

Interim report

Slättö

Value
Add I

Q3

January–September

2021

Org.number: 556994-4464



SLÄTTÖ

The period in summary

About Slättö Value Add 1

Slättö Value Add 1 AB is a Swedish public limited liability company registered with the Swedish Financial Supervisory Authority as a Swedish Alternative Investment Fund. The fund is managed by Slättö Förvaltning AB.

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

Quarter July – September 2021

- Entered into an agreement with K2A Knaust & Andersson Fastigheter AB (publ) regarding the sale of property Rödalen 1 in Norrtälje for SEK 550 million. The project comprises 191 rental apartments and approximately 10785 sqm. The transaction is carried out as a forward-commitment where Slättö will finalize the project prior to closing of the transaction.
- The remaining dividend, roughly SEK 55 million was paid out during the period.

Period January – September 2021

- The company issued a senior unsecured bond of SEK 500 million. The bond has a coupon of 7,5 per annum and matures in 2024.
- Finalized construction of two residential development projects in Lund and Uppsala comprising 100 apartments.
- Finalized construction of an industrial development project in Uppsala for a company that works with work-zone safety.
- The dividend decided at the Annual General Meeting of SEK 110 million was paid out in two installments.

Events after the end of the period

- The fund has entered into an agreement for the divestment of eleven properties through its logistics and warehouse platform Evolv. The properties, totalling approx. 41,000 sqm, are located in attractive and highly accessible last mile sites in Stockholm, Mälardalen and Norrköping. The portfolio is acquired by Swedish Logistic Property ("SLP"). Part of the proceeds are paid in shares, making Slättö a minority owner in SLP after the transaction.

Notable risks and uncertainties

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

Keydata

TSEK	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Result from property management	7,933	2,763	45,450	8,365	162,886
Profit before tax	165,695	60,465	235,183	125,076	297,079
Shareholders' equity	2,152,813	1,966,386	2,152,813	1,966,386	2,075,512
Total assets	4,532,255	3,989,995	4,532,255	3,989,995	4,350,902
Equity ratio, %	47.5	49.3	47.5	49.3	47.7

Related party transactions

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

Financial reports

CONSOLIDATED INCOME STATEMENT

TSEK	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Rental income	17,779	9,053	48,349	26,656	37,382
Other income	92	51	6,057	4,033	5,748
Operating costs	-10,976	-2,879	-27,382	-12,199	-17,258
Operating earnings	6,895	6,225	27,024	18,490	25,872
Central administration	-13,076	-11,661	-41,448	-32,647	-49,093
Results from associated companies/joint ventures	9,271	-7,376	39,011	17,700	178,192
Results from other financial assets	7,554	25,976	38,576	34,155	36,920
Results from sale of properties	4,784	-19	3,393	-636	4,809
Financial income	7,525	812	21,671	2,729	9,534
Financial expenses	-15,020	-11,194	-42,777	-31,426	-43,348
Result from property management	7,933	2,763	45,450	8,365	162,886
Income, residential development	4,629	1,026	374,720	13,951	24,004
Costs, residential development	-4,658	-1,126	-359,135	-12,923	-22,561
Result before changes in value	7,904	2,663	61,035	9,393	164,329
Changes in value, properties	157,890	57,802	174,247	115,683	132,750
Changes in value, derivatives	-99	-	-99	-	-
Profit before tax	165,695	60,465	235,183	125,076	297,079
Taxes	-31,315	-6,202	-47,994	-26,407	-34,327
Profit for the period	134,380	54,263	187,189	98,669	262,752
Consolidated report of comprehensive income					
Other comprehensive income	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
Net comprehensive income for the year	134,380	54,263	187,189	98,669	262,752
Attributable to:					
Parent Company shareholders	107,330	42,168	149,446	71,251	229,634
Non-controlling interest	27,050	12,095	37,743	27,418	33,118

CONSOLIDATED BALANCE SHEET

TSEK	Sep 30 2021	Sep 30 2020	Dec 31, 2020
Fixed assets			
Investment properties	2,102,864	1,658,631	1,760,514
Land lease agreements	-	25,212	1,877
Participations in associated companies/ joint ventures	600,815	365,409	528,827
Receivables from associated companies/ joint ventures	143,957	76,957	93,457
Other long-term receivables	57,741	58,991	58,683
Total fixed assets	2,905,377	2,185,200	2,443,358
Current assets			
Properties classified as current assets	802,777	1,071,099	1,097,753
Accounts receivable	12,556	4,255	13,906
Receivables from group companies	5,376	8,810	6,214
Receivables from associated companies/ joint ventures	380,958	126,004	363,732
Other current receivables	309,196	326,992	279,555
Prepaid expenses and accrued income	16,692	34,419	7,189
Liquid funds	99,323	233,216	139,195
Total current assets	1,626,878	1,804,795	1,907,544
TOTAL ASSETS	4,532,255	3,989,995	4,350,902

CONSOLIDATED BALANCE SHEET

TSEK	Sep 30 2021	Sep 30 2020	Dec 31, 2020
Equity			
Share capital	556	556	556
Other capital contributed	1,049,177	1,049,177	1,049,177
Retained profits including net profit for the year	670,911	528,019	631,410
Shareholders' equity attributable to the Parent Company's shareholders	1,720,644	1,577,752	1,681,143
Non-controlling interest	432,169	388,634	394,369
Total shareholders' equity	2,152,813	1,966,386	2,075,512
Long-term liabilities			
Deferred tax liability	137,257	83,140	89,411
Long-term interest-bearing liabilities	1,159,437	895,724	860,531
Long-term liabilities to associated companies/ joint ventures	-	25,000	25,000
Other long-term liabilities	75,077	76,710	16,100
Derivatives	99	-	-
Leasing liabilities	-	25,061	1,877
Total long-term liabilities	1,371,870	1,105,635	992,919
Current liabilities			
Short-term interest-bearing liabilities	630,301	787,520	933,231
Accounts payable	21,839	71,725	23,846
Current liabilities to associated companies/ joint ventures	2,327	3,401	5,932
Tax liability	2,095	4,546	6,480
Current liabilities to group companies	3,591	35,041	8,655
Other current liabilities	315,591	-	280,117
Accrued expenses and prepaid income	31,828	15,741	24,210
Total current liabilities	1,007,572	917,974	1,282,471
Total liabilities	2,379,442	2,023,609	2,275,390
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	4,532,255	3,989,995	4,350,902

CONSOLIDATED CASH FLOW STATEMENT

TSEK	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Current operations					
Result before changes in value	7,904	2,663	61,035	9,393	164,329
Adjustment for items not included in the cash flow	-8,787	-18,551	-94,873	-51,189	-219,921
Difference between paid interest and financial expenses	3,773	-1,871	8,398	655	1,835
Difference between received interest and financial income	-19,754	-842	-21,671	-2,729	-8,447
Income tax paid	-828	-741	-8,476	-218	68
Cash flow from current operations before changes in working capital	-17,692	-19,342	-55,587	-44,088	-62,136
Changes in working capital					
Change in properties classified as current assets	-1,244	-68,736	94,592	-254,123	-280,777
Change in operating receivables	39,390	-24,007	54,935	-73,418	-6,341
Change in operating liabilities	-14,587	-11,542	3,118	5,499	186,453
Cash flow from current operations	5,867	-123,627	97,058	-366,130	-162,801
Investment operations					
Acquisition of properties	-24,000	-	-24,000	-92,383	-103,565
Investment in properties	-57,263	-134,363	-236,599	-327,850	-401,599
Divestment of properties	113,244	173,457	273,067	172,840	178,566
Acquisition and divestment of associated companies/joint ventures	-50,000	450	-49,454	144,171	143,872
Acquisition of subsidiary, net cash effect	-47,453	-	-47,453	-	-
Change of other long-term receivables	-46,000	-43,117	-50,500	-104,771	-348,256
Cash flow from investment operations	-111,472	-3,573	-134,939	-207,993	-530,982
Financing operations					
New share issue	-	57,919	-	161,677	161,677
Paid dividend	-54,956	-	-109,913	-50,087	-105,044
Transactions with non-controlling interests	-	-	-	12	12
Received payments co-operative	-	-	-	-	4,773
Proceeds from borrowing	336,611	158,808	690,974	517,472	594,566
Repayment of borrowing	-265,870	-82,503	-583,052	-85,578	-86,849
Cash flow from financing operations	15,785	134,224	-1,991	543,496	569,135
Total cash flow	-89,820	7,024	-39,872	-30,627	-124,648
Liquid funds at the beginning of the period	189,143	226,192	139,195	263,843	263,843
Liquid funds at the end of the period	99,323	233,216	99,323	233,216	139,195

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

Shareholders' equity attributable to the parent company's shareholders						
TSEK	Share capital	Other capital contributed	Retained profits including net profit for the year	Total	Non-controlling interest	Total shareholders' equity
Total equity January 1, 2020	496	887,539	506,855	1,394,890	361,224	1,756,114
Net comprehensive income for the year						
Profit for the period			229,634	229,634	33,118	262,752
Other comprehensive income			-	-	-	-
Total net comprehensive income for the year	-	-	229,634	229,634	33,118	262,752
Contributions from and transfers of value to the company's owners						
Share issue	60	161,638		161,698		161,698
Dividend			-105,044	-105,044		-105,044
Total contributions from and transfers of value to the company's owners	60	161,638	-105,044	56,654	-	56,654
Transactions with non-controlling interests						
Changes in non-controlling interests			-35	-35	27	-8
Total transactions with non-controlling interests	-	-	-35	-35	27	-8
Shareholders' equity December 31, 2020	556	1,049,177	631,410	1,681,143	394,369	2,075,512
Total equity January 1, 2021	556	1,049,177	631,410	1,681,143	394,369	2,075,512
Net comprehensive income for the year						
Profit for the period			149,446	149,446	37,743	187,189
Other comprehensive income			-	-	-	-
Total net comprehensive income or the year	-	-	149,446	149,446	37,743	187,189
Contributions from and transfers of value to the company's owners						
Dividend			-109,913	-109,913		-109,913
Total contributions from and transfers of value to the company's owners	-	-	-109,913	-109,913	-	-109,913
Transactions with non-controlling interests						
Changes in non-controlling interests			-32	-32	57	25
Total transactions with non-controlling interests	-	-	-32	-32	57	25
Shareholders' equity September 30, 2021	556	1,049,177	670,911	1,720,644	432,169	2,152,813

PARENT COMPANY INCOME STATEMENT

TSEK	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Net sales	115	-	609	11	11
Sales	115	-	609	11	11
Central administration	-9,128	-8,111	-29,286	-22,665	-33,975
Operating earnings	-9,013	-8,111	-28,677	-22,654	-33,964
Profit/loss from participations in group companies	-217	-	1,330	-617	-764
Results from other financial assets	71	-	71	-	-
Financial income	8,702	1,128	24,992	2,388	27,385
Financial expenses	-13,045	-7,408	-36,430	-19,701	-29,128
Net financial items	-4,489	-6,280	-12,697	-17,930	-2,507
Appropriations	-	-	-	-	23,261
Earnings before tax	-13,502	-14,391	-41,374	-40,584	-13,210
Taxes	1,556	-	7,932	-	5,921
Net profit/loss for the period	-11,946	-14,391	-33,442	-40,584	-7,289

PARENT COMPANY BALANCE SHEET

TSEK	Sep 30 2021	Sep 30 2020	Dec 31, 2020
Assets			
Fixed assets			
<i>Financial fixed assets</i>			
Participation in group companies	61,992	4,681	12,137
Participation in associated companies	506	535	531
Receivables from associated companies	-	500	500
Other long-term receivables	56,784	58,034	57,725
Deferred tax assets	13,853	-	5,921
Total financial fixed assets	133,135	63,750	76,814
Total fixed assets	133,135	63,750	76,814
Current receivables			
Receivables from group companies	1,755,481	1,432,969	1,627,662
Receivables from associated companies	-	3,066	8,322
Other current receivables	1,559	34,133	1,640
Prepaid expenses and accrued income	1,385	1,815	1,650
Total current receivables	1,758,425	1,471,983	1,639,274
Liquid funds	20,705	46,259	28,261
Total current assets	1,779,130	1,518,242	1,667,535
TOTAL ASSETS	1,912,265	1,581,992	1,744,349

PARENT COMPANY BALANCE SHEET

TSEK	Sep 30 2021	Sep 30 2020	Dec 31, 2020
Equity and liabilities			
Equity			
Restricted equity			
Share capital	556	556	556
Unrestricted equity			
Share premium reserve	1,049,257	1,049,257	1,049,257
Profit brought forward	-74,481	97,678	42,721
Profit for the period	-33,442	-40,584	-7,289
Total equity	941,890	1,106,907	1,085,245
Long-term liabilities			
Long-term interest-bearing liabilities	488,938	324,111	324,484
Total long-term liabilities	488,938	324,111	324,484
Current liabilities			
Short-term interest-bearing liabilities	-	75,000	75,000
Accounts payable	131	495	523
Current liabilities to group companies	475,568	75,010	258,793
Other current liabilities	15	15	-
Accrued expenses and prepaid income	5,723	454	289
Total current liabilities	481,437	150,974	334,620
TOTAL EQUITY AND LIABILITIES	1,912,265	1,581,992	1,744,349

NOTES

Note 1 Accounting principles

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

Note 2 Significant estimates and assessments

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

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

Note 3 Financial assets and liabilities valued at fair value

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

Note 4 Operating segments

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

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

Stockholm November 19, 2021

Johan Karlsson
Chairman

Erik Dansbo
Board member

Staffan Unge
Board member

Christian Bratt
CEO

SLÄTTÖ

