

INTERIM REPORT Q3

Slättö Value Add I

January – September 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 July – September 2024

- ▶ Net profit for the quarter amounted to SEK 26.6 m (-49.3).
- ▶ Total assets amounted to SEK 2,473 m (3,380) and LTV was at 17 percent (32).
- ▶ The Fund divested all of its shares in Logistea AB (publ) to M2 Asset Management AB (publ) at a price of SEK 16.00 per share.
- ▶ 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. The property was divested in a forward-sale transaction in 2021.

Period January – September 2024

- ▶ 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.
- ▶ 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 percent and settlement date was on July 2nd.

Events after the period

- ▶ The Fund's joint venture for the development of Klinga Logistikpark divested the property Hövändaren 1 in Norrköping to a fund managed by NIAM.
- ▶ A dividend of SEK 40 m was resolved at an extraordinary general meeting in November.
- ▶ The Fund announced it will redeem all of its outstanding bonds at a nominal amount of SEK 305 m. Settlement date will be on December 6th.

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	Jul–Sep 2024	Jul–Sep 2023	Jan–Sep 2024	Jan–Sep 2023	Jan–Dec 2023
Result from property management	-19,670	22,754	-102,032	-22,606	-87,288
Profit before tax	10,133	-37,462	-387	-90,815	-5,978
Shareholders' equity	1,897,194	2,031,874	1,897,194	2,031,874	2,049,127
Total assets	2,473,070	3,379,981	2,473,070	3,379,981	3,409,540
Equity ratio	76.7%	60.1%	76.7%	60.1%	60.1%

Financial Statements

Consolidated Income Statement

SEK k	01-07-2024 30-09-2024	01-07-2023 30-09-2023	01-01-2024 30-09-2024	01-01-2023 30-09-2023	01-01-2023 31-12-2023
Rental income	4,809	2,348	23,559	6,888	11,566
Other income	-16	750	2,244	5,359	7,487
Operating costs	-2,806	-2,848	-11,414	-8,837	-11,300
Operating earnings	1,987	250	14,389	3,411	7,753
Central administration	-10,908	-20,004	-26,539	-54,364	-63,387
Results from associated companies/joint ventures	-5,059	-7,910	-39,374	-9,624	-47,829
Results from sale of properties	342	41,649	-7,111	12,546	-4,484
Financial income	6,126	23,544	13,037	68,580	78,302
Financial expenses	-12,157	-14,775	-56,433	-43,154	-57,642
Result from property management	-19,670	22,754	-102,032	-22,606	-87,288
Income, residential development	21,951	-	16,385	421	41,437
Costs, residential development	-22,053	1,255	-16,374	-14,267	-55,260
Result before changes in value	-19,772	24,008	-102,020	-36,452	-101,111
Changes in value, properties	4,114	-18,346	-11,062	35,748	30,475
Changes in value, financial instruments	25,791	-43,125	112,696	-90,111	64,658
Profit before tax	10,133	-37,462	-387	-90,815	-5,978
Taxes	16,432	-11,872	17,704	3,285	-11,342
Profit for the period	26,565	-49,334	17,316	-87,531	-17,320
Attributable to:					
Parent Company shareholders	34,182	-129,783	33,198	-204,158	-122,364
Non-controlling interest	-7,617	80,449	-15,882	116,628	105,044

Consolidated Balance Sheet

SEK k	30-09-2024	30-09-2023	31-12-2023
Fixed assets			
Investment properties	1,151,937	1,548,937	1,430,280
Participations in associated companies/joint ventures	217,621	294,413	274,470
Receivables from associated companies/joint ventures	99,861	79,435	86,361
Financial instruments at fair value	–	323,715	489,279
Other long-term receivables	958	958	958
Total fixed assets	1,470,377	2,247,458	2,281,348
Current assets			
Properties classified as currents assets	193,530	134,906	158,081
Accounts receivable	4,077	3,683	53,554
Receivables from associated companies/joint ventures	186,765	326,247	252,107
Financial assets at fair value	–	115	–
Other current receivables	226,018	419,721	502,927
Prepaid expenses and accrued income	48,749	13,558	33,330
Cash and cash equivalents	343,554	234,294	128,079
Total current assets	1,002,692	1,132,524	1,128,193
TOTAL ASSETS	2,473,070	3,379,981	3,409,540

Consolidated Balance Sheet

SEK k	30-09-2024	30-09-2023	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	243,994	321,359	359,531
Total shareholders' equity	1,293,727	1,371,092	1,409,264
Non-controlling interest	603,467	660,783	639,863
Total shareholders' equity	1,897,194	2,031,874	2,049,127
Long-term liabilities			
Deferred tax liability	37,236	43,749	58,374
Long-term interest-bearing liabilities	6,625	773,619	542,560
Financial instruments at fair value	–	102	23,704
Total long-term liabilities	43,861	817,470	624,638
Current liabilities			
Short-term interest-bearing liabilities	407,695	313,998	537,708
Accounts payable	12,273	12,259	4,137
Current liabilities to associated companies/joint ventures	10,451	49,543	11,961
Other current liabilities	73,920	104,434	120,631
Accrued expenses and prepaid income	27,676	50,404	61,338
Total current liabilities	532,015	530,637	735,776
Total liabilities	575,875	1,348,107	1,360,413
TOTAL EQUITY AND LIABILITIES	2,473,070	3,379,981	3,409,540

Consolidated Cash Flow Statement

SEK k	01-07-2024 30-09-2024	01-07-2023 30-09-2023	01-01-2024 30-09-2024	01-01-2023 30-09-2023	01-01-2023 31-12-2023
Current operations					
Result before changes in value	-19,772	24,008	-102,020	-36,452	-101,111
Adjustment for items not included in the cash flow	-5,510	-47,049	43,414	-54,227	44,268
Income tax paid	-1,033	-3,045	-2,933	-3,275	-2,953
Cash flow from current operations before changes in working capital	-26,315	-26,087	-61,539	-93,954	-59,796
Changes in working capital					
Change in properties classified as current assets	-11,981	-40,799	-35,644	-70,428	-99,680
Change in operating receivables	-118,294	315,054	98,416	167,435	299,990
Change in operating liabilities	13,681	-63,523	-27,831	29,224	5,252
Cash flow from current operations	-142,909	184,645	-26,599	32,276	145,766
Investment operations					
Acquisition of properties	-	-	1,024	-50,000	-50,157
Investment in properties	-3,254	-37,010	-50,320	-167,347	-178,309
Divestment of properties	413,787	15,470	560,711	154,704	154,704
Contributions/investments to associated companies/joint ventures	-	-	-	-	-11,018
Loans to/repayments from associated companies/joint ventures	-3,361	-21,000	-5,766	-21,000	-215,942
Dividends from associated companies/joint ventures	450	5,897	11,716	63,500	63,500
Acquisition of financial assets	-	-290,631	-24,000	-290,631	-290,631
Divestment of financial assets	424,727	30,589	601,464	30,589	42,078
Dividend on financial assets	-	4,217	625	4,217	5,534
Cash flow from investment operations	832,349	-292,468	1,095,454	-275,968	-480,241
Financing operations					
Paid dividend	-50,000	-	-196,557	-47,842	-47,842
Shareholder contribution from non-controlling interest	-	-	-	164,000	168,240
Paid dividend non-controlling interests	-	-4,500	-19,250	-53,940	-62,340
Proceeds from borrowing	-331	60,131	22,926	416,367	502,969
Repayment of borrowing	-577,050	-	-660,500	-400,077	-497,952
Cash flow from financing operations	-627,381	55,631	-853,380	78,507	63,075
Total cash flow	62,060	-52,192	215,475	-165,185	-271,400
Liquid funds at the beginning of the period	281,495	286,487	128,079	399,479	399,479
Liquid funds at the end of the period	343,554	234,294	343,554	234,294	128,079

Change in Consolidated Shareholders' Equity

SEK k	Shareholders' equity attributable to the parent company's shareholders			Total	Non-controlling interest	Total shareholders' equity
	Share capital	Other capital contributed	Retained profits including net profit for the year			
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			33,198	33,198	-15,882	17,316
Other comprehensive income			-	-	-	-
Total net comprehensive income or the year	-	-	33,198	33,198	-15,882	17,316
Contributions from and transfers of value to the company's owners						
Shareholder contributions				-	-	-
Dividend			-149,999	-149,999	-19,250	-169,249
Total contributions from and transfers of value to the company's owners	-	-	-149,999	-149,999	-19,250	-169,249
Transactions with non-controlling interests						
Total transactions with non-controlling interests			1,264	1,264	-1,264	
Shareholders' equity 30 September 2024	556	1,049,177	243,993	1,293,726	603,467	1,897,193

Parent Company Income Statement

SEK k	01-07-2024 30-09-2024	01-07-2023 30-09-2023	01-01-2024 30-09-2024	01-01-2023 30-09-2023	01-01-2023 31-12-2023
Other income	-	-3	-26	-	26
Sales	-	-3	-26	-	26
Central administration	-3,972	-13,551	-6,856	-42,494	-40,142
Operating earnings	-3,972	-13,554	-6,882	-42,494	-40,116
Profit/loss from participations in group companies	-	-	-	1,993	-162,565
Financial income	16,580	12	83,043	35	97,887
Financial expenses	-22,638	-12,565	-103,975	-35,594	-108,465
Profit after financial items	-10,030	-26,108	-27,814	-76,060	-213,258
Appropriations	-	-	-	-	67,640
Profit before tax	-10,030	-26,108	-27,814	-76,060	-145,618
Taxes	-	-	-	-	-
Net profit/loss for the period	-10,030	-26,108	-27,814	-76,060	-145,618

Parent Company Balance Sheet

SEK k	30-09-2024	30-09-2023	31-12-2023
Fixed assets			
Participation in group companies	123,496	115,144	110,276
Participation in associated companies	554	536	554
Total fixed assets	124,050	115,680	110,830
Current assets			
Receivables from group companies	1,448,802	1,333,655	1,408,414
Receivables from associated companies/joint ventures	4,664	15,915	3,435
Tax receivable	78	247	43
Other current receivables	20,525	5	189
Prepaid expenses and accrued income	13,585	6,430	15,302
Liquid funds	10,296	56,854	107,324
Total current assets	1,497,949	1,413,107	1,534,707
Total assets	1,621,999	1,528,787	1,645,537

Parent Company Balance Sheet

SEK k	30-09-2024	30-09-2023	31-12-2023
Equity			
<i>Restricted equity</i>			
Share capital	556	556	556
<i>Unrestricted equity</i>			
Share premium reserve	1,049,257	1,049,257	1,049,257
Profit brought forward	-979,763	-637,588	-684,146
Profit for the period	-27,814	-76,060	-145,618
Total equity	42,236	336,164	220,049
<i>Long-term liabilities</i>			
Long-term interest-bearing liabilities	-	395,493	396,313
Total long-term liabilities	-	395,493	396,313
<i>Current liabilities</i>			
Short-term interest-bearing liabilities	303,336	-	-
Accounts payable	6,974	505	3
Current liabilities to associated companies/joint ventures	-	-	18
Current liabilities to group companies	1,259,140	789,061	975,315
Other current liabilities	58	258	46,616
Accrued expenses and prepaid income	10,254	7,304	7,224
Total current liabilities	1,579,763	797,129	1,029,175
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,621,999	1,528,787	1,645,537

Parent Company Statement of Changes in Equity

SEK k	Share capital	Other capital contributed	Retained profits including net profit for the year	Total
Total equity 1 January 2023	556	1,049,257	-589,747	460,066
Net comprehensive income for the year				
Profit for the period			-145,618	-145,618
Other comprehensive income			-	-
Total net comprehensive income for the year	-	-	-145,618	-145,618
Contributions from and transfers of value to the company's owners				
Shareholder contributions				-
Dividend			-94,399	-94,399
Total contributions from and transfers of value to the company's owners	-	-	-94,399	-94,399
Shareholders' equity 31 December 2023	556	1,049,257	-829,764	220,049
Total equity 1 January 2024	556	1,049,257	-829,764	220,049
Net comprehensive income for the year				
Profit for the period			-27,814	-27,814
Other comprehensive income			-	-
Total net comprehensive income or the year	-	-	-27,814	-27,814
Contributions from and transfers of value to the company's owners				
Shareholder contributions				-
Dividend			-149,999	-149,999
Total contributions from and transfers of value to the company's owners	-	-	-149,999	-149,999
Shareholders' equity 30 September 2024	556	1,049,257	-1,007,577	42,236

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 19 November, 2024

JOHAN KARLSSON

Chairman

ERIK DANSBO

Board member

JONAS ANDERSSON

Board member

CHRISTIAN BRATT

CEO

SLÄTTÖ

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