ANNUAL
and
CONSOLIDATED FINANCIAL STATEMENTS
01/01/2021–31/12/2021

of

Slättö Value Add I AB
556994-4464

The annual financial statements include: **Page**

Other

Slättö Value Add I AB
556994-4464

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS OF SLÄTTÖ VALUE ADD I AB

The Board of Directors and CEO of Slättö Value Add I AB hereby publish the annual accounts and consolidated financial statements for the financial year 01/01/2021–31/12/2021.

DIRECTORS' REPORT

Information about the business

Slättö Value Add I AB is a Swedish public limited company registered with Finansinspektionen (the Swedish Financial Supervisory Authority) as a Swedish alternative investment fund (AIF). The fund is managed by Slättö Förvaltning AB.

The primary focus of the fund is the development of residential property, specifically tenant-occupied apartments, along with selective investments in cash flow-generating industrial and logistics properties.

The Parent Company Slättö Value Add I AB has a bond of SEK 500 million listed on Nasdaq Stockholm.
The bond carries an interest rate of 7.5 percent over a term of 4 years, and matures in 2024. The Group also contains the public limited company Slättö Fastpartner Spånga AB (publ), which has a bond of SEK 400 million listed on Nasdaq Stockholm Bond Market. The bond matures in April 2023.

The Group did not have any employees during the year. During the year, the Group purchased services such as letting.

Significant events during the financial year and after year-end

Significant events during the year

Acquisitions and sales

During the year, the Group completed a number of acquisitions and divestments. A selection of these transactions is presented below, and all transactions were carried out as corporate transactions. Transactions in the year related to the acquisition and sale of investment properties, with the exception of two tenant-owner property transactions, which are described below. Earnings from divested investment properties are recognised as a change in value in the income statement.

Investment theme, residential development:

Entered into a share transfer agreement with K2A Knaust & Andersson Fastigheter AB (publ) regarding the sale of the Rödalen 1 property in Norrtälje Harbour. The transaction was completed using a forward sale structure, which means that the buyer takes over the property upon completion, which is expected to occur in Q4 2023. The remaining investment volume amounts to approximately SEK 330 million, which will be mainly funded via credit financing.

During the year, the joint venture company with Sveaviken Bostad entered into an agreement on the divestment of the residential project Reträtten in Örebro to Sveaviken Bostad at an underlying property value of SEK 259 million, corresponding to SEK 46,000/sqm. The company and property Örebro Autogyron 4 & 5 were vacated in Q1 2022.

In the fourth quarter, the residential project Hyllie Gärde in Malmö was handed over to Patrizia. The transaction was completed as a forward sale, in which the buyer took over the properties upon completion in the fourth quarter of 2021.

During the year, two residential projects were completed and transferred to two tenant-owner associations in Lund and Uppsala, which meant that the Group recognised these as income in the same period in which the handover to the associations took place and when control passed to the association.

Investment theme, commercial properties:

During the year, agreements were entered into on the sale of a warehousing, logistics and light industry portfolio. The portfolio was handed over in the fourth quarter and the buyer was Swedish Logistic Property (SLP).

Investment theme, public-use properties:

Agreements on the divestment of seven public-use properties to Estea Omsorgsfastigheter were concluded in the year, and the properties were vacated in the third quarter of 2021. The portfolio comprises three compulsory schools, three sheltered accommodation units and a preschool. The transaction took place via a joint venture structure and following the transaction there were no underlying assets remaining in the structure, which is why the Group acquired all the JV partner's ownership interests.

Financing

The Parent Company Slättö Value Add I AB has issued a bond of SEK 500 million carrying an interest rate of 7.5 percent, with a term of 4 years. Proceeds from the issue have been used to refinance existing junior debt, for continued investment in the existing portfolio and for acquisitions as part of the fund's strategy.

A construction loan of SEK 570 million was repaid in connection with the handover of the Hyllie Gärde residential project in Malmö, which took place in the fourth quarter.

Other

Dividends totalling approximately SEK 110 million were paid, as agreed at the AGM on 15 April 2021. The dividend was paid in two tranches, in the second and third quarters of 2021.

The final contingent consideration of SEK 50 million was paid for the acquisition of Klinga Logistikpark (a joint venture within the Group) in connection with the project's local development plan for approximately 100,000 sqm of logistics space gaining legal force in May 2021. The Group completed the acquisition in 2020.

Since the start of the pandemic, we have been particularly monitoring risks and effects associated with Covid-19. With reduced restrictions and the reopening of society, the focus and risks associated with Covid-19 have subsided and we are no longer seeing specific risks linked to the pandemic.

The rate of inflation saw a rapid rise in autumn 2021 and at the start of 2022, and central banks have responded by clearly indicating the need to increase interest rates. Conditions on the capital market are still deemed to be stable, but credit margins rose slightly at the end of the year, which continued into 2022. Higher inflation and increased energy prices mean that operation efficiency measures to reduce energy consumption are gaining priority.

Slättö Value Add I AB
556994-4464

Significant events after year-end

Acquisitions and sales

Slättö Value Add I and Sveaviken Bostad previously agreed contractually that Sveaviken will acquire all interests relating to the Autogyron 4 and 5 properties in Örebro. As of 31 March 2022, an agreement on the transfer of shares was signed regarding an equivalent transaction through which Sveaviken Bostad is buying Slättö Value Add I out of the joint project in Barkarby, which will be completed shortly. The transaction meant that Slättö Value Add I transferred its ownership interests in both projects, comprising the properties in Örebro and Barkarby, as of 31 March 2022.

Financing

After year-end the Group procured final investment of SEK 110 million relating to financing for the Uppsala Longstay project. The funds were used to repay credit financing of SEK 95 million.

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 30 March 2022 and the bonds were repurchased in accordance with the provisions and conditions set out in a repurchasing document dated 25 February 2022.

Other

An extraordinary general meeting on 18 March 2022 approved a dividend totalling SEK 110 million, corresponding to accrued preference share interest for 2021.

An extraordinary general meeting on 30 March 2022 approved an additional dividend totalling SEK 250 million, corresponding to accrued preference share interest and repayment of investors' contribution.

Slättö continually analyses the operating environment and works proactively to identify risks and take action as required to manage such risks and minimise their impact on the business. Russia's invasion of Ukraine and the knock-on effects are being monitored, and the current assessment is that the outbreak of the war will not have a significant impact on the business in the short term. However, we realise that it is difficult to gain an overview of the situation, and the outcome and consequences are hard to analyse in the longer term.

Corporate governance report

Slättö Value Add I AB (**'the Company'**) is a Swedish public limited company established in accordance with Swedish law, and its operations are regulated by Swedish legislation, including the Swedish Companies Act (2005:551) and Swedish Annual Accounts Act (1995:1554).

Corporate governance encompasses the various decision-making systems via which the owners, directly or indirectly, control the Company. Good transparency and application of the relevant legislation, recommendations and capital market's self-regulation all contribute to an effective decision-making system.

The corporate governance report for 2021 has been prepared in light of the Company's issue of a bond that has been admitted to trading on a regulated market, and as part of the Company's application of the Swedish Annual Accounts Act and Swedish Companies Act.
The Company's corporate governance is primarily based on applicable law, the articles of association and internal rules and instructions. To ensure the Company is governed effectively, there is a clear division of responsibility between the Company's decision-making bodies.
The corporate governance report has been adopted by the Company's Board of Directors and examined by the Company's auditors.

Slättö Value Add I AB
556994-4464

Swedish Corporate Governance Code

The Company's shares are not listed for trading on a regulated market and are therefore not subject to the Swedish Corporate Governance Code.

Shares and shareholdings

At the end of 2021, total share capital amounted to SEK 555,878. The number of shares totalled 555,878, all unlisted and with a quotient value of SEK 1 per share, divided up as follows: 61,684 ordinary Class A shares, 246,732 ordinary Class B shares and 247,464 Class C preference shares. The largest shareholder in the Company is Slättö VAI Partners AB, which owns 55,514 ordinary Class A shares and 657 Class C preference shares, corresponding to a total of 555,797 votes, i.e. approximately 50.03 percent of the number of votes in the Company. Slättö VAI Partners AB is the only registered shareholder, with a holding exceeding one-tenth of the number of votes for all shares in the Company.

Articles of association

The articles of association, along with applicable legislation and existing shareholder agreements, regulate operations and governance of the business. The Company's business operations are directly or indirectly concerned with owning, managing, developing, letting, selling and investing in companies, land and property, and conducting operations associated with such activities. Any changes to the Company's articles of association are made according to regulations set out in the Swedish Companies Act.

Annual General Meeting

The Annual General Meeting (AGM) is the Company's highest decision-making body, and shareholder influence in the Company is formally exercised at the AGM in accordance with the Swedish Companies Act, including via the appointment of a Board of Directors and auditor. The ordinary AGM is held according to the provisions of the Swedish Companies Act within six months of the end of each financial year, at which point decisions are made regarding the adoption of the income statement and balance sheet, appropriation of profit or loss, discharge from liability to the Company for Board members and the Chief Executive Officer, and remuneration of Board members and the Company's auditor.

At the AGM, the shareholders also make decisions on other key issues relating to the Company, such as changes to the articles of association or any new share issue. If the Board deems it necessary to hold a meeting of shareholders prior to the next ordinary AGM, or if the Company's auditors or owners of a minimum of one-tenth of all shares in the Company request this in writing, the Board shall convene an extraordinary general meeting.

According to the articles of association, notice convening a general meeting of the Company is issued via an announcement in the Official Swedish Gazette and on the Company's website. At the same time, notification that notice convening a general meeting of the Company has been announced is issued in Swedish daily business newspaper Dagens Industri. Notice convening a general meeting of the Company is issued no earlier than six weeks and no later than four weeks prior to the meeting.

The ordinary AGM of the Company was held on 15 April 2021 and, due to the circumstances occasioned by the Covid-19 pandemic, the meeting was carried out via postal vote and without attendance in person. At the AGM, 153,389 shares and 653,015 votes were represented, which was 27.6 percent of the number of shares and votes.

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556994-4464

The following decisions were made at the ordinary AGM on 15 April:

- To adopt the income statement and balance sheet and the consolidated income statement and balance sheet included in the annual financial statements.
- To approve a dividend of SEK 444.16 per Class C preference share, corresponding to a total dividend of SEK 109,912,721.92, and to authorise the Board of Directors to approve the record date for the dividend.
- To discharge the members of the Board and the Chief Executive Officer, including former Board members and CEOs, from liability for their management of the Company's affairs during the previous financial year.
- That the Board of Directors shall comprise three ordinary members without deputies, and to appoint an auditor in the form of a registered auditing firm with a lead auditor.
- The re-election of current Board members Johan Karlsson, Erik Dansbo and Staffan Unge, and the re-election of current auditors Ernst & Young Aktiebolag, with Mikael Ikonen as lead auditor.
- That no fee should be paid to the Board members, and that fees to the Company's auditor should be paid in amounts according to ongoing and approved invoices, in accordance with customary billing standards.

Board of Directors

The Board of Directors has overall responsibility for the Company's strategy and organisation, and manages the Company's affairs on behalf of the shareholders. Furthermore, according to the Swedish Companies Act, the Board is responsible for continually assessing the financial position of the Company and ensuring that the Company is structured in such a way that its accounting, management of funds and other financial circumstances are subject to satisfactory controls. The Board of the Company, in its capacity as a public limited company and in accordance with the Swedish Companies Act, has established written procedural rules that are regularly evaluated, updated and adopted. The procedural rules set out the Board's duties and division of responsibility between the Board and Chief Executive Officer. The Chair of the Board has particular responsibility for leading the work of the Board of Directors and ensuring the Board fulfils its statutory duties.

The Board's duties include monitoring significant investments, ensuring that satisfactory internal controls are in place regarding the Company's compliance with laws and other regulations relevant to the Company's operations, and its compliance with internal guidelines. The Board's duties also include ensuring that companies' disclosure of information to the market and investors is transparent, accurate, relevant and reliable, and to appoint, evaluate and, as required and where applicable, dismiss companies' CEOs.

According to the articles of association, the Company's Board shall consist of a minimum of three and a maximum of six Board members with a maximum of six deputies. Company Board members are elected annually at the Company's ordinary AGM for the period up until the end of the next AGM. There are no limitations as to the length of time an individual may serve as a member of the Board. In 2021, the Board was made up of three members: Johan Karlsson (Chair), Staffan Unge and Erik Dansbo. According to current procedural rules, the Board shall hold an inaugural Board meeting if the composition of the Board is changed at the AGM, as well as a minimum of four ordinary meetings.
In 2021, the Board held ten minuted meetings.

Chief Executive Officer

The Company's Chief Executive Officer (**CEO**) manages the ongoing administration of the Company in accordance with applicable legislation, the articles of association, the Board's procedural rules and according to the Board's guidelines and instructions, including the CEO instructions, and is entitled and obliged to take the requisite measures. The CEO may also take measures, without the authorisation of the Board, that, with regard to the scope and nature of the Company's operations, are unusual or of considerable significance, if it is not possible to wait for the decision of the Board of Directors without creating substantial disadvantage for the business. In such event, the Board of Directors shall be informed of such measures as soon as possible. The CEO shall also take such measures as are deemed necessary for the Company's accounting records to be completed in accordance with applicable law, and to ensure funds are adequately managed in a way that covers satisfactory controls and monitoring.

The CEO continually provides Board members with the information required for them to be able to monitor the Company's financial situation, such as information about the Company's operations and earnings, liquidity and borrowings, whether taxes and fees have been paid, and significant business transactions. The CEO is evaluated continually by the Board. The Company's externally appointed CEO is Christian Bratt.

Internal controls and audit

According to applicable legislation, the Company's Board is responsible for the Company's internal controls. The Board must continually assess the financial position of the Company and ensure that the Company is structured in such a way that its accounting, management of funds and other financial circumstances are subject to satisfactory controls. The purpose of internal controls is to achieve a well-adapted and efficient organisation, reliable financial reporting and information about the business, as well as compliance with applicable laws, regulations, recommendations and guideline documents. This section of the corporate governance report regarding the Company's internal controls chiefly relates to the Company's financial reporting. All interim reports and press releases are released on the Company's website (https://slattovalueaddi.com/) to coincide with publication.

The Board's procedural rules, established CEO instructions and adopted guideline documents that together constitute the Company's internal governance framework ensure that the Company's control environment functions effectively. The Board continually evaluates the information provided by the CEO and auditor. Furthermore, the auditor reports their observations from the audit and their opinion of internal controls directly to the Board at least once a year.

The Company's external auditor is appointed by the AGM. The auditor is tasked with conducting an independent audit of the Company's accounts and corporate governance report on behalf of the shareholders, as well as examining the Board and CEO's management of the Company and ensuring that the annual financial statements are prepared in accordance with applicable laws and regulations. According to the Company's articles of association, it must have at least one and no more than two auditors, and no more than one deputy auditor, and an authorised public accountant or a registered auditing firm shall be appointed auditor and, where applicable, deputy auditor. The 2021 AGM resolved, for the period extending up until the end of the 2022 AGM, to re-elect Ernst & Young AB as auditor, with Mikael Ikonen as lead auditor.

Audit and remuneration committees

Due to the nature and extent of the Company's operations, it has not been necessary to establish special committees for audit or remuneration issues in the Company.

Slättö Value Add I AB
556994-4464

Profit and financial position (Group)

Income statement for the period January–December 2021

Comprehensive income for the year totalled SEK 386,683 thousand (262,752) and included changes in value of SEK 245,030 thousand (132,750) relating to investment properties. SEK 258,627 thousand (134,270) of these changes in value related to unrealised changes in value and SEK -13,597 thousand (-1,520) related to realised changes in value.

Income statement for the period January–December 2021

Total assets amounted to SEK 3,666,884 thousand (4,350,902), of which major asset items are investment properties totalling SEK 1,393,689 thousand (1,760,514), and investments in associates/joint ventures totalling SEK 641,107 thousand (528,827). During the year, investment properties in the form of warehousing and logistics properties were divested, along with residential properties, which is why the total assets figure is lower than last year. Among liabilities, long-term interest-bearing financing amounted to SEK 974,164 thousand (860,531), of which bond financing amounted to SEK 887,133 thousand (395,275). New bond financing of SEK 500,000 thousand was raised by the Parent Company during the year.

Equity amounted to SEK 2,352,307 thousand (2,075,512), with an equity/assets ratio of 64.2 percent (47.7).

Sales, profit and financial position (Group)

	2021	**2020**	**2019**	**2018**
Income statement, SEK 000				
Rental income	63,352	37,382	29,893	9,792
Profit/loss before tax	361,540	297,079	260,978	224,543
Balance sheet, SEK 000				
Equity	2,352,307	2,075,512	1,756,114	1,051,551
Total assets	3,666,884	4,350,902	3,327,123	1,762,050
Equity/assets ratio	64.2%	47.7%	52.8%	59.7%

Risks and risk management

The Group is exposed, via its operations, to various kinds of risks that are significant to the company's future business, earnings and financial position. External factors that may affect the business are divided into strategic, operational and financial risks, as well as brand risk. Risk assessments are therefore a key element of the company's annual strategy process. The objective of the Group's risk management is to identify and manage risks that may impact the company. Operational risks are managed by each subsidiary and are detailed below.

Slättö Value Add I AB
556994-4464

Risk **Strategic risks for the Group**	Description of risk	Management
Macro factors	The property sector is generally affected by a number of macro factors. These include general economic performance, employment figures and how society and conditions for housing, health care and businesses are changing. Development can vary in different parts of the country, which is why it is important to understand the drivers for local and regional growth.	The risk is managed continually via business intelligence and via conservative assumptions in estimates and business plans for individual projects.
Market value of properties	The Group's investment properties are valued at fair value. Fair value is primarily based on two main components: operating earnings and the market's yield requirements. Operating earnings are affected by a number of property-specific parameters such as rent levels, vacancy rates and operating and maintenance costs. The market's yield requirements are impacted by factors such as interest rate levels and location-specific circumstances. Changes in the market's yield requirements can result in a decline in the value of a property. Values can also decrease as a result of difficulties in the property sector accessing financing.	To secure and develop the value of our property portfolio, the Group continually endeavours to improve its property management. The Group can, to some extent, limit the risks associated with changes in yield requirements by focusing on locations with healthy growth and good liquidity on the transaction market.
Legislative and regulatory changes	The property sector is capital intensive and even minor legislative changes regarding, for example, tax or amended property legislation could have a significant impact on the conditions in which the sector operates and on company earnings.	These risks are chiefly managed by monitoring, both internally and in consultation with independent experts, changes in practice and the development of new regulations.

Slättö Value Add I AB
556994-4464

Operational risk for the Group		
Transaction risks	Property transactions are associated with uncertainty and risks. It could relate to unforeseen ground conditions, legal issues, financial commitments, decisions by government authorities and tenant relations.	In order to manage these kinds of risks, each transaction is subject to a due diligence process that includes a legal analysis of existing documentation, a survey of ground conditions and technical deficiencies, details of any disputes, analysis of the tax situation, etc. The purpose of this is to identify, manage and prevent transaction risks for both the buyer and the seller.
Rental income	The Group's income comprises rental income for rented residential units, premises and warehousing and logistics premises. If vacancies increase in the portfolio, rental income will decline. The risk of a drop in rental income increases if tenants lose their income, terminate the lease or have difficulty making payments. Income is affected if the company's tenants fail to pay their rent. Vacancies and unpaid rental income can also have a negative impact on property value.	A tenant's financial conditions are assessed when a rental agreement is signed. A weak ability to pay by individual tenants is offset by the large number of tenancy agreements. The Group also cooperates with the trade association Fastighetsägarna in residential rent negotiations where appropriate. Long rental agreements are often signed with stable, long-term tenants for warehouses and logistics properties, but short tenancy agreements are also signed. To limit its exposure to the vacation of properties and rental losses, the Group aims to have longstanding customer relationships and to prioritise tenants with high creditworthiness. The Group continually endeavours to renegotiate tenancy agreements to minimise risk in the short term. The vast majority of tenancy agreements, over 95 percent, are also adjusted for inflation and linked to CPI.

Projects	The Group operates various forms of new-build projects, with project portfolio risk mainly related to the procurement of contractors and other cooperation partners. The wrong choice of contractors and other cooperation partners could have significant consequences in the form of cost increases, quality deficiencies and delays. Unforeseen events can also delay projects or lead to cost increases. If the Group's cost estimate process for a project is wrong it can lead to incorrect investment decisions and to a project being more expensive than expected. In addition, if a project is planned using the wrong input values, it can lead to difficulties achieving the expected profit on the project. Construction projects can be associated with environmental and health and safety risks.	Risks associated with project development and project implementation are managed by hiring and retaining skilled contractors and by establishing relevant procedures and decisions. The procurement of suppliers and contractors is based on both long-term relationships and competitive tendering. The Group also uses framework agreements and legal counsel where appropriate. The Group uses final cost forecasts and business cost estimates at an early stage of projects to ensure relevant and reasonable input values throughout the project process. Final cost forecasts and business cost estimates are updated every quarter and risk provisions in forecasts and cost estimates aim to take into account the volatile contractor sector and manage the risk relating to cost increases and delays.
Property management	As a property owner, it is important for the company that its property values are maintained or increased through its management and that the risk of property damage or injury – property owner liability – is minimised. Deficient compliance with external or internal regulations may occur if the necessary capabilities are not in place or if regulations are unclear.	The Group has signed a management agreement with Slättö Förvaltning AB. Slättö Förvaltning AB continually endeavours to develop the management organisation as the property portfolio grows. Risk is managed by the management organisation working according to property-specific maintenance plans and through regular training on property owner liability. The Group regularly assesses its organisation, evaluating costs against the need for long-term, sustainable management.

Slättö Value Add I AB
556994-4464

Financial risk for the Group		
Interest rate risk	Changes in market interest rates affect the cost of borrowing, which means interest expense can impact the Group's financial position and its ability to generate returns. Conditions in bond markets and interest rate levels may change.	The Group's financing activities are managed in accordance with the finance policy established by the Board. Interest rate risk is limited through continual access to various sources of financing and the ability to choose the most favourable source of financing. The risk of increased interest expenses resulting from a change in market rates is difficult to mitigate during the construction phase, as interest rate hedging is not normally applied to project finance. However, the risk can be managed using fixed-income derivatives on completion, primarily interest rate swaps and interest rate caps.
Refinancing risk	The Group is dependent on external parties for refinancing. Refinancing risk refers to the risk of cash and cash equivalents not being available and of funding only being able to be received in part or not at all, or at an increased cost. The bulk of the Group's financing consists of bond loans, construction loans and its own balance sheet (fund structure).	The Group manages refinancing risk by aiming to have a diverse borrowing portfolio and by spreading the borrowing portfolio's maturities. The Group works actively with a number of different banks to reduce its dependence on individual banks. The Group also has varied sources of financing (bond loans, construction loans and its own balance sheet (fund structure). Loans are extended well in advance of maturity dates to reduce the refinancing risk.
Liquidity risk	Liquidity risk is the risk of the Group having difficulties in meeting its commitments and financial obligations. The risk of banks' requirements being changed at short notice to issue construction loans can make financing more difficult.	Liquidity risk is managed by ensuring sufficient liquid assets are available to meet payment commitments when they fall due and by continually monitoring forecast cash flow. The Group continually maintains liquidity plans for each individual project and investment and for the company as a whole to ensure liquidity preparedness well in advance of capital needing to be allocated. The Group has overdraft facilities to manage temporary liquidity fluctuations.

Slättö Value Add I AB
556994-4464

Brand		
Reputation	How the Group runs its business can have a long-term effect on the company's reputation. The company's reputation is maintained or strengthened by conducting its work in line with applicable requirements, internal regulations and external expectations. However, its reputation could be adversely affected if mistakes are made because of insufficient capabilities or knowledge of applicable regulations.	The Group has signed a management agreement with Slättö Förvaltning AB, which manages fund activities. Slättö Förvaltning AB endeavours to comply with regulations and external expectations, and has adopted reporting procedures and an extensive framework of guideline documents that are regularly communicated to all employees. These documents are updated on a regular basis. The Group also has a crisis communication plan in place, which aims to provide support and guidance in the event of a crisis situation so the Group can look after customers, investors, cooperation partners and our credibility in the optimum way.
Sustainability	Sustainability risk describes how the Group's business could affect people, the environment and society.	The Group undertakes clear and conscious environmental efforts to reduce its own environmental impact and that of its customers and suppliers. Including systematic sustainability efforts in its business model allows the company to take action on financial management, the environment and social impact at all stages of the investment cycle. Sustainability governance in projects involves overall goals being set early on and detailed objectives gradually being specified in the form of quantifiable requirements and indicators. Most of the Group's property projects aim to achieve 'Miljöbyggnad Silver' environmental classification.

Future development

The Group is fully invested and is deemed to have a solid financial position.

Slättö Value Add I AB
556994-4464

Proposed distribution of profits

Parent Company

The following profit is at the disposal of the Annual General Meeting:

Retained earnings from previous year	1,084,688,974
Dividend	-109,912,722
Profit/loss for the year	-58,030,784
	916,745,468

Of the above amount, extraordinary general meetings after the end of financial year established two extraordinary dividends totalling SEK 359,913,682. Excluding this extraordinary dividend, the Annual General Meeting has at its disposal profit of SEK 556,831,786.

The Board proposes that

the following amount be carried forward	916,745,468
	916,745,468

Slättö Value Add I AB
556994-4464

CONSOLIDATED INCOME STATEMENT

Amounts in SEK 000

	Note	01/01/2021 31/12/2021	01/01/2020 31/12/2020
Rental income	3, 4	63,352	37,382
Other income	3	9,952	5,748
Operating and maintenance costs	5	-35,514	-17,258
Net operating income		**37,790**	**25,872**
Central administration	5, 6	-58,085	-49,093
Profit/loss from investments in associates/joint ventures	7	76,321	178,192
Profit/loss from other securities	8	87,074	36,920
Profit/loss from property sales	9	2,884	4,809
Finance income	10	29,123	9,534
Finance costs	11	-59,144	-43,348
Profit/loss from property management		**115,963**	**162,886**
Income, project properties and properties held for development	3	387,787	24,004
Expenses, project properties and properties held for development	5	-387,747	-22,561
Profit/loss before changes in value		**116,003**	**164,329**
Changes in the value of investment properties	12	245,030	132,750
Changes in value of financial instruments	13	507	-
Profit/loss before tax		**361,540**	**297,079**
Current tax	14	-2,808	-2,487
Deferred tax	14	27,951	-31,840
PROFIT/LOSS FOR THE YEAR		**386,683**	**262,752**
Profit/loss attributable to:			
Parent Company shareholders		322,387	229,634
Non-controlling interests		64,296	33,118

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK 000

	Note	01/01/2021 31/12/2021	01/01/2020 31/12/2020
Profit/loss for the year		386,683	262,752
OTHER COMPREHENSIVE INCOME FOR THE PERIOD			
Total other comprehensive income		**-**	**-**
Other comprehensive income attributable to:			
Parent Company shareholders		-	-
Non-controlling interests		-	-
COMPREHENSIVE INCOME FOR THE YEAR		**386,683**	**262,752**

Slättö Value Add I AB
556994-4464

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK 000

	Note	31/12/2021	31/12/2020
ASSETS			
Non-current assets			
Investment properties	15	1,393,689	1,760,514
Lease assets	34	-	1,877
Total property, plant and equipment		**1,393,689**	**1,762,391**
Investments in associates/joint ventures	16	641,107	528,827
Receivables from associates/joint ventures	17	3,482	93,457
Other securities held as non-current assets	18	-	4
Derivatives	19	507	-
Other non-current receivables	20	57,429	58,679
Total non-current assets		**2,096,214**	**2,443,358**
Current assets			
Project properties and properties held for development	21	61,477	1,097,753
Trade receivables	22	22,499	13,906
Receivables from Group companies		-	6,214
Receivables from associates/joint ventures	23	465,639	363,732
Tax assets		1,700	-
Other receivables	24	491,122	279,555
Prepaid expenses and accrued income		4,404	7,189
Cash and cash equivalents	25	523,829	139,195
Total current assets		**1,570,670**	**1,907,544**
TOTAL ASSETS		**3,666,884**	**4,350,902**

Slättö Value Add I AB
556994-4464

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK 000

	Note	31/12/2021	31/12/2020
EQUITY AND LIABILITIES			
Equity			
Share capital	26	556	556
Other contributed capital	27	1,049,177	1,049,177
Retained earnings including profit/loss for the year		843,852	631,410
Non-controlling interests		458,722	394,369
Total equity		**2,352,307**	**2,075,512**
Non-current liabilities			
Deferred tax liabilities	28	61,116	89,411
Other provisions	29	-	-
Interest-bearing liabilities	30	974,164	860,531
Liabilities to Group companies	30, 31	-	-
Liabilities to associates/joint ventures	30, 32	-	25,000
Other non-current liabilities	30, 33	-	16,100
Lease liabilities	34	-	1,877
Total non-current liabilities		**1,035,280**	**992,919**
Current liabilities			
Interest-bearing liabilities	30	46,443	933,231
Trade payables		30,886	23,846
Liabilities to associates/joint ventures		6,755	5,932
Tax liabilities		849	6,480
Liabilities to Group companies		7,568	8,655
Other current liabilities	36	149,428	280,117
Accrued expenses and deferred income	37	37,368	24,210
Total current liabilities		**279,297**	**1,282,471**
TOTAL EQUITY AND LIABILITIES		**3,666,884**	**4,350,902**

Slättö Value Add I AB
556994-4464

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

Amounts in SEK 000

	Share capital	Unregis-tered share capital	Other capital contri-buted	Retained earnings incl. profit/loss for the year	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening equity, 01/01/2020	**438**	**58**	**887,539**	**506,855**	**1,394,890**	**361,224**	**1,756,114**
Profit/loss for the year				229,634	**229,634**	33,118	**262,752**
Other comprehensive income				-	**0**	-	**0**
Comprehensive income for the year			**-**	**229,634**	**229,634**	**33,118**	**262,752**
Transactions with non-controlling interests				-35	**-35**	35	**0**
New share issues from previous years	58	-58			**0**	12	**12**
New share issue	60		161,638		**161,698**	-20	**161,678**
Dividend				-105,044	**-105,044**		**-105,044**
Closing equity, 31/12/2020	**556**	**0**	**1,049,177**	**631,410**	**1,681,143**	**394,369**	**2,075,512**
Opening equity, 01/01/2021	**556**	**0**	**1,049,177**	**631,410**	**1,681,143**	**394,369**	**2,075,512**
Profit/loss for the year				322,387	**322,387**	64,296	**386,683**
Other comprehensive income				-	**0**	-	**0**
Comprehensive income for the year			**-**	**322,387**	**322,387**	**64,296**	**386,683**
Transactions with non-controlling interests				-32	**-32**	57	**25**
Dividend				-109,913	**-109,913**		**-109,913**
Closing equity, 31/12/2021	**556**	**0**	**1,049,177**	**843,852**	**1,893,585**	**458,722**	**2,352,307**

Slättö Value Add I AB
556994-4464

CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK 000	Note	01/01/2021 31/12/2021	01/01/2020 31/12/2020
Operating activities			
Profit/loss before changes in value		116,003	164,329
Capital gain/loss		-2,884	-4,809
Project income not affecting cash flow		-16,965	-
Share of profit or loss in associates/joint ventures/other securities		-163,395	-215,112
Reversal of finance costs		59,144	43,348
Reversal of finance income		-29,123	-9,534
		-37,220	**-21,778**
Interest paid		-48,692	-41,513
Interest received		4,851	1,087
Income taxes paid		-14,112	68
Cash flow from operating activities before changes in working capital		**-95,173**	**-62,136**
Cash flow from changes in working capital			
Changes in project properties and properties held for development		54,900	-280,777
Changes in operating receivables		66,763	-6,341
Changes in operating liabilities		-123,389	186,453
Cash flow from operating activities		**-96,899**	**-162,801**
Investing activities			
Acquisition of investment properties		-24,000	-103,565
Investments in investment properties		-438,713	-401,599
Sale of properties		1,892,931	178,566
Acquisition of subsidiaries, net effect on cash position	43	-47,453	-
Acquisition of associates/joint ventures		-50,000	-46,584
Sale of associates/joint ventures		-	3,700
Contributions to associates/joint ventures		-	-500
Reimbursement of contributions from associates/joint ventures		546	5,800
Dividend from associates		-	181,456
Lending to associates/joint ventures		-111,044	-349,506
Repayments from associates/joint ventures		107,283	-
Repayments, other lending		500	1,250
Sales, other participations		75	-
Cash flow from investing activities		**1,330,125**	**-530,982**
Financing activities	38		
New share issue		-	161,677
Dividend paid		-109,913	-105,044
Recognised interest-bearing liabilities		705,206	594,566
Repayment of interest-bearing liabilities		-1,443,885	-86,849
Transactions with non-controlling interests		-	12
Contributions paid, tenant-owner associations		-	4,773
Cash flow from financing activities		**-848,592**	**569,135**
Cash flow for the year		**384,634**	**-124,648**
Cash and cash equivalents at start of year		**139,195**	**263,843**
Cash and cash equivalents at year-end	25	**523,829**	**139,195**

Slättö Value Add I AB
556994-4464

PARENT COMPANY INCOME STATEMENT

Amounts in SEK 000

	Note	01/01/2021 31/12/2021	01/01/2020 31/12/2020
Net sales		-	-
Other income	3	721	11
Gross earnings		**721**	**11**
Central administration	5, 6	-39,288	-33,975
Operating profit/loss		**-38,567**	**-33,964**
Profit/loss from investments in Group companies	41	-14,930	-764
Profit/loss from other securities	8	71	-
Finance income	10	33,449	27,385
Finance costs	11	-48,235	-29,128
Profit/loss after financial items		**-68,212**	**-36,471**
Appropriations	42	-	23,261
Profit/loss before tax		**-68,212**	**-13,210**
Tax on profit for the year	14	10,181	5,921
PROFIT/LOSS FOR THE YEAR		**-58,031**	**-7,289**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK 000

	Note	01/01/2021 31/12/2021	01/01/2020 31/12/2020
Profit/loss for the year		-58,031	-7,289
Other comprehensive income		-	-
COMPREHENSIVE INCOME FOR THE YEAR		**-58,031**	**-7,289**

Slättö Value Add I AB
556994-4464

PARENT COMPANY BALANCE SHEET

Amounts in SEK 000

	Note	31/12/2021	31/12/2020
ASSETS			
Non-current financial assets			
Investments in Group companies	43	100,454	12,137
Investments in associates	16	506	531
Receivables from associates	17	-	500
Other securities held as non-current assets	18	-	4
Other non-current receivables	20	56,471	57,721
Deferred tax assets	28	16,102	5,921
Total non-current financial assets		**173,533**	**76,814**
Total non-current assets		**173,533**	**76,814**
Current assets			
Current receivables			
Receivables from Group companies		1,592,407	1,627,662
Receivables from associates	23	2,500	8,322
Tax assets		43	43
Other receivables	24	1,462	1,597
Prepaid expenses and accrued income		53	1,650
Total current receivables		**1,596,465**	**1,639,274**
Cash and bank balances	25	19,320	28,261
Total current assets		**1,615,785**	**1,667,535**
TOTAL ASSETS		**1,789,318**	**1,744,349**

Slättö Value Add I AB
556994-4464

PARENT COMPANY BALANCE SHEET

Amounts in SEK 000

	Note	31/12/2021	31/12/2020
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	26	556	556
Total restricted equity		**556**	**556**
Unrestricted equity			
Share premium account		1,049,257	1,049,257
Retained earnings	27	-74,481	42,721
Profit/loss for the year		-58,031	-7,289
Total unrestricted equity		**916,745**	**1,084,689**
Total equity		**917,301**	**1,085,245**
Non-current liabilities			
Liabilities to credit institutions	30	489,758	324,484
Total non-current liabilities		**489,758**	**324,484**
Current liabilities			
Liabilities to credit institutions		-	75,000
Trade payables		260	523
Liabilities to Group companies		376,113	258,793
Other current liabilities	36	15	15
Accrued expenses and deferred income	37	5,871	289
Total current liabilities		**382,259**	**334,620**
TOTAL EQUITY AND LIABILITIES		**1,789,318**	**1,744,349**

Slättö Value Add I AB
556994-4464

STATEMENT OF CHANGES IN PARENT COMPANY EQUITY

Amounts in SEK 000

	Share capital	Unregistered share capital	Revaluation reserve	Share premium account	Retained earnings incl. profit/loss for the year	Total equity
Opening equity, 01/01/2020	**438**	**58**	**0**	**887,588**	**147,765**	**1,035,849**
New share issues from previous years	58	-58				**0**
New share issue	60			161,669		**161,729**
Dividend					-105,044	**-105,044**
Profit/loss for the year					-7,289	**-7,289**
Other comprehensive income					-	**0**
Closing equity, 31/12/2020	**556**	**0**	**0**	**1,049,257**	**35,432**	**1,085,245**
Opening equity, 01/01/2021	**556**	**-**	**0**	**1,049,257**	**35,432**	**1,085,245**
Dividend					-109,913	**-109,913**
Profit/loss for the year					-58,031	**-58,031**
Other comprehensive income					-	**0**
Closing equity, 31/12/2021	**556**	**0**	**0**	**1,049,257**	**-132,512**	**917,301**

Slättö Value Add I AB
556994-4464

PARENT COMPANY
CASH FLOW STATEMENT

Amounts in SEK 000		01/01/2021 31/12/2021	01/01/2020 31/12/2020
Operating activities			
Operating profit/loss		-38,567	-33,964
Operating profit/loss excl. amortisation, depreciation and impairment		**-38,567**	**-33,964**
Interest received		-	1,035
Interest paid		-32,221	-26,388
Income taxes paid		-	-42
Cash flow from operating activities before changes in working capital		**-70,788**	**-59,359**
Cash flow from changes in working capital			
Changes in operating receivables		78,758	-360,728
Changes in operating liabilities		59,765	211,395
Cash flow from operating activities		**67,735**	**-208,692**
Investing activities			
Acquisition of subsidiaries		-49,830	-25
Sale of subsidiaries		-588	486
Acquisition of associates		-	-506
Acquisition of financial assets		-	-4
Sale of financial assets		75	-
Change in non-current receivables		-2,000	-500
Cash flow from investing activities		**-52,343**	**-549**
Financing activities			
New share issue		-	161,729
Dividend paid		-109,913	-105,044
Long-term loans raised	38	485,580	74,065
Repayment of loans		-400,000	-
Cash flow from financing activities		**-24,333**	**130,750**
Cash flow for the year		**-8,941**	**-78,491**
Cash and cash equivalents at start of year		**28,261**	**106,752**
Cash and cash equivalents at year-end		**19,320**	**28,261**

ACCOUNTING POLICIES AND NOTES

Note 1 Accounting policies

General information

Slättö Value Add I AB, corporate registration number 556994-4464, with its registered office in Stockholm, is the Parent Company of a corporate group with subsidiaries, as stated in Note 43 below.

The Parent Company of Slättö Value Add I AB is Slättö VAI Partners AB, corporate registration number 559262-3036. Brofund Group AB, corporate registration number 556932-0541, is the highest Group parent for which consolidated financial statements are prepared.

Slättö Value Add I AB's offices are located at Grev Turegatan 19, 114 38 Stockholm, Sweden.

The annual accounts have been approved by the Board of Directors on the date indicated by their electronic signatures, and will be presented for adoption by the 2022 Annual General Meeting.

Basis for preparing the financial statements

The consolidated financial statements for the Slättö Group ('Slättö') have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, as well as International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) as adopted by the EU.

Preparing financial statements that are IFRS-compliant requires the use of a number of key estimates for accounting purposes. The financial statements have been prepared on a going-concern basis. This requires management to make certain assessments when applying the Group's accounting policies. The areas that involve a high degree of assessments that are complex or such areas where assumptions and estimates are of material importance to the consolidated accounts are specified in Note 2.

The Parent Company applies the same accounting principles as the Group except in the cases stated in the 'Parent Company accounting policies' section below. The differences between the policies applied by the Parent Company and those applied by the Group are a result of restrictions in opportunities to apply IFRS in the Parent Company due to the Swedish Annual Accounts Act and, in some cases, applicable tax regulations.

Reporting currency

The Group's reporting currency is Swedish kronor (SEK), which is the Parent Company's functional currency. Unless stated otherwise, all figures are stated in thousands of SEK. The Group's business is focused on Sweden and the extent of transactions in currencies other than Swedish kronor is very limited.

New and revised existing standards approved by the EU

None of the new and amended standards approved by the EU and interpretative statements from the IFRS Interpretations Committee are currently deemed to materially affect Slättö's earnings or financial position.

Consolidation policies

All subsidiaries are companies (including structured companies) over which the Group has a controlling influence. The Group controls a company when it is exposed to, or has the right to, variable return from its holding in the company and is able to influence the return via its influence in the company.

Subsidiaries are included in the consolidated financial statements from the date when controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date that such controlling influence ceases.

The acquisition method is used to report the Group's business combinations. The purchase price for the acquisition of a subsidiary comprises the fair value of transferred assets, liabilities assumed by the Group from the previous owners of the acquired company, and the shares issued by the Group. Identifiable acquired assets and transferred liabilities in a business combination are initially valued at fair value at the date of acquisition. For each acquisition, the Group determines whether non-controlling interest in the acquired company is recognised at fair value or at the holding's proportional share of the acquired company's identifiable net assets.

Acquisition-related costs are expensed as they occur as a result of business combinations and are capitalised in the event of asset acquisitions.

Intra-group transactions, balance sheet items, and income and costs from transactions between Group companies are eliminated. Gains and losses resulting from intra-group transactions that are recognised in assets are also eliminated.
The accounting policies for subsidiaries have been changed, where applicable, to ensure the consistent application of consolidated policies.

The difference between the cost of business combinations and the acquired share of the net assets of the acquired business is classified as goodwill and recognised as an intangible asset in the balance sheet. It is valued at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units, with annual impairment testing as per IAS 36. Transaction costs are expensed directly in earnings for the period. When an asset is acquired, the cost of the acquired net assets is allocated in the acquisition analysis.

The proportion of equity attributable to owners with non-controlling interests (previously called minority interests) is recognised as a specific item in equity, separate from the Parent Company owner's share of equity. In addition, a specific disclosure is provided about such a share of earnings for the period.

Business combinations versus asset acquisitions

Acquisitions of companies may be classified either as a business combination or an asset acquisition. This is an individual assessment that is made for each individual acquisition. Company acquisitions whose primary purpose is to acquire a company's property, and where the company's management organisation and administration, where applicable, are of lesser significance to the acquisition, are classified as an asset acquisition. Other corporate acquisitions are classified as business combinations. In the event of a business combination, deferred tax is recognised on all initial temporary differences, whereas this is not done in the event of an asset acquisition.

The Group did not have any business combinations in the current or previous year. All the Group's acquisitions have been classified as asset acquisitions.

Foreign currency translation

Transactions and balance sheet items

Transactions in foreign currencies are translated into the functional currency at the rate in effect on the transaction date. Exchange rate gains and losses arising from the payment of such transactions and from the conversion of monetary assets and liabilities denominated in foreign currencies at the rate on the balance sheet date are recognised in operating profit in the income statement.

Associates and joint ventures

Companies in which the Group has a significant but non-controlling influence are recognised as associates. This is presumed to be the case where the holding amounts to at least 20 percent and a maximum of 50 percent of votes. It is presumed that such ownership is part of a long-term relationship and that the holding shall not be recognised as a joint arrangement.

Joint arrangement refers to companies in which the Group, together with other parties by means of agreements, has a joint controlling influence over the business. A holding in a joint arrangement is classified either as a joint business or a joint venture, depending on the contractual rights and obligations of each investor. In the Group, holdings have been classified as joint ventures mainly because the Group is entitled to net assets instead of a direct right to assets and obligations relating to liabilities.

Associates and joint ventures are recognised in accordance with the equity method. When applying the equity method, the investment is initially measured at cost in the consolidated statement of financial position and the carrying amount is subsequently increased or reduced to take account of the Group's share of earnings and other comprehensive income from its holdings after the acquisition date.

An assessment is made at the end of each reporting period as to whether there is a need for impairment of an investment in an associate or joint venture. If this is the case, the impairment amount is calculated, corresponding to the difference between the recovery value and the carrying amount. Such impairment is recognised under 'Profit/loss from investments in associates/joint ventures' in the income statement.

Financial instruments

Financial instruments recognised under assets in the balance sheet include cash and cash equivalents, trade receivables, other non-current receivables, other receivables, receivables from Group companies, receivables from associates, accrued interest income and derivatives. Liabilities include trade payables, loan liabilities, liabilities to Group companies, other liabilities, accrued interest expense and derivatives. The company does not apply hedge accounting.

Classification

The Group classifies its financial assets and liabilities under the following categories: receivables and liabilities measured at fair value through profit or loss, financial assets measured at amortised cost and financial liabilities measured at amortised cost. Classification depends on the purpose for which the financial asset or liability was acquired.

Receivables and liabilities measured at fair value through profit or loss

Financial receivables and liabilities measured at fair value through profit or loss are financial instruments that are held for trading or that, upon initial recognition, are identified as an item measured at fair value through profit or loss.
A financial claim or liability is classified under this category if it is acquired mainly to be sold in the short term. An instrument in this category is classified as current if it is expected to be settled within 12 months, otherwise it is classified as non-current. Derivatives and parts of other receivables are classified as financial items measured at fair value through profit or loss.

Financial assets measured at amortised cost

Financial assets measured at amortised cost are financial assets that fulfil the criteria for contractual cash flows and are held in a business model whose purpose is to collect such contractual cash flows.
The Group's financial assets measured at amortised cost comprise trade receivables, receivables from Group companies, receivables from associates and joint ventures, cash and cash equivalents and other current receivables and interim receivables that constitute financial instruments.

Financial liabilities measured at amortised cost

Trade payables, interest-bearing liabilities, loan liabilities and other current liabilities and interim liabilities that are financial instruments classified as financial liabilities measured at amortised cost.

Recognition and measurement

Financial instruments are initially recognised at fair value plus transaction costs, which applies to all financial assets that are not recognised at fair value through profit or loss. Financial assets measured at fair value through profit or loss are initially recognised at fair value, whereas attributable transaction costs are recognised in profit or loss. Financial assets are derecognised from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred essentially all risks and benefits associated with the right of ownership. Financial liabilities are removed from the balance sheet when the obligation arising from the agreement has been fulfilled or is extinguished in another way.

Financial assets and liabilities measured at fair value through profit or loss are recognised after the date of acquisition at fair value. Financial assets measured at amortised cost and financial liabilities measured at amortised cost are recognised after the date of acquisition at amortised cost using the effective interest method.

Gains and losses as a result of changes in fair value relating to the category of financial assets and liabilities measured at fair value through profit or loss are recognised in earnings in the period when they occur and are included in earnings from property management.

Offsetting of financial instruments

Financial assets and liabilities are offset and recognised in the balance sheet at a net amount only when there is a legal right to offset the recognised amounts and an intention to settle them at a net amount or to realise the asset and settle the liability at the same time.

Impairment of financial instruments

The Group recognises a loss provision for expected credit losses on financial assets measured at amortised cost. Impairment of credit losses under IFRS 9 is forward-looking, and a loss provision is made when there is exposure to credit risk, usually upon initial recognition. Expected credit losses reflect the present value of all deficits in cash flow attributable to default, either for the next 12 months or for the anticipated remaining term of the financial instrument, depending on asset class and credit deterioration since initial recognition.

The simplified model for credit reserves is used for the Group's trade receivables, contract assets and lease receivables. In the simplified model, a loss reserve is recognised for the anticipated remaining duration of the claim or asset. Credit losses have historically not been material, which is why provisions are for immaterial amounts.

For cash and cash equivalents, the reserve is based on the banks' likelihood of default and forward-looking factors. The reserves are for immaterial amounts because of the short duration and high creditworthiness. The Group writes off a claim when it is deemed that there is no possibility of further cash flow.

Other receivables mainly consist of receivables from associates/joint ventures and receivables related to property transactions. These receivables are analysed and expected credit losses are measured as the product of the likelihood of default, loss in the event of default and the exposure in the event of default. For credit-impaired assets and receivables, an individual assessment is made that takes account of historical, current and forward-looking information. The valuation of expected credit losses takes account of any collateral and other credit enhancements in the form of guarantees. The credit reserve for such receivables is an immaterial amount.

Investment properties

Investment properties are held in order to receive rental income or an increase in value or a combination of these. The Group owns investment properties consisting of investment properties (cash flow-generating), investment properties under construction, and development rights held for future investment properties.

When acquired, investment properties are recognised at cost, including charges directly attributable to the acquisition. After they have been acquired, investment properties are recognised at fair value. Fair value is principally based on prices on an active market and constitutes the amount for which an asset could be transferred between well-informed parties that are independent of each other and that have an interest in the transaction being completed. All properties are valued to establish investment properties' fair value at each period end. Investment properties are valued according to the Level 3 fair-value hierarchy as per IFRS 13. See the note on investment properties for a description of valuation models and assumptions on which the valuation is based.

Both unrealised and realised changes in value are recognised through profit or loss under changes in value of investment properties. Unrealised changes in value are calculated based on the valuation at the end of the period compared with the valuation at the start of the period, or the cost of the property if the property was acquired in the period, plus capitalised additional expenditures in the period. Gains or losses from the sale or disposal of investment properties consist of the difference between the selling price and carrying amount at the most recent valuation less transactions costs that occur in relation to the sale of investment properties.

Additional expenditure is added to the carrying amount only when it is likely that the future economic benefits associated with the asset will accrue to the Group, and the asset's cost can be reliably measured. All other subsequent costs are recognised as expense in the period they arise.

Repairs and maintenance are expensed when the expense occurs. Interest expense is capitalised during the construction period in large projects.

Leases

Leases in which the Group is the lessor are classified as finance or operating leases. Leases in which the risks and benefits associated with ownership of the assets are in all material respects borne by the lessor are classified as operating leases. Rental leases attributable to investment properties are regarded as operating leases.

Leases in which the Group is the lessee are recognised in accordance with IFRS 16 Leases, which means that assets and liabilities attributable to all leases, with some exceptions, are recognised in the balance sheet as rights of use. The Group has identified leasehold agreements as its most significant leases. Under IFRS 16, leaseholds are regarded as perpetual rental agreements and recognised at fair value and will therefore not be amortised. The value of a right-of-use asset remains until the next renegotiation of the respective ground rent. Lease liabilities are not amortised and instead the value is unchanged until renegotiation of the respective ground rent. The cost of a leasehold is classified as a finance cost.

At year-end, the Group had no major leases.

Cash and cash equivalents

In both the balance sheet and the statement of cash flows, cash and cash equivalents includes cash funds and bank balances.

Share capital

Ordinary shares are classified as equity. Issued preference shares are also classified as equity if it is not compulsory for them to be redeemable and the dividend requires a decision by a general meeting of the company. Transaction costs that are directly attributable to an issue of new ordinary shares or share warrants are recognised, net of tax, in equity as a deduction from the proceeds from the issue.

Current and deferred tax

Tax expense for the period includes current and deferred tax. Current tax expense is calculated based on the tax rules determined at the balance sheet date or, in practice, determined in those countries in which the Parent Company and its subsidiaries operate and generate taxable income.

Deferred tax is recognised using the balance sheet method, on all temporary differences that arise between the taxable value of assets and liabilities and the carrying amount in the consolidated accounts. Deferred tax on income is calculated using the tax rates determined or notified at the balance sheet date and that are expected to apply when the deferred tax asset concerned is realised or the deferred tax liability is settled.

Deferred tax assets on loss carryforwards are recognised insofar as it is likely that future tax surpluses will be available, against which deficits can be utilised.

In the event of the acquisition of a company, an assessment is made as to whether the acquisition relates to the acquisition of a business or of an asset (property). In the event of the acquisition of a business including property, deferred tax is recognised at a nominal amount on temporary differences. In the event of the acquisition of an asset (property), no deferred tax is recognised at the time of acquisition.

Deferred tax assets and liabilities are offset when there is a legal offset right for current tax assets and tax liabilities, the deferred tax assets and tax liabilities relate to taxes charges by a single tax authority and refer to either the same tax entity or different tax entities and there is an intention to settle the balances through net payments.

Project properties and properties held for development

Project properties and properties held for development are those properties controlled by the company and in which it has participated from an early stage prior to the start of a construction project. They are valued using the lowest value principle, which involves a property being recognised at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Directly incurred expenses and a reasonable portion of indirect expenses attributable to project properties and properties held for development are added to the cost and valued at the lower of cost or net realisable value.

Properties not yet built or built and intended for the production of tenant-owned apartments and land for project properties are classified as project properties and properties held for development. Properties held for development are recognised in accordance with IAS 2 Inventories.

Project properties and properties held for development are stated at cost and recognised as an asset in the accounting period in which the property is taken over.

Borrowing costs

In the consolidated accounts, borrowing costs are included in the cost of buildings under construction (project properties and properties held for development, as well as investment properties under construction). In general, borrowing costs that are added to cost are restricted to assets that take a significant period of time to complete, which, for the Group, includes the construction of project properties. Interest expense is included in cost until the date that a building is completed.

Segment reporting

The Group's operations are divided into operating segments, based on which parts of the operations are monitored by the company's highest executive decision-maker, known as the management approach. Group management assesses that the Group has one operating segment: fund activities. This assessment is based on the reporting that Group management obtains to monitor and analyse the business and the information obtained to take strategic decisions.

Revenue recognition

Rental income

The Group's investment properties are let to tenants under operating leases. Rental income in property management is notified in advance and recognised in the period to which the rent relates. Rental income from investment properties is recognised on a straight-line basis in accordance with the terms and conditions of the applicable leases. The Group is of the opinion that the service provided to tenants is an integral part of the rent, and all remuneration is therefore recognised as rent. Advance rent is recognised as deferred income.

Income, project development

The Group has identified a distinct performance obligation in the service agreement: project management of contracts in residential development projects. Fixed remuneration is continually received for project management over the term of projects, as well as costs incurred in projects. The amount of such remuneration is regulated in service agreements and invoiced quarterly throughout the project. Viewed over the course of a project, roughly half of the remuneration is paid out during the development phase and roughly half during the implementation phase. Income is recognised once the customer has control, and is recognised over the term of the agreement, since the customer receives and at the same time consumes the benefit of the services supplied by the company. The process towards completion is continually monitored via assessment of the project's size in relation to the length of the agreement and fulfilment. Income relating to project management is recognised as project development income.

Income and earnings from residential project development

The Group enters into agreements with tenant-owner associations regarding the construction of residential units. The Group has made the assessment that there is a controlling influence over these tenant-owner associations. The tenant-owner associations are therefore consolidated until such time as the end customer has taken over the residential unit. For handovers that take place gradually over a period, an assessment is made along with other factors of when controlling influence no longer exists. One key factor in this assessment is whether the majority of the end customers have taken over their residential units. Income from residential development to tenant-owner associations is recognised once the end customer obtains control of the unit, which coincides with them taking over the unit.

Income from property sales

Income from the sale of properties is recognised on the completion date, unless the purchase contract contains specific provisions. Sales of investment properties via companies are netted regarding underlying property price and calculated tax. Earnings from the sale of investment property are recognised as changes in value and concern the difference between the selling price received less selling costs, calculated tax and carrying amount in the most recent financial statement, adjusted for investments made following the most recent financial statement.

Dividends

Dividends to Parent Company shareholders are recognised as a liability in the consolidated financial statements in the period in which the dividend was approved by Parent Company shareholders.

Cash flow statement

The cash flow statement is prepared in accordance with the indirect method. Recognised cash flow only includes transactions that have resulted in incoming or outgoing payments.

Parent Company's accounting policies

Summary of the Parent Company's key accounting policies

The key accounting policies applied in the preparation of these annual financial statements are detailed below. Unless stated otherwise, these policies have been applied consistently for all years presented.

The annual financial statements for the Parent Company have been prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. In cases where the Parent Company applies different accounting policies to the Group, which are detailed in Note 1 of the consolidated financial statements, these are stated below.

The annual financial statements have been prepared according to the cost method.

Preparing financial statements in accordance with RFR 2 requires the use of a number of key estimates for accounting purposes. This requires management to make certain assessments when applying the Parent Company's accounting policies. The areas that involve a high degree of assessments that are complex or such areas where assumptions and estimates are of material importance to the annual financial statements are specified in Note 2 of the consolidated accounts.

Through its business, the Parent Company is exposed to a number of different financial risks: market risk (currency risk and interest rate risk), credit risk and liquidity risk. The Parent Company's overall risk management policy focuses on the unpredictability of financial markets and aims to minimise potential unfavourable effects on the Group's financial results. For further information about financial risks, please refer to Note 35 of the consolidated financial statements.

The Parent Company applies different accounting policies to the Group in the following cases:

Formats

The income statement and balance sheet are presented using the formats stipulated in the Annual Accounts Act. The statement of changes in equity also follows the format of the consolidated statement, with the addition of the columns stipulated in the Annual Accounts Act. Furthermore, this means a difference in terms compared with the consolidated accounts, primarily regarding finance income and expense and equity.

Investments in Group companies

Investments in subsidiaries are recognised at cost, less any impairment. Cost includes acquisition-related costs, contributions and any contingent considerations.

When there is an indication that investments in subsidiaries have declined in value, a calculation is made of the recovery value. If this value is lower than the carrying amount, an impairment is carried out. Impairments are recognised in the item 'Profit/loss from investments in Group companies'.

Participations in associates

Participations in associates are recognised at cost, less any impairment. Cost includes acquisition-related costs, contributions and any contingent considerations.

Shareholder contributions and Group contributions

Group contributions are recognised in both the receiving and contributing company as appropriations. Shareholder contributions are recognised in the Parent Company as an increase in the carrying amount of the participation, and in the receiving company as an increase in equity.

Financial instruments

Financial instruments are valued at cost. In subsequent periods financial assets that are acquired to be held for the short term will be recognised in line with the lowest value principle, at the lower of cost and market value, adjusted for any reserve for future losses.

All amounts are stated in SEK thousand unless otherwise indicated. Figures in brackets relate to the previous year.

Note 2 Critical accounting estimates and judgements

Estimates and judgements are evaluated continually and based on historical experience and other factors, including expectations of future events that are deemed reasonable given the prevailing conditions.

The Group makes estimates and assumptions about the future. The estimates for accounting purposes that result from these will, by definition, rarely correspond to the actual result. Estimates and assumptions that constitute a significant risk of material adjustments to the carrying amounts of assets and liabilities over the coming financial year are detailed below.

Valuation of properties

In the valuation of investment properties, assessments and assumptions may have an impact on the Group's recognised earnings and financial position. Estimates and assumptions are made both in final cost forecasts and about future cash flows and in establishing discount factors (yield requirements). The estimates made affect the carrying amount in the statement of financial position for the item 'Investment properties', while for investment properties owned in joint ventures they affect the item 'Investments in associates and joint ventures'.

The Group continually tests the assumptions made and monitors market developments. A change in estimates can lead to a change in fair value and affect changes in value. Descriptions of valuation policies and material assumptions are described in Note 15.

Classification of project properties, properties held for development and investment properties

When a property is acquired, an assessment is made as to whether the property should be developed or used as an investment property. This assessment affects the Group's earnings and financial position as their accounting treatment differs. Properties that are to be developed and are at an early stage are project properties or properties held for development. Project properties and properties held for development are recognised as inventories when the intention is to sell the properties on completion. Valuation is carried out at the lower of cost and net realisable value. Investment properties, on the other hand, are held in order to generate rental income and increases in value. Investment properties are valued at fair value and changes in value made through profit or loss.

The Group assesses each property individually to determine whether the purpose is to develop and divest housing units, both tenancy-rights and tenant-owned apartments, or whether it is to own the properties for the long term and generate rental income and increases in value.

Slättö Value Add I AB
556994-4464

Deferred tax assets

Deferred tax is recognised using the balance sheet method, on temporary differences that arise between the taxable value of assets and liabilities and their carrying amounts in the consolidated accounts. The Group recognises deferred tax assets based on management's estimates about future tax surpluses, influenced by the tax rules that apply in the jurisdictions in which the company operates. The outcome may, however, differ due to changes in tax rules and the business climate.

Associates and joint ventures

Associates are companies in which the Group has a significant influence, which is presumed to be the case where the holding amounts to at least 20 percent and a maximum of 50 percent of votes. It is presumed that such ownership is part of a long-term relationship and that the holding is not a joint arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets. Company management analyses the extent of influence that the Group has over these companies and establishes whether or not it has significant influence. This is established based on the percentage of ownership, board representation and contractual terms.

Important estimates in applying the company's accounting policies

When company management applies the Group's accounting policies, various judgements are made, in addition to those that include estimates that may have a significant impact on the amounts that the Group reports in its financial statements.

Note 3 Revenue breakdown

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Rental income	63,352	37,382	-	-
Other income	9,952	5,748	721	11
Income, project properties and properties held for development	387,787	24,004	-	-
Total	**461,091**	**67,134**	**721**	**11**

Of income from project properties and properties held for development, SEK 358,427 thousand (0) relates to tenant-occupied housing and SEK 29,360 thousand (24,004) relates to project development.

Note 4 Contractually agreed future rental income

In terms of accounting, rental agreements in the company are treated as operating leases. The agreements relate to the letting of premises and housing. The table below shows undiscounted payments to be received annually from the Group's leasing contracts over the next few years:

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Lease payments within 0–1 year	7,543	36,184	-	-
Lease payments within 1–2 years	6,582	34,066	-	-
Lease payments within 2–3 years	3,393	30,589	-	-
Lease payments within 3–4 years	922	13,478	-	-
Lease payments within 4–5 years	713	10,824	-	-
Lease payments after 5 years	3,564	36,665	-	-
Total	**22,717**	**161,806**	**0**	**0**

The sum of variable payments that are included in the Group's profit for the year amounts to SEK 5,343 thousand (3,708).

Slättö Value Add I AB
556994-4464

Note 5 Operating expenses by cost type

Property expenses	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Operating and maintenance costs	-15,958	-8,456	-	-
Property tax	-4,936	-2,239	-	-
Administrative expenses	-14,620	-6,563	-	-
Total	**-35,514**	**-17,258**	**0**	**0**

Central administration	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Management fee, Group companies	-26,064	-23,206	-26,064	-23,206
Other services, Group companies	-11,522	-11,524	-4,790	-4,864
Accounting, legal and consultancy fees	-13,422	-9,770	-6,015	-4,439
Accounting services	-3,803	-3,315	-1,303	-727
Other costs	-3,274	-1,278	-1,116	-739
Total	**-58,085**	**-49,093**	**-39,288**	**-33,975**

Expenses, project and development properties properties	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Expenses, tenant-owner transactions	-341,462	-	-	-
Expensed projects	-19,506	-	-	-
Expenses, other project development	-26,779	-22,561	-	-
Total	**-387,747**	**-22,561**	**0**	**0**

The Group has not had any employees during the financial year or in the previous financial year.

Note 6 Disclosures on fees and remuneration to auditors

	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Ernst & Young AB				
auditing assignments	-3,472	-2,378	-1,257	-1,471
tax advisory services	-	-149	-	-
other assignments	-115	-156	-	-
	-3,587	**-2,683**	**-1,257**	**-1,471**

Auditing assignment refers to the auditor’s work on the annual accounts and accounting records, and auditing and other review work conducted as arranged or contractually agreed. This includes other duties that are incumbent on the company’s auditors and the provision of advice or other assistance resulting from observations in connection with such assessment or the performance of such other duties.

The Parent Company’s expenses include Group company expenses.

Slättö Value Add I AB
556994-4464

Note 7 Profit/loss from investments in associates/joint ventures

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Share in profits from associates/joint ventures	75,838	176,692	-	-
Profit/loss on divestment	483	1,500	-	-
Total	**-76,321**	**178,192**	**0**	**0**

Note 8 Profit/loss from other securities

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Unrealised value changes	87,003	28,741	-	-
Profit/loss on divestment	71	8,179	71	-
Total	**87,074**	**36,920**	**71**	**0**

Note 9 Profit/loss from property sales

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Profit/loss from property sales	2,884	4,809	-	-
Total	**2,884**	**4,809**	**0**	**0**

Note 10 Finance income

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Interest income	256	1,057	-	1,035
Interest income, Group companies	2	30	33,449	26,349
Interest income, associates/joint ventures	28,790	8,447	-	1
Other finance income	75	-	-	-
Total	**29,123**	**9,534**	**33,449**	**27,385**

Slättö Value Add I AB
556994-4464

Note 11 Finance costs

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Interest expense	-50,050	-37,098	-36,626	-26,318
Interest expense, Group companies	-	-440	-6,737	-1,610
Interest expense, associates/joint ventures	-628	-1,512	-	-
Accrual of borrowing costs	-8,045	-2,987	-4,694	-1,122
Other finance costs	-376	-1,237	-178	-78
Interest expense attributable to lease liabilities	-45	-74	-	-
Total	**-59,144**	**-43,348**	**-48,235**	**-29,128**

Note 12 Change in value of investment properties

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Unrealised value changes	258,627	134,270	-	-
Realised changes in value	-13,597	-1,520	-	-
Total	**245,030**	**132,750**	**0**	**0**

Investment properties sold resulted in the dissolution of deferred tax, resulting in the recognition of deferred tax income of SEK 98,345 thousand (7,324).

Note 13 Changes in value of financial instruments

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Unrealised changes in value of derivatives	507	-	-	-
Total	**507**	**0**	**0**	**0**

Slättö Value Add I AB
556994-4464

Note 14 Tax on profit for the year

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Current tax				
- tax on profit for the year	-2,607	-2,277	-	-
- tax attributable to previous periods	-201	-210	-	-
Deferred tax				
- relating to a temporary difference between carrying amount and tax value of buildings	35,622	-31,068	-	-
- relating to capitalised loss carryforwards	10,181	5,921	10,181	5,921
- relating to financial instruments	-18,026	-5,921	-	-
- relating to untaxed reserves	174	-772	-	-
Total	**25,143**	**-34,327**	**10,181**	**5,921**

Reconciliation of tax recognised	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Profit/loss before tax	361,540	297,079	-68,212	-13,210
Nominal tax at applicable tax rate (20.6%)	-74,477	-63,575	14,052	2,827
Tax effect of non-deductible expenses and taxable income not included in profit/loss	-12,170	-9,391	-3,076	-163
Tax effect of non-taxable income and tax-deductible expenses not included in profit/loss	129,613	53,888	-	749
Tax effect, loss carryforwards	-1,587	1,316	2,249	2,879
Adjustment for deficits and temporary differences attributable to previous years	-	-235	-	-
Tax effect of restrictive interest deductions	-16,252	-13,954	-3,044	-371
Tax effect of unrecognised temporary differences	217	-2,166	-	-
Current tax attributable to previous years	-201	-210	-	-
Effective tax recognised	**25,143**	**-34,327**	**10,181**	**5,921**

Total uncapitalised loss carryforwards amount to SEK 75,804 thousand (prev. yr SEK 68,194).

Slättö Value Add I AB
556994-4464

Note 15 Investment properties

	Group	
	31/12/2021	**31/12/2020**
Opening fair value	1,760,514	1,292,638
Asset acquisitions	46,812	108,379
Reclassifications from properties held for development	875,970	-
Investments in properties	425,835	400,510
Divestment of properties	-1,974,069	-175,283
Unrealised changes in value recognised in profit or loss	258,627	134,270
Total	**1,393,689**	**1,760,514**

Material commitments

The Group's divestment of a property (through a corporate transaction) relating to a residential project in Norrtälje Harbour has resulted in an obligation and undertaking to construct this property and complete the project. The transaction was completed using a forward sale structure, which means that the buyer takes over the property upon completion, which is expected to occur in Q4 2023. The remaining investment volume amounts to approximately SEK 330 million.

The Group's divestment of six properties relating to part of Bromstensstaden in 2019 has resulted in an obligation and undertaking to construct these properties, which are expected to be completed in 2025. This transaction was undertaken using a forward-funding structure, which involves the purchaser covering the cost of the project's construction.

In other respects, the Group has undertakings and obligations under contractual agreements with third parties, including contractors and municipalities.

The Group has undertakings in respect of some of its associates and joint ventures to finance ongoing projects in the form of shareholder loans or shareholder contributions, in addition to external financing.

Properties owned by Slättö Value Add I AB

Investment properties are held in order to receive rental income or an increase in value or a combination of these. The Group owns investment properties consisting of investment properties (cash flow-generating), investment properties under construction, and development rights held for future investment properties.

Investment properties (cash flow-generating)

The Group's properties that are classified as investment properties (cash flow-generating) are recognised at the point of acquisition at cost, including charges directly attributable to the acquisition. After the acquisition, they are recognised at fair value in accordance with IAS 40, in line with level 3 of the value hierarchy.

A significant portion of the Group's cash flow-generating investment properties were sold during the year. Only one warehousing and logistics property remains in the group of properties classified as investment properties (cash flow-generating).

Cont. Note 15 Investment properties

Investment properties under construction

Investment properties under construction refers to properties being developed that are intended to be managed by the Group with the purpose of generating rental income. A property is classified as an investment property under construction from the date that the Group decides to operate the project with the intention of in-house management. If this cannot be reliably determined, the properties are valued at accumulated cost, including accrued production cost. Once the criteria and terms are met for the properties to be used appropriately and their value can be reliably estimated, the properties are recognised at fair value as per IAS 40.

To establish the fair value of investment properties under construction, a valuation is made based on external ex-ante valuations and the Group's estimate of remaining costs for the project.

The Group's properties that are classified as investment properties under construction as of 31 December 2021 relate to properties that have been valued at their selling price, as sales agreements have been signed, less the remaining costs of the project.

Development rights

The Group has a development right that is valued based on the estimated market value based on an existing local development plan. This has been valued based on local selling prices.

External valuation

All properties in the Group's portfolio are externally valued at least once a year by independent authorised property appraisers with recognised qualifications, with the exception of properties for which sales agreements have been signed.

On-site inspections were carried out in all properties on at least one occasion during the 2020–2021 period. The properties have also been inspected on site in connection with major investments or other changes that significantly affect the value of a property.

Independent property valuations are based on the following valuation data:

- Quality-assured information concerning condition, leases, running and maintenance costs, leaseholds, vacancies and planned investments, as well as an analysis of current tenants.

- Current assessments of location, rent trends, vacancy rates and yield requirements for relevant markets as well as normalised running and maintenance costs.

- Information from public sources concerning the land area of the properties, and local development plans for undeveloped land and properties held for development.

- Inspections of the properties are conducted regularly. The aim of these inspections is to assess the properties' overall standard and condition.

- Ex-ante valuations use estimated area, rent levels, rent supplements and estimated operating expenses. If there is no rental agreement, estimated market rent is used for commercial properties and presumptive rent for residential property.

Valuations are made according to level 3 of the value hierarchy and are based on a cash flow analysis, whereby a property's value is based on the present value of forecast cash flows and residual value over the calculation period of 10–16 years.

Slättö Value Add I AB
556994-4464

Cont. Note 15 Investment properties

Summary of valuation assumptions	31/12/2021	31/12/2020
Number of valuation items	8	24
Valuation date	31/12/2021	31/12/2020
Inflation assumption	2.0%	2.0%
Calculation period	10 years	10–16 years
Yield	4.15–6.74%	3.72–7.00%
Long-term vacancy rate	6.8%	4.7%
Market rent	267–2,179 SEK/sqm	107–3,197 SEK/sqm
Op. & maint. costs	71 SEK/sqm	180 SEK/sqm

Investment properties are measured at fair value and classified according to IFRS 13 in one of the following categories, depending on which underlying data is the basis for the valuation.

Level 1: Publicly listed prices (unadjusted) on active markets for identical assets or liabilities that the entity has at the date of the valuation.
Level 2: Observable data other than publicly listed prices for assets or liabilities.
Level 3: Non-observable data for assets or liabilities.

The valuations have been made based on the level 3 value hierarchy described above, as it is deemed there is no observable data that enables a valuation to be made according to level 1 or level 2. Changes in non-observable data used in the valuations have been analysed by company management compared with available information from planned and completed transactions and information from independent valuers. The company assessed that the valuations and the properties have taken account of the optimum and maximum benefit.

Sensitivity analysis

The property values are estimates made using accepted principles based on certain assumptions

For the investment properties valued according to level 3 of the value hierarchy, there is some non-observable data in which changes in assumptions could affect the value of the properties.

The table below describes the effect on value in the event of changes in key assumptions. If the input data were modified, the properties' value would be affected as follows:

	Change +/-	Impact on earnings, SEK thousand
Yield	0.25%	-35,866/+39,788
Rental income	5%	+60,181/-60,181
Operating expenses	5%	-12,403/+12,403
Vacancy rate	2.0%	-61,438/+62,298

Slättö Value Add I AB
556994-4464

Note 16 Investments in associates/joint ventures

	Group		Parent Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Opening cost	528,827	614,475	531	25
Acquisitions	50,000	46,883	-	6
Conditional shareholder contributions	4,528	2,877	-	-
Repaid shareholder contributions	-546	-5,800	-	-
Unconditional shareholder contributions	-	500	-	500
Share in profit/loss	75,838	178,192	-	-
Dividend	-	-304,600	-	-
Reclassification as subsidiary	-16,477	-	-25	-
Sales/Divestments	-1,063	-3,700	-	-
Closing accumulated cost	641,107	528,827	506	531
Closing carrying amount	**641,107**	**528,827**	**506**	**531**

Group: joint ventures

Company name	**Corp. reg. no.**	**Registered office**
Ringstorp Projekt AB	556987-1022	Lund
Strömbrytaren Holding AB	559116-6391	Stockholm
Slättö Fastpartner II AB	559211-9720	Stockholm
Klinga Logistikpark Holding AB	559187-0596	Stockholm
Fyrislundhuset Holding AB	559215-4446	Stockholm
Fondamentor Skolfastigheter AB	559226-2991	Stockholm
Slättö Sveaviken 1 Holding AB	559245-0133	Stockholm
Slättö VII Holding 5 AB	559153-7690	Stockholm

Slättö Value Add I AB
556994-4464

Cont. Note 16 Investments in associates/joint ventures

	Percentage of equity*		Carrying amount	
Company name	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
Ringstorp Projekt AB	50.0%	50.0%	5,762	5,762
Strömbrytaren Holding AB	50.0%	50.0%	90,401	77,262
Slättö Fastpartner II AB	50.0%	50.0%	53,693	54,479
Klinga Logistikpark Holding AB	50.0%	50.0%	121,099	71,410
Fyrislundhuset Holding AB	50.0%	50.0%	32,290	21,117
Fondamentor Skolfastigheter AB	50.0%	50.0%	3,118	2,064
Slättö Sveaviken 1 Holding AB	50.0%	50.0%	207,387	156,653
Slättö VII Holding 5 AB	-	50.0%	-	9,600
Slättö PU 6 AB	-	50.0%	-	302
Total carrying amount, joint ventures			**513,750**	**398,649**

Slättö VII Holding 5 AB and Slättö PU 6 AB were reclassified as subsidiaries during the year.

Group: associates

Company name	**Corp. reg. no.**	**Registered office**
Botvid Holding AB (publ)	559103-1983	Stockholm
Ostia Fastighetsutveckling i Norrköping AB	559245-8060	Norrköping
Evolv Bostadsutveckling AB	559090-6623	Stockholm
Evolv Bostadsutveckling Holding AB	559110-5944	Stockholm

	Percentage of equity		Carrying amount	
Company name	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
Botvid Holding AB (publ)	22.3%	22.0%	126,851	128,108
Ostia Fastighetsutveckling i Norrköping AB	25.0%	25.0%	506	506
Evolv Bostadsutveckling AB	-	15.2%	-	1,013
Evolv Bostadsutveckling Holding AB	-	17.5%	-	551
Total carrying amount, associates			**127,357**	**130,178**
Total carrying amount, associates and joint ventures			**641,107**	**528,827**

Cont. Note 16 Investments in associates/joint ventures

The joint venture structures within the Group have various purposes, but all are aimed at managing some form of risk and are also expected to generate good returns. The Group's JV partners are also recognised as capable property developers and also contribute valuable skills in other respects. In addition, it may, for example, involve making an investment less capital intensive to suit the fund's overall portfolio and to find partners that can assume production and development risk.

The Group has a joint venture structure together with Sveaviken Bostad, including 50 percent ownership of shares in Slättö Sveaviken Holding 1 AB. The structure comprises two residential projects, one of which was completed during the year and for which the JV partner guarantees the cost of production up to the maximum level.

The Group also owns 50 percent of shares in Strömbrytaren Holding AB. The JV structure is owned together with PEAB and includes warehouse and logistics properties in Norrköping. The properties are currently intended for warehousing and industrial purposes, which generate regular cash flow. A positive planning decision was received in 2018 for the establishment of a local development plan for residential units. It is estimated that the local development plan will permit around 200,000 sqm of GFA of development rights.

The Group has a joint venture together with local contractors to develop a new logistics area in Norrköping. The project is called Klinga Logistikpark and is expected to comprise around 100,000 sqm of lettable area and to have a property value of around SEK 1.2 billion upon completion.

The Group also owns 22.4 percent of shares in Botvid Holding AB. Botvid Holding AB is a property company founded with the business concept of managing and improving properties in different segments and locations.

The Group's share of net assets in associates and joint ventures generally corresponds to the carrying amount of the investments.

Botvid Holding AB (publ) summary income statement and balance sheet (100%)

Income statement		Balance sheet	
Net sales	1,320	Assets	596,525
Profit/loss before changes in value and tax	-12,290	Equity	567,568
Profit/loss for the year	-14,289	Liabilities	28,957

During the year the Group received a dividend of SEK 0 thousand (279,600) from Botvid Holding AB (publ).

Slättö Sveaviken 1 Holding AB summary income statement and balance sheet (100%)

Income statement		Balance sheet	
Net sales	0	Assets	1,457,129
Profit/loss before changes in value and tax	-1,508	Equity	414,774
Profit/loss for the year	101,468	Liabilities	1,042,355

The Group did not receive any dividend from Slättö Sveaviken 1 Holding AB in the current or the previous year.

Strömbrytaren Holding AB

Income statement		Balance sheet	
Net sales	23,222	Assets	436,069
Profit/loss before changes in value and tax	4,444	Equity	180,802
Profit/loss for the year	26,278	Liabilities	255,267

The Group received a dividend from Strömbrytaren Holding AB SEK 0 thousand (25,000).

Slättö Value Add I AB
556994-4464

Cont. Note 16 Investments in associates/joint ventures

Klinga Logistikpark Holding AB

Income statement		**Balance sheet**	
Net sales	0	Assets	117,297
Profit/loss before changes in value and tax	-1,803	Equity	41,195
Profit/loss for the year	-2,568	Liabilities	76,102

The Group did not receive any dividend from Klinga Logistikpark Holding AB in the current or the previous year.

Parent company: associates

Company name	**Corp. reg. no.**	**Registered office**
Ostia Fastighetsutveckling i Norrköping AB	559245-8060	Norrköping
Slättö VII Holding 5 AB	559153-7690	Stockholm

	Percentage of equity		**Carrying amount**	
Company name	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
Ostia Fastighetsutveckling i Norrköping AB	22.3%	25.0%	506	506
Slättö VII Holding 5 AB	-	50.0%	-	25
Total carrying amount, associates			**506**	**531**

*The share of equity is the same as ownership interest.

Note 17 Receivables from associates/joint ventures

	Group		**Parent Company**	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Opening value	93,457	55,000	500	-
Additional items	-	91,129	-	500
Deductible items	-89,975	-52,672	-500	-
Total	**3,482**	**93,457**	**0**	**500**

Slättö Value Add I AB
556994-4464

Note 18 Financial assets measured at fair value/Other securities held as non-current assets

	Group		Parent Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Opening cost	4	-	4	-
Acquisitions	-	4	-	4
Received via dividend	-	123,144	-	-
Sales	-4	-123,144	-4	-
Closing accumulated cost	0	4	0	4
Closing carrying amount	**0**	**4**	**0**	**4**

Note 19 Derivatives, assets

	Group		Parent Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Opening fair value	-	-	-	-
Changes in value	507	-	-	-
Total	**507**	**0**	**0**	**0**

Note 20 Other non-current receivables

	Group		Parent Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Opening value	58,679	59,929	57,721	58,971
Deductible items	-1,250	-1,250	-1,250	-1,250
Total	**57,429**	**58,679**	**56,471**	**57,721**

The Group’s claim relates to the bulk of the claim from a previous property sale. The claim carries no interest.

Note 21 Project properties and properties held for development

	Group		Parent Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Opening value	1,097,753	865,678	-	-
Expensed projects	-19,506	-208	-	-
Investments	200,338	248,867	-	-
Reclassifications to investment properties	-875,970	-	-	-
Divestments	-341,138	-16,584	-	-
Total	**61,477**	**1,097,753**	**0**	**0**

Slättö Value Add I AB
556994-4464

Note 22 Trade receivables

	Group 31/12/2021	Group 31/12/2020	Parent Company 31/12/2021	Parent Company 31/12/2020
Gross trade receivables	23,347	15,101	-	-
Provision for doubtful trade receivables	-848	-1,195	-	-
Closing carrying amount	**22,499**	**13,906**	**0**	**0**
Provision for doubtful trade receivables				
Provision at start of year	-1,195	-498	-	-
Provisions sold	160	-	-	-
Recovered trade receivables	-	97	-	-
Change/provision for the year	187	-794	-	-
Provision at year-end	**-848**	**-1,195**	**0**	**0**
Gross trade receivables by age				
Trade receivables not due	21,900	5,089	-	-
Due < 30 days	5	8,717	-	-
Due 31–60 days	7	46	-	-
Due > 61 days	1,435	1,249	-	-
Total gross trade receivables	**23,347**	**15,101**	**0**	**0**
Impairment of trade receivables by category				
Trade receivables not due	-	-	-	-
Due < 30 days	-	-	-	-
Due 31–60 days	-	-	-	-
Due > 61 days	-848	-1,195	-	-
Total impairment losses on trade receivables	**-848**	**-1,195**	**0**	**0**
Total trade receivables	**22,499**	**13,906**	**0**	**0**

The company reported a result of SEK 187 thousand (-698) for the impairment of trade receivables.

Note 23 Receivables from associates/joint ventures

	Group 31/12/2021	Group 31/12/2020	Parent Company 31/12/2021	Parent Company 31/12/2020
Strömbrytaren Holding AB	10,827	10,615	-	-
Slättö Fastpartner II AB	52,550	1,646	-	-
Fyrislundhuset Holding AB	13,287	10,684	-	-
Klinga Logistikpark Holding AB	57,332	3,327	-	-
Fondamentor Skolfastigheter AB	6,074	5,213	-	-
Ringstorp Projekt AB	35,391	52	-	-
Slättö Sveaviken Holding 1 AB	287,678	316,925	-	-
Other	2,500	15,270	2,500	8,322
Total	**465,639**	**363,732**	**2,500**	**8,322**

Slättö Value Add I AB
556994-4464

Note 24 Other receivables

	Group		Parent Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
VAT	1,249	33,130	-	-
Receivables relating to property sales	134,562	1,250	1,250	1,250
Down-payments made	115,763	107,788	-	-
Claims for sale of shares	222,067	135,089	-	-
Tax account	3,611	1,305	212	254
Other items	13,870	993	-	93
Total	**491,122**	**279,555**	**1,462**	**1,597**

Receivables relating to property sales refer to SEK 122,009 thousand (0) for the sale to SLP of a warehousing, logistics and light-industry portfolio. SEK 110,000 thousand (0) of the amount relates to a promissory note that was offset in February 2022 via a new share issue in SLP. The remaining SEK 12,009 thousand (0) was settled using liquid assets in January.

Note 25 Cash and cash equivalents

	Group		Parent Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Cash and bank balances	523,829	139,195	19,320	28,261
Total	**523,829**	**139,195**	**19,320**	**28,261**

Note 26 Share capital

Share capital includes registered share capital. The number of shares amounts to 555,878 and the quotient value is SEK 1 per share.

Note 27 Conditional shareholder contributions

The conditional repayment obligation for shareholder contributions amounted to SEK 50 thousand (50) at year-end.

Note 28 Deferred tax liabilities

	Group		Parent Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Deferred tax liabilities				
- relating to capitalised loss carryforwards	-16,102	-5,921	-16,102	-5,921
- relating to valuation of investment properties	52,133	87,755	-	-
- relating to financial instruments	23,947	5,921	-	-
- relating to other items	1,138	1,656	-	-
Total	**61,116**	**89,411**	**-16,102**	**-5,921**

Slättö Value Add I AB
556994-4464

Cont. Note 28 Deferred tax liabilities

Group, 2021	Amount at start of year	Recognised in the balance sheet	Recognised in the income statement	Amount at year-end
Tax loss carryforwards	-5,921	-	-10,181	-16,102
Investment properties	87,755	-	-35,622	52,133
Financial instruments	5,921	-	18,026	23,947
Other items	1,656	-344	-174	1,138
Total	**89,411**	**-344**	**-27,951**	**61,116**

Group, 2020	Amount at start of year	Recognised in the balance sheet	Recognised in the income statement	Amount at year-end
Tax loss carryforwards	-	-	-5,921	-5,921
Investment properties	56,687	-	31,068	87,755
Financial instruments	-	-	5,921	5,921
Other items	890	-6	772	1,656
Total	**57,577**	**-6**	**31,840**	**89,411**

Parent Company, 2021	Amount at start of year	Recognised in the balance sheet	Recognised in the income statement	Amount at year-end
Tax loss carryforwards	-5,921	-	-10,181	-16,102
Total	**-5,921**	**0**	**-10,181**	**-16,102**

Parent Company, 2020	Amount at start of year	Recognised in the balance sheet	Recognised in the income statement	Amount at year-end
Tax loss carryforwards	-	-	-5,921	-5,921
Total	**0**	**0**	**-5,921**	**-5,921**

Note 29 Other provisions

	Group	
	31/12/2021	**31/12/2020**
Opening balance	-	1,088
Utilised amount	-	-1,088
Total	**0**	**0**

Note 30 Interest-bearing liabilities

	Group		Parent Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Non-current liabilities				
Liabilities to credit institutions due for payment between one and five years after the balance sheet date	11,954	465,256	-	324,484
Bond loans	887,133	395,275	489,758	-
Liabilities to associates	-	25,000	-	-
Other interest-bearing liabilities	75,077	16,100	-	-
Current liabilities				
Liabilities to credit institutions	46,443	933,231	-	75,000
Total	**1,020,607**	**1,834,862**	**489,758**	**399,484**

The average effective interest rate on the Group's interest-bearing loans excluding unutilised construction loans amounts to 6.7 percent.

The Group is subject to terms for external borrowing that mainly relate to covenants on equity/assets ratio, loan-to-value ratio and interest coverage ratio. The following applies for the Group's two bond loans:
Slättö Value Add I AB – equity/assets ratio (minimum of 35%) and interest coverage ratio (minimum of 1.5x)
Slättö Fastpartner Spånga AB – equity (minimum of 30%), equity (minimum of SEK 250 million) and a cash position amounting to the equivalent of 6 months' interest on the bond.

Note 31 Liabilities to Group companies

	Group		Parent Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Opening value	-	9,576	-	-
Deductible items	-	-9,576	-	-
Total	**0**	**0**	**0**	**0**

Note 32 Liabilities to associates/joint ventures

	Group		Parent Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Opening value	25,000	-	-	-
Additional items	-	25,000	-	-
Deductible items	-25,000	-	-	-
Total	**0**	**25,000**	**0**	**0**

Slättö Value Add I AB
556994-4464

Note 33 Other non-current liabilities

	Group		Parent Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Opening value	16,100	68,296	-	-
Deductible items	-4,850	-	-	-
Additional items	-	11,645	-	-
Reclassifications	-11,250	-63,841	-	-
Total	**0**	**16,100**	**0**	**0**

Note 34 Ground rents and leaseholds

Ground rent is the charge that the owner of a building on municipally owned land pays to the municipality. Ground rent and leasehold charges for 2021 amounted to SEK 45 thousand (74) and are classified as a finance cost.

	Group	
	2021	**2020**
Contractually agreed ground rent within one year	-	66
Contractually agreed ground rent between one and five years	-	263
Contractually agreed ground rent beyond five years	-	262
Total	**0**	**591**

Note 35 Financial risk and finance policy

Through its operations, the Group is exposed to a number of different financial risks. The main risks to which the Group is exposed are interest rate risk, credit risk and refinancing and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and aims to minimise potential unfavourable effects on the Group's financial results.

Interest rate risk

Interest rate risk refers to the way in which changes in interest rates impact the Group's net financial income/expenses and the value of financial instruments in the event of changes in market rates. The Group loan portfolio consists of varied sources of financing; bond loans, construction loans and its own balance sheet (fund structure). The Group's financing activities are managed in accordance with the finance policy established by the Board. Interest rate risk is limited through continual access to various sources of financing and the ability to choose the most favourable source of financing. The risk of increased interest expenses resulting from a change in market rates is difficult to mitigate during the construction phase, as interest rate hedging is not normally applied to project finance. However, the risk can be managed using fixed-income derivatives on completion, primarily interest rate swaps and interest rate caps.

Credit risk

The Group's credit risk can be mainly attributed to outstanding trade/rent receivables, promissory note receivables and cash and cash equivalents. Losses on trade/rent receivables and promissory note receivables arise when customers are declared bankrupt, or are unable to fulfil their payment obligations for some other reason.

Cont. Note 35 Financial risk and finance policy

A tenant's financial conditions are assessed when a rental agreement is signed. A weak ability to pay by individual tenants is offset by the large number of tenancy agreements. The Group also cooperates with the trade association Fastighetsägarna in residential rent negotiations where appropriate. Long rental agreements are often signed with stable, long-term tenants for warehouses and logistics properties, but short tenancy agreements are also signed. To limit its exposure to the vacation of properties and rental losses, the Group aims to have longstanding customer relationships and to prioritise tenants with high creditworthiness. The Group continually endeavours to renegotiate tenancy agreements to minimise risk in the short term. The vast majority of tenancy agreements are also adjusted for inflation and linked to CPI.

Other counterparties must provide documented evidence as proof of their ability to pay, and competitive business operations in order to enter into agreements with the Group. No credit limits were exceeded during the reporting period, and management does not anticipate any losses resulting from non-payment from these counterparties.

Liquidity and refinancing risk

The Group's payment commitments linked to the operation of direct and indirect investments, and repayments and interest expense, require good liquidity. Should the company lack sufficient liquidity to meet its payment commitments, this could have a negative effect on the company's operations, financial position and performance.

Liquidity risk is managed by ensuring sufficient liquid assets are available to meet payment commitments when they fall due and by continually monitoring forecast cash flow. The Group continually maintains liquidity plans for each individual project and investment and for the company as a whole to ensure liquidity preparedness well in advance of capital needing to be allocated. The Group has overdraft facilities to manage temporary liquidity fluctuations.

The Group is dependent on external parties for refinancing. Refinancing risk refers to the risk of cash and cash equivalents not being available and of funding only being able to be received in part or not at all, or at an increased cost. The Group manages refinancing risk by aiming to have a diverse borrowing portfolio and by spreading the borrowing portfolio's maturities. The Group works actively with a number of different banks to reduce its dependence on individual banks. The Group also has varied sources of financing; bond loans, construction loans and its own balance sheet (fund structure). Loans are extended well in advance of maturity dates to reduce the refinancing risk.

The table below provides a summary of future contractually agreed undiscounted payment flows relating to interest and amortisation/repayment of financial liabilities at the balance sheet date, 31 December 2021. Financial liabilities carrying variable interest have been calculated using the interest rate as at 31 December 2021. Liabilities have been included in the period when repayment can be claimed at the earliest by the counterparty.

Cont. Note 35 Financial risk and finance policy

Group at 31 December 2021

	Less than 1 year	1–2 years	2–4 years	4–5 years
Interest-bearing liabilities	46,443	487,031	500,000	-
Other liabilities	93,695	0	-	-
Trade payables	30,886	-	-	-
Accrued interest expense	12,284	-	-	-
	183,308	**487,031**	**500,000**	**0**

Group at 31 December 2020

	Less than 1 year	1–2 years	2–4 years	4–5 years
Interest-bearing liabilities	933,231	128,806	737,085	-
Other liabilities	65,957	16,100	-	-
Trade payables	23,846	-	-	-
Accrued interest expense	9,877	-	-	-
	1,032,911	**144,906**	**737,085**	**0**

The Group has no financial liabilities due more than 5 years from the balance sheet date.

Financial agreements

The Group had unutilised credit facilities of SEK 317,603 thousand (267,005) at 31 December 2021.

Management of capital

The Group's objective regarding the capital structure is to secure the Group's ability to continue as a going concern, so that it can continue generating a return for its shareholders and benefit for other stakeholders, and to maintain an optimal capital structure to keep the cost of capital down.

To maintain or adjust the capital structure, the Group can adjust the dividend to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce debt.

Slättö Value Add I AB
556994-4464

Cont. Note 35 Financial risk and finance policy

Classification of financial assets and liabilities

Group (2021)	Financial assets measured at amortised cost	Financial assets/liabilities measured at fair value through profit or loss	Financial liabilities measured at amortised cost
Assets			
Non-current receivables	57,429	-	-
Derivatives	-	507	-
Trade receivables	22,499	-	-
Accrued income and prepaid expenses	32,481	-	-
Other receivables	267,806	222,067	-
Cash and cash equivalents	523,829	-	-
Total	**904,044**	**222,574**	**0**
Liabilities			
Non-current interest-bearing liabilities	-	-	974,164
Current, interest-bearing liabilities	-	-	46,443
Trade payables	-	-	30,886
Other liabilities	-	-	93,695
Accrued expenses and deferred income	-	-	12,284
Total	**0**	**0**	**1,157,472**

Group (2020)	Financial assets measured at amortised cost	Financial assets/liabilities measured at fair value through profit or loss	Financial liabilities measured at amortised cost
Assets			
Non-current receivables	58,679	-	-
Trade receivables	13,906	-	-
Accrued income and prepaid expenses	8,497	-	-
Other receivables	357,478	135,089	-
Cash and cash equivalents	139,195	-	-
Total	**577,755**	**135,089**	**0**
Liabilities			
Non-current interest-bearing liabilities	-	-	860,531
Other non-current liabilities	-	-	16,100
Current, interest-bearing liabilities	-	-	933,231
Trade payables	-	-	23,846
Other liabilities	-	-	65,957
Accrued expenses and deferred income	-	-	9,877
Total	**0**	**0**	**1,909,542**

Fair value of other receivables measured at fair value through profit or loss is established by using share prices such as those listed on the market at the end of the period and measured according to Level 2 of fair value hierarchy under IFRS 13.

The carrying amount of all financial assets and liabilities is not deemed to differ materially from the fair value.

Slättö Value Add I AB
556994-4464

Note 36 Other current liabilities

	Group		Parent Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
VAT liabilities	55,717	1,691	-	-
Down-payments	-	215,000	-	-
Other loans	33,210	1,000	-	-
Liability for contingent considerations	60,380	61,783	-	-
Other items	121	643	15	15
Total	**149,428**	**280,117**	**15**	**15**

Note 37 Accrued expenses and deferred income

	Group		Parent Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Advance payment of rents	1,022	6,834	-	-
Other deferred income	5,960	5,000	-	-
Accrued project costs	12,910	1,152	-	-
Accrued interest expenses	12,284	6,491	4,583	-
Accrued audit costs	2,232	511	870	-
Other items	2,960	4,222	418	289
Total	**37,368**	**24,210**	**5,871**	**289**

Slättö Value Add I AB
556994-4464

Note 38 Financial liabilities attributable to financing activities

	Group 31/12/2021	Group 31/12/2020	Parent Company 31/12/2021	Parent Company 31/12/2020
Non-current interest-bearing liabilities				
Opening carrying amount	901,631	1,222,177	324,484	325,000
Changes affecting cash flow	148,109	437,540	160,580	-935
Changes attributable to items not affecting cash flow:				
Reclassifications to current interest-bearing liabilities	-	-694,103	-	-
Reclassifications to operating liabilities	-11,250	-63,841	-	-
Other reclassifications	-	-	-	-703
Acquisitions	-25,000	-4,814	-	-
Sales	-47,371	-	-	-
Accrual of capitalised borrowing costs	8,045	2,612	4,694	1,122
Other items not affecting cash flow:	-	2,060	-	-
Closing carrying amount, non-current interest-bearing liabilities	**974,164**	**901,631**	**489,758**	**324,484**
Current interest-bearing liabilities				
Opening carrying amount	933,231	164,128	75,000	0
Changes affecting cash flow	-886,788	75,000	-75,000	75,000
Changes attributable to items not affecting cash flow:				
Reclassifications	-	694,103	-	-
Closing carrying amount, current interest-bearing liabilities	**46,443**	**933,231**	**0**	**75,000**

Note 39 Pledged assets

	Group		Parent Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Property mortgages	377,900	1,284,342	-	-
Pledged shares in subsidiaries	249,525	248,633	-	50
Floating charges	5,000	5,000	5,000	5,000
Total	**632,425**	**1,537,975**	**5,000**	**5,050**

Slättö Value Add I AB
556994-4464

Note 40 Contingent liabilities

	Group		Parent Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Guarantees on behalf of Group companies	-	-	414,400	1,423,509
Guarantees on behalf of associates	511,690	463,976	511,690	463,976
Conditional shareholder contribution	50	50	50	50
Total	**511,740**	**464,026**	**926,140**	**1,887,535**

The Group's divestment of a property (through a corporate transaction) relating to a residential project in Norrtälje Harbour resulted in an obligation and undertaking to construct this property and complete the project. The transaction was completed using a forward sale structure, which means that the buyer takes over the property upon completion, which is expected to occur in Q4 2023. The remaining investment volume amounts to approximately SEK 330 million.

In other respects, the Group has undertakings and obligations under contractual agreements with third parties, including contractors and municipalities.

The Group has undertakings in respect of some of its associates and joint ventures to finance ongoing projects in the form of shareholder loans or shareholder contributions, in addition to external financing.

Note 41 Profit/loss from investments in Group companies

	Parent Company	
	2021	**2020**
Gains/losses on sale of investments in Group companies	-1,838	-764
Impairment of investments in Group companies	-13,092	-
Total	**-14,930**	**-764**

The company has impaired investments in its Group companies due to the recovery value falling below the carrying amount.

Note 42 Appropriations

	Parent Company	
	2021	**2020**
Group contributions received	-	23,261
Total	**0**	**23,261**

Slättö Value Add I AB
556994-4464

Note 43 Investments in Group companies

	Parent Company	
	31/12/2021	**31/12/2020**
Opening cost	12,348	4,867
Acquisitions	49,830	25
Unconditional shareholder contributions	51,554	7,456
Reclassification from associates	25	-
Closing accumulated cost	113,757	12,348
Opening impairment losses	-211	-211
Impairment losses for the year	-13,092	-
Closing accumulated impairment losses	-13,303	-211
Closing carrying amount	**100,454**	**12,137**

Company name	**Corp. reg. no.**	**Registered office**	**Percentage of equity ***	**Carrying amount**
Slättö VII Holding 1 AB	559159-7512	Stockholm	100.0%	50
Slättö VII Holding 2 AB	559176-9699	Stockholm	100.0%	6,292
Slättö Project Development AB	559184-9855	Stockholm	100.0%	50
Slättö VII Holding 3 AB	559195-9092	Stockholm	100.0%	50
Slättö VII Holding 4 AB	559103-6511	Stockholm	100.0%	40,050
Slättö VII Holding 5 AB	559153-7690	Stockholm	100.0%	49,855
Slättö VII Holding 6 AB	559235-0952	Stockholm	100.0%	4,107
				100,454

*The share of equity is the same as the share of votes.

During the year, the company acquired the remaining shares in Slättö VII Holding 5 AB for a cash payment of SEK 49,830 thousand. The holding in Slättö VII Holding 5 AB was previously classified as an associate. Earlier in the year, the associate had sold off all its property-owning subsidiaries to external parties.

As of the date of acquisition, Slättö VII Holding 5 AB had a cash balance of SEK 2,377 thousand.

Slättö Value Add I AB
556994-4464

Note 44 Related parties

	Group		Parent Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Parent Company				
Services purchased	-51,802	-49,502	-30,810	-27,560
Interest expense	0	-90	0	-90
Receivables	0	5,997	0	5,100
Liabilities	7,568	8,655	1,676	1,157
Subsidiaries				
Services sold			649	11
Interest income			33,449	26,349
Interest expense			-6,737	-1,520
Receivables			1,592,407	1,622,562
Liabilities			374,437	257,636
Associates/joint ventures				
Services sold	0	300	0	
Interest income	28,790	8,447	0	1
Receivables	466,621	363,732	0	8,322
Other Group companies				
Services purchased	-244	-1,106	-44	-551
Properties sold	0	97,410		
Interest income	2	30		
Interest expense	0	-350		
Receivables	0	217		

Of the Parent Company's sales and purchase, 90.0 percent (100.0) of sales and 78.5 percent (82.7) of purchases concern other companies within the same Group to which the company belongs. Purchases primarily relate to management fees charged according to agreements. As a general rule, 2 percent interest is payable on all intra-group loans unless there are special conditions.

The Group's joint ventures are classed as related parties. The transactions are of limited scope and have been conducted on commercial terms. Slättö Value Add I AB has entered into a joint venture cooperation via subsidiaries with a subsidiary of SIBS AB. SIBS AB is part-owned by Neptunia Invest AB (17.2 percent stake), which is in turn owned by Brofund Group AB, which is the highest Group parent.

The Parent Company has related-party relationships with its subsidiaries. In other respects, the management company, Slättö Förvaltning AB, has carried out services for the fund (Group) or companies owned by the fund. All transactions were conducted on commercial terms.

Note 45 Events after balance sheet date

Acquisitions and sales

Slättö Value Add I and Sveaviken Bostad previously agreed contractually that Sveaviken will acquire all interests relating to the Autogyron 4 and 5 properties in Örebro. As of 31 March 2022, an agreement on the transfer of shares was signed regarding an equivalent transaction through which Sveaviken Bostad is buying Slättö Value Add I out of the joint project in Barkarby, which will be completed shortly. The transaction meant that Slättö Value Add I transferred its ownership interests in both projects, comprising the properties in Örebro and Barkarby, as of 31 March 2022.

Financing

After year-end the Group procured final investment of SEK 110 million relating to financing for the Uppsala Longstay project. The funds were used to repay credit financing of SEK 95 million.

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 30 March 2022 and the bonds were repurchased in accordance with the provisions and conditions set out in a repurchasing document dated 25 February 2022.

Other

An extraordinary general meeting on 18 March 2022 approved a dividend totalling SEK 110 million, corresponding to accrued preference share interest for 2021.

An extraordinary general meeting on 30 March 2022 approved an additional dividend totalling SEK 250 million, corresponding to accrued preference share interest and repayment of investors' contribution.

Slättö continually analyses the operating environment and works proactively to identify risks and take action as required to manage such risks and minimise their impact on the business. Russia's invasion of Ukraine and the knock-on effects are being monitored, and the current assessment is that the outbreak of the war will not have a significant impact on the business in the short term. However, we realise that it is difficult to gain an overview of the situation, and the outcome and consequences are hard to analyse in the longer term.

Slättö Value Add I AB
556994-4464

Note 46 Proposed distribution of profits

The following profit is at the disposal of the Annual General Meeting:

Retained earnings from previous year	1,084,688,974
Dividend	-109,912,722
Profit/loss for the year	-58,030,784
	916,745,468

Of the above amount, extraordinary general meetings after the end of financial year established two extraordinary dividends totalling SEK 359,913,682. Excluding this extraordinary dividend, the Annual General Meeting has at its disposal profit of SEK 556,831,786.

The Board proposes that

the following amount be carried forward	916,745,468
	916,745,468

Stockholm, April 29, 2022

Johan Karlsson
Chairman of the Board

Erik Dansbo
Board member

Staffan Unge
Board member

Christian Bratt
Chief Executive Officer

Stockholm, April 29, 2022

Ernst & Young AB

Mikael Ikonen
Authorised Public Accountant

Auditor’s report

To the general meeting of the shareholders of Slättö Value Add I AB, corporate identity number 556994-4464

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Slättö Value Add I AB (publ) except for the corporate governance statement on pages 3-6 for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 1-62 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 3-6. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description	*How our audit addressed this key audit matter*
The reported fair value of the Group's investment properties, reported in the statement of financial position, amounted to SEK 1,394 million as of December 31, 2021. Changes in the value of investment properties during 2021, reported in the consolidated income statement, amounted to SEK 245 million. The Group's investment properties are reported at fair value. Due to the high degree of assumptions and assessments that take place in connection with the valuation of investment properties, we believe that this area is a particularly important area in our audit. A description of the valuation of investment properties, together with accounting principles, critical estimates and assessments and assumptions, appears in the annual report in Note 1 on page 29, in Note 2 on page 34 and in Note 15 on pages 40-42.	In our audit, we examined the area, among other things, by evaluating the company's process for assessing the classification of properties. With the help of internal valuation expertise, we have evaluated the company's guidelines for valuation of investment properties as well as their valuation method and model for the different types of investment properties. We have evaluated the competence and objectivity of the external valuers. We have obtained a selection of established valuations and reviewed that the valuations follow Slättö's guidelines for classification, valuation, and valuation method. For the same selection of investment properties, we have examined the reasonableness of assumptions made, such as yields, net operating income, future investments, and vacancy rates with the support of our valuation expertise. For a selection of investment properties, we have tested input data in the valuation model regarding rental income and operating costs as well as cost forecasts for the remaining investments in investment properties under construction. We have also checked the calculations that form the basis for reported fair value. We have reviewed the disclosures in the financial statements.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on page 66. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of ABC AB (publ) for the year 201X (the financial year …) and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

[A separate list of loans and collateral has been prepared in accordance with the provisions of the Companies Act.]

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 3-6 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevR 16 *The auditor´s examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB, Box 7850 103 99 Stockholm, was appointed auditor of Slättö Value Add I AB by the general meeting of the shareholders on the 15 April 2021 and has been the company's auditor since the 26 November 2015.

Stockholm on the day stated in our electronic signature
Ernst & Young AB

Mikael Ikonen

Authorized Public Accountant

Sustainability disclosures – EU Sustainable Finance Disclosure Regulation, Slättö Value Add I AB

The Group promotes environmental and social issues by taking account of sustainability factors, including environmental and social aspects, when making investment decisions. We do this by: i) observing and taking action to improve energy performance and promoting the use of renewable energy; ii) reducing emissions of greenhouse gases from property assets (including during projects and new builds); iii) endeavouring to increase the proportion of property assets that are environmentally certified; and iv) ensuring safe and inclusive workplaces, including in development projects for which Slättö is the client.

During the 2021 financial year, the Group promoted environmental and social issues by:

i) Designing new production projects to achieve effective energy performance. This is done by means of well-insulated, efficient buildings and fittings. Energy consumption in existing properties is optimised through calibration, maintenance and efficiency improvements.
ii) When working on new production, Slättö Value Add I promotes the use of materials and designs with a lower carbon footprint.
The proportion of renewable energy will be increased over time to reduce emissions from purchased energy.
iii) All new production projects will be environmentally certified to 'Miljöbyggnad Silver' standard or equivalent model and level, as a minimum requirement.
Existing properties shall aim to be certified to the 'Miljöbyggnad Silver iDrift' standard. During the 2021 financial year, work began on investigating opportunities for 'iDrift' certification.
iv) All construction suppliers should accept Slättö's Code of Conduct for suppliers and complete a self-evaluation detailing how they intend to apply the code in practice.

The EU taxonomy is in the process of being developed and criteria for all environmental targets have yet to be completed. There is also as yet no established calculation model for the proportion of the fund's investments that are compatible with the taxonomy. Slättö is therefore of the view that it is not possible at present to disclose reliable information regarding the proportion of the fund's investments that are compatible with the taxonomy.