

Interim report

JANUARY 1 - SEPTEMBER 30, 2022

Sollentuna Stinsen JV AB

Co. reg. no. 559085-9954

INTERIM REPORT FOR JANUARY - SEPTEMBER 2022

Third Quarter

- Net sales amounted to SEK 4.53 m (2.84)
- Net operating income was SEK 1.65 m (557,000)
- The operating loss was SEK 12.00 m (-13.82)
- The loss for the period was SEK 18.23 m (-14.97)
- Earnings per share before and after dilution were SEK -36.45 (-29.93)

Financial period 1 January - 30 September 2022

- Net sales amounted to SEK 12.65 m (8.26)
- Net operating income was SEK 2.69 m (-652,000)
- The operating loss was SEK 44.36 m (-32.85)
- The loss for the period was SEK 55.60 m (-37.35)
- Earnings per share before and after dilution were SEK -111.20 (-74.71)
- Cash and cash equivalents at the end of the period September 30, 2022 were SEK 90.13 m

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.

The process with the zoning plan is progressing prior to review, which will be the next step in the zone plan process and is planned for the first half of 2023. The municipality is estimating that the zoning plan will come into force by the second half of year 2023.

Significant events during the third quarter

On July 11th 2022, the Group's parent company began a written procedure in which the company asked the bondholders ("the bondholders") for permission to change the general conditions for the bonds, which were initially dated September 30th 2019. The company sought an extension of the bond's final redemption date by twelve months, due to the extended timeline for the development project of the Stinsen property. It was proposed to change the margin to a fixed margin of 10.75%. On August 4th the company announced that a required majority of bondholders voted in favor of changing the general conditions. The changes will come into effect as of August 4th 2022. For more information see "NOTICE TO A WRITTEN PROCEDURE", published July 11th 2022 and the associated press releases, published July 11th 2022 and August 4th 2022, all available on the company's website.

In connection with extending the bond, the owners have contributed with 30 MSEK each in unconditional shareholder contributions.

At the extraordinary general meeting on August 24th Jenny Lindholm was elected to the board, replacing Alexander Sundberg who has resigned as a board member.

Sollentuna Stinsen JV AB

559085-9954

Significant events after the end of the period

No significant events have occurred after the end of the 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.

Interim period 1 January - 30 September 2022**Net sales and earnings**

Net sales increased with SEK 4.40 m and amounted to SEK 12.65 m (8.26) and consisted of rental income from leased premises. In accordance with the project plan, premises will be vacated gradually in order to reduce future relocation costs.

Operating costs fell by SEK 1.06 m or 9% and amounted to SEK -10.08 m (-11.13). Net operating income was SEK 2.69 m (-652,000).

Other external expenses, Impairment of property/Reversal of previous impairment amounted to SEK -47.05 m (-32.20), which resulted in an operating loss totalling SEK 44.36 m (-32.85).

Net financial items for the period amounted to SEK -11.24 m (-4.51).

The income tax for the period was SEK 0 m (0) and the loss for the period was SEK 55.60 m (-37.35).

Financial position and cash flow

Borrowing as of 30 September 2022 amounted to SEK 790.07 m (800.19).

The Group's shareholders' equity on 30 September 2022 amounted to SEK 91.60 m (87.19).

The equity/assets ratio on 30 September 2022 was 10% (10).

The cash flow from operating activities during the period was SEK -36.05 m (-37.35).

The cash flow from financing activities for the period amounted to SEK 60.00 m (60.00).

The cash flow for the period was SEK 23,95 m (22.65) and cash and cash equivalents as of the balance sheet date amounted to SEK 90.13 m (66.17).

Parent Company 1 January - 30 September 2022

- The parent company's net sales during the period amounted to SEK 4.51 m (4.17).
- The loss after financial items was SEK 10.06 m (-2.64).
- Cash and cash equivalents at the end of the period were SEK 81.15 m (59.32).
- The parent company's equity on 30 September 2022 amounted to SEK 121.13 m (74.39).

Organisation and employees

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

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, September 30, 2022

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

	1/7/2022 30/9/2022	1/7/2021 30/9/2021	1/1/2022 30/9/2022	1/1/2021 30/9/2021	1/1/2021 31/12/2021
Net sales	4 533	2 842	12 653	8 258	11 277
Other income	29	775	113	2 224	3 048
Total income	4 562	3 617	12 766	10 482	14 325
Operating costs	-2 917	-3 060	-10 079	-11 134	-14 572
Net operating income	1 645	557	2 687	-652	-247
Other external costs	-1 575	-2 203	-5 650	-19 832	-23 028
Impairment of property/Reversal of previous impairment	-12 068	-12 174	-41 398	-12 363	35 231
Operating profit/loss	-11 997	-13 820	-44 362	-32 847	11 956
Net financial items	-6 228	-1 146	-11 236	-4 507	-6 604
Profit/loss before tax	-18 225	-14 966	-55 598	-37 354	5 352
Income tax	—	—	—	—	—
PROFIT/LOSS FOR THE PERIOD	-18 225	-14 966	-55 598	-37 354	5 352
Profit/loss attributable to					
Parent company shareholders	-18 225	-14 966	-55 598	-37 354	5 352
Earnings per share, SEK					
Before dilution effects	-36,45	-29,93	-111,20	-74,71	10,70
After dilution effects	-36,45	-29,93	-111,20	-74,71	10,70

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK 000

	1/7/2022 30/9/2022	1/7/2021 30/9/2021	1/1/2022 30/9/2022	1/1/2021 30/9/2021	1/1/2021 31/12/2021
Profit/loss for the period	-18 225	-14 966	-55 598	-37 354	5 352
OTHER COMPREHENSIVE INCOME FOR THE PERIOD					
Total other comprehensive income	-18 225	-14 966	-55 598	-37 354	5 352
Comprehensive income attributable to					
Parent company shareholders	-18 225	-14 966	-55 598	-37 354	5 352
COMPREHENSIVE INCOME FOR THE PERIOD	-18 225	-14 966	-55 598	-37 354	5 352

CONSOLIDATED BALANCE SHEET

Amounts in SEK 000

30/9/2022

30/9/2021

31/12/2021

ASSETS

Current assets

Development and project properties	830 000	775 000	835 000
Tax receivables	–	37	67
Other receivables	–	611	581
Prepaid costs and accrued income	137	209	68
Cash and cash equivalents	90 127	79 363	66 173

Total current assets	920 264	855 221	901 889
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TOTAL ASSETS	920 264	855 221	901 889
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SHAREHOLDERS' EQUITY AND LIABILITIES

EQUITY

Share capital	500	500	500
Other contributed capital	300 000	240 000	240 000
Retained earnings including profit/loss for the period	-208 905	-196 013	-153 307

Equity attributable to Parent Company shareholders	91 595	44 487	87 193
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Non-current liabilities

Interest-bearing liabilities	402 120	377 380	402 120
Bond loan	387 952	397 432	–

Total non-current liabilities	790 072	774 812	402 120
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Current liabilities

Bond loan	–	–	398 067
Accounts payable	226	322	56
Tax liabilities	242	–	–
Other current liabilities	21 438	18 288	152
Accrued costs and prepaid income	16 691	17 311	14 300

Total current liabilities	38 597	35 921	412 576
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TOTAL EQUITY AND LIABILITIES	920 264	855 221	901 889
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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	Holdings without a controlling interest	Total equity
Opening equity 1/1/2021	500	200 000	-158 659	–	41 841
Shareholders' contributions received	–	40 000	–	–	40 000
Profit/loss for the period	–	–	-37 354	–	-37 354
Closing equity 30/9/2021	500	240 000	-196 013	–	44 487
Profit/loss for the period	–	–	42 706	–	42 706
Closing equity 31/12/2021	500	240 000	-153 307	–	87 193
Opening equity 1/1/2022	500	240 000	-153 307	–	87 193
Shareholders' contribution received	–	60 000	–	–	60 000
Profit/loss for the period	–	–	-55 598	–	-55 598
Closing equity 30/9/2022	500	300 000	-208 905	–	91 595

**CONSOLIDATED
CASH FLOW STATEMENT**

Amounts in SEK 000

	1/7/2022 30/9/2022	1/7/2021 30/9/2021	1/1/2022 30/9/2022	1/1/2021 30/9/2021	1/1/2021 31/12/2021
Operating activities					
Operating profit/loss	-11 997	-13 820	-44 362	-32 847	11 956
Adjustments for non-cash flow items etc					
Impairment loss on properties/Reversal of previous impairment	12 067	12 174	41 398	12 363	-35 231
	70	-1 646	-2 964	-20 484	-23 275
Interest paid	-5 121	-5 037	-15 142	-15 040	-20 113
	-5 051	-6 683	-18 106	-35 524	-43 388
Cash flow from operating activities before changes in working capital					
Cash flow from changes in working capital					
Change in current receivables	835	896	579	1 084	1 226
Change in development and project properties	-1 871	-2 168	-5 810	-6 776	-8 986
Change in current liabilities	-10 108	-1 323	-12 709	3 867	609
Cash flow from operating activities	-16 195	-9 278	-36 046	-37 349	-50 539
Financing activities					
Shareholders' loan received	—	40 000	—	40 000	40 000
Shareholders' contributions received	60 000	—	60 000	20 000	20 000
Cash flow from financing activities	60 000	40 000	60 000	60 000	60 000
Cash flow for the period	43 805	30 722	23 954	22 651	9 461
Cash and cash equivalents at beginning of the period	46 322	48 641	66 173	56 712	56 712
Cash and cash equivalents at end of the period	90 127	79 363	90 127	79 363	66 173

**PARENT COMPANY'S
INCOME STATEMENT**

Amounts in SEK 000

	1/7/2022 30/9/2022	1/7/2021 30/9/2021	1/1/2022 30/9/2022	1/1/2021 30/9/2021	1/1/2021 31/12/2021
Net sales	1 554	1 465	4 513	4 174	5 714
Gross profit/loss	1 554	1 465	4 513	4 174	5 714
Other external costs	-1 762	-1 606	-5 562	-4 532	-6 342
Operating profit/loss	-208	-141	-1 048	-358	-628
Financial income	10 938	10 938	32 813	32 813	43 750
Financial costs	-16 424	-11 342	-41 824	-35 094	-47 388
Profit/loss after financial items	-5 696	-545	-10 060	-2 640	-4 266
Appropriations	–	–	-3 200	–	–
Profit/loss before tax	-5 696	-545	-13 260	-2 640	-4 266
Tax on profit/loss for the period	–	–	–	–	–
PROFIT/LOSS FOR THE PERIOD	-5 696	-545	-13 260	-2 640	-4 266

PARENT COMPANY'S

BALANCE SHEET

30/9/2022

30/9/2021

31/12/2021

Amounts in SEK 000

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
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Current assets

Current receivables

Receivables from Group companies	255 662	210 929	221 920
Other receivables	46	–	43

Total current receivables	255 707	210 929	221 963
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Cash and cash equivalents	81 149	64 771	59 316
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Total current assets	336 857	275 700	281 279
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TOTAL ASSETS	1 036 557	975 400	980 979
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EQUITY AND LIABILITIES

Equity	121 127	76 012	74 386
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Non-current liabilities

Bond loan	387 952	397 432	–
Interest-bearing liabilities	402 120	377 380	402 120

Total non-current liabilities	790 072	774 812	402 120
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Current liabilities

Bond loan	–	–	398 067
Accounts payable	104	6	9
Liabilities to Group companies	93 561	100 541	100 541
Other current liabilities	21 111	18 279	–
Accrued costs and prepaid income	10 582	5 750	5 856

Total current liabilities	125 358	124 575	504 472
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TOTAL EQUITY AND LIABILITIES	1 036 557	975 400	980 979
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PARENT COMPANY'S

CASH FLOW STATEMENT

Amounts in SEK 000

	1/7/2022 30/9/2022	1/7/2021 30/9/2021	1/1/2022 30/9/2022	1/1/2021 30/9/2021	1/1/2021 31/12/2021
Operating activities					
Operating profit/ loss	-208	-141	-1 048	-358	-628
	-208	-141	-1 048	-358	-628
Interest paid	-5 121	-5 037	-15 142	-15 040	-20 113
Cash flow from operating activities before changes in working capital	-5 329	-5 178	-16 190	-15 398	-20 741
Cash flow from changes in working capital					
Change in current receivables	-811	603	-4 132	53	-44
Change in current liabilities	-11 247	-9 038	-17 845	-18 865	-18 880
Cash flow from operating activities	-17 387	-13 613	-38 167	-34 210	-39 665
Financing activities					
Shareholders' loan received	–	40 000	–	40 000	40 000
Shareholders contributions received	60 000	–	60 000	20 000	20 000
Cash flow from financing activities	60 000	40 000	60 000	60 000	60 000
Cash flow for the period	42 613	26 387	21 833	25 790	20 335
Cash and cash equivalents at beginning of the period	38 536	38 384	59 316	38 981	38 981
Cash and cash equivalents at end of the period	81 149	64 771	81 149	64 771	59 316

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 2022 are in line with the Group Annual Report for 2021.

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 1.5 m (2.1) 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 402.12 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.

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.

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, November 25, 2022

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 Q4 2022	24 Feb 2023
Annual report 2022	21 April 2023
Interim report Q1 2023	19 May 2023

FURTHER INFORMATION

Further information can be obtained from:

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Switchboard: +46 8 470 50 80

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 Nov 25 2022 at 12.00 CET.

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.