

SIBS

Year-end report 2020

January – December

Q4



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January – December 2020

- ▮ Rental income increased to TSEK 11 958 (563) and the operational surplus increased to TSEK 9 461 (457)
- ▮ Changes in value in 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 TESEK 203 868 (197 174)

October – December 2020

- ▮ The rental income for the quarter increased to TSEK 4 525 Tkr (563) and the operational surplus increased to TSEK 3 543 Tkr (457)
- ▮ Changes in value in investment property amounted to TSEK 37 095 (44 118)
- ▮ The profit/loss from associated companies amounted to TSEK 18 990 (1 924)
- ▮ Operating profit/loss for the quarter amounted to TSEK 50 508 (38 944)

Significant events during the fourth quarter

- ▮ SIBS' 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 estimated based on SEK 4 500 kr/square metre gross floor area. Expected construction start is the first half of 2022.
- ▮ SIBS' subsidiary Sveaviken Bostad has been allotted a municipal land allocation in Hässelby and is planning approximately 100 apartment. The property is situated along Maltesholmsvägen. The price for the land is set at SEK 7 200 /square metre gross floor area and the imagined area for exploitation is 6 000 gross floor area. The construction start is planned for 2022.
- ▮ SIBS' subsidiary Sveaviken Bostad has signed an agreement for the acquisition of a property in central Brunnsög, Lund. The agreed property value is estimated to amount to approximately MSEK 180. Possession will be taken at the conclusion of the project which is estimated to be the second quarter of 2021. The project is currently a joint venture which includes 75 apartments.

- ▮ SIBS' subsidiary Sveaviken Bostad has signed an agreement regarding the acquisition of three properties in central Enköping. The agreed property value is estimated to be MSEK 95. Planning is ongoing for the development of approximately 300 homes and a nursery school. The construction is expected to commence during the second half of 2021.

- ▮ SIBS' subsidiary Sveaviken Bostad has together with Nordsten Fastigheter via a jointly owned company agreed to acquire two properties in Enköping situated just next to Enköping Station. The agreed property value is MSEK 42.5 Possession is planned to be taken during the first quarter of 2021. A detailed development plan that allows just over 20 000 square metre of residential housing is expected to be circulated for consultation in the middle of 2021.

Significant events after the end of the reporting period

- ▮ Access to the two properties in Enköping situated just next to Enköping Station. These properties were acquired by SIBS' subsidiary Sveaviken Bostad during the fourth quarter.

KEY RATIOS

	2020 Jan-Dec	2019 Jan-Dec	2020 Oct-Dec	2019 Oct-Dec
Rental income	11 958	563	4 525	563
Property expenses	-2 497	-106	-982	-106
Operational surplus	9 461	457	3 543	457
Change in value investment property	61 163	221 518	37 095	44 118
Profit/loss from associated companies	175 489	1 924	18 990	1 924
Operating profit/loss	203 868	197 174	50 508	38 944
Profit/loss after tax	162 558	150 923	28 241	28 591
Apartments under management	562	117	562	117
Apartments for which production has been started	543	604	-	159
Apartments under construction	702	604	702	604
Interest coverage ratio	neg	neg	neg	neg
Equity/assets ratio	33.8%	23.6%	33.8%	23.6%
Adjusted equity/assets ratio (adjusted for cash and cash equivalents)	39.6%	24.2%	39.6%	24.2%

A word from the MD

We can summarise 2020 as a successful year for SIBS and ascertain that our tenacity has been fruitful. During the year we have both considerably increased our production pace as well as 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 us 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, and 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.

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. 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, collaborative partners and tenants.

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 production pace of close to two completed apartments per day, a development we are very proud of. In 2021 we hope to come even closer to our goal of approximately 1 000 completed apartments in one year.

During this period we have also had ongoing productions in Luleå, as well as started production on projects in Örebro,



Lund and Barkaby, which is a total of 702 homes in ongoing production. We finish 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 a total of approximately 1 000 development rights for apartments. We were also allocated a municipal land allocation by the City of Stockholm in Hässelby, consisting of about 100 apartments. Our development rights portfolio continues to grow and vouch for a profitable and sustainable development.

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

Our properties are in demand and are quickly filled with tenants. The market has clearly been missing what SIBS offer – space-efficient and sustainable rental apartments within the "affordable premium" segment. Our clear sustainability focus is also very timely. Our buildings more than exceed the energy requirements set by the Swedish building standards, thanks to concrete efforts such as roof solar panels and ground source heating in all the properties, in combination with a construction system that focuses on energy efficiency at every step.

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

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

It remains to be seen which changes in the market will be caused by 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 after the pandemic as well.

We closely monitor how the market is developing and take into consideration 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 house moving patterns. With the foundation of our flexible construction system, a scalable production and focus on premium properties for a reasonable cost, as well as a development rights portfolio with a geographical diversification, we are well prepared to manage 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.

In 2020 we saw more than a 100 per cent increase of production throughout the value chain, with all group companies showing strong growth and a continuous good profitability:

- 📌 MOKO has reinforced its position as one of Sweden's most efficient and innovative project design companies.
- 📌 SIBS Malaysia achieved an impressive level of ambition of six produced modules per day during the year.
- 📌 Frontlog has a respectable reliability of supply, also with the increasingly shorter intervals between projects.
- 📌 MOBY has been able to manage more than five projects in parallel with very good precision and quality of delivery.
- 📌 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 most important tenants.

2020 was also the year when we successfully launched our green and sustainable debenture of MSEK 400 with a framework of MSEK 600. 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 pursue the direction we have set for ourselves.

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 builders of houses for self-management.

Stockholm, February 2021



Erik Thomaeus
CEO SIBS AB



*Timeless design with sustainable carefully chosen materials.
Tranbäret - Kalmarporten/Kalmar.*

This is SIBS Group

VISION

We aim to be the most efficient developer, producer and owner of property in the Nordic countries. SIBS' 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.

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.

OUR ACTIVITIES

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

Our own self-produced buildings are managed long-term within the group.

OUR OFFER

With a focus on tenants, we develop space-efficient and sustainable rental apartments within the "affordable premium" segment.

Our homes contribute to the creation of a fairer society and are designed with a focus on sustainability, quality, functionality and design. They attract a broad target group with diverse backgrounds and at different stages of life.

OUR STRATEGIC PRIORITIES

Sustainability

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

Market knowledge

Our geographical locations and development areas are based upon well-founded analyses and an understanding of the market's development. Analysis and acquisitions made early in our value chain are key to the scope of property value created later on.

Project portfolio

Our project portfolio is perfectly poised for sound growth and we ensure that we utilise opportunities on a macro and micro level. The geographical focus is on 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 on the needs of tomorrow.

Technology

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

Architecture

Our buildings contribute to an attractive townscape which is why architecture is highly prioritised, both externally and internally. The modular design and construction system we have developed offers greater flexibility and creates a premium atmosphere in each home.

Functionality

SIBS' properties are designed to meet the needs of everyday life while providing a pleasant backdrop to tenants' lives. Functionality is in focus, both as a whole and down to the little details that make it a bit better, a little easier and more comfortable to reside and live in our properties

OBJECTIVES

We continue our journey of growth towards:

- ▣ becoming one of the leading property developers in the Nordic countries for self-management
- ▣ annually produce approximately 1 000 properties
- ▣ have the most satisfied tenants in Sweden

Commitment throughout the value chain



MARKET ANALYSIS AND ACQUISITION

Our well-founded analyses are the foundation for the choice of our geographical locations. With a deep knowledge of trends and driving forces, we act today on the needs of tomorrow. Specific expertise within areas such as structural engineering and environmental strategy analysis makes us market leaders within our area. With a focus on the tenant, we develop homes that contribute to a fair society.

Value creation

Well-balanced market analysis and a stringent acquisition process is the foundation of our value creation. Analysis and acquisitions made at an early stage are key to the scope of the values created at a later stage.



DESIGN AND PLANNING

Our buildings are to contribute to an attractive townscape, which is why architecture is highly prioritised. 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 competencies within architecture, construction and installation are all experts on SIBS' construction system.

Value creation

Our processes are cost-effective and quality assured. The construction system development and multi-disciplinary approach in the planning creates great values.



PRODUCTION

About 90 per cent of the work takes place in our factories in Malaysia. Ambitious quality control and efficient processes provide very good cost control and a safe work environment. The production and process equipment developed by SIBS is produced in Malaysia and constantly optimised. We put effort into function, design, sustainable energy systems and the modules being approved for sound transmission class A.

Value creation

Efficient knowledge feedback and process development generates optimised processes with very high cost control, as well as a product with high customer values.



LOGISTICS AND TRANSPORT

Frontlog is responsible for transport and logistics of the modules from the factory. The predictability of the production means that we can plan, synchronise and optimise transports. With a skilfully managed transport flexibility, we reduce costs at the same time as ensuring minimal environmental impact. Our transports amount to about a tenth compared to buildings constructed on-site.

Value creation

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

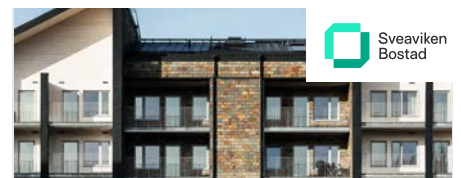


ASSEMBLY AND COMPLETION

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 working environment is both safer and better as fewer work elements, transports and lifting take place at the construction site. In terms of construction time we are industry-leading with a 50 per cent shorter construction period compared to conventional methods.

Value creation

A high level of completion, detailed planning and predictable deliveries reduces construction time and transports, as well as local disruption. It has lower environmental impact and offers fast delivery.



LONG-TERM MANAGEMENT

With a focus on the residents we take a long-term, sustainable perspective in the management. We conduct reliable and accessible management. The buildings more than exceed the energy requirements set by the Swedish building standard, thanks to roof solar panels, ground source heating and an energy efficient construction system. Valuable experience feedback is reinforced by the value chain being kept 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 give more people access to new premium homes at a reasonable rent.

Completed projects

During the year we have completed a large number of apartments in four different projects. Not one project is like another, which indicates the strength of our flexible construction system. The common denominator of all projects has been a great focus on sustainability in the form of roof solar panels and ground source heating.

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 for generations to come.



DANSBANAN 1

NORRKÖPING

- 📌 Number of homes: 117 tenancy apartments
- 📌 Production started: Q1 2019
- 📌 Ready for occupancy: Q1 2020

SÖDERBY



SÖDERBY - BRANDBERGEN/HANINGE

- ☑ Number of homes: 71 tenancy apartments
- ☑ Production started: Q2 2019
- ☑ Ready for occupancy: Q2 2020

TRANBÄRET



TRANBÄRET - KALMARPORTEN/KALMAR

- ☑ Number of homes: 218 tenancy apartments
- ☑ Production started: Q2 2019
- ☑ Ready for occupancy: Q3 2020

ÖREBROÄNGEN



ÖREBROÄNGEN - GLIDPLANET 4

- ☑ Number of homes: 157 tenancy apartments
- ☑ Production started: Q2 2019
- ☑ Ready for occupancy: Q1 2021

Ongoing projects

Throughout the year we have aimed even higher and are currently building four projects where we again have seen evidence of the great potential of our construction system. We are building our first city block, complete with nursery school, business premises and restaurants.

We are building a round-shaped building with everything that entails. At the same time, we have maintained a focus on sustainability throughout all the projects. Additionally, 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 tenancy apartments
- 📅 Production started: Q2 2020
- 📅 Planned occupancy: Q2 2021

PARASOLLET



PARASOLLET - ÖREBRO

- 🏠 Number of homes: 75 tenancy apartments
- 🏠 Production started: Q2 2020
- 🏠 Planned occupancy: Q3 2021

BARKARBY



BARKARBY - BARKARBYSTADEN

- 🏠 Number of homes: 351 tenancy apartments
- 🏠 Production started: Q3 2020
- 🏠 Planned occupancy: Q1 2022

LULEÅKRONAN



LULEÅKRONAN - LULEÅ

- 🏠 Number of homes: 159 tenancy apartments
- 🏠 Production started: Q4 2019
- 🏠 Planned occupancy: Q2 2021

Project portfolio

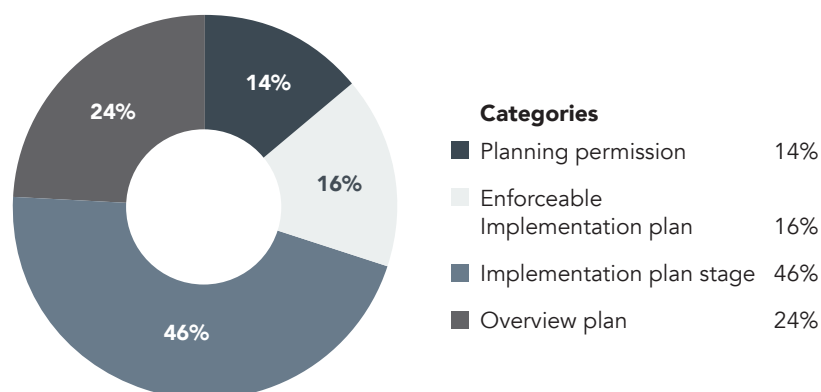
Project name	Municipality	Number of homes	Current status	Estimated production start
Kompassen*	Luleå	159	Planning permission	In production
Autogyron**	Örebro	117	Planning permission	In production
Parasollet	Lund	80	Planning permission	In production
Barkarbystaden kv 15**	Järfälla	351	Planning permission	In production
Nykvarn Centrum**	Nykvarn	282	Enforceable	2021
Brädgården	Nyköping	462	Enforceable	2021
Vallentuna Centrum	Vallentuna	37	Implementation plan stage	2021
Enköping Centrum	Enköping	300	Implementation plan stage	2022
Rogaland	Stockholm	250	Implementation plan stage	2022
Hässelby Maltesholm	Stockholm	100	Implementation plan stage	2022
Tangenten Sorgenfri	Malmö	400	Implementation plan stage	2022
Enköping Station***	Enköping	400	Implementation plan stage	2023
Söderby 2	Haninge	280	Implementation plan stage	2023
Svanholmen	Stockholm	300	Implementation plan stage	2023
Stockrosen	Nyköping	300	Implementation 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		5018		

* Divested to Slättö

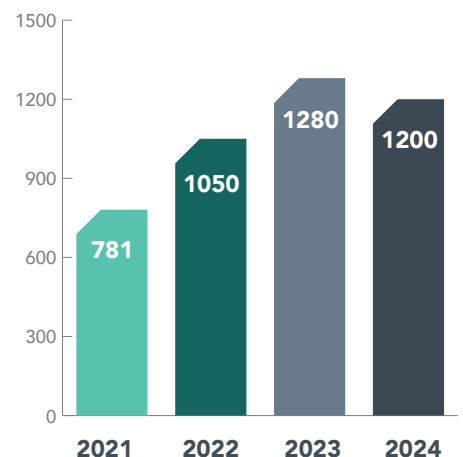
** Joint venture (50/50) with Slättö

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

PROJECT STATUS



COMING PRODUCTION STARTS



Other information

Transactions with related parties

During the period SIBS has not had any significant transactions with related parties in addition to regular transactions between group companies and joint ventures. The transactions have been conducted to market price conditions.

Seasonal variations

SIBS' activities are not affected by any clear seasonal variations. However, larger projects may have an income and result effect on individual quarters. Income and result development should therefore be assessed over a longer cycle.

Debenture

On 19 October 2020 SIBS publicised an issue of an unsecured debenture loan to a total of MSEK 400 with a framework amount of MSEK 600. The debenture loan was issued on 19 October 2020 and has a variable interest of Stibor 3m + 800 basis points with a final maturity date of 19 April 2024. The debenture was listed on 25 November on Nasdaq Stockholm's Sustainable Bond List under the name SIBS 01 GB.

Drafting the quarterly report

SIBS has not previously presented quarterly data. For comparison quarters in this report some assumptions have been necessary in the consolidation for the group. There has not been any change of accounting principles or other estimates over time, and the comparison data that is reported is assessed to give a true and fair picture.

Personnel

The number of permanent employees, including probationary employees in the group at the end of the period was 465 (371) of which 14 were women (8) and 451 men (363).

Segment reporting

SIBS' board of directors and management monitor the activities from a unit perspective, i.e. there is no division or follow-up based on segments.

Risks and uncertainties

SIBS' activities are affected by a number of external environment factors, the effect of which on the result and financial position can be controlled to varying degrees. The goal of SIBS' risk management is to identify, measure, control and limit the risks in the activities.

Material risks in SIBS' activities consist of external risks such as decreasing macroeconomic development and a reduced demand for housing. Additionally, SIBS is exposed to a number of financial risks that relate to the company's liquidity and loan financing of the activities. Further information about the company's risks is detailed in the annual report for 2019, primarily under note 38.

Uncertainties caused by COVID-19

The coronavirus pandemic has since spring 2020 had a strong impact on the global economy and the situation is still affected by great uncertainty. The development is still difficult to assess due to factors including uncertainty regarding future contagion and different virus mutations. The second wave of contagion meant that financial recovery was interrupted during the fourth quarter of 2020. The second wave of the pandemic did not, however, 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 great room to manoeuvre and support the economy further. However, mass vaccinations mean that it is estimated that recovery will speed up again during the second quarter of 2021. The Riksbank announced in February 2021 that GDP growth and employment were higher than expected, and that the outlook on the Swedish economic cycle looks brighter than it did at the monetary policy meeting in November.

SIBS monitors the development of the market closely and ensures that we are well prepared to manage several imaginable scenarios. We continuously ensure that the time schedules of the projects are kept and that we maintain proper safety for our colleagues.

During the year the production has been affected in a very limited manner and the effect of that was mediated as early as during summer.

Ownership division as per 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%

Events after the end of the reporting period

Access to the two properties in Enköping, situated next to Enköping Station. These properties were acquired by SIBS' subsidiary Sveaviken Bostad during the fourth quarter.

Income statement for the group

TKR	2020 Jan-Dec	2019 Jan-Dec	2020 Oct-Dec	2019 Oct-Dec
Rental income	11 958	563	4 525	563
Property expenses	-2 497	-106	-982	-106
Operational surplus	9 461	457	3 543	457
Work performed by the company for its own use and capitalised	96 966	100 090	46 966	28 026
Development expenses	-96 966	-100 090	-46 966	-28 026
Administrative overheads	-32 858	-27 870	-7 051	-7 803
Non-project related depreciations	-11 468	-	-2 079	-
Operating profit/loss before change in value	-34 866	-27 413	-5 587	-7 346
Change in value investment property	61 163	221 518	37 095	44 118
Other operating income	2 122	1 431	124	401
Other operating expenses	-40	-286	-114	-153
Profit/loss from associated companies and joint ventures	175 489	1 924	18 990	1 924
Operating profit/loss	203 868	197 174	50 508	38 944
Financial income	413	10	413	-
Financial expenses	-19 441	-7 821	-5 253	-2 864
Income before tax	184 840	189 363	45 668	36 080
Taxes	-22 282	-38 440	-17 427	-7 489
PROFIT/LOSS FOR THE YEAR	162 558	150 923	28 241	28 591
Attributable to				
The parent company's shareholders	161 472	149 275	27 155	28 591
Non-controlling interest	1 086	1 648	1 086	-
Total profit/loss for the year	162 558	150 923	28 241	28 591
PROFIT/LOSS FOR THE YEAR	162 558	150 923	28 241	28 591
Other comprehensive income				
Items that may be reclassified for the income statement				
Translation differences	-34 263	3 840	-25 093	2 880
Other comprehensive income for the year, net after tax	-34 263	3 840	-25 093	2 880
Total comprehensive income	128 295	154 763	3 148	31 471

Comment on the comprehensive income

Rental income increased during the period to TSEK 11 958 and the operational cost to TSEK 2 497. The increases are attributable to SIBS having managed a larger holding of rental housing during the year.

Throughout the year the group has continued its work into developing the construction system and its processes. The costs for development have amounted to TSEK 96 966 and are activated on the balance sheet in the item Capitalised development expenditure.

Administration costs amounted to TSEK 32 858 and the depreciations in the income statement of TSEK 11 468 are primarily attributable to depreciation of development expenditure.

During the year, 50 per cent of two companies will be divested. These are reported at the end of the year as associated companies. Furthermore, three new projects in joint ventures are initiated as well as one company being divested to an external party. At the start of the year, the group holds shares of MOKO AB as well as Frontlog AB.

The result effects of all transactions amount to TSEK 236 652 where the majority refers to the result from the three additional joint ventures.



Dansbanan 1, Norrköping

Group report of financial position

TKR	2020 Jan-Dec	2019 Jan-Dec
ASSETS		
Non-current assets		
Capitalised development expenditure	193 434	107 127
Investment property	393 000	604 450
Owner-occupied property	109 700	123 147
Improvement expenses to others' property	108	324
Machinery and equipment	28 553	23 105
Deferred tax asset	-	1 205
Shares in associated companies	258 117	1 959
Claims against associated companies	-	2 710
Other non-current receivables	7 716	5 966
Total non-current assets	990 628	869 993
Current assets		
Stock	52 106	25 815
Accounts receivable	311	6
Receivables from associated companies	41 600	10 625
Accrued but not invoiced income	148 385	-
Other receivables	83 772	310 418
Prepaid expenses and accrued income	3 627	944
Cash and cash equivalents	228 151	30 166
Total current assets	557 953	377 974
TOTAL ASSETS	1 548 580	1 247 967

Group report of financial position

TKR	2020 Jan-Dec	2019 Jan-Dec
EQUITY AND LIABILITIES		
Equity		
The parent company's shareholders		
Share capital	50	50
Other capital contributions	237 000	137 000
Reserves	-25 868	8 495
Profit/loss brought forward including profit/loss for the year	304 806	143 334
Total equity attributable to the parent company's shareholders	515 987	288 879
Non-controlling interest	7 107	6 021
Total equity	523 094	294 900
Non-current liabilities		
Non-current interest-bearing liabilities	599 551	22 641
Deferred tax liability	17 774	42 694
Total non-current liabilities	617 325	65 335
Current liabilities		
Current interest-bearing liabilities	127 343	661 437
Invoiced non-accrued income	61 358	-
Accounts payable	87 031	55 195
Liabilities to associated companies	17 538	2 857
Current tax liability	5 578	151
Other liabilities	90 913	150 632
Accrued expenses and deferred income	18 400	17 460
Total current liabilities	408 161	887 732
TOTAL EQUITY AND LIABILITIES	1 548 580	1 247 967

Comments to the group's balance sheet

Investment property

The item investment property has decreased for the year. The reduction occurs as a stage in the group divesting a company to an external party and that two companies are divesting 50 per cent of the ownership to an external party. These companies are operated as a joint venture and are classified as shares in an associated company at the end of the year.

Shares in associated companies

Shares in associated companies increased over the year. This is primarily attributable to the group having divested 50 per cent of two companies which at the end of the year are operated as a joint venture.

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

Accrued but not invoiced revenue/ Invoiced non-accrued expenses

The items contain receivables and liabilities companies that are not owned 100 per cent.

Non-current liabilities

The majority of the non-current liabilities consist of debenture loan as well as fully funded projects that are owned entirely by the group.



Dansbanan 1, Norrköping

The group's cash flow statement

TKR	2020 Jan-Dec	2019 Jan-Dec	2020 Oct-Dec	2019 Oct-Dec
Operating activities				
Income after financial items	184 840	189 363	45 668	36 080
Depreciations and other adjustments	9 017	15 503	-19 920	5 010
Shares in associated companies and joint ventures	-124 928	-1 924	30 286	-1 924
Fair value evaluation via income statement	-61 163	-221 518	-37 095	-44 118
	7 766	-18 576	18 939	-4 952
Income tax paid	-2 949	45	364	146
Cash flow from operating activities before changes in working capital	4 817	-18 531	19 303	-4 807
Cash flow from working capital changes				
Decrease(+)/increase(-) in stock	-30 703	-20 089	-1 624	-4 151
Decrease(+)/increase(-) in current receivables	-115 307	-35 483	143 008	-53 919
Decrease(+)/increase(-) in current liabilities	215 988	86 268	-179 447	75 234
Total working capital changes	69 977	30 696	-38 063	17 164
Cash flow from operating activities	74 795	12 165	-18 760	12 357
Investing activities				
Activated development costs	-96 966	-100 091	-46 966	-27 960
Acquisition of investment property	-373 603	-409 677	-118 837	-196 685
Acquisition of owner-occupied property	-10 482	-27 579	-7 175	-13 272
Other non-current assets	960	-2 239	960	-7 185
Acquisition of property, plant and equipment	-14 724	-20 111	-2 828	-1 344
Cash flow from investing activities	-494 815	-559 697	-174 846	-246 445

The group's cash flow statement

TKR	2020 Jan-Dec	2019 Jan-Dec	2020 Oct-Dec	2019 Oct-Dec
Financing activities				
Shareholders' contribution received	47 579	2 000	12 689	5 010
Borrowings	707 397	601 548	412 743	242 699
Amortisation of loans	-135 165	-40 157	-18 803	-4 000
Cash flow from financing activities	619 811	563 391	406 628	243 709
CASH FLOW FOR THE YEAR	199 790	15 859	213 022	9 621
Cash and cash equivalents, beginning of year	30 166	13 106	16 171	19 287
Exchange rate differences in cash and cash equivalents	-1 805	1 200	-1 042	1 257
Cash and cash equivalents, end of year	228 151	30 166	228 151	30 166

The group's report of changes in equity in summary

TKR	31 Dec 2020	31 Dec 2019
Equity		
Opening equity of the parent company's shareholders	288 879	132 171
Income for the period	161 472	149 275
Other equity	-34 363	3 785
Shareholders' contributions	100 000	2 000
Total equity of the parent company's shareholders	517 074	288 879
Non-controlling interest	6 021	4 373
Profit/loss attributable to non-controlling interest	1 086	1 648
Total equity non-controlling interest	7 107	6 021
Closing equity	523 095	294 900

Project Tranbäret, Kalmar. Great effort has been put into the exterior design with facades in natural stone and wood.



Careful planning has resulted in apartments with beautiful daylight.



Generous balconies and patios are what we always strive for.



Choice materials such as stone countertops increase the premium look and feel.

The parent company's income statement

TKR	2020 Jan-Dec	2019 Jan-Dec	2020 Oct-Dec	2019 Oct-Dec
Net sales	4 326	1 628	1 081	456
Work performed by the company for its own use and capitalised	96 966	100 090	46 966	28 025
Other operating income	-	90	-	25
	101 292	101 808	48 048	28 506
Operating expenses				
Other operating expenses	-39	-	-10	-
Development expenses	-96 966	-100 090	-46 966	-28 025
Administrative overheads	-25 372	-5 128	-6 343	-1 436
Operating profit/loss	-21 085	-3 410	-5 272	-955
Profit/loss from financial investments				
Interest income and similar income statement items	651	350	163	146
Interest expenses and similar income statement items	-6 907	-4 457	-2 327	-2 286
Income after financial items	-27 342	-7 517	-7 436	-3 095
Group contributions received	-	6 488	-	6 488
Tax	-	-	-	-
PROFIT/LOSS FOR THE YEAR	-27 342	-1 029	-7 436	3 393

The parent company's balance sheet

TKR	2020 Jan-Dec	2019 Jan-Dec
Intangible fixed assets		
Capitalised expenditure	193 434	107 127
	193 434	107 127
Property, plant and equipment		
Improvement expenses to others' property	108	324
Equipment	645	628
	753	952
Financial assets		
Participations in group companies	61 590	60 090
Receivables from group companies	210 558	169 916
Shares in associated companies	35	36
Receivables from associated companies	-	2 710
Other non-current receivables	7 716	5 966
	279 899	238 718
Total non-current assets	474 085	346 797
Current assets		
Current receivables		
Accounts receivable	219	-
Receivables from group companies	-	1 988
Receivables from associated companies	36 655	-
Other receivables	3 128	2 332
Prepaid expenses and accrued income	1 525	635
	41 526	4 955
Cash and bank balances	212 556	3 487
Total current assets	254 082	8 442
TOTAL ASSETS	728 167	355 239

The parent company's balance sheet

TKR	2020 Jan-Dec	2019 Jan-Dec
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	50	50
	50	50
Non-restricted equity		
Other capital contributions	237 000	137 000
Retained earnings	-10 441	-9 412
Profit/loss for the year	-27 342	-1 029
	199 217	126 559
Total equity	199 267	126 609
Non-current liabilities		
Liabilities to group companies	72 400	50
Non-current interest-bearing liabilities	353 020	-
	425 420	50
Current liabilities		
Current interest-bearing liabilities	-	166 925
Accounts payable	2 768	11 521
Income tax liability	191	151
Liabilities to group companies	90 068	47 504
Liabilities to associated companies	9 038	-
Other current liabilities	770	194
Accrued expenses and deferred income	645	2 285
	103 480	228 580
TOTAL EQUITY AND LIABILITIES	728 167	355 239

Notes

NOTE 1 ACCOUNTING PRINCIPLES

SIBS applies the International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report is drafted in accordance with IAS 34 Interim reporting as well as the Swedish Annual Accounts Act. The accounting principles and methods applied correspond with those described in SIBS annual report for 2019.

The parent company applies the Annual Accounts Act and Accounting for Legal Entities (RFR 2). The application of RFR 2 means that the parent company, in the interim report for the legal person, applies all IFRS and statements approved by the EU.

New standards from 2020

No amended IFRS standards that are applied from 2020 have had an impact on the financial reporting of SIBS.

NOTE 2 JOINT ARRANGEMENT

Projects conducted within a syndicate type form, i.e. with joint ownership and influence constitutes "joint arrangements". Joint influence exists when decisions require a uniform consent from the parties that collectively shares the decision-making influence.

What applies for SIBS' joint arrangements is that it, together with other collaborative partners, has joint influence over the activities and that the agreement gives the parties the right to the net assets of the activities. These projects are identified as joint ventures and are reported in accordance with the equity method. This means that holdings in joint ventures are initially reported in the group's report of financial position to acquisition cost. The carrying amount is thereafter increased or decreased in order to take into consideration the group's share of the profit/loss and other comprehensive income from their joint ventures after the acquisition date. The group's share of the profit/loss is included in the group's profit/loss and the group's share of other comprehensive income is included in other comprehensive income in the group.

NOTE 3 INVESTMENT PROPERTY

	2020 Jan-Dec	2019 Jan-Dec
Opening value	604 451	169 393
Additional acquisition	373 604	213 540
Change in value	61 163	221 518
Divestment	-646 218	-
Closing value	393 000	604 451

The valuation of investment property is conducted based on external appraisal institutes as well as on the company's documented internal process for valuations.

The properties are valued initially at the project start by external appraisal institutes and the market value is thereafter monitored continuously.

At the end of the reporting period all properties have been valued by external appraisal institutes.

Valuation of properties have been established with the return method. The return method is based on a present value computation of estimated future cash flows in the form of operation net values. Operation net values are based on assumptions adjusted to the market.

NOTE 4 SHARES IN ASSOCIATED COMPANIES

	2020 Jan-Dec	2019 Jan-Dec
Shares in associated companies		
Historical cost brought forward	1 960	37
Acquisition	63	-
Divestment	-	-1
Share in profits associated companies/JV	175 489	1 924
Reclassification wholly owned company to joint venture	91 193	-
Remeasurement reported in balance sheet	-10 588	-
Carrying amount carried forward	258 117	1 960

Stockholm on 26 February
SIBS AB (publ)

Erik Thomaeus
CEO

This interim report has not been subject to an auditor's review by the company's auditors.

Definitions and glossary

Operational surplus

Rental income reduced by 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

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

Solidity

Equity in percentage of the balance sheet total at the end of the period.

Adjusted solidity

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

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

A 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 enforceable.

Development rights

Assessed possibility of building on a property. In order to dispose of a development right a requirement is 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.

Implementation plan stage, planning decision, awaiting planning decision

The planning process for implementation plans are regulated in the Planning and Building Act. It is the municipality that decides on starting planning work. A planning process can be initiated with a planning decision about when the planning work can be initiated or by the municipality itself taking the initiative for starting planning work. The planning decision states guidelines for the continued planning. In connection with the planning work being initiated the municipality will assess whether a planning programme is necessary. A potential planning programme is presented in a programme consultation before it is forwarded for approval.

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

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

The time for appeal is three weeks from when the municipality announced the decision. If the implementation plan is not annulled or appealed, or if appeals are rejected in the higher instances, the implementation plan will become enforceable. That means that the implementation plan is the applicable regulation of land use and construction within the area.

Enforceable

An implementation 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, 'enforceable' refers to an implementation plan that has become enforceable.



Contact information

Erik Thomaeus
CEO, SIBS AB
et@sibsab.com
+46 070-755 78 98

Ulf Thomaeus
CFO, SIBS AB
ut@sibsab.com
+46 072-210 72 30

Forthcoming financial report

The annual report for 2020 will be published in the week commencing 26 April 2021

This information is the type of inside information that SIBS AB (publ) is liable to make public, in accordance with the EU market abuse regulation and the Securities Market Act. The information was submitted, via the above contact persons, for publication at 14:00 CET on 26 February 2021.