

₪ SIBS

# Interim report

January – March 2022



# Interim report January-March 2022

## January - March 2022

- Quarterly rental income (including SIBS' share in joint ventures) increased to SEK 10,519 thousand (4,811).
- The economic occupancy rate was 99% (90.2%).
- Operating profit/loss amounted to approximately SEK 165,576 thousand (75,531).
- The market value of our completed properties totalled SEK 2,357 million (724.5) (SIBS' share).
- The Group's investment properties stood at SEK 2,137 million (408).
- Construction starts on 328 apartments (282).
- Expanding of the development rights portfolio with an additional 869 apartments.
- Estimated average energy use for our future projects of 25 kWh/m<sup>2</sup> per year.
- Estimated share of building energy from own solar cells for future building stock: 28%.

## Significant events during the first quarter

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

## Significant events after the end of the reporting period

- Sveaviken and Slättö are making several deals to streamline ownership and optimise management. The changes mean that Sveaviken and three of Slättö's funds are divesting and acquiring shares in projects that were previously owned and developed jointly.
- The Board of Directors proposed a new Chairman of SIBS AB.
- Sveaviken Bostad made an acquisition in Kungsbacka and is planning to develop a new residential area.

**131** COMPLETED  
APARTMENTS  
Q1 2022

**1,842** APARTMENTS  
UNDER  
CONSTRUCTION

SEK MILLION  
**165.6** OPERATING  
PROFIT/LOSS

**1,171** COMPLETED  
APARTMENTS  
TOTAL

**328** PRODUCTION  
STARTED  
APARTMENTS  
Q1 2022

SEK MILLION  
**2,357** MARKET VALUE  
COMPLETED  
PROPERTIES INCL.  
JOINT VENTURES

**1,012** APARTMENTS  
UNDER  
MANAGEMENT

**11,392** DEVELOPMENT  
RIGHTS IN THE  
PORTFOLIO

**99%** OCCUPANCY  
RATE

## KEY RATIOS

SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Apr 2021 - Mar 2022	Jan-Dec 2021
Rental income including SIBS' share in joint ventures	10,519	4,811	33,885	28,276
Rental income	5,653	3,977	18,278	16,602
Annual rental value of completed properties*	87,945	31,584	87,945	51,184
Estimated normalised annual operating surplus for completed properties*	76,317	27,146	76,317	44,018
Occupancy rate (economic) by %	99.0%	90.2%	99.0%	99%
Change in value of investment properties	2,351	14,993	246,458	259,100
Profit/loss from associated companies and SIBS' share in joint ventures	182,372	65,017	536,962	419,607
Operating profit/loss	165,576	75,531	756,784	666,739
Profit/loss after tax	145,247	49,921	638,252	542,926
Market value of completed investment properties	2,023,000	408,000	2,023,000	640,000
Market value of completed properties*	2,357,000	724,500	2,357,000	1,100,500
Construction starts on apartments during the period	328	282	1 422	1 376
Apartments completed during the period	131	-	609	478
Apartments under management	1,012	562	1,012	881
Apartments under construction	1,842	989	1,842	1,645
Apartments under project development	9,597	4,710	9,597	8,850
Total apartments	12,451	6,261	12,451	11,376
Changes in the apartment development rights portfolio during the period	869	681	869	4,651
Lettable area of completed properties, m <sup>2</sup>	49,090	22,940	49,090	37,759
Equity/assets ratio	33.2%	31.5%	33.2%	44.2%
Adjusted equity/assets ratio (adjusted for cash and cash equivalents)	34.7%	38.1%	34.7%	47.0%
Loan-to-value ratio of completed properties	55.2%	58.7%	55.2%	59.0%

\* SIBS' share

# A word from the CEO

## SIBS stands stronger than ever in turbulent times

**SIBS has had a strong start to the year despite the great uncertainty in the market. We have completed 131 apartments in Barkarby and started the construction of 328 apartments in Enköping. During the quarter, we completed several acquisitions of development rights, including our largest development right transaction to date, of roughly 3,000 to 5,000 rights in Botkyrka. We are continuing to attract and hire highly skilled people, as a result of which the group now has around 800 employees.**

### Construction has continued as planned

Construction has continued on schedule, with impressively exact and high quality deliveries. We are very pleased and excited about our latest construction start in Enköping, a town where we believe there will be continued strong development going forward.

### A performance that validates our strong business model

The operating profit/loss for the quarter came to SEK 165,576 million. This result is clear proof that our business model is continuing to deliver. We are convinced that our performance is driven by our control and ownership of the entire value chain, not least our own industrial production.

Over the period, we made a large net acquisition from our longer-standing joint venture with Slättö. In practice, this means that we acquired Slättö's shares in property companies that hold a total of nearly 1,000 apartments in one transaction. At the same time, we sold our shares in property companies with a total portfolio of almost 500 apartments. This includes both completed projects and projects under construction. The deal was primarily aimed at streamlining our structure, as it stands between the parties. Our new joint venture with Slättö's Value Add II fund is moving forward as planned.

The global situation is currently very unpredictable, with skyrocketing inflation and interest rates, which is creating difficulties for many. The heat needs to be taken out of certain industries that might be viewed as significantly overheated, however. Inflation has led to unprecedented uncertainty in the construction industry, where many companies have been left with fixed contracts and sharply rising costs. Every day we hear about projects being put on hold and I think that things will get worse before they get better. As for SIBS, we make very few purchases in Sweden, but when we do we are



negatively affected by price increases. We make most of our purchases in South East Asia, where price rises have been very limited. All else being equal, we are certain that, even in the current environment, SIBS' business model is very strong. SIBS' profitability is extremely stable; we are seeing a clear fall in interest in development rights and price expectations for these rights and we have found it even easier to attract talent.

The construction of SIBS' second plant is continuing on schedule. Much of our proprietary process equipment is in the assembly phase and will soon be installed along with the production lines. A lot of our development work has also resulted in improved processes and products.

### A strong focus on SIBS' expansion

SIBS' previously announced updated expansion strategy, based on both more products, such as hotels and retirement homes, and our geographic expansion, is keeping us very busy. It takes intense focus to ensure that a large part of the organisation is able to prioritise and make the right choices. Great opportunities are available for this expansion and we look forward to seizing them as soon as possible.

In both the short and long term we see good potential to continue our expansive growth while maintaining or improving our profitability. With our dedicated team of professionals, which covers the entire residential construction value chain, our ambitious work is continuing, with a renewed focus on the global stage. We are looking forward to an eventful 2022.

**Erik Thomaus**  
CEO SIBS AB

# 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.

## PURPOSE

### To create beautiful, pleasant and affordable homes for the many

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

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

## MISSION

### Developing and making construction more efficient through technology

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

## Objectives

We continue our growth journey to:

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

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



Hansastaden, Nyköping

## OUR STRATEGIC PRIORITIES

### Project portfolio

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

### Sustainability

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

### Market insight

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

### The tenant today and tomorrow

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

### Technology

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

### Architecture

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

### Functionality

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

## OUR STAKEHOLDERS

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

### Value

#### Owners

Growth with profitability.  
Good and long-term total return on investment.

#### Customers

Beautiful, comfortable and affordable homes in attractive locations. Through insight-driven design of housing and neighbourhoods, we create high quality of life.

#### Environment

Properties with a major focus on sustainability down to every detail. Including high energy efficiency and high-quality materials.

#### Employees

A safe and inclusive workplace that offers a sense of community and development.

## THE GOOD SOCIETY

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

# Our business structure

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

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

IP

## ConstructionTech

### BUSINESS AREAS

#### Property Development & Management

Development and management of rental units, commercial real estate in the form of hotels and community service in the form of retirement homes in the Nordic region.

The business area covers the entire value chain of real estate development from acquisition to turnkey. All properties are built by the companies in our value chain according to the SIBS concept.

#### Licensing & Partnership

Property developers and home builders use SIBS systems and factory concepts in markets outside the Nordic region, with SIBS as a partner.

The business area covers the entire value chain of real estate development on behalf of external parties. It also includes the licensing of the SIBS building system for the development of real estate and production in factory.

### BRANDS AND BUSINESS SEGMENTS



Sveaviken  
Bostad

Develops, builds, owns and manages our homes in the Nordic market.

rehouse

Develops, builds and manages circularly designed houses that can be modified and moved. Can be built on a temporary building permit.

rehotel

Develops, builds and manages hotel properties. Owns and leases to reputable operators.

retire

Develops, builds and owns retirement homes that are rented out to municipalities or private operators.



Develops and builds rental housing within our value chain and according to the SIBS concept on behalf of external parties.



Development and construction of turnkey, production-ready factory. Also includes license for SIBS building system. The property is co-owned with, or alternatively acquired by, the operator.

### COMPANIES IN THE SIBS GROUP VALUE CHAIN

moko

Design and planning



Production

frontlog

Logistics and transport

moby

Assembly and completion

# Commitment throughout the entire value chain



## MARKET ANALYSIS AND ACQUISITION

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

### Value creation

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



## DESIGN AND PLANNING

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

### Value creation

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



## PRODUCTION

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

### Value creation

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



## LOGISTICS AND TRANSPORT

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

### Value creation

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

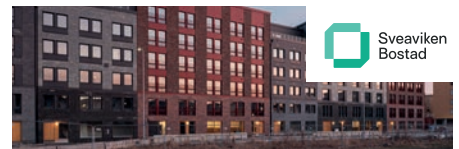


## ASSEMBLY AND COMPLETION

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

### Value creation

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



## LONG-TERM MANAGEMENT

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

### Value creation

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

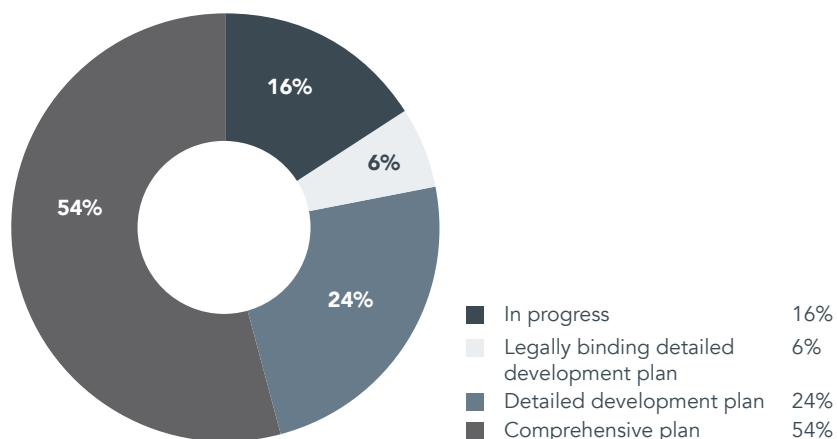
# Project portfolio

Project name	Municipality	Number of homes	Current status	Estimated production start
Barkarbystaden block 15*	Järfälla	93	In progress	In progress
Nykvarn Centrum*	Nykvarn	282	In progress	In progress
Helsingborg*	Helsingborg	78	In progress	In progress
Vegaterrassen*	Haninge	241	In progress	In progress
Vallentuna Centrum 1*	Vallentuna	36	In progress	In progress
Vallentuna Centrum 2*	Vallentuna	36	In progress	In progress
Brädgården*	Nyköping	462	In progress	In progress
Mariefred station phase 1**	Strängnäs	239	In progress	In progress
Enköping Centrum*	Enköping	328	In progress	In progress
Mariefred station phase 2**	Strängnäs	161	Legally binding	2022
Barkarby 2*	Stockholm	208	Legally binding	2022
Stockrosen*	Nyköping	300	Legally binding	2022
Linköping*	Linköping	48	Legally binding	2022
Tangenten Sorgenfri	Malmö	400	Detailed development plan	2023
Enköping station**	Enköping	500	Detailed development plan	2023
Svanholmen	Stockholm	300	Detailed development plan	2023
Söderby 2	Haninge	280	Detailed development plan	2023
Maltesholm	Stockholm	100	Detailed development plan	2023
Rogaland	Stockholm	400	Detailed development plan	2023
Eskilstuna	Eskilstuna	300	Detailed development plan	2023
Rulletten	Sollentuna	300	Detailed development plan	2023
Sjödalen	Huddinge	100	Detailed development plan	2023
Kornboden	Rimbo	200	Awaiting planning decision	2024
Skiffen	Huddinge	280	Awaiting planning decision	2024
Konservatorn	Stockholm	160	Awaiting planning decision	2024
Tumba	Botkyrka	560	Awaiting planning decision	2024
Kassmyra	Botkyrka	4,000	Awaiting planning decision	2024
Kungsbacka	Kungsbacka	1,000	Awaiting planning decision	2025
<b>Total</b>		<b>11,392</b>		

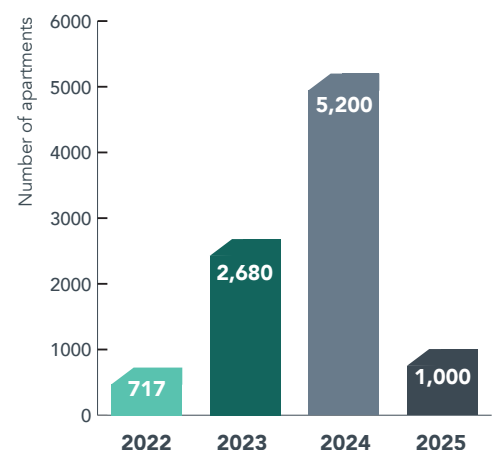
\* Joint venture (50/50) with Slättö

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

## PROJECT STATUS

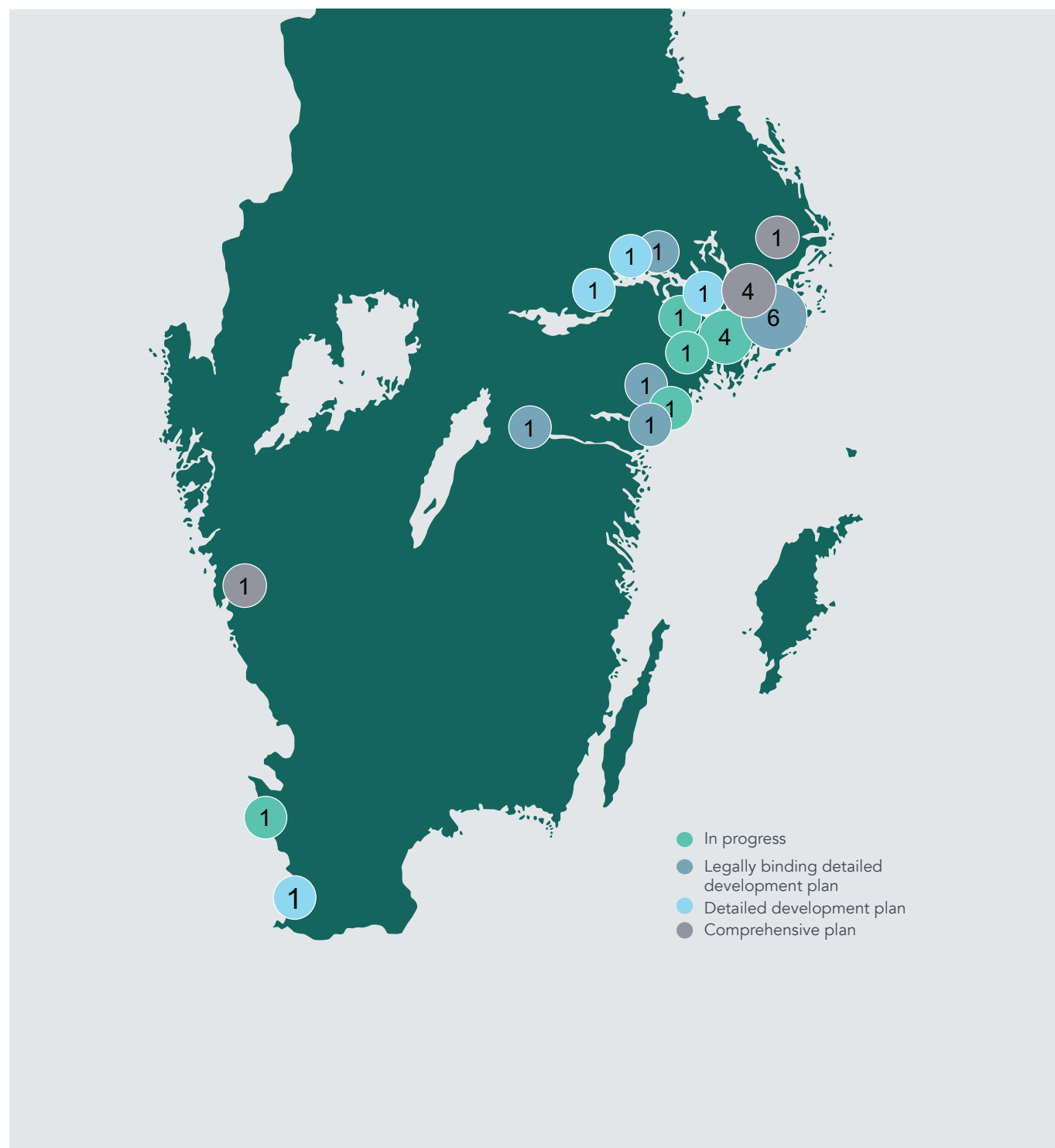


## UPCOMING CONSTRUCTION STARTS



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

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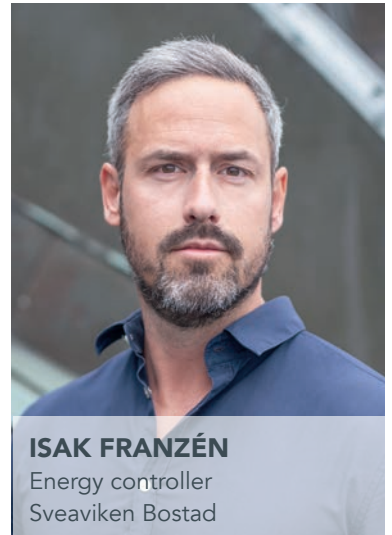


# Close control over our properties' energy consumption



Barkarby block 20, around 200 homes

**"SIBS has a clear development focus on becoming increasingly energy efficient and reducing our climate impact"**



**ISAK FRANZÉN**  
Energy controller  
Sveaviken Bostad

**Isak has been working as an energy controller at Sveaviken Bostad since December 2021. He is responsible for our properties' energy consumption, focusing on optimisation and operational monitoring. This means that we have a clear development focus on becoming increasingly energy efficient and reducing our climate impact.**

"During the more than 10 years that I have spent as an energy consultant, I have built up extensive experience, for example in energy surveys, energy certifications, energy audits for residential and commercial properties, and the implementation of energy monitoring systems. I look forward to contributing both breadth and depth to SIBS' work on achieving our far-reaching goals in areas such as energy efficiency. It is also inspiring to work for an organisation that wants to bring industrial intelligence into the entire value chain, even including property management", says Isak.

## A good basis for evaluation and development

"In Q1 2022, SIBS purchased an energy monitoring system to help us monitor our properties' energy consumption. The Mestro system was chosen, as it met our requirements well.

Using Mestro's energy monitoring portal, we are able to monitor energy consumption on an annual basis down to the hourly level, which provides a good basis for analysis and for the detection of any drift in energy consumption. We can also compare all the properties against each other, giving us valuable comparative data for development and evaluation."

"In addition, our properties have a well-developed sub-metering system known as IMD (individual metering and billing). This means that we can measure hot and cold water, heating and electricity use individually for all our tenants, and also for some technical building systems.

This in turn provides us with a very good basis for energy monitoring and the optimisation of properties' energy use."

The average estimated energy use for our future projects is 25 kWh/m<sup>2</sup> per year.

Estimated share of building energy from own solar cells for future building stock: 28%



# Four blocks with a rich cultural history in Nyköping

**Sveaviken Bostad is planning to build 462 homes in the Hansastaden neighbourhood of Nyköping. The project is divided into four blocks of apartment buildings and townhouses, and units designed for restaurants, shops and local services. Nyköping is in an excellent commuting location and is a so-called 10-minute town, meaning that everything is close to hand.**

Sveaviken's Hansastaden project is situated in the south of Nyköping's town centre, close to the Nyköping river, the harbour area and Stadsfjärden. A major urban development project is under way in the harbour area, intended to create a vibrant district with housing, visitor attractions, workplaces and a town centre. Its closeness to water and greenery means that it has what it needs to be an attractive residential area.

Building new properties in an old town like Nyköping poses some architectural challenges in terms of making the buildings blend into the townscape. The blocks will have a detail-rich architecture inspired by Nyköping's cultural history, with its picturesque centre and industrial harbour, where there is a mix of large blocks, smaller townhouses and traditional roofscapes.

A green promenade will run through the area, linking up to the blocks' communal green spaces. Along the promenade, the townhouses will have front yards with room to grow plants and separate entrances accessed by stairs. Where the Nyköping river meets the harbour area, a corner building will be created that captures the attention and clearly advertises the development.



# Rehouse offers a solution to the housing shortage



**The vision behind Rehouse is to work with Sweden's municipalities to help resolve the country's housing crisis through well-designed homes built from reusable building components that are easy to assemble, disassemble and transport. With Rehouse, we are offering affordable, high-quality apartment buildings that can be built quickly with temporary planning permission.**

## Rehouse Niwa completed for the H22 City Expo

SIBS received planning permission for the Rehouse Niwa project in Helsingborg in August 2021 and construction began in September that year. By the end of the first quarter of 2022, the building's interior was almost complete. The roof, facade and finishing touches will be completed and the building ready for exhibiting at the H22 City Expo in Helsingborg on 30 May 2022.

As it is environmentally certified to Miljöbyggnad silver standard, Rehouse Niwa meets all the regulatory requirements for permanent housing and has the second highest energy

rating. Energy efficiency is achieved through good insulation, good windows, FTX ventilation and solar panels on the roof. The apartments are equipped with parquet floors, fully tiled bathrooms, washing machine and tumble dryer and have good light through large windows. The project is environmentally certified to Miljöbyggnad silver standard, indicating that the regulatory requirements have been exceeded and that the building as a whole is of a high quality.

Niwa shows how effective the Rehouse concept is as a solution to part of the housing shortage ongoing in 207 out of the country's 290 municipalities.

**H22**  
The making of  
a smarter city

*The roof, facade and finishing touches will be completed and the building ready for exhibiting at the H22 City Expo in Helsingborg on 30 May 2022.*

# A future-facing property management organisation to ensure an optimum customer experience

**Sveaviken Bostad wishes to challenge the industry by offering hassle-free, personalised and value-creating housing for our customers. We are paving the way for the future of property management and customer services by creating a digital ecosystem. In order to reach the high bar that we have set for ourselves, we are building our own property management organisation while using the best technical solutions on the market**

Peter Backström has been Head of Property Management at Sveaviken Bostad for one year. "I was given the task of building Sveaviken's property management operations, as I have more than 20 years' experience in helping various property owners with their management needs. I also have a background in tourism and the experience sector, where I gained a valuable early insight into the creation of premium customer experiences, which I have carried with me ever since. At Sveaviken, I saw an opportunity to build a modern organisation centred on the customer. Using smart technology, digitalisation and new ways of thinking, we are challenging the traditional approach and creating value for both customers and property owners."

## How Sveaviken Bostad is creating value and building a future-facing property management organisation

"Through our property management organisation, we can offer our customers hassle-free, personalised and value-creating housing. We understand that a high level of digitalisation enables greater sustainability and a higher quality of life in our homes. By working with non-proprietary systems, in other words open source systems that integrate with each other, we are able to gather all the information about properties, apartments and customers in one place. This allows us to create an optimum customer experience, and therefore also create a future-facing property management approach with the best systems on the market," says Peter

## Digital meeting spaces provide fast services and build relationships

"One example of value for customers is that our tenants can easily contact our customer services through both our housing app and a web interface. We have a chat tool where they can get quick answers to common questions and also access instructional videos. The chat itself also includes a 3D view of an apartment, with operating and maintenance instructions for easy access to this information when they need it."

"Customers can also book a video meeting with customer services. During the video call, the customer can show what the problem is or visually describe their issue. The video is



**"At Sveaviken, I saw an opportunity to build a modern organisation centred on the customer. Using smart technology, digitalisation and new ways of thinking, we are challenging the traditional approach and creating value for both customers and property owners"**



**PETER BACKSTRÖM**  
Head of Property Management  
Sveaviken Bostad

then saved in the case management system and is used as a basis for the technician to rectify any problems. The customer can also let the technician in remotely through mobile access."

"The housing app also creates added value for our customers as it contains several different services. Co-working spaces, car and bike pools, growing boxes and greenhouse spaces can be booked directly in the app, for example. There's no need to collect a key, as access is gained through the app. Our customers can also communicate and share services with each other on the app, creating both a community spirit and security. Digitalisation is helping us contribute to increased sustainability, efficiency and customer satisfaction."

# Other information

## Related-party transactions

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

## Seasonal trends

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

## Bonds

On 19 October 2020, SIBS announced a SEK 400 million unsecured green bond issue with a framework amount of SEK 600 million. On 23 March 2021, a SEK 150 million tap issue was completed on these bonds. On 27 May 2021, there was a further SEK 50 million tap issue, meaning that the framework amount of SEK 600 million has now been issued. The bond issue was listed on 25 November 2020 on Nasdaq Stockholm's Sustainable Bond List under the name SIBS 01 GB.

## Personnel

The number of permanent employees, including probationary employees, in the group at the end of the period, was 740, consisting of 35 women and 705 men.

## Segment reporting

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

## Risks and uncertainties

SIBS' activities are affected by a number of external environmental factors, the effect of which on its profit/loss and financial position can be controlled to varying degrees. The goal of SIBS' risk management is to identify, measure, control and limit the risks affecting its activities. The material risks affecting SIBS' business are external risks such as a macroe-

conomic downturn or reduced demand for housing. SIBS is also exposed to a number of financial risks connected, inter alia, with the company's liquidity and the debt financing of its activities. Further information about the company's risks is provided in the 2021 Annual Report, mainly in note 43 on page 117.

## The impact of Covid-19

SIBS has not yet noted any significant negative impacts on its activities in 2022 that might be linked to the outbreak of Covid-19. SIBS has been marginally affected by the pandemic overall, and our operations have not been hit by delays in production or increased vacancies in our properties.

## Ownership structure as at 31 March 2022

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

## Events after the end of the reporting period

- 🏢 Sveaviken and Slättö completed several deals to streamline ownership and optimise management. The changes mean that Sveaviken and three of Slättö's funds are selling shares in projects that were previously owned and developed jointly and acquiring them from each other.
- 🏢 The Board of Directors proposed a new Chairman of SIBS AB.
- 🏢 Sveaviken Bostad made an acquisition in Kungsbacka and is planning to develop a new residential area.

# Group income statement

SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Apr 2021 - Mar 2022	Jan-Mar 2021
Rental income	5,653	3,977	18,278	16,602
Project and contracting income	192,353	219,869	808,844	836,361
<b>Total income</b>	<b>198,006</b>	<b>223,846</b>	<b>827,122</b>	<b>852,963</b>
Project and contracting activity expenses	-191,955	-217,880	-771,876	-797,801
Property expenses	-1,323	-652	-3,428	-2,757
<b>Gross profit/loss</b>	<b>4,729</b>	<b>5,314</b>	<b>51,818</b>	<b>52,404</b>
Work carried out by the company on its own behalf and capitalised	28,658	20,298	101,641	93,280
Development expenses	-28,658	-20,298	-101,641	-93,280
Administrative expenses	-22,946	-7,431	-67,552	-65,483
Non-project-related depreciation/amortisation	-3,943	-3,304	-14,084	-
<b>Operating profit/loss before change in value</b>	<b>-22,160</b>	<b>-5,421</b>	<b>-29,819</b>	<b>-13,080</b>
Change in value of investment properties	2,351	14,993	246,458	259,100
Other operating income	3,012	956	3,506	1,449
Other operating expenses	-	-14	-324	-338
Profit/loss from associated companies	182,372	65,017	536,963	419,607
<b>Operating profit/loss</b>	<b>165,576</b>	<b>75,531</b>	<b>756,783</b>	<b>666,739</b>
Financial income	168	55	673	560
Financial expenses	-18,946	-17,882	-68,157	-66,839
<b>Profit/loss before tax</b>	<b>146,799</b>	<b>57,705</b>	<b>689,299</b>	<b>600,460</b>
Taxes	-1,552	-7,784	-51,302	-57,534
<b>Profit/loss for the period</b>	<b>145,247</b>	<b>49,921</b>	<b>637,997</b>	<b>542,926</b>
<b>Attributable to</b>				
The parent company's shareholders	144,699	49,921	637,997	545,693
Non-controlling interests	548	-	-2,219	-2,767
<b>Total profit/loss for the period</b>	<b>145,247</b>	<b>49,921</b>	<b>635,778</b>	<b>542,926</b>
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>145,247</b>	<b>49,921</b>	<b>635,778</b>	<b>542,926</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to the income statement</i>				
Revaluation of owner-occupied properties	-	-	20,606	20,232
Translation differences	-338	3,198	3,609	7,519
<b>Other comprehensive income for the year, net after tax</b>	<b>-338</b>	<b>3,198</b>	<b>24,215</b>	<b>27,751</b>
<b>Total comprehensive income for the period</b>	<b>144,909</b>	<b>53,119</b>	<b>659,993</b>	<b>570,676</b>
<b>Comprehensive income attributable to:</b>				
The parent company's shareholders	144,361	53,119	662,212	573,443
Non-controlling interests	548	-	-2,219	-2,767
<b>Total comprehensive income for the period</b>	<b>144,909</b>	<b>53,119</b>	<b>659,993</b>	<b>570,676</b>

# Commentary on comprehensive income

## Interim report January-March 2022

Rental income for the period amounted to SEK 5,653 thousand and operating expenses to SEK 1,323 thousand.

The group recorded project and contracting income of SEK 192,353 thousand and SEK 191,955 thousand of expenses. The income and expenses relate to projects in which the group does not have a controlling interest.

Throughout the year, the group continued its work on the development of the building system and its processes. The development expenses amounted to

SEK 28,658 thousand and are capitalised in the balance sheet under Capitalised development expenses.

Administrative expenses amounted to SEK 22,946 thousand and the SEK 3,943 thousand of depreciation/ amortisation charges recognised in the income statement primarily consist of the amortisation of development expenses.



Barkarby block 15

# Group statement of financial position

SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capitalised development expenses	298,604	211,051	272,627
Investment properties	2,136,847	408,000	679,998
Owner-occupied properties	315,392	112,052	273,995
Right-of-use assets	5,668	2,969	2,159
Expenses incurred through improvements to other people's property	40	54	41
Machinery and equipment	34,517	33,953	33,690
Deferred tax assets	15,923	-	12,054
Shares in associated companies	736,984	346,995	673,191
Debts due from associated companies	-	-	-
Other non-current receivables	7,716	7,766	7,716
<b>Total non-current assets</b>	<b>3,551,690</b>	<b>1,122,840</b>	<b>1,955,471</b>
<b>Current assets</b>			
Inventories	50,288	51,663	58,610
Income earned but not invoiced	54,361	185,639	238,025
Trade receivables	253,191	223	246,700
Debts due from associated companies	62,843	25,110	299,058
Other receivables	303,109	108,579	55,806
Prepaid expenses and accrued income	9,899	16,495	6,890
Cash and cash equivalents	195,627	316,192	178,926
<b>Total current assets</b>	<b>929,318</b>	<b>703,901</b>	<b>1,084,016</b>
<b>TOTAL ASSETS</b>	<b>4,481,007</b>	<b>1,826,740</b>	<b>3,039,487</b>

# Group statement of financial position

SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Parent company's shareholders</b>			
Share capital	556	500	556
Other capital contributions	486,944	237,000	486,944
Reserves	1,544	22,669	1,883
Retained earnings including profit/loss for the period	994,747	354,277	850,049
<b>Total equity attributable to The parent company's shareholders</b>	<b>1,483,791</b>	<b>569,108</b>	<b>1,339,431</b>
Non-controlling interests	4,888	7,107	4,340
<b>Total equity</b>	<b>1,488,679</b>	<b>576,215</b>	<b>1,343,771</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	1,793,831	781,100	955,195
Deferred tax liabilities	44,213	25,619	39,652
Provisions for other liabilities and charges	5,680	-	6,821
<b>Total non-current liabilities</b>	<b>1,843,725</b>	<b>806,719</b>	<b>1,001,668</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	75,186	153,849	179,096
Invoiced unearned income	56,766	11,639	2,414
Trade payables	163,408	82,537	126,853
Debts owed to associated companies	10,214	48,555	77,429
Current tax liabilities	1,634	5,135	417
Other liabilities	691,947	113,095	242,954
Accrued expenses and deferred income	149,449	28,994	64,886
<b>Total current liabilities</b>	<b>1,148,604</b>	<b>443,806</b>	<b>694,048</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,481,007</b>	<b>1,826,741</b>	<b>3,039,487</b>

# Commentary on the group's balance sheet

## Interim report January - March 2022

### Investment properties

The investment properties item increased over the period to SEK 2,137 million. This increase is mainly due to acquisitions from joint ventures and changes in value.

### Shares in associated companies

Shares in associated companies amounted to SEK 736,984 thousand. The change during the period is mainly down to the profit/loss from collaborations in joint ventures and changes in the value of underlying projects.

### Accrued expenses not invoiced/Invoiced expenses not accrued

These items contain receivables and debts due from companies that are not wholly owned.

The net change in the items during the period is primarily attributable to the group's acquisition of companies holding properties from joint ventures.

### Non-current liabilities

The non-current liabilities are mostly made up of bonds and fully financed projects that are wholly owned by the group. The increase during the period is the result of the acquisition of properties from joint ventures.



Barkarby block 15



# Group cash flow statement

SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2021
<b>Operating activities</b>			
Profit/loss after financial items	146,799	57,706	600,460
- Depreciation/amortisation and impairments	8,762	7,086	30,223
- Capital gains/losses	-	-	-48,552
- Capitalised interest	-	-	3,515
- Change in fair value through profit and loss	-2,351	-14,993	-259,100
- Share in profit/loss of associated companies and JVs	-182,372	-65,017	-362,953
- Unrealised exchange rate differences and other items	-2,604	1,170	3,748
	<b>-31,767</b>	<b>-14,048</b>	<b>-32,659</b>
Income tax paid	-943	-638	-6,980
<b>Cash flow from operating activities before changes in working capital</b>	<b>-32,709</b>	<b>-14,686</b>	<b>-39,639</b>
<b>Cash flow from changes in working capital</b>			
Decrease(+)/increase(-) in inventories	9,320	2,328	-2,861
Decrease(+)/increase(-) in current receivables	511,840	-32,589	-280,359
Decrease(-)/increase(+) in current liabilities	-98,433	463	168,155
<b>Total change in working capital</b>	<b>422,726</b>	<b>-29,798</b>	<b>-115,065</b>
<b>Cash flow from operating activities</b>	<b>390,018</b>	<b>-44,484</b>	<b>-154,704</b>
<b>Investing activities</b>			
Capitalised development expenses	-28,658	-20,297	-89,918
Acquisition of investment properties	-336,556	-7	-14,567
Acquisition of owner-occupied properties	-38,481	-203	-138,782
Acquisition of, and capital contributions to, associated companies	-9,500	-	-52,122
Sale of shares in associated companies and joint ventures	-	-9,284	-
Acquisition/sale of subsidiaries	-130,119	-	-106,407
Acquisition of property, plant and equipment	-2,555	-5,697	-10,869
Sale of property, plant and equipment	-	-	397
Change in long-term securities	-	-50	-
<b>Cash flow from investing activities</b>	<b>-545,869</b>	<b>-35,538</b>	<b>-412,269</b>
<b>Financing activities</b>			
Share issues	-	-	250,000
Bonds issued	-	176,970	236,865
Bank loans taken out	229,084	-	47,254
Bank loan repayments	-51,274	-9,383	-17,211
Loans to joint ventures	-5,503	-	-
<b>Cash flow from financing activities</b>	<b>172,306</b>	<b>167,587</b>	<b>516,908</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>16,455</b>	<b>88,040</b>	<b>-50,065</b>
<b>Cash and cash equivalents at the start of the period</b>	178,928	228,151	228,151
<b>Exchange rate differences in cash and cash equivalents</b>	244	-	840
<b>Cash and cash equivalents at the end of the period</b>	<b>195,627</b>	<b>316,191</b>	<b>178,928</b>

# Condensed consolidated statement of changes in equity

SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2021
<b>Equity</b>			
Opening equity attributable to the parent company's shareholders	1,339,431	515,987	515,987
Profit/loss for the period	144,699	49,922	545,693
Other equity	-339	3,199	277,751
<b>Total equity attributable to the parent company's shareholders</b>	<b>1,483,791</b>	<b>569,108</b>	<b>1,339,431</b>
Non-controlling interests	4,340	7,107	7,107
Profit/loss for the period	548		-2,767
<b>Total equity attributable to non-controlling interests</b>	<b>4,888</b>	<b>7,107</b>	<b>4,340</b>
<b>Closing equity</b>	<b>1,488,679</b>	<b>576,215</b>	<b>1,343,771</b>

# Parent company income statement

SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales	7,423	1,354	3,113
Work carried out by the company on its own behalf and capitalised	28,658	20,297	93,280
Other operating income	41	-	35
	<b>36,122</b>	<b>21,651</b>	<b>96,429</b>
<b>Operating expenses</b>			
Other operating expenses	-5,548	-	-332
Development expenses	-28,658	-20,297	-93,280
Administrative expenses	-7,775	-7,918	-35,874
<b>Operating profit/loss</b>	<b>-5,858</b>	<b>-6,564</b>	<b>-33,058</b>
<b>Profit/loss from financial investments</b>			
Profit/loss from shares in group companies	-	-	245,748
Interest income and similar income statement items	-	544	6,262
Interest expenses and similar income statement items	-12,001	-16,218	-59,322
<b>Profit/loss after financial items</b>	<b>-17,860</b>	<b>-22,239</b>	<b>159,629</b>
Group contributions received	-	-	-
Tax	-	-	-
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-17,860</b>	<b>-22,239</b>	<b>159,629</b>

# Parent company balance sheet

SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
<b>Non-current intangible assets</b>			
Capitalised expenses	301,966	211,051	275,990
	<b>301,966</b>	<b>211,051</b>	<b>275,990</b>
<b>Property, plant and equipment</b>			
Expenses incurred through improvements to other people's property	40	54	41
Equipment	322	876	370
	<b>362</b>	<b>930</b>	<b>411</b>
<b>Non-current financial assets</b>			
Shares in Group companies	207,786	61,892	205,260
Debts due from group companies	576,839	276,282	637,141
Shares in associated companies	35	34	35
Debts due from associated companies	-	-	-
Other non-current receivables	7,713	7,715	7,716
	<b>792,373</b>	<b>345,923</b>	<b>850,152</b>
<b>Total non-current assets</b>	<b>1,094,700</b>	<b>557,904</b>	<b>1,126,553</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Trade receivables	7,923	112	-
Debts due from group companies	-	-	-
Debts due from associated companies	38,000	24,618	31,633
Other receivables	4,542	12,032	3,278
Prepaid expenses and accrued income	2,804	6,831	1,515
	<b>53,269</b>	<b>43,593</b>	<b>36,426</b>
<b>Cash at bank and in hand</b>	<b>124,307</b>	<b>281,589</b>	<b>149,788</b>
<b>Total current assets</b>	<b>177,576</b>	<b>325,182</b>	<b>186,214</b>
<b>TOTAL ASSETS</b>	<b>1,272,277</b>	<b>883,086</b>	<b>1,312,766</b>

# Parent company balance sheet

SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	556	500	556
Reserve for development expenses	301,966	211,050	275,990
	<b>302,522</b>	<b>211,550</b>	<b>276,546</b>
<b>Non-restricted equity</b>			
Other capital contributions	486,944	237,000	486,944
Retained earnings	-180,569	-249,283	-314,222
Profit/loss for the period	-17,859	-22,238	159,629
	<b>288,516</b>	<b>-34,521</b>	<b>332,351</b>
<b>Total equity</b>	<b>591,038</b>	<b>177,029</b>	<b>608,897</b>
<b>Non-current liabilities</b>			
Debts owed to group companies	-	56,413	29,319
Non-current interest-bearing liabilities	593,400	529,990	593,400
	<b>593,400</b>	<b>586,403</b>	<b>622,719</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	-	-	-
Trade payables	29,769	7,691	2,963
Income tax liabilities	-	130	216
Debts owed to group companies	45,277	93,318	66,536
Debts owed to associated companies and joint ventures	1,585	-	-
Other current liabilities	-	831	844
Accrued expenses and deferred income	11,208	17,684	10,592
	<b>87,839</b>	<b>119,654</b>	<b>81,151</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,272,277</b>	<b>883,086</b>	<b>1,312,766</b>

# Segment reporting

SEK thousand	Property Management*	Other Group	Adjustments	Group total
Rental income	10,519		-4,866	5,653
Project and contracting income		192,353	-	192,353
<b>Total income</b>	<b>10,519</b>	<b>192,353</b>	<b>-4,866</b>	<b>198,006</b>
Project and contracting activity expenses	-	-191,955	-	-191,955
Property expenses	-3,694	-	2,371	-1,323
<b>Gross profit/loss</b>	<b>6,825</b>	<b>38,559</b>	<b>-2,495</b>	<b>4,728</b>
Work carried out by the company on its own behalf and capitalised	-	28,658	-	28,658
Development expenses	-	-28,658	-	-28,658
Administrative expenses	-1,423	-22,470	947	-22,946
Non-project-related depreciation/amortisation	-	-3,943	-	-3,943
<b>Operating profit/loss before change in value</b>	<b>5,402</b>	<b>-26,278</b>	<b>-1,548</b>	<b>-22,160</b>
Change in value of investment properties	2,351	-	-	2,351
Other operating income	-	3,012	-	3,012
Other operating expenses	-	-	-	-
Profit/loss from associated companies	-	181,474	898	182,372
<b>Operating profit/loss</b>	<b>7,753</b>	<b>158,209</b>	<b>-650</b>	<b>165,576</b>
Financial income	-	168	-	168
Financial expenses	-5,696	-13,900	650	-18,946
<b>Profit/loss before tax</b>	<b>2,057</b>	<b>144,477</b>	<b>-</b>	<b>146,798</b>
Taxes	-1,057	-495	-	-1,552
<b>Profit/loss for the period</b>	<b>1,001</b>	<b>143,982</b>	<b>-</b>	<b>145,246</b>
<b>ASSETS</b>				
Capitalised development expenses	-	298,604	-	298,604
Investment properties	2,357,000	-	-220,153	2,136,847
Shares in associated companies	-	736,984	-	736,984
Other assets	57,831	1,250,742	-	1,308,573
<b>Total assets</b>	<b>2,414,831</b>	<b>2,286,330</b>	<b>-220,153</b>	<b>4,481,008</b>
<b>EQUITY AND LIABILITIES</b>				
Equity	319,084	1,169,595	-	1,488,679
Interest-bearing liabilities	1,834,041	754,031	-248,600	2,339,472
Other liabilities	261,706	391,151	-	652,857
<b>Total equity and liabilities</b>	<b>2,414,831</b>	<b>2,314,777</b>	<b>-248,600</b>	<b>4,481,008</b>

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

# Notes

## NOTE 1 ACCOUNTING POLICIES

SIBS applies the International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report has been drafted in accordance with IAS 34 Interim reporting as well as the Swedish Annual Accounts Act. The accounting policies and methods applied are the same as those described in SIBS' 2021 Annual Report.

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

### *New standards from 2022*

None of the amended IFRS applicable from 2022 have had any impact on SIBS' financial reporting.

## NOTE 2 JOINT ARRANGEMENTS

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

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

## NOTE 3 INVESTMENT PROPERTIES

	Jan-Mar 2022	Jan-Mar 2021
<b>Opening value</b>	679,997	393,000
Property investments	334,170	7
Property acquisitions	1,193,538	-
Change in value	3,706	14,993
Investment subsidies	-212,000	-
Reclassifications of JVs	137,433	-
<b>Closing value</b>	<b>2,136,844</b>	<b>408,000</b>

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

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

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

## NOTE 4 SHARES IN ASSOCIATED COMPANIES

	Jan-Mar 2022	Jan-Mar 2021
<b>Shares in associated companies</b>		
Opening cost	673,191	258,117
Acquisitions/Contributions	18,879	10,346
Share in profit/loss of associated companies	182,372	65,017
Dividends	-	-
Reclassifications	-137,458	13,515
<b>Closing carrying amount</b>	<b>736,984</b>	<b>346,995</b>

Stockholm, 27 May 2022  
SIBS AB (publ)

Erik Thomaus  
CEO

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

# Definitions and glossary

## Operating surplus

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

## Interest coverage ratio

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

## Equity/assets ratio

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

## Adjusted equity/assets ratio

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

## Residential floor area

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

## Gross floor area

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

## Planning permission

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

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

## Development rights

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

## Detailed development plan, planning decision and awaiting planning decision

The planning process for detailed development plans is regulated by the Swedish Planning and Building Act. It is the municipality that decides on the start of the planning work. The planning process may be initiated through a planning decision on when the planning work may begin, or by the municipality itself taking the initiative to starting the planning work. The planning decision sets guidelines for the rest of the planning process. The municipality assesses whether a pre-

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

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

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

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

## Legally binding

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

## Parametric modularisation

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

## ConstructionTech

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

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## Next financial report

The 2nd quarter interim report will be published on 26 August 2022.

This information is the kind of inside information that SIBS AB (publ) is obliged to make public in accordance with the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the contact people above, at 3pm CET on 27 May 2022.