

₹ SIBS

2021 Annual Report



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OBJECTIVES:
5,000
completed
housing units
PER YEAR

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 ConstructionTech – the combination of automated design systems and industrial construction, which transforms generated drawings into finished buildings with precision.

Moving beyond traditional construction towards industrial intelligence and changing the way we design, build, deliver and manage residential buildings.

We are now taking the next step in our growth journey and offering property developers and home builders the opportunity to use SIBS systems and factory concepts in markets outside Sweden, with us as a partner. All in order to change the construction industry, so that more people can afford beautiful and comfortable homes.

As a result of broadening our offering, we are organising our activities into two business areas: Residential Development & Management and Licensing & Partnerships. You can read more about our new business areas on pages 14–15.

Key events in 2021



sbcert
SCANDINAVIAN BUSINESS CERTIFICATION
ISO 9001



SIBS is certified according to ISO 9001 and 14001

Thanks to a well-functioning management system we are in a good position to deliver high quality, minimise our environmental impact and continuously improve our processes. SIBS' management system meets the International Organization for Standardization's quality and environmental management system requirements.

sbcert
SCANDINAVIAN BUSINESS CERTIFICATION
ISO 14001



SIBS and Slättö in the first deal under their joint venture arrangement aiming to build at least 4,000 green homes with a completed value of around SEK 10 billion.



Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Access to two properties in Enköping located right next to Enköping Station. These properties were acquired by SIBS' subsidiary Sveaviken Bostad in the fourth quarter of 2020. Acquisition of a development rights for 30,000 m² GLA in Mariefred together with Nordsten Sveafastigheter. Acquisition of development rights for 13,000 m² GLA in Vega in Haninge together with Slättö. Successfully increasing our green bond loan (ISIN SE0014965729) maturing on 19 April 2024 by SEK 150 million. Production start of 282 homes in Nykvarn town centre. 	<ul style="list-style-type: none"> Acquisition of a property in Vallentuna town centre, with development rights covering a gross living area of around 2,000m². Completion of a SEK 50 million tap issue on our green bonds (ISIN SE0014965729) maturing on 19 April 2024. Sveaviken wins a land allocation competition in Barkarby, with development rights covering a gross living area of 16,500m². Sveaviken acquired property in Sollentuna and is planning the construction of up to 300 apartments. Sveaviken acquired property in Eskilstuna and is planning the construction of up to 300 apartments. 	<ul style="list-style-type: none"> Sveaviken Bostad wins land allocation in Linköping, where 48 apartments will be built. Sveaviken Bostad signs a lease agreement with Helsingborg to build 78 apartments in Gåsebäck. SIBS signs a letter of intent to form a JV with Slättö Value Add II, to develop more than 4,000 apartments from SIBS' project portfolio. SIBS initiated a written procedure for the completion of a SEK 250 million issue of ordinary shares reserved for a group of investors. Sveaviken Bostad completed 75 rental apartments in the Brunnshög district of Lund and acquired the Lund Parasollet 2 property. SIBS obtains ISO 9001 and 14001 certification. 	<ul style="list-style-type: none"> At the Extraordinary General Meeting, SIBS approves and carries out a directed share issue of 55,555 shares and raises SEK 250 million. SIBS and Slättö signed their first deal under their joint venture arrangement, aiming to build at least 4,000 green homes with a completed value of around SEK 10 billion. Sveaviken Bostad acquires a property in Örebro containing 117 sustainable new-build rental apartments from the JV. Sveaviken wins a land allocation competition in Portkvarteren in central Brunnshög, in Lund, and plans to build around 100 apartments on the site. Sveavikenreceives additional land allocation from the City of Stockholm in Husby/Kista and plans to build about 140 additional apartments.

Significant events after the end of the period

- Sveaviken acquires a development rights in Botkyrka and plans to build between 3,000 and 5,000 homes.
- In a JV, Sveaviken and Nordsten acquire industrial property in Enköping and plan about 500 apartments.
- Sveaviken acquired property in central Huddinge with development rights for approximately 100 homes.
- Sveaviken and Slättö are making several deals to streamline ownership and optimise management. The changes mean that Sveaviken and three of Slättö's funds are divesting and acquiring shares in projects that were previously owned and developed jointly.

A word from the CEO

Creating tomorrow's construction industry

We are summing up an exciting 2021 with several important achievements. During the year, we completed 478 apartments and started production of a further 1,376. Shortly after the end of the year, the development rights portfolio amounted to around 10,500 apartments, which we will develop into beautiful, pleasant and affordable homes in the coming years. We also grew to 565 employees at the end of 2021, and in 2022 we plan to grow further, including through the start-up of production in our second factory in Malaysia. Together, we are taking further steps towards our goal of making the construction industry more efficient and advanced through technology – worldwide.

High demand for comfortable homes open to all

How and where we live is strongly linked to our security, our quality of life and our overall well-being. The global shortage of affordable housing is creating new social challenges that we want to help solve, by building homes, neighbourhoods and communities that can accommodate everyone.

Traditional housing construction is both costly and time-consuming. Despite the ever-increasing demands on housing developers, with more ambitious sustainability standards and greater competition for land, large parts of the construction industry have not innovated in terms of production methods in the same way as many other growing industries. The development of condominiums has in many places leaned towards steady price increases and low interest rates – rather than technological development and modernisation. This has also had repercussions on the rental market. We want to help improve and transform the pace of construction and the housing market through new technologies.

SIBS endeavours to be an engine that drives towards more efficient construction processes. Through ConstructionTech, we create fast and efficient construction processes that meet the global need for beautiful and comfortable homes for the many.

ConstructionTech has redrawn the map for future housing

In 2016, we embarked on a journey to develop a market-leading system for industrial construction, with the goal of reinventing how we as a society build homes. Engineers and PhDs in building technology have been working together to design the building systems of their dreams from a blank sheet of paper, and from that we have created smart buildings that can be designed and produced without traditional constraints, such as rigid systems or standardised modules

that make it difficult to adapt to the unique conditions of each site and area. Our technical platform has scalable functionality that allows the final product to be easily adapted to different conditions, locations and needs. The scalable building system – the core of ConstructionTech – is integrated into our factory, where we produce homes quickly and with high completion rates, with a high degree of variation, to optimise each project. With our proprietary building and production system, we build homes that are beautiful, high quality and affordable.

A proven concept

SIBS is today an established housing developer on the Swedish rental market. In 2021, the total number of completed apartments was 1,040, over eight housing projects with a wide geographical spread. By designing the apartments in our digital system and then producing them in our own factory, we can offer affordable homes that don't compromise on either quality or design. The fact that the occupancy rate of the completed apartments reached 99% in 2021 confirms that the homes we build are also in demand.

In our system, drawings are turned into finished buildings with precision, within the set time frame. The cost-effective and scalable technology platform creates more cost-effective construction processes, which contributes to profitable growth. Our operating profit for 2021 totalled SEK 666.7 (203.9) million – more than a threefold increase compared to the previous year. The development rights portfolio was expanded during the year and shortly afterwards by about 4,400 development rights and totalled about 10,500 apartments shortly after the turn of the year. After the end of the year, we completed our largest development rights transaction to date in terms of the number of development rights, which will eventually result in at least 4,000 new pleasant and affordable

"SIBS endeavours to be an engine that drives towards more efficient construction processes"

ERIK THOMAEUS



homes in Tumba, Botkyrka municipality. These strong results, combined with the continued growth of our development rights portfolio, is very encouraging – and proof that our business model is working.

Resilience to high commodity prices and shipping costs

Global supply chains continued to be affected by the pandemic in 2021. High prices and an extremely volatile freight market have continued to cripple much of the global manufacturing industry and have hit the Swedish construction sector hard. SIBS has handled the increase in raw material prices well and managed to keep costs down. Partly through an efficient purchasing process and partly through established global purchasing channels. Freight costs continue to be high this year, but have had a relatively limited impact on our profitability.

The war that Russia is waging in Ukraine is a humanitarian disaster. In addition to the humanitarian consequences, the war has had a major impact on the European construction industry, with extreme price rises and shortages of certain materials. More than 90 percent of our building materials are purchased in close proximity to our factory in Southeast Asia. The war there has so far not had as strong an impact as in Europe, so the tragic developments in Ukraine have had a relatively mild impact on our operations.

Focus on continual improvement

Through ConstructionTech, we have digitised the entire process, from design and construction to management of completed homes. It helps us control the entire value chain, streamline project lead times and reduce overall project costs.

We are constantly working to improve and refine our working methods, our technical solutions and our design processes. In 2021, construction began on our second factory, which is expected to be completed in the third quarter of 2022. The finished factory will have a total area of about 60,000 m² and four production lines. At full production, it will have the capacity to increase our total production capacity from about 1,000 apartments per year to about 5,000. All process and production equipment in the new factory has been developed using our existing production as a model, with improvements and adaptations where we have seen potential for development. We are convinced that technology is the key to reinventing the construction industry in all respects, and this is what drives us in our daily work.

Energy-efficient houses designed for circularity

According to the latest UN IPCC report, published in April 2022, more sustainable and energy-efficient buildings are key to mitigating and managing climate change. Our ambition is to build the most energy-efficient buildings in the country. With energy-efficient walls, doors and ceilings, geothermal energy, waterborne underfloor heating, ventilation with recycling and other smart and innovative energy solutions, we are getting closer to our ambition. And to stay at the forefront, we're constantly looking for new technologies and solutions.

Our existing stock has a low measured energy use of 47 kWh/m² per year while the projected average use for future projects is 25 kWh/m² per year. We estimate that about 28% of the building's energy will be locally produced electricity from solar cells. During the year, two projects were environmentally certified to Swedish Green Building Council Miljöbyggnad Silver standard, and our goal is for all our buildings to receive environmental certification.

The houses we build are designed to be circular, which means they can be demolished, rebuilt, and undergo design changes – without wasting materials. This allows us to move components, floors and even entire buildings to new buildings and locations where they can be of more use.

Knowledge sharing creates the conditions for a strong organisation

During the year, we continued to grow and attract more talent.. At the end of the year, there were 565 of us working together to create affordable and comfortable homes for the many. We are proud that so many people want to work at SIBS, and we see our culture and innovation as important building blocks in creating an attractive place to work. The work to continue building an inclusive and trusting culture takes place every day – in the factory, on construction sites and in all our offices.

SIBS' continued growth depends on our ability to recruit driven and competent employees. During the year, work began to systematise our knowledge-sharing processes, not least to make it easier for new employees. We do this partly through digital in-house training and partly by continuing to promote open and frequent communication, where new ideas are encouraged and taken seriously.

Setting a new standard in construction

SIBS' vision is to set a new standard in the construction industry. Affordable. Scalable. Pleasant. And designed for circularity. We are therefore now taking the next step in our growth journey and offering property developers and home builders the opportunity to use SIBS systems and factory concepts in

markets outside Sweden, with us as a partner. All in order to change the construction industry, so that more people can afford beautiful and comfortable homes.

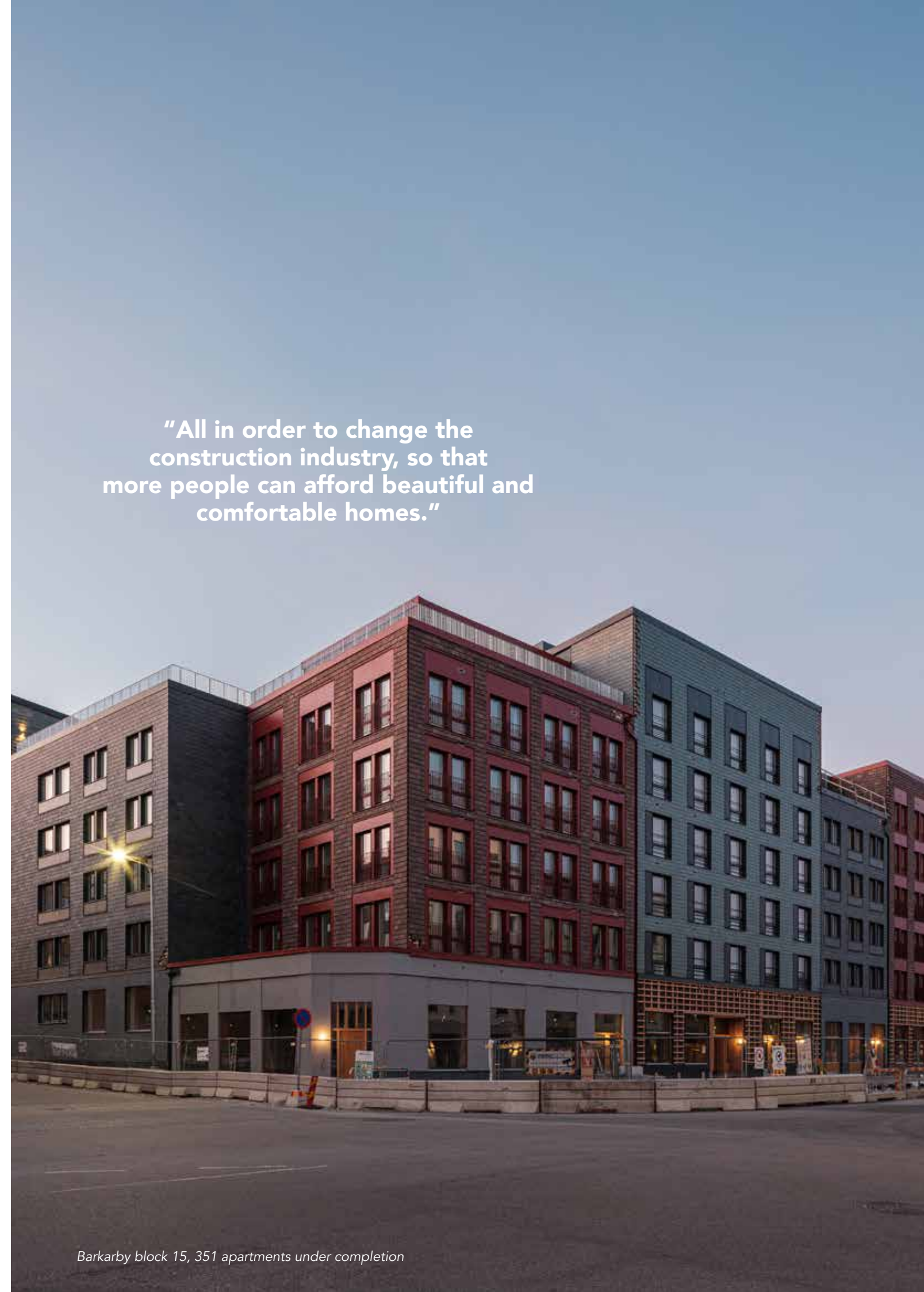
As a result of broadening our offering, we have also decided to organise our operations into two business areas: Residential Development & Management and Licensing & Partnerships. You can read more about our new business areas on pages 14.

In conclusion, we can look back on a very strong 2021 and look forward to continued exciting developments in 2022. By making construction projects more cost-effective and predictable, we can build energy-efficient, high-quality homes in months, not years. We're creating tomorrow's construction industry, opening the door to homes that are beautiful, comfortable and affordable.



Erik Thomaëus
CEO SIBS AB

"All in order to change the construction industry, so that more people can afford beautiful and comfortable homes."



Developments in 2021

478 COMPLETED
APARTMENTS
2021
(445)

1,645 APARTMENTS
UNDER
CONSTRUCTION
(702)

SEK MILLION
666.7 OPERATING
PROFIT/LOSS
(203.9)

1,040 COMPLETED
APARTMENTS
TOTAL
(562)

1,376 PRODUCTION
STARTED
APARTMENTS 2021
(543)

SEK MILLION
1,100 MARKET VALUE
COMPLETED
PROPERTIES
(705)

881 APARTMENTS
UNDER
MANAGEMENT
(562)

10,495 DEVELOPMENT
RIGHTS IN THE
PORTFOLIO
(5,018)

99% OCCUPANCY RATE
(67%)

565 EMPLOYEES
(465)

A robust organisation with the ability to quickly adapt to the world around it

The challenges of the world have also been ours, and we have shown that we are both a robust and adaptive organisation that can quickly adapt our systems and procedures to deal with different market conditions. At the same time, the progress of our projects and the further development of our business have been stable.

Continued high demand for our homes

Demand for our homes remains high, resulting in very good occupancy rates combined with a growing queue of interested parties for both completed and upcoming projects.

Stable revenues, good cost control and low production costs

SIBS has grown rapidly and has continually secured a stable next level from which to develop further. We have financial stability combined with a well-developed and refined construction system. This lays the foundation for very good progress in the future.

Significantly expanded development rights portfolio

During the year and shortly thereafter, the portfolio was expanded by approximately 4,400 development rights. Our portfolio is expanded strategically, with careful selection of areas where our homes are needed most.

New factory with even higher efficiency and sustainability

In the third quarter of 2022, SIBS' second factory will start production, which will eventually have a capacity of about 4,000 apartments per year. SIBS' total production capacity will thus amount to about 5,000 apartments per year. Sustainability has been central to the development of the factory. The factory also has a number of updates that mean higher levels of completion in factory, higher quality and cost optimisation.

Low economic impact of Covid

SIBS operations have not been significantly affected by Covid-19 in 2021. SIBS has been marginally affected by the pandemic overall, and our operations have not been affected by delays in production or increased vacancies in our properties.

Resilience to high commodity prices and shipping costs

High commodity prices and an extremely volatile freight market have continued to cripple much of the global manufacturing industry and have also hit the Swedish construction sector hard. We have held up well against the impacts of commodity price inflation, thanks in part to our efficient sourcing process, and to our global sourcing channels. Shipping costs are still high, even for us, but are having a relatively low impact on our profitability.

KEY RATIOS

SEK thousand	Jan-Dec 2021	Jan-Dec 2020
Rental income including SIBS' share in joint venture	28,276	13,081
Rental income	16,602	11,958
Annual rental value of completed properties*	51,184	31,584
Estimated normalised annual operating surplus for completed properties*	44,018	27,146
Occupancy rate (economic) by %	99%	67%
Change in value of investment properties	259,100	61,163
Profit/loss from associated companies and SIBS' share in joint ventures	419,607	175,489
Operating profit/loss	666,739	203,869
Profit/loss after tax	542,926	162,559
Market value of completed investment properties	640,000	393,000
Market value of completed properties*	1,100,500	705,000
Construction starts on apartments during the period	1,376	543
Apartments completed during the period	478	445
Apartments under management	881	562
Apartments under construction	1,645	702
Apartments under project development	8,850	4,311
Total apartments	11,376	5,580
Changes in the apartment development rights portfolio during the period	4,651	1,362
Lettable area of completed properties, m ²	37,759	22,940
Equity/assets ratio	44.2%	33.8%
Adjusted equity/assets ratio (adjusted for cash and cash equivalents)	47.0%	39.6%
Loan-to-value ratio of completed properties	59.0%	59.0%

* SIBS' share

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 make high-quality housing that is both energy efficient and designed to be circular, 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.

PURPOSE

To create beautiful, pleasant and affordable homes for the many

How and where we live is strongly linked to our security, our quality of life and our overall well-being. SIBS delivers beautiful, comfortable and affordable homes that are accessible to more people through affordable rentals and the right location.

Against the backdrop of a global shortage of affordable housing, new societal challenges are arising. SIBS helps solve these challenges by creating homes, neighbourhoods and communities with room for all.

Objectives

We continue our growth journey to:

- ▣ become one of the Nordic region's leading residential builders under its own management
- ▣ annually produce about 5,000 apartments for own management
- ▣ have Sweden's most satisfied tenants

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 digitalisation from start to finish and streamlined industrial production, we reduce construction time without compromising quality. This is proven by our over 1,000 completed homes.

Our strategic priorities

Project portfolio

Our project portfolio is well balanced for good growth. We ensure that we seize opportunities at both macro and micro levels. Our portfolio is expanded strategically with careful selection of areas where our homes are needed most. Our geographical focus is primarily Greater Stockholm, Gothenburg and Malmö and the surrounding area, as well as major university cities.

Sustainability

Our housing projects will last for generations, which is why sustainability is clearly integrated into every component. The aim is to constantly improve the construction process, in order to minimise environmental impact and contribute towards increased social sustainability.

Market insight

With informed analysis and understanding of market trends, we select our geographic locations and development areas. Analysis and acquisitions made early in our value chain are key to the scope of property value created later on.

The tenant today and tomorrow

We stay at the forefront with in-depth knowledge of trends and drivers in housing and property development. With a focus on the tenant, we act today on the needs of tomorrow.

Technology

Using new technology, we create buildings that are as energy efficient as possible and our methods also provide great savings in terms of both time and cost. Additionally, our solutions also make it easier for our tenants to live sustainably.

Architecture

Our buildings should contribute to an attractive cityscape, and therefore the architecture has high priority, both the exterior and the interior. Our proprietary modular design and construction system provides great flexibility, through high-quality, to create a feeling of well-being in every home.

Functionality

SIBS's homes are designed to meet everyday needs, while providing a pleasant backdrop to tenants' lives. Functionality is central, both as a whole and down to the details that make living in our buildings a little better, a little easier and a little more comfortable.

Our business structure

Building on SIBS' leading expertise and patented systems in ContstructionTech, we are optimising our assets and focusing on two 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.



OUR STAKEHOLDERS

In all our relationships, trust and confidence are key. In every relationship, we establish trust through responsiveness, transparency and clear communication.

Value			
Owners Growth with profitability. Good and long-term total return on investment.	Customers Beautiful, comfortable and affordable homes in attractive locations. Through insight-driven design of housing and neighbourhoods, we create high quality of life.	Environment Properties with a major focus on sustainability down to every detail. Including high energy efficiency and high-quality materials.	Employees A safe and inclusive workplace that offers a sense of community and development.

THE GOOD SOCIETY

High-quality rental housing enhances the conditions for an inclusive society. We increase accessibility for groups with different economic circumstances and combat segregation. In this way, we contribute to creating a more inclusive society.

Engagement across the value chain

Our businesses

There are five companies within the SIBS Group that cover the entire value chain from acquisition to property management. Expertise and continuous development stay within the group and contribute to a quality-assured and growth-focused business. Our organisation is characterised by innovation, development and drive.

Unique values in the value chain

Unique values such as constantly expanding knowledge of industrial, flexible construction are created for SIBS in the value chain. As we own the entire value chain, the expertise stays within the company and adds value to what the company delivers. High quality and cost control are ensured in all stages, and delivery reliability is guaranteed in our own systems.

By working with the construction system “parametric modularization” and using our proprietary configuration tool, we are able to build with a high level of flexibility in terms of

design while also minimising project risk. The construction system allows us to customise projects based on the shape of the plot to maximise the development potential of different detailed development plans. No two plots are alike and no two projects are the same.

Predetermined parameters ensure that what we design is both buildable and compliant with all statutory requirements regarding accessibility and fire safety. We use architectonic objects in our planning, While ensuring that we learn from what we have designed so that we never have to reinvent the wheel.

The construction system, in combination with our configuration tool, allows us to minimise project risk. It automatically adheres to a regulated system that issues warnings and makes it impossible to design something that does not fulfil our predetermined parameters or statutory requirements.



MARKET ANALYSIS AND ACQUISITIONS



Our well-founded analyses are the basis of the geographical locations we select. With in-depth knowledge of trends and driving-forces, we act today to meet the needs of tomorrow. Specific expertise within areas such as structural engineering and environmental strategy analysis makes us market leaders within our field. With a focus on the tenant, we develop homes that contribute to the good society.

VALUE CREATION

Well-balanced market analysis and a stringent acquisition process are the foundation on which we create value. Analysis and acquisitions made at an early stage are decisive in terms of how much value is created subsequently.



DESIGN AND PLANNING



Our buildings are to contribute to an attractive urban environment, which is why architecture is a top priority. Our modular design and construction system offers greater flexibility in construction and significantly shorter planning and production times. There is also a great focus on energy efficiency. Our key employees within architecture, construction and installation are all experts in SIBS's construction system.

VALUE CREATION

Our processes are cost-effective and quality assured. The construction system development and multi-disciplinary approach to planning creates a great deal of value.



PRODUCTION



About 90% of the work takes place in our factories in Malaysia. Ambitious quality control and efficient processes result in very good cost control and a safe work environment. The production and process equipment developed by SIBS is produced in Malaysia and we are constantly optimising our flows. We focus on function, design and sustainable energy, and the modules comply with sound transmission class A.

VALUE CREATION

Efficient knowledge feedback and process development generates optimised processes with high levels of cost control. As well as a product with high customer value.



LOGISTICS AND TRANSPORT



Frontlog is responsible for transport and logistics of the modules from the factory. The predictability of production means that we can plan, synchronise and optimise shipments. With a skilfully managed transport flexibility, we reduce costs at the same time as ensuring minimal environmental impact. Our shipments by land are approximately one tenth of those of buildings constructed on-site.

VALUE CREATION

Profound knowledge and a structured procurement process means that we find the most cost-effective shipments. Optimisation of the logistics flow results in fewer shipments and high delivery precision.



ASSEMBLY AND COMPLETION



MOBY assembles and completes the buildings. Our method results in significantly less time spent at the construction site due to the high level of completion of our modules. The work environment is both safer and better as the work involves fewer elements, there are fewer shipments and lifting takes place at the work site. In terms of construction time, we are industry-leading with a 50% shorter construction time compared with conventional methods.

VALUE CREATION

A high level of completion, detailed planning and predictable deliveries reduces the construction time and number of shipments. It reduces disruption in the area, decreases environmental impact and offers fast delivery.



LONG-TERM MANAGEMENT



With a focus on the residents, we take a long-term, sustainable approach to management. Our management is dependable and accessible. The buildings more than exceed the energy requirements set by the Swedish building standards thanks to solar panels, ground source heating and an energy efficient construction system. Valuable experiential feedback is reinforced by the fact that the value chain is within the group.

VALUE CREATION

Our sustainable, functional and aesthetically pleasing properties create value for many people. They contribute to a more sustainable society and provides more people with access to new premium homes with a reasonable rent.

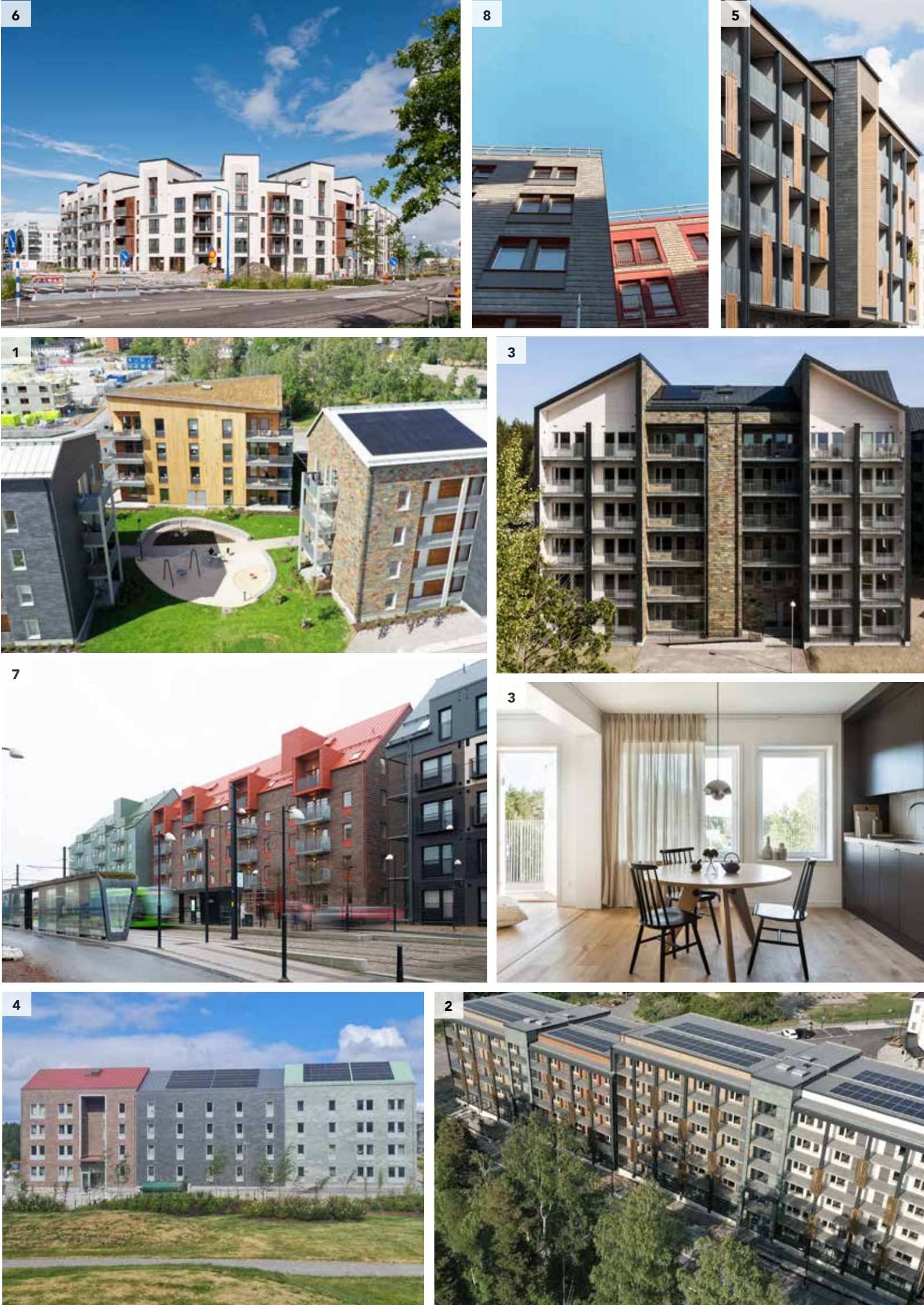
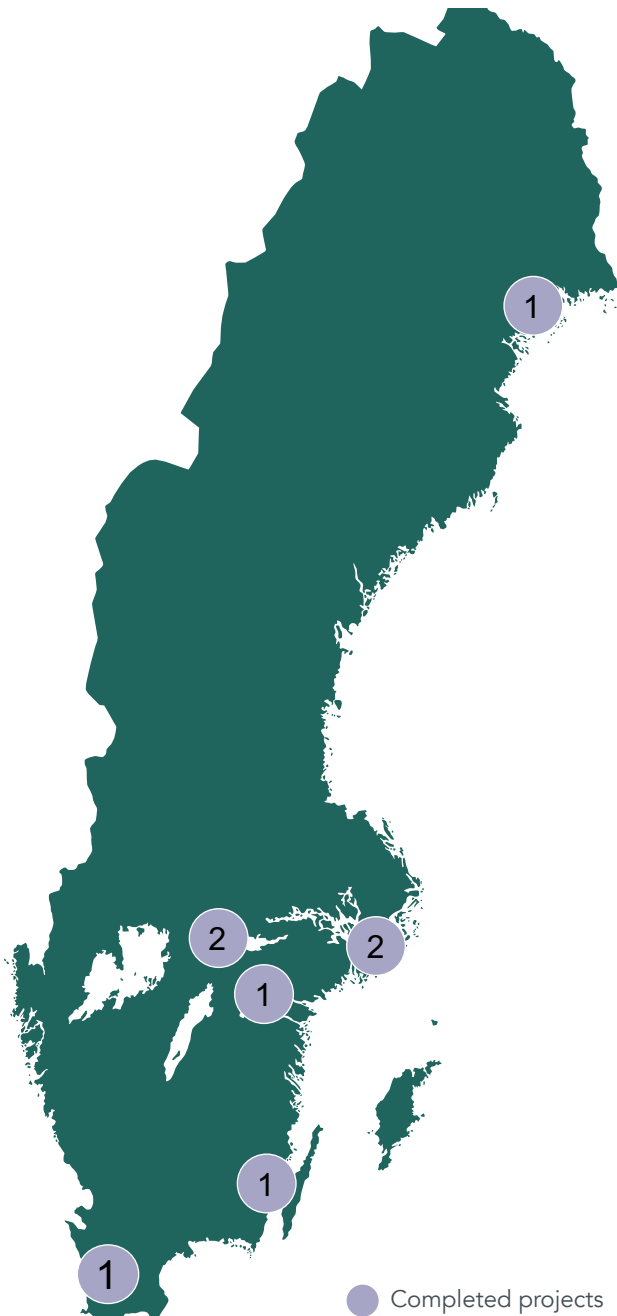
Completed projects

SIBS has now completed a total of 1,040 apartments through eight projects widely spread geographically across the country. Our projects include a large variety of designs and exterior layouts, demonstrating the strength of our flexible construction system. Each project is carefully adapted to the surrounding environment and residents’ needs and wishes.

Sustainability is central to the development approach, and the creation of environments that people will want to come home to. We work with materials and design solutions that will stand the test of time for houses that will stand for generations to come.

COMPLETED PROJECTS		
	Project	Municipality
		Number of homes
1	Sandtorp	Norrköping
2	Brandbergen	Haninge
3	Snurrom	Kalmar
4	Kronandalen*	Luleå
5	Glidplanet	Örebro
6	Autogyron	Örebro
7	Parasollet	Lund
8	Barkarby**	Järfälla
	Total	1,040

* The project was divested in 2021
** Stage A of the project



Welcoming block structure in Kronandalen, Luleå

KRONANDALEN

LULEÅ

🏠 Number of homes: 159

🏠 Status: Completed



In Kronandalen we see how well the modular building system works also in the design of a coherent block structure. Standardising an interface between the site-built garage and the building above shows how we can systematically and progressively develop the building system without affecting existing modules. The project was divested in 2021.

Modern architecture with variety in a sustainable district in Lund

PARASOLLET

LUND

🏠 Number of homes: 75

🏠 Status: Completed

In the future, nearly 40,000 people will work and live in the Brunnshög district. Next to the tram stop at Solbjerstorget is Sveaviken's Parasollet project. The property's modern architecture varies in both materials and character.

The local plan required a projecting building element. The technical solution found was a prefabricated cantilevered beam structure. There was a risk that vibrations from the tramway would propagate to the structure. The building system is always modelled in FEM*, where loads in the different load cases are calculated with a high degree of accuracy and then calibrated with sylo-dyne under each column.

Parasollet also accommodates attic apartments. A hybrid module was developed for these homes. Floor joists and wet room units were delivered from our factory. The roof was designed to have roof components that were pre-insulated with waterproofing.



Living architecture in a green and active district in Örebro

AUTOGYRON

ÖREBRO

🏠 Number of homes: 117

🏠 Status: Completed

In Södra Ladugårdsängen in Örebro is the Sveaviken block Autogyron. A green and active district is being created here. The area mixes pedestrian zones with car-free zones, winding trails and running tracks to facilitate a sustainable lifestyle. The main streets accommodate everything you need and open up the public space for a pleasant urban feel. The architecture of the property varies in both materials and character.

In Autogyron, all apartments feature high-quality design, waterborne underfloor heating, rooftop solar panels and their own balcony or patio. Geothermal heating ensures sustainable operation. The project is a good example of Sveaviken's diligence in completing a project with a favourable rent.



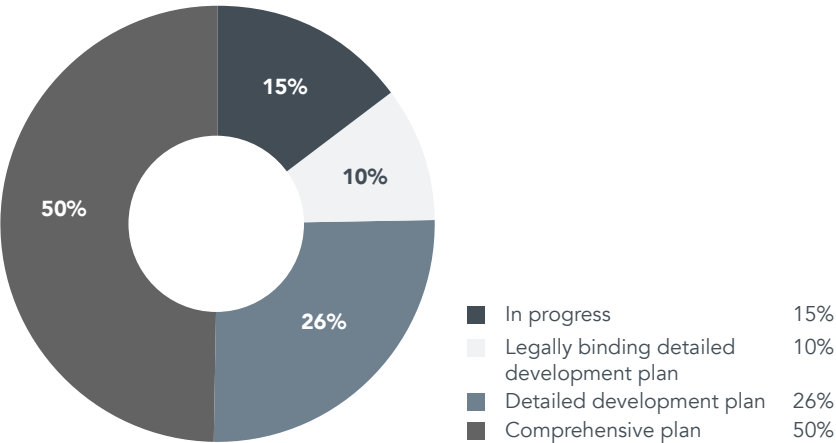
Project portfolio

Project name	Municipality	Number of homes	Current status	Estimated production start
Barkarbystaden block 15*	Järfälla	224	In progress	In progress
Nykvarn Centrum*	Nykvarn	282	In progress	In progress
Helsingborg*	Helsingborg	78	In progress	In progress
Vegaterrassen*	Haninge	241	In progress	In progress
Vallentuna Centrum 1*	Vallentuna	36	In progress	In progress
Vallentuna Centrum 2*	Vallentuna	36	In progress	In progress
Brädgården*	Nyköping	462	In progress	In progress
Mariefred station phase 1**	Strängnäs	239	In progress	In progress
Mariefred station phase 2**	Strängnäs	161	Legally binding	2022
Barkarby block 20*	Stockholm	208	Legally binding	2022
Enköping Centrum*	Enköping	300	Legally binding	2022
Stockrosen*	Nyköping	300	Legally binding	2022
Linköping*	Linköping	48	Legally binding	2022
Tangenten Sorgenfri	Malmö	400	Detailed development plan	2023
Enköping station**	Enköping	500	Detailed development plan	2023
Svanholmen	Stockholm	300	Detailed development plan	2023
Söderby 2	Haninge	280	Detailed development plan	2023
Maltesholm	Stockholm	100	Detailed development plan	2023
Rogaland	Stockholm	400	Detailed development plan	2023
Eskilstuna	Eskilstuna	300	Detailed development plan	2023
Rulletten	Sollentuna	300	Detailed development plan	2023
Sjödalen ●	Huddinge	100	Detailed development plan	2023
Kornboden	Rimbo	200	Awaiting planning decision	2024
Skiffern	Huddinge	280	Awaiting planning decision	2024
Konservatorn	Stockholm	160	Awaiting planning decision	2024
Tumba	Botkyrka	560	Awaiting planning decision	2024
Kassmyra ●	Botkyrka	4,000	Awaiting planning decision	2024

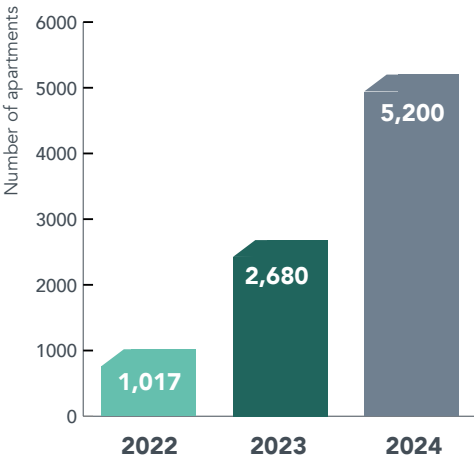
Total 10,495

* Joint venture (50/50) with Slättö
** Joint venture (50/50) with Nordsten Sveafastigheter
● Acquisitions in 2022

PROJECT STATUS



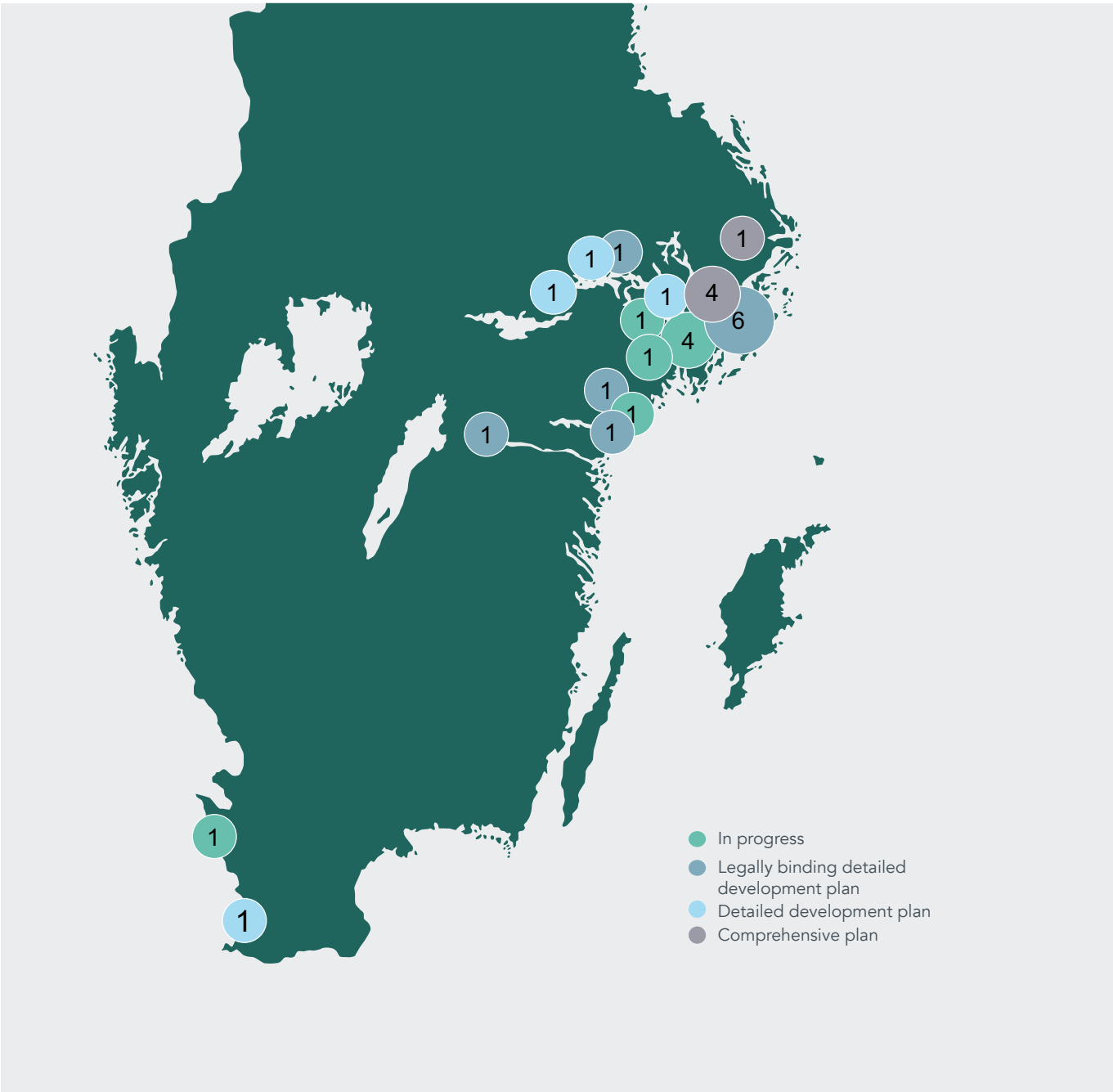
UPCOMING CONSTRUCTION STARTS



Strengthened building license portfolio with projects in strategic priority locations

During the year and shortly thereafter, the portfolio was expanded by approximately 4,400 development rights in Enköping, Huddinge and Botkyrka, among other places. The projects are estimated to start production in 2023–2024.

Our portfolio is expanded strategically with careful selection of areas where our homes are needed most. Our geographic focus includes mainly Greater Stockholm and Gothenburg and Malmö and the surrounding area, as well as major university cities.



Ongoing projects

Fast production and long-term value in Block 15, Barkarby

BARKARBYSTADEN BLOCK 15

JÄRFÄLLA

- Number of homes: 351
- Other buildings: Nursery measuring 1,424 m², other premises measuring 844 m²
- Status: Under completion

Inclusive, vibrant neighbourhoods

Sveaviken Bostad is building an entire residential neighbourhood in Barkarby town, including housing, a nursery, restaurants and business premises. We are part of the local development to create vibrant meeting places where people can meet naturally and where local services are available for all everyday needs. In inclusive, vibrant neighbourhoods, we create long-term value beyond the home.

Beautiful premium homes at affordable rents

The buildings’ modern architecture varies in both its materials and character, evoking urban spaces in global cities like New York. The homes are smartly planned with beautiful material choices that give a well thought-out premium feel at rent levels people can afford.

Tenants who welcome a comfortable everyday life

The block comprises a total of a dozen premises rented out to strong players with high ambitions. Three of the new tenants that will open their doors in the spring are Skandia-mäklarna, Babas Burgers and a Timeless Clinic beauty salon.

Sveaviken is delighted to be able to offer pleasant and welcoming street-level premises in our residential district in Barkarby town.



"In Barkarby we have set 14 volumes per day, which, as far as I know, is the fastest in the industry. At the same time, this is a balanced pace that ensures both safe working conditions and satisfactory quality."



PÄR-HENRIK ALMÉN
Deputy CEO MOBY AB



Planned projects

The garden suburb of the future in Kassmyra, Botkyrka

1. KASSMYRA

BOTKYRKA

Number of homes: around 4,000

Status: Awaiting planning decision.
Estimated production start 2024

The garden suburb of the future with about 15,000 new homes, about 4,000 of which will be built by Sveaviken
Kassmyra is planned as a new district, with schools, services and up to 15,000 homes. Sveaviken estimates that approximately 4,000 apartments can be built under the development rights.

Sveaviken Bostad has ambitious sustainability goals for the area
Sveaviken Bostad has set itself ambitious ecological, social and economic sustainability objectives. In order to realise the vision of Kassmyra Garden City as one of Sweden's most innovative and sustainable urban districts, in-depth work has been undertaken on environmental protection, biodiversity, green energy supplies and storm water management, which are particularly high-priority issues in Kassmyra. As the urban

planning is in its early stages and due to the area's size, this is a unique opportunity to create the garden city of the future, in close collaboration with Botkyrka municipality, other developers and the architectural firm Brunnberg & Forshed.

A new district with a focus on nature, local services, schools and good transport links
Kassmyraåsen is scenically located between the Vinterskogen and Lida nature reserves. The future-facing garden city will provide direct access to both outstanding nature spots and good transport links to Stockholm. At the same time, residents will be able to find everything from schools to local services in the new district. The nature reserves on either side will be linked and made accessible, while the huge gravel pits and rubbish heaps that currently dominate Kassmyra will be replaced with a new living garden city.

Work is ongoing on the detailed development plans
Work on the detailed development plans for the whole of Kassmyra is ongoing and approval is expected in 2022. The gradual preparation of new detailed development plans for the area will then begin, and these should become legally binding in 2025–27.

A second land allocation in Barkarbystaden, an exciting urban development project

2. BARKARBY BLOCK 2

JÄRFÄLLA

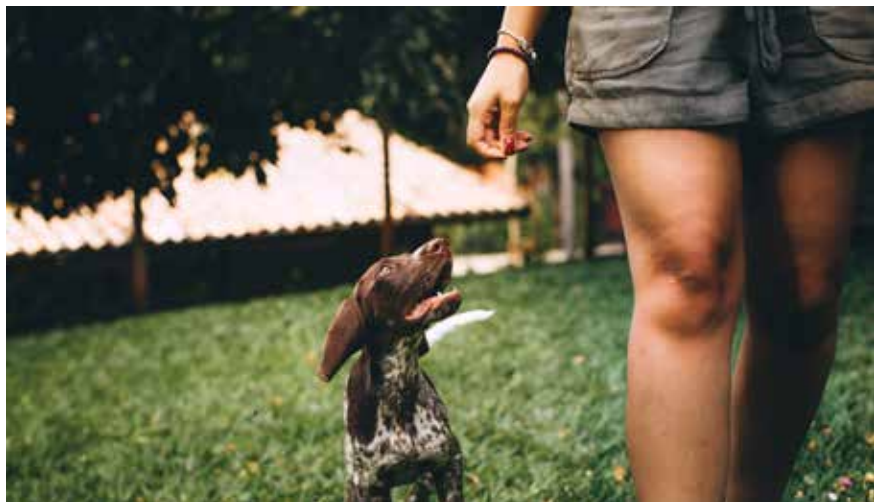
Number of homes: around 200

Status: Legally approved Estimated start of production 2022

Housing, commercial/residential space and commercial space
In June 2021, we won our second land allocation in Barkarbystaden, Block 20. Sveaviken Bostad is planning around 200 apartments, as well as residencies and premises for commercial activities. Block 20 is centrally located in Barkarbystaden with proximity to the future metro station, schools, pre-schools and all kinds of local services.

Putting together an application for a land allocation as large as this requires extensive work. That it was a success from start to finish is amazing and an encouraging sign for the future. We are honoured to be able to participate in the construction of another block in such an exciting urban development project as Barkarbystaden.

Inclusive, vibrant neighbourhoods
In the project development, we are taking with us our experience from the work with Block 15 in Barkarbystaden. Here, too, we strive to create vibrant meeting places and inclusive, vibrant neighbourhoods with long-term value for our tenants. We will also take with us our experience from previous collaboration with other construction actors and Järfälla municipality as we continue to develop Barkarbystaden. The start of construction is planned for 2022.



An industrial construction value chain based on best practice

It started with an ambition to become best in class

A few years into the history of the SIBS Group, it is satisfying to look back at the work that has been done and where it has taken us so far.

Personally, I have been fortunate enough to be involved from the outset in this great development adventure, which started with the question, “What would an industrial construction company based on best practice look like?” Our then blank sheets were quickly filled with headings such as “technology platform”, “process platform”, “supplier platform”, “holistic approach”, “information management”, “experience feedback”, “quality assurance” and “continuous improvement”, as the building blocks of industrial construction.

“Our objectives for what might possibly be achieved have steadily progressed”

By continually making strategic hires of individuals who are driven to push boundaries, and to dare to test and evaluate new solutions, our objectives and our perceptions of what might possibly be achieved have steadily progressed.

The SIBS Group covers the entire industrial construction value chain

As a result of countless innovations and even more iterations of these, in the space of just a few years we have succeeded

in establishing a group that covers the entire industrial construction value chain, from land acquisition to self-management, and are able to claim to have achieved our “best-in-class” goal in every business line.

A future-proof business

We are well-equipped to face the future, thanks to our clear processes and work methods, flexible but well-defined technology platform, modern design process, well-developed production facilities, high completion rates, customised freight solutions, and modern management approach focused on sustainability issues.

“Every link in the construction value chain has been optimised and quality assured.”

Data processing: the next stage in our adventure

The SIBS Group is clearly driven by development and we are always looking ahead to the next stage in our adventure. Much effort is currently being put into work on how the wealth of digital information generated during a construction project can be processed and managed more effectively.



SIBS' first factory in Malaysia



ERIK SÖDERHOLM
CTO SIBS AB & GROUP



SIBS' second factory nears completion

A future capacity of around 5,000 apartments a year

SIBS' second factory will become operational during the third quarter of 2022. Its initial capacity will be around 2,000 apartments a year, which will ultimately rise to around 4,000 apartments. When combined with the existing factory, this will increase SIBS' total production capacity to around 5,000 apartments a year. In the future, the current factory will focus on certain types of module to further optimise the production process.

Spotlight on sustainability

The factory is located in the same industrial area in Malaysia as the first factory, i.e. Penang Science Park. The factory is wholly owned by SIBS and, like the previous factory, will only produce factory-built apartments for SIBS and its partners. The factory is strongly focused on sustainability. This includes an enormous solar power plant that will supply more than 100% of its energy needs. This means that the entire production operation will be powered by solar energy. The factory will be environmentally certified in accordance with the GBI (Green Building Index).

Even better products and processes

In the new factory, we are launching a series of updates and improvements to both products and process equipment in what we call the SIBS Building System 2.0. These will all have a higher level of in-factory completion, higher quality and cost optimisation in common.

With more than 1,000 apartments completed and well over 3,000 modules produced, we have been able to draw on a lot of useful experience to make our new factory even more efficient.

A milestone for SIBS and for ConstructionTech globally

When SIBS started operating in 2016, the construction of this second factory was already planned. In all the work leading up to this, a lot of effort was put into focusing on scalability, in everything from design automation to production equipment. Thanks to the combination of scalability and the experience that we have acquired, SIBS' new factory represents an incredibly important milestone not just for the company, but for ConstructionTech globally.

Continued strong market performance despite an uncertain environment

The real estate market continued to perform strongly in 2021 despite a continued pandemic year. Interest in rental housing was high, and it is clear that in a troubled world, real estate is a stable sector that contributes every day to the basic development of society.

2021 was a record year in terms of transaction volume and number of deals. The market is driven by both large acquisitions and a large number of smaller deals, with a total of around 800 deals completed in 2021. The year has offered a favourable investment climate in the form of low interest rates and low financing costs, although there are also concerns about the world around us. However, most other sectors were seen as more risky, which probably increased interest in the safer property market. We also saw several consolidations, resulting in fewer but larger players in the market, while the real estate market is growing and new companies are starting up.

This year, SIBS has again taken advantage of the strong market and grown in volume while strengthening and clarifying the company's strategic direction. SIBS is expanding its operations with additional business areas that meet the market segments where our offering creates the strongest value for society's needs.

Increased prices for building materials

After some post-pandemic stabilisation, the world again experiences unrest following Russia's armed invasion of Ukraine. Among other things, it affects fuel prices, higher import prices and the price of construction materials. At the same time, steel prices have started to fall, driven by shutdowns in China, which have pushed down iron ore prices.

We also have inflation at its highest level since the early 1990s**, mainly driven by rising electricity and fuel prices. High inflation continues to be fuelled by sanctions following Russia's armed attack on Ukraine. In an attempt to curb inflation, we have now seen the Swedish central bank's first increase in key interest rates on 28 April this year. It is likely that we will see further increases in key interest rates by the central banks.

All in all, this increases production costs, which can lead to housing projects being postponed or paused to await developments, something we have already begun to see in the market. SIBS purchases construction materials mainly in Southeast Asia, where prices have not increased as much, meaning we are significantly less affected by the increased production costs and our projects can continue as planned.

This demonstrates the strength of the factory's geographical location in Malaysia. We have also held up well against commodity price inflation, thanks partly to our efficient sourcing process, and partly to our global sourcing channels. By having energy-efficient buildings and a high proportion of electricity from our own solar cells, we have been able to cope with rising energy prices without major problems.

Continued housing shortage and high demand for rental housing

There is still a shortage of housing in Sweden, although it varies across the country. Market conditions for rental housing in growth areas remain good. The Swedish National Board of Housing estimates that around 60,000 new dwellings will be needed each year until 2030. (Diagram and map National Board of Housing)

In 2021, construction increased by about 15 percent and construction of 60,000 new homes started. It is increasing most in Greater Stockholm and in larger municipalities. The number of rental homes started increased by 10% and accounts for almost half of new production of multi-family housing according to the National Board of Housing.

For a long time, condominiums have been built for very homogeneous target groups. There is a need for more rental housing and mixed tenure in the same areas. And rental rates that more people can afford.

At the turn of 2021–2022, the investment subsidy ended, which is likely to reduce the level of new rental housing construction in 2022. According to statistics from the National Board of Housing, the subsidy was used for 27% of the homes built in 2020.

At the same time, the Migration Agency and municipalities are looking for accommodation for the thousands of refugees coming to Sweden from Ukraine. According to the Migration Agency's highest forecast, the number of people seeking refuge here could exceed 200,000 by June 2022, depending on how the war in Ukraine develops.

Risk of reduced housing construction

A combination of several market factors such as increased production costs, uncertain supply of cement combined with the abolition of investment subsidies, there is a risk that the number of newly produced rental properties will decrease. SIBS' value chain and geographic location allow us to manage an uncertain market with stability. We continue to have low production costs and high cost control, allowing us to continue to start and complete our projects as planned. We have also weighted our project portfolio towards more urban areas early on so as not to be dependent on investment support to start our projects. SIBS stands strong in the current market environment.

Covid-19

Covid-19 continued to dominate 2021, but we are finally seeing an end to its impact on both individuals and communities. The pandemic did not have a significant impact on SIBS' operations, and our assessment is that the pandemic will not have a major impact on future years, although it is something we will have to live with and manage going forward.

Freight price developments

2021 was a relatively dramatic year for the shipping market, and in a short time, we experienced record high container prices. The price surge also spread to the dry cargo segment, resulting in pre-Lehman crisis rates. We have been very successful at finding solutions, such as chartering vessels of the right size to carry an entire property or filling a vessel also carrying other cargo, allowing us to manage the high freight prices by significantly reducing our own costs. Supplies are distributed together with the modules, in full trucks to minimise the number of shipments. This means that ships are fully loaded and cargo is transported with the smallest possible carbon footprint

Shipping costs are still high, even for us, but are having a relatively low impact on our profitability. We expect the freight market to stabilise around mid-2022, remaining at a higher, but more acceptable, level than before the pandemic.

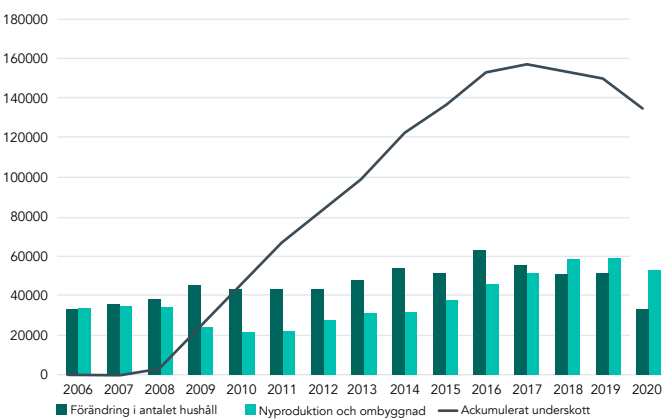
Development of the Swedish krona

The Swedish krona has weakened slightly during the year, but still within a normal range.

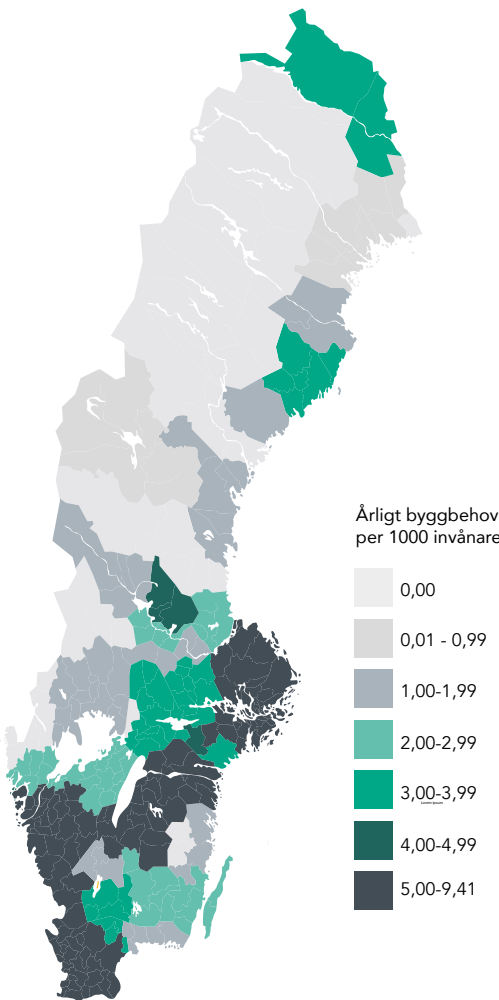
Home is becoming more important

The home has taken on an even more important role during the pandemic, while digitalisation, the trend towards teleworking and new family constellations are also influencing housing preferences and priorities. The home should be able to offer peace and quiet, while at the same time providing social spaces and the opportunity for a private workspace. Consumers have also raised their standards in categories such as sustainability and outdoor environment as they spend more time at home. Regional expansion is a fact, and home no longer needs to be as close to work or the city centre. However, priority is given to homes that are close to railways or motorways. SIBS' priority of a well thought-out whole in everything from the layout to the choice of materials, a high level of design with a premium feel, delivers on the varied needs and wishes of our tenants. Outdoor environments such as courtyards, balconies or patios are also important parts of the whole when we design our projects.

Building up of an initial housing deficit



Source: National Board of Housing



Source: National Board of Housing's 2021 needs assessment

*read more about our business structure on pages 12–17

** highest since March 1991. According to Statistics Sweden, the inflation rate rose to 6.1 percent in March 2022



Sustainability Report

Sustainability work at SIBS goes hand in hand with our business strategy

The sustainability perspective is integrated throughout our operations and is a prerequisite for our long-term perspective. What we do today affects generations to come, so our work encompasses both how we take responsibility in our daily operations and how our properties contribute to a sustainable society. It takes innovation, foresight, knowledge and courage to find new sustainable ways to do business and grow. SIBS has what it takes.

We cherish an inclusive society, which is why we build beautiful, comfortable homes for the many. With affordable rents, we make it easier for more people to enter the housing market and to choose the home they want. What's more, our houses are designed to be circular, which means they can be dismantled, moved and rebuilt with the same frame, fittings and even finishes. In this way, we keep pace with the changing needs of the market over time, as well as with today's and tomorrow's demands for a higher degree of innovative sustainability.

A sustainable business model

A sustainable business model requires continuous improvement of each step in the value chain, social aspects, working conditions and living environments. This includes creating a sustainable and better living environment and living situation, with minimal environmental and climate impact for our tenants. It's a difficult balancing act, but with SIBS' uniquely efficient and flexible production concepts and responsible management, we are well placed to create sustainable solutions and long-term value for all stakeholders.



JON MELLOVIST

For SIBS' Head of Sustainability, Jon Mellqvist, sustainability is about creating long-term conditions for a high quality of life for all. Achieving this will require progress in several areas. As Sustainability Manager, Jon's job is to ensure that SIBS meets its high sustainability targets.

Complete value chain promotes sustainability

SIBS Group has been built with a clear strategy to own the entire value chain. The companies in the SIBS Group together form an efficient joint process flow from identification and acquisition of land, to design, construction, logistics and property management. The complete value chain and the long-term nature of the product life cycle create significant sustainability gains.

"The complete value chain and the long-term nature of the product life cycle create significant sustainability gains"

"As a housing developer and owner, it is a great advantage to be able to control the entire value chain, both from an economic and sustainability point of view. The process from start to finish can be trimmed at all stages from a helicopter perspective, and each actor works on the basis of SIBS' common goals and incentives. For example, a company working in design has a natural focus on its own performance and delivering good construction documents, but does not always have the right incentive to see the big picture. With us, nothing is left to chance or for someone else to take care of. We try to take advantage of everything and optimise every process with the aim of saving the environment and lowering costs," Jon says.

By integrating the entire value chain and driving active improvement across all companies and units, SIBS has shown strong growth and ingenuity from the start. The development of the proprietary design and construction concept Parametric Modularisation is the foundation of SIBS' innovative capability. Among other things, the solution has resulted in SIBS automating large parts of the design process and efficiently adapting properties to each project's unique conditions.

"The development of the proprietary design and construction concept Parametric Modularisation is the foundation of SIBS' innovative capability."

With its own resource and flow-optimised production facility, SIBS can complete around 90% of the homes in the factory. 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 under roof in a process-oriented, systematised and well-controlled flow.

SIBS builds houses using an industrial method that is groundbreaking for the real estate industry and that allows us to build faster and more efficiently than most in the Nordic countries. Such details as the production of joists in ready-to-assemble lengths in the neighbouring factory means we reduce waste, which brings economic and climate benefits. There is a strong innovative force and a clear desire in the company to revolutionise construction. Although SIBS is a relatively young company, it has already manifested itself in greatly improved and more sustainable construction processes. This gives us a good starting point for our continued sustainability work.

Joining the Science Based Target Initiative and achieving net zero emissions

SIBS previously mapped and assessed sustainability impacts and analysed these against the UN's global goals for the

2030 Agenda. Based on the analysis, three focus areas have been identified for the Group's sustainability strategy. These are Green buildings (objective 3), Sustainable supply chains (objective 12) and Climate impact (objective 13), which have been selected as they are considered to be the most important priorities to work on in the near future.

"In 2021, SIBS started working on a Science Based Target Initiative (SBTI)* action plan with a net zero carbon target"

In 2021, SIBS started working on the Science Based Target Initiative (SBTI)* action plan with a net zero carbon target. SBTI works with science-based targets based on what is required by each sector and activity to work in line with the Paris Agreement's goal of reducing global warming. Work on the development of targets and action plans will continue throughout 2022.

The sustainability report covers the entire SIBS value chain, which consists of SIBS AB, Sveaviken Bostad, MOKO, SIBS Malaysia, Frontlog and MOBY. No adjustments have been made in this year's report based on previous years' sustainability reporting.

Sustainability work at SIBS

In our sustainability work, we have taken several perspectives into account. Our action plan has been developed through analysis, dialogue and priorities. We draw on a number of global frameworks and objectives as well as our internal frameworks to ensure the quality of our work.



Our frameworks, management systems and action plans ensure that SIBS works systematically and with the right sustainability issues. In prioritising our work, we take into account the environment and business strategy, which means looking at how our business strategy delivers sustainably over time and meets the world's wants and needs of our business and our deliverables.

An important task is to review the risks associated with our activities, but also to constantly focus on the opportunities we have to contribute positively to the environment, people and the planet.

The stakeholder dialogue is a valuable tool to understand how we can best create value from our stakeholders' perspective, but also to get more perspectives on our work. During the period, we conducted a stakeholder dialogue and materiality analysis, which you can read more about on page 40.

Based on these different perspectives, we have formulated our focus areas and developed our objectives and action plans. We continually review our sustainability management to ensure we are optimising our work.



SIBS operates on the basis of the following standardised frameworks and initiatives:

- UN Global Compact
- GRI
- Agenda 2030 and the Global Goals
- ISO 9001 and ISO 14001
- Science Based Targets
- Sweden Green Building Council
- EPRA

of which SIBS is a member of the Sweden Green Building Council and the UN Global Compact.

Outlook for 2022

- ▮ Action plans for reduced climate impact according to the Science Based Target initiative for SIBS AB, MOBY, MOKO, Sveaviken Bostad and Frontlog.
- ▮ ISO 9001 and 14001 certification for SIBS Malaysia.
- ▮ Assessment of all installation products in Byggarubedömningen.
- ▮ External verification of sustainability report against GRI.
- ▮ First LEED EBOM certifications are completed.
- ▮ Updated requirements and monitoring process for a sustainable supply chain.
- ▮ Programming that allows accurate quantities of building materials to be obtained quickly and easily from our 3D models as a basis for LCA calculations.
- ▮ EDP for steel purchased in Malaysia.
- ▮ Disassembly and recycling manual according to ISO 20887:2020.

Internal governance

SIBS has a number of internal governance documents, such as the environmental and quality policy, code of conduct, action plans and procedures.

Governance of sustainability work follows the organisational structure. SIBS' Head of Sustainability is a member of the management team and is responsible for the Group's sustainability work and supporting the companies in their work. 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 the SIBS management team, and the CEO reports to the Board on a quarterly basis. One critical aspect has been highlighted during the year, which is the climate issue and the impact of construction, as well as potential future laws and regulations. Evaluations are also carried out in the form of audits according to ISO 9001, ISO 14001 and, for MOBY, ISO 45001. All policies are approved by the CEO of SIBS, reviewed annually by the Board and published on sibs.se.

Code of Conduct based on the UN Global Compact

SIBS operates under the UN Global Compact, which includes supporting and respecting international human rights within our sphere of influence. The SIBS Code of Conduct is based on the UN Global Compact's 10 principles on human rights, labour conditions, the precautionary principle, the environment and anti-corruption. The Code applies to all Group companies and their employees. Our suppliers and partners are covered by a code of conduct specifically developed for them. We work continuously to train our employees and suppliers in the Code of Conduct and monitor compliance.

A whistleblowing service is also available on our website. It is located externally to ensure anonymity so there is no hin-

drance to reporting if you experience anything questionable in relation to our policies. During the period we have not had any reported incidents.

In addition to our support and governance systems, employees are also encouraged to contact their line manager if they have concerns or feel uncertain about how to act in relation to the company's policies. Our leaders should be visible and accessible for this kind of conversation and input.

Quality-assured management systems

SIBS AB is certified according to ISO 14001 and ISO 9001. This demonstrates the good quality of our management systems. The subsidiaries and associated companies MOBY, MOKO and Sveaviken Bostad are also certified according to ISO 9001 and 14001. MOBY is also certified according to 45001. Work has begun on certification of the management system for SIBS Malaysia.

Responsibility lies with every company

The CEO of each Group and associated company is responsible for compliance with the SIBS Business Policy, the Internal Code of Conduct and the Code of Conduct for Suppliers and Partners. Companies can establish their own quality and environmental policies, as long as they comply with ISO 9001 and 14001, respectively. SIBS policies are constantly applied in the work through training and continuous review and follow-up.

The SIBS policy document does not group or categorise stakeholders. SIBS does not accept any form of discrimination, and there is special focus on equal treatment for all, regardless of gender, ethnicity, age, disability, religion or political persuasion.

Stakeholder dialogue and materiality analysis

During the year, SIBS decided to start reporting on sustainability according to the GRI Standards. We see many advantages in reporting using a globally recognised standard. Among other things, the standard guides us in the right direction to ensure that we report our most material impacts in a structured and accurate way. It also increases our transparency and makes it easier for both us and the reader to compare the progress of our sustainability work with others in the industry.

Sustainable environmental, social and economic development

In order to decide which areas, and ultimately GRI topics, are important for SIBS to report on, a stakeholder and materiality analysis was conducted during the year. The work followed the GRI recommendations, including an analysis of our sustainability context, the challenges we and our industry face and how we can contribute to sustainable environmental, social and economic development.

Within the analyses, we listed stakeholder groups that we might influence and then categorised them based on whether our impact is real or potential. Stakeholder groups were also prioritised based on the level of impact we have on each group. We also worked to identify the type of impact we have, whether our impact is direct or through business relationships, and the ways in which we can have an impact on human rights. All identified impact areas were then assessed based on the GRI model, which includes severity and scope.

The results of our analyses

In terms of our ecological sustainability context, it is clear to us that we operate in an industry that has a significant negative impact on the environment and climate. We know that SIBS' biggest negative environmental impact is the climate

impact related to the use of building materials. Most of the climate impact of our operations comes from the production of steel and concrete. We use recycled steel to a large extent, which helps to reduce climate emissions, even though the processes for recycling steel are energy-intensive. Our biggest carbon footprint, therefore, comes from our suppliers who make the materials we buy. Our second biggest negative environmental impact is the climate impact of transport. The fact that we build highly energy-efficient houses with a good indoor environment is our most valued positive impact.

In terms of social sustainability, we have a significant impact on our existing and future tenants. We see it as our responsibility to build modern, safe homes where people thrive and are comfortable. We also see that we have a great opportunity to influence our employees' working environment, where secure employment conditions and safe and inclusive workplaces are key. We have the important responsibility to ensure human rights, good working conditions and low environmental impact through our supply chains.

Our impact on financial sustainability is about long-term business and managing our resources efficiently. We also recognise our responsibility to build affordable housing where people can afford to live, without compromising on quality.

Main stakeholder groups

Tenants, employees, owners, investors, and JV partners.

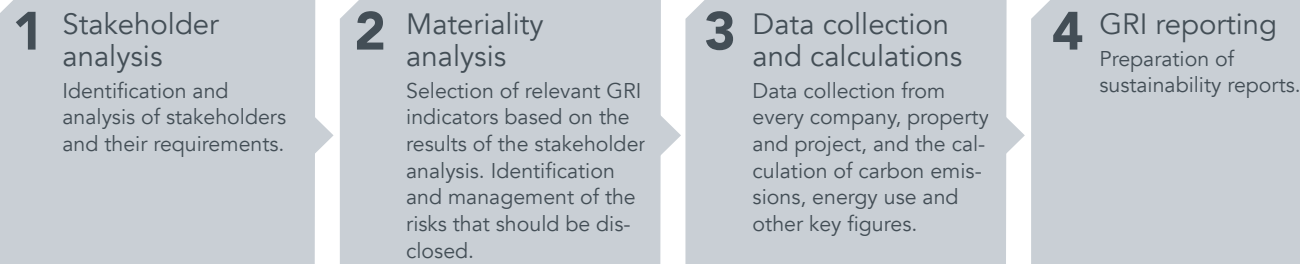
Highest rated positive impact

Energy efficient houses with good indoor climate.

Highest rated negative impacts

Climate impacts from building materials and transport, and climate impacts from construction.

SIBS' GRI REPORTING PROCESS



SIBS focus areas

SIBS' focus areas are based on the UN's 2030 Agenda and include developing, designing, building and managing long-term sustainable housing. By focusing on sustainability in everything we do throughout the building process, we contribute to sustainable development.

Three focus areas of global responsibility

Based on a materiality analysis, three focus areas for the sustainability strategy have been selected. The focus areas link our companies to the UN Global Goals and aim to reduce our climate impact, create sustainable supply chains and strengthen the sustainability of our homes through environmental certifications. Common to the focus areas, as well as to all of the 17 UN Sustainable Development Goals, is that they aim to achieve sustainable development for the entire planet. By reducing energy use and supplying homes with green electricity, we are creating sustainability and economic benefits for our tenants. It also benefits the rest of the world in terms of reduced environmental impact. Below are our three focus areas, as well as the objectives and some of the activities that comprise them.

Purposeful future

In addition to the sustainability work carried out within the framework of our three focus areas, we see it as self-evident that SIBS should also work towards achieving the other goals of the 2030 Agenda. This means we continually review our processes in the light of the UN's Sustainable Development Goals and focus on the areas where our actions have the greatest impact. As a member of the UN Global Compact, we report annually on our efforts to contribute to the UN's sustainable development goals and the improvements we have made. The report also includes information on how the UN Global Compact's 10 principles on human rights, labour conditions, the environment and corruption are implemented in SIBS operations.



Sustainable supply chains

With training, established requirements, process and material reviews and regular checks, we create a complete supply and value chain. Our buildings consist of modules built in our own factory in Malaysia. The building materials come mainly from Malaysia but also from other Asian countries and Europe. We are now in a position where we have developed good relationships with our suppliers and are ready to raise the level of our responsibility in the supply chain.



2021 GOAL

All employees must be trained in and familiar with the SIBS Code of Conduct, which defines our sustainability values and requirements. The Code of Conduct is based on the UN Global Compact's 10 principles on human rights, labour conditions, the environment and corruption. All suppliers are required to take note of and comply with a specifically developed Supplier Code of Conduct.



2021 RESULTS

Supplier code established. The Code of Conduct is disseminated throughout the organisation. A whistleblowing service has been implemented.
No formal training was provided on the Code of Conduct, but several briefings were held. No non-compliance with the Code of Conduct was reported in 2021.



2022 GOAL

Our Code of Conduct is observed by us and all our suppliers.



2022 ACTIVITIES

New, clearer process for setting requirements and monitoring suppliers.
Code of Conduct training for all staff in Malaysia.
Updated risk assessment of suppliers.



Environmentally certified buildings

By working according to the Swedish Green Building Council and LEED, we ensure that we build good houses, with a good and healthy indoor climate and that we use sustainable materials. We currently have a detailed plan for the certification of all new and existing buildings.



2021 GOAL

All new buildings are certified according to Miljöbyggnad Silver.
All existing buildings are certified according to LEED EBOM.



2021 RESULTS

Two buildings certified according to Miljöbyggnad Silver and another after the end of the period



2022 GOAL

All buildings are certified according to Miljöbyggnad Silver or LEED EBOM Gold.



2022 ACTIVITIES

Continue to work according to the environmental certification plan, which includes completing the first LEED EBOM Gold certifications.



Climate impact

Building and managing houses has an impact on the climate. We have come a long way in building energy-efficient houses. We focus on following the Science Based Targets initiative's approach to ensure that our climate impact is in line with the Paris Agreement and that global warming stays at 1.5°C.



2021 GOAL

Reduce the climate impact of production and develop EPDs (Environmental Product Declaration) for the main constituent materials.

New construction has a calculated energy use of less than 56% of the requirement in the National Board of Housing's guidelines.



2021 RESULTS

Work has begun on the development of EPDs.

All projects have so far been built with the same construction system, and the differences between projects are small compared to the uncertainties in the calculations. A major update of the building system started during the year which, when completed in 2022, will reduce the carbon footprint of the structure.

All of this year's projects have an estimated energy performance of no more than 56% of the requirements of the National Board of Housing's guidelines. Estimated energy use for our future projects is 25 kWh/m2 per year.



2022 GOAL

Net zero climate impact target endorsed by Science Based Target initiative.

New construction has a calculated energy use of less than 56% of the requirement in the National Board of Housing's guidelines.



2022 ACTIVITIES

Continued work on the Science Based Target initiative.
EPD (Environmental Product Declaration) for the main constituent materials.
Updated methodology for material quantities to better support LCA calculations.
Central ventilation for even better energy performance.

A more equal housing market

How and where we live is strongly linked to well-being, security and quality of life. We want to build homes and neighbourhoods that are open and accessible. Apartments and neighbourhoods where people can and want to live. Creating attractive areas where everyone can feel proud to live and visit.

With an efficient construction and production system, we make it possible to design and build comfortable and affordable homes, without compromising on either quality or design. In this way, we can make beautiful and pleasant homes available to a wider range of communities. Both to help break down housing segregation and to create cities with room for all. We want to contribute to areas where more people have the opportunity to live without having to compromise on the well-being that comes with a comfortable home.

We are convinced that a combination of improved amenity, quality and affordability in the rental market is the key to improved social sustainability for society at large. By enabling more people to live comfortably and affordably, we want to contribute to a more sustainable society and a more equal housing market.

Her House Foundation

Her House Foundation is a foundation whose purpose is to support, promote and strengthen women's and children's health through various interventions in the community. We support the Her House Foundation financially and by offering priority access to rental housing.

BLING

SIBS, through Sveaviken Bostad AB, has a sponsorship agreement with BLING. The agreement relates to BLING's investment in The Bridge, which is intended to become a hub for new entrepreneurs in Kista Centrum with the aim of driving social change and reducing exclusion. We continuously work with social sustainability in all our projects, and our investment in new apartments in Husby has made us aware of this positive movement that is constantly growing and making a difference in vulnerable areas.

SIBS often builds entire neighbourhoods and is involved in several ongoing zoning projects to create more areas for people to live and enjoy. Before an area is permanently converted into housing, a detailed planning process is carried out with the aim of balancing public and private interests in order to develop the local community in the best possible way.

As part of SIBS' work on social sustainability, Sveaviken Bostad supports a selection of important community organisations, including the Her House Foundation and BLING.



A goal of having the country's most energy-efficient buildings

To achieve maximum energy performance with the most climate-friendly energy consumption, SIBS homes are built with optimal climate shells and heated with geothermal and solar energy. Even the electricity that doesn't come from our own solar cells is renewable, minimising our carbon footprint from property operations.

Heated by the sun and the earth

To achieve minimum energy use and a low climate impact, SIBS homes are built with a highly insulated envelope and heated with geothermal energy coupled to underfloor heating. A large part of the electricity comes from our own solar cells and all the electricity we buy is renewable.

Geothermal heating combined with solar cells is standard for heating in our properties. In practice, this means the solar cells supply the buildings' geothermal heating and ventilation systems with part of the electricity needed for operation. When solar power is insufficient, renewable electricity is supplied from the grid. In some cases, where district heating is connected, the geothermal heating will be supplemented with district heating.

The residential modules are built and equipped with water-borne underfloor heating, 330 mm rock wool insulation in heat-optimised layers and argon gas-filled double-glazed insulated windows with coupled outer frames. The climate shell and the well-proven overall solution provide very low energy consumption in all types of buildings, regardless of size. Radiant heating is installed not only because it provides a high level of comfort, but also because it allows a lower temperature of the heating circuit, which results in higher efficiency of the heat pumps.

Getting closer to our goal

With an estimated average consumption for our future projects of 25 kWh/m² per year, we are approaching our goal of having the most energy-efficient buildings in the country. The measured energy consumption for our existing properties is a low kWh/m² per year. We estimate that 28% of properties' energy will come from electricity produced locally from solar cells.

Constant search for energy gains

There is always room for improvement in climate shells, heating, consumption and energy sources. SIBS is therefore continuously working on development and innovation in all areas to achieve higher energy efficiency and more climate-friendly consumption in our buildings.

During the year, Sveaviken Bostad employed an energy controller who has started systematic energy optimisation of our existing properties. One of the ways we are doing this is by implementing an energy monitoring system after the end of the period.

Truly circular construction

The extraction of raw materials and the production of construction products are having a major impact on the climate. In addition, many houses are currently demolished, not because they are no longer habitable, but because they are no longer the right houses in the right places. The structure of a building lasts for generations, but the needs of a specific site change as society evolves. When demolishing traditionally built houses, it is very difficult to separate different building materials from each other, which means that the building materials are rarely reused as more than fill or energy recovery.

The SIBS building system is prepared for dismantling and recycling, which means we can dismantle our houses, move them and rebuild them in another location. The frame is made of recycled steel with a concrete intermediate floor. This provides a robust construction with the high tolerance

required for disassembly and reassembly. The type of roof and facade is completely flexible and can be adapted to the location and the desired aesthetic expression. In the case of a move, the majority of all materials can be reused, and in principle only the foundation and any site-built elements need to be left for recycling. Surfaces and installations can also be retained. That's how we build circular for real.

The SIBS Building System is circular without compromising on quality, appearance or energy performance. The houses achieve the highest or second highest energy rating thanks to a well-insulated construction, high-quality windows, heat recovery ventilation and solar cells. The apartments are well planned and equipped with radiant heating, parquet floors, fully tiled bathrooms, washing machine, tumble dryer and have good light through large windows.



SIBS Rehouse in Helsingborg being built on a temporary building permit



Artist's depiction of Vallentuna Centrum 1

Environmental certifications

SIBS intends to certify all its projects according to Miljöbyggnad Silver* or LEED EBOM GOLD** and has certified two buildings during the year and one after the end of the period according to Miljöbyggnad Silver.

The certification according to Miljöbyggnad Silver is testimony of a very good building overall. The student residence in Vallentuna became SIBS' first building to be environmentally-certified to Miljöbyggnad Silver standard*. The project was rated Gold for Energy and Silver for the Indoor Environment and Materials. Residents should move in in January 2023 and the certification will be reviewed after 2 to 3 years. SIBS certifications according to Miljöbyggnad are proof that our building system exceeds the basic requirements of current regulations and other environmental criteria.

Around 1,600 items analysed

Achieving certification required a lot of work at the factory, where all the construction products and chemicals were assessed as part of a Construction Product Assessment. Many of the materials are bought from large international suppliers who already have their products assessed. As a result of our work, virtually all the construction products and chemicals sourced from local suppliers are now also included in the Construction Product Assessment, however. This was an extensive process as only Sweden has a tradition of carrying out this type of environmental assessment of construction products and chemicals based on their content. Around 1,600 items were analysed in total and around 80 new assessments were submitted to the Byggarubedömningen, a Swedish Construction Product Assessment organisation.

Our technical solutions ensure a high level of energy efficiency

The building is awarded Gold for energy thanks to its excellent energy performance and smart technical solutions, as well as renewable electricity. The project is awarded Silver for indoor climate and materials. Under the Miljöbyggnad system, a building's overall rating is determined by its weakest area, resulting in an overall silver rating.

ISO 9001 and ISO 14001

SIBS AB obtained ISO 9001 and 14001 certification during the period. Thanks to a highly effective management system we are in a good position to deliver high quality, minimise our environmental impact and continuously improve our processes. Certification means that SIBS' management system meets the International Organization for Standardization's quality and environmental management system requirements. The subsidiaries and associated companies MOBY, MOKO and Sveaviken Bostad implemented and certified their management systems according to ISO 9001, 14001, and for MOBY 45001, in 2020. Work has begun on certification of the management system for SIBS Malaysia.



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. 2020 saw the successful launch of our green and sustainable bonds, dedicated to the financing or refinancing of green properties and projects. It 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.

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 exceed the energy requirement by a wide margin.

During the period, the bond loan was increased by SEK 200 million, which means that the entire framework amount of SEK 600 million has now been utilised. The bonds have been admitted to trading on Nasdaq Stockholm's Sustainable Bond List.



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

Project name	Municipality	Number of homes	Project status	Environmental certification	Status
Sandtorp	Norrköping	117	Completed	LEED EBOM Gold	Certification work in progress
Brandbergen	Haninge	71	Completed	LEED EBOM Gold	Certification work in progress
Snurrom	Kalmar	217	Completed	LEED EBOM Gold	Planned and prepared
Luleå	Luleå	159	Completed and sold	LEED EBOM Gold	Planned and prepared
Glidplanet	Örebro	157	Completed	LEED EBOM Gold	Planned and prepared
Autogyron	Örebro	117	Completed	LEED EBOM Gold	Planned and prepared
Parasollet	Lund	75	Completed	LEED EBOM Gold	Planned and prepared
Barkarbystaden block 15*	Järfälla	224	Partially completed	LEED EBOM Gold	Planned and prepared
Nykvarn Centrum*	Nykvarn	282	In progress	LEED EBOM Gold	Planned and prepared
Helsingborg*	Helsingborg	78	In progress	Miljöbyggnad Silver	Certified
Vegaterrassen*	Haninge	241	In progress	House 1–3: Miljöbyggnad Silver House 4–6: LEED EBOM Gold	Certification work in progress Planned and prepared
Vallentuna Centrum 1*	Vallentuna	36	In progress	Miljöbyggnad Silver	Certified
Vallentuna Centrum 2*	Vallentuna	36	In progress	Miljöbyggnad Silver	Certified (received 2022)
Brädgården*	Nyköping	462	In progress	LEED EBOM Gold	Planned
Mariefred station phase 1**	Strängnäs	239	In progress	Miljöbyggnad Silver	Certification work in progress
Mariefred station phase 2**	Strängnäs	161	Legally binding detailed development plan	LEED EBOM Gold	Planned
Barkarby block 20*	Stockholm	208	Legally binding detailed development plan	LEED EBOM Gold	Planned
Enköping Centrum*	Enköping	300	Legally binding detailed development plan	LEED EBOM Gold or Miljöbyggnad Silver	Investigation in progress
Stockrosen*	Nyköping	300	Legally binding detailed development plan	LEED EBOM Gold	Planned
Linköping*	Linköping	48	Legally binding detailed development plan	Miljöbyggnad Silver	Certification work in progress

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 operational in the SIBS Group as CEO of SIBS Group and CEO of Sveaviken Bostad AB, respectively.

Chairman Jonas Ramstedt is a major shareholder through Landera AB and Ramstedt Gruppen AB. Jonas Ramstedt is also the principal owner of Landia AB, which is a partner of SIBS 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, where Neptunia Invest is the majority shareholder.

The Board has good knowledge of sustainability issues related to SIBS' operations. That is thanks to several years of work on these issues.

SIBS’ Board decides on all major deals through an Investment Committee. Potential conflicts of interest are managed by not involving the relevant person in the Investment Committee when deciding on transactions with a conflict of interest.

The Board receives no remuneration. The management team consists of key SIBS employees, whose remuneration is determined by the CEO of SIBS, as well as CEOs from subsidiaries and associated companies, whose remuneration is determined in accordance with the respective company's procedures. Replacement consultants have not been engaged.

In 2022, SIBS’ Board will review its structure to allow for independent representatives and greater diversity.





Innovative construction logistics

Having worked in shipping my entire career, it is fascinating to be able to merge shipping and logistics with real estate. This is where extreme volatility and stability meet, demanding new ways of thinking and doing, so that we often find ourselves asking, “why are we doing it this way?” This drives us to find new and smarter solutions in every part of the logistics chain.

A proprietary module lifting solution improves efficiency in a number of ways

An example of a response to this question is our module handling system, which has a proprietary spreader with adapter that can be connected to any standard module handling equipment. This improves efficiency in several respects: it reduces the need for both people and machines to handle the modules, shortens the handling time, maximises storage capacity and minimises empty space. In short, the handling system promotes a new and more sustainable way of transporting the modules.

Innovation and sustainability go hand in hand as we streamline our logistics and manage a volatile freight market

2021 was a relatively eventful year for the freight market. When the pandemic arrived, container shipping companies prepared for a sharp fall in demand. Covid-19 increased sales of consumer goods, however, which in turn significantly increased demand for space on ships. Chinese ports have implemented a zero-case policy, forcing ports to close when there is a case of Covid, creating queues in some of the world’s largest ports and reducing the overall shipping fleet. Last year, there was also the incident where the Ever Given ship got stuck in the Suez Canal. In just a short time, container prices were at record highs. The price surge also spread to the dry cargo segment, resulting in pre-Lehman crisis rates.

“We are always looking for new and smarter solutions in every part of the logistics chain, where sustainability and innovation go hand in hand”



DAVID ÖSTERSTRÖM
CEO Frontlog, COO SIBS AB



Innovation goes hand in hand with sustainability and efficiency at Frontlog. New ways of thinking are required to manage the complex and volatile freight market. We have been very successful at finding solutions, such as chartering vessels of the right size to carry an entire property or filling a vessel with other cargoes, allowing us to manage the high freight prices by significantly reducing our own costs. Supplies are distributed together with the modules, in full trucks to minimise the number of shipments. This means that ships are fully loaded and cargo is transported with the smallest possible carbon footprint.

As well as mapping our roadmap to net zero, we are closely monitoring the achievement of the shipping industry’s important goal of reducing and eventually eliminating carbon dioxide emissions, which has created a lot of pressure to develop other types of fuel for ships. It will take years before the technology is in place and the target is reached, and until then we are carbon-offsetting while maximising every shipment.

Top marks for the working environment at SIBS Malaysia

The Malaysian Occupational Safety and Health Authority visits industries regularly to ensure compliance and to rate their health and safety performance. In the last inspection, our factory in Malaysia was rated A, which is the highest rating. In accordance with Malaysian law, SIBS is audited every 15 months, and we are now focused on maintaining our top performance.

The factory must be a safe place to work

Danial Othman is the Environment, Health and Safety Manager for SIBS in Malaysia. It is his responsibility, together with Director Lau Chong Yong, who chairs the Health and Safety Committee, to ensure that the factory is a safe place to work and that we comply with laws and regulations. Here he talks about his work.

Can you describe your role in the factory?

Two types of inspections are carried out. During the daily checks, I go through the factory to make sure that safety procedures are being followed, that there are no new risks that have not been managed in a systematic way or any other anomalies. In the monthly inspection, I look closely at each specific workstation together with the production team.

"During the daily checks I go through the factory to make sure that safety procedures are being followed, that there are no new risks that have not been managed in a systematic way or any other anomalies. In the monthly inspection I look carefully at each specific workstation with the production team."

I coordinate the risk assessments for all 60 different processes in the factory. The manager and engineer in charge of the specific workstation is responsible for the risk assessment. I help them go through all the assessments before they are reviewed again and approved by the chair of the Health and Safety Committee.

It is also my responsibility to investigate any accidents and incidents. Recording and evaluating chemicals, organising evacuation drills, making sure we handle hazardous waste properly, etc.

The Health and Safety Committee, of which I am secretary, regularly evaluates the work environment and works with full focus on continuous improvement of the work environment. The committee consists of a chairperson, a secretary and employer representatives.

I also coordinate the emergency response team and the first aid team and the training for these teams. I coordinate the consultants who help us with chemical risk assessments and noise risk assessments.

What improvements do you see in the new factory?

The most important improvement is how we have further optimised the flow through the factory, where the modules are transported in the sunken floor. This gives us a safer working environment with less risk of tripping. We will also have conveyor belts for the insulation, which will provide better ergonomics. There will also be better chip suction and a higher ceiling height with larger openings in the walls for better air quality and a lower air temperature. Staff areas are also being revised and made larger. We will have prayer rooms, game rooms, rest rooms, a gym, etc.

"The most important improvement is how we have further optimised the flow through the factory where the modules are transported in the sunken floor"



DANIAL OTHMAN
Health and Safety Manager
SIBS Malaysia

High quality, dedicated employees and a safe working environment in Malaysia

Approximately 90 percent of SIBS' residential production takes place at SIBS' factory in Malaysia. There are several reasons why the production takes place in Malaysia, and when the company started in 2016, there were already plans for a factory there.

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. 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 has allowed us to continue our production when other colleagues in the sector have been forced to postpone or pause their projects due to a sharp rise in prices or a drop in the availability of labour. In Malaysia, we have employees with high commitment and competence at a lower salary than in Sweden, without risking good working and living conditions. We offer a nurturing environment with high standards of leadership, security and facilities. We have ambitious quality controls, knowledge transfer and efficient processes that provide a safe working environment.



SIBS' first factory in Malaysia

Today we have to do some work from ladders, and the idea is to replace them with platforms. The new factory will have solar panels on the roof, which will generate as much electricity as the factory uses on an annual basis.

What are the main safety risks and how are they managed?

We have identified just over 20 safety hazards in the factory. Falls from height are one of the biggest risks, which is why we have specific anchorage points in the factory where a safety harness is attached. Everyone using the equipment is trained in how to use it, and we carry out regular checks to make sure it's being used correctly.

Another risk is dust. That's why we have rigorous checks to ensure the right respirator is used at these workstations. Employees at these stations also undergo an annual medical check-up. In the new factory, we have further improved the system for dust collection. Some workstations are noisy, and here we have specific zones marked on the floor where hearing protection must be worn. Workers at the exposed stations have annual hearing screening.

"We are in the process of adapting the factory's management system to ISO 9001 and 14001 with the plan to certify in 2022"

How does SIBS Malaysia work with environmental issues?

Within environmental work, I focus on energy use, chemicals and waste management. Purchasing and production departments work very much on material optimisation. For example, by manufacturing customised components locally in Penang, to save on transport, waste, money and time. Purchasing works a lot with Building Products Assessment (Byggvarubedömningen) and other Swedish material requirements that all our products must meet. We are in the process of adapting the factory's management system to ISO 9001 and 14001 with the plan to certify in 2022.

"The subcontractors working in the factory all need to demonstrate their systematic work on health and safety risk assessments to me and get it approved before they can come and work in the factory"

How do you work with the subcontractors?

The subcontractors working in the factory all need to demonstrate their systematic work on health and safety risk assessments to me and get it approved before they can come and work in the factory.

Our classification outline

The EU Taxonomy or EU Green Taxonomy is the European Commission's framework for sustainable finance. The framework classifies which economic activities are environmentally sustainable with the aim of meeting the Paris Agreement and the EU's 2050 climate neutrality target.

Eligibiliy

From 1 January 2022, large companies must disclose the percentage of their turnover covered by the EU taxonomy, known as eligibility, and the related CapEx (capital expenditures) and OpEx (operating expenses).

SIBS activities are subject to the requirements of the EU Taxonomy Delegated Act, Part 7. Construction and real estate activities.

The following economic activities are considered relevant for SIBS in 2021:

- 7.1 Construction of new buildings.
- 7.7 Acquisition and ownership of buildings.

In 2021, the relevant activities represented, in rounded form, 100% of the company's turnover.

Alignment

All SIBS activities covered by the taxonomy (eligibility) meet the requirements to contribute significantly to one or more environmental objectives. This is beacuse all our buildings are very energy efficient and meet the criteria for substantial contribution to climate change mitigation. To comply with the taxonomy, properties must also meet requirements for not causing significant damage to other areas and minimum protection measures. There is considerable uncertainty about how to interpret the requirements for not causing significant harm and minimum protection measures. This means we have not reported alignment in this report. According to the Taxonomy, alignment must be reported from the 2022 annual report onwards.

	Total SEK thousand	Share of the company's economic activities covered by the EU taxonomy, %	Share of the company's economic activities not covered by the EU taxonomy, %
Turnover ¹	852,963	100	0
Capital expenditure (CapEx) ²	537,068	80	20
Operating expenses (OpEx) ³	800,558	100	0

1) Turnover covered by the EU taxonomy totals SEK 852,963 thousand, which corresponds to total income in the profit and loss account, see Note 8, page 101.
2) Capital expenditure covered by the EU taxonomy amounts to SEK 430,228 thousand; see investments for the year in Notes 17–22, pages 104–106.
3) Operating expenses covered by the EU taxonomy amount to SEK 797,801 thousand; see the consolidated income statement, page 82.

Turnover

Income from economic activities of the company covered by the EU taxonomy. For SIBS, this means all income from the properties, including projects and contracting, that the company owns.

Capital expenditure (CapEx)

All investments related to the company's properties are covered by the taxonomy.

Operating expenses (OpEx)

According to the EU taxonomy, expenditure related to the following activities is included:

- research and development
- building renovation
- short-term leases
- maintenance and repair

Definitions sustainability

Agenda 2030 and the Global Goals

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

UN Global Compact

Global Compact, a UN initiative to coordinate globally on human rights, labour, precautionary and environmental responsibility issues and anti-corruption. The Global Compact comprises ten principles.

Miljöbyggnad

Green building certification system from Swedish Green Building Council (SGBC). 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.

SBTi, Science Based Target initiative

SBTi is a collaboration between the Carbon Discloser Project (CDP), the UN Global Compact, the World Resources Institute and WWF. The initiative is designed to help companies set science-based climate targets in line with the Paris Agreement.

GRI Global Reporting Initiative

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

EPRA European Public Real Estate Association

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

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 residential buildings, as well as public transport facilities, urban areas and entire cities.

LEED EBOM or LEED Operations and Maintenance:

Existing Buildings is a system for environmental certification of the performance of an existing building in the categories: location and transport, sustainable land use, water use, energy and climate impact, materials and resources, indoor environment and innovation.

National Board of Housing's building regulations

The Swedish National Board of Housing'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 good indoor climate. These requirements must be met for all new buildings. The National Board of Housing also oversees the requirements for the energy performance of dwellings when applying for state investment subsidies for rental housing and student housing.

EDP Environmental Product Declaration

EDP is a third-party verified life cycle assessment that indicates the environmental impact of a product. This data on the climate impact of the manufacturing stage of construction products is very important for calculating the climate impact of our buildings and for optimising the choice of construction products.

ISO 9001, 14001 and 45001

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

GRI Index

GRI Standards	Information	Comment	Page reference
Use of GRI Standards		SIBS AB has reported in accordance with the GRI Standards for the period 01/01/21/ – 31/12/21	
GRI 1		GRI 1: Foundation 2021	
Applicable GRI Sector-specific standard		No sector-specific standard available for the real estate sector	
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GRI 2: General information 2021	2-1 Organizational details		74, 124
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	2-3 Reporting period, frequency and contact point		34, 37, 49, 57, 64
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	2-12 Role of the highest governance body in overseeing the management of impacts		49
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	2-18 Evaluation of the performance of the highest governance body		49
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	2-26 Mechanisms for seeking advice and raising concerns		39
	2-27 Compliance with laws and regulations		60
	2-28 Membership associations		38
	2-29 Approach to stakeholder engagement		40
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Essential substances			
GRI 3: Essential substances 2021	3-1 Process to determine material topics		40
	3-2 List of material topics		66

GRI Standards	Information	Comment	Page reference
Economic impact			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed		82
	201-4 Financial assistance received from government		60
GRI 3: Essential substances 2021	3-3 Governance		39, 61, 82
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		60
GRI 3: Essential substances 2021	3-3 Governance		39, 60
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		39
	205-2 Communication and training about anti-corruption policies and procedures		39
	205-3 Confirmed incidents of corruption and actions taken		39
GRI 3: Essential substances 2021	3-3 Governance		39
			39
Environmental impact			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation		61
GRI 3: Essential substances 2021	3-3 Governance		39, 61
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		61
	303-2 Management of water discharge-related impacts		61
	303-5 Water consumption		61
GRI 3: Essential substances 2021	3-3 Governance		39, 61
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		62
	305-2 Energy indirect (Scope 2) GHG emissions		62
	305-3 Other indirect (Scope 3) GHG emissions	To be reported next period	62
GRI 3: Essential substances 2021	3-3 Governance		39, 62
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		63
	306-2 Management of significant waste-related impacts		46, 52-53, 63
	306-3 Waste generated		63
GRI 3: Essential substances 2021	3-3 Governance		39, 46, 52-53, 63
	CRE8 Environmentally certified buildings		48
Social impact			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		64
GRI 3: Essential substances 2021	3-3 Governance		39, 64
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system		39, 52, 53
	403-2 Hazard identification, risk assessment, and incident investigation		39, 52, 53
	403-4 Worker participation, consultation, and communication on occupational health and safety		39, 52, 53
	403-6 Promotion of worker health		52, 53, 64
	403-9 Work-related injuries		64
	403-10 Work-related ill health		64
GRI 3: Essential substances 2021	3-3 Governance		39, 52, 53, 64
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		65
GRI 3: Essential substances 2021	3-3 Governance		39, 65
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		49, 69-71, 75
	405-2 Ratio of basic salary and remuneration of women to men		65, 69-71
GRI 3: Essential substances 2021	3-3 Governance		39, 49, 65, 69-71, 75
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs		44
GRI 3: Essential substances 2021	3-3 Governance		39, 44
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		65
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		65
GRI 3: Essential substances 2021	3-3 Governance		39, 44, 69-71, 75

GRI 2-7
EMPLOYEES

Total number of employees	Number	Gender (proportion of men)
Total	565	90%
Sweden	43	81%
Malaysia	483	96%
Permanent employees and probationary employment	Number of full-time employees	Gender (proportion of men)
Total	398	93%
Sweden	43	81%
Malaysia	355	95%
Temporary employees	Number of persons	Gender (proportion of men)
Total	0	
Sweden	0	
Malaysia guest workers	166	100%
Wage earners	Number of persons	Gender (proportion of men)
Total	5	20%
Sweden	5	20%
Malaysia	0	
Part-time employees	Number of persons	Gender (proportion of men)
Total	0	
Sweden	0	
Malaysia	0	

The calculation of employees also includes the staff of the associated companies MOKO and Frontlog. In Note 13 Employees and employee benefit expense on page 103, staff in associated companies are excluded.

GRI 2-8
WORKERS WHO ARE NOT EMPLOYEES

The total number of employees at the end of the reporting period (31/12/2021) was 565. 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, but the physical work of assembly etc. that takes place on the construction site is done entirely by subcontractors. In the factory in Malaysia, we have subcontractors for kitchen assembly, tiling, packing and security guards. We are experiencing strong growth, which means that the number of staff employed by our subcontractors also increased significantly during the year.

GRI 2-21
FINANCIAL REMUNERATION

The highest total annual remuneration for employees within the Group is SEK 1,739,005 and the median is SEK 53,530. That is a ratio of 32:1. The calculation includes bonuses and overtime. The percentage increase has not been calculated, as we are reporting under GRI for the first time and this data for 2020 is not available.

GRI 2-27
LEGAL COMPLIANCE

SIBS' subsidiary Moby paid fines totalling SEK 175,700 during the year. The fines are linked to work environment deficiencies at two different scaffolding suppliers and how we handled the management and supervision of these suppliers. During the year, we made major changes to the process for the procurement and construction of scaffolding, where major improvements include closer cooperation with the scaffolding supplier, training in health and safety rules related to scaffolding for all site managers and more detailed supervision. The breach of legislation was noted by the health and safety inspector. We are responsible for the workplace and our subcontractors and have therefore failed in our responsibility to manage and follow up the health and safety management, even though the violation itself was not committed by our own staff. These fines are the first fines imposed on the Group.

GRI 2-30
COLLECTIVE AGREEMENTS

SIBS does not have a collective agreement. We offer working and employment conditions equivalent to collective 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 work environment. The risk of child labour is mainly found at material suppliers in China. Risk of forced labour is found at material suppliers and companies with guest workers. Measures implemented include the establishment of a Supplier Code of Conduct and supplier monitoring. SIBS Intends to develop and implement in 2022 a new process to ensure our Code of Conduct in the supply chain.

GRI 201-4
STATE FINANCIAL AID

Swedish operations have received investment aid for the construction of rental housing totalling SEK 56,577,622 and sickness benefit aid due to Covid-19 of SEK 52,648. The Malaysian operations have been reimbursed for salary costs of MYR 415,200 (equivalent to approximately SEK 913,000) due to Covid 19. No state or state-controlled company has a shareholding in SIBS.

GRI 202-1
RELATIONSHIP BETWEEN PAY AND MINIMUM WAGE

None of the SIBS staff earns below the minimum wage of RM 1,200, which is the legal minimum in Malaysia. This includes all staff, including probationary and temporary workers. The median total monthly remuneration (including allowances) for our staff in Malaysia is RM 2,006, which is 1.67 times the minimum wage. This has been ensured through full transparency of our factory's financial accounts.

GRI 302-1
ENERGY CONSUMPTION WITHIN THE ORGANISATION

Fuels, fossil	TJ	Total energy use	TJ
Diesel	4	Total energy use, excluding energy sold to tenants	19
Petrol	5	Total energy use, including energy sold to tenants	23
Properties, electricity	MWh	In 2021, SIBS only purchased fuel for vehicles and a small number of industrial machines. The percentage of renewable fuel blended into the diesel and petrol purchased is not monitored, as different suppliers have different blends. SIBS did not purchase any heating, steam or cooling during the year. All heating was provided by electricity to heat pumps. Heating is included in the lease for our office. SIBS has not sold any steam or cooling either. There is no separate measurement of the cooling used for offices.	
Total	3,949	The data for the calculations comes mainly from grid owners, own meters and car leasing companies. Some cars' consumption 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.	
Sweden	3,118		
Malaysia	829		
Electricity sold	MWh		
Some properties have a central electricity system through which we sell electricity to our tenants.			
Electricity sold to tenants	663		
Self-generated solar power sold to the grid	46		
Heat sold	MWh		
Some properties have separate billing for heating and hot water.			
Sold heat	355		

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

Our 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 for cleaning tools and, if necessary, for dust control. Also in Malaysia, water is purchased from public companies, which also provide sewage treatment.

We have very low water consumption in the factory, as water is mainly used for cleaning machines, tools and hygiene. In total, the factory and warehouse used 16,895 m³ of water in 2021. The factory is located in an area with plenty of water. To reduce water dependency for residents, we have low-flush fixtures and toilets. Water use for residential buildings is lower than commonly occurring ratios (see CRE 2).

The factory has procedures to ensure that dirty wash water from rollers and brushes etc. is not flushed down the drain. Dirty water is collected in special containers and disposed of separately. For the residential buildings we work with treatment and drainage via plant beds, green roofs etc. We do not have targets for water use, but low water use is mainly a result of energy savings from reducing the use of hot water. We have low-flush equipment and individual metering and billing of water (hot and cold) to give tenants an incentive to save water.

CRE 2: Water use in our properties is on average 45 m³ per apartment per year, which is equivalent to 123 litres per apartment per day. This is low compared to the reference value from Swedish Water of 140 litres per person per day as average consumption, as most people live with more than one person in the apartments.

GRI 305-1, 305-2, 305-3
GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions have been calculated for scope 1 and 2. Our main climate impact comes from the products and services we buy and are therefore classified as scope 3 emissions. These will be calculated and reported in the 2022 Annual Report.

As this is the first year we are calculating greenhouse emissions, there is no previous year to compare with.

We have no non-fossilCO₂ emissions (biogenicCO₂) other than from blending into petrol and diesel. We have declared all Scope 2 emissions from construction and management even for joint venture projects, as we have operational control over emissions. Emissions adjusted for our ownership share are reported as Scope 2 Sweden JV.

During the year, 21,729 tonnes of carbon dioxide were purchased as carbon offsets. This is to offset our Scope 3 emissions from sea freight, as well as all climate impacts for building the Health in Linköping project.

Scope 1	Tonnes CO ₂
Total	642
Malaysia	115
Sweden	527
Scope 2	Tonnes CO ₂
Total	754
Sweden	282
Malaysia	472
Sweden JV*	420

*Adjusted for our ownership in management

CRE2: For buildings that have been in operation for at least one year, carbon dioxide emissions from the energy use of buildings are calculated to be an average of 4 kg CO₂/m² per year.

In calculating carbon dioxide emissions, all greenhouse gases have been included and emission factors from the GHG Protocol have been used with these exceptions:

Swedish electricity is calculated with an emission factor of 0.0904 kg CO₂/kWh for the Nordic electricity mix. Calculations are made using the Nordic electricity mix despite the fact that SIBS buys exclusively green electricity, almost entirely free of CO₂ emissions. All Swedish Scope 2 emissions come from electricity and become almost 0 if the emission factor for green electricity is used. The emission factor for Nordic electricity mix comes from SMED Report No 4 2021 – Emission factor for Nordic electricity mix taking into account imports and exports. Investigation of the appropriate system limit for the electricity mix and calculation of the climate impact of the Nordic electricity system. Annamaria Sandgren and Johanna Nilsson, IVL Swedish Environmental Institute.

Malaysian electricity is calculated with an emission factor of 0.57 kg CO₂/kWh. This comes from the Malaysian state electricity company TNB's 2020 annual report.

GRI 306-1, 306-2
WASTE

Our four main waste streams are the production process in the factory, waste from construction (Swedish construction site), demolition of older buildings and waste produced by residents in completed projects.

The production process in the factory and on the construction site is our own process. Demolition is also seen as our own activity, as it is carried out by our subcontractor.

Waste from our tenants is not included in the statistics, as it is downstream, and the suppliers who collect the waste are unable to provide data on volume or weight.

Waste from residents has been calculated on the basis of key figures from Swedish Waste Management and FTI (Förpacknings- och Tidningsinsamlingen) at 500,000 kg. Measured waste quantities for 2021 are presented in the table.

In the factory, we have a strong focus on optimising material purchases and manufacturing customised components. Thanks to our construction system and industrialisation, we can have light joists, ventilation pipes and other products that are usually cut on construction sites manufactured in exact sizes.

The factory has a team working on the logistics of getting all recoverable materials and hazardous waste collected at source and handled without contamination.

On site, we work relatively conventionally with a waste contractor who helps us on all our sites in accordance with the Swedish Construction Industry (Byggindustrin) guidelines. When demolishing, we always inventory for hazardous waste and materials that can be recycled or reused before demolition in accordance with the Construction Industry Guidelines.

GRI 306-3
WASTE QUANTITIES

Waste	Total (kg)
Byggnation Sweden (MOBY)	
Concrete/tile	41,680
Scrap metal	6,620
Iron & metal scrap	121,460
Combustible waste	571,955
Landfill fraction	3,920
Paints and varnishes containing hazardous substances (HW)	4
Metal packaging and pressurised containers (HW)	8
Filling masses	35,520
Plaster	48,760
Hard plastic	7,830
Park/garden refuse	8,790
Mineral wool	2,920
Shrink/stretch 98/2	1,250
Plaster/insulation/screed	33,110
Separable waste	220,460
Wood	34,540
Pallets	500
Corrugated board	520
Total Construction	1,139,847
Demolition (Subcontractors)	
Vallentuna Polisstation	2,136,358
Vallentuna Rickeby	498,682
Nyköping Brädgården	2,510,818
Total Demolition	5,145,858
Factory Malaysia (SIBS MY)	
PVC plastic	10,072
Copper wire	1,892
Paper/cardboard	29,706
Metal	66,450
Rock wool	302,133
Plaster	453,200
Wood	302,058
Tile and clinker	135,960
Concrete debris	1,155,660
Fibre cement boards	113,300
PE and PP plastic	45,320
Other	302,126
Washing water with paint residues (HW)	5,600
Gloves and cloths (HW)	502
Glass from cathode for Xray (HW)	9
Covid tester (HW)	165
Other hazardous waste (HW)	2,454
Total Factory	2,926,606
Total	9,212,311

HW states that the waste fraction is classified as Hazardous Waste (Our residents' waste is calculated according to key figures from Swedish Waste Management and FTI to 500,000 kg and is not part of the total).

GRI 401-1
NUMBER OF NEW EMPLOYEES AND STAFF TURNOVER

			Malaysia		Sweden	
New hires during the year	Total	Percentage %	Number	Percentage %	Number	Percentage %
Total	212	38	15	31	197	41
Men under 30	151	27	5	13	146	74
Women under 30	12	2	3	8	9	5
Men age 30–50	46	8	7	18	39	20
Women age 30–50	3	1	0	0	3	2
Men over 50	0	0	0	0	0	0
Women over 50	0	0	0	0	0	0
Persons who left during the year						
Total	125	22	2	4	123	25
Men under 30	93	16	0	0	93	19
Women under 30	4	1	0	0	4	1
Men age 30–50	25	4	1	2	24	5
Women age 30–50	1	<1%	1	2	0	0
Men over 50	2	<1%	0	0	2	<1%
Women over 50	0	0	0	0	0	0

The average number of full-time employees, including probationary employees, in the Group during the year was 565 (452), of whom 26 were women (12) and 539 men (440). The sickness rate for the whole Group was 0.83%, of which the Swedish operations had 1.17% and the Malaysian operations 0.81%. In terms of permanent staff, excluding probationary staff, 17 people or 9.6% left the company in Malaysia.

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 on 31/12/2021 is stated.

GRI 202-1
BENEFITS FOR FULL-TIME EMPLOYEES NOT GRANTED TO TEMPORARY OR PART-TIME EMPLOYEES

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

In Sweden, benefits vary between companies, but occupational pension and health 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, four employees took parental leave, all of them men, and all returned to work during the year. No one has resigned after returning from parental leave.

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

	Malaysia		Sweden	
	Employees	Supplier	Employees	Supplier
Number of work-related deaths	0	0	0	0
Number of occupational injuries with serious consequences	0	0	0	0
Total number of reported occupational injuries	10 (1.05)	0	0	4 (1.11)
Total hours worked*	946,391	119,916	87,281	360,000
Number of reported work-related illnesses	0	0	2	0

*share of hours has been calculated on 1,000,000 hours worked. No statistics for hours worked by non-employee staff at our sites, so this figure is calculated

SIBS cares for both employees and suppliers and is responsible for ensuring that no one becomes physically or mentally ill or injured at work. Our health and safety procedures cover all employees.

regular safety rounds and ensures systematic work environment management, to promote health and prevent illness and accidents.

During the year, a total of 14 work-related accidents were reported. Accidents consisted mainly of falls, slips and trips, occasional cuts and one strain injury. SIBS continuously makes risk assessments,

In Sweden, everyone has access to the wellness allowance "own" gym sessions and other activities that promote exercise. For the new factory, a staff gym etc. is planned to promote employee health. A total of two cases of work-related illnesses were reported during the year.

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

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

GRI 405
DIVERSITY AND EQUAL OPPORTUNITIES

	Total %	Sweden %	Malaysia %
Women	5	17	4
Men	93	83	96
Under 30	54	23	57
Age 30–50	44	85	42
Over 50	1	2	1

Guest workers from Myanmar make up 34% of our employees in Malaysia.

Average earnings women in relation to men %	
Region	
Total	212
Sweden	74
Malaysia	145

Our 2021 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, women earn on average 212% more than men. This is because we do not have any women physically working in production in the factory and we have a higher proportion of women in Sweden than Malaysia.

If we look only at Malaysia, women earn more because they all have clerical jobs, 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 services 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, 408, 409
FREEDOM OF ASSOCIATION, CHILD LABOUR, FORCED LABOUR

SIBS does not have a collective agreement. 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 health and safety performance. The risk of child labour is mainly found in material suppliers in China. Risk of forced labour is found primarily at material suppliers and companies with guest workers. Measures implemented include the establishment of a Supplier Code of Conduct and supplier monitoring. SIBS intends to develop and implement in 2022 a new process to ensure our Code of Conduct in the supply chain.

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

SIBS' product is the apartments that we rent to our tenants. 100% of these are assessed on the basis of health and safety through own calculations, self-checks, expert investigations, the person responsible for checks under the Planning and Building Act and the building permit process.

We carry out tenant surveys on all projects and have checked the content of all the construction materials we use. A good indoor climate is ensured with radon measurement, ventilation inspection (OVK), simulation of thermal comfort and daylight, etc. We use all the knowledge and experience from previous projects to continuously develop our building system.

We have not had any health and safety related anomalies for our apartments.

GRI 2-2
LIST OF ESSENTIAL SUBSTANCES

Economic impact	
GRI 201: Economic results 2016	201-1 Economic value created and distributed 201-4 State financial aid
GRI 202: Market presence 2016	202-1 Relationship between pay and minimum wage
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption 205-2 Communication and training on anti-corruption policies and processes 205-3 Confirmed cases of corruption and action taken
Environmental impact	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation
GRI 303: Water and sewerage 2018	303-1 Use of water as a shared resource 303-2 Management of impacts associated with water leaks 303-5 Water use
GRI 305: Emissions 2016	305-1 Direct greenhouse gas emissions (Scope 1) 305-2 Indirect greenhouse gas emissions from energy (Scope 2) 305-3 Other indirect greenhouse gas emissions (Scope 3)
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts 306-2 Management of significant impacts related to waste 306-3 Waste quantities
Social impact	
GRI 401: Employees 2016	401-1 Number of new recruits and staff turnover 401-3 Parental leave
GRI 403: Health and Safety 2018	403-1 Occupational health and safety management system 403-2 Identification and investigation of risks in the working environment 403-4 Involvement, consultation and communication with workers on matters related to health and safety at work 403-6 Promotion of workers' health 403-9 Work-related injuries 403-10 Work-related sickness
GRI 404: Skill development 2016	404-1 Average number of training hours per year per employee
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity among management, board and employees 405-2 Pay ratio for women and men
GRI 413: Local community 2016	413-1 Local community involvement activities, impact assessments and development programmes
GRI 416: Customer health and safety 2016	416-1 Assessment of health and safety impacts of products and services 416-2 Deviations where products and services did not comply with applicable health and safety laws and guidelines

This Sustainability Report is prepared in accordance with 2021 GRI Standards, but is not audited against GRI. Financial statements are audited by an external auditor in accordance with the Annual Accounts Act. SIBS reports on sustainability annually.





Board of directors



ERIK THOMAEUS
Founder, CEO and group chief executive SIBS AB & Group
Director of SIBS AB and Sveaviken Bostad

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
Founder, Director of SIBS AB & Group and Sveaviken Bostad
CEO 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 Saint Louis University.



JONAS RAMSTEDT
Co-founder and chair of the board of directors of SIBS AB & Group

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 Landera. Jonas has a master's degree in business administration - financial reporting from the Stockholm School of Economics.



JOHAN KARLSSON
Co-founder and director of SIBS AB & Group

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.

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 Bocconi University.



ULF THOMAEUS
CFO SIBS AB & Group

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



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 Saint Louis University.



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 specialised in industrial production.



DAVID ÖSTERSTRÖM
CEO Frontlog, COO SIBS AB

David is the founder and CEO of Frontlog AB. He is also responsible for SIBS shipping and logistics as well as head of the SIBS group's international expansions. David has spent his career within the shipping industry, primarily in Asia. He began his career at sea and this lead on to him working in maritime financial services and as a shipbroker.



ANNA LYSEDAL
Chief Accountant

Anna is responsible for the consolidated financial statements and has extensive experience in accounting accounts. Over the last ten years she has worked at various accountancy firms, in particularly with the property sector.



VIKTOR RYD
CEO MOBY AB

Viktor is CEO of MOBY and has a master's degree in engineering from KTH Royal Institute of Technology. He has worked at Skanska for 12 years in various roles and lastly as a project manager. Viktor has extensive experience from the early-stage planning and urban development and was a pioneer within environmental certification of residential projects.



PATRIK JENSEN
CEO MOKO AB

Patrik is the CEO of Moko. He has 15 years 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.



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 Planning and Building Act.



JON MELLQVIST
Head of Sustainability

Jon is the group's Head of Sustainability. He has plentiful experience of working with sustainability within the construction and property industry, primarily as a consultant and consulting manager. Jon 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.

Financial reporting



Directors' report

The Board of Directors and the CEO of SIBS AB (publ), org. no 559050-3070, hereby presents its annual report and consolidated accounts for the 2021 financial year. Data in brackets refer to the previous financial year. The seat of the Board is in Stockholm.

January – December 2021

- ☑ Rental income increased to SEK 16,602 thousand (11,958) and gross profit increased to SEK 52,404 thousand (9,461)
- ☑ Changes in value of investment properties amounted to SEK 259,100 thousand (61,163)
- ☑ Profit from associated companies amounted to SEK 419,607 thousand (175,489)
- ☑ Operating profit for the year totalled SEK 666,739 thousand (203,868)

The business in general

SIBS Group was founded in 2016 with the idea of challenging norms and creating a smarter approach to residential construction and property development. 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 construction times.

The SIBS Group, with 565 employees, operates across the entire real estate chain – from acquisition and development to production, transport, construction and property management. SIBS aims to produce around 5,000 rental apartments annually for its own management.

Within the SIBS Group, there are five companies that cover the whole value chain from acquisition to property management. Expertise and continuous development stay within the group and contribute towards a quality-assured and growth-focused business. The modular design and construction system we have developed offers greater construction flexibility and significantly shorter production times. Our own self-produced buildings are managed long-term within the Group.

Our offer

With tenants in focus, we develop beautiful, pleasant and affordable rental apartments. Our homes contribute to the creation of a fairer society and are designed with a focus on sustainability, quality, functionality and design. They attract a broad target group with diverse backgrounds and at different stages of life.

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. Tak-

ing 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.

Group companies

The Group currently consists of six operating associates and Group companies and additional property-owning Group companies.

- ☑ SIBS AB is the Parent Company
- ☑ MOKO AB is responsible for development and design
- ☑ MOBY AB is a construction company
- ☑ SIBS Sdn Bhd is the module manufacturing company located in Malaysia
- ☑ Frontlog AB is the logistics company
- ☑ Sveaviken Bostad AB is active in housing development and management

Ownership structure as at 31 December 2021

Owners	Number of shares	Ownership by %
Industrium AB	146,550	26.4
Neptunia Invest AB	95,498	17.2
Lander AB	92,268	16.6
Ramstedt Gruppen AB	70,891	12.8
Exoro Capital AB	49,934	9.0
Other shareholders	100,414	18.0
Total	555,555	100.0

Significant events during the year

- ☑ Access to two properties in Enköping located right next to Enköping Station.
- ☑ Acquisition of development rights for 30,000 m² GLA in Mariefred together with Nordsten Sveafastigheter.
- ☑ Acquisition of development rights for 13,000 m² GLA in Vega in Haninge together with Slättö.
- ☑ Successfully increasing our green bond loan (ISIN SE0014965729) maturing on 19 April 2024 by SEK 150 million.

- ☑ Start of production of 282 housing units in Nykvarn town centre.
- ☑ Acquisition of a property in Vallentuna town centre, with development rights covering a gross living area of around 2,000 m².
- ☑ Extension of our green bond loan (ISIN SE0014965729) with maturity on 19 April 2024 by SEK 50 million.
- ☑ Sveaviken wins land allocation in Barkarby with development rights for 16,500 m2 GFA.
- ☑ Sveaviken acquired property in Sollentuna and is planning the construction of up to 300 apartments.
- ☑ Sveaviken acquired property in Eskilstuna and is planning the construction of up to 300 apartments.
- ☑ Sveaviken Bostad wins a land allocation in Linköping, where 48 apartments will be built.
- ☑ Sveaviken Bostad signs a lease agreement with Helsingborg to build 78 apartments in Gåseback.
- ☑ SIBS signs a letter of intent to form a JV with Slättö Value Add II, to develop more than 4,000 apartments from SIBS' project portfolio.
- ☑ SIBS initiates a written procedure for the completion of a SEK 250 million issue of ordinary shares reserved for a group of investors.
- ☑ Sveaviken Bostad completed 75 rental apartments in the Brunnsbög district of Lund and acquired the Lund Parasollet 2 property.
- ☑ SIBS AB obtains ISO 9001 and 14001 certification.
- ☑ At the Extraordinary General Meeting, SIBS approves and carries out a directed share issue of 55,555 shares and raises SEK 250 million.
- ☑ SIBS and Slättö signed their first deal under their joint venture arrangement, aiming to build at least 4,000 green homes with a completed value of around SEK 10 billion.
- ☑ Sveaviken Bostad acquires a property in Örebro containing 117 sustainable new-build rental apartments from the JV.
- ☑ Sveaviken won the land allocation in the Portkvarteren area in central Brunnsbög in Lund and plans to build around 100 apartments on the site.
- ☑ Sveaviken receives an additional land allocation from the City of Stockholm in Husby/Kista and plans to build about 140 additional apartments.

Significant events after the end of the financial year

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

- ☑ Sveaviken acquires a development rights in Botkyrka and plans to build between 3,000 and 5,000 homes.
- ☑ In a JV, Sveaviken and Nordsten acquire industrial property in Enköping and plan about 500 apartments.
- ☑ Sveaviken acquired property in central Huddinge with development rights for approximately 100 homes.

Sveaviken and Slättö are making several deals to streamline ownership and optimise management. The changes mean that Sveaviken and three of Slättö's funds are divesting and acquiring shares in projects that were previously owned and developed jointly.

Organisation and employees

The average number of full-time employees, including probationary employees, in the Group during the year was 565 (452), of whom 26 were women (12) and 539 men (440). The sickness rate for the whole Group was 0.83%, of which the Swedish operations had 1.17% and the Malaysian operations 0.81%.

Influencing market factors

SIBS has not yet noted any significant negative impacts on its activities in 2021 that might be linked to the outbreak of Covid-19. SIBS has been marginally affected by the pandemic overall, and our operations have not been affected by delays in production or increased vacancies in our properties.

The industry has experienced rising material prices during the pandemic, from which SIBS has largely been spared. This is mainly because material prices have not increased as much in Southeast Asia, where the majority of SIBS purchases are made.

The freight market has been affected by the pandemic, but SIBS has successfully managed the challenges posed, so that deliveries have been completed without causing delays in production.

At the turn of 2021–2022, the investment subsidy ended, which is likely to reduce the level of new rental housing construction in 2022. According to statistics from the National Board of Housing, the subsidy was used for 27% of the homes built in 2020.

Comments on the Group's results

Earnings and position

- ☑ The Group's rental income totalled SEK16,602 (11,958) thousand, operating profit was SEK 666,739 (203,869) thousand, and profit after tax was SEK 542,926(162,559) thousand.
- ☑ Unrealised change in value amounts to SEK 259,100 (61,163) thousand and the balance sheet total to SEK 3,039,487 (1,548,580) thousand.
- ☑ The Parent Company's revenue amounted to SEK 96,429 (101,292) thousand, operating profit was SEK -33,058 (-21,085) thousand, and profit after tax was SEK 159,629 (-27,342) thousand.
- ☑ The balance sheet total of the Parent Company was SEK 1,312,766 (728,168) thousand.

At the same time, the Migration Agency and municipalities are looking for accommodation for the thousands of refugees coming to Sweden from Ukraine. According to the Migration Agency's highest forecast, the number of people seeking refuge here could exceed 200,000 by June 2022, depending on how the war in Ukraine develops.

SIBS manages an uncertain market with stability

A combination of several market factors such as increased production costs, uncertain supply of cement combined with the abolition of investment subsidies, there is a risk that the number of newly produced rental properties will decrease. SIBS' value chain and geographic location allow us to manage an uncertain market with stability. We continue to have low production costs and high cost control, allowing us to continue to start and complete our projects as planned. We have also weighted our project portfolio towards more urban areas early on so as not to be dependent on investment support to start our projects. As always, we are continuing to closely monitor the market and ensure that we are well-equipped to deal with multiple worst case scenarios, whatever their underlying cause may be. At the same time, we note that SIBS is strong in the current market environment.

Sustainability

Sustainability is a work in progress and a natural part of SIBS' operations on which there is much focus. The work includes environmental, social and economic perspectives.

During the year, the work has continued in line with the company's sustainability strategy. SIBS AB has also obtained ISO 9001 and 14001 certification, which means that our management system meets the International Organization for Standardization's requirements for quality and environmental management systems. Furthermore, SIBS has also conducted a stakeholder and materiality analysis, which is also implemented in the work. During the year, two projects were environmentally certified according to Miljöbyggnad Silver, and we are working to have all our buildings environmentally certified. SIBS has reported the 2021 period according to GRI standards for the first time.

SIBS AB has prepared a Sustainability Report as a separate report from the Annual Report.

Significant risks and uncertainties

SIBS' activities involve both risks and opportunities. Therefore, risk management and risk minimisation is a priority area that contributes to SIBS maintaining long-term stability in the company and is part of the prerequisite for good and profitable growth and development.

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

- Information policy
- Insider policy
- Financial policy
- Environmental and quality policy
- Code of conduct

The policies are reviewed annually and approved by the Board.

SIBS is well positioned for growth in the years ahead

During the year,SIBS carried out a strategic review of the potential of its business, which resulted in the company entering more market segments in 2022 and organising its activities into two business areas, Residential Development & Management and Licensing & Partnerships (described on pages 14-15).

In Residential Development & Management, we are expanding our segment with more property categories to include commercial properties in the form of hotels and community service in the form of retirement homes.

Within Licensing & Partnerships, we offer property developers and housebuilders the opportunity to use SIBS systems and factory concepts in markets outside Sweden, with us as a partner. With established operations in Malaysia and Sweden, the global perspective is also a natural next step.

Furthermore, SIBS continues to carefully develop its project portfolio in line with its business lines and with a well-balanced risk profile.

Our new strategy gives us greater opportunities to drive growth in different segments in different economic cycles in more geographic markets. Our knowledge of housing development with ConstructionTech at its core thus creates value for society on a larger scale.

SIBS' strategic objective is to improve the efficiency and development of the construction industry through technology. Our expertise in ConstructionTech gives us a controlled and efficient production process with significant time and cost savings compared to traditional construction. In this way, we can deliver beautiful, high-quality, affordable homes that are accessible to more people through affordable rent and the right location. Our housing attracts a broad target group with diverse backgrounds and at different stages of life.

**Proposal for appropriation of profit (SEK)
Parent Company**

At the disposal of the Annual General Meeting are the following profits of the Parent Company:

Accumulated profit/loss	-314,222,029
Capital injections received	486,944,445
Profit/loss for the year	159,630,457
Total	332,352,873

The Board of Directors and the CEO propose:

Dividend, SEK 180 per share	100,000,000
Brought forward in new account	232 352 873
Total	332,352,873

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. Therefore, risk management and risk mitigation is a priority area that contributes to SIBS maintaining the long-term stability of the company. It is also part of the basis for good and profitable growth and development. SIBS conducts an annual risk mapping, assessment and management plan to ensure that the business is well equipped to deal with different scenarios.

OPERATIONAL RISKS

RISK AREA	DESCRIPTION	MANAGEMENT
Project risks	In projects, there are various types of risks arising during the project, such as land acquisition, the detailed planning stage and design, where the right analysis and calculation are of paramount importance for a predictable process with good profitability. Environmental circumstances or technical problems can also lead to delays and increased costs or reduced revenues.	SIBS has clear project management with continuous evaluation and development. Calculations and forecasts are reconciled regularly for good cost control and accurate revenue assessment. During the process, there are clear decision sluices 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 the project, 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 tailored to maximise the use of the development provisions of the zoning plans. Project risks are minimised with a regulated system that warns and prevents what is being designed from not complying with predetermined parameters or regulatory requirements. Architectural objects in the planning work ensure experience feedback.
Disturbances production in factory	During the production phase there is a risk of unplanned production stoppages at the factory. This could cause delays in our projects, which in turn could drive up project costs.	We have continuous quality assurance of internal procedures and processes for our production. Each step is documented to ensure proper execution and a good basis for 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. In 2022, SIBS' second factory will be completed, contributing to increased reliability.
Disruptions in the logistics flow	Disruptions in logistics flows risk causing delays and costly processes during waiting times or rescheduling.	Very clear process control provides good predictability in production, allowing us to plan, synchronise and optimise transport.
Organisation	The 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 in values or leadership, staff turnover may increase, and recruitment may be made more difficult.	We are committed to offering our employees security, community and 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 person-dependent.
Property expenses	Management costs are partly dependent on general cost trends. But they also lie 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 the property.	We have quality-assured maintenance plans for all properties. We have a management team that 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 energy efficiency of the building system.

FINANCIAL RISKS

RISK AREA	DESCRIPTION	MANAGEMENT
Investments	SIBS' activities include ongoing investments such as acquisitions and increased production capacity. If investments do not meet the return requirement, the value of the properties risks being eroded. If production capacity does not meet the expected delivery, there is a risk that growth targets will not be met and that individual projects may be subject to delays and costly circumstances.	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. Investments in the factory are systematically and continuously assessed and evaluated. Production capacity is ensured continuously.
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 in how well designed the housing is according to the needs and desires 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>	SIBS prioritises a very good knowledge of the market for establishment in locations with good demand. Priority is given to the development of housing with the tenant in focus and insight into the needs and motivations of the target groups. Close dialogue is also maintained with tenants. Approval of tenants is carried out according to an established process that also ensures the tenant's ability to pay.
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 sufficient payment capacity for 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>	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 conducting financial activities. The aim is to ensure good control and orderly funding conditions.
Interest rate risk	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 binds its interest rates at a level higher than the market rate, there is a risk of rising interest expenses.	The financial policy regulates interest rate fixation and risk mandates. The aim is to ensure good control and orderly funding conditions.
Financial reporting	Financial reporting is important for making the right decisions, as well as for a transparent and trust-building dialogue with external parties and stakeholders.	The finance department has a high level of competence, the company has a financial calendar for all external reporting. SIBS works internally with monthly reporting and weekly project reconciliation. Reconciliation with the auditor takes place on an ongoing basis.

EXTERNAL RISKS

RISK AREA	DESCRIPTION	MANAGEMENT
Crises	A crisis in the world can be made up of various events that are difficult to predict but have a major impact on society. This could 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 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 reputation and trust may affect the company's ability to operate successfully. If mistakes are made due to lack of competence or ignorance of SIBS values, processes and applicable regulations, reputation may be adversely affected.	SIBS strives and actively works to ensure that we meet the expectations of the world. We have good internal governance, high internal efficiency and a clear set of values that all employees and suppliers are expected to act on. 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.
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 can be financial losses, sanctions but can also affect the trust in SIBS and thus the ability for SIBS 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 in the company's expectation 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 rule changes	SIBS activities are affected by political decisions and regulations. Changes in, for example, tax legislation, planning processes or government grants can lead to changes in the conditions for business.	SIBS closely monitors the development of laws and regulations and prepares well for possible 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 value	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 rental levels, occupancy rates and property costs. In addition, valuation is affected by the business cycle, as is the yield requirement for 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 developments in both property and technology that will benefit both the company's property valuation and the customers' housing benefits.
Development of the project portfolio	A well-balanced project portfolio is the basis for the company's future development and growth. Limitations in the 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 geographic market. The company has a continuous dialogue with municipalities, property owners and other influential stakeholders. Environmental and market analysis is carried out regularly and is one of 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.	Strong focus on energy efficient buildings and planning for net zero climate emissions
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.	Systematic work environment management throughout the process, with regular investigations, risk assessments, measures and follow-up. The working environment is a top priority. The construction company MOBY is certified according to ISO 45001.
Failure to meet environmental requirements	Our green certification, the Green Building 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. All requirements have a person in charge who ensures that we meet the requirements.
Failure to live up to our values	That we or our suppliers do not live up to our core values regarding human rights, labour law, the environment and anti-corruption.	We train all employees on our Code of Conduct and follow up. We have implemented a whistleblowing scheme and actively follow up and report according to the UN Global Compact.

Consolidated income statement

SEK thousand	Note	Jan-Dec 2021	Jan-Dec 2020
Rental income	9,10	16,602	11,958
Project and contract revenue	9	836,361	224,376
Total revenue		852,963	236,334
Project and contracting activity expenses		-797,801	-224,376
Property expenses	11	-2,757	-2,497
Gross profit/loss		52,404	9,461
Work carried out by the company on its own behalf and capitalised	18	93,280	96,966
Development expenses		-93,280	-96,966
Administrative expenses	12,13	-65,483	-44,326
Operating profit/loss before change in value		-13,080	-34,865
Change in value of investment properties	19	259,100	61,163
Other operating income		1,449	2,122
Other operating expenses		-338	-40
Profit/loss from associated companies	27	419,607	175,489
Operating profit/loss		666,739	203,869
Financial income	15	560	413
Financial costs	16	-66,839	-19,441
Profit/loss before tax		600,460	184,841
Taxes	17	-57,534	-22,282
Profit/loss for the period		542,926	162,559
Attributable to			
The Parent Company's shareholders		545,693	161,473
Non-controlling interests		-2,767	1,086
Total profit/loss for the period		542,926	162,558
PROFIT/LOSS FOR THE PERIOD		542,926	162,558
Other comprehensive income			
<i>Items that may be reclassified to income statement</i>			
Revaluation of operating property		20,232	-
Translation differences		7,519	-34,363
Other comprehensive income for the year, net after tax		27,751	-34,363
Total comprehensive income for the period		570,676	128,195
Comprehensive income attributable to:			
The Parent Company's shareholders		573,443	127,109
Non-controlling interests		-2,767	1,086
Total comprehensive income for the period		570,676	128,195

Commentary on comprehensive income

Rental income increased during the period to SEK 16,602 thousand and operating expenses to SEK 2,757 thousand. These increases are due to SIBS managing a larger portfolio of rental housing.

The group recorded project and contracting income of SEK 836,361 thousand and SEK 797,801 thousand of expenses. The revenue and expenses relate to projects in which the group does not have a controlling interest.

Throughout the year, the group continued its work on the development of the building system and its pro-

cesses. The development expenses amounted to SEK 93,280 thousand and are capitalised in the balance sheet under Capitalised development expenses.

Administrative expenses totalled SEK 65,483 thousand, of which depreciation was SEK 13,446 thousand and is predominantly attributable to the amortisation of development costs.

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



Group statement of financial position

SEK THOUSAND	Note	Jan-Dec 2021	Jan-Dec 2020
ASSETS			
Non-current assets			
Capitalised development expenses	18	272,627	193,434
Investment properties	19	679,998	393,000
Owner-occupied properties	20	273,995	109,700
Right-of-use assets	23	2,159	-
Expenses incurred through improvements to other people's property	21	41	108
Machinery and equipment	22	33,690	28,553
Deferred tax assets	24	12,054	-
Shares in associated companies and joint ventures	27	673,191	258,117
Other non-current receivables	28	7,716	7,716
Total non-current assets		1,955,471	990,628
Current assets			
Inventories	29	58,610	52,106
Unbilled earned revenue	44	238,025	148,385
Trade receivables	30	246,700	311
Debts due from associated companies		299,058	39,600
Other receivables	31	55,806	85,772
Prepaid expenses and accrued income	32	6,890	3,627
Cash and cash equivalents	33	178,926	228,151
Total current assets		1,084,016	557,952
TOTAL ASSETS		3,039,487	1,548,580

Group statement of financial position

SEK THOUSAND	Note	Jan-Dec 2021	Jan-Dec 2020
EQUITY AND LIABILITIES			
Equity	34		
Parent Company's shareholders			
Share capital		556	500
Other capital contributions		486,944	237,000
Reserves		1,883	-25,868
Profit/loss brought forward including profit/ loss for the year		850,049	304,806
Total equity attributable to the Parent Company's shareholders		1,339,431	515,987
Non-controlling interests		4,340	7,107
Total equity		1,343,771	523,094
Non-current liabilities			
Non-current interest-bearing liabilities	35	955,195	599,551
Deferred tax liabilities	24	39,652	17,774
Provisions for other liabilities and charges	36	6,821	-
Total non-current liabilities		1,001,668	617,325
Current liabilities			
Current interest-bearing liabilities	35	179,096	127,343
Billed unearned revenue	44	2,414	61,358
Trade payables		126,853	87,031
Liabilities to associated companies		77,429	17,538
Current tax liabilities		417	5,578
Other liabilities	37	242,954	90,913
Accrued expenses and deferred income	38	64,886	18,400
Total current liabilities		694,048	408,161
TOTAL EQUITY AND LIABILITIES		3,039,487	1,548,580

For information on the Group's collateral and contingent liabilities, see note 39.

Comments to the group's balance sheet

Investment properties

The investment properties item increased over the period. This increase is mainly due to the acquisition of properties and changes in value.

Shares in associated companies

Shares in associated companies amounted to SEK 673,191 thousand. The change during the period is down to the increased collaboration in joint ventures and changes in the value of underlying projects.

Accrued expenses not invoiced/Invoiced expenses not accrued

The items contain receivables and liabilities companies that are not owned 100 percent. The net change in

these items during the period is the result of the additional projects managed through joint ventures.

Non-current liabilities

The non-current liabilities are mostly made up of bonds and fully financed projects that are wholly owned by the group.



Consolidated statement of changes in equity

SEK THOUSAND	Attributable to equity holders of the Parent Company					Total Equity
	Share capital	Paid-up capital	Reserves	Retained profit, incl. net profit for the year	Non-controlling interests	
Equity at 1 January 2020	50	137,000	8,495	143,334	6,021	294,900
Total profit for the year:						
Profit/loss for the year	-	-	-	161,472	1,086	162,558
- Translation differences, net	-	-	-34,363	-	-	-34,363
Total comprehensive income	-	-	-34,363	161,472	1,086	128,194
Transactions with shareholders:						
Fund issue	450	-	-	-450	-	-
Shareholders' contributions	-	100,000	-	-	-	100,000
Total transactions with shareholders	450	100,000	-	-450	-	100,000
Closing equity at 31 December 2020	500	237,000	-25,868	304,355	7,107	523,094
Opening equity at 1 January 2021	500	237,000	-25,868	304,355	7,107	523,094
Profit/loss for the year	-	-	-	545,692	-2,767	542,926
Revaluation of operating property	-	-	20,232	-	-	20,232
- Translation differences, net	-	-	7,518	-	-	7,518
Total comprehensive income	-	-	27,751	545,692	-2,767	570,676
Transactions with shareholders:						
Share issues	56	249,944	-	-	-	250,000
Total transactions with shareholders	56	249,944	-	-	-	250,000
Closing equity at 31 December 2021	556	486,944	1,883	850,047	4,340	1,343,771

Group cash flow statement

SEK THOUSAND	Jan-Dec 2021	Jan-Dec 2020
Operating activities		
Profit/loss after financial items	600,460	184,840
- Depreciation/amortisation and impairments	30,223	27,839
- Capital gains/losses	-48,552	-
- Capitalised interest	3,515	5,364
- Fair value evaluation via income statement	-259,100	-61,163
- Share in profit/loss of associated companies/JVs	-362,953	-124,928
- Provisions	6,821	-
- Unrealised exchange rate differences	-3,072	-18,821
	-32,659	13,131
Income tax paid	-6,980	-2,949
Cash flow from operating activities before changes in working capital	-39,639	10,182
Cash flow from changes in working capital		
Decrease(+)/increase(-) in inventories	-2,861	-30,703
Decrease(+)/increase(-) in current receivables	-280,359	-115,307
Decrease(+)/increase(-) in current liabilities	168,155	208,851
Total change in working capital	-115,065	62,841
Cash flow from operating activities	-154,704	73,023
Investing activities		
Capitalised development expenses	-89,918	-96,966
Acquisition of investment properties	-14,567	-373,603
Acquisition of owner-occupied properties	-138,782	-10,482
Acquisitions, capital injections associates	-52,122	-
Acquisition/sale of subsidiaries	-	67
Loans to associated companies	-106,407	2,710
Acquisition of property, plant and equipment	-	-14,740
Proceeds from sale of property, plant and equipment	-10,869	-
Change in long-term loans	397	-1,750
Cash flow from investing activities	-412,269	-494,765

Group cash flow statement

SEK THOUSAND	Note	Jan-Dec 2021	Jan-Dec 2020
Financing activities	40		
Shareholders' contributions received		-	47,579
Share issues		250,000	-
Bonds issued		236,865	352,383
Other borrowings		-	129,718
Bank loans taken out		47,254	254,437
Amortisation of bank loans		-17,211	-17,805
Lease liability repayments		-	-2,857
Shareholder loan repayments		-	-141,922
Cash flow from financing activities		516,908	621,533
CASH FLOW FOR THE YEAR		-50,065	199,791
Cash and cash equivalents, beginning of year		228,151	30,166
Exchange rate differences in cash and cash equivalents		840	-1,806
Cash and cash equivalents, end of year		178,928	228,151

Parent company income statement

SEK THOUSAND	Note	Jan-Dec 2021	Jan-Dec 2020
Operating revenue etc.			
Net sales		3,113	4,326
Work carried out by the company on its own behalf and capitalised	18	93,280	96,966
Other operating income		35	-
		96,429	101,292
Operating expenses			
Development expenses		-93,280	-96,966
Administrative expenses	12,13	-35,868	-25,372
Other operating expenses		-338	-39
Operating profit/loss		-33,058	-21,085
Profit/loss from financial investments			
Profit/loss from shares in group companies	14	242,743	-
Interest income and similar income statement items	15	9,267	651
Interest expenses and similar income statement items	16	-59,322	-6,907
Profit/loss after financial items		159,629	-27,342
Current tax	17	-	-
PROFIT/LOSS FOR THE YEAR		159,629	-27,342

The profit/loss for the year is in line with the overall result of the Parent Company.

Parent Company balance sheet

SEK THOUSAND	Note	Jan-Dec 2021	Jan-Dec 2020
ASSETS			
Non-current assets			
Non-current intangible assets			
Capitalised development expenditure	18	275,990	193,434
		275,990	193,434
Property, plant and equipment			
Expenses incurred through improvements to other people's property	21	41	108
Equipment	22	370	645
		411	753
Non-current financial assets			
Shares in Group companies	25	205,260	61,590
Receivables from Group companies	26	637,141	210,558
Shares in associated companies	27	35	35
Debts due from associated companies		-	-
Other non-current receivables	28	7,716	7,716
		850,152	279,899
Total non-current assets		1,126,552	474,085
Current assets			
Current receivables			
Trade receivables		-	219
Receivables from Group companies		-	-
Other receivables	31	3,278	5,128
Debts due from associated companies		31,633	34,655
Prepaid expenses and accrued income	32	1,515	1,525
		36,426	41,527
Cash at bank and in hand	33	149,788	212,556
Total current assets		186,214	254,083
TOTAL ASSETS		1,312,766	728,168

Parent Company balance sheet

SEK THOUSAND	Note	Jan–Dec 2021	Jan–Dec 2020
EQUITY AND LIABILITIES			
Equity	34		
Restricted equity			
Share capital		556	500
Reserve for development expenses		275,990	193,434
		276,545	193,484
Non-restricted equity			
Other capital contributions		486,944	237,000
Retained earnings		-314,222	-203,875
Profit/loss for the year		159,629	-27,342
		332,351	5,783
Total equity		608,896	199,267
Non-current liabilities			
Liabilities to Group companies		29,319	72,400
Non-current interest-bearing liabilities	35	593,400	353,020
		622,719	425,420
Current liabilities			
Current interest-bearing liabilities		-	-
Trade payables		2,963	2,768
Income tax liabilities		216	191
Liabilities to Group companies		66,536	90,068
Other liabilities	37	844	770
Debts owed to associated companies and joint ventures		-	9,038
Accrued expenses and deferred income	38	10,592	645
		81,151	103,481
TOTAL EQUITY AND LIABILITIES		1,312,766	728,168

For information on the Parent Company's collateral and contingent liabilities, see Note 39.

Parent Company's change in equity

SEK THOUSAND	Share capital	Fund for development expenses	Paid-up capital	Profit/loss brought forward, including net profit for the year	Total equity
Equity at 1 January 2020	50	107,127	137,000	-117,568	126,609
Reserve for development expenses	-	86,307	-	-86,307	-
Profit/loss for the year	-	-	-	-27,342	-27,342
Bonus issue	450	-	-	-450	-
Shareholders' contributions	-	-	100,000	-	100,000
Closing equity at 31 December 2020	500	193,434	237,000	-231,667	199,267
Opening equity at 1 January 2021	500	193,434	237,000	-231,667	199,267
Share issues	-	-	-	-	-
Reserve for development expenses	-	82,555	-	-82,555	-
Profit/loss for the year	-	-	-	159,629	159,629
Transactions with shareholders					
Share issues	56	-	249,944	-	250,000
Closing equity at 31 December 2021	556	275,990	486,944	-154,593	608,896

Parent Company cash flow statement

SEK THOUSAND	Note	Jan–Dec 2021	Jan–Dec 2020
Operating activities			
Profit/loss after financial items		159,629	-27,342
- Depreciation/amortisation and impairments		11,140	11,064
- Capitalised interest		-1,654	5,364
- Unpaid anticipated dividends		-242,743	
		-73,628	-10,914
Income tax paid		-95	40
Cash flow from operating activities before changes in working capital		-73,723	-10,874
Cash flow from changes in working capital			
Decrease(+)/increase(-) in operating receivables		3,773	7,041
Decrease(-)/increase(+) in operating liabilities		24,013	20,702
Total change in working capital		27,786	27,743
Cash flow from operating activities		-45,937	16,868
Investing activities			
Acquisition of subsidiaries		-303	-
Acquisition of associated companies		-	-
Acquisition of non-current assets		-93,280	-96,966
Acquisition of property, plant and equipment		-74	-205
Change in long-term lending		-357,235	8,636
Cash flow from investing activities		-450,892	-88,531
Financing activities	40		
Share issues		250,000	-
Bond issuance		237,140	352,383
Loans, borrowings		-	22,691
Loans, amortisation		-53,081	-141,921
Shareholders' contributions received		-	47,579
Cash flow from financing activities		434,060	280,731
Cash flow for the year		-62,769	209,069
Cash and cash equivalents, beginning of year		212,556	3,487
Cash and cash equivalents, end of year		149,788	212,556

Notes to the financial statements

NOTE 1 COMPLIANCE WITH DESIGN AND LAW

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU, and the Annual Accounts Act. In addition, the recommendation of the Financial Reporting Council RFR 1 Supplementary Accounting Rules for Groups has 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.

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 MEASUREMENT BASES 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 AND REPORTING CURRENCY

The Parent Company's functional currency is Swedish kronor, which is also the reporting currency for the Parent Company and the Group. This means that the financial reports are presented in Swedish kronor. Unless otherwise stated, all amounts are rounded to the nearest thousand (SEK thousand).

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:

- assets and liabilities for each of the balance sheets are translated at the exchange rate on the balance sheet date
- income and expenses for each of the income statements are translated at the average exchange rate; and
- all exchange differences arising are recognised in other comprehensive income and accumulated in a separate - a component of equity, called translation reserve.

NOTE 4 ASSESSMENTS AND ESTIMATES IN THE FINANCIAL STATEMENTS

The preparation of financial statements in accordance with IFRS requires management to make assessments, 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 assessments.

Estimates and assumptions are reviewed regularly. 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 management in the application of IFRS that have a significant effect 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, with the exceptions described in more detail, been applied in the Group's financial statements. Furthermore, the Group's accounting policies have been consistently applied by the Group companies.

Principles of consolidation 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 the return.

In assessing whether a controlling interest exists, consideration is given to potential voting shares and whether real influence exists. Acquisitions of real property 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 business combination is a business combination if, in addition to the property, the combination includes other resources and processes.

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

Subsidiaries are accounted for 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 issue 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 preparing the consolidated financial statements.

Associates

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

Joint venture

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 Group's goodwill and any residual value of the Group's overvaluation and undervaluation. The Group's share in the results of the companies, adjusted for any depreciation, amortisation, impairment and reversals of impairment losses, is recognised in the Group's results as "Profit/loss from associates and joint ventures".

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

Segment reporting

The Group's activities are divided into two operating segments, Investment Management and Other Group. Each segment is monitored in terms of operational activities, with regular reporting to the Group executive. The Group management monitors 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 lease agreements. The total cost of benefits provided is recognised as a reduction of rental income on a straight-line basis over the term of the lease.

Project income (Construction contracts)

SIBS has construction contracts with joint ventures, which are accounted for in accordance with IFRS 15 Revenue from Contracts with Customers. Revenue from agency agreements is accounted for 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 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 recognised revenue and

invoiced partial payments is recognised as an asset in the balance sheet (receivable from principals under the construction contract). Similarly, differences between invoiced amounts and unearned project revenue is recognised as a liability in the balance sheet (amounts due to contractors under construction contracts).

Income from property sales

Revenue 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. In addition, circumstances that may affect the outcome of the transaction that are beyond the control of the seller and/or buyer are taken into account.

Financial income

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

Financial costs

Financial costs consist of interest expenses on loans accounted for using the effective interest method. Capitalisation of interest expenses is only done in the consolidated financial statements.

Borrowing costs attributable to the construction of so-called 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 in the first instance. Secondly, borrowing costs incurred on general loans that are not specific to any other qualifying asset are capitalised. For the Group, the capitalisation of loan costs is mainly relevant for major new construction, additions or conversions of investment properties.

Leasing

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 and the end of the lease term, which for the Group is normally the end of the lease term. Leasehold land is not amortised as these leases are considered perpetual from the Group's perspective, as the Group has no right to terminate the leases.

Lease liabilities split between long-term and short-term are initially measured at the present value of the remaining lease payments over the estimated lease term. The lease term is the non-cancellable period plus any additional periods in the agreement 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 amounts and tax bases of assets and liabilities. Temporary differences are not taken into account in consolidated goodwill, nor for 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 accounting nor taxable profit or loss. Furthermore, temporary differences relating to investments in Group companies that are not expected to be recovered in the foreseeable future are 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 losses are recognised only to the extent that it is probable that they will be recovered. The value of deferred tax assets is reduced when it is no longer probable that they can be utilised.

Financial instruments

Financial instruments recognised in the balance sheet include on the asset side cash and cash equivalents, loans receivable and trade receivables. On the liabilities side, there are trade payables and loans payable.

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 other party 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 debt 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 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 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 valuation

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 cash flows of the instruments 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 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 valued at cost.

Cash and cash equivalents

Cash and cash equivalents consist of deposits with banks.

Loans receivable and rental/trade receivables

Rental and other receivables are valued 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 valued 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 property is initially recognised at cost, which includes expenditure directly attributable to the acquisition. Investment properties are carried at fair value in the balance sheet. Fair values are based on market values, which is the estimated amount that would be received in a transaction at the date of valuation between knowledgeable, willing parties in an arm's length transaction where both parties are presumed to have acted prudently, wisely and without compulsion. Both unrealised and realised changes in value are recognised in profit or loss. Rental income is recognised in accordance with the principles 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 accounted for under IFRS 9, investment property accounted for at fair value under IAS 40 and deferred tax assets accounted for 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 after an individual assessment. The impairment of receivables is determined based on historical experience of customer losses on similar receivables. Impaired trade receivables are stated at the present value of expected future cash flows. However, short-term receivables are not discounted.

Reversal of impairment losses

An impairment of assets within the scope of IAS 36 is reversed if there is both an indication that the impairment loss no longer exists and 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 useful value as defined in IAS 36. Useful value 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 other than goodwill resulting from the reversal of a previous impairment loss shall 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 consist of operating real estate and inventories under the control of the Group. Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Incremental expenditure that meets the asset criterion is included in the carrying amount of the asset. Expenditure on routine maintenance and repairs is recognised as an expense when incurred.

Depreciation of property, plant and equipment is charged so 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:
Operating property 5–60 years
Equipment 3–10 years

Other intangible fixed assets

Other intangible assets consist of capitalised development costs. Intangible assets are recognised if it is probable that the future economic benefits embodied in the asset will flow 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, demonstrating that there is a market for what the asset is used for, and that the Group has the technical, financial resources to pursue the development of the asset. The useful life begins when the asset is put into service and is stated at cost less accumulated depreciation and any accumulated impairment losses. Other intangible assets are controlled by the company.

The useful lives of intangible assets are estimated at:
Development costs 10 years
In assessing the useful life, historical experience of similar assets, uses and also specific characteristics of the asset have been taken into account.

Defined contribution pension plans

Defined contribution plans are those where the obligation of the enterprise 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, as they are earned by employees in the course of providing services to the company over a period.

Short-term benefits

Short-term employee benefits are calculated without discounting and recognised as an expense when the related services are received. 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 received from employees and 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 resources embodying economic benefits 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 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 and more

Non-current assets and non-current liabilities consist essentially of amounts expected to be recovered or paid after more than twelve months from 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 analyses 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 report in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities (January 2019). The statements issued by the Financial Reporting Council for listed companies also apply.

RFR 2 requires the Parent Company to apply all IFRS and pronouncements adopted by the EU in the annual report of the legal entity as far as possible within the framework of the Annual Accounts Act, the Insurance Act and taking into account the relationship between accounting and taxation. The Recommendation sets out the exceptions and amendments to IFRS that should be made. The provisions of RFR 2 relating to enhanced disclosure requirements in the annual accounts in relation to IFRS have been taken into account only in so far 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 periods presented in the Parent Company financial statements.

Classification and forms of presentation

The income statement and balance sheet of the Parent Company are prepared in accordance with the schedules 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 Parent Company's income statement and the consolidated financial statements 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 lessee, lease payments are recognised as an expense on a straight-line basis over the lease term and therefore 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 principles in IFRS 9 are still applicable, such as those relating to impairment, recognition/derecognition and the effective interest method for interest income and interest expense. In the Parent Company, financial assets are valued at cost less any impairment, and financial assets held for trading are valued at the lower of cost or market. For financial assets carried at amortised cost, IFRS 9's impairment rules apply.

Shares in Group companies

Investments in Group companies are accounted for in the Parent Company using the cost method.

Taxes

Untaxed reserves are presented in the Parent Company balance sheet without any split between equity and deferred tax liabilities, unlike in the Group. Similarly, in the Parent Company's income statement, no allocation is made of the portion of year-end provisions to deferred tax expense.

Group contributions

Group contributions received by the Parent Company from a subsidiary are recognised in the Parent Company as normal dividends from subsidiaries. Group contributions made by the Parent Company to subsidiaries are accounted for as an investment in shares in subsidiaries.

Project activities

The Group recognises revenue from project agreements with joint ventures on an accrual basis.

NOTE 6 PARENT COMPANY INFORMATION

SIBS AB is a Swedish-registered private limited company with its registered office in Stockholm, Sweden. The address of the head office is Grev Turegatan 19, 114 38 Stockholm, Sweden. The consolidated financial statements for the year 2021 cover the Parent Company, also referred to as the Company, and its subsidiaries, together referred to as the Group.

NOTE 7 SIGNIFICANT ESTIMATES AND ASSESSMENTS

Management has discussed the development, selection and disclosure of the Group's significant accounting policies and estimates, and the application of those policies and estimates.

Major sources of uncertainty in estimates

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

Measurement of an asset or liability at fair value

In 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 valuation technique as follows:

Level 1: According to prices quoted in an active market 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 property and valuation of construction items are in Level 3.

Valuation of investment properties at fair value

The valuation is based, as indicated in Note 17, 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 estimates of the future and, as such, are uncertain.

Valuation of contract revenue, contract costs, billed work in progress and unbilled work in progress

The items are valued on an ongoing basis based on the forecast of the respective project. Commitment to customer (estimated final revenue) is compared to forecasted costs. Gains are recognised over time, and any losses are recognised immediately. The forecasts are based on assumptions about the future. There is some uncertainty that misjudgements affect the outcome.

Project activities

The Group recognises revenue from project agreements with joint ventures on an accrual basis.

NOTE 8 SEGMENT

The Group will follow the results from 2021 onwards on the basis of two segments, Investment Management and Other Group. Comparative data for 2020 is not available, as the Group did not follow the business by segment and the comparative data for 2020 is immaterial.

	Investment Management	Other Group	Adjustments	Total Group
Rental income	28,276	-	-11,674	16,602
Project and contract revenue	-	836,361	-	836,361
Total revenue	28,276	836,361	-11,674	852,963
Project and contracting activity expenses	-	-797,801	-	-797,801
Property expenses	-5,450	-	2,693	-2,757
Gross profit/loss	22,826	38,559	-8,981	52,404
Work carried out by the company on its own behalf and capitalised	-	93,280	-	93,280
Development expenses	-	-93,280	-	-93,280
Administrative expenses	-3,308	-51,391	2,662	-52,037
Non-project-related depreciation/amortisation	-	-13,446	-	-13,446
Operating profit/loss before change in value	19,518	-26,278	-6,319	-13,079
Change in value of investment properties	65,789	193,311	-	259,100
Other operating income	-	1,449	-	1,449
Other operating expenses	-	-338	-	-338
Profit/loss from associated companies	-	413,288	6,319	419,607
Operating profit/loss	85,307	581,432	-	666,739
Financial income	-	560	-	560
Financial costs	-9,306	-57,533	-	-66,839
Profit/loss before tax	76,001	524,459	-	600,461
Taxes	-13,799	-43,735	-	-57,534
Profit/loss for the period	62,203	480,724	-	542,927
ASSETS				
Capitalised development expenses	-	272,627	-	272,627
Investment properties	1,294,494	-	-614,496	679,998
Shares in associated companies	-	673,191	-	673,191
Other assets	222,189	1,191,483	-	1,413,672
Total assets	1,516,683	2,137,301	-614,496	3,039,488
EQUITY AND LIABILITIES				
Equity	295,205	1,048,567	-	1,343,772
Interest-bearing liabilities	521,481	612,810	-	1,134,291
Other liabilities	699,997	-138,572	-	561,425
Total equity and liabilities	1,516,683	1,522,805	-	3,039,488

*In the Investment Management segment, rental income, property and administrative expenses from the Group's JVs have been included and adjusted made in the adjustments column.

NOTE 9 RENTAL INCOME AND REVENUE

	Group	
	2021	2020
Rental income	16,602	11,958
Project revenue (Construction contracts)	836,361	224,376
Total	852,963	236,334

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. In reviewing the contractual relationship in construction contracts, it is assessed that the contracts should be accounted for in accordance with IFRS 15 Revenue from Contracts with Customers, using the percentage of completion method. Payment flows in project activities are regularly made on the basis of incurred costs, which are invoiced in arrears with payment terms of 30 days.

NOTE 12 AUDITOR REMUNERATION

	Group		Parent Company	
	2021	2020	2021	2020
PWC				
Remuneration for audit assignments	1,211	864	1,003	547
Remuneration for audit activities other than audit assignments	110	-	-	-
Total	1,321	864	1,003	547
Messer Ooi & Associates				
Remuneration for audit assignments	169	198	-	-
TOTAL	169	198	-	-

Audit assignment refers to the audit of the annual accounts and the accounting, as well as of the Board of Directors and CEO's management, other tasks entrusted to the company's auditors, and advice or other assistance resulting from the findings of such examination or the performance of such other tasks. Everything else is other tasks.

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, from an accounting perspective, considered as operating leases. All 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 contracts; maturity analysis is not provided for 2021.

NOTE 11 PROPERTY EXPENSES

	Group	
	2021	2020
Operating costs	-2,757	-2,497
Total	-2,757	-2,497

NOTE 13 EMPLOYEES AND EMPLOYEE BENEFIT EXPENSE

Salaries and other remuneration of directors, executive officers and other employees are shown in the table below:

	Group		Parent Company	
	2021	2020	2021	2020
The average number of employees, broken down by gender, is				
Sweden				
Women	3	2	3	1
Men	14	9	4	3
Malaysia;				
Women	18	10	-	-
Men	503	431	-	-
Total	538	452	7	4
Salaries and benefits total:				
CEO	1,375	1,200	1,375	1,200
Other senior executives	11,342	9,845	1,900	1,894
Other employees	44,537	37,659	2,522	507
Total salaries and benefits:	57,253	48,703	5,796	3,600
Social security contributions under law and contract	7,009	5,380	2,130	1,291
Pension costs:				
CEO	344	300	344	300
Other senior executives	752	735	462	450
Other employees	3,944	3,371	223	-
Total wages, salaries, benefits, social security contributions and pension costs	69,302	58,490	8,954	5,641

Wages and salaries refer to short-term employee benefits.

Pension costs relate to post-employment benefits.

There are no other long-term employee benefits, termination benefits or share-based payments in the Group

NOTE 14 INCOME FROM INVESTMENTS IN GROUP COMPANIES

	Group		Parent Company	
	2021	2020	2021	2020
- Anticipated dividends	-	-	242,743	-
Total	-	-	242,743	-

NOTE 15 FINANCIAL INCOME

	Group		Parent Company	
	2021	2020	2021	2020
Interest income, group companies	-	-	6,222	69
Interest income, other	40	212	40	212
Dividends associated companies	-	-	3,005	370
Exchange rate differences	520	-	-	-
Other financial income	-	201	-	-
Total	560	413	9,267	651

NOTE 16 FINANCE COSTS

	Group		Parent Company	
	2021	2020	2021	2020
Interest expenses, bank loans	-9,468	-15,399	-71	-1,200
Interest expenses, group companies	-	-	-2,015	-
Interest expenses, other	-6,393	-4,042	-6,257	-5,707
Interest expense, bond	-50,978	-	-50,978	-
Total	-66,839	-19,441	-59,322	-6,907

NOTE 17 TAXES

NOTE 17 TAXES		Group		Parent Company	
		2021	2020	2021	2020
The following components are included in the tax expense:					
Current tax		-	-8,695	-	-
Deferred tax relating to:					
Temporary differences investment properties		-66,807	-12,298	-	-
Loss carry-forward		9,273	-3,221	-	-
Adjustment of tax, changed tax rate		-	1,932	-	-
Tax for the year		-57,534	-22,282	-	-
Tax rate					
Current tax rate Sweden	Sweden	20.6%	21.4%	20.6%	21.4%

	Group		Parent Company	
	2021	2020	2021	2020
Profit/loss before tax	600,459	184,841	159,630	-27,342
Tax at current rate	-123,695	-39,556	-32,884	5,851
Tax effect of:				
Non-deductible expenses/non-taxable income	69,616	25,592	32,884	-66
Change in tax loss carry-forwards without corresponding recognition of deferred tax assets	-5,823	-9,395	-	-5,785
Other tax rate in foreign operations	-	-1,408	-	-
Utilised opening deficit	2,284	553	-	-
Revaluation of deferred tax relating to tax changes	83	1,932	-	-
Tax for the year	-57,534	-22,282	-	-

NOTE 18 CAPITALISED DEVELOPMENT COSTS

	Group		Parent Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Opening cost	204,181	107,215	204,181	107,215
Internally generated	89,918	96,966	93,280	96,966
Closing cumulative cost	294,100	204,181	297,462	204,181
Opening depreciation/amortisation	-10,748	-88	-10,747	-88
Depreciation/amortisation for the year	-10,725	-10,660	-10,725	-10,660
Closing cumulative depreciation/amortisation	-21,473	-10,747	-21,472	-10,747
Closing cumulative cost	272,627	193,434	275,990	193,434

Capitalised development costs 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

Investment properties

	31/12/2021	31/12/2020
Fair value at beginning of year	393,000	604,450
Cost of investment property, company acquisitions	276,879	-
Investments in real estate (subsequent costs)	14,567	373,603
Investment subsidies	-31,000	-
Disposals	-	-646,217
Changes in value recognised in profit or loss	259,100	61,163
Reclassifications	-232,548	-
Fair value at year-end	679,998	393,000

Changes in value for the year relating to properties held at the end of the year amount to SEK 259,100 thousand (SEK 61,163 thousand).

The Group's properties are held for the purpose of generating rental income and capital appreciation. The valuation of investment properties is done on the basis of valuation agencies with recognised and relevant qualifications and up-to-date knowledge of the valuation of the Group's holdings. 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. External valuation of the stock is obtained annually. The Group has a low vacancy rate, so direct costs on unlet properties are negligible.

The valuation 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 by perpetual capitalisation of an estimated market operating net profit in the following year.

Where the Group has been granted investment aid for the construction of rental properties, the investment aid is recognised as a receivable until payment is made. The aid is 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. Change in value is reported based on the Group's forecast for each property. The forecasting of 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, Norrköping, Söderby 2:776, Haninge and Parasollet 2, Lund.

Value assumptions:

Average rent SEK/m ²	1,792
Average vacancy rate (dwellings) %	0.0–0.5
Operating cost / SEK/m ² excluding periodic maintenance	232
Inflation rate 1–15 years* %	2.0
Calculation rate %	5.35–5.5
Direct yield requirement for assessment of residual value %	3.0–3.4

*=lower inflation rate in years 1–2

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

		SEK thousand	SEK thousand
Market rent of premises	(+/- 5%)	3,000	-3,000
Estimated rent of housing	(+/- 5%)	50,300	-50,300
Long-term vacancy	(+ / -2%)	-20,500	4,600
Operation and maintenance	(+/- 10%)	-8,700	8,700
Calculation rate	(+/- 0.5%)	-25,900	28,800
Direct return requirements	(+/- 0.5%)	-34,600	40,000

NOTE 20 OPERATING PROPERTY

	Group	
	31/12/2021	31/12/2020
Opening cost	127,624	132,285
Purchasing	138,782	10,482
Sales/disposals	-	-287
Translation difference	12,740	-14,857
Closing cumulative cost	279,146	127,624
Opening depreciation/amortisation	-17,923	-9,138
Reclassifications	2,701	-
Depreciation/amortisation for the year	-8,294	-10,360
Translation difference	-1,371	1,575
Closing cumulative depreciation/amortisation	-24,887	-17,923
Revaluations for the year	19,737	-
Closing net cumulative depreciation/amortisation	19,737	-
Closing carrying amount	273,995	109,700

Depreciation included in administrative expenses

NOTE 21 IMPROVEMENT EXPENDITURE ON OTHER PROPERTY

	Group		Parent Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Opening cost	648	648	648	648
Purchasing	43	-	43	-
Closing cumulative cost	692	648	692	648
Opening depreciation/amortisation	-540	-324	-540	-324
Depreciation/amortisation for the year	-110	-216	-110	-216
Closing cumulative depreciation/amortisation	-650	-540	-650	-540
Closing carrying amount	41	108	41	108

Depreciation included in administrative expenses

NOTE 22 MACHINERY AND EQUIPMENT

	Group		Parent Company	
	2021	2020	2021	2020
Opening cost	36,826	25,321	1,004	800
Purchasing	13,640	14,740	368	205
Sales/disposals	-769	-	-750	-
Translation difference	2,567	-3,235	-	-
Closing cumulative cost	52,264	36,826	623	1,004
Opening depreciation/amortisation	-8,273	-2,216	-360	-171
Sales/disposals	431	-	413	-
Depreciation/amortisation for the year	-10,014	-6,603	-306	-188
Translation difference	-718	546	-	-
Closing cumulative depreciation/amortisation	-18,573	-8,273	-253	-360
Closing carrying amount	33,690	28,553	370	645

Depreciation included in administrative expenses

NOTE 23 RIGHT-OF-USE ASSETS

	Group	
	31/12/2021	31/12/2020
Additional agreements	3,239	-
Closing cumulative cost	3,239	-
Depreciation/amortisation for the year	-1,080	-
Closing cumulative depreciation/amortisation	-1,080	-
Closing carrying amount	2,159	-

SIBS AB, entered into a premises lease agreement starting 01/01/21, which is classified as a right-of-use asset in the Group; the liability for the agreement is discounted and totalled SEK 2,180 thousand at year-end.

NOTE 24 DEFERRED TAX ASSETS AND LIABILITIES

	Group	
	31/12/2021	31/12/2020
Current deferred tax asset	-	1,205
Dissolution/reclassification	2,646	-
Accounted for in the profit/loss	9,309	-1,139
Translation difference	99	-65
Closing deferred tax asset	12,054	-

Deferred tax asset relating to temporary differences in:

investment properties	2,646	-
loss carry-forward	9,408	-
Deferred tax assets	12,054	-

	31/12/2021	31/12/2020
Current deferred tax liability	17,774	42,694
Accounted for in the profit/loss	69,423	12,447
Reclassification to Joint Venture	-47,429	-37,249
Translation difference	-116	-118
Closing deferred tax liability	39,652	17,774

Deferred tax liability for temporary differences in:

investment properties	39,652	17,774
Deferred tax liability	39,652	17,774

NOTE 25 INVESTMENTS IN GROUP COMPANIES

	Parent Company	
	31/12/2021	31/12/2020
At start of year	61,640	60,140
Purchasing	303	-
Capital injections made	143,368	1,500
Total	205,310	61,640
Accumulated impairment losses	-50	-50
Total	-50	-50
Closing carrying amount	205,260	61,590

Breakdown of the Parent Company's direct and indirect holdings of shares in subsidiaries

Directly owned	CRN	Registered office	Number of shares	Ownership %	Carrying amount
Sveaviken Bostad AB	559050-3065	Stockholm	50,000	100.0	17,550
Scandinavian IBS SDN. BHD.	201601022969	Malaysia	30,000,000	90.0	152,058
MOBY Modulärt Byggande AB	559151-7544	Stockholm	5,000	100.0	35,350
Shiperty PTE Ltd	201707318G	Singapore	47,500	95.00	303
Total					205,260

Indirectly owned companies	CRN	Registered office	Number of shares	Ownership %
Sveaviken Holding 1 AB	559172-1500	Stockholm	50,000	100.0
Fastighetsaktiebolaget Tango	559134-5052	Stockholm	50,000	100.0
Fastighets AB Brandberget	559177-5423	Stockholm	50,000	100.0
Sveaviken Holding 2 AB	559221-4729	Stockholm	50,000	100.0
Fastighets Futura i Lund AB	559194-3591	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
Fastighets AB Barkarbyhusen	559338-3655	Stockholm	25,000	100.0
Sveaviken Holding 6 AB	559335-9424	Stockholm	25,000	100.0
Fastighets AB Linköpingshälsa	559338-4570	Stockholm	25,000	100.0
Fastighets AB Norrutveckling	559104-6171	Stockholm	50,000	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

NOTE 26 RECEIVABLES FROM GROUP COMPANIES

	Group		Parent Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
At start of year	-	-	210,558	169,916
Additional receivables	-	-	978,365	627,466
Outgoing receivables	-	-	-551,783	-576,438
Reclassifications	-	-	-	-10,386
Receivables from Group companies	-	-	637,141	210,558

NOTE 27 SHARES IN ASSOCIATES 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 associate/joint venture plus transaction costs related to acquisitions.

	Group		Parent Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
At start of year	258,117	1,959	35	36
Purchasing	40,776	38	-	-1
Profit share	419,607	175,118	-	-
Dividends	-3,005	-	-	-
Reclassifications	-53,650	81,002	-	-
Total	673,191	258,117	35	35
Closing carrying amount	673,191	258,117	35	35

Specification of associated companies and joint venture parent companies

Name	CRN	Registered office	Number of shares	Ownership %	Carrying amount
MOKO AB (Ass)	559143-4427	Stockholm	50,000	20.0	10
Frontlog AB (Ass)	559171-7938	Norrköping	50,000	49.0	25
					35

Specification of associated companies and joint venture Group

Name	CRN	Registered office	Number of shares	Ownership %	Carrying amount
MOKO AB (Ass)	559143-4427	Stockholm	50,000	20.0	2,257
Frontlog AB (Ass)	559171-7938	Norrköping	50,000	49.0	3,625
Fastighets AB Örebroängen (JV)	559175-8494	Stockholm	98,040	50.0	39,080
Fastighets AB Kalmarporten (JV)	559175-6225	Stockholm	98,040	50.0	66,846
Slättö Sveaviken Holding 1 AB (JV)	559245-0133	Stockholm	50,000	50.0	137,458
Slättö Sveaviken Holding 2 AB (JV)	559261-6360	Stockholm	50,000	50.0	73,604
Slättö Sveaviken Holding 3 AB (JV)	559308-9765	Stockholm	25,000	50.0	96,074
Sveaviken Nordsten Holding 1 AB (JV)	559291-7859	Stockholm	25,000	50.0	73,359
Slättö Sveaviken Bostad AB (JV)	559340-8957	Stockholm	25,000	50.0	180,888
					673,191

NOTE 28 OTHER NON-CURRENT RECEIVABLES

	Group		Parent Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
At start of year	7,716	5,966	7,716	5,966
Additional receivables	-	1,750	-	1,750
Total	7,716	7,716	7,716	7,716

Incoming receivables 2020 relates to non-controlling interest in SIBS Malaysia, additional receivables relates to rent deposit.

NOTE 29 INVENTORIES

Inventories	Group	
	31/12/2021	31/12/2020
Raw materials and supplies	58,610	52,106
Total	58,610	52,106

NOTE 30 TRADE RECEIVABLES

Group

Trade receivables are recorded at the amount expected to be received 31/12/2021 SEK 246,700 thousand, and for 31/12/2020 SEK 311 thousand.

Parent Company

Trade receivables are recorded at the amount expected to be received 31/12/2021 SEK 0 thousand, and for 31/12/2020 SEK 219 thousand.

NOTE 31 OTHER RECEIVABLES

	Group		Parent Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Receivables from real estate transactions	-	30,549	-	-
Investment subsidies	31,000	-	-	-
VAT receivable	3,739	3,127	3,264	3,127
Current tax receivables	3,299	1,768	13	-
Other items	17,768	50,328	-	2,001
Other receivables	55,806	85,772	3,278	5,128

NOTE 32 PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Prepaid property/operating expenses	6,890	3,627	1,515	1,526
Prepaid expenses and accrued income	6,890	3,627	1,515	1,526

NOTE 33 CASH AND CASH EQUIVALENTS

Group

Cash and cash equivalents of the Group consist of bank deposits.

Parent Company

Cash and bank of the Parent Company refers to bank deposits.

NOTE 34 SHARE CAPITAL

Class of shares:	Number of shares	Percentage	Number of votes per share	Total votes	Vote percentage
Ordinary	555,555	100%	1	555,555	100%
Total	555,555	100%	1	555,555	100%

Dividends

The Board proposes a dividend of SEK 100 million for the financial year 2021.

Non-restricted equity

Unrestricted equity, i.e. the amount available for distribution to shareholders, consists of all the equity of the Parent Company except for share capital and the development expenditure fund.

NOTE 35 INTEREST-BEARING LIABILITIES

Information on the Group's and the Parent Company's contractual terms and conditions relating to interest-bearing liabilities is set out in the following. For more information on

the Group's and Parent Company's exposure to interest rate risk and foreign exchange risk, please refer to Note 38.

Interest-bearing liabilities	Group		Parent Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Bank loans	434,332	265,820	-	-
Building credits	101,928	-	-	-
Leasing debt	4,631	5,754	-	-
Bond loans	593,400	353,020	593,400	353,020
Other loans	-	102,300	-	-
<i>Total interest-bearing liabilities, of which short-term interest-bearing liabilities:</i>	<i>1,134,291</i>	<i>726,894</i>	<i>593,400</i>	<i>353,020</i>
Bank loans	177,514	23,624	-	-
Leasing debt	1,582	1,419	-	-
Other loans	-	102,300	-	-
<i>Total non-current interest-bearing liabilities</i>	<i>179,096</i>	<i>127,343</i>	<i>-</i>	<i>-</i>
Interest-bearing liabilities	1,134,291	726,894	593,400	353,020
Loans due within one year of the balance sheet date	179,096	127,343	-	-
Loans due between two and five years from the balance sheet date	602,800	381,628	593,400	353,020
Loans due more than five years after the balance sheet date	352,395	217,923	-	-

Conditions and repayment periods

Collateral for bank loans is provided in the amount of SEK 421,477 thousand (SEK 751,636 thousand) through mortgages on the Group's investment properties and operating property in Malaysia. All covenants are met. The bond loan is unsecured and bears interest at 8%. The framework amount of SEK 600,000 thousand was used by the end of the year. The bond is listed on the Stockholm Sustainable Bond list under the name SIBS 01 GB.

NOTE 36 OTHER PROVISIONS

	Group	
	31/12/2021	31/12/2020
Provision for the year	6,821	-
Total	6,821	-

Provisions for guarantee commitments

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

Guarantee provisions are charged to the project at closure and are recognised as they are expected to be incurred for each project. The majority of the guarantee deposits run for approximately five years and relate to projects where SIBS is carrying out work for companies that are not 100% owned.

NOTE 37 OTHER LIABILITIES

	Group		Parent Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
VAT	111,027	60,672	-	-
Staff withholding tax/payroll tax	2,673	4,726	844	770
Liabilities related to acquisitions	129,243	-	-	-
Other liabilities	11	25,515	-	-
Total	242,954	90,913	844	770

NOTE 38 ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Prepaid rental income	1,176	1,187	-	-
Accrued employee benefit expenses	2,013	1,405	844	524
Accrued interest	165	2,667	-	-
Accrued project costs	50,145	7,880	-	-
Other accrued charges	11,387	5,262	9,748	122
Accrued expenses and deferred income	64,887	18,400	10,592	646

NOTE 39 COLLATERAL, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	Group		Parent Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<i>In the form of collateral for own liabilities</i>				
Corporate bonds	40,000	40,000	40,000	40,000
Real estate mortgages	381,477	711,636	-	-
	421,477	751,636	40,000	40,000

	Group		Parent Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Guarantees	100,000	17,434	-	17,434
Contingent liabilities	100,000	17,434	-	17,434

Neither the Group nor the Parent Company has any contingent assets.

NOTE 40 LIABILITIES RELATED TO FINANCING ACTIVITIES

Group	31/12/2021			
	Bank loans	Bonds	Other loans	Total liabilities
At start of year	271,574	353,020	102,300	726,894
Proceeds from borrowings	47,254	237,140	-	284,394
Amortisation	-11,400	-	-	-11,400
Non-cash items				
Liabilities related to leasing	4,197	-	-	4,197
Capitalised fees	-	3,240	-	3,240
Liabilities in acquired companies	101,928	-	-	101,928
Translation difference	3,738	-	-	3,738
Offsetting	-	-	21,300	21,300
At year-end	417,290	593,400	123,600	1,134,291

Group	31/12/2020			
	Bank loans	Bonds	Other loans	Total liabilities
At start of year	517,153	-	166,925	684,078
Proceeds from borrowings	259,164	352,383	124,990	736,536
Amortisation	-20,662	-	-141,921	-162,582
Non-cash items				
Capitalised fees	-	637	-	637
Shareholders' contributions	-	-	-52,421	-52,421
Liabilities in Group companies sold	-477,999	-	-	-477,999
Translation difference	-6,081	-	-	-6,081
Capitalised interest	-	-	4,727	4,727
At year-end	271,574	353,020	102,300	726,894

Parent Company	31/12/2021			
	Bank loans	Bonds	Loans Group companies	Total liabilities
At start of year	-	353,020	72,400	425,420
Proceeds from borrowings	-	237,140	269,177	506,317
Amortisation	-	-	-323,265	-323,265
Non-cash items				
Capitalised fees	-	3,240	1,007	4,247
Shareholders' contributions	-	-	10,000	10,000
At year-end	-	593,400	29,319	622,720

Parent Company	31/12/2020			
	Bank loans	Bonds	Other loans	Total liabilities
At start of year	-	-	166,925	166,925
Proceeds from borrowings	-	352,383	22,691	375,074
Amortisation	-	-	-141,921	-141,921
Non-cash items				
Capitalised fees	-	637	4,727	5,364
Shareholders' contributions	-	-	-52,421	-52,421
At year-end	-	353,020	-	353,020

NOTE 41 LEASES

Leases where the company is the lessee

SIBS's property, plant and equipment consist of both owned and leased assets. Leased assets are included in operating

property, leasehold rights and inventories. See the table below for the closing balance of leased assets and the depreciation of these leased assets in 2021.

	Owner-occupied properties	Right-of-use assets	Equipment	Total
Depreciation during the year	1,391	1,080	822	2,213
Closing amount 31/12/2021	4,174	2,159	2,019	6,193
Costs related to leases 2021:				
Interest expense on lease liabilities				322

NOTE 42 MEASUREMENT AT FAIR VALUE 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 therefore the carrying amount is deemed to be the fair value of all financial assets and liabilities. Fair value through profit or loss is determined as far as possible on the basis of observable data. Real values are categorized into different levels in a univalent hierarchy based on the data available.

Level 1: According to prices quoted in an active market 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 31/12/2021	Financial assets carried at amortised cost	Financial assets carried at fair value through profit or loss
Financial assets		
Other non-current receivables	7,716	-
Trade receivables	246,700	-
Other receivables	52,507	-
Cash and cash equivalents	178,926	-
Total	485,849	-

Group 31/12/2021	Financial liabilities carried at amortised cost	Financial liabilities carried at fair value through profit or loss
Financial liabilities		
Non-current interest-bearing liabilities	955,195	-
Current interest-bearing liabilities	179,096	-
Trade payables	126,853	-
Income tax liabilities	417	-
Other liabilities	242,954	-
Liabilities to associated companies	77,429	-
Accrued expenses	64,886	-
Total	1,646,829	-

Group 31/12/2020	Financial assets carried at amortised cost	Financial assets carried at fair value through profit or loss
Financial assets		
Other non-current receivables	7,716	-
Trade receivables	311	-
Other receivables	84,004	-
Cash and cash equivalents	228,151	-
Total	320,182	-

Group 31/12/2020	Financial liabilities carried at amortised cost	Financial liabilities carried at fair value through profit or loss
Financial liabilities		
Non-current interest-bearing liabilities	599,551	-
Current interest-bearing liabilities	127,343	-
Trade payables	87,031	-
Other liabilities	90,913	-
Liabilities to Group companies	17,538	-
Accrued expenses	18,399	-
Total	940,775	-

Parent Company 31/12/2021	Financial assets carried at amortised cost	Financial assets carried at fair value through profit or loss
Financial assets		
Other non-current receivables	7,716	-
Other receivables	3,277	-
Cash and cash equivalents	149,788	-
Total	160,781	-

Parent Company 31/12/2021	Financial liabilities carried at accrued cost	Financial liabilities carried at fair value through profit/loss
Financial liabilities		
Non-current interest-bearing liabilities	593,400	-
Trade payables	2,963	-
Income tax liabilities	216	-
Other liabilities	844	-
Accrued expenses	10,589	-
Total	607,796	-

Parent Company 31/12/2020	Financial assets carried at accrued cost	Financial assets carried at fair value through profit/loss
Financial assets		
Loans to joint ventures	7,716	-
Loans to associated companies	5,127	-
Cash and cash equivalents	212,556	-
Total	225,399	-

Parent Company 31/12/2020	Financial liabilities carried at amortised cost	Financial liabilities carried at fair value through profit or loss
Financial liabilities		
Non-current interest-bearing liabilities Group	353,020	-
Current interest-bearing liabilities	-	-
Trade payables	2,768	-
Other liabilities	770	-
Accrued expenses	645	-
Total	357,203	-

The following summarizes the methods and assumptions primarily used to determine 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 where the fixed rate is for more than 12 months are measured at fair value by discounting future cash flows.

Current receivables and payables

For trade receivables and trade payables with a remaining life of less than six months, the carrying amount is considered to reflect fair value. Trade receivables and trade payables with a maturity of more than six months are discounted when determining 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 pages 8–11. Further information on material risks is provided below.

The Parent Company is mainly financed through equity and loans from its owners. The subsidiaries included in the Group are financed through equity and shareholder loans, as well as through bank loans.

The Group's financial activities focus on the unpredictability of the financial markets and seek to minimise the Group's loan-to-value ratio, which at 31 December 2020 was 59 (31 December 2019: 74) percent.

In 2020, the Group met the external capital requirements, in terms of loan-to-value ratio (loan debt to property valuation), interest coverage ratio (profit before financial items to external financial expenses) and equity ratio (equity, including shareholder loans, to total assets).

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 to

the Group. The credit risk of the Group's bank deposits is limited through the use of only regulated banks.

The credit risk of other counterparties to which the Group has receivables is managed through credit assessments before investments are made and leases and other agreements are signed.

Liquidity risk

The Group manages its liquidity and funding risk by forecasting liquidity on an ongoing basis and ensuring that sufficient cash and cash equivalents are available in the Group for future payments. Liquidity management includes holding sufficient cash, having access to credit lines and the ability of customers to pay their debts within the agreed time.

The main liquidity risk relates to the Group's external loan agreements and the ability to meet the commitments therein. The commitment is in the form of the creditors' general

terms and conditions, which involve informing the creditors of changes in circumstances, such as material changes in ownership, insolvency, business acquisitions and major changes in business focus. In addition, there is a commitment to pay interest, amortisation and other payments within the prescribed period. Failure to comply with the commitment may lead to the creditor terminating the agreement. The Group meets all commitments to credit institutions.

The loans have consistently short formal maturities. The intention is regular extensions. There are no signs of difficulties in extending credit.

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

Group 31/12/2021	Carried amount	Within 1 year	From 2 years to 5 years	More than 5 years
Interest-bearing liabilities credit institutions	540,891	179,096	9,400	352,395
Bond loans	593,400	-	593,400	-
Other interest-bearing liabilities	-	-	-	-
Loans to associated companies	77,429	77,429	-	-
Income tax liabilities	417	417	-	-
Trade payables	126,853	126,853	-	-
Other liabilities	242,954	242,954	-	-
Accrued expenses	64,886	64,886	-	-
	1,646,829	691,635	602,800	352,395

Group 31/12/2020	Carried amount	Within 1 year	From 2 years to 5 years	More than 5 years
Interest-bearing liabilities credit institutions	271,574	25,043	28,608	217,923
Bond loans	353,020	-	353,020	-
Other interest-bearing liabilities	102,300	102,300	-	-
Loans to associated companies	17,538	17,538	-	-
Income tax liabilities	5,578	5,578	-	-
Trade payables	87,031	87,031	-	-
Other liabilities	90,913	90,913	-	-
Accrued expenses	18,399	18,399	-	-
	946,353	346,803	381,628	217,923

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
- ii) changes in the creditworthiness of tenants
- iii) competition from other properties/property owners; and
- (iv) changes in laws and regulations, for example relating to zoning, the environment and taxes

Changes in the above factors may affect the value of the Group's assets and therefore the Group's profit/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.

NOTE 44 RELATED PARTIES

SIBS' related parties are mainly directors and senior executives of group and associated companies and joint ventures. Information on employee benefit expenses is provided in Note 12.

Transactions that have taken place have been carried out at arm's length.

There have been no material transactions with other related companies, nor are there any material receivables or payables from them.

In its project activities, the Group recognises receivables from joint ventures as accrued unbilled revenue and billed unaccrued revenue, respectively. Related counterparties are shown below:

Group 31/12/2021	Unbilled earned 31/12/2022	Billed unearned 31/12/2021	Earned unbilled 31/12/2020	Billed unearned 31/12/2020
Sveaviken Holding 1 AB (KC)	126,383	-	95,001	-64,160
Sveaviken Holding 2 AB (KC)	60,945	-	-	-
Slättö Sveaviken Bostad AB (KC)	50,697	-	-	-
Sveaviken Nordsten Holding AB (KC)	-	-2,414	-	-

NOTE 45 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

- 📌 Sveaviken acquires development rights in Botkyrka and plans to build between 3,000 and 5,000 homes.

📌 In a JV, Sveaviken and Nordsten acquire industrial property in Enköping and plan about 500 apartments.
- 📌 Sveaviken acquires property in central Huddinge with development rights for approximately 100 homes.

📌 Sveaviken and Slättö are making several deals to streamline ownership and optimise management. The changes mean that Sveaviken and three of Slättö's funds are divesting and acquiring shares in projects that were previously owned and developed jointly.

The Group invests mainly in assets that are leased on a long-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 in order 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 has exposure to a number of foreign currencies. No currency derivatives have been entered into. The Group monitors developments in the foreign exchange markets and considers on an ongoing basis whether to enter into any derivative contracts. The translation effects of the year relating to subsidiaries in Malaysia are recognised in the Group's equity.

Certification by the Board

The Annual Report and the Consolidated Financial Statements have been approved for issue by the Board of Directors on 29 April 2022.

Approval of the consolidated and parent company income statements and balance sheets will be voted on at the Annual General Meeting of 2 June 2022.

STOCKHOLM, 29 APRIL 2022

Erik Thomaeus
CEO

Johan Karlsson
Board member

Jonas Ramstedt
Chair

Pär Thomaeus
Board member

OUR AUDIT REPORT WAS SUBMITTED ON 29 APRIL 2022
ÖHRLINGS PRICEWATERHOUSECOOPERS AB

Peter Burholm
Chartered Accountant

Auditor's report

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

Report on the annual accounts and consolidated accounts

Opinion

We have audited the annual accounts and consolidated accounts of SIBS AB (publ) for the year 2021. The Company's Annual Report and Consolidated Financial Statements are included on pages 74–119 of this document.

In our opinion, the financial statements have been prepared in accordance with the Annual Accounts Act and give a true and fair view, in all material respects, of the financial position of the Parent Company as at 31 December 2021 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 2021 and its financial performance and its cash flows for the year, in accordance with 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 accounts and consolidated accounts.

We therefore recommend that the General Meeting approve the income statement and balance sheet of the Parent Company and the income statement and statement of financial position of the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the supplementary report submitted to the Board of Directors of the Parent Company and the Group in accordance with Article 11 of the Auditors Ordinance (537/2014).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under these standards are described in more detail in the section Responsibilities of the Auditor. We are independent in relation to 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 entails that, to the best of our knowledge and belief, no prohibited services referred to in Article 5(1) of the Auditors Ordinance (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 misstatement of the financial statements. In particular, we considered areas where the Executive Director 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 have also considered the risk of non-compliance with internal control by the Board of Directors and the CEO, including whether there is evidence of systemic deviations that have given rise to a risk of material misstatement 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 assessment of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Errors may occur as a result of irregularities or mistakes. They are considered material if, individually or in combination, they could reasonably be expected to influence the economic decisions that users make on the basis of the financial statements.

Based on professional judgment, 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, also to assess the effect of individual and aggregate misstatements on the financial statements taken as a whole.

Areas of particular significance

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 accounts and consolidated accounts for the period under review. These areas were addressed in the context of the audit of, and in our opinion on, the annual accounts and consolidated accounts as a whole, but we do not express separate opinions on these areas.

Areas of particular significance

Valuation of investment properties

Investment properties are carried in the Group at estimated market values which, during construction, include an assessment of the remaining production costs. Market valuations are carried out annually by external valuation institutes. 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 result and the financial position. Unrealised changes in the value of investment properties during the year totalled SEK 259.1 million and the carrying amount of these assets totalled SEK 680.0 million at the end

of the financial year. The valuation of investment property also has a significant impact on the carrying value of the profit/loss of associates and joint ventures and the carrying value of these assets. For 2021, profit/loss from associates and joint ventures is recognised at SEK 419.6 million and the carrying value of the assets of these totalled SEK 673.2 million at the end of the financial year. For information on investment properties and associates/joint ventures and the assessments applied by management. See Accounting policies and Note 19 Investment properties and Note 27 Investments in associates and joint ventures.

How our audit considered the particularly important area Our audit included, but was not limited to:

- Verification of 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.
- Checking and evaluating the reasonableness of model inputs such as yield requirements, net operating income, vacancy rates and forecasted outcomes based on historical data.
- Evaluated and assessed the competence and independence of external valuation agencies.
- Verification of sensitivity analyses carried out.
- Evaluated the estimates and assessments made by management with respect to remaining production costs.

Information other than the annual report and consolidated financial statements

This document also contains information other than the Annual Report and Consolidated Financial Statements and can be found on pages 1–73 and page 123. This other information is the responsibility of the Board and the CEO.

Our opinion on the annual accounts and consolidated accounts 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 accounts and consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In performing our review, we also consider the other knowledge we have obtained during the audit and whether the information otherwise appears to be materially misstated.

If, based on the work performed on 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 CEO

The Board of Directors and the CEO are responsible for the preparation and fair presentation of the annual accounts and consolidated accounts in accordance with the Annual Accounts Act and, in the case of the consolidated accounts, in accordance with 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 annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the CEO are responsible for assessing the ability of the Company and the Group to continue as a going concern. They disclose, where applicable, conditions that may affect the ability to continue as a going concern and to use the going concern assumption. However, the going concern assumption does not apply if the Board of Directors and the CEO intend to liquidate the company, cease operations or have no realistic alternative to doing any of these things.

Responsibilities of the auditor

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts 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 ISAs 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 accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts 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 requirements and other statutes

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the management of SIBS AB (publ) for the year 2021 by the Board of Directors and the Managing Director, 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 Responsibilities of the Auditor. We are independent in relation to 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 CEO

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 situation of the company and the Group and ensuring that the company's organisation is such that the accounting, treasury management and other financial affairs of the company are adequately controlled. The Managing Director shall carry out the day-to-day management in accordance with the guidelines and instructions of the Board of Directors and shall take the measures necessary to ensure that the company's accounts are kept in accordance with the law and that the funds are managed in a satisfactory manner.

Responsibilities of the auditor

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

- has taken any action or committed any omission that could give rise to a liability for compensation against 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 no guarantee that an audit performed in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that may give rise to a liability for damages against the company, or that a proposed disposition of the company's profit or loss is not in accordance with the Swedish Companies Act.

A further description of our responsibilities for the audit of the management can be found on the website of the Swedish Financial Supervisory Authority: www.revisorsinspektionen.se/revisornsansvar. This description is part of the Auditor's Report.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, Sweden, was appointed as SIBS AB's (publ) auditor by the Annual General Meeting on 1 June 2021 and has been the company's auditor since 2016.

Stockholm, 29 April 2022

Öhrlings PricewaterhouseCoopers AB

Peter Burholm
Chartered 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.

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

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

Gross floor area

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

Planning permission

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

In project summaries, planning permission refers to a permit that has become legally binding.

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 the start of the 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 sets guidelines for the rest of the planning process. The municipality assesses whether a pre-

paratory plan is necessary when the planning work is initiated. Any preparatory plan undergoes a preparatory consultation before being submitted for approval.

The municipality produces a planning proposal together with the property owner/developer, which is then published for consultation. Consultations usually take around six weeks. When the consultation is complete, the municipality produces a consultation report in which all the opinions submitted during the consultation are compiled and discussed. A revised planning proposal is published a second time when it is issued for review. The review period lasts for at least two weeks.

After the review period, the municipality compiles and discusses the opinions submitted in a review report. After the review, only smaller adjustments may be made to the planning proposal before the decision on its adoption. The detailed development plan may be appealed after adoption.

The appeal period is three weeks from the municipality's announcement of the decision. If the detailed development plan is not overturned or appealed against, or if the appeals are rejected by the higher authorities, the detailed development plan becomes legally binding. This means that the detailed development plan determines the land use and construction rules applicable 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 that other industrial home builders are often subject to.

ConstructionTech

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

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Upcoming financial report

The interim report for January–March will be published on 27 May 2022.

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 3pm CET on 29 April 2022.



 SIBS