

MAGNOLIA

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Magnolia Bostad
Interim Report
The Group
1 January–
30 September 2021

Q3

Increased focus on properties for self-management

January – September 2021

- Net sales amounted to SEK 552 m (1,785).
- The operating profit was SEK 64 m (+627). Changes in the value of investment properties contributed positively with SEK 107 m (+96).
- The net loss before tax for the period was SEK 70 m (+497) and the loss after tax was SEK 98 m (+486).
- Earnings per share after deductions for minority shares was SEK -2.25 (11.90).

July – September 2021

- Net sales amounted to SEK 93 m (281).
- The operating profit was SEK 90 m (+187) of which SEK 65 m (126) refers to changes in the value of investment properties.
- The net profit before tax for the period was SEK 43 m (+145) and the profit after tax was SEK 29 m (+119).
- Earnings per share after deductions for minority shares was SEK 0.74 (3.00).

Significant events July – September 2021

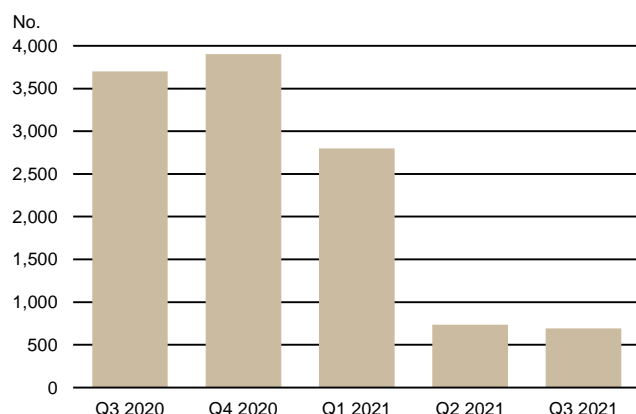
- Acquired land for the development of around 650 residential units in Eskilstuna, Järfälla, Nynäshamn and Svedala
- Acquired a larger conference centre in Österåker to be converted into a school for around 800 students.
- Won a land allocation for the development of around 125 student residences in Göteborg.
- Production started just over 600 residential units, of which around 190 relate to the sale of units in Enköping.
- Delisting on 17 September of Magnolia Bostad's shares from Nasdaq Stockholm due to F Holmström Holding 6 AB holding over 90% of the shares and votes. F Holmström Holding 6 AB is controlled by Holmström-gruppen as well as funds and entities that are managed and advised by Areim AB.

Significant events after the end of the quarter

- Fully redeemed bonds maturing in 2022, totalling SEK 430 m.
- Issued additional green bonds amounting to SEK 225 m under the existing framework maturing in March 2025.

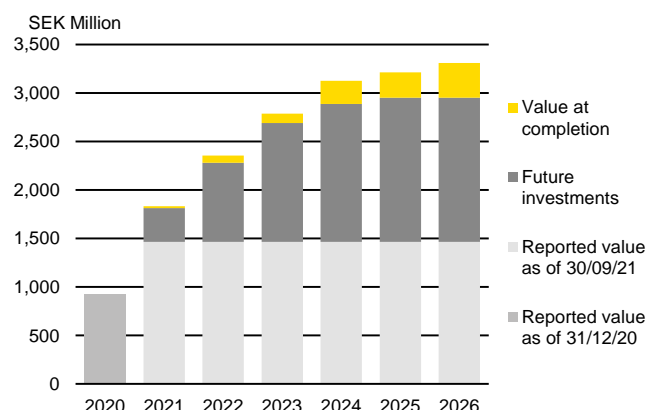
Sold residential units

Rolling 12 months, see page 20.



Properties for self-management

Completed properties and estimated value at completion of properties for self-management currently in production. Magnolia Bostad's direct and indirect ownership. See page 17.



KPIs, Group

	2021 Jan-Sep	2020 Jan-Sep	2021 Jul-Sep	2020 Jul-Sep	2020/2021 Oct-Sep	2020 Jan-Dec
Project-related						
Number of production starts during the period ¹	684	3,219	604	1,121	1,064	3,599
Number of sold residences during the period ¹	266	3,478	189	232	692	3,904
Total number of residences in production ¹	10,369	9,370	10,369	9,370	10,369	9,810
Number of estimated building rights in the portfolio, not yet production started ¹	25,351	20,346	25,351	20,346	25,351	22,731
Financials						
Investment properties (SEK m)	2,069	1,116	2,069	1,116	2,069	1,483
Operating profit/loss	64	627	90	187	343	906
Return on equity (%)	-	-	-	-	8.1	49.4
Equity/assets ratio (%)	32.1	35.8	32.1	35.8	32.1	32.7
Interest coverage ratio (multiple)	-	-	-	-	-0.4	4.1
Share-related						
Earnings per share (SEK)	-2.25	11.91	0.74	3.00	3.24	17.40
Equity per share (SEK) ²	40.64	39.45	40.64	39.45	40.64	42.95

¹ All residences/building rights. No adjustments are made for projects developed in JVs

² Excluding the minority and hybrid loan

CEO's comments

With the new ownership structure that came into force in September, we will accelerate our development of a larger self-management portfolio. During Q3, we started production of just over 600 residential units, of which around 190 relate to sales of a project in Enköping. We took another step forward in our sustainability work and together with other property companies started Sustainable Stockholm 2030 (HS30).

New owners see great potential in Magnolia

Today, Magnolia Bostad is jointly-owned by Areim and former main owner Holmströmgruppen. Our new owners see great potential in Magnolia Bostad's organization and wide-ranging project portfolio. With their support, we can accelerate our development of a larger self-management portfolio.

Due to the fact that in the next few years we will set aside a larger proportion of our building rights portfolio for the development of housing for self-management, our profits will mainly consist of changes in value. When our portfolio with properties for self-management starts to scale up, we will be able to demonstrate an increasing cash flow.

The building rights portfolio - our engine

We are constantly renewing our building rights portfolio with potential building rights. During Q3, we acquired around 650 building rights in Eskilstuna, Järfälla, Nynäshamn and Svedala, and in Göteborg, we won a land allocation competition for about 125 student residences. We also acquired a large conference centre in Österåker to be converted into a school for around 800 students.

The building rights portfolio increases through acquisitions and decreases through production starts and sales. During Q3, we started the production process on just over 600 residential units, of which around 190 relate to sales of a project in Enköping. In total, the building rights portfolio increased slightly and now amounts to around 25,350 estimated building rights.

Green financing – 100% green bonds

During Q3, we began redeeming our bond maturing in 2022 and redeemed it in its entirety in mid-October. This means that we now only have green bonds. In October, we issued additional green bonds totaling SEK 225 m under the existing framework of SEK 1,000 m maturing in March 2025.

A sustainable change in the industry – HS30

At Magnolia Bostad, we care a lot about sustainability in many different areas. Together with five other property companies and the research institute Rise, we started a local sustainability forum during Q3, HS30 (Sustainable Stockholm 2030). Through HS30, we want to work together to reduce the ecological footprint of the housing industry and want to take social sustainability even more seriously. HS30 is focused on the Mälardalen region, and the project will result in useful lessons and concrete measures in environmental, financial, and social sustainability. We are already part of Malmö City's LFM30.



New Deputy CEO

I am glad that our CFO Fredrik Westin has also borne the responsibility as the company's Deputy CEO since September. Fredrik has been the company's CFO since 2016 and in this position has significantly contributed to the growth of Magnolia Bostad.

The future

We are now all back in our offices again and I thank all employees for jointly succeeding together in adapting our way of working through the pandemic. Our workplace is mainly office-based. Here we meet, brainstorm ideas, and build our culture, community, and team spirit. This is where our creativity is born. I look forward to an exciting time with all employees and our new board.

21 October 2021

Johan Tengelin
CEO

This is Magnolia Bostad

Business concept

Magnolia Bostad is an urban developer that develops and manages attractive, sustainable living environments with a good profitability.

Our business

We mainly develop rental properties, but also tenant-owned apartments, community service properties and hotels. Development mainly takes place in Sweden's growth areas and major cities. In order to promote equality, diversity and integration, Magnolia Bostad supports a number of different activities and projects.

By working with several products and forms of tenure, Magnolia Bostad achieves a good spread of risk and becomes an attractive partner for long-term collaboration. Housing is developed both for self-management and for sale. See the business model on page 21.

Owner

Since September 2021, Magnolia Bostad has been jointly controlled by Holmströmgruppen and by funds and entities that are managed and advised by Areim AB.

Business targets

Before the end of 2025, Magnolia Bostad will have at least 4,000 completed residential units for self-management or alternatively have investment properties with a market value of at least SEK 8 bn. This refers to Magnolia Bostad's own ownership and the company's ownership interest in JVs.

Magnolia Bostad must start production of at least 3,000 residential units per year, seen as an average over a business cycle.

Financial goal

The equity/assets ratio must be at least 30%.

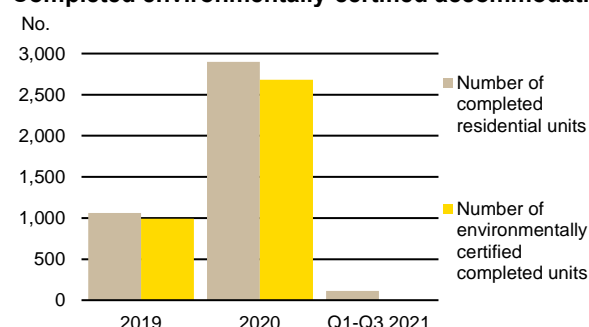
- Update 30 September 2021: 32.1%

Magnolia Bostad's bonds are listed on Nasdaq Stockholm



Sustainability

Completed environmentally-certified accommodation

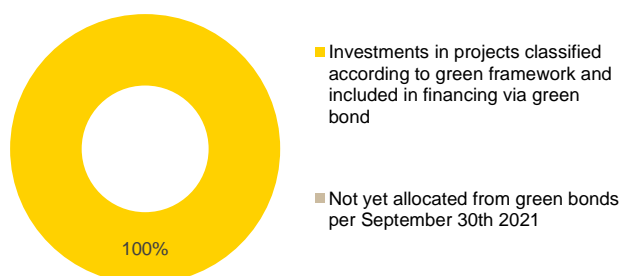


Environmental certifications

The aim is for all projects to be certified according to the Swedish Green Building Council's silver certification or the Nordic Swan Ecolabel. During Q3 2021, no completed projects were certified according to the Swedish Green Building Council's silver certification or the Swan Ecolabel. Eight environmental audits are ongoing, of which four are in the design phase and four are in the production phase. One environmental audit in the design phase has been completed.

Environmental certifications are usually issued on completed projects, but can also be issued before the project is fully finished. Two community service projects were completed during Q3. In 2020, 92% of completed residential units were environmentally certified. The environmental audits are carried out by an external party.

Allocation of green financing totalling SEK 1.05 billion



Green financing

As of 30 September, 71% of the financing via bonds was green. In October, full redemption of the remaining non-green bond took place and green bonds were issued amounting to SEK 225 m under the existing framework of SEK 1,000 m maturing in March 2025. This means that financing via bonds from October is 100% green.

Magnolia Bostad's green framework has been established according to the Green Bonds Principles 2018 category Green Buildings. To be eligible to use the funds in green bonds, projects must be environmentally certified according to the Sweden Green Building Council certification or the Nordic Swan Ecolabel, or built with a wooden frame. During the fourth quarter, Magnolia Bostad will publish its first annual follow-up report on invested funds from green bonds.

About Magnolia Bostad's green shares and bonds:
<https://om.magnoliabostad.se/en/our-green-bonds>

About Magnolia Bostad's sustainability efforts:
<https://om.magnoliabostad.se/en/sustainability>

Consolidated Condensed Income Statement

Amounts in MSEK	2021 Jan-Sep	2020 Jan-Sep	2021 Jul-Sep	2020 Jul-Sep	2020/2021 Oct-Sep	2020 Jan-Dec
Net sales	552	1,785	93	281	1,125	2,358
Production and operating costs	-548	-1,195	-80	-237	-1,117	-1,764
Gross profit/loss	4	590	13	44	8	594
Central administration	-77	-71	-25	-24	-104	-98
Profit/loss from participations in associated companies and joint ventures	30	12	37	41	92	74
- of which net operating income	2	-2	0	-1	2	-2
- of which changes in value	90	71	67	72	183	164
- of which other income and cost	-11	-6	-3	-2	-9	-4
- of which financing costs	-31	-28	-11	-11	-46	-43
- of which tax	-20	-16	-16	-16	-38	-34
- of which results from disposals	0	-7	0	0	0	-7
Change in value, investment properties	107	96	65	126	347	336
Operating profit/loss	64	627	90	187	343	906
Financial income	2	1	1	1	3	2
Financial expenses	-136	-131	-48	-43	-188	-183
Profit/loss before tax	-70	497	43	145	158	725
Income tax	-28	-11	-14	-26	-54	-37
NET PROFIT/LOSS FOR THE PERIOD	-98	486	29	119	104	688
Profit/loss attributable to						
Parent company shareholders	-85	450	28	113	123	658
Non-controlling interests	-13	36	1	6	-19	30
Earnings per share (SEK)						
Before dilution effects	-2.25	11.91	0.74	3.00	3.24	17.40
After dilution effects	-2.25	11.91	0.74	3.00	3.24	17.40

Consolidated Statement of Comprehensive Income

Amounts in MSEK	2021 Jan-Sep	2020 Jan-Sep	2021 Jul-Sep	2020 Jul-Sep	2020/2021 Oct-Sep	2020 Jan-Dec
Net profit/loss for the period	-98	486	29	119	104	688
OTHER COMPREHENSIVE INCOME FOR THE PERIOD						
Total other comprehensive income	0	0	0	0	0	0
COMPREHENSIVE INCOME FOR THE PERIOD	-98	486	29	119	104	688
Comprehensive income attributable to						
Parent Company shareholders	-85	450	28	113	123	658
Non-controlling interests	-13	36	1	6	-19	30

Comments on the results

Comparisons in parentheses refer to the corresponding figure for the previous year except in sections describing the financial position and financing. These figures refer to the end of the previous year.

Reporting period 1 January – 30 June 2021

Net sales amounted to SEK 552 m (1,785) and the operating profit was SEK 64 m (+627). The loss before tax was SEK 70 m (+497).

Distribution of revenue	2021 Jan-Sep	2020 Jan-Sep
Property sales	408	1,569
Sum of revenue recognised at a point in time	408	1,569
Project management	34	33
Rent	14	16
Other invoicing for the projects and other revenue	96	167
Sum of revenue recognised over in time	144	216
TOTAL REVENUE	552	1,785

Cash flow from sales of projects is partly received at the time of the handover of land via forward funding, as Magnolia Bostad is paid by the buyer for investments made up to the handover. Magnolia Bostad often receives part of the project's profit in cash upon handover as well. The remaining part of the cash flow from property sales is received upon project completion. When selling undeveloped properties, the entire purchase price is usually received in connection with the handover.

Other income, such as rent, project management and invoicing for the projects, is reported and invoiced on an ongoing basis. The number of residential units sold was 266 (3,478).

Of the units sold during the period, 189 units were rental units in Enköping with an estimated property value at completion of SEK 435 m sold to Mästerbo. Mästerbo is jointly owned by Estea and CBRE Global Investors. The remaining 77 units are all tenant-owned apartments that have been handed over to tenant-owner buyers in the Ophelias Brygga project in Helsingborg. As revenue is recognized upon handover to the tenant-owner, sales of tenant-owned apartments result in higher sales figures than the corresponding sale of a forward funding project. In addition, undeveloped land has been sold to a jointly-owned JV with Derome, for further development without an impact on earnings.

Development of net operating income	2021 Jan-Sep	2020 Jan-Sep
Rental income		
Properties owned at the beginning of the period	9	9
Completed properties	0	2
Project properties	5	4
Rental income	14	16
Property costs		
Properties owned at the beginning of the period	-3	-3
Completed properties	0	-4
Project properties	-6	-3
Operating costs	-9	-10
Net operating income	5	6

In addition to profits from project sales and net operating income, the gross profit was also affected by fixed costs and other costs for production and operation, which gives a gross profit for the period of SEK 4 m (590).

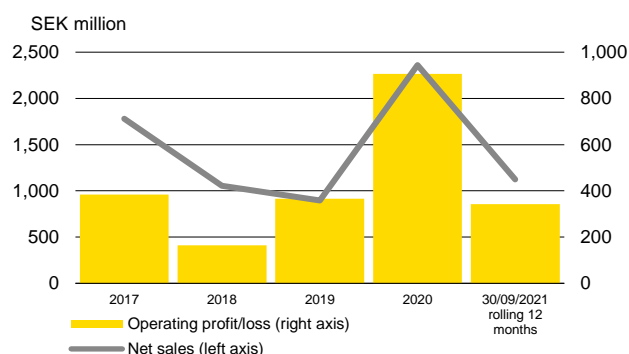
Magnolia Bostad has expanded its organization compared with the same period last year, which explains the increase in central administration costs of SEK -77 m (-71).

The profit from associated companies was SEK 30 m (12), mainly affected by changes in value from project development and financing costs.

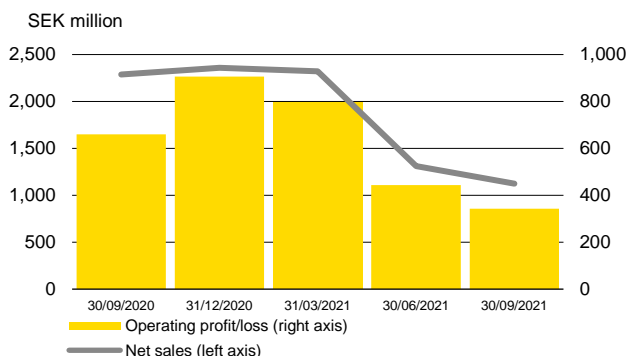
Distribution of profits from associated companies	2021 Jan-Sep	2020 Jan-Sep
Net operating income	2	-2
Other income and expenses	-11	-6
Change in value, project development	88	71
Change in value, other	2	0
Financing costs	-31	-28
Tax	-20	-16
Profit/loss from disposal	0	-7
Total	30	12

Net sales & operating profit/loss, full-year

2017-2018 have not been recalculated due to a changed principle for consolidation of tenant-owner associations



Net sales & operating profit/loss, rolling 12-months



The change in value of investment properties was SEK 107 m (96) and is mainly due to project development work.

Change in value	2021 Jan-Sep	2020 Jan-Sep
Change in net operating income	5	2
Change in project cost	1	-8
Project development	123	126
Change in required return	3	0
Sales	4	2
Sales to JV	-28	-26
Total	107	96

Net financial items

Net financial items amounted to SEK -134 m (-130). At the end of the period, Magnolia Bostad's average interest rate was 6.9% compared to 7.1% at year-end 2020. The interest coverage ratio for the rolling twelve-month period was -0.4 times, compared with 4.1 times in FY 2020.

Profit/loss for the period

The loss for the period was SEK 98 m (+486) and includes SEK -28 m (-11) in income tax.

Reporting period 1 July – 30 September 2021

Net sales amounted to SEK 93 m (281) and the operating profit was SEK 90 m (187). The profit before tax was SEK 43 m (145).

Rental income for the quarter amounted to SEK 5 m (5) and property costs were SEK -3 m (-3), which gives a net operating income for the period of SEK 1 m (2).

Distribution of revenue	2021 Jul-Sep	2020 Jul-Sep
Property sales	68	153
Sum of revenue recognised at a point in time	68	153
Project management	9	13
Rent	5	5
Other invoicing for the projects and other revenue	11	110
Sum of revenue recognised over time	25	128
TOTAL REVENUE	93	281

Revenue from property sales was SEK 68 m (153) and the number of residential units sold during the quarter was 189 (232).

In addition to profits from project sales and net operating income, the gross profit was also affected by fixed costs and other costs for production and operation, which gives a gross profit for the period of SEK 13 m (44).

Magnolia Bostad has expanded the organization compared with the same period last year, which explains the increase in costs for central administration to SEK -25 m (-24).

The profit from associated companies was SEK 37 m (41), mainly affected by changes in value from project development and financing cost.

Distribution of profits from associated companies	2021 Jul-Sep	2020 Jul-Sep
Net operating income	0	-1
Other income and expenses	-3	-2
Change in value, project development	65	71
Change in value, other	2	0
Financing costs	-11	-11
Tax	-16	-16
Profit/loss from disposal	0	0
Total	37	41

The change in value of investment properties was SEK 65 m (126) and is mainly due to project development work.

Change in value	2021 Jul-Sep	2020 Jul-Sep
Change in net operating income	0	2
Change in project cost	-6	-2
Project development	67	128
Change in required return	1	0
Sales	6	2
Sales to JV	-3	-4
Total	65	126

Financing costs during the quarter amounted to SEK -48 m (-43). The increase in financing costs is due to higher interest-bearing liabilities than in the same period last year.

Consolidated Condensed Statement of Financial Position

Amounts in MSEK	2021 30 Sep	2020 30 Sep	2020 31 Dec
ASSETS			
Non-current assets			
Goodwill	6	6	6
Other intangible assets	1	0	0
Total intangible assets	7	6	6
Investment properties	2,069	1,116	1,483
Right of use assets	59	76	72
Machinery and equipment	7	13	12
Total property, plant and equipment	2,135	1,205	1,567
Shares in associated companies and joint ventures	553	240	350
Receivables from associated companies	163	65	45
Other securities held as non-current assets	31	41	41
Other long-term receivables	965	975	1,059
Total financial assets	1,712	1,321	1,495
Total non-current assets	3,854	2,532	3,068
Current assets			
Development and project properties	1,218	1,239	999
Tenant-owned apartments	4	4	11
Accounts receivable	15	28	45
Receivables from associated companies	173	66	136
Other receivables	610	399	742
Prepaid expenses and accrued income	22	12	19
Cash and cash equivalents	521	206	277
Total current assets	2,563	1,954	2,229
TOTAL ASSETS	6,417	4,486	5,297

Assets

The consolidated balance sheet total increased to SEK 6,417 m, compared with SEK 5,297 m at the beginning of the year. Properties held for self-management are reported as investment properties and amounted to SEK 2,069 m (1,483). This increase is due to acquisitions and the fact that several projects that were previously developed for sale have now been reclassified to be developed for self-management.

Of a total of 13,254 non-production-started building rights for development for self-management, 5,574 building rights are reported in the balance sheet among investment properties. In addition, 415 production-started residential units and two completed properties are reported among investment properties.

For the Vårby Udde project, which is currently reported in the balance sheet under investment properties, there is a sales agreement conditional on a zoning plan coming into force with a JV owned with Samhällsbyggnadsbolaget i Norden AB. The sale to the JV will be reported when the zoning plan comes into force and the conditions in the sales agreement are met. The project comprises around 1,800 residential units in Huddinge in Stockholm County and the zoning plan is expected to come into force in 2023. For more information about properties that are being developed for self-management, see pages 17 to 19.

Long-term and short-term receivables from associated companies and JVs have increased by SEK 155 m to SEK 336 m (181). The increase in receivables from associated companies is mainly explained by the receivable for a sale to a jointly owned JV with Derome.

Investment properties	2021 Jan-Sep	2020 Jan-Sep
Opening carrying amount	1,483	654
Reclassifications	230	543
Investments and acquisitions	224	180
Change in value	132	125
Sales to JV	0	0
Divestments	0	-386
Closing carrying amount	2,069	1,116

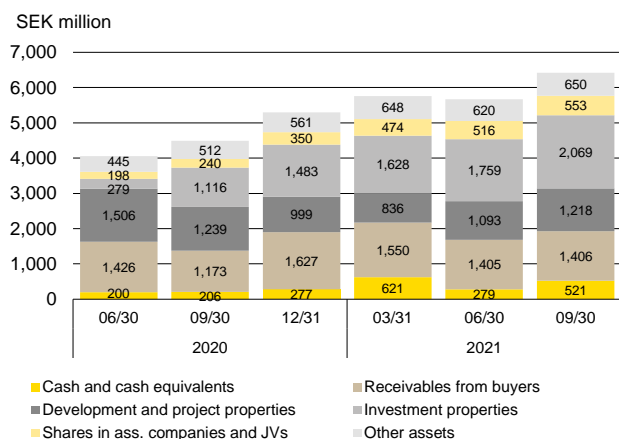
Of the other long-term and other receivables totalling SEK 1,575 m (1,801), SEK 1,406 m (1,627) are receivables from buyers of projects, primarily our partners consisting of property companies and large Swedish institutions. Of receivables from buyers, the Group expects to receive SEK 500 m (625) as repayments of promissory notes, additional purchase price payments, final purchase price payments and forward funding within the next 12 months. Deposits for future property acquisitions amounted to SEK 121 m (119).

Development and project properties have increased and amounted to SEK 1,218 m (999) at the end of the period. The increase is due to the acquisition in Kungsbacka municipality and the Ursvik III project in Sundbyberg municipality.

2,510 building rights have been reported in the balance sheet of 12,097 building rights for sale as development and project properties. Both properties handed over and properties that are controlled via binding acquisition agreements are reported in the balance sheet.

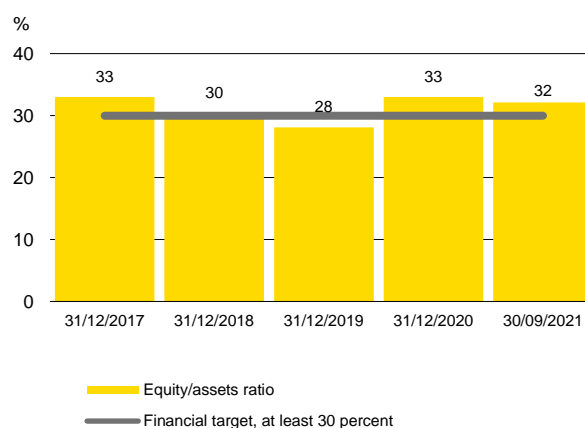
Building rights that are not reported in the balance sheet are owned or controlled by JVs or consist of agreements that are to be regarded as options, such as land allocation agreements or other acquisition agreements conditioned by factors beyond Magnolia Bostad's control. For properties that are being developed for sale, see page 20.

Distribution of assets



Equity/assets ratio

Periods up to and including 2018-12-31 have not been recalculated as a result of a changed principle for consolidation of tenant-owner associations



Consolidated Condensed Statement of Financial Position

Amounts in MSEK	2021 30 Sep	2020 30 Sep	2020 31 Dec
EQUITY AND LIABILITIES			
Equity			
Share capital	151	151	151
Other capital contributions	627	187	187
Retained profits incl. net profit/loss for the period	1,198	1,154	1,286
Equity attributable to Parent Company shareholders	1,977	1,492	1,624
Non-controlling interests	85	114	109
Total equity	2,062	1,606	1,733
Non-current liabilities			
Deferred tax liability	96	43	68
Non-current interest-bearing liabilities	1,818	1,602	1,377
Non-current liabilities to associated companies	23	19	10
Non-current lease liabilities	47	60	57
Other long-term liabilities	552	30	532
Total long-term liabilities	2,536	1,754	2,044
Current liabilities			
Current interest-bearing liabilities	735	375	644
Current lease liabilities	16	18	18
Accounts payable	25	50	65
Liabilities to associated companies	25	3	13
Income tax liabilities	0	0	0
Other current liabilities	856	546	626
Accrued expenses and deferred income	162	134	154
Total current liabilities	1,819	1,126	1,520
TOTAL EQUITY AND LIABILITIES	6,417	4,486	5,297

Equity and equity/asset ratio

Consolidated equity on 30 September 2021 amounted to SEK 2,062 m (1,733) with an equity/assets ratio of 32.1% (32.7). During the year, a hybrid loan was raised, which has a perpetual maturity and is therefore reported as equity in the statement of financial position. Of the Group's equity, SEK 85 m (109) is attributable to non-controlling interests and SEK 440 m is attributable to the hybrid loan raised during the quarter.

Return on equity attributable to the parent company's shareholders for the most recent twelve-month period was 8.1%, compared with 49.4% for the full year 2020.

During the period, Magnolia Bostad acquired a share of non-controlling interests in Magnolia Hotellutveckling 2 AB, which means that Magnolia Bostad's share of the profit from future hotel projects has increased from 76% to 92%.

Interest-bearing liabilities

Total interest-bearing loan liabilities, including interest-bearing down payments received, amounted to SEK 2,553 m (2,021) on 30 September 2021. The majority of Magnolia Bostad's liabilities consist of bonds with a book value of SEK 1,459 m, project-related liabilities of SEK 443 m and promissory notes of SEK 422 m. The remaining interest-bearing liabilities consist of secured property loans of SEK 150 m and received deposits of SEK 77 m.

Repayment of project-related liabilities is made at the time of Magnolia Bostad's handover, or upon the final payment being received from the buyers in connection with project completion. The average tied-up capital period, excluding deposits, amounted to 2.5 years as of 30 September 2021, compared with 2.0 years as of 31 December 2020. In twelve months, the tied-up capital period has been extended by 1.0 years from 1.5 years as of 30 September 2020.

After deductions for cash and cash equivalents of SEK 521 m (277), interest-bearing net liabilities amounted to SEK 2,032 m (1,744).

Receivables from buyers amounted to SEK 1,406 m (1,627) and interest-bearing net liabilities after deductions for receivables from buyers amounted to SEK 626 m (117). The increase in interest-bearing net liabilities after deductions for receivables from buyers is due to investments to develop properties for self-management and continued investments in the building rights portfolio.

Other liabilities

Other long-term liabilities and other current liabilities mainly consist of debt for unpaid purchase prices for acquired projects and have increased by SEK 250 m to SEK 1,408 m (1,159).

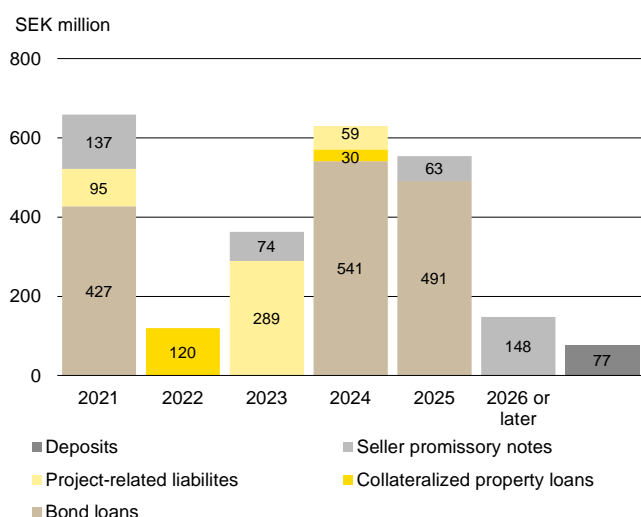
Bonds

As of 30 September 2021, Magnolia Bostad has three outstanding bonds. One unsecured bond of a nominal SEK 430 m, within a framework of SEK 700 m, with a variable interest rate of Stibor 3m + 8.50% (without a Stibor floor) maturing in October 2022. One unsecured green bond of a nominal SEK 550 m within a framework of SEK 700 m, with a variable interest rate of Stibor 3m + 7.50% (with a Stibor floor) maturing in April 2024. An unsecured green bond of a nominal SEK 500 m within a framework of SEK 1 billion, with a variable interest rate of Stibor 3m + 6.90% (with a Stibor floor) maturing in March 2025.

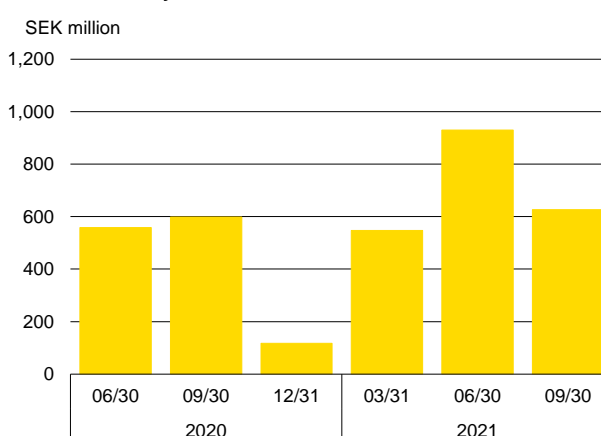
During April, voluntary early redemption of the remaining bonds maturing in October 2021 was completed. In September, Magnolia Bostad announced its intention to issue an additional nominal SEK 225 m under the green framework maturing in 2025 and at the same time carry out an early redemption of the bond maturing in October 2022 with an outstanding nominal amount of SEK 430 million. The issue and early redemption were completed during October 2021.

The difference between the book value of SEK 1,459 m and the nominal amount of the bonds is due to set-up fees paid, which are reported according to the effective interest method.

Maturity structure



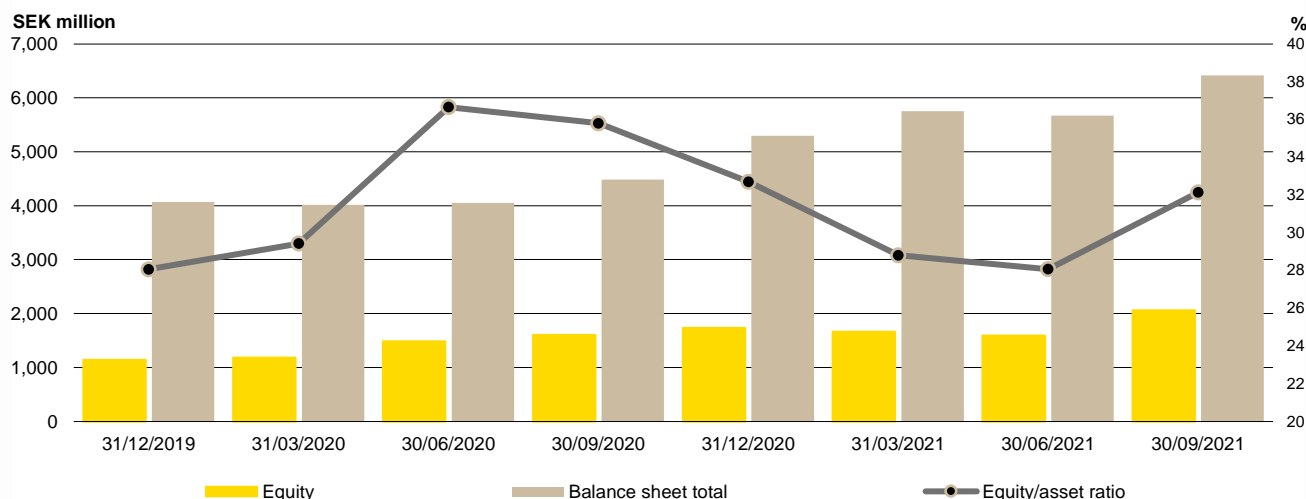
Interest bearing net liabilities with deduction for receivables at buyers



Consolidated Condensed Statement of Changes in Equity

Amounts in MSEK	Share capital	Other capital contributions	Reserves	Retained profits incl. net profit/loss for the year	Non-controlling interests	Total equity
Opening equity 2020-01-01	151	187	0	704	99	1,141
Dividend	-	-	-	-	-21	-21
Net profit/loss for the period	-	-	-	450	36	486
Other comprehensive income	-	-	0	-	0	0
Closing equity 2020-09-30	151	187	0	1,154	114	1,606
Dividend	-	-	-	-76	-	-76
Net profit/loss for the period	-	-	-	208	-6	203
Other comprehensive income	-	-	0	-	0	0
Closing equity 2020-12-31	151	187	0	1,286	109	1,733
Opening equity 2021-01-01	151	187	0	1,286	109	1,733
Dividend	-	-	-	-	-29	-29
Shareholder contributions	-	-	-	-	17	17
Reciprocity of Hybrid loan	-	440	-	-	-	440
Acquisition of non-controlling interests	-	-	-	-3	3	-
Net profit/loss for the period	-	-	0	-85	-13	-98
Other comprehensive income	-	-	0	-	0	0
Closing equity 2021-09-30	151	627	0	1,198	85	2,062

Equity, balance sheet total (SEK million) and equity/asset ratio (%)



Condensed Consolidated Cash Flow Statement

Amounts in MSEK	2021 Jan-Sep	2020 Jan-Sep	2021 Jul-Sep	2020 Jul-Sep	2020/2021 Oct-Sep	2020 Jan-Dec
Operating activities						
Profit/loss after financial items	-70	497	44	145	158	725
Adjustments for non-cash items, etc					0	
Less share of profit/loss from associated companies and joint ventures	-30	-12	-37	-41	-92	-74
Retained dividend from associated companies	1	-	0	-	1	0
Depreciation/amortization and impairment of assets	21	20	7	7	46	45
Fair value changes, investment properties	-107	-96	-67	-126	-347	-336
Capital gains/losses from the sale of development properties	-20	-631	-26	-76	-80	-691
Other profit/loss items that do not affect liquidity	8	10	6	5	11	13
Income tax paid	0	0	0	0	0	0
Cash flow from operating activities before changes in working capital	-197	-212	-73	-86	-303	-318
Decrease (+)/increase (-) of development and project properties	-483	-521	-273	-121	-589	-627
Decrease (+)/increase (-) in current receivables	249	857	-41	338	533	1,141
Decrease (+)/increase (-) in current liabilities	121	66	381	92	264	209
Cash flow from operating activities	-310	190	-6	223	-95	405
Investing activities						
Acquisition of intangible fixed assets	-1	0	-1	0	-1	-
Acquisition of investment properties	-192	-61	-116	0	-245	-114
Acquisition of machinery and equipment	-1	-5	0	-1	-2	-6
Investment in financial assets	-32	-	-1	0	-80	-48
Disposal/reduction of financial assets	4	0	0	0	4	0
Cash flow from investing activities	-222	-66	-118	-1	-324	-168
Financing activities						
Reciprocity of hybrid loan	440	-	440	-	440	-
Contribution from non-controlling interest	17	-	0	-	17	-
Borrowings	807	743	34	19	1,577	1,513
Repayment of borrowings	-459	-1,074	-108	-235	-1,195	-1,810
Dividend paid to parent company's owner	-	-	-	-	-76	-76
Dividend paid to minority interest	-29	-28	-	0	-29	-28
Acquisition of non-controlling interests	0	-	-	-	0	0
Cash flow from financing activities	776	-359	366	-216	734	-401
Cash flow for the period	244	-235	242	6	315	-164
Cash and cash equivalents at the beginning of the period	277	441	279	200	206	441
Cash and cash equivalents at the end of the period	521	206	521	206	521	277

Cash flow and cash equivalents

The consolidated cash flow from operating activities for the period amounted to SEK -310 m (190).

The cash flow for the period was affected by investments in the project portfolio. The cash flow for the period from operating activities excluding investments and other changes to development and project properties amounted to SEK 173 m (711). The cash flow for the period from a reduction in operating receivables of SEK 249 m (857) is mainly due to payments received from buyers of projects.

At the time of handovers Magnolia Bostad receives forward funding for the projects, which means that Magnolia Bostad receives payment for investments made up to handover. Often, part of the project's profit is also received in cash upon exiting the project. The remaining part of the project profit is

usually received upon project completion. This leads to a delay between the timing of reporting sales in the income statement and cash flows received.

Cash flow from investment activities amounted to SEK -222 m (-66) and was affected by investments in investment properties of SEK 192 m (61). The cash flow from financing activities amounted to SEK 776 m (-359) mainly due to a hybrid loan of a nominal SEK 440 million and issued bonds of a nominal SEK 500 m.

Cash and cash equivalents as of 30 September 2021 amounted to SEK 521 m, compared with SEK 277 m on 31 December 2020. In addition to cash and cash equivalents, there was an unutilized credit facility of SEK 464 m (231) as of 30 September 2021, of which an unutilized overdraft facility amounted to SEK 50 m.

Parent Company Condensed Income Statement

Amounts in MSEK	2021 Jan-Sep	2020 Jan-Sep	2021 Jul-Sep	2020 Jul-Sep	2020/2021 Oct-Sep	2020 Jan-Dec
Net sales	15	8	10	2	20	13
Total income	15	8	10	2	20	13
Central administration	-40	-32	-19	-12	-53	-45
Operating profit/loss	-25	-24	-9	-10	-33	-32
Financial income	58	68	18	22	273	283
Financial expenses	-102	-96	-37	-29	-139	-133
Profit/loss after financial items	-69	-52	-28	-17	101	118
Tax on profit/loss for the period	0	0	0	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	-69	-52	-28	-17	101	118

Parent Company Condensed Balance Sheet

Amounts in MSEK	2021 30 Sep	2020 30 Sep	2020 31 Dec
ASSETS			
Non-current assets			
Financial assets	150	154	130
Total non-current assets	150	154	130
Current assets			
Current receivables			
Receivables from Group companies	1,884	1,488	1,718
Receivables from associated companies	24	0	24
Other receivables	0	0	0
Prepaid expenses and accrued income	2	2	7
Total current receivables	1,910	1,490	1,749
Cash and bank balances	436	51	35
Total current assets	2,346	1,541	1,784
TOTAL ASSETS	2,496	1,695	1,914
EQUITY AND LIABILITIES			
Equity	829	365	458
Non-current liabilities			
Non-current interest-bearing liabilities	1,111	1,137	1,056
Total long-term liabilities	1,111	1,137	1,056
Current liabilities			
Current interest-bearing liabilities	428	-	251
Liabilities to Group companies	99	166	114
Other current liabilities	0	2	0
Accrued expenses and deferred income	29	25	35
Total current liabilities	556	193	400
TOTAL EQUITY AND LIABILITIES	2,496	1,695	1,914

Parent company

The parent company does not own any properties. Sales in the parent company primarily refer to invoicing of services to Group companies.

The parent company's loss after financial items was SEK 69 m (-52).

The equity/assets ratio for the parent company was 33.2% (23.9). The balance sheet total for the parent company increased to SEK 2,496 m (1,914). During the year, a hybrid loan was raised, which has a perpetual maturity and is therefore reported as equity in the balance sheet.

Building rights portfolio

30 September 2021, non-production started projects

Building rights portfolio

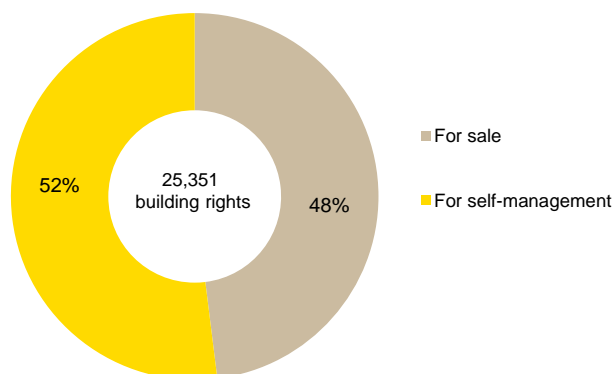
Magnolia Bostad's estimated building rights amounted to 25,351 units. This refers to all building rights, including building rights that are developed in JVs and the share of minority ownership.

During Q3 2021, 652 estimated building rights were acquired and one land allotment in Göteborg won for the development of 126 homes. 230 estimated building rights refer to self-development and 548 refer to development for sale.

Acquisitions during the quarter:

- 230 estimated building rights in Eskilstuna
- 126 estimated building rights in Göteborg
- 96 estimated building rights in Järfälla
- 126 estimated building rights in Nynäshamn
- 200 estimated building rights in Svedala
- a conference centre in Österåker to be converted into a school for around 800 students

Building rights portfolio

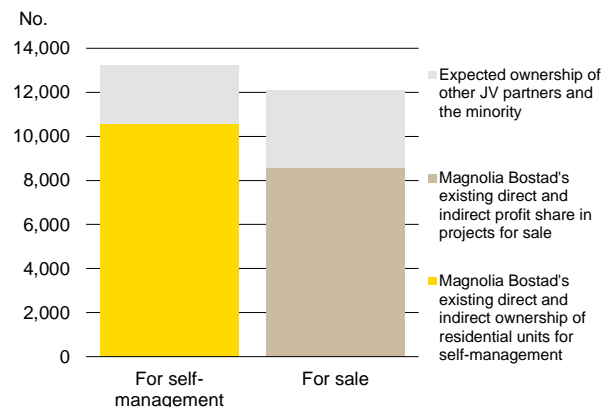


Building rights portfolio, distribution

Magnolia Bostad's building rights portfolio of 25,351 estimated building rights is divided into rights for sale and rights for self-management.

Of Q3's 778 acquired building rights, 252 have zoning plans in force, 230 have adopted zoning plans and 296 have decided on planning assignments.

Building rights portfolio, distribution

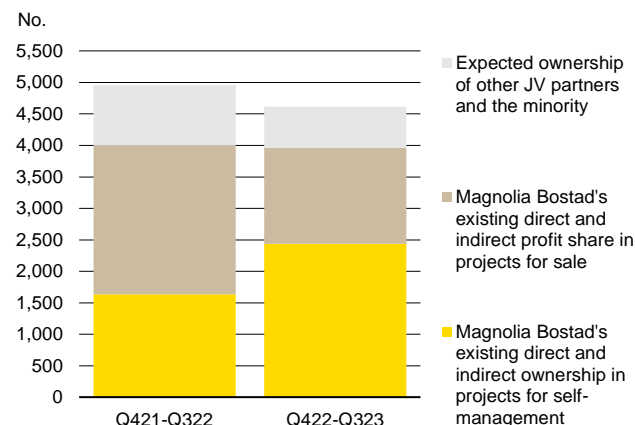


Production starts in the building rights portfolio

Next two years, rolling twelve months.

This is the company management's best estimation of production starts from the building rights portfolio on 30 September 2021. Due to uncertain factors such as zoning plan processes, authorities' decisions, or undecided dates for exiting project properties, the estimation may change over time. For definition of production starts, see page 23.

Production starts in the building rights portfolio



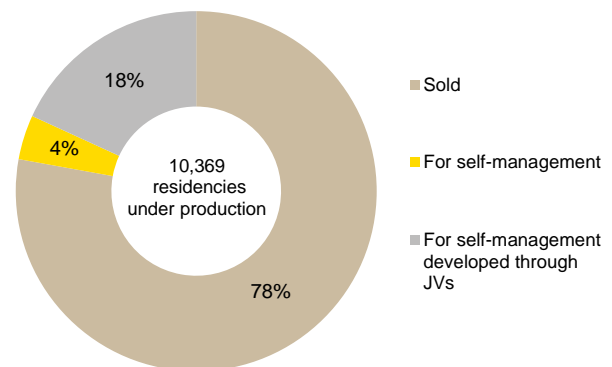
Residential units in production

30 September 2021

Magnolia Bostad has 10,369 residential units in production. 78% of the residential units have been sold, 18 % are units developed through JVs for self-management and 4% are units being developed directly for self-management.

Magnolia Bostad acts as project manager for all units in production, including those that are developed in JVs and minority shareholders' share, and the company reports project management income for this work on an ongoing basis.

Residential units in production



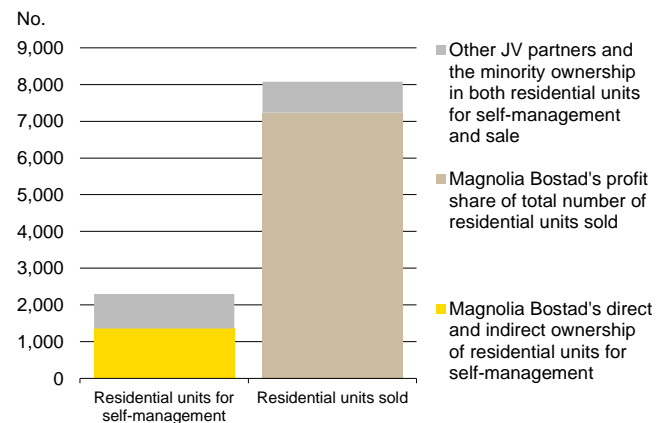
Residential units in production, distribution

Total number of Magnolia Bostad's residential units in production.

Divided into:

- Residential units for self-management and units sold.
- Magnolia Bostad's direct and indirect ownership of residential units for self-management and Magnolia Bostad's profit share of sold units, as well as other JV partners and the minority ownership in both residential units for sale and self-management and profit share of units sold.

Residential units in production, distribution



Estimated completion of residential units in production

Three years ahead, rolling twelve months.

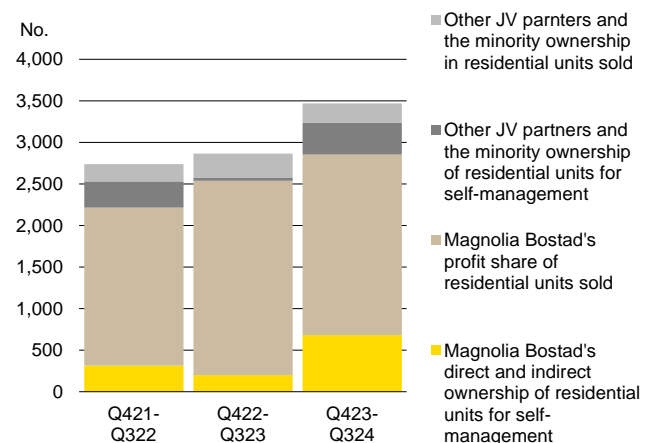
Divided into:

- Magnolia Bostad's direct and indirect ownership of residential units for self-management.
- Magnolia Bostad's profit share of residential units sold.
- Other JV partners and the minority ownership of residential units for self-management.
- Other JV partners and the minority ownership in residential units sold.

Upon completion of the sold units, Magnolia Bostad receives final payment for each project.

114 units were completed during Q3 2021. In 2020, 2,901 residential units were completed.

Estimated completion of residential units in production



Properties for self-management

Properties for self-management in production

The majority of properties for self-management in production as of 30 September 2021, are being developed within JV companies. Upon completion, the property value for these is estimated to amount to SEK 4.2 billion in the JVs, of which Magnolia Bostad's share is estimated at SEK 2.1 billion. By developing within JVs with a financially strong partner, a large part of the financing need for continuing investments of SEK 1.6 billion for all 1,882 residential units that are in production for self-management in JVs has been secured.

Properties to be completed in 2021 are estimated to generate an annual rental value of around SEK 27 m, corresponding to around SEK 14 m for Magnolia Bostad's ownership share in the JV. The final completion for projects currently in production is estimated to be 2026.

Building rights portfolio for self-management

Once zoning plans are in force and after taking into account the initial estimate of costs for demolition, development, planning costs, etc., non-production-started properties for self-management that are currently directly owned by Magnolia Bostad are estimated to have a non-discounted surplus value of SEK 6.8 billion. Non-production-started properties for self-management, which are currently run in JV collaborations, are estimated to have a non-discounted surplus value of around SEK 1.8 billion.

Building rights portfolio for self-management, production-started residential units

Production-started residential units	2,297
Magnolia Bostad's share	1,356
Of which construction started	1,299
Of which not construction started	57
Other JV partners share	941
Of which construction started	884
Of which not construction started	57

Building rights portfolio

Residential units in projects not yet production started, for self-management

Status zoning plan process		RA		CSP		RA + CSP	
		Total	Magnolia Bostad's share	Total	Magnolia Bostad's share	Total	Magnolia Bostad's share
Early stages	0 - 36 months	2,430	2,430	0	0	2,430	2,430
Plan assignments	18 - 24 months	7,480	5,048	214	174	7,694	5,222
Review	2 - 4 months	0	0	0	0	0	0
Adoption of zoning plan	3 weeks, opportunity to appeal	230	230	0	0	230	230
Zoning plan comes into force		2,900	2,025	0	0	2,900	2,025
Total		13,040	9,733	214	174	13,254	9,907

Zoning plan work can be affected by a number of factors and thus delayed due to, for example, political shifts or changed conditions in the development area. An appeal of an adopted plan can delay the process by up to 18 months.

RA = Rental accommodation, CSP = Community service property

The building rights portfolio as of 30 September 2021. The difference between Magnolia Bostad's share and the total consists of JV partners and the minority shares of the building rights.

Value and valuation of properties for self-management

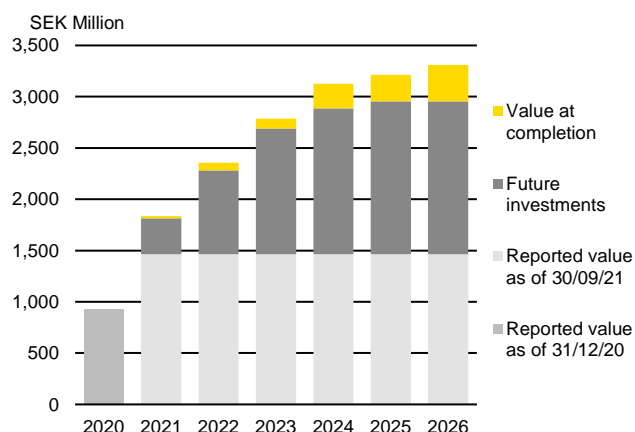
Compilation, properties in self-management

total completed projects, projects in production and projects not yet production started

	Estimated no. of ap.	Rentable space upon completion (sqm)	Reported value (SEK m)	Remaining investment (SEK m)	Est. value upon completion (SEK m)	Estimated annual rental value upon completion (SEK m)
Properties in self-management, completed	68	9,300	229	-	229	14
Properties in self-management, in production	2,297	107,323	2,265	2,285	5,201	245
Properties in self-management, not in production	13,254	736,986	1,633	22,698	33,398	1,625
Total	15,619	853,609	4,127	24,983	38,828	1,884
<i>of which in JV</i>	<i>5,347</i>	<i>279,473</i>	<i>2,549</i>	<i>7,787</i>	<i>12,678</i>	<i>599</i>
Magnolia Bostad's expected share upon completion	12,046	656,373	2,460	19,195	28,564	1,386

Properties for self-management

Completed properties and estimated value of properties for self-management at completion that are already currently in production. Magnolia Bostad's direct and indirect ownership.



During Q1, occupancy began for the Strandblick project in Östersund, and occupancy is expected to be completed during 2021. In 2021, occupancy is expected to begin in the Gjueteriet stage 2 project in Eskilstuna and in the Kronandalen project in Luleå. During Q1 2022 occupancy is expected to begin in the Sportflygaren project in Örebro. The Strandblick, Gjueteriet stage 2, Kronandalen and Sportflygaren projects are owned in JVs together with Slättö Core Plus Holding AB.

The JVs currently have available building credit of SEK 491 m on existing bank financing for future investment needs.

The estimated property value upon completion for projects in production amounts to SEK 5.2 billion and the non-discounted residual surplus value amounts to SEK 0.6 billion. Magnolia Bostad's share of the property value upon completion of the projects in production is estimated at SEK 3.1 billion and the non-discounted residual surplus value is estimated at SEK 0.3 billion.

Over the coming twelve-month period, production is expected to start on additional residential units. For more information on production starts see page 15.

Important information about assumptions

Information about projects in production and non-production-started projects in the interim report, is based on assessments of size, focus and scope and when in time projects are judged to be started and completed. Furthermore, the information is based on assessments of future investments, direct yield, inflation, and rental value. The assessments and assumptions should not be seen as a forecast.

The assessments and assumptions involve uncertainties relating to the implementation of the projects, design and size, schedules, project costs, direct yield, inflation, and future rental value. Information about ongoing projects and non-production-started projects is reviewed regularly and assessments and assumptions are adjusted as a result of projects being started, completed, or added to, and conditions changing. For projects that have not been production-started, financing has not been procured, which means that financing of construction investments in project development is an uncertainty factor. Projects that are currently being run by the company itself may in future be run in JVs.

Changes in value

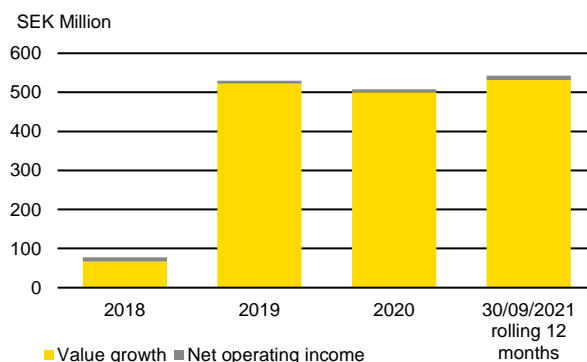
Shows the rolling twelve-month period 1 October 2020 - 30 September 2021, including Magnolia Bostad's share of changes in value of indirectly owned properties in JV companies.

	Directly owned	Indirectly owned via JVs	Total
Change in net operating income	7	0	7
Change in project costs	1	0	1
Project development	330	176	506
Change in direct yield	3	7	10
Sale	34	0	34
Sale to JV	-27	0	-27
Change in value	348	183	531

The majority of reported changes in value come from project development work, which is conducted both in-house and in JVs.

Value growth and net operating income

Value growth and generated net operating income from directly and indirectly owned investment properties.



Changes in the value of investment properties will in future constitute an important part of the operating profit as a result of the development of properties for self-management.

Earning capacity

Earning capacity (SEK m)	Total project portfolio	Completed	Under production	Not production started
Rental value	1,884	14	245	1,625
Vacancies	-12	0	-2	-10
Rental income	1,872	14	243	1,615
Operating and maintenance costs	-412	-3	-54	-355
Net operating income	1,460	11	189	1,260
Net financial items	-748	-6	-97	-645
Net operating income after net financial items	712	5	92	614
<i>of which in JV</i>	<i>227</i>	<i>0</i>	<i>75</i>	<i>151</i>
Magnolia Bostads' share	512	5	54	453

Rental value and earning capacity down to operating net after net financial items are based on the entire portfolio without adjustment for minorities and projects conducted in JV companies. A total of 68 completed homes, 2,297 homes in production and 13,254 not production started homes in the above earning capacity are included. The last project in the portfolio is estimated to be completed in about 15 years.

The table shows the estimated annual earning capacity in investment properties in total for the portfolio, but also divided into completed investment properties, investment properties in production and non-production-started projects. Operating and maintenance costs include operation, maintenance, property fees and administration, but not Magnolia Bostad's share of costs for central administration. Financing costs are calculated at 3% based on an estimated loan-to-value ratio of 70% of the estimated property value.

Projects for sale

Rental accommodation projects are usually sold at an early stage and as a large number of residential units in a forward funding deal to larger institutions or other reputable partners. Through forward funding, Magnolia Bostad's financing needs are reduced as the projects are financed by the buyer.

Magnolia Bostad's projects for sale

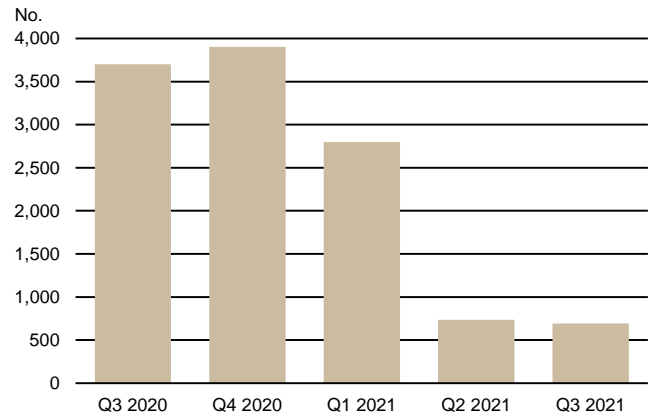
During Q3, 189 rental accommodation units were sold. Characteristic of Magnolia Bostad's business model is that sales can be irregular between quarters.

The production start for building rights in the portfolio for sale occur when the zoning plan has come into force and the turn-key contract, and a binding sales agreement have been signed. Larger projects usually start production in several stages of 200–300 residential units per stage. Magnolia Bostad usually has a project management agreement with the buyer that runs until occupancy. Revenue from tenant-owned apartments is first recognized when the tenant-owned apartments are taken over.

Magnolia Bostad aims to achieve a margin of at least 10% for all projects developed for sale. In sold rental accommodation projects, Magnolia Bostad can, on behalf of and in collaboration with the buyer, sell parts of the sold rental accommodation projects as tenant-owned apartments.

Sold residential units

Rolling 12 months



Building rights portfolio

Not yet production started projects for sale

Status zoning plan process		RA		TO		CSP + H		RA, TO, CSP + H	
		Total	Magnolia Bostad's share	Total	Magnolia Bostad's share	Total	Magnolia Bostad's share	Total	Magnolia Bostad's share
Early stages	0 - 36 months	1,240	1,240	0	0	60	30	1,300	1,270
Plan assignments	18 - 24 months	3,339	2,833	2,163	1,068	375	375	5,877	4,276
Review	2 - 4 months	544	544	0	0	0	0	544	544
Adoption of zoning plan	3 weeks, opportunity to appeal	280	280	0	0	260	260	540	540
Zoning plan comes into force		2,564	2,158	1,272	735	0	0	3,836	2,893
Total		7,967	7,055	3,435	1,803	695	665	12,097	9,523

Zoning plan work can be affected by a number of factors and thus delayed due to, for example, political shifts or changed conditions in the development area. An appeal of an adopted plan can delay the process by up to 18 months.

RA = Rental accommodation, TO = Tenant-owned apartment, CSP = Community service property, H = Hotel

The building rights portfolio as of 30 September 2021. The difference between Magnolia Bostad's share and the total consists of JV partners and the minority shares of the building rights.

Magnolia Bostad's business model

The market is constantly monitored for new business opportunities. Once attractive land has been identified, the company carries out feasibility studies in the form of market analyses and revenue and cost estimates.

After completing acquisitions, we work hard on the zoning plans, often at the same time as negotiating with building contractors for turnkey contracts for the projects. We project manage all projects until occupancy, a period that normally lasts two to three years after construction starts.

Projects are developed for self-management or selling.

- When these projects for self-management are completed, they will contribute long-term value growth and an ongoing cash flow.
- Projects developed for sale are usually sold at an early stage. Buyers are usually financially strong institutions or property companies.

Sustainability

Magnolia Bostad's life cycle perspective means that we take responsibility from the time the residential area is planned until the land in future can be used by future generation. Our aim is for all projects to be environmentally certified according to the Swedish Green Building Council's silver certification, the Nordic Swan Ecolabel, or another equivalent standard.

As urban developers, we work to develop housing that provides the conditions for security, integration, gender equality and health. We do this through working with BoTryggt2030 and also by focusing on girls' and women's football. For example, we support the football players homework preparation, buses to

matches and snacks before football training and summer football schools to promote fitness and integration.

We take part in various local initiatives such as HS30 and LFM30 in order to achieve a faster transition to a sustainable housing industry through collaboration.

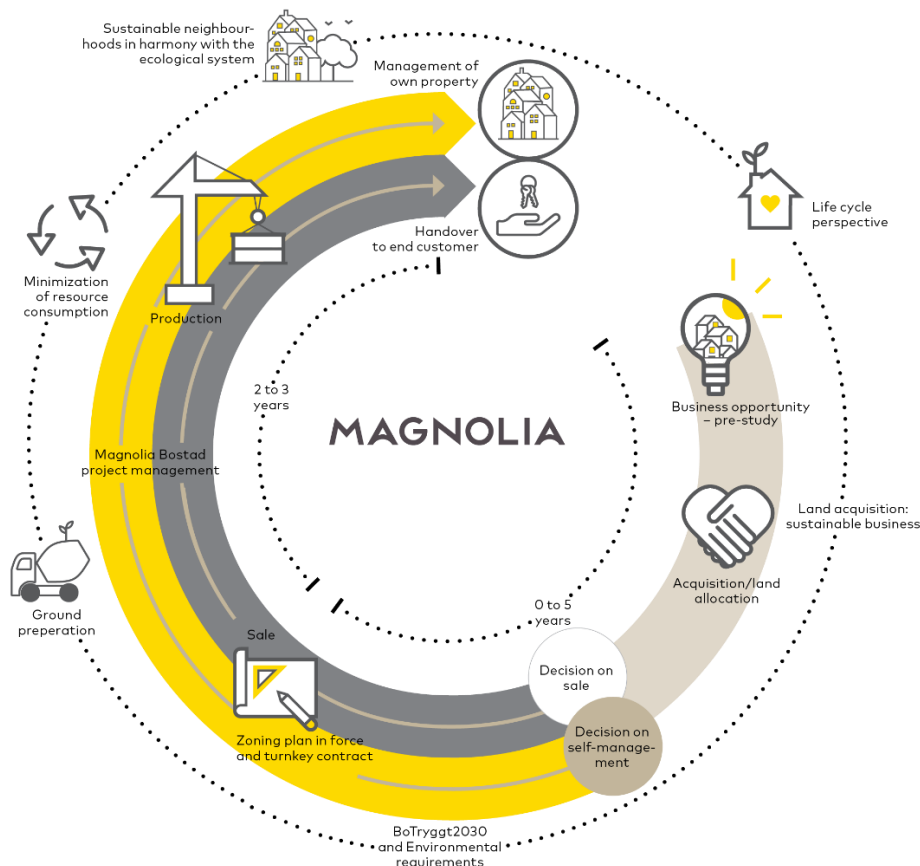
Every employee signs Magnolia Bostad's code of conduct which, among other things, governs the company's business ethics, health and safety, human rights and working conditions.

Financing

Magnolia Bostad's main focus with financing is to provide the business with capital on favourable terms regarding price, interest rate risk and structure. We give preference to green financing and all our financing via bonds is currently green.

The need for financing varies from project to project, depending on how long the development work takes and the type of acquisition in question. Corporate bonds are used to finance the processing of building rights, other parts of the ongoing work to develop the projects and to finance the liquidity reserve. Certain land acquisitions are also initially financed with liquidity from bonds and thus reduce the liquidity reserve. Land acquisitions can, to some extent, also be financed with seller financing. Accessed properties can usually be financed with various project-related liabilities. For completed investment properties and rental-generating project properties, secured property loans are used as much as possible as the average interest rate for this type of financing is lower than for other financing.

For a table with more detailed information, see the maturity structure on page 11.



Other information

Accounting principles

Magnolia Bostad follows the IFRS standards approved by the EU. The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. For the parent company, the interim report has been prepared in accordance with the Annual Accounts Act, which is in accordance with the provisions set out in RFR 2. Disclosures in accordance with IAS 34 Interim Financial Reporting are provided in notes as well as elsewhere in the interim report.

Transactions with related parties

The Group

The Group is subject to controlling influence from F Holmström Holding 6 AB, co. reg. no. 559279-7376, which is domiciled in Stockholm. F Holmström Holding 6 AB is controlled by Holmströmgruppen and funds and entities that are managed and advised on by Areim AB. Transactions with related parties have occurred between the parent company and its subsidiaries and between the subsidiaries in the form of loans of cash and cash equivalents and invoicing of internal administrative services between the companies. All transactions occurred under market terms and conditions.

Of the profit for the period attributable to non-controlling influence of SEK -13 m, SEK -11 m is attributable to Fredrik Lidjan AB's (FLAB's) share of the profit in Magnolia Holding 3 AB, SEK -2 m is attributable to FLAB's share of the profit in Magnolia Holding 4 AB and SEK 0 m is attributable to FLAB's share of the profit in Magnolia Hotellutveckling 2 AB. In addition, there are other non-controlling interests in Moutarde Holding AB.

Board member Andreas Rutili, through companies, has ownership and a right to a share of the profits in the projects Senapsfabriken stage 1 and Senapsfabriken stage 2 through ownership of Moutarde Holding AB.

In March 2021, Magnolia Bostad AB acquired Clas Hjorth's stake of 16% in Magnolia Hotellutveckling 2 AB. Magnolia Bostad's ownership share of Magnolia Hotellutveckling 2 AB after the acquisition amounts to 92% and FLAB's share amounts to 8%. During the quarter, Magnolia Hotellutveckling 2 AB was capitalized through shareholder contributions from the shareholders in relation to their ownership.

During the first half-year, the shareholders of Magnolia Holding 3 AB provided shareholder contributions and dividends were paid to shareholders in Magnolia Holding 4 AB. The transactions have resulted in a net outflow of SEK 12 m to minority owners.

In September 2021, Magnolia Bostad received a capital injection in the form of a hybrid loan issued by F Holmström Holding 6 AB of SEK 440 m.

The scope and focus of other transactions by related parties have not changed significantly since the last Annual Report. For further information, see Note 4, Note 9, and Note 35 in the company's Annual Report for 2020, www.magnolia-bostad.se.

Parent company

In addition to the closely related parties specified for the Group, the parent company has closely related parties that include a controlling influence over their subsidiaries.

Significant risks and uncertainty factors

Magnolia Bostad is exposed to risks and uncertainties through its operations. For information about the Group's risks and uncertainties, please refer to Magnolia Bostad AB's website www.magnoliabostad.se and pages 86-87 and Note 3 in the company's Annual Report for 2020.

Fair value of financial instruments

The fair value of financial assets and liabilities is considered to correspond in all material respects to the book values of all financial instruments except bonds, where the fair value is estimated to amount to SEK 1,524 m (1,052) compared with the book value of SEK 1,461 m (1,019). Bonds belong to the category of financial liabilities valued at accrued acquisition value. The fair value of the bonds has been determined in accordance with level 1 in the fair value hierarchy in accordance with IFRS 13. No changes have occurred in the fair value hierarchy of financial instruments.

Warrants

The Annual General Meeting resolved on 26 April 2017 and 10 May 2019 to issue warrants to the company's employees and the company's key personnel. In 2021, the company repurchased the options from the option holders. The options were cancelled after the repurchase was completed. This was a natural consequence of Magnolia Bostad's shares being delisted from Nasdaq Stockholm on 17 September 2021.

Seasonal variations

Magnolia Bostad's revenue recognition means that full earnings are recognized at the time of sale. This can lead to significant fluctuations between the quarters and the results should therefore be assessed over a longer period of time. Magnolia Bostad's Q3 is usually weaker due to the holiday season falling during this quarter. Otherwise, the business is not affected by any clear seasonal variations.

Organization

Magnolia Bostad's organization is divided into: Business Development, Project Development, Business Generation with specialist functions, Magnolia Architects, Marketing and Communications, Legal and Finance. As of 30 September 2021, the company had 119 (112) employees. Of the number of employees, 57 (63) were women and 62 (49) were men at offices in Stockholm, Norrköping, Göteborg, Malmö and Umeå. Comparative information refers to 31 December 2020. Management consisted of five people. For more information about Magnolia Bostad's executive management, see www.magnoliabostad.se.

Stockholm, 21 October 2021,
Magnolia Bostad AB (publ)
The Board of Directors

Definitions

Alternative KPIs not defined within IFRS

Return on equity, %

Net profit/loss for the period attributable to the parent company's shareholders as a percentage of the average equity attributable to the parent company's shareholders.

Equity per share

Equity attributable to parent company's shareholders divided by the number of outstanding shares before dilution.

Net financial items

Net of financial income and financial expenses.

Cash flow from the operating activities, per share

Cash flow from operating activities divided by the average number of out-standing shares before dilution.

Realized value growth

Revenue from sales of management properties minus acquisition cost, accumulated investments, and cost of sale.

Interest-bearing net liabilities

Interest-bearing liabilities minus cash and cash equivalents.

Interest coverage, multiple

Profit/loss after financial items with reversal of financial expenses and adjustment for changes in value of investment properties and additions for realized value growth of investment properties divided by financial expenses.

Operating profit/loss

Net sales minus costs for production and operation, central administration, depreciation/amortization and impairment of intangible assets and property, plant, and equipment, including profit/loss from participations in associated companies and fair value changes of investment properties.

Equity/assets ratio, %

Equity, including holdings without a controlling influence, as a percentage of the balance sheet total.

Alternative KPIs not defined in IFRS

For reconciliation of alternative KPIs, refer to:

<https://om.magnoliabostad.se/en/esma-key-figures>

Other KPIs

Estimated area based on preliminary blueprints or calculated using standardized figures.

GFA: Gross Floor Area, MUA: Main Usable Area, UFA: Usable Floor Area

Estimated number of building rights

Number of estimated future residential units in acquired properties. Due to uncertainties such as zoning plan processes,

government decisions or non-established dates for vacancy of project properties, assessments of the number of residential units may change over time

Estimated production start, projects for sale

Estimated production start is the management's best assessment of when the zoning plan has come into force and the turnkey contract signed. In order to be able to profit from a project, it is also required that a binding sales agreement has been signed. Due to uncertainties such as zoning plan processes, authorities' decisions, or unspecified dates for the handover of project properties, assessments may change over time.

Estimated production start, projects for self-management

Estimated production start is the management's best assessment of when the zoning plan has come into force and the turnkey contract signed. Due to uncertainties such as zoning plan processes, authorities' decisions, or unspecified dates for the handover of project properties, assessments may change over time.

Construction start

Construction start is when the starting clearance from the municipality's building committee is issued for the project.

Production start, projects for sale

Production starts when the zoning plan has come into force and the turnkey contract, and a binding sales agreement have been signed.

Production start, properties for self-management

The start of production takes place when the zoning plan has come into legal force and the turnkey contract has been signed.

Estimated completion of projects

The time for the estimated completion of a project is when the project is completed and finalized.

Zoning plan process

The zoning plan process is a municipal process that can be affected by a number of factors and thus delayed due to, for example, political change or changed conditions in the development area. An appeal against the adopted plan can delay the process by up to 18 months.

Sales rate

Sold residential units in production divided by units in projects in production.

Sold residential units in production

Number of residential in production where binding sales agreements were signed, and the revenue recognized.

Occupancy rate, %

Leased area in relation to leasable area.

Quarterly overview

		2021			2020			2019
	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
Net sales (SEK million)	93	52	407	572	281	1,058	446	502
Operating profit/loss (SEK million)	90	-2	-25	278	187	348	88	34
Profit/loss after tax (SEK million)	29	-55	-72	202	119	324	41	10
Earnings per share (SEK)	0.74	-1.28	-1.72	5.50	3.00	7.92	0.95	0.11
Equity (SEK million)	2,062	1,592	1,660	1,733	1,606	1,486	1,182	1,141
Equity per share (SEK) ¹	40.64	39.87	41.14	42.95	39.45	36.46	28.50	27.55
Equity/assets ratio (%)	32.1	28.1	28.8	32.7	35.8	36.7	29.4	28.1
Cash flow from operating activities (SEK million)	-6	-130	-172	215	223	-86	-23	209
Cash flow from the operating activities, per share (SEK)	-0.2	-3.4	-4.5	5.7	5.9	-2.3	-0.6	5.5
Number of basic outstanding shares	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283
Number of outstanding shares after full dilution	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283

¹ Excluding the minority and hybrid loan

Financial calendar

- Year-End Report January – December 2021: 24 February 2022
- Annual report 2021: 31 March 2022
- Interim Report January – March 2022: 29 April 2022
- Half-year Report January – June 2022: 7 July 2022
- Interim Report January – September 2022: 27 October 2022

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The information Magnolia Bostad 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 persons, on 21 October 2021 at 07.45 a.m. CEST.

This Interim Report is a translation of the original Swedish Interim Report, which prevails in case of discrepancies between this translation and the Swedish original.

MAGNOLIA

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