



Interim report

Slättö

Value
Add I

Q2

January-June

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 April – June 2021

- The company paid out dividend of roughly SEK 55 million.
- Finalized construction of the commercial premises within the residential project Hyllie Gärde in Malmö. The property owning company was sold in 2018 and the transaction was finalized in June 2021.

Period January – June 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.

Events after the end of the period

- The company paid out dividend of roughly SEK 55 million.
- Entered into an agreement with K2A Knaust & Andersson Fastigheter AB (publ) regarding the sale of property Rödalen 1 in Norrtälje for SEK 550 m. The project comprises 191 rental apartments and approximately 10 785 sqm. The transaction is carried out as a forward-commitment where Slättö will finalize the project prior to closing of 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	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Result from property management	47,491	-7,313	37,517	5,602	162,886
Profit before tax	46,304	38,505	69,488	64,611	297,079
Shareholders' equity	2,018,433	1,903,259	2,018,433	1,903,259	2,075,512
Total assets	4,273,579	3,867,330	4,273,579	3,867,330	4,350,902
Equity ratio, %	47.2	49.2	47.2	49.2	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	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020	Jan–Dec 2020
Rental income	18,153	8,694	30,570	17,603	37,382
Other income	5,324	3,827	5,965	3,982	5,748
Operating costs	-10,120	-3,834	-16,406	-9,320	-17,258
Operating earnings	13,357	8,687	20,129	12,265	25,872
Central administration	-14,071	-11,243	-28,372	-20,986	-49,093
Results from associated companies/joint ventures	33,372	2,174	29,740	25,076	178,192
Results from other financial assets	21,979	8,179	31,022	8,179	36,920
Results from sale of properties	-424	-5,129	-1,391	-617	4,809
Financial income	7,165	847	14,146	1,917	9,534
Financial expenses	-13,887	-10,828	-27,757	-20,232	-43,348
Result from property management	47,491	-7,313	37,517	5,602	162,886
Income, residential development	170,920	12,361	370,091	12,925	24,004
Costs, residential development	-166,626	-11,797	-354,477	-11,797	-22,561
Result before changes in value	51,785	-6,749	53,131	6,730	164,329
Changes in value, properties	-5,481	45,254	16,357	57,881	132,750
Profit before tax	46,304	38,505	69,488	64,611	297,079
Taxes	-11,493	-12,971	-16,679	-20,205	-34,327
Profit for the period	34,811	25,534	52,809	44,406	262,752
Consolidated report of comprehensive income					
Other comprehensive income	-	-	-	-	-
Net comprehensive income for the year	0	0	0	0	0
Net comprehensive income for the year	34,811	25,534	52,809	44,406	262,752
Attributable to:					
Parent Company shareholders	33,666	10,211	42,116	29,083	229,634
Non-controlling interest	1,145	15,323	10,693	15,323	33,118

CONSOLIDATED BALANCE SHEET

TSEK	June 30, 2021	June 30, 2020	Dec 31, 2020
Fixed assets			
Investment properties	1,788,289	1,633,069	1,760,514
Land lease agreements	1,877	39,212	1,877
Participations in associated companies/ joint ventures	557,717	373,235	528,827
Receivables from associated companies/ joint ventures	97,957	117,279	93,457
Other long-term receivables	58,054	59,304	58,683
Total fixed assets	2,503,894	2,222,099	2,443,358
Current assets			
Properties classified as current assets	894,032	1,002,363	1,097,753
Accounts receivable	12,701	18,793	13,906
Receivables from group companies	92	5,500	6,214
Receivables from associated companies/ joint ventures	370,088	69,250	363,732
Other current receivables	287,609	308,750	279,555
Prepaid expenses and accrued income	16,020	14,383	7,189
Liquid funds	189,143	226,192	139,195
Total current assets	1,769,685	1,645,231	1,907,544
TOTAL ASSETS	4,273,579	3,867,330	4,350,902

CONSOLIDATED BALANCE SHEET

TSEK	June 30, 2021	June 30, 2020	Dec 31, 2020
Equity			
Share capital	556	547	556
Other capital contributed	1,049,177	1,040,310	1,049,177
Retained profits including net profit for the year	563,581	485,851	631,410
Shareholders' equity attributable to the Parent Company's shareholders	1,613,314	1,526,708	1,681,143
Non-controlling interest	405,119	376,551	394,369
Total shareholders' equity	2,018,433	1,903,259	2,075,512
Long-term liabilities			
Deferred tax liability	105,970	77,293	89,411
Long-term interest-bearing liabilities	935,612	1,262,996	860,531
Long-term liabilities to associated companies/ joint ventures	-	25,000	25,000
Other long-term liabilities	77	69,288	16,100
Leasing liabilities	1,877	39,212	1,877
Total long-term liabilities	1,043,536	1,473,789	992,919
Current liabilities			
Short-term interest-bearing liabilities	781,886	373,757	933,231
Accounts payable	35,815	38,832	23,846
Current liabilities to associated companies/ joint ventures	2,327	2,757	5,932
Tax liability	-	4,937	6,480
Current liabilities to group companies	4,781	15,554	8,655
Other current liabilities	353,230	24,589	280,117
Accrued expenses and prepaid income	33,571	29,856	24,210
Total current liabilities	1,211,610	490,282	1,282,471
Total liabilities	2,255,146	1,964,071	2,275,390
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	4,273,579	3,867,330	4,350,902

CONSOLIDATED CASH FLOW STATEMENT

TSEK	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020	Jan–Dec 2020
Current operations					
Result before changes in value	51,785	-6,749	53,131	6,730	164,329
Adjustment for items not included in the cash flow	-70,886	-5,224	-86,086	-32,638	-219,921
Difference between paid interest and financial expenses	-1,666	3,566	4,625	2,526	1,835
Difference between received interest and financial income	5,064	-2,795	-1,917	-1,887	-8,447
Income tax paid	-4,046	-1,679	-7,648	523	68
Cash flow from current operations before changes in working capital	-19,749	-12,881	-37,895	-24,746	-62,136
Changes in working capital					
Change in properties classified as current assets	136,300	-117,078	95,836	-185,387	-280,777
Change in operating receivables	3,778	-4,068	15,545	-49,411	-6,341
Change in operating liabilities	-92,521	3,255	17,705	17,041	186,453
Cash flow from current operations	27,808	-130,772	91,191	-242,503	-162,801
Investment operations					
Acquisition of properties	-	-33,947	-	-92,383	-103,565
Investment in properties	-95,445	-114,769	-179,336	-193,487	-401,599
Divestment of properties	159,299	-155	159,823	-617	178,566
Acquisition and divestment of associated companies/joint ventures	546	143,721	546	143,721	143,872
Change of other long-term receivables	-4,500	-46,467	-4,500	-61,654	-348,256
Cash flow from investment operations	59,900	-51,617	-23,467	-204,420	-530,982
Financing operations					
New share issue	-	78,110	-	103,758	161,677
Paid dividend	-54,957	-50,087	-54,957	-50,087	-105,044
Transactions with non-controlling interests	-	12	-	12	12
Received payments co-operative	-	0	-	-	4,773
Proceeds from borrowing	71,317	220,858	354,363	358,664	594,566
Repayment of borrowing	-125,157	-1,683	-317,182	-3,075	-86,849
Cash flow from financing operations	-108,797	247,210	-17,776	409,272	569,135
Total cash flow	-21,089	64,821	49,948	-37,651	-124,648
Liquid funds at the beginning of the period	210,232	161,371	139,195	263,843	263,843
Liquid funds at the end of the period	189,143	226,192	189,143	226,192	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			-	0	-	0
Total net comprehensive income for the year	0	0	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	0	56,654
Transactions with non-controlling interests						
Changes in non-controlling interests			-35	-35	27	-8
Total transactions with non-controlling interests	0	0	-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			42,116	42,116	10,693	52,809
Other comprehensive income			-	0	-	0
Total net comprehensive income or the year	0	0	42,116	42,116	10,693	52,809
Contributions from and transfers of value to the company's owners						
Dividend			-109,913	-109,913		
Total contributions from and transfers of value to the company's owners	0	0	-109,913	-109,913	0	-109,913
Transactions with non-controlling interests						
Changes in non-controlling interests			-32	-32	57	25
Total transactions with non-controlling interests	0	0	-32	-32	57	25
Shareholders' equity June 30, 2021	556	1,049,177	563,581	1,613,314	405,119	2,018,433

PARENT COMPANY INCOME STATEMENT

TSEK	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Net sales	483	11	494	11	11
Sales	483	11	494	11	11
Central administration	-9,459	-7,364	-20,158	-14,554	-33,975
Operating earnings	-8,976	-7,353	-19,664	-14,543	-33,964
Profit/loss from participations in group companies	-824	-155	-1,113	-617	-764
Financial income	8,123	626	16,290	1,260	27,385
Financial expenses	-11,863	-6,480	-23,385	-12,293	-29,128
Net financial items	-4,564	-6,009	-8,208	-11,650	-2,507
Appropriations	-	-	-	-	23,261
Earnings before tax	-13,540	-13,362	-27,872	-26,193	-13,210
Taxes	4,513	0	6,376	-	5,921
Net profit/loss for the period	-9,027	-13,362	-21,496	-26,193	-7,289

PARENT COMPANY BALANCE SHEET

TSEK	June 30, 2021	June 30, 2020	Dec 31, 2020
Assets			
Fixed assets			
<i>Financial fixed assets</i>			
Participation in group companies	12,137	4,681	12,137
Participation in associated companies	531	35	531
Receivables from associated companies	-	-	500
Other long-term receivables	-	500	57,725
Deferred tax assets	57,096	58,346	5,921
Total financial fixed assets	12,297	-	76,814
Total fixed assets	82,061	63,562	76,814
Current receivables			
Receivables from group companies	1,653,568	1,361,317	1,627,662
Receivables from associated companies	-	2,255	8,322
Other current receivables	1,613	50,730	1,640
Prepaid expenses and accrued income	240	1,775	1,650
Total current receivables	1,655,421	1,416,077	1,639,274
Liquid funds	74,410	82,933	28,261
Total current assets	1,729,831	1,499,010	1,667,535
TOTAL ASSETS	1,811,892	1,562,572	1,744,349

PARENT COMPANY BALANCE SHEET

TSEK	June 30, 2021	June 30, 2020	Dec 31, 2020
Equity and liabilities			
Equity			
Restricted equity			
Share capital	556	547	556
Unrestricted equity			
Share premium reserve	1,049,257	1,040,371	1,049,257
Profit brought forward	-74,481	97,678	42,721
Profit for the period	-21,496	-26,193	-7,289
Total equity	953,836	1,112,403	1,085,245
Long-term liabilities			
Long-term interest-bearing liabilities	488,119	323,924	324,484
Total long-term liabilities	488,119	323,924	324,484
Current liabilities			
Short-term interest-bearing liabilities	-	75,000	75,000
Accounts payable	558	6,234	523
Tax liability	-	-	258,793
Current liabilities to group companies	309,038	44,445	-
Current liabilities to associated companies/ joint ventures	-	-	15
Other current liabilities	54,972	290	-
Accrued expenses and prepaid income	5,369	276	289
Total current liabilities	369,937	126,245	334,620
TOTAL EQUITY AND LIABILITIES	1,811,892	1,562,572	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 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 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 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 August 30, 2021

Johan Karlsson
Chairman

Erik Dansbo
Board member

Staffan Unge
Board member

Christian Bratt
CEO

SLÄTTÖ

