all the financial assets and liabilities. Fair value through profit or loss is determined as far as possible on the basis of observable data. Fair values are categorised into different levels in a value hierarchy based on the data available.

Level 1: According to quoted prices in active markets for identical assets or liabilities.
Level 2: Based on directly or indirectly observable market data not included in Level 1.
Level 3: Based on inputs that are not observable in the market.

Group 31/12/2023	Financial assets carried at amortised cost	Financial assets carried at fair value through profit or loss
Financial assets		
Other non-current receivables	7.0	-
Trade receivables	0.2	-
Other receivables	190.6	-
Cash and cash equivalents	265.1	-
Total	462.9	-

Group 31/12/2023	Financial liabilities carried at amortised cost	Financial liabilities carried at fair value through profit or loss
Financial liabilities		
Non-current interest-bearing liabilities	1,173.0	-
Current interest-bearing liabilities	800.4	-
Trade payables	511.1	-
Tax liabilities	1.6	-
Other liabilities	445.3	-
Debts owed to associated companies	20.0	-
Accrued expenses	67.6	-
Total	3,019.0	-

Group 31/12/2022	Financial assets carried at amortised cost	Financial assets carried at fair value through profit or loss
Financial assets		
Other non-current receivables	7.7	-
Trade receivables	5.6	-
Other receivables	78.4	-
Cash and cash equivalents	122.6	-
Total	214.3	-

Group 31/12/2022	Financial liabilities carried at amortised cost	Financial liabilities carried at fair value through profit or loss
Financial liabilities		
Non-current interest-bearing liabilities	2,288.3	-
Current interest-bearing liabilities	178.9	-
Trade payables	253.5	-
Tax liabilities	1.7	-
Other liabilities	485.1	-
Debts owed to associated companies	186.0	-
Accrued expenses	92.3	-
Total	3,485.8	-

parent company 31/12/2023	Financial assets carried at amortised cost	Financial assets carried at fair value through profit or loss
Financial assets		
Other non-current receivables	6.7	-
Trade receivables	6.3	-
Other receivables	4.5	-
Cash and cash equivalents	132.4	-
Total	149.9	-

parent company 31/12/2023	Financial liabilities carried at amortised cost	Financial liabilities carried at fair value through profit or loss
Financial liabilities		
Non-current interest-bearing liabilities	600.0	-
Current interest-bearing liabilities	40.0	-
Trade payables	6.4	-
Tax liabilities	0.8	-
Other liabilities	0.9	-
Accrued expenses	20.6	-
Total	668.7	-

Parent company 31/12/2022	Financial assets carried at amortised cost	Financial assets carried at fair value through profit or loss
Financial assets		
Other non-current receivables	7.7	-
Trade receivables	0.7	-
Other receivables	3.7	-
Cash and cash equivalents	122.6	-
Total	134.7	-

Parent company 31/12/2022	Financial liabilities carried at amortised cost	Financial liabilities carried at fair value through profit or loss
Financial liabilities		
Non-current interest-bearing liabilities, Group	596.3	-
Current interest-bearing liabilities	40.0	-
Trade payables	9.2	-
Tax liabilities	0.4	-
Other liabilities	17.6	-
Accrued expenses	13.8	-
Total	677.3	-

The following summarises the methods and assumptions primarily used to measure the fair value of the financial instruments presented in the table above.

Non-current receivables

The fair value of non-current receivables is deemed to be equal to their carrying amount.

Non-current interest-bearing liabilities

The fair value of interest-bearing liabilities with a variable interest rate is estimated to be equal to their carrying amount. Fixed-rate loans whose rate is fixed for more than 12 months are measured at fair value by discounting the future cash flows.

Current receivables and payables

For trade receivables and trade payables with a remaining maturity of less than six months, their carrying amount is considered to reflect their fair value. Trade receivables and trade payables with a maturity of more than six months are discounted when measuring their fair value. The fair value of other current liabilities and receivables is deemed to be equal to their carrying amount.

NOTE 43 CAPITAL MANAGEMENT AND FINANCIAL RISKS

The Group's risks and risk management are described on page 81. Further information about material risks is provided below.

The parent company is financed mainly through equity and loans from its owners. The Group's subsidiaries are financed through equity and shareholder loans, as well as through bank loans.

The Group's finance function focuses on the unpredictability of the financial markets and analyses the Group's loan-to-value ratio, which at 31 December 2023 was 59 percent (59).

Financial risks

The Group is exposed to a number of financial risks, including credit risk, liquidity risk, market risk, interest rate risk and currency risk.

Credit risk

Credit risk is the risk that a counterparty will be unable to meet its contractual obligations and thereby cause a loss for the Group. The credit risk relating to the Group's bank deposits is limited through the use of regulated banks only.

The credit risk relating to other counterparties that have debts payable to the Group is managed by making credit assessments before investments are made and leases and other agreements are signed.

Liquidity risk

The Group manages its liquidity and funding risk through ongoing liquidity projections, and by ensuring that sufficient cash and cash equivalents are available within the Group for future payments to be made. Liquidity management depends on holding sufficient cash and cash equivalents, having access to credit lines, and the ability of customers to pay their debts within the agreed times.

The main liquidity risk relates to the Group's external loan agreements and its ability to meet the commitments therein. Commitments take the form of the lenders' general terms and conditions, which means that lenders must be informed of changes in circumstances, such as material changes in ownership, insolvency, business acquisitions and major changes in the focus of business activities. There are also commitments to make repayments and to pay interest and other charges within the prescribed periods. Failure to comply with the commitments may lead to lenders terminating agreements. The Group is meetings all of its commitments towards credit institutions.

The loans have consistently short formal maturities. The aim is for their terms to be regularly extended. There are no signs of difficulties obtaining extensions to loans.

The following table shows the Group's liquidity analysis for its financial liabilities. The table is based on undiscounted cash flows.

Group 31/12/2023	Carrying amount	Within 1 year	From 2 to 5 years	More than 5 years
Interest-bearing liabilities, credit institutions	1,373.4	700.4	673.0	-
Bonds	600.0	100.0	500.0	-
Other interest-bearing liabilities	-	-	-	-
Loans to associated companies	20.0	20.0	-	-
Tax liabilities	1.7	1.7	-	-
Trade payables	511.1	511.1	-	-
Other liabilities	445.3	106.1	339.2	-
Accrued expenses	67.6	67.6	-	-
	3,019.1	1,506.9	1,512.2	-

Group 31/12/2022	Carrying amount	Within 1 year	From 2 to 5 years	More than 5 years
Interest-bearing liabilities, credit institutions	1,689.5	178.9	1,510.6	-
Bonds	596.3	-	596.3	-
Other interest-bearing liabilities	-	-	-	-
Loans to associated companies	186.0	186.0	-	-
Tax liabilities	1.7	1.7	-	-
Trade payables	253.5	253.5	-	-
Other liabilities	488.3	488.3	-	-
Accrued expenses	92.3	92.3	-	-
	3,307.6	1,200.7	2,106.9	-

Market risk

Risk related to real estate investments

Investments in real estate are exposed to different types of risk. The main factors affecting the value of a property are as follows:

- i) changes in general economic developments
- ii) local market conditions, such as oversupply or reduced demand
- iii) changes in the creditworthiness of tenants
- iv) competition from other properties/property owners; and
- v) changes in laws and regulations, for example relating to detailed development plans, the environment and taxes

Changes in the above factors may affect the value of the Group’s assets and therefore the Group’s profit or loss.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group invests mainly in assets that are let on a longer-term basis at fixed rates to external parties. The Group’s ambition is to generate stable cash flows from its investments. To achieve this, the Group monitors market developments so that it is able to respond to interest rate fluctuations over time.

Currency risk

Currency risk is the risk that values or future cash flows will fluctuate as a result of changes in exchange rates.

The Group is exposed to a number of foreign currencies. No currency derivative contracts have been entered into. The Group monitors developments on the foreign exchange markets and considers on an ongoing basis whether to enter into any derivative contracts. The translation effects for the year relating to subsidiaries in Malaysia are recognised in consolidated equity.

NOTE 44 RELATED PARTIES

SIBS’ related parties are mainly directors and senior executives. SIBS is also involved in the interests of associated companies and joint ventures. Transactions between directors/senior executives and the Group are limited and are carried out at arm’s length. Information on employee benefit expenses is provided in Note 13.

The Group recognises revenues and costs relating to contracts in its project activities. These revenues and costs are generated at arm’s length with joint ventures. The Group has deposited funds in joint ventures, and receives income from property management, including administrative tasks. Interest income and fees are also handled at arm’s length. The consolidated balance sheet contains items relating to settlements and dealings between the Group and joint ventures.

NOTE 45 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

On February 2024, Sveaviken Bostad sold 75 homes in the property Lund Parasollet 2 to SEB’s housing fund Domestica V. This represents a total lettable area of 3,593m².

Certification by the Board

The annual report and the consolidated financial statements were approved for issuing by the Board of Directors on 29 April 2024. The consolidated and parent company income statements and balance sheets will be submitted for adoption to the Annual General Meeting on 14 June 2024.

STOCKHOLM, 29 APRIL 2024

Erik Thomaeus

CEO

Michael Wolf

Chair

Johan Karlsson

Board member

Pär Thomaeus

Board member

Jonas Ramstedt

Board member

OUR AUDIT REPORT WAS SUBMITTED ON 29 APRIL 2024

ÖHRLINGS PRICEWATERHOUSECOOPERS AB

Magnus Thorling

Authorised Public Accountant

Auditor’s report

o the Annual General Meeting of SIBS AB (publ), company registration number 559050-3073

Report on the annual report and consolidated financial statements

Opinion

We have audited the annual report and consolidated financial statements of SIBS AB (publ) for the year 2023. The Company’s annual report and consolidated financial statements are included on pages 74–121 of this document.

In our opinion, the annual report has been prepared in accordance with the Annual Accounts Act and gives a true and fair view, in all material respects, of the financial position of the parent company as at 31 December 2023, and of its financial performance and cash flows for the year, in accordance with the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year, in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The Directors’ report is consistent with the other parts of the annual report and consolidated financial statements.

We therefore recommend that the General Meeting approve the income statement and balance sheet of the parent company and the consolidated income statement and statement of financial position for the Group.

Our opinions in this report on the annual report and consolidated financial statements are consistent with the contents of the supplementary report submitted to the Board of Directors of the parent company and the Group in accordance with Article 11 of the Audit Regulation (537/2014).

Basis for opinion

We conducted our audit in accordance with the 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 entitled Responsibilities of the auditor. We are independent of the parent company and the Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional responsibilities in accordance with these standards. This means that, to the best of our knowledge and belief, no prohibited services referred to in Article 5(1) of the Audit Regulation (537/2014) have been provided to the audited entity or, where applicable, its parent or its controlled entities within the EU.

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

Our audit approach

Focus and scope of the audit

We designed our audit by determining the level of materiality and assessing the risk of material misstatements in the financial statements. In particular, we considered areas where the Chief Executive Officer and the Board of Directors have made subjective judgements, such as significant accounting estimates based on assumptions and forecasts of future events, which are inherently uncertain. As in all audits, we also considered the risk of non-compliance with internal controls by the Board of Directors and the Chief Executive Officer, including whether there is evidence of systematic deviations that have given rise to a risk of material misstatements due to irregularities.

We conducted our audit in order to perform an appropriate review for the purpose of expressing our opinion on the financial statements taken as a whole, taking into account the Group’s structure, accounting processes and controls, and the industry in which the Group operates.

Materiality

The scope and focus of the audit were influenced by our materiality assessment. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatements. Misstatements can occur as a result of irregularities or mistakes. They are considered to be material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions that users make on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative materiality measures, including for the financial reporting as a whole. Using these and qualitative considerations, we determined the focus and scope of the audit and the nature, timing and extent of our audit procedures, and were also able to assess the effect of individual and aggregate misstatements on the financial statements taken as a whole.

Areas of particular significance

The areas of particular significance for the audit are those areas which, in our professional judgement, were the most significant for the audit of the annual report and consolidated financial statements for the period under review. These areas were addressed in the context of the audit of, and in our opinion on, the annual report and consolidated financial statements as a whole, but we do not express separate opinions on these areas.

Area of particular significance

Valuation of investment properties and shares in associated companies and joint ventures

Investment properties are recognised in the Group at their estimated market value, which, during construction, includes an assessment of the remaining production costs. Market valuations are carried out annually by external valuation agencies; see Note 19. Subsequent changes in value are managed in accordance with ISA 40 and are recognised in the income statement in accordance with the standard, and therefore have a significant impact on both the reported profit/loss and the financial position. Unrealised changes in the value of investment properties during the year totalled SEK

-145.1 million, and the book value of these assets totalled SEK 2,095.1 million at the end of the financial year. The valuation of investment properties also has a significant impact on the carrying amount of the profit/loss from associated companies and joint ventures and the book value of these assets. For 2023, the profit/loss from associated companies and joint ventures amounted to SEK 298.9 million (of which SEK 170.1 million relate to changes in the value of properties), and the book value of their assets totalled SEK 427.5 million at the end of the financial year. For information on investment properties and associated companies/joint ventures and the assessments applied by the company management, see Note 5 Significant accounting policies, as well as Note 19 Investment properties and Note 27 Shares in associated companies and joint ventures.

How our audit took the particularly important area into account

Our audit included, but was not limited to:

- Spot checks on the mathematical accuracy of the valuation model and evaluation that the methods applied are based on accepted valuation principles. We were assisted in the audit by our internal valuation specialists.
- Spot checks and evaluation of the reasonableness of model inputs such as yield requirements, net operating income, vacancy rates and projected outcomes based on historical data.
- Evaluation and assessment of the competence and independence of the external valuation agencies.
- Verification of sensitivity analyses carried out.
- Evaluation of the estimates and judgements made by the company management with respect to remaining production costs.

Accounting of income and profit/loss for construction projects

The total income from SIBS AB’s project activities for 2023 amounts to approximately SEK 2,632 million (1,338). Income is essentially derived from construction projects and is recognised over time, i.e. using the percentage of completion method. This means that the income and expenses recognised for construction projects are based on assumptions and assessments of future outcomes documented in the final projections for the projects. The projections include estimates of costs for the Group’s own factory, labour, materials, subcontractors and guarantee commitments. The latter may require updated assessments from time to time, even for completed projects. The assumptions and judgements involved mean that the final results may differ from those reported here. Given that estimates and judgements feature highly, this is an area of particular focus for the audit. See the sections “Project income” and “Critical accounting estimates and judgements” in Notes 4 and 7, and Note 36 Provisions for other liabilities and charges.

Our audit included, but was not limited to:

- We assessed processes and procedures for the conducting of projects and their completion.
- We carried out analytical reviews and spot tested, in detail, reported income and margins, and evaluated the management’s procedures for monitoring the financial performance of projects and discussed them with the management.

- We carried out spot checks of the income and recognised project expenses that form the basis for determining the stage of completion.
- We also tested the mathematical correctness of the calculation of the percentage of completion.
- We discussed with SIBS the policies, methods and assumptions on which judgements are based, including those underlying guarantee provisions for already completed projects.
- Overall, we believe that SIBS’ assumptions and estimates are within an acceptable range. We have expressed the opinion, however, that the matters of judgement involved are often difficult, and that final outcomes may differ from the current assumptions, estimates and judgements.

Information other than the annual report and consolidated financial statements

This document also contains information other than the annual report and consolidated financial statements, which can be found on pages 1–73. This other information is the responsibility of the Board and the Chief Executive Officer.

Our opinion on the annual report and consolidated financial statements does not cover this information, and we do not express an audit opinion on this other information.

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

If, based on the review of this information, we conclude that the other information contains a material misstatement, we are required to report it. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of the annual report and consolidated financial statements in accordance with the Annual Accounts Act and, in the case of the consolidated financial statements, in accordance with the IFRS, as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they deem necessary to enable the preparation of an annual report and consolidated financial statements that are free from material misstatements, whether due to fraud or error.

When preparing the annual report and consolidated financial statements, the Board of Directors and the Chief Executive Officer are responsible for assessing the ability of the company and the Group to continue operating as a going concern. They disclose, where applicable, the conditions that may affect their ability to continue operating 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 the Chief Executive Officer intend to liquidate the company or cease operations, or have no realistic alternative to doing so.

Responsibilities of the auditor

Our objectives are to obtain reasonable assurance about whether the annual report and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to provide 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 a material misstatement if one exists. Misstatements may arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the financial decisions of users taken on the basis of the annual report and consolidated financial statements.

A further description of our responsibility for the audit of the annual report and consolidated financial statements can be found on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor’s report.

Report on other legal and regulatory requirements

Opinion

In addition to our audit of the annual report and consolidated financial statements, we have also audited the management of SIBS AB (publ) for the year 2023 by the Board of Directors and the Chief Executive Officer, and the proposed appropriation of the company’s profit or loss.

We recommend that the Annual General Meeting approve the appropriation of profits as proposed in the Directors’ report and discharge the Directors and the Chief Executive Officer from liability for the financial year.

Basis for opinion

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under these standards are described in more detail in the section entitled Responsibilities of the auditor. We are independent of the parent company and the Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional responsibilities in accordance with these standards.

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

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for proposing the appropriation of the company’s profit or loss. When proposing a dividend, this includes an assessment of whether the dividend is justified in view of the requirements imposed by the nature, scope and risks of the company’s and Group’s activities on the size of the parent company’s and Group’s equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the organisation of the company and the management of its affairs. This includes continuously assessing the financial position of the company and the Group, and ensuring that the company’s organisation is such that its accounting, asset management and other financial affairs are adequately controlled. The Chief Executive Officer must carry out day-to-day management in accordance with the Board of Directors’ guidelines and instructions, and must take the measures necessary to ensure that the company’s accounts are kept in accordance with the law and that the assets are managed in a satisfactory way.

Responsibilities of the auditor

Our objective in relation to the management audit, and hence our opinion on the discharging of liability, is to obtain audit evidence to provide a reasonable level of assurance as to whether any Director or the Chief Executive Officer has, in a material way:

- taken any action or made any omissions that could give rise to liability for the company
- otherwise acted in breach of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective in auditing the proposed appropriation of the company’s profit or loss, and hence our opinion thereon, is to obtain reasonable assurance about whether the proposed appropriation of the company’s profit or loss 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 may give rise to liability for the company, or that the proposed appropriations of the company’s profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the management audit can be found on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor’s report.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, Sweden, was appointed as the auditor of SIBS AB (publ) by the Annual General Meeting on 8 June 2023, and has been the company’s auditor since 2016.

Stockholm, 29 April 2024

Öhrlings PricewaterhouseCoopers AB

Magnus Thorling
Authorised Public Accountant

Definitions and glossary

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.

Loan-to-value ratio

Group investment property to property loan ratio.

Equity/assets ratio

Equity as a percentage of the balance sheet total at period-end.

Adjusted equity/assets ratio

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

Residential floor area (RFA)

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 (GFA)

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 minor adjustments may be made to the planning proposal before a decision for adoption. After the adoption, the detailed development plan may be appealed.

The appeal period lasts for three weeks from when the municipality announces the decision. If the detailed development plan is not annulled or appealed, or if appeals are rejected in the higher courts, the detailed development plan 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.

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 to which other industrial home builders are often subject.

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.

Contact information

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Next financial report

The interim report for January–March will be published on 30 May 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 contacts above, at 8.45 pm CET on 29 April 2024.