



Interim report

Slättö
**Value
Add I**

Q1

January-March
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 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 January – March 2023

- Net income for the period amounted to SEK -42 million (123), driven mainly by increased cost in the Slagsta project and change in value of public shares received as part of consideration in a property sale, offset by increased interest income from outstanding promissory notes connected to the sale of a residential portfolio in 2022.
- The divestment strategy continued with two additional exits during the quarter. One condominium project and one logistics project divested in a forward funding structure.
- The focus remains on completing ongoing projects and implementing upcoming projects.
- Completed and exited all units in the Luna 5 condominium project in Helsingborg.
- Våghyveln 1 in Örebro was divested in a forward funding deal with BlackRock Real Assets. A conditional share purchase agreement was signed in connection to the sale of the properties Stenvreten 6:17 and part of Botvidsgymnasiet 8, and the conditions have now been fulfilled.
- SEK 80 million of the bond in Slättö Fastpartner Spånga was repurchased. The Group ownership amounts to 60 per cent.

Events after the end of the period

- The outstanding bond of SEK 320 million in Slättö Fastpartner Spånga was fully repurchased on the maturity date.
- Completion of Phase 1 in Klinga Logistikpark. 30,000 sqm of rental space is leased to Almröths, who took possession of the property on April 1st.

Notable risks and uncertainties

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

Related party transactions

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

Key data

TSEK	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Result from property management	-67,362	121,083	-36,866
Profit before tax	-45,414	115,875	104,208
Shareholders' equity	2,129,746	2,365,366	2,020,387
Total assets	3,396,616	3,677,627	3,315,768
Equity ratio, %	62.7%	64.3%	60.9%

Financial reports

CONSOLIDATED INCOME STATEMENT

TSEK	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Rental income	2,324	2,345	8,896
Other income	750	209	4,712
Operating costs	-4,545	-1,772	-14,512
Operating earnings	-1,472	782	-904
Central administration	-16,153	-17,319	-55,796
Results from associated companies/joint ventures	-7,705	39,793	46,878
Results from other financial assets	-	103,202	-
Results from sale of properties	-44,307	-507	-
Financial income	19,044	7,441	27,119
Financial expenses	-16,768	-12,309	-54,162
Result from property management	-67,362	121,083	-36,866
Income, residential development	-	2,368	16,151
Costs, residential development	-	-1,936	-17,492
Result before changes in value	-67,362	121,515	-38,207
Changes in value, properties	51,990	-5,133	155,970
Changes in value, financial instruments	-30,043	-507	-13,554
Profit before tax	-45,414	115,875	104,208
Current tax	-230	-	-518
Deferred tax	3,643	7,097	13,301
Profit for the period	-42,001	122,972	116,992
Consolidated report of comprehensive income			
Other comprehensive income	-	-	-
Other comprehensive income	-	-	-
Net comprehensive income for the year	-42,001	122,972	116,992
Attributable to:			
Parent Company shareholders	-58,728	84,978	133,643
Non-controlling interest	16,727	37,994	-16,651

CONSOLIDATED BALANCE SHEET

TSEK	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022
Fixed assets			
Investment properties	1,418,742	1,463,803	1,453,342
Participations in associated companies/ joint ventures	359,833	421,574	367,538
Participations in other companies	-	237,077	-
Other long-term receivables	959	57,264	959
Total fixed assets	1,779,534	2,179,718	1,821,839
Current assets			
Properties classified as current assets	98,523	79,369	79,994
Accounts receivable	18,549	1,671	17,505
Receivables from group companies	-	7,319	-
Receivables from associated companies/ joint ventures	294,703	659,537	336,664
Financial assets at fair value	157,970	-	188,013
Other current receivables	357,253	340,801	447,409
Prepaid expenses and accrued income	42,815	17,082	23,885
Liquid funds	642,603	392,130	399,479
Tax receivable	4,668	-	980
Total current assets	1,617,083	1,497,909	1,493,930
TOTAL ASSETS	3,396,616	3,677,627	3,315,768

CONSOLIDATED BALANCE SHEET

TSEK	Mar 31, 2023	Mar 31, 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	508,854	818,917	567,583
Shareholders' equity attributable to the Parent Company's shareholders	1,558,587	1,868,650	1,617,315
Non-controlling interest	571,158	496,716	403,071
Total shareholders' equity	2,129,746	2,365,366	2,020,387
Long-term liabilities			
Deferred tax liability	43,620	54,019	47,264
Long-term interest-bearing liabilities	475,557	963,114	508,773
Other long-term liabilities	-	75,077	-
Total long-term liabilities	519,177	1,092,210	556,036
Current liabilities			
Short-term interest-bearing liabilities	567,216	53,911	594,132
Accounts payable	9,150	9,250	7,345
Current liabilities to associated companies/ joint ventures	59,855	6,755	59,755
Tax liability	15	475	-
Current liabilities to group companies	-	7,378	-
Other current liabilities	58,575	102,003	32,332
Accrued expenses and prepaid income	52,883	40,279	45,781
Total current liabilities	747,693	220,051	739,345
Total liabilities	1,266,870	1,312,261	1,295,381
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,396,616	3,677,627	3,315,768

CONSOLIDATED CASH FLOW STATEMENT

TSEK	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Current operations			
Result before changes in value	-59,406	121,515	-55,817
Adjustment for items not included in the cash flow	7,705	-142,488	-2,529
Difference between paid interest and financial expenses	19,044	1,661	16,106
Difference between received interest and financial income	-868	-4,756	-49,570
Income tax paid	-230	-5,825	405
Cash flow from current operations before changes in working capital	-33,755	-29,893	-91,405
Changes in working capital			
Change in properties classified as current assets	-	-17,892	-18,698
Change in operating receivables	108,056	94,107	352,222
Change in operating liabilities	141,806	-62,683	104,705
Cash flow from current operations	216,107	-16,361	346,824
Investment operations			
Acquisition of properties	-	-	-62,000
Investment in properties	-78,627	-71,953	-444,612
Divestment of properties	15,761	8,521	452,054
Acquisition and divestment of associated companies/joint ventures	-	-	-20,908
Loans to associated companies/joint ventures	-	-62,609	-110,148
Repayment of loans from associated companies/joint ventures	-	50,000	53,482
Dividends from associated companies/joint ventures	-	-	72,100
Dividend to non-controlling interest	-49,440	-	-
Divestment of other shares	-	-	152,547
Cash flow from investment operations	-112,306	-76,041	92,515
Financing operations			
Paid dividend	-	-109,913	-449,632
Shareholder contributions from non-controlling interest	164,000	-	-
Realized derivative	-	466	466
Proceeds from borrowing	-	70,150	-
Repayment of borrowing	-24,676	-	-114,523
Cash flow from financing operations	139,324	-39,297	-563,689
Total cash flow	243,124	-131,699	-124,350
Liquid funds at the beginning of the period	399,479	523,829	523,829
Liquid funds at the end of the period	642,603	392,130	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	-	-	-58,728	-58,728	16,727	-42,001
Other comprehensive income	-	-	-	-	-	-
Total net comprehensive income or the year	-	-	-58,728	-58,728	16,727	-42,001
Contributions from and transfers of value to the company's owners						
Shareholder contributions	-	-	-	-	200,800	200,800
Dividend	-	-	-	-	-49,440	-49,440
Total contributions from and transfers of value to the company's owners	-	-	-	-	151,360	151,360
Transactions with non-controlling interests						
Total transactions with non-controlling interests	-	-	-	-	-	-
Shareholders' equity March 31, 2023	556	1,049,177	508,853	1,558,586	571,158	2,129,744

PARENT COMPANY INCOME STATEMENT

TSEK	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Net sales	-	42	59
Sales	-	42	59
Property expenses	-707	-	-
Central administration	-11,113	-11,553	-38,235
Operating earnings	-11,820	-11,511	-38,176
Realized changes in value of properties	-	-	19,431
Profit/loss from participations in group companies	1,993	-507	-
Financial income	11	7,535	42,960
Financial expenses	-13,657	-12,260	-63,453
Net financial items	-11,654	-5,232	-39,238
Changes in value, properties	-85	-	-
Appropriations	-	-	8,018
Earnings before tax	-23,558	-16,743	-31,220
Taxes	-	2,854	-16,120
Net profit/loss for the period	-23,558	-13,889	-47,340

PARENT COMPANY BALANCE SHEET

TSEK	Mar 31, 2023	Mar 31, 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	506	536
Other long-term receivables	-	56,159	-
Deferred tax assets	-	18,956	-
Total financial fixed assets	115,680	176,075	115,680
Total fixed assets	115,680	176,075	115,680
Current receivables			
Receivables from group companies	21,567	1,434,021	494,510
Receivables from associated companies	3,340	2,515	3,384
Tax receivable	3,907	-	43
Other current receivables	610,170	1,571	38,637
Prepaid expenses and accrued income	1,671	2,266	53
Total current receivables	640,655	1,440,373	536,627
Liquid funds	84,434	122,258	218,780
Total current assets	725,089	1,562,631	755,407
TOTAL ASSETS	840,770	1,738,706	871,087

PARENT COMPANY BALANCE SHEET

TSEK	Mar 31, 2023	Mar 31, 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
Other paid in capital	210	-	-
Profit brought forward	-590,687	-242,424	-542,425
Profit for the period	-23,558	-13,889	-47,322
Total non-controlling interest	-29	-	-
Total equity	435,749	793,500	460,066
Long-term liabilities			
Long-term interest-bearing liabilities	393,855	490,577	393,035
Total long-term liabilities	393,855	490,577	393,035
Current liabilities			
Short-term interest-bearing liabilities	-	-	-
Accounts payable	972	581	-
Tax Liability	3,702	-	-
Current liabilities to group companies	-	448,058	11,972
Other current liabilities	1,965	-	63
Accrued expenses and prepaid income	4,527	5,990	5,951
Total current liabilities	11,166	454,629	17,986
TOTAL EQUITY AND LIABILITIES	840,770	1,738,706	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 30 May, 2023

Johan Karlsson
Chairman

Erik Dansbo
Board member

Staffan Unge
Board member

Christian Bratt
CEO

SLÄTTÖ

