ANNUAL

and

CONSOLIDATED FINANCIAL STATEMENTS

1 January 2022–31 December 2022

of

Slättö Value Add 1 AB
556994-4464

The annual accounts include:	**Page**

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS SLÄTTÖ VALUE ADD 1 AB

The Board of Directors and the Chief Executive Officer of Slättö Value Add 1 AB hereby present its annual accounts for the 1 January 2022 to 31 December 2022 financial year.

DIRECTORS' REPORT

Information about the business

Slättö Value Add I AB is a Swedish public limited company registered with Finansinspektionen (the Swedish Financial Supervisory Authority) as a Swedish alternative investment fund (AIF). The fund is managed by Slättö Förvaltning AB.

The primary focus of the fund is the development of residential property, specifically tenant-occupied apartments, along with selective investments in cash flow-generating industrial and logistics properties.

The Parent Company, Slättö Value Add I AB, has a SEK 400 million bond listed on Nasdaq Stockholm. The bond carries an interest rate of 7.5 percent over a term of 4 years and matures in 2025. The Group also contains the public limited company Slättö Fastpartner Spånga AB (publ), which has a SEK 400 million bond listed on Nasdaq Stockholm Bond Market. The bond matured in April 2023.

The Group did not have any employees during the year. Over the year, the Group purchased various services, including letting services, property management, project development, and support relating to financing and business development to pursue ongoing projects and manage properties.

Significant events during the financial year and after year-end

<u>Significant events during the year</u>

Acquisitions and sales

As at 31 March 2022, a share transfer agreement was concluded, according to which Sveaviken Bostad purchased Slättö Value Add I's shares in the joint venture company Slättö Sveaviken Holding 1 AB. According to the transaction, Slättö Value Add I transferred its ownership interests in both projects, comprising the two properties in Örebro, Sweden, and Barkarby, Sweden, as at 31 March 2022.

Over the year, the Group sold and vacated the logistics properties Stenvreten 6:17 in Enköping, Sweden, and a part of Botvidsgymnasiet 8 in Botkyrka, Sweden. The transaction had a forward funding structure, according to which the Group operated the projects until completion while the purchaser financed the development.

Over the year, Strömbrytaren Holding AB, the Group's joint venture with PEAB, carried out an add-on acquisition of the property Strömbrytaren 4, located in Norrköping, Sweden. The additional property is located next to the properties already held by the joint venture and will improve the chances of a local development plan for residential units being developed.

In the third quarter, the remaining residential development rights of approximately 35,000 in gross floor area in Slagsta Strand in Botkyrka, Sweden.

The Group's joint venture company, Klinga Logistikpark Holding AB, which is developing Klinga Logistikpark, made an add-on acquisition of the property Borg 17:26, which is estimated to add an additional logistics area of approximately 100,000 sqm.

Financing

The Group has procured a final investment of SEK 110 million relating to the financing of the Uppsala Longstay project at Årsta 84:2. The proceeds were used to repay credit financing of SEK 95 million.

At the end of February 2022, the Parent Company offered to repurchase SEK 100 million of its outstanding listed bonds. The repurchase offer expired on 30 March 2022 and the bonds were repurchased in accordance with the provisions and conditions set out in a repurchasing document dated 25 February 2022.

Over the year, the Group took out a construction loan of SEK 245 million regarding the ongoing project Klinga Logistikpark in Norrköping.

Other

At two extraordinary general meetings held in March 2022, an additional dividend of approximately SEK 360 million was resolved upon, which corresponded to the accrued preference share interest and a repayment of the investors' contributions.

At an extraordinary general meeting in November 2022, and additional dividend of SEK 50 million was resolved upon. The dividend comprised an accrued preference share dividend and a repayment of the investors' contributions.

Over the year, the Group divested shares in the listed property company Swedish Logistics Property (SLP), which had been received as a partial payment of the warehouse and logistics portfolio that was divested to SLP in 2021.

Sustainability disclosures

Sustainability disclosure under *Regulation (EU) 2019/2088 and 2020/852* is included in the Annex.

Corporate Governance Report

Slättö Value Add I AB (**the 'Company'**) is a Swedish public limited company established in accordance with Swedish law, and its operations are regulated by Swedish legislation, including the Swedish Companies Act (2005:551) and Swedish Annual Accounts Act (1995:1554).

Corporate governance encompasses the various decision-making systems via which the owners, directly or indirectly, control the Company. Good transparency and application of the relevant legislation, recommendations and capital market's self-regulation all contribute to an effective decision-making system.

The corporate governance report for 2022 has been prepared in light of the Company's issue of a bond that has been admitted to trading on a regulated market, and as part of the Company's application of the Swedish Annual Accounts Act and Swedish Companies Act. The Company's corporate governance is primarily based on applicable law, the articles of association and internal rules and instructions. To ensure the Company is governed effectively, there is a clear division of responsibility between the Company's decision-making bodies. The corporate governance report has been adopted by the Company's Board of Directors and examined by the Company's auditors.

Swedish Corporate Governance Code

The Company's shares are not listed for trading on a regulated market and are therefore not subject to the Swedish Corporate Governance Code.

Shares and shareholdings

At the end of 2022, the total share capital was SEK 555,878. The number of shares totalled 555,878, all unlisted and with a quota value of SEK 1 per share, divided into 61,684 ordinary Class A shares, 246,732 ordinary Class B shares and 247,464 Class C preference shares. The largest shareholder in the Company is Slättö VAI Partners AB, which owns 55,514 ordinary Class A shares and 657 Class C preference shares, corresponding to a total of 555,797 votes, i.e. approximately 50.03 percent of the number of votes in the Company. Slättö VAI Partners AB is the only registered shareholder, with a holding exceeding one-tenth of the number of votes for all shares in the Company.

Articles of Association

The Articles of Association, along with applicable legislation and the existing shareholder agreement, regulate operations and their governance. The Company's object is to own, manage, develop, let, sell or invest, directly or indirectly, in companies, land and property, and pursue compatible operations. Any changes to the Company's Articles of Association must be made according to the provisions in the Swedish Companies Act.

Annual General Meeting

The general meeting is the Company's highest decision-making body, and shareholder influence in the Company is formally exercised at the general meeting in accordance with the Swedish Companies Act, including via the appointment of a Board of Directors and an auditor. The Annual General Meeting is held according to the provisions of the Swedish Companies Act, within six months of the end of each financial year, at which point resolutions are passed regarding the adoption of the income statement and balance sheet, appropriation of profit or loss, discharge of Board members and the Chief Executive Officer from liability to the Company remuneration to Board members and the Company's auditor.

At the Annual General Meeting, the shareholders also pass resolutions on other key issues relating to the Company, such as changes to the Articles of Association or new share issues. If the Board of Directors deems it necessary to hold a general meeting prior to the next Annual General Meeting, or if this is requested in writing by the Company's auditors or the holders of at least one-tenth of all shares in the Company, the Board of Directors shall convene an extraordinary general meeting.

According to the articles of association, notice convening a general meeting of the Company is issued via an announcement in the Official Swedish Gazette and on the Company's website. At the same time, notification that notice convening a general meeting of the Company has been announced is issued in Swedish daily business newspaper Dagens Industri. Notice convening a general meeting of the Company is issued no earlier than six weeks and no later than four weeks prior to the meeting.

The Annual General Meeting of the Company was held on 30 June 2022. At the Annual General Meeting, 56,171 shares and 555,797 votes were represented, corresponding to 10.1 percent of the number of shares and 50.3 precent of the votes.

The following resolutions were passed at the Annual General Meeting on 30 June:

- The income statement and balance sheet and the consolidated income statement and consolidated balance sheet included in the annual accounts were adopted.
- The members of the Board of Directors and the Chief Executive Officer, also including former Board members and chief executive officers, were discharged from liability for their management of the Company's affairs during the previous financial year.
- The Board of Directors shall comprise three ordinary members without deputies, and an auditor shall be appointed in the form of a registered auditing firm with an auditor-in-charge.
- The current Board members Johan Karlsson, Erik Dansbo and Staffan Unge were re-elected, and current auditors, Ernst & Young Aktiebolag, were re-elected, with Mikael Ikonen as auditor-in-charge.
- No fee will be paid to the Board members, and the fees to the Company's auditor shall be paid according to current and approved invoices, in accordance with customary billing standards.

Board of Directors

The Board of Directors has overall responsibility for the Company's strategy and organisation and manages the Company's affairs on behalf of the shareholders. Furthermore, according to the Swedish Companies Act, the Board of Directors is responsible for continually assessing the financial position of the Company and ensuring that the Company is structured in such a way that its accounting, management of funds and other financial circumstances are subject to satisfactory controls. As the Company is a public limited company and in accordance with the Swedish Companies Act, the Board of Directors has established written rules of procedure that are regularly evaluated, updated and adopted. The rules of procedure set out the Board of Directors' duties and the division of responsibilities between the Board of Directors and the Chief Executive Officer. The Chair of the Board has particular responsibility for managing the work of the Board of Directors and ensuring that the Board of Directors fulfils its statutory duties.

The Board of Directors' duties include monitoring significant investments, ensuring that satisfactory internal controls are in place regarding the Company's compliance with laws and other regulations relevant to the Company's operations, and its compliance with internal guidelines. The Board of Directors' duties also include ensuring that the companies' disclosure of information to the market and investors is transparent, accurate, relevant and reliable, and appointing, evaluating and, as required and applicable, dismissing the companies' chief executive officers.

According to the Articles of Association, the Company's Board of Directors shall consist of a minimum of three and a maximum of six Board members with a maximum of six deputies. The Company's Board members are elected annually at the Company's Annual General Meeting for the period up until the end of the next Annual General Meeting. There are no limitations as to the length of time an individual may serve on the Board of Directors. In 2022, the Board of Directors comprised three members: Johan Karlsson (Chair), Staffan Unge and Erik Dansbo. According to the current rules of procedure, the Board of Directors shall hold a statutory Board meeting if the composition of the Board is changed at the AGM and at least four ordinary meetings. In 2022, the Board of Directors held ten minuted meetings. No fees are paid to the Board of Directors.

Chief Executive Officer
The Company's Chief Executive Officer (the '**CEO**') manages the ongoing administration of the Company in accordance with applicable legislation, the articles of association, the Board's procedural rules and according to the Board's guidelines and instructions, including the CEO instructions, and is entitled and obliged to take the requisite measures. The CEO may also take measures, without the authorisation of the Board, that, with regard to the scope and nature of the Company's operations, are unusual or of considerable significance, if it is not possible to wait for a resolution of the Board of Directors without creating a substantial disadvantage for the business. In such event, the Board of Directors must be informed of such measures as soon as possible. The CEO shall also take such measures as are deemed necessary for the Company's accounts to be completed in accordance with applicable law and to ensure that funds are adequately managed in a way that covers satisfactory controls and monitoring.

The CEO continually provides Board members with the information required for them to be able to monitor the Company's financial situation, such as information about the Company's operations and earnings, liquidity and borrowings, whether taxes and fees have been paid, and significant business transactions. The CEO is evaluated continually by the Board of Directors. The Company's externally appointed CEO is Christian Bratt.

Internal control and audit According to applicable legislation, the Company's Board is responsible for the Company's internal controls. The Board must continually assess the financial position of the Company and ensure that the Company is structured in such a way that its accounting, management of funds and other financial circumstances are subject to satisfactory control. The purpose of internal control is to achieve a well-adapted and efficient organisation, reliable financial reporting and information about the business, as well as compliance with applicable laws, regulations, recommendations and governance documents. This section of the corporate governance report, regarding the Company's internal control, chiefly relates to the Company's financial reporting. All interim reports and press releases are released on the Company's website (https://slattovalueaddi.com/) to coincide with publication.

The rules of procedure of the Board of Directors, the adopted instructions to the CEO and the adopted governance documents that together constitute the Company's internal governance framework ensure that the Company's control environment functions effectively. The Board continually evaluates the information provided by the CEO and auditor. Furthermore, the auditor reports their observations from the audit and their opinion of internal controls directly to the Board at least once a year.

The Company's external auditor is appointed by the AGM. The auditor is tasked with conducting an independent audit of the Company's accounts and corporate governance report on behalf of the shareholders, as well as examining the Board of Directors and the CEO's management of the Company, and ensuring that the annual accounts are prepared in accordance with applicable laws and regulations. According to the Company's articles of association, it must have at least one and no more than two auditors, and no more than one deputy auditor, and an authorised public accountant or a registered auditing firm shall be appointed auditor and, where applicable, deputy auditor. The 2022 AGM resolved to re-elect Ernst & Young AB as auditor, with Mikael Ikonen as lead auditor, for the period extending up until the end of the 2023 AGM.

Audit and remuneration committees
Due to the nature and extent of the Company's operations, it has not been necessary to establish special committees for audit or remuneration issues in the Company.

Significant events after the end of the financial year

Acquisitions and sales
In February, the property Väghyveln 1 in Örebro, Sweden, was vacated. The transaction had a forward funding structure, which means that the Group operated the project until completion and the purchaser financed the ongoing production.

Financing
In the Group, the listed SEK 400 million bond in Slättö Fastpartner Spånga AB was repaid upon final maturity in April 2023.

Future development
The Group is fully invested and is deemed to have a solid financial position.

Profit or loss and financial position

Income statement for the period January–December 2022

Comprehensive income for the year totalled SEK 116,992 thousand (386,683) and included SEK 159,695 thousand (245,030) in changes in the value of investment properties. Rental income decreased over the year due to divestments of the Group's property holdings.

Balance sheet for the period January–December 2022

Total assets amounted to SEK 3,315,768 thousand (3,666,884), of which major asset items were investment properties totalling SEK 1,453,342 thousand (1,393,689) and investments in associates/joint ventures totalling SEK 367,538 thousand (641,107). Over the year, investments were made in investment properties under construction, which explains the increase in total assets compared with the previous year. Among liabilities, long-term interest-bearing financing was SEK 508,773 thousand (974,164). The change compared with the previous year is due to the SEK 400,000 thousand bond financing, which was reclassified as a current liability due to its maturity on 1 April 2023.

Equity amounted to SEK 2,020,387 thousand (2,352,307), with an equity/assets ratio of 60.9 percent (64.2).

Sales, profit or loss and financial position (Group)

Income statement, SEK 000	**2022**	**2021**	**2020**	**2019**
Rental income	8 896	63 352	37 382	29 893
Profit/loss before tax	104 209	361 540	297 079	260 978
Balance sheet, SEK 000				
Equity	2 020 387	2 352 307	2 075 512	1 756 114
Total assets	3 315 768	3 666 884	4 350 902	3 327 123
Equity/assets ratio	60,9%	64,2%	47,7%	52,8%

Risks and risk management

The Group is exposed, via its operations, to various kinds of risks that are significant to the Company's future business, profit or loss and financial position. External factors that may affect the business are divided into strategic, operational and financial risks, as well as trademark risk. Risk assessments are therefore a key element of the Company's annual strategy process. The objective of the Group's risk management is to identify and manage risks that may impact the Company. Operational risks are managed by each subsidiary and are detailed below.

Risk	Description of risk	Management
The Group's financial risks		
Macro factors	The property sector is generally affected by a number of macro factors. These include general economic performance, employment figures and how society and conditions for housing, health care and businesses are changing. Developments may vary in different parts of the country, which is why it is important to understand the drivers for local and regional growth.	The risk is managed continually via business intelligence and conservative assumptions in estimates and business plans for individual projects.
Market value of properties	The Group's investment properties are measured at fair value. Fair value is primarily based on two main components: operating profit or loss and the market's yield requirements. Operating profit or loss is affected by several property-specific parameters such as rent levels, vacancy rates and operating and maintenance costs. The market's yield requirements are impacted by factors such as interest rate levels and location-specific circumstances. Changes in the market's yield requirements may result in a decline in the value of a property. Values may also decrease as a result of a reduction in financing available to the property sector.	To secure and develop the value of the property portfolio, the Group continually endeavours to improve its property management. The Group can, to some extent, limit the risks associated with changes in yield requirements by focusing on locations with healthy growth and good liquidity in the transaction market.
Legislative and regulatory cha	The property sector is capital intensive and even minor legislative changes regarding, for example, tax or amended property legislation could have a significant impact on the conditions for the sector and on the Company's profit or loss.	These risks are chiefly managed by monitoring, both internally and in consultation with independent experts, changes in practices and the development of new regulations.

Operational risks		
Transaction risks	Property transactions are associated with uncertainty and risks. It could relate to unforeseen ground conditions, legal issues, financial commitments, decisions by government authorities and tenant relations.	In order to manage these kinds of risks, each transaction is subject to a due diligence process that includes a legal analysis of existing documentation, a survey of ground conditions and technical deficiencies, details of any disputes, analysis of the tax situation, etc. The purpose of this is to identify, manage and prevent transactional risks for both the buyer and the seller.
Rental income	The Group's income comprises rental income for rented residential units, premises and warehousing and logistics premises. If vacancies increase in the portfolio, rental income will decline. The risk of a drop in rental income increases if tenants lose their income, terminate the lease or have difficulty making payments. Income is affected if the Company's tenants fail to pay their rent. Vacancies and unpaid rental income may also have a negative impact on property value.	A tenant's financial conditions are assessed when a lease is concluded. Individual tenants' inability to pay is offset by the large number of leases. Where appropriate, the Group also cooperates with the trade association Fastighetsägarna in residential rent negotiations. For warehouses and logistics properties (commercial properties), long-term leases are often signed with stable, long-term tenants. However, short-term leases also occur. To limit its exposure to the vacation of properties and rental losses, the Group aims to have long-standing customer relationships and to prioritise tenants with high creditworthiness. The Group continually endeavours to renegotiate existing leases to minimise risk in the short term. The vast majority of leases, over 95 percent, are also adjusted for inflation and linked to the CPI.
Projects	The Group operates various forms of new-build projects, with project portfolio risk mainly related to the procurement of contractors and other cooperation partners. The wrong choice of contractors and other cooperation partners could have significant consequences in the form of cost increases, quality deficiencies and delays. Unforeseen events may also delay or lead to cost increases in projects. If the Group's cost estimate process for a project is wrong, it may lead to incorrect investment decisions and to a project being more expensive than expected. In addition, if a project is planned using the wrong input values, it can lead to difficulties achieving the expected profit on the project. Construction projects may be associated with environmental and health and safety risks.	Risks associated with project development and project implementation are managed by hiring and retaining skilled contractors and by establishing relevant procedures and decisions. The procurement of suppliers and contractors is based on both long-term relations and competitive tendering. The Group also uses agreement templates, where appropriate supported by legal counsel. The Group uses final cost forecasts and business cost estimates at an early stage of projects to ensure relevant and reasonable input values throughout the project process. Final cost forecasts and business cost estimates are updated every quarter and risk provisions in forecasts and cost estimates aim to take into account the volatile contractor sector and manage the risk relating to cost increases and delays.
Property management	As a property owner, it is important for the Company that its property values are maintained or increased through its management and that the risk of property damage or injury – property owner liability – is minimised. Non-compliance with external or internal regulations may occur if the necessary capabilities are not in place or if regulations are unclear.	The Group has signed a management agreement with Slättö Förvaltning AB. Slättö Förvaltning AB continually endeavours to develop the management organisation as the property portfolio grows. Risk is managed by the management organisation working according to property-specific maintenance plans and through regular training on property owner liability. The Group regularly assesses its organisation, evaluating costs against the need for long-term, sustainable management.

The Group’s financial risks		
Interest rate risk	Changes in market interest rates affect the cost of borrowing, which means interest expense may impact the Group’s financial position and its ability to generate returns. Conditions in bond markets and interest rate levels may change.	The Group’s financing activities are managed in accordance with the finance policy established by the Board of Directors. Interest rate risk is limited through continual access to various sources of financing and the ability to choose the most favourable source of financing. The risk of increased interest expenses resulting from a change in market rates is difficult to mitigate during the construction phase, as interest rate hedging is not normally applied to project finance. However, the risk can be managed using interest rate derivatives on completion, primarily interest rate swaps and interest rate caps.
Refinancing risk	The Group is dependent on external parties for refinancing. Refinancing risk refers to the risk of cash and cash equivalents not being available and of the inability to raise funding, wholly or in part, or at an increased cost. The bulk of the Group’s financing consists of bond loans, construction loans and its own balance sheet (fund structure).	The Group manages refinancing risk by aiming to have a diverse borrowing portfolio and by spreading the borrowing portfolio’s maturities. The Group works actively with a number of different banks to reduce its dependence on individual banks. The Group also has varied sources of financing (bond loans, construction loans and its own balance sheet (fund structure)). Loans are extended well in advance of maturity dates to reduce refinancing risk.
Liquidity risk	Liquidity risk is the risk of the Group having difficulties in meeting its commitments and financial obligations. The risk of banks changing at short notice their requirements for issuing construction loans can make financing more difficult.	Liquidity risk is managed by ensuring that sufficient liquid assets are available to meet the payment commitments when they fall due and by monitoring the forecast cash flows continuously. The Group continually maintains liquidity plans for each individual project and investment and for the Company as a whole to ensure liquidity preparedness well in advance of the allocation of capital. The Group has overdraft facilities to manage temporary liquidity fluctuations.
Trademark		
Reputation	The way the Group runs its business may have a long-term effect on the Company’s reputation. The Company’s reputation is maintained or strengthened by conducting its work in line with applicable requirements, internal regulations and external expectations. However, its reputation could be adversely affected if mistakes are made because of insufficient capabilities or knowledge of applicable regulations.	The Group has signed a management agreement with Slättö Förvaltning AB, which manages fund activities. Slättö Förvaltning AB endeavours to comply with regulations and external expectations, and has adopted reporting procedures and an extensive framework of guideline documents that are regularly communicated to all employees. These documents are updated on a regular basis. The Group also has a crisis communication plan that aims to provide support and guidance in the event of a crisis situation, allowing the Group to look after its customers, investors, cooperation partners, credibility and trademark in the optimum way.

Sustainability

Sustainability risks describe how the Group's business could affect people, the environment and society.

The Group undertakes clear and conscious environmental efforts to reduce its own environmental impact and that of its customers and suppliers. By including systematic sustainability efforts in its business model, the Company can take action related to financial management, the environment and social impact at all stages of the investment cycle. Sustainability governance in projects involves overall goals being set early on and detailed objectives gradually being specified in the form of quantifiable requirements and indicators. Most of the Group's property projects aim to achieve the 'Miljöbyggnad Silver' environmental classification.

Proposed appropriation of profit or loss (SEK 000)

The following profit is at the disposal of the Annual General Meeting:

Retained earnings from the previous year	916 745 468
Dividend	-409 913 379
Profit/loss for the year	-47 321 713
	459 510 376

The Board of Directors proposes that

the following amount be carried forward	459 510 376
	459 510 376

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CONSOLIDATED INCOME STATEMENT

Amounts in SEK 000

	Note	2022-01-01 2022-12-31	01/01/2021 31/12/2021
Rental income	3, 4	8 896	63 352
Other income	3	4 712	9 952
Operating and maintenance costs	5	-14 512	-35 514
Net operating income		**-904**	**37 790**
Central administration	5, 6	-55 796	-58 085
Profit/loss from investments in associates/joint ventures	7	46 878	76 321
Profit/loss from property sales	8	0	2 884
Finance income	9	27 118	29 123
Finance costs	10	-54 162	-59 144
Profit/loss from property management		**-36 866**	**28 889**
Income, project properties and properties held for development	3	16 151	387 787
Expenses, project properties and properties held for development	5	-17 492	-387 747
Profit/loss before changes in value		**-38 207**	**28 929**
Changes in the value of investment properties	11	155 970	245 030
Changes in the value of financial instruments	12	-13 554	87 581
Profit/loss before tax		**104 209**	**361 540**
Current tax	13	-518	-2 808
Deferred tax	13	13 301	27 951
PROFIT/LOSS FOR THE YEAR		**116 992**	**386 683**
Profit/loss attributable to:			
Parent Company shareholders		133 643	322 387
Non-controlling interests		-16 651	64 296

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK 000

	Note	2022-01-01 2022-12-31	01/01/2021 31/12/2021
Profit/loss for the year		116 992	386 683
OTHER COMPREHENSIVE INCOME FOR THE PERIOD			
Total other comprehensive income		**116 992**	**386 683**
Other comprehensive income attributable to:			
Parent Company shareholders			
Non-controlling interests			
COMPREHENSIVE INCOME FOR THE YEAR		116 992	386 683

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION Amounts in SEK 000	Not e	2022-12-31	2022-12-31
ASSETS			
Non-current assets			
Investment properties	14	1 453 342	1 393 689
Investments in associates/joint ventures	15	367 538	641 107
Receivables from associates/joint ventures		0	3 482
Derivatives	18	0	507
Other non-current receivables		959	57 429
Total non-current assets		**1 821 839**	**2 096 214**
Current assets			
Project properties and properties held for development	19	79 994	61 477
Trade receivables	20	17 505	22 499
Receivables from associates/joint ventures	16	336 664	465 639
Financial assets at fair value	17	188 013	222 067
Tax assets		980	1 700
Other receivables	21	447 409	269 055
Prepaid expenses and accrued income		23 885	4 404
Cash and cash equivalents	22	399 479	523 829
Total current assets		**1 493 929**	**1 570 670**
TOTAL ASSETS		**3 315 768**	**3 666 884**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION Amounts in SEK 000	e	2022-12-31	2022-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital	23	556	556
Other contributed capital		1 049 177	1 049 177
Retained earnings including profit/loss for the year		567 583	843 852
Non-controlling interests		403 071	458 722
Total equity		**2 020 387**	**2 352 307**
Non-current liabilities			
Deferred tax liabilities	24	47 264	61 116
Interest-bearing liabilities	25	508 773	974 164
Total non-current liabilities		**556 037**	**1 035 280**
Current liabilities			
Interest-bearing liabilities	25	603 544	46 443
Trade payables		7 345	30 886
Liabilities to associates/joint ventures		59 755	6 755
Tax liabilities		0	849
Liabilities to Group companies	33	0	7 568
Other current liabilities	28	22 920	149 428
Accrued expenses and deferred income	29	45 780	37 368
Total current liabilities		**739 344**	**279 297**
TOTAL EQUITY AND LIABILITIES		**3 315 768**	**3 666 884**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK 000

	Share capital	Other contributed capital	Retained earnings incl. profit/loss for the year	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening equity, 01/01/2021	**556**	**1 049 177**	**631 410**	**1 681 143**	**394 369**	**2 075 512**
Profit/loss for the year			322 387	322 387	64 296	386 683
Other comprehensive income				0		0
Comprehensive income for the year	**0**	**0**	**322 387**	**322 387**	**64 296**	**386 683**
Transactions with shareholders						
Transactions with non-controlling interests			-32	-32	**57**	25
New share issues from previous years				0		0
New share issue				0		0
Dividend			-109 913	**-109 913**		**-109 913**
Closing equity, 31/12/2021	**556**	**1 049 177**	**843 852**	**1 893 585**	**458 722**	**2 352 307**
Opening equity, 01/01/2022	**556**	**1 049 177**	**843 852**	**1 893 585**	**458 722**	**2 352 307**
Profit/loss for the year			133 643	133 643	-16 651	116 992
Other comprehensive income				0		0
Comprehensive income for the year	0	0	**133 643**	**133 643**	**-16 651**	**116 992**
Transactions with shareholders						
Transactions with non-controlling interests				0	0	**0**
Dividend			**-409 913**	**-409 913**	**-39 000**	**-448 913**
Closing equity, 31/12/2021	**556**	**1 049 177**	**567 582**	**1 617 315**	**403 071**	**2 020 386**

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CONSOLIDATED CASH FLOW STATEMENT Amounts in SEK 000	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Operating activities			
Profit/loss before changes in value		-38 207	116 003
Capital gain/loss		19 392	-2 884
Adjustments for non-cash items, etc.		-33 473	-16 965
Share of profit or loss in associates/joint ventures/other securities		46 878	-163 395
Reversal of finance costs		63 159	59 144
Reversal of finance income		-76 220	-29 123
			-37 220
Interest paid		-47 053	-48 692
Interest received		26 650	4 851
Income taxes paid		405	-14 112
Cash flows from operating activities before changes in working capital		**-38 469**	**-95 173**
Cash flows from changes in working capital			
Changes in project properties and properties held for development		-18 698	54 900
Changes in operating receivables		352 222	66 763
Changes in operating liabilities		104 705	-123 389
Cash flows from operating activities		**399 760**	**-96 899**
Investing activities			
Acquisition of investment properties		-62 000	-24 000
Investments in investment properties		-444 612	-438 713
Sale of properties		452 054	1 892 931
Acquisition of subsidiaries, net effect on cash position		0	-47 453
Acquisition of associates/joint ventures		-20 908	-50 000
Reimbursement of contributions from associates/joint ventures		0	546
Dividend from associates		72 100	0
Lending to associates/joint ventures		-110 148	-111 044
Repayments from associates/joint ventures		53 482	107 283
Repayments, other lending		0	500
Sales, other participations		152 547	75
Cash flows from investing activities		**92 515**	**1 330 125**
Financing activities			
New share issue			
Dividend paid		-449 632	-109 913
Realised derivatives		466	0
Recognised interest-bearing liabilities		0	705 206
Repayment of interest-bearing liabilities		-114 523	-1 443 885
Cash flows from financing activities		**-563 689**	**-848 592**
Cash flows for the year		**-71 414**	**384 634**
Cash and cash equivalents at start of year		*523 829*	*139 195*
Cash and cash equivalents at year-end	22	**452 415**	**523 829**

ACCOUNTING POLICIES AND NOTES

Note 1. Accounting policies

General information

Slättö Value Add I AB, corporate registration number 556994-4464, with its registered office in Stockholm, Sweden, is the parent company of a corporate group with subsidiaries, as stated in Note 63 below.

The Parent Company of Slättö Value Add I AB is Slättö VAI Partners AB, corporate registration number 559262-3036. Brofund Group AB, corporate registration number 556932-0541, is the highest Group parent for which consolidated financial statements are prepared.

Slättö Value Add I AB's offices are located at Grev Turegatan 19, 114 38 Stockholm, Sweden.

The annual accounts were approved by the Board of Directors on the date indicated by their electronic signatures and will be presented for adoption at the 2023 Annual General Meeting.

Basis of preparation of the financial statements

The consolidated financial statements for the Slättö Group ('Slättö') were prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, as well as International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) as adopted by the EU.

Preparing financial statements that are IFRS-compliant requires the use of a number of key estimates for accounting purposes. The financial statements were prepared on a going concern basis. This requires management to make certain assessments when applying the Group's accounting policies. The areas that involve a high degree of assessments that are complex or such areas where assumptions and estimates are of material importance to the consolidated accounts are specified in Note 2.

The Parent Company applies the same accounting policies as the Group except in the cases stated in the 'Parent Company accounting policies' section below. The differences between the policies applied by the Parent Company and those applied by the Group are a result of restrictions in the ability to apply IFRS in the Parent Company due to the Swedish Annual Accounts Act and, in some cases, applicable tax regulations.

Reporting currency

The Group's reporting currency is Swedish kronor (SEK), which is the Parent Company's functional currency. Unless otherwise stated, all figures are stated in thousands of SEK. The Group's business is focused on Sweden and the extent of transactions in currencies other than Swedish kronor is very limited.

New and revised existing standards approved by the EU

None of the new and amended standards approved by the EU and interpretative statements from the IFRS Interpretations Committee are currently deemed to affect Slättö's profit or loss or financial position materially.

Consolidation policies

All subsidiaries are all companies (including structured companies) over which the Group has control. The Group controls a company when it is exposed, or has rights, to variable returns from its holding in the company and is able to affect those returns via from its influence in the company.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The proportion of equity attributable to owners with non-controlling interests is recognised as a specific item in equity, separate from equity attributable to Parent Company shareholders. In addition, a specific disclosure is provided about such a share of the profit or loss for the period.

Business combinations versus asset acquisitions

The acquisition method is used to report the Group's business combinations. The purchase price for the acquisition of a subsidiary comprises the fair value of transferred assets, liabilities assumed by the Group from the previous owners of the acquired company, and the shares issued by the Group. Identifiable acquired assets and liabilities assumed in a business combination are initially measured at fair value at the acquisition date. For each business combination, the Group determines whether non-controlling interests in the acquired company are recognised at fair value or at the holding's proportionate share of the recognised amounts of the acquired company's identifiable net assets.

The difference between the cost of business combinations and the acquired share of the net assets of the acquired business is classified as goodwill and recognised as an intangible asset in the balance sheet. Goodwill is measured at cost less accumulated impairment losses.

Acquisition-related costs are expensed as they occur as a result of business combinations and are capitalised for the acquired net assets in the event of asset acquisitions.
Intra-group transactions, balance sheet items, and income and costs from transactions between Group companies are eliminated. Gains and losses resulting from intra-group transactions that are recognised in assets are also eliminated.
The accounting policies for subsidiaries have been changed, where applicable, to ensure the consistent application of consolidated policies.

Acquisitions of companies may be classified either as a business combination or an asset acquisition. This is an individual assessment that is made for each individual acquisition. Company acquisitions whose primary purpose is to acquire a company's property, and where the company's management organisation and administration, where applicable, are of lesser significance to the acquisition, are classified as an asset acquisition. Other corporate acquisitions are classified as business combinations. In the event of a business combination, deferred tax is recognised on all initial temporary differences, whereas this is not done in the event of an asset acquisition.

The Group did not have any business combinations in the current or previous year. All the Group's acquisitions were classified as asset acquisitions.

Foreign currency translation

Transactions and balance sheet items

Transactions in foreign currencies are translated into the functional currency at the rate in effect on the transaction date. Exchange rate gains and losses arising from the payment of such transactions and from the conversion of monetary assets and liabilities denominated in foreign currencies at the rate on the balance sheet date are recognised in operating profit in the income statement.

Associates and joint ventures

Companies over which the Group has significant influence but not control are recognised as associates. This is presumed to be the case where the holding amounts to at least 20 percent but no more than 50 percent of the votes. It is also presumed that such ownership is part of a long-term relationship and that the holding shall not be recognised as a joint arrangement.

Joint arrangements refer to companies in which the Group, together with other parties by means of agreements, has joint control over the business. A holding in a joint arrangement is classified either as a joint business or a joint venture, depending on the contractual rights and obligations of each investor. In the Group, holdings were classified as joint ventures mainly because the Group have rights to the net assets instead of a direct right to assets and obligations relating to liabilities.

Associates and joint ventures are recognised in accordance with the equity method. When applying the equity method, the investment is initially measured at cost in the consolidated statement of financial position and the carrying amount is subsequently increased or reduced to take account of the Group's share of profit or loss and other comprehensive income from its holdings after the acquisition date.

An assessment is made at the end of each reporting period as to whether the investments in associates or joint ventures are impaired. If this is the case, the impairment loss is calculated, corresponding to the difference between the recoverable amount and the carrying amount. Such impairment is recognised under 'Profit/loss from investments in associates/joint ventures' in the income statement.

Financial instruments

Financial instruments recognised in the balance sheet include cash and cash equivalents, trade receivables, other non-current receivables, other securities held as non-current assets, other receivables (included in the item), receivables from Group companies, receivables from associates/joint ventures, accrued interest income and derivatives. Liabilities include trade payables, loan liabilities, liabilities to Group companies, other liabilities, accrued interest expense and derivatives. The Company does not apply hedge accounting.

Classification

The Group classifies its financial assets and liabilities under the following categories: receivables and liabilities measured at fair value through profit or loss, financial assets measured at amortised cost and financial liabilities measured at amortised cost. Classification depends on the purpose for which the financial asset or liability was acquired.

Receivables and liabilities measured at fair value through profit or loss

Financial receivables and liabilities measured at fair value through profit or loss are financial instruments that are held for trading or that, upon initial recognition, were identified as items measured at fair value through profit or loss.
A financial receivable or liability is classified under this category if it is acquired principally for the purpose of selling it in the near term. An instrument in this category is classified as current if it is expected to be settled within 12 months, otherwise it is classified as non-current. Derivatives and parts of other receivables are classified as financial items measured at fair value through profit or loss.

Financial assets measured at amortised cost

Financial assets measured at amortised cost are financial assets that fulfil the criteria for contractual cash flows and are held within a business model whose objective is to collect such contractual cash flows.
The Group's financial assets measured at amortised cost comprise trade receivables, other non-current receivables, receivables from Group companies, receivables from associates and joint ventures, cash and cash equivalents and other current receivables (included in the item) and interim receivables that constitute financial instruments.

Financial liabilities measured at amortised cost

Trade payables, interest-bearing liabilities, liabilities to associates/joint ventures, liabilities to Group companies and other current liabilities (included in the item) and interim liabilities that are financial instruments classified as financial liabilities measured at amortised cost.

Recognition and measurement

Financial instruments are initially recognised at fair value plus transaction costs, which applies to all financial assets that are not recognised at fair value through profit or loss. Financial assets measured at fair value through profit or loss are initially recognised at fair value, whereas attributable transaction costs are recognised in profit or loss. Financial assets are derecognised from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred essentially all risks and benefits associated with the right of ownership. Financial liabilities are removed from the balance sheet when the obligation arising from the agreement has been fulfilled or is extinguished in another way.

Financial assets and liabilities measured at fair value through profit or loss are recognised after the date of acquisition at fair value. Financial assets measured at amortised cost and financial liabilities measured at amortised cost are recognised at amortised cost after the date of acquisition using the effective interest method.

Gains and losses as a result of changes in fair value relating to the category of financial assets and liabilities measured at fair value through profit or loss are recognised in profit or loss in the period when they occur and are included in profit or loss from property management.

Offsetting of financial instruments

Financial assets and liabilities are offset and recognised in the balance sheet at a net amount only when there is a legal right to offset the recognised amounts and an intention to settle them at a net amount or to realise the asset and settle the liability at the same time.

Impairment of financial instruments

The Group recognises a loss provision for expected credit losses on financial assets measured at amortised cost. Impairment of credit losses under IFRS 9 is forward-looking, and a loss provision is made when there is exposure to credit risk, usually upon initial recognition. Expected credit losses reflect the present value of all cash shortfalls attributable to default, either for the next 12 months or for the anticipated remaining term of the financial instrument, depending on asset class and credit impairment since initial recognition.

The simplified model for credit reserves is used for the Group's trade receivables, contract assets and lease receivables. In the simplified model, a loss reserve is recognised for the anticipated remaining duration of the claim or asset. Credit losses have historically not been material, which is why provisions are for immaterial amounts.
For cash and cash equivalents, the reserve is based on the banks' likelihood of default and forward-looking factors. The reserves are for immaterial amounts because of the short duration and high creditworthiness. The Group writes off a claim when it is deemed that there is no possibility of further cash flow.

Other receivables mainly consist of receivables from associates/joint ventures, receivables related to property transactions and receivables from Group companies. These receivables are analysed and expected credit losses are measured as the product of the likelihood of default, loss in the event of default and the exposure in the event of default. For credit-impaired assets and receivables, an individual assessment is made that takes account of historical, current and forward-looking information. The measurement of expected credit losses takes account of any collateral and other credit enhancements in the form of guarantees. The credit reserve for such receivables is an immaterial amount.

Investment properties

Investment properties are held in order to receive rental income or an increase in value or a combination of these. The Group owns investment properties consisting of investment properties (cash flow-generating), investment properties under construction, and development rights held for future investment properties.

Investment properties are recognised at the date of acquisition at cost, which includes any costs incurred that are directly attributable to the acquisition. After they have been acquired, investment properties are recognised at fair value. Fair value is principally based on prices in an active market and constitutes the amount for which an asset could be transferred between well-informed parties that are independent of each other and have an interest in the transaction being completed. To establish the fair value of investment properties at the end of each period, all properties are measured. Investment properties are measured according to Level 3 of the fair value hierarchy in IFRS 13. See the note on investment properties for a description of measurement models and assumptions on which the measurement is based.

Both unrealised and realised changes in value are recognised through profit or loss under changes in value of investment properties. Unrealised changes in value are calculated based on the measurement at the end of the period compared with the valuation at the start of the period, or the cost of the property if the property was acquired in the period, plus capitalised additional expenditures in the period. Gains or losses from the sale or disposal of investment properties consist of the difference between the selling price and carrying amount at the most recent measurement less transactions costs that occur in relation to the sale of investment properties.

Additional expenditure is added to the carrying amount only when it is probable that the future economic benefits associated with the asset will flow to the Group, and the asset's cost can be measured reliably. If the Group initiates investments in an existing investment property for continued future use as investment property, the property shall continue to be recognised as investment property. Interest expense is capitalised during the construction period in large projects. All other subsequent costs are recognised as expenses in the period in which they arise.

Repairs and maintenance are expensed when the expense occurs.

Leases

Leases in which the Group is the lessor are classified as finance leases or operating leases. Leases in which the risks and rewards incidental to ownership in all material respects are borne by the lessor are classified as operating leases. Leases attributable to investment properties are regarded as operating leases.

Leases in which the Group is the lessee are recognised in accordance with IFRS 16 Leases, which means that assets and liabilities attributable to all leases, with some exceptions, are recognised in the balance sheet as right-of-use assets. The Group has identified site leases as its most significant leases. Under IFRS 16, site leaseholds are regarded as perpetual leases and recognised at fair value and will therefore not be depreciated. The value of a right-of-use asset remains until the next renegotiation of the ground rent for the site leasehold in question. The lease liability is not amortised; instead, the value is unchanged until the ground rent for the site leasehold in question is renegotiated. The cost of a site leasehold is classified as a finance cost.

Cash and cash equivalents

In both the balance sheet and the statement of cash flows, cash and cash equivalents include cash funds and bank balances.

Share capital

Ordinary shares are classified as equity. Issued preference shares are also classified as equity if it is not compulsory for them to be redeemable and the dividend requires a decision by a general meeting of the Company. Transaction costs that are directly attributable to the issue of new ordinary shares or share warrants are recognised, net of tax, in equity as a deduction from the proceeds from the issue.

Current and deferred tax

Tax expense for the period includes current and deferred tax. Current tax expense is calculated based on the tax rules that had been enacted or substantively enacted at the balance sheet date in those countries in which the Parent Company and its subsidiaries operate and generate taxable income.

Deferred tax is recognised using the balance sheet method, on all temporary differences that arise between the taxable value of assets and liabilities and the carrying amount in the consolidated accounts. Deferred tax on income is calculated using the tax rates enacted or announced at the balance sheet date and that are expected to apply when the deferred tax asset concerned is realised or the deferred tax liability is settled.

Deferred tax assets on loss carryforwards are recognised insofar as it is likely that future tax surpluses will be available, against which deficits can be utilised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities, the deferred tax assets and liabilities relate to taxes charges by a single tax authority and refer to either the same tax entity or different tax entities and there is an intention to settle the balances through net payments.

Project properties and properties held for development

Project properties and properties held for development are those properties controlled by the Company and in which it has participated from an early stage prior to the start of a construction project. They are valued using the lowest value principle, which involves a property being recognised at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Directly incurred expenses and a reasonable portion of indirect expenses attributable to project properties and properties held for development are added to the cost and measured at the lower of cost or net realisable value.

Properties not yet built or built and intended for the production of tenant-owned apartments and land for project properties are classified as project properties and properties held for development. Properties held for development are recognised in accordance with IAS 2 Inventories.

Project properties and properties held for development are stated at cost and recognised as assets in the accounting period in which possession of the property is taken.

Borrowing costs

In the consolidated accounts, borrowing costs are included in the cost of buildings under construction (project properties and properties held for development, as well as investment properties under construction, for lengthier projects). In general, borrowing costs that are added to cost are restricted to assets that take a significant period of time to complete, which, for the Group, includes the construction of project properties and properties held for development and investment properties under construction. Interest expense is included in cost until the date when the building is completed.

Segment reporting

The Group's operations are divided into operating segments based on which parts of the operations are monitored by the Company's chief operating decision maker (the 'management approach' or the management perspective). Group management assesses that the Group has one operating segment; fund activities. This assessment is based on the reporting that Group management obtains to monitor and analyse the business and the information obtained to take strategic decisions.

Revenue recognition

Rental income
The Group's investment properties are let to tenants under operating leases. Rental income in property management is announced in advance and recognised in the period to which the rent relates. Rental income from investment properties is recognised on a straight-line basis in accordance with the terms and conditions of the applicable leases. The Group is of the opinion that the service provided to tenants is an integral part of the rent, and all remuneration is therefore recognised as rent. Advance rent is recognised as deferred income.

Income, project development
The Group has identified a distinct performance obligation in the service agreement: project management of contracts in residential development projects. Project management is charged as fixed remuneration over the term of the projects and compensation for costs incurred in the projects. The amount of such remuneration is regulated in service agreements and invoiced quarterly throughout the project. Viewed over the course of a project, roughly half of the remuneration is paid out during the development phase and roughly half during the implementation phase. Revenue is recognised once the customer obtains control and over the term of the agreement, since the customer simultaneously receives and consumes the benefit of the services provided by the Company. The process towards completion is monitored continually via assessment of the project's size in relation to the length and fulfilment of the agreement. Revenue from project management is recognised as income, project development.

Income and profit or loss from residential project development
The enters into agreements with tenant-owner associations regarding the construction of residential units. The Group has made the assessment that there is a controlling influence over these tenant-owner associations. The tenant-owner associations are therefore consolidated until such time as the end customer has taken over the residential unit. For handovers that take place gradually over a period, an assessment is made along with other factors of when controlling influence no longer exists. One key factor in this assessment is whether the majority of the end customers have taken over their residential units. Income from residential development for tenant-owner associations is recognised once the end customer obtains control of the unit, which occurs when they take possession of it.

Income from property sales
Revenue from the sale of properties is recognised on the date of taking possession unless the purchase contract contains specific provisions. Sales of investment properties via companies are netted regarding underlying property price and calculated tax. Profit or loss from the sale of investment property is recognised as changes in value and concern the difference between the selling price received less selling costs, calculated tax and carrying amount in the most recent financial statement, adjusted for investments made following the most recent financial statements.

Dividends

Dividends to Parent Company shareholders are recognised as a liability in the consolidated financial statements in the period in which the dividend was approved by the Parent Company shareholders.

Statement of cash flows

The statement of cash flows is prepared in accordance with the indirect method. Recognised cash flows only include transactions that have resulted in incoming or outgoing payments.

Note 2 Critical accounting estimates and judgements

Estimates and judgements are evaluated continually and based on historical experience and other factors, including expectations of future events that are deemed reasonable given the prevailing conditions.

The Group makes estimates and assumptions about the future. The estimates for accounting purposes that result from these will, by definition, rarely correspond to the actual result. Estimates and assumptions that constitute a significant risk of material adjustments to the carrying amounts of assets and liabilities over the coming financial year are detailed below.

Valuation of properties

In the valuation of investment properties, assessments and assumptions may have an impact on the Group's recognised profit or loss and financial position. Estimates and assumptions are made both in final cost forecasts and about future cash flows and in establishing discount factors (yield requirements). The estimates made affect the carrying amount in the statement of financial position for the item 'Investment properties', while for investment properties owned by joint ventures, they affect the item 'Investments in associates and joint ventures'.

The Group tests the assumptions made and monitors market developments continually. A change in estimates can lead to a change in fair value and affect changes in value. Descriptions of valuation policies and material assumptions are provided in Note 15.

Classification of project properties, properties held for development and investment properties

When a property is acquired, an assessment is made as to whether the property should be developed or used as an investment property. This assessment affects the Group's profit or loss and financial position as different kinds of properties are treated differently in the accounts. Properties that are to be developed and are at an early stage are project properties or properties held for development. Project properties and properties held for development are recognised as inventories when the intention is to sell the properties on completion. Such properties are measured at the lower of cost and net realisable value. Investment properties, on the other hand, are held in order to generate rental income and increases in value. Investment properties are measured at fair value, with any changes in value through profit or loss.

The Group assesses each property individually to determine whether the purpose is to develop and sell housing units, either as rental units or tenant-owned apartments, or whether it is to own the properties in the long term to generate rental income and increases in value.

Deferred tax assets

Deferred tax is recognised using the balance sheet method, on temporary differences that arise between the taxable value of assets and liabilities and their carrying amounts in the consolidated accounts. The Group recognises deferred tax assets based on management's estimates about future tax surpluses, influenced by the tax rules that apply in the jurisdictions in which the Company operates. However, the outcome may differ due to changes in tax rules and the business climate.

Associates and joint ventures

Associates are companies over which the Group has significant influence, which is presumed to be the case where the holding amounts to at least 20 percent and a maximum of 50 percent of the votes. It is presumed that such ownership is part of a long-term relationship and that the holding is not a joint arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets. Company management analyses the extent of influence that the Group has over these companies and establishes whether or not it has significant influence. This is established based on the percentage of ownership, board representation and contractual terms. It is also assessed whether the Company has control despite owning 50 percent or less of the shares. The Group controls a company when it is exposed, or has rights, to variable returns from its holding in the company and is able to affect those returns through its power to direct the company.

Note 3 Revenue breakdown

	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Rental income	8 896	63 352
Revenue from contracts with customers		
Revenue recognised from tenant-owner association projects	-	358 427
Revenue, other project development	16 151	29 360
Other income	4 712	9 952
Total	**29 759**	**461 091**

Note 4 Contractually agreed future rental income

In terms of accounting, the Company's leases are treated as operating leases. The leases relate to the letting of commercial premises and homes. The table below shows undiscounted payments to be received annually from the Group's leases over the next few years:

	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Lease payments within 0–1 year	8 849	7 543
Lease payments within 1–2 years	6 208	6 582
Lease payments within 2–3 years	4 060	3 393
Lease payments within 3–4 years	3 789	922
Lease payments within 4–5 years	1 582	713
Lease payments after 5 years	3 159	3 564
Total	**27 647**	**22 717**

Variable payments included in the Group's profit for the year totalled SEK 207 thousand (5,343).

The table below illustrates the maturity structure for the Group's commercial properties. All residential leases fall due after one month.

	Number of leases	Lease value
2023	8	660
2024	9	3 885
2025	7	845
2026	9	1 789
2027	1	1 057
2028 +	1	790
Total	**35**	**9 026**
Residential units	-	-
Total	**35**	**9 026**

Note 5 Operating expenses by type of cost

Property expenses	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Operating and maintenance costs	(9 452)	(15 958)
Property tax	(695)	(4 936)
Administrative expenses	(4 365)	(14 620)
Total	**(14 512)**	**(35 514)**

Central administration	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Management fee, Group companies	(28 237)	(26 064)
Other services, Group companies	(10 191)	(11 522)
Audit, legal and consultancy fees	(12 381)	(13 422)
Accounting services	(4 850)	(3 803)
Other costs	(137)	(3 274)
Total	**(55 796)**	**(58 085)**

Expenses, project properties and properties held for development	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Expenses, tenant-owner transactions	-	(341 462)
Expensed projects	-	(19 506)
Expenses, other project development	(17 492)	(26 779)
Total	**(17 492)**	**(387 747)**

The Group had no employees during the financial year or in the previous financial year.

Note 6 Disclosures on fees and expenses to auditors

	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Ernst & Young AB		
auditing assignments	(1 717)	(3 472)
tax advisory services	-	-
other assignments	(137)	(115)
	(1 854)	**(3 587)**

Auditing assignments refer to the auditor's work on the annual accounts and accounting records, and auditing and other review work conducted as arranged or contractually agreed. This includes other duties that are incumbent on the Company's auditors and the provision of advice or other assistance resulting from observations in connection with such assessment or the performance of such other duties.

Note 7 Profit/loss from investments in associates/joint ventures

	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Share in profits from associates/joint ventures	(9 249)	75 838
Profit/loss on divestment	56 127	483
Total	**46 878**	**76 321**

Note 8 Profit/loss from property sales

	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Profit/loss from property sales	-	2 884
Total	**-**	**2 884**

Note 9 Finance income

	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Interest income	1 764	256
Interest income, Group companies	-	2
Interest income, associates/joint ventures	24 886	28 790
Other finance income	468	75
Total	**27 118**	**29 123**

Note 10 Finance costs

	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Interest expense	(45 561)	(50 050)
Interest expense, Group companies	(1 492)	-
Interest expense, associates/joint ventures	-	(628)
Accrual of borrowing costs	(5 377)	(8 045)
Other finance costs	(1 732)	(376)
Interest expense attributable to lease liabilities	-	(45)
Total	**(54 162)**	**(59 144)**

Note 11 Change in value of investment properties

	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Changes in value	155 970	245 030
Total	**155 970**	**245 030**

Note 12 Changes in value of financial instruments

	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Profit/loss on divestment	-	71
Realised value changes from sale	19 392	
Unrealised value changes, receivables/other securities	(32 439)	87 003
Unrealised changes in the value of derivatives	(507)	507
Total	**(13 554)**	**87 581**

Profit/loss from other securities relating to the comparative year 2021, which amounted to SEK 87,074, were reclassified to changes in value of financial instruments.

Note 13 Tax on profit for the year

	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Current tax		
- tax on profit for the year	(518)	(2 607)
- tax attributable to previous periods	-	(201)
Deferred tax		
- relating to a temporary difference betw een the carrying amount	-	-
and tax value of buildings	13 369	35 622
- relating to capitalised loss carryforw ards	-	10 181
- relating to financial instruments	-	(18 026)
- relating to untaxed reserves	(68)	174
Total	**12 783**	**25 143**

Reconciliation of tax recognised	**2022-01-01 2022-12-31**	**2021-01-01 2021-12-31**
Profit/loss before tax	104 209	361 540
Nominal tax at the applicable tax rate (20.6%)	(21 467)	(74 477)
Tax effect of non-deductible expenses and taxable income not included in profit/loss	(2 141)	(12 170)
Tax effect of non-taxable income and tax-deductible expenses not included in profit/loss	17 106	129 613
Tax effect, loss carryforw ards	-	(1 587)
Adjustment for deficits and temporary differences attributable to previous years	20 545	-
Tax effect of restrictive interest deductions	(4 679)	(16 252)
Tax effect of unrecognised temporary differences	3 419	217
Current tax attributable to previous years	-	(201)
Total	**12 783**	**25 143**

Total uncapitalised loss carryforw ards w ere SEK 174,685 thousand (previous year: SEK 75,804 thousand). The loss carryforw ards do not fall due at a specific point in time.

Note 14 Investment properties

	31-12-2022	31-12-2021
Opening fair value	1 393 689	1 760 514
Asset acquisitions	-	46 812
Reclassifications from properties held for development	-	875 970
Investments in properties	296 100	425 835
Divestment of properties	(396 141)	(1 974 069)
Unrealised changes in value recognised in profit or loss	159 695	258 627
Total	**1 453 343**	**1 393 689**

	31-12-2022		31-12-2021	
	Residential u	Commercial properties	Residential uni	Commercial properties
Opening fair value	1 251 245	142 444	1 163 667	596 847
Asset acquisitions			25 812	21 000
Reclassifications from properties held for development			875 970	
Investments in properties	291 202	4 898	323 289	102 546
Divestment of properties	(309 442)	(86 700)	(1 284 718)	(689 351)
Unrealised changes in value recognised in profit or loss	124 559	35 136	147 225	111 402
Total	**1 357 564**	**95 778**	**1 251 245**	**142 444**

Investment properties (cash flow-generating)

Those of the Group’s properties that are classified as investment properties (cash flow -generating) are recognised at the time of acquisition at cost, including charges directly attributable to the acquisition. After the acquisition, they are recognised at fair value in accordance w ith IAS 40, according to Level 3 of the fair value hierarchy.

As at 31 December 2022, there w as only one commercial property in the group of properties that w ere classified as investment properties (cash flow -generating). The value in the Group as at 31 December 2022 w as SEK 113,000 thousand.

Investment properties under construction

Investment properties under construction refer to properties under development that are intended to be managed by the Group w ith the purpose of generating rental income. A property is classified as an investment property under construction as of the date w hen the Group decides that the property w ill be used to generate future rental income. If the fair value of these properties cannot be measured reliably initially, the properties are measured at accumulated cost, including accrued production cost. Once the criteria and terms are met for the properties to be used appropriately and their value can be reliably estimated, the properties are recognised at fair value as according to IAS 40.

To establish the fair value of investment properties under construction, a valuation is made based on external project valuations and the Group’s estimate of remaining costs for the project. For valuation assumptions, see below .

The Group’s properties that w ere classified as investment properties under construction as at 31 December 2022 relate to properties that w ere recognised at selling price less the remaining costs of the project if a sale agreement has been concluded and at cost if this is determined to be the market value. The value in the Group as at 31 December 2022 w as SEK 1,340,342 thousand.

Material commitments

The Group’s divestment of a property (through a corporate transaction) relating to a residential project in Norrtälje Harbour resulted in an obligation and undertaking to construct this property and complete the project. The transaction w as completed using a forw ard sale structure, w hich means that the buyer w ill take possession of the property upon completion, w hich is expected to occur in the fourth quarter of 2023. The remaining investment volume w as approximately SEK 175 million as at the reporting date.

Over the year, properties that w ere divested and transferred (in corporate transactions) resulted in the Group undertaking to complete ongoing projects.

External valuation

All properties in the Group's portfolio are externally valued at least once a year by independent authorised property appraisers with recognised qualifications, with the exception of properties for which sales agreements have been signed. Over the year, the external valuation was performed by CBRE.

On-site inspections of all properties were performed at least once from 2021 to 2022. The properties were further inspected on site in connection with major investments or other changes that significantly affected the value of a property.

Independent property valuations are based on the following valuation data:

- Quality-assured information concerning condition, leases, running and maintenance costs, site leasehold agreements, vacancies, planned investments and an analysis of current tenants.

- Current assessments of location, rent trends, vacancy rates and yield requirements for relevant markets as well as normalised running and maintenance costs.

- Information from public sources concerning the land area of the properties and local development plans for undeveloped land and properties held for development.

- Inspections of the properties are conducted regularly. The aim of these inspections is to assess the properties' overall standard and condition.

- Ex-ante valuations use estimated area, rent levels, rent supplements and estimated operating expenses. If there is no lease, estimated market rent is used for commercial properties and presumptive rent for residential properties.

Valuations are made according to Level 3 of the fair value hierarchy and based on a cash flow analysis, whereby a property's value is based on the present value of forecast cash flows and residual value over the calculation period of ten years.

Valuation assumptions
Market values are primarily determined using an income-based valuation method based on market-adjusted cash flow analyses with a calculation period of ten to 16 years, which is chiefly applicable to investment properties that operate normally. The cost of capital and yield requirements are based on the appraisers' experience of minimum returns in the market for comparable properties. Forecast cash flows consider the object's use, age and maintenance status. Rental payments are based on existing leases and when leases expire, market level rates are adopted. Costs for operation, maintenance and administration are based on actual costs combined with forecasts, assessments and experience from comparable objects. Yield requirements and the cost of capital used in the calculation were derived from comparable transactions in the property market. Important factors when selecting minimum returns are location, rent level, vacancy rate and the property's condition. Future investments are based on current needs.

	31-12-2022	31-12-2021
Summary of valuation assumptions		
Number of valuation items	1	8
Valuation date	2022-12-31	2021-12-31
Inflation assumption	2,0%	2,0%
Calculation period	10 years	10 years
Yield	6,9%	4.2–6.7%
Long-term vacancy rate	6,5%	6,8%
Market rent	SEK 465–1,857/sqm	SEK 267–2179/sqm
Operation & maintenance costs	SEK 281/sqm	SEK 71/sqm

Investment properties are measured at fair value and categorised according to IFRS 13 at Level 3 of the fair value hierarchy. The valuations were made based on Level 3 of the fair value hierarchy, as it is deemed there are no observable data that allow measurement according to Levels 1 or 2. Changes in non-observable data used in the valuations have been analysed by the Company's management compared with available information from planned and completed transactions and information from independent valuers. The Company assessed that the valuations and the properties have taken account of the optimum and maximum benefit.

Sensitivity analysis

Property values are estimates made using generally accepted principles based on certain assumptions

For the investment properties measured according to Level 3 of the fair value hierarchy, there are some non-observable data in which changes in assumptions could affect the value of the properties. The yield requirement is the single most important parameter in the measurement. Residential units generally have a lower yield requirement depending on security, cash flows and low risk.

The table below describes the effect on the measurement in the event of changes in key assumptions. If the input data were modified, the value of the properties would be affected as follows:

	Change +/-	Change in value in
Yield	2,00%	(6)
Rental income	5,00%	5
Operating expenses	5,00%	(2)
Vacancy rate	0,25%	(1)

Note 15 Investments in associates/joint ventures

	31-12-2022	31-12-2021
Opening cost	641 107	528 827
Acquisitions	30	50 000
Conditional shareholder contributions	14 000	4 528
Repaid shareholder contributions	-	(546)
Unconditional shareholder contributions	2 694	-
Share in profit/loss	(9 249)	75 838
Dividend	(72 000)	-
Reclassification as subsidiary	-	(16 477)
Sales/Divestments	(209 044)	(1 063)
Closing accumulated cost	367 538	641 107
Closing carrying amount	**367 538**	**641 107**

			Percentage of equity*		Carrying amount	
Company name	**Corp. reg. no.**	**Registered office**	**31-12-2022**	**31-12-2021**	**31-12-2022**	**31-12-2021**
Joint ventures						
Ringstorp Projekt AB	556987-1022	Lund	50%	50%	5 761	5 762
Strömbrytaren Holding AB	559116-6391	Stockholm	50%	50%	86 493	90 401
Slättö Fastpartner II AB	559211-9720	Stockholm	50%	50%	53 693	53 693
Klinga Logistikpark Holding AB	559187-0596	Stockholm	50%	50%	130 395	121 099
Fyrislundhuset Holding AB	559215-4446	Stockholm	50%	50%	31 599	32 290
Fondamentor Skolfastigheter AB	559226-2991	Stockholm	50%	50%	8 291	3 118
Slättö Sveaviken 1 Holding AB	559245-0133	Stockholm	0%	50%	-	207 387
Associates						
Botvid Holding AB (publ)	559103-1983	Stockholm		22%	50 770	126 851
Ostia Fastighetsutveckling i Norrköping AB	59245-8060	öping, Sweden		33%	536	506
Total carrying amount					**367 538**	**641 107**

The joint venture structures within the Group have various purposes, but all are aimed at managing some form of risk and are also expected to generate good returns. The Group's JV partners are also recognised as capable property developers and contribute valuable skills in other respects. In addition, it may, for example, involve making an investment less capital intensive to suit the fund's overall portfolio and to find partners that can assume production and development risk.

The Group also owns 50 percent of shares in Strömbrytaren Holding AB. The JV structure is owned together with PEAB and includes warehouse and logistics properties in Norrköping, Sweden. The properties are currently intended for warehousing and industrial purposes, which generate regular cash flows. A positive planning decision was received in 2018 for the establishment of a local development plan for residential units. It is estimated that the local development plan will permit around 200,000 sqm of GFA of development rights.

The Group has a joint venture together with local contractors to develop a new logistics area in Norrköping, Sweden. The project is called Klinga Logistikpark and is expected to comprise around 100,000 sqm of lettable area with a property value of approximately SEK 1.2 billion upon completion.

The Group also owns 22.4 percent of shares in Botvid Holding AB. Botvid Holding AB is a property company founded with the business concept of managing and improving properties in different segments and locations.

The Group's share of net assets in associates and joint ventures generally corresponds to the carrying amount of the investments. The Group' material joint ventures include Strömbrytaren Holding AB, Klinga Logostik Park Holding AB and the associate Botvid Holding AB. Their summary income statements and balance sheets are presented below.

Income statement	Botvid Holding AB (publ) 2022	2021	Klinga Logistikpark Holding AB 2022	2021
Net sales	-	1 320	-	-
Profit/loss before changes in value and tax	(4 324)	(12 290)	(1 494)	(1 803)
Profit/loss for the year	(15 934)	(14 289)	24 347	(2 568)

Income statement	Strömbrytaren Holding AB 2022	2021	Slättö Sveaviken Holding 1 AB 2022	2021
Net sales	22 061	23 222		-
Profit/loss before changes in value and tax	8 550	4 444		(1 508)
Profit/loss for the year	(32 909)	26 278		101 468

Balance sheet	Botvid Holding AB (publ) 2022-12-31	2021-12-31	Klinga Logistikpark Holding AB 2022-12-31	2021-12-31
Assets	325 742	596 525	423 347	117 297
Equity	227 158	567 568	125 487	41 195
Liabilities	325 742	28 957	297 859	76 102

Balance sheet	Strömbrytaren Holding AB 2022-12-31	2021-12-31	Slättö Sveaviken Holding 1 AB 2022	2021
Assets	510 966	436 069		1 457 129
Equity	175 892	180 802		414 774
Liabilities	335 074	255 267		1 042 355

Botvid Holding AB (publ)

Over the year, the Group received a dividend of SEK 72,000 thousand (0) from Botvid Holding AB (publ).

Strömbrytaren Holding AB

The Group did not receive any dividend from Strömbrytaren Holding AB in the current or previous years.

Klinga Logistikpark Holding AB

The Group did not receive any dividend from Klinga Logistikpark Holding AB in the current or previous years. In the Group, the share in profit/loss is allocated according to the profit sharing provided in the shareholders' agreement

Slättö Sveaviken Holding 1 AB

Over the year, the Group divested its shares in Slättö Sveaviken Holding 1 AB to Sveaviken Bostad.

Note 16 Receivables from associates/joint ventures

	31-12-2022	31-12-2021
Opening value	465 639	363 732
Additional items	-	101 907
Deductible items	(128 975)	
Total	**336 664**	**465 639**

Receivables from associates/joint ventures comprise receivables from the following

	31-12-2022	31-12-2021
Strömbrytaren Holding AB	37 828	10 827
Slättö Fastpartner II AB	-	52 550
Fyrislundhuset Holding AB	13 988	13 287
Klinga Logistikpark Holding AB	75 529	57 332
Klinga Logistikpark Holding 2 AB	2 000	-
Fondamentor Skolfastigheter AB	22 151	6 074
Ringstorp Projekt AB	-	35 391
Slättö Sveaviken Holding 1 AB	181 828	287 678
Other	3 340	2 500
Total	**336 664**	**465 639**

Note 17 Financial assets at fair value

	31-12-2022	31-12-2021
Opening cost	222 067	4
Acquisitions	156 703	-
Unrealised value changes	31 310	222 067
Sales	(222 067)	(4)
Closing accumulated cost		
Closing carrying amount	**188 013**	**222 067**

SEK 222,067 thousand related to the comparative year 2021 was reclassified from other receivables to financial assets at fair value.

Note 18 Derivatives, assets

	31-12-2022	31-12-2021
Opening fair value	507	-
Changes in value	(507)	507
Total	**-**	**507**

Note 19 Project properties and properties held for development

	31-12-2022	31-12-2021
Opening value	61 477	1 097 753
Acquisitions	62 699	
Expensed projects	-	(19 506)
Investments	120 983	200 338
Reclassifications to investment properties	-	(875 970)
Divestments	(165 165)	(341 138)
Total	**79 994**	**61 477**

The Group’s properties that are intended for sale are referred to as project properties and properties held for development.

Note 20 Trade receivables and rent receivables

	31-12-2022	31-12-2021
Gross trade receivables	18 422	23 347
Credit loss allowance		-
Rent receivables	(917)	(848)
Closing carrying amount	**17 505**	**22 499**

Provision for doubtful trade receivables	**31-12-2022**	**31-12-2021**
Provision at start of year	(848)	(1 195)
Provisions from divested companies	-	160
Recovered trade receivables	-	-
Change/provision for the year	(69)	187
Provision at year-end	**(917)**	**(848)**

Gross trade receivables by age	**31-12-2022**	**31-12-2021**
Trade receivables not due	17 280	21 900
Less than 30 days past due	4	5
31–60 days past due	6	7
More than 61 days past due	1 132	1 435
Total gross trade receivables	**18 422**	**23 347**

Impairment of trade receivables by category	**31-12-2022**	**31-12-2021**
Trade receivables not due	-	-
Less than 30 days past due	-	-
31–60 days past due	(7)	-
More than 61 days past due	(910)	(848)
Total impairment losses on trade receivables	**(917)**	**(848)**
Total trade receivables	**17 505**	**22 499**

The Company reported a profit/loss of SEK -69 thousand (187) for the impairment of trade receivables.

Note 21 Other receivables

	31-12-2022	31-12-2021
VAT	7 077	1 249
Receivables relating to property sales	366 002	134 562
Down payments made	-	115 763
Receivables relating to the sale of shares	66 227	-
Tax account	3 097	3 611
Other items	5 007	13 870
Total	**447 410**	**269 055**

Note 22 Cash and cash equivalents

	31-12-2022	31-12-2021
Cash and bank balances	399 479	523 829
Total	**399 479**	**523 829**

Note 23 Share capital

Share capital includes registered share capital. The number of shares is 555,878 (555,878) and the quota value is SEK 1 (1) per share.

Note 24 Deferred tax liabilities

	31-12-2022	31-12-2021
Deferred tax liabilities		
- relating to capitalised loss carryforw ards	-	16 102
- relating to valuation of investment properties	32 278	52 133
- relating to financial instruments	12 748	23 947
- relating to other items	2 238	1 138
Total	**47 264**	**61 116**

No loss carryforw ards w ere capitalised, as it w as determined that it w ill not be possible to use them.

Group	Amount at start of year	Added through acquisitions	Recognised in the income statement	Amount at year-end
Tax loss carryforw ards	(16 102)		16 102	-
Investment properties	52 133		(19 855)	32 278
Financial instruments	23 947		(11 199)	12 748
Other items	1 138		1 100	2 238
Total	61 116	**-**	**(13 852)**	**47 264**

Over the year, no deferred tax w as reported in other comprehensive income or equity.

Note 25 Interest-bearing liabilities

	31-12-2022	31-12-2021
Non-current liabilities	-	
Liabilities to credit institutions due for payment betw een one and five years after the balanc	-	11 954
Bond loans	392 510	887 133
Other interest-bearing liabilities	116 263	75 077
	508 773	**974 164**
Current liabilities		
Liabilities to credit institutions	194 132	46 443
Bond loans	400 000	
Other interest-bearing liabilities	9 411	
Total	**1 112 316**	**1 020 607**

The average effective interest rate on the Group’s interest-bearing loans excluding unutilised construction loans w as 6.7 percent.

The Group is subject to terms for external borrow ing that mainly relate to covenants related to equity/assets ratio, loan-to-value ratio and interest coverage ratio. The follow ing applies to the Group’s tw o bond loans:
Slättö Fastpartner Spånga AB – equity/assets ratio (at least 35 percent) and interest coverage ratio (at least SEK 1.5x)
Slättö Fastpartner Spånga AB – equity/assets ratio (at least 30 percent), equity (at least SEK 250 million) and a cash position corresponding to 6 months’ interest on the bond.

Note 26 Financial risks and finance policy

Through its operations, the Group is exposed to a number of different financial risks. The main risks to which the Group is exposed are interest rate risk, credit risk and refinancing and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and aims to minimise potential unfavourable effects on the Group's financial results.

Interest rate risk

Interest rate risk refers to the way in which changes in interest rates impact the Group's net financial income/expenses and the value of financial instruments in the event of changes in market rates. The Group's loan portfolio consists of varied sources of financing; bond loans, construction loans and the Group's own balance sheet (fund structure). The Group's financing activities are managed in accordance with the finance policy established by the Board of Directors. Interest rate risk is limited through continual access to various sources of financing and the ability to choose the most favourable source of financing. The risk of increased interest expenses resulting from a change in market rates is difficult to mitigate during the construction phase, as interest rate hedging is not normally applied to project finance. However, the risk can be managed using interest rate derivatives on completion, primarily interest rate swaps and interest rate caps. There were no interest rate derivatives in the Group at year-end.

Sensitivity analysis

If interest rates on borrowings were 100 basis points higher/lower on 31 December 2022 and all other variables were constant, the estimated profit/loss for the year before tax would had been SEK 9,940 thousand lower/higher, chiefly as an effect of higher/lower interest rates for variable rate borrowings.

Credit risk

The Group's credit risk is mainly attributable to outstanding trade/rent receivables, promissory note receivables (receivables from associates/joint ventures) and cash and cash equivalents. Only banks and credit institutions with a credit rating of at least "A" from an independent rating agency are accepted. Losses on trade/rent receivables and promissory note receivables arise when customers are declared bankrupt or are unable to fulfil their payment obligations for other reasons.

A tenant's financial conditions are assessed when a lease is concluded. Individual tenants' inability to pay is offset by the large number of leases. Where appropriate, the Group also cooperates with the trade association Fastighetsägarna in residential rent negotiations. For warehouses and logistics properties (commercial properties), long-term leases are often signed with stable, long-term tenants. However, short-term leases also occur. To limit its exposure to the vacation of properties and rental losses, the Group aims to have long-standing customer relationships and to prioritise tenants with high creditworthiness. The Group continually endeavours to renegotiate existing leases to minimise risk in the short term. The vast majority of leases are also adjusted for inflation and linked to the CPI.

Other counterparties must provide documented evidence as proof of their ability to pay and have competitive business operations to enter into a lease with the Group. No credit limits were exceeded during the reporting period, and management does not anticipate any losses resulting from non-payment from these counterparties.

Liquidity and refinancing risk

The Group's payment commitments linked to the operation of direct and indirect investments, and repayments and interest expense, require good liquidity. Should the Company lack sufficient liquidity to meet its payment commitments, this could have a negative effect on the Company's operations, financial position and performance.

Liquidity risk is managed by ensuring that sufficient liquid assets are available to meet the payment commitments when they fall due and by monitoring the forecast cash flows continuously. The Group continually maintains liquidity plans for each individual project and investment and for the Company as a whole to ensure liquidity preparedness well in advance of the allocation of capital. The Group has overdraft facilities to manage temporary liquidity fluctuations.

The Group is dependent on external parties for refinancing. Refinancing risk refers to the risk of cash and cash equivalents not being available and of the inability to raise funding, wholly or in part, or at an increased cost. The Group manages refinancing risk by striving for a diverse loan portfolio with varying loan maturities. The Group works actively with several different banks to reduce its dependence on individual banks. The Group also has varied sources of financing; bond loans, construction loans and the Group's own balance sheet (fund structure). Loans are extended well in advance of maturity dates to reduce refinancing risk.

The table below provides a summary of future contractually agreed undiscounted payment flows relating to interest and amortisation/repayment of financial liabilities at the balance sheet date, 31 December 2022. Financial liabilities carrying variable interest have been calculated using the interest rate as at 31 December 2022. Liabilities are included in the period when repayment can be claimed at the earliest by the counterparty.

Group, as at 31 December 2022	Less than 1 year	1–2 years	2–4 years	4–5 years
Interest-bearing liabilities	603 544	108 773	400 000	-
Other liabilities	22 920	-	-	-
Trade payables	7 345	-	-	-
Accrued interest expense	18 553	-	-	-
	652 362	108 773	400 000	-

Group, as at 31 December 2021	Less than 1 year	1–2 years	2–4 years	4–5 years
Interest-bearing liabilities	46 443	487 031	500 000	-
Other liabilities	93 695	-	-	-
Trade payables	30 886	-	-	-
Accrued interest expense	12 284	-	-	-
	183 308	487 031	500 000	-

The Group has no financial liabilities that fall due more than 5 years from the balance sheet date.

Financial agreements

The Group had unutilised loan commitments of SEK 136,868 thousand (317,603) as at 31 December 2022.

Management of capital

The Group's goal for the capital structure is to secure the Group's ability to continue as a going concern, so that it can continue generating returns for its shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to keep the cost of capital down.

To maintain or adjust the capital structure, the Group can adjust the dividend to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce debt.

Note 27 Financial assets and liabilities by category

Classification of financial assets and liabilities — **2022**

Group	Financial assets at amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial liabilities at amortised cost
Assets			
Non-current receivables	959	-	-
Other securities held as non-current assets	-	156 703	-
Trade receivables	17 505	-	-
Accrued income	23 885	-	-
Other receivables	478 719	-	-
Cash and cash equivalents	399 479	-	-
Total	920 547	156 703	-
Liabilities			
Non-current interest-bearing liabilities	-	-	508 773
Current interest-bearing liabilities	-	-	603 544
Trade payables	-	-	7 345
Other liabilities	-	-	22 920
Accrued expenses	-	-	45 781
Total	-	-	1 188 363

Classification of financial assets and liabilities — **2021**

Group	Financial assets at amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial liabilities at amortised cost
Assets			
Non-current receivables	57 429	-	-
Derivatives	-	507	-
Trade receivables	22 499	-	-
Accrued income and prepaid expenses	32 481	-	-
Financial assets at fair value		222 067	
Other receivables	267 806	-	-
Cash and cash equivalents	523 829	-	-
Total	904 044	222 574	-
Liabilities			
Non-current interest-bearing liabilities	-	-	974 164
Other non-current liabilities	-	-	46 443
Current interest-bearing liabilities	-	-	30 886
Trade payables	-	-	93 695
Other liabilities	-	-	12 284
Accrued expenses and deferred income	-	-	-
Total	-	-	1 157 472

Fair value measurement and disclosures

The table below shows financial instruments measured at fair value based on how the classification according to the fair value hierarchy was made. The levels are defined as follows:

(a) Financial instruments at Level 1
Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Financial instruments at Level 2.
Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. quoted prices) or indirectly (i.e. derived from quoted prices).

(c) Financial instruments at Level 3.
If one or more material inputs are not based on observable market data.

	Level in the fair value hierarchy	31-12-2022	31-12-2021
Derivative instruments	2	-	507
Financial assets at fair value	1	188 013	222 067
Total financial assets at fair value		**188 013**	**222 067**

The fair value of other receivables, comprising listed securities measured at fair value through profit or loss, is measured by using quoted share prices.

The carrying amount of all financial assets and liabilities measured at amortised cost is not deemed to differ materially from the fair value. This is either because the interest is on a par with current market rates or because the item is current.

Note 28 Other current liabilities

	31-12-2022	31-12-2021
VAT liabilities	-	55 717
Down payments	16	-
Other loans	-	33 210
Liability for contingent considerations	21 292	60 380
Interest-bearing liabilities to credit institutions	-	-
Other items	1 612	121
Total	**22 920**	**149 428**

Note 29 Accrued expenses and deferred income

	31-12-2022	31-12-2021
Advance payment of rents	438	1 022
Other deferred income	2 050	5 960
Accrued project costs	21 311	12 910
Accrued interest expenses	18 553	12 284
Accrued audit costs	1 576	2 232
Other items	1 852	2 960
Total	**45 780**	**37 368**

Note 30 Financial liabilities attributable to financing activities

	2021-01-01	Cash inflow	Cash outflow	Non-cash items	2021-12-31
Liabilities to credit institutions	-				**-**
Bond loans	-				**-**
Liabilities to associates	-				**-**
Other interest-bearing liabilities	901 631	194 552		(75 576)	**1 020 607**
Lease liability	-				**-**
Total	**901 631**	**194 552**	**-**	**(75 576)**	**1 020 607**

	2022-01-01	Cash inflow	Cash outflow	Non-cash items	2022-12-31
Liabilities to credit institutions	58 397	135 735		-	**194 132**
Bond loans	887 133		(94 623)		**792 510**
Liabilities to associates	-			-	**-**
Other interest-bearing liabilities	75 077	50 598			**125 675**
Lease liability	-			-	**-**
Total	**1 020 607**	**186 333**	**(94 623)**	**-**	**1 112 317**

Note 31 Pledged assets

	31-12-2022	31-12-2021
Property mortgages	322 900	377 900
Pledged shares in subsidiaries	518 470	249 525
Floating charges	10 000	10 000
Pledged bank accounts	-	5 250
Total	**851 370**	**642 675**

Note 32 Contingent liabilities

	31-12-2022	31-12-2021
Guarantees on behalf of Group companies	-	-
Guarantees on behalf of associates	489 055	511 690
Conditional shareholder contribution	50	50
Total	**489 105**	**511 740**

The Group's divestment of a property (through a corporate transaction) relating to a residential project in Norrtälje Harbour resulted in an obligation and undertaking to construct this property and complete the project. The transaction w as completed using a forw ard sale structure, w hich means that the buyer w ill take possession of the property upon completion, w hich is expected to occur in the fourth quarter of 2023. The remaining investment volume w as approximately SEK 175 million as at the reporting date.

Over the year, properties that w ere divested and transferred (in corporate transactions) resulted in the Group undertaking to complete ongoing projects.

In other respects, the Group has undertakings and obligations under contractual agreements w ith third parties, including contractors and municipalities.

The Group has undertakings in respect of some of its associates and joint ventures to finance ongoing projects in the form of shareholder loans or shareholder contributions, in addition to external financing.

Note 33 Related parties

	31-12-2022	31-12-2021
Shareholders		
Services purchased	(57 070)	(51 802)
Interest expense	(1 492)	-
Receivables	-	-
Liabilities	-	7 568
Associates/joint ventures		
Services sold	-	-
Interest income	24 886	28 790
Receivables	422 734	469 121
	-	-
Other Group companies		
Services purchased	-	(244)
Properties sold	-	-
Interest income	-	-
Interest expense	-	-
Receivables	-	-

The Group's joint ventures are classified as related parties. The transactions w ere of limited scope and w ere conducted on market terms. Slättö Value Add I AB entered into a joint venture cooperation via subsidiaries w ith a subsidiary of SIBS AB. SIBS AB is part-ow ned by Neptunia Invest AB (17.2 percent stake), w hich is in turn ow ned by Brofund Group AB, w hich is the highest Group parent.

Note 34 Events after the end of the reporting period

Acquisitions and sales

In February, the property Väghyveln 1 in Örebro, Sweden, was vacated. The transaction had a forward funding structure, which means that the Group operated the project until completion and the purchaser financed the ongoing production.

Financing
In the Group, the listed bond in Slättö Fastpartner Spånga AB was repaid upon final maturity in April 2023.

PARENT COMPANY INCOME STATEMENT

Amounts in SEK 000	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Net sales			
Other operating income	36	59	721
Gross profit/loss		**59**	**721**
Central administration		-38 235	-39 288
Operating profit/loss		**-38 176**	**-38 567**
Profit/loss from investments in Group companies	61	19 431	-14 930
Profit/loss from other securities	39	0	71
Finance income	40	42 960	33 449
Finance costs	41	-63 453	-48 235
Profit/loss after financial items		**-39 238**	**-68 212**
Appropriations	60	8 018	
Profit/loss before tax		**-31 220**	**-68 212**
Tax on profit for the year	42	-16 102	10 191
PROFIT/LOSS FOR THE YEAR		**-47 322**	**-58 021**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Belopp i TSEK	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Profit/loss for the year		-47 322	-58 021
Other comprehensive income			
COMPREHENSIVE INCOME FOR THE YEAR		**-47 322**	**-58 021**

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PARENT COMPANY BALANCE SHEET **Amounts in SEK 000**	**Note**	**2022-12-31**	**2021-12-21**
ASSETS			
Non-current financial assets			
Investments in Group companies	61	115 144	100 454
Investments in associates	43	536	506
Other non-current receivables	46	0	56 471
Deferred tax assets	52	0	16 102
Total non-current financial assets		**115 680**	**173 533**
Total non-current assets		**115 680**	**173 533**
Current assets			
Current receivables			
Receivables from Group companies		494 510	1 592 407
Receivables from associates	44	3 384	2 500
Tax assets		43	43
Other receivables	48	38 637	1 462
Prepaid expenses and accrued income		53	53
Total current receivables		**536 627**	**1 596 465**
Cash and bank balances	49	218 780	19 320
Total current assets		**755 407**	**1 615 785**
TOTAL ASSETS		**871 087**	**1 789 318**

PARENT COMPANY BALANCE SHEET Amounts in SEK 000	Note	2022-12-31	2021-12-21
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	51	556	556
Total restricted equity		**556**	**556**
Unrestricted equity			
Share premium account		1 049 257	1 049 257
Retained earnings	52	-542 425	-74 481
Profit/loss for the year		-47 322	-58 031
Total unrestricted equity		**459 510**	**916 745**
Total equity		**460 066**	**917 301**
Non-current liabilities			
Interest-bearing liabilities	54	393 035	489 758
Total non-current liabilities		**393 035**	**489 758**
Current liabilities			
Trade payables		0	260
Liabilities to Group companies		11 972	376 113
Other current liabilities	55	63	15
Accrued expenses and deferred income	56	5 951	5 871
Total current liabilities		**17 986**	**382 259**
TOTAL EQUITY AND LIABILITIES		**871 087**	**1 789 318**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Amounts in SEK 000

	Share capital	Share premium account	Retained earnings incl. profit/loss for the year	Total equity
Opening equity, 01/01/2021	**556**	**1 049 257**	**35 432**	**1 085 245**
Profit/loss for the year			-58 031	-58 031
Other comprehensive income			0	0
Comprehensive income for the year	**0**	**0**	**-58 031**	**-58 031**
Transactions with shareholders				
New share issues from previous years				**0**
New share issue				**0**
Dividend			**-109 913**	**-109 913**
Closing equity, 31/12/2021	**556**	**1 049 257**	**-132 512**	**917 301**
Opening equity, 01/01/2022	**556**	**1 049 257**	**-132 512**	**917 301**
Profit/loss for the year			-47 322	-47 322
Other comprehensive income			0	0
Comprehensive income for the year	**0**	**0**	**-47 322**	**-47 322**
Transactions with shareholders				
Dividend			-409 913	**-409 913**
Closing equity, 31/12/2022	**556**	**1 049 257**	**-589 747**	**460 066**

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PARENT COMPANY STATEMENT OF CASH FLOWS Amounts in SEK 000	Note	Financial year 2022-01-01 2022-12-31	 2021-01-01 2021-12-31
Operating activities			
Operating profit/loss		-38 176	-38 567
Interest received		42 960	
Interest paid		-63 453	-32 221
Income taxes paid			
Cash flows from operating activities before changes in working capital		**-58 669**	**-70 788**
Cash flows from changes in working capital			
Changes in operating receivables		1 067 856	78 758
Changes in operating liabilities		-364 013	59 765
Cash flows from operating activities		**645 174**	**67 735**
Investing activities			
Acquisition of Group companies		0	-49 830
Divestment of Group companies		19 431	-588
Capital contributions provided, Group companies		-14 690	0
Sale of financial assets		0	75
Change in non-current receivables		56 441	-2 000
Cash flows from investing activities		**61 182**	**-52 343**
Financing activities			
New share issue			
Dividend paid		-409 913	-109 913
Long-term loans raised	56	-96 983	485 580
Repayment of loans		0	-400 000
Cash flows from financing activities		**-506 896**	**-24 333**
Cash flows for the year		**199 460**	**-8 941**
Cash and cash equivalents at start of year		19 320	28 261
Cash and cash equivalents at year-end	49	**218 780**	**19 320**

PARENT COMPANY NOTES

Note 35 Parent Company accounting policies

Summary of the Parent Company's key accounting policies

The key accounting policies applied in the preparation of these annual accounts are detailed below. Unless otherwise stated, these policies were applied consistently in all years presented.

The annual accounts of the Parent Company were prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. Any events where the Parent Company applies different accounting policies to the Group, which are detailed in Note 1 of the consolidated financial statements, are stated below.

The annual accounts were prepared according to the cost method.
Preparing financial statements in accordance with RFR 2 requires the use of a number of key estimates for accounting purposes. This requires management to make certain assessments when applying the Parent Company's accounting policies. The areas that involve a high degree of assessments that are complex or such areas where assumptions and estimates are of material importance to the annual accounts are specified in Note 2 of the consolidated accounts.

Through its business, the Parent Company is exposed to a number of different financial risks: market risk (currency risk and interest rate risk), credit risk and liquidity risk. The Parent Company's overall risk management policy focuses on the unpredictability of financial markets and aims to minimise potential unfavourable effects on the Group's financial results. For further information about financial risks, please refer to Note 35 of the consolidated financial statements.

The Parent Company applies different accounting policies to the Group in the following cases:

Form of presentation

The income statement and balance sheet are presented using the layout stipulated in the Swedish Annual Accounts Act. The statement of changes in equity also follows the layout of the consolidated statement, with the addition of the columns stipulated in the Swedish Annual Accounts Act. Furthermore, this means a difference in terms compared with the consolidated accounts, primarily regarding finance income and expense and equity.

Investments in Group companies

Investments in subsidiaries are recognised at cost, less any impairment. Cost includes acquisition-related costs, contributions and any contingent considerations.

When there is an indication that investments in subsidiaries have declined in value, a calculation is made of the recoverable value. If this value is lower than the carrying amount, an impairment loss is recognised. Impairment losses are recognised in the items 'Profit/loss from investments in Group companies'.

Investments in associates

Participations in associates are recognised at cost, less any impairment. Cost includes acquisition-related costs, contributions and any contingent considerations.

Shareholder contributions and Group contributions

Group contributions are recognised as appropriations in both the receiving and contributing companies. In the Parent Company, contributions are recognised as increases in the carrying amount of the participations, and in the receiving company, they are

Financial instruments

Financial instruments are measured at cost. In subsequent periods, financial assets that are acquired to be held for the short term will be recognised in line with the lowest value principle, at the lower of cost and market value, adjusted for any provisions for future losses.

All amounts are stated in SEK thousand unless otherwise indicated. Figures in brackets relate to the previous year.

Leases

The Parent Company has chosen not to apply IFRS 16 Leases; instead, it applies RFR 2, IFRS 16 Leases, items 2–12. Consequently, no right-of-use asset or lease liability is recognised in the balance sheet; instead, the lease payments are expensed on a straight-line basis of the lease term.

Note 36 Revenue breakdown

	01-01-2022 31-12-2022	**01-01-2021 31-12-2021**
Other income	59	721
Total	**59**	**721**

The Parent Company's income was SEK 59 thousand and chiefly refers to revenue from Group companies.

Note 37 Operating expenses by type of cost

Central administration	**01-01-2022 31-12-2022**	**01-01-2021 31-12-2021**
Management fee, Group companies	27 545	(26 064)
Other services, Group companies	6 741	(4 790)
Audit, legal and consultancy fees	212	(6 015)
Accounting services	1 226	(1 303)
Other costs	2 511	(1 116)
Total	**38 235**	**(39 288)**

Note 38 Disclosures on fees and expenses to auditors

	01-01-2022 31-12-2022	**01-01-2021 31-12-2021**
Ernst & Young AB		
auditing assignments	(1 287)	(1 257)
	(1 287)	**(1 257)**

Auditing assignments refer to the auditor's work on the annual accounts and accounting records, and auditing and other review work conducted as arranged or contractually agreed. This includes other duties that are incumbent on the Company's auditors and the provision of advice or other assistance resulting from observations in connection with such assessment or the performance of such other duties.

The Parent Company's expenses include Group company expenses.

Note 39 Profit/loss from other securities

	01-01-2022 31-12-2022	01-01-2021 31-12-2021
Profit/loss on divestment	-	-
Total	**-**	**-**

Note 40 Finance income

	01-01-2022 31-12-2022	01-01-2021 31-12-2021
Interest income	-	-
Interest income, Group companies	42 916	33 449
Interest income, associates/joint ventures	44	-
Other finance income	-	-
Total	**42 960**	**33 449**

Note 41 Finance costs

	01-01-2022 31-12-2022	01-01-2021 31-12-2021
Interest expense	39 090	(36 626)
Interest expense, Group companies	18 095	(3 767)
Interest expense, associates/joint ventures	-	-
Accrual of borrow ing costs	3 277	(4 694)
Other finance costs	144	(178)
Interest expense attributable to lease liabilities	-	-
Total	**60 606**	**(45 265)**

Note 42 Tax on profit for the year

	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Current tax	-	-
- tax on profit for the year	-	-
- tax attributable to previous periods	-	-
Deferred tax		
- relating to a temporary difference betw een the carrying amount and tax value of buildings	-	-
- relating to capitalised loss carryforw ards	16 102	10 181
- relating to financial instruments	-	-
- relating to untaxed reserves	-	-
Total	**16 102**	**10 181**

Reconciliation of tax recognised	**01-01-2022 31-12-2022**	**01-01-2021 31-12-2021**
Profit/loss before tax	(31 220)	(68 212)
Nominal tax at the applicable tax rate (20.6%)	6 431	14 052
Tax effect of non-deductible expenses and taxable income not included in profit/loss	4 003	(3 076)
Tax effect of non-taxable income and tax-deductible expenses not included in profit/loss	-	-
Tax effect, loss carryforw ards	9 302	2 249
Adjustment for deficits and temporary differences attributable to previous years	-	-
Tax effect of restrictive interest deductions	(3 634)	(3 044)
Tax effect of unrecognised temporary differences	-	-
Current tax attributable to previous years	-	-
Total	**16 102**	**10 181**

Note 43 Investments in associates/joint ventures

	31-12-2022	31-12-2021
Opening cost	506	531
Acquisitions	30	-
Conditional shareholder contributions	-	-
Repaid shareholder contributions	-	-
Unconditional shareholder contributions	-	-
Sales/Divestments	-	-
Reclassification as subsidiary	-	(25)
Closing accumulated cost	536	506
Closing carrying amount	**536**	**506**

Parent Company – Associates

Company name	Corp. reg. no.	Registered office
Ostia Fastighetsutveckling i Norrköping AB	559245-8060	Norrköping, Sweden
Brygghuset Fastighet i Norrköping AB	559372-8800	Norrköping, Sweden

	Percentage of equity		Carrying amount	
Company name	31-12-2022	31-12-2021	31-12-2022	31-12-2021
Ostia Fastighetsutveckling i Norrköping AB	33%	25%	536	506
Total carrying amount, associates			**536**	**506**

*The share of equity is the same as the ownership interest.

Note 44 Receivables from associates/joint ventures

	31-12-2022	31-12-2021
Opening value	-	500
Additional items	-	-
Deductible items	-	(500)
Total	**-**	**-**

Note 45 Other securities held as non-current assets

	31-12-2022	31-12-2021
Opening cost	-	4
Acquisitions	-	-
Received via dividend	-	-
Sales	-	(4)
Closing accumulated cost		
Closing carrying amount	**-**	**-**

Note 46 Other non-current receivables

	31-12-2022	31-12-2021
Opening value	56 471	57 721
Closing value	(56 471)	(1 250)
Total	**-**	**56 471**

Note 47 Receivables from associates/joint ventures

	31-12-2022	31-12-2021
Other	3 340	2 500
Total	**3 340**	**2 500**

Receivables from associates/joint ventures refer to Ostia Fastighetsutveckling i Norrköping AB.

Note 48 Other receivables

	31-12-2022	31-12-2021
VAT	-	-
Receivables relating to property sales	37 067	1 250
Down payments made	-	-
Receivable from the sale of shares	-	-
Tax account	169	212
Other items	1 401	-
Total	**38 637**	**1 462**

Note 49 Cash and bank balances

	31-12-2022	31-12-2021
Cash and bank balances	218 780	19 320
Total	**218 780**	**19 320**

Note 50 Share capital

Share capital includes registered share capital. The number of shares is 555,878 (555,878) and the quota value is SEK 1 (1) per share.

Note 51 Conditional shareholder contributions

The conditional repayment obligation for shareholder contributions was SEK 50 thousand (50) at year-end.

Note 52 Deferred tax liabilities

	31-12-2022	31-12-2021
Deferred tax assets		
- relating to capitalised loss carryforwards	0	16 102
Total	**-**	**(16 102)**

2022-12-31	Amount at start of year	Recognised in the income statement	Amount at year-end
Tax loss carryforwards	(16 102)	16 012	-
Total		**16 012**	**-**

2021-12-31	Amount at start of year	Recognised in the income statement	Amount at year-end
Tax loss carryforwards	(5 921)	(10 181)	(16 102)
Total	**(5 921)**	**(10 181)**	**(16 102)**

No deferred tax was recognised in equity.

Note 53 Interest-bearing liabilities

	31-12-2022	31-12-2021
Non-current liabilities		
Liabilities to credit institutions due for payment between one and five years after the balanc	-	-
Bond loans	393 035	489 758
Current liabilities		
Liabilities to credit institutions	-	-
Total	**393 035**	**489 758**

The Parent Company has loan terms related to bond loans: equity/assets ratio (at least 35%) and interest coverage ratio (at least 1

Note 54 Other current liabilities

	31-12-2022	31-12-2021
VAT liabilities	-	-
Down payments	-	-
Other loans	-	-
Liability for contingent considerations	-	-
Other items	63	15
Total	**63**	**15**

Note 55 Accrued expenses and deferred income

	31-12-2022	31-12-2021
Advance payment of rents	-	-
Other deferred income	-	-
Accrued project costs	-	-
Accrued interest expenses	4 712	4 583
Accrued audit costs	1 087	870
Other items	152	418
Total	**5 951**	**5 871**

Note 56 Financial liabilities attributable to financing activities

				Non-cash items	
	2021-01-01	Cash inflow	Cash outflow	Capitalised borrowing costs	2021-12-31
Liabilities to credit instituti	-	-	-	-	**-**
Bond loans	324 484	160 580	-	4 694	**489 758**
Total	**324 484**	**160 580**	**-**	**4 694**	**489 758**

	2022-01-01	Cash inflow	Cash outflow	Capitalised borrowing costs	2022-12-31
Liabilities to credit instituti	-			-	**-**
Bond loans	489 758		(100 000)	3 277	**393 035**
Total	**489 758**	**0**	**-100 000**	**3 277**	**393 035**

Note 57 Pledged assets

	31-12-2022	31-12-2021
Property mortgages	-	-
Pledged shares in subsidiaries	-	-
Floating charges	10 000	10 000
Total	**10 000**	**10 000**

Note 58 Contingent liabilities

	31-12-2022	31-12-2021
Guarantees on behalf of Group companies	199 382	414 400
Guarantees on behalf of associates	489 055	511 690
Conditional shareholder contribution	50	50
Total	**688 487**	**926 140**

Note 59 Profit/loss from investments in Group companies

	31-12-2022	31-12-2021
Profit/loss from the sale of investments in Group companies	19 431	(1 838)
Impairment of investments in Group companies	-	(13 092)
Total	**19 431**	**(14 930)**

In 2021, the Company recognised an impairment loss on investments in Group companies as the recoverable value had fallen below the carrying amount.

Note 60 Appropriations

	01-01-2022 31-12-2022	01-01-2021 31-12-2021
Group contributions	8 019	-
Total	**8 019**	**-**

Note 61 Investments in Group companies

	31-12-2022	31-12-2021
Opening cost	113 757	12 348
Acquisitions	-	49 830
Unconditional shareholder contributions	14 690	51 554
Reclassification from associates	-	25
Closing accumulated cost	128 447	113 757
Opening impairment losses	(13 303)	(211)
Impairment losses for the year	-	(13 092)
Closing accumulated cost	(13 303)	(13 303)
Closing carrying amount	**115 144**	**100 454**

Company name	Corp. reg. no.	Registered off	Percentage of equity*	Carrying amount
Slättö VII Holding 1 AB	559159-7512	Stockholm	100,0%	50
Slättö VII Holding 2 AB	559176-9699	Stockholm	100,0%	11 982
Slättö Project Development AB	559184-9855	Stockholm	100,0%	50
Slättö VII Holding 3 AB	559195-9092	Stockholm	100,0%	50
Slättö VII Holding 4 AB	559103-6511	Stockholm	100,0%	49 050
Slättö VII Holding 5 AB	559153-7690	Stockholm	100,0%	49 855
Slättö VII Holding 6 AB	559235-0952	Stockholm	100,0%	4 107
				115 144

Note 62 Related parties

	31-12-2022	31-12-2021
Shareholders		
Services purchased	(28 237)	(30 810)
Interest expense	-	-
Receivables	-	-
Liabilities	-	1 676
Subsidiaries		
Services sold	36	649
Interest income	42 916	33 449
Interest expense	(18 095)	(6 737)
Receivables	1 057 316	1 592 407
Liabilities	574 777	374 437
Associates/joint ventures		
Services sold	-	-
Interest income	44	-
Receivables	3 340	2 500
Other Group companies		
Services purchased	-	(44)
Properties sold	-	-
Interest income	-	-
Interest expense	-	-
Receivables	-	-

Of the Parent Company's sales and purchases, 100 percent (90) of sales and 100 percent (78.5) of purchases concern other Group companies. Purchases primarily relate to management fees charged according to agreements.

The Parent Company has related-party relationships with its subsidiaries. In other respects, the management company, Slättö Förvaltning AB, carried out services for the fund (Group) or companies owned by the fund. All transactions were conducted on market terms.

Note 63 Proposed appropriation of profits

The following profit is at the disposal of the Annual General Meeting:

Retained earnings from the previous year	916 745 468
Dividend	(409 913 379)
Profit/loss for the year	(47 321 713)
	459 510 376

The Board of Directors proposes that

the following amount be carried forward	459 510 376
	459 510 376

Stockholm, date indicated by our electronic signature

Johan Karlsson
Chairman of the Board

Erik Dansbo
Board member

Staffan Unge
Board member

Christian Bratt
Chief Executive Officer

Stockholm, date indicated by our electronic signature

Ernst & Young AB

Mikael Ikonen
Authorised Public Accountant

Auditor’s report

To the general meeting of the shareholders of Slättö Value Add I AB, corporate identity number 556994-4464

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Slättö Value Add I AB (publ) except for the corporate governance statement on pages 3-5 for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 1-59 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 3-5. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description	*How our audit addressed this key audit matter*
The reported fair value of the Group's investment properties, reported in the statement of financial position, amounted to SEK 1,453 million as of December 31, 2022. Changes in the value of investment properties during 2022, reported in the consolidated income statement, amounted to SEK 156 million. The Group's investment properties are reported at fair value. Due to the high degree of assumptions and assessments that take place in connection with the valuation of investment properties, we believe that this area is a particularly important area in our audit. A description of the valuation of investment properties, together with accounting principles, critical estimates and assessments and assumptions, appears in the annual report in Note 1 on page 19, in Note 2 on page 23 and in Note 14 on pages 28-30.	In our audit, we examined the area, among other things, by evaluating the company's process for assessing the classification of properties. With the help of internal valuation expertise, we have evaluated the company's guidelines for valuation of investment properties as well as their valuation method and model for the different types of investment properties. We have evaluated the competence and objectivity of the external valuers. We have obtained a selection of established valuations and reviewed that the valuations follow Slättö's guidelines for classification, valuation, and valuation method. For the same selection of investment properties, we have examined the reasonableness of assumptions made, such as yields, net operating income, future investments, and vacancy rates with the support of our valuation expertise. For a selection of investment properties, we have tested input data in the valuation model regarding rental income and operating costs as well as cost forecasts for the remaining investments in investment properties under construction. We have also checked the calculations that form the basis for reported fair value. We have reviewed the disclosures in the financial statements.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on page 64. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of ABC AB (publ) for the year 201X (the financial year …) and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

[A separate list of loans and collateral has been prepared in accordance with the provisions of the Companies Act.]

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 3-5 as been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevR 16 *The auditor´s examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 3-5 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB, Box 7850 103 99 Stockholm, was appointed auditor of Slättö Value Add I AB by the general meeting of the shareholders on the 30 June 2022 and has been the company's auditor since the 26 November 2015.

Stockholm on the day stated in our electronic signature
Ernst & Young AB

Mikael Ikonen

Authorized Public Accountant

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Slättö Value Add I AB **Legal entity identifier:** 8945004PIZ81T8RZWV70

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 6% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental or social characteristics promoted by the fund are:

- *Characteristic 1: Apply exclusion list in line with Slättö's Policy for Responsible Investment.*
- *Characteristic 2: Reduce GHG emissions in real estate, by reducing energy demand across the fund's portfolio where relevant.*

• Characteristic 3: Promote responsible business conduct in the fund's investments in real estate development, by engaging construction partners through the Slättö Construction Supplier Code of Conduct.

With respect to sustainable investments (defined with the EU Taxonomy criteria) with environmental objectives, the environmental objective to which the sustainable investment underlying the financial product contributed to is climate change mitigation.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics.

How did the sustainability indicators perform?

• Characteristic 1: Apply exclusion list.The exclusion list in line with Slättö's Policy for Responsible Investment was met for all investments made from the end of 2021 onwards.

• Characteristic 2: Reduce GHG emissions in real estate, by reducing energy demand across the fund's portfolio where relevant. Slättö monitors energy consumption of the fund's cash-flow assets, where GHG emissions data is gathered and analysied on a third-party system. The fund also invests in project development, where energy efficiency standards generally meet the Climate mitigation criteria of the EU Taxonomy.

• Characteristic 3: Promote responsible business conduct in the fund's investments in real estate development. Slättö requires a Construction Supplier Code of Conduct and self-assessment for all new projects.

For investments representing 8% of the fund's assets, the environmental and / or social characteristics could not be evaluated.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The objectives of the sustainable investments the fund partially intends to make are in line with the EU Taxonomy objective:

- *Environmental objective 1: Climate change mitigation.*

During 2022, the sustainable investments contributed to climate change mitigation, by investing in a real estate asset that meets the Taxonomy criteria for this objective in economic activity 7.7 (Acquisition and Ownership of real estate).

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Slättö has assessed the sustainable investment that contributes to the EU Taxonomy environmental objective 1 against the Do No Significant Harm criteria of the EU Taxonomy related to the economic activities the fund invests in. The economic activity that is most relevant to this fund is 7.7, acquisition and ownership of buildings. The Do No Significant Harm criteria were met.

How were the indicators for adverse impacts on sustainability factors taken into account?

For all the fund's investments, including sustainable investments, Slättö gathers data regarding buildings' Primary Energy Demand based on energy performance certificates (EPCs) for all the assets in our portfolio. We also gather data regarding energy consumption of assets on an *ongoing basis and work to reduce energy demand and increase renewable energy wherever relevant.*

Slättö follows up on the indicators for adverse impacts applicable to real estate in Table 1, Annex I of RTS Regulation (exposure to fossil fuels through real estate assets and exposure to energy-inefficient real estate assets), and an additional indicator from Table 2 (energy consumption intensity in KWh of owned real estate asset per square meter).

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Considering the Platform on Sustainable Finance's Final Report on Minimum Safeguards, Slättö applies Minimum Safeguards, namely with respect to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Slättö's Code of Conduct states the firm's policies on human rights and workers' rights, bribery, taxation and fair competition. Slättö requires all construction suppliers in new real estate development projects to commit to following Slättö's Construction Supplier Code of Conduct. We follow up on our policies through a screening process of construction suppliers where they must answer questions about their commitment and practices with respect to the principles in the Construction Supplier Code of Conduct.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did this financial product consider principal adverse impacts on sustainability factors?

The fund considers principal adverse impacts on sustainability factors, namely climate and other environmentally-related impacts from real estate's energy consumption and exposure to fossil fuels. Assets have energy performance certificates (EPCs) according to applicable legal requirements, and Slättö gathers data about energy consumption in our standing assets. More information is available on the Slättö Investor Portal and Data Room. See section above on adverse impacts on sustainability factors and alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

What were the top investments of this financial product?

Top 5 – largest investments

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:

Largest investments	Sector	% Assets	Country
Development in Bromstensstaden	*Residential*	*25%*	*Sweden*
Development in Norrtälje	*Residential*	*12%*	*Sweden*
Development in Norrköping	*Logistics*	*6%*	*Sweden*
Public Holding	*Multiple*	*6%*	*Sweden*
Debt security	*Residential*	*5%*	*Sweden*

The data in the table above is calculated on the basis of all assets in the fund including cash.

What was the proportion of sustainability-related investments?

Investments aligned with environmental and / or social characteristics

80% of the fund's assets are aligned with environmental and / or social characteristics. The remaining assets are cash (12%), where environmental and / or social characteristics are not applicable, and investments where the sustainability characteristics could not be evaluated (8%).

Sustainable investments

The fund also makes sustainable investments in line with the environmental criteria of the EU Taxonomy. The proportion of sustainable investments in line with the environmental criteria of the EU Taxonomy were 6% (Turnover, Opex) and 2% (Capex), based on activity 7.7.

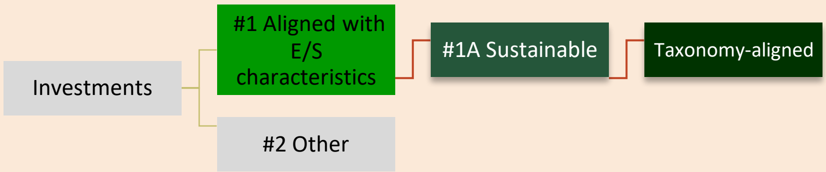
During 2022, Slättö has carried out an assessment of all the fund's investments against the EU Taxonomy criteria for economic activities 7.7 and 7.1. Many of the fund's investments are early-phase project developments, where our ambition is to align the projects to the Taxonomy criteria; however, to err on the side of caution, we have deemed it too early to assess these investments as Taxonomy-aligned. Some other investments were project developments started long before the EU Taxonomy criteria were developed, and therefore it is not possible to align them.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

80% of the fund's assets are aligned with environmental and / or social characteristics. The remaining assets are cash (12%), where environmental and / or social characteristics are not applicable, and investments where the sustainability characteristics could not be evaluated (8%).

The fund also makes sustainable investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.

In which economic sectors were the investments made?

The investments were mainly made in economic activity 7.1 (real estate, construction) and 7.7 (real estate, acquisition and ownership) as defined in the EU Taxonomy regulation.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

- [ ] Yes:
  - [ ] In fossil gas
  - [ ] In nuclear energy
- [x] No

The fund makes sustainable investments in line with the environmental criteria of the EU Taxonomy. All the remaining investments meet environmental and social characteristics and take principal adverse impacts in consideration, except for other assets such as cash and hedging instruments.

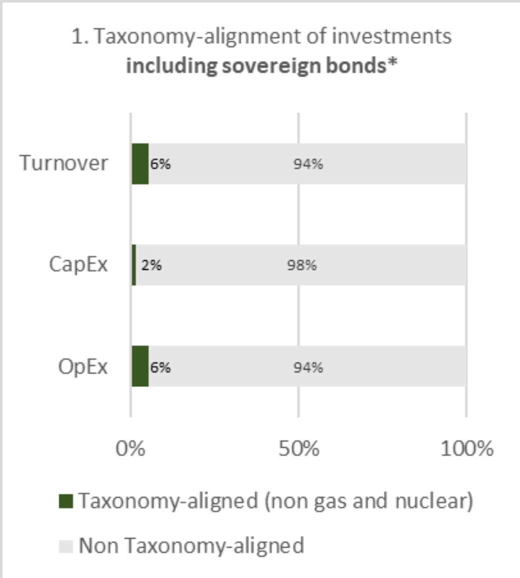
The sustainable investment with an environmental objective aligned with the EU Taxonomy that the fund made in 2022 was in economic activity 7.7.

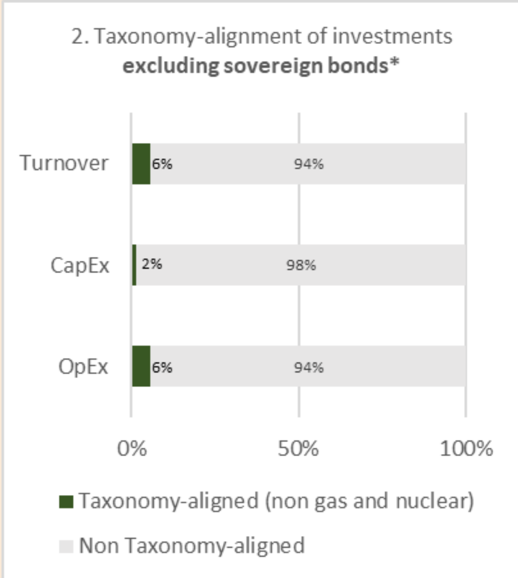
Cash assets are not included in the calculation of the taxonomy-aligned investments.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not

What was the share of investments made in transitional and enabling activities?

No investments were made in transitional and enabling activities.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

80% of the fund's assets are aligned with environmental and / or social characteristics. The remaining assets under "Other" are cash (12%), where environmental and / or social characteristics are not applicable, and investments where the sustainability characteristics could not be evaluated (8%).

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During 2022 Slättö has taken the follosing actions in relation to the fund:

- *Mapped all investments against the EU Taxonomy criteria for activity 7.1 and 7.7, whichever applicable.*
- *Carried out a climate risk assesment for the investment deemed to be aligned to the EU Taxonomy criteria climate change mitigation for activity 7.7, to ensure alignment to DNSH climate change adaptation.*

- *Gathered data on primary energy demand of cash flow assets.*
- *Continued development of project assets; these projects generally have energy efficiency standards that meet the Climate mitigation criteria of the EU Taxonomy.*
- *Planned for 499 kW installed power from solar panels, per project, in Strömbrytaren 10 and Väghyveln 1 (divested).*
- *Included environmental and social aspects in the detailed planning work for Strömbrytaren.*
- *Carried out Lifecycle assessments for the residential projects Rödalen 1 and Gerda 7-8 (Bromsten), to assess embodied carbon.*
- *Engaged construction suppliers of projects procured around alignment to Slättö Construction Supplier Code of Conduct.*