

🏠 SIBS

# Interim report

January – June 2021



# Interim report January-June 2021

## April – June 2021

- ☑ Rental income for the quarter (including SIBS' share in joint ventures) increased to SEK 7.6 million
- ☑ The economic occupancy rate was 100%
- ☑ Operating profit/loss amounted to approximately SEK 131.7 million
- ☑ The market value of our completed properties totalled SEK 854 million (SIBS' share)
- ☑ Construction starts on 356 apartments
- ☑ Expanding of the development rights portfolio with an additional 578 apartments
- ☑ Electricity self-generated from solar cells as a share of the estimated total building energy requirements: 26%
- ☑ Estimated average energy performance: 28kWh/m<sup>2</sup> per year

## January – June 2021

- ☑ Rental income for the quarter (including SIBS' share in joint ventures) increased to SEK 11.2 million
- ☑ The economic occupancy rate was 100%
- ☑ Operating profit/loss amounted to approximately SEK 207.2 million
- ☑ The market value of our completed properties totalled SEK 854 million (SIBS' share)
- ☑ Construction starts on 638 apartments
- ☑ Expanding of the development rights portfolio with an additional 578 apartments
- ☑ Electricity self-generated from solar cells as a share of the estimated total building energy requirements: 26%
- ☑ Estimated average energy performance: 28kWh/m<sup>2</sup> per year

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## Significant events during the second quarter

- ☑ Acquisition of a property in Vallentuna town centre with building rights covering a gross floor area of around 2,000m<sup>2</sup>
- ☑ Completion of a SEK 50 million tap issue on our green bonds (ISIN SE0014965729) maturing on 19 April 2024
- ☑ Sveaviken won a land allocation competition in Barkarby, with building rights covering a gross floor area of 16,500m<sup>2</sup>
- ☑ Sveaviken acquired property in Sollentuna and is planning the construction of up to 300 apartments
- ☑ Sveaviken acquired property in Eskilstuna and is planning the construction of up to 300 apartments

## Significant events after the end of the reporting period

- ☑ Sveaviken won a land allocation competition in Linköping, where 48 apartments will be built
- ☑ Sveaviken signed a lease agreement with Helsingborg to build 78 apartments in Gåsebäck
- ☑ SIBS signed a letter of intent to form a joint venture with Slättö Value Add II in order to develop more than 4,000 apartments from SIBS' project portfolio

## KEY RATIOS

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jul 2020- Jun 2021	Jan-Dec 2020
Rental income including SIBS' share in joint ventures	11,248	3,781	7,628	2,439	18,270	13,081
Rental income	8,049	3,781	4,072	2,439	16,226	11,958
Annual rental value of completed properties*	36,945	25,441	36,946	25,441	36,946	31,584
Estimated normalised annual operating surplus for completed properties*	31,718	21,792	31,718	21,792	31,718	27,146
Occupancy rate (economic)	100%	100%	100%	100%	100%	67%
Change in value of investment properties	82,043	113,693	67,050	102,493	64,956	61,163
Profit/loss from associated companies and SIBS' share in joint ventures	144,024	66,285	79,007	3,985	178,206	175,489
Operating profit/loss	207,284	165,327	131,754	99,052	213,124	203,868
Profit/loss after tax	154,103	154,430	104,182	66,740	153,458	162,558
Market value of completed investment properties	408,000	393,000	408,000	393,000	408,000	393,000
Market value of completed properties*	854,000	705,000	854,000	705,000	854,000	705,000
Construction starts on apartments during the period	638	197	356	351	633	543
Apartments completed during the period	276	406	276	71	315	445
Apartments under management	679	523	679	188	562	562
Apartments under construction	1,109	763	1,109	730	989	707
Apartments under project development	5,288	3,000	5,288	3,300	5,288	4,311
Total apartments	7,076	4,286	7,076	4,218	6,839	5,580
Changes in the apartment development rights portfolio during the period	578	2,790	578	325	1,615	1,362
Lettable area of completed properties, m <sup>2</sup>	28,571	17,012	28,571	17,012	28,571	22,940
Equity/assets ratio	31,5%	37,3%	31,5%	37,3%	31,5%	33,8%
Adjusted equity/assets ratio (adjusted for cash and cash equivalents)	36,4%	38,0%	36,4%	38,0%	38,1%	39,6%
Loan-to-value ratio of completed properties	58,7%	62,0%	58,7%	62,0%	58,7%	59,0%

\* SIBS' share



# A word from the CEO

## An eventful period with major strategic decisions and profitable outcomes

The second quarter of the year is proof of the continued success achieved through our model and all the “well-oiled cogs” in our value chain. Our business model, primarily focused on construction, our proprietary building system, and human cooperation, is the basis for this success. Over the period, we started the construction of 78 apartments in Helsingborg, 241 apartments in Vega in Haninge and 37 apartments in Vallentuna town centre. We also completed 159 apartments in Kompassen in Luleå and 117 apartments in Autogyron in Örebro. All the homes in Kompassen in Luleå have been let, which means that the vacancy rate is now 0% for our completed properties offered on the market.

### Expanding of the building rights portfolio by around 1,000 homes

During the quarter and shortly after period-end, we expanded our building rights portfolio by approximately 1,000 apartments in Stockholm, Eskilstuna and Linköping. These were added both through acquisitions and by winning land allocation competitions. We are pleased about the continued faith placed in us by municipalities around the country and our ability to identify and acquire such fine building sites with great development potential.

### Limited impact of rising prices on materials and shipping

We have seen the industry face some challenges, mainly due to sharp rises in material prices, whose effect we have largely escaped. The single biggest reason for this is that material prices have not increased as much in Southeast Asia, where we make most of our purchases.

Our efficient approach to construction provides a clear purchasing structure with fewer different types of components and solid purchasing agreements. This helps to ensure stability during periods of price surges.

Freight rates remain high and the expected fall over the summer failed to materialise. Container freight rates are highest, whereas bulk freight rates are high but to a less extreme degree. Bulk freight accounts for the absolute majority of our shipping costs. Sea freight accounts for a relatively small share of our total construction costs, meaning that the impact on profitability is limited.

Looking at freight spot prices one year from now, they are at the average level for the last 5 years, before prices started to rise, which may be read as a signal of the market's expectations regarding future price trends.



For our part, steel prices have remained at a cyclically high level, but have had a very limited impact on our profitability. The pandemic has worsened in Malaysia, over the period and up to the present day, and has resulted in a partial lockdown of the country. The impact on us has been minimal and we have so far been able to build as planned.

### New business enabled by a bond tap issue

During the second quarter of the year, we completed a SEK 50 million tap issue on our green bonds, through a targeted procedure with a single bidder, and we are delighted by and grateful for the faith shown in us. We have identified several new potential deals on the market that will now be possible thanks to this capital injection.

### Continued positive development

Overall, we have had a strong first half and look forward to a second half that is just as strong. We are also seeing continued positive development in the longer term. Our enhanced cooperation with Slättö, as previously announced, is an accelerator and together we form a stronger whole. Our investment in another plant in Malaysia will eventually increase our capacity to over 4,500 apartments a year. With Slättö as its capital partner and its increased industrial capacity, SIBS is taking further steps towards becoming one of the most sustainable and largest owner-occupied housing developers in the Nordics.

Stockholm, August 2021

**Erik Thomaus**  
CEO SIBS AB

# This is SIBS

## VISION

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

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

## OUR BUSINESS

### Unique value across the value chain

There are five companies within the SIBS Group, covering the entire value chain, from acquisitions to property management. Unique value is created for SIBS within this value chain, such as a constantly expanding knowledge of industrial, flexible construction, and continually adds value to the services delivered by the company. High quality and cost control are ensured at all stages, and reliable delivery is guaranteed by our own systems. Our organisation's watchwords are innovation, development and drive.

Thanks to our proprietary "parametric modularisation" construction system and our proprietary configuration tool, we are able to build with a high degree of design flexibility while also minimising project risks. The construction system allows us to adjust projects to the shape of plots to maximise the development potential of detailed development plans. No two plots are alike and no two projects are the same.

Predetermined parameters ensure that our designs are both buildable and comply with regulatory requirements. When we then use architectonic elements in our design work, we ensure that we learn from our designs so that we never end up reinventing the wheel.

The construction system, when used in combination with our configuration tool, allows us to minimise project risks, as it applies a rules-based system that automatically issues warnings and makes it impossible to design something that doesn't comply with our predetermined parameters or regulatory requirements.

## OUR STRATEGIC PRIORITIES

### Sustainability

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

### Market insight

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

### Project portfolio

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

### The tenant today and tomorrow

Our in-depth knowledge of the trends and driving forces within property development keep us at the forefront of the market. With a focus on the tenant, we act today to meet the needs of tomorrow.

### Technology

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

### Architecture

Our buildings contribute to an attractive urban environment which is why both internal and external architecture is prioritised. The modular design and construction system we have developed offers greater flexibility and creates a premium atmosphere in each home.

### Functionality

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

## OBJECTIVES

We continue our journey of growth towards:

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

# Commitment throughout the entire value chain



## MARKET ANALYSIS AND ACQUISITION

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

### Value creation

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



## DESIGN AND PLANNING

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

### Value creation

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



## PRODUCTION

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

### Value creation

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



## LOGISTICS AND TRANSPORT

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

### Value creation

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



## ASSEMBLY AND COMPLETION

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

### Value creation

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



## LONG-TERM MANAGEMENT

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

### Value creation

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



# Business model that creates value

## WHAT WE OFFER

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

## FOR A BROAD TARGET GROUP

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

## OUR STAKEHOLDERS

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

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

## THE GOOD SOCIETY

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

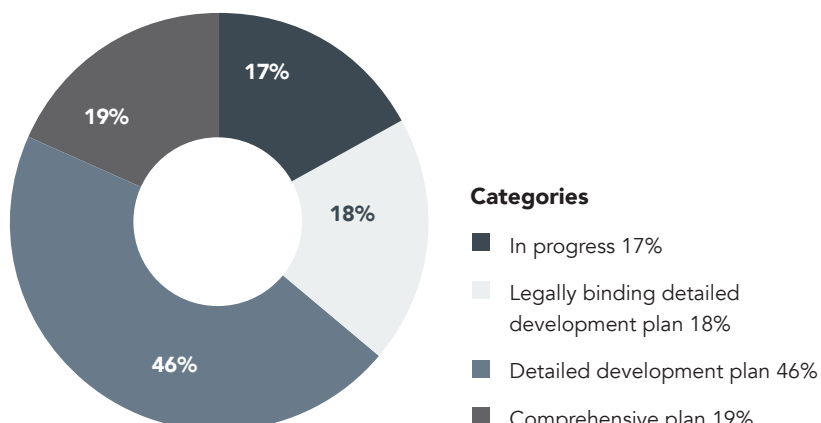
# Project portfolio

Project name	Municipality	Number of homes	Current status	Estimated construction start
Parasollet	Lund	80	In progress	In progress
Barkarbystaden kv 15*	Järfälla	351	In progress	In progress
Nykvarn Centrum*	Nykvarn	282	In progress	In progress
Helsingborg	Helsingborg	78	In progress	In progress
Vegaterassen*	Haninge	241	In progress	In progress
Vallentuna Centrum 1	Vallentuna	37	In progress	In progress
Vallentuna Centrum 2	Vallentuna	40	Legally binding	2021
Mariefred station**	Strängnäs	400	Legally binding	2021
Brädgården	Nyköping	462	Legally binding	2021
Barkaby 2	Järfälla	208	Legally binding	2022
Linköping	Linköping	48	Legally binding	2022
Enköping Centrum	Enköping	300	Detailed development plan	2022
Tangenten Sorgenfri	Malmö	400	Detailed development plan	2022
Enköping Station**	Enköping	400	Detailed development plan	2023
Svanholmen	Stockholm	300	Detailed development plan	2023
Stockrosen	Nyköping	300	Detailed development plan	2023
Söderby 2	Haninge	280	Detailed development plan	2023
Hässelby Maltesholm	Stockholm	100	Detailed development plan	2023
Rogaland	Stockholm	250	Detailed development plan	2023
Eskilstuna	Eskilstuna	300	Detailed development plan	2023
Rulletten	Sollentuna	300	Detailed development plan	2023
Kornboden	Norrtälje	200	Awaiting planning decision	2024
Skiffern	Huddinge	280	Awaiting planning decision	2024
Konservatorn	Stockholm	160	Awaiting planning decision	2024
Tumba	Botkyrka	560	Awaiting planning decision	2024
<b>Total</b>		<b>6,357</b>		

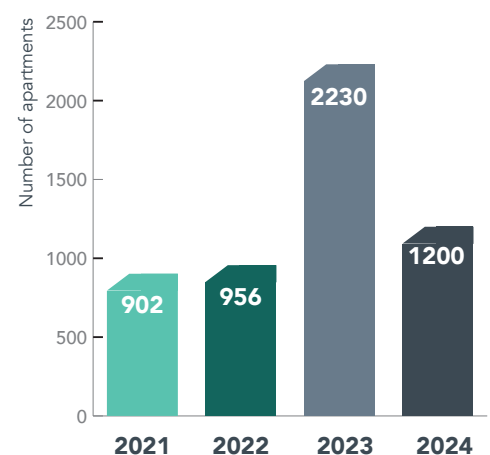
\* Joint venture (50/50) with Slättö

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

## PROJECT STATUS



## UPCOMING CONSTRUCTION STARTS





# Truly circular construction



Artist's depiction of Italien 9, Gäseback, Helsingborg

## Sveaviken Bostad launches **BLOX by Sveaviken**, a new industrially-developed housing concept

The Project will be completed in time for the H22 City Expo in Helsingborg. This will be a pilot project that will allow Sveaviken to try out a more mobile construction approach in contrast with the permanent buildings that it usually creates. We believe strongly in the circular building of homes, which we think should be built using well-designed, reusable building components that are easy to assemble, disassemble and transport. We wish to be permanently at the forefront of developments in the housing sector, and we see this as a great opportunity to challenge the industry at large, and at the same time to help provide a solution to the huge housing shortage that currently exists in 207 of the country's 290 municipalities.

## Recycled materials and movable houses

The extraction of raw materials and the production of construction products are having a major impact on the climate. A building's frame will last for generations, far into the future and a time when we don't know where or how people will want to live. Unfortunately, many houses are currently demolished not because they are no longer habitable, but because

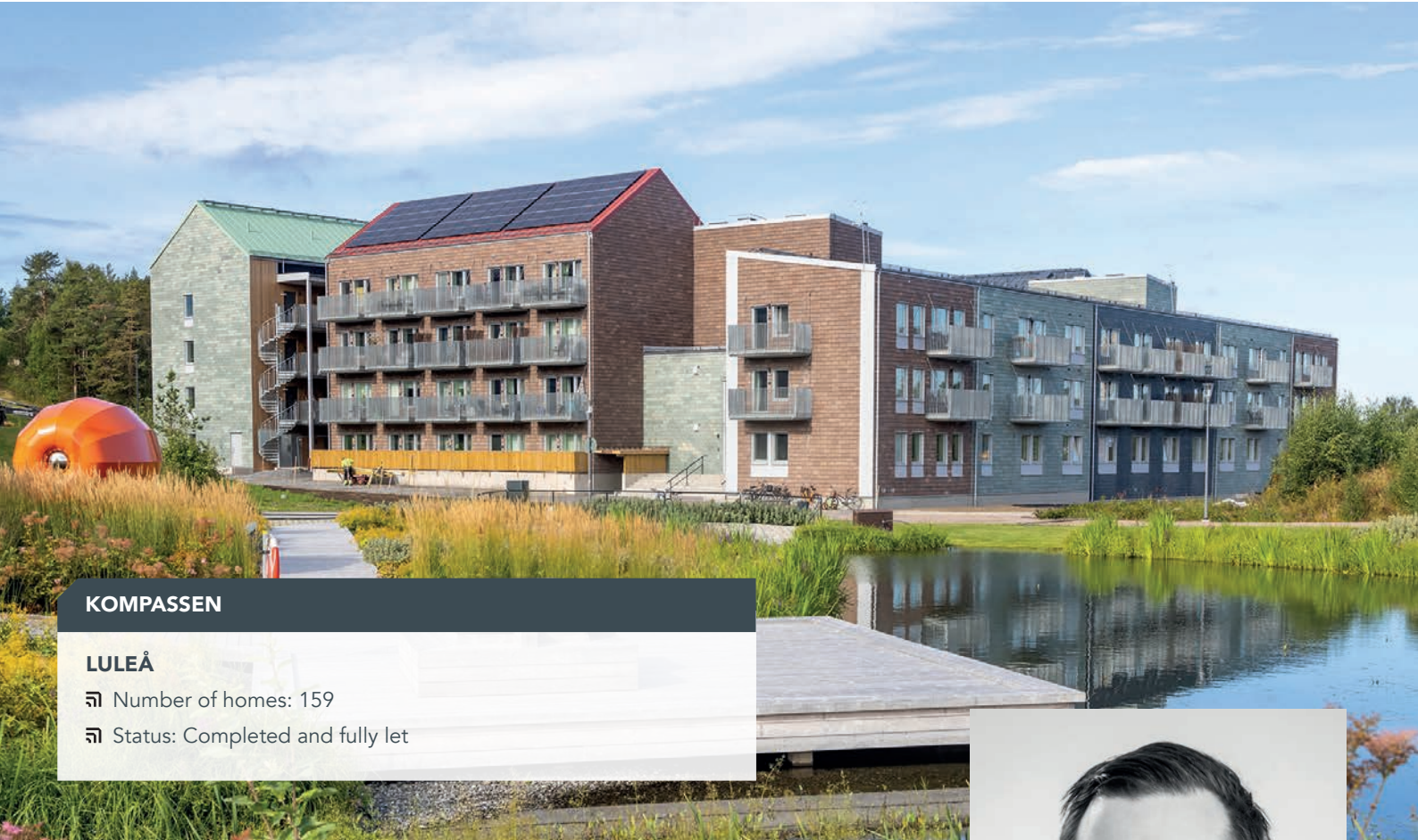
they are no longer the right houses in the right places. Worse still, during demolition it is difficult to separate different building materials from each other, the result being that building materials can rarely be reused for more than filler or energy. By using a high proportion of recycled materials and building houses that can be dismantled, moved and used again, we are building in a truly circular way. Depending on the extent of wear and tear and future needs, surface coverings and fixtures and fittings may be kept or replaced during a move.

## From construction start to move-in in one year

In Q2 2021, we submitted a construction permit application for a project in Gäseback, in Helsingborg, where we are demonstrating the movability of our houses by building under a temporary construction permit. In the space of a year, the project will have transformed centrally located industrial land into 78 ready-to-move-in rental apartments without a lengthy, detailed planning process. When the construction permit now granted expires after 10 or 15 years, we can move the buildings. In this way, we are building in a truly circular way, while quickly helping to reduce the housing shortage with high-quality, affordable homes.



# 159 rental apartments completed and let in Kronandalen in Luleå

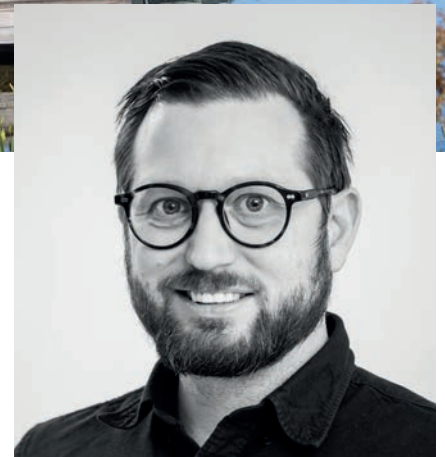


## KOMPASSEN

### LULEÅ

🏠 Number of homes: 159

🏠 Status: Completed and fully let



**PATRIK JENSEN**  
CEO MOKO AB

“With the Kompassen project in Luleå, we were able to witness the full benefits of the modular building system for the first time in the designing of a coherent block structure. The standardising of the interface between the site-built garage and the building above was another interesting aspect that shows how we can systematically and progressively develop the building system without affecting existing modules.”

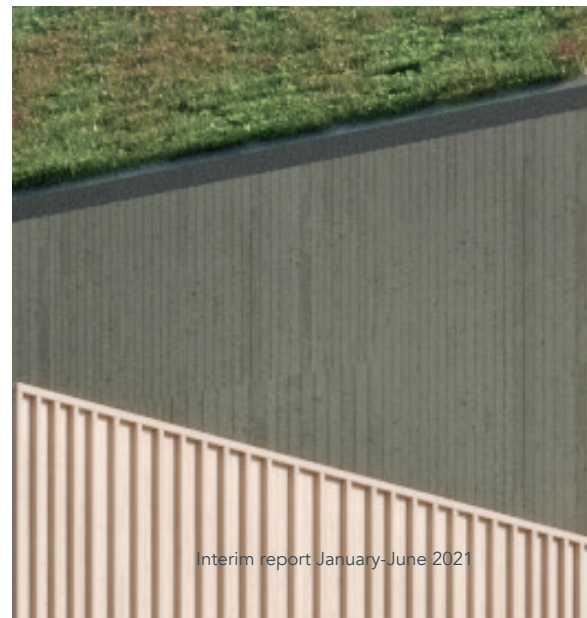


# Our second land allocation win in Barkarby

In June 2021, we won our second land allocation competition in Barkarby town. Putting together an application for such a large land allocation is a very intensive process. That it was a success from start to finish is amazing and an encouraging sign for the future. We are honoured to be able to take part in building another block in Sweden's most exciting urban development project.

## BARKARBY KVARTER 20

- 🏠 Number of homes: around 200
- 🏗️ Status: planning in progress





# Other information

## Related-party transactions

SIBS did not carry out any significant transactions with related parties during the period, other than ordinary transactions between group companies and joint ventures. The transactions were completed under market conditions.

## Seasonal trends

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

## Bonds

On 19 October 2020, SIBS announced a SEK 400 million unsecured green bond issue with a framework amount of SEK 600 million.

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

## Preparation of the quarterly report

For the quarters included in this report for comparison purposes, some assumptions had to be made for the group consolidation. No changes have been made to the accounting policies or other estimates over time, and the comparative data reproduced are deemed 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 475, consisting of 16 women and 459 men.

## Segment reporting

During the year, SIBS began analysing and monitoring activity by segment.

## Risks and uncertainties

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

The material risks affecting SIBS' business are external risks such as a macroeconomic downturn or reduced demand for housing. SIBS is also exposed to a number of financial risks connected, inter alia, with the company's liquidity and the debt financing of its activities. Further information about the company's risks is provided in the 2020 annual report, mainly in note 38 on page 82.

## The impact of Covid-19

The Coronavirus pandemic has affected the global economy since spring 2020 and the situation is still uncertain. The outlook is still difficult to assess due to factors including uncertainty regarding future contagion and different virus mutations.

SIBS has not yet noted any significant negative impacts on its activities in 2020/2021 that might be linked to the outbreak of Covid-19. SIBS is closely monitoring market trends and ensuring that we are well prepared to deal with the various foreseeable scenarios.

## Ownership structure as at 30 June 2021

Shareholder	Number of shares	Ownership by %
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%
<b>Total</b>	<b>50,000</b>	<b>100,00%</b>

## Events after the end of the reporting period

- ☑ Sveaviken won a land allocation competition in Linköping, where 48 apartments will be built
- ☑ Sveaviken signed a lease agreement with Helsingborg to build 78 apartments in Gäsebäck
- ☑ SIBS signed a letter of intent to form a joint venture with Slättö Value Add II in order to develop more than 4,000 apartments from SIBS' project portfolio

# Group income statement

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jul 2020- Jun 2021	Jan-Dec 2020
Rental income	8,049	3,781	4,072	2,439	16,226	11,958
Project and contracting income	426,059	-	206,190	-	650,435	224,376
<b>Total income</b>	<b>434,108</b>	<b>3,781</b>	<b>210,262</b>	<b>2,439</b>	<b>666,661</b>	<b>236,334</b>
Project and contracting activity expenses	-425,311	-	-207,431	-	-649,687	-224,376
Property expenses	-1,332	-901	-680	-581	-2,928	-2,497
<b>Gross profit/loss</b>	<b>7,466</b>	<b>2,880</b>	<b>2,151</b>	<b>1,858</b>	<b>14,047</b>	<b>9,461</b>
Work carried out by the company on its own behalf and capitalised	42,712	-	22,415	-	139,678	96,966
Development expenses	-42,712	-	-22,415	-	-139,678	-96,966
Administrative expenses	-20,317	-10,672	-12,885	-5,870	-42,503	-32,858
Non-project-related depreciation/amortisation	-6,695	-7,157	-3,392	-3,578	-11,006	-11,468
<b>Operating profit/loss before change in value</b>	<b>-19,546</b>	<b>-14,949</b>	<b>-14,126</b>	<b>-7,590</b>	<b>-39,462</b>	<b>-34,865</b>
Change in value of investment properties	82,043	113,693	67,050	102,493	29,513	61,163
Other operating income	797	458	-159	252	2,461	2,122
Other operating expenses	-32	-160	-18	-88	88	-40
Profit/loss from associated companies	144,024	66,285	79,007	3,985	253,228	175,489
<b>Operating profit/loss</b>	<b>207,285</b>	<b>165,327</b>	<b>131,754</b>	<b>99,052</b>	<b>245,827</b>	<b>203,869</b>
Financial income	40	-	-16	-	453	413
Financial expenses	-31,626	-10,897	-13,744	-5,993	-40,170	-19,441
<b>Profit/loss before tax</b>	<b>175,699</b>	<b>154,430</b>	<b>117,994</b>	<b>93,059</b>	<b>206,110</b>	<b>184,841</b>
Taxes	-21,596	-28,669	-13,812	-26,319	-15,209	-22,282
<b>Profit/loss for the period</b>	<b>154,103</b>	<b>125,761</b>	<b>104,182</b>	<b>66,740</b>	<b>190,901</b>	<b>162,559</b>
<b>Attributable to</b>						
The parent company's shareholders	154,103	125,761	104,182	66,740	189,815	161,473
Non-controlling interests	-	-	-	-	1,086	1,086
<b>Total profit/loss for the period</b>	<b>154,103</b>	<b>125,761</b>	<b>104,182</b>	<b>66,740</b>	<b>190,901</b>	<b>162,558</b>
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>154,103</b>	<b>125,761</b>	<b>104,182</b>	<b>66,740</b>	<b>190,901</b>	<b>162,558</b>
<b>Profit/loss for the year</b>						
<b>Other comprehensive income</b>						
<i>Items that may be reclassified to the income statement</i>						
Translation differences	2,861	-1,581	-337	-1,855	-29,921	-34,363
<b>Other comprehensive income for the year, net after tax</b>	<b>2,861</b>	<b>-1,581</b>	<b>-337</b>	<b>-1,855</b>	<b>-29,921</b>	<b>-34,363</b>
<b>Total comprehensive income for the period</b>	<b>156,964</b>	<b>124,180</b>	<b>103,845</b>	<b>64,885</b>	<b>160,980</b>	<b>128,195</b>

# Commentary on comprehensive income

## Interim report January-June 2021

Rental income increased during the period to SEK 8,049 thousand and operational expenses to SEK 1,332 thousand. These increases are due to SIBS managing a larger portfolio of rental housing.

The group recorded project and contracting income of SEK 426,059 thousand and SEK 425,311 thousand of expenses. The income and expenses relate to projects in which the group does not have a controlling interest.

Throughout the year, the group continued its work on the development of the building system and its processes. The development expenses amounted to SEK 42,712 thousand and are capitalised in the balance sheet under Capitalised development expenses.

Administrative expenses amounted to SEK 20,317 thousand and the SEK 6,695 thousand of depreciation/amortisation charges recognised in the income statement primarily consist of the amortisation of development expenses.

The change in value of SEK 82,043 thousand reflects the change in the value of SIBS' own projects and completed properties. The profit/loss from associated companies for the period relates mainly to the change in the value of underlying projects carried out through joint ventures.





# Group statement of financial position

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capitalised development expenses	229,279	101,767	193,434
Investment properties	492,302	658,433	393,000
Owner-occupied properties	168,237	116,432	109,700
Right of use assets	20,307	-	-
Expenses incurred through improvements to other people's property	-	216	108
Machinery and equipment	39,245	27,442	28,553
Deferred tax assets	-	1,153	-
Shares in associated companies	435,001	147,967	258,117
Debts due from associated companies	-	9,841	-
Other non-current receivables	7,716	5,966	7,716
<b>Total non-current assets</b>	<b>1,392,087</b>	<b>1,069,217</b>	<b>990,628</b>
<b>Current assets</b>			
Inventories	52,303	51,554	52,106
Income earned but not invoiced	293,171	-	148,385
Accounts receivable	1,348	122	311
Debts due from associated companies	56,994	70,417	39,600
Other receivables	61,416	172,531	85,772
Prepaid expenses and accrued income	8,474	1,062	3,627
Cash and cash equivalents	289,601	27,277	228,151
<b>Total current assets</b>	<b>763,307</b>	<b>322,963</b>	<b>557,952</b>
<b>TOTAL ASSETS</b>	<b>2,155,394</b>	<b>1,392,180</b>	<b>1,548,580</b>

# Group statement of financial position

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Parent company's shareholders</b>			
Share capital	500	50	500
Other capital contributions	237,000	237,000	237,000
Reserves	-23,007	6,913	-25,868
Retained earnings including profit/loss for the period	458,458	269,040	304,356
<b>Total equity attributable to the parent company's shareholders</b>	<b>672,951</b>	<b>513,003</b>	<b>515,987</b>
Non-controlling interests	7,107	6,021	7,107
<b>Total equity</b>	<b>680,058</b>	<b>519,024</b>	<b>523,094</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	846,676	251,446	599,551
Deferred tax liabilities	39,385	47,002	17,774
<b>Total non-current liabilities</b>	<b>886,061</b>	<b>298,448</b>	<b>617,325</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	180,133	306,161	127,343
Invoiced unearned income	119,588	12,644	61,358
Accounts payable	81,231	58,329	87,031
Debts owed to associated companies	47,215	1,059	17,538
Current tax liabilities	2,341	150	5,578
Other liabilities	110,403	178,121	90,913
Accrued expenses and deferred income	48,364	18,244	18,400
<b>Total current liabilities</b>	<b>589,275</b>	<b>574,708</b>	<b>408,161</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,155,394</b>	<b>1,392,180</b>	<b>1,548,580</b>

# Commentary on the group's balance sheet

## Interim report January - June 2021

### **Investment properties**

The investment properties item increased over the period. This increase is mainly due to changes in value and additional acquisitions.

### **Shares in associated companies**

Shares in associated companies amounted to SEK 435,001 thousand. The change during the period is mainly down to the change in the value of the underlying projects carried out through joint ventures.

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

These items consist of debts due from and owed to companies that are not wholly owned.

### **Non-current liabilities**

The non-current liabilities are mostly made up of bonds and fully financed projects that are wholly owned by the group.



*Inner courtyard, Glidplanet, Örebro*



# Group cash flow statement

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
<b>Operating activities</b>					
Profit/loss after financial items	175,699	154,376	117,993	92,730	184,840
- Depreciation/amortisation and impairments	14,730	7,157	7,644	355	27,839
- Capital gains/losses	-	-4,670	-	-	-
- Capitalised interest	2,075	-	2,075	-	5,364
- Actual change in value through the income statement	-82,043	-108,969	-67,050	-97,769	-61,163
- Share in profit/loss of associated companies and JVs	-143,011	-66,285	-77,994	-3,985	-124,928
- Unrealised exchange rate differences	1,531	2,242	361	-	-18,821
	<b>-31,019</b>	<b>-16,149</b>	<b>-16,971</b>	<b>-8,669</b>	<b>13,131</b>
Income tax paid	-3,360	-1,816	-2,722	-	-2,949
<b>Cash flow from operating activities before changes in working capital</b>	<b>-34,379</b>	<b>-17,964</b>	<b>-19,693</b>	<b>-8,669</b>	<b>10,182</b>
<b>Cash flow from changes in working capital</b>					
Decrease(+)/increase(-) in inventories	501	-28,220	-1,827	-21,935	-30,703
Decrease(+)/increase(-) in current receivables	-122,137	25,544	-89,548	24,102	-115,307
Decrease(+)/increase(-) in current liabilities	130,987	300,971	130,524	186,272	208,851
<b>Total change in working capital</b>	<b>9,351</b>	<b>298,295</b>	<b>39,149</b>	<b>188,439</b>	<b>62,841</b>
<b>Cash flow from operating activities</b>	<b>-25,028</b>	<b>280,331</b>	<b>19,456</b>	<b>179,770</b>	<b>73,023</b>
<b>Investing activities</b>					
Capitalised development expenses	-41,208	-	-20,911	-	-96,966
Acquisition of investment properties	-6,304	-402,104	-6,297	-240,624	-373,603
Acquisition of owner-occupied properties	-61,802	-2,405	-61,599	-1,897	-10,482
Sale/Acquisition of subsidiaries	-10,955	-	-10,955	-	67
Sale/Acquisition of shares in associated companies and joint ventures	-9,296	-	-12	4,501	-
Loans to associated companies	-	-7,131	-	-	2,710
Acquisition of property, plant and equipment	-12,892	-8,358	-7,195	-5,429	-14,740
Change in long-term securities	-	-	50	-	-1,750
<b>Cash flow from investing activities</b>	<b>-142,457</b>	<b>-419,998</b>	<b>-106,919</b>	<b>-243,449</b>	<b>-494,765</b>
<b>Financing activities</b>					
Shareholders' contributions received	-	34,890	-	-	47,579
Bonds issued	236,865	-	59,895	-	352,383
Other borrowings	-	-	-	-	129,718
Bank loans taken out	4,152	195,862	4,152	65,356	254,437
Bank loan repayments	-12,242	-93,232	-2,859	-	-17,805
Lease liability repayments	-	-	-	-	-2,857
Shareholder loan repayments	-	-	-	-	-141,922
<b>Cash flow from financing activities</b>	<b>228,775</b>	<b>137,520</b>	<b>61,188</b>	<b>65,356</b>	<b>621,533</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>61,290</b>	<b>-2,147</b>	<b>-26,275</b>	<b>1,677</b>	<b>199,791</b>
<b>Cash and cash equivalents at the start of the period</b>	228,151	30,166	316,191	25,600	30,166
<b>Exchange rate differences in cash and cash equivalents</b>	160	-742	-315	-	-1,806
<b>Cash and cash equivalents at the end of the period</b>	289,601	27,277	289,601	27,277	228,151

# Condensed consolidated statement of changes in equity

SEK thousand	30 Jun 2021	30 Jun 2020	31 Dec 2020
<b>Equity</b>			
Opening equity attributable to the parent company's shareholders	515,987	294,900	288,879
Profit/loss for the period	154,103	125,761	161,472
Other equity	2,861	-7,658	-34,364
Shareholders' contributions	-	100,000	100,000
<b>Total equity attributable to the parent company's shareholders</b>	<b>672,951</b>	<b>513,003</b>	<b>515,987</b>
Non-controlling interests	7,107	6,021	6,021
Profit/loss for the period	-	-	1,086
<b>Total equity attributable to non-controlling interests</b>	<b>7,107</b>	<b>6,021</b>	<b>7,107</b>
<b>Closing equity</b>	<b>680,058</b>	<b>519,024</b>	<b>523,094</b>

# The parent company's income statement

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jul 2020- Jun 2021	Jan-Dec 2020
Net sales	2,114	179	759	90	6,261	4,326
Work carried out by the company on its own behalf and capitalised	42,712	-	22,415	-	139,678	96,966
Other operating income	35	-39	35	-40	-	-
	<b>44,861</b>	<b>140</b>	<b>23,209</b>	<b>50</b>	<b>145,939</b>	<b>101,292</b>
<b>Operating expenses</b>						
Other operating expenses	-5,640	-5,562	-16	-5,730	-117	-39
Development expenses	-39,507	-	-21,000	-	-136,473	-96,966
Administrative expenses	-14,328	-10,440	-10,243	-6,943	-29,260	-25,372
<b>Operating profit/loss</b>	<b>-14,614</b>	<b>-15,862</b>	<b>-8,050</b>	<b>-12,623</b>	<b>-19,911</b>	<b>-21,085</b>
<b>Profit/loss from financial investments</b>						
Interest income and similar income statement items	544	69	-	69	1,126	651
Interest expenses and similar income statement items	-28,402	-4,516	-12,184	-4,186	-30,793	-6,907
<b>Profit/loss after financial items</b>	<b>-42,472</b>	<b>-20,309</b>	<b>-20,234</b>	<b>-16,740</b>	<b>-49,579</b>	<b>-27,342</b>
Group contributions received	-	-	-	-	-	-
Tax	-	-	-	-	-	-
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-42,472</b>	<b>-20,309</b>	<b>-20,234</b>	<b>-16,740</b>	<b>-49,579</b>	<b>-27,342</b>



# The parent company's balance sheet

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
<b>Non-current intangible assets</b>			
Capitalised expenses	230,783	101,766	193,434
	<b>230,783</b>	<b>101,766</b>	<b>193,434</b>
<b>Property, plant and equipment</b>			
Expenses incurred through improvements to other people's property	-	648	108
Equipment	791	137	645
	<b>791</b>	<b>785</b>	<b>753</b>
<b>Non-current financial assets</b>			
Shares in group companies	160,259	60,090	61,590
Debts due from group companies	180,630	257,650	210,558
Shares in associated companies	35	34	35
Debts due from associated companies	33,046	9,841	-
Other non-current receivables	3,749	1,972	7,716
	<b>377,719</b>	<b>329,587</b>	<b>279,899</b>
<b>Total non-current assets</b>	<b>609,293</b>	<b>432,138</b>	<b>474,085</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Accounts receivable	2,922	-	219
Debts due from group companies	-	-	-
Debts due from associated companies and JVs	-	-	34,655
Other receivables	4,025	1,446	5,128
Prepaid expenses and accrued income	4,759	733	1,525
	<b>11,706</b>	<b>2,179</b>	<b>41,527</b>
<b>Cash at bank and in hand</b>	<b>274,468</b>	<b>10</b>	<b>212,556</b>
<b>Total current assets</b>	<b>286,174</b>	<b>2,189</b>	<b>254,083</b>
<b>TOTAL ASSETS</b>	<b>895,467</b>	<b>434,327</b>	<b>728,168</b>

# The parent company's balance sheet

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	500	50	500
Reserve for development expenses	230,783	101,766	193,434
	<b>231,283</b>	<b>101,816</b>	<b>193,934</b>
<b>Non-restricted equity</b>			
Other capital contributions	237,000	237,000	237,000
Retained earnings	-269,016	-112,207	-204,325
Profit/loss for the period	-42,472	-20,309	-27,342
	<b>-74,488</b>	<b>104,484</b>	<b>5,333</b>
<b>Total equity</b>	<b>156,795</b>	<b>206,300</b>	<b>199,267</b>
<b>Non-current liabilities</b>			
Debts owed to group companies	67,923	-	72,400
Non-current interest-bearing liabilities	631,960	27,617	353,020
	<b>699,883</b>	<b>27,617</b>	<b>425,420</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	-	69,841	-
Accounts payable	12,920	37,348	2,768
Income tax liabilities	305	809	191
Debts owed to group companies	-	89,663	90,068
Debts owed to associated companies and joint ventures	-	-	9,038
Other current liabilities	-	-	770
Accrued expenses and deferred income	25,564	2,749	645
	<b>38,789</b>	<b>200,410</b>	<b>103,480</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>895,467</b>	<b>434,327</b>	<b>728,168</b>

# 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' 2020 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.

### *New standards from 2021*

None of the amended IFRS applicable from 2021 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 its 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

### Opening value

Additional acquisitions

Change in value

Disposals

Closing value

**Jan-Jun  
2021**

**393,000**

17,259

82,043

-

**492,302**

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

### Shares in associated companies

Opening cost

Acquisitions

Share in profit/loss of associated companies/JVs

Reclassification of wholly-owned companies as joint ventures

**Closing carrying amount**

**Jan-Jun  
2021**

258,117

10,358

144,024

22,502

**435,001**

Stockholm, 27 August  
SIBS AB (publ)

Erik Thomaus  
CEO

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

# Definitions and glossary

## **Operating surplus**

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

## **Interest coverage ratio**

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

## **Equity/assets ratio**

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

## **Adjusted equity/assets ratio**

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

## **Residential floor area**

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

## **Gross floor area**

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

## **Planning permission**

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

## **Development rights**

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

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

The planning process for detailed development plans is regulated by the Swedish Planning and Building Act. It is the municipality that decides on the start of the planning work.

The planning process may be initiated through a planning decision on when the planning work may begin, or by the municipality itself taking the initiative to starting the planning work. The planning decision sets guidelines for the rest of the planning process. The municipality assesses whether a preparatory plan is necessary when the planning work is initiated. Any preparatory plan undergoes a preparatory consultation before being submitted for approval.

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

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

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

## **Legally binding**

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

## **Parametric modularisation**

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

## **Economic occupancy rate**

Contract value as a proportion of rental value at period-end. This key performance indicator is expressed as a percentage and is useful for measuring vacancies, as a high percentage occupancy rate means a low economic vacancy rate.





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### Upcoming financial report

The 3rd quarter interim report will be published on 26 November 2021.

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

The information was submitted for publication, through the contact people above, at 3pm CET on 27 August 2021.