

Interim report

Slättö

Value
Add I

Q1

January-March
2022

Org.number: 556994-4464



SLÄTTÖ

The period in summary

About Slättö Value Add I

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

The fund is focused on development of residential properties with a clear emphasis on rental apartments, with the addition of investments in cash flow generating industrial and logistics properties.

Quarter January – March 2022

- Closed the transaction of two residential projects in Barkarby and Örebro with Sveaviken Bostad. The transaction meant that Slättö Value Add I transferred its ownership interests in both projects to Sveaviken Bostad, comprising the properties in Örebro and Barkarby, as of 31 March 2022. The transaction was carried out at an underlying property value of SEK 1,393 million without deduction for deferred tax.
- In line with the business plan, Swedish Logistic Property AB was listed on Nasdaq Stockholm in March 2022. The fund owns approximately 6 million shares and at the end of the quarter the price was SEK 38.90 per share, which corresponds to an increase by more than 100 per cent compared to the final subscription price of SEK 27.00.
- Botvid Holding (publ), of which the fund owns 22 per cent, has divested a residential project in Slagsta Strand in Botkyrka to NREP.
- Acquired a plot in Österåker for the construction of a preschool of approximately 680 sqm. Started ground work during the quarter.
- 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.
- An extraordinary general meeting on 18 March 2022 approved a dividend totaling SEK 110 million, corresponding to accrued preference share interest for 2021.
- An extraordinary general meeting on 30 March 2022 approved an additional dividend totaling SEK 250 million, corresponding to accrued preference share interest and repayment of investors' contribution.

Events after the end of the period

After the end of the quarter, the construction contractor established work for the construction of the first stage in Klinga Logistikpark. The construction is expected to be completed during the first half of 2023.

Notable risks and uncertainties

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

Keydata

TSEK	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
Result from property management, TSEK	121,083	–9,974	115,963
Profit before tax, TSEK	115,875	23,184	361,540
Shareholders' equity, TSEK	2,365,366	2,093,535	2,352,307
Total assets, TSEK	3,677,627	4,533,498	3,666,884
Equity ratio, %	64.3	46.2	64.2

Related party transactions

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

Financial reports

CONSOLIDATED INCOME STATEMENT

TSEK	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
Rental income	2,345	12,417	63,352
Other income	209	641	9,952
Operating costs	-1,772	-6,286	-35,514
Operating earnings	782	6,772	37,790
Central administration	-17,319	-14,301	-58,085
Results from associated companies/joint ventures	39,793	-3,632	76,321
Results from other financial assets	103,202	9,043	87,074
Results from sale of properties	-507	-967	2,884
Financial income	7,441	6,981	29,123
Financial expenses	-12,309	-13,870	-59,144
Result from property management	121,083	-9,974	115,963
Income, residential development	2,368	199,171	387,787
Costs, residential development	-1,936	-187,851	-387,747
Result before changes in value	121,515	1,346	116,003
Changes in value, properties	-5,133	21,838	245,030
Changes in value, derivatives	-507	-	507
Profit before tax	115,875	23,184	361,540
Taxes	7,097	-5,186	25,143
Profit for the period	122,972	17,998	386,683
Consolidated report of comprehensive income			
Other comprehensive income	-	-	-
Other comprehensive income	-	-	-
Net comprehensive income for the year	122,972	17,998	386,683
Attributable to:			
Parent Company shareholders	84,978	8,450	322,387
Non-controlling interest	37,994	9,548	64,296

CONSOLIDATED BALANCE SHEET

TSEK	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Fixed assets			
Investment properties	1,463,803	1,879,661	1,393,689
Land lease agreements	-	1,877	-
Participations in associated companies/joint ventures	421,574	524,895	641,107
Participations in other companies	237,077	-	-
Receivables from associated companies/joint ventures	-	92,957	3,482
Derivatives	-	-	507
Other long-term receivables	57,264	58,866	57,429
Total fixed assets	2,179,718	2,558,256	2,096,214
Current assets			
Properties classified as current assets	79,369	989,664	61,477
Accounts receivable	1,671	6,396	22,499
Receivables from group companies	7,319	395	-
Receivables from associated companies/joint ventures	659,537	359,285	465,639
Other current receivables	340,801	382,121	492,822
Prepaid expenses and accrued income	17,082	27,149	4,404
Liquid funds	392,130	210,232	523,829
Total current assets	1,497,909	1,975,242	1,570,670
TOTAL ASSETS	3,677,627	4,533,498	3,666,884

CONSOLIDATED BALANCE SHEET

TSEK	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Equity			
Share capital	556	556	556
Other capital contributed	1,049,177	1,049,177	1,049,177
Retained profits including net profit for the year	818,917	639,828	843,852
Shareholders' equity attributable to the Parent Company's shareholders	1,868,650	1,689,561	1,893,585
Non-controlling interest	496,716	403,974	458,722
Total shareholders' equity	2,365,366	2,093,535	2,352,307
Long-term liabilities			
Deferred tax liability	54,019	94,597	61,116
Long-term interest-bearing liabilities	963,114	1,048,468	899,087
Long-term liabilities to associated companies/ joint ventures	-	25,000	-
Other long-term liabilities	75,077	11,327	75,077
Leasing liabilities	-	1,877	-
Total long-term liabilities	1,092,210	1,181,269	1,035,280
Current liabilities			
Short-term interest-bearing liabilities	53,911	761,794	46,443
Accounts payable	9,250	41,168	30,886
Current liabilities to associated companies/ joint ventures	6,755	6,085	6,755
Tax liability	475	2,878	849
Current liabilities to group companies	7,378	6,609	7,568
Other current liabilities	102,003	374,026	149,428
Accrued expenses and prepaid income	40,279	66,134	37,368
Total current liabilities	220,051	1,258,694	279,297
Total liabilities	1,312,261	2,439,963	1,314,577
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,677,627	4,533,498	3,666,884

CONSOLIDATED CASH FLOW STATEMENT

TSEK	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
Current operations			
Result before changes in value	121,515	1,346	116,003
Adjustment for items not included in the cash flow	-142,488	-15,200	-183,244
Difference between paid interest and financial expenses	1,661	6,291	10,452
Difference between received interest and financial income	-4,756	-6,981	-24,272
Income tax paid	-5,825	-3,602	-14,112
Cash flow from current operations before changes in working capital	-29,893	-18,146	-95,173
Changes in working capital			
Change in properties classified as current assets	-17,892	-40,464	54,900
Change in operating receivables	94,107	11,767	66,763
Change in operating liabilities	-62,683	110,226	-123,389
Cash flow from current operations	-16,361	63,383	-96,899
Investment operations			
Acquisition of properties	-	-	-24,000
Investment in properties	-71,953	-83,891	-438,713
Divestment of properties	8,521	524	1,892,931
Acquisition and divestment of associated companies/joint ventures	-	-	-50,000
Acquisition of subsidiary, net cash effect	-	-	-47,453
Repayment of contributions from associated companies/joint ventures	-	-	546
Loans to associated companies/joint ventures	-62,609	-	-111,044
Repayment of loans from associated companies/joint ventures	50,000	-	107,283
Repayment other loans	-	-	500
Divestment of other shares	-	-	75
Cash flow from investment operations	-76,041	-83,367	1,330,125
Financing operations			
Paid dividend	-109,913	-	-109,913
Realized derivative	466	-	-
Proceeds from borrowing	70,150	283,046	705,206
Repayment of borrowing	-	-192,025	-1,443,885
Cash flow from financing operations	-39,297	91,021	-848,592
Total cash flow	-131,699	71,037	384,634
Liquid funds at the beginning of the period	523,829	139,195	139,195
Liquid funds at the end of the period	392,130	210,232	523,829

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

TSEK	Shareholders' equity attributable to the parent company's shareholders				Non-controlling interest	Total shareholders' equity
	Share capital	Other capital contributed	Retained profits including net profit for the year	Total		
Total equity January 1, 2021	556	1,049,177	631,410	1,681,143	394,369	2,075,512
Net comprehensive income for the year						
Profit for the period	-	-	322,387	322,387	64,296	386,683
Other comprehensive income	-	-	-	-	-	-
Total net comprehensive income for the year	-	-	322,387	322,387	64,296	386,683
Contributions from and transfers of value to the company's owners						
Dividend	-	-	-109,913	-109,913	-	-109,913
Total contributions from and transfers of value to the company's owners	-	-	-109,913	-109,913	-	-109,913
Transactions with non-controlling interests						
Changes in non-controlling interests	-	-	-32	-32	57	25
Total transactions with non-controlling interests	-	-	-32	-32	57	25
Shareholders' equity December 31, 2021	556	1,049,177	843,852	1,893,585	458,722	2,352,307
Total equity January 1, 2022	556	1,049,177	843,852	1,893,585	458,722	2,352,307
Net comprehensive income for the year						
Profit for the period	-	-	84,978	84,978	37,994	122,972
Other comprehensive income	-	-	-	-	-	-
Total net comprehensive income or the year	-	-	84,978	84,978	37,994	122,972
Contributions from and transfers of value to the company's owners						
Dividend	-	-	-109,913	-109,913	-	-109,913
Total contributions from and transfers of value to the company's owners	-	-	-109,913	-109,913	-	-109,913
Transactions with non-controlling interests						
Total transactions with non-controlling interests	-	-	-	-	-	-
Shareholders' equity March 31, 2022	556	1,049,177	818,917	1,868,650	496,716	2,365,366

PARENT COMPANY INCOME STATEMENT

TSEK	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
Net sales	42	11	721
Sales	42	11	721
Central administration	-11,553	-10,699	-39,288
Operating earnings	-11,511	-10,688	-38,567
Profit/loss from participations in group companies	-507	-289	-14,930
Results from other financial assets	-	-	71
Financial income	7,535	8,167	33,449
Financial expenses	-12,260	-11,522	-48,235
Net financial items	-5,232	-3,644	-29,645
Earnings before tax	-16,743	-14,332	-68,212
Taxes	2,854	1,863	10,181
Net profit/loss for the period	-13,889	-12,469	-58,031

PARENT COMPANY BALANCE SHEET

TSEK	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Assets			
Fixed assets			
<i>Financial fixed assets</i>			
Participation in group companies	100 454	12 137	100 454
Participation in associated companies	506	531	506
Other long-term receivables	56 159	57 911	56 471
Deferred tax assets	18 956	7 784	16 102
Total financial fixed assets	176 075	78 363	173 533
Total fixed assets	176 075	78 363	173 533
Current receivables			
Receivables from group companies	1 434 021	1 661 924	1 592 407
Receivables from associated companies	2 515	-	2 500
Other current receivables	1 571	1 675	1 505
Prepaid expenses and accrued income	2 266	552	53
Total current receivables	1 440 373	1 664 151	1 596 465
Liquid funds	122 258	96 445	19 320
Total current assets	1 562 631	1 760 596	1 615 785
TOTAL ASSETS	1 738 706	1 838 959	1 789 318

PARENT COMPANY BALANCE SHEET

TSEK	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Equity and liabilities			
Equity			
Restricted equity			
Share capital	556	556	556
Unrestricted equity			
Share premium reserve	1,049,257	1,049,257	1,049,257
Profit brought forward	-242,424	35,432	-74,481
Profit for the period	-13,889	-12,469	-58,031
Total equity	793,500	1,072,776	917,301
Long-term liabilities			
Long-term interest-bearing liabilities	490,577	487,542	489,758
Total long-term liabilities	490,577	487,542	489,758
Current liabilities			
Accounts payable	581	843	260
Current liabilities to group companies	448,058	272,767	376,113
Other current liabilities	-	-	15
Accrued expenses and prepaid income	5,990	5,031	5,871
Total current liabilities	454,629	278,641	382,259
TOTAL EQUITY AND LIABILITIES	1,738,706	1,838,959	1,789,318

NOTES

Note 1

Accounting principles

The interim report for the Group has been prepared in accordance with the Annual Accounts Act and IAS 34, Interim Financial Statements and, in the case of the Parent Company, in accordance with the Annual Accounts Act. Information according to IAS 34.16A is available not only in the financial reports and their notes but also in the rest of the interim report.

Note 3

Financial assets and liabilities valued at fair value

For assets and liabilities measured at amortized cost, this is assumed to be a reasonable estimate of the fair value. For some of these items, however, there is a fair value that marginally differs from the carrying amount due to changes in interest rates. For other loans, fair value is deemed to agree with the carrying amount as the credit margins agreed are still market based.

Note 2

Significant estimates and assessments

Estimates and assessments are evaluated continuously and are based on experiences and other circumstances, including expectations on future events which are considered reasonable during current conditions.

The group makes assessments and assumptions about the future that affect the reported value of asset and liability and income and expense items. Actual outcomes can then differ from these assessments if other conditions arise. The estimates and assumptions that have a material impact on the reported values of assets and liabilities are described in note 2 in the annual report of the group.

Note 4

Operating segments

The Group's operations comprise one operating segment, that is to say, the Group's operations comprise a business that generates income and expenses and whose operating profit is regularly assessed by the company's chief operating decision maker as a basis for monitoring earnings and allocating resources.

This interim report has not been subject to a review by the parent company's auditors.

Stockholm May 30, 2022

Johan Karlsson
Chairman

Erik Dansbo
Board member

Staffan Unge
Board member

Christian Bratt
CEO

SLÄTTÖ

