

# MAGNOLIA

Find your home with  
Magnolia Bostad

**Magnolia Bostad**

Year-end Report

The Group

1 January–

31 December 2021

# Q4

# Full speed towards a larger portfolio of properties for self-management

## January – December 2021

- Net sales amounted to SEK 1,268 m (2,358).
- The operating profit was SEK 260 m (906). Changes in the value of investment properties contributed positively with SEK 128 m (336).
- The net profit before tax for the period was SEK 75 m (725) and the profit after tax was SEK 50 m (688).
- Earnings per share after deductions for minority shares was SEK 1.59 (17.40).

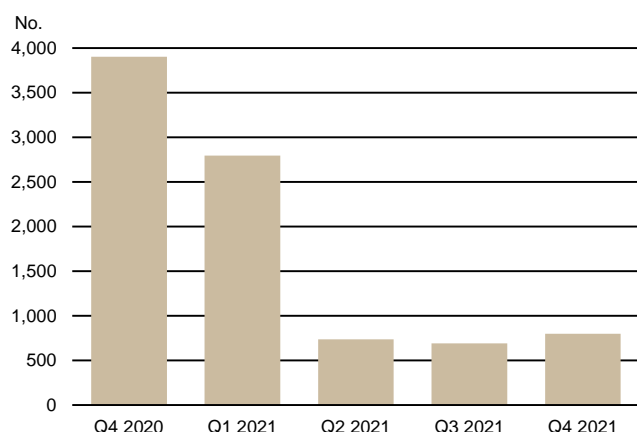
## October – December 2021

- Net sales amounted to SEK 716 m (572).
- The operating profit was SEK 196 m (278) of which SEK 22 m (239) refers to changes in the value of investment properties.
- The net profit before tax for the period was SEK 145 m (227) and the profit after tax was SEK 148 m (202).
- Earnings per share after deductions for minority shares was SEK 3.83 (5.50).

From Q4 2021, the number of residential units is presented as Magnolia Bostad's share including minority interests. Other JV owners' shares are not shown.

## Sold residential units

Rolling 12 months, see page 20.



## Significant events October – December 2021

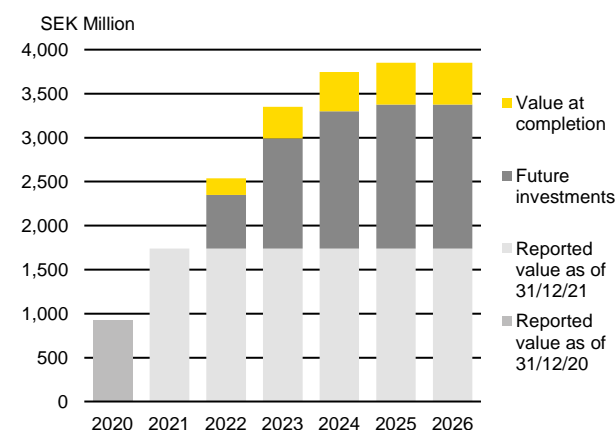
- Won two land allocation competitions for a total of around 500 residential units in Kungälv.
- Sold a total of 534 residential units, in Sundbyberg and Greater Göteborg.
- Formed JV with Niam for joint development of around 350 residential units in Göteborg.
- Listed the company's second green bond on the Sustainable bond list, Nasdaq Stockholm.

## Significant events after the end of the quarter

- Won a land allocation competition in Skellefteå.
- Received an unconditional shareholder contribution of SEK 400 million from HAM Nordic AB.
- The Board of Directors of HAM Nordic AB has decided that all hybrid loans to Magnolia Bostad AB will be converted to unconditional shareholder contributions.
- Carl Lundin was appointed Northern Regional Director.
- Henrik Meeths was appointed as a new member of Magnolia Bostad's management team.

## 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-Dec	2020 Jan-Dec	2021 Oct-Dec	2020 Oct-Dec
<b>Project-related</b>				
Number of production starts during the period	1,615	3,327	971	380
Number of sold residencies during the period	800	3,904	534	426
Total number of residencies in production	9,410	8,607	9,410	8,607
Number of estimated building rights in the portfolio, not yet production started	20,112	18,646	20,112	18,646
<b>Financials</b>				
Investment properties (SEK m)	2,276	1,483	2,276	1,483
Operating profit/loss	260	906	196	278
Return on equity (%)	3.6	49.4	-	-
Equity/assets ratio (%)	38.7	32.7	38.7	32.7
Interest coverage ratio (multiple)	2.2	4.1	-	-
<b>Share-related</b>				
Earnings per share (SEK)	1.59	17.40	3.83	5.50
Equity per share (SEK) <sup>1</sup>	44.34	42.95	44.34	42.95

<sup>1</sup> Excluding the minority and hybrid loan

# CEO's comments

*In 2021, we completed over 1,000 new residential units, started production on just over 1,600 units and added just over 3,600 units to our building rights portfolio, which at the end of the year amounted to just over 20,000 building rights. By the end of 2026, the number of completed properties for self-management must be just over 6,000 completed units.*

## **20,000 building rights and 9,400 residential units in production**

A year goes by quickly, but it packs a lot in, something I know after my first year as CEO. During the year, we added just over 3,600 building rights to our building rights portfolio, which at the end of the year was just over 20,000 building rights. We started the production process on just over 1,600 residencies, of which about half were sold and half are to be developed for self-management. At the same time, over 1,000 residential units were completed. I am happy with the commitment and drive that I see in our organization.

## **New ownership structure enables faster development of properties for self-management**

During the year, our focus on the development of properties for self-management became increasingly clear. In September, we got a new ownership structure, Holmströmgruppen and Areim, and shortly afterwards we delisted Magnolia Bostad's shares from the stock exchange. Through capital contributions from our new owners, we have reached a stronger financial position and can therefore develop more properties for self-management more quickly.

Our target is to own just over 6,000 completed properties for self-management by the end of 2026. During the year, we completed 108 units, which means that we now have a total of 176 self-managed residential units. We will now accelerate our development of properties for self-management in parallel with our continued development activities of properties for sale.

## **Our commitment as an urban developer**

In our role as urban developers, we collaborate with other parties to help with the industry's adaptation to global sustainability goals. During the year, we started HS30 (Sustainable Stockholm 30) with Rise and five other housing developers and we are already involved in LFM30 in Malmö. We also took part in a pilot project on proactive climate calculations, and we began to measure our climate impact in all three greenhouse gas scopes according to the Green House Gas Protocol. In order to set relevant goals to become climate neutral by 2030, we have also applied for a research-based climate goal, a Science-Based Target (SBTi).

As a consequence of our business' focus on sustainability at all levels, green financing feels natural. During the year, we issued another green bond and redeemed an older bond. This means that we now only have green bonds. Our aim is for all our future financing to be sustainable.

We increased our community involvement by supporting Her House which works with sheltered housing for women and through a partnership with Mitt Liv, which runs mentoring programs for academics with foreign backgrounds.



We already work for integration and gender equality, among other things through our involvement in girls' and women's football across the country and we now support around 30 football clubs.

## **The future**

We are now back in our offices after another period of working from home. Once again, I thank all our employees for working together to adapt our working methods during the pandemic.

We are committed and have exciting work ahead of us in completing just over 6,000 properties for self-management within five years. Our journey now begins in earnest towards becoming Sweden's most colourful landlord 2026.

24 February 2022

Johan Tengelin  
CEO

# Sustainable urban development

*Magnolia Bostad contributes to sustainable urban development environmentally, socially and business-ethically as well as financially. Our key sustainability issues are rooted in the UN's global sustainability goals and the Paris Agreement and spread through our life cycle analysis, planning, production, property management and financing.*

## Important sustainability events Jan-Dec 2021

- Environmentally certified, or continued to environmentally certify, around 90% of all completed residential units in 2021.
- Carried out 20 environmental audits through AFRY on 14 projects in the design phase and 6 in the production phase. Of the projects in the design phase, 4 audits were performed during Q4.
- Started in Q4 measuring our climate footprint in all three greenhouse gas (GHG) scopes, in our business and for our projects.
- Applied in Q4 for a research-based climate goal according to the Science Based Target Initiative (SBTi) to work for climate neutrality.
- Formed HS30 (Sustainable Stockholm 2030) with RISE and five other property companies.
- Expanded in Q4 our community involvement by supporting Her House, which works with sheltered housing for women.
- Launched in Q4 our first green bond report.
- Recruited in Q4 Filippa Strandängar as Sustainability Manager for Magnolia Bostad.

## About Magnolia Bostad's sustainability work.

The land that is being prepared and the properties that are being built will be used by generations for many years to come. We work for sustainable construction with energy-efficient technology, healthy material choices, and circular recycling and build at least with criteria based on the Swedish Green Building Council's silver certification, the Nordic Swan Ecolabel or an equivalent. Our projects are third-party audited with environmental audits. Every year, we also carry out a sustainability audit of a turnkey contract.

To create security in the communities we develop BoTryggt 2030 is part of our architecture and project development. We also want to create conditions for security, integration, gender equality and health through community involvement and support for girls' and women's football.

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

All employees, partners and sponsorship partners, sign Magnolia Bostad's code of conduct, which governs the company's business ethics, health and safety, human rights and working conditions.

Our goal is for all our financing to be sustainable when it comes to environmental- and social aspects, see more on page 11. Our corporate bonds are green and follow the company's green framework, which has been established in accordance with the Green Bonds Principles 2018 category Green Buildings.

[About Magnolia Bostad's green bonds](#)

[About Magnolia Bostad's sustainability work](#)

Selection of KPIs	2021 Jan-Dec
<b>Environmental certification according to The Swedish Green Building's Silver Certification, the Nordic Ecolabel or equivalent, planned or completed certifications on</b>	
Completed projects, number of residential units	931
Continuing projects with planned certification, number of residential units	6,058
<b>Sustainability audits</b>	
Environmental audits	20
Audit of turnkey contracts	1
<b>Codes of conduct, signed by</b>	
Employees and partners	100%
Partners in sponsorship	100%
<b>Social sustainability, football clubs Magnolia Bostad supports</b>	
Football clubs, number	28
<b>Green Bonds</b>	
Total volume of outstanding green bonds	1 275 mkr
Scope for new green bonds in line with our green framework	2 015 mkr
Total volume green pool	3 065 mkr



Magnolia Bostad's bonds are listed on Nasdaq Stockholm

# Consolidated Condensed Income Statement

Amounts in MSEK	2021 Jan-Dec	2020 Jan-Dec	2021 Oct-Dec	2020 Oct-Dec
Net sales	1,268	2,358	716	572
Production and operating costs	-1,117	-1,764	-569	-568
<b>Gross profit/loss</b>	<b>151</b>	<b>594</b>	<b>147</b>	<b>4</b>
Central administration	-107	-98	-31	-27
Profit/loss from participations in associated companies and joint ventures	88	74	58	62
- of which net operating income	5	-2	3	0
- of which changes in value	166	164	75	93
- of which other income and cost	-1	-4	10	2
- of which financing costs	-44	-43	-13	-15
- of which tax	-41	-34	-21	-18
- of which results from disposals	3	-7	3	0
Change in value, investment properties	128	336	22	239
<b>Operating profit/loss</b>	<b>260</b>	<b>906</b>	<b>196</b>	<b>278</b>
Financial income	5	2	3	1
Financial expenses	-190	-183	-54	-52
<b>Profit/loss before tax</b>	<b>75</b>	<b>725</b>	<b>145</b>	<b>227</b>
Income tax	-25	-37	3	-25
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>50</b>	<b>688</b>	<b>148</b>	<b>202</b>
<b>Profit/loss attributable to</b>				
Parent company shareholders	60	658	145	208
Non-controlling interests	-10	30	3	-6
<b>Earnings per share (SEK)</b>				
Before dilution effects	1.59	17.40	3.83	5.50
After dilution effects	1.59	17.40	3.83	5.50

# Consolidated Statement of Comprehensive Income

Amounts in MSEK	2021 Jan-Dec	2020 Jan-Dec	2021 Oct-Dec	2020 Oct-Dec
Net profit/loss for the period	50	688	148	202
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>				
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>50</b>	<b>688</b>	<b>148</b>	<b>202</b>
<b>Comprehensive income attributable to</b>				
Parent Company shareholders	60	658	145	208
Non-controlling interests	-10	30	3	-6

# 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 – 31 December 2021

Net sales amounted to SEK 1,268 m (2,358) and the operating profit was SEK 260 m (906). The profit before tax was SEK 75 m (+725).

Distribution of revenue	2021 Jan-Dec	2020 Jan-Dec
Property sales	938	1,973
<b>Sum of revenue recognised at a point in time</b>	<b>938</b>	<b>1,973</b>
Project management	59	52
Rent	19	21
Other invoicing for the projects and other revenue	252	312
<b>Sum of revenue recognised over in time</b>	<b>330</b>	<b>385</b>
<b>TOTAL REVENUE</b>	<b>1,268</b>	<b>2,358</b>

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 project management, rent and invoicing for the projects, is reported and invoiced on an ongoing basis. The number of residential units sold was 800 (3,904).

Of the 800 residential units sold during the period, 356 units refer to rental accommodation in Greater Göteborg, with an estimated value at completion of SEK 1,070 m. 178 units refer to rental accommodation in Sundbyberg with an estimated value upon completion of SEK 590 m and 189 units refer to rental housing in Enköping with an estimated property value at completion of SEK 435 m.

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 JV with Derome, for further development, without an impact on earnings.

Development of net operating income	2021 Jan-Dec	2020 Jan-Dec
<b>Rental income</b>		
Properties owned at the beginning of the period	12	13
Completed properties	0	2
Project properties	7	6
<b>Rental income</b>	<b>19</b>	<b>21</b>
<b>Property costs</b>		
Properties owned at the beginning of the period	-4	-4
Completed properties	0	-3
Project properties	-8	-6
<b>Operating costs</b>	<b>-12</b>	<b>-13</b>
<b>Net operating income</b>	<b>7</b>	<b>8</b>

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 151 m (594).

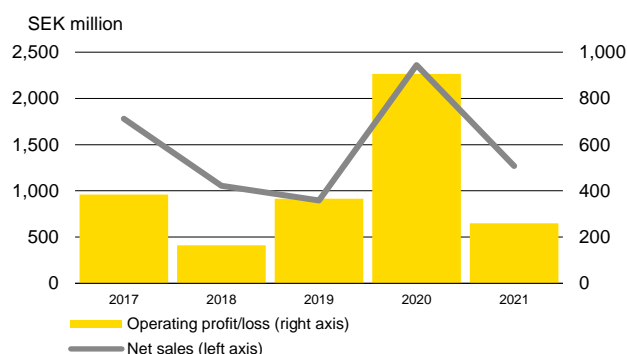
Magnolia Bostad has expanded its organization compared with the same period last year, which explains the increase in central administration costs of SEK -107 m (-98).

The profit from associated companies was SEK 88 m (74), mainly affected by changes in value from project development and financing costs.

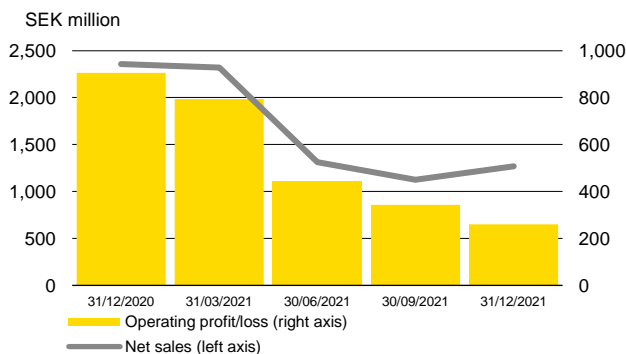
Distribution of profits from associated companies	2021 Jan-Dec	2020 Jan-Dec
Net operating income	5	-2
Other income and expenses	-1	-4
Change in value, project development	154	154
Change in value, other	12	10
Financing costs	-44	-43
Tax	-41	-34
Profit/loss from disposal	3	-7
<b>Total</b>	<b>88</b>	<b>74</b>

### 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 128 m (336) and is mainly due to project development work

Change in value	2021 Jan-Dec	2020 Jan-Dec
Change in net operating income	5	4
Change in project cost	-24	-8
Project development	139	332
Change in required return	13	1
Sales	21	32
Sales to JV	-26	-25
<b>Total</b>	<b>128</b>	<b>336</b>

#### Net financial items

Net financial items amounted to SEK -185 m (-181). At the end of the period, Magnolia Bostad's average interest rate was 6.7% compared to 7.1% at year-end 2020. The interest coverage ratio for the rolling twelve-month period was 2.2 times, compared with 4.1 times in FY 2020. The decrease in interest cover ratio is due to fewer sold units.

#### Profit/loss for the period

The loss for the period was SEK 50 m (+688) and includes SEK -25 m (-37) in deferred income tax.

#### Reporting period 1 October – 31 December 2021

Net sales amounted to SEK 716 m (572) and the operating profit was SEK 196 m (278). The profit before tax was SEK 145 m (227).

Distribution of revenue	2021 Oct-Dec	2020 Oct-Dec
Property sales	530	404
<b>Sum of revenue recognised at a point in time</b>	<b>530</b>	<b>404</b>
Project management	25	19
Rent	5	5
Other invoicing for the projects and other revenue	156	144
<b>Sum of revenue recognised over time</b>	<b>186</b>	<b>168</b>
<b>TOTAL REVENUE</b>	<b>716</b>	<b>572</b>

Revenue from property sales was SEK 530 m (404) and the number of residential units sold during the quarter was 534 (426).

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 2 m (2).

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 147 m (4).

Magnolia Bostad has expanded the organization compared with the same period last year, which explains the increase in costs for central administration to SEK -31 m (-27).

The profit from associated companies was SEK 58 m (62), mainly affected by changes in value from ongoing project development and financing cost.

Distribution of profits from associated companies	2021 Oct-Dec	2020 Oct-Dec
Net operating income	3	0
Other income and expenses	10	2
Change in value, project development	65	86
Change in value, other	10	7
Financing costs	-13	-15
Tax	-21	-18
Profit/loss from disposal	3	0
<b>Total</b>	<b>58</b>	<b>62</b>

The change in value of investment properties was SEK 22 m (239) and is mainly due to changed cost estimates, project development work and the quarter's sales of Öresjö Ångar Berget.

Change in value	2021 Oct-Dec	2020 Oct-Dec
Change in net operating income	0	2
Change in project cost	-25	1
Project development	19	206
Change in required return	10	1
Sales	17	30
Sales to JV	2	-1
<b>Total</b>	<b>22</b>	<b>239</b>

Financing costs during the quarter amounted to SEK -54 m (-52).

# Consolidated Condensed Statement of Financial Position

Amounts in MSEK	2021 31 Dec	2020 31 Dec
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	6	6
Other intangible assets	1	0
<b>Total intangible assets</b>	<b>7</b>	<b>6</b>
Investment properties	2,276	1,483
Right of use assets	55	72
Machinery and equipment	7	12
<b>Total property, plant and equipment</b>	<b>2,338</b>	<b>1,567</b>
Shares in associated companies and joint ventures	607	350
Receivables from associated companies	159	45
Other securities held as non-current assets	31	41
Other long-term receivables	1,179	1,059
<b>Total financial assets</b>	<b>1,976</b>	<b>1,495</b>
<b>Total non-current assets</b>	<b>4,320</b>	<b>3,068</b>
<b>Current assets</b>		
Development and project properties	810	999
Tenant-owned apartments	4	11
Accounts receivable	16	45
Receivables from associated companies	217	136
Other receivables	608	742
Prepaid expenses and accrued income	11	19
Cash and cash equivalents	233	277
<b>Total current assets</b>	<b>1,899</b>	<b>2,229</b>
<b>TOTAL ASSETS</b>	<b>6,219</b>	<b>5,297</b>



## Assets

The consolidated balance sheet total increased to SEK 6,219 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 2,276 m (1,483). This increase is due to acquisitions and that several projects that were previously developed for sale now are reclassified to development for self-management.

Development and project properties have increased and amounted to SEK 810 m (999) at the end of the period. The decrease is due to the increased scope of development for self-management. For more information on properties for sale, see page 20.

Participations in associated companies and joint ventures have increased and amounted to SEK 607 m (350). The increase during the year is explained by the JV that was formed with KF Fastigheter to develop 950 residential units in Upplands Bro municipality, shareholder contributions to finance development in other existing JV companies, and the share of profits from project development profits in JVs.

Investment properties	2021 Jan-Dec	2020 Jan-Dec
Opening carrying amount	1,483	654
Reclassifications	263	543
Investments and acquisitions	468	817
Change in value	155	360
Sales to JV	-	-186
Divestments	-93	-705
Closing carrying amount	2,276	1,483

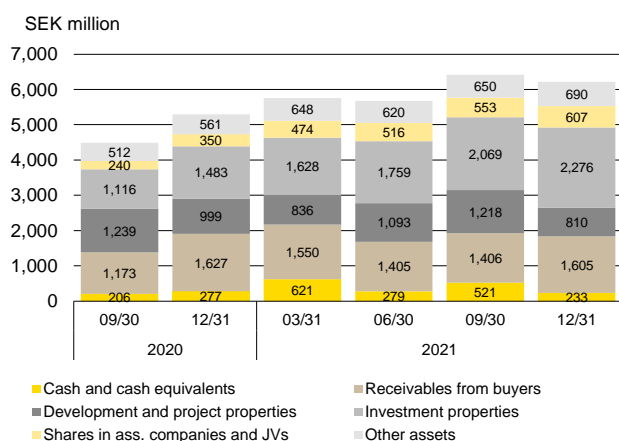
The Strandblick project in Östersund, with a total of 216 residential units owned in a JV together with Slättö, was completed during the year. During the year, occupancy also began in two more projects in the same JV and all four projects developed in the JV company are expected to be completed in 2022. The total reported value for Magnolia Bostad's share of the JV amounted to SEK 103 m. Underlying property value in the JV amounted to SEK 1,165 m. In addition, Magnolia Bostad has two more JVs with Slättö, one JV with Heimstaden and one JV with SBB for the development of properties for self-management with one or more projects in production in each JV.

In addition to JVs for developing properties for self-management, Magnolia Bostad, with Alecta, is the owner of a JV that owns Stinsen's shopping centre in Sollentuna, where a zoning plan is being processed to develop residential units. Magnolia Bostad also has a JV with Derome for the development and sale of detached houses and a JV with SBB to develop a total of 285 residential units in Nykvarn.

Long-term and short-term receivables from associated companies and JVs have increased by SEK 195 to SEK 376 m (181). The increase in receivables is mainly explained by the receivable for the sale of land in Läggesta to a jointly-owned JV with Derome for future development of an estimated 486 residential units.

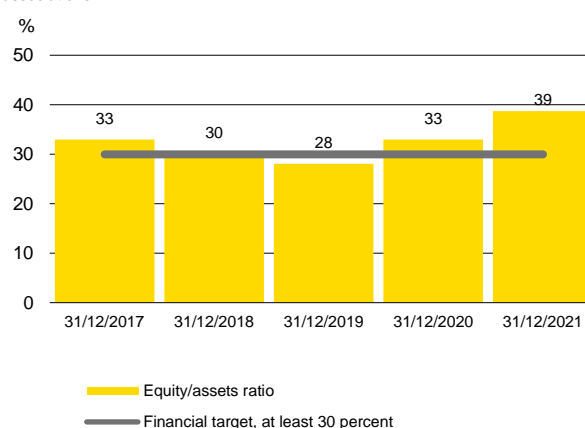
Of the other long-term and other receivables totalling SEK 1,787 m (1,801), SEK 1,605 m (1,627) are receivables from buyers of projects, primarily our partners consisting of property companies and large Swedish institutions. Of receivables from buyers, the Group expects to receive SEK 515 m (625) as 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 118 m (119).

## Distribution of assets



## Equity/assets ratio

Periods up to and including 31/12/2018 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 31 Dec	2020 31 Dec
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	151	151
Other capital contributions	823	187
Retained profits incl. net profit/loss for the period	1,342	1,286
<b>Equity attributable to Parent Company shareholders</b>	<b>2,317</b>	<b>1,624</b>
Non-controlling interests	89	109
<b>Total equity</b>	<b>2,406</b>	<b>1,733</b>
<b>Non-current liabilities</b>		
Deferred tax liability	94	68
Non-current interest-bearing liabilities	2,025	1,377
Non-current liabilities to associated companies	22	10
Non-current lease liabilities	43	57
Other long-term liabilities	587	532
<b>Total long-term liabilities</b>	<b>2,771</b>	<b>2,044</b>
<b>Current liabilities</b>		
Current interest-bearing liabilities	130	644
Current lease liabilities	16	18
Accounts payable	27	65
Liabilities to associated companies	24	13
Income tax liabilities	0	0
Other current liabilities	674	626
Accrued expenses and deferred income	171	154
<b>Total current liabilities</b>	<b>1,042</b>	<b>1,520</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,219</b>	<b>5,297</b>

## Equity and equity/asset ratio

Consolidated equity on 31 December 2021 amounted to SEK 2,406 m (1,733) with an equity/assets ratio of 38.7% (32.7). Magnolia Bostad's financial goal is that the equity/assets ratio must be at least 30%.

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 89 m (109) is attributable to non-controlling interests and SEK 640 m is attributable to the hybrid loan.

Return on equity attributable to the parent company's shareholders for the most recent twelve-month period was 3.6 %, 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%.

## Financing

Magnolia Bostad's main focus in financing is to provide the business with capital on favourable terms regarding sustainability, price, interest rate risk and structure. Our goal is for new financing to be sustainable based on environmental and social aspects, which can happen within a couple of years. At present, all of our outstanding bond schemes are green. As a sustainable urban developer, it is essential for Magnolia Bostad to use sustainable financing. See page 4.

The need for financing varies from project to project, depending on how long the development work takes and the type of acquisition in question. Development for our own portfolio, forward funding or tenant-owner apartments have different financing needs. 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. 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.

### Interest-bearing liabilities

Total interest-bearing loan liabilities, including interest-bearing down payments received, amounted to SEK 2,155 m (2,021) on 31 December 2021. The majority of Magnolia Bostad's liabilities consist of bonds with a book value of SEK 1,259 m, project-related liabilities of SEK 382 m and promissory notes of SEK 285 m. The remaining interest-bearing liabilities consist of secured property loans of SEK 148 m, received deposits of SEK 77 m and credit facilities of SEK 5 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 2.9 years as of 31 December 2021, compared with 2.0 years as of 31 December 2020.

After deductions for cash and cash equivalents of SEK 233 m (277), interest-bearing net liabilities amounted to SEK 1,922 m (1,744). Receivables from buyers amounted to SEK 1,605 m (1,627) and interest-bearing net liabilities after deductions for receivables from buyers amounted to SEK 317 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.

### Bonds

As of 31 December 2021, Magnolia Bostad has two outstanding bonds.

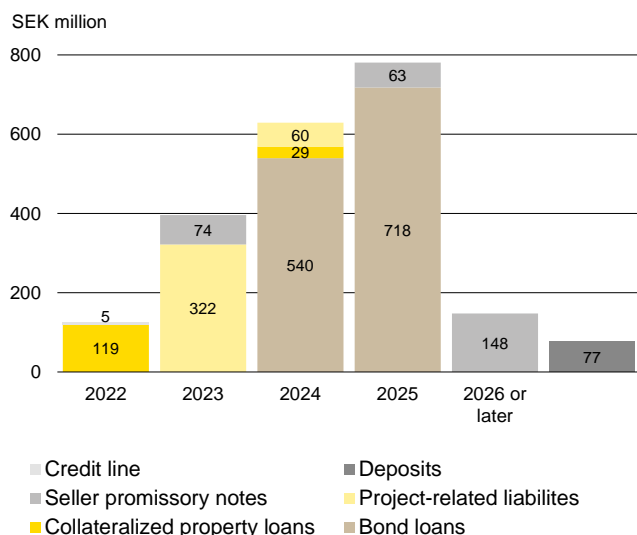
- A green unsecured bond of a nominal SEK 550 m within a framework of SEK 700 m, with a variable interest rate of Stibor 3m + 7.50% (with a Stibor floor) maturing in April 2024.
- A green unsecured bond of a nominal SEK 725 m within a framework of SEK 1,000 m, with a variable interest rate of Stibor 3m + 6.90% (with a Stibor floor) maturing in March 2025.

The difference between the book value of SEK 1,259 m and the nominal amount of the bonds is due to set-up fees paid, which are reported according to the effective interest method.

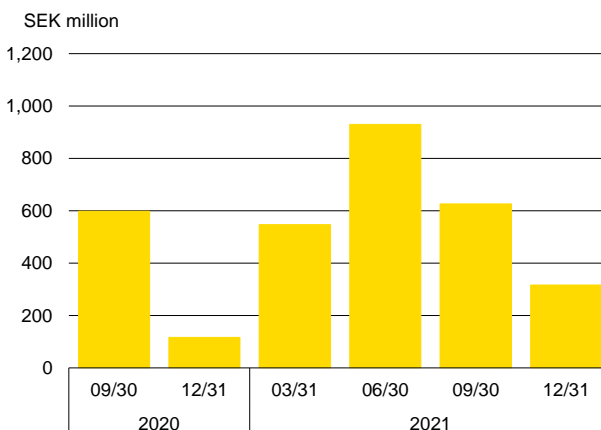
### Other liabilities

Other long-term liabilities and other current liabilities mainly consist of debt for unpaid purchase prices for acquired projects and have increased by SEK 107 million to SEK 1,266 million (1,159).

### Maturity structure



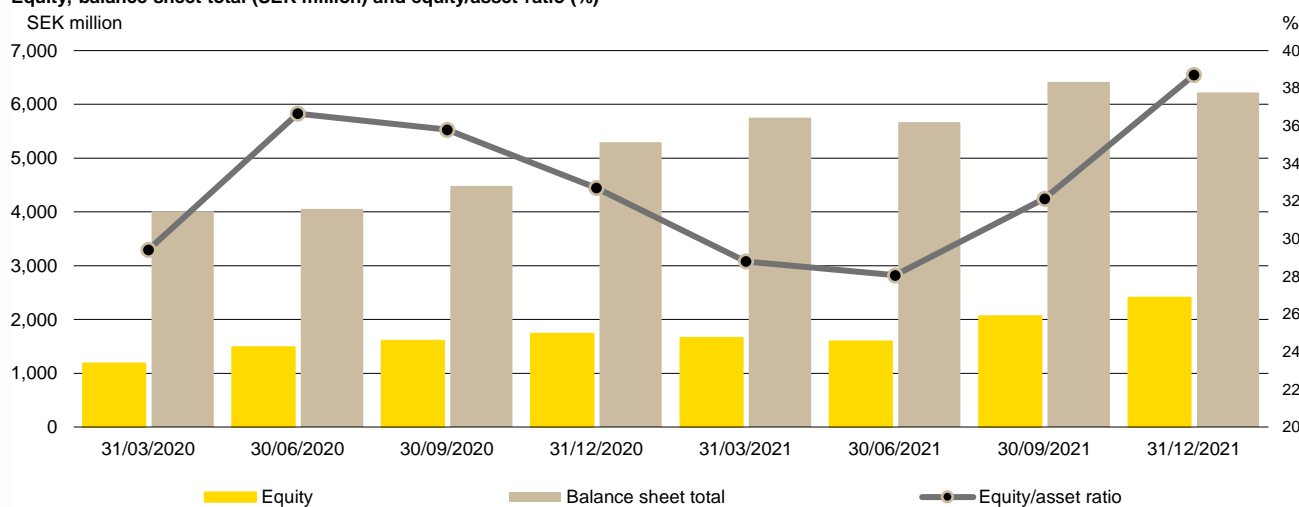
### Interest bearing net liabilities with deduction for receivables at buyers



# 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
<b>Opening equity 2020-01-01</b>	<b>151</b>	<b>187</b>	<b>0</b>	<b>704</b>	<b>99</b>	<b>1,141</b>
Dividend	-	-	-	-76	-21	-97
Net profit/loss for the period	-	-	-	658	30	688
Other comprehensive income	-	-	0	-	0	0
<b>Closing equity 2020-12-31</b>	<b>151</b>	<b>187</b>	<b>0</b>	<b>1,286</b>	<b>109</b>	<b>1,733</b>
Opening equity 2021-01-01	151	187	0	1,286	109	1,733
Dividend	-	-	-	-	-29	-29
Shareholder contributions	-	-	-	-	17	17
Reciprocity of Hybrid loan	-	640	-	-	-	640
Repurchase of warrants	-	-4	-	-	-	-4
Acquisition of non-controlling interests	-	-	-	-3	3	0
Net profit/loss for the period	-	-	0	60	-10	50
Other comprehensive income	-	-	0	-	0	0
<b>Closing equity 2021-12-31</b>	<b>151</b>	<b>823</b>	<b>0</b>	<b>1,342</b>	<b>89</b>	<b>2,406</b>

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



# Condensed Consolidated Cash Flow Statement

Amounts in MSEK	2021 Jan-Dec	2020 Jan-Dec	2021 Oct-Dec	2020 Oct-Dec
<b>Operating activities</b>				
Profit/loss after financial items	75	725	145	227
Adjustments for non-cash items, etc				
Less share of profit/loss from associated companies and joint ventures	-88	-74	-58	-62
Retained dividend from associated companies	20	0	19	-
Depreciation/amortization and impairment of assets	27	45	6	25
Fair value changes, investment properties	-128	-336	-22	-240
Capital gains/losses from the sale of development properties	-206	-691	-186	-60
Other profit/loss items that do not affect liquidity	12	13	4	3
Income tax paid	0	0	0	0
<b>Cash flow from operating activities before changes in working capital</b>	<b>-288</b>	<b>-318</b>	<b>-91</b>	<b>-107</b>
Decrease (+)/increase (-) of development and project properties	-432	-627	51	-106
Decrease (+)/increase (-) in current receivables	292	1 141	43	285
Decrease (+)/increase (-) in current liabilities	123	209	2	143
<b>Cash flow from operating activities</b>	<b>-306</b>	<b>405</b>	<b>5</b>	<b>215</b>
<b>Investing activities</b>				
Acquisition of intangible fixed assets	-1	0	0	0
Acquisition of investment properties	-394	-114	-202	-53
Acquisition of machinery and equipment	-1	-6	0	-1
Disposal of investment properties	142	-	142	-
Investment in financial assets	-53	-48	-21	-48
Disposal/reduction of financial assets	4	0	0	0
<b>Cash flow from investing activities</b>	<b>-303</b>	<b>-168</b>	<b>-81</b>	<b>-102</b>
<b>Financing activities</b>				
Reciprocity of hybrid loan	640	-	200	-
Contribution from non-controlling interest	17	-	0	-
Repurchase of warrants	-4	0	-4	-
Borrowings	1 170	1 513	363	770
Repayment of borrowings	-1 229	-1 810	-770	-736
Dividend paid to parent company's owner	-	-76	-	-76
Dividend paid to minority interest	-29	-28	0	0
Acquisition of non-controlling interests	0	-	-	-
<b>Cash flow from financing activities</b>	<b>565</b>	<b>-401</b>	<b>-211</b>	<b>-42</b>
<b>Cash flow for the period</b>	<b>-44</b>	<b>-164</b>	<b>-287</b>	<b>71</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>277</b>	<b>441</b>	<b>521</b>	<b>206</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>233</b>	<b>277</b>	<b>233</b>	<b>277</b>

## Cash flow and cash equivalents

The consolidated cash flow from operating activities for the period amounted to SEK -306 m (+405).

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 126 m (1,032). The cash flow for the period from a reduction in operating receivables of SEK 292 m (1,141) 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 -303 m (-168) and was affected by investments in investment properties of SEK -394 m (-114) and sales of investment properties of SEK 142 m (-). The cash flow from financing activities amounted to SEK 565 m (-401). Loans raised during the year amounted to SEK 1,170 m, of which SEK 730 m was attributable to the green bond issued during the year. In addition, a hybrid loan of SEK 640 million was raised. Amortization during the year amounted to SEK -1,229 m.

Cash and cash equivalents as of 31 December 2021 amounted to SEK 233 m (277). In addition to cash and cash equivalents, there was an unutilized credit facility of SEK 123 m (490) as of 31 December 2021, of which an unutilized overdraft facility amounted to SEK 45 m.

# Parent Company Condensed Income Statement

Amounts in MSEK	2021 Jan-Dec	2020 Jan-Dec	2021 Oct-Dec	2020 Oct-Dec
Net sales	18	13	3	5
<b>Total income</b>	<b>18</b>	<b>13</b>	<b>3</b>	<b>5</b>
Central administration	-49	-45	-10	-13
<b>Operating profit/loss</b>	<b>-31</b>	<b>-32</b>	<b>-7</b>	<b>-8</b>
Financial income	84	301	26	233
Financial expenses	-165	-151	-62	-55
<b>Profit/loss after financial items</b>	<b>-112</b>	<b>118</b>	<b>-43</b>	<b>170</b>
Tax on profit/loss for the period	0	0	0	0
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>-112</b>	<b>118</b>	<b>-43</b>	<b>170</b>

# Parent Company Condensed Balance Sheet

Amounts in MSEK	2021 31 Dec	2020 31 Dec
<b>ASSETS</b>		
<b>Non-current assets</b>		
Financial assets	128	130
<b>Total non-current assets</b>	<b>128</b>	<b>130</b>
<b>Current assets</b>		
<b>Current receivables</b>		
Receivables from Group companies	2,213	1,718
Receivables from associated companies	28	24
Other receivables	1	0
Prepaid expenses and accrued income	0	7
<b>Total current receivables</b>	<b>2,242</b>	<b>1,749</b>
Cash and bank balances	59	35
<b>Total current assets</b>	<b>2,301</b>	<b>1,784</b>
<b>TOTAL ASSETS</b>	<b>2,429</b>	<b>1,914</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>982</b>	<b>458</b>
<b>Non-current liabilities</b>		
Non-current interest-bearing liabilities	1,337	1,056
<b>Total long-term liabilities</b>	<b>1,337</b>	<b>1,056</b>
<b>Current liabilities</b>		
Current interest-bearing liabilities	-	251
Liabilities to Group companies	90	114
Other current liabilities	0	0
Accrued expenses and deferred income	20	35
<b>Total current liabilities</b>	<b>110</b>	<b>400</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,429</b>	<b>1,914</b>

## 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 -112 m (+118).

The equity/assets ratio for the parent company was 40.4% (23.9). The balance sheet total for the parent company increased to SEK 2,429 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

31 December 2021, non-production started projects

## Building rights portfolio

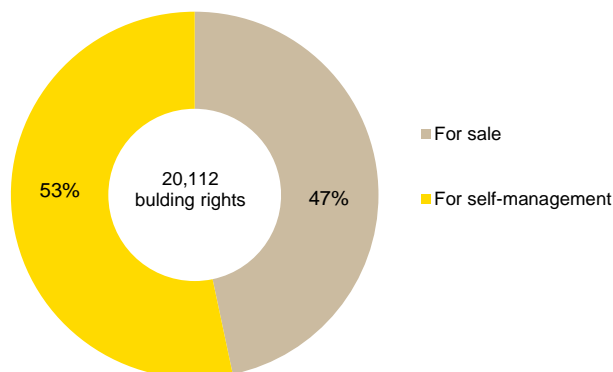
Magnolia Bostad's estimated building rights amounted to 20,112 units. This refers to all building rights, including the share of minority owners but excluding the ownership of other JV partners.

Acquisitions during the quarter:

- 24 estimated building rights in Stockholm
- A land allocation with 194 estimated building rights in Kungälv
- A land allocation with 325 estimated building rights in Kungälv

519 estimated building rights refer to self-management and 24 refer to development for sale.

## Building rights portfolio

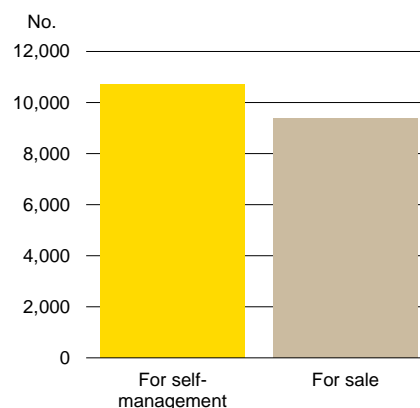


## Building rights portfolio

Magnolia Bostad's building rights portfolio of 20,112 estimated building rights is divided into rights for sale and rights for self-management. This refers to all building rights, including the share of minority owners but excluding the ownership of other JV partners.

Of Q4's 543 acquired building rights, 349 have zoning plans in force and 194 have decided on planning assignments.

## Building rights portfolio



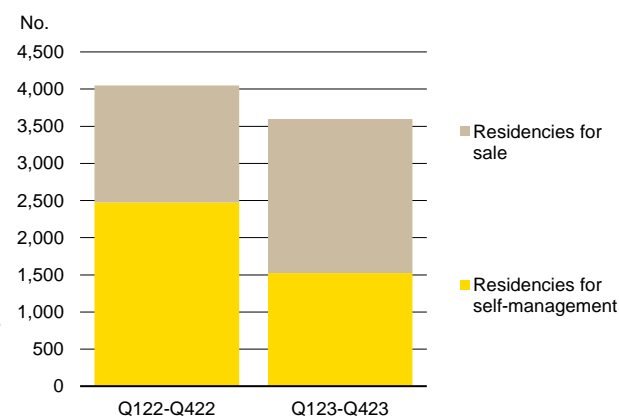
## Production starts in the building rights portfolio

Next two years, rolling twelve months.

This refers to all building rights, including the share of minority owners but excluding the ownership of other JV partners.

This is the company management's best estimation of production starts from the building rights portfolio on 31 December 2021. The building rights portfolio is continuously replenished with recently acquired building rights, some completed with a zoning plan in force. 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 22.

## Production starts in the building rights portfolio





# Residential units in production

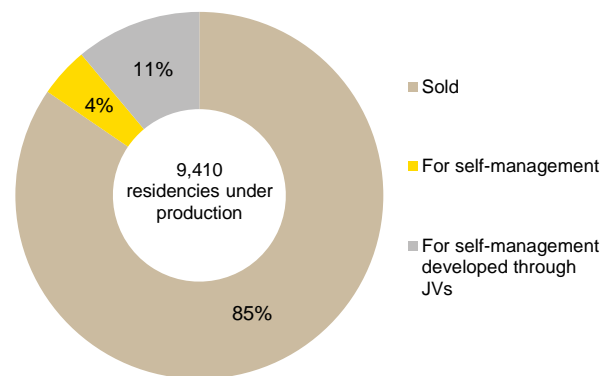
31 December 2021

**Magnolia Bostad has 9,410 residential units in production.**  
This refers to all units, including the share of minority owners but excluding the ownership of other JV partners.

85% of the residential units have been sold, 11% 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.

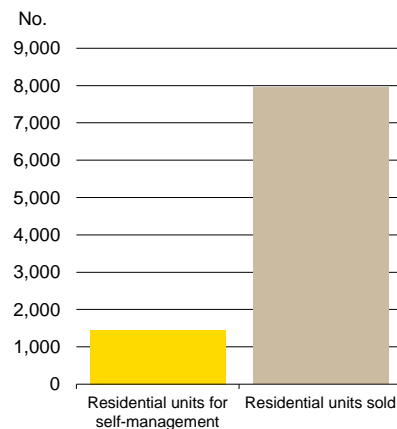
**Residential units in production**



## Magnolia Bostad's residential units in production

This refers to all units, including the share of minority owners but excluding the ownership of other JV partners.

**Residential units in production, distribution**



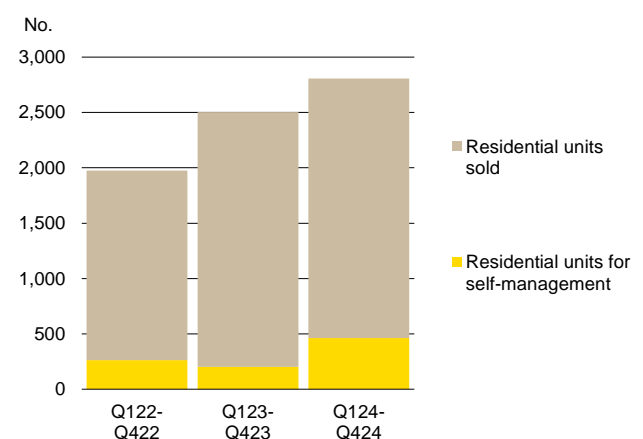
## Estimated completion of residential units, three years ahead, rolling twelve months

This refers to all units, including the share of minority owners but excluding the ownership of other JV partners.

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

931 units were completed during Q4 2021. During FY 2021 1,045 residential units were completed.

**Estimated completion of residential units in production**



# Properties for self-management

## Properties for self-management in production

A total of 10 projects for self-management are in production, consisting of just over 1,450 residential units for Magnolia Bostad's self-management. The majority of the projects are developed in JV companies, and including the JV owners' share, the total units amount to around 2,500.

Magnolia Bostad's share, including the minority share of the property value at completion, is estimated to amount to SEK 3.6 bn, of which around SEK 2.5 bn is currently owned in JV companies. By developing within JVs with a financially strong partner, a large part of the financing need for continuing investments of a total of SEK 2.1 bn has been secured for the approximately 2,100 residential units in production for self-management in JVs.

The final completion for projects in production for self-management as of 31 December 2021 is estimated to be 2025.

## Building rights portfolio for self-management

The number of non-production-started building rights intended for Magnolia Bostad's self-management, including minority ownership, as of 31 December 2021 amounted to 10,724 building rights.

Once zoning plans are in force and taking into account the initial estimate of costs for demolition, development, planning costs, etc. non-production-started properties for self-management that are currently owned by Magnolia Bostad have a non-discounted surplus value of SEK 7.7 billion.

Magnolia Bostad's share of the non-discounted surplus value in non-production-started properties for self-management, which are currently run in JV cooperations, is estimated at around SEK 1.2 bn.

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

<b>Magnolia Bostad's share</b>	<b>1,454</b>
Of which construction started	1,195
Of which not construction started	259

## Business target

Magnolia Bostad's business target is that just over 6,000 residential units will be completed for self-management by the end of 2026, or the company must own investment properties valued at around 14 bn.

## Building rights portfolio

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

Status zoning plan process		RA	CSP	Total
Early stages	0 - 36 months	1,979	0	1,979
Plan assignments	18 - 24 months	4,415	81	4,496
Review	2 - 4 months	820	0	820
Adoption of zoning plan	3 weeks, opportunity to appeal	230	0	230
Zoning plan comes into force		2,767	432	3,199
<b>Total</b>		<b>10,211</b>	<b>513</b>	<b>10,724</b>

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 31 December 2021.

# Value and valuation of properties for self-management

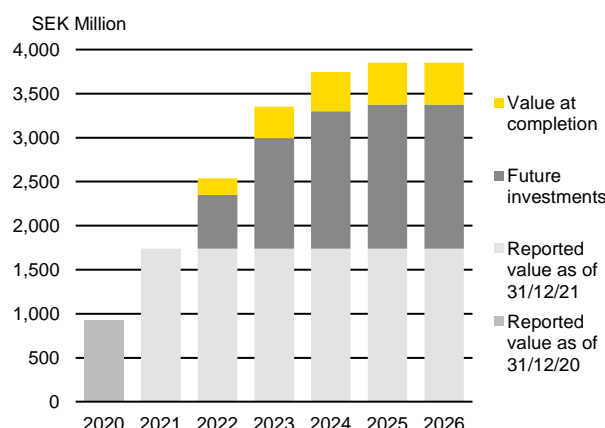
## Compilation, properties in self-management

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	176	7,827	308	-	308	15
Properties in self-management, in production	1,454	67,422	1,432	1,637	3,562	161
Properties in self-management, not in production	10,724	597,062	1,948	21,667	32,557	1,490
<b>Total</b>	<b>12,354</b>	<b>672,311</b>	<b>3,688</b>	<b>23,303</b>	<b>36,426</b>	<b>1,666</b>

## 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.



The reported value in the table above consists of what is reported as investment properties in Magnolia Bostad's report on financial position and Magnolia Bostad's share of investment properties in JVs.

In 2021, the Strandblick project in Östersund was occupied and occupancy started in the Gjuteriet stage 2 project in Eskilstuna and in the Kronandalen project in Luleå. Occupancy of the Sportflygaren project in Örebro is expected to begin in Q1 2022. The Strandblick, Gjuteriet stage 2, Kronandalen and Sportflygaren projects are owned in JVs with Slättö Core Plus Holding AB.

The JVs currently have available building credit of SEK 382 m on existing bank financing for future investment needs.

Magnolia Bostad's property value upon completion for projects in production amounts to SEK 3.6 bn and the non-discounted residual surplus value amounts to SEK 0.5 bn. In total, including the JV partner's value, the estimated property value upon completion of the projects in production is SEK 6.0 bn and the non-discounted residual surplus value is SEK 0.7 bn.

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

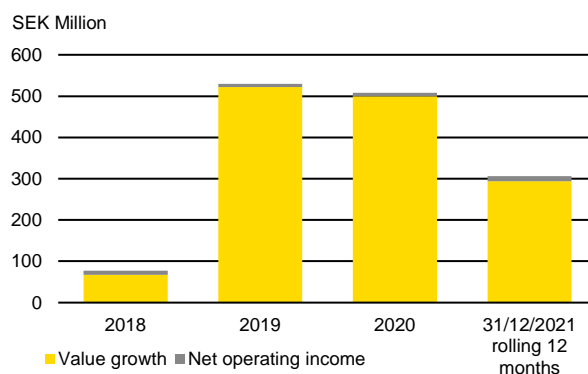
Shows the rolling twelve-month period 1 January 2021 - 31 December 2021, including Magnolia Bostad's share of changes in value of indirectly owned properties in JVs.

	Directly owned	Indirectly owned via JVs	Total
Change in net operating income	5	0	5
Change in project costs	-24	0	-24
Project development	139	154	293
Change in direct yield	13	12	25
Sale	21	0	21
Sale to JV	-26	0	-26
<b>Change in value</b>	<b>128</b>	<b>166</b>	<b>294</b>

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	1,666	15	161	1,490
Vacancies	-12	0	-2	-10
<b>Rental income</b>	<b>1,653</b>	<b>14</b>	<b>159</b>	<b>1,480</b>
Operating and maintenance costs	-364	-3	-35	-326
<b>Net operating income</b>	<b>1,289</b>	<b>11</b>	<b>124</b>	<b>1,154</b>
Net financial items	-661	-6	-64	-591
<b>Net operating income after net financial items</b>	<b>628</b>	<b>5</b>	<b>60</b>	<b>563</b>

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

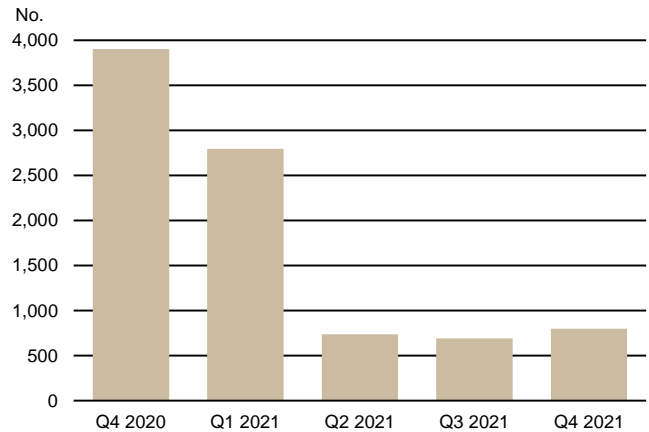
During Q4, 534 rental accommodation units were sold. Characteristic of Magnolia Bostad's business model is that sales can be irregular between quarters.

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	Total
Early stages	0 - 36 months	1,490	0	0	1,490
Plan assignments	18 - 24 months	2,904	1,266	374	4,544
Review	2 - 4 months	234	221	0	455
Adoption of zoning plan	2 - 4 months	270	0	0	270
Zoning plan comes into force		1,742	629	260	2,631
<b>Total</b>		<b>6,640</b>	<b>2,116</b>	<b>634</b>	<b>9,389</b>

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 31 December 2021.

# 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 HAM Nordic AB, co. reg. no. 559279-7376, which is domiciled in Stockholm. HAM Nordic 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.

During the period, Fredrik Lidjan AB changed company to Videbo Invest AB. Of the profit/loss for the period attributable to non-controlling influence of SEK -10 m, SEK -16 m is attributable to Videbo Invest AB's share of the profit in Magnolia Holding 3 AB, SEK 7 m is attributable to Videbo Invest AB's share of the profit in Magnolia Holding 4 AB and SEK 0 m is attributable to Videbo Invest AB'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 Videbo Invest AB's amounts to 8%. During Q2, 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.

During the year, Magnolia Bostad received a capital injection in the form of hybrid loans issued by HAM Nordic AB of SEK 640 million.

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.magnoliabostad.se](http://www.magnoliabostad.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](http://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 1,315 m (1,052) compared with the book value of SEK 1,259 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 31 December 2021, the company had 115 (112) employees. Of the number of employees, 58 (63) were women and 57 (49) were men at offices in Stockholm, Norrköping, Göteborg, Malmö and Umeå. Comparative information refers to 31 December 2020. The management team consisted of four people. The management team was expanded during February 2022 to five people. For more information about Magnolia Bostad's executive management, see [www.magnoliabostad.se](http://www.magnoliabostad.se).

## Annual Report

The Annual Report for 2021 will be available on Magnolia Bostad's website on 31 March 2022, [www.magnoliabostad.se](http://www.magnoliabostad.se), and in reception at Sturegatan 6, Stockholm, from week 17, 2022.

Stockholm, 24 February 2022,  
Magnolia Bostad AB (publ)  
The Board of Directors

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

# 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.

## 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.

## Alternative KPIs not defined in IFRS

For reconciliation of alternative KPIs, refer to:

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



# Quarterly overview

		2021				2020		
	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Net sales (SEK million)	716	93	52	407	572	281	1,058	446
Operating profit/loss (SEK million)	196	90	-2	-25	278	187	348	88
Profit/loss after tax (SEK million)	148	29	-55	-72	202	119	324	41
Earnings per share (SEK)	3.83	0.72	-1.28	-1.72	5.50	3.00	7.92	0.95
Equity (SEK million)	2,406	2,092	1,592	1,660	1,733	1,606	1,486	1,182
Equity per share (SEK) <sup>1</sup>	44.34	40.64	39.87	41.14	42.95	39.45	36.46	28.50
Equity/assets ratio (%)	38.7	32.1	28.1	28.8	32.7	35.8	36.7	29.4
Cash flow from operating activities (SEK million)	5	-6	-130	-172	215	223	-86	-23
Cash flow from the operating activities, per share (SEK)	0.1	-0.2	-3.4	-4.5	5.7	5.9	-2.3	-0.6
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

<sup>1</sup> Excluding the minority and hybrid loan

## Financial calendar

- 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

## Contact

Johan Tengelin, CEO  
[johan.tengelin@magnoliabostad.se](mailto:johan.tengelin@magnoliabostad.se)

Fredrik Westin, Deputy CEO, CFO  
[fredrik.westin@magnoliabostad.se](mailto:fredrik.westin@magnoliabostad.se)

Marita Björk, Investor Relations  
+46 72 720 00 06, [marita.bjork@magnoliabostad.se](mailto:marita.bjork@magnoliabostad.se)

*The information Magnolia Bostad publishes in this report is required in accordance with the EU Market Abuse Regulation (EU) No 596/2014 and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons, on 24 February 2022 at 07.45 a.m. CET.*

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 Bostad AB (publ), co. reg. no. 556797–7078 is a leading urban developer that develops new residential properties, primarily rental accommodation but also tenant-owned apartments, community service properties and hotels, in attractive locations in Sweden's growth areas and major cities. Housing is developed both for sale and self-management. Our work is guided by a holistic view where the business is conducted in a way that promotes long-term sustainable social development. Since September 2021, Magnolia Bostad has been jointly controlled by the Holmström Group and funds and entities that are managed and advised by Areim AB. The company's bonds are listed on Nasdaq Stockholm. More information can be found at: [www.magnoliabostad.se](http://www.magnoliabostad.se).

# MAGNOLIA

Magnolia Bostad AB  
Sturegatan 6  
Box 5853, 102 40 Stockholm  
Telephone +46 8 470 50 80  
[magnoliabostad.se](http://magnoliabostad.se)