

Interim report

Slättö

Value
Add I

Q3

January–September

2022

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 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 2022

- Slättö has divested the logistics properties Stenvreten 6:17 in Enköping and part of Botvidsgymnasiet 8 in Botkyrka to BlackRock Real Assets. The sale is carried out in a forward funding structure where Slättö is responsible to carry out the development and the buyer is responsible for financing it.
- New zoning plan has gained legal force for the property Beryllen 1 in Norrköping, which enables the construction of approximately 150 residential units and 3,500 sqm of commercial premises.

Events after the end of the period

- Resigned the housing project Sandtorp in Norrköping to Nock Massiva Trähus.
- Divested all shares in the listed real estate company Swedish Logistic Property (SLP) to a value of SEK 126 million.

Notable risks and uncertainties

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

Related party transactions

The group purchases management services from Slättö Förvaltning AB. The transaction of two residential projects in Barkarby and Örebro with Sveaviken Bostad is classified as a related party transaction. All related party transactions were conducted on commercial terms and in accordance with the arm's length principle.

Period January – September 2022

- Closed the transaction of two residential projects in Barkarby and Örebro with Sveaviken Bostad. Slättö Value Add I transferred its ownership in both projects to Sveaviken Bostad, as of 31 March 2022. The transaction was carried out at an underlying property value of SEK 1,393 million.
- Botvid Holding (publ), where Slättö Value Add I AB owns 22 per cent, has divested a residential project in Slagsta Strand, Botkyrka to NREP.
- Acquired a plot in Österåker for the construction of a preschool of approximately 680 sqm.
- At the end of February 2022, the Parent Company issued a repurchase offer of up to SEK 100 million of the company's outstanding listed bonds. The repurchase offer expired on March 30, 2022 and the bonds were repurchased in accordance with the provisions and conditions set out in a repurchasing document dated 25 February 2022.
- An extraordinary general meeting on March 18, 2022 approved a dividend totaling SEK 110 million, corresponding to accrued preference share interest for 2021.
- An extraordinary general meeting on March 30, 2022 approved an additional dividend totaling SEK 250 million, corresponding to accrued preference share interest and repayment of investors' contribution.
- Annual General Meeting was held on June 30, 2022.
- Divested the project Slagsta Strand to Magnolia Bostad.
- Signed a 10-year lease agreement with the last mile operator Budbee for letting approximately 4,400 sqm with an annual rent of SEK 4.9 million within the property Väghyveln 1 in Örebro.
- Signed a 10-year lease agreement for rental of approximately 3,700 sqm with an annual rent of SEK 5.6 million within the property Botvidsgymnasiet 8 in Botkyrka.
- Commenced construction of a logistics facility of 30,000 sqm in Klinga Logistikpark.

Keydata

TSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Result from property management	-13,990	7,933	7,273	45,450	115,963
Profit before tax	8,361	165,695	205,365	235,183	361,540
Shareholders' equity	2,160,933	2,152,813	2,160,933	2,152,813	2,352,307
Total assets	3,528,698	4,532,255	3,528,698	4,532,255	3,666,884
Equity ratio, %	61.2	47.5	61.2	47.5	64.2

Financial reports

CONSOLIDATED INCOME STATEMENT

TSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Rental income	549	17,779	5,020	48,349	63,352
Other income	1,542	92	2,463	6,057	9,952
Operating costs	-690	-10,976	-4,264	-27,382	-35,514
Operating earnings	1,401	6,895	3,219	27,024	37,790
Central administration	-13,161	-13,076	-42,392	-41,448	-58,085
Results from associated companies/joint ventures	-343	9,271	82,489	39,011	76,321
Results from other financial assets	6,921	7,554	-35,784	38,576	87,074
Results from sale of properties	-	4,784	21,573	3,393	2,884
Financial income	3,176	7,525	17,977	21,671	29,123
Financial expenses	-11,984	-15,020	-39,809	-42,777	-59,144
Result from property management	-13,990	7,933	7,273	45,450	115,963
Income, residential development	-	4,629	11,445	374,720	387,787
Costs, residential development	-	-4,658	-10,641	-359,135	-387,747
Result before changes in value	-13,990	7,904	8,077	61,035	116,003
Changes in value, properties	22,351	157,890	197,795	174,247	245,030
Changes in value, derivatives	-	-99	-507	-99	507
Profit before tax	8,361	165,695	205,365	235,183	361,540
Taxes	-4,605	-31,315	-36,824	-47,994	25,143
Profit for the period	3,756	134,380	168,541	187,189	386,683
Consolidated report of comprehensive income					
Other comprehensive income	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
Net comprehensive income for the year	3,756	134,380	168,541	187,189	386,683
Attributable to:					
Parent Company shareholders	-5,659	107,330	120,262	149,446	322,387
Non-controlling interest	9,416	27,050	48,280	37,743	64,296

CONSOLIDATED BALANCE SHEET

TSEK	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Fixed assets			
Investment properties	1,453,735	2,102,864	1,393,689
Participations in associated companies/ joint ventures	549,209	600,815	641,107
Participations in other companies	-	143,957	-
Receivables from associated companies/ joint ventures	-	-	3,482
Derivatives	-	-	507
Other long-term receivables	142,471	57,741	57,429
Total fixed assets	2,145,415	2,905,377	2,096,214
Current assets			
Properties classified as current assets	55,475	802,777	61,477
Accounts receivable	23,227	12,556	22,499
Receivables from group companies	7,697	5,376	-
Receivables from associated companies/ joint ventures	558,221	380,958	465,639
Other current receivables	299,312	309,196	492,822
Prepaid expenses and accrued income	11,974	16,692	4,404
Liquid funds	427,378	99,323	523,829
Total current assets	1,383,283	1,626,878	1,570,670
TOTAL ASSETS	3,528,698	4,532,255	3,666,884

CONSOLIDATED BALANCE SHEET

TSEK	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
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	604,200	670,911	843,852
Shareholders' equity attributable to the Parent Company's shareholders	1,653,933	1,720,644	1,893,585
Non-controlling interest	507,002	432,169	458,722
Total shareholders' equity	2,160,934	2,152,813	2,352,307
Long-term liabilities			
Deferred tax liability	56,978	137,257	61,116
Long-term interest-bearing liabilities	504,660	1,159,437	899,087
Other long-term liabilities	79,077	75,077	75,077
Leasing liabilities	-	99	-
Total long-term liabilities	640,715	1,371,870	1,035,280
Current liabilities			
Short-term interest-bearing liabilities	463,001	630,301	46,443
Accounts payable	44,838	21,839	30,886
Current liabilities to associated companies/ joint ventures	6,755	2,327	6,755
Tax liability	214	2,095	849
Current liabilities to group companies	6,169	3,591	7,568
Other current liabilities	154,458	315,591	149,428
Accrued expenses and prepaid income	51,614	31,828	37,368
Total current liabilities	727,049	1,007,572	279,297
Total liabilities	1,367,764	2,379,442	1,314,577
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,528,698	4,532,255	3,666,884

CONSOLIDATED CASH FLOW STATEMENT

TSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Current operations					
Result before changes in value	-13,990	7,904	8,077	61,035	116,003
Adjustment for items not included in the cash flow	3,186	-8,787	-58,333	-94,873	-183,244
Difference between paid interest and financial expenses	3,176	3,773	7,761	8,398	10,452
Difference between received interest and financial income	-11,984	-19,754	-22,699	-21,671	-24,272
Income tax paid	-4,604	-828	-8,011	-8,476	-14,112
Cash flow from current operations before changes in working capital	-24,216	-17,692	-73,205	-55,587	-95,173
Changes in working capital					
Change in properties classified as current assets	22,500	-1,244	-136,844	94,592	54,900
Change in operating receivables	48,227	39,390	270,546	54,935	66,763
Change in operating liabilities	-17,786	-14,587	29,914	3,118	-123,389
Cash flow from current operations	28,725	5,867	90,411	97,058	-96,899
Investment operations					
Acquisition of properties	-	-24,000	-	-24,000	-24,000
Investment in properties	-124,732	-57,263	-247,752	-236,599	-438,713
Divestment of properties	196,797	113,244	201,571	273,067	1,892,931
Acquisition and divestment of associated companies/joint ventures	-	-50,000	179,891	-49,454	-50,000
Acquisition of subsidiary, net cash effect	-	-47,453	-	-47,453	-47,453
Repayment of contributions from associated companies/joint ventures	-	-	-	-	546
Loans to associated companies/joint ventures	-	-	-110,148	-	-111,044
Repayment of loans from associated companies/joint ventures	-	-	53,482	-	107,283
Dividends from associated companies/joint ventures	-	-	72,100	-	-
Repayment other loans	-	-	-	-	500
Divestment of other shares	-	-	-	-	75
Change of other long-term receivables	-	-46,000	-	-50,500	-
Cash flow from investment operations	72,065	-111,472	149,144	-134,939	1,330,125
Financing operations					
Paid dividend	-	-54,956	-359,914	-109,913	-109,913
Realized derivative	-	-	466	-	-
Proceeds from borrowing	11,538	336,611	123,442	690,974	705,206
Repayment of borrowing	-	-265,870	-100,000	-583,052	-1,443,885
Cash flow from financing operations	11,538	15,785	-336,006	-1,991	-848,592
Total cash flow	112,328	-89,820	-96,451	-39,872	384,634
Liquid funds at the beginning of the period	315,050	189,143	523,829	139,195	139,195
Liquid funds at the end of the period	427,378	99,323	427,378	99,323	523,829

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, 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	-	-	322,387	322,387	64,296	386,683
Other comprehensive income	-	-	-	-	-	-
Total net comprehensive income for the year	-	-	322,387	322,387	64,296	386,683
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 December 31, 2021	556	1,049,177	843,852	1,893,585	458,722	2,352,307
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	-	-	120,262	120,262	48,280	168,541
Other comprehensive income	-	-	-	-	-	-
Total net comprehensive income or the year	-	-	120,262	120,262	48,280	168,541
Contributions from and transfers of value to the company's owners						
Dividend	-	-	-359,913	-359,913	-	-359,913
Total contributions from and transfers of value to the company's owners	-	-	-359,913	-359,913	-	-359,913
Transactions with non-controlling interests						
Total transactions with non-controlling interests	-	-	-	-	-	-
Shareholders' equity September 30, 2022	556	1,049,177	604,200	1,653,933	507,002	2,160,934

PARENT COMPANY INCOME STATEMENT

TSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Net sales	9	115	65	609	721
Sales	9	115	65	609	721
Central administration	-10,924	-9,128	-33,191	-29,286	-39,288
Operating earnings	-10,915	-9,013	-33,126	-28,677	-38,567
Profit/loss from participations in group companies	0	-217	21,573	-1,330	-14,930
Results from other financial assets	0	71	-	71	71
Financial income	7,041	8,702	21,123	24,992	33,449
Financial expenses	-13,904	-13,045	-41,713	-36,430	-48,235
Net financial items	-6,863	-4,489	983	-12,697	-29,645
Earnings before tax	-17,778	-13,502	-32,143	-41,374	-68,212
Taxes	3,494	1,556	-6,573	7,932	10,181
Net profit/loss for the period	-14,284	-11,946	-38,716	-33,442	-58,031

PARENT COMPANY BALANCE SHEET

TSEK	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Assets			
Fixed assets			
<i>Financial fixed assets</i>			
Participation in group companies	100,454	61,992	100,454
Participation in associated companies	513	506	506
Participation in other companies	103	-	-
Other long-term receivables	-	56,784	56,471
Deferred tax assets	9,529	13,853	16,102
Total financial fixed assets	110,599	133,135	173,533
Total fixed assets	110,599	133,135	173,533
Current receivables			
Receivables from group companies	1,114,130	1,755,481	1,592,407
Receivables from associated companies	2,523	-	2,500
Other current receivables	45,674	1,559	1,505
Prepaid expenses and accrued income	2,011	1,385	53
Total current receivables	1,164,338	1,758,425	1,596,465
Liquid funds	219,171	20,705	19,320
Total current assets	1,383,509	1,779,130	1,615,785
TOTAL ASSETS	1,494,108	1,912,265	1,789,318

PARENT COMPANY BALANCE SHEET

TSEK	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
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	-492,424	-74,481	-74,481
Profit for the period	-38,716	-33,442	-58,031
Total equity	518,673	941,890	917,301
Long-term liabilities			
Long-term interest-bearing liabilities	392,216	488,938	489,758
Total long-term liabilities	392,216	488,938	489,758
Current liabilities			
Accounts payable	81	131	260
Current liabilities to group companies	511,012	475,568	376,113
Other current liabilities	65,274	15	15
Accrued expenses and prepaid income	6,853	5,723	5,871
Total current liabilities	583,220	481,437	382,259
TOTAL EQUITY AND LIABILITIES	1,494,108	1,912,265	1,789,318

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 25 November, 2022

Johan Karlsson
Chairman

Erik Dansbo
Board member

Staffan Unge
Board member

Christian Bratt
CEO

SLÄTTÖ

