

INTERIM REPORT

Slättö Value Add I

Q1 January – March 2024



SLÄTTÖ

The Period in Summary

About Slättö Value Add I

Slättö Value Add I AB is a Swedish public limited liability company registered with the Swedish Financial Supervisory Authority as a Swedish Alternative Investment Fund. The Fund is managed by Slättö Förvaltning AB.

The Fund is focused on development of residential properties with a clear emphasis on rental apartments, with the addition of investments in cash flow generating industrial and logistics properties.

Quarter Q1 2024

- ▶ Net profit for the quarter amounted to SEK 7.9 m (-42.0), mainly driven by unrealized changes in value of financial assets and partly offset by revaluations of properties in joint ventures.
- ▶ A dividend distribution of SEK 100 m was declared at an extraordinary general meeting in March.
- ▶ The rental negotiation for three properties in project Bromstensstaden was finalized with the Tenants' Association. The properties have previously been divested to Barings.
- ▶ Total assets amounted to SEK 3,257 m (3,397) and LTV was at 32 percent (37).

Events after the end of the period

- ▶ No significant events have occurred after the end of the period.

Notable risks and uncertainties

- ▶ The group is exposed to different financial risks through its business. Financial risks are fluctuations in the group's profit and loss and cash flow that arise from changes in e.g. changes in the rate of interests. The group is mainly exposed to commercial risks, refinancing risks, project risks, interest rate risks and tax risks.

Related party transactions

The group purchases management services from related parties. The transactions are carried out at an arm's length.

KEY DATA

SEK k	Jan–Mar 2024	Jan–Mar 2023	Jan–Dec 2023
Result from property management	-56,759	-67,362	-87,288
Profit before tax	9,695	-45,414	-5,978
Shareholders' equity	1,937,734	2,129,746	2,049,127
Total assets	3,257,257	3,396,616	3,409,540
Equity ratio	59.5%	62.7%	60.1%

Financial Statements

Consolidated Income Statement

SEK k	01-01-2024 31-03-2024	01-01-2023 31-03-2023	01-01-2023 31-12-2023
Rental income	7,584	2,324	11,566
Other income	455	750	7,487
Operating costs	-4,343	-4,545	-11,300
Operating earnings	3,696	-1,472	7,753
Central administration	-9,881	-16,153	-63,387
Results from associated companies/joint ventures	-23,410	-7,705	-47,829
Results from sale of properties	-7,453	-44,307	-4,484
Financial income	3,550	19,044	78,302
Financial expenses	-23,261	-16,768	-57,642
Result from property management	-56,759	-67,362	-87,288
Income, residential development	102	-	41,437
Costs, residential development	11	-	-55,260
Result before changes in value	-56,646	-67,362	-101,111
Changes in value, properties	-9,958	51,990	30,475
Changes in value, financial instruments	76,300	-30,043	64,658
Profit before tax	9,695	-45,414	-5,978
Taxes	-1,839	3,413	-11,342
Profit for the period	7,856	-42,001	-17,320
Attributable to:			
Parent Company shareholders	14,449	-58,728	-122,364
Non-controlling interest	-6,593	16,727	105,044

Consolidated Balance Sheet

SEK k	31-03-2024	31-03-2023	31-12-2023
Fixed assets			
Investment properties	1,603,363	1,418,742	1,430,280
Participations in associated companies/joint ventures	245,301	359,833	274,470
Receivables from associated companies/joint ventures	90,361	–	86,361
Financial instruments at fair value	479,818	–	489,279
Other long-term receivables	958	959	958
Total fixed assets	2,419,800	1,779,534	2,281,348
Current assets			
Properties classified as current assets	160,480	98,523	158,081
Accounts receivable	12,061	18,549	53,554
Receivables from associated companies/joint ventures	194,761	294,703	252,107
Financial instruments at fair value	–	157,970	–
Participations in tenant-owner associations	–	–	115
Other current receivables	304,888	357,253	499,226
Prepaid expenses and accrued income	14,684	42,815	33,330
Liquid funds	144,934	642,603	128,079
Tax receivable	5,649	4,667	3,701
Total current asset	837,457	1,617,083	1,128,193
TOTAL ASSETS	3,257,257	3,396,616	3,409,540

Consolidated Balance Sheet

SEK k	01-01-2024 31-03-2024	01-01-2023 31-03-2023	01-01-2023 31-12-2023
Equity			
Share capital	556	556	556
Other capital contributed	1,049,177	1,049,177	1,049,177
Retained profits including net profit for the year	275,245	508,854	359,531
Shareholders' equity attributable to the Parent Company's shareholders	1,324,978	1,558,587	1,409,264
Non-controlling interest	612,756	571,158	639,863
Total shareholders' equity	1,937,734	2,129,746	2,049,127
Long-term liabilities			
Deferred tax liability	63,643	43,620	58,374
Long-term interest-bearing liabilities	165,640	475,557	542,560
Financial instruments at fair value	–	–	23,704
Total long-term liabilities	229,283	519,177	624,638
Current liabilities			
Short-term interest-bearing liabilities	973,128	567,216	537,708
Accounts payable	5,696	9,150	4,137
Current liabilities to associated companies/joint ventures	1,132	59,855	11,961
Tax liability	1,292	15	–
Other current liabilities	68,751	58,575	120,631
Accrued expenses and prepaid income	40,242	52,883	61,338
Total current liabilities	1,090,240	747,693	735,776
Total liabilities	1,319,523	1,266,871	1,360,413
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,257,257	3,396,616	3,409,540

Consolidated Cash Flow Statement

SEK k	01-01-2024 31-03-2024	01-01-2023 31-03-2023	01-01-2023 31-12-2023
Current operations			
Result before changes in value	-56,646	-67,362	-101,111
Adjustment for items not included in the cash flow	46,556	25,880	44,268
Income tax paid	-689	-230	-2,953
Cash flow from current operations before changes in working capital	-10,778	-41,712	-59,796
Changes in working capital			
Change in properties classified as current assets	-2,595	-	-99,680
Change in operating receivables	90,436	116,012	299,990
Change in operating liabilities	-42,182	141,806	5,252
Cash flow from current operations	34,881	216,106	145,766
Investment operations			
Acquisition of properties	1,024	-	-50,157
Investment in properties	-34,359	-78,627	-178,309
Divestment of properties	146,924	15,761	154,704
Contributions/investments to associated companies/joint ventures	-	-	-11,018
Loans to/repayments from associated companies/joint ventures	-18,060	-	-215,942
Dividends from associated companies/joint ventures	-	-	63,500
Acquisition of financial instruments	-24,000	-	-290,631
Divestment of financial instruments	85,875	-	42,078
Dividend of financial instruments	-	-	5,534
Cash flow from investment operations	157,405	-62,866	-480,241
Financing operations			
Paid dividend	-146,557	-	-47,842
Shareholder contribution from non-controlling interest	-	164,000	168,240
Paid dividend non-controlling interests	-19,250	-49,440	-62,340
Proceeds from borrowing	143,567	-	502,969
Repayment of borrowing	-153,191	-24,676	-497,952
Cash flow from financing operations	-175,431	89,884	63,075
Total cash flow	16,855	243,124	-271,400
Liquid funds at the beginning of the period	128,079	399,479	399,479
Liquid funds at the end of the period	144,934	642,603	128,079

Change in Consolidated Shareholders' Equity

SEK k	Shareholders' equity attributable to the parent company's shareholders				Non-controlling interest	Total shareholders' equity
	Share capital	Other capital contributed	Retained profits including net profit for the year	Total		
Total equity 1 January 2023	556	1,049,177	567,582	1,617,315	403,071	2,020,386
Net comprehensive income for the year						
Profit for the period			-122,364	-122,364	105,044	-17,320
Other comprehensive income			-	-	-	-
Total net comprehensive income for the year	-	-	-122,364	-122,364	105,044	-17,320
Contributions from and transfers of value to the company's owners						
Shareholder contributions				-	202,800	202,800
Dividend			-94,399	-94,399	-62,340	-156,739
Total contributions from and transfers of value to the company's owners	-	-	-94,399	-94,399	140,460	46,061
Transactions with non-controlling interests						
Total transactions with non-controlling interests	-	-	8,712	8,712	-8,712	-
Shareholders' equity 31 December 2023	556	1,049,177	359,531	1,409,264	639,862	2,049,126
Total equity 1 January 2024	556	1,049,177	359,531	1,409,264	639,862	2,049,126
Net comprehensive income for the year						
Profit for the period			14,449	14,449	-6,593	7,856
Other comprehensive income			-	-	-	-
Total net comprehensive income or the year	-	-	14,449	14,449	-6,593	7,856
Contributions from and transfers of value to the company's owners						
Shareholder contributions				-	-	-
Dividend			-99,999	-99,999	-19,250	-119,249
Total contributions from and transfers of value to the company's owners	-	-	-99,999	-99,999	-19,250	-119,249
Transactions with non-controlling interests						
Total transactions with non-controlling interests			1,264	1,264	-1,264	
Shareholders' equity 31 March 2024	556	1,049,177	275,244	1,324,977	612,756	1,937,733

Parent Company Income Statement

SEK k	31-03-2024	31-03-2023	31-12-2023
Other income	-26	-	26
Sales	-26	-	26
Central administration	-2,299	-12,450	-40,142
Operating earnings	-2,325	-12,450	-40,116
Profit/loss from participations in group companies	-	1,908	-162,565
Financial income	33,171	11	97,887
Financial expenses	-43,444	-13,657	-108,465
Profit after financial items	-12,598	-24,189	-213,258
Appropriations	-	-	67,640
Profit before tax	-12,598	-24,189	-145,618
Net profit/loss for the period	-12,598	-24,189	-145,618

Parent Company Balance Sheet

SEK k	31-03-2024	31-03-2023	31-12-2023
Fixed assets			
Participation in group companies	123,496	115,144	110,276
Participation in associated companies	554	536	554
Total financial fixed assets	124,050	115,680	110,830
Total fixed assets	124,050	115,680	110,830
Current receivables			
Receivables from group companies	1,381,795	631,737	1,408,414
Receivables from associated companies	4,594	3,340	3,435
Tax receivable	54	205	43
Other current receivables	53,132	–	189
Prepaid expenses and accrued income	8,941	1,671	15,302
Total current receivables	1,448,516	636,953	1,427,384
Liquid funds	11,572	84,434	107,324
Total current assets	1,460,088	721,387	1,534,707
TOTAL ASSETS	1,584,138	837,067	1,645,537

Parent Company Balance Sheet

SEK k	31-03-2024	31-03-2023	31-12-2023
Equity			
Restricted equity			
Share capital	556	556	556
Unrestricted equity			
Share premium reserve	1,049,257	1,049,257	1,049,257
Profit brought forward	-929,763	-589,747	-684,146
Profit for the period	-12,598	-24,189	-145,618
Total equity	107,452	435,877	220,049
Long-term liabilities			
Long-term interest-bearing liabilities	-	393,855	396,313
Total long-term liabilities	-	393,855	396,313
Current liabilities			
Short-term interest-bearing liabilities	397,132	-	-
Accounts payable	303	972	3
Current liabilities to associated companies/joint ventures	-	-	18
Current liabilities to group companies	1,071,272	-0	975,315
Other current liabilities	58	1,965	46,616
Accrued expenses and prepaid income	7,920	4,399	7,224
Total current liabilities	1,479,554	7,336	1,029,175
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,584,138	837,067	1,645,537

Notes

NOTE 1 ACCOUNTING PRINCIPLES

The interim report for the Group has been prepared in accordance with the Annual Accounts Act and IAS 34, Interim Financial Statements and, in the case of the Parent Company, in accordance with the Annual Accounts Act. Information according to IAS 34.16A is available not only in the financial reports and their notes but also in the rest of the interim report.

NOTE 2 SIGNIFICANT ESTIMATES AND ASSESSMENTS

Estimates and assessments are evaluated continuously and are based on experiences and other circumstances, including expectations on future events which are considered reasonable during current conditions.

The group makes assessments and assumptions about the future that affect the reported value of asset and liability and income and expense items. Actual outcomes can then differ from these assessments if other conditions arise. The estimates and assumptions that have a material impact on the reported values of assets and liabilities are described in note 2 in the annual report of the group.

NOTE 3 FINANCIAL ASSETS AND LIABILITIES VALUED AT FAIR VALUE

For assets and liabilities measured at amortized cost, this is assumed to be a reasonable estimate of the fair value. For some of these items, however, there is a fair value that marginally differs from the carrying amount due to changes in interest rates. For other loans, fair value is deemed to agree with the carrying amount as the credit margins agreed are still market based.

NOTE 4 OPERATING SEGMENTS

The Group's operations comprise one operating segment, that is to say, the Group's operations comprise a business that generates income and expenses and whose operating profit is regularly assessed by the company's chief operating decision maker as a basis for monitoring earnings and allocating resources.

Signatures

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

Stockholm 30 May, 2024

JOHAN KARLSSON

Chairman

ERIK DANSBO

Board member

JONAS ANDERSSON

Board member

CHRISTIAN BRATT

CEO

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