

🏠 SIBS

2022

Annual Report

🏠 SIBS

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SIBS is one of the leading industrial producers of buildings in the global market today, with a scalable capacity of up to around 5,000 homes per year at our existing factories. We deliver either turnkey houses or modules, providing assistance all the way to the turnkey stage.

Our position at the forefront of design automation for industrial construction is confirmed by the growing number of requests from different geographical markets. We choose markets carefully, based on specific criteria that ensure we can achieve good results with limited risks.

SIBS is well prepared for international expansion on the global market. During the year, we streamlined our business model into three clear business areas: Industrial Sales, Property Development & Management and The Home Factory. Making our offering clearer in our business model gives us better opportunities to meet demand with high customer value, lower barriers to entry and well-balanced risk. You can read more about our business model on page 13.

Leading industrial producer of apartment modules in the global market

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

SIBS is one of the leading industrial producers of buildings in the global market. With a scalable capacity of up to around 5,000 homes per year, we deliver either turnkey houses or modules, providing assistance all the way to the turnkey stage.

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



Industrial Sales

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

Property Development & Management

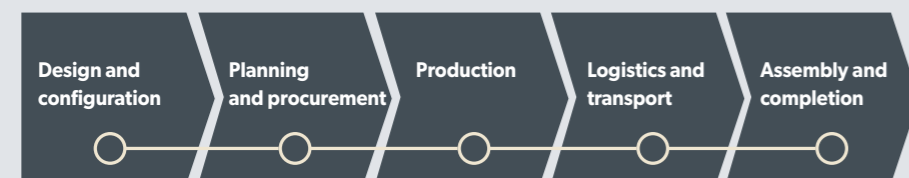
Through subsidiary Sveaviken Bostad, we develop, build, own and manage properties within the Group. We have refined and developed the concept of quality assurance for the whole chain and the final product.

The Home Factory

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

Vertically integrated value chain

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

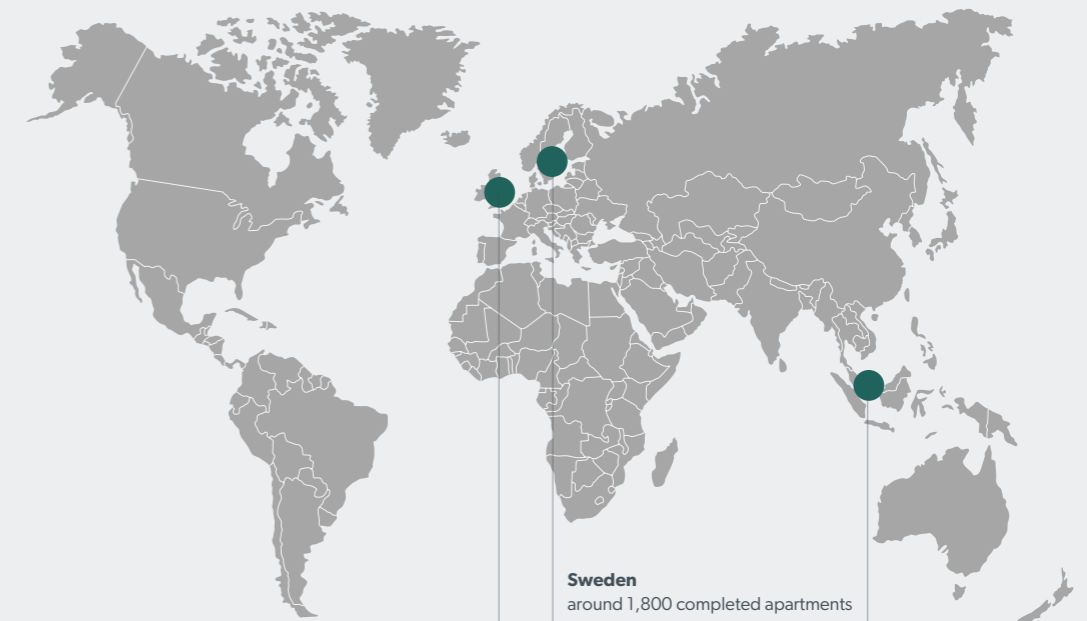


Around 2,000 apartments in production

Around 2,000 apartments completed

Around 12,000 apartments in the development rights portfolio

Around 1,050 employees worldwide



Sweden
around 1,800 completed apartments
1,471 apartments under management
89 employees in the Group
Head office in Stockholm

Malaysia
Two factories in Penang
Total production capacity of 5,000 modules per year
963 employees

UK
SIBS will build 495 apartments within commuting distance of central London in the first two projects agreed, in partnership with property developer Donard Living. In the future, SIBS and Donard aim to build around 1,000 apartments per year in the UK and Ireland, in line with the market.

5,000

Scalable **production capacity** of up to 5,000 apartments per year.

30%

Lower production cost compared with traditional construction.

50%

Time savings from planning to completion compared with traditional construction.

2

Factories in Penang, Malaysia

90%

Completion rate in the factory (including elevator shafts, installations and stairwells).

30–50%

Energy savings in houses delivered.

Scalability

Scalability in both the value chain and production.

Adaptable production

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

Quality assurance throughout the chain

Over 350 control points are checked along the entire chain and are documented digitally.

Circularity

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

Key events in 2022



Niwa, Helsingborg

Inauguration of SIBS' second factory in Penang, Malaysia

The factory has an annual production capacity of around 4,000 apartments.



SIBS and Donard construct the first two projects in the UK

The future aim is to build around 1,000 apartments per year in the UK and Ireland, in line with the market



Artist's impression of the Mallbo rental apartments



Q1

Q2

Q3

Q4

- ☑ Sveaviken acquired development rights in Botkyrka with plans for between 3,000 and 5,000 homes.
- ☑ Through a joint venture, Sveaviken and Nordsten acquired industrial property in Enköping and expanded the planned project by 100 apartments to a total of around 500.
- ☑ Sveaviken acquired property in central Huddinge with development rights for around 100 homes.

- ☑ Sveaviken Bostad made an acquisition in Kungsbacka with plans for a new residential area containing 1,000 homes.
- ☑ Michael Wolf became the new Chair of the Board of SIBS AB
- ☑ Sveaviken acquired around 300 development rights in central Hemmesta in Värmdö.
- ☑ Per Bohlin took up the position of CEO of SIBS' new business area Rehouse.
- ☑ SIBS grew internationally, and will now build 1,000 apartments a year in the UK and Ireland.

- ☑ Sveaviken Bostad acquired development rights at Kallfors Golf Club in Södertälje municipality. The deal comprises approximately 350 development rights split between 16 apartment buildings, corresponding to a gross floor area of around 24,000m².
- ☑ Inauguration of SIBS' second factory in Penang, Malaysia. The new factory will ultimately have a capacity of around 4,000 apartments per year and will gradually ramp up to full capacity.
- ☑ SIBS strengthened the organisation by hiring Rebecca Prytz and Jenny Garnej in Corporate Communications and Marketing Operations.

- ☑ Silver award for the Rehouse Niwa project in the Sweden Green Building Council's prestigious Green Building of the Year competition.
- ☑ SIBS carried out a share issue, as unanimously decided by the shareholders at the Extraordinary General Meeting. A total of 33,555 shares were subscribed for through the share issue, amounting to an issue price of approximately SEK 150 million.
- ☑ Sveaviken won a land allocation competition for rental apartments under the Mallbo scheme in Malmö. Sveaviken therefore has a land allocation in the City of Malmö and a land allocation agreement should be signed in the spring of 2023. Completion is tentatively scheduled for late 2024/early 2025, at which time a ground lease will be signed.

Significant events after the end of the reporting period

- ☑ Magnus Sundell took up the position of Deputy CEO of SIBS AB and Carl Saidac of Deputy CEO of the subsidiary Sveaviken Bostad.
- ☑ SIBS will build 495 apartments, in partnership with property developer Donard Living, in two developments located within commuting distance of central London. Production has started at the SIBS factory and construction should begin in the second half of 2023. The deal falls within the Industrial Sales business area, in the Module Sales product category.

A word from the CEO

2022 will be remembered as another volatile year with great uncertainty for both people and businesses. In a turbulent environment, we have felt the full benefit of our flexible business model in a very tangible way. There has been a sharp increase in demand for our unique industrial construction concept both within and outside Sweden. We have adapted our business to the changes in the market, which has opened up new avenues even in these challenging times. We left 2022 behind us with a developed and strengthened business that has a proven capacity to seize new opportunities. At the same time, we feel duly humble in the face of the difficult situation in Europe and the rest of the world, which is likely to continue in 2023.

During the fourth quarter of 2022, our work focused on the commissioning of our new factory in Malaysia continued, with successful results. We have tripled our production capacity since the start, paving the way for rapid deliveries of homes and new opportunities. In 2022, SIBS commenced production on a total of 970 homes, while also completing 590 homes in Sweden. We focused on our current projects during the fourth quarter and did not begin production on any new ones. Full-year operating profit totalled SEK 337 million.

The world is in a position that it hasn't been in for decades and this is having a clear impact on the Swedish market. A long period of low market interest rates has been followed by a rapid and significant rise, and inflation is at its highest level for around 30 years. Uncertainty about how economic conditions will develop in the coming years is high and is influenced by many complex factors.

However, although market conditions for new residential projects in Sweden have quickly deteriorated, we are seeing very strong demand for SIBS products from other geographical markets and segments. Since the outset, we have had our eyes on a number of markets outside Sweden to which our product is very well suited, and this is where we are now increasingly shifting our focus.

Establishing ourselves in a global arena

In 2022, our partner in the UK and Ireland, Donard Living, carried out an extensive evaluation of SIBS, which led to the signing of a letter of intent aimed at a multi-year collaboration. We are delighted that we are now starting 2023 with a first deal under this partnership, which covers 495 apartments in two developments near London. The deal falls within our newly established Industrial Sales business area, in the Module Sales product category, which includes design, module production and shipping, and assistance

until completion. Construction is expected to start in the second half of 2023, with the majority of the modules to be delivered during the year and the remainder early next year. In addition to the collaboration with Donard, we have entered into discussions, which are at various stages, with other global customers in this business area.

In the Swedish market, we are operating in line with current market conditions, and I can confirm that our underlying business is stable. Our ongoing projects are continuing on schedule and there is good capacity in the factory. We have a 99 per cent occupancy rate for our existing properties with a low turnover. We also have very high quality management that combines efficiency, digitisation and close dialogue with our tenants.

SIBS' business model is flexible and can be rebalanced in keeping with changing market conditions. As the domestic market has now changed, we have increased our focus on industrial sales. These include large and conceptual projects in several geographical markets, and bespoke properties on behalf of external developers. This is allowing us to scale up our business across multiple geographical segments and to continue growing in step with the market.

The company continually evaluates alternative opportunities to expand its operations, while exploring its options for the most effective possible financing for such an expansion. These financing options may include raising additional risk-bearing capital, borrowing and/or other types of debt. SIBS has also been mandated by the Board to explore market interest in a possible strategic sale of some of the wholly owned properties in the portfolio. Our completed properties have been an important part of our business so far, clearly demonstrating the high quality delivered by SIBS and validating our concept.



ERIK THOMAEUS

Built for growth

SIBS has been built from the start to be the company we envisioned a few years ahead. We therefore already made choices with the global arena in mind. Among other things, we chose to build our modules with a steel structure instead of wood, partly because this structure can withstand being transported considerably better, and partly because there are more countries that approve steel frames in their domestic regulations. We also chose to locate the factory in Penang, Malaysia, where there is some of the best industrial production knowledge in the world, and also due to our long-standing personal relationships, proximity to our suppliers, and the fact that it is that much closer to the world market.

We invested in the development of a high-tech, flexible building system and have developed a process to adapt our system to different countries' regulations. These are complex frameworks. Small changes to the regulations can have a big impact on construction but our flexible building system is able to handle this. We have the right product to suit many markets and high standards that meet the requirements in many different locations and of many different target groups.

A leading position in the international arena

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

A strong organisation

I would like to thank our fantastic staff for their efforts during the year. It has been demanding, but together we have taken SIBS forward and I am confident that we will continue to develop strongly in 2023. It is likely that this year will also be marked by continued turbulence, but I am sure that we in the SIBS Group are well prepared to deal with whatever might happen. The current challenging times call for humility, but I am very proud of the way we are adapting our business to the market and, not least, supporting each other during a period when cooperation and secure relationships are crucial for development. We are well positioned for continued growth and will expand our business in a gradual and balanced way, while carefully spreading our risks.

A handwritten signature in black ink, appearing to be 'Erik Thomaeus'. The signature is fluid and cursive, written on a white background.

Erik Thomaeus
CEO SIBS AB

The year in brief

590 COMPLETED APARTMENTS JAN-DEC 2022

1,978 APARTMENTS UNDER CONSTRUCTION

SEK MILLION MARKET VALUE OF COMPLETED PROPERTIES INCL. JOINT VENTURES
2,440

970 PRODUCTION STARTED APARTMENTS JAN-DEC 2022

1,471 APARTMENTS UNDER MANAGEMENT

11,937 DEVELOPMENT RIGHTS IN THE PORTFOLIO

91 PER CENT OF TURNOVER TAXONOMY-ALIGNED

42 KWH/M² AVERAGE SPECIFIC ENERGY USE

490 MWH SOLAR POWER GENERATED

KEY RATIOS

SEK thousand

	Jan-Dec 2022	Jan-Dec 2021
Rental income including SIBS' share in joint ventures	54,997	28,276
Rental income	46,219	16,602
Annual rental value of completed properties*	111,890	51,184
Estimated normalised annual operating surplus for completed properties*	94,962	44,018
Occupancy rate (economic) by %	99%	99%
Change in value of investment properties	1,470	259,100
Profit/loss from associated companies and SIBS' share in joint ventures	390,546	419,607
Operating profit/loss	336,678	666,739
Profit/loss after tax	270,551	542,926
Market value of completed investment properties	2,263,000	640,000
Market value of completed properties**	2,439,900	1,100,500
Construction starts on apartments during the period	970	1,376
Apartments completed during the period	590	478
Apartments under management	1,471	881
Apartments under construction	1,978	1,645
Apartments under project development	9,959	8,850
Total apartments	13,408	11,376
Changes in the apartment development rights portfolio during the period	1,442	4,651
Lettable area of completed properties, m ² *	52,222	37,759
Equity/assets ratio	31.4%	44.2%
Adjusted equity/assets ratio (adjusted for cash and cash equivalents)	32.2%	47.0%
Loan-to-value ratio of completed properties	59.0%	59.0%

*SIBS' share

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

This is SIBS

VISION

Setting a new standard in construction

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

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

MISSION

We develop and make construction more efficient through technology

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

OUR CORNERSTONES

Scalable Optimised growth

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

Digital Digitisation at every step

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

Sustainable Designed for circularity

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

Focused No compromises

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

SIBS' business model

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

of variety to meet different needs in different markets, projects and for different customers. We are constantly working to develop a robust and adaptive business. Through our business strategy, we are building a long-term sustainable company that meets today's needs while staying ahead into the future.



Scandinavian Industrialized Building Systems

ConstructionTech

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

Industrial Sales



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



SIBS is one of the leading industrial producers of housing in the global market. With a scalable capacity of up to around 5,000 homes per year, we deliver either turnkey houses or modules, providing assistance all the way to the turnkey stage.

Products

Project Sales Turnkey houses

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

Module Sales Modules with turnkey assistance

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

Property Development & Management

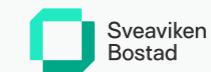


The development and management of rental housing and commercial properties within the Group in the Nordic market. This business area covers the entire value chain of property development from acquisition to turnkey.



Through the wholly owned subsidiary Sveaviken Bostad, we develop, build, own and manage properties within the Group. At Sveaviken, we have built nearly 1,800 apartments in Sweden. We have refined and developed the concept of quality assurance for the whole chain and the final product.

Brands



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



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



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



The Home Factory

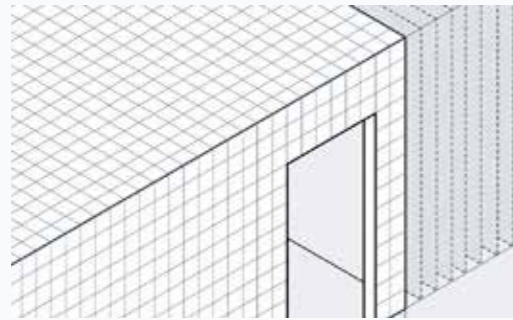
Develops and builds turnkey, production-ready factories.



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

Mariefred station

SIBS project process overview



	Design and configuration	Planning and resourcing	Production	Logistics and transport	Assembly and completion
TIME ✓	Up to 70% faster.	Order points in ERP system. Timely ordering for just-in-time delivery.	Optimised industrial production in parallel with ground work.	Just-in-time.	Building completed 3–4 months after assembly begins. Foundation completed. Up to 60–70% faster.
COST ✓	>70% lower cost.	Streamlined process with small number of components all purchased in large volumes.	Industrial production. Around 50% faster.	Up to 90% fewer HGV shipments to construction site.	30% cost saving thanks to 90% completion rate in the factory.
QUALITY ✓	Automated quality assurance in the building system.	Rigorous review and testing of materials in sourcing department and separate procurement department.	Over 350 quality points digitally measured and documented.	An established, detailed process facilitates and enhances.	Over 50 quality points in each module documented digitally.
SUSTAINABLE ✓	Building system developed for good energy performance.	Assessed suppliers with environmentally certified construction products.	Safer work environment in a controlled industrial environment.	Sea freight for reduced climate impact.	Third-party-certified sustainable buildings.
DIFFERENTIATION ✓	Flexibility Low mixture high volume.	Volume purchase of tested, standardised products in an auto-generated procurement process.	Production machines manufactured in-house.	Proprietary shipping system CC-light to reduce stress on the module during shipping.	Delivered 90% complete to the construction site. Vertical shafts in situ in the walls, finished stairwells and lift shafts, modular slab.
	SIBS has developed a dynamic configurator that automates the drawing process for modular buildings using predefined parameters. This provides greater flexibility in the drawing process than is possible using a conventional modular builder.	The automated drawing process means material components can be determined and ordered at an early stage, with very high precision and cost transparency. Just-in-time delivery to the factory of all materials in the right quantities dispenses with the need to hold large stocks.	The factories in Penang, Malaysia, receive digital drawings and material components and then build the housing modules in a streamlined, systematic and semi-automated process. Production takes place in a controlled indoor environment. This guarantees quality and provides a better working environment for manual work elements that would otherwise be carried out at the construction site. For a typical project, the modules are ready around 4–6 weeks after production start. A large number of standardised quality controls are performed during production. All materials and components installed in the apartments are registered to make them easily traceable.	SIBS' integrated logistics infrastructure manages shipping from Penang, Malaysia, all the way to the final destination at the construction site. Large-scale procurement of freight shipment by land and sea before production begins allows for a high level of efficiency and cost transparency.	Ground work and foundations are completed while the modules are being produced in the factory and once the modules arrive at the construction site, assembly work begins on the completed foundations. The modules are easy to assemble using SIBS-Connect, which also enables the modules to be lifted out and the building dismantled. The facade and roof are fitted on site. On average, 20 modules are assembled per day.



Completed projects 2022

SIBS completed a total of 590 apartments in 2022. The 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. We work with materials and design solutions that will stand the test of time for houses that will stand for generations to come. Sustainability, digitisation and welcoming environments are at the heart of our development approach.



Homes and meeting places in a vibrant Nykvarn centre

NYKVARN KV 4,5,6, NYKVARN
132 HOMES, COMPLETED 2022
OTHER SPACES: RETAIL AND RESTAURANT PREMISES

The new Nykvarn centre is being developed with a focus on service and safety. We are building a total of 279 homes here, along with various retail and restaurant premises, which will be completed in phases. Nykvarn station, which has direct trains to Stockholm, is a short distance from the centre.

The homes embody an innovative and stylish architectural design, using exclusive materials and with mobile access. The apartments have 1-5 rooms plus kitchen and come with oak parquet flooring, quartz worktops and fully tiled bathrooms. The kitchens have induction hubs and fan ovens.

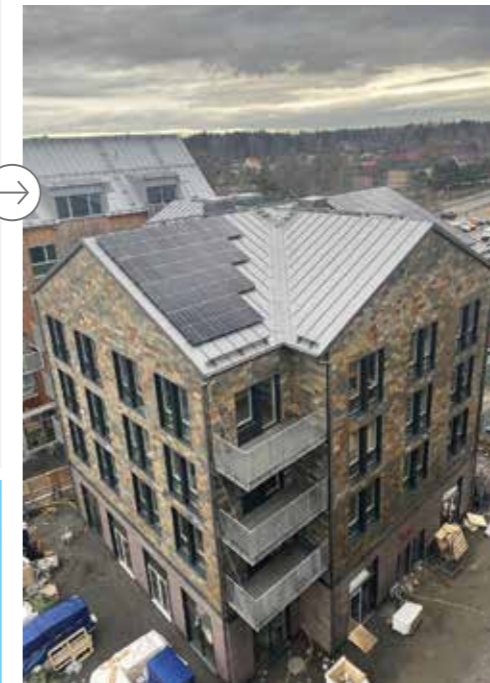
All buildings in Nykvarn exceed by some margin the energy requirements set by the Swedish building standards and our goal is to build homes that are as energy-efficient as possible. For example, all our projects include rooftop solar panels. We strive to reduce the climate impact both in the construction phase and for the building occupants. Solar panels, geothermal heating, district heating, waterborne underfloor heating, low-flow taps and individual metering are examples of a holistic approach that makes the buildings sustainable to operate.



Modern architecture in Haninge's new hotspot

VEGA PHASE 1, HANINGE
121 HOMES, COMPLETED 2022

In Haninge's new hotspot is Vega, with a new commuter rail station that opened in spring 2019. Port 73, with its many shops and restaurants, is within walking distance and the centre of Haninge is a 10-minute cycle ride away. The inspiration for the buildings was taken from the surrounding natural environment. We are building a total of 232 homes with 1-4 rooms here and both cycle and garage parking are available.



Vibrant urban development in exciting Barkarbystaden

BARKARBYSTADEN KV 15, JÄRFÄLLA
350 HOMES, COMPLETED 2022

Right in the heart of Barkarbystaden, we have built a vibrant urban development with 350 rental apartments and student apartments, community facilities and a preschool. The courtyard is a green and lively area with plenty of space for socialising and is designed for those who live here in mind. The variation in size of the building sections has a major impact on the silhouette, creating beautiful contrasts thanks to the different heights and shapes of the roofs.



Student residences in Vallentuna Centrum

PRÄSTGÅRDEN, VALLENTUNA
36 HOMES, COMPLETED 2022

Prästgården lies between Vallentuna Centrum and the residential district, only 350 metres from the Roslagsbanan station with a direct connection to KTH Royal Institute of Technology and Stockholm University. Statistics show that the issue of accommodation influences students' education choices so we are particularly proud to have contributed to a better housing situation for students in the Stockholm area.

The apartments are of the same high quality as our other rental properties. The student building is eco-friendly, with green roofs and rooftop solar panels. There is also a cargo bike pool, workshop, cycle room and a reuse room for used goods. There are also chilled cabinets in the entrance area for food deliveries. The building has a communal entrance lounge and communal study, library and events areas. Prästgården is environmentally certified to Mijöbyggnad Silver standard.

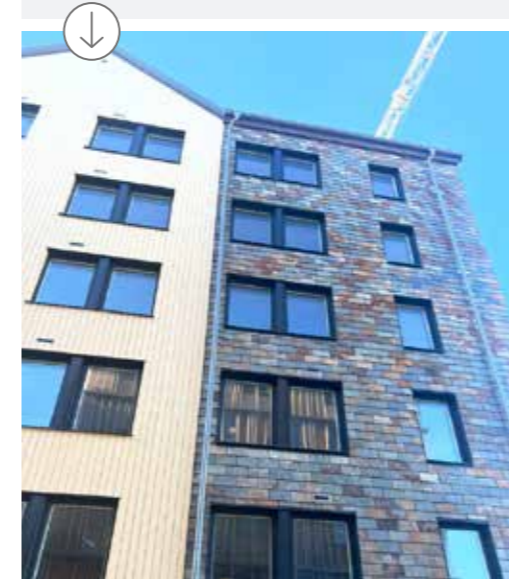


Beautiful modern architecture in Vallentuna

KASTANJEN, VALLENTUNA
36 HOMES, COMPLETED 2022

Very close to Vallentuna centrum we have constructed a building containing 36 apartments with 1-3 rooms plus kitchen. The building is adjacent to our other project, the student apartments in Prästgården.

The facade is beautifully plastered in varying shades, forming a zigzag pattern with the street. Solar panels on the roof help to provide good energy efficiency. There are premises on the ground floor, as well as cycle rooms both indoors and outdoors and access to a cargo bike pool. Kastanjen also has chilled delivery cabinets in the entrance area for receiving food deliveries. Kastanjen is environmentally certified to Mijöbyggnad Silver standard.



Circular and sustainable redevelopment of industrial land to create smart homes

NIWA PHASE 1, HELSINGBORG
39 HOMES, COMPLETED 2022

In the Gäsebäck industrial area south of Helsingborg, we have applied our circular approach, which has enabled us to build with temporary planning permission. The circular method means that the building can be dismantled and reassembled elsewhere if necessary. The building is of the same high quality and class as homes built for permanent use and is certified to Mijöbyggnad Silver standard.



Selected ongoing projects

SIBS currently has around 2,000 apartments in production. Our flexible building system allows for adaptations and major variations so every project can be tailored to the surrounding environment and requirements. Our homes maintain a high level of quality with a fine choice of materials that will make tenants happy for generations. We have a strong focus on sustainability and our aim is to achieve environmental certification for all our own properties to Mijöbyggnad Silver or LEED EBOM Gold standard.



Vibrant and sustainable development in a waterfront location

HANSASTADEN, BRÄDGÅRDEN, NYKÖPING
471 HOMES, STATUS: ONGOING
OTHER SPACES: RETAIL AND RESTAURANT PREMISES

In the southern part of Nyköping city centre, close to Nyköpingsån, the harbour area and Stadsfjärden, a major urban development project is under way. The ambition here is to create a vibrant city district with housing, tourist attractions, workplaces and central facilities.

Four blocks are being built in this beautiful location with a total of 471 rental homes, as well as street-facing premises for businesses and services. The development is full of architectural detail reflecting Nyköping's cultural history, both the picturesque city centre and the industrial port, where large blocks sit alongside smaller terraced houses and traditional roofscapes.

The homes are cleverly planned, with beautiful material choices such as oak parquet flooring, quartz worktops and fully tiled bathrooms. There is a choice of apartments, loft apartments and townhouses. Sustainability is a major focus and the apartments will be highly energy efficient, with rooftop solar panels for example. The properties and apartments will be accessed digitally using Parakey's mobile locking system.



Modern apartments at Haninge's new hotspot

VEGA, HANINGE
111 HOMES, STATUS: ONGOING
OTHER SPACES: RETAIL AND RESTAURANT PREMISES

In Haninge's new hotspot is Vega, with a new commuter rail station that opened in spring 2019. Port 73, with its many shops and restaurants, is within walking distance and the centre of Haninge is a 10-minute cycle ride away.

We are building a total of 232 apartments here, spread across different buildings and floors, including a garage. The inspiration for the buildings was taken from the surrounding natural environment and they blend beautifully into the communal green spaces and well-developed pedestrian and cycle paths. The homes maintain a high level of quality, with oak parquet flooring in all rooms, fully tiled bathrooms and fine kitchen materials. The apartments are divided into 1-4 rooms plus kitchen with an area of around 27-90 m².

The project was divested in 2022.

Energy-efficient homes in transformed Nykvarn centre



NYKVARN KV 3, 7, 8
132 HOMES, STATUS: ONGOING
OTHER SPACES: RETAIL AND RESTAURANT PREMISES

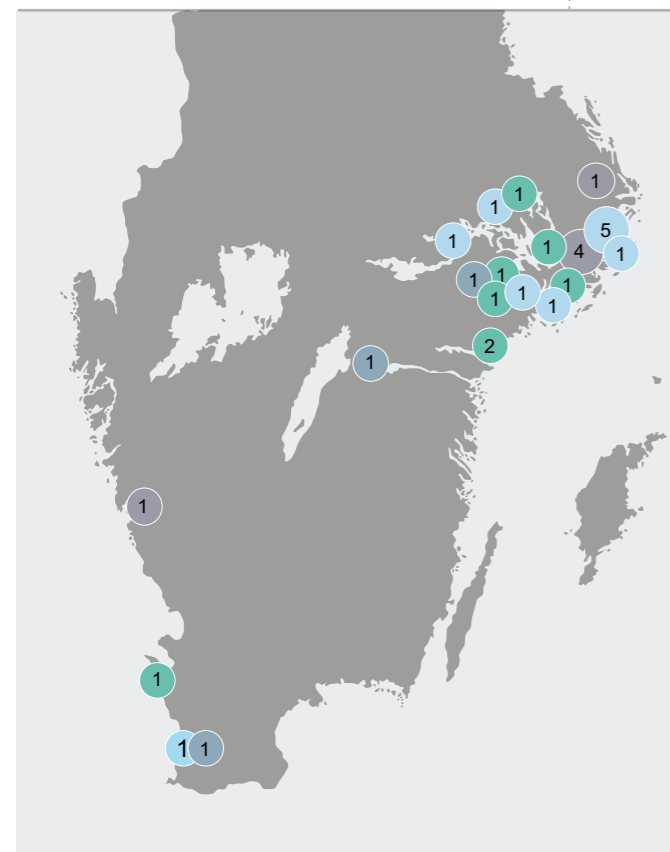
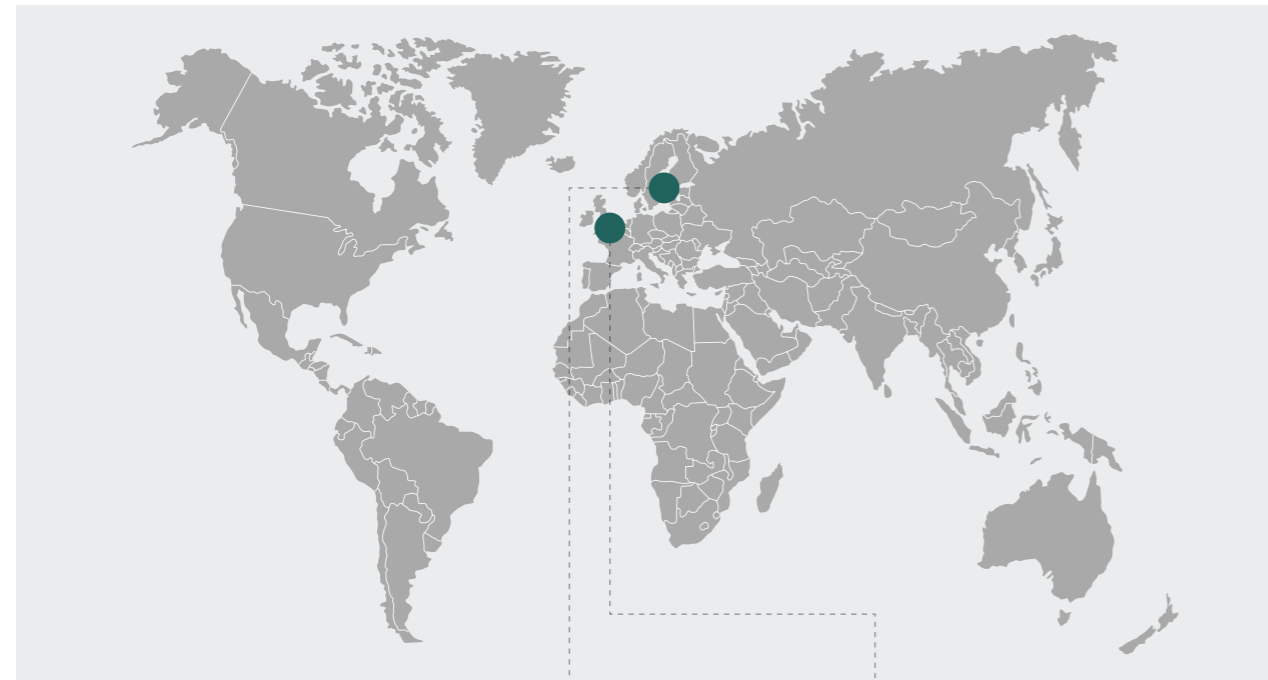
The whole of Nykvarn centre is undergoing a transformation, with shops and squares being redeveloped and new homes and premises being built. Nykvarn station, with direct trains to Stockholm, is a short distance from the centre. We are building a total of 279 apartments here, along with premises for retail, restaurants and parking spaces.

The homes embody an innovative and stylish architectural design. The houses are energy-efficient, thanks to features such as solar panels on the roofs.



Broader perspective in the project portfolio

SIBS has over 12,000 apartments in ongoing and planned projects in Sweden and the UK. Sweden has been our "Proof of Concept" market from the outset and in the long term will be an important market with strong demand for housing. At the same time, we are now broadening our horizons and expanding our markets to take a global perspective.



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

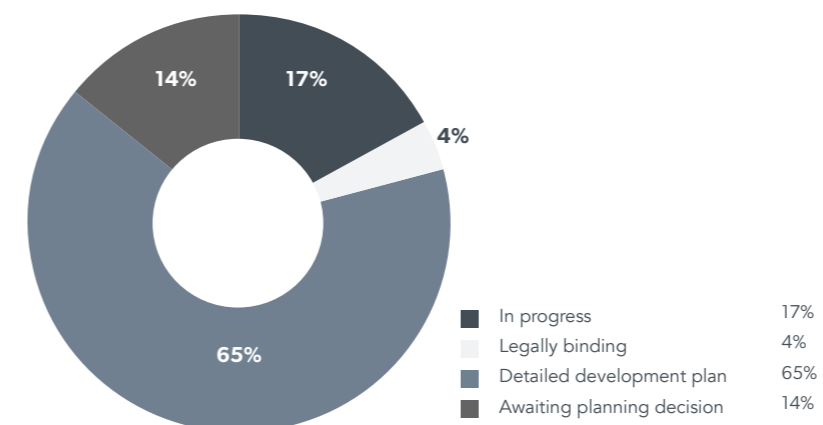
Project portfolio

Project name	Municipality	Number of homes	Current status	Estimated production start
Nykvarn Centrum*	Nykvarn	147	In progress	In progress
Helsingborg*	Helsingborg	39	In progress	In progress
Vegaterrassen*	Haninge	121	In progress	In progress
Brädgården*	Nyköping	462	In progress	In progress
Mariefred station phase 1**	Strängnäs	239	In progress	In progress
Enköping Centrum*	Enköping	328	In progress	In progress
Barkarby 2*	Järfälla	208	In progress	In progress
Stockrosen*	Nyköping	434	In progress	In progress
Mariefred station phase 2**	Strängnäs	161	Legally binding	2023
Linköping*	Linköping	48	Legally binding	2023
Svanholmen	Stockholm	300	Legally binding	2023
Portkvarteren	Lund	100	Detailed development plan	2024
Hyllie	Malmö	120	Legally binding	2024
Tangenten Sorgenfri	Malmö	400	Detailed development plan	2024
Enköping station**	Enköping	500	Detailed development plan	2024
Maltesholm	Stockholm	100	Detailed development plan	2024
Rogaland	Stockholm	400	Detailed development plan	2024
Eskilstuna	Eskilstuna	300	Detailed development plan	2024
Rulletten	Sollentuna	300	Detailed development plan	2024
Hemmesta	Värmdö	300	Detailed development plan	2024
Kallfors	Södertälje	350	Detailed development plan	2024
Söderby 2	Haninge	280	Detailed development plan	2025
Kornboden	Rimbo	200	Awaiting planning decision	2025
Skiffern	Huddinge	280	Awaiting planning decision	2025
Tumba	Botkyrka	560	Detailed development plan	2025
Kassmyra	Botkyrka	2,000	Detailed development plan	2025
Kassmyra	Botkyrka	2,000	Detailed development plan	2026
Sjödalen	Huddinge	100	Detailed development plan	2026
Konservatorn	Stockholm	160	Awaiting planning decision	2026
Kungsbacka	Kungsbacka	1,000	Awaiting planning decision	2026

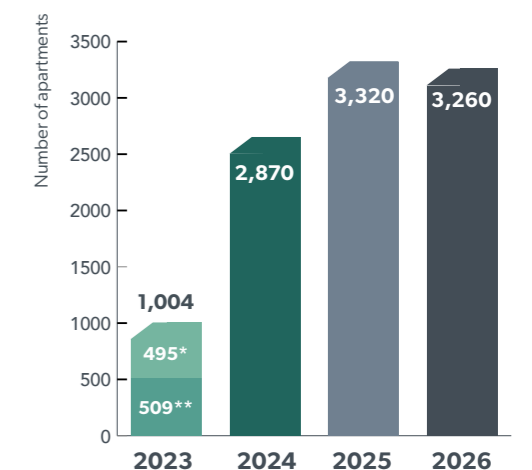
Total **11,937**

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

PROJECT STATUS



UPCOMING PRODUCTION STARTS



* Production starts in the UK
 ** Production starts in Sweden

A parametric building system designed for flexibility and a high capacity

SIBS has been built from the start to be the company we envisioned a few years ahead. We therefore already made choices with the global arena in mind with a view to revolutionising the way we build homes. This has put us at the forefront of industrial construction, with a unique flexibility combined with a scalable capacity of up to 5,000 homes per year.

We decided early on to make sure that we could operate in a global market by developing a flexible parametric building system and automated planning, production using customisable machines developed in-house, bespoke logistics, and modules made of steel and concrete that can withstand shipping and are suitable for use in multiple countries. We also attracted innovative individuals in the industrial construction field who were not wedded to outdated ideas and were driven to dare to try new solutions. We are clearly development-oriented as a result and have a group that covers the entire industrial value chain.

Easy adaptation to different countries' regulations

Sweden is a module manufacturing pioneer and was therefore a natural place for us to start developing housing. Nothing in our production depends on us building solely for the Swedish market, however. Our design automation is now world-leading. The planning stage configurators, and easy adaptations to production and logistics, are what make us flexible and able to adapt to different countries' requirements and regulations.

Our configurators are now set up to manage Swedish building regulations and we are constantly working to develop and update the building system based on changing customer needs, changes in standards and feedback from production. Managing different building regulation systems is complex, as minor changes to the regulations require completely different construction solutions, in terms of both systems and production. We can nevertheless set up the configurators to manage another country's building regulations with relative ease.

Moreover, once we have implemented one country's building codes, we can apply the same principles in other countries with similar codes and conditions. At the same time, at the factory, production has access to new drawings, including material spec-

ifications, and can adapt to new conditions by making small and simple adjustments. This puts us in a good position to enter new geographical markets where there are low barriers to entry and the market conditions are right.

We combine product flexibility with streamlined production

We adapt design and production to each project's priorities. If volume is the priority, conceptual housing can be produced of a high quality, but with limited variation, at a very high rate. If variation and a high use rate are the priorities, we adapt accordingly. Our parametric building system is based on a 100x100 mm design grid, which, as a module manufacturer, gives us more options for variation, adaptation and land use than other modular builders.

We build homes whose appearance varies depending on the requirements of the market, customers and detailed development plans, while also benefiting from standardised technological solutions. In this way, we can combine product flexibility with streamlined production, without mass-producing identical multi-family houses.

A high completion rate, efficiency and quality assurance

Our design automation and configuration system, which enables significant time savings, high quality standards throughout the entire process and buildability, is one of a kind. By integrating the entire value chain within the business, and bringing together the foremost design, industrial construction, production and building experts, we ensure that our multi-disciplinary team is able to monitor projects from the design stage all the way through to commissioning. This, together with the parametric building system, means that we are already able to achieve an extremely high degree of completion at the factory.

Not only do we produce everything contained inside the apartments, including finished shafts, we also deliver complete modular corridors, entrances, lift shafts, stairwells, foundations, balconies and roofs.

We have a quality-assured and streamlined value chain whose production capacity is both scalable and one of the highest in the world. At the same time, through our development, we have reduced our risks and costs compared with both traditional and modular construction methods. We are well on our way to achieving our ambition of revolutionising housing construction.

Production in pursuit of the perfect flow, the best work environment and the finest quality.

SIBS' factories are designed and developed in consultation with four mechanical engineers, Song Ping Ong, Lawrence Chua, CY Lau and KM Pan, who are also co-founders of SIBS Malaysia. The factories feature a unique flow based on machines developed in-house and, together with an advanced construction system, manufacturing is developed – and its quality rigorously assured – throughout the production process. Occupational health and safety (OHAS) is a key consideration, and the authorities score the factories highly during their regular checks.

SP Ong is CEO of SIBS Malaysia and has accumulated more than 25 years of experience in developing industrial machinery for a range of global enterprises. The working relationship with SIBS founders Erik and Pär Thomaeus was born 20 years ago via the company Nolek, which was family-owned at that time but was later sold to Indutrade.

When Erik contacted his former colleagues in 2017 with a proposal to develop and construct the first SIBS factory, it was an opportunity they simply couldn't resist. That same year saw the commencement of SIBS Malaysia, with a mission to establish efficient, quality-assured and flexible production of housing modules with scalable capacity. The production line would also be designed with ergonomically adapted work stations to provide the best possible work environment.

Focus on flow and safety

"In our previous jobs, we worked on building specialist machines, which we sold to some of the biggest companies in the world. In addition to function, it was important to ensure that the products looked modern and exclusive. That was the selling point. In our factories today, we base our operations on what we actually need, what is best for our employees and the flow in the factory; we focus more on safety and functionality than on design. We know what really matters," explains SP Ong.

"We're a tight team in every link of the SIBS value chain: from the development of the building system and the drawings, through production and freight, to construction and administration. We trust each others' skills and we share the same goals, which means that we enjoy a high level of confidence."



SP ONG, CEO SIBS MY

"We have a demanding product, unlike any other made in Malaysia. The volume and weight of the modules make big demands of the factory building. The flow through the factory is fast and the modules have to undergo quality checks before moving further along the production line, more than 300 quality points being digitally measured and documented. We hold meetings every week, where we check through the quality system and identify areas with potential for improvement. We give our employees plenty of encouragement: we celebrate successes together and make sure that they have a good work environment where they can enjoy their work," he continues.

Our technical background makes our products unique

"All factories have their own preferences and our strength is that we have drawn on everything we have learned previously in developing machines and production for global enterprises in Japan, the United States, Europe and Asia, and developed it for our own production setup. Our products and manufacturing machines are unique. They match our line production perfectly, they are automated or semi-automated and they are extremely fast. Everything is specially built; you cannot buy our machines anywhere else."

Developing machines in-house can create independence

"The best thing about working with machines developed in-house is that we are fully independent when it comes to developing and improving them. We're learning all the time and can make small adjustments and run quality checks on an ongoing basis – which also ensures we get exactly what we need. We can influence how fast we build, at the same time as focusing on OHAS. We have our own team that is devoted to developing and servicing the machines. We're always learning and continuously developing the processes: minimising noise, improving safety and finding smart new solutions. This makes the entire setup extremely flexible and adaptable to the construction system and the various product requirements of the modules."

Cooperation is the key

"It's fantastic to be able to work with friends here in Malaysia. We're a tight team in every link of the SIBS value chain: from the development of the building system and the drawings, through production and freight, to construction and administration. We trust each others' skills and we share the same goals, which means that we enjoy a high level of confidence. We understand one another, identify problems and work together to develop and manufacture the best possible products. This is a major key to our success. It's great to be able to work with smart people who support one another. This is why I feel privileged and proud of what we are doing," concludes SP Ong.

Sustainability Report

ಸಿಬಿಸ SIBS

Industrialisation as the foundation for sustainability

By moving as many work elements as possible from construction sites to controllable factory environments, we reduce the risk of accidents and workplace injuries while also streamlining the construction process. There are currently 1.8 billion people in need of suitable housing, while at the same time construction work is one of the world's most hazardous occupations. At SIBS, it is our belief that the industrialisation of housing construction is one of the keys to meeting the enormous demand for housing in a sufficiently rapid and cost-effective manner, while also reducing occupational health and safety risks.

SIBS cherishes an inclusive society, which is why we build beautiful and sustainable homes where tenants will be happy for generations. What's more, our buildings 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 current and future demands for a greater degree of innovative sustainability.

Sustainable business model

A sustainable business model requires continuous improvement of each process step in the value chain: environmental impact, resource efficiency, social aspects, working conditions and living environments. This includes creating a sustainable and better residential 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 our stakeholders.

For 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 Head of Sustainability, Jon's job is to ensure that SIBS meets its high sustainability targets.

"As we look back on 2022, we can be very proud of what we have achieved in terms of sustainability, with environmental certifications, taxonomy alignment, life cycle assessments, climate and vulnerability assessments, new processes for supplier monitoring and not least the ISO 9001, 14001 and 45001 certification of the entire Malaysian operation," says Jon Mellqvist.

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Jon Mellqvist, Head of Sustainability, SIBS

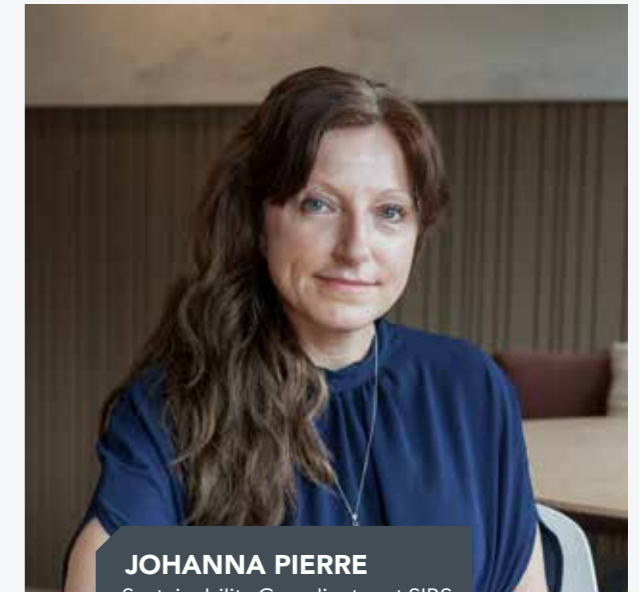
What makes industrialisation sustainable

The development of the proprietary concept of Parametric Modularisation is the foundation of SIBS' innovative capability. Having a concept that is not limited to a small number of standard sizes enables us to optimise projects in a more sustainable manner with a higher capacity utilisation. Other key factors for success include the digital processes and the automated planning that go hand-in-hand with the industrial processes. These provide access to detailed data and models, enabling us to improve quality, sustainability and resource efficiency.

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



JON MELLQVIST
Head of Sustainability at SIBS



JOHANNA PIERRE
Sustainability Coordinator at SIBS

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 using traditional construction methods. Such details as the production of joists, ventilation pipes, etc., in ready-to-assemble lengths means we reduce waste, which brings economic and climate benefits. There is a strong innovative force and a clear desire within 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.

Future sustainability standards and EU requirements are high on the agenda

SIBS is affected by several new requirements relating to the company's sustainability work and sustainability reporting, with the primary focus in 2022 on compliance with the EU Taxonomy, the European Commission's framework for sustainable finance. During the year, we have developed various verifications within the framework of the EU Taxonomy, such as life cycle assessments to assess the climate impact of the buildings and climate risk and vulnerability assessments to adapt the properties to future climate change.

We are also preparing for the new Corporate Sustainability Reporting Directive (CSRD) by adapting our operations and our processes to the European Sustainability Reporting Standards (ESRS). We are also adapting to the EU's various proposals for frameworks

and directives relating to social sustainability, including corporate responsibility for the environment and human rights, which are expected to come into force soon.

To further strengthen SIBS' sustainability work, a Sustainability Coordinator was appointed in 2022.

"SIBS is a fantastic, innovative company that is growing rapidly, while we are also being affected by extensive new legal requirements within sustainability. I am impressed by the cohesion and flexibility shown by a large number of employees across different professions and Group companies who have contributed to the volumes of technical, financial and environmental data that are needed for development and reporting sustainability work in such a short space of time. Sustainability is clearly integrated throughout operations in a way I have never experienced before," says Johanna Pierre, Sustainability Coordinator, SIBS.

"SIBS is a fantastic, innovative company that is growing rapidly, while we are also being affected by extensive new legal requirements within sustainability. I am impressed by the cohesion and flexibility of all colleagues who have contributed the data needed for development and reporting. Sustainability is clearly integrated throughout operations"

Johanna Pierre, Sustainability Coordinator, SIBS.

Sustainable value creation

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

External factors

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

Our resources

- Expertise and experience in high-tech, industrial construction of energy-optimised properties
- Insight and extensive knowledge of factors that drive value for customers and consumers
- Robust and highly flexible organisation
- Borrowing and equity
- Market-adaptive financing structures
- Resources – Energy, water, building materials
- Logistics and transport
- Two factories in Malaysia with production for a global market
- Properties under own management and development rights in Sweden
- Good relationships with partners and suppliers
- High level of trust in the company's various disciplines, secure cooperation internally and externally
- Processes for sustainable supply chains
- Around 1,050 employees in the Group.
- Close to 1,500 apartments under own management
- Almost 2,000 apartments completed

Our offering

Leading industrial producer of volumetric apartment modules

SIBS is one of the leading industrial producers of housing in the global market. With a scalable capacity of up to around 5,000 homes per year, we deliver either turnkey houses or modules, providing assistance all the way to the turnkey stage.

Industrial Sales

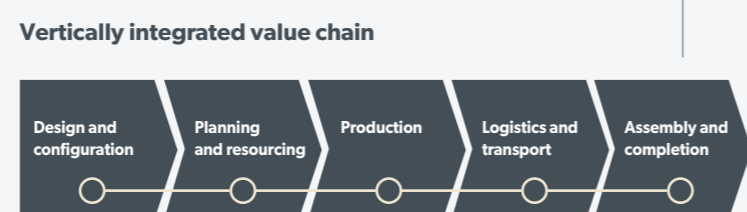
Projects are delivered in line with the Project Sales or Module Sales concept to a global market. The business area includes the Group's concept houses, Rehouse and Rehotel, as well as bespoke properties tailored to the customer's needs and wishes.

Property Development & Management

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

The Home Factory

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



Value for our stakeholders

For shareholders

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

For customers

- Scalable capacity of up to 5,000 apartments per year
- High-tech, flexible building system adapts buildings according to needs and location
- Value chain adaptable to the rules and requirements of different countries
- Highly time-efficient production and completion provides an earlier return on investment.
- Total time saving of around 50% compared with site-built
- Costs around 30% less than traditional methods
- High-quality materials used for interiors and exteriors

For residents

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

For employees

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

For sustainable development

- Energy-efficient properties
- Certified sustainable properties
- An excellent, healthy indoor climate
- Circular buildings that can be dismantled and rebuilt
- SIBS works from the basis of the UN Global Goals, the UN Global Compact and the OECD Guidelines for Multinational Enterprises
- Code of Conduct, sustainability policy and environmental policy apply to supplier partnerships
- Management systems certified according to ISO 9001, 14001 and 45001

Sustainable enterprise

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

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

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

Our three prioritised non-financial goals

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

Circular construction designed for disassembly and reuse

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

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 on follow-up to the Board on a quarterly basis. Evaluations are also carried out in the form of audits according to ISO 9001, ISO 14001 and for MOBY and SIBS Malaysia also ISO 45001. All policies are approved by the CEO of SIBS and reviewed annually by the Board of Directors. The environmental and quality policy and the Code of Conduct are published on www.sibs.se.

A whistleblowing service is also available on our website. It is located externally to ensure anonymity so there is no hindrance to reporting if anything questionable is experienced in relation to our policies. We have not had any incidents reported during the period.

In addition to our support and governance systems, employees are also encouraged to contact their immediate superior if they have any 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 SIBS Malaysia, MOBY, MOKO and Sveaviken Bostad are also certified according to ISO 9001 and 14001. SIBS Malaysia and MOBY are also certified according to ISO 45001.

The CEO of each Group company 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 its work through training and continuous review and follow-up. SIBS' policy documents do not group or categorise stakeholders. SIBS does not accept any form of discrimination, and there is particular focus on equal treatment for all, regardless of gender, ethnicity, age, disability, religion or political persuasion.

Governance

SIBS was founded in 2016 by brothers Erik and Pär Thomaeus and co-founders Jonas Ramstedt and Johan Karlsson. Since its inception, SIBS' Board of Directors has been made up of our founders, all of whom have been strong contributors to the company's

growth journey and success. Erik and Pär are operationally active in the SIBS Group as CEO of SIBS Group and CEO of Sveaviken Bostad AB respectively. Chair of the Board Jonas Ramstedt is a major shareholder through J&G Invest 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. On 2 June 2022, Mikael Wolf took up the position of Chair of the Board of Directors. Mikael Wolf is independent in relation to the company and its shareholders.

The Board has good knowledge of sustainability issues related to SIBS' operations, thanks to many years spent working with these issues. SIBS' Board decides on all major deals through an Investment Committee. Potential conflicts of interest are managed by not involving the person concerned in the Investment Committee when deciding on transactions with a conflict of interest. During 2023, SIBS' Board will continue its efforts to achieve greater diversity on the Board.

SPS-Flow allows users to quality control both products and processes by scanning the modules' unique QR codes.



SIBS Code of Conduct

Code of Conduct and policies based on The Ten Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises

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

Our process for operational Human Rights Due Dilligence and Anti-corruption includes well-mapped procurement processes and monitoring of compliance with the Code of Conduct through regular risk and vulnerability assessments before entering new geographical markets, making other business-critical decisions or partnering with new suppliers. Evaluation takes the form of self-assessment and audits of suppliers and own production in factories in Malaysia and at construction sites in Sweden. An anonymous whistleblowing service is also available on SIBS' website, enabling any misconduct to be reported. Corrective action is taken in the event of employee failure to comply with the Code of Conduct. If a supplier or business partner repeatedly fails to comply with the Code of Conduct or commits a serious breach of the Code, the business relationship will be terminated.

An ISO-certified management system in our factories

SIBS Malaysia has received ISO certification for its quality, environmental and occupational health and safety management system under the ISO 9001:2015, 14001:2015 and 45001:2018 standards.

"Since we started with our first factory in 2017, we have been working in a structured way on processes and the working environment. When we aligned this with the international ISO standards in 2022, it was therefore a relatively smooth process", says Jon Mellqvist, Head of Sustainability at SIBS.

"As well as providing us with a good basis for continuously improving our processes, the certification process also proves to our external partners that we have a well-functioning management system," concludes Jon.

WE SUPPORT



SIBS is a member of the UN Global Compact and has committed to following the Ten Principles on human rights, labour, the environment and anti-corruption. The principles have been implemented at all the companies in the Group and apply to employees and supply chains in Sweden and Malaysia. Our progress is reported to stakeholders regularly and a Communication on Progress (CoP) is published annually via the UN Global Compact, containing information about our work with the Ten Principles and our contribution to the Global SDGs.

The Ten Principles of the UN Global Compact

Human rights

- PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights.
- PRINCIPLE 2: Businesses should make sure that they are not complicit in human rights abuses.

Labour law

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

Environment

- PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges.
- PRINCIPLE 8: Businesses should undertake initiatives to promote greater environmental responsibility.
- PRINCIPLE 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

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

Stakeholder dialogue and materiality analysis

Since 2021, SIBS has reported according to the Global Reporting Initiative Standards (GRI). 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 indicators, 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 environmental 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 neg-

ative 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 economic sustainability is about taking a long-term approach to 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

1

Stakeholder analysis

Identification and analysis of stakeholders and their requirements.

2

Materiality analysis

Selection of relevant GRI indicators based on the results of the stakeholder analysis. Identification and management of the risks that should be disclosed.

3

Data collection and calculations

Data collection from every company, property and project, and the calculation of carbon emissions, energy use and other key figures.

4

GRI reporting

Preparation of sustainability reports.



SIBS' sustainability strategy

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

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

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

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

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

Our three prioritised non-financial goals

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

SIBS' focus areas for Social sustainability

Nobody harmed at our workplaces

Occupational health and safety is the top priority at our factories and at our construction sites. We reduce the risk of injury by continuing to allow time for occupational health and safety work and through structured reviews, risk assessments and development of better working methods. Our fundamental belief is that moving as many work elements as possible from the construction site to a highly automated, controlled factory environment reduces the risk of injury. The occupational health and safety work at both factories

and at our construction sites is certified according to ISO 45001 and we have zero tolerance of non-compliance with safety equipment and safety regulations.

Living environments where people thrive and are safe

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

Sustainable supply chains

Our suppliers must comply with our Code of Conduct for Suppliers, which is based on the UN's 10 principles of human rights. In our new process, we use training, requirements specifications, process and material reviews and regular checks to establish a complete and sustainable supply chain.

Increased diversification

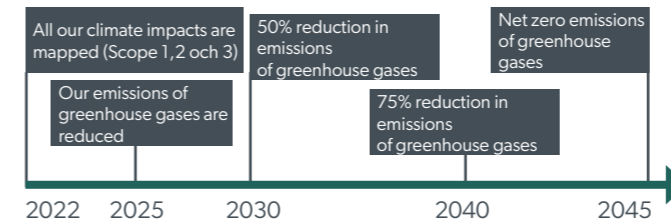
SIBS was founded in 2016 by brothers Erik and Pär Thomaeus, along with Jonas Ramstedt and Johan Karlsson. Since its inception, SIBS' Board of Directors has been made up of our founders and it grew in 2022 with the addition of Michael Wolf as independent Chair. Based on our ambition for continued development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

SIBS' focus areas for Environmental sustainability

Net zero emissions of greenhouse gases by 2045

Our climate work follows the roadmap of the building and construction sector towards the goal of being completely climate neutral by 2045, with the milestones shown in the figure on page 35.

Given that we are in a strong growth phase, our milestones are intensity-based. This means that we aim to reduce our climate impact for each built and managed area on the way towards net zero emissions.



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

Energy-efficient buildings

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

Environmentally certified buildings

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

Fulfilling the requirements of the EU Taxonomy Regulation

The EU Taxonomy guidelines define an environmentally sustainable economic investment. To be classified as environmentally sustainable under the Taxonomy, it must make a substantial contribution to at least one of the six environmental objectives of the EU Taxonomy, do no significant harm to any of the objectives and comply with Social minimum safeguards. To date, the EU has developed requirements for the environmental objectives of Climate change mitigation and Climate change adaptation. We work to ensure that all our buildings are classified as sustainable according to at least one of the six environmental objectives.

Non-toxic construction

The main steps to ensure non-toxic construction have been to assess all building materials purchased from Asia in Byggvarubedömningen, to replace products with alternatives that have better content and to keep logbooks for all our projects. In addition to new building materials and suppliers, we are now focusing on installation materials and other products that are outside the criteria on which products need to be assessed for certification to Miljöbyggnad Silver standard.

SIBS' focus areas for Economic sustainability

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

Predictable costs

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

Efficient resource use with minimum waste

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

Circular construction designed for disassembly and reuse

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

SIBS' work to reduce climate impact

SIBS' climate impact 2022

SIBS reports for the first time in 2022 on its total climate impact, including all indirect greenhouse gas emissions related to the company's operations (scope 3). All calculations are based on the control and management model, according to which 100% of the emissions over which the Group has control are reported.

SIBS' own direct emissions come from fossil fuels (scope 1) and consist of vehicles with combustion engines and the temporary use of electrical generators, heating boilers and any refrigerant leaks. Scope 1 emissions in Sweden were reduced during 2022 compared with 2021, as we continued to switch to lower-emission vehicles. This may also be due in part to the fact that the distances travelled were estimated for 2021, while for 2022 they were instead obtained from odometer readings reported to the leasing company. Scope 1 emissions in Malaysia increased in 2022 compared with 2021, as SIBS opened an additional factory during the year and the new factory was forced to use an electrical generator for a short period as it was not possible for it to be connected to the electricity grid as desired.

Indirect own emissions come from SIBS' energy consumption and are classified as scope 2. Scope 2 emissions increased in Sweden in 2022 compared with 2021 as we began using district heating to supplement geothermal heating at peak times for one of our managed projects.

SIBS' largest climate impact is indirect through our purchase of goods and services (scope 3). Our largest indirect climate impact in 2022 was the construction of a new factory in Malaysia, the entire impact of which was recognised in 2022 as the factory was completed during the year. Goods and services related to the construction of our properties are the second-largest item, after which comes the climate impact of tenants from their electricity, waste and driving.

During the year, previously purchased carbon offsets for emissions equivalent to 3,686 tonnes of carbon dioxide were allocated to offset emissions from our shipment of modules from Malaysia to Sweden by boat.

SIBS' greenhouse gases emissions

Emissions of CO ₂ equivalents	2022 (tonnes)	2022 by net sales (tonnes per SEK m)	2021 (tonnes)	2021 by net sales (tonnes per SEK m)
Scope 1 Total	797	0.58	642	0.75
Of which Sweden	323	0.17	527	0.62
Of which Malaysia	474	0.34	115	0.13
Scope 2 total according to calculation method for operational control	482	0.35	474 ²	0.56
Of which Sweden	26	0.02	2	<0.00
Of which Malaysia	456	0.33	472	0.55
Scope 2 total according to calculation method for financial control ¹	470	0.34	472	0.55
Scope 3 total according to calculation method for operational control	52,394	38	N/A	N/A
Scope 3 total according to calculation method for financial control ¹	52,067	38	N/A	N/A

¹ Scope 2 and 3 emissions are also reported with a deduction for the financial share of ownership in properties that are owned in joint venture structures (JV). Only emissions related to the operation and maintenance of these buildings and the climate impact of tenants have been adjusted. This is because emissions related to construction are normally declared in their entirety by the construction company, even if this company does not own the building.

² Scope 2 emissions for green electricity were incorrectly calculated for 2021 with the entire climate impact from the generation of electricity as scope 2.

The value in this table has been adjusted and the climate impact of electricity divided into scopes 2 and 3.

SIBS' calculations of scope 3 carbon dioxide emissions by category

Scope 3 emissions of carbon dioxide equivalents in tonnes	Calculation method for operational control	Calculation method for financial control
Total	52,608,077	52,281,335
Total excluding construction of factory in Malaysia.	21,758,957	21,432,215
Category 1. Purchased goods and services		
Ongoing and planned care and maintenance, repair and replacement of building products, minor renovations (not value-increasing), demolition works, contractors and technical consultants.	821,279	783,637
Category 2. Capital goods		
New production of apartment buildings calculated from stages A1–A5 on the basis of life cycle assessments carried out according to Level(s) for completed projects during the year.	18,123,159	18,123,159
Production of new factory in Malaysia. Calculated using standardised rates.	30,849,120	30,849,120
Category 3. Fuel- and energy-related activities		
Upstream emissions from purchased fuel, electricity, heating and cooling.	686,735	677,244
Category 4. Upstream transportation and distribution		
Upstream transportation and distribution of purchased products. Purchased transportation and distribution services. Transportation to construction projects and factories is handled in category 2, as it forms part of the life cycle assessments.	748	748
Category 5. Waste generated in operations		
Waste generated in own operations (offices). Transportation of office waste is excluded. Waste from construction activities and factories is handled in category 2, as it is included in the life cycle assessments.	-847	-847
Category 6. Business travel		
Travel by air, rail, public transport and passenger vehicles. Hotel stays are excluded.	309,645	309,645
Category 7. Employee commuting		
Relates to our employees' travel to and from work. Calculated on the basis of interviews and the number of vehicles parked at our sites.	234,668	234,668
Category 8. Upstream leased assets		
Relates to the impact of SIBS' leased offices.	22,320	22,320
Category 11. Use of sold products		
Operational energy expected to be purchased at sold completed properties over the next 50 years. Calculated on the basis of a linear reduction in climate impact to net zero by 2045 and an average climate impact value from Svensk EI.	374,132	187,066
Category 12. End-of-life treatment of sold products		
The intention is for our buildings to be dismantled and relocated once they are no longer needed at the current site. The climate impact of demolition has been calculated using key life cycle figures from life cycle calculations according to Level(s) for similar projects.	214,267	214,267
Category 13. Downstream leased assets		
The electricity consumption, waste and driving of tenants. Calculated on the basis of actual electricity consumption and estimated amounts of waste and driving.	972,852	902,628
Category 15. Investments		
The impacts of subsidiaries and associated companies are recognised in their entirety as our own, as we see ourselves as a Group and have control over all operations. No other investments have any significant impact.	0	0

The climate impact of our properties throughout the life cycle

Life cycle assessment (LCA)

In 2022, the climate impact of most of SIBS' buildings was calculated according to Level(s), the EU framework for sustainable buildings and the SS-EN 15978:2011 standard for alignment with the EU Taxonomy. The life cycle assessments have not yet been externally audited.

The life cycle assessments include all life cycle stages and building materials, such as installations, including solar panels and finishing in the external environment, and are reported using GWP values (Global Warming Potential). External effects are reported separately but are not included in total GWP. The GWP value is reported

according to the EU Taxonomy criteria as kilograms of carbon dioxide equivalents per square metre of gross floor area (GFA), calculated as a one-year average from the reference study period of 50 years.

The life cycle assessment has been divided into two models in the LCA tool: 1. Malaysia and 2. Sweden in order to obtain accurate data and emissions factors depending on the production location. The results from the example project NIWA Helsingborg show the number of kilograms of carbon dioxide equivalents per life cycle stage from each model and the total impact on global warming.

Global warming by production in Sweden and Malaysia respectively

Life cycle stage	GWP Sweden (kg CO ₂ e)	GWP Malaysia (kg CO ₂ e)	Total GWP (kg CO ₂ e)
A1–A3 Product stage	156,915	1,197,095	1,354,011
A4 Transport	2,918	354,989	357,907
A5 Construction	31,924	60,197	92,121
B4–B5 Replacement and refurbishment	226,903	166,922	393,824
B6 Energy	174,321	0	174,321
B7 Water	4,500	0	4,500
C1–C4 End of life stage	2,988	43,162	46,150

Global warming by life cycle stage and by built area and year

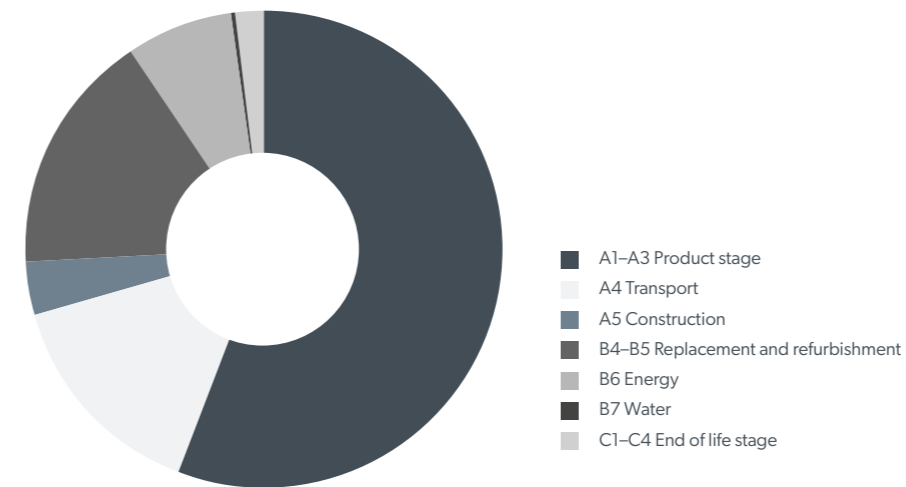
Life cycle stage	GWP (kg CO ₂ e)	GWP by gross floor area (kg CO ₂ e/m ² GFA)	GWP by gross floor area and year (CO ₂ e/m ² /year)
A1–A3 Product stage	1,354,011	391	8
A4 Transport	357,907	103	2
A5 Construction	92,121	27	0.53
B1 Use stage	-11,245	-3	-0.06
B3 Repair	Calculated as B4–B5		0
B4–B5 Replacement and refurbishment	393,824	114	2
B6 Energy	174,321	50	1
B7 Water	4,500	1	0.03
C1–C4 End of life stage	46,150	13	0.27
D Installed material – benefits	-355,700	-103	-2
A–C*Total	2,411,589	696	14

*D is not included in the total

The total GPW value for Helsingborg is 14 kg CO₂e/m²/year. This figure does not include -2 kg CO₂e /m²/year for external effects in life cycle stage D. The extensive development of our

digital tools during the year means we now have exact LCA data for the material in our modules that we import directly into the LCA calculation programmes.

Global warming kg CO₂e Life cycle stages



Global warming kg CO₂e Life cycle stages.

According to the life cycle assessment, the life cycle stage (A1–A3 Product stage) has the greatest impact on global warming, followed by (B4–B5 Replacement and refurbishment) and (A4 Transport).

The life cycle assessments have helped to identify a baseline for the carbon dioxide impact of SIBS' properties and the largest emissions for different resource types in relation to production in Malaysia and Sweden respectively. In modular production, the cornerstone of SIBS' construction, the same components and processes are used to a large extent, which enables greater customisation and more efficient use of building materials. The modules use 90% recycled steel, with waste minimised for many types of materials, including steel and rock wool. Improvements are made on a continuous basis.

The scope of site-built construction varies according to the project and up to now the focus has been on achieving a high degree of prefabrication of site-built elements in order to reduce resource use. Further measures are required in order to reduce our climate impact from materials, such as choosing steel and concrete with a lower carbon footprint and minimising emissions from construction sites and transport.

Several elements with a carbon impact are also managed at an early stage, including the choice of facade material, the number of apartments, size of apartments, etc. To reduce our climate impact, further improvements are being made to choice of materials, module configuration, construction optimisation and climate calculations in planning. Our new factory is powered entirely by solar panels and having our own industrial production gives us tremendous opportunities for making further improvements.

Energy monitoring in 2022



Energy-efficient buildings

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

Reduced energy use

As a result of these measures, we saw an actual 7 per cent reduction in energy use in 2022 compared with 2021. This shows the positive impact of our focus on energy optimisation, and also underlines the importance of continuing to implement measures that can contribute to a more sustainable future.

2022

Average specific energy use ¹	42 kWh/m ²
Median specific energy use	37 kWh/m ²
Total solar power generated	394 MWh
Of which Sweden	302 MWh
Of which Malaysia	92 MWh

¹ Measured energy use adjusted for degree days, indoor temperature (based on individual metering and billing and a few temperatures above 21 degrees) and occasional cases of high hot water use.

Environmentally certified buildings provide green financing

SIBS green bonds

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

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

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



CICERO
Shades of
Green

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

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

* Joint venture (50/50) with Slättö

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

Major improvements in the working environment at SIBS Malaysia

Continuous improvement is at the heart of SIBS Malaysia's environmental and health and safety work. In the development and commissioning of the new factory, a new design was developed and some of the equipment modified to improve ergonomics and safety for employees. Changes are also being made at the first factory to improve health and safety and ergonomics.

Environmental and health and safety work at our factories

Danial Othman, Environment, Health and Safety Manager for SIBS Malaysia, and Lau Chong Yong, who chairs the Health and Safety Committee, are jointly responsible for the important work of continuously improving the working environment for employees.

Danial's role includes ensuring compliance with laws and regulations, coordinating risk assessments, investigating incidents/accidents, identifying safety risks, carrying out inspections in the factory, drawing up environmental procedures and statistics and managing overall improvement work. The role was also expanded in 2022 to include leading an environmental and health and safety team. There is now also a company clinic on site at the factory to provide medical service and advice to our employees.

"Since the end of 2022, we have had a full-time nurse and a doctor for two hours a day at our company clinic. I also have a new colleague, enabling us to scale up the daily safety rounds and carry out more extensive inspections. This is a very valuable addition, as we are undergoing a major expansion with a lot of new personnel and production in two different factories," says Danial.

Services provided to SIBS Malaysia's employees include access to the company clinic and an annual health allowance for regular health checks and care. Nurse Norsarmimi Azira is employed full-time at the clinic and is also supported by a doctor who comes in for two hours every day.

"The employees are pleased with the service and the opportunity to obtain care and have medication prescribed without having to go to hospital. The opportunity to receive medical services at work makes everyday life easier for the employees and saves them time," says Norsarmimi Azira.

Focus on health, safety and the environment

"In the new factory, we focused strongly on improving the safety and working environment of workers. For example, the flow of modules through the factory is now much safer. The modules are transported in a sunken floor, which minimises the risk of tripping. We also have a new kind of platform, which is safer and has a reduced risk of falling. The platforms in the first factory will also be

addressed. We have also replaced almost all ladders with small platforms. Another major improvement is the development and repositioning of equipment to improve the ergonomics. We are currently reviewing the manufacturing process in the new factory to reduce noise levels and there are several small measures we can take that we believe will have a relatively big impact.

We have also implemented environmental improvements during the year, including reducing waste from wooden pallets by 90%, having identified a suitable reuse initiative. Our certification and implementation of ISO 9001, 14001 and 45001 during 2022 has also led to improvements during the year.

In the new factory building, we have focused on health, wellbeing and a feeling of community. There is a gym here, as well as an exercise room, games room and prayer space. Employees are also offered a range of leisure activities such as badminton and football, which have proved very popular. All employees are also given a free lunch every day," continues Danial.

Training and inspections are important tools

"The Malaysian Occupational Safety and Health Authority inspects and rates our factories regularly. The first factory has an A rating (highest rating) and the new factory was awarded a B rating (second-highest rating), which is more than adequate for a new factory, particularly given that the inspection took place before all the systems were operational. Of course, the aim is for the new factory to be awarded an A rating at the next inspection as well.

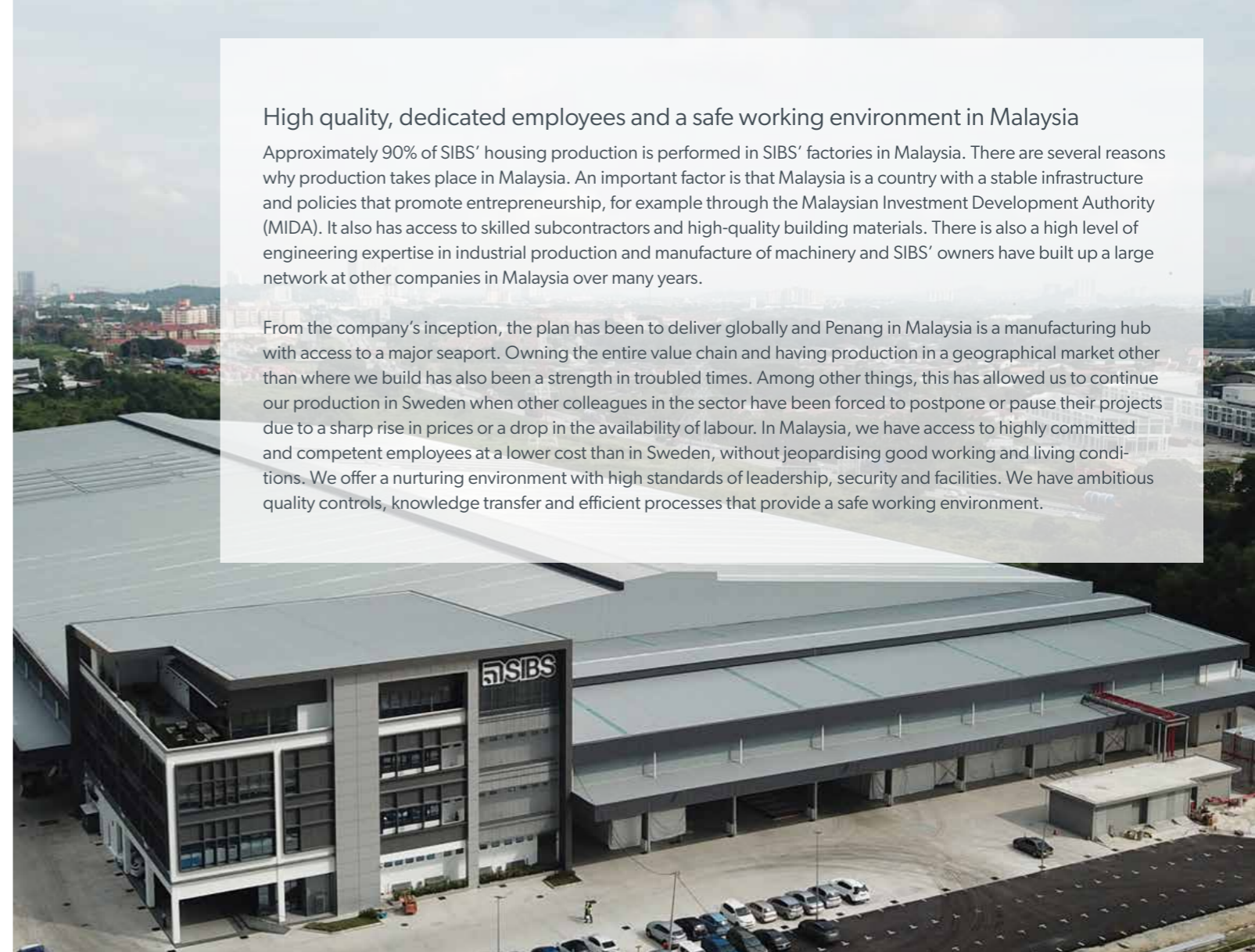
One of the biggest health and safety challenges is that we are a relatively small team monitoring and motivating a large number of employees. Having a large number of new personnel is always a risk, so we have mandatory health and safety training for all staff, daily inspections and a financial incentive for workers who use all the safety equipment correctly.

We are currently planning the trial transfer of responsibility for monitoring compliance with health and safety regulations to the production line. Our role will then be to support them in their work," concludes Danial.

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

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

From the company's inception, the plan has been to deliver globally and Penang in Malaysia is a manufacturing hub with access to a major seaport. Owning the entire value chain and having production in a geographical market other than where we build has also been a strength in troubled times. Among other things, this has allowed us to continue our production in Sweden 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 access to highly committed and competent employees at a lower cost than in Sweden, without jeopardising 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.



DANIAL OTHMAN
Health and Safety Manager, SIBS Malaysia



NORSARMIMI "MIMI" AZIRA
Full-time nurse at SIBS Malaysia

Focus on health and safety through systematic occupational health and safety management

Monitoring occupational health and safety and workplace accidents is an important part of the occupational health and safety management of the entire SIBS Group. We want everyone to be able to work safely and for the workplace to be free from accidents and illness. Since 2022, Linda Svensson has been employed by subsidiary MOBY as QHSE Manager, tasked with establishing the conditions for a safe, healthy and secure working environment.

Linda believes that systematic occupational health and safety management and a strong culture of safety are vital for ensuring a safe and healthy workplace. There needs to be an awareness of the risks at the workplace but it is equally important that we know which things we already do that work well.

“My work is quite broad-based, but ultimately it is about creating good conditions for the organisation. This includes everything from improving management systems, documentation and implementation to improvement measures, sharing knowledge and engagement. It is important that we are always striving to improve,” says Linda.



LINDA SVENSSON
Health and safety engineer and
QHSE Manager at Moby

Management system for better risk management

In 2022, we have worked intensively to develop our systematic work into a management system, including by developing our safety rounds and our non-compliance management. In doing so, we are creating a system that will both identify risks and spread knowledge in our projects. We also follow up our occupational health and safety work in various ways and the development of the management system is vital for ensuring the right support and similar working methods at the different workplaces.

Increased reporting of risk observations and incidents

To enable us to work systematically with occupational health and safety and to avoid serious accidents, it is important that all risks, incidents and accidents are reported. A challenge at many organisations is to have the courage and to understand the importance of reporting risk observations. Many people may be afraid of making a mistake and we are therefore considering the option of reporting risk observations anonymously for those who feel uncertain. We are also working to provide training and spread information.

Another challenge is to help all workers to understand and take responsibility for occupational health and safety issues. It is easy to get caught up in everyday challenges and we therefore see it as our job to create a culture where everyone is involved in the work to improve the working environment. This applies both to our own employees and to the subcontractors and contracted workers that we work closely with.

A positive development is an increase in reporting in 2022, although statistically this has increased our number of accidents and incidents. This is explained to an extent by the fact that we have

more staff and more projects, but we also see it as a positive indication that the system works and that there is greater awareness among employees.

Focus on training and improved systems

We are continuously working to develop our procedures and systems to ensure a good working environment.

To achieve our goal of a better working environment, we are working on a range of different measures. These include:

- Increasing knowledge through training and better awareness among our employees and subcontractors.
- Creating user-friendly documents and systems that everyone can use.
- Making improvements to SPS Flow (our system that handles non-compliance, among other things) to obtain better statistics and monitoring and taking a more educational approach to investigations and safety rounds.
- Increasing awareness of the importance of reporting risk observations and recording more risk observations in our system.

“I am very proud of the determination and solution-oriented approach at MOBY. Everyone works to achieve continuous improvements all the time and although there are many things to do, there is a great level of determination. Which is something that makes me very happy,” says Linda.

Climate and vulnerability assessments EU Taxonomy alignment



Climate risk and vulnerability assessments were carried out for large parts of SIBS' property portfolio in 2022. These assessments evaluate climate risks such as flooding, subsidence, landslide and erosion, both now and during the lifetime of the buildings in future climate scenarios. Adaptation solutions, such as stormwater solutions, elevations and soil reinforcement, have been implemented for significant risks. The results show that all the buildings are relatively safe from significant present and future climate risks that might affect the results of our economic activities.

SIBS is covered by the EU Taxonomy Climate Delegated Act, Part 7, Construction and real estate activities, and has worked during the year to check that the company meets the technical screening criteria that determine whether its economic activities contribute substantially to the climate-related environmental objectives. In addition to meeting the environmental objectives, the economic activities must do no significant harm to any of the other environmental objectives and must meet minimum safeguards.

Climate risk and vulnerability assessments

Part of SIBS' EU Taxonomy alignment includes carrying out climate risk and vulnerability assessments and assessing adaptation solutions that can reduce the climate risk for each project. The assessment of current climate risks is based on rainfall and heat maps, risk maps for subsidence, landslides, erosion and stormwater studies. The assessment of future climate risks for properties includes climate projections according to the Representative Concentration Pathways (RCP)¹. The climate risk and vulnerability assessments start with the modelling and general screening of all the climate risks included in the EU Taxonomy. The next step is an in-depth

probability and impact assessment of the climate risks that are significant for the properties that provide the basis for adaptation solutions.

Climate risk and vulnerability assessments have so far been carried out for 16 completed and ongoing projects, each involving several buildings. The results show that all the buildings are relatively safe from significant present and future climate risks that might affect the results of our economic activities. SIBS' properties are also specifically adapted, having features such as appropriate elevations, stormwater solutions, sun shading, construction adapted for wind loads, and soil reinforcement, in keeping with local conditions.

¹ The UN Intergovernmental Panel on Climate Change (IPCC) uses four scenarios to project future climate change, known as RCPs, “Representative Concentration Pathways”, in its AR5 2013–2014 assessment report. The RCPs are used to provide information about climate change with different levels of greenhouse gases in the atmosphere.

SIBS Taxonomy alignment

The EU Taxonomy is the European Commission’s framework for sustainable finance. The framework classifies which economic activities are environmentally sustainable with the principal aim of meeting the Paris Agreement and climate neutrality targets by 2050. For the 2022 financial year, companies covered by the Taxonomy must report the share of their economic activities that are subject to the Taxonomy Regulation’s climate-related environmental objectives of Climate change mitigation and Climate change adaptation. Reporting requirements for four additional environmental objectives will be phased in.

SIBS is covered by the EU Taxonomy Climate Delegated Act, Part 7, Construction and real estate activities and the following economic activities for 2022:

- 7.1 Construction of new buildings
- 7.2 Renovation of existing buildings
- 7.3 Installation, maintenance and repair of energy efficiency equipment
- 7.7 Acquisition and ownership of buildings

Six environmental objectives of the EU Taxonomy

1. Climate change mitigation*
2. Climate change adaptation*
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

*Reported for the 2022 financial year

SIBS’ EU Taxonomy alignment

An assessment has been made during the year of SIBS’ fulfilment of the technical screening criteria that determine whether the company’s economic activities contribute substantially to the climate-related environmental objectives under the EU Taxonomy. In addition to meeting the environmental objectives, the economic activities must do no significant harm (DNSH) to any of the other environmental objectives according to specific criteria and must also meet minimum safeguards in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The majority of SIBS’ economic activities make a substantial contribution to one or more environmental objectives.

Of the Taxonomy-eligible economic activities, it is primarily 7.1 and 7.7 that generate expenditure and turnover. For the 2022 financial year, documentation verifying compliance with the criteria for Economic activity 7.7 Acquisition and ownership of buildings in

accordance with Environmental Objective 1. Climate change mitigation and Environmental Objective 2. Climate change adaptation has been prioritised.

In all ongoing new construction projects, priority is given to fulfilling the criteria of Economic activity 7.1 Construction of new buildings (Environmental Objectives 1 and 2). It is unclear, however, how the criteria for the objectives are to be interpreted and verified in accordance with the EU Taxonomy and SIBS has decided that while awaiting clarification it will not report according to these, other than for dedicated contracting activity.

Proportion from EU Taxonomy-aligned economic activities 2022

16 of SIBS’ projects are considered to be EU Taxonomy-aligned.

SEK thousand	Total	Environmentally sustainable activities (Taxonomy-aligned)	Not environmentally sustainable activities (not Taxonomy-aligned)	Taxonomy-non-eligible activities
Turnover	1,384,307	1,254,416	84,535	45,356
CapEx	2,684,335	1,940,533	743,802	0
OpEx	8,119	7,741	378	0

For the 2022 financial year, the assessment is that 91 per cent of turnover, 72 per cent of capital expenditure and 95 per cent of operating expenditure is environmentally sustainable in accordance with the EU Taxonomy environmental objectives 1 or 2. See Taxonomy report on pages 50–55.

Accounting policies

Economic activities and EU Taxonomy alignment are reported using the following key performance indicators (KPIs): Turnover, Capital Expenditure (CapEx) and Operating Expenditure (OpEx). Under the EU Taxonomy, the criteria in Section 7.1. must be applied in the construction of new buildings from the perspective of the construction company. However, for the owner of the new building (irrespective of whether they acquire the building through a purchase or by constructing it themselves), the value of the building can be accounted for on the basis of the criteria in section 7.7. SIBS has reported new construction in accordance with

7.7 with the exception of properties that are owned by another developer and where SIBS carries out contracting activity, which are reported in accordance with 7.1. All properties reported in accordance with 7.7, Environmental Objective 1, also fulfil the criteria of Environmental Objective 2. However, these are not reported under Environmental Objective 2 due to uncertainty concerning how economic activities are to report key performance indicators under multiple environmental objectives. This is to reduce the risk of double counting.

Turnover

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

Capital expenditure (CapEx)

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

Operating expenditure (OpEx)

Expenditure related to the following activities is Taxonomy-eligible:

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

Reporting of turnover

Turnover corresponds to the Group’s comprehensive income pertaining to rental income and other income from property management, for the properties that fulfil Environmental Objective 1 under Directive 2013/34/EU on annual financial statements and consolidated financial statements. For properties that fulfil Environmental Objective 2, turnover will not be reported according to the EU Taxonomy definition for activities that are climate change-adapted. This turnover, corresponding to SEK 45,356 thousand is reported as Not Taxonomy-aligned. See the Consolidated income statement on page 82.

Reporting of capital expenditure (CapEx)

Includes acquisitions, new construction, extension and redevelopment, equipment that constitutes capital expenditure for properties that fulfil Environmental Objective 2. Properties that fulfil Environmental Objective 1 are owned in joint ventures and are reported only in turnover in order to avoid double counting. In the categories of enabling and transitional activities, no capital expenditure is reported that enables more existing properties to be Taxonomy-aligned, as the capital expenditure plan for this has not yet been adopted. See Note 19 Investment properties on page 105.

Reporting of operating expenditure (OpEx)

Operating expenditure includes operating costs for property management, research and development costs, building renovations and tenant adaptations that are not recognised as capital expenditure, short-term leases, maintenance and repairs. Operating expenditure and development of SIBS’ building system

has not been classified as environmentally sustainable, as there is uncertainty regarding the proportion of this that can be linked to Taxonomy-aligned projects. See the Consolidated income statement on page 82.

Economic activity 7.7 Acquisition and ownership of buildings

Buying real estate and exercising ownership of real estate.

Environmental Objective 1. Climate change mitigation

Technical screening criteria:

Substantial contribution to climate change mitigation

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

Assessment of SIBS’ compliance

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

DNSH criteria:

Environmental Objective 2. Climate change adaptation

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

3. Sustainable use and protection of water and marine resources

N/A

4. Transition to a circular economy

N/A

5. Pollution prevention and control

N/A

6. Protection and restoration of biodiversity and ecosystems

N/A

Assessment of SIBS’ compliance

SIBS has performed robust climate risk and vulnerability assessments, including the assessment of adaptation solutions that can reduce the climate risk for each property and are considered to meet the DNSH criteria of the EU Taxonomy. The time perspective of the assessment covers the lifetime of the building. The performance of climate and vulnerability assessments is described in

the section on Assessment of SIBS' compliance with regard to technical screening criteria for Environmental Objective 2, Climate change adaptation.

Minimum safeguards

The minimum safeguards shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights

Assessment of SIBS' compliance

Reported under Code of Conduct on page 31. Policies are based on The Ten Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

Environmental Objective 2. Climate change adaptation

Technical screening criteria:

Substantial contribution to climate change adaptation

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

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

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

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

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

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

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

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

4. The adaptation solutions implemented:

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

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

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

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

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

Assessment of SIBS' compliance

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

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

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

- Landslide
- Subsidence

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

All properties analysed have adaptation solutions in accordance with the probability and impact assessment. The climate risks of Heavy rainfall and Flooding require specific adaptation solutions and continuous monitoring. Blue-green solutions in the form of plant beds, green roofs and permeable hardened surfaces, together with appropriate elevations, stormwater storage, sun

shading, construction adapted for wind loads, and soil reinforcement, in keeping with local conditions, are examples of adaptation solutions implemented in projects. The adaptation efforts are not considered to adversely affect climate adaptation or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets or of other economic activities. The adaptation solutions are also compatible with local, regional and national guidelines. The assessment is that the climate risk and vulnerability assessments fulfil the technical criteria of the EU Taxonomy for Environmental Objective 2.

DNSH criteria:

1. Climate change mitigation

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

3. Sustainable use and protection of water and marine resources

N/A

4. Transition to a circular economy

N/A

5. Pollution prevention and control

N/A

6. Protection and restoration of biodiversity and ecosystems

N/A

Assessment of SIBS' compliance

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

Minimum safeguards

The minimum safeguards shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Assessment of SIBS' compliance

Reported under Code of Conduct on page 31. Policies are based on The Ten Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.



KPI Turnover

Economic activities	Code(s)	Absolute turnover	Proportion of turnover	Substantial contribution criteria				DNSH criteria (Does Not Significantly Harm)							Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Category (enabling activity)	Category (transitional activity)		
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution					Biodiversity and ecosystems	Minimum safeguards
		SEK (000)	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	Enabling	Transitional
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
7.7 Acquisition and ownership of buildings	7.7	1,254,417	91	100													91		-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,254,417	91	100													91			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
7.1 Construction of new buildings	7.1	83,671	6																	
7.7 Acquisition and ownership of buildings	7.7	864	0																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		84,535	6																	
Total (A.1 + A.2)		1,338,952	97																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		45,356	3																	
Total (A + B)		1,384,307	100																	

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

Capital expenditure (CapEx)

Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx	Substantial contribution criteria				DNSH criteria (Does Not Significantly Harm)							Taxonomy-aligned proportion of CapEx, year 2022	Taxonomy-aligned proportion of CapEx, year 2021	Category (enabling activity)	Category (transitional activity)		
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution					Biodiversity and ecosystems	Minimum safeguards
		SEK (000)	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	Enabling	Transitional
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
7.7 Acquisition and ownership of buildings	7.7	1,940,533	72	0	100					Y	–	E/T	E/T	E/T	E/T	Y	72		–	–
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,940,533	72	0	100												72			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
7.7 Acquisition and ownership of buildings	7.7	743,802	28	0	100															
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		743,802	28	0	100															
Total (A.1 + A.2)		2,684,335																		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		0	0																	
Total (A + B)		2,684,335	100																	

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

Operating expenditure (OpEx)

Economic activities	Code(s)	Absolute OpEx SEK (000)	Proportion of OpEx %	Substantial contribution criteria				DNSH criteria (Does Not Significantly Harm)							Taxonomy-aligned proportion of OpEx, year 2021 %	Taxonomy-aligned proportion of OpEx, year 2022 %	Category (enabling activity) Enabling	Category (transitional activity) Transitional
				Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N				
A. TAXONOMY ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
7.7 Acquisition and ownership of buildings	7.7	7,741	95	0	100													
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		7,741	95	0	100													
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
7.7 Acquisition and ownership of buildings	7.7	378	5															
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		378	5															
Total (A.1 + A.2)		8,119	100															
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
OpEx of Taxonomy-non-eligible activities (B)		0	0															
Total (A + B)		8,119	100															

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022



Sustainability definitions

2030 Agenda and the Global Goals

In September 2015, world leaders adopted a new development agenda and global sustainable development goals. The 2030 Agenda consists of 17 global goals, with 169 targets, for sustainable development that 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 is a UN initiative to coordinate globally on human rights, labour, the precautionary principle and environmental responsibility issues and anti-corruption. The Global Compact comprises ten principles.

Sweden Green Building Council and Miljöbyggnad

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

GRI Global Reporting Initiative

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

EPRA European Public Real Estate Association

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

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

LEED 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, Building and Planning's building regulations

The Swedish National Board of Housing, Building and Planning's building and construction regulations are the minimum requirements that society demands that buildings must meet. These include child safety, accessibility, fire protection, load-bearing capacity and a good indoor climate. These requirements must be met for all new buildings. The National Board of Housing, Building and Planning also oversees the requirements for the energy performance of dwellings when applying for state investment subsidies for rental housing and student housing.

ISO 9001, 14001 and 45001

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

GRI index

SIBS AB has reported with reference to GRI Standards for the reporting period 1 January to 31 December 2022 inclusive.

GRI 1: Foundation 2021. No applicable GRI Sector-specific standard available for the real estate sector

GRI Standards	Disclosure	Page reference
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	67, 74, 124
	2-2 Entities included in the organization's sustainability reporting	67, 74
	2-3 Reporting period, frequency and contact point	67, 30, 58, 124
	2-4 Restatements of information	67
	2-5 External assurance	30, 120–121
	2-6 Activities, value chain and other business relationships	13, 28–29
	2-7 Employees	62
	2-8 Workers who are not employees	62
	2-9 Governance structure and composition	30
	2-10 Nomination and selection of the highest governance body	30
	2-11 Chair of the highest governance body	30, 69
	2-12 Role of the highest governance body in overseeing the management of impacts	30
	2-13 Delegation of responsibility for managing impacts	30
	2-14 Role of the highest governance body in sustainability reporting	30
	2-15 Conflicts of interest	30
	2-16 Communication of critical concerns	30
	2-17 Collective knowledge of the highest governance body	30
	2-18 Evaluation of the performance of the highest governance body	30
	2-19 Remuneration policies	30, 62
	2-20 Process to determine remuneration	30, 62
	2-21 Annual total compensation ratio	30, 62
	2-22 Statement on sustainable development strategy	26–27
	2-23 Policy commitments	30–31
	2-24 Embedding policy commitments	30–31
	2-25 Processes to remediate negative impacts	29–31, 34–36
	2-26 Mechanisms for seeking advice and raising concerns	31
	2-27 Compliance with laws and regulations	62
	2-28 Membership associations	31, 62
	2-29 Approach to stakeholder engagement	32
	2-30 Collective bargaining agreements	62
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	32
Economic impact		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	82
	201-4 Financial assistance received from government	62
GRI 3: Material Topics 2021	3-3 Management of material topics	30, 69, 82
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	62
GRI 3: Material Topics 2021	3-3 Management of material topics	30, 62
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	30
	205-2 Communication and training about anti-corruption policies and procedures	30
	205-3 Confirmed incidents of corruption and actions taken	30
GRI 3: Material Topics 2021	3-3 Management of material topics	30
	3-2 List of material topics	67

GRI Standards	Disclosure	Page reference
Environmental impact		
GRI 302: Energy 2016	302-1 Energy consumption within the organization (EPRA – CRE1)	40, 63
GRI 3: Material Topics 2021	3-3 Management of material topics	30
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	63
	303-2 Management of water discharge-related impacts	63
	303-5 Water consumption (EPRA – CRE2)	63
GRI 3: Material Topics 2021	3-3 Management of material topics	30
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	36
	305-2 Energy indirect (Scope 2) GHG emissions (EPRA – CRE3)	36, 38
	305-3 Other indirect (Scope 3) GHG emissions	37
GRI 3: Material Topics 2021	3-3 Management of material topics	30
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	64
	306-2 Management of significant waste-related impacts	64
	306-3 Waste generated	64
GRI 3: Material Topics 2021	3-3 Management of material topics	30
	EPRA CRE8 Environmentally certified buildings	41
Social impact		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	65
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	65
	401-3 Parental leave	65
GRI 3: Material Topics 2021	3-3 Management of material topics	30
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	30, 42–44
	403-2 Hazard identification, risk assessment, and incident investigation	30, 42–44
	403-4 Worker participation, consultation, and communication on occupational health and safety	30, 42–44
	403-6 Promotion of worker health	42–44, 65
	403-9 Work-related injuries	65
	403-10 Work-related ill health	65
GRI 3: Material Topics 2021	3-3 Management of material topics	30
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	66
GRI 3: Material Topics 2021	3-3 Management of material topics	30
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	66
	405-2 Ratio of basic salary and remuneration of women to men	66
GRI 3: Material Topics 2021	3-3 Management of material topics	30
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	66
GRI 3: Material Topics 2021	3-3 Management of material topics	30
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	66
GRI 3: Material Topics 2021	3-3 Management of material topics	30
GRI 409: Forced or Compulsory Labour	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	66
GRI 3: Material Topics 2021	3-3 Management of material topics	30
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	66
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	66
GRI 3: Material Topics 2021	3-3 Management of material topics	30

GRI 2-7
EMPLOYEES

Total number of employees	Number of full-time employees	Gender (proportion of men, %)
Total	1,052	95
Sweden	89	76
Malaysia	963	97
Permanent employees and probationary employment	Number of full-time employees	Gender (proportion of men, %)
Total	909	95
Sweden	89	76
Malaysia	820	97
Temporary employees	Number of persons	Gender (proportion of men, %)
Total	143	100
Sweden	0	0
Malaysia guest workers	143	100
Hourly rate employees	Number of persons	Gender (proportion of men, %)
Total	2	0
Sweden	2	0
Malaysia	0	0
Part-time employees	Number of persons	Gender (proportion of men, %)
Total	0	0
Sweden	0	0
Malaysia	0	0

The calculation of employees also includes the staff of the associated companies MOKO and Frontlog. In Note 13 Employees and employee benefit 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 (31/12/2022) was 1,052. 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 2-19, 2-20
REMUNERATION POLICIES,
PROCESS TO DETERMINE REMUNERATION

The members of the Board of Directors do not receive any remuneration. The Chair of the Board of Directors receives annual remuneration of SEK 250,000. The level of remuneration of the Chair of the Board of Directors is decided by the other Board members. SIBS' Strategic and operational management teams consist of key personnel at SIBS, whose remuneration is decided by the CEO of SIBS and key personnel at the subsidiaries and associated companies. The salary of the CEO of SIBS is set by the Board of Directors and the remuneration of the CEOs of subsidiaries and associated companies is set according to the procedures of each company. No pay consultants have been engaged.

GRI 2-21
ANNUAL TOTAL COMPENSATION RATIO

The highest total annual remuneration for employees within the Group is SEK 2,700,000 and the median is SEK 73,717. This represents a ratio of 36:1. The calculation includes bonuses and overtime. The percentage increase in 2022 compared with 2021 is 55 per cent of total remuneration and 38 per cent of the median salary.

GRI 2-27
COMPLIANCE WITH LAWS AND REGULATIONS

Neither the SIBS Group nor the company management nor our associated companies paid fines or penalties in 2022. We have also not been subject to criminal or civil proceedings relating to human rights, labour law, corruption, taxation or fair market conditions.

GRI 2-28
MEMBERSHIP ASSOCIATIONS

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

GRI 2-30
COLLECTIVE BARGAINING AGREEMENTS

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

GRI 201-4
FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

During the year, SIBS received investment subsidies for the construction of rental housing in Sweden totalling SEK 199,804,832. No state or state-controlled company has a shareholding in SIBS.

GRI 202-1
RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER
COMPARED TO LOCAL MINIMUM WAGE

None of SIBS' staff earn below the statutory minimum wage in Malaysia of RM 1,500. This applies to all staff, including probationary and temporary workers. The median total monthly remuneration (including allowances) for our staff in Malaysia is RM 2,378, which is 1.59 times the minimum wage. This has been ensured through full transparency of our factory's financial accounts.

GRI 302-1
ENERGY CONSUMPTION WITHIN THE ORGANIZATION

	2022	2021
Fuels, fossil	TJ	TJ
Diesel	6	4
Petrol	7	5
Properties, electricity	MWh	MWh
Total	5,087	3,949
Sweden	4,258	3,118
Malaysia	829	829
Properties, district heating	MWh	MWh
Total	234	3,949
Electricity sold		MWh
Some properties have a central electricity system through which we sell electricity to our tenants.		
Heat sold	1,469	355
Energy for hot water sold is not reported.		
The total volume of hot water sold in 2022 was 12,461 m ³		
Total energy use	TJ	TJ
Total energy use, excluding energy sold to tenants	24	19
Total energy use, including energy sold to tenants	33	23

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, our first factory and warehouse used 18,552 (16,895) m³ of water in 2022 (2021). Factory 2 did not have its own water meter in 2022 and usage is estimated at 5,000 m³. To reduce water dependency for residents, we have low-flow fixtures and

17 TJ, or 53 per cent, of total energy use (including energy sold to tenants) is renewable.

In 2022, SIBS purchased fuel for vehicles, a small number of industrial machines, electricity generators and temporary combustion for building heating. 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 steam or cooling during the year. Heating was provided by electricity to heat pumps and a small amount of district heating at peak times. Heating and cooling are included in the lease for our office and are therefore not reported here.

The data for the calculations comes mainly from grid owners, own meters and car leasing companies. The consumption of some cars has been calculated from an estimate of how much the specific car has been driven and tabulated consumption data. Conversion factors from the Greenhouse Gas Protocol have been used.

toilets, as well as individual metering and billing of both hot and cold water. Water use for residential buildings is lower than commonly occurring ratios. In total, our residents used 42,513 m³ of water in 2022.

The total water consumption of the entire Group in 2022 was 66,065 m³.

CRE 2: Water use in our properties is on average 65 m³ per apartment per year, which is equivalent to 177 litres per apartment per day. This is low compared with the reference value from Svenskt Vatten of 140 litres per person per day as average consumption, as most people live with more than one person in the apartments.

SIBS' largest waste streams originate from the production process in the factory, waste from construction in Sweden, demolition of existing buildings ahead of new construction, and waste generated by residents. 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.

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

On construction sites in Sweden, waste is handled in accordance with the Swedish Construction Industry (Byggindustrin) guidelines. When demolishing, we always inventory hazardous waste and materials that can be recycled or reused prior to demolition. Waste sorting is available to tenants at all our properties. Waste statistics for residents have been calculated on the basis of key figures from Swedish Waste Management (Avfall Sverige). Waste is also sorted at the head office, but the proportion of recycled waste is not reported as the volumes are calculated at a flat rate.

Waste	Total (kg)
Construction Sweden (MOBY)	
Concrete/tile	21,820
Scrap metal	20,460
Iron & metal scrap	143,180
Combustible waste	594,680
Landfill fraction	4,680
Paints and varnishes containing hazardous substances (HW)	61
Adhesives and sealants containing hazardous substances (HW)	36
Water containing oil for oil separation (HW)	900
Creosoted wood (HW)	10,020
Sludge from septic tanks (HW)	1,000
Filling materials	72,100
Plaster	79,590
Thermosetting polymer	700
Mineral wool	1,290
Soft plastic	20,210
Separable waste	277,270
Wood	172,550
Corrugated board	560
Total	1,421,107
Factories Malaysia (SIBS MY)	
Concrete debris	608,634
Plaster	238,680
Other	159,120
Metal	146,020
Tile and clinker	75,578
Fibre cement boards	71,604
Paper/cardboard	35,500
Wood	23,980
PE and PP plastic	23,868
Rock wool	15,911
Washing water with paint residues (HW)	15,586
PVC plastic	12,820
Other hazardous waste (HW)	3,793
Copper wire	2,209
Gloves and cloths (HW)	2,027
Covid tests (HW)	904
Glass from X-ray cathodes (HW)	63
Total	1,436,297

HW indicates that the waste fraction is classified as Hazardous Waste.

Waste 2022	Total (kg)	For recycling (kg)	For recycling including energy recovery (kg)	Percentage for recycling	Percentage for recycling including energy recovery
Total	12,280,736				
Construction and factories	2,857,404	460,360	1,275,569	0.16	0.45
Of which factories (Malaysia)	1,436,297	220,529	220,529	0.15	0.15
Of which construction (Sweden)	1,421,107	460,360	1,055,040	0.32	0.74
Waste from demolition (Subcontractors)	8,787,542				
Waste from tenants (Flat rate)	532,672				
Waste from offices (Flat rate)	4,604				

	Total	Percentage %	Sweden		Malaysia	
			Number	Percentage %	Number	Percentage %
New hires during the year						
Total	239	32	42	47	197	41
Men under 30	156	21	10	11	146	74
Women under 30	12	2	3	3	9	5
Men aged 30-50	58	8	19	21	39	20
Women aged 30-50	10	1	7	8	3	2
Men over 50	1	0	1	1	0	0
Women over 50	2	0	2	2	0	0
Persons who left during the year						
Total	127	17	4	4	123	18
Men under 30	93	12	0	0	93	14
Women under 30	4	1	0	0	4	1
Men aged 30-50	27	4	3	3	24	4
Women aged 30-50	0	<1	0	0	0	0
Men over 50	3	<1	1	1	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 938 (565), of whom 41 were women (26) and 897 men (539). The sickness rate for the whole Group was 1.76%, of which the Swedish operations had 1.21% and the Malaysian operations 1.8%. In terms solely of permanent staff, excluding probationary staff, 21 people, or 9%, 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 as at 31/12/2022 is stated.

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

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

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

GRI 401-3
PARENTAL LEAVE

All employees within the Group are entitled to parental leave. In SIBS Malaysia, no employee has taken parental leave. In Sweden, two 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 ILL HEALTH

	Sweden		Malaysia	
	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	1	12	22	0
Injury rate per 1,000,000 hours	6.9	16.7	15.6	0
Number of reported work-related illnesses	2	0	0	0
Injury rate per 1,000,000 hours	13.9	16.7	0	0
Total hours worked*	143,958	720,000	1,408,817	159,586

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

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.

During the year, a total of 35 work-related accidents were reported. Accidents consisted mainly of falls, slips and trips, occasional cuts and one strain injury. SIBS continuously makes risk assessments, regular safety

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

In Sweden, everyone has access to the health allowance, their "own" gym sessions and other activities that promote exercise. The new factory has a staff gym and other facilities to promote employee health. A total of two cases of work-related illness were reported during the year.

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

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

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

	Total %	Sweden %	Malaysia %
Women	5	24	3
Men	95	76	97
Under 30	68	20	71
Aged 30–50	31	75	28
Over 50	1	5	1

Guest workers from Myanmar make up 15% of our employees in Malaysia.

Region	Average earnings of women in relation to men, %
Total	101
Sweden	94
Malaysia	170

Our 2022 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 101% 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 407-1, 408-1, 409-1
FREEDOM OF ASSOCIATION, CHILD LABOUR, FORCED LABOUR

Trade union involvement is encouraged in our Code of Conduct, and our employees are active in issues related to health and safety and working conditions. This is done in Sweden through safety representatives, participation in exercises and risk mapping, etc. In Malaysia, this is done mainly through participation as representatives in the Health and Safety Committee, which in turn monitors and evaluates the work environment.

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

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

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

SIBS' product is the apartments that we rent out or sell. 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 Swedish Planning and Building Act and the building permit process.

We carry out tenant surveys in 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), random measurements of air pollution in finished apartments, simulation of thermal comfort and daylight, etc. We use all our knowledge and experience from previous projects to continuously develop our building system.

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

GRI 3-2
LIST OF MATERIAL TOPICS

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

The Sustainability Report is prepared annually for SIBS AB, including Group companies and subsidiaries. An adjustment has been made since the 2021 Sustainability Report. This relates to the calculation of the scope 2 climate impact and is described in more detail on page 36.



Board of Directors



MICHAEL WOLF
Chairman of the Board of Directors of SIBS AB

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



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

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



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

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



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

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



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

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

Strategic management



ERIK THOMAEUS
CEO SIBS AB & Group

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



MAGNUS SUNDELL
Deputy CEO, SIBS AB

Magnus is the Deputy CEO of SIBS and has more than 20 years of experience in the Real Estate Sector, most recently as CFO and Deputy CEO of Offentliga Hus and prior to that as Deputy CEO and CFO of Stendörren Fastigheter. Magnus previously held various senior positions at GE Capital over a period of 13 years. He holds a Bachelor's degree in Economics and Accounting from Uppsala University.



ULF THOMAEUS
CFO SIBS AB & Group

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



DAVID ÖSTERSTRÖM
CEO Frontlog, COO SIBS AB

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

Operational management



ERIK THOMAEUS
CEO SIBS AB & Group

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



PÄR THOMAEUS
CEO Sveaviken Bostad

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



DAVID ÖSTERSTRÖM
CEO Frontlog, COO SIBS AB

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



JON MELLQVIST
Head of Sustainability

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



PÄR THOMAEUS
CEO Sveaviken Bostad

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



CARL SAIDAC
Deputy CEO Sveaviken Bostad

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



ERIK SÖDERHOLM
CTO SIBS AB & Group

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



REBECCA PRYTZ
Head of Corporate Communications, SIBS AB & Group

Rebecca has overall responsibility for the Group's communications and PR. She has extensive experience in communications and business development and many years in the real estate sector, including as Communications Director at Besqab. Before joining SIBS, she was the owner and business strategist at Bird & Bridge.



PATRIK JENSEN
CEO MOKO AB

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



VIKTOR RYD
CEO MOBY AB

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



PÄR-HENRIK ALMÉN
Deputy CEO MOBY AB

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



PER BOHLIN
CEO REHOUSE

Per trained as a building and construction engineer and has more than 25 years of experience in the construction industry. Prior to joining SIBS, he worked as a project delivery manager at BoKlok Norge, having previously held several roles at Skanska, including as Business and Marketing Manager for Skanska's Swedish housing regions.



PETER BACKSTRÖM
HEAD OF PROPERTY MANAGEMENT SVEAVIKEN BOSTAD

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



JENNY GARNEIJ
CHIEF OF STAFF SIBS AB

Jenny is the Group's chief of staff and is responsible for driving key initiatives within the fields of marketing, HR and IT. She has extensive experience from various management positions at growth companies. Jenny has worked in the real estate sector for many years. Prior to joining SIBS, she was owner and CEO of Bird & Bridge Associates.



EBBA EKMAN
LOGISTICS MANAGER FRONTLOG

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

Financial reporting



Directors' report

The Board of Directors and the CEO of SIBS AB (publ), org. no 559050-3073, hereby presents its annual report and consolidated accounts for the financial year 1 January to 31 December 2022. Data in brackets refer to the previous financial year. The seat of the Board is in Stockholm.

January – December 2022

- Net sales increased to SEK 1,384,307 thousand (852,963), of which rental income (including SIBS' share of joint ventures) amounted to SEK 54,997 thousand (28,276). This increase is mainly the result of the expansion of the investment property portfolio.
- Changes in the value of investment properties amounted to SEK 1,470 thousand (259,100). The changes in value were negative for the final two quarters of the year, reflecting the changed market conditions (see income statement).
- Profit from associated companies and joint ventures amounted to SEK 390,546 thousand (419,607). The decrease in profit from associated companies is mainly the result of fewer project starts than in the previous year.
- Operating profit for the year amounted to SEK 336,678 thousand (666,739).
- During the year, the Group invested around SEK 384 million in its wholly owned investment properties and acquired development rights and investment properties for approximately SEK 281 million. A further SEK 258 million was invested in the Group's production facilities. These investments were financed through self-generated funds, approximately SEK 684 million in additional bank debt and a new issue of around SEK 132 million.

The business in general

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

SIBS is one of the leading industrial producers of housing in the global market. SIBS has a scalable capacity at existing factories of up to around 5,000 homes per year and delivers either turnkey houses or modules, providing assistance all the way to the turnkey stage. The SIBS Group, with 1,052 employees as at 31/12/2022, operates across the entire real estate chain – from land acquisition, detailed plan development and development rights to planning, production, transport, construction and finally management of the finished residential properties. Expertise and continuous development stay within the Group and contribute to a quality-assured and growth-focused business. After the end of the financial year,

SIBS announced its first international collaboration, with an initial contract to deliver around 500 apartments to our new UK partner, Donard Living.

Vision

SIBS' vision is to set a new standard in the construction industry. Our long-term objective is to drive the development of tomorrow's construction industry, where construction projects cost less, are completed faster and are more predictable. Taking months, not years, to build new homes. Our ambition is to lead developments within ConstructionTech – 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 and performs all Group Management functions.
- MOKO AB is the Group's engineering and architectural company and is responsible for development and design.
- MOBY AB is the construction company responsible for everything at the building site.
- SIBS Sdn Bhd is the module manufacturing company located in Malaysia, which owns and operates our two factories.
- Frontlog AB is the logistics company that procures and is responsible for all transport from the factory to the construction site.
- Sveaviken Bostad AB is our property-owning company that owns and is responsible for the management of our properties and our joint ventures ("JV companies").

Ownership structure as at 31 December 2022

Owners	Number of shares	Ownership by %
Industrium AB	146,550	25.1
Neptunia Invest AB	101,054	17.3
J&G Invest AB	92,268	15.8
Ramstedt Gruppen AB	70,891	12.1
Exoro Capital AB	49,934	8.5
Other shareholders	124,166	21.2
Total	584,863	100.0

Significant events during the year

- During the year, Sveaviken acquired properties with existing or future development rights for the construction of around 5,970 homes. These properties are at various stages of the detailed development plan process and are expected to be ready for construction during the period 2023–2027.
- The Group management was expanded during the year with the recruitment of Rebecca Prytz and Jenny Garneij in Corporate Communications and Marketing Operations. Per Bohlin was also recruited as the CEO of SIBS' new Rehouse business area and Michael Wolf took up the position of the new Chair of the Board of SIBS AB.
- In September, SIBS' second factory in Penang, Malaysia, was inaugurated. Fully operational, the new factory has a production capacity of around 4,000 apartments per year.
- SIBS announced its first international deal. A letter of intent was signed with Donard Living with the aim of building around 1,000 apartments per year in the UK and Ireland using the SIBS building system.
- Silver award for the Rehouse Niwa project in the Sweden Green Building Council's prestigious Green Building of the Year competition.
- In November, SIBS carried out a share issue targeted at both existing and new shareholders, which raised approximately SEK 132 million for the Group.

Significant events after the end of the financial year

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

- Magnus Sundell took up the position of Deputy CEO of SIBS AB in January 2023 and Carl Saidac of Deputy CEO of the subsidiary Sveaviken Bostad.
- SIBS signed a contract for an initial order from property developer Donard Living, for 495 apartments in two developments located within commuting distance of central London. Production has started at the SIBS factory and construction should begin in the second half of 2023. The deal falls within the Industrial Sales business area, in the Module Sales product category.

Organisation and employees

The average number of full-time employees, including probationary employees, in the Group during the year was 938 (565), of whom 41 were women (26) and 897 men (539). The sickness rate for the whole Group was 1.76%, of which the Swedish operations had 1.21% and the Malaysian operations 1.8%.

Liquidity and financing

SIBS' operations can be capital-intensive at times, depending on how different investments can be financed. However, the company is able to dispose of assets as required in order to release liquidity and the Board evaluates this need on an ongoing basis. The investments made to date in production capacity provide opportunities to meet demand on new markets and also for new

business models, which it is considered may lead to more regular ongoing cash flow. The company's bond loan of SEK 600 million matures in April 2024. The Board is currently assessing how and whether this should be refinanced or whether it could be repaid using self-generated cash flows.

Influencing market factors

The number of newly started housing projects on the Swedish market reduced significantly during the year. SIBS continues to maintain low production costs and a high level of cost control, enabling us to complete our projects as planned. The market situation is also affecting SIBS, however, and there were no construction starts for new projects during the fourth quarter.

SIBS' business model is flexible and can be rebalanced in keeping with changing market conditions. As the domestic market has now changed, we have increased our focus on industrial sales. These include large and conceptual projects in several geographical markets, and bespoke properties on behalf of external developers. This is allowing SIBS to scale up the business across multiple geographical segments and to continue growing in step with the market. The factories in Malaysia have full order books and production capacity is being scaled up in 2023 in order to meet the growing demand from international markets. As always, we continue to monitor market developments closely and ensure that we are well-equipped to handle various possible scenarios.

The investment subsidies that were discontinued at the turn of the year 2021/2022 were not a prerequisite for profitable projects at SIBS. Instead, the geographical location of projects has assumed even greater importance. Sveaviken has a well-planned project portfolio, with all projects located in Mälardalen and in the three largest city regions.

We have a 99% occupancy rate for our existing properties with a low turnover. We also have very high quality management that combines efficiency, digitisation and close dialogue with our tenants.

SIBS has not been significantly affected by the large cost increases for building materials in Europe. This is mainly because material prices have not increased as much in Southeast Asia, where the majority of SIBS' purchases are made. The price of materials in Asia stabilised during the year and the market prices of steel and sea freight, for example, have returned to pre-pandemic levels.

As well as creating human suffering, Russia's ongoing invasion of Ukraine has resulted in considerable uncertainty in the global economy. SIBS has long contracts and is a priority customer of our main suppliers, all with production close to our factories in Penang, Malaysia. SIBS' supply of materials and resources has so far been unaffected by the ongoing war.

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, SIBS has worked with a new sustainability strategy with a greater focus on our climate impact. We have drawn up life cycle assessments for the size of the impact that our properties have on the climate and we have mapped our indirect climate impact (scope 3). We have also analysed almost all of our properties in terms of how they may be affected by climate change and we have ensured that we have taken all the measures necessary and we continued to work with the green certification of our properties and with assessments in Byggarbedomningen. SIBS reports for the first time in 2022 its alignment with the EU Taxonomy for green investments, with a large proportion of properties fulfilling the requirements. SIBS Malaysia has received certification according to ISO 9001, 14001 and 45001, which means that the management systems of SIBS AB and of all our subsidiaries are now certified.

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. Risk management and risk minimisation are therefore priority areas that help SIBS to maintain the long-term stability of the company and which are one of the prerequisites for good, profitable growth and development. A description of the risks can be found in the table on pages 78–81.

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

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

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

SIBS is well positioned for growth

SIBS streamlined its business model into three clear business areas during the year, which are perfectly tailored to the global market and SIBS' expansion. SIBS is one of the leading industrial producers of housing in the global market. With a scalable capacity at existing factories of up to around 5,000 homes per year, we deliver either turnkey houses or modules, providing assistance all the way to the turnkey stage.

Industrial Sales

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

Property Development & Management

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

The Home Factory

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

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

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

Proposal for appropriation of profit (SEK)

Parent Company

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

Retained earnings	-350,632,551
Capital injections received	618,801,137
Profit/loss for the year	-124,811,786
Total	143,356,800

The Board of Directors and the CEO propose:

Carried forward to new account	143,356,800
Total	143,356,800

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



Risks

SIBS' activities involve both risks and opportunities. Risk management and risk minimisation are therefore priority areas that help SIBS to maintain the long-term stability of the company. It is also part of the basis for good, profitable growth and development. SIBS conducts 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. There are clear decision points in the process for obtaining approval after reviewing the evidence. SIBS' Quality and Environmental Policy is an important basis for risk management in projects. SIBS attaches great importance to the right analysis, from the early stages of 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 non-compliance of what is being designed with predetermined parameters or regulatory requirements. Architectural objects in the planning work ensure experience feedback.
Disruption to production at factories	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.	SIBS has 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. SIBS' two factories with scalable capacity provide excellent operational reliability.
Disruption 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.
Quality	SIBS has scalable production capacity of up to 5,000 apartments per year. This places great demands on expertise, processes and established quality controls to ensure the same high quality is always achieved whatever the volume produced.	SIBS has extensive quality controls, with more than 300 quality points being digitally measured and documented throughout the production chain. SIBS has well-established processes and procedures to ensure efficiency and quality. New employees receive comprehensive onboarding and ongoing support in order to ensure that expertise is passed on. SIBS also has the company-specific system SPS Flow (SIBS Production System Flow), which supports, manages and documents projects from their early stages right through to the management stage.
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 lesser efficiency. If the company is perceived as lacking in values or leadership, staff turnover may increase and recruitment may be made more difficult.	SIBS is 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. However, 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.	All properties have quality-assured maintenance plans. The management team works continuously to optimise the cost and revenue side, ensuring that plans are followed and identifying any need for early action. Our properties have very low energy consumption, thanks to solar panels, geothermal heating systems etc. and energy efficiency of the building system.
IT and information security	Lack of IT security can have major consequences, such as the destruction, loss or theft of data.	SIBS has a well-developed and fully implemented IT policy governing procedures, behaviour, systems and storage. SIBS keeps abreast of developments in data security and engages the assistance of external expertise to ensure a high level of data and information security.

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	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 wants of the target group. 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.	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. Tenants are approved according to an established process that also ensures the tenant's ability to pay.
Refinancing and liquidity risk	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. 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. Lack of compliance with rules or agreements may entail penalties, as well as damage to confidence or the conditions for external funding.	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 fixes 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.
Property valuation	SIBS recognises its investment property holdings at fair value, which means that the consolidated book value of the properties corresponds to the estimated market value in accordance with the accounting standard IAS 40 Investment Property. A decline in the market value of the properties therefore has a direct negative impact on the consolidated earnings and financial position, even though the Group's cash flow is not affected until the property is sold.	To ensure a fair and credible assessment of the market value of the properties, the company engages external, independent and reputable valuation companies, which perform annual market valuations of all of the Group's properties.

EXTERNAL RISKS

RISK AREA	DESCRIPTION	MANAGEMENT
Crises	A crisis in the world can comprise 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 that harms trust may affect the company's ability to operate successfully. If mistakes are made due to lack of competence or ignorance of SIBS values, processes and applicable regulations, reputation may be adversely affected.	SIBS strives and actively works to ensure that we meet the expectations of the world around us. We have good internal governance, high internal efficiency and a clear set of values that all employees and suppliers are expected to act upon. We continuously develop and revise our internal governance documents and communicate with and train our employees to enable everyone to contribute to compliance and quality assurance.
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, the valuation is affected by the business cycle, as is the return requirement on valuation.	SIBS has a well-balanced project portfolio with an appropriate geographical spread in attractive locations. Each property has a clear plan. Sustainability is a priority and therefore the properties have solar panels and geothermal heating systems. Management is long-term, with a focus on 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 a clear sustainability strategy for net zero climate emissions by 2045. SIBS carries out structured work throughout the Group to reduce our climate impact.
Workplace accidents	SIBS is active in both industry and construction, both of which are sectors with a high risk of workplace accidents such as falls and crushing injuries, and in the worst case, death. A good psychosocial working environment is also prioritised.	Systematic occupational health and safety management throughout the process, with regular investigations, risk assessments, measures and follow-up. The working environment is a top priority. The construction company MOBY and SIBS' factories in Malaysia are certified according to ISO 45001. The induction process for new employees includes a review of the risks and how we minimise these and promote a good, safe working environment.
Failure to meet environmental requirements	Our green 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 SIBS 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 monitor compliance. We have implemented a whistleblowing scheme and actively follow up and report according to the UN Global Compact. SIBS prioritises suppliers that have active environmental management. SIBS is a member of Byggarbetetsrådet to ensure a good, non-toxic built environment, as well as a responsible supply chain.

Consolidated income statement

SEK thousand	Note	Jan-Dec 2022	Jan-Dec 2021
Rental income	9, 10	46,219	16,602
Project and contract revenue	9	1,338,088	836,361
Net sales		1,384,307	852,963
Property expenses		-8,119	-2,757
Project and contracting activity expenses	11	-1,314,355	-797,801
Gross profit/loss		61,833	52,404
Work carried out by the company on its own behalf and capitalised	18	104,802	93,280
Development expenses		-104,802	-93,280
Administrative expenses	12, 13	-124,124	-65,483
Operating profit/loss before change in value		-62,291	-13,080
Change in value of investment properties	19	1,470	259,100
Other operating income		6,967	1,449
Other operating expenses		-14	-338
Profit/loss from associated companies and joint ventures	27	390,546	419,607
Operating profit/loss		336,678	666,739
Financial income	15	4,898	560
Financial expenses	16	-109,511	-66,839
Profit/loss before tax		232,065	600,460
Taxes	17	38,486	-57,534
Profit/loss for the period		270,551	542,926
Attributable to:			
The Parent Company's shareholders		266,380	545,693
Non-controlling interests		4,171	-2,767
Total profit/loss for the period		270,551	542,926
PROFIT/LOSS FOR THE PERIOD		270,551	542,926
Other comprehensive income			
<i>Items that may be reclassified to the income statement</i>			
Revaluation of owner-occupied properties		20,317	20,232
Translation differences		22,193	7,519
Other comprehensive income for the year, net after tax		42,510	27,751
Total comprehensive income for the period		313,061	570,676
Comprehensive income attributable to:			
The Parent Company's shareholders		304,609	573,443
Non-controlling interests		8,452	-2,767
Total comprehensive income for the period		313,061	570,676

Commentary on consolidated income statement

Rental income increased during the period to SEK 46,219 (16,602) thousand and operating expenses to SEK 8,119 (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 1,338,088 (836,361) thousand and expenses of SEK 1,314,355 (797,801) thousand. The income and expenses relate to projects in which the Group does not have a controlling interest.

Throughout the period, the Group continued its work on the development of the building system and its processes.

Development expenses amounted to SEK 104,802 (93,280) thousand and are capitalised in the balance sheet under Capitalised development expenses.

Administrative expenses amounted to SEK 124,124 (65,483) thousand of which depreciation/amortisation amounted to SEK 15,995 (13,446) thousand, consisting primarily of the amortisation of development expenses.

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

Consolidated statement of financial position

SEK THOUSAND	Note	Jan-Dec 2022	Jan-Dec 2021
ASSETS			
Non-current assets			
Capitalised development expenses	18	366,704	272,627
Investment properties	19	2,809,172	679,998
Owner-occupied properties	20	500,545	273,995
Right-of-use assets	23	3,239	2,159
Expenses incurred through improvements to other people's property	21	92	41
Machinery and equipment	22	82,280	33,690
Deferred tax assets	24	52,829	12,054
Shares in associated companies and joint ventures	27	727,844	673,191
Other non-current receivables	28	7,716	7,716
Total non-current assets		4,550,421	1,955,471
Current assets			
Inventories	29	134,892	58,610
Trade receivables	30	5,569	246,700
Unbilled earned income		46,530	238,025
Debts due from associated companies		317,605	299,058
Other receivables	31	78,455	55,806
Prepaid expenses and accrued income	32	114,511	6,890
Cash and cash equivalents	33	122,556	178,926
Total current assets		820,118	1,084,016
TOTAL ASSETS		5,370,539	3,039,487

Consolidated statement of financial position

SEK THOUSAND	Note	Jan-Dec 2022	Jan-Dec 2021
EQUITY AND LIABILITIES			
Equity			
Parent Company's shareholders			
Share capital		585	556
Other capital contributions		618,801	486,944
Reserves		44,393	1,883
Retained earnings including profit/loss for the year		1,014,404	850,049
Total equity attributable to the Parent Company's shareholders		1,678,183	1,339,431
Non-controlling interests		12,792	4,340
Total equity		1,690,975	1,343,771
Non-current liabilities			
Non-current interest-bearing liabilities	35	2,291,648	955,195
Deferred tax liabilities	24	40,624	39,652
Other liabilities		354,673	-
Provisions for other liabilities and charges	36	4,294	6,821
Total non-current liabilities		2,691,239	1,001,668
Current liabilities			
Current interest-bearing liabilities	35	178,920	179,096
Invoiced unearned income		145,547	2,414
Trade payables		253,547	126,853
Liabilities to associated companies		186,000	77,429
Current tax liabilities		1,678	417
Other liabilities	37	130,369	242,954
Accrued expenses and deferred income	38	92,264	64,886
Total current liabilities		988,325	694,048
TOTAL EQUITY AND LIABILITIES		5,370,539	3,039,487

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

Commentary on the consolidated statement of financial position

Investment properties

The investment properties item increased during the financial year to SEK 2,809,172 (679,998) thousand. 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 727,844 (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

These items contain receivables and liabilities in relation to companies that are not wholly owned. The net change in these items during the period is the result of the additional projects managed through joint ventures.

Non-current liabilities

Non-current liabilities mostly comprise bonds and fully financed projects that are wholly owned by the Group.

Consolidated statement of changes in equity

SEK THOUSAND	Attributable to the Parent Company's shareholders					Total Equity
	Share capital	Paid-up capital	Reserves	Retained earnings incl. profit/loss for the year	Non-controlling interests	
Opening equity at 1 January 2021	500	237,000	-25,868	304,355	7,107	523,094
Comprehensive income for the year:						
Profit/loss for the year	-	-	-	545,692	-2,767	542,926
Revaluation of owner-occupied properties	-	-	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
Opening equity at 1 January 2022	556	486,944	1,883	850,047	4,340	1,343,771
Profit/loss for the year	-	-	-	266,380	4,171	270,551
Revaluation of owner-occupied properties	-	-	20,317	-	2,258	22,575
- Translation differences, net	-	-	22,192	-2,023	2,023	22,192
Total comprehensive income	-	-	42,509	264,357	8,452	315,317
Transactions with shareholders:						
Dividends	-	-	-	-100,000	-	-100,000
Share issues*	29	131,857	-	-	-	131,886
Total transactions with shareholders	29	131,857	-	-100,000	-	31,886
Closing equity at 31 December 2022	585	618,801	44,393	1,014,404	12,792	1,690,975

*The company carried out a share issue for approximately SEK 150,988 thousand, of which SEK 131,886 thousand was partially registered in 2022 and the remainder will be registered in 2023.

Consolidated cash flow statement

SEK THOUSAND	Jan-Dec 2022	Jan-Dec 2021
Operating activities		
Profit/loss after financial items	232,065	600,460
– Depreciation/amortisation and impairments	41,067	30,223
– Capital gains/losses	-	-48,552
– Capitalised interest	14,746	3,515
– Measurement at fair value through profit and loss	42,133	-259,100
– Share in profit/loss of associated companies and JVs	-390,546	-362,953
– Provisions	-	6,821
– Unrealised exchange rate differences	-563	-3,072
	-61,098	-32,659
Income tax paid	-4,032	-6,980
Cash flow from operating activities before changes in working capital	-65,130	-39,639
Cash flow from changes in working capital		
Decrease (+)/increase (-) in inventories	-71,619	-2,861
Decrease (+)/increase (-) in current receivables	344,775	-280,359
Decrease (-)/increase (+) in current liabilities	115,215	168,155
Total change in working capital	388,371	-115,065
Cash flow from operating activities	323,241	-154,704
Investing activities		
Capitalised development expenses	-104,802	-89,918
Investments in investment properties	-384,074	-14,567
Acquisition of owner-occupied properties	-197,276	-138,782
Acquisition of, and capital contributions to, associated companies	-9,125	-52,122
Acquisition/sale of subsidiaries	-273,420	-106,407
Acquisition of property, plant and equipment	-60,506	-10,869
Change in long-term loans	-	397
Cash flow from investing activities	-1,029,203	-412,269

Consolidated cash flow statement

SEK THOUSAND	Note	Jan-Dec 2022	Jan-Dec 2021
Financing activities	40		
Dividends		-100,000	-
Shareholders' contributions received		-	-
Share issues		131,886	250,000
Bonds issued		-	236,865
Other borrowings		-	-
Bank loans taken out		683,722	47,254
Bank loan repayments		-25,804	-17,211
Lease liability repayments		-	-
Loans to associated companies and joint ventures		-41,144	-
Cash flow from financing activities		648,660	516,908
CASH FLOW FOR THE YEAR		-57,303	-50,065
Cash and cash equivalents at the start of the year		178,926	228,151
Exchange rate differences in cash and cash equivalents		932	840
Cash and cash equivalents at the end of the year	33	122,556	178,928

Parent Company income statement

SEK THOUSAND	Note	Jan-Dec 2022	Jan-Dec 2021
Operating income			
Net sales		26,724	3,113
Work carried out by the company on its own behalf and capitalised	18	106,766	93,280
Other operating income		4,085	35
Total operating income		137,575	96,429
Operating expenses			
Development expenses		-106,766	-93,280
Administrative expenses	12, 13	-50,369	-35,868
Other operating expenses		-3	-338
Operating profit/loss		-19,563	-33,058
Profit/loss from financial investments			
Profit/loss from shares in Group companies	14	-70,000	242,743
Profit/loss from shares in associated companies	15	400	-
Interest income and similar income statement items	15	2,963	9,267
Interest expenses and similar income statement items	16	-55,879	-59,322
Profit/loss after financial items		-142,079	159,629
Deferred tax	17	17,267	-
PROFIT/LOSS FOR THE YEAR		-124,812	159,629

The profit/loss for the year corresponds to the comprehensive income of the Parent Company.

Parent Company balance sheet

SEK THOUSAND	Note	Jan-Dec 2022	Jan-Dec 2021
ASSETS			
Non-current assets			
Non-current intangible assets			
Capitalised development expenses	18	372,031	275,990
		372,031	275,990
Property, plant and equipment			
Expenses incurred through improvements to other people's property	21	92	41
Equipment	22	389	370
		481	411
Financial non-current assets			
Shares in Group companies	25	237,810	205,260
Receivables from Group companies	26	316,284	637,141
Shares in associated companies	27	35	35
Deferred tax assets		17,267	-
Other non-current receivables	28	7,716	7,716
		579,112	850,152
Total non-current assets		951,624	1,126,552
Current assets			
Current receivables			
Trade receivables		744	-
Receivables from Group companies		145,591	-
Other receivables	31	3,715	3,278
Debts due from associated companies		30,692	31,633
Prepaid expenses and accrued income	32	2,370	1,515
		183,112	36,426
Cash at bank and in hand	33	122,546	149,788
Total current assets		305,658	186,214
TOTAL ASSETS		1,257,281	1,312,766

Parent Company balance sheet

SEK THOUSAND	Note	Jan-Dec 2022	Jan-Dec 2021
EQUITY AND LIABILITIES			
Equity	34		
Restricted equity			
Share capital		585	556
Reserve for development expenses		372,030	275,990
		372,615	276,545
Non-restricted equity			
Other capital contributions		618,801	486,944
Retained earnings		-350,632	-314,222
Profit/loss for the year		-124,812	159,629
		143,357	332,351
Total equity		515,972	608,896
Non-current liabilities			
Liabilities to Group companies		-	29,319
Non-current interest-bearing liabilities	35	596,280	593,400
		596,280	622,719
Current liabilities			
Current interest-bearing liabilities	35	40,000	-
Trade payables		9,185	2,963
Income tax liabilities		393	216
Liabilities to Group companies		63,984	66,536
Other liabilities	37	17,594	844
Accrued expenses and deferred income	38	13,873	10,592
		145,029	81,151
TOTAL EQUITY AND LIABILITIES		1,257,281	1,312,766

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

Parent Company statement of changes in equity

SEK THOUSAND	Share capital	Reserve for development expenses	Paid-up capital	Retained earnings including profit/loss for the year	Total equity
Opening equity at 1 January 2021	500	193,434	237,000	-231,667	199 267
Reserve for development expenses	-	82,555	-	-82,555	-
Profit/loss for the year	-	-	-	159,629	159,629
Bonus issue	-	-	-	-	-
Share issues	56	-	249,944	-	250,000
Closing equity at 31 December 2021	556	275,990	486,944	-154,593	608,896
Opening equity at 1 January 2022	556	275,990	486,944	-154,593	608,896
Reserve for development expenses	-	96,041	-	-96,041	-
Profit/loss for the year	-	-	-	-124,812	-124,812
Transactions with shareholders					
Dividends					
Share issues*	29	-	131,857	-	131,886
Closing equity at 31 December 2022	585	372,031	618,801	-475,445	515,972

*The company carried out a share issue for approximately SEK 150,988 thousand, of which SEK 131,886 thousand was partially registered in 2022 and the remainder will be registered in 2023.

Parent Company cash flow statement

SEK THOUSAND	Note	Jan-Dec 2022	Jan-Dec 2021
Operating activities			
Profit/loss after financial items		-142,079	159,629
– Depreciation/amortisation and impairments		10,969	11,140
– Capitalised interest		14,747	-1,654
– Unpaid anticipated dividends		-	-242,743
			-73,628
Income tax paid/received		177	-95
Cash flow from operating activities before changes in working capital		-116,186	-73,723
Cash flow from changes in working capital			
Decrease(+)/increase(-) in operating receivables		96,444	3,773
Decrease(-)/increase(+) in operating liabilities		-17,483	24,013
Total change in working capital		78,961	27,786
Cash flow from operating activities		-37,225	-45,937
Investing activities			
Acquisition of subsidiaries		-32,550	-303
Acquisition of associated companies		-	-
Acquisition of non-current intangible assets		-106,766	-93,280
Acquisition of property, plant and equipment		-314	-74
Change in long-term lending		940	-357,235
Cash flow from investing activities		-138,690	-450,892
Financing activities			
	40		
Share issues		131,886	250,000
Dividends		-100,000	-
Bond issuance		-	237,140
Loans, borrowings		116,787	-
Loans, amortisation		-	-53,081
Shareholders' contributions received		-	-
Cash flow from financing activities		148,673	434,060
Cash flow for the year		-27,242	-62,769
Cash and cash equivalents at the start of the year		149,788	212,556
Cash and cash equivalents at the end of the year	33	122,546	149,788

Notes to the financial statements

NOTE 1 COMPLIANCE WITH DESIGN AND LAW

Basis of preparation of the financial statements

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 Swedish Financial Reporting Board 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.

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

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

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

NOTE 3 FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The Parent Company's functional currency is Swedish kronor, which is also the presentation currency for the Parent Company and the Group. This means that the financial statements are presented in Swedish kronor. Unless otherwise stated, all amounts are rounded to the nearest 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 component of equity, called the 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.

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

NOTE 5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have, 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 corporate acquisition is a business combination if, in addition to the property, the acquisition includes other resources and processes.

When the corporate acquisition is not deemed to be a business combination, it is recognised as an acquisition of assets and liabilities, and the cost is allocated to the assets and liabilities based on their fair 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 recognised in accordance with IFRS 3 Business Combinations. The method treats the acquisition of a subsidiary as a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis determines the fair value at the acquisition date of the identifiable assets acquired and liabilities assumed and any non-controlling interests. Transaction costs incurred are recognised directly in profit or loss, except for transaction costs related to the 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 the preparation of the consolidated financial statements.

Associated companies

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 recognised using the equity method.

Joint ventures

Joint ventures are, for accounting purposes, those entities over which the Group has joint control of the operational and financial management through cooperation agreements with one or more parties. In the consolidated financial statements, investments in joint ventures are consolidated using the equity method. Under the equity method, the carrying amount of the Group's interest in joint ventures is equal to the Group's share of the equity of the joint ventures, together with 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 associated companies 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, Property Management and Other Group. Each segment is monitored in terms of operational activities, with regular reporting to the Group Management. The Group Management monitors operating results and, on the asset side, the value of properties and investments.

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 recognised in accordance with IFRS 15 Revenue from Contracts with Customers. Revenue from construction contracts is recognised by applying the "percentage of completion" method. This means that income and expenses are recognised in relation to the stage of completion of the project at the balance sheet date. The percentage of completion is determined by calculating the ratio of contract costs incurred for work performed at the balance sheet date to the estimated total contract costs. An anticipated loss on a construction contract is recognised immediately as an expense. When the outcome of a contract cannot be measured reliably, revenue is recognised only for the amount of 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 on the balance sheet (receivables from principals under construction contracts). Similarly, the difference between invoiced amounts and unearned project revenue is recognised as a liability on the balance sheet (liabilities to principals under construction contracts).

Income from property sales

Income from property sales is recognised when the significant risks and rewards of ownership have been transferred to the buyer, normally on the date of contract or completion. The timing of revenue recognition takes into account the risks and rewards agreed between the parties and their involvement in day-to-day management. 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 recognised using the effective interest method.

Financial expenses

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

Borrowing costs attributable to the construction of "qualifying assets" are capitalised as part of the cost of the qualifying asset. A qualifying asset is an asset that necessarily takes a significant amount of time to complete. Borrowing costs incurred on loans specific to the qualifying asset are capitalised 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 because these leases are considered perpetual from the Group's perspective, as the Group has no right to terminate the leases.

Lease liabilities divided into current and non-current are initially measured at the present value of the remaining lease payments over the estimated lease term. The lease term is the non-cancel-

lable 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 are differences arising on the initial recognition of assets and liabilities that are not business combinations and which, at the time of the transaction, affect neither 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 loss carryforwards are recognised only to the extent that it is probable that they can be utilised. The value of deferred tax assets is reduced when it is no longer probable that they can be utilised.

Financial instruments

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

Recognition on and derecognition from the balance sheet

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

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

A financial asset and a financial liability are offset and presented net on the balance sheet only when there is a legal right to offset the

amounts and an intention to settle the items net or to realise the asset and settle the liability simultaneously.

Classification and measurement

The classification of financial instruments determines how the financial assets and liabilities are measured and recognised. The Group's policies for classifying and measuring financial assets are based on an assessment of both (i) the entity's business model for managing financial assets, and (ii) the characteristics of the contractual cash flows from the financial asset. Financial assets at amortised cost are debt instruments that are managed with the objective of realising the 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 measured 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 measured at amortised cost, being the amount expected to be collected, i.e. net of expected credit losses.

Financial liabilities

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

Investment properties

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

Investment property is initially recognised at cost, which includes expenditure directly attributable to the acquisition. Investment properties are carried at fair value on 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, independent parties in an arm's length transaction where both parties are presumed to have

acted prudently, wisely and without compulsion. Both realised and unrealised changes in value are recognised in profit or loss for the year. Rental income is recognised in accordance with the 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 recognised under IFRS 9, investment property recognised at fair value under IAS 40 and deferred tax assets recognised under IAS 12. For exempt assets as described above, the carrying amount is assessed in accordance with the respective standard.

Impairment of financial assets

The reserve for expected credit losses is calculated and recognised for financial assets measured at amortised cost. The company classifies trade receivables as doubtful following an individual assessment. The impairment of receivables is determined based on historical experience of customer losses 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 value in use as defined in IAS 36.

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

An increase in the carrying amount of an asset as a result of the reversal of a previous impairment loss 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 consists of owner-occupied properties and equipment under the control of the Group. Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Subsequent costs that meet the asset criterion are included in the carrying amount of the asset. Expenditure on routine maintenance and repairs is recognised as an expense when incurred. Owner-occupied properties are properties held for production purposes. These properties are valued

annually by an external valuer in order to identify any need for impairment. Where a significant surplus is identified, a revaluation of the owner-occupied property is recognised.

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:
Owner-occupied property 5–60 years
Equipment 3–10 years

Other non-current intangible assets

Other non-current intangible assets consist of capitalised development expenses. Intangible assets are recognised if it is probable that the future economic benefits attributable to the asset will accrue to the Group and the cost of the asset can be measured reliably. Consideration is given to the technical feasibility of completing and using the asset, demonstrating that there is a market for what the asset is used for, and that the Group has the technical and financial resources to complete 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 non-current intangible assets are controlled by the company.

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

Short-term benefits

Short-term employee benefits are calculated without discounting and are 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 on the balance sheet when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are made at the best estimate of the amount required to settle the present obligation at the balance sheet date. Where the effect of the timing of payments is material, provisions are calculated by discounting the expected future cash flows at a pre-tax interest rate that reflects current market assessments of the time value of money and, where appropriate, the risks associated with the liability.

Contingent liability

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

Classification etc.

Non-current assets and non-current liabilities consist essentially of amounts expected to be recovered or paid 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 statements are prepared using the indirect method. Profit or loss after financial items is adjusted for transactions not involving cash receipts or payments during the year, and for income and expenses related to investing or financing activities.

Accounting policies of the Parent Company

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

Differences between Group and Parent Company accounting policies

The differences between the accounting policies of the Group and the Parent Company are set out below. The accounting policies

of the Parent Company set out below have been applied consistently to all 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 Swedish Annual Accounts Act, while the statement of comprehensive income, statement of changes in equity and cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows, respectively. The differences between the consolidated financial statements and the Parent Company's income statement and balance sheet are mainly related to the recognition of financial income and expenses and equity.

Leases

The Parent Company does not apply IFRS 16 "Leases", in accordance with the exemption in RFR 2. As a lessee, lease payments are recognised as an expense on a straight-line basis over the lease term and therefore no right of use or lease liability is recognised on 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 expenses. At the Parent Company, financial non-current assets are measured at cost less any impairment, while financial current assets are measured in accordance with the lowest value principle. For financial assets carried at amortised cost, IFRS 9's impairment rules apply.

Shares in Group companies

Investments in Group companies are recognised at the Parent Company using the cost method.

Taxes

Untaxed reserves are presented on the Parent Company balance sheet without any division between equity and deferred tax liabilities, unlike in the Group. Similarly, no part of the appropriations is allocated to deferred tax expense in the Parent Company's income statement.

Group contributions

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

NOTE 6 PARENT COMPANY INFORMATION

SIBS AB is a Swedish-registered public limited company 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 2022 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 value 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 measurement technique as follows:

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

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

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

Measurement of investment properties at fair value

The measurement is based, as indicated in Note 19, on an estimate of future cash receipts and payments and a discounting of these, taking into account a risk-free interest rate and a risk premium. All these factors are therefore estimates of the future and, as such, are uncertain.

Measurement of contract revenue, contract costs, billed work in progress and unbilled work completed

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

Project activities

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

NOTE 8 SEGMENT REPORTING

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

SEK thousand	Property Management*		Other Group		Adjustments		Group total	
	2022 Jan-Dec	2021 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec
Rental income	54,997	28,276	-	-	-8,778	-11,674	46,219	16,602
Project and contract revenue	-	-	1,338,088	836,361	-	-	1,338,088	836,361
Total income	54,997	28,276	1,338,088	836,361	-8,778	-11,674	1,384,307	852,963
Project and contracting activity expenses	-	-	-1,314,355	-797,801	-	-	-1,314,355	-797,801
Property expenses	-12,499	-5,450	-	-	4,380	2,693	-8,119	-2,757
Gross profit/loss	42,498	22,826	23,733	38,559	-4,398	-8,981	61,833	52,404
Work carried out by the company on its own behalf and capitalised	-	-	104,802	93,280	-	-	104,802	93,280
Development expenses	-	-	-104,802	-93,280	-	-	-104,802	-93,280
Administrative expenses	-11,874	-3,308	-96,255	-51,391	-	2,662	-108,129	-52,037
Non-project-related depreciation/amortisation	-	-	-15,996	-13,446	-	-	-15,996	-13,446
Operating profit/loss before change in value	30,624	19,518	-88,518	-26,278	-4,398	-6,319	-62,292	-13,079
Change in value of investment properties	-111,382	65,789	112,852	193,311	-	-	1,470	259,100
Other operating income	-	-	6,967	1,449	-	-	6,967	1,449
Other operating expenses	-	-	-10	-338	-	-	-10	-338
Profit/loss from associated companies	-	-	386,148	413,288	4,398	6,319	390,546	419,607
Operating profit/loss	-80,758	85,307	417,439	581,432	-	-	336,681	666,739
Financial income	-	-	4,848	560	-	-	4,848	560
Financial expenses	-32,597	-9,306	-76,914	-57,533	-	-	-109,511	-66,839
Profit/loss before tax	-113,356	76,001	345,374	524,459	-	-	232,018	600,461
Taxes	22,882	-13,799	15,604	-43,735	-	-	38,486	-57,534
Profit/loss for the period	-90,474	62,203	360,978	480,724	-	-	270,504	542,927
ASSETS								
Capitalised development expenses	-	-	366,704	272,627	-	-	366,704	272,627
Investment properties	2,263,006	1,294,494	546,166	-	-	-614,496	2,809,172	679,998
Shares in associated companies	-	-	727,844	673,191	-	-	727,844	673,191
Other assets	97,561	222,189	1,376,195	1,191,483	-	-	1,473,756	1,413,672
Total assets	2,360,567	1,516,683	3,016,909	2,137,301	-	-614,496	5,377,476	3,039,488
EQUITY AND LIABILITIES								
Equity	234,407	295,205	1,456,567	1,048,567	-	-	1,690,974	1,343,772
Interest-bearing liabilities	1,614,896	521,481	1,210,344	612,810	-	-	2,825,240	1,134,291
Other liabilities	511,264	699,997	349,996	-138,572	-	-	861,262	561,425
Total equity and liabilities	2,360,567	1,516,683	3,016,909	1,522,805	-	-	5,377,476	3,039,488

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

NOTE 9 RENTAL INCOME AND REVENUE

	Group	
	2022	2021
Rental income	46,219	16,602
Project income (Construction contracts)	1,338,088	836,361
Total	1,384,307	852,963

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. On review of the contractual relationship in construction contracts, the assessment has been made that the contracts should be recognised in accordance with IFRS 15 Revenue from Contracts with Customers, using the percentage of completion method. Payment flows in project activities take place regularly on the basis of incurred costs, which are invoiced in arrears with payment terms of 30 days.

NOTE 11 PROPERTY EXPENSES

	Group	
	2022	2021
Operating costs	8,119	2,757
Total	8,119	2,757

NOTE 12 AUDITOR REMUNERATION

PWC	Group		Parent Company	
	2022	2021	2022	2021
Remuneration for audit assignments	1,674	1,211	1,263	1,003
Remuneration for audit activities other than audit assignments	262	110	78	-
Total	1,936	1,321	1,341	1,003
Messer Ooi & Associates	2022	2021	2022	2021
Remuneration for audit assignments	241	169	-	-
TOTAL	241	169	-	-

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 assignments.

NOTE 10 LEASES (LESSOR)

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

	Group	
	2022	2021
Due for payment within 1 year	21,035	5,283
Due for payment within 2–5 years	4,861	-
Due for payment later than 5 years	-	-
Total	25,896	5,283

NOTE 13 EMPLOYEES AND EMPLOYEE BENEFIT EXPENSE

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

Average number of employees by gender	Group		Parent Company	
	2022	2021	2022	2021
Sweden				
Women	9	3	5	3
Men	28	14	6	4
	37	17	11	7
Malaysia				
Women	32	18	-	-
Men	869	503	-	-
Total	938	538	11	7
Salaries and benefits total:				
CEO*	2,825	1,375	2,700	1,375
Other senior executives	11,398	11,342	2,767	1,900
Other employees	85,032	44,537	6,252	2,522
Total salaries and benefits	99,255	57,253	11,719	5,796
Statutory and contractual social security contributions	11,685	7,009	4,241	2,130
Pension costs:				
CEO	1,069	344	455	344
Other senior executives	804	752	489	462
Other employees	8,598	3,944	1,017	223
Total salaries, benefits, social security contributions and pension costs	121,411	69,302	17,921	8,954

Salaries and benefits refer to short-term employee benefits. Pension costs relate to occupational pension premiums paid. There are no other long-term employee benefits, termination benefits or share-based payments in the Group. A mutual notice period applies for the CEO.

*salary for the year also includes a bonus of six months' salary.

NOTE 14 PROFIT/LOSS FROM SHARES IN GROUP COMPANIES

	Group		Parent Company	
	2022	2021	2022	2021
Impairments	-	-	-70,000	-
Anticipated dividends	-	-	-	242,743
Total	-	-	-70,000	242,743

NOTE 15 FINANCIAL INCOME

	Group		Parent Company	
	2022	2021	2022	2021
Interest income, Group companies	-	-	2,963	6,222
Interest income, other	4,898	40	-	40
Dividends, associated companies	-	-	400	3,005
Exchange rate differences	-	520	-	-
Other financial income	-	-	-	-
Total	4,898	560	3,363	9,267

NOTE 16 FINANCIAL EXPENSES

	Group		Parent Company	
	2022	2021	2022	2021
Interest expenses, bank loans	49,938	9,468	376	71
Interest expenses, Group companies	-	-	-	2,015
Interest expenses, other	4,070	6,393	-	6,257
Interest expenses, bond	55,503	50,978	55,503	50,978
Total	109,511	66,839	55,879	59,322

NOTE 17 TAXES

	Group		Parent Company	
	2022	2021	2022	2021
The following components are included in the tax expense:				
Current tax	-	-	-	-
Deferred tax relating to:				
Temporary differences, investment properties	5,319	-66,807	-	-
Loss carryforward	33,167	9,273	17,267	-
Tax adjustment, changed tax rate	-	-	-	-
Tax recognised	38,486	-57,534	17,267	-
Tax rate				
Applicable tax rate, Sweden	Sweden	20.6%	20.6%	20.6%

	Group		Parent Company	
	2022	2021	2022	2021
Reported profit/loss before tax	232,065	600,459	-142,079	159,630
Tax at current rate	-47,805	-123,695	29,268	-32,884
Tax effect of:				
Non-deductible expenses/non-taxable income	23,186	69,616	-25,311	32,884
Change in tax loss carryforwards without corresponding recognition of deferred tax assets	63,105	-5,823	13,310	-
Other tax rate in foreign operations	-	-	-	-
Utilised opening deficit	-	2,284	-	-
Revaluation of deferred tax relating to tax changes	-	83	-	-
Tax recognised	38,486	-57,534	17,267	-

NOTE 18 CAPITALISED DEVELOPMENT EXPENSES

	Group		Parent Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Opening cost	294,100	204,181	297,462	204,181
Internally generated	104,802	89,918	106,766	93,280
Closing cumulative cost	398,902	294,100	404,228	297,462
Opening depreciation/amortisation	-21,473	-10,748	-21,472	-10,747
Depreciation/amortisation for the year	-10,725	-10,725	-10,725	-10,725
Closing cumulative depreciation/amortisation	-32,198	-21,473	-32,197	-21,472
Closing cumulative cost	366,704	272,627	372,031	275,990

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

NOTE 19 INVESTMENT PROPERTIES
Investment properties

	31/12/2022	31/12/2021
Fair value at beginning of year	679,998	393,000
Cost of investment properties, corporate acquisitions	2,003,087	276,879
Investments in real estate (subsequent costs)	382,886	14,567
Investment subsidies	-206,297	-31,000
Disposals	-	-
Changes in value recognised in profit or loss	-46,723	259,100
Reclassifications	-3,779	-232,548
Fair value at end of year	2,809,172	679,998

Changes in value for the year relating to properties held at the end of the year amount to SEK -46,723 thousand (SEK 259,100 thousand).

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

Property valuations are determined using the yield method. The yield method is based on calculating the present value of the estimated future cash flows in the form of net operating income. The net operating income is based on market-led assumptions. The calculation period is 15 years and the residual value is assessed by perpetual capitalisation of an estimated market net operating profit in the following year.

Value assumptions

	2022	2021
Average rent SEK/m ²	1,862	1,792
Average vacancy rate (dwellings) %	0.0–0.5	0.0–0.5
Operating cost/SEK/m ² excluding periodic maintenance	296	232
Inflation rate 1–15 years* %	2.19	2.0
Calculation rate %	5.6–6.1	5.3–5.5
Direct yield requirement for assessment of residual value %	3.3–3.85	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	(+/- 5.0%)	16,300	-16,300
Estimated rent of housing	(+/- 5.0%)	105,900	-105,900
Long-term vacancy	(+ / -2.0%)	-33,100	16,500
Operation and maintenance	(+/- 5.0%)	-20,900	20,900
Calculation rate	(+/- 0.25%)	-61,700	63,800
Direct yield requirement	(+/- 0.25%)	-91,700	106,000

Where the Group has been granted investment subsidies for the construction of rental properties, the investment subsidies are recognised as a receivable until payment is made. The subsidies are seen as a reduction in the construction cost of the rental properties. The Group recognises changes in the value of the portfolio during the construction phase, which means that expenditure on properties for future years is capitalised on 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 in Norrköping, Söderby 2:776 in Hanninge, Parasollet 2 in Lund, Glidplanet 4 in Örebro, Barkarby 2:59, 2:297 & 2:298 in Järfälla and Autogyron 4 & 5 in Örebro.

NOTE 20 OWNER-OCCUPIED PROPERTY

	Group	
	31/12/2022	31/12/2021
Opening cost	279,146	127,624
Purchases	197,340	138,782
Sales/disposals/reclassifications	-5,660	-
Translation difference	25,844	12,740
Closing cumulative cost	496,670	279,146
Opening depreciation/amortisation	-24,887	-17,923
Reclassifications	-	2,701
Depreciation/amortisation for the year	-11,180	-8,294
Translation difference	-2,369	-1,371
Closing cumulative depreciation/amortisation	-38,436	-24,887
Revaluations for the year	22,574	19,737
Closing net cumulative revaluations	42,311	19,737
Closing book value	500,545	273,995

Depreciation/amortisation is included in project overheads

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

	Group		Parent Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Opening cost	692	648	692	648
Purchases	62	43	62	43
Closing cumulative cost	753	692	753	692
Opening depreciation/amortisation	-650	-540	-650	-540
Depreciation/amortisation for the year	-11	-110	-11	-110
Closing cumulative depreciation/amortisation	-661	-650	-661	-650
Closing book value	92	41	92	41

Depreciation/amortisation is included in administrative expenses

NOTE 22 MACHINERY AND EQUIPMENT

	Group		Parent Company	
	2022	2021	2022	2021
Opening cost	52,264	36,826	623	1,004
Purchases	62,232	13,640	252	368
Sales/disposals/Reclassifications	-249	-769	-	-750
Translation difference	3,663	2,567	-	-
Closing cumulative cost	117,910	52,264	875	623
Opening depreciation/amortisation	-18,573	-8,273	-253	-360
Sales/disposals	249	431	-	413
Depreciation/amortisation for the year	-15,918	-10,014	-233	-306
Translation difference	-1,387	-718	-	-
Closing cumulative depreciation/amortisation	-35,629	-18,573	-486	-253
Closing book value	82,281	33,690	389	370

Depreciation/amortisation is included in project and administrative expenses

NOTE 23 RIGHT-OF-USE ASSETS

	Group	
	31/12/2022	31/12/2021
Opening cost	3,239	-
Additional agreements	4,319	3,239
Closing cumulative cost	7,558	3,239
Opening depreciation/amortisation	-1,080	-
Depreciation/amortisation for the year	-3,239	-1,080
Closing cumulative depreciation/amortisation	-4,319	-1,080
Closing book value	3,239	2,159

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

NOTE 24 DEFERRED TAX ASSETS AND LIABILITIES

	Group	
	31/12/2022	31/12/2021
Opening deferred tax assets	12,054	-
Dissolution/reclassification	1,316	2,646
Recognised in profit and loss	40,349	9,309
Translation difference	-890	99
Closing deferred tax assets	52,829	12,054

Deferred tax assets relating to temporary differences in:

investment properties	4,609	2,646
loss carryforward	48,220	9,408
Deferred tax assets	52,829	12,054

	Group	
	31/12/2022	31/12/2021
Opening deferred tax liability	39,652	17,774
Recognised in profit and loss	972	69,423
Reclassification to Joint Venture	-	-47,429
Translation difference	-	-116
Closing deferred tax liability	40,624	39,652

Deferred tax liability relating to temporary differences in:

investment properties	40,624	39,652
Deferred tax liability	40,624	39,652

NOTE 25 SHARES IN GROUP COMPANIES

	Parent Company	
	31/12/2022	31/12/2021
At start of year	205,310	61,640
Purchases	50	303
Capital injections made	102,500	143,368
Total	307,860	205,310
Opening impairment	-50	-
Accumulated impairment losses	-70,000	-50
Total	-70,050	-50
Closing carrying amount	237,810	205,260

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

Directly owned	Co. reg. no	Registered office	Number of shares	Ownership %	Book value
MOBY Modulärt Byggande AB	559151-7544	Stockholm	5,000	100.0	35,350
Rehouse CC AB	559349-7539	Stockholm	25,000	100.0	2,525
Scandinavian IBS SDN. BHD.	201601022969	Malaysia	30,000,000	90.0	152,058
Shiperty PTE Ltd	20177318G	Singapore	47,500	95.0	302
SIBS International AB	559387-1030	Stockholm	25,000	100.0	25
Sveaviken Bostad AB	559050-3065	Stockholm	50,000	100	47,550
Total					237,810

Indirectly owned companies	Co. reg. no	Registered office	Number of shares	Ownership %
Aktiebolaget Hemmesta Torg	556450-3810	Stockholm	3,000	100.0
Barkarbykvarteret Garage AB	559375-7643	Stockholm	25,000	100.0
Fastighets AB Autogyron	559067-1961	Stockholm	50,000	100.0
Fastighets AB Barkarbykvarteret	559262-0073	Stockholm	50,000	100.0
Fastighets AB Brandberget	559177-5423	Stockholm	50,000	100.0
Fastighets AB Linköpingshälsa	559338-4570	Stockholm	25,000	100.0
Fastighets AB Norrutveckling	559104-6171	Stockholm	50,000	100.0
Fastighets AB Vårbergstoppen	559081-4660	Stockholm	25,000	100.0
Fastighets AB Örebroängen	559175-8494	Stockholm	98,040	100.0
Fastighetsaktiebolaget Tango	559134-5052	Stockholm	50,000	100.0
Fastighets Futura i Lund AB	559194-3591	Stockholm	50,000	100.0
Hemmesta Förvaltning AB	556726-9765	Stockholm	200,000	100.0
KS Förvaltning AB	559354-1591	Stockholm	250	100.0
Mätbordet Farsta Fastighets AB	559349-7406	Stockholm	25,000	100.0
Parkering Örebroängen AB	559312-0701	Stockholm	50,000	100.0
Rehouse Holding AB	559403-5502	Stockholm	1,000	100.0
Sveaviken Holding 1 AB	559172-1500	Stockholm	50,000	100.0
Sveaviken Holding 2 AB	559221-4729	Stockholm	50,000	100.0
Sveaviken Holding 3 AB	559242-2413	Stockholm	50,000	100.0
Sveaviken Holding 4 AB	559282-6316	Stockholm	25,000	100.0
Sveaviken Holding 5 AB	559319-3401	Stockholm	25,000	100.0
Sveaviken Holding 6 AB	559335-9424	Stockholm	25,000	100.0
Sveaviken Holding 7 AB	559338-5890	Stockholm	25,000	100.0
Sveaviken Holding 8 AB	559347-5402	Stockholm	25,000	100.0
Sveaviken Holding 9 AB	559355-9890	Stockholm	25,000	100.0
Sveaviken Holding 10 AB	559355-9882	Stockholm	25,000	100.0
Sveaviken Holding 11 AB	559359-9060	Stockholm	25,000	100.0
Utköp Sveaviken Holding 1 AB	559245-0133	Stockholm	50,000	100.0

NOTE 26 RECEIVABLES FROM GROUP COMPANIES

	Group		Parent Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
At start of year	-	-	637,141	210,558
Additional receivables	-	-	-	978,365
Outgoing receivables	-	-	-320,857	-551,783
Reclassifications	-	-	-	-
Receivables from Group companies	-	-	316,284	637,141

NOTE 27 SHARES IN ASSOCIATED COMPANIES AND JOINT VENTURES

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

	Group		Parent Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
At start of year	673,191	258,117	35	35
Purchases	18,904	40,776	-	-
Share of profit	390,546	419,607	-	-
Dividends	-400	-3,005	-	-
Reclassifications	-354,397	-53,650	-	-
Total	727,844	673,191	35	35
Closing carrying amount	727,844	673,191	35	35

Specification of associated companies and joint ventures, Parent Company

Name	Co. reg. no	Registered office	Number of shares	Ownership %	Book value
MOKO AB (IF)	559143-4427	Stockholm	50,000	20.0	10
Frontlog AB (IF)	559171-7938	Norrköping	50,000	49.0	25
					35

Specification of associated companies and joint ventures, Group

Name	Co. reg. no	Registered office	Number of shares	Ownership %	Book value
MOKO AB (IF)	559143-4427	Stockholm	50,000	20.0	3,780
Frontlog AB (IF)	559171-7938	Norrköping	50,000	49.0	7,145
Slättö Sveaviken Holding 2 AB (JV)	559261-6360	Stockholm	50,000	50.0	73,604
Sveaviken Nordsten Holding 1 AB (JV)	559291-7859	Stockholm	25,000	50.0	96,236
Slättö Sveaviken Bostad AB (JV)	559340-8957	Stockholm	25,000	50.0	547,079
					727,844

NOTE 28 OTHER NON-CURRENT RECEIVABLES

	Group		Parent Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
At start of year	7,716	7,716	7,716	7,716
Additional receivables	-	-	-	-
Total	7,716	7,716	7,716	7,716

Opening receivables for 2022 relates to non-controlling interest in SIBS Malaysia.

NOTE 29 INVENTORIES

Inventories	Group	
	31/12/2022	31/12/2021
Raw materials and consumables	134,892	58,610
Total	134,892	58,610

NOTE 30 TRADE RECEIVABLES

Group

Trade receivables are recognised at the amount expected to be received, SEK 5,569 thousand at 31/12/2022, and SEK 246,700 thousand at 31/12/2021.

Parent Company

Trade receivables are recognised at the amount expected to be received, SEK 744 thousand at 31/12/2022, and SEK 0 thousand at 31/12/2021.

NOTE 31 OTHER RECEIVABLES

	Group		Parent Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Receivables from real estate transactions	37,062	-	-	-
Investment subsidies	-	31,000	-	-
VAT receivable	27,609	3,739	3,713	3,264
Current tax receivables	8,398	3,299	2	13
Other items	5,386	17,768	-	-
Other receivables	78,455	55,806	3,715	3,278

NOTE 32 PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Prepaid property/operating expenses	57,628	6,890	2,370	1,515
Accrued rental income/other income	56,883	-	-	-
Prepaid expenses and accrued income	114,511	6,890	2,370	1,515

NOTE 33 CASH AND CASH EQUIVALENTS

Group

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

Parent Company

Cash at bank and in hand at the Parent Company refers to bank deposits.

NOTE 34 SHARE CAPITAL

Class of shares:	Number of shares	Percentage	Number of votes per share	Total number of votes	Share of votes
Ordinary	584,863	100%	1	584,863	100%
Total	584,863	100%	1	584,863	100%

Dividends

The Board proposes that no dividend be paid for the 2022 financial year.

Non-restricted equity

Non-restricted 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 reserve for development expenses.

NOTE 35 INTEREST-BEARING LIABILITIES

Information on the contractual terms and conditions of the Group and of the Parent Company relating to interest-bearing liabilities is set out in the following. For more information on the exposure of the Group and the Parent Company to interest rate risk and foreign exchange risk, please refer to Note 38.

Interest-bearing liabilities	Group		Parent Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Bank loans	1,689,532	434,332	-	-
Building credits	-	101,928	-	-
Leasing liabilities	2,534	4,631	-	-
Bond loans	596,280	593,400	596,280	593,400
Other loans	-	-	-	-
<i>Total interest-bearing liabilities, of which current interest-bearing liabilities:</i>	<i>2,288,346</i>	<i>1,134,291</i>	<i>596,280</i>	<i>593,400</i>
Bank loans	178,920	177,514	40,000	-
Leasing liabilities	3,302	1,582	-	-
Other loans	-	-	-	-
<i>Total current interest-bearing liabilities</i>	<i>178,920</i>	<i>179,096</i>	<i>-</i>	<i>-</i>
Interest-bearing liabilities	2,470,568	1,134,291	636,280	593,400
Loans due within one year of the balance sheet date	178,920	179,096	40,000	-
Loans due between two and five years from the balance sheet date	2,291,648	602,800	596,280	593,400
Loans due more than five years after the balance sheet date	-	352,395	-	-

Conditions and repayment periods

Collateral for bank loans is provided in the amount of SEK 1,874,576 thousand (SEK 421,477 thousand) through mortgages on the Group's investment properties and owner-occupied property in Malaysia. All covenants are met. The bond loan is unsecured and bears interest at 8% plus Stibor 3 months. The framework amount of SEK 600,000 thousand was utilised at the end of the year. The bond is listed on the Stockholm Sustainable Bond list under the name SIBS 01 GB.

NOTE 36 PROVISIONS FOR OTHER LIABILITIES AND CHARGES

	Group	
	31/12/2022	31/12/2021
Provisions for the year	4,294	6,821
Total	4,294	6,821

Provisions for guarantee commitments

Provisions for guarantees are made for probable future costs of the Group's projects. The calculation is made using individual estimates based on the project's calculated costs, the 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.

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

Guarantee provisions are charged to the project on completion

NOTE 37 OTHER LIABILITIES

	Group		Parent Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
VAT	89,008	111,027	-	-
Staff withholding tax/soc. sec. contrib.	2,169	2,673	990	844
Liabilities related to acquisitions	-	129,243	-	-
Other liabilities	39,192	11	16,604	-
Total	130,369	242,954	17,594	844

NOTE 38 ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Prepaid rental income	6,768	1,176	-	-
Accrued employee benefit expenses	2,750	2,013	1,003	844
Accrued interest	18,275	165	11,867	-
Accrued project costs	38,113	50,145	-	-
Other accrued expenses	26,358	11,387	1,003	9,748
Accrued expenses and deferred income	92,264	64,887	13,873	10,592

NOTE 39 PLEDGED ASSETS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	Group		Parent Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
<i>In the form of collateral for own liabilities</i>				
Corporate mortgages	40,000	40,000	40,000	40,000
Real estate mortgages	1,874,567	381,477	-	-
	1,914,567	421,477	40,000	40,000

	Group		Parent Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Guarantee commitments	1,623,896	100,000	-	-
Contingent liabilities	1,623,896	100,000	-	-

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

NOTE 40 LIABILITIES RELATED TO FINANCING ACTIVITIES

Group	31/12/2022			
	Bank loans	Bonds	Other loans	Total liabilities
At start of year	417,290	593,400	123,600	1,134,291
Proceeds from borrowings	680,369	-	-	680,369
Amortisation	-25,804	-	-	-25,804
Non-cash items	-	-	-81,501	-81,501
Liabilities related to leasing	2,817	-	-	2,817
Capitalised fees	-	2,880	-	2,880
Liabilities in acquired companies	793,747	-	-42,099	751,648
Translation difference	5,868	-	-	5,868
Offsetting	-	-	-	-
At end of year	1,874,287	596,280	-	2,470,567

Group	31/12/2021			
	Bank loans	Bonds	Other loans	Total liabilities
At start of year	217,574	353,020	102,300	726,894
Proceeds from borrowings	47,254	237,140	-	284,394
Amortisation	-11,400	-	-	-11,400
Liabilities related to leasing	4,197	-	-	4,197
Capitalised fees	-	3,240	-	3,240
Liabilities in acquired Group companies	101,928	-	-	101,928
Translation difference	3,378	-	-	3,738
Offsetting	-	-	21,300	21,300
At end of year	417,290	593,400	123,600	1,134,291

Parent Company	31/12/2022			
	Bank loans	Bonds	Loans Group companies	Total liabilities
At start of year	-	593,400	29,319	622,720
Proceeds from borrowings	-	-	-	-
Amortisation	-	-	-	-
Non-cash items	-	-	-29,319	-29,319
Capitalised fees	-	2,880	-	2,880
Shareholders' contributions	-	-	-	-
At end of year	-	596,280	-	596,280

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
Capitalised fees	-	3,240	1,007	4,247
Shareholders' contributions	-	-	10,000	10,000
At end of year	-	593,400	29,319	622,720

NOTE 41 LEASES

Leases where the company is the lessee

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

the table below for the closing balance of leased assets and the depreciation of these leased assets in 2022.

	Owner-occupied properties	Right-of-use assets	Equipment	Total
Carrying amount at 31/12/2021	4,174	2,159	2,019	8,352
Additional/Outgoing	1,398	4,318	1,532	7,248
Depreciation/amortisation for the year	-1,671	-3,329	-1,053	-6,053
Carrying amount at 31/12/2022	3,901	3,148	2,498	9,547

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

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

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

Group 31/12/2022	Financial assets carried at amortised cost	Financial assets carried at fair value through profit and loss
Financial assets		
Other non-current receivables	7,716	-
Trade receivables	5,569	-
Other receivables	78,455	-
Cash and cash equivalents	122,556	-
Total	214,296	-

Group 31/12/2022	Financial liabilities carried at amortised cost	Financial liabilities carried at fair value through profit and loss
Financial liabilities		
Non-current interest-bearing liabilities	2,288,346	-
Current interest-bearing liabilities	178,920	-
Trade payables	253,547	-
Income tax liabilities	1,678	-
Other liabilities	488,344	-
Liabilities to associated companies	186,000	-
Accrued expenses	92,264	-
Total	3,489,099	-

Group 31/12/2021	Financial assets carried at amortised cost	Financial assets carried at fair value through profit and 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 and 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 Group companies	77,429	-
Accrued expenses	64,886	-
Total	1,646,829	-

Parent Company 31/12/2022	Financial assets carried at amortised cost	Financial assets carried at fair value through profit and loss
Financial assets		
Other non-current receivables	7,716	-
Trade receivables	744	-
Other receivables	3,715	-
Cash and cash equivalents	122,546	-
Total	134,721	-

Parent Company 31/12/2022	Financial liabilities carried at amortised cost	Financial liabilities carried at fair value through profit and loss
Financial liabilities		
Non-current interest-bearing liabilities	596,280	-
Current interest-bearing liabilities	40,000	-
Trade payables	9,185	-
Income tax liabilities	393	-
Other liabilities	17,594	-
Accrued expenses	13,874	-
Total	677,326	-

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

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

Non-current receivables

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

Non-current interest-bearing liabilities

The fair value of interest-bearing liabilities with a variable interest rate is estimated to be equal to their carrying amount. Fixed-rate loans 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 maturity 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 measuring 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 financed mainly through equity and loans from its owners. The subsidiaries 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 analyse the Group's loan-to-value ratio, which at 31 December 2022 was 59% (59%).

Financial risks

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

Credit risk

Credit risk is the risk that a counterparty will be unable to meet its contractual obligations and thereby cause a loss 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 where 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 and cash equivalents, 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 lenders' general terms and conditions, which involve informing the lenders 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 make repayments and to pay interest and other charges within the prescribed period. Failure to comply with the commitment may lead to the lender terminating the agreement. The Group meets all commitments to credit institutions.

The loans have consistently short formal maturities. The intention is for regular extensions and 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 31/12/2022	Carrying amount	Within 1 year	From 2 years to 5 years	More than 5 years
Interest-bearing liabilities, credit institutions	1,689,532	178,920	1,510,612	-
Bond loans	596,280	-	596,280	-
Other interest-bearing liabilities	-	-	-	-
Loans to associated companies	186,000	186,000	-	-
Income tax liabilities	1,678	1,678	-	-
Trade payables	253,547	253,547	-	-
Other liabilities	488,344	488,344	-	-
Accrued expenses	92,264	92,264	-	-
	3,307,645	1,200,753	2,106,892	-
Group 31/12/2021	Carrying 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

Market risk

Risk related to real estate investments

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

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

Interest rate risk

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

The Group invests mainly in assets that are leased on a longer-term basis at fixed rates to external parties. The Group's ambition is to generate stable cash flows from its investments. To achieve this, the Group monitors market developments 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 on 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 consolidated equity.

NOTE 44 RELATED PARTIES

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

The Group recognises revenues and costs relating to contracts in its project activities. These revenues and costs take place at arm's length with joint ventures. The Group also has deposits in joint ventures, as well as income from property management, including administrative tasks. Interest income and fees are also handled at arm's length. The consolidated balance sheet contains items relating to settlements and relationships between the Group and joint ventures.

NOTE 45 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

- 📅 Magnus Sundell took up the position of Deputy CEO of SIBS AB in January 2023 and Carl Saidac of Deputy CEO of the subsidiary Sveaviken Bostad.
- 📅 SIBS signed a contract for an initial order from property developer Donard Living, for 495 apartments in two developments located within commuting distance of central London. Production has started at the SIBS factory and construction should begin in the second half of 2023. The deal falls within the Industrial Sales business area, in the Module Sales product category.

Certification by the Board

The Annual Report and the Consolidated Financial Statements have been approved for issue by the Board of Directors on 28 April 2023. The consolidated and Parent Company income statements and balance sheets will be submitted for adoption at the Annual General Meeting of 8 June 2023.

STOCKHOLM, 28 APRIL 2023

Erik Thomaeus
CEO

Michael Wolf
Chair

Johan Karlsson
Board member

Pär Thomaeus
Board member

Jonas Ramstedt
Board member

OUR AUDIT REPORT WAS SUBMITTED ON 28 APRIL 2023
ÖHRLINGS PRICEWATERHOUSECOOPERS AB

Magnus Thorling
Authorised Public Accountant

Auditor's report

To the Annual General Meeting of SIBS AB (publ), company 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 2022. The Company's Annual Report and Consolidated Financial Statements are included on pages 72–119 of this document.

In our opinion, the annual 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 2022 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 2022 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 Audit Regulation (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 entitled 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 Audit Regulation (537/2014) have been provided to the audited entity or, where applicable, its parent or its controlled entities within the EU.

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

Our audit approach

Focus and scope of the audit

We designed our audit by determining the level of materiality and assessing the risk of material misstatement of the financial statements. In particular, we considered areas where the Chief Executive Officer and the Board of Directors have made subjective judgements, such as significant accounting estimates based on assumptions and forecasts of future events, which are inherently uncertain. As in all audits, we have also considered the risk of non-compliance with internal control by the Board of Directors and the Chief Executive Officer, 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. Misstatements can occur as a result of irregularities or mistakes. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions that users make on the basis of the financial statements.

Based on professional judgement, we determined certain quantitative materiality measures, including for the financial reporting as a whole. Using these and qualitative considerations, we determined the focus and scope of the audit and the nature, timing and extent of our audit procedures, 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.

Area of particular significance

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

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; see Note 19. Subsequent changes in value are managed in accordance with ISA 40 and are recognised in the income statement in accordance with the standard and therefore have a significant impact on both the reported

profit/loss and the financial position. Unrealised changes in the value of investment properties during the year totalled SEK -49.7 million and the book value of these assets totalled SEK 2,809 million at the end of the financial year. The valuation of investment properties also has a significant impact on the carrying amount of the profit/loss from associated companies and joint ventures and the book value of these assets. For 2022, profit/loss from associated companies and joint ventures is recognised at SEK 390.5 million and the book value of the assets of these totalled SEK 727.8 million at the end of the financial year. For information on investment properties and associated companies/joint ventures and the assessments applied by management, see Note 5 Significant accounting policies, as well as Note 19 Investment properties and Note 27 Shares in associated companies and joint ventures.

How our audit considered the particularly important area

Our audit included, but was not limited to:

- Spot checks on the mathematical accuracy of the valuation model and evaluation that the methods applied are based on accepted valuation principles. We were assisted in the audit by our internal valuation specialists.
- Spot checks and evaluation of the reasonableness of model inputs such as yield requirements, net operating income, vacancy rates and forecast outcomes based on historical data.
- Evaluation and assessment of the competence and independence of external valuation agencies.
- Verification of sensitivity analyses carried out.
- Evaluation of 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 this can be found on pages 1–71. This other information is the responsibility of the Board and the Chief Executive Officer.

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 assess 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 Chief Executive Officer

The Board of Directors and the Chief Executive Officer 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 Chief Executive Officer 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 Chief Executive Officer intend to liquidate the company or cease operations or have no realistic alternative to doing so.

Responsibilities of the auditor

Our objectives are to obtain reasonable assurance about whether the annual 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 ISA and generally accepted auditing standards in Sweden will always detect a material misstatement if one exists. Misstatements may arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the financial decisions of users taken on the basis of the annual 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 2022 by the Board of Directors and the Chief Executive Officer, and the proposed appropriation of the company's profit or loss.

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

Basis for opinion

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under these standards are described in more detail in the section entitled Responsibilities of the auditor. We are independent in relation to the Parent Company and the Group in accordance with gener-

ally accepted auditing standards in Sweden and have otherwise fulfilled our professional responsibilities in accordance with these standards.

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

Responsibilities of the Board of Directors and the Chief Executive Officer

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

The Board of Directors is responsible for the organisation of the company and the management of its affairs. This includes continuously assessing the financial situation of the company and the Group and ensuring that the company's organisation is such that the accounting, asset management and other financial affairs of the company are adequately controlled. The Chief Executive Officer 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 assets 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 Chief Executive Officer, in a material way:

- has taken any action or committed any omission that could give rise to a liability to the company
- has otherwise acted in breach of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective in auditing the proposed appropriation of the company's profit or loss, and hence our opinion thereon, is to obtain reasonable assurance about whether the proposed appropriation of the company's profit or loss is in accordance with the Companies Act.

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

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

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, Sweden, was appointed as the auditor of SIBS AB (publ) by the Annual General Meeting on 1 June 2022 and has been the company's auditor since 2016.

Stockholm, 28 April 2022

Öhrlings PricewaterhouseCoopers AB

Magnus Thorling
Authorised Public Accountant

Definitions and glossary

Operating surplus

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

Interest coverage ratio

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

Loan-to-value ratio

Group investment property to property loan ratio.

Equity/assets ratio

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

Adjusted equity/assets ratio

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

Residential floor area

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

Gross floor area (GFA)

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

Planning permission

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

Development rights

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

Detailed development plan, Planning decision and Awaiting planning decision

The planning process for detailed development plans is regulated by the Swedish Planning and Building Act. It is the municipality that decides on starting planning work. The planning process may be initiated through a planning decision on when the planning work may begin, or by the municipality itself taking the initiative to starting the planning work. The planning decision states guidelines for the continued planning. In connection with the planning work

being initiated the municipality will assess whether a planning programme is necessary. A potential planning programme is presented in a programme consultation before it is forwarded for approval.

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

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

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

Legally binding

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

Parametric modularisation

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

ConstructionTech

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

Contact information

Erik Thomaeus

CEO, SIBS AB

et@sibs.se

+46 70-755 78 98

Magnus Sundell

Deputy CEO, SIBS AB

ms@sibs.se

+46 70-602 76 75

Ulf Thomaeus

CFO, SIBS AB

ut@sibs.se

+46 72-210 72 30

Next financial report

The interim report for January–March will be published on 25 May 2023.

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 28 April 2023.