

 SIBS

Interimreport

Third quarter

January – September 2022



Interim report January - September 2022

January - September 2022

- Net sales increased to SEK 882,386 thousand (562,715), of which rental income (including SIBS' share of joint ventures) amounted to SEK 36,727 thousand (18,571).
- Operating profit/loss amounted to approximately SEK 335,794 thousand (314,198).
- The market value of our completed properties totalled SEK 2,439,900 thousand (1,049,000).
- The group's investment properties stood at SEK 2,421,297 thousand (988,002).
- Construction starts on 970 apartments (906).
- Expanding of the development rights portfolio with an additional 1,498 apartments (578).
- Estimated average energy use for our future projects of 25 kWh/m² per year.
- Estimated share of building energy from own solar cells for future building stock: 28%.

July - September 2022

- Net sales for the quarter increased to SEK 319,392 thousand (128,607), of which rental income for the period (including SIBS' share in joint ventures) totalled SEK 14,879 thousand (8,946).
- Operating profit/loss amounted to SEK 32,497 thousand (106,913).
- Construction starts on 434 apartments (268).
- Expanding of the development rights portfolio with an additional 83 apartments (126).
- Estimated average energy use for our future projects of 25 kWh/m² per year.
- Estimated share of building energy from own solar cells for future building stock: 28%.

Significant events during the third quarter

- Sveaviken Bostad acquired development rights at Kallfors Golf Club in Södertälje municipality. The deal comprises approximately 350 development rights split between 16 apartment buildings, corresponding to a gross floor area of around 24,000m².
- Rehouse announced plans to build housing in central Älvsbyn, and signed a letter of intent with the municipality that owns the property.
- Inauguration of SIBS' second factory in Penang, Malaysia. The new factory will ultimately have a capacity of around 4,000 apartments per year and will gradually ramp up to full capacity.
- SIBS strengthened the organisation by hiring Rebecca Prytz and Jenny Garneij in Corporate Communications and Marketing Operations.

Significant events after the end of the reporting period

- The Rehouse Niwa project was nominated for Green Building of the Year.
- SIBS carried out a share issue, as unanimously decided by the shareholders at the Extraordinary General Meeting. As of 28 November, 33,555 shares had been subscribed for through the share issue, amounting to an issue price of approximately SEK 150 million. On the same day, SIBS notified the Swedish Companies Registration Office of the partial registration of 29,308 shares in connection with the share issue. The partial registration will increase the number of SIBS shares from 555,555 to 584,863. The share capital will increase from SEK 555,555 to SEK 584,863.

314 COMPLETED
APARTMENTS
JAN-SEPT 2022

2,254 APARTMENTS
UNDER
CONSTRUCTION

SEK MILLION
2,440 MARKET VALUE
OF COMPLETED
PROPERTIES INCL.
JOINT VENTURES

970 PRODUCTION STARTED
APARTMENTS
JAN-SEPT 2022

1,195 APARTMENTS
UNDER
MANAGEMENT

11,993 DEVELOPMENT
RIGHTS
IN THE PORTFOLIO

Key ratios

SEK thousand	Jan-Sept 2022	Jan-Sept 2021	July-Sept 2022	July-Sept 2021	Oct 2021- Sept 2022	Jan-Dec 2021
Rental income including SIBS' share in joint ventures	36,727	18,571	14,879	8,946	46,985	28,276
Rental income	28,720	12,103	12,570	4,054	33,219	16,602
Annual rental value of completed properties*	93,746	44,853	93,746	44,853	93,746	51,184
Estimated normalised annual operating surplus for completed properties*	77,878	38,541	77,878	38,541	77,878	44,018
Occupancy rate (economic)	99%	100%	99%	100%	99%	99%
Change in value of investment properties	5,640	222,560	-37,812	140,517	42,180	259,100
Profit/loss from associated companies and SIBS' share in joint ventures	414,458	134,007	97,757	-10,016	700,058	419,607
Operating profit/loss	335,794	314,197	32,497	106,912	688,336	666,739
Profit/loss after tax	283,492	213,064	19,165	58,962	613,354	542,926
Market value of completed investment properties	2,263,000	603,000	2,263,000	603,000	2,263,000	640,000
Market value of completed properties*	2,439,900	1,049,000	2,373,000	1,049,000	2,373,000	1,100,500
Construction starts on apartments during the period	970	906	434	268	1,440	1,376
Apartments completed during the period	314	351	51	75	441	478
Apartments under management	1,195	754	1,195	754	1,195	881
Apartments under construction	2,254	1,302	2,254	1,302	2,597	1,645
Apartments under project development	9,739	5,017	9,739	5,017	13,572	8,850
Total apartments	13,188	7,073	13,188	7,073	17,364	11,376
Changes in the apartment development rights portfolio during the period	1,498	578	83	126	518	4,651
Lettable area of completed properties, m ²	47,181	32,164	47,181	32,164	47,181	37,759
Equity/assets ratio	33.1%	29.0%	33.1%	29.0%	33.1%	44.2%
Adjusted equity/assets ratio (adjusted for cash and cash equivalents)	34.2%	30.5%	34.2%	30.5%	34.2%	47.0%
Loan-to-value ratio of completed properties	67.2%	57.8%	67.2%	57.8%	67.2%	59.0%

* SIBS' share including joint ventures

A word from the CEO

SIBS' adaptive business model and flexible organisation are more important than ever

Having a robust, flexible and scalable business model really pays off in complicated times. Looking at the wider world, adapting to new conditions and preparing for different scenarios is more important than ever. At SIBS, adaptability has been built into our business model and DNA since the outset and we have recently been able to navigate both challenges and opportunities. Thanks to contributions from all the group companies, we have been able to develop even in a tough market and take SIBS a step further into the future.

SIBS has delivered a good performance in comparative terms. Considering what we know would be possible in a more normal market, we would have liked more from the quarter and on this basis we are not satisfied. At the same time, this has become an incentive to continue our growth journey even though the rules of the game have changed. The global market remains uncertain, a reality that we will have to face for some time to come and that also affects SIBS.

Since the beginning, we have mostly done business together with partners, which remains our priority. This will allow us to continue to grow while effectively spreading our risks. We are also proactive and somewhat cautious in our actions, which means clear control and prioritisation of our costs.

As market conditions change, this creates business opportunities, however. We know that our industrialised process gives projects a high degree of predictability, which is now a prerequisite for construction starts. Whereas in the past there was some margin for process and calculation variables, this has been replaced by an even greater need for reliable calculations and predictable processes. This lies at the heart of SIBS' business. As housing construction declines, we know that we still have both the capacity and the ability to continue building homes.

SIBS has completed a share issue, through which 33,555 shares have so far been subscribed, amounting to an issue price of approximately SEK 150 million. The share issue increases our room for manoeuvre in a complicated period of both challenges and opportunities. We are very grateful for the trust that existing and new shareholders have shown in us.



Inauguration and ISO certification of SIBS' second factory

In September, we inaugurated SIBS' second industrial construction plant. It was really gratifying to see how our insights have resulted in even smarter and more efficient solutions than before. The factory has four production lines, enabling scalable capacity. Ultimately, we can potentially deliver around 5,000 homes a year. The factory's structure means that we can add capacity in line with the market without the risk of overcapacity.

SIBS Malaysia has also received ISO certification for its quality, environmental and occupational health and safety management system under the ISO 9001:2015, 14001:2015 and 45001:2018 standards.

An optimised product for a broad market

Our adaptable building system also allows us to address different markets that have a variety of needs and regulations. We are able to optimise our product to adapt it to different geographical conditions in a global market, and to the conditions on individual plots. In this way we can cater for a broad market.

Sveaviken Bostad expanded its development rights portfolio by approximately 350 development rights during the period, at Kallfors Golf Club in Södertälje municipality. Construction has been started on 434 homes and 51 have been completed. We have received a lot of interest in the projects that are nearing their move-in dates and the current occupancy rate is 99%. We have started our projects according to plan, each construction start being well balanced and in line with what the market allows, with a healthy risk weighting.

The rents for our completed projects are low. With average standard rents of less than SEK 1,500 per m², we believe that we will see good rental development with a low risk of vacancies. In the vast majority of the homes under management, there is also solely IMD (individual metering and billing), which is good for managing the risk of increased costs.

At Rehouse, work is continuing on our concept houses. Project predictability is increasingly important for both strong cost control and lower total costs. Rehouse delivers this and the flexible construction system that goes with it. This in turn makes building in more geographical locations possible and further expands the market. We were also very proud to have been nominated for the Green Building of the Year award for the Niwa project in Helsingborg. The project is certified to Miljöbyggnad Silver standard, which is an important part of our sustainability strategy, according to which all new homes constructed on an own management basis must have Miljöbyggnad Silver certification.

Moby assembles and completes our projects, playing a key role in ensuring our final deliveries. Moby has increased its cost focus without compromising on quality. Working closely with all the disciplines involved in our activities ensures knowledge sharing and smooth handovers. This approach is based on a secure organisation with good relationships, which is clearly shown to produce fewer mistakes.

Positive development founded on strategic business priorities

SIBS made an early strategic choice to always prioritise a high degree of flexibility and scalability in its business model. This is now paying off. Current market conditions require a large dose of humility. Having said that, I remain convinced that we are well equipped to continue growing and consolidating our position with good profitability, albeit at a pace that is adapted to the market.



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.

PURPOSE

To create beautiful, pleasant and affordable homes for the many

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

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

MISSION

Developing and making construction more efficient through technology

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

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 and streamlined industrial production, we reduce construction time without compromising quality. This is proven by our over 1,300 completed homes.

Our business structure

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

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

IP

ConstructionTech

BUSINESS AREAS

Property Development & Management

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

The business area covers the entire value chain of real estate development from acquisition to turnkey.

All properties are built by the companies in our value chain according to the SIBS concept.

Licensing & Partnerships

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

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

BRANDS AND BUSINESS SEGMENTS



Sveaviken
Bostad

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

rehotel

Develops, builds and
manages hotel properties.
Owns and leases to reputa-
ble operators.

rehouse

Develops, builds and
manages circularly
designed houses that can
be modified and moved.



Develops and builds rental housing in line with the SIBS concept as a Financing Partner or Contracting Partner.

When acting as a Financing Partner, financing takes place through a joint venture that also owns the completed property.

When acting as a Contracting Partner, the projects are developed and built on behalf of an external party with profit sharing.



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

COMPANIES IN THE SIBS GROUP VALUE CHAIN

moko

Design and planning



Production

frontlog

Logistics and transport

moby

Assembly and completion

Commitment throughout the entire value chain



MARKET ANALYSIS AND ACQUISITION

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

Value creation

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



DESIGN AND PLANNING

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

Value creation

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



PRODUCTION

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

Value creation

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



LOGISTICS AND TRANSPORT

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

Value creation

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

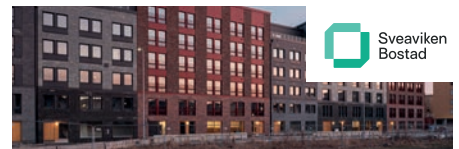


ASSEMBLY AND COMPLETION

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

Value creation

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



LONG-TERM MANAGEMENT

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

Value creation

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

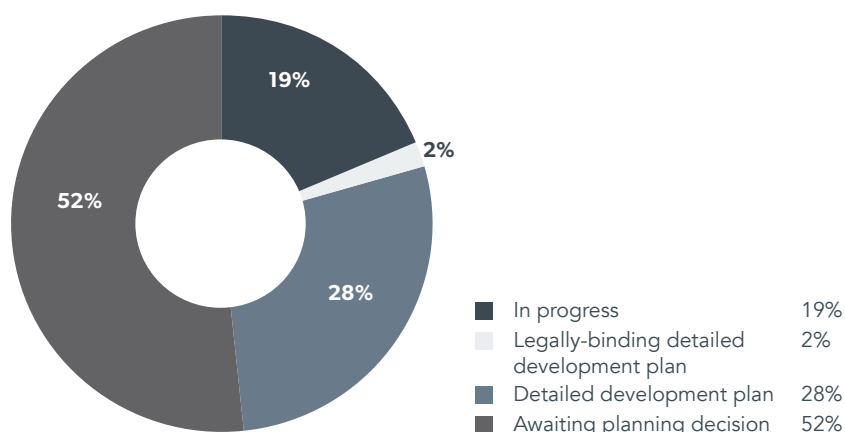
Project portfolio

Project name	Municipality	Number of homes	Current status	Estimated construction start
Nykvarn Centrum*	Nykvarn	267	In progress	In progress
Helsingborg*	Helsingborg	39	In progress	In progress
Vegaterrassen*	Haninge	241	In progress	In progress
Vallentuna Centrum 2*	Vallentuna	36	In progress	In progress
Brädgården*	Nyköping	462	In progress	In progress
Mariefred station phase 1**	Strängnäs	239	In progress	In progress
Enköping Centrum*	Enköping	328	In progress	In progress
Barkarby 2*	Stockholm	208	In progress	In progress
Stockrosen*	Nyköping	434	In progress	In progress
Mariefred station phase 2**	Strängnäs	161	Legally binding	2022
Linköping *	Linköping	48	Legally binding	2022
Tangenten Sorgenfri	Malmö	400	Detailed development plan	2023
Enköping station**	Enköping	500	Detailed development plan	2023
Svanholmen	Stockholm	300	Detailed development plan	2023
Söderby 2	Haninge	280	Detailed development plan	2023
Maltesholm	Stockholm	100	Detailed development plan	2023
Rogaland	Stockholm	400	Detailed development plan	2023
Eskilstuna	Eskilstuna	300	Detailed development plan	2023
Rulletten	Sollentuna	300	Detailed development plan	2023
Sjödalen	Huddinge	100	Detailed development plan	2023
Hemmesta	Värmdö	300	Detailed development plan	2024
Kallfors	Södertälje	350	Detailed development plan	2024
Kornboden	Rimbo	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
Kassmyra	Botkyrka	4,000	Awaiting planning decision	2024
Kungsbacka	Kungsbacka	1,000	Awaiting planning decision	2025
Total		11,993		

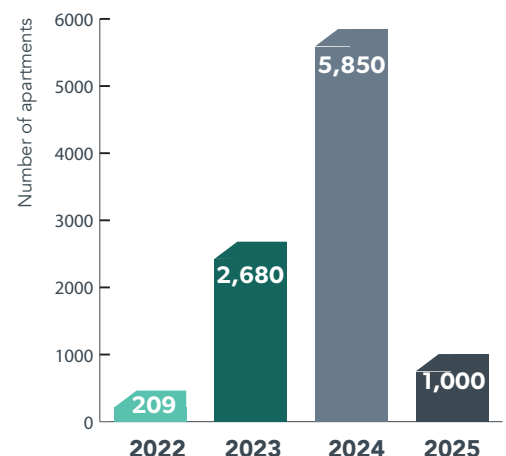
* Joint venture (50/50) with Slättö

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

PROJECT STATUS

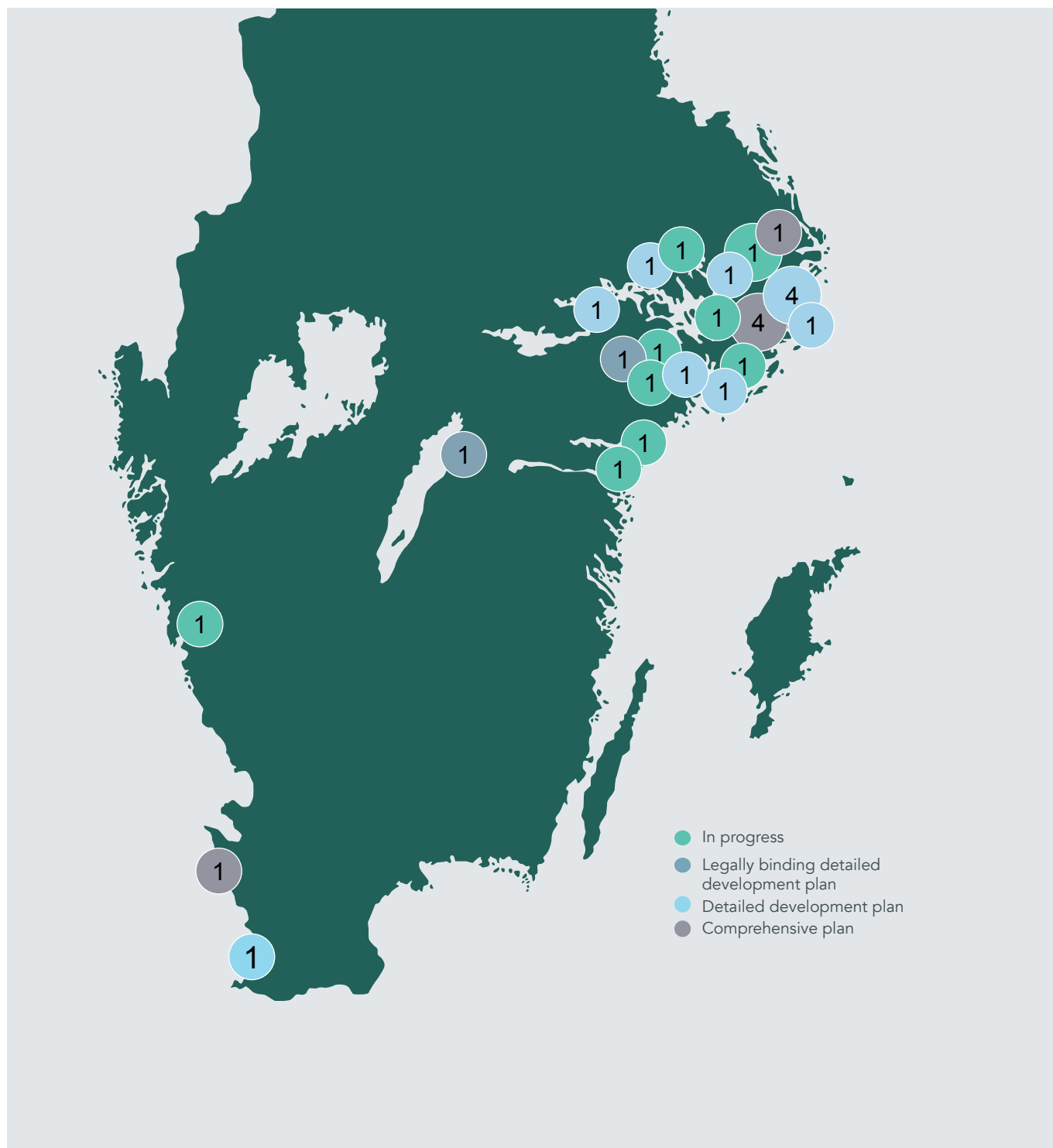


UPCOMING CONSTRUCTION STARTS



A strengthened development rights portfolio with projects in strategic priority locations

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





A modern, high-tech facility with scalable capacity

In September, SIBS' second industrial construction plant was inaugurated. Our insights have been used here to lay the foundations for even smarter and more efficient solutions. Like the first factory, the 46,000m² high-tech facility is located in Penang, Malaysia. The factory has four production lines, enabling scalable capacity. Ultimately, we can potentially deliver around 5,000 homes a year from our two plants.

An innovative concept for more efficient construction

Our industrial, proprietary automated design system has been integrated here, within our industrial factory production process, in a completely new way. The new facility has an assembly line that uses beams to transport modular units from one station to another. This puts us in an even better position to complete up to 90% of a property in a controlled and safe environment in a shorter time. We can complete the construction of a 100-apartment building at the factory in less than 2 weeks.

A safer and more secure working environment

The new plant is one of the world's most modern housing module facilities, with machinery that is almost solely proprietary and process equipment divided between 50 different stations, and we are constantly striving for further automation. It provides a safer and more secure working environment, improves productivity and reduces process time. It also improves the quality and uniformity of the products, increasing flexibility. In addition, all the machines and the entire production line run entirely on solar power.

Within the factory, a walkway runs above the production area, allowing visitors to easily follow our entire production process from start to finish. There are also information boards at each station that show the operational steps station by station. In this way visitors can learn about our efficient construction methods and new technologies, and experience the efficiency, quality and working environment. Besides the factory itself, there is also a showroom apartment, modern offices, a cafeteria, a dining room, a gym, a relaxation area and a roof terrace.

Visit from international representatives

The official inauguration of the factory on 29 September was attended by employees, guests and members of the press alongside SIBS founders Erik and Pär Thomaus, as well as YB Dato' Abdul Halim Hussain, Penang State EXCO for Trade, Industry and Entrepreneurial Development, Dr. Joachim Bergström, the Swedish Ambassador to Malaysia, and Najihah Abas, a representative of the MIDA (the Malaysian Investment and Development Authority).

The Swedish Ambassador, Dr. Joachim Bergström, shared his thoughts about SIBS during his speech: "In recent years we have seen an incredible development of new construction methods and materials that are cost-effective and improve quality of life and safety. SIBS is at the forefront of this development."

"The additional capacity we will gain with this plant will make us the largest high-quality permanent housing module manufacturer in the world. We have solved a large part of the puzzle of how to really address the industrialisation of construction. We are true construction technology leaders and pioneers", said Erik Thomaus.

Climate and vulnerability analyses

Adaptation to the EU taxonomy



The EU Taxonomy is the European Commission's framework for sustainable finance. The framework classifies which economic activities are environmentally sustainable with the principal aim of meeting the Paris Agreement and climate neutrality targets by 2050. For the financial year 2022, companies covered by the taxonomy must report the share of their economic activities subject to the taxonomy regulation's climate-related environmental objectives of climate change mitigation and adaptation. Reporting requirements for four additional environmental objectives will be phased in from 2023.

SIBS is covered by the EU Taxonomy Climate Delegated Act, Part 7, Construction and real estate activities, and has worked during the year to check that the company meets the technical screening criteria that determine whether its economic activities contribute significantly to the climate-related environmental objectives. In addition to meeting the environmental objectives, the economic activities must not cause significant harm to any of the other environmental objectives and must meet minimum sustainability requirements.

Climate and vulnerability analyses

Part of SIBS' alignment with the EU taxonomy includes carrying out climate and vulnerability analyses and assessing adaptation solutions that might reduce the climate risk for each project. The analysis of current climate risks is based on rainfall and heat maps, risk maps for subsidence, landslides and erosion, and stormwater

studies, amongst other information. The assessment of future climate risks for properties includes climate projections according to the Representative Concentration Pathways (RCP)¹.

Climate and vulnerability assessments have so far been carried out for 10 completed and ongoing projects and the results show that all the buildings are relatively safe from significant present and future climate risks that might affect the results of our economic activities.

SIBS' properties are also specifically adapted, having features such as appropriate elevations, stormwater solutions, sun shading, construction adapted for wind loads, and soil reinforcement, in keeping with local conditions.

The climate and vulnerability analyses start with the modelling and general screening of all the climate risks included in the EU taxonomy. The next step is an in-depth probability and impact assessment of the climate risks that are significant for the properties in question. Modelling and studies have now been collated in a pilot climate and vulnerability analysis report for a project in Barkarby town.

¹ The UN Intergovernmental Panel on Climate Change (IPCC) uses four scenarios to project future climate change, known as RCPs, "Representative Concentration Pathways", in its AR5 2013-2014 assessment report. The RCPs are used to provide information about climate change with different levels of greenhouse gases in the atmosphere.

Information when it is needed, where it is needed to ensure high production quality

The information required for efficient and quality-assured production should seek out the user rather than the user seeking it out. Furthermore, no one should have to worry about whether they have found the right information, whether it is up to date, or where it should be stored so that the next person who needs it can find it.

Ambitiously aiming to activate information rather than merely archive it, SIBS has developed a company-specific low-code platform named SPS Flow that supports operations from the early stages of projects right through to the management stage. "SPS" stands for "SIBS Production System" and "Flow" refers to the flow of information in line with a given flowchart.

Effective information management is a factor for success

"SPS Flow is fully in step with our role as a driving force in ConstructionTech", says Erik Söderholm, Technical Manager at SIBS. "Effective information management is a factor for success and a prerequisite for moving quickly and boldly in a changing world and seizing new business and partnership opportunities."

As SIBS owns and controls the entire value chain, from land acquisition to management, we are uniquely able to optimise the management of information about our products, processes and projects throughout the business chain.

Remote control with a global reach

As a global player, SIBS needs to collaborate through a shared system no matter where in the world stakeholders are located. For example, being able to review completed quality checks, retrieve average cycle times for a specific production step, or monitor the progress of an operational step without being physically present on site, allows SIBS to effectively manage and control operations remotely.

The system acts as a digital backbone, with functions allowing it to present instructions, checklists and the documentation of quality checks. By dealing with each module individually, the documentation and monitoring of input processes can be linked to specific modules, providing just-in-time information that also ensures traceability. By identifying users, the intuitive system is able to provide them with the right information, tailored to their role, and to guide them through the process.

SPS Flow is designed based on a clear quality and production engineering approach and enables real-time auditing and control.

"Knowing that you are able to see how a project is progressing, or the outcome of a quality-critical step, only seconds after a check has been completed, no matter where in the world it took place, is a very satisfying feeling, and something of a production engineering dream in terms of information, as I know what a valuable contribution it makes to the end result", concludes Erik Söderholm.



An ISO-certified management system at our factories

SIBS Malaysia has received ISO certification for its quality, environmental and occupational health and safety management system under the ISO 9001:2015, 14001:2015 and 45001:2018 standards.

"Since we started with our first factory in 2017, we have been working in a structured way on processes and the working environment. When we aligned this with the international ISO standards in 2022, it was therefore a relatively smooth process", says Jon Mellqvist, Sustainability Manager at SIBS.

"As well as providing us with a good basis for continuously improving our processes, the certification process also proves to our external partners that we have a well-functioning management system", concludes Jon.

SPS Flow allows users to quality control both products and processes by scanning the modules' unique QR codes.

The creation of the concept houses of the future using industrial production methods

Rehouse concept houses are challenging the market, being made for plots that are optimised by the houses' design instead of the other way round. The three different concept houses have already been designed before the land acquisition and the houses are matched up. This can significantly reduce both design and construction times. The high degree of prefabrication and industrial production methods save even more time, also ensuring greater cost-effectiveness without compromising on design and quality.

Per Bohlin took over as CEO of Rehouse at the beginning of June this year, shortly after the final inspection of Rehouse's first project, Niwa, in Helsingborg. A few weeks later, the project was presented as part of the international H22 City Expo and Per was thrown into the work of promoting Rehouse. The Niwa project was built under a temporary building permit, which was possible because the entire structure can be disassembled, reassembled in a new location, or recycled, in a controlled way.

Per came to SIBS and Rehouse with a vision of helping to change the construction industry. "I have been actively working in the construction industry for 25 years and have been involved in every part of the construction process. Construction is a slow-moving and inefficient industry and I was keen to play a part in changing this. SIBS is the future and this was a train that I didn't want to miss. It has brave people in charge, future-facing technology and an enthusiastic and entrepreneurial spirit."

A convenient setup with fast delivery times

"At Rehouse we are able to quickly put up housing in places where it is much needed. The Rehouse concept houses offer the same living standard as our sister company Sveaviken Bostad's apartments, but we only work with three ready-designed concept houses that are offered in a number of variants", says Per.

"Our concept houses have a higher degree of completion when they leave the factory, which reduces both costs and on-site construction times, making the process more predictable and reliable."



PER BOHLIN, CEO OF REHOUSE

The concept house used depends on site conditions. The houses come in different widths and their length and character changes depending on how the apartments are put together. The houses have a higher degree of completion when they leave the factory, which reduces both costs and on-site construction times, making the process more predictable and reliable.

"The system is based on making it easy for us and the customer to choose and to put the homes in place quickly. In simple terms, you might compare it with buying a new car. You can find offers for new cars at dealerships with selected or limited equipment that should suit most tastes. They have a short delivery time. If you build your car yourself, you can add several personalised options that cost more and take longer to deliver. Basically, the car you buy through the offer is the same as the car that you build yourself. It works exactly the same way with our concept houses", says Per.

A lot of interest shown by Swedish municipalities

"More than 20 municipal delegations have visited the Niwa project in Helsingborg, but private housing operators have also shown great interest in us, which has meant that we have continued to show the homes throughout the autumn. Our industrial construction technology, fast delivery, excellent quality and ability to maintain high environmental standards are of interest to both municipalities and other stakeholders. The concept houses are now the next step in Rehouse's development, and have already been well received by stakeholders and municipalities. This is exactly what I saw ahead of me when I got on board the future train", says Per.

The Niwa project is environmentally certified to Mijöbyggnad Silver standard and was a finalist in the Green Building of the Year awards, which are held annually by the Sweden Green Building Council to reward and acknowledge the projects and individuals making the biggest contribution to sustainable community building.



Project Niwa

Other information

Related-party transactions

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

Seasonal trends

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

Bonds

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

Personnel

The number of permanent employees, including probationary employees, in the group at the end of the period, was 963, consisting of 48 women and 915 men.

Segment reporting

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

Risks and uncertainties

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

its activities. The material risks affecting SIBS' business are external risks such as a 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 2021 Annual Report, mainly in note 43 on page 117.

Ownership structure as at 30 September 2022

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

Events after the end of the reporting period

- ☐ The Rehouse Niwa project was nominated for Green Building of the Year.
- ☐ SIBS carried out a share issue, as unanimously decided by the shareholders at the Extraordinary General Meeting. As of 28 November, 33,555 shares had been subscribed for through the share issue, amounting to an issue price of approximately SEK 150 million. On the same day, SIBS notified the Swedish Companies Registration Office of the partial registration of 29,308 shares in connection with the share issue. The partial registration will increase the number of SIBS shares from 555,555 to 584,863. The share capital will increase from SEK 555,555 to SEK 584,863.

Group income statement

SEK thousand	Jan-Sept 2022	Jan-Sept 2021	July-Sept 2022	July-Sept 2021	Oct 2021- Sept 2022	Jan-Dec 2021
Rental income	28,720	12,103	12,570	4,054	33,218	16,602
Project and contracting income	853,667	550,612	306,822	124,553	1,139,416	836,361
Net sales	882,386	562,715	319,392	128,607	1,172,634	852,963
Property expenses	-6,444	-2,024	-2,618	-692	-7,177	-2,757
Project and contracting activity expenses	-881,614	-550,412	-318,707	-125,101	-1,122,182	-797,801
Gross profit/loss	-5,671	10,279	-1,934	2,814	43,275	52,404
Work carried out by the company on its own behalf and capitalised	77,066	68,280	23,587	25,568	102,066	93,280
Development expenses	-77,067	-68,280	-23,588	-25,568	-102,067	-93,280
Administrative expenses	-72,138	-42,373	-24,726	-22,056	-88,623	-65,483
Non-project-related depreciation/amortisation	-11,900	-10,070	-3,975	-3,374	-15,276	-
Operating profit/loss before change in value	-89,710	-42,164	-30,636	-22,618	-60,627	-13,080
Change in value of investment properties	5,640	222,560	-37,812	140,517	42,179	259,100
Other operating income	5,539	111	2,527	-685	6,877	1,449
Other operating expenses	-133	-317	661	-285	-154	-338
Profit/loss from associated companies	414,458	134,007	97,757	-10,016	700,058	419,607
Operating profit/loss	335,794	314,198	32,497	106,913	688,333	666,739
Net financial items	-61,479	-50,590	-24,439	-19,003	-77,169	-66,279
Profit/loss before tax	274,315	263,608	8,058	87,909	611,164	600,460
Taxes	9,178	-50,543	11,106	-28,946	2,187	-57,534
Profit/loss for the period	283,492	213,065	19,164	58,962	613,351	542,926
Comprehensive income attributable to:						
The parent company's shareholders	279,349	213,065	17,484	58,962	611,975	545,693
Non-controlling interests	4,143	-	1,680	-	1,376	-2,767
Total profit/loss for the period	283,492	213,065	19,164	58,962	613,351	542,926
PROFIT/LOSS FOR THE PERIOD						
Other comprehensive income						
<i>Items that may be reclassified to the income statement</i>						
Revaluation of owner-occupied properties	32,339	-	32,339	-	52,571	20,232
Translation differences	31,382	10,900	25,522	8,039	48,233	7,519
Other comprehensive income for the year, net after tax	63,721	10,900	57,861	8,039	100,804	27,751
Total comprehensive income for the period	347,214	223,965	77,026	67,001	714,157	570,676
Comprehensive income attributable to:						
The parent company's shareholders	339,837	223,965	72,112	67,001	709,547	573,443
Non-controlling interests	7,377	-	4,914	-	4,610	-2,767
Total comprehensive income for the period	347,214	223,965	77,026	67,001	714,157	570,676

Commentary on comprehensive income

Interim report January-September 2022

Rental income for the period amounted to SEK 28,720 thousand (12,103) and operating expenses to SEK 6,444 thousand (2,024).

The group recorded project and contracting income of SEK 853,667 thousand (550,612) and SEK 881,614 thousand (550,412) 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. Development expenses amounted to SEK 77,066 thousand (68,280) and are capitalised in the balance sheet under Capitalised development expenses.

Administrative expenses amounted to SEK 72,138 thousand (42,373) and the SEK 11,900 thousand (10,070) of depreciation/amortisation charges recognised in the income statement primarily consist of the amortisation of development expenses. Changes in the value of investment properties amounted to SEK 5,640 thousand (222,560).

Profit/loss from associated companies amounted to SEK 414,458 thousand (134,007) and relates mainly to changes in the value of assets underlying shares in joint ventures.



SIBS' second factory in Malaysia

Condensed consolidated statement of financial position

SEK thousand

	Jan-Sept 2022	Jan-Sept 2021	Jan-Dec 2021
ASSETS			
Non-current assets			
Capitalised development expenses	341,649	251,266	272,627
Investment properties	2,421,297	988,002	679,998
Owner-occupied properties	521,051	207,808	273,995
Right-of-use assets	4,997	20,039	2,159
Expenses incurred through improvements to other people's property	98	42	41
Machinery and equipment	46,272	38,647	33,690
Deferred tax assets	12,938	-	12,054
Shares in associated companies	752,156	436,933	673,191
Other non-current receivables	7,716	7,716	7,716
Total non-current assets	4,108,174	1,950,453	1,955,471
Current assets			
Inventories	65,708	56,008	58,610
Trade receivables	46,887	35,226	246,700
Income earned but not invoiced	81,415	131,869	238,025
Debts due from associated companies	214,892	193,953	299,058
Other receivables	132,819	78,315	62,696
Cash and cash equivalents	151,076	133,064	178,926
Total current assets	692,797	628,435	1,084,016
TOTAL ASSETS	4,800,971	2,578,888	3,039,487

Condensed consolidated statement of financial position

SEK thousand

	Jan-Sept 2022	Jan-Sept 2021	Jan-Dec 2021
EQUITY AND LIABILITIES			
Equity			
Parent company's shareholders			
Share capital	556	500	556
Other capital contributions	486,944	237,000	486,944
Reserves	33,639	-14,968	1,883
Retained earnings including profit/loss for the period	1,058,503	517,420	850,049
Total equity attributable to The parent company's shareholders	1,579,642	739,952	1,339,431
Non-controlling interests	11,717	7,107	4,340
Total equity	1,591,359	747,059	1,343,771
Non-current liabilities			
Non-current interest-bearing liabilities	2,302,002	969,836	955,195
Other liabilities	881	-	-
Deferred tax liabilities	29,962	68,848	39,652
Provisions for other liabilities and charges	4,846	5,692	6,821
Total non-current liabilities	2,337,691	1,044,377	1,001,668
Current liabilities			
Current interest-bearing liabilities	138,334	226,644	179,096
Invoiced unearned income	182,405	44,129	2,414
Trade payables	134,676	104,823	126,853
Debts owed to associated companies	-	143,637	77,429
Other liabilities	416,507	268,219	308,257
Total current liabilities	871,921	787,452	694,048
TOTAL EQUITY AND LIABILITIES	4,800,971	2,578,888	3,039,487

Commentary on the group's balance sheet

Interim report January - September 2022

Investment properties

The group's investment properties increased in value during the period to SEK 2,421,297 thousand (988,002). This increase is mainly due to acquisitions from joint ventures.

Shares in associated companies

Shares in associated companies amounted to SEK 752,156 thousand (436,933). The change during the period relates to disposals and acquisitions of jointly-owned projects and underlying value adjustments to jointly-owned projects.

Accrued expenses not invoiced/ Invoiced expenses not accrued

These items contain receivables and debts due from 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. The increase during the period is the result of the acquisition of properties from joint ventures.



Group cash flow statement

SEK thousand	Jan-Sept 2022	Jan-Sept 2021	July-Sept 2022	July-Sept 2021	Jan-Dec 2021
Operating activities					
Profit/loss after financial items	274,315	263,608	8,058	87,909	600,460
- Depreciation/amortisation and impairments	33,881	22,374	11,188	7,644	30,223
- Capital gains/losses	928	-	928	-	-48,552
- Capitalised interest	2,160	2,795	2,160	720	3,515
- Change in fair value through profit and loss	-9,419	-222,561	34,032	-140,518	-259,100
- Share in profit/loss of associated companies and JVs	-414,458	-132,562	-97,756	10,449	-362,953
- Provisions	-	-	-	-	6,821
- Unrealised exchange rate differences	-2,363	10,764	12,165	9,233	-3,072
	-114,956	-55,582	-29,225	-24,563	-32,659
Income tax paid	-1,621	-6,658	-1,039	-3,298	-6,980
Cash flow from operating activities before changes in working capital	-116,577	-62,240	-30,264	-27,861	-39,639
Cash flow from changes in working capital					
Decrease(+)/increase(-) in inventories	-135	-2,144	-5,433	-2,645	-2,861
Decrease(+)/increase(-) in current receivables	278,707	-107,562	-82,686	14,575	-280,359
Decrease(-)/increase(+) in current liabilities	97,916	43,998	-56,142	-86,989	168,155
Total change in working capital	376,488	-65,708	-144,262	-75,059	-115,065
Cash flow from operating activities	259,911	-127,948	-174,526	-102,920	-154,704
Investing activities					
Capitalised development expenses	-77,066	-65,876	-23,587	-24,668	-89,918
Acquisition of investment properties	-359,323	-34,660	-9,120	-28,356	-14,567
Acquisition of owner-occupied properties	-198,511	-99,193	-100,449	-37,391	-138,782
Acquisitions and disposals of, and capital contributions to, associated companies	85,475	-9,309	-25	-9,309	-52,122
Acquisition/Sale of subsidiaries	-155,406	-9,183	2,940	-2,052	-
Loans to associated companies	-	-	-	-	-106,407
Acquisition of property, plant and equipment	-19,258	-13,832	-1,253	-940	-
Sale of property, plant and equipment	-	397	-	397	-10,869
Change in long-term loans	-	-	-	-	397
Cash flow from investing activities	-724,089	-231,656	-131,494	-102,319	-412,269
Financing activities					
Share issues	-	-	-	-	250,000
Dividends	-100,000	-	-	-	-
Bonds issued	-	236,865	-	-	236,865
Bank loans taken out	659,309	41,731	2,340	37,579	47,254
Bank loan repayments	-185,295	-14,495	-1,303	-2,253	-17,211
Loans to joint ventures	60,705	-	88,221	-	-
Cash flow from financing activities	434,719	264,101	89,259	35,326	516,908
CASH FLOW FOR THE PERIOD	-29,459	-95,503	-216,761	-169,913	-50,065
Cash and cash equivalents at the start of the period	178,926	228,151	367,402	302,722	228,151
Exchange rate differences in cash and cash equivalents	1,609	416	439	256	840
Cash and cash equivalents at the end of the period	151,076	133,064	151,079	133,065	178,928

Condensed consolidated statement of changes in equity

SEK thousand	Jan-Sept 2022	Jan-Sept 2021	Jan-Dec 2021
Equity			
Opening equity attributable to the parent company's shareholders	1,339,431	515,987	515,987
Profit/loss for the period	279,349	213,065	545,693
Dividends	-100,000	-	-
Share issues	-	-	250,000
Other equity	60,861	10,900	27,751
Total equity attributable to the parent company's shareholders	1,579,642	739,952	1,339,431
Non-controlling interests	4,340	7,107	7,107
Profit/loss for the period	7,377	-	-2,767
Total equity attributable to non-controlling interests	11,717	7,107	4,340
Closing equity	1,591,359	747,059	1,343,771

Condensed parent company income statement

SEK thousand	Jan-Sept 2022	Jan-Sept 2021	July-Sept 2022	July-Sept 2021	Oct 2021- Sept 2022	Jan-Dec 2021
Net sales	22,314	2,610	7,940	894	22,817	3,113
Work carried out by the company on its own behalf and capitalised	79,030	68,281	23,676	25,568	104,029	93,280
Other operating income	84	94	43	-	26	35
	101,428	70,985	31,659	26,462	126,872	96,429
Operating expenses						
Other operating expenses	27	-	27	-338	-306	-332
Development expenses	-70,831	-68,281	-21,423	-23,931	-95,830	-93,280
Administrative expenses	-45,248	-24,530	-11,248	-9,405	-56,592	-35,874
Operating profit/loss	-14,624	-21,826	-985	-7,212	-25,856	-33,058
Profit/loss from financial investments						
Profit/loss from shares in group companies	-	-	-	-	245,748	245,748
Interest income and similar income statement items	1,894	4,539	1,166	3,995	3,616	6,262
Interest expenses and similar income statement items	-40,040	-43,693	-14,401	-15,290	-55,669	-59,322
Profit/loss after financial items	-52,771	-60,980	-14,220	-18,507	167,840	159,629
PROFIT/LOSS FOR THE PERIOD	-52,771	-60,980	-14,220	-18,507	167,840	159,629

Condensed parent company balance sheet

SEK thousand	Jan-Sept 2022	Jan-Sept 2021	Jan-Dec 2021
Non-current intangible assets			
Capitalised expenses	346,975	253,671	275,990
	346,975	253,671	275,990
Property, plant and equipment			
Expenses incurred through improvements to other people's property	98	42	41
Equipment	457	387	370
	556	429	411
Non-current financial assets			
Shares in group companies	207,810	178,261	205,260
Debts due from group companies	316,284	309,614	637,141
Shares in associated companies	35	34	35
Debts due from associated companies	-	-	-
Other non-current receivables	7,716	7,716	7,716
	531,845	495,625	850,152
Total non-current assets	879,376	749,725	1,126,553
Current assets			
Current receivables			
Trade receivables	1,574	1,767	-
Debts due from group companies	83,826	-	-
Debts due from associated companies	10,000	33,446	31,633
Other receivables	2,824	6,260	3,278
Prepaid expenses and accrued income	2,069	5,757	1,515
	100,293	47,230	36,426
Cash at bank and in hand	150,805	80,332	149,788
Total current assets	251,098	127,562	186,214
TOTAL ASSETS	1,130,474	877,287	1,312,766

Condensed parent company balance sheet

SEK thousand	Jan-Sept 2022	Jan-Sept 2021	Jan-Dec 2021
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	556	500	556
Reserve for development expenses	346,975	253,670	275,990
	347,531	254,170	276,546
Non-restricted equity			
Other capital contributions	486,944	237,000	486,944
Retained earnings	-325,577	-291,903	-314,222
Profit/loss for the period	-52,771	-60,980	159,629
	108,596	-115,883	332,351
Total equity	456,127	138,287	608,897
Non-current liabilities			
Debts owed to group companies	-	106,643	29,319
Non-current interest-bearing liabilities	635,560	592,680	593,400
	635,560	699,323	622,719
Current liabilities			
Trade payables	25,262	28,084	2,963
Income tax liabilities	267	-	216
Debts owed to group companies	-	-	66,536
Other current liabilities	736	337	844
Accrued expenses and deferred income	12,523	11,256	10,592
	38,788	39,677	81,151
TOTAL EQUITY AND LIABILITIES	1,130,474	877,287	1,312,766

Segment reporting

	Property Management*		Other Group		Adjustments		Group total		Property Management*	Other Group	Adjustments	Group total
SEK thousand	Jan-Sept 2022	July-Sept 2022	Jan-Sept 2022	July-Sept 2022	Jan-Sept 2022	July-Sept 2022	Jan-Sept 2022	July-Sept 2022	Jan-Dec 2021	Jan-Dec 2021	Jan-Dec 2021	Jan-Dec 2021
Rental income	36,727	14,879	-	-	-8,007	-2,309	28,720	12,570	28,276	-	-11,674	16,602
Project and contracting income	-	-	853,667	306,822	-	-	853,667	306,822	-	836,361	-	836,361
Total income	36,727	14,879	853,667	306,822	-8,007	-2,309	882,387	319,392	28,276	836,361	-11,674	852,963
Project and contracting activity expenses	-	-	-881,614	-318,707	-	-	-881,614	-318,707	-	-797,801	-	-797,801
Property expenses	-13,238	-6,036	-	-	6,794	3,418	-6,444	-2,618	-5,450	-	2,693	-2,757
Gross profit/loss	23,489	8,843	-27,947	-11,885	-1,213	1,109	-5,671	-1,933	22,826	38,560	-8,981	52,405
Work carried out by the company on its own behalf and capitalised	-	-	77,066	23,587	-	-	77,066	23,587	-	93,280	-	93,280
Development expenses	-	-	-77,066	-23,587	-	-	-77,066	-23,587	-	-93,280	-	-93,280
Administrative expenses	-9,792	-5,523	-63,482	-19,203	1,136	-	-72,137	-24,726	-3,308	-51,391	2,662	-52,037
Non-project-related depreciation/amortisation	-	-	-11,900	-3,975	-	-	-11,900	-3,975	-	-13,446	-	-13,446
Operating profit/loss before change in value	25,054	14,678	-103,329	-35,064	-11,434	-4,433	-89,708	-30,634	19,518	-26,277	-6,319	-13,078
Change in value of investment properties	-87,227	-84,315	46,363	-	46,504	46,504	5,640	-37,811	65,789	193,311	-	259,100
Other operating income	-	-	5,539	3,318	-	-	5,539	3,318	-	1,449	-	1,449
Other operating expenses	-	-	-3	-	-130	-130	-133	-130	-	-338	-	-338
Profit/loss from associated companies	-	-	414,235	97,720	186	-	414,421	97,720	-	413,288	6,319	419,607
Operating profit/loss	-73,530	-80,995	362,805	65,974	46,483	47,483	335,759	32,463	85,307	581,433	-	666,740
Financial income	-	-	504	-28	-	-	504	-28	-	560	-	560
Financial expenses	-14,468	-4,545	-48,515	-19,865	1,000	-	-61,983	-24,411	-9,306	-57,533	-	-66,839
Profit/loss before tax	-87,998	-85,540	314,794	46,081	47,483	47,483	274,280	8,024	76,001	524,460	-	600,461
Taxes	16,346	20,462	2,188	-	-9,356	-9,356	9,178	11,106	-13,799	-43,735	-	-57,534
Profit/loss for the period	-71,652	-65,078	316,982	46,081	38,127	38,127	283,458	19,130	62,202	480,725	-	542,927
ASSETS												
Capitalised development expenses	-	-	320,743	320,743	-	-	320,743	320,743	-	272,627	-	272,627
Investment properties	2,263,000	2,332,200	-	-	-220,153	378,450	2,449,149	2,449,149	1,294,494	-	-614,496	679,998
Shares in associated companies	-	-	654,375	654,375	-	-	654,375	654,375	-	673,191	-	673,191
Other assets	173,914	120,679	1,243,317	1,243,317	-	-	1,363,996	1,363,996	222,189	1,191,483	-	1,413,672
Total assets	2,436,914	2,452,879	2,218,435	2,218,435	-220,153	378,450	4,788,262	4,788,262	1,516,683	2,137,301	-614,496	3,039,488
EQUITY AND LIABILITIES												
Equity	253,228	306,689	1,207,270	1,207,270	-	-	1,513,959	1,513,959	295,205	1,048,567	-	1,343,772
Interest-bearing liabilities	1,627,985	1,640,216	686,826	686,826	-248,600	406,897	2,443,991	2,443,991	521,481	612,810	-	1,134,291
Other liabilities	555,701	505,974	324,339	324,339	-	-	830,313	830,313	699,997	-138,572	-	561,425
Total equity and liabilities	2,436,914	2,452,879	2,218,435	2,218,435	-248,600	406,897	4,788,263	4,788,263	1,516,683	1,522,805	-	3,039,488

*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' 2021 Annual Report.

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

New standards from 2022

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

NOTE 2 JOINT ARRANGEMENTS

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

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

NOTE 3 INVESTMENT PROPERTIES

	Jan-Sept 2022	Jan-Dec 2021
Opening value	679,998	393,000
Property investments	349,504	14,566
Property acquisitions	1,638,932	276,879
Change in value	-36,614	259,100
Investment subsidies	-206,744	-31,000
Reclassifications of JVs	-3,779	-232,547
Closing value	2,421,297	679,998

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-Sept 2022	Jan-Dec 2021
Shares in associated companies		
Opening cost	673,191	258,117
Acquisitions/Contributions	18,904	52,122
Share in profit/loss of associated companies	414,457	419,607
Dividends	-	-3,005
Reclassifications	-354,396	-53,650
Closing carrying amount	752,156	673,191

Stockholm, 29 November 2022
SIBS AB (publ)

Erik Thomaeus
CEO

This interim report has been reviewed by the company's auditors.

Auditor's report

SIBS AB (publ), reg. no. 559050-3073

Introduction

We reviewed the condensed interim financial information (interim report) for SIBS AB (publ) as at 30 September 2022 and for the nine-month period then ended. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. It is our responsibility to express an opinion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Information performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, performing an analytical review, and completing other review procedures. A review has a different focus and a much smaller scope than an audit conducted in accordance with the ISAs and the generally accepted auditing standards. The procedures performed during a review do not enable us to obtain assurance that we have detected all the significant matters that might have been identified if an audit had been carried out. The opinion expressed based on a review does not, therefore, offer the same assurance as an opinion expressed based on an audit.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for the group, and with the Swedish Annual Accounts Act for the parent company.

Stockholm, 29 November 2022

Öhrlings PricewaterhouseCoopers AB

Peter Burholm
Chartered Accountant

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.

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.

ConstructionTech

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

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Next financial report

The 2022 year-end report will be published on 24 February 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 29 November 2022.

SAFETY **20+20/20t** **FIRST**
S/N 3584-21

SIBS