

INTERIM REPORT Q2

Slättö Value Add I

January – June 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.

Period April – June 2024

- ▶ Net profit for the quarter amounted to SEK –17.1 m (3.8).
- ▶ Total assets amounted to SEK 3,192 m (3,288) and LTV was at 34% (31).
- ▶ The Fund repurchased a nominal amount of SEK 95 m of its outstanding bonds through a public tender offer. The bonds were repurchased at an average price of 101.25% and settlement date was on July 2nd.

Period January – June 2024

- ▶ Net profit for the period amounted to SEK –9.2 m (–38.2).
- ▶ The rental negotiation for three properties in project Bromstensstaden was finalized with the Tenants' Association. The properties have previously been divested to Barings
- ▶ A dividend distribution of SEK 100 m was resolved at an extraordinary general meeting in March

Events after the end of the period

- ▶ A dividend of SEK 50 m was resolved at an extraordinary general meeting in July.
- ▶ Closing of the divestment of the residential property Rödalen 1 in Norrtälje, Stockholm took place on July 1st. The property was divested in a forward-sale transaction in 2021.

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	Apr–Jun 2024	Apr–Jun 2023	Jan–Jun 2024	Jan–Jun 2023	Jan–Dec 2023
Result from property management	–25,603	22,002	–82,362	–45,360	–87,288
Profit before tax	–20,215	–7,939	–10,520	–53,353	–5,978
Shareholders' equity	1,920,629	2,085,708	1,920,629	2,085,708	2,049,127
Total assets	3,191,460	3,287,688	3,191,460	3,287,688	3,409,540
Equity ratio	60.2%	63.4%	60.2%	63.4%	60.1%

Financial Statements

Consolidated Income Statement

SEK k	01-04-2024 30-06-2024	01-04-2023 30-06-2023	01-01-2024 30-06-2024	01-01-2023 30-06-2023	01-01-2023 31-12-2023
Rental income	11,166	2,217	18,750	4,540	11,566
Other income	1,805	3,859	2,260	4,609	7,487
Operating costs	-4,265	-1,444	-8,608	-5,989	-11,300
Operating earnings	8,706	4,632	12,402	3,160	7,753
Central administration	-5,750	-18,207	-15,631	-34,361	-63,387
Results from associated companies/joint ventures	-10,905	5,991	-34,315	-1,714	-47,829
Results from sale of properties	-	15,204	-7,453	-29,103	-4,484
Financial income	3,361	25,993	6,911	45,037	78,302
Financial expenses	-21,015	-11,610	-44,276	-28,379	-57,642
Result from property management	-25,603	22,002	-82,362	-45,360	-87,288
Income, residential development	-5,669	421	-5,566	421	41,437
Costs, residential development	5,669	-15,522	5,680	-15,522	-55,260
Result before changes in value	-25,603	6,901	-82,248	-60,461	-101,111
Changes in value, properties	-5,217	2,104	-15,176	54,094	30,475
Changes in value, financial instruments	10,605	-16,943	86,904	-46,986	64,658
Profit before tax	-20,215	-7,939	-10,520	-53,353	-5,978
Taxes	3,111	11,743	1,271	15,156	-11,342
Profit for the period	-17,105	3,805	-9,249	-38,197	-17,320
Attributable to:					
Parent Company shareholders	-15,433	-15,647	-984	-74,375	-122,364
Non-controlling interest	-1,672	19,451	-8,265	36,179	105,044

Consolidated Balance Sheet

SEK k	30-06-2024	30-06-2023	31-12-2023
Fixed assets			
Investment properties	1,622,875	1,514,321	1,430,280
Participations in associated companies/joint ventures	223,130	308,107	274,470
Receivables from associated companies/joint ventures	95,361	–	86,361
Financial instruments at fair value	398,936	–	489,279
Other long-term receivables	958	958	958
Total fixed assets	2,341,260	1,823,386	2,281,348
Current assets			
Properties classified as current assets	181,576	109,633	158,081
Accounts receivable	8,040	5,313	53,554
Receivables from associated companies/joint ventures	184,470	300,887	252,107
Financial instruments at fair value	–	406,025	–
Participations in tenant-owner associations	–	–	115
Other current receivables	168,681	334,572	499,226
Prepaid expenses and accrued income	19,079	8,045	33,330
Liquid funds	281,495	286,487	128,079
Tax receivable	6,859	13,339	3,701
Total current asset	850,200	1,464,302	1,128,193
TOTAL ASSETS	3,191,460	3,287,688	3,409,540

Consolidated Balance Sheet

SEK k	30-06-2024	30-06-2023	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	259,812	450,404	359,531
Shareholders' equity attributable to the Parent Company's shareholders	1,309,545	1,500,137	1,409,264
Non-controlling interest	611,084	585,571	639,863
Total shareholders' equity	1,920,629	2,085,708	2,049,127
Long-term liabilities			
Deferred tax liability	60,533	31,877	58,374
Long-term interest-bearing liabilities	123,964	737,007	542,560
Financial instruments at fair value	-	4,367	23,704
Total long-term liabilities	184,497	773,252	624,638
Current liabilities			
Short-term interest-bearing liabilities	966,351	285,255	537,708
Accounts payable	4,046	16,208	4,137
Current liabilities to associated companies/joint ventures	9,703	21,855	11,961
Tax liability	1,292	5,637	-
Other current liabilities	71,557	55,328	120,631
Accrued expenses and prepaid income	33,385	44,444	61,338
Total current liabilities	1,086,334	428,728	735,776
Total liabilities	1,270,831	1,201,980	1,360,413
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,191,460	3,287,688	3,409,540

Consolidated Cash Flow Statement

SEK k	01-04-2024 30-06-2024	01-04-2023 30-06-2023	01-01-2024 30-06-2024	01-01-2023 30-06-2023	01-01-2023 31-12-2023
Current operations					
Result before changes in value	-25,603	6,901	-82,248	-60,461	-101,111
Adjustment for items not included in the cash flow	2,368	-33,057	48,924	-7,177	44,268
Income tax paid	-1,210	-	-1,899	-230	-2,953
Cash flow from current operations before changes in working capital	-24,445	-26,156	-35,224	-67,868	-59,796
Changes in working capital					
Change in properties classified as current assets	-21,069	-29,629	-23,663	-29,629	-99,680
Change in operating receivables	126,273	-263,631	216,709	-147,619	299,990
Change in operating liabilities	670	-49,059	-41,512	92,747	5,252
Cash flow from current operations	81,429	-368,474	116,311	-152,368	145,766
Investment operations					
Acquisition of properties	-	-50,000	1,024	-50,000	-50,157
Investment in properties	-12,707	-51,710	-47,066	-130,337	-178,309
Divestment of properties	-	123,473	146,924	139,234	154,704
Contributions/investments to associated companies/joint ventures	-	-	-	-	-11,018
Loans to/repayments from associated companies/joint ventures	15,655	-	-2,405	-	-215,942
Dividends from associated companies/joint ventures	11,266	57,603	11,266	57,603	63,500
Acquisition of financial instruments	0	-	-24,000	-	-290,631
Divestment of financial instruments	90,862	-	176,737	-	42,078
Dividend of financial instruments	625	-	625	-	5,534
Cash flow from investment operations	105,700	79,366	263,105	16,500	-480,241
Financing operations					
Paid dividend	-	-47,842	-146,557	-47,842	-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	-120,310	356,235	23,257	356,235	502,969
Repayment of borrowing	69,741	-375,401	-83,450	-400,077	-497,952
Cash flow from financing operations	-50,568	-67,008	-225,999	22,876	63,075
Total cash flow	136,561	-356,116	153,416	-112,992	-271,400
Liquid funds at the beginning of the period	144,934	642,603	128,079	399,479	399,479
Liquid funds at the end of the period	281,495	286,487	281,495	286,487	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			-984	-984	-8,265	-9,249
Other comprehensive income			-	-	-	-
Total net comprehensive income or the year	-	-	-984	-984	-8,265	-9,249
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 30 June 2024	556	1,049,177	259,811	1,309,544	611,083	1,920,628

Parent Company Income Statement

SEK k	Apr–Jun 2024	Apr–Jun 2023	Jan–Jun 2024	Jan–Jun 2023	Jan–Dec 2023
Other income	–0	3	–26	3	26
Sales	–	3	–26	3	26
Central administration	–585	–16,492	–2,884	–28,943	–40,142
Operating earnings	–585	–16,489	–2,910	–28,940	–40,116
Profit/loss from participations in group companies	–	–	–	1,993	–162,565
Financial income	33,292	13	66,463	23	97,887
Financial expenses	–37,893	–9,371	–81,337	–23,028	–108,465
Profit after financial items	–5,186	–25,848	–17,783	–49,952	–213,258
Changes in value, properties	–	85	–	–	–
Appropriations	–	–	–	–	67,640
Profit before tax	–5,186	–25,763	–17,783	–49,952	–145,618
Net profit/loss for the period	–5,186	–25,763	–17,783	–49,952	–145,618

Parent Company Balance Sheet

SEK k	30-06-2024	30-06-2023	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	1,429,665	1,222,714	1,408,414
Receivables from associated companies	4,634	3,340	3,435
Tax receivable	66	218	43
Other current receivables	177	25	189
Prepaid expenses and accrued income	13,464	1,577	15,302
Total current receivables	1,448,006	1,227,875	1,427,384
Liquid funds	158,015	229,481	107,324
Total current assets	1,606,021	1,457,355	1,534,707
TOTAL ASSETS	1,730,071	1,573,035	1,645,537

Parent Company Balance Sheet

SEK k	30-06-2024	30-06-2023	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	-637,588	-684,146
Profit for the period	-17,783	-49,952	-145,618
Total equity	102,266	362,273	220,049
Long-term liabilities			
Long-term interest-bearing liabilities	-	394,674	396,313
Total long-term liabilities	-	394,674	396,313
Current liabilities			
Short-term interest-bearing liabilities	397,952	-	-
Accounts payable	-2,257	2,416	3
Current liabilities to associated companies/joint ventures	-	-	18
Current liabilities to group companies	1,224,927	805,972	975,315
Other current liabilities	58	726	46,616
Accrued expenses and prepaid income	7,124	6,975	7,224
Total current liabilities	1,627,804	816,089	1,029,175
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,730,071	1,573,035	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.

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

Stockholm 29 August, 2024

JOHAN KARLSSON

Chairman

ERIK DANSBO

Board member

JONAS ANDERSSON

Board member

CHRISTIAN BRATT

CEO

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