

Interim report

JANUARY 1 - MARCH 31, 2023

Sollentuna Stinsen JV AB

Co. reg. no. 559085-9954

INTERIM REPORT FOR JANUARY - MARCH 2023

First Quarter

- Net sales amounted to SEK 4.45 m (3.68)
- Net operating income was SEK -1.17 m (-0,625)
- The operating loss was SEK 14.84 m (-15,10)
- The loss for the period was SEK 31.10 m (-17.53)
- Earnings per share before and after dilution were SEK -62,20 (-35,06)

Operational overview

The Parent Company was formed on 18 November 2016. It owns and manages properties indirectly through subsidiaries and engages in related activities.

In addition to the parent company Sollentuna Stinsen JV AB, the Group consists of the wholly-owned subsidiary Sollentuna Stinsen Holding 1 AB. The subsidiary in turn owns all the shares in Sollentuna Stinsen Property 1 AB, which owns and manages the property Stinsen 2 in Sollentuna. The aim of Sollentuna Stinsen Property 1 AB is to carry out project work on its property. According to the project plan, the premises are expected to be vacated gradually and rental income is expected to be lower. This is to reduce future relocation costs. The financial goals of the business consist of generating positive returns from operating surpluses and, in the long-term, creating a higher market value for the property through investments and running the planning process, primarily for residential units. The building rights will be sold to Magnolia Bostad when the zoning plan for housing has been produced. Magnolia Bostad will sell about a third of the volume to Alecta and until the houses are completed, Magnolia will be responsible for the development and project management.

Significant events during the quarter

During the quarter the owners have contributed with SEK 15 m each in unconditional shareholder contributions. The shareholders contributions received amounted to SEK 30 m in total during 2023.

Sollentuna municipality has announced that the review of the zoning plan is expected to take place during the second half of 2023 and that the zone plan project is expected to come into force by the first half of 2024. Previous estimation was the second half of 2023.

Significant events after the end of the period

No significant events have occurred after the reporting period.

Financial performance during the period

Comparisons provided in parentheses refer to the corresponding figure the previous year except in sections describing the financial position, where figures refer to the end of the previous year.

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Interim period 1 January - 31 March 2023**Net sales and earnings**

Net sales increased with SEK 0.75 m and amounted to SEK 4.48 m (3.68) and consisted of rental income from leased premises and an increase in short-term contracts. In accordance with the project plan, premises will be vacated gradually in order to reduce future relocation costs.

Operating costs increased by SEK 1.29 m or 29% and amounted to SEK -5.66 m (-4.37). Net operating income was SEK -1.17 m (-626,000).

Other external expenses, Impairment of property/Reversal of previous impairment amounted to SEK -13.67 m (-14.48), which resulted in an operating loss totalling SEK 14.84 m (-15.10).

Net financial items for the period amounted to SEK -16.27 m (-2.42).

The income tax for the period was SEK 0 (0) and the loss for the period was SEK 31.10 m (17.53).

Financial position and cash flow

Borrowing as of 31 March 2023 amounted to SEK 836.36 m (825.39).

The Group's shareholders' equity on 31 March 2023 amounted to SEK 2.27 m (6.18).

The equity/assets ratio on 31 March 2023 was 0% (1). When calculating the equity/assets ratio for fulfilment of covenant, owner loans are excluded, whereby the equity ratio amounts to 34% (34).

The cash flow from operating activities during the period was SEK -14.32 m (-49.03).

The cash flow from financing activities for the period amounted to SEK 30.00 m (80.00).

The cash flow for the period was SEK -15.68 m (30.97) and cash and cash equivalents as of the balance sheet date amounted to SEK 112.81 m (97.14).

Parent Company 1 January - 31 March 2023

- The parent company's net sales during the period amounted to SEK 474,000 (1.49).
- The loss after financial items was SEK 15.74 m (-2.22).
- Cash and cash equivalents at the end of the period were SEK 100.17 m (80.68).
- The parent company's equity on 31 March 2023 amounted to SEK 139.92 m (125.66).

Organisation and employees

The Group had no employees, and no salaries or remuneration were paid. Magnolia Produktion AB are project leaders. Property Partner AB manage the property and Newsec PAM Sweden AB handles financial management.

Significant risks and uncertainty factors

The company's operations, performance and position are affected by a number of risk factors and are based on the company's indirect ownership of property companies. The risks that affect profit/loss and cash flow are therefore linked to the subsidiaries and are primarily attributable to credit risk and the change in rental levels, occupancy, general cost development, interest rate levels and liquidity on the property market. The most significant risk affecting the company is linked to the valuation of properties owned by the company's indirect holdings. Macroeconomic factors and other market factors have a significant impact on property value and thus contain an element of uncertainty.

Russia's offensive war against Ukraine has increased uncertainties even though the company has no operations either in Ukraine or Russia. The company has no counterparts nor makes any direct purchases from Ukraine or Russia. The war may still however affect the company's operations through indirect effects. The company continues to closely monitor any developments.

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Financial risk management

The Group is exposed to a number of financial risks. The overall objective is to have cost-efficient financing. The primary risks to which the Group is exposed are financing risk, interest rate risk and counterparty risk. The parent company's financial liabilities consist of loans with fixed interest rate. The subsidiaries' primary financial liabilities consist of inter-Group loans. The Group also has rent receivables, cash and cash equivalents and accounts payable that constitute financial instruments. The assessment of the company is that there is no significant difference between the reported and fair values of the financial instruments. Furthermore, a critical assessment item relevant to the property valuation has been identified in the mapping process. The company continuously evaluates assumptions for the property valuation and receives an external valuation every six months.

Capital risk management

The company's capital structure shall be maintained at a level that makes it possible to conduct operations to create returns for shareholders and benefits for other stakeholders, while at the same time maintaining an optimal structure for reducing capital costs.

In order to maintain or adapt its capital structure, the company, following approval from the shareholders where appropriate, may change the dividend to shareholders, reduce the share capital for payment to shareholders, issue new shares or sell assets to reduce the debt/equity ratio. The company analyses the relationship between debt and equity on an ongoing basis, as well as the relationship between debt and equity including loans from shareholders, based on established targets.

Shares and shareholders

The parent company is 50% owned by Magnolia Projekt 36 AB, co. reg. no. 559040-7093, and 50% by Alecta Tjänstepension, ömsesidigt, co. reg. no. 502014-6865.

Ownership, March 31, 2023

Shareholder	Number of ordinary shares	Percentage of share capital
Magnolia Projekt 36 AB	250 000	50%
Alecta Tjänstepension, ömsesidigt	250 000	50%
Total	500 000	100%

GROUP

INCOME STATEMENT

Amounts in SEK 000

	01/01/2023 31/03/2023	01/01/2022 31/03/2022	01/01/2022 31/12/2022
Net sales	4 447	3 682	17 185
Other income	43	61	194
Total income	4 490	3 743	17 379
Operating costs	-5 657	-4 369	-13 490
Net operating income	-1 167	-625	3 889
Other external costs	-1 491	-2 526	-6 948
Impairment of property/Reversal of previous impairment	-12 178	-11 953	-131 207
Operating profit/loss	-14 836	-15 105	-134 266
Net financial items	-16 266	-2 425	-26 748
Profit/loss before tax	-31 102	-17 530	-161 013
Income tax	–	–	–
PROFIT/LOSS FOR THE PERIOD	-31 102	-17 530	-161 013
Profit/loss attributable to			
Parent company shareholders	-31 102	-17 530	-161 013
Earnings per share, SEK			
Before dilution effects	-62,20	-35,06	-322,03
After dilution effects	-62,20	-35,06	-322,03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK 000

	01/01/2023 31/03/2023	01/01/2022 31/03/2022	01/01/2022 31/12/2022
Profit/loss for the period	-31 102	-17 530	-161 013
OTHER COMPREHENSIVE INCOME FOR THE PERIOD			
Total other comprehensive income	-31 102	-17 530	-161 013
Comprehensive income attributable to			
Parent company shareholders	-31 102	-17 530	-161 013
COMPREHENSIVE INCOME FOR THE PERIOD	-31 102	-17 530	-161 013

CONSOLIDATED BALANCE SHEET

Amounts in SEK 000

31/03/2023 31/03/2022 31/12/2022

ASSETS

Current assets

Development and project properties	750 000	835 000	750 000
Tax receivables	–	97	–
Other receivables	657	757	454
Prepaid costs and accrued income	32	–	–
Cash and cash equivalents	112 814	58 610	97 140

Total current assets	863 503	894 464	847 594
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TOTAL ASSETS	863 503	894 464	847 594
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SHAREHOLDERS' EQUITY AND LIABILITIES

EQUITY

Share capital	500	500	500
Other contributed capital	350 000	240 000	320 000
Retained earnings including profit/loss for the period	-348 226	-170 837	-314 320

Equity attributable to Parent Company shareholders	2 274	69 663	6 180
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Non-current liabilities

Interest-bearing liabilities	430 269	402 120	430 269
Other non-current liabilities	2 804	–	–

Total non-current liabilities	433 073	402 120	430 269
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Current liabilities

Bond loan	403 282	398 688	395 099
Accounts payable	1 558	862	183
Tax liabilities	726	–	623
Other current liabilities	6 977	7 200	89
Accrued costs and prepaid income	15 614	15 930	15 151

Total current liabilities	428 156	422 680	411 147
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TOTAL EQUITY AND LIABILITIES	863 503	894 464	847 594
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CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

Amounts in SEK 000

	Share capital	Other capital contributed	Retained earnings incl. period's profit/loss	Total equity
Opening equity 1/1/2022	500	240 000	-153 307	87 193
Profit/loss for the period	–	–	-17 530	-17 530
Closing equity 31/3/2022	500	240 000	-170 837	69 663
Opening equity 1/4/2022	500	240 000	-170 837	69 663
Shareholders' contributions received	–	80 000		80 000
Profit/loss for the period	–	–	-143 483	-143 483
Closing equity 31/12/2022	500	320 000	-314 320	6 180
Opening equity 1/1/2023	500	320 000	-314 320	6 180
Shareholders' contribution received	–	30 000	–	30 000
Net profit/loss for the period	–	–	-31 102	-31 102
Other comprehensive income		–	-2 804	-2 804
Closing equity 31/3/2023	500	350 000	-348 226	2 274

CONSOLIDATED

CASH FLOW STATEMENT

Amounts in SEK 000

	01/01/2023 31/03/2023	01/01/2022 31/03/2022	01/01/2022 31/12/2022
Operating activities			
Operating profit/loss	-14 836	-15 105	-134 266
Adjustments for non-cash flow items etc			
Impairment loss on properties/Reversal of previous impairment	12 178	11 953	131 207
	-2 658	-3 152	-3 059
Interest paid	-10 750	-5 057	-24 205
	-13 408	-8 209	-27 264
Cash flow from operating activities before changes in working capital			
Cash flow from changes in working capital			
Change in current receivables	-235	-138	262
Change in development and project properties	-1 982	-1 757	-5 423
Change in current liabilities	1 300	2 541	-16 608
Cash flow from operating activities	-14 325	-7 563	-49 033
Financing activities			
Shareholders' contributions received	30 000	—	80 000
Cash flow from financing activities	30 000	—	80 000
Cash flow for the period	15 675	-7 563	30 967
Cash and cash equivalents at beginning of the period	97 140	66 173	66 173
Cash and cash equivalents at end of the period	112 815	58 610	97 140

**PARENT COMPANY'S
INCOME STATEMENT**

Amounts in SEK 000

	01/01/2023 31/03/2023	01/01/2022 31/03/2022	01/01/2022 31/12/2022
Net sales	474	1 491	3 733
Gross profit/loss	474	1 491	3 733
Other external costs	-692	-2 029	-4 794
Operating profit/loss	-218	-538	-1 061
Financial income	10 938	10 938	43 750
Financial costs	-26 462	-12 621	-70 337
Profit/loss after financial items	-15 742	-2 222	-27 649
Appropriations received	—	—	2 128
Appropriations paid	—	—	-3 200
Profit/loss before tax	-15 742	-2 222	-28 721
Tax on profit/loss for the period	—	—	—
PROFIT/LOSS FOR THE PERIOD	-15 742	-2 222	-28 721

**PARENT COMPANY'S
BALANCE SHEET**

Amounts in SEK 000

	31/03/2023	31/03/2022	31/12/2022
ASSETS			
Fixed assets			
Shares and participations in Group companies	4 700	4 700	4 700
Receivables from Group companies	695 000	695 000	695 000
Total fixed assets	699 700	699 700	699 700
Current assets			
Current receivables			
Receivables from Group companies	275 914	232 912	344 918
Other receivables	40	121	221
Total current receivables	275 953	233 033	345 139
Cash and cash equivalents	100 172	43 476	80 677
Total current assets	376 125	276 509	425 815
TOTAL ASSETS	1 075 825	976 209	1 125 515
EQUITY AND LIABILITIES			
Equity	139 922	72 164	125 665
Non-current liabilities			
Interest-bearing liabilities	430 269	402 120	430 269
Total non-current liabilities	430 269	402 120	430 269
Current liabilities			
Bond loan	403 282	398 688	395 099
Accounts payable	544	–	–
Liabilities to Group companies	83 677	90 361	163 996
Other current liabilities	7 530	7 037	–
Accrued costs and prepaid income	10 601	5 838	10 486
Total current liabilities	505 634	501 923	569 580
TOTAL EQUITY AND LIABILITIES	1 075 825	976 209	1 125 515

**PARENT COMPANY'S
CASH FLOW STATEMENT**

Amounts in SEK 000

	01/01/2023 31/03/2023	01/01/2022 31/03/2022	01/01/2022 31/12/2022
Operating activities			
Operating profit/ loss	-218	-538	-1 061
	-218	-538	-1 061
Interest paid	-10 750	-5 057	-24 205
Cash flow from operating activities before changes in working capital	-10 968	-5 595	-25 266
Cash flow from changes in working capital			
Change in current receivables	80 121	-133	-2 626
Change in current liabilities	-79 658	-10 112	-29 943
Cash flow from operating activities	-10 505	-15 840	-57 835
Financing activities			
Shareholders contributions received	30 000	–	80 000
Shareholders' contributions given	–	–	-804
Cash flow from financing activities	30 000	–	79 196
Cash flow for the period	19 495	-15 840	21 361
Cash and cash equivalents at beginning of the period	80 677	59 316	59 316
Cash and cash equivalents at end of the period	100 172	43 476	80 677

ADDITIONAL INFORMATION

Accounting principles

Agreement with accounting standards and the law

This interim report was prepared in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) and interpretations from the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. The Swedish Financial Reporting Board's recommendation RFR1, Supplementary Accounting Rules for Corporate Groups, was also applied.

The interim report for the Group has been prepared in accordance with IAS 34 Interim Reporting and the Annual Accounts Act. For the parent company, interim reports have been prepared according to the Annual Accounts Act, which is in line with the regulations in RFR 2. The accounting principles for 2023 are in line with the Group Annual Report for 2022.

Transactions with related parties

The Group

Sollentuna Stinsen JV AB is 50 % owned by Magnolia Projekt 36 AB, co. reg. no. 559040-7093, and 50 % by Alecta pensionsförsäkring, co. reg. no. 502014-6865.

During the period, the Group had costs of SEK 0 (767,000) for project management purchased from the company Magnolia Produktion AB, which is connected to the owner Magnolia Projekt 36 AB.

Scope and nature of related transactions have not changed significantly since the last annual report.

Parent company

At the end of the period the Parent Company has a debt to its owner, Alecta pensionförsäkring, for a shareholder loan of SEK 430.27 m. The shareholder loan has an interest rate of 7%, which is deemed to be at market terms. In addition to related party transactions that are specified for the Group, the parent company has related party transactions that involve controlling influence over its subsidiary companies.

Sollentuna Stinsen JV AB

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Definitions

Alternative KPIs not defined within IFRS.

Equity/assets ratio (%)

Equity attributable to parent company shareholders as a percentage of total assets.

The equity/assets ratio is used to measure the company's financial position. The equity/assets ratio exposes how much of the company's assets are funded by its own resources. When calculating the equity/assets ratio for fulfilment of covenant, owner loans are excluded.

Statement and certification

The Board of Directors and CEO affirm that this interim report provides a true and fair view of the company's and the Group's operations, financial position and results, and describes significant risks and uncertainties faced by the company and its subsidiaries.

Stockholm, May 19, 2023

Lena Boberg
Board member

Johan Tengelin
Chairman

Jenny Lindholm
Board member

Fredrik Westin
Board member

Christian Matti
CEO

This report has not been audited by the company's auditors.

FINANCIAL CALENDAR

Future reports

Interim report Q2 2023
Interim report Q3 2023

25 August 2023
24 November 2023

FURTHER INFORMATION

Further information can be obtained from:

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christian.matti@magnoliabostad.se

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Sollentuna Stinsen JV AB has bonds listed for trading on the Corporate Bond list at Nasdaq Stockholm. For more information please go to: www.sollentunastinsenjvab.se

The information Sollentuna Stinsen JV AB publishes in this report is required in accordance with the EU Market Abuse Regulation (EU) No 596/2014. The information was submitted for publication through the agency of the contact person set out above on May 19 2023 at 12.00 CEST.

This report is published in two language versions: Swedish and English. In case of inconsistency or discrepancy between the two versions, the Swedish language version shall prevail.