

Interim report

Slättö
**Value
Add I**

Q3

January–September

2023

Org.number: 556994-4464



SLÄTTÖ

The period in summary

About Slättö Value Add I

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

The fund is managed by Slättö Förvaltning AB. The fund is focused on the 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 2023

- Net profit for the quarter amounted to SEK –49.3 million (3.8).
- Total assets amounted to SEK 3,380 million (3,529). The increase was driven by investments in ongoing projects and the acquisition of public shares, partly offset by divestments.
- The Fund supported the Logistea AB (publ) rights issue with a subscription guarantee representing the Funds ownership share. The subscription rights were then sold to Slättö Value Add II for a total consideration of SEK 30.5 million.
- The first phase of the residential project Norrtälje Hamn, divested in through a forward sale transaction 2021, was completed and fully let.

Period January – September 2023

- Net profit for the period amounted to SEK –87.5 million (168.6).
- Completed and sold all units in the Luna 5 condominium project in Helsingborg.
- Väghyveln 1 in Örebro was divested in a forward funding transaction with BlackRock Real Assets. A conditional share purchase agreement was signed in connection with the sale of the properties Stenvreten 6:17 and a portion of Botvids-gymnasiet 8. These conditions have now been met.
- The SEK 400 million bond in Slättö Fastpartner Spånga was repaid in full at maturity.
- Acquired shares in Logistea AB (publ), a listed company that specializes in logistics properties. The owned shares correspond to 19.3 percent of the capital and 21.8 percent of the votes in the company.

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. interest rates. The group is mainly exposed to commercial risks, refinancing risks, project risks, interest rate risks and tax risks.

Events after the end of the period

- No significant events occurred after the end of the quarter.

Related party transactions

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

Key data

TSEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Result from property management	22,754	-13,990	-22,606	7,273	-36,866
Profit before tax	-37,462	8,361	-90,815	205,365	104,209
Shareholders' equity	2,031,874	2,160,935	2,031,874	2,160,935	1,617,315
Total assets	3,379,981	3,528,699	3,379,981	3,528,699	3,315,768
Equity ratio, %	60.1	61.2	60.1	61.2	48.8

Financial reports

CONSOLIDATED INCOME STATEMENT

TSEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Rental income	2,348	549	6,888	5,020	8,896
Other income	750	1,542	5,359	2,463	4,712
Operating costs	-2,848	-690	-8,837	-4,264	-14,512
Operating earnings	250	1,401	3,411	3,219	-904
Central administration	-20,004	-13,161	-54,364	-42,392	-55,796
Results from associated companies/joint ventures	-7,910	-343	-9,624	82,489	46,878
Results from other financial assets	-	6,921	-	-35,784	-
Results from sale of properties	41,649	-	12,546	21,573	-
Financial income	23,544	3,176	68,580	17,977	27,119
Financial expenses	-14,775	-11,984	-43,154	-39,809	-54,162
Result from property management	22,754	-13,990	-22,606	7,273	-36,866
Income, residential development	-	-	421	11,445	16,151
Costs, residential development	1,255	-	-14,267	-10,641	-17,492
Result before changes in value	24,008	-13,990	-36,452	8,077	-38,207
Changes in value, properties	-18,346	22,351	35,748	197,795	155,970
Changes in value, financial instruments	-43,125	-	-90,111	-507	-13,554
Profit before tax	-37,462	8,361	-90,815	205,365	104,209
Current tax	-	-	-230	-	-518
Deferred tax	-11,872	-4,605	3,515	-36,824	13,301
Profit for the period	-49,334	3,756	-87,531	168,541	116,992
Consolidated report of comprehensive income					
Other comprehensive income	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
Net comprehensive income for the year	-49,334	3,756	-87,531	168,541	116,992
Attributable to:					
Parent Company shareholders	-129,783	-5,659	-204,158	120,262	133,643
Non-controlling interest	80,449	9,416	116,628	48,280	-16,651

CONSOLIDATED BALANCE SHEET

TSEK	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Fixed assets			
Investment properties	1,548,937	1,453,735	1,453,342
Participations in associated companies/ joint ventures	294,413	549,209	367,538
Receivables from associated companies/ joint ventures	79,435	-	-
Financial assets fair value	323,715	-	-
Other long-term receivables	958	142,471	959
Total fixed assets	2,247,458	2,145,415	1,821,839
Current assets			
Properties classified as current assets	134,906	55,475	79,994
Accounts receivable	3,683	23,227	17,505
Receivables from group companies	-	7,697	-
Receivables from associated companies /joint ventures	326,247	558,221	336,664
Participations in tenant-owner associations	115	-	-
Financial assets at fair value	-	-	188,013
Other current receivables	409,828	299,312	447,409
Prepaid expenses and accrued income	13,558	11,974	23,885
Liquid funds	234,294	427,378	399,479
Tax receivable	9,893	-	980
Total current assets	1,132,524	1,383,284	1,493,929
TOTAL ASSETS	3,379,981	3,528,699	3,315,768

CONSOLIDATED BALANCE SHEET

TSEK	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
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	321,359	604,200	567,583
Shareholders' equity attributable to the Parent Company's shareholders	1,371,092	1,653,933	1,617,315
Non-controlling interest	660,783	507,002	403,071
Total shareholders' equity	2,031,874	2,160,935	2,020,387
Long-term liabilities			
Deferred tax liability	43,749	56,978	47,264
Long-term interest-bearing liabilities	773,619	504,660	508,773
Other long-term liabilities	102	79,077	-
Total long-term liabilities	817,470	640,715	556,036
Current liabilities			
Short-term interest-bearing liabilities	313,998	463,001	594,132
Accounts payable	12,259	44,838	7,345
Current liabilities to associated companies/ joint ventures	49,543	6,755	59,755
Tax liability	349	214	-
Current liabilities to group companies	-	6,169	-
Other current liabilities	104,084	154,458	32,332
Accrued expenses and prepaid income	50,404	51,614	45,781
Total current liabilities	530,637	727,049	739,345
Total liabilities	1,348,107	1,367,764	1,295,381
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,379,981	3,528,699	3,315,768

CONSOLIDATED CASH FLOW STATEMENT

TSEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Current operations					
Result before changes in value	24,008	-13,990	-36,452	8,077	-38,206
Adjustment for items not included in the cash flow	-76,952	3,186	-31,033	-58,333	32,797
Difference between paid interest and financial expenses	-27,356	3,176	-35,414	7,761	16,106
Difference between received interest and financial income	57,258	-11,984	12,221	-22,699	-49,570
Income tax paid	-3,045	-4,604	-3,275	-8,011	405
Cash flow from current operations before changes in working capital	-26,088	-24,216	-93,954	-73,205	-38,468
Changes in working capital					
Change in properties classified as current assets	-40,799	22,500	-70,428	-136,844	-18,698
Change in operating receivables	315,054	48,227	167,435	270,546	299,285
Change in operating liabilities	-63,523	-17,786	29,224	29,914	104,705
Cash flow from current operations	184,644	28,725	32,276	90,411	346,824
Investment operations					
Acquisition of properties	-	-	-50,000	-	-62,000
Investment in properties	-37,010	-124,732	-167,347	-247,752	-444,612
Divestment of properties	15,470	196,797	154,704	201,571	452,054
Acquisition and divestment of associated companies/joint ventures	-	-	-	179,891	-20,908
Loans to associated companies/joint ventures	-21,000	-	-21,000	-110,148	-110,148
Repayment of loans from associated companies/joint ventures	-	-	-	53,482	53,482
Dividends from associated companies/joint ventures	-4,500	-	-53,940	72,100	72,100
Acquisition of financial assets	-290,631	-	-290,631	-	-
Divestment of financial assets	30,589	-	30,589	-	-
Dividend on financial assets	4,217	-	4,217	-	-
Divestment of other shares	-	-	-	-	152,547
Cash flow from investment operations	-302,865	72,065	-393,408	149,144	92,515
Financing operations					
Paid dividend	-	-	-47,842	-359,914	-449,632
Shareholder contributions from non-controlling interest	-	-	164,000	-	-
Received payments co-operative	5,898	-	63,500	-	-
Realized derivative	-	-	-	466	466
Proceeds from borrowing	60,131	11,538	416,367	123,442	-
Repayment of borrowing	-	-	-400,077	-100,000	-114,523
Cash flow from financing operations	66,029	11,538	195,947	-336,006	-563,689
Total cash flow	-52,192	112,328	-165,185	-96,451	-124,350
Liquid funds at the beginning of the period	286,487	315,050	399,479	523,829	523,829
Liquid funds at the end of the period	234,294	427,378	234,294	427,378	399,479

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

TSEK	Shareholders' equity attributable to the parent company's shareholders				Non-controlling interest	Total shareholders' equity
	Share capital	Other capital contributed	Retained profits including net profit for the year	Total		
Total equity January 1, 2022	556	1,049,177	843,852	1,893,585	458,722	2,352,307
Net comprehensive income for the year						
Profit for the period	-	-	133,643	133,643	-16,651	116,992
Other comprehensive income	-	-	-	-	-	-
Total net comprehensive income for the year	-	-	133,643	133,643	-16,651	116,992
Contributions from and transfers of value to the company's owners						
Dividend	-	-	-409,913	-409,913	-39,000	-448,913
Total contributions from and transfers of value to the company's owners	-	-	-409,913	-409,913	-39,000	-448,913
Transactions with non-controlling interests						
Total transactions with non-controlling interests	-	-	-	-	-	-
Shareholders' equity December 31, 2022	556	1,049,177	567,582	1,617,315	403,071	2,020,386
Total equity January 1, 2023	556	1,049,177	567,582	1,617,315	403,071	2,020,386
Net comprehensive income for the year						
Profit for the period	-	-	-204,158	-204,158	116,628	-87,531
Other comprehensive income	-	-	-	-	-	-
Total net comprehensive income or the year	-	-	-204,158	-204,158	116,628	-87,531
Contributions from and transfers of value to the company's owners						
Shareholder contributions	-	-	-	-	200,800	200,800
Dividend	-	-	-47,842	-47,842	-53,940	-101,782
Total contributions from and transfers of value to the company's owners	-	-	-47,842	-47,842	146,860	99,018
Total transactions with non-controlling interests	-	-	5,776	5,776	-5,776	-
Shareholders' equity September 30, 2023	556	1,049,177	321,358	1,371,091	660,782	2,031,873

PARENT COMPANY INCOME STATEMENT

TSEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Other income	-3	9	-	65	59
Sales	-3	9	-	65	59
Operating costs	-	-	-	-	-
Central administration	-13,551	-10,924	-42,494	-33,191	-38,235
Operating earnings	-13,554	-10,915	-42,494	-33,126	-38,176
Profit/loss from participations in group companies	-	-	1,993	21,573	19,431
Financial income	12	7,041	35	21,123	42,960
Financial expenses	-12,565	-13,904	-35,594	-41,713	-63,454
Income after financial items	-26,108	-17,778	-76,060	-32,143	-39,239
Appropriations	-	-	-	-	8,019
Earnings before tax	-26,108	-17,778	-76,060	-32,143	-31,220
Taxes	-	3,494	-	-6,573	-16,102
Net profit/loss for the period	-26,108	-14,284	-76,060	-38,716	-47,322

PARENT COMPANY BALANCE SHEET

TSEK	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Assets			
Fixed assets			
<i>Financial fixed assets</i>			
Participation in group companies	115,144	100,454	115,144
Participation in associated companies	536	513	536
Other long-term receivables	-	103	-
Deferred tax assets	-	9,529	-
Total financial fixed assets	115,680	110,599	115,680
Total fixed assets	115,680	110,599	115,680
Current receivables			
Receivables from group companies	1,333,655	1,114,130	494,511
Receivables from associated companies	15,915	2,523	3,384
Tax receivable	247	-	43
Other current receivables	5	45,674	38,637
Prepaid expenses and accrued income	6,430	2,011	53
Total current receivables	1,356,252	1,164,338	536,628
Liquid funds	56,854	219,171	218,780
Total current assets	1,413,107	1,383,509	755,408
TOTAL ASSETS	1,528,787	1,494,108	871,088

PARENT COMPANY BALANCE SHEET

TSEK	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
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	-637,588	-492,424	-542,425
Profit for the period	-76,060	-38,716	-47,322
Total equity	336,164	518,673	460,066
Long-term liabilities			
Long-term interest-bearing liabilities	395,493	392,216	393,035
Total long-term liabilities	395,493	392,216	393,035
Current liabilities			
Accounts payable	505	81	-
Current liabilities to group companies	789,061	511,012	11,972
Other current liabilities	258	65,274	62
Accrued expenses and prepaid income	7,304	6,853	5,952
Total current liabilities	797,129	583,219	17,986
TOTAL EQUITY AND LIABILITIES	1,528,787	1,494,108	871,087

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 22 November, 2023

Johan Karlsson
Chairman

Erik Dansbo
Board member

Jonas Andersson
Board member

Christian Bratt
CEO

SLÄTTÖ

