

SIBS

# Interim report

January – March 2023



# Leading industrial producer of apartment modules on the global market

## 1. Sweden

Approximately 1,900 completed apartments, of which 1,471 are fully owned and managed by ourselves, while the remaining units are either owned by our joint venture companies or have been divested.

Approximately 1,700 apartments are currently under production, with the majority being delivered to joint venture companies.

Around 90 employees in the Swedish companies.

Group management and headquarters located in Stockholm.

## 2. UK

In partnership with property developer Donard Living, SIBS will build approximately 600 apartments in the first two contracted projects, strategically located within commuting distance to central London. SIBS and Donard have a future ambition to build approximately 1,000 apartments annually in the United Kingdom and Ireland, in line with market demand.

## 3. NEOM, Saudi Arabia

SIBS has signed an agreement with NEOM in Saudi Arabia for the delivery of 2,174 residential units split between 35 buildings. The deal involves the delivery of turnkey buildings, which will be produced, delivered, and commissioned by SIBS, with an anticipated completion date in the third quarter of 2024. NEOM currently represents the world's largest urbanization project.

## 4. Malaysia

In our Malaysian subsidiary company we own and operate two factories in Penang. This is where all apartment modules are produced.

Total production capacity of 6,000 modules per year.

Around 1,060 employees.



6 000

Scalable **production capacity** of up to 6,000 apartments per year.

30%

**Lower production cost** compared with traditional construction.

50%

**Time savings** from planning to completion compared to traditional construction.

2

**Factories** in Penang, Malaysia

90%

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

30-50%

**Energy savings** in houses delivered.

### Scalability

Scalability in both the value chain and production.

### Adaptable production

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

### Quality assurance throughout the production chain

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

### Circularity

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

# Interim report January-March 2023

## January - March 2023

- Net sales amounted to SEK 538.8 (198.0) M, of which rental income (including SIBS' share in joint ventures) amounted to SEK 20.5 (10.5) M.
- Operating profit/loss amounted to SEK -37.7 (165.6) M.
- The market value of our completed properties totalled SEK 2,484.3 (2,357.0) M.
- Construction starts of 0 apartments (328).
- Specific energy use of buildings in operation for at least one year: average of 40 kWh/m<sup>2</sup>.
- Solar power generated: 521 MWh.

## Significant events during the first quarter

- Magnus Sundell took up the position of Deputy CEO of SIBS AB and Carl Saidac of Deputy CEO of the subsidiary Sveaviken Bostad.
- SIBS will build approximately 600 apartments, in partnership with property developer Donard Living, in two developments located within commuting distance of central London. Production in the SIBS factories will commence in the second half of 2023. The deal falls within the Industrial Sales business area, in the Module Sales product category.

## Significant events after the end of the reporting period

- In April 2023, SIBS registered 26,352 newly issued shares, which provided the company with approximately SEK 119 M of issue proceeds. This concluded the rights issue launched in November 2022. In total, the new issue comprised 55,660 shares and around SEK 250 M of issue proceeds.
- Sveaviken Bostad AB sold the properties Örebro Autogyron 4-5 and Glidplanet 4 to SEB's fund for residential investments, Domestica V. The properties include a total of 274 apartments with a lettable area of 11,650m<sup>2</sup>.
- SIBS signed an agreement with NEOM in Saudi Arabia for the delivery of 2,174 homes split between 35 buildings. The deal involves the delivery of turnkey buildings and the entire project will be finalized and commissioned in the third quarter of 2024. NEOM is currently the world's largest urbanisation project.

**241** COMPLETED APARTMENTS JAN-MAR 2023

**1,737** APARTMENTS UNDER CONSTRUCTION

**SEK M**  
**2,484** MARKET VALUE OF COMPLETED PROPERTIES INCL. JOINT VENTURES

**1,712** APARTMENTS UNDER MANAGEMENT

**11,696** DEVELOPMENT RIGHTS IN THE PORTFOLIO

**40** KWH/M<sup>2</sup> AVERAGE SPECIFIC ENERGY USE

**521** MWH SOLAR POWER GENERATED

## KEY RATIOS

	Jan-Mar 2023	Jan-Mar 2022	Apr 2022 - Mar 2023	Jan-Dec 2022
<b>SEK M</b>				
Rental income including SIBS' share in joint ventures	20.5	10.5	64.9	55.0
Rental income	20.0	5.6	60.6	46.2
Annual rental value of completed properties*	111.9	87.9	111.9	111.9
Estimated normalised annual operating surplus for completed properties*	95.0	76.3	95.0	95.0
Occupancy rate (economic) by %	99.0%	99.0%	99.0%	99.0%
Change in value of investment properties	-14.0	2.4	-14.9	1.5
Profit/loss from associated companies and SIBS' share in joint ventures	-5.0	182.4	203.2	390.5
Operating profit/loss	-37.7	165.6	133.4	336.7
Profit/loss after tax	-84.0	145.2	41.3	270.6
Market value of completed investment properties	2,263.0	2,023.0	2,263.0	2,263.0
Market value of completed properties*	2,484.3	2,357.0	2,484.3	2,439.9
Construction starts on apartments during the period	-	328	642	970
Apartments completed during the period	241	131	700	590
Apartments under management	1,712	1,012	1,712	1,471
Apartments under construction	1,737	1,842	1,737	1,978
Apartments under project development	9,739	9,597	9,739	9,959
Total apartments	13,188	12,451	13,188	13,408
Changes in the apartment development rights portfolio during the period	-241	869	84	1,442
Lettable area of completed properties, m <sup>2</sup> *	63,067	49,090	63,067	52,222
Equity/assets ratio	30.1%	33.2%	30.1%	31.4%
Adjusted equity/assets ratio (adjusted for cash and cash equivalents)	30.6%	34.7%	30.6%	32.2%
Loan-to-value ratio of completed properties	56.9%	55.2%	56.9%	59.0%

\*SIBS' share

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



# A word from the CEO

**We are operating in a turbulent environment, but we can observe a very strong demand for SIBS' products on the global market. It is very encouraging to be starting 2023 with two international deals, which is well in line with SIBS' growth strategy.**

The Swedish market for residential development projects has slowed considerably over the past year, which also affects SIBS. We are fully committed to finalize all the projects that have already been launched, but no new Swedish housing projects have been started in the last six months, which is a key driver for the slightly negative profit level we deliver for the first quarter. Back when the company was founded, the key strategic decision was taken to prepare the SIBS building system for the global markets. Against the backdrop of the current slow down on the Swedish market it is with great satisfaction we now can reap the benefits of that decision.

## **SIBS receives orders for a total of 2,174 homes in NEOM, Saudi Arabia**

NEOM, located in the northwest of Saudi Arabia, is currently the world's largest urbanisation project. The site will be a centre for world-leading innovation, offering a new model for how to live and develop sustainably. In May 2023, SIBS signed an Engineered Equipment Supply Contract with NEOM for the delivery of 2,174 apartments split between 35 buildings intended for the people working on NEOM's construction.

SIBS' exceptional capacity and ability to adapt systems and production to different regulations, climates and needs were crucial factors in the process. SIBS is also one of the few operators able to deliver a completely prefabricated modular building, in which even spaces such as corridors, stairwells and shafts are produced on a modular basis. We are very pleased about the trust that NEOM has shown in us, as this is a clear confirmation that we have both expertise and an ability to deliver what few others in the world can match.

The deal took place in the Industrial Sales business area in the Project Sales category. It involves the delivery of turnkey buildings from a prefabricated base plate. The entire project will be produced, delivered with final commission in the third quarter of 2024. The market outlook for additional SIBS projects in NEOM is very good given the long-term development of the region. Read more about our project in NEOM on page 11.

## **Project start in England involving around 600 apartments**

During the quarter, we announced the completion of the first deal under our partnership with UK property developer Donard Living. The deal covers around 600 apartments divided between two projects near London. Construction is scheduled to start in the second half of 2023, the majority of the modules being delivered at the end of the year and in early 2024. The partnership with Donard Living is long term and involves a shared ambition to build around 1,000 apartments a year in the UK and Ireland, in line with the market. The deal took place in the Industrial Sales business area, in the Module Sales category, which includes design, module production and shipping, and assistance until completion.



Over the past year, SIBS has been strongly focused on increasing the share of Industrial Sales in its business. We are now seeing the results of concerted efforts to establish a clearer position as a leading industrial producer of apartment buildings on the global market. We are now concentrating on our geographical markets in Saudi Arabia, the UK and Sweden to maximise each market's potential before expanding elsewhere. SIBS continually evaluates suitable regions for future expansion, however.

We have further optimised our value chain to achieve an annual production capacity of approximately 6,000 apartments. As the number of orders potentially increases, we can also build a new, production-ready factory in around 12 months.

## **Well-balanced operations in the Swedish market**

In May 2023, Sveaviken Bostad completed the sale and disposal of the properties Örebro Autogyron 4-5 and Glidplanet 4. The deal includes 274 apartments and a stand-alone 161-space car park. The properties will continue to be managed by Sveaviken Bostad. The buyer is SEB's fund for residential investments, Domestica V, and we are very pleased that yet another reputable institutional investor has validated the high quality of our homes. SIBS has also been mandated by the Board to explore market interest in the continued strategic sale of some of the wholly-owned properties in the portfolio.

Sveaviken is tasked with the important job of developing its attractive portfolio of building rights. We will continue to work with partnerships in a form that is suited to market conditions. We have a challenging year ahead of us in the Swedish market, as it transitions out of the low interest rate environment that has been in place for many years. The underlying demand for high quality housing however remains strong. SIBS' flexibility means that we can adapt and at the same time be ready to scale up operations in Sweden when the market conditions improves again.

In April, the Board's mandate to issue shares, which began at the end of 2022, was completed. Approximately SEK 250 M have been injected into the company overall, increasing our room for manoeuvre and our ability to meet the strong demand in the global market. We would like to welcome SIBS' new shareholders to the company and we are grateful for the confidence shown in us by both existing and new shareholders.

I take great pride in SIBS' development and our success in the global market, while simultaneously managing the Swedish market in a methodical and balanced manner. In a tumultuous world, we remain both humble and determined to continue navigating SIBS in the right direction.

Erik Thomaeus  
CEO SIBS AB

# This is SIBS

## VISION

### **Setting a new standard in construction**

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

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

## MISSION

### **We develop and make construction more efficient through technology**

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

## OUR CORNERSTONES

### **Scalable Optimised growth**

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

### **Digital Digitisation at every step**

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

### **Sustainable Designed for circularity**

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

### **Focused No compromises**

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

# SIBS' business model

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

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



Scandinavian Industrialized Building Systems

## ConstructionTech

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

### Industrial Sales



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



SIBS is one of the leading industrial producers of housing in the global market. With a scalable capacity of up to around 6,000 homes per year, we deliver either turnkey houses or modules, providing assistance all the way to the turnkey stage.

#### Products

##### Project Sales

*Turnkey houses*

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

##### Module Sales

*Modules with turnkey assistance*

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

### Property Development & Management



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



Through the wholly owned subsidiary Sveaviken Bostad, we develop, build, own and manage properties within the Group. At Sveaviken, we have built approximately 2,000 apartments in Sweden. We have refined and developed the concept of quality assurance for the whole chain and the final product.

#### Brands



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

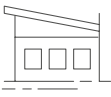


Concept houses for rapid delivery of buildings where the need is greatest. Development and management for the group and for external parties.



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

### The Home Factory



Develops and builds turnkey, production-ready factories.



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

# SIBS project process overview



	Design and configuration	Planning and resourcing	Production	Logistics and transport	Assembly and completion
TIME ✓	Up to 70% faster.	Order points in ERP system. Timely ordering for just-in-time delivery.	Optimised industrial production in parallel with ground work.	Just-in-time.	Building completed 3–4 months after assembly begins. Foundation completed. Up to 60–70% faster.
COST ✓	>70% lower cost.	Streamlined process with small number of components all purchased in large volumes.	Industrial production. Around 50% faster.	Up to 90% fewer HGV shipments to construction site.	30% cost saving thanks to 90% completion rate in the factory.
QUALITY ✓	Automated quality assurance in the building system.	Rigorous review and testing of materials in sourcing department and separate procurement department.	Over 350 quality points digitally measured and documented.	An established, detailed process facilitates and enhances.	Over 50 quality points in each module documented digitally.
SUSTAINABILITY ✓	Building system developed for good energy performance.	Assessed suppliers with environmentally certified construction products.	Safer work environment in a controlled industrial environment.	Sea freight for reduced climate impact.	Third-party-certified sustainable buildings.
DIFFERENTIATION ✓	Flexibility. Low mixture high volume.	Volume purchase of tested, standardised products in an auto-generated procurement process.	Production machines manufactured in-house.	Proprietary shipping system CC-light to reduce stress on the module during shipping.	Delivered 90% complete to the construction site. Vertical shafts in place within the walls, finished stairwells and lift shafts, modular slab.

<p>SIBS has developed a dynamic configurator that automates the drawing process for modular buildings using predefined parameters. This provides greater flexibility in the drawing process than is possible using a conventional modular builder.</p>	<p>The automated drawing process means material components can be determined and ordered at an early stage, with very high precision and cost transparency. Just-in-time delivery to the factory of all materials in the right quantities dispenses with the need to hold large stocks.</p>	<p>The factories in Penang, Malaysia, receive digital drawings and material components and then build the housing modules in a streamlined, systematic and semi-automated process.</p> <p>Production takes place in a controlled indoor environment. This guarantees quality and provides a better working environment for manual work elements that would otherwise be carried out at the construction site.</p> <p>For a typical project, the modules are ready around 4–6 weeks after production start.</p> <p>A large number of standardised quality controls are performed during production. All materials and components installed in the apartments are registered to make them easily traceable.</p>	<p>SIBS' integrated logistics infrastructure manages shipping from Penang, Malaysia, all the way to the final destination at the construction site.</p> <p>Large-scale procurement of freight shipment by land and sea before production begins allows for a high level of efficiency and cost transparency.</p>	<p>Ground work and foundations are completed while the modules are being produced in the factory and once the modules arrive at the construction site, assembly work begins on the completed foundations.</p> <p>The modules are easy to assemble using SIBS-Connect, which also enables the modules to be lifted out and the building dismantled.</p> <p>The facade and roof are fitted on site.</p> <p>On average, 20 modules are assembled per day.</p>
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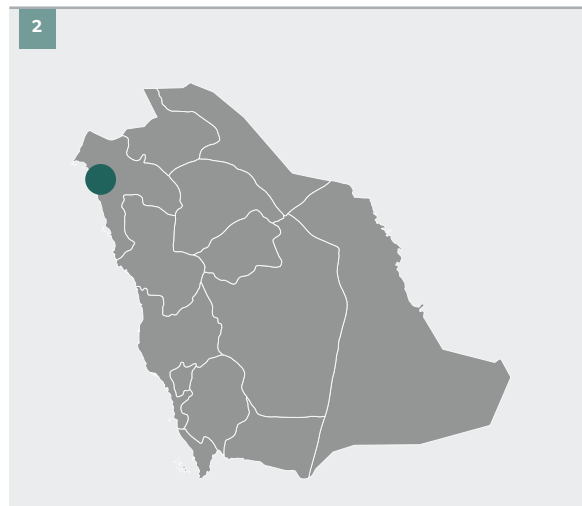
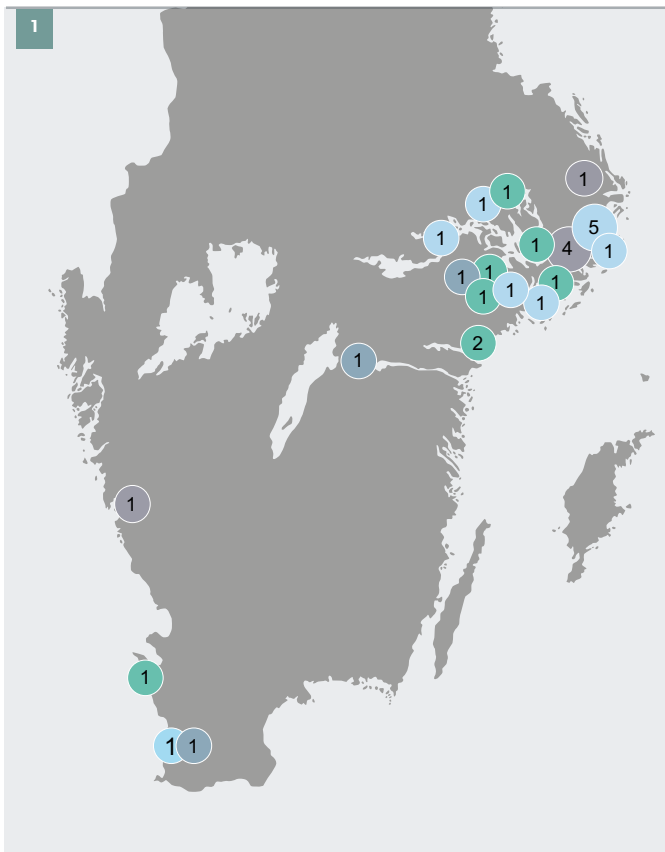
## SPS Flow

SPS-Flow is an in-house developed digital platform that supports collaboration, information sharing, and efficient project management throughout the entire operational process. The system serves as a digital backbone, providing features that enable instruction presentation, checklists, and documentation of quality controls.



# Broader perspective in the projects portfolio

SIBS has close to 15,000 apartments in ongoing and planned projects in Sweden, England and NEOM. In 2023, it is estimated that 3,074 apartments will start production.



- Ongoing projects
- Building rights with legally binding zoning plans
- Zoning plans in progress
- Zoning plans in pre-stages

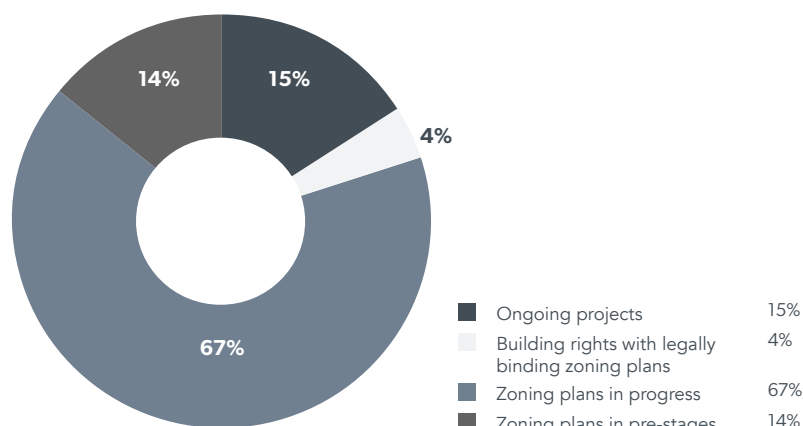
# Project portfolio

Project name	Municipality	Number of homes	Current status	Estimated production start
Nykvarn Centrum	Nykvarn	147	Ongoing projects	In progress
Helsingborg *	Helsingborg	39	Ongoing projects	In progress
Brädgården *	Nyköping	462	Ongoing projects	In progress
Mariefred station etapp 1 **	Strängnäs	119	Ongoing projects	In progress
Enköping Centrum *	Enköping	328	Ongoing projects	In progress
Barkarby 2 *	Stockholm	208	Ongoing projects	In progress
Stockrosen *	Nyköping	434	Ongoing projects	In progress
Svanholmen	Stockholm	300	Legally binding zoning plans	2023
Mariefred station etapp 2 **	Strängnäs	161	Legally binding zoning plans	2024
Linköping *	Linköping	48	Legally binding zoning plans	2024
Portkvarteren	Lund	100	Zoning plans in progress	2024
Hyllie	Malmö	120	Zoning plans in progress	2024
Tangenten Sorgenfri	Malmö	400	Zoning plans in progress	2024
Enköping station**	Enköping	500	Zoning plans in progress	2024
Maltesholm	Stockholm	100	Zoning plans in progress	2024
Rogaland	Stockholm	400	Zoning plans in progress	2024
Eskilstuna	Eskilstuna	300	Zoning plans in progress	2024
Hemmesta	Värmdö	300	Zoning plans in progress	2024
Kallfors	Södertälje	350	Zoning plans in progress	2024
Rulletten	Sollentuna	300	Zoning plans in progress	2025
Tumba	Botkyrka	560	Zoning plans in progress	2025
Söderby 2	Haninge	280	Zoning plans in progress	2025
Kassmyra	Botkyrka	2,000	Zoning plans in progress	2025
Kassmyra	Botkyrka	2,000	Zoning plans in progress	2026
Sjödalen	Huddinge	100	Zoning plans in progress	2026
Kornboden	Rimbo	200	Zoning plans in pre-stages	2026
Skiffern	Huddinge	280	Zoning plans in pre-stages	2026
Konservatorn	Stockholm	160	Zoning plans in pre-stages	2026
Kungsbacka	Kungsbacka	1,000	Zoning plans in pre-stages	2026
<b>Total</b>		<b>11,696</b>		

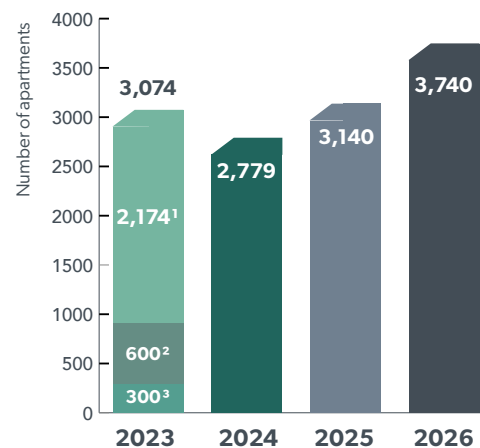
\* Joint venture (50/50) with Slättö

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

## PROJECT STATUS



## UPCOMING PRODUCTION STARTS



¹ Estimated production starts in NEOM, Saudi Arabia

² Estimated production starts in the UK

³ Estimated production starts in Sweden

# SIBS receives an order for the delivery of 2,174 apartments to NEOM, Saudi Arabia



**In May 2023, SIBS signed an agreement with NEOM for the delivery of 2,174 homes split between 35 buildings for people working on the design, engineering and construction of NEOM.**

NEOM, which is located in the northwest of Saudi Arabia, is currently the world's largest urbanisation project. The site will be a centre for world-leading innovation, offering a new model for how to live and develop sustainably.

## **State-of-the-art, energy-efficient homes**

The project is located in the area that is the main site for staff housing and offices. The apartments have one or two rooms, and are equipped with well-designed kitchens, exclusive bathrooms and balconies. The high quality and design of the homes help to ensure a high standard of living. Thanks to our efficient building system, the buildings are optimised for energy efficiency, through everything from low-flow taps, to high airtightness and solar panels on the roof.

The buildings are customised in detail to meet NEOM's requirements, and are designed to be relocatable if there is a need in other areas as the construction of NEOM progresses.

## **Scalable capacity and world-class production efficiency**

"The project for NEOM is an excellent example of how SIBS' building systems and production can be adapted to demanding requirements, building regulations, soil conditions and varying climates. Our design has been cleverly developed for limited variation in the number of modules, which can be combined to produce a very high level of variation. We are also one of the few operators

able to deliver a completely prefabricated modular building, in which even spaces such as corridors, stairwells and shafts are produced on a modular basis. Our scalable capacity and efficient production allow us to deliver high quality buildings quickly. This places high demands on both our employees and our systems, which we are able to meet in every detail", says David Österström, COO of SIBS.

The deal took place in the Industrial Sales business area in the Project Sales category. It involves the delivery of turnkey buildings from a prefabricated base plate. The entire project will be delivered and commissioned in the third quarter of 2024.

"We are very proud of and pleased about the trust shown in us and the fact that we get to be a part of NEOM's development. The selecting of SIBS as a NEOM supplier is a clear confirmation that we have expertise and an ability to deliver that few in the world can match. SIBS' exceptional capacity and capabilities were crucial factors in the process. We look forward to contributing to NEOM's development as an international hub for innovation, business and sustainable development", says Erik Thomaeus, CEO of SIBS.

## **About NEOM**

*NEOM is a forerunner of the sustainable cities of tomorrow. Located in northwest Saudi Arabia, on the Red Sea coast, NEOM will be a place where entrepreneurship and innovation point the way towards the future of advanced technology, sustainability and innovation in various sectors, such as energy, transport, housing and tourism. A vibrant and dynamic city is growing here that is promoting economic growth and improving its residents' quality of life.*

# Other information

## Related-party transactions

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

## Seasonal trends

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

## Bonds

SIBS has issued a senior unsecured green bond totalling SEK 600 million that was listed on 25 November 2020 on Nasdaq Stockholm's Sustainable Bond List under the name SIBS 01 GB.

## Personnel

The number of permanent employees, including probationary employees, in the group at the end of the period, was 1,146, consisting of 52 women and 1 094 men.

## Segment reporting

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

## Risks and uncertainties

SIBS' activities are affected by a number of external environmental factors, the effect of which on its profit/loss and financial position can be controlled to varying degrees. The goal of SIBS' risk management is to identify, measure, control and limit the risks affecting its activities. Significant risks include credit risk (the risk that a counterparty will be unable to meet its financial obligations towards the company), liquidity risk (the risk that the company will experience a shortage of cash, for example due to the company's inability to renew its credit lines), market risk (changes in conditions in the company's customer markets that may, among other things, lead to a fall in profitability) and interest rate and currency risks (changes in the fixed income and currency markets that may have a material adverse financial effect on the company). Read more about the company's risks on pages 8-11 and in Note 43, page 117 in the Annual Report 2022, available on the company's website.

## Ownership structure as at 31 March 2023

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

## Events after the end of the reporting period

- 📅 In April 2023, SIBS registered 26,352 newly issued shares, which provided the company with approximately SEK 119 M of issue proceeds. This concluded the rights issue launched in November 2022. In total, the new issue comprised 55,660 shares and around SEK 250 M of issue proceeds.
- 📅 Sveaviken Bostad AB sold the properties Örebro Autogyron 4-5 and Glidplanet 4 to SEB's housing fund Domestica V through wholly-owned subsidiaries. The properties include a total of 274 apartments with a lettable area of 11,650m<sup>2</sup>, of which 98m<sup>2</sup> consist of commercial premises, and a stand-alone 161-space car park.
- 📅 SIBS signed an agreement with NEOM in Saudi Arabia for the delivery of 2,174 homes split between 35 buildings. The deal involves the delivery of turnkey buildings and the entire project will be delivered and commissioned in the third quarter of 2024. NEOM is currently the world's largest urbanisation project.



# Group income statement

SEK M	Jan-Mar 2023	Jan-Mar 2022	Apr 2022 - Mar 2023	Jan-Dec 2022
Rental income	20.0	5.6	60.6	46.2
Project and contracting income	518.8	192.4	1,664.5	1,338.1
<b>Net sales</b>	<b>538.8</b>	<b>198.0</b>	<b>1,725.1</b>	<b>1,384.3</b>
Property expenses	-7.1	-1.3	-13.8	-8.1
Project and contracting activity expenses	-524.3	-192.0	-1,646.8	-1,314.3
<b>Gross profit/loss</b>	<b>7.4</b>	<b>4.7</b>	<b>64.5</b>	<b>61.9</b>
Work carried out by the company on its own behalf and capitalised	26.1	28.7	102.2	104.8
Development expenses	-26.1	-28.7	-102.2	-104.8
Administrative expenses	-25.8	-22.9	-111.0	-108.1
Non-project-related depreciation/amortisation	-4.1	-4.0	-16.2	-16.0
<b>Operating profit/loss before change in value</b>	<b>-22.5</b>	<b>-22.2</b>	<b>-62.7</b>	<b>-62.2</b>
Change in value of investment properties	-14.0	2.4	-14.9	1.5
Other operating income	3.8	3.0	7.8	7.0
Other operating expenses	-	-	-	-0.1
Profit/loss from associated companies	-5.0	182.4	203.2	390.5
<b>Operating profit/loss</b>	<b>-37.7</b>	<b>165.6</b>	<b>133.4</b>	<b>336.7</b>
Financial income	0.7	0.1	5.4	4.9
Financial expenses	-49.8	-18.9	-140.4	-109.5
<b>Profit/loss before tax</b>	<b>-86.8</b>	<b>146.8</b>	<b>-1.6</b>	<b>232.1</b>
Taxes	2.8	-1.6	42.9	38.5
<b>Profit/loss for the period</b>	<b>-84.0</b>	<b>145.2</b>	<b>41.3</b>	<b>270.6</b>
<b>Attributable to</b>				
The parent company's shareholders	-85.0	144.7	36.7	266.4
Non-controlling interests	1.0	0.5	4.6	4.2
<b>Total profit/loss for the period</b>	<b>-84.0</b>	<b>145.2</b>	<b>41.3</b>	<b>270.6</b>
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-84.0</b>	<b>145.2</b>	<b>41.3</b>	<b>270.6</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to the income statement</i>				
Revaluation of owner-occupied properties	-5.6	-	14.7	20.3
Translation differences	-6.6	-0.3	16.1	22.2
<b>Other comprehensive income for the year, net after tax</b>	<b>-12.2</b>	<b>-0.3</b>	<b>30.8</b>	<b>42.5</b>
<b>Total comprehensive income for the period</b>	<b>-96.2</b>	<b>144.9</b>	<b>72.1</b>	<b>313.1</b>
<b>Comprehensive income attributable to:</b>				
The parent company's shareholders	-96.6	144.4	63.6	304.6
Non-controlling interests	0.4	0.5	8.5	8.5
<b>Total comprehensive income for the period</b>	<b>-96.2</b>	<b>144.9</b>	<b>72.1</b>	<b>313.1</b>

# Commentary on the comprehensive income statement

## Interim report January-March 2023

Rental income for the period amounted to SEK 20.0 M (5.6) and operating expenses to SEK 7.1 M (1.3). The increase is largely due to the growth in the portfolio of investment properties compared to the same period last year.

The group recorded project- and contracting income of SEK 518.8 M (192.4) and SEK 524.3 M (192.0) of corresponding expenses. This income represents the value of all the contracting revenue charged to around 10 ongoing projects in which the group does not have a controlling interest. The expenses represent the actual costs incurred by the group for these contracts. The increase in contracting income and expenses compared with the same period of 2022 is attributable both to the larger number of ongoing projects, and the fact that several of the ongoing projects are in capital-intensive phases.

Profit/loss from associated companies consists of changes in the value of the group's shares in associated companies. This change in value includes both the operating surplus generated by the associated companies and any unrealised changes in the value of the project properties owned by these

companies. As the properties owned by the associated companies are completed, the resulting investment surplus also has a value-increasing effect on the group's shares in associated companies. The decrease compared with the same period of 2022 is mainly the result of the absence of new project starts during the quarter.

Throughout the period, the group continued to develop the SIBS building system and its processes. Development expenses amounted to SEK 26.1 M (28.7) and are capitalised in the balance sheet under Capitalised development expenses.

Administrative expenses amounted to SEK 25.8 M (22.9) and the depreciation/amortisation charges recognised in the income statement amounted to SEK 4.1 M (4.0), primarily consisting of the amortisation of development expenses.

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

# Condensed consolidated statement of financial position

SEK M	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capitalised development expenses	390.1	298.6	366.7
Investment properties	2,811.2	2,136.8	2,809.2
Owner-occupied properties	499.3	315.4	500.5
Right-of-use assets	2.4	5.7	3.2
Expenses incurred through improvements to other people's property	0.1	0.1	0.1
Machinery and equipment	87.7	34.5	82.3
Deferred tax assets	52.8	15.9	52.8
Shares in associated companies	721.5	737.0	727.8
Other non-current receivables	7.7	7.7	7.7
<b>Total non-current assets</b>	<b>4,572.8</b>	<b>3,551.7</b>	<b>4,550.4</b>
<b>Current assets</b>			
Inventories	73.4	50.3	134.9
Trade receivables	6.0	253.2	5.6
Income earned but not invoiced	105.1	54.4	46.5
Debts due from associated companies	353.3	62.8	317.6
Other receivables	97.9	313.0	192.9
Cash and cash equivalents	81.9	195.6	122.6
<b>Total current assets</b>	<b>717.6</b>	<b>929.3</b>	<b>820.1</b>
<b>TOTAL ASSETS</b>	<b>5,290.4</b>	<b>4,481.0</b>	<b>5,370.5</b>

# Condensed consolidated statement of financial position

SEK M	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Parent company's shareholders</b>			
Share capital	0.6	0.6	0.6
Other capital contributions	618.8	487.0	618.8
Reserves	32.7	1.5	44.4
Retained earnings including profit/loss for the period	928.0	994.7	1,014.4
<b>Total equity attributable to the parent company's shareholders</b>	<b>1,580.1</b>	<b>1,483.8</b>	<b>1,678.2</b>
Non-controlling interests	13.2	4.9	12.8
<b>Total equity</b>	<b>1,593.3</b>	<b>1,488.7</b>	<b>1,691.0</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	2,293.7	1,793.8	2,291.6
Deferred tax liabilities	37.7	44.2	40.6
Other liabilities	354.9	-	354.7
Provisions for other liabilities and charges	6.7	5.7	4.3
<b>Total non-current liabilities</b>	<b>2,693.0</b>	<b>1,843.7</b>	<b>2,691.2</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	233.2	75.2	178.9
Invoiced unearned income	70.9	56.8	145.6
Trade payables	329.6	163.4	253.5
Debts owed to associated companies	123.9	10.2	186.0
Other liabilities	246.5	843.0	224.3
<b>Total current liabilities</b>	<b>1,004.1</b>	<b>1,148.6</b>	<b>988.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,290.4</b>	<b>4,481.0</b>	<b>5,370.5</b>



# Commentary on the consolidated balance sheet

## Interim report January-March 2023

### **Investment properties**

At period-end, the group's investment properties had an estimated market value of SEK 2,811.2 M (2,136.8), which also includes building rights valued at SEK 543.8 M (81.5).

During the period, the group invested SEK 14.0 M (334.2) in existing properties. As these investments did not result in an increase in the estimated market value, the corresponding amount has been recognised as a negative change in value.

### **Shares in associated companies**

Shares in associated companies represent the value of the group's shares in companies in which the group does not have a controlling interest. At period-end, this value amounted to SEK 721.5 M (737.0). Also see the commentary on the item Profit/loss from associated companies.

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

The items include receivables of SEK 105.1 M (54.4) and liabilities of SEK 70.9 M (56.8) and relate to items concerning associated companies.

The net change in these items during the period is largely attributable to the completion of two projects during the period.

### **Non-current liabilities**

Non-current liabilities mostly comprise of non-secured bonds and bank loans secured against the group's investment properties.

# Group cash flow statement

SEK M	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Operating activities</b>			
Profit/loss after financial items	-86.8	146.8	232.1
- Depreciation/amortisation and impairments	13.7	8.8	41.1
- Capitalised interest	0.7	-	14.7
- Change in fair value through profit and loss	14.0	-2.4	42.1
- Share in profit/loss of associated companies and JVs	5.0	-182.4	-390.5
- Unrealised exchange rate differences and other items	-3.4	-2.6	-0.6
	<b>-56.8</b>	<b>-31.8</b>	<b>-61.1</b>
Income tax paid	-6.1	-0.9	-4.0
<b>Cash flow from operating activities before changes in working capital</b>	<b>-62.9</b>	<b>-32.7</b>	<b>-65.1</b>
<b>Cash flow from changes in working capital</b>			
Decrease(+)/increase(-) in inventories	61.6	9.3	-71.6
Decrease(+)/increase(-) in current receivables	57.4	511.8	344.8
Decrease(-)/increase(+) in current liabilities	24.6	-98.4	115.2
<b>Total change in working capital</b>	<b>143.6</b>	<b>422.7</b>	<b>388.4</b>
<b>Cash flow from operating activities</b>	<b>80.7</b>	<b>390.0</b>	<b>323.3</b>
<b>Investing activities</b>			
Capitalised development expenses	-26.1	-28.7	-104.8
Investments in investment properties	-16.0	-336.5	-384.1
Acquisition of owner-occupied properties	-12.2	-38.5	-197.3
Acquisition of, and capital contributions to, associated companies	1.4	-9.5	-9.1
Acquisition/sale of subsidiaries	-	-130.1	-273.4
Loans to associated companies	-	-2.6	-
Acquisition of property, plant and equipment	-11.6	-	-60.5
Change in long-term securities	-	-	-
<b>Cash flow from investing activities</b>	<b>-64.5</b>	<b>-545.9</b>	<b>-1 029.2</b>
<b>Financing activities</b>			
Dividends	-	-	-100.1
Share issues	-	-	131.9
Bank loans taken out	91.9	229.1	683.7
Bank loan repayments	-34.4	-51.2	-25.8
Loans to associated companies	-114.2	-5.5	-41.1
<b>Cash flow from financing activities</b>	<b>-56.7</b>	<b>172.4</b>	<b>648.6</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-40.5</b>	<b>16.5</b>	<b>-57.3</b>
<b>Cash and cash equivalents at the start of the period</b>	122.6	178.9	178.9
<b>Exchange rate differences in cash and cash equivalents</b>	-0.2	0.2	1.0
<b>Cash and cash equivalents at the end of the period</b>	81.9	195.6	122.6

# Condensed consolidated statement of changes in equity

SEK M	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Equity</b>			
Opening equity attributable to the parent company's shareholders	1,678.2	1,339.4	1,339.4
Profit/loss for the period	-85.0	144.7	266.4
Other equity	-13.1	-0.3	-59.5
Share issues	-	-	131.9
<b>Total equity attributable to the parent company's shareholders</b>	<b>1,580.1</b>	<b>1,483.8</b>	<b>1,678.2</b>
Non-controlling interests	12.8	4.3	4.3
Profit/loss for the period	0.4	0.5	8.5
<b>Total equity attributable to non-controlling interests</b>	<b>13.2</b>	<b>4.8</b>	<b>12.8</b>
<b>Closing equity</b>	<b>1,593.3</b>	<b>1,488.6</b>	<b>1,691.0</b>

# Condensed parent company income statement

SEK M	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Net sales	6.2	7.4	26.7
Work carried out by the company on its own behalf and capitalised	26.1	28.7	106.8
Other operating income	1.4	-	4.1
	<b>33.7</b>	<b>36.1</b>	<b>137.6</b>
<b>Operating expenses</b>			
Other operating expenses	-	-5.5	-
Development expenses	-26.1	-28.7	-106.8
Administrative expenses	-12.2	-7.8	-50.4
<b>Operating profit/loss</b>	<b>-4.6</b>	<b>-5.9</b>	<b>-19.6</b>
<b>Profit/loss from financial investments</b>			
Profit/loss from shares in group companies	1.4	-	-70.0
Profit/loss from shares in associated companies	-	-	0.4
Interest income and similar income statement items	1.6	-	3.0
Interest expenses and similar income statement items	-17.3	-12.0	-55.9
<b>Profit/loss after financial items</b>	<b>-18.9</b>	<b>-17.9</b>	<b>-142.1</b>
Tax	-	-	17.3
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-18.9</b>	<b>-17.9</b>	<b>-124.8</b>



# Condensed parent company balance sheet

SEK M	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Non-current intangible assets</b>			
Capitalised expenses	395.4	302.0	372.0
	<b>395.4</b>	<b>302.0</b>	<b>372.0</b>
<b>Property, plant and equipment</b>			
Expenses incurred through improvements to other people's property	0.1	-	0.1
Equipment	0.3	0.4	0.4
	<b>0.4</b>	<b>0.4</b>	<b>0.5</b>
<b>Non-current financial assets</b>			
Shares in group companies	237.8	207.8	237.8
Debts due from group companies	316.3	576.8	316.3
Shares in associated companies	-	-	-
Deferred tax assets	17.3	-	17.3
Other non-current receivables	7.7	7.7	7.7
	<b>579.1</b>	<b>792.3</b>	<b>579.1</b>
<b>Total non-current assets</b>	<b>974.9</b>	<b>1,094.7</b>	<b>951.6</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Trade receivables	7.9	7.9	0.7
Debts due from group companies	252.5	-	145.6
Debts due from associated companies	40.9	38.0	30.7
Other receivables	3.4	7.4	6.2
	<b>304.7</b>	<b>53.3</b>	<b>183.2</b>
<b>Cash at bank and in hand</b>	<b>81.4</b>	<b>124.3</b>	<b>122.5</b>
<b>Total current assets</b>	<b>386.1</b>	<b>177.6</b>	<b>305.8</b>
<b>TOTAL ASSETS</b>	<b>1,361.0</b>	<b>1,272.3</b>	<b>1,257.3</b>

# Condensed parent company balance sheet

SEK M	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	0.6	0.6	0.6
Reserve for development expenses	395.4	302.0	372.0
	<b>396.0</b>	<b>302.5</b>	<b>372.6</b>
<b>Non-restricted equity</b>			
Other capital contributions	237.0	486.9	237.0
Retained earnings	-498.8	-180.5	-350.6
Share premium reserve	381.8	-	381.8
Profit/loss for the period	-18.9	-17.9	-124.8
	<b>101.1</b>	<b>288.5</b>	<b>143.4</b>
<b>Total equity</b>	<b>497.1</b>	<b>591.0</b>	<b>516.0</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	597.0	593.4	596.3
	<b>597.0</b>	<b>593.4</b>	<b>596.3</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	40.0	-	40.0
Trade payables	35.2	29.9	9.2
Debts owed to group companies	111.1	45.3	64.0
Other liabilities	80.6	12.7	31.8
	<b>266.9</b>	<b>87.9</b>	<b>145.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,361.0</b>	<b>1,272.3</b>	<b>1,257.3</b>

# Segment reporting

SEK M	Förvaltningsrörelse*		Övrig koncern		Justeringar		Totalt koncernen		Förvaltningsrörelse*	Övrig koncern	Justeringar	Totalt koncernen
	jan-Mar 2023	jan-Mar 2022	jan-Mar 2023	jan-Mar 2022	jan-Mar 2023	jan-Mar 2022	jan-Mar 2023	jan-Mar 2022	jan-Dec 2022	jan-Dec 2022	jan-Dec 2022	jan-Dec 2022
Rental income	20.5	10.5	-	-	-0.5	-4.9	20	5.6	55.0	-	-8.8	46.2
Project and contracting income	-	-	518.8	192.4	-	-	518.8	192.4	-	1,338.1	-	1,338.1
<b>Total income</b>	<b>20.5</b>	<b>10.5</b>	<b>518.8</b>	<b>192.4</b>	<b>-0.5</b>	<b>-4.9</b>	<b>538.8</b>	<b>198.0</b>	<b>55.0</b>	<b>1,338.1</b>	<b>-8.8</b>	<b>1,384.3</b>
Project and contracting activity expenses	-	-	-524.3	-192.0	-	-	-524.3	-192.0	-	-1,314.4	-	-1,314.4
Property expenses	-7.2	-3.7	-	-	0.1	2.4	-7.1	-1.3	-12.5	-	4.4	-8.1
<b>Gross profit/loss</b>	<b>13.4</b>	<b>6.8</b>	<b>-5.5</b>	<b>0.4</b>	<b>-0.5</b>	<b>-2.5</b>	<b>7.4</b>	<b>4.7</b>	<b>42.5</b>	<b>23.7</b>	<b>-4.4</b>	<b>61.8</b>
Work carried out by the company on its own behalf and capitalised	-	-	26.1	28.7	-	-	26.1	28.7	-	104.8	-	104.8
Development expenses	-	-	-26.1	-28.7	-	-	-26.1	-28.7	-	-104.8	-	-104.8
Administrative expenses	-1.6	-1.4	-24.2	-22.5	-	1.0	-25.8	-22.9	-11.9	-96.3	-	-108.2
Non-project-related depreciation/amortisation	-	-	-4.1	-3.9	-	-	-4.1	-3.9	-	-16.0	-	-16.0
<b>Operating profit/loss before change in value</b>	<b>11.8</b>	<b>5.4</b>	<b>-33.8</b>	<b>-26.0</b>	<b>-0.5</b>	<b>-1.5</b>	<b>-22.5</b>	<b>-22.1</b>	<b>30.6</b>	<b>-88.6</b>	<b>-4.4</b>	<b>-62.4</b>
Change in value of investment properties	-13.2	2.4	-0.8	-	-	-	-14.0	2.4	-111.4	112.9	-	1.5
Other operating income	-	-	3.8	3.0	-	-	3.8	3.0	-	7.0	-	7.0
Other operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss from associated companies	-	-	-5.5	181.5	0.5	0.9	-5.0	182.4	-	386.1	4.4	390.5
<b>Operating profit/loss</b>	<b>-1.5</b>	<b>7.8</b>	<b>-36.3</b>	<b>158.5</b>	<b>0.5</b>	<b>-0.6</b>	<b>-37.7</b>	<b>165.6</b>	<b>-80.8</b>	<b>417.4</b>	<b>-</b>	<b>336.6</b>
Financial income	-	-	0.7	0.2	-	-	0.7	0.2	-	4.9	-	4.9
Financial expenses	-29.4	-5.7	-20.4	-13.9	-	0.6	-49.8	-19.0	-32.6	-76.9	-	-109.5
<b>Profit/loss before tax</b>	<b>-30.8</b>	<b>2.1</b>	<b>-56.0</b>	<b>144.8</b>	<b>-</b>	<b>-</b>	<b>-86.8</b>	<b>146.8</b>	<b>-113.4</b>	<b>345.4</b>	<b>-</b>	<b>232.0</b>
Taxes	2.7	-1.1	0.1	-0.5	-	-	2.8	-1.6	22.9	15.6	-	38.5
<b>Profit/loss for the period</b>	<b>-28.1</b>	<b>1.0</b>	<b>-55.9</b>	<b>144.3</b>	<b>-</b>	<b>-</b>	<b>-84.0</b>	<b>145.2</b>	<b>-90.5</b>	<b>360.9</b>	<b>-</b>	<b>270.5</b>
<b>ASSETS</b>												
Capitalised development expenses	-	-	390	298.6	-	-	390.1	298.6	-	366.7	-	366.7
Investment properties	2,263.0	2,357.0	548	-	-	-220.2	2,811.2	2,136.8	2,263.0	546.2	-	2,809.2
Shares in associated companies	-	-	722	737.0	-	-	721.5	737.0	-	727.8	-	727.8
Other assets	44.0	57.8	1,324	1,250.7	-	-	1,367.6	1,308.5	97.6	1,376.2	-	1,473.8
<b>Total assets</b>	<b>2,307.0</b>	<b>2,414.8</b>	<b>2,983</b>	<b>2,286.3</b>	<b>-</b>	<b>-220.2</b>	<b>5,290.4</b>	<b>4,481.0</b>	<b>2,360.6</b>	<b>3,016.9</b>	<b>-</b>	<b>5,377.5</b>
<b>EQUITY AND LIABILITIES</b>												
Equity	468.0	319.1	1,125	1,169.6	-	-	1,593.3	1,488.7	234.4	1,456.6	-	1,691.0
Interest-bearing liabilities	1,617.0	1,834.0	910	754.0	-	-248.6	2,526.9	2,339.5	1,614.9	1,210.3	-	2,825.2
Other liabilities	222.0	261.7	949	391.2	-	-	1,170.2	652.8	511.3	350.0	-	861.3
<b>Total equity and liabilities</b>	<b>2,307.0</b>	<b>2,414.8</b>	<b>2,983</b>	<b>2,314.8</b>	<b>-</b>	<b>-248.6</b>	<b>5,290.4</b>	<b>4,481.0</b>	<b>2,360.6</b>	<b>3,016.9</b>	<b>-</b>	<b>5,377.5</b>

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

# Notes

## NOTE 1 ACCOUNTING POLICIES

SIBS applies the International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report has been drafted in accordance with IAS 34 Interim reporting as well as the Swedish Annual Accounts Act. The accounting policies and methods applied are the same as those described in SIBS' 2022 Annual Report.

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

New standards from 2023

None of the amended IFRS applicable from 2023 have had any impact on SIBS' financial reporting.

## NOTE 2 JOINT ARRANGEMENTS

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

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

## NOTE 3 INVESTMENT PROPERTIES

	Jan-Mar 2023	Jan-Dec 2022
<b>Beginning of period</b>	2,809.2	680.0
Property investments	14.0	382.9
Property acquisitions	-	2,003.1
Change in value	-14.0	-46.7
Investment subsidies	-	-206.3
Reclassifications of JVs	2.0	-3.8
<b>End of period</b>	<b>2,811.2</b>	<b>2,809.2</b>

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

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

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

## NOTE 4 SHARES IN ASSOCIATED COMPANIES

	Jan-Mar 2023	Jan-Dec 2022
<b>Acquisition value, Beginning of period</b>	<b>727.8</b>	<b>673.2</b>
Acquisitions/Contributions	-	18.9
Share in profit/loss of associated companies	-5.0	390.5
Dividends	-1.3	-0.4
Reclassifications	-	-354.4
<b>End of period</b>	<b>721.5</b>	<b>727.8</b>

Stockholm 31 May 2023  
SIBS AB (publ)

Erik Thomaeus  
CEO

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

# Definitions and glossary

## Loan-to-value ratio

Group investment property-to-property loan ratio.

## Operating surplus

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

## Interest coverage ratio

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

## Equity/assets ratio

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

## Adjusted equity/assets ratio

Equity at period-end as a proportion of the balance sheet total adjusted for cash and cash equivalents.

## Residential floor area

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

## Gross floor area

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

## Planning permission

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

## Development rights

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

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

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

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

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

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

## Legally binding

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

## Specific energy use

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

## Parametric modularisation

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

## ConstructionTech

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

### Contact information

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### Next financial report

The 2nd quarter interim report will be published on 25 August 2023.

This information is the kind of inside information that SIBS AB (publ) is obliged to make public in accordance with the EU Market Abuse Regulation and the Swedish Securities Market Act.

The information was submitted for publication, through the contact people above, at 3pm CET on 31 May 2023.