

 SIBS

# Annual Report 2020





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**TARGET:**  
**1,000**  
**completed**  
**homes**  
**PER YEAR**

## SIBS in brief

SIBS AB was founded in 2016 with the ambition of revolutionising the construction industry. We are proud of the fact that this ambition has brought us to a place where we are now one of the fastest growing home builders in the Nordic countries. The group encompasses the entire integrated value chain – from acquisition and planning in our proprietary construction system and our own factory, to long-term property management through the subsidiary Sveaviken Bostad.

With a focus on tenants, we develop space-efficient and sustainable rental apartments within the “affordable premium” segment. Our homes contribute to the creation of the good society and are designed with a focus on sustainability, quality, functionality and design. They attract a broad target group with diverse backgrounds and at different stages of life.

The SIBS Group has completed close to 600 rental apartments and the ambition is to complete 1,000 high-quality rental apartments in attractive Swedish cities each year. SIBS is actively working towards becoming the most sustainable home builder in the Nordic countries.

Nykvarn Centrum



# The year in brief

**1** Sveaviken Bostad acquired a property in Nyköping and is planning up to 34,000 m<sup>2</sup> of homes. Construction is expected to start in 2021.

**2** Sveaviken Bostad wins a municipal land allocation in the northern Järva area in Stockholm and is planning up to 250 homes. Construction is expected to start in 2023.



**6** Allocation of municipal land in Hässelby. Planning for approximately 100 apartments. Plan is to start construction in 2022.

**8** Agreement to acquire three properties in central Enköping. Planning for approximately 300 homes and a pre-school is ongoing. Construction is expected to begin in the second half of 2021.



2020

**3** SIBS MY has acquired 60,000 m<sup>2</sup> of land from Penang Development Corporation (PDC) for a future opportunity to build another factory for module production.

**4** SIBS issued its first green bond of SEK 400 million with a framework of SEK 600 million.



**5** Agreement to acquire property in central Malmö. Planning is ongoing for approximately 400 apartments. Construction is expected to start in the first half of 2022.



**7** Agreement to acquire property in central Brunnshög, Lund with 75 apartments. Completion of acquisition expected in Q2 2021. Is being run as a JV.

**9** Agreement to acquire two properties in Enköping via a company owned jointly with Nordsten Fastigheter. The plan is to take possession in the first quarter of 2021. A detailed development plan that allows just over 20,000 m<sup>2</sup> of housing is expected to be subject to consultation in the middle of 2021.





# A word from the CEO

We can summarise 2020 as a successful year for SIBS and conclude that our tenacity has been fruitful. During the year we have both considerably increased both our rate of production and the number of completed apartments. Our development rights portfolio has also been expanded with a number of new projects. In line with our strategy, the entire value chain has been reinforced, with all the group's companies continuing to show strong growth and sound profitability. Our sustainable homes are sought after on the market and together with our fantastic colleagues, we are well positioned for continued development in the same direction.

## A strong 2020 for SIBS

2020 is truly a year we will remember with mixed emotions. The pandemic changed our everyday lives, with many of us being forced to reprioritise. For the team at SIBS, we have had the advantage of being active in a market that continued to develop strongly in the past year, despite these challenging times, even though we were also affected by the spread of the pandemic in periods.

When Covid-19 first struck the world, we – like many others – were faced with the incomprehensible reality of several countries going into lockdown at once. At SIBS we made thorough plans for various outcome scenarios, as the impact of the pandemic on operations was difficult to assess. Fortunately, so far, we have only felt mild consequences. Our factory in Malaysia was forced to close down for about four weeks during spring, which gave us a gap in production that we made up for during summer.

The SIBS Group has taken good advantage of the opportunities in an upwardly mobile market, aiming our sights at an already ambitious level. This means that we can now look back on a very successful year. Our success is thanks to the hard work by our fantastic colleagues and more than 460 employees, as well as the numerous people in our ecosystem of suppliers, subcontractors and consultants. We work purposefully to offer our employees security, a sense of community and development in order to achieve commitment to the high goals set by the SIBS Group. During the year we have also recruited a head of sustainability in order to further strengthen our sustainability work which is a central part within the entire group. Of course, the year has also been characterised by maintaining health and security for our employees, partners and tenants.

**"We are working purposefully to offer our employees security, a sense of community, and development in order to make them committed to achieving the high targets set by the SIBS Group."**

## Increased production and increased development rights portfolio

2020 started with 31 completed apartments in our first project Sandtorp in Norrköping and was concluded with a total of 562 apartments divided into four projects. That is a rate of production of close to two completed apartments per day, a development we are very proud of. In 2021, we hope to get even closer to our target of completing approximately 1,000 apartments in one year.

**"Development in 2020 is in entirely consistent with achieving our target for in 2021 of completing 1,000 apartments in one year."**

During the period production has also been taking place in Luleå, and we have started production in projects in Örebro, Lund and Barkaby, which mean a total of 702 homes are currently under production. We are ending 2020 with a number of new projects in our portfolio, such as the acquisition of properties in central Malmö and two properties in Enköping encompassing development rights for a total of approximately 1,000 apartments. We also received a municipal land allocation from the City of Stockholm in Hässelby consisting of about 100 homes. Our development rights portfolio continues to grow and guarantees profitable and sustainable development.

## Great demand for our homes within the "affordable premium" segment

Our properties are in demand and are quickly filled with tenants. The market has clearly been lacking what SIBS is offering – space-efficient and sustainable rental apartments within the "affordable premium" segment. Our clear focus on sustainability is also very timely. Our buildings exceed the energy requirements under Swedish building standards thanks to tangible contributions such as solar panels on the roof and ground source heating in all projects, combined with a construction system that focuses on energy efficiency at every stage.

**"The positive feedback received from our tenants inspires us to continuously develop our offer, with the aim of having the most satisfied tenants in Sweden."**

We are also happy about the positive feedback we have received from tenants during the year. This confirms that our concepts really meet the demand for comfort and function in everyday life, often exceeding our tenants' expectations. This inspires us to continuously develop our offer, with the aim of having the most satisfied tenants in Sweden.

ERIK THOMAEUS



## On stable ground to take it to the next level in 2021

It remains to be seen how the pandemic will change the market, but it is evident that house and home have become more important. Spending time with family and friends in the home environment has become more central to people's lives. Working from home is also a trend which we think will continue even after the pandemic.

We are closely monitoring how the market develops and considering what long-term housing trends the pandemic may bring. Some key issues are how people will want to live and which functions will be important to them, as well as what moving patterns are being reinforced. With our flexible construction system as the foundation, scalable production, a focus on premium homes at a reasonable cost, and a geographically diversified development rights portfolio, we are well placed to deal with several conceivable scenarios. The way in which SIBS has delivered and grown during the year is a great accomplishment and a sign of maturity within the group. There are few international companies this young that can manage such growth.

**"Our modular construction system is as flexible as buildings constructed on site which enables the construction of all types of apartment buildings without the limitations that industrial producers of homes often have."**

In 2020 we saw a more than 100 per cent increase in production throughout the value chain. All group companies have had strong growth and continued good profitability. Part of the foundation of our positive development is our proprietary construction system. Our modular construction system is as flexible as buildings constructed entirely on site, which enables the construction of all types of residential building without the limitations industrial producers of homes often have. Our expertise in building industrially and flexibly means that we are able to optimise each project based on

the local circumstance in terms of both the conditions at the site and adaptations to target groups. This generates excellent internal and external efficiency, with a high level of customer value combined with cost-effective processes and quality-assured systems. 2020 was also the year when we successfully launched our green and sustainable bond of SEK 400 million with a framework of SEK 600 million. With these funds, we can continue to grow, create value and build some of Sweden's most beautiful apartment buildings. We will continue to develop our collaborations, strengthen our value chain and stick to the course we have set for ourselves. We are also happy that since the new year we have extended the bond by a further SEK 150 million that was within the framework of a total of SEK 600 million.

## Since the new year we have also continued to expand our development rights portfolio:

- Together with Nordsten Sveafastigheter, we have acquired development rights for a gross floor area of 30,000 m<sup>2</sup>.
- Together with Slättö, we have acquired development rights in Vega in Haninge for a gross floor area of 13,000 m<sup>2</sup>.
- We have acquired development rights in Vallentuna for a gross floor area of approximately 2,000 m<sup>2</sup> in connection to one of our other projects where production will begin in 2021.

We are very optimistic for the future and our ambition is to continue our journey of growth towards becoming one of the Nordic countries' leading home builders with regards to in house management.

Erik Thomaus  
CEO SIBS AB



# Development 2020

From **31** → **562** under management, divided into  
APARTMENTS four projects

Rate of production of close to **2** completed apartments/day

More than  
**5,000**  
development  
rights in our  
portfolio

Issue of green bond of  
**SEK 400** million

**702** currently under production in  
**APARTMENTS** Luleå, Örebro, Lund and Barkarby

Our solar panels account for **25%** of the energy consumed in our properties\*

\*Calculated electricity production from our solar panels divided by the properties' estimated annual energy consumption, excluding electricity for tenants

## Successful development of the whole value chain and more than doubled rate of production

- 🏢 **MOKO** has reinforced its position as one of Sweden's most efficient and innovative development and design companies
  - Planning permission for more than 800 apartments has been obtained during the year
- 🏢 **SIBS Malaysia** achieved an impressive level of ambition for modules produced per day during the year
  - Six modules per day on average
- 🏢 **Frontlog** has a considerable delivery reliability, even with the increasingly short intervals between projects
  - 100% of shipments by boat have arrived within a week of the agreed delivery date
- 🏢 **MOBY** has been able to manage more than five projects in parallel, with very good precision and quality of delivery
  - Has completed 531 apartments during the year
- 🏢 **Sveaviken** has won municipal land allocations, acquired several new development rights and, in parallel, built up the management part of the business that looks after our important tenants
  - Won municipal land allocations with a total of more than 400 apartments during the year

## KEY PERFORMANCE INDICATORS

Rental income	11,958	563
Property expenses	-2,497	-106
Operating surplus	9,461	457
Change in value investment property	61,163	221,518
Profit/loss from associated companies	175,489	1,924
Operating profit/loss	203,868	197,174
Profit/loss after tax	162,558	150,923
Apartments under management	562	117
Apartments for which production has been started	543	604
Apartments under construction	702	604
Interest coverage ratio	neg	neg
Equity/assets ratio	33.8%	23.6%
Adjusted equity/assets ratio (adjusted for cash and cash equivalents)	39.6%	24.2%
Solar-generated electricity of calculated total consumption in properties	25%	-

## Green and sustainable bonds

2020 saw the successful launch of our green and sustainable bonds. It was a natural step in our work with sustainability, which is key to both development and funding of our projects. The framework of the bonds is verified by CICERO Shades of Green, and SIBS will be reporting in accordance with the green framework.

The bonds have a framework of SEK 600 million, SEK 550 million of which has now been utilised

(SEK 400 million of which in 2020). The cash from this issue will be used exclusively for green properties and projects that qualify in accordance with SIBS's green framework, which makes SIBS's focus on sustainability even more distinct.

The bonds are admitted to trading on Nasdaq Stockholm's corporate bond list for sustainable bonds.



# Commitment throughout the entire value chain

## OUR BUSINESS

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

## Unique values in the value chain

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

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

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

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

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



## MARKET ANALYSIS AND 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.



# This is SIBS

## VISION

We aim to be the most efficient developer, producer and owner of residential buildings in the Nordic countries. SIBS's objective is to change the industry by optimising all aspects of building design, production, construction and management, while simultaneously maintaining a focus on environmental sustainability and design flexibility.

In other words, it is time to go beyond traditional building methods to an era of more industrial intelligence and to change how we design, construct, deliver and manage residential buildings.

## OUR STRATEGIC PRIORITIES

### 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

Our geographical locations and development areas are chosen based upon well-founded analyses and an understanding of how the market is developing. Analysis and acquisitions made at an early stage are decisive in terms of how much value is subsequently created.

### Project portfolio

Our project portfolio is perfectly balanced for sound growth. We ensure that we take advantage of opportunities on both the macro and the micro level. The geographical focus is the greater Stockholm area and surrounding regions, as well as larger cities such as Malmö and Gothenburg. Larger regional towns with universities are also interesting locations for establishing projects.

### The tenant today and tomorrow

Our in-depth knowledge of the trends and driving forces within property development keep us at the forefront of the market. With a focus on the tenant, we act today to meet 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 contribute to an attractive urban environment which is why both internal and external architecture is prioritised. The modular design and construction system we have developed offers greater flexibility and creates a premium atmosphere in each 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.

## OBJECTIVES

We continue our journey of growth towards:

- ▮ becoming one of the leading property developers in the Nordic countries in terms of in-house management
- ▮ producing approximately 1,000 homes each year
- ▮ having the most satisfied tenants in Sweden

# Business model that creates value



## WHAT WE OFFER

With a focus on tenants, we develop space-efficient and sustainable rental apartments within the "affordable premium" segment. This enables more people to live in a high-quality home. There is a major focus on creating quality homes and quality of life in line with the current and future needs of our target groups. Our homes contribute to the creation of a better society and are designed with sustainability, quality, functionality and design in focus.

The buildings we produce are managed long-term within the group.

## FOR A BROAD TARGET GROUP

Our homes attract a broad target group with diverse backgrounds and at different stages of life. We are in continuous dialogue with our tenants but we also study trends and behaviours in order to constantly be one step ahead in order to satisfy our future tenants' desires and needs.

## OUR STAKEHOLDERS

Trust and confidence are central to our relationship with our stakeholders and other concerned parties. We must establish trust in every relationship by being attentive, transparent and communicating clearly.

Value			
<b>Owner</b> Growth with profitability. Sound and long-term total return on investment.	<b>Customers</b> Sustainable homes in the "affordable premium" segment in attractive locations. Through insight-driven design of homes and the surrounding area, we create quality homes and quality of life.	<b>The environment</b> Properties with a major focus on sustainability down to every detail. Including high energy efficiency and high-quality materials.	<b>Employees</b> A safe and inclusive workplace that offers a sense of community and development.

## THE GOOD SOCIETY

Rental housing in the affordable premium segment improves the conditions for an inclusive society. We increase accessibility for target groups with different financial circumstances and counteract segregation. That is in itself a contribution to security in society.



# Our projects

During the year we have completed a large number of apartments in four different projects. Each project is unique, which demonstrates the strength of our flexible construction system. The common denominator of all projects has been a major focus on sustainability in the form of roof-mounted solar panels and borehole-heating systems. Great importance

has also been placed on the external design, where we have worked with materials that stand the test of time, such as natural stone and wood. Our ambition is always to build properties that we will be proud of owning for generations to come. The average rent in these projects is SEK 1,796/m².



## DANSBANAN

### NORRKÖPING

- ☑ Number of homes: 117 rental apartments
- ☑ Production started: Q1 2019
- ☑ Tenants moved in: Q1 2020

## SÖDERBY



## HANINGE

- ☑ Number of homes: 71 rental apartments
- ☑ Production started: Q2 2019
- ☑ Tenants moved in: Q2 2020

## TRANBÄRET



## KALMAR

- ☑ Number of homes: 218 rental apartments
- ☑ Production started: Q2 2019
- ☑ Tenants are moving in now

## GLIDPLANET



## ÖREBRO

- ☑ Number of homes: 157 rental apartments
- ☑ Production started: Q2 2019
- ☑ Tenants are moving in now



# Ongoing projects

Throughout the year we have set our sights even higher and are currently carrying out four building projects where we have once again seen evidence of the great potential of our construction system. We are building our first city block, complete with pre-school, business premises and restaurants. We are also building a round

building, with everything that entails. At the same time, we have maintained a focus on sustainability throughout all the projects. In addition, we have further refined the external design and are completing buildings we know we will be very proud of.



## AUTOGYRON

### ÖREBRO

- Number of homes: 117 rental apartments
- Production started: Q2 2020
- Planned completion: Q2 2021

## PARASOLLET



## LUND

- Number of homes: 75 rental apartments
- Production started: Q2 2020
- Planned completion: Q3 2021

## BARKARBYSTADEN KV 15



## JÄRFÄLLA

- Number of homes: 351 rental apartments
- Production started: Q3 2020
- Planned completion from Q4 2021

## KOMPASSEN



## LULEÅ

- Number of homes: 159 rental apartments
- Production started: Q4 2019
- Planned completion: Q2 2021

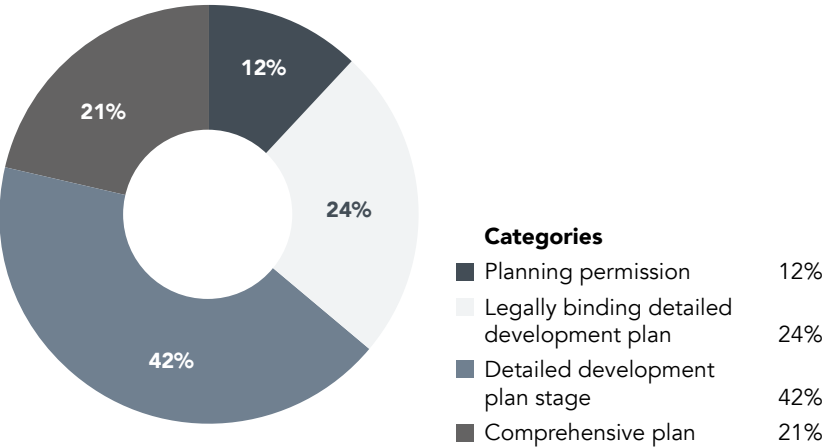


# Project portfolio

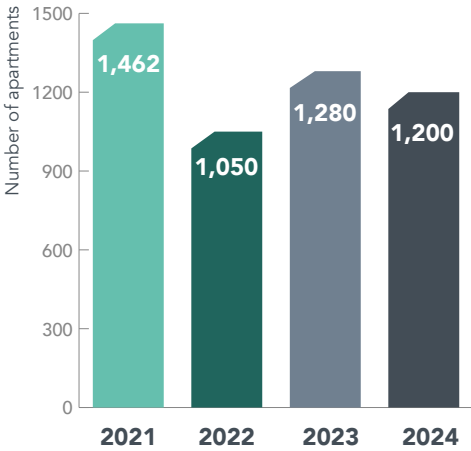
Project name	Municipality	Number of homes	Current status	Estimated production start
Kompassen*	Luleå	159	Planning permission	In production
Autogyron**	Örebro	117	Planning permission	In production
Parasollet	Lund	80	Planning permission	In production
Barkarbystaden kv 15**	Järfälla	351	Planning permission	In production
Nykvarn Centrum**	Nykvarn	282	Legally binding	2021
Brädgården	Nyköping	462	Legally binding	2021
Vallentuna Centrum	Vallentuna	37	Detailed development plan stage	2021
Enköping Centrum	Enköping	300	Detailed development plan stage	2022
Rogaland	Stockholm	250	Detailed development plan stage	2022
Hässelby Maltesholm	Stockholm	100	Detailed development plan stage	2022
Tangenten Sorgenfri	Malmö	400	Detailed development plan stage	2022
Enköping Station***	Enköping	400	Detailed development plan stage	2023
Söderby 2	Haninge	280	Detailed development plan stage	2023
Svanholmen	Stockholm	300	Detailed development plan stage	2023
Stockrosen	Nyköping	300	Detailed development plan stage	2023
Konservatorn	Stockholm	160	Planning decision	2024
Kornboden	Rimbo	200	Awaiting planning decision	2024
Skiffern	Huddinge	280	Awaiting planning decision	2024
Tumba	Botkyrka	560	Awaiting planning decision	2024
Total		5,018		

\* Divested to Slättö  
\*\* Joint venture (50/50) with Slättö  
\*\*\* Joint venture (50/50) with Nordsten Sveafastigheter

PROJECT STATUS



UPCOMING PRODUCTION STARTS



PROJECTS ACQUIRED 2021

Project name	Municipality	Number of homes	Current status	Estimated production start
Vegaterassen**	Haninge	241	Legally binding	2021
Vallentuna	Vallentuna	40	Detailed development plan stage	2021
Mariefred station***	Strängnäs	400	Legally binding	2021
Total		681		
The project portfolio encompasses a total of		5,699		





# Strong market development and increased demand for rental apartments

There was a great deal of uncertainty at the beginning of 2020 thanks to Brexit and the threat of trade wars. Not long into the year we faced Covid-19, resulting in a reality we have never previously experienced - a virus with the same impact at a local and a global macro level. As an organisation we make it a priority to be highly adaptable to different market scenarios. As the year progresses we saw strong development in the property market and rental apartments, a development that SIBS was well equipped to take advantage of.

### Strong demand for rental apartments

Demand for rental apartments remained very high throughout the year. A total of 212 of Sweden's 290 municipalities reported a shortage of homes in 2020. In total, there are 243 municipalities that have a housing shortage in central areas, which is 31 more than those that believe there is a lack of housing in the municipality as a whole. The municipalities that believe they have a balance (66) or even a surplus (8) in the housing market are almost exclusively smaller municipalities without a university and are located outside the metropolitan areas. Consequently, demand remains high in SIBS/Sveaviken Bostad's geographical focus areas Greater Stockholm/Mälardalen, Malmö, Gothenburg and larger regional cities with universities. According to a forecast from the National Board of Housing, Building and Planning, approximately 60,000 new homes are required each year until 2029.

Investor demand for newly produced rental properties has also increased steadily. The underlying causes are both the strong demand for housing in the country as a whole, and the fact that rental properties are attractive investments as they generate long-term predictable revenue and a stable return. This has had a positive impact on property valuations.

*"Residential property has been a very attractive investment segment in recent years, with decreasing direct yield requirements and increasing prices in pretty much all of Sweden. The metropolitan/university cities in particular have seen a positive trend in terms of value, but a number of local subsidiary markets have also noted rising prices as there has been major interest from local/regional actors as well as institutional capital."* (Swedish Property Market 2021 SVEFA)

SIBS has also decreased the risk of high tenant turnover and vacancy/rental risk by using state investment aid that makes our rents lower than those of other new-builds.

### Employment

In February, just over 460,000 people were registered as unemployed i.e. openly unemployed or enrolled in programs with activity support. This is an increase of close to 81,000 people compared to the same month last year. Unemployment has therefore increased from 7.4 to 8.8 per cent in one year.

Several of the measures that have been introduced to alleviate the effects of the crisis mean that the impact on the labour market may also appear less severe in terms of the unemployment figures. One important factor is the ability to temporarily furlough employees in order to avoid redundancies. In the labour force surveys, those who are furloughed count as being employed.

According to the latest forecast from the Swedish Public Employment Service, unemployment will increase in 2021, especially among young people. Long-term unemployment is also predicted to increase. But there are also those who have a different assessment. They predict that unemployment will remain at the current level until the first quarter of 2021 before gradually decreasing. They suggest that it is due to many employers having already adapted their workforce to the pandemic, primarily in hard hit industries such as the hospitality sector. And other parts of the enterprise sector are actually doing pretty well. That is especially the case of parts of industry that are in an entirely different position now compared to last spring, when they were forced to shut down production. Many companies have also had time to adapt their business models and operations to the new situation and have moved their customer-facing activities into the digital sphere and are able to continue operating. At the same time, we also see the light at the end of the tunnel in the form of a vaccine, and many companies are probably trying to hold on.

### Steel price trend during the year

The price of steel increased in the fourth quarter of 2020 due to lower supply caused by temporary shutdowns during the coronavirus pandemic. The restart of steel production begun in the fourth quarter and many believe that the steel price will return to more normal levels in 2021 when production capacity returns. The increase in the steel price affects SIBS's production costs marginally as it only represents about 5% of total production costs.

### The development of the Swedish krona over the year

The Swedish krona rose against the US dollar by 13.8% in 2020. The Swedish krona rose against the Malaysian ringgit by approximately 11% in 2020. As a large part of the factory's purchases are made in USD and MYR this had a positive effect during the year.



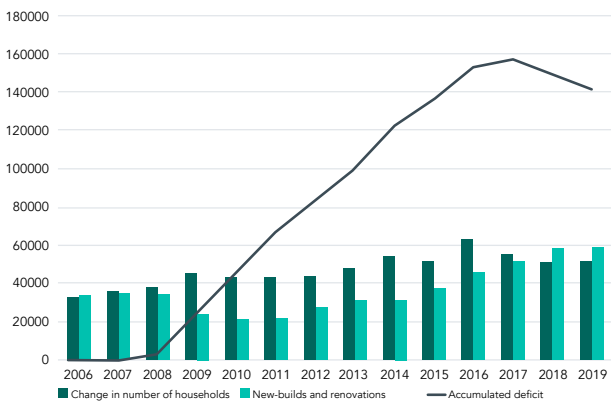
Housing modules arrive at the Port of Södertälje in April 2021

### Shipping cost trend

The year 2020 was turbulent within maritime transport, with the transition to low-sulphur bunker oil in accordance with IMO 2020, followed by the pandemic. While the container ship companies predicted a sharp drop in demand and planned their trading patterns based on that, they were surprised when the reports from the first half year only showed a marginal downturn, which resulted in an overall lack of balance in container trade and increased shipping costs as a result.

For SIBS, impact on the shipping costs was minor due to the dry bulk market having a weak start to the year. When compared to the index, prices were some of the lowest averages since 2015. Even towards the end of the year, the price hike that was seen in the container market did not materialise. The price differential between the Atlantic and the Pacific encouraged shipowners to move their fleets to the stronger Atlantic side, which worked to SIBS's advantage as all modules are transported from Malaysia to Sweden on dry bulk carriers.

### Build-up of initial shortage of homes

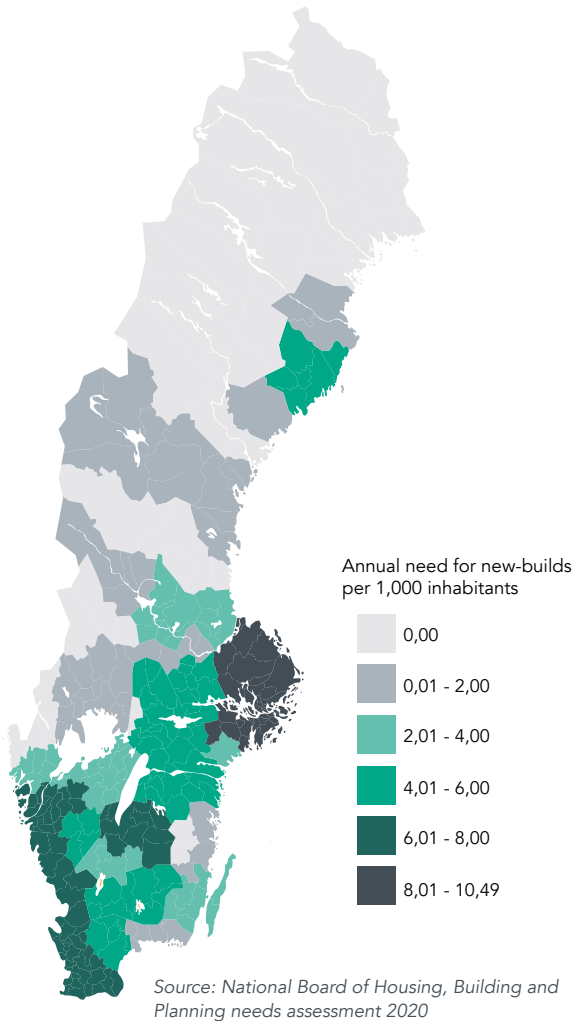


Source: National Board of Housing, Building and Planning

Estimates from the National Board of Housing, Building and Planning show that housebuilding in most of the country is now at par with, or exceeding population growth. However, there continues to be a shortage due to an insufficient number of homes having been built in previous years.

### Increased demand for our rental homes

We can state that SIBS has a well-functioning business that is able to adapt quickly to new conditions in the surrounding world. We also see increased demand for our homes in 2021 as well as in the years ahead. This is demand that we can satisfy with a high level of scalability throughout the value chain.



Source: National Board of Housing, Building and Planning needs assessment 2020





# Sustainability report



## We are building a sustainable future

For the SIBS Group, putting sustainability in focus is fundamental for creating good living and housing environments as well as a successful business that has long-term profitability. Having a complete and wholly owned value chain for developing and managing rental housing ensures that each process takes social, economic and environmental sustainability into account. For Head of Sustainability at SIBS, Jon Mellqvist, sustainability is about creating long-term conditions for high quality of life for all people. In order to achieve this, progress is necessary within all of the UN's Sustainable Development Goals. As Head of Sustainability, it is Jon's job to ensure that SIBS lives up to the sustainability goals.

"A sustainable business model requires continuous improvements to each process stage in the value chain, including all social aspects, working conditions and living environments, that the business affects. In our business, this involves creating a sustainable and better housing environment for our tenants, with minimal impact on the environmental and climate. This is a difficult balancing act, but SIBS's uniquely efficient and flexible production concept and responsible management forms a good foundation upon which to create sustainable solutions and long-term values for all stakeholders," says Jon Mellqvist, Head of Sustainability at SIBS.

### "In line with the UN's Sustainable Development Goals, SIBS's business model is centred on people."

#### Focus on people

In line with the UN's Sustainable Development Goals, SIBS's business model is centred on people. That applies both to people who are involved in or affected by the business and those who live in the buildings. For those who work in production, logistics and management, it is primarily about providing safe, good, fair and equal work environments.

For people who are affected by the business in other ways, this involves minimising the negative effects and, as far as possible, improving their situations and living environments. For example, all SIBS companies work actively to analyse and rectify the impact of both their own operations and that of their subcontractors on local environments and human life and health. That applies to everything from the production and purchase of construction materials to operations and maintenance.

There is also a specific focus on creating housing environments that are as sustainable as possible for those who live in SIBS properties. This includes social, economic and environmental aspects with a constant aspiration to meet the relevant sustainability goals within the UN's 2030 Agenda\*. For example, all SIBS properties perform extremely well within UN's goal areas for *Affordable and Clean Energy* (Goal 7), *Sustainable Cities and Communities* (Goal 11) and *Good Health and Well-Being* (Goal 3).

"Our primary objective is to build homes that have good conditions for a sustainable, secure and healthy life. That includes our buildings being constructed with high-quality sustainable materials and offering high energy efficiency and a good indoor climate in a secure housing environment. In order to make a higher standard of living achievable for as many people as possible, household finances are also an important piece of the jigsaw. With our unique modular construction concept and complete value chain, we build and manage homes with exceptionally high efficiency without unnecessary middlemen and administration. That leads to low housing costs and favourable rents," Jon points out.

#### A complete value chain benefits sustainability

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

### "The complete value chain and long-term perspective in the product life cycle create significant sustainability benefits."

"As a home builder and manager, it is of great benefit to be able to control the entire value chain, from the perspective of both economics and sustainability. All stages of the process from start to completion can be fine-tuned based on a helicopter view and each stakeholder acts with SIBS's common targets and incentives in mind. A company that, for example, works with planning has a natural focus on its own results and delivering good construction documents, but does not always have the right incentive to see the bigger picture. With make sure nothing is left to chance or is somebody else's responsibility. We try to utilise everything and optimise each process with the aim of making savings for the environment and the wallet," says Jon.

#### JON MELLOQVIST

#### Innovative capabilities and drive ensure targets are achieved

SIBS was founded in 2016 with the goal of becoming one of the Nordic countries' fastest growing and most sustainable home builders. To succeed requires courage, drive and innovative capabilities. According to Jon Mellqvist, there is no lack of any of these qualities. By integrating the entire value chain and actively making improvements within all companies and units, SIBS has displayed strong growth and inventiveness from the start. The development of the proprietary design and construction concept Parametric Modularization\* is an example of the company's capacity for innovation. One result of the solution is that SIBS has automated large parts of the planning process and can efficiently adapt and build homes with almost the same flexibility as those built on-site.

With its own resource and flow-optimised production facility, SIBS is able to complete approximately 90% of the homes in the factory. This results in large sustainability effects during construction. This is reflected in the form of higher production efficiency and less waste, significantly fewer construction shipments and a better work environment. The buildings are constructed indoors in a process-oriented, systematised and well-controlled flow.

### "SIBS builds properties with a sustainable industrial method that is groundbreaking for the construction industry and enables us to build both faster and more efficiently than most other companies."

"SIBS builds properties using a sustainable industrial method that is groundbreaking for the construction industry which enables us to build both faster and more efficiently than most other Nordic companies. Just a detail like studwork being produced in lengths ready for assembly in the neighbouring factory means that we reduce wastage which results in economic and climate gains. There is strong innovative force and an explicit willingness in the company to revolutionise construction. Even though SIBS is a relatively young company, it has already produced significantly improved and more sustainable construction processes. That provides us with a good starting point for our continued efforts to improve sustainability," Jon points out.



### Climate-efficient production in focus for the future

In advance of 2021 and the work with sustainability in the years ahead, SIBS has charted and evaluated its impact within sustainability and analysed this against the UN's Sustainable Development Goals in the 2030 Agenda. Based on the analysis, three focus areas have been identified for the group's sustainability strategy: Environmentally Certified Buildings (Goal 3), Sustainable Supply Chains (Goal 12) and Climate Impact (Goal 13). These have been chosen as they are considered to be the highest priority for the near future.

"SIBS has a relatively high level of achievement but there is also room for improvement within several of the UN's Sustainable Development Goals relevant to our activities. The reason why we have chosen these three focus areas is because we consider them to have maximum effect. We will of course also continue to work continuously with other goals and areas where more can be done," Jon stresses.

In terms of concrete measures, the strategy has so far resulted in increased energy efficiency, a plan for environmental certification of all buildings and a new code of conduct. In 2020, management systems for environment and quality have been adapted and certified in accordance with ISO 9001 and 14001 for MOKO and Sveaviken Bostad. MOBY has also adapted its management system for work environment in accordance with ISO 45001 and received its certificates in early 2021.

In 2020, we initiated the registration of all building materials that are purchased in Malaysia, in Byggvarubedömningen

(a non-profit organisation for assessing building materials). This includes helping suppliers produce the correct documentation. Within the scope of this we are also conducting analyses to ensure that the products meet the SIBS sustainability requirements.

"We have already got quite far with measures already adopted within the scope of the new sustainability strategy. The programmes for certifying new buildings in accordance with Miljöbyggnad (Environmental building) Silver\* and existing buildings in accordance with LEED EBOM\* are activated and all employees are being trained in the new code of conduct during 2021. The code of conduct will be adapted in 2021 to include a supplier code of conduct, implying that our values and sustainability requirements will, in the long term, permeate the entire value chain," says Jon and adds: "In addition, work is ongoing to reduce energy use in production and in our buildings, as well as the environmental impact from our shipments. From the start, we have focused on building energy-efficient buildings and all our projects have an estimated energy use that will be within the scope of our goal – 56% below the National Board of Housing, Building and Planning's requirements\*. We also have a target of reducing the climate impact from production to completed building, and have produced a plan detailing the measures we want to implement. This includes looking at different steel solutions in order to reduce climate impact. Achieving a more climate-efficient production is and will continue to be our, as well as the entire industry's, biggest challenge for a long time to come.

### The UN's 2030 Agenda

The 2030 Agenda was adopted by the United Nations General Assembly in 2015 and consists of 17 Sustainable Development Goals. These goals aim to end poverty, stop climate change and create peaceful and safe societies.

### Parametric modularization

SIBS's proprietary modular design and construction system automates large parts of the planning stage and industrialises the construction process. It offers greater flexibility in construction and significantly shorter planning and production times. The method is almost as flexible as buildings constructed on-site, which enables the construction of all types of apartment buildings without the limitations that other industrial producers of homes often have.

### Miljöbyggnad Silver

Miljöbyggnad is a Swedish environmental certification issued by the Sweden Green Building Council which ensures through a third party verification that the building is sustainable and healthy. There are three levels of certification: Bronze, Silver and Gold. Certification in accordance with Miljöbyggnad Silver proves that the building has very good environmental performance.

### LEED

LEED is a global building certification programme that aims to identify, implement and measure environmentally friendly design, construction, management and maintenance. There are a number of LEED systems for different types of projects. Tenant adaptations to commercial, institutional residential buildings and public transport facilities, city districts and entire cities are just some of the examples.

### LEED EBOM or LEED Operations and Maintenance:

**Existing Buildings** is a system for certifying the performance of an existing building within the categories: location and transport, sustainable land area, water use, energy and climate impact, material and resources, indoor environment and innovation.

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

The National Board of Housing, Building and Planning's building regulations form the requirements that society demands that buildings must meet as a minimum. These include child safety, accessibility, fire protection, load-bearing capacity and a good indoor environment. These requirements also have to be met by all new buildings. It is also the National Board of Housing, Building and Planning that oversees the energy performance requirements for buildings when applying for state investment aid for rental and student housing.





# SIBS sustainability strategy

For SIBS, work with sustainability is as fundamental an element as our funding. Active efforts to improve sustainability in which environmental, economic and social perspectives and accountability are intergral to all processes are key to our development and success. They are also a prerequisite for creating good housing and living environments for our tenants, good working conditions for our employees and benefits for society at large.

### Three focus areas and global responsibility

SIBS's work with sustainability is based on the UN's 2030 Agenda and our sustainability strategy encompasses developing, planning, building and managing buildings that are sustainable in the long term. We contribute to sustainable development by putting sustainability at the centre of everything we do throughout the entire process.

Based on a materiality analysis, three focus areas have been chosen for the sustainability strategy. These focus areas connect our companies with the UN's Sustainable

Development Goals and aim to reduce our climate impact, create sustainable supply chains and enhance the sustainability of buildings through environmental certification. What these focus areas share, as do the 17 Sustainable Development Goals, is that their aim is sustainable development for the entire planet. By reducing energy use and ensuring the supply of green electricity to our properties, we create sustainability and economic gains for our tenants. This also benefits the rest of the world as it reduces environmental impact. Below we present our three focus areas, as well as the goals and some of the activities the goals encompass.



### BUILDINGS WITH ENVIRONMENTAL CERTIFICATION

**By working in accordance with Miljöbyggnad, we ensure our buildings are constructed with a sound and healthy indoor environment and that we are using sustainable materials. We currently have a detailed plan for how all new and existing buildings are to be certified.**

#### TARGET

- All new buildings to be certified in accordance with Miljöbyggnad Silver.
- All existing buildings to be certified in accordance with LEED EBOM.

#### ACTIVITIES

- The initiative to certify all new and existing buildings began in 2020.



### SUSTAINABLE SUPPLY CHAINS

**Using training, requirements, process, material reviews and regular controls, we create a complete sustainable supply and value chain. Our buildings consist of modules built in our own factory in Malaysia. The building materials primarily come from Malaysia but also from other Asian countries and Europe. We are now in a position where we have built good relationships with our subcontractors and are ready to raise the level of our accountability in the supply chain.**

#### TARGET

- All employees shall complete training within and be well versed with SIBS's code of conduct in which our values and requirements within sustainability are defined. The code of conduct is based on the Ten Principles of the UN Global Compact on human rights, labour, the environment and anti-corruption.
- All suppliers shall read and adhere to a code of conduct produced specifically for suppliers.

#### ACTIVITIES

- All employees will have completed training in the code of conduct in 2021.
- All larger suppliers will be informed and get access to the code of conduct for suppliers in 2021.
- In 2020, work began on registering building materials that are purchased in Malaysia in Byggsvarubedomningen.



### CLIMATE IMPACT

**Constructing and managing buildings has an impact on the climate. We have come far in terms of constructing energy-efficient buildings. We have a forward-looking strategy for reducing climate impact that covers production and further optimising energy performance.**

#### TARGET

- Reducing the climate impact of production and producing an Environmental Product Declaration (EPD) for the most important materials.
- New production has an estimated energy use that is more than 56% lower than the requirements in the National Board of Housing, Building and Planning guidelines.

#### ACTIVITIES

- Continuous improvements to buildings' energy performance. We currently have an estimated average energy performance of 26 kWh/m<sup>2</sup> A<sub>temp</sub> and the energy use in newly produced apartments is approximately 56% lower than what is required by the National Board of Housing, Building and Planning.
- Housing modules are built with a very good building envelope, water-borne underfloor heating and windows with good insulation.
- Buildings are equipped with combined ground source heating and solar power, which is one of the most climate-friendly and cost-effective heating solutions.
- The energy needs in our buildings that are not met by ground source heating and solar panels come from other renewable energy sources, "green energy".



Purposeful future

In addition to the sustainability work carried out within the scope of our three focus areas, we see it as obvious that SIBS should also work towards achieving the other goals in the 2030 Agenda. That means that we continuously review our processes in light of the Sustainable Development Goals and focus on the areas where our measures have the most impact. As a member of the UN Global Compact, we report annually on how we contribute to the Sustainable Development Goals and on the improvements that have been made. The report also includes information on how the Ten Principles of the UN Global Compact on human rights, labour, environment and anti-corruption are being implemented into SIBS’s business.

The UN’s Sustainable Development Goals and the 2030 Agenda

In September 2015, the UN’s member states agreed on a strategy for a sustainable future by adopting the 2030 Agenda. This is based on the 17 Sustainable Development Goals, with 169 targets that clearly describe the path to a sustainable world. In brief, the goals involve ending extreme poverty, reducing inequality and injustice, promoting peace and justice and solving the climate crisis.

Project	Municipality	Estimated energy performance (kWh/m²/year)	Meets requirements for energy bonus*	Estimated electricity production from solar panels (MWh/year)	Proportion of the property's energy from local solar production**
Dansbanan	Norrköping	22	Yes	74	33%
Söderby	Haninge	22	Yes	41	31%
Tranbäret	Kalmar	25	Yes	22	23%
Glidplanet	Örebro	29	Yes	101	35%
Kompassen	Luleå	45	Yes	39	12%
Autogyron	Örebro	28	Yes	33	15%
Parasollet	Lund	23	Yes	19	16%
Barkarbystaden kv 15	Järfälla	25	Yes	180	27%
Vallentuna Centrum	Vallentuna	25	Yes	23	35%

\* Requirements for energy bonus are found in the terms and conditions for rental housing and can be granted if energy usage does not exceed 56 per cent of the requirement in the National Board of Housing, Building and Planning's building regulations.

\*\* Estimated electricity production from the project's solar panels divided by total estimated energy requirement on an annual basis. Estimated exclusive of electricity for tenants.

Personnel

During the year, the number of permanent employees, including probationary employees in the group was on average 452 (363), 12 of whom were women (10) and 440 men (353). The rate of absence due to sickness in the whole group was 1.9%, with 0.5% in the Swedish operations and 2.1% in the Malaysian operations. The lower rate for the Swedish operations is largely due to most employees in Sweden being able to work from home, when experience symptoms of a cold and the like.

The Bridge

During the year, SIBS has, via Sveaviken Bostad AB, entered into a sponsorship agreement with BLING regarding their project The Bridge. The Bridge is intended as a hub for new entrepreneurs in Kista Centrum and aims to accelerate change in society and reduce exclusion. We work continuously with social sustainability in all our projects and, with our investment in new apartments in Husby, we have become aware of this positive movement that is constantly growing and making a difference in vulnerable areas.

Green bonds

Our green and sustainable bonds were launched successfully in 2020. This was a natural step in our work with sustainability, which is key to both development and funding of our projects.

The framework of the bonds is verified by CICERO Shades of Green, and SIBS will be reporting in accordance with the green framework. The bonds have a framework of SEK 600 million, SEK 550 million of which have now been utilised. The issue will be used exclusively for green properties and projects that qualify in accordance with SIBS’s green framework. This gives SIBS an even more distinct focus on sustainability. The bonds are admitted to trading on Nasdaq Stockholm’s Sustainable Bond List.

Risks

Sustainability risks are listed on page 42.

Self-generated electricity

During the year, three photovoltaic energy facilities have gone online, which have generated a total of 94 MWh of electricity. Even though no facility has been running for all of 2020, our follow-up shows that they have delivered in accordance with our calculations.

Electricity generated in 2020 in MWh

Dansbanan	Norrköping	76
Söderby	Haninge	13
Tranbäret	Kalmar	5
<b>Total</b>		<b>94</b>

Heating our buildings from above and below

To achieve maximum energy performance with the most climate-friendly energy consumption, SIBS’s buildings are fitted with optimal building envelopes and are heated using ground source heating and solar power. By covering other energy consumption, such as household electricity, with green electricity, our properties are powered almost entirely by renewable energy sources.

Ground source heating in combination with solar panels is standard practice for heating in most SIBS’s buildings. In practice, solar panels provide the electricity needed to run the buildings’ ground source heating and ventilation systems. When solar power is not sufficient, green electricity is added from the electricity grid. Ground source heading is supplemented with district heating in those properties that are connected to the district heating grid. Those properties that do not have ground source heating are furnished with solar panels in order to reduce dependency on external energy sources and provide the buildings with climate-neutral electricity.

The building modules are built and equipped with water-borne underfloor heating, 330 mm rock wool insulation in heat-optimised layers and argon gas-filled sealed double-glazed windows with jointed external frames. The building envelope and the tried-and-tested comprehensive solution result in very high energy efficiency in all types of properties and apartments, regardless of size. This solution has resulted in an estimated average energy performance of

26 kWh/m² A<sub>temp</sub>, with energy use that is 56% lower than required by the National Board of Housing, Building and Planning for both existing and planned buildings.

Constant searching for energy savings

There is always room for improvements to building envelopes, heating, energy consumption and energy sources. SIBS is therefore continuously working on development and innovations within all areas to achieve higher energy efficiency and more climate friendly energy consumption in our properties. “We are currently looking at a solution for improving heat recovery in the properties. The modules are now equipped with local ‘spice-rack aggregates’, with a heat exchanger for intake air and exhaust air ventilation. This is a practical modular solution, but by using a central system we will probably achieve better heat recovery, and we are currently investigating its possible effects and whether the solution can be implemented cost-effectively,” says Stefan Olsson, HVAC expert at Moko.



Stefan Olsson  
HVAC expert at MOKO



Glidplanet, Örebro



Substation in Kompassen, Luleå





Brädgården, Nyköping

## Board of directors



### ERIK THOMAEUS

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

Erik is the founder, CEO and director of SIBS AB. He founded SIBS in 2016. He was previously the CEO of Nolek Group and is also a co-owner of Exoro Capital AB, Industrium AB and Landexo AB. He has a bachelor's degree in international economics and management from Milan's Bocconi University.



### PÄR THOMAEUS

Founder, Director of SIBS AB & Group and Sveaviken Bostad  
CEO Sveaviken Bostad

Pär is a founder and director of SIBS AB and CEO of Sveaviken Bostad. Pär was previously head of Exoro Capital for 15 years. He has a bachelor's degree in finance from Saint Louis University.



### JONAS RAMSTEDT

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

Jonas has a long and successful background within both property and acquisitions. He is currently the principal owner and CEO of Landia, as well as the owner of Landera. Jonas has a master's degree in business administration - financial reporting from the Stockholm School of Economics.



### JOHAN KARLSSON

Co-founder and director of SIBS AB & Group

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



# Management



**ERIK THOMAEUS**  
CEO SIBS AB & Group

Erik is the founder, CEO and director of SIBS AB. He founded SIBS in 2016. He was previously the CEO of Nolek Group and is also a co-owner of Exoro Capital AB, Industrium AB and Landexo AB. He has a bachelor's degree in international economics and management from Bocconi University.



**ULF THOMAEUS**  
CFO SIBS AB & Group

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



**PÄR THOMAEUS**  
CEO Sveaviken Bostad

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



**ERIK SÖDERHOLM**  
CTO SIBS AB & Group

Erik is the chief technology officer for the group. He has extensive experience of industrial construction and has worked in various management positions with a focus on production, quality and efficiency improvements. Erik has an extensive academic background including a licentiate degree in industrialised construction and a master's degree in engineering specialised in industrial production.



**DAVID ÖSTERSTRÖM**  
CEO Frontlog, COO SIBS AB

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



**ANNA LYSEDAL**  
Chief Accountant

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



**VIKTOR RYD**  
CEO MOBY AB

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



**PATRIK JENSEN**  
CEO MOKO AB

Patrik is the CEO of Moko. He has 15 years experience as a design engineer and has developed several construction systems that have been implemented on the market. Patrik has a PhD in modular construction systems and design automation.



**PÄR-HENRIK ALMÉN**  
Deputy CEO MOBY AB

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

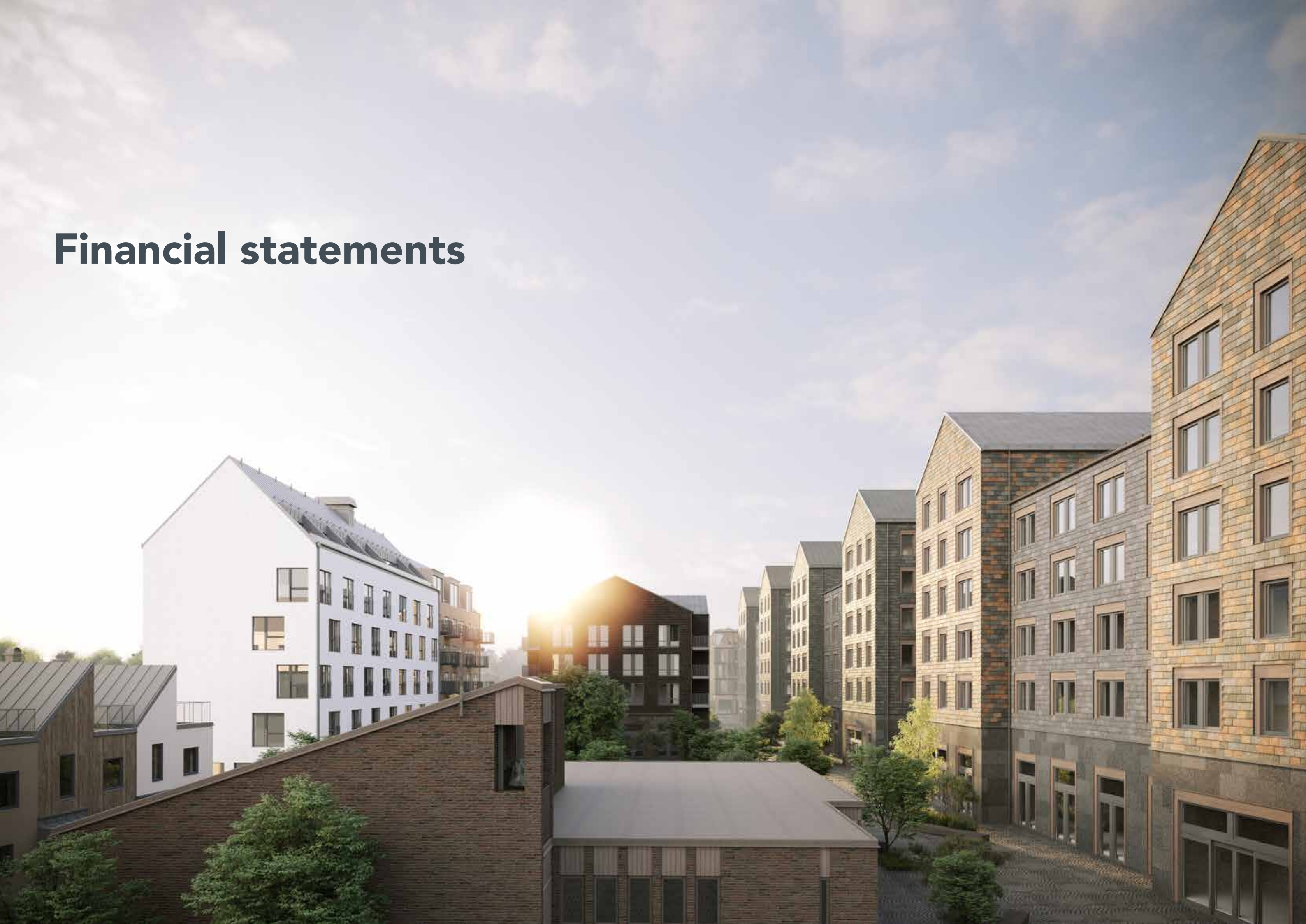


**JON MELLQVIST**  
Head of Sustainability

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



# Financial statements





# Statutory administration report

The board of directors and chief executive officer of SIBS AB (publ), org. reg. no. 559050-3070, hereby submit the annual report and consolidated financial statements for financial year 2020. Figures in parentheses refer to the previous the financial year. The company has its registered office in Stockholm.

### January – December 2020

- Rental income increased to TSEK 11,958 (563) and the operating surplus increased to TSEK 9,461 (457)
- Changes in value of investment property amounted to TSEK 61,163 (221,518)
- Profit/loss from associated companies amounted to TSEK 175,489 (1,924)
- Operating profit/loss amounted to TSEK 203,868 (197,174)

### General information about the business

The SIBS Group was born from the idea of challenging norms and creating a smarter method for building homes and developing property. Together with our civil engineers, doctors in industrial construction and architects, the idea of our own modular design and construction system became a reality. We call it “parametric modular design”. The system allows greater flexibility in construction and significantly shorter production times.

The SIBS Group, with its approximately 452 employees, works within the entire property chain – from acquisition to production, transport, construction and property management. SIBS’s goal is to produce 1,000 rental apartments each year that are managed by our team in house.

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

### What we offer

With tennents in focus, we develop space-efficient and sustainable rental apartments within the “affordable premium” segment. Our homes contribute to the creation of a better society and are designed with sustainability, quality, functionality and design in mind. They attract a broad target group from diverse backgrounds who are at different stages in life.

### Vision

We aim to be the most efficient developer, producer and owner of residential buildings in the Nordic countries. SIBS’s objective is to change the industry by optimising all aspects of building design, production, construction and management, while simultaneously maintaining our focus on environmental sustainability and design flexibility. It is time to go beyond traditional building methods to an era of more industrial intelligence and change how we design, construct, deliver and manage residential buildings.

### The companies in the group

The group currently consists of six operational associated companies and group companies, as well as additional group companies that own properties.

- SIBS AB is the group parent company
- MOKO AB is responsible for development and planning
- MOBY AB is a construction company
- SIBS Sdn Bhd is the Malaysian company that produces the modules
- Frontlog AB is the logistics company
- Sveaviken Bostad AB works in property development and management

### Ownership as at 30 December 2020

Owner	Number of shares	Ownership in %
Industrium AB	15,000	30.00%
Landera AB	9,444	18.89%
Neptunia Invest AB	7,500	15.00%
Ramstedt Gruppen AB	7,306	14.61%
Exoro Capital AB	5,111	10.22%
Other shareholders	5,639	11.28%
Total	50,000	100.00%

### Significant events during the year

- Sveaviken Bostad acquired a property in Nyköping and is planning up to 34,000 m² of homes. Construction is expected to commence in 2021.
- Sveaviken Bostad wins a municipal land allocation in the northern Järva area in Stockholm and is planning up to 250 homes. Construction is expected to start in 2023.
- SIBS MY has acquired 60,000 m² of land from Penang Development Corporation (PDC) for a future opportunity to build another factory for module production.
- SIBS issued its first green bond of SEK 400 million within a framework of SEK 600 million.
- SIBS’s subsidiary Sveaviken Bostad has signed an agreement to acquire a property in central Malmö. Planning is ongoing for approximately 400 apartments. The agreed property value is calculated based on SEK 4,500/m² of gross floor area. Construction is expected to start in the first half of 2022.
- SIBS’s subsidiary Sveaviken Bostad has been allotted a land allocation in Hässelby and is planning approximately 100 apartments. The property is situated along Maltesholmsvägen. The price for the land is set at SEK 7,200 /m² gross floor area and the imagined exploitation is a gross floor area of 6,000 m². The plan is to start construction in 2022.

- SIBS’s subsidiary Sveaviken Bostad has entered into an agreement to acquire a property in central Brunnshög, Lund. The agreed property value is calculated at approximately MSEK 180. Possession will take place at the conclusion of the project, which is estimated to be Q2 2021. The project is currently a joint venture and encompasses 75 apartments.
- SIBS’s subsidiary Sveaviken Bostad has signed an agreement to acquire three properties in central Enköping. The agreed property value is calculated at MSEK 95. Planning is ongoing for the development of approximately 300 homes and a pre-school. Construction is expected to start in the second half of 2021.
- SIBS’s subsidiary Sveaviken Bostad, together with Nordsten Fastigheter via a jointly owned company, has agreed to acquire two properties in Enköping situated just next to Enköping Station. The agreed property value is calculated at MSEK 42.5. The plan is to take possession in Q1 2021. A detailed development plan that allows just over 20,000 m² of homes is expected to be circulated for consultation in the middle of 2021.
- In order to strengthen the company’s equity, the owners have provided shareholders’ contributions of MSEK 100.
- Sveaviken Bostad has acquired 50% of the shares in Slättö PU 5 AB from Slättö. This joint venture will build approximately 117 apartments in Örebro.
- Sveaviken Bostad has acquired 50% of the shares in Fastighets AB Tenräj from Slättö. This joint venture will build approximately 250 apartments and premises for companies including ICA and Systembolaget in Nykvarn Centrum.
- Sveaviken Bostad has during the year signed an agreement to sell 50% of the shares in Fastighets AB Örebroängen to Slättö.
- Sveaviken Bostad has during the year signed an agreement to sell 50% of the shares in Fastighets AB Kalmarporten to Slättö.
- Sveaviken Bostad has during the year sold 100% of the shares in Fastighets AB Luleåkronan to Slättö.

### Significant events after the end of the financial year

Events after the end of the financial year can also be found under Note 40.

Since the new year we have also continued to expand our land portfolio with acquisitions of development rights;

- Access to the two properties in Enköping situated just next to Enköping Station. These properties were acquired by SIBS’s subsidiary Sveaviken Bostad during the fourth quarter.
- In Mariefred, we have acquired development rights for a gross floor area of 30,000 m², together with Nordsten Sveafastigheter.
- In Vega in Haninge, we have acquired development rights for a gross floor area of 13,000 m², together with Slättö.
- We have acquired development rights in Vallentuna for a gross floor area of approximately 2,000 m² in connection to one of our other projects. Production will start in 2021.
- During the first quarter of 2021, SIBS AB has successfully expanded its green bond loan (ISIN SE0014965729) with maturity on 19 April 2024. by SEK 150 million.

### Organisation and employees

During the year, the number of permanent employees, including probationary employees in the group, was on average of 452 (363), 12 of whom were women (10) and 440 men (353). The rate of absence due to sickness in the whole group was 1.9%, with 0.5% in th Swedish operations and 2.1% in the Malaysian operations. The lower rate for the Swedish operations have a significantly lower rate of sickness absence is largely due to most employees in Sweden still being able to work from home when, for example, experience symptoms of a cold, or the like.

At SIBS, we have had the advantage of being active in a market that continued to develop strongly in the past year, despite these challenging times, even though we were also affected by the spread of the pandemic in periods. When Covid-19 first struck the world, we – like many others – were faced with the incomprehensible reality of several countries going into lockdown, all at once. At SIBS we made thorough plans for various outcome scenarios, as the impact of the pandemic on operations was difficult to assess. Fortunately, so far, we have only felt mild consequences. Our factory in Malaysia was forced to close down for about four weeks during spring, which gave us a gap in production that we made up for during summer. We are closely monitoring how the market develops and considering what long-term housing trends the pandemic may bring. Some key issues are how people will want to live and which functions will be important to them, as well as what moving patterns are being reinforced. With our flexible construction system as the foundation, scalable production and a focus on premium properties at a reasonable price, as well as a development rights portfolio with geographical diversification, we are well prepared to deal with several conceivable scenarios.

## Comments on the consolidated profit/loss

### Profit/loss and financial position

- The group’s rental income amounted to TSEK 11,958 (previous year 563) the operating profit/loss to TSEK 203,868 (197,174) and profit/loss after tax was TSEK 162,6 (150.9).
- Unrealised changes in value amount to TSEK 61,163 (221,518) and the balance sheet total to TSEK 1,548,580 (1,247,967).

- The parent company’s revenue amounted to TSEK 101,292 (101,808), the operating profit/loss amounted to TSEK -21,085 (-3,410) and the profit/loss after tax was TSEK - 27 342 (-1,029).
- The parent company’s balance sheet total amounted to TSEK 728,168 (355,239).



Sustainability

Sustainability is a natural part of SIBS’s business and is something on which we continuously place a great deal of focus. Work in this area includes environmental, social and economic perspectives. During the year, a sustainability strategy has been developed that is now being implemented in the business. Furthermore, a Head of Sustainability has been employed who is also a part of the management team.

SIBS AB has prepared a sustainability report that is separate from the annual report.

Material risks and uncertainties

SIBS’s business encompasses both risks and opportunities. Hence why risk management and minimisation is a prioritised area that contributes to SIBS maintaining long-term stability in the company. It is also one aspect of the prerequisites for sound and profitable growth and development.

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

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

The policies are reviewed annually and adopted by the board of directors

Covid-19

Since spring 2020, the coronavirus pandemic has had a considerable impact on the global economy and the situation is still characterised by a great deal of uncertainty. It is still difficult to assess what will happen and uncertainty remains high regarding factors such as future contagion and different variants of the virus. The second wave meant that the financial recovery was interrupted during the fourth quarter of 2020even though it did not have the same dramatic effect on the Swedish economy as the first wave.

In spite of the very expansive fiscal policy in 2020, public finances are strong. There is still a great deal of room for manoeuvre in terms of supporting the economy further. However, according to current estimates, the mass vaccination programme should lead to the recovery speeding up again during the second quarter of 2021. The Swedish Riksbank announced in February 2021 that GDP growth and employment was higher than expected and the outlook for the Swedish economic cycle looks brighter than it did at the monetary policy meeting in November.

SIBS is carefully monitoring developments in the market and is ensuring that we are well-prepared for multiple potential scenarios. We continuously ensure that the projects schedules are adhered to and that we maintain a good level of safety for our staff. During the year, production has been affected to a very limited extent, and by early summer 2020 we had caught up and were back on schedule.

On stable ground to take it to the next level in 2021

It remains to be seen what changes will take place to the market as a result of the pandemic, but it is evident that property and the home itself has gained in importance. Spending time with family and friends in the home environment has become more central to people’s lives. Working from home is also a trend which we think will continue even after the pandemic.

We are closely monitoring how the market develops and considering what long-term housing trends the pandemic may bring. Key issues relate to, for ezxample, how people will want to live and which functions will be important to them, as well as what moving patterns are being reinforced. With our flexible construction system as the foundation, scalable production and a focus on premium properties at a reasonable price, as well as a development rights portfolio with geographical diversification, we are well prepared to deal with several conceivable scenarios.

Proposed appropriation of profits (SEK)

Parent company

The following profit in the parent company is at the disposal of the annual general meeting:

Regarding the parent company’s and the group’s financial performance and position in general, please refer to the following income statements and balance sheets, cash flow statement, equity reports and accompanying supplementary disclosures. All amounts are in thousands of Swedish kronor (TSEK), unless otherwise stated.

With regard to the company’s financial performance and position in general, reference is made to the following financial statements and accompanying notes.

Proposed appropriation of profits (SEK)

Parent company

The following profit in the parent company is at the disposal of the annual general meeting:

Retained earnings	-203,874,861
Capital contributions obtained	237,000,000
Profit/loss for the year	-27,341,773
	5,783,366
The board of directors and the chief executive officer propose that the following be carried forward	
	5,783,366
	5,783,366





# Risks

SIBS’s business encompasses both risks and opportunities. That is why risk management and minimisation is a prioritised area that contributes to SIBS maintaining long-term stability in the company. It is also one aspect of the prerequisites for sound and profitable growth and development.

## OPERATIONAL RISKS

RISK AREA	DESCRIPTION	MANAGEMENT
<b>Project risks</b>	<p>There are different types of risks while the projects are ongoing, such as in land acquisition, the detailed development plan stage and planning, where accurate analysis and calculations are of the utmost importance for a predictable process with good profitability. Environmental circumstances or technical problems can lead to delays and increased costs or reduced revenue.</p> <p>There are also risks during construction such as the risk of accidents or construction errors.</p>	<p>SIBS has clear project governance with continual evaluation and development. Calculations and forecasts are reconciled regularly for sound cost control and correct revenue assessment. During the process there are clear decision gates for obtaining approval after scrutinising the documentation. SIBS's quality and environmental policy is an important basis for risk management in projects. SIBS places much emphasis on analysis from the early stages of the project for correct input values. Specific expertise is ensured within areas such as structural engineering and environmental strategy analysis. SIBS's proprietary construction system "parametric modularization" and configuration tool mean that projects are designed with great flexibility and are customised to maximise the development potential of the detailed development plans. Project risks are minimised with a regulated system that issues warnings or makes it impossible to design something that does not adhere to predetermined parameters or statutory requirements. Architectonic objects in the planning phase ensure experiential feedback.</p>
<b>Disruptions production in factory</b>	<p>During the production phase there is a risk of the factory being subject to unplanned production stoppages. This could delay our projects, which in turn can increase the cost of projects.</p>	<p>We conduct continual quality assurance of internal procedures and processes used in our production. Each stage is documented in order to ensure correct execution and a good basis for development and improvement of process control. Furthermore, the production process is divided into 45 main processes, and the main process is divided into several sub-processes in areas where there is the greatest production risk.</p>
<b>Disruptions to the logistics flow</b>	<p>Disruptions to logistics flows risk causing delays and making processes more expensive during waiting times or replanning.</p>	<p>Extremely clear process control means there is good predictability in production, which means that we can plan, synchronise and optimise shipments.</p>
<b>Organisation</b>	<p>SIBS's value chain requires great expertise at various levels and within specific specialist areas. Loss of this expertise may lead to incorrect decisions or lower efficiency. If the company is perceived as lacking values or leadership, staff turnover may increase and recruitment may become more difficult.</p>	<p>We work with determination to offer our employees security, community and development. We have clear values and policies that are naturally implemented in the business. Guidelines and procedures are developed continuously. We document development in order to ensure that no element is dependant on one specific person.</p>
<b>Property expenses</b>	<p>Management costs are dependent partly on the general cost trend. However, there are also the costs that must be borne by SIBS and cannot be covered by relevant increases in rent or re-invoicing. There are also risks associated with unplanned repairs or maintenance that can also potentially affect the value of the property.</p>	<p>We have quality-assured maintenance plans for all properties. We have a management that continuously works to optimise the cost and income side of the business and ensures plans are adhered to and is able to detect potential needs at an early stage. Our properties have very low energy consumption due to solutions such as ground source heating, solar power and the energy efficiency of the construction system.</p>

## FINANCIAL RISK

RISK AREA	DESCRIPTION	MANAGEMENT
<b>Investments</b>	<p>SIBS's activities encompass ongoing investments in the form of, for example, acquisitions, and to increase production capacity. If the investments do not match to the yield requirement, there is a risk that the value of the properties will be eroded. If production capacity does not cope with estimated delivery, there is a risk that the growth targets will not be met and there may be delays and cost increases in individual projects.</p>	<p>Good knowledge of the market and analysis of each individual acquisition's prerequisites provides a good basis for a well-balanced calculation. The property portfolio is evaluated continually. Investments in the factory are assessed and evaluated systematically and continuously. Production capacity is continuously ensured.</p>
<b>Rental income and vacancies</b>	<p>Rental income is affected by a number of factors including supply and demand that are governed by, for example, population growth and employment rate. In addition, demand is created by how well-designed the homes are based on the target group's needs and desires.</p> <p>Insufficient knowledge of the target group's needs and poor quality management may lead to lower customer satisfaction and an increased risk of vacancies.</p>	<p>SIBS prioritises very good knowledge of the market in order to establish in locations with good demand. We prioritise development of homes where the focus is on the tenant and on insight into the needs and driving forces of target groups. Furthermore, we engage in a close dialogue with tenants. The approval of tenants takes place on the basis of a well-thought-out process in which the tenant's ability to pay is also ensured.</p>
<b>Refinancing and liquidity risks</b>	<p>SIBS operates in a capital-intensive industry where funding costs are a large expense item. Refinancing risk refers to the risk of funding not being obtained or not being renewed when loans mature or that refinancing only can be renewed at a significantly higher cost.</p> <p>Liquidity risk refers to the risk of not having sufficient payment capacity for expected and/or unexpected outgoings. Liquidity is necessary for funding ongoing projects, running the business and paying interest and amortisation.</p> <p>Insufficient regulatory and contractual compliance may result in sanctions and that trust is damaged or that the conditions for external funding are affected.</p>	<p>The management of financial risk is regulated by the financial policy, which is revised once a year and adopted by the board of directors. The financial policy sets out guidelines and rules for how the financial operations are to be conducted. The purpose is to ensure good control and orderly funding conditions.</p>
<b>Interest rate risk</b>	<p>Expenditure on interest on borrowed capital is a large expense item in SIBS's income statement. Interest rate risk means that fluctuations in market rates and the credit institutions' margins may have a significant impact on the company's financial performance. If market rates rise or if SIBS fixes its interest rates at a level that is higher than the market rate, there is a risk of rising interest expenditure.</p>	<p>The financial policy regulates the fixing of interest rates and risk mandates. The purpose is to ensure good control and orderly funding conditions.</p>
<b>Financial reporting</b>	<p>Financial reporting is important to making the correct decisions and for transparent and confidence-building dialogue with external partners and stakeholders.</p>	<p>The accounts department has a high level of expertise, the company has a financial calendar for all types of external reporting. SIBS works internally with monthly reporting and weekly with project reconciliation. Reconciliation with the auditor is ongoing.</p>



## EXTERNAL RISKS

RISK AREA	DESCRIPTION	MANAGEMENT
<b>Covid-19</b>	Covid-19 is affecting the whole of society and there is also a risk of SIBS being affected, which can cause employees being absent due to illness, a lack of skilled staff, delays in project development and production. The affect on a global and local level in terms of the economic cycle, employment and financial development may have an impact on demand for SIBS's products. So far, SIBS has been affected to a limited extent in the form of shorter production stoppages when the factory in Malaysia was forced to close for approximately four weeks in spring 2020, resulting in a production gap that was made up for as early as summer 2020.	SIBS is monitoring developments closely and is planning for various scenarios so that risks and situations can be handled with a high level of efficiency. We ensure employees' health and safety by adhering to the authorities' recommendations and also, when necessary, taking any action necessary to enable project development and production to continue in a safe manner.
<b>Reputation</b>	Trust is a foundation of both good business and good relationships with our stakeholders. Damage to our reputation that harms confidence may end up affecting the company's potential to run the business successfully. If mistakes are made due to lack of expertise or ignorance of SIBS's values, processes and applicable regulations, our reputation may be harmed.	SIBS strives and works actively to ensure that we live up to the expectations of the world around us. We have good internal governance, high internal efficiency and clear fundamental values that all employees and suppliers are expected to act upon. We develop and continuously revise our internal policy documents and communicate with and train our employees in order to give everyone the prerequisites for contributing to compliance and quality-assured work.
<b>Compliance</b>	Lack of compliance and lack of governance and procedures can entail a risk of making incorrect decisions or inefficiency both internally and externally. The consequences of failings in terms of compliance can be financial losses, sanctions, but also affect confidence in SIBS and thus the potential to run the business successfully.	Good internal control in areas such as policy documents, processes, policies and procedures are conveyed to the employees and compliance is monitored. SIBS works continuously to develop processes and guidelines. SIBS's code of conduct is clear in terms of the expectations placed on employees and suppliers by the company in terms of respect for human rights, zero tolerance against corruption and environmental, social and financial accountability.

## STRATEGIC RISKS

RISK AREA	DESCRIPTION	MANAGEMENT
<b>Political decisions and changes to rules</b>	SIBS's business is affected by political decisions and regulations. Changes to, for example, tax legislation, planning processes or state aid may lead to altered conditions for the business.	SIBS carefully monitors changes to laws and regulations and is well-prepared ahead of potential changes. Legal or other external expertise is hired when necessary. The company continuously analyses potential scenarios and is prepared to deal with any changes to conditions.
<b>Change in the value of properties</b>	Change in the value of properties constitutes a risk and an opportunity. They are affected by a large number of factors such as the geographical composition of the property holdings, quality and how well the properties are being managed. That in turn is reflected in rent levels, rate of occupancy and property expenses. In addition, the valuation is affected by the economic cycle and the yield requirement at valuation.	SIBS has a well-balanced project portfolio with an appropriate geographical spread in attractive locations. Each property has a clear plan. Sustainability is prioritised and the properties have solar panels and ground source heating systems. Management is long term with a focus on development within both properties and technology that is to benefit both the company's property valuation and the utility customers get from the homes.
<b>Development of the project portfolio</b>	A well-balanced project portfolio is the foundation of the company's future development and growth. Limitations in the opportunity to develop the portfolio in accordance with the desired strategy may attenuate or make future growth more difficult.	SIBS works purposefully and carefully to make acquisitions that give the portfolio the correct balance in relation to current and future demand. The company maintains a dialogue with municipalities, property owners and other influential stakeholders. Business intelligence and market analysis are conducted regularly and are one of the parameters weighed in to the development of the portfolio. SIBS has a clear investment strategy that also manages risks and opportunities.

## SUSTAINABILITY RISKS

RISK AREA	DESCRIPTION	MANAGEMENT
<b>Negative impact on climate</b>	Construction and management of buildings generally has a major impact on the climate. This impact must be reduced quickly if we are to achieve the two-degree target.	Having always been focussed on building energy-efficient buildings, SIBS conducted a life-cycle assessment of our module system in 2020. We work on the basis of a structured plan for how to reduce the climate impact from both construction and management.
<b>Workplace accidents</b>	SIBS is active within both the industrial and construction sectors, which are two industries that have a high risk of workplace accidents such as falling and trapping injuries.	Systematic work environment management throughout the process, with regular investigations, risk assessments, measures and follow-up. The work environment is of the highest priority. The construction company MOBY is certified in accordance with ISO 45001
<b>Failing to achieve environmental requirements.</b>	Our green certification, the certification systems Miljöbyggnad and LEED, land allocations and legislation all set requirements that we must meet.	Systematic environmental management in accordance with ISO 14001. We have a compilation of all comprehensive environmental requirements and produce project-specific requirements for all projects. All requirements have a coordinator who ensures that we meet the requirement
<b>Failure to live up to our values</b>	That we or our subcontractors do not live up to our fundamental values in terms of human rights, labour law, the environment and anti-corruption.	We train all employees in our code of conduct and carry out follow-ups. We are working to introduce a whistle-blower function and work actively to follow-up and report in accordance with UN Global Compact.



## Consolidated income statement

TSEK	Note	2020 Jan-Dec	2019 Jan-Dec
Rental income	8	11,958	563
Revenue from project activities	8	224,376	-
Expenses from project activities		-224,376	-
Property expenses	10	-2,497	-106
<b>Gross income</b>		<b>9,461</b>	<b>457</b>
Work performed by the company for its own use and capitalised	16	96,966	100,090
Development expenses		-96,966	-100,090
Administrative overheads	11, 12	-44,326	-27,870
<b>Operating profit/loss before change in value</b>		<b>-34,865</b>	<b>-27,413</b>
Change in value investment property	17	61,163	221,518
Other operating revenue		2,122	1,431
Other operating expenses		-40	-286
Profit/loss from associated companies and joint ventures	24	175,489	1,924
<b>Operating profit/loss</b>		<b>203,868</b>	<b>197,174</b>
Financial income	13	413	10
Financial expenses	14	-19,441	-7,821
<b>Profit/loss before tax</b>		<b>184,840</b>	<b>189,363</b>
Taxes	15	-22,282	-38,440
<b>PROFIT/LOSS FOR THE YEAR</b>		<b>162,558</b>	<b>150,923</b>
<b>Attributable to:</b>			
The parent company's shareholders		161,473	149,275
Non-controlling interest		1,086	1,648
<b>Total profit/loss for the year</b>		<b>162,558</b>	<b>150,923</b>
<b>Statement of comprehensive income for the group</b>			
<b>Profit/loss for the year</b>		<b>162,558</b>	<b>150,923</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified for the income statement;</i>			
Translation differences		-34,363	3,840
<b>Other comprehensive income for the year, net after tax</b>		<b>-34,363</b>	<b>3,840</b>
<b>Total comprehensive income for the year</b>		<b>128,195</b>	<b>154,763</b>
<b>Comprehensive income attributable to:</b>			
The parent company's shareholders		127,109	153,115
Non-controlling interest		1,086	1,648
<b>Total comprehensive income for the year</b>		<b>128,195</b>	<b>154,763</b>

## Comment on comprehensive income

Rental income increased during the period to TSEK 11,958 and the operating expenses to TSEK 2,497. These increases are attributable to SIBS having managed a larger holding of rental properties during the year.

Project revenue refers to revenue from subcontractor's agreements with half-owned companies (joint ventures). When reviewing contractual relationships in subcontractor's agreements, the assessment has been made that the agreements shall be recognised in accordance with IFRS 15 Revenue from Contracts with Customers, with the percentage-of-completion method being applied.

Operating profit for the group during the year amounted to TSEK 203,868 and is primarily related to changes in the value of investment property and profit from associated companies and joint ventures.

Throughout the year the group has continued its work to develop the construction system and its processes.

The costs for development have amounted to TSEK 96,966 and are capitalised on the balance sheet under the item Capitalised development expenditure.

Administration costs amounted to TSEK 32,858 and the depreciation in the income statement of TSEK 11,468 is primarily attributable to depreciation of development expenses.

During the year, 50% of two companies is sold. They are reported as being associated companies at the end of the year. Furthermore, three new projects being undertaken in joint ventures are initiated and one company is sold to an external party. At the start of the year the group holds shares in MOKO AB and Frontlog AB. The effects on earnings of all transactions, including changes in value, amounts to TSEK 236,652, the majority of which refers to the income from the three additional joint ventures.





## Consolidated statement of financial position

TSEK	Note	31/12/2020	31/12/2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capitalised development expenditure	16	193,434	107,127
Investment property	17	393,000	604,450
Owner-occupied property	18	109,700	123,147
Expenses for improvements to others' property	19	108	324
Machinery and equipment	20	28,553	23,105
Deferred tax asset	21	-	1,205
Participations in associated companies and joint ventures	24	258,117	1,959
Receivables from associated companies		-	2,710
Other non-current receivables	25	7,716	5,966
<b>Total non-current assets</b>		<b>990,628</b>	<b>869,993</b>
<b>Current assets</b>			
Stock	26	52,106	25,815
Accrued, not invoiced revenue	39	148,385	-
Accounts receivable	26	311	6
Receivables from associated companies		39,600	10,625
Other receivables	27	85,772	310,418
Prepaid expenses and accrued income	28	3,627	944
Cash and cash equivalents	29	228,151	30,166
<b>Total current assets</b>		<b>557,952</b>	<b>377,974</b>
<b>TOTAL ASSETS</b>		<b>1,548,580</b>	<b>1,247,967</b>

## Consolidated statement of financial position

TSEK	Note	31/12/2020	31/12/2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>The parent company's shareholders</b>			
Share capital	30	500	50
Other capital contributions		237,000	137,000
Reserves		-25,868	8,495
Retained earnings including profit/loss for the year		304,806	143,334
<b>Total equity attributable to the parent company's shareholders</b>		<b>515,987</b>	<b>288,879</b>
Non-controlling interest		7,107	6,021
<b>Total equity</b>		<b>523,094</b>	<b>294,900</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	31	599,551	22,641
Deferred tax liability	22	17,774	42,694
<b>Total non-current liabilities</b>		<b>617,325</b>	<b>65,335</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	31	127,343	661,437
Invoiced not accrued revenue	39	61,358	-
Accounts payable		87,031	55,195
Liabilities to associated companies		17,538	2,857
Current tax liability		5,578	151
Other liabilities	32	90,913	150,632
Accrued expenses and deferred income	33	18,400	17,460
<b>Total current liabilities</b>		<b>408,161</b>	<b>887,732</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,548,580</b>	<b>1,247,967</b>

For information on the group's pledged assets and contingent liabilities, see Note 34.



## Comments on the consolidated balance sheet

### Investment property

The item investment property has decreased for the year. The reduction is taking place as part of the group having sold a company to an external party and 50% of two companies having been sold to an external party. These companies are being operated as joint ventures and are classified as participations in associated companies at the end of the year.

### Participations in associated companies

Participations in associated companies increased during the year. This is primarily attributable to the group having divested 50% of two companies which are being run as joint ventures at the end of the year.

Furthermore, three new joint venture agreements have been entered into during the year. These three additional joint ventures are still being recognised in accordance with the equity method.

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

The items contain receivables and liabilities in respect of companies that are not wholly owned.

### Non-current liabilities

The majority of the non-current liabilities consist of bond loans and fully funded projects that are owned entirely by the group.



## Consolidated statement of changes in equity

TSEK	Attributable to the parent company's shareholders					Total equity
	Share capital	Contributed capital	Reserves	Retained earnings incl. profit/loss for the year	Non-controlling interest	
<b>Opening equity as at 1 January 2019</b>	<b>50</b>	<b>135,000</b>	<b>4,655</b>	<b>-7,534</b>	<b>0</b>	<b>132,171</b>
<b>Comprehensive income for the year:</b>						
Profit/loss for the year	-	-	-	149,275	1,648	150,923
– Translation differences, net	-	-	3,840	0	0	3,840
<b>Total comprehensive income</b>	<b>0</b>		<b>3,840</b>	<b>149,275</b>	<b>1,648</b>	<b>154,763</b>
<b>Transactions with shareholders:</b>						
Sale to minority	-	-	-	1,593	4,373	5,966
Shareholders' contributions	-	2,000	-	-	-	2,000
<b>Total transactions with shareholders</b>	<b>0</b>			<b>1,593</b>	<b>4,373</b>	<b>7,966</b>
<b>Closing equity as at 31 December 2019</b>	<b>50</b>	<b>137,000</b>	<b>8,495</b>	<b>143,334</b>	<b>6,021</b>	<b>294,900</b>
<b>Opening equity as at 1 January 2020</b>	<b>50</b>	<b>137,000</b>	<b>8,495</b>	<b>143,334</b>	<b>6,021</b>	<b>294,900</b>
Profit/loss for the year	-	-	-	161,472	1,086	162,558
– Translation differences, net	-	-	-34,363	0	0	-34,363
<b>Total comprehensive income</b>	<b>0</b>		<b>-34,363</b>	<b>161,472</b>	<b>1,086</b>	<b>128,195</b>
<b>Transactions with shareholders:</b>						
Bonus issue	450	-		-450	-	0
Shareholders' contributions	-	100,000	-	-	0	100,000
<b>Total transactions with shareholders</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,000</b>
<b>Closing equity as at 31 December 2020</b>	<b>500</b>	<b>237,000</b>	<b>-25,868</b>	<b>304,356</b>	<b>7,107</b>	<b>523,094</b>



## Consolidated cash flow statement

TSEK	Note	31/12/2020	31/12/2019
<b>Operating activities</b>			
Profit/loss after financial items		184,840	189,363
– Depreciation/amortisation and impairment		27,839	8,770
– Capitalised interest		5,364	6,731
– Fair value measurement via income statement		-61,163	-221,518
– Share in earnings associated companies, joint ventures		-124,928	-1,924
– Unrealised exchange rate differences		-18,821	3
		<b>13,131</b>	<b>-18,575</b>
Income tax paid		-2,949	45
<b>Cash flow from operating activities before changes in working capital</b>		<b>10,182</b>	<b>-18,529</b>
<b>Cash flow from working capital changes</b>			
Decrease(+)/increase(-) in stock		-30,703	-20,089
Decrease(+)/increase(-) in current receivables		-115,307	-35,483
Decrease(+)/increase(-) in current liabilities		208,851	86,268
<b>Total working capital changes</b>		<b>62,841</b>	<b>30,697</b>
<b>Cash flow from operating activities</b>		<b>73,023</b>	<b>12,167</b>
<b>Investing activities</b>			
Capitalised development costs		-96,966	-100,090
Acquisition of investment property		-373,603	-409,677
Acquisition of owner-occupied property		-10,482	-27,579
Sale of subsidiaries		67	-
Sale of participations in associated company		-	1
Loans to associated companies		2,710	-2,241
Acquisition of property, plant and equipment		-14,740	-20,111
Change in long-term loan		-1,750	-
<b>Cash flow from investing activities</b>		<b>-494,765</b>	<b>-559,696</b>

## Consolidated cash flow statement

TSEK	Note	31/12/2020	31/12/2019
<b>Financing activities</b>			
	35		
Shareholders' contributions received		47,579	2,000
Bond loans taken out		352,383	0
Other borrowings		129,718	194,360
Bank loans taken out		254,437	407,188
Amortisation of bank loans		-17,805	-8,703
Amortisation of lease liability		-2,857	-1,454
Amortisation of shareholder loan		-141,922	-30,000
<b>Cash flow from financing activities</b>		<b>621,533</b>	<b>563,391</b>
<b>CASH FLOW FOR THE YEAR</b>		<b>199,791</b>	<b>15,862</b>
<b>Cash and cash equivalents, beginning of year</b>		<b>30,166</b>	<b>13,106</b>
<b>Exchange rate differences in cash and cash equivalents</b>		<b>-1,806</b>	<b>1,198</b>
<b>Cash and cash equivalents, end of year</b>		<b>228,151</b>	<b>30,166</b>



## The parent company's Income statement

TSEK	Note	2020 Jan-Dec	2019 Jan-Dec
<b>Operating revenue etc.</b>			
Net sales		4,326	1,628
Work performed by the company for its own use and capitalised	16	96,966	100,090
Other operating revenue		0	90
		101,292	101,808
<b>Operating expenses</b>			
Development expenses		-96,966	-100,090
Administrative overheads	11	-25,372	-5,128
Other operating expenses	6	-39	0
<b>Operating profit/loss</b>		<b>-21,085</b>	<b>-3,410</b>
<b>Profit/loss from financial investments</b>			
Interest income and similar income statement items	13	651	350
Interest charges and similar income statement items	14	-6,907	-4,457
<b>Profit/loss after financial items</b>		<b>-27,342</b>	<b>-7,517</b>
Group contributions received		0	6,488
Current tax	15	-	-
<b>PROFIT/LOSS FOR THE YEAR</b>		<b>-27,342</b>	<b>-1,029</b>

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

## The parent company's balance sheet

TSEK	Note	31/12/2020	31/12/2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Capitalised expenditure	16	193,434	107,127
		<b>193,434</b>	<b>107,127</b>
<b>Property, plant and equipment</b>			
Expenses for improvements to others' property	19	108	324
Equipment	20	645	628
		<b>753</b>	<b>952</b>
<b>Financial assets</b>			
Participations in group companies	22	61,590	60,090
Receivables from group companies	23	210,558	169,916
Participations in associated companies	24	35	36
Receivables from associated companies		-	2,710
Other non-current receivables	25	7,716	5,966
		<b>279,899</b>	<b>238,718</b>
<b>Total non-current assets</b>		<b>474,085</b>	<b>346,797</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Accounts receivable		219	0
Receivables from group companies		-	1,988
Other receivables		5,128	2,332
Receivables from associated companies		34,655	0
Prepaid expenses and accrued income	28	1,525	635
		<b>41,527</b>	<b>4,955</b>
<b>Cash and bank balances</b>	29	<b>212,556</b>	<b>3,487</b>
<b>Total current assets</b>		<b>254,083</b>	<b>8,442</b>
<b>TOTAL ASSETS</b>		<b>728,168</b>	<b>355,239</b>



## The parent company's balance sheet

TSEK	Note	31/12/2020	31/12/2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	30		
<b>Restricted equity</b>			
Share capital		500	50
Reserve for development expenditure		193,434	107,127
		<b>193,484</b>	<b>107,177</b>
<b>Non-restricted equity</b>			
Other capital contributions		237,000	137,000
Retained earnings		-203,875	-116,540
Profit/loss for the year		-27,342	-1,029
		<b>5,783</b>	<b>19,432</b>
<b>Total equity</b>		<b>199,267</b>	<b>126,608</b>
<b>Non-current liabilities</b>			
Liabilities to group companies		72,400	50
Non-current interest-bearing liabilities	31	353,020	-
		<b>425,420</b>	<b>50</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	31	-	166,925
Accounts payable		2,768	11,521
Income tax liability		191	151
Liabilities to group companies		90,068	47,504
Other current liabilities	32	770	194
Liabilities to associated companies and joint ventures		9,038	-
Accrued expenses and deferred income	33	645	2,285
		<b>103,481</b>	<b>228,580</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>728,168</b>	<b>355,239</b>

## The parent company's statement of changes in equity

TSEK	Share capital	Reserve for development expenditure	Capital contributions	Retained earnings incl. profit/loss for the year	Total equity
<b>Opening equity as at 1 January 2019</b>	<b>50</b>	-	<b>135,000</b>	<b>-9,412</b>	<b>125,638</b>
Reserve for development expenditure	-	107,127	-	-107,127	0
Profit/loss for the year	-	-	-	-1,029	-1,029
Shareholders' contributions	-	-	2,000	-	2,000
<b>Closing equity as at 31 December 2019</b>	<b>50</b>	<b>107,127</b>	<b>137,000</b>	<b>- 117,568</b>	<b>126,609</b>
<b>Opening equity as at 1 January 2020</b>	<b>50</b>	<b>107,127</b>	<b>137,000</b>	<b>- 117,568</b>	<b>126,609</b>
Bonus issue	450			-450	0
Reserve for development expenditure	-	86,307	-	-86,307	0
Profit/loss for the year	-	-	-	-27,342	-27,342
Shareholders' contributions	-	-	100,000	-	100,000
<b>Closing equity as at 31 December 2020</b>	<b>500</b>	<b>193,434</b>	<b>237,000</b>	<b>-144,910</b>	<b>199,267</b>



## The parent company's cash flow statement

TSEK	Note	2020 Jan–Dec	2019 Jan–Dec
<b>Operating activities</b>			
Profit/loss after financial items		-27,342	-7,517
– Depreciation/amortisation and impairment		11,064	470
– Capitalised interest		5,364	2,564
		-10,914	-4,482
Income tax paid		40	69
<b>Cash flow from operating activities before changes in working capital</b>		<b>-10,874</b>	<b>-4,413</b>
<b>Cash flow from working capital changes</b>			
Decrease(+)/increase(-) in current receivables		7,041	2,476
Decrease(-)/increase(+) in current liabilities		20,702	60,225
<b>Total working capital changes</b>		<b>27,743</b>	<b>62,701</b>
<b>Cash flow from operating activities</b>		<b>48,305</b>	<b>58,288</b>
<b>Investing activities</b>			
Acquisition of associated companies		-	1
Acquisition intangible assets		-96,966	-100,090
Acquisition of property, plant and equipment		-205	-750
Change in non-current lending		8,636	-106,979
<b>Cash flow from investing activities</b>		<b>-88,531</b>	<b>-207,818</b>
<b>Financing activities</b>	35		
Bond issue		352,383	-
Loans, taken out		22,691	189,316
Loans, amortisation		-141,921	-40,000
Shareholders' contributions received		47,579	2,000
<b>Cash flow from financing activities</b>		<b>280,731</b>	<b>151,316</b>
<b>Cash flow for the year</b>		<b>209,069</b>	<b>1,786</b>
<b>Cash and cash equivalents, beginning of year</b>		<b>3,487</b>	<b>1,701</b>
<b>Cash and cash equivalents, end of year</b>		<b>212,556</b>	<b>3,487</b>

## Notes to the financial statements

### NOTE 1 CONSISTENCY WITH STANDARDS AND LEGISLATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted by the EU, as well as the Swedish Annual Accounts Act. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, has been applied.

The parent company applies the same accounting policies as the group, except in the cases stated below under Note 5 Material accounting policies, the parent company's accounting policies.

Other new and amended standards approved by the EU as well as interpretation statements from the IFRS Interpretations Committee are currently not assessed to affect the group's or the parent company's financial position or performance to any material extent.

### NOTE 2 MEASUREMENT BASIS APPLIED WHEN PREPARING THE FINANCIAL STATEMENTS

Assets and liabilities are recognised at historical cost except for investment property, which is measured at fair value.

### NOTE 3 FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The parent company's functional currency is Swedish kronor, which also constitutes the presentation currency for the parent company and for the group. That means that the financial statements are presented in Swedish kronor. Unless otherwise specified, all amounts are rounded to the nearest thousand (TSEK).

Transactions in foreign currency are translated into the functional currency at the exchange rates applicable on the transaction date or the date when the items are remeasured. Exchange gains and losses that arise when paying such transactions and in the event of exchange gains and losses that relate to loans and cash and cash equivalents are recognised in the income statement as financial revenue or expenses. All other exchange gains and losses are recognised under the item Other gains/losses – net in the income statement.

### NOTE 4 ASSESSMENTS AND ESTIMATES IN THE FINANCIAL STATEMENTS

Preparing the financial statements in accordance with IFRS requires senior management to make assessments and estimates and to make assumptions that affect the application of the accounting policies and the recognised amounts for assets, liabilities, revenue and expenses. The actual outcome may differ from these estimates and assessments. The estimates and assumptions are reviewed regularly. Changes to estimates are recognised in the period in which the change is made if the change has only affected this 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 senior management when applying IFRS that have a significant impact on the financial statements and estimates made and that may entail material adjustments to the following year's financial statements are described in more detail in Note 7.

### NOTE 5 MATERIAL ACCOUNTING POLICIES

The accounting policies stated below have, with the exceptions described in more detail, been applied to the consolidated financial statements. Furthermore, the group's accounting policies have consistently been applied by the group's companies.

#### Consolidation principles and business combinations

Subsidiaries are companies that are controlled by SIBS AB. Control exists if SIBS AB has influence over investment objects, is exposed to or has the right to variable return from its participation and can use its influence over the investment to affect the return.

When assessing whether control exists, any voting shares and whether there is real influence are taken into account. Acquisition of properties is often carried out by acquiring companies. When such an acquisition takes place, consideration is given to whether the acquisition is a business combination. An acquisition of a company is a business combination if the acquisition, in addition to the property, also relates to other resources and processes.

When the acquisition is not deemed to be a business combination it is recognised as an acquisition of assets and liabilities and the cost is allocated to the assets and liabilities based on their fair value, at which point no goodwill or deferred tax is recognised. The initially deducted deferred tax does not affect the valuation at the following year-end.

Subsidiaries are recognised in accordance with the acquisition method. The method involves an acquisition of a subsidiary being considered a transaction through which the group indirectly acquires the subsidiary's assets and takes on its liabilities. In the acquisition analysis, the fair value is determined on the acquisition date of identifiable assets and liabilities taken on, as well as any holdings without control. Transaction expenses that arise are recognised directly in profit/loss for the year, with the exception of transaction expenses that are attributable to an issue of equity instruments or debt instruments. Receivables and liabilities within the group, revenue or expenses and unrealised profits or losses that arise from transactions between group companies are eliminated in their entirety when the consolidated financial statements are prepared.

#### Associated companies

Associated companies are all the companies where the group has had significant influence but not control, which, as a rule, applies to shareholdings that are between 20 and 50% of the votes. Holdings in associated companies are recognised in accordance with the equity method.



### Joint ventures

Joint ventures are, in terms of accounting, the companies of which the group has joint control of operational and financial governance through cooperation agreements with one or more parties. In the consolidated financial statements, holdings in joint ventures are consolidated in accordance with the equity method. The equity method means that the carrying amount for a participations in joint ventures in the group corresponds to the group's share of these companies' equity as well as consolidated goodwill and any other remaining values for consolidated revaluation surplus and deficits.

The group's share of the companies' profit/loss, adjusted for any depreciation/amortisation, impairment losses and utilisation of acquired revaluation surpluses or deficits are recognised in the group's profit/loss as "Profit/loss from associated companies and joint ventures". Profit participation less dividends received from the companies constitute the main change to the carrying amount for participations in joint ventures.

### Recognition of segments

The group's business is divided into two operating segments, management objects and ongoing projects. Each segment is monitored in respect of the operational activities and is regularly reported to group management. Group management monitors operating profit/loss and, on the assets side, the value of the properties and investments. The group's segments have primarily consisted of ongoing projects, and separate financial information regarding management objects will be followed up in 2021.

### Revenue

#### **Rental income (operating leases)**

Rental income from investment property is recognised on a straight-line basis under profit/loss for the year based on the terms and conditions of the rental agreements. The total cost for benefits paid is recognised as a reduction of rental income on a straight-line basis over the term of the rental agreements.

#### **Project revenue (subcontractor's agreements)**

SIBS has subcontractor's agreements with joint ventures that are recognised in accordance with IFRS 15 Revenue from Contracts with Customers. Revenue from subcontractor's agreements is recognised by applying of the percentage-of-completion method. That means that revenue and expenses are recognised in relation to the level of completion of the project on the balance sheet date. The level of completion is established through a calculation of the relationship between contract expenses for work carried out on the balance sheet date and estimated total contract expenses. A feared loss on a subcontractor's agreement is recognised immediately as an expense. When the outcome of a subcontractor's agreement cannot be calculated in a reliable manner, only amounts equivalent to incurred contact expenses that are likely to be reimbursed by the client are recognised as revenue. Contact expenses are recognised as expenses in the period in which they are incurred. The difference between recognised revenue and invoiced part payment is recognised on the balance sheet as an asset (receivables from clients in accordance with subcontractor's agreements). In a corresponding manner, the difference between invoiced amounts and not yet accrued project revenue is recognised as a liability on the balance sheet (liabilities to clients in accordance with subcontractor's agreements).

### Revenue from sale of property

Revenue from sales of property is recognised when material risks and benefits have been transferred to the purchaser, normally on the contract date or completion date. When assessing the time for revenue recognition, consideration is given to that which has been agreed between the parties concerning risks and benefits as well as involvement in the ongoing management. In addition, circumstances that may affect the outcome of the deal, that are outside the control of the vendor and/or purchaser, are taken into consideration. Normally, revenue from the sale of properties is recognised on the contract date unless there are special conditions in the purchase agreement.

### Financial income

Financial income consists of interest income on invested funds as well as profits from changes in the value of financial assets measured at fair value via the profit/loss. Interest income on financial instruments is recognised in accordance with the effective interest method.

### Financial expenses

Financial expenses consist of interest charges on loans and losses from changes in the value of financial assets measured at fair value via the profit/loss. Interest charges are recognised in accordance with the effective interest method. Interest expenses are only capitalised in the consolidated financial statements.

Borrowing expenses that are attributable to the establishment of 'eligible assets' are activated as a part of the eligible asset's historical cost. An eligible asset is an asset that by necessity takes a significant amount of time to complete. It is primarily borrowing expenses that have arisen on loans that are specific to the eligible asset that are capitalised. Secondly, borrowing expenses that have arisen on general loans that are not specific to any other eligible asset are capitalised. The capitalisation of borrowing expenses is pertinent for the group primarily for larger new constructions, extensions or renovations of investment property.

### Leases

#### *SIBS as lessor*

Leases in which everything material, all risks and benefits associated with ownership falls to the lessor are classified as operating leases. All current leases attributable to SIBS's investment property are, from an accounting perspective, to be considered as operating leases.

#### *SIBS as lessee*

Leased property, plant and equipment are classified as either financial or operating leases As of 1 January 2019 leases are recognised in accordance with IFRS 16 as finance leases, and a right-of-use asset and liability for rights of use are recognised on the balance sheet, with some exceptions. An interest charge in respect of the finance lease liability is recognised on the balance sheet instead of lease payments being charged to expenses on an ongoing basis.

### Taxes

Income taxes consist of current and deferred tax. Current tax is tax that is to be paid or received in respect of the current year when applying the tax rates that are decided or decided in practice on the balance sheet date.

Deferred tax is calculated in accordance with the balance sheet method on the basis of temporary differences between the carrying amounts and tax base of assets and liabilities. Temporary differences are not taken into account in consolidated goodwill and also not for the difference that has arisen at initial recognition of assets and liabilities that are not business combinations and, at the time of the transaction, do not affect either net profit or taxable profit. Furthermore, temporary differences attributable to participations in group companies that are not expected to be reversed within the foreseeable future are also not taken into account. Measurement of deferred tax is based on how underlying assets or liabilities are expected to be realised or settled. Deferred tax is measured by applying the tax rates and tax rules that are decided or decided in practice on the balance sheet date. Deferred tax assets with respect to deductible temporary differences and loss carry-forwards are recognised only to the extent that it is probable that these will be possible to utilise. The value of deferred tax assets is reduced when it is no longer assessed that it is probable that they can be utilised.

### Financial instruments

Financial instruments recognised on the balance sheet include, on the assets side, cash and cash equivalents, loan receivables and accounts receivable. Accounts payable and borrowings are on the liabilities side. Derivatives can be either assets or liabilities.

### Recognition on and derecognition from the balance sheet

A financial asset or financial liability is recognised on the balance sheet when the company becomes party to the instrument's contractual terms. Receivables are recognised when the company has delivered and there is a contractual obligation for the counterparty to pay, even if an invoice has not yet been received. Accounts receivable are recognised on the balance sheet when the invoice has been sent. Liabilities are recognised when the counterparty has delivered and there is a contractual obligation to pay, even if an invoice has not yet been received. Accounts payable are recognised when the invoice has been received.

A financial asset is removed from the balance when the rights in the contract are realised, lapse or the company loses control of them. The same applies to part of a financial asset. A financial liability is removed from the balance sheet when the contractual obligation has been fulfilled or extinguished in some other manner. The same applies to part of a financial liability.

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

### Classification and measurement

The classification of financial instruments determines how the financial assets and liabilities are measured and recognised. The group's policies for classification and measurement of financial assets are based on an assessment of both (i) the company's business model for the management of financial assets and (ii) the properties of the contractual cash flows from the financial asset. Financial assets measured at amortised cost are debt instruments that are managed with

the aim of realising the instruments' cash flows by obtaining contractual cash flows that are only constituted by principal amounts and interest on the outstanding principal amount. The group's financial assets, aside from derivatives, are measured at amortised cost because these assets are held within the scope of a business model, the goal of which is to hold the financial assets for the purpose of collecting contractual cash flows and because the contractual terms for these assets give rise, at certain times, to cash flows that are only payments of principal amounts and interest on the outstanding principal amount.

### Stock

Stock is recognised at the lower of historical cost or net realisable value. The historical cost consists of direct costs of materials, direct salaries and attributable manufacturing costs (based on normal manufacturing capacity). Stock primarily consists of materials for module production in Malaysia and is measured at historical cost.

### Cash and cash equivalents

Cash and cash equivalents consist of bank balances.

### Loan receivables and rent receivables and accounts receivable

Rent receivables and other receivables are measured at amortised cost equivalent to the amount expected to be received, i.e. after deductions for expected credit losses.

### Financial liabilities

Loans and other financial liabilities such as accounts payable are included in this category. Liabilities are measured at amortised cost.

### Investment property

Investment property is property that is held for the purpose of obtaining rental income or an increase in value or a combination of both. Properties under construction that are intended to be used as investment properties when the work is completed are also classified as investment property.

Investment property is initially recognised at historical cost, which includes expenditure that can be directly attributed to acquisition. Investment property is recognised on the balance sheet at fair value. Fair value is based on market value, which is the amount that is assessed to be obtained in a transaction on the valuation date between knowledgeable parties that are independent of each other and who have an interest in the transaction being completed after customary marketing and where both parties are presumed to have acted judiciously, wisely and voluntarily. Both unrealised and realised changes in value are recognised under profit/loss for the year. Rental income is recognised in accordance with the principles described in the revenue recognition section.

### Additional expenditure

Additional expenditure is added to historical cost only if it is likely that the future economic benefits associated with the asset will accrue to the company and the historical cost can be measured reliably. All other additional expenditure is recognised as an expense in the period in which it arises.



**Impairment losses**

The group’s recognised assets are assessed on each balance sheet date to determine if there is an indication of a impairment requirement. IAS 36 is applied in respect of impairment of assets other than financial assets, which are recognised in accordance with IFRS 9, investment property recognised at fair value in accordance with IAS 40 and deferred tax assets recognised in accordance with IAS 12. For exempted assets as set out above, the carrying amount is assessed in accordance with the respective standard.

**Impairment of financial assets**

When producing each set of financial statements, the company evaluates whether there is objective evidence that a financial asset or group of assets needs to be impaired. The company classifies accounts receivable as doubtful after an individual assessment. The impairment requirement for receivables is determined based on historical experiences of bad debt losses in similar cases. Accounts receivable that need to be impaired are recognised at the present value of expected future cash flows. However, accounts receivable with short maturities are not discounted.

**Reversal of impairments**

An impairment loss on assets that are included in the scope of IAS 36 is reversed if there is an indication that there is no longer an impairment requirement and there has been a change in the assumptions that formed the basis of the calculation of the recoverable amount. The recoverable amount is the higher of net realisable value (fair value less selling expenses) and the value in use in accordance with IAS 36. The value in use is the present value of the future cash flows that are expected to be obtained from an asset or cash-generating unit.

An increase in the carrying amount of an asset, except goodwill as a result of a reversal of a previous impairment, may not result in the carrying amount exceeding what the company was to have recognised (less depreciation/ amortisation) if the company had impaired the asset.

**Other property, plant and equipment**

Other property, plant and equipment consists of owner-occupied property and equipment. Property, plant and equipment is recognised at historical cost less accumulated depreciation and impairment. Additional expenditure that meets the asset criteria is included in the asset’s carrying amount. Expenditure for ongoing repairs and maintenance is recognised as an expense when it arises. Depreciation of property, plant and equipment is carried as an expense such that the assets’ historical cost, potentially less estimated residual value at the end of its useful life, takes place in a straight-line manner over its assessed useful life. If an assets have been divided into various components, each component is depreciated separately over its useful life. Depreciation begins when the property, plant and equipment asset can be brought into use.

The useful life of property plant and equipment is estimated at:  
*Owner-occupied property 5–60 years*  
*Equipment 3–10 years*

**Other property, plant and equipment**

Other property, plant and equipment consists of capitalised development expenditure. Intangible assets are recognised if it is likely that the future economic benefits that are attributable to the asset will accrue to the group and the historical cost of the asset can be measured reliably. It is taken into account whether it is technically possible to complete and use the asset, whether it can be established that there is a market for that for which the asset is used and whether the group has the technical and financial resources to complete the development of the asset. The useful life begins when the asset is brought into use and is recognised at historical cost less accumulated amortisation and any accumulated impairment losses.

The useful life of intangible assets is estimated at:  
*Development expenses 10 years*

**Defined contribution pension plans**

Defined contribution pension plans are classified as plans where the company’s obligation is limited to the contributions the company has undertaken to pay. In that case, the size of the employee’s pension depends on the contributions the company makes to the plan or to an insurance company and the return on capital the contributions provide. Subsequently it is the employee who bears the current risk (that the compensation is lower than expected) and the investment risk (that the invested assets will be insufficient to result in the expected compensation). The companies’ obligations in respect of contributions to defined-contribution plans are recognised as an expense in profit/loss for the year at the rate they are earned by the employees providing services to the company during a period.

**Short-term employee benefits**

Short-term employee benefits are measured without discounting and are recognised as an expense when the related services are obtained. A provision is recognised for the expected cost of profit sharing and bonus payments when the group has an applicable legal or informal obligation to make such payments as a result of services being obtained from employees and the obligation can be measured reliably.

**Contingent liability**

A contingent liability is recognised when there is a possible commitment that is derived from events that have occurred and the occurrence of which is only confirmed by one or more uncertain future events or when there is a commitment that is not recognised as a liability or provision due to it being unlikely that an outflow of resources will be required.

**Classification etc.**

Non-current assets and non-current liabilities consist in all material respects of amounts that are expected to be recovered or paid after more than twelve months, counted from the balance sheet date. Current assets and current liabilities consist in all material respects of amounts that are expected to be recovered or paid within twelve months of the balance sheet date.

**Statement of cash flows**

The cash flow statements are prepared in accordance with the indirect method. Profit/loss after financial items is adjusted

for transactions that do not involve cash receipts or payments during the year and for revenue and expenses attributable to investing or financing activities.

**The parent company’s accounting policies**

The parent company has prepared its annual report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board’s recommendation RFR 2 Accounting for Legal Entities (January 2019). The Swedish Financial Reporting Board’s published opinions concerning listed companies are also applied. RFR 2 means that the parent company in the annual report for the legal entity shall apply all International Financial Reporting Standards (IFRS) adopted by the EU to the extent this is possible within the scope of the Annual Accounts Act, the Safeguarding Act and taking into consideration the connection between accounting and taxation. The recommendation states which exemptions from and additions to IFRS that shall be made. Provisions in RFR 2 that relate to expanded disclosure requirements in the annual report in relation to IFRS have only been taken into account in cases where they apply to smaller private limited liability companies.

**Differences between the group’s and the parent company’s accounting policies**

Differences between the group’s and the parent company’s accounting policies are set out below. The accounting policies for the parent company stated below have been applied consistently for all periods that are presented in the parent company’s financial statements.

*Classification and format*

The income statement and balance sheet of the parent company are formatted in accordance with the pattern in the Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity and the cash flow statement are based on IAS 1 - Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

The differences between the consolidated financial statements and the parent company’s income statement and balance sheet primarily consist of the recognition of financial income and expenses and equity.

*Leases*

The parent company does not apply IFRS 16 Leases in accordance with the exemption in RFR 2. As lessee, lease payments are recognised as a cost on a straight-line basis over the lease period and, as a consequence, rights of use and lease liabilities are not recognised on the balance sheet.

*Financial instruments*

The parent company has chosen not to apply IFRS 9 - Financial Instruments. However, parts of the principles in IFRS 9 are still applicable in respect of impairment losses, recognition/ derecognition and the effective interest method for interest income and interest charges. In the parent company, non-current financial assets are measured at historical cost less any impairment losses and current financial assets in accordance with the principle of the lower of historical cost or net realisable value. For financial assets that are recognised at amortised cost, the impairment rules in IFRS 9 are applied.

*Participations in group companies*

Participations in group companies are recognised in the parent company in accordance with the cost method.

*Taxes*

Untaxed reserves are recognised on the parent company’s balance sheet without being divided into equity and deferred tax liability, unlike the procedure for the group. In a corresponding manner, no allocation of part of appropriations is made to deferred tax expense is made in the parent company’s income statement.

*Group contributions*

Group contributions that the parent company obtains from a subsidiary are recognised in the parent company as customary dividends from a subsidiary. Group contributions that are paid by the parent company to a subsidiary are recognised as investment in shares in the subsidiary.

*Project activities*

The group recognises income from project contracts with joint ventures in accordance with the percentage-of-completion method. The projects are at an early stage of the production cycle and there is uncertainty in the calculation of level of completion, which is why no profit is recognised in the project activities.

**NOTE 6 INFORMATION ABOUT THE PARENT COMPANY**

SIBS AB is a Swedish-registered private limited liability company that has 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 2020 consists of the parent company, also named the Company, and its subsidiaries, together referred to as the Group.

**NOTE 7 IMPORTANT ESTIMATES AND ASSESSMENTS**

Senior management has discussed developments, the choice and disclosures concerning the Group’s important accounting policies and estimates, as well as the application of these policies and estimates.

**Important sources of uncertainty in the estimates**

The sources of uncertainty in the estimates stated below refers to those that entail a significant risk that the value of assets or liabilities may need to be adjusted to a material extent during the coming financial year.

**Measurement of an asset or liability at fair value.**

When the fair value for an asset or liability is to be determined, the Group uses observable data to as great an extent as possible. Fair value is categorised at different levels in a fair value hierarchy based on the input data used in the measurement technique as follows:

Level 1: In accordance with the prices listed in an active market for identical assets or liabilities.  
Level 2: Based on direct or indirect observable market data that is not included in level 1.  
Level 3: Based on input data that is not observable in the market.

Investment property is at level 3.



**Measurement of investment property at fair value.**

The measurement is based, as stated in Note 17, on an estimate of future cash receipts or payments, as well as the discounting of these taking into account a risk-free interest rate and a risk premium. All of these factors are thus assessments of the future and as such are uncertain.

**NOTE 8 RENTAL INCOME AND REVENUE**

	The group	
	2020	2019
Rental income	11,958	563
Project revenue (subcontractor's agreements)	224,376	0
<b>Total</b>	<b>236,334</b>	<b>563</b>

Rental income includes surcharges on rent to cover electricity, heating, waste collection and other operating expenses.

Project revenue refers to income from subcontractor's agreements with joint ventures. When reviewing contractual relationships in subcontractor's agreements, the assessment has been made that the agreements shall be recognised in accordance with IFRS 15 Revenue from Contracts with Customers, with the percentage-of-completion method being applied. Cash flow in project activities occurs regularly based on incurred expenses that are invoiced retrospectively with payment terms of 30 days.

**NOTE 11 REMUNERATION OF AUDITORS**

	The group		Parent company	
	2020	2019	2020	2019
PWC				
Remuneration for audit engagement	864	199	547	169
<b>Total</b>	<b>864</b>	<b>199</b>	<b>547</b>	<b>169</b>

**Messer Ooi & Associates**

	2020	2019
Remuneration for audit engagement	198	88
Remuneration for audit activities in addition to the audit engagement	-	205
Remuneration for tax consultancy	-	9
<b>TOTAL</b>	<b>198</b>	<b>302</b>

Audit engagement refers to the audit of the annual report and accounts, the board of directors' and chief executive officer's administration, other duties that fall to the company's

**NOTE 9 LEASES (LESSOR)**

Leases in which, in all material respects, all risks and benefits associated with ownership fall to the lessor are classified as operating leases. All current leases attributable to SIBS's investment property are, from an accounting perspective, to be considered as operating leases. All of SIBS properties are residential buildings. All rental contracts have a notice period of three months, which means that the rental income primarily consists of short-term agreements, maturity analysis is not presented for 2020.

**NOTE 10 PROPERTY EXPENSES**

	The group	
	2020	2019
Operating expenses	-2,497	-106
<b>Total</b>	<b>-2,497</b>	<b>-106</b>

**NOTE 12 EMPLOYEES AND STAFF COSTS**

Wages, salaries and other benefits for directors, chief executive officers and other employees are shown in the table below:

	The group		Parent company	
	2020	2019	2020	2019
<b>Average number of employees, broken down by women and men, is</b>				
Sweden;				
Women	2	1	1	-
Men	9	6	3	3
Malaysia;				
Women	10	9	-	-
Men	431	347	-	-
<b>Total</b>	<b>452</b>	<b>363</b>	<b>4</b>	<b>3</b>
Wages, salaries and benefits amount to:				
Chief executive officer	1,200	1,200	1,200	1,200
Other officers of the company	9,845	8,122	1,894	1,692
Bonuses	-	3,001	-	-
Other employees	37,659	21,743	507	-
<b>Total wages, salaries and benefits</b>	<b>48,703</b>	<b>34,066</b>	<b>3,600</b>	<b>2,892</b>
Social security contributions pursuant to legislation and agreements	5,380	5,014	1,291	958
Pension costs:				
Chief executive officer	300	300	300	300
Other officers of the company	735	1,343	450	361
Other employees	3,371	2,061	-	-
<b>Total wages, salaries, remuneration, social security contributions and pension costs</b>	<b>58,490</b>	<b>42,784</b>	<b>5,641</b>	<b>4,511</b>

**NOTE 13 FINANCIAL INCOME/INTEREST INCOME AND SIMILAR INCOME STATEMENT ITEMS**

	The group		Parent company	
	2020	2019	2020	2019
Interest income, group companies	-	-	0	340
Interest income, other	212	10	212	10
Other financial income	201	-	-	-
<b>Total</b>	<b>413</b>	<b>10</b>	<b>212</b>	<b>350</b>



**NOTE 14 FINANCIAL EXPENSES/INTEREST CHARGES AND SIMILAR INCOME STATEMENT ITEMS**

	The group		Parent company	
	2020	2019	2020	2019
Interest charges, bank loans	-15,399	0	-1,200	-
Interest charges, other	-4,042	-7,373	-5,707	-4,457
Other financial expenses	-	-449	-	-
<b>Total</b>	<b>-19,441</b>	<b>-7,821</b>	<b>-6,907</b>	<b>-4,457</b>

**NOTE 15 TAXES**

		The group		Parent company	
		2020	2019	2020	2019
The following components are included in the tax expense:					
Current tax		-8,695	-24	-	-
<i>Deferred tax in respect of;</i>					
Temporary differences investment property		-12,298	-37,599	-	-
Loss carry-forwards		-3,221	-817	-	-
Adjustment of tax changed tax rate		1,932	-	-	-
<b>Reported tax</b>		<b>-22,282</b>	<b>-38,440</b>	<b>-</b>	<b>-</b>
<b>Tax rate</b>					
Applicable tax rate Sweden	Sweden	21.4%	22%	21.4%	22%

	The group		Parent company	
	2020	2019	2020	2019
<b>Net profit/loss before tax</b>	184,841	189,363	-27,342	-1,028
Tax according to applicable tax rate	-39,556	-40,524	5,851	220
Tax effect of:				
Non-deductible expenses/non-taxable revenue	25,592	117	-66	-
Change in loss carry-forwards without corresponding recognition of deferred tax assets	-9,395	-1,912	-5,785	-220
Other tax rate in foreign operations	-1,408	972	-	-
Utilised opening deficit	553	2,907	-	-
Remeasurement of deferred tax attributable to changed tax	1,932	-	-	-
<b>Reported tax</b>	<b>-22,282</b>	<b>-38,440</b>	<b>-</b>	<b>-</b>

**NOTE 16 CAPITALISED DEVELOPMENT EXPENDITURE**

	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Historical cost brought forward	107,215	7,125	107,215	7,125
Internally generated	96,966	100,090	96,966	100,090
<b>Accumulated historical cost carried forward</b>	<b>204,181</b>	<b>107,215</b>	<b>204,181</b>	<b>107,215</b>
Depreciation brought forward	-88	-	-88	-
Depreciation for the year	-10,660	-88	-10,660	-88
<b>Accumulated depreciation carried forward</b>	<b>-10,747</b>	<b>-88</b>	<b>-10,747</b>	<b>-88</b>
<b>Accumulated historical cost carried forward</b>	<b>193,434</b>	<b>107,127</b>	<b>193,434</b>	<b>107,127</b>

Capitalised development expenditure refers to costs for the developed construction system for modular construction. The value is reviewed for impairment each year and has not

indicated any impairment requirements. The useful life for the asset is deemed to be 10 years.



## NOTE 17 INVESTMENT PROPERTY

	31/12/2020	31/12/2019
<b>Investment property</b>		
Fair value at the beginning of the year	604,450	169,393
Historical cost investment property, company acquisitions	-	31,950
Investments in properties (additional expenditure)	373,603	409,677
Investment aid	-	-228,087
Disposal	-646,217	-
Changes in value recognised in profit/loss	61,163	221,518
<b>Fair value at the end of the year</b>	<b>393,000</b>	<b>604,450</b>

The changes in value attributable to properties owned at the end of the year amount to TSEK 61,163 (TSEK 221,518).

The group's properties are owned for the purpose of generating rental income and increases in value. The valuation of investment property takes place based on external valuation institutions and the company's documented internal valuation process. The properties are valued initially at the project start by external valuation institutions and the market value is then monitored continuously.

Valuation of properties has been established using the rate of return method. The rate of return method is based on a present value calculation of estimated future cash flows in the form of net operating income. Net operating income is based on assumptions adjusted to the market. The calculation period is 15 years and the residual value is assessed via perpetual capitalisation of a net operating income estimated on a commercial basis for the following year.

*Value assumptions:*

Average rent SEK/m <sup>2</sup>	1,796
Average vacancy (homes) %	0.0-1.0
Operating cost/ SEK/m <sup>2</sup> excluding periodic maintenance	235
Rate of inflation 1–15 years %	2.0
Cost of capital %	5.5-6.1
Direct yield requirement for assessing residual value %	3.5-4.1

\*=lower rate of inflation years 1–2

When assumptions for the below parameters change, the assessed fair value would change in the following manner:

		MSEK	MSEK
Market rent premises	(+/- 5%)	3.0	-3.0
Assessed rent homes	(+/- 5%)	50.3	-50.3
Long-term vacancy	(+ / -2%)	-20.5	4.6
Operation and maintenance	(+/- 10%)	-8.7	8.7
Cost of capital	(+/- 0.5%)	-25.9	28.8
Direct yield requirement	(+/- 0.5%)	-34.6	40.0

Where the Group has been granted investment aid for the construction of rental properties, the investment aid is recognised as a receivable until payment takes place. The aid is seen as a reduction of the cost of constructing the rental properties. The Group recognises changes in the value of the portfolio during the construction phase, which means that expenditure for properties for the coming year is capitalised on the balance sheet without having to recognise a change in value. The change in value is recognised based on the group's forecast for each property. When making forecasts for each property, risks such as market risk, interest rate risk, currency risk and construction risk are taken into account.

The assumptions and sensitivity analysis below are based on the properties Dansbanan 1, Norrköping, Söderby 2:776, Haninge, Tranbäret 1, Kalmar and Glidplanet 4, Örebro.

## NOTE 18 OWNER-OCCUPIED PROPERTY

	The group	
	31/12/2020	31/12/2019
Historical cost brought forward	132,285	97,463
Purchases	10,482	27,579
Sales/disposals	-287	-
Translation difference	-14,857	7,244
<b>Accumulated historical cost carried forward</b>	<b>127,624</b>	<b>132,285</b>
Depreciation brought forward	-9,138	-1,765
Depreciation for the year	-10,360	-6,707
Translation difference	1,575	-666
<b>Accumulated depreciation carried forward</b>	<b>-17,923</b>	<b>-9,138</b>
<b>Carrying amount carried forward</b>	<b>109,700</b>	<b>123,147</b>

*Depreciation is included in administrative overheads*

## NOTE 19 EXPENSES FOR IMPROVEMENTS TO OTHERS' PROPERTY

	The group		Parent company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Historical cost brought forward	648	648	648	648
<b>Accumulated historical cost carried forward</b>	<b>648</b>	<b>648</b>	<b>648</b>	<b>648</b>
Depreciation brought forward	-324	-108	-324	-108
Depreciation for the year	-216	-216	-216	-216
<b>Accumulated depreciation carried forward</b>	<b>-540</b>	<b>-324</b>	<b>-540</b>	<b>-324</b>
<b>Carrying amount carried forward</b>	<b>108</b>	<b>324</b>	<b>108</b>	<b>324</b>

*Depreciation is included in administrative overheads*



## NOTE 20 MACHINERY AND EQUIPMENT

	The group		Parent company	
	2020	2019	2020	2019
Historical cost brought forward	25,321	3,544	800	50
Purchases	14,740	20,111	205	750
Translation difference	-3,235	1,667	-	-
<b>Accumulated historical cost carried forward</b>	<b>36,826</b>	<b>25,321</b>	<b>1,004</b>	<b>800</b>
Depreciation brought forward	-2,216	-317	-171	-5
Depreciation for the year	-6,603	-1,758	-188	-166
Translation difference	546	-140	-	-
<b>Accumulated depreciation carried forward</b>	<b>-8,273</b>	<b>-2,216</b>	<b>-360</b>	<b>-171</b>
<b>Carrying amount carried forward</b>	<b>28,553</b>	<b>23,105</b>	<b>645</b>	<b>628</b>

Depreciation is included in administrative overheads

## NOTE 21 DEFERRED TAX ASSET/DEFERRED TAX LIABILITY

	The group	
	31/12/2020	31/12/2019
Deferred tax asset brought forward	1,205	1,993
Recognised in profit/loss	-1,139	-817
Translation difference	-65	29
<b>Deferred tax asset carried forward</b>	<b>0</b>	<b>1,205</b>

Deferred tax asset in respect of temporary differences in:

loss carry-forwards	-	1,205
<b>Deferred tax asset</b>	<b>0</b>	<b>1,205</b>

	The group	
	31/12/2020	31/12/2019
Deferred tax liability brought forward	-42,694	-5,095
Recognised in profit/loss	-12,382	-37,599
Reclassification to Joint Venture	37,249	-
Translation difference	53	-
<b>Deferred tax asset carried forward</b>	<b>-17,774</b>	<b>-42,694</b>

Deferred tax liability in respect of temporary differences in:

investment property	17,774	42,694
<b>Deferred tax liability</b>	<b>17,774</b>	<b>42,694</b>

## NOTE 22 PARTICIPATIONS IN GROUP COMPANIES

	Parent company	
	31/12/2020	31/12/2019
At the beginning of the year	60,140	61,106
Capital contributions paid	1,500	5,000
Sales	0	-5,966
<b>Total</b>	<b>61,640</b>	<b>60,140</b>
Accumulated impairment losses	-50	-50
<b>Total</b>	<b>-50</b>	<b>-50</b>
<b>Carrying amount carried forward</b>	<b>61,590</b>	<b>60,090</b>

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

Directly owned	Organisation registration number	Registered office	Number of shares	Holding %	Book value
Sveaviken Bostad AB	559050-3065	Stockholm	50,000	100.0	7,550
Scandinavian IBS SDN. BHD.	201601022969	Malaysia	30,000,000	90.0	53,690
MOBY Modulärt Byggande AB	559151-7544	Stockholm	5,000	100.0	350
<b>Total</b>					<b>61,590</b>

Indirectly owned	Organisation registration number	Registered office	Number of shares	Holding %
Sveaviken Holding 1 AB	556904-5627	Stockholm	50,000	100.0
<i>Indirectly owned via Sveaviken Holding 1 AB, holding refers to Sveaviken Holding 1's share</i>				
Fastighetsaktiebolaget Tango	559134-5052	Stockholm	50,000	100.0
Fastighets AB Brandberget	559177-5423	Stockholm	50,000	100.0

## NOTE 23 RECEIVABLES FROM GROUP COMPANIES

	The group		Parent company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
At the beginning of the year	-	-	169,916	63,690
Additional receivables	-	-	627,466	106,225
Outgoing receivables	-	-	-576,438	-
Reclassification	-	-	-10,386	-
<b>Receivables from group companies</b>	<b>-</b>	<b>-</b>	<b>210,558</b>	<b>169,916</b>

## NOTE 24 PARTICIPATIONS IN ASSOCIATED COMPANIES AND JOINT VENTURES

	The group		Parent company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
At the beginning of the year	1,959	37	36	37
Sales	-	-1	-1	-1
Profit participation	175,118	1,924	-	-
Reclassification from subsidiary to joint venture	81,002	0	-	-
<b>Total</b>	<b>258,117</b>	<b>1,959</b>	<b>35</b>	<b>36</b>
<b>Carrying amount carried forward</b>	<b>258,117</b>	<b>1,959</b>	<b>35</b>	<b>36</b>

Specification of associated companies and joint venture parent companies

Name	Organisation registration number	Registered office	Number of shares	Holding %	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 the group

Name	Organisation registration number	Registered office	Number of shares	Holding %	Book value
MOKO AB (IF)	559143-4427	Stockholm	50,000	20.0	1,890
Frontlog AB (IF)	559171-7938	Norrköping	50,000	49.0	3,027
Fastighets AB Örebroängen (JV)	559175-8494	Stockholm	98,040	50.0	33,594
Fastighets AB Kalmarporten (JV)	559175-6225	Stockholm	98,040	50.0	57,598
Slättö Sveaviken Holding 1 AB (JV)	559245-0133	Stockholm	50,000	50.0	161,970
Slättö Sveaviken Holding 2 AB (JV)	559261-6360	Stockholm	50,000	50.0	25
Sveaviken Holding 4 AB (JV)	559282-6316	Stockholm	25,000	50.0	13
					<b>258,117</b>

MOKO AB	The group	
	31/12/2020	31/12/2019
Operating revenue	51,791	30,615
Operating expenses	-44,750	-24,036
Operating profit/loss	7,041	6,579
Interest charges	-1	-11
Profit/loss before tax	7,040	6,568
Tax	-1,535	-1,425
Profit/loss for the year	5,505	5,142
Non-current assets	346	203
Current assets	48,351	24,059
of which cash and bank balances	970	962
Total assets	48,697	24,261
Equity	8,711	5,207
Current financial liabilities	39,986	19,054
Total liabilities and equity	48,697	24,261

MOKO AB, associated company, conducts activities within technical construction and development thereof. Income statements and balance sheets are shown below, the equity method has been applied from 2019.

FRONTLOG AB	The group	
	31/12/2020	31/12/2019
Operating revenue	94,183	36,863
Operating expenses	-88,357	-34,831
Operating profit/loss	5,826	2,032
Interest charges	-5	-1
Profit/loss before tax	5,821	2,032
Tax	-1,275	-342
Profit/loss for the year	4,546	1,180
Current assets	12,082	3,332
of which cash and bank balances	1,503	902
Total assets	12,082	3,332
Equity	5,776	1,230
Untaxed reserves	510	510
Current financial liabilities	5,796	1,592
Total liabilities and equity	12,082	3,332

Frontlog AB, associated company, provides logistics services with a focus on maritime transport. Income statements and balance sheets are shown below, the equity method has been applied from 2019.



	The group	
FASTIGHETS AB ÖREBROÄNGEN	31/12/2020	31/12/2019
Operating revenue	-	-
Operating expenses	-216	-
Operating profit/loss	-216	-
Change in value properties	213	-
Financial income	49	-
Financial expenses	-24	-
Profit/loss before tax	22	-
Tax	-44	-
Profit/loss for the year	-22	-
Investment property	241,000	-
Current assets	55,922	-
of which cash and bank balances	183	-
Total assets	296,922	-
Equity	67,188	-
Deferred tax liability	9,013	-
Non-current financial liabilities	141,000	-
Current financial liabilities	79,721	-
Total liabilities and equity	296,922	- SEK

Fastighets AB Örebroängen, joint venture, conducts property management. Income statements and balance sheets are shown below, the company has been recognised as a wholly owned subsidiary up until December 2020.

	The group	
FASTIGHETS AB KALMARPORTEN	31/12/2020	31/12/2019
Operating revenue	577	-
Operating expenses	-1,704	-
Operating profit/loss	-1,127	-
Change in value properties	25,681	-
Financial expenses	-42	-
Profit/loss before tax	24,512	-
Tax	-5,290	-
Profit/loss for the year	19,222	-
Investment property	356,351	-
Current assets	14,870	-
of which cash and bank balances	6,200	-
Total assets	371,222	-
Equity	115,197	-
Deferred tax liability	20,500	-
Non-current financial liabilities	220,000	-
Current financial liabilities	15,525	-
Total liabilities and equity	371,222	-

Fastighets AB Kalmarporten, joint venture, conducts property management. Income statements and balance sheets are shown below, the company has been recognised as a wholly owned subsidiary up until December 2020.

	The group	
SLÄTTÖ SVEAVIKEN HOLDING 1 AB (GROUP)	31/12/2020	31/12/2019
Operating expenses	-373	-
Operating profit/loss	-373	-
Change in value properties	531,662	-
Interest charges	-5,951	-
Profit/loss before tax	525,337	-
Tax	-110,994	-
Profit/loss for the year	414,343	-
Investment property	1,149,328	-
Current assets	10,933	-
of which cash and bank balances	9,875	-
Total assets	1,160,261	-
Equity	424,443	-
Deferred tax liability	110,994	-
Non-current financial liabilities	265,244	-
Current financial liabilities	359,580	-
Total liabilities and equity	1,160,261	-

Slättö Sveaviken Holding 1 AB, joint venture, conducts property development in wholly owned subsidiaries. Income statements and balance sheets are shown below, the equity method has been applied from 2020.

#### NOTE 25 OTHER NON-CURRENT RECEIVABLES

	The group		Parent company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
At the beginning of the year	5,966	-	5,966	-
Additional receivables	1,750	5,966	1,750	5,966
Outgoing receivables	-	-	-	-
Reclassification	-	-	-	-
<b>Total</b>	<b>7,716</b>	<b>5,966</b>	<b>7,716</b>	<b>5,966</b>

Opening receivables refers to a holding without controlling influence in SIBS Malaysia, additional receivables refers to rent deposit.

## NOTE 26 STOCK AND ACCOUNTS RECEIVABLE

Stock	The group	
	31/12/2020	31/12/2019
Raw materials and consumables	52,106	25,815
<b>Total</b>	<b>52,106</b>	<b>25,815</b>

### Accounts receivable

#### The group

Accounts receivable is reported at the amount that is expected to be received 31/12/2020 TSEK 311 and for 31/12/2019 TSEK 6.

#### Parent company

Accounts receivable is reported at the amount that is expected to be received 31/12/2020 TSEK 219.

## NOTE 27 OTHER CURRENT RECEIVABLES

	The group		Parent company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Receivables in respect of property deals	30,549	-	-	-
Investment aid	-	271,387	-	-
Advance payments to suppliers	-	15,569	-	-
VAT receivable	3,127	-	3,127	-
Current tax assets	1,768	1,209	-	1
Other items	50,328	22,253	2,000	2,331
<b>Other receivables</b>	<b>85,772</b>	<b>310,418</b>	<b>5,128</b>	<b>2,332</b>

## NOTE 28 PREPAID EXPENSES AND ACCRUED INCOME

	The group		Parent company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Prepaid property/operating expenses	3,627	219	1,526	219
Other prepaid expenses	0	725	-	416
<b>Prepaid expenses and accrued income</b>	<b>3,627</b>	<b>944</b>	<b>1,526</b>	<b>635</b>

## NOTE 29 CASH AND CASH EQUIVALENTS/ CASH AND BANK BALANCES

#### The group

Cash and cash equivalents in the group consists of bank balances.

#### Parent company

Cash and bank balances in the parent company consists of bank balances.

## NOTE 30 EQUITY

Class of shares:	Number of shares	Participation	Number of votes per share	Total number of votes	Share of voting power
Ordinary share	500,000	100%	1	500,000	100%
<b>Total</b>	<b>500,000</b>	<b>100%</b>	<b>-</b>	<b>500,000</b>	<b>100%</b>

### Dividend

The board of directors do not propose any dividends for financial year 2020.

### Non-restricted equity

Non-restricted equity, i.e. the amount available for dividends to shareholders, constitutes all equity in the parent company with the exception of the share capital and the reserve for development expenditure.

## NOTE 31 INTEREST-BEARING LIABILITIES

The following contains information about the Group's and the parent company's contractual terms in respect of interest-bearing liabilities. For more information about the

Group's and the parent company's exposure to interest rate risk and risk of exchange rate fluctuations, please refer to Note 38.

Interest-bearing liabilities	The group		Parent company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Bank loans	265,820	65,051	-	-
Construction loans	-	449,928	-	-
Lease liability	5,754	2,174	-	-
Bond loans	353,020	-	353,020	-
Other loans	102,300	166,925	-	166,925
<i>Total interest-bearing liabilities of which current interest-bearing liabilities:</i>	<i>726,894</i>	<i>684,078</i>	<i>353,020</i>	<i>166,925</i>
Bank loans	23,624	42,911	-	-
Construction loans	-	449,928	-	-
Lease liability	1,419	1,673	-	-
Other loans	102,300	166,925	-	166,925
<i>Total current interest-bearing liabilities</i>	<i>127,343</i>	<i>661,437</i>	<i>-</i>	<i>166,925</i>
<b>Interest-bearing liabilities</b>	<b>726,894</b>	<b>684,078</b>	<b>353,020</b>	<b>166,925</b>
Interest-bearing liabilities loan maturity				
Loan maturity within one year of the balance sheet date	127,343	661,437	-	166,925
Loan maturity between two and five years of the balance sheet date	381,628	22,641	353,020	-
Loan maturity more than five years from the balance sheet date	217,923	-	-	-

### Terms and repayment periods

Collateral for the bank loans of TSEK 751,636 (TSEK 635,566) has been provided through a mortgage on the Group's investment property and owner-occupied property in Malaysia. All loan terms have been fulfilled. Bond loans are unsecured.



## NOTE 32 OTHER LIABILITIES

	The group		Parent company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Value added tax	60,672	20,148	-	-
Tax deducted at source/social security contributions for staff	4,726	396	769	188
Liabilities attributable to acquisitions	-	121,068	-	-
Other liabilities	25,515	9,020	-	6
<b>Total</b>	<b>90,913</b>	<b>150,632</b>	<b>769</b>	<b>194</b>

## NOTE 33 ACCRUED EXPENSES AND DEFERRED INCOME

	The group		Parent company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Deferred rental income	1,187	380	-	-
Accrued staff costs	1,405	1,959	524	436
Accrued interest	2,667	582	-	-
Accrued project expenses	7,880	12,159	-	-
Other accrued expenses	5,262	2,380	122	1,849
<b>Accrued expenses and deferred income</b>	<b>18,400</b>	<b>17,460</b>	<b>646</b>	<b>2,285</b>

## NOTE 34 PLEDGED ASSETS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	The group		Parent company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<i>In the form of pledged assets for own liabilities.</i>				
Floating charges	40,000	-	40,000	-
Property mortgage	711,636	635,566	-	-
	<b>751,636</b>	<b>635,566</b>	<b>40,000</b>	<b>0</b>

	The group		Parent company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Guarantee commitment	17,434	0	17,434	-
Contingent liabilities	<b>17,434</b>	<b>0</b>	<b>17,434</b>	-

## NOTE 35 LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES

The group	31/12/2020			
	Bank loans	Bond	Other loans	Total liabilities
At the beginning of the year	517,153	-	166,925	684,078
Borrowings	259,164	352,383	124,990	736,536
Amortisation	-20,662	-	-141,921	-162,582
<u>Not affecting cash flow</u>				
Capitalised charges	-	637	-	637
Shareholders' contributions	-	-	-52,421	-52,421
Liabilities in sold group companies	-477,999	-	-	-477,999
Translation difference	-6,081	-	-	-6,081
Capitalised interest	-	-	4,727	4,727
<b>At the end of the year</b>	<b>271,574</b>	<b>353,020</b>	<b>102,300</b>	<b>726,894</b>

The group	31/12/2019			
	Bank loans		Other loans	Total liabilities
At the beginning of the year	112,407	-	-	112,407
Borrowings	389,348	-	164,360	553,708
<u>Not affecting cash flow</u>				
Capitalised charges	7,683	-	-	7,683
Translation difference	3,549	-	-	3,549
Capitalised interest	4,167	-	2,564	6,731
<b>At the end of the year</b>	<b>517,154</b>	<b>-</b>	<b>166,925</b>	<b>684,078</b>

Parent company	31/12/2020			
	Bank loans	Bond	Other loans	Total liabilities
At the beginning of the year	-	-	166,925	166,925
Borrowings	-	352,383	22,691	375,074
Amortisation	-	-	-141,921	-141,921
<u>Not affecting cash flow</u>				
Capitalised charges	-	637	4,727	5,364
Shareholders' contributions	-	-	-52,421	-52,421
<b>At the end of the year</b>	<b>-</b>	<b>353,020</b>	<b>0</b>	<b>353,020</b>

Parent company	31/12/2019			
	Bank loans		Other loans	Total liabilities
At the beginning of the year	-	-	15,044	15,044
Borrowings	-	-	189,316	189,316
Amortisation	-	-	-40,000	-40,000
<u>Not affecting cash flow</u>				
Capitalised charges	-	-	2,564	2,564
<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>166,925</b>	<b>166,925</b>

## NOTE 36 LEASES

### Leases where the company is the lessee

SIBS's property, plant and equipment consists of both owned and leased assets. Leased assets are recognised among the

items owner-occupied property and equipment. See the below table for closing balance of leased assets and the size of the depreciation of these leased assets in 2020.

	Owner-occupied property	Equipment	Total
Depreciation during the year	-2,599	-9,949	<b>-12,548</b>
Carrying amount 31/12/2020	5,207	25,377	<b>30,584</b>
Expenses attributable to leases 2020:			
Interest charges lease liabilities			<b>307</b>
Expenses attributable to current leases			<b>65</b>

## NOTE 37 MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE AND CATEGORISATION

The Group currently has no financial assets or liabilities that are measured at fair value via the balance sheet, which is why the carrying amount is deemed to correspond to fair value for all financial assets and liabilities. When measuring at fair value via the balance sheet, the value is set to as great an extent as possible on the basis of observable data. Fair value is categorised at different levels in a value hierarchy based on the data that are available.

Level 1: In accordance with the prices listed in an active market for identical assets or liabilities.  
Level 2: Based on direct or indirect observable market data that is not included in level 1.  
Level 3: Based on input data that is not observable in the market.

The group	31/12/2020	Financial assets recognised at amortised cost	Financial assets recognised at fair value via profit/loss
Financial assets			
Other non-current receivables		7,716	-
Accounts receivable		311	-
Other receivables		84,004	-
Cash and cash equivalents		228,151	-
<b>Total</b>		<b>320,182</b>	<b>-</b>

The group	31/12/2020	Financial assets recognised at amortised cost	Financial assets recognised at fair value via profit/loss
Financial liabilities			
Non-current interest-bearing liabilities		599,551	-
Current interest-bearing liabilities		127,343	-
Accounts payable		87,031	-
Other liabilities		90,913	-
Liabilities to associated companies		17,538	-
Accrued expenses		18,399	-
<b>Total</b>		<b>940,775</b>	<b>-</b>

The group	31/12/2019	Financial assets recognised at amortised cost	Financial assets recognised at fair value via profit/loss
Financial assets			
Other non-current receivables		5,966	-
Loans to associated companies		2,710	-
Accounts receivable		6	-
Other receivables		309,209	-
Cash and cash equivalents		30,166	-
<b>Total</b>		<b>348,057</b>	<b>-</b>

The group	31/12/2019	Financial assets recognised at amortised cost	Financial assets recognised at fair value via profit/loss
Financial liabilities			
Non-current interest-bearing liabilities		22,641	-
Current interest-bearing liabilities		661,437	-
Accounts payable		55,195	-
Other liabilities		150,632	-
Liabilities to group companies		2,857	-
Accrued expenses		17,460	-
<b>Total</b>		<b>910,222</b>	<b>-</b>

The parent company	31/12/2020	Financial assets recognised at amortised cost	Financial assets recognised at fair value via profit/loss
Financial assets			
Other non-current receivables		7,716	-
Other receivables		5,128	-
Cash and cash equivalents		212,556	-
<b>Total</b>		<b>225,399</b>	<b>-</b>

The parent company	31/12/2020	Financial liabilities recognised at amortised cost	Financial liabilities recognised at fair value via profit/loss
Financial liabilities			
Non-current interest-bearing liabilities		353,020	-
Accounts payable		2,768	-
Other liabilities		770	-
Accrued expenses		645	-
<b>Total</b>		<b>357,203</b>	<b>-</b>



The parent company	31/12/2020	Financial assets recognised at amortised cost	Financial assets recognised at fair value via profit/loss
Financial assets			
Loans to associated companies		2,710	-
Other receivables		2,332	-
Cash and cash equivalents		3,487	-
<b>Total</b>		<b>8,529</b>	<b>-</b>

The parent company	31/12/2020	Financial assets recognised at amortised cost	Financial assets recognised at fair value via profit/loss
Financial liabilities			
Non-current interest-bearing liabilities group		136,981	-
Current interest-bearing liabilities		29,943	-
Accounts payable		11,521	-
Other liabilities		43	-
Accrued expenses		2,284	-
<b>Total</b>		<b>180,773</b>	<b>-</b>

The following summarises the methods and assumptions that have primarily been used to determine the fair value of the financial instruments reported in the table above.

#### Non-current receivables

The fair value of non-current receivables is deemed to correspond to the carrying amount.

#### Non-current interest-bearing liabilities

The fair value of interest-bearing liabilities with a variable interest is estimated to correspond to the carrying amount. Fixed interest loans where the fixed interest rate applies

#### NOTE 38 CAPITAL MANAGEMENT AND FINANCIAL RISKS

The Group's risks and risk management are described on pages 42–45. Further information regarding material risks is provided below.

The parent company is primarily financed through its own equity and loans from its owners. The subsidiaries included in the group are financed through equity and shareholders' loans, as well as bank loans.

The Group's financial operations are focused on the unpredictability of the financial markets and seek to minimise The Group's loan-to-value ratio on 31 December 2020 amounted to 59 (31 December 2019: 74) per cent. During 2020, the Group met the external capital requirements in the form of requirements on loan-to-value ratio (borrowing in relation to property valuation), interest coverage ratio (profit/loss before financial items in relation to external financial expenses) and proportion of equity (equity, including shareholders' loans, in relation to balance sheet total).

#### Financial risk

The group is exposed to a number of financial risks including

for longer than 12 months are measured at fair value by discounting future cash flows.

#### Current receivables and liabilities

For accounts receivable and accounts payable with a remaining maturity of less than six months, the carrying amount is deemed to reflect the fair value. Accounts receivable and accounts payable with a remaining maturity in excess of six months are discounted when the fair value is determined. The fair value of other current liabilities and receivables is deemed to correspond to the carrying amount.

credit risk, liquidity risk, market risk, interest rate risk and currency risk.

#### Credit risk

Credit risk is the risk of a counterparty not being able to meet its contractual obligations and thereby cause a loss for the Group. The credit risk in respect of the Group's bank balances is limited by only using regulated banks.

The credit risk in respect of other counterparties against which the Group has claims is managed by conducted credit assessments prior to investment and signing rental agreements and other agreements.

#### Liquidity risk

The Group manages its liquidity and financing risk by continuously making liquidity forecasts and ensuring that there is access to sufficient cash and cash equivalents in the Group for upcoming payments. Cash management means having sufficient cash and cash equivalents, having access to credit commitments and customers' ability to pay their debts within the agreed period.

The main liquidity risk relates to the Group's external loan agreements and the feasibility of fulfilling the undertakings in these. The undertakings are the creditors' general terms and conditions, which involve informing creditors about changed circumstances such as material ownership changes, insolvency, business acquisitions and larger changes to the focus of the business. In addition, there are undertakings to pay interest, amortisation payments and other charges within the agreed period. If undertakings are not fulfilled this can lead to the creditor terminating the agreement. The group fulfils all undertakings in respect of credit institutions.

The credit facilities generally have formally short maturities. The intention is for them to be extended on an ongoing basis. There are no indications of difficulties with extended these credit facilities.

The following table shows the Group's liquidity analysis for its financial liabilities. The table is prepared on the basis of non-discounted cash flows.

The group				
31/12/2020	Recognised amount	Within 1 year	From 2 to 5 years	More than 5 years
Interest-bearing liabilities credit institution	271,574	25,043	28,608	217,923
Bond loans	353,020	-	353,020	-
Other interest-bearing liabilities	102,300	102,300	-	-
Loans to associated companies	17,538	17,538	-	-
Income tax liability	5,578	5,578	-	-
Accounts payable	87,031	87,031	-	-
Other liabilities	90,913	90,913	-	-
Accrued expenses	18,399	18,399	-	-
	<b>946,354</b>	<b>346,803</b>	<b>381,628</b>	<b>217,923</b>

The group				
31/12/2019	Recognised amount	Within 1 year	From 2 to 5 years	More than 5 years
Interest-bearing liabilities credit institution	517,153	494,513	22,641	-
Other interest-bearing liabilities	166,925	166,925	-	-
Loans to associated companies	2,857	-	2,857	-
Income tax liability	151	151	-	-
Accounts payable	55,195	55,195	-	-
Other liabilities	150,632	150,632	-	-
Accrued expenses	17,460	17,460	-	-
	<b>910,373</b>	<b>884,875</b>	<b>25,498</b>	<b>-</b>

#### Market risk

Risk related to property investments. Investments in property are exposed to different types of risk. The primary factors that affect the value of a property are the following:

- changes in the general economic trend,
- local market conditions as well as excess supply or decreased demand,
- changes in tenants' creditworthiness,
- competition from other properties/property owners and
- changes in laws and regulations, for example relating to detailed development plans, the environment and taxes.

Changes in the above factors may affect the value of the Group's assets and by extension also the Group's financial performance.

#### Interest rate risk

Interest rate risk is that the fair value of future cash flows for a financial instrument varies due to changes in market interest rates. The Group primarily invests in assets that are let long term for fixed amounts to external parties. The ambition of the Group is to generate stable cash flows from its investments. In order to achieve this, the Group monitors developments in the market in order to respond to interest rate fluctuations over time.

Currency risk

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

The Group is exposed to a number of foreign currencies.

No currency derivatives have been entered into. The Group monitors developments in the foreign exchange markets and continuously considers whether to enter into derivative agreements. The year’s translation effects attributable to subsidiaries in Malaysia are recognised in the Group’s equity.

NOTE 39 RELATED PARTIES

SIBS’s related parties are primarily the board of directors and officers of the company with the principal owners Exoro Capital AB and Landera AB, group and associated companies and joint ventures. Information on staff costs can be found in Note 12.

There have been no material transactions with other related companies, nor are there any material receivables or liabilities with these.

The Group recognises in its project activities claims against joint ventures as accrued, not invoiced income and as invoiced, not accrued revenue. Counterparties in the form of related parties are shown below:

As at the balance sheet date, deposits from Exoro Capital AB amount to TSEK 0 (TSEK 25,564), of which interest amounts to TSEK 0 (TSEK 514).  
As at the balance sheet date, deposits from Landera AB amount to TSEK 0 (TSEK 136,981), of which interest amounts to TSEK 0 (TSEK 1,982).

The Group	31/12/2020	Accrued, not invoiced 31/12/2020	Invoiced, not accrued 31/12/2020
Fastighets AB Örebroängen		13,000	-
Fastighets AB Kalmarporten		60,000	-
Slättö Sveaviken Holding 1 AB (group)		22,001	-64,160

NOTE 40 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

- ☒

Took possession of the two properties in Enköping situated just next to Enköping Station. The properties were acquired by SIBS’s subsidiary Sveaviken Bostad during the fourth quarter.
- ☒

In Mariefred we have, together with Nordsten Sveafastigheter, acquired development rights for a gross floor area of 30,000 m².
- ☒

In Vega in Haninge, SIBS, together with Slättö, has acquired development rights for a gross floor area of 13,000 m².
- ☒

Acquisition of development rights in Vallentuna for a gross floor area of approximately 2,000 m² in connection to one of our other projects where production will begin in 2021.
- ☒

During the first quarter of 2021, SIBS has issued bonds worth an additional MSEK 150 that is covered under the framework that was set for the original bond (framework of a total of MSEK 600).

Board of directors’ assurance

The board of directors and the chief executive officer hereby assure that the annual report and consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and generally accepted accounting principles and provide a true and fair view of the group’s and the parent company’s financial position and performance. The group’s and the parent company’s income statement and balance sheet will subject to adoption at the annual general meeting on 1 June 2021.

STOCKHOLM, 28 APRIL 2021

Jonas Ramstedt  
Chair

Erik Thomaeus  
Chief executive officer

Johan Karlsson  
Director

Pär Thomaeus  
Director

OUR AUDITOR’S REPORT HAS BEEN RENDERED ON 28 APRIL 2021  
ÖHRLINGS PRICEWATERHOUSECOOPERS AB

Peter Burholm  
Authorised Public Accountant



# Auditor's Report

For the annual general meeting of SIBS AB (publ), org. reg. no. 559050-3073

## Report on the annual report and consolidated financial statements

### Opinions

We have performed an audit of the annual report and consolidated financial statements of SIBS AB (publ) for 2020. The company's annual report and consolidated financial statements are included on pages 38–85 of this document.

In our opinion, the annual report has been prepared in accordance with the Swedish Annual Accounts Act and, in all material respects, provides a true and fair view of parent company's financial position as at 31 December 2020 and of its financial performance and cash flow for the year, in accordance with the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and, in all material respects, provide a true and fair view of the group's financial position as at 31 December 2020 and of its financial performance and cash flow for the year in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, as well as the Swedish Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual report and consolidated financial statements.

We therefore recommend that the annual general meeting adopt the income statement and balance sheet for the parent company as well as the consolidated income statement and statement of financial position.

Our opinions in this report on the annual report and consolidated financial statements are consistent with the content of the supplementary report that has been submitted to the parent company and the directors of the group in accordance with Article 11 of the Audit Regulation (537/2014/EU).

### Basis for the opinions

We have performed the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities pursuant to these standards are described in greater detail in the section Auditor's responsibilities. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements. This means that, to the best of our knowledge and conviction, no prohibited services that are referred to in Article 5(1) of the Audit Regulation (537/2014/EU), have been provided to the audited company or, where applicable, its parent company or its controlled company within the EU.

We consider the audit evidence that we have obtained to be a sufficient and appropriate basis for our opinions.

### Our audit approach

#### *Focus and scope of the audit*

We designed our audit by establishing the materiality level and assessing the risk of material misstatements in the financial statements. We specifically considered the areas where the chief executive officer and board of directors have made subjective assessments, for example important accounting estimates that have been made on the basis of assumptions and forecasts about future events, which in their nature are uncertain. As in all audits, we have also taken into account the risk of the board of directors and chief executive officer neglecting internal control and have, among other things, considered where there is evidence of systematic discrepancies that have given rise to risk of material misstatements as a result of fraud.

We adapted our audit in order to carry out an appropriate review for the purpose enabling us to express our opinion on the financial statements as a whole, taking into account the group's structure, accounting processes and controls, as well as the industry in which the group operates.

#### *Materiality*

The scope and focus of the audit was affected by our assessment of materiality. An audit is designed in order to achieve a reasonable degree of certainty on whether the reports contain any material misstatements. Misstatements can arise as a result of fraud or error. They are considered material if they, individually or on aggregate, may reasonably be expected to influence the financial decisions users make on the basis of the financial statements.

Based on professional judgement, we established certain quantitative materiality figures, including for the financial reporting as a whole. With the aid of these and qualitative considerations, we established the focus and scope of the audit and the character, time and scope of our audit measures, as well as assessing the effect of individual and compound misstatements in the financial reports statements a whole.

### Particularly significant areas

Particularly significant areas for our audit are the areas that, in accordance with our professional assessment, were most significant for the audit of the annual report and consolidated financial statements for the period in question. These areas were dealt with within the scope of the audit of, and in our position on, the annual accounts and consolidated financial statements as a whole but we express no separate opinions on these areas.

#### *Particularly significant area*

#### *How our audit considered the particularly significant area*

#### *Valuation of investment property*

Investment property is initially recognised at market value adjusted for remaining manufacturing costs. A market evaluation is conducted annually by external valuation

institutions. The following changes in value that arise are dealt with in accordance with ISA 40 and are recognised in accordance with the standard in the income statement and therefore have a significant impact on both the reported profit/loss and financial position. Unrealised changes in the value of investment property amount to MSEK 61.2 over the year and the book value of these assets is MSEK 393 at the end of the financial year. The valuation of investment property is also of great significance to the carrying amount for profit/loss from associated companies and joint ventures and the book value of these assets. For 2020, the profit/loss from associated companies and joint ventures is recognised at MSEK 175.5 and the book asset value of these is MSEK 258.1 at the end of the financial year. For information on investment property and associated companies/joint ventures and the assessments senior management has applied, see Accounting policies, Note 17 Investment property and Note 24 Participations in associated companies and joint ventures.

Our audit has included but not been limited to the following:

- Control of the mathematical accuracy of the valuation model as well as evaluation of whether the methods used are based on established valuation policies.
- Control and evaluation of the reasonableness of input data in the model such as yield requirement, net operating income, vacancy levels and forecast outcome based on historical data.
- Evaluated and assessed expertise and independence of external valuation institutions.
- Control of conducted sensitivity analyses.

## Information other than the annual report and consolidated financial statements

This document also contain information other than the annual report and consolidated financial statements that can be found on pages 1–37. It is the board of directors and chief executive officer who are responsible for this other information.

Our opinion in respect of the annual report and consolidated financial statements does not encompass this information and we express no opinion in respect of this other information.

In conjunction with our audit of the annual report and consolidated financial statements it is our responsibility to read the information that is identified above and consider whether the information is to a material extent inconsistent with the annual report and consolidated financial statements. When conducting this review we also take into account the knowledge we have otherwise obtained during the audit and assess whether the information otherwise appears to contain material misstatements.

If, based on the work that has been conducted in respect of this information, we come to the conclusion that the other information contains a material misstatement, we are obliged to report this. We have nothing to report in this respect.

## The board of directors' and chief executive officer's responsibilities

The board of directors and chief executive officer are responsible for ensuring that the annual report and consolidated financial statements are prepared and that they provide a true and fair view in accordance with the Annual Accounts Act, and, with regard to the consolidated financial statements, in accordance with IFRS, as adopted by the EU, as well as the Swedish Annual Accounts Act. The board of directors and chief executive officer are also responsible for ensuring there is the internal control they deem necessary in order to prepare an annual report and consolidated financial statements that are free from any material misstatements, whether these are due to fraud or error.

When preparing the annual report and consolidated financial statements, the board of directors and chief executive officer are responsible for the assessment of the company's and the group's capacity to continue as a going concern. Where applicable, they provide information about circumstances that may have an impact on the capacity to continue operating and to use the going concern assumption. However, the going concern assumption is not applied if the board of directors and chief executive officer intend to liquidate the company, cease operations or have no realistic alternative but to do either of these.

### Auditor's responsibilities

Our objectives are to obtain reasonable assurance that the annual report and consolidated financial statements as a whole do not contain any material misstatements, whether these are due to fraud or error, and to submit an auditor's report containing our opinions. Reasonable assurance is a high degree of assurance but is no guarantee that an audit performed in accordance with ISA and generally accepted auditing standards in Sweden will always detect the presence of any material misstatement that exists. Misstatements can arise due to fraud or error and are considered material if they, individually or on aggregate, may reasonably be expected to influence the financial decisions users make on the basis of the annual report and consolidated financial statements.

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

## Report on other legal and regulatory requirements

### Opinions

In addition to our audit of the annual report and consolidated financial statements we have also conducted an audit of the board of director's and chief executive officer's administration of SIBS AB (publ) for the year 2020 and of the proposed appropriation of the company's profit or loss.

We recommend that the annual general meeting appropriate the profit as proposed in the statutory administration report and that the directors and chief executive officer be discharged from liability for the financial year.

**Basis for the opinions**

We have performed the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities pursuant to these are described in greater detail under the section Auditor's responsibilities. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements.

We consider the audit evidence that we have obtained to be a sufficient and appropriate basis for our opinions.

**The board of directors’ and chief executive officer’s responsibilities**

The board of directors is responsible for the proposal concerning appropriation of the company's profit or loss. In the event that a dividend is proposed, this includes an assessment of whether the dividend is justifiable taking into consideration the requirements that the nature of the company's and the group's operations, their scope and their risks place on the size of the company's and the group's equity, consolidation requirements, liquidity and financial position in general. The board of directors is responsible for the company's organisation and administration of the company's affairs. This includes continuously assessing the company's and group's financial situation and ensuring that the company's organisation is structured such that accounting, the management of its assets and the company's other financial affairs are controlled in a prudent manner. The chief executive officer shall manage the ongoing administration in accordance with the board of directors’ guidelines and instructions, and shall, among other things, take the action necessary in order to ensure that the company's accounting is performed in accordance with the law and that its assets are managed in a prudent manner.

**Auditor's responsibilities**

Our objective with regard to the audit of the administration, and thereby our opinion concerning discharging the board of directors and chief executive officer from liability, is to obtain audit evidence that enables us to assess with a reasonable degree of assurance whether any of the directors or the chief executive officer has, in any material respect:

- taken any action or been guilty of any negligence that may result in the company being liable for damages
- in some other way acted in contravention of the Swedish Companies Act, the Annual Accounts Act or the company's articles of association.

Our objective with regard to the audit of the proposed appropriation of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is consistent with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit performed in accordance with generally accepted auditing standards in Sweden will always detect actions or negligence that may result in the company being liable for damages, or that the proposed appropriation of the company's profit or loss is inconsistent with the Companies Act.

A further description of our responsibility for the audit of the administration can be found on the Swedish Inspectorate of Auditors’ website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed SIBS AB (publ)'s auditor by the annual general meeting on 10 June 2020 and have been the company's auditor since 2016.

Stockholm, 28 April 2021

Öhrlings PricewaterhouseCoopers AB

Peter Burholm  
Authorised Public Accountant

# Definitions and glossary

**Operating surplus**

Rental income less property expenses. A relevant key ratio to measure the profitability of the management prior to taking into consideration central expenses, financial income and expenses as well as unrealised changes in value.

**Interest coverage ratio**

Operating surplus minus expenses for central administration in relation to net interest income. Interest coverage ratio is used to highlight the sensitivity in the income statement in the event of changes in interest rates and central expenses.

**Equity/assets ratio**

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

**Adjusted equity/assets ratio**

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

**Residential floor area**

Residential floor area refers to the area of a building that is usable for residential use. The residential floor area is the area rental income can be paid for.

**Gross floor area**

The gross floor area is the sum of the area of all floors and is limited by the outside of the encompassing building elements. The gross floor area is used in many contexts, e.g. planning decisions, property valuations or fee calculations.

**Planning permission**

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

**Development rights**

Assessed possibility of building on a property. In order to dispose of a development right, it is required that the land is owned or that there is some form of contract or agreement such as a purchase agreement, municipal land allocation or cooperation agreement.

**Detailed development plan stage, planning decision, awaiting planning decision**

The planning process for detailed development plans is regulated in the Planning and Building Act. It is the municipality that decides on commencing the planning

process. A planning process can be initiated with a planning decision about when the planning work can begin or by the municipality itself taking the initiative to commence planning. The planning decision sets out guidelines for the future planning process. In connection with the planning process 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 produces a planning proposal together with the property owner/developer, which will then be sent for consultation. A consultation will normally last about six weeks. After the consultation, the municipality will establish a consultation report where all opinions that have been received during the consultation are compiled and discussed. A reworked planning proposal is communicated a second time by being sent out for review. The review period is at least two weeks.

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

The time for an appeal is three weeks from when the municipality announced the decision. If the detailed development plan is not revoked or subject to appeal, or if appeals are rejected by the higher instances, the detailed development plan will become legally binding. This means that the detailed development plan is the applicable regulation of land use and construction within the area.

**Legally binding**

An detailed development plan is a document within physical planning which states how a limited area in a municipality or equivalent shall be built upon and how it may be used. In the project summary, 'legally binding' refers to an detailed development plan that has become legally binding.

**Parametric modularization**

SIBS's modular design and construction system automates large parts of the planning stage and industrialises the construction process. It offers greater flexibility in construction and significantly shorter planning and production times. The method is almost as flexible as buildings constructed on-site, which enables the construction of all types of apartment buildings without the limitations that other industrial producers of homes often have.