

**MAGNOLIA**

Find your home with  
Magnolia Bostad

**Magnolia Bostad**  
Half-year report  
1 January–30 June  
2022

**Q2**

# Half-year report 1 January–30 June 2022

## 1 January–30 June 2022

- Net sales amounted to SEK 188 m (459).
- The operating loss was SEK 85 m (-27), of which SEK 32 m (42) refers to changes in the value of investment properties.
- The loss before tax for the period was SEK 161 m (-114) and the loss after tax amounted to SEK 148 m (-127).
- Earnings per share, after deductions for minority shares, was SEK -3.38 (-2.99).

## 1 April–30 June 2022

- Net sales amounted to SEK 97 m (52).
- The operating loss was SEK 62 m (-2), of which SEK 14 m (22) refers to changes in the value of investment properties.
- The loss before tax for the period was SEK 105 m (-46) and the loss after tax amounted to SEK 109 m (-55).
- Earnings per share, after deductions for minority shares, was SEK -2.59 (-1.28).

## Significant events 1 April–30 June 2022

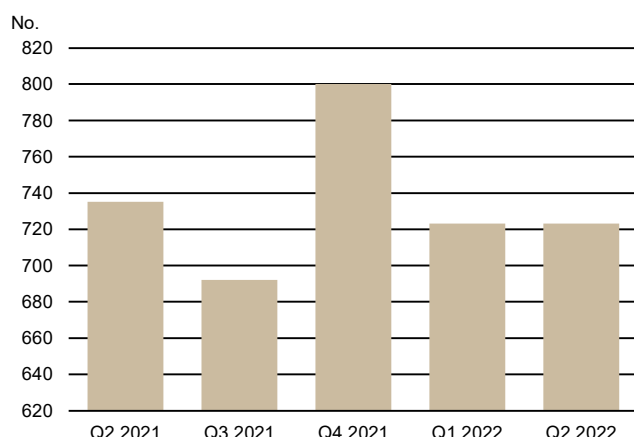
- Acquired around 1,100 building rights in Botkyrka, Stockholm and Österåker.
- Won two land allocations in Väsjön, Sollentuna consisting of about 200 residential units, a grocery store and a large community centre.
- Production started on 538 residential units for Magnolia Bostad's self-management.
- Completed 149 residential units for Magnolia Bostad's self-management, 58 in Eskilstuna and 91 in Örebro.
- Issued new senior unsecured green bonds of a nominal SEK 300 million within a framework of SEK 1,500 million and listed them on Nasdaq's list for sustainable bonds.
- Completed voluntary early redemption of outstanding green bonds maturing in 2024 amounting to SEK 180 m.

## Significant events after the end of the quarter

- No significant events after the end of the quarter

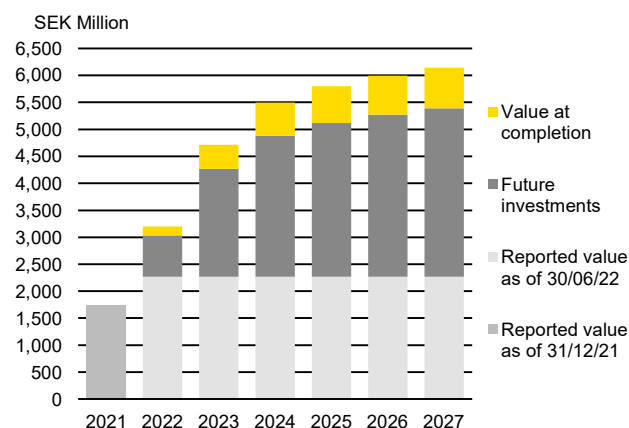
## Sold residential units

Rolling 12 months, see page 19



## 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 16.



## KPIs, Group

	2022 Jan-Jun	2021 Jan-Jun	2022 Apr-Jun	2021 Apr-Jun	2021/2022 Jul-Jun	2021 Jan-Dec
<b>Project-related</b>						
Number of production starts during the period <sup>1</sup>	833	41	538	41	2,407	1,615
Number of sold residencies during the period <sup>1</sup>	0	77	0	0	723	800
Total number of residencies in production <sup>1</sup>	10,039	8,547	10,039	8,547	10,039	9,410
Number of estimated building rights in the portfolio, not yet production started <sup>1</sup>	21,140	19,838	21,140	19,838	21,140	20,112
<b>Financials</b>						
Investment properties (SEK m)	2,569	1,759	2,569	1,759	2,569	2,276
Operating profit/loss	-85	-27	-62	-2	202	260
Return on equity (%)	-	-	-	-	2.2	3.6
Equity/assets ratio (%)	36.4	28.1	36.4	28.1	36.4	38.7
Interest coverage ratio (multiple)	-	-	-	-	0.6	2.2
<b>Share-related</b>						
Earnings per share (SEK)	-3.38	-2.99	-2.59	-1.28	1.19	1.59
Equity per share (SEK) <sup>2</sup>	68.45	41.14	68.45	41.14	68.45	44.34

<sup>1</sup> 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.

<sup>2</sup> Excluding non-controlling interests (minority).

# CEO's comments

*We acquired just over 1,300 building rights during the second quarter and we started production of 538 residential units. In total our building rights portfolio now amounts to just over 21,100 building rights. In addition, we have over 10,000 residential units in production. At the beginning of the quarter, we issued another green bond. However, the market situation deteriorated significantly during the latter part of the quarter. As a consequence of this, we will need to review our fixed costs to make Magnolia Bostad more flexible and adapted to achieve our business goal.*

During the quarter, we acquired just over 1,300 building rights in Greater Stockholm, of which over 60 percent have a legally binding zoning plan. Furthermore, we started production of 538 residential units for self-management, including our first student housing with 2,000 residential units in Visby.

In May, we issued another green bond, of SEK 300 million within a framework of SEK 1,500 million, which has been listed on Nasdaq's list for sustainable bonds. During the latter part of the quarter, however, the mood in the economy has deteriorated significantly as a result of rising inflation, strong monetary tightening and rapidly rising interest rates. This has been reflected in the capital markets through continued stock market declines, a shaky corporate bond market and higher financing costs as a sharp economic slowdown has been priced in.



Due to difficulties in procuring building contractors at reasonable prices and a pending forward funding market, we did not sell any projects during the quarter, which unfortunately meant that our result was anything but satisfactory. The market situation is uncertain and difficult to assess.

My assessment is that there is a significant risk that this situation will last for a longer time, which means that a number of our planned production starts during 2022 and 2023 will probably need to be postponed. As a consequence of this, we will need to review our fixed costs to make Magnolia Bostad more flexible and adapted to achieve our business goal.

We currently have over 10,000 residential units in production, of which just over 7,900 are sold and financed via forward funding and approximately 2,100 are being built for our own management. The schedules for these projects remains.

At the end of the quarter, we had 384 completed residential units in self-management. At the same time, our total building rights portfolio amounted to just over 21,100 building rights. Given the market situation, it will take longer than we previously planned, but the goal of 6,000 completed residential units for self-management remains.

Stockholm 6 July 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 April-June 2022

- Completed two projects according to the Swedish Green Building Council's silver certification and a previously completed project received final Nordic Swan Ecolabel certification.
- Carried out three environmental audits in the project phase.
- Summary of HS30's pilot year. Common goals for social and climate sustainability will be made public after the summer.
- Reported fulfillment of climate promises to LFM30.
- Joined the ÖBKN initiative (Östergötland Builds Climate-Neutral), led by Cleantech Östergötland, which brings together players in the construction and property industry to accelerate climate change.
- Trained employees at Magnolia Bostad in environmental certification.

## 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

ÖBKN 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 10. 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.

<https://om.magnoliabostad.se/en/bonds>  
<https://om.magnoliabostad.se/en/sustainability>

## Selection of KPIs

2022  
Apr-Jun

### Environmental certification according to The Swedish Green Building's Silver Certification, the Nordic Ecolabel or equivalent.

Completed projects with completed or planned certifications, number of residential units	149
Projects in progress with planned certification, number of residential units	17,546

### Sustainability audits

Environmental audits, number	3
ESG audit of turnkey contracts, number	0

### Codes of conduct, signed by

Employees and partners	100%
Partners in sponsorship	100%

### Social sustainability, football teams Magnolia Bostad supports

Football teams, number	28
------------------------	----

### Green Bonds

Total volume of outstanding Green Bonds, SEKm	1,425
Remaining available capacity for Green Bonds, SEKm	2,343
Total fair value of green pool, SEKm	3,768



Magnolia Bostad's bonds, which are 100% green, are all listed on Nasdaq's list for sustainable bonds.

# Consolidated Condensed Income Statement

Amounts in MSEK	2022 Jan-Jun	2021 Jan-Jun	2022 Apr-Jun	2021 Apr-Jun	2021/2022 Jul-Jun	2021 Jan-Dec
Net sales	188	459	97	52	998	1,268
Production and operating costs	-199	-469	-102	-62	-848	-1,117
<b>Gross profit/loss</b>	<b>-11</b>	<b>-10</b>	<b>-5</b>	<b>-10</b>	<b>150</b>	<b>151</b>
Central administration	-54	-52	-31	-27	-109	-107
Profit/loss from participations in associated companies and joint ventures	-52	-7	-39	13	43	88
- of which net operating income	4	2	4	3	7	5
- of which changes in value	-3	23	-14	21	140	166
- of which other income and cost	-20	-8	-11	2	-13	-1
- of which financing costs	-37	-20	-20	-10	-61	-44
- of which tax	5	-4	3	-3	-32	-41
- of which results from disposals	-	-	-	-	3	3
Change in value, investment properties	32	42	14	22	120	128
<b>Operating profit/loss</b>	<b>-85</b>	<b>-27</b>	<b>-62</b>	<b>-2</b>	<b>202</b>	<b>260</b>
Financial income	12	1	6	1	16	5
Financial expenses	-88	-88	-49	-45	-190	-190
<b>Profit/loss before tax</b>	<b>-161</b>	<b>-114</b>	<b>-105</b>	<b>-46</b>	<b>28</b>	<b>75</b>
Income tax	13	-14	-4	-9	2	-25
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>-148</b>	<b>-127</b>	<b>-109</b>	<b>-55</b>	<b>30</b>	<b>50</b>
<b>Profit/loss attributable to</b>						
Parent company shareholders	-128	-113	-98	-48	45	60
Non-controlling interests	-19	-14	-10	-7	-16	-10
<b>Earnings per share (SEK)</b>						
Before dilution effects	-3.38	-2.99	-2.59	-1.28	1.19	1.59
After dilution effects	-3.38	-2.99	-2.59	-1.28	1.19	1.59

# Consolidated Statement of Comprehensive Income

Amounts in MSEK	2022 Jan-Jun	2021 Jan-Jun	2022 Apr-Jun	2021 Apr-Jun	2021/2022 Jul-Jun	2021 Jan-Dec
Net profit/loss for the period	-148	-127	-109	-55	30	50
<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>0</b>	<b>0</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-148</b>	<b>-127</b>	<b>-109</b>	<b>-55</b>	<b>30</b>	<b>50</b>
<b>Comprehensive income attributable to</b>						
Parent Company shareholders	-128	-113	-98	-48	45	60
Non-controlling interests	-19	-14	-10	-7	-16	-10

# 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 2022

Net sales amounted to SEK 188 m (459) and the operating loss was SEK 85 m (-27). The loss before tax amounted to SEK 161 m (-114).

Distribution of revenue	2022 Jan-Jun	2021 Jan-Jun
Property sales	-26	340
<b>Sum of revenue recognised at a point in time</b>	<b>-26</b>	<b>340</b>
Project management	27	25
Rent	9	10
Other invoicing for the projects and other revenue	178	84
<b>Sum of revenue recognised over in time</b>	<b>214</b>	<b>119</b>
<b>TOTAL REVENUE</b>	<b>188</b>	<b>459</b>

Cash flow from sales of projects is partly received at 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 0 (77).

Development of net operating income	2022 Jan-Jun	2021 Jan-Jun
<b>Rental income</b>		
Properties owned at the beginning of the period	3	7
Completed properties	0	0
Project properties	7	3
<b>Rental income</b>	<b>9</b>	<b>10</b>
<b>Property costs</b>		
Properties owned at the beginning of the period	-1	-2
Completed properties	0	0
Project properties	-3	-4
<b>Operating costs</b>	<b>-4</b>	<b>-6</b>
<b>Net operating income</b>	<b>5</b>	<b>4</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 gave a gross loss for the period of SEK 11 m (-10).

The costs for central administration amounted to SEK 54 m (-52).

The loss from associated companies was SEK 52 m (-7), mainly affected by changes in value and financing costs.

Distribution of profits from associated companies	2022 Jan-Jun	2021 Jan-Jun
Net operating income	4	2
Other income and expenses	-20	-8
Change in value, project development	10	23
Change in value, other	-13	0
Financing costs	-37	-20
Tax	5	-4
Profit/loss from disposal	0	0
<b>Total</b>	<b>-52</b>	<b>-7</b>

The change in value of investment properties was SEK 32 m (42) and is mainly due to project development work.

Change in value	2022 Jan-Jun	2021 Jan-Jun
Change in net operating income	-1	5
Change in project cost	-18	7
Project development	55	55
Change in required return	0	2
Sales	-	-2
Sales to JV	-4	-25
<b>Total</b>	<b>32</b>	<b>42</b>

## Financial items

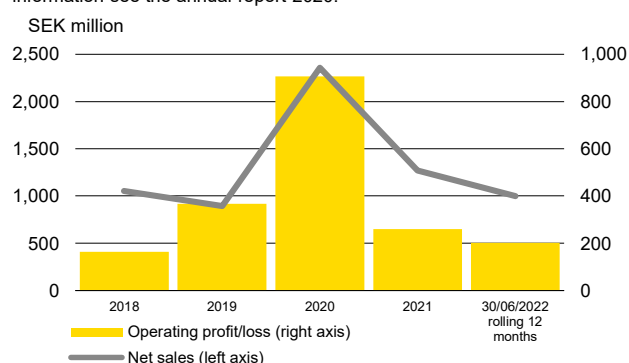
Net financial items amounted to SEK 76 m (87). At the end of the period, Magnolia Bostad's average interest rate was 6.9% compared with 6.7% at the start of 2022. The interest coverage ratio for the rolling twelve-month period was 0.6 times, compared with 2.2 times in FY 2021.

## Profit/loss for the period

The loss for the period was SEK 148 m (-127) and includes SEK 13 m (-14) in deferred income tax.

## Net sales & operating profit/loss, full-year

2018 have not been recalculated due to a changed principle for consolidation of tenant-owner associations, for more information see the annual report 2020.



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



**Reporting period 1 April–30 June 2022**

Net sales amounted to SEK 97 m (52) and the operating loss was SEK 62 m (-2). The loss before tax amounted to SEK 105 m (-46).

Distribution of revenue	2022 Apr-Jun	2021 Apr-Jun
Property sales	-22	-17
<b>Sum of revenue recognised at a point in time</b>	<b>-22</b>	<b>-17</b>
Project management	13	16
Rent	5	5
Other invoicing for the projects and other revenue	102	48
<b>Sum of revenue recognised over time</b>	<b>119</b>	<b>69</b>
<b>TOTAL REVENUE</b>	<b>97</b>	<b>52</b>

Revenue from property sales was SEK -22 m (-17) and the number of residential units sold during the quarter was 0 (0). The period's revenue from property sales of SEK -22 m is due to changed estimates of variable components in the transaction price for projects already sold.

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 loss for the period of SEK 5 m (-10).

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 loss from associated companies was SEK 39 m (+13), mainly affected by changes in value from ongoing project development and financing costs.

Distribution of profits from associated companies	2022 Apr-Jun	2021 Apr-Jun
Net operating income	4	3
Other income and expenses	-11	3
Change in value, project development	0	21
Change in value, other	-14	0
Financing costs	-20	-10
Tax	3	-3
Profit/loss from disposal	0	-1
<b>Total</b>	<b>-39</b>	<b>13</b>

The change in value of investment properties was SEK 14 m (22) and is mainly due to changed cost estimates and project development work.

Change in value	2022 Apr-Jun	2021 Apr-Jun
Change in net operating income	-1	5
Change in project cost	-16	9
Project development	35	32
Change in required return	0	2
Sales	1	-2
Sales to JV	-4	-24
<b>Total</b>	<b>14</b>	<b>22</b>

Financing costs during the quarter amounted to SEK -49 m (-45).

# Consolidated Condensed Statement of Financial Position

Amounts in MSEK	2022 30 Jun	2021 30 Jun	2021 31 Dec
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	6	6	6
Other intangible assets	1	1	1
<b>Total intangible assets</b>	<b>7</b>	<b>7</b>	<b>7</b>
Investment properties	2,569	1,759	2,276
Right of use assets	54	64	55
Machinery and equipment	4	9	7
<b>Total property, plant and equipment</b>	<b>2,628</b>	<b>1,832</b>	<b>2,338</b>
Shares in associated companies and joint ventures	597	516	607
Receivables from associated companies	197	159	159
Other securities held as non-current assets	-	31	31
Other long-term receivables	1,118	938	1,179
<b>Total financial assets</b>	<b>1,912</b>	<b>1,644</b>	<b>1,976</b>
<b>Total non-current assets</b>	<b>4,546</b>	<b>3,483</b>	<b>4,320</b>
<b>Current assets</b>			
Development and project properties	1,355	1,093	810
Tenant-owned apartments	4	4	4
Accounts receivable	43	22	16
Receivables from associated companies	142	165	217
Other receivables	316	619	608
Prepaid expenses and accrued income	13	6	11
Cash and cash equivalents	885	279	233
<b>Total current assets</b>	<b>2,758</b>	<b>2,189</b>	<b>1,899</b>
<b>TOTAL ASSETS</b>	<b>7,304</b>	<b>5,672</b>	<b>6,219</b>



## Assets

The consolidated balance sheet total increased to SEK 7,304 m, compared with SEK 6,219 m at the start of the year. Properties held for self-management are reported as investment properties and amounted to SEK 2,569 m (2,276). The increase is due to the acquisition of Slagsta Strand and continued investments in the projects.

Development and project properties at the end of the period amounted to SEK 1,355 m (810). The increase is mainly due to the acquisition of the Slagsta Strand project in Stockholm, Kista Äng in Stockholm, Stenby Park (formerly Lagersberg) in Eskilstuna and Mejseln (formerly Danaplatsen) in Göteborg. For more information on properties for sale, see page 19.

Participations in associated companies and joint ventures have decreased and amounted to SEK 597 m (607) and long-term and short-term receivables from associated companies and JV companies also fell by SEK 37 m to SEK 339 m (376). Some of the companies are working with zoning plans, some have properties with production in progress and some have completed investment properties.

Investment properties	2022 Jan-Jun	2021 Jan-Jun
Opening carrying amount	2,276	1,483
Reclassifications	-28	-
Investments and acquisitions	289	209
Change in value	32	67
Closing carrying amount	2,569	1,759

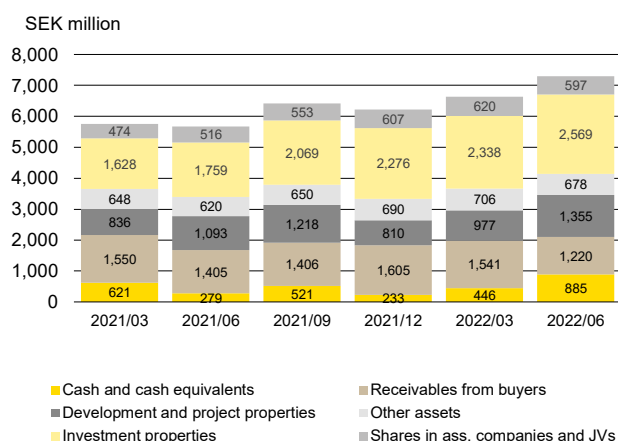
The Strandblick project in Östersund, with a total of 216 residential units owned in a JV together with Slättö, was completed in 2021 and in the same JV, the LU: 1 project in Luleå was completed during Q1 2022. All four projects developed in the JV company are completed by Q2 2022. The total reported value for Magnolia Bostad's share of the JV amounted to SEK 109 m. Underlying property value in the JV amounted to SEK 1,289 m.

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 with production in progress in each JV. In addition, Magnolia Bostad has a JV with Heimstaden with projects in various stages of the zoning plan process that are being developed for self-management, where a majority of the building rights belong to the Näsängen project in Åkersberga.

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.

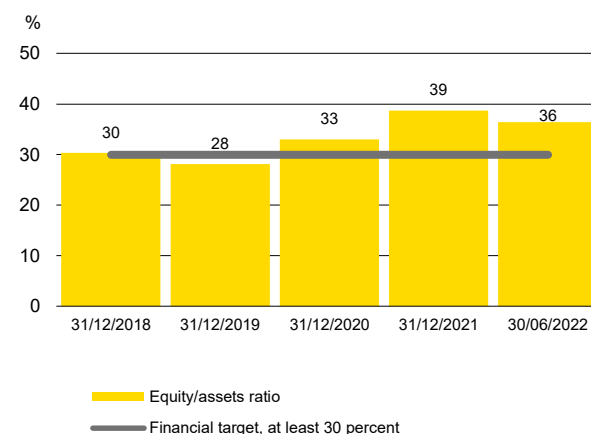
Of the other long-term and other receivables totalling SEK 1,433 m (1,787), SEK 1,220 m (1,605) are receivables from buyers of projects, primarily our partners consisting of property companies and large Swedish institutions. Of receivables from buyers, the Group expects to receive SEK 212 m (515) as 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 134 m (118).

## 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	2022 30 Jun	2021 30 Jun	2021 31 Dec
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	151	151	151
Other capital contributions	1,228	187	823
Retained profits incl. net profit/loss for the period	1,210	1,170	1,342
<b>Equity attributable to Parent Company shareholders</b>	<b>2,589</b>	<b>1,508</b>	<b>2,317</b>
Non-controlling interests	71	84	89
<b>Total equity</b>	<b>2,660</b>	<b>1,592</b>	<b>2,406</b>
<b>Non-current liabilities</b>			
Deferred tax liability	81	82	94
Non-current interest-bearing liabilities	2,245	2,256	2,025
Non-current liabilities to associated companies	22	22	22
Non-current lease liabilities	40	51	43
Other long-term liabilities	1,039	532	587
<b>Total long-term liabilities</b>	<b>3,345</b>	<b>2,943</b>	<b>2,771</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	511	358	130
Current lease liabilities	19	17	16
Accounts payable	4	4	27
Liabilities to associated companies	16	23	24
Income tax liabilities	0	0	0
Other current liabilities	528	615	674
Accrued expenses and deferred income	141	118	171
<b>Total current liabilities</b>	<b>1,219</b>	<b>1,136</b>	<b>1,042</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,304</b>	<b>5,672</b>	<b>6,219</b>

## Equity and equity/assets ratio

Consolidated equity on 30 June 2021 amounted to SEK 2,660 m (2,406) with an equity/assets ratio of 36.4% (38.7). Magnolia Bostad's financial goal is that the equity/assets ratio must be at least 30%.

During the year, hybrid loans of SEK 640 m were redeemed and shareholder contributions of SEK 1,045 m were received. Of the Group's equity, SEK 71 m (89) is attributable to non-controlling interests. As of 31 December 2021, SEK 640 million of equity was attributable to hybrid loans.

Return on equity attributable to the parent company's shareholders for the most recent twelve-month period was 2.2 %, compared with 3.6% for the full year 2021.

## 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 aim 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-owned 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 promissory notes. 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 deposits received, amounted to SEK 2,756 m (2,155) on 30 June 2022. The majority of Magnolia Bostad's liabilities consist of bonds with a book value of SEK 1,407 m (1,259), project-related liabilities of SEK 540 m (382), shareholder loans of SEK 313 m (-) and promissory notes of SEK 288 m (285). The remaining interest-bearing liabilities consist of secured property loans of SEK 144 m and received deposits of SEK 64 m (77). The overdraft facility was unutilized at the end of the period (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 2.6 years as of 30 June 2022, compared with 2.9 years as of 31 December 2021.

After deductions for cash and cash equivalents of SEK 885 m (233), interest-bearing net liabilities amounted to SEK 1,871 m (1,922). Receivables from buyers amounted to SEK 1,220 m (1,605) and interest-bearing net liabilities after deductions for receivables from buyers amounted to SEK 651 m (317).

### Bonds

As of 30 June 2022, Magnolia Bostad had three outstanding bonds.

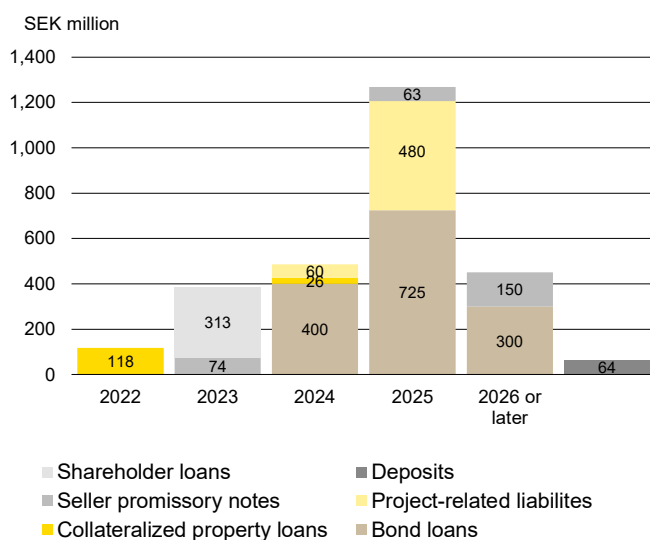
- A green unsecured bond of a nominal SEK 400 m within a framework of SEK 700 m, with a variable interest rate of Stibor 3m + 7.50% (with a Stibor floor) maturing in April 2024. Listed on Nasdaq Stockholm's bond list for sustainable bonds.
- A green unsecured bond of a nominal SEK 725 m within a framework of SEK 1,000 m, with a variable interest rate of Stibor 3m + 6.90% (with a Stibor floor) maturing in March 2025. Listed on Nasdaq Stockholm's bond list for sustainable bonds.
- A green unsecured bond of a nominal SEK 300 m within a framework of SEK 1,500 m, with a variable interest rate of Stibor 3m + 7.75% (with a Stibor floor) maturing in May 2026. Listed on Nasdaq Stockholm's bond list for sustainable bonds.

The difference between the book value of SEK 1,407 m and the nominal amount of the bonds is due to set-up fees paid, which are reported according to the effective interest method.

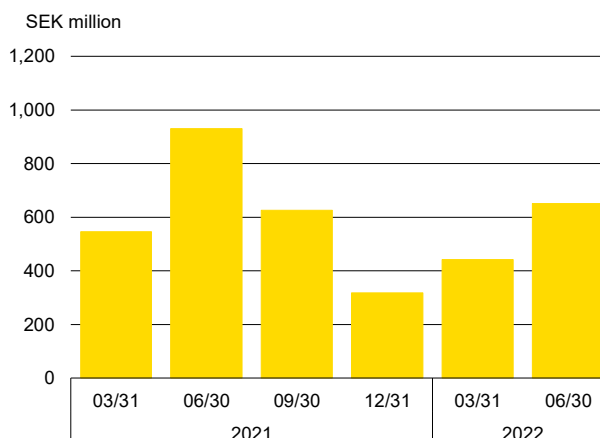
### Other liabilities

Other long-term liabilities and other current liabilities mainly consist of debt for unpaid purchase prices for acquired projects and have increased by SEK 306 m till SEK 1 567 m (1 261).

### Maturity structure



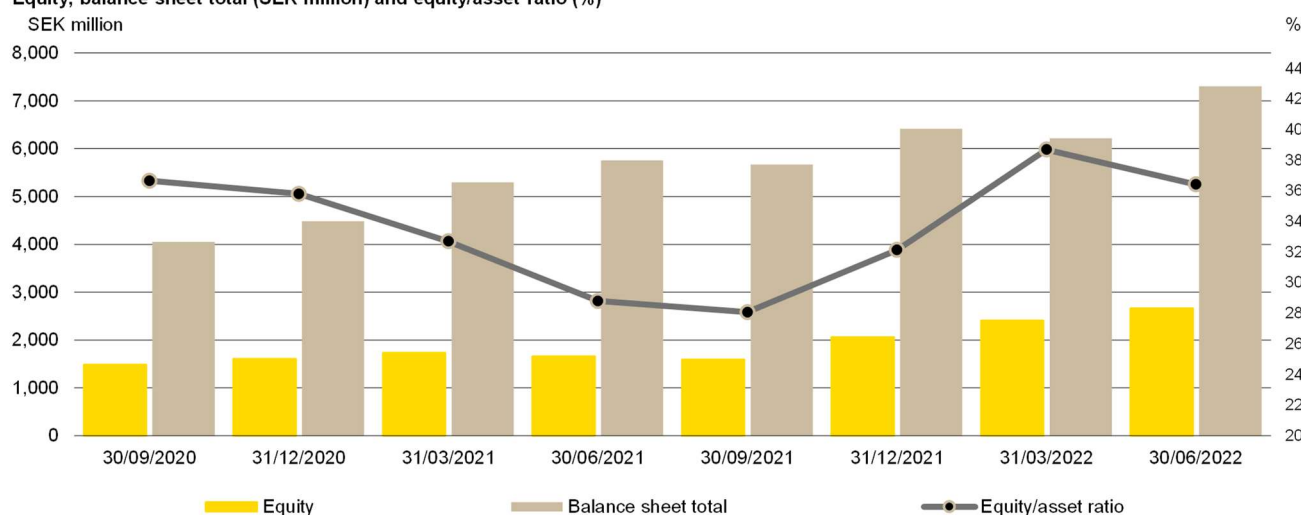
### Interest bearing net liabilities with deduction for receivables at buyers



# 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 2021-01-01</b>	<b>151</b>	<b>187</b>	<b>0</b>	<b>1,286</b>	<b>109</b>	<b>1,733</b>
Dividend	-	-	-	-	-29	-29
Shareholder contributions	-	-	-	-	17	17
Acquisition of non-controlling interests	-	-	-	-3	3	-
Net profit/loss for the period	-	-	-	-113	-14	-127
Other comprehensive income	-	-	0	-	0	0
<b>Closing equity 2021-06-30</b>	<b>151</b>	<b>187</b>	<b>0</b>	<b>1,170</b>	<b>84</b>	<b>1,592</b>
Dividend	-	-	-	-	-	0
Shareholder contributions	-	-	-	-	-	0
Reciprocity of Hybrid loan	-	640	-	-	-	640
Net profit/loss for the period	-	-	-	173	4	177
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>
Opening equity 2022-01-01	151	823	0	1,342	89	2,406
Dividend	-	-	-	-5	-	-5
Redemption of Hybrid loan	-	-640	-	-	-	-640
Shareholder contributions	-	1,045	-	-	-	1,045
Net profit/loss for the period	-	-	0	-128	-19	-148
Other comprehensive income	-	-	0	-	0	0
<b>Closing equity 2022-06-30</b>	<b>151</b>	<b>1,228</b>	<b>0</b>	<b>1,210</b>	<b>71</b>	<b>2,660</b>

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



# Condensed Consolidated Cash Flow Statement

Amounts in MSEK	2022 Jan-Jun	2021 Jan-Jun	2022 Apr-Jun	2021 Apr-Jun	2021/2022 Jul-Jun	2021 Jan-Dec
<b>Operating activities</b>						
Profit/loss after financial items	-161	-114	-105	-46	28	75
Adjustments for non-cash items, etc						
Less share of profit/loss from associated companies and joint ventures	52	7	39	-13	-43	-88
Retained dividend from associated companies	-	1	-	1	20	20
Depreciation/amortization and impairment of assets	13	13	6	6	27	27
Fair value changes, investment properties	-32	-41	-14	-21	-119	-128
Capital gains/losses from the sale of development properties	26	6	22	16	-186	-206
Profit from sale of other long-term securities	-5	-	-	-	-5	-
Other profit/loss items that do not affect liquidity	4	2	2	-	14	12
Income tax paid	-	-	-	-	-	-
<b>Cash flow from operating activities before changes in working capital</b>	<b>-103</b>	<b>-126</b>	<b>-50</b>	<b>-57</b>	<b>-265</b>	<b>-288</b>
Decrease (+)/increase (-) of development and project properties	-238	-210	100	-90	-460	-432
Decrease (+)/increase (-) in current receivables	365	290	341	181	367	292
Decrease (+)/increase (-) in current liabilities	-275	-256	-237	-164	104	123
<b>Cash flow from operating activities</b>	<b>-250</b>	<b>-302</b>	<b>155</b>	<b>-130</b>	<b>-254</b>	<b>-306</b>
<b>Investing activities</b>						
Acquisition of intangible fixed assets	-	1	-	1	-2	-1
Acquisition of investment properties	-87	-76	-29	-59	-405	-394
Acquisition of machinery and equipment	-	-1	-	-	-	-1
Disposal of investment properties	-	-	-	-31	142	142
Investment in financial assets	-41	-31	-16	-	-94	-53
Disposal/reduction of financial assets	35	4	-	-	35	4
<b>Cash flow from investing activities</b>	<b>-93</b>	<b>-103</b>	<b>-45</b>	<b>-89</b>	<b>-293</b>	<b>-303</b>
<b>Financing activities</b>						
Shareholder contribution	400	-	-	-	400	-
Reciprocity of hybrid loan	-	-	-	-	640	640
Contribution from non-controlling interest	-	17	-	17	17	17
Repurchase of warrants	-	-	-	-	-4	-4
Borrowings	772	773	463	112	1,169	1,170
Repayment of borrowings	-178	-351	-135	-220	-1,056	-1,229
Dividend paid to minority interest	-	-29	-	-29	-29	-29
Acquisition of non-controlling interests	-	-3	-	-3	-	-
<b>Cash flow from financing activities</b>	<b>994</b>	<b>407</b>	<b>328</b>	<b>-123</b>	<b>1,152</b>	<b>565</b>
<b>Cash flow for the period</b>	<b>651</b>	<b>2</b>	<b>439</b>	<b>-342</b>	<b>605</b>	<b>-44</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>233</b>	<b>277</b>	<b>446</b>	<b>621</b>	<b>621</b>	<b>277</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>885</b>	<b>279</b>	<b>885</b>	<b>279</b>	<b>885</b>	<b>233</b>

## Cash flow and cash equivalents

The consolidated cash flow from operating activities for the period amounted to SEK -250 m (-302).

Cash flow for the period was affected by investments in the project portfolio. Cash flow for the period from operating activities excluding investments and other changes to development and project properties amounted to SEK -12 m (-92).

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 -93 m (-103) and was affected by investments in investment properties of SEK -87 m (-76). The cash flow from financing activities amounted to SEK 994 m (407) mainly affected by shareholder contributions of SEK 400 m (-) and raised loans of SEK 772 m (773).

Cash and cash equivalents as of 30 June 2022 amounted to SEK 899 m (279).

# Parent Company Condensed Income Statement

Amounts in MSEK	2022 Jan-Jun	2021 Jan-Jun	2022 Apr-Jun	2021 Apr-Jun	2021/2022 Jul-Jun	2021 Jan-Dec
Net sales	7	5	3	2	20	18
<b>Total income</b>	<b>7</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>20</b>	<b>18</b>
Central administration	-24	-21	-12	-10	-52	-49
<b>Operating profit/loss</b>	<b>-18</b>	<b>-16</b>	<b>-9</b>	<b>-8</b>	<b>-33</b>	<b>-31</b>
Financial income	66	40	35	21	110	84
Financial expenses	-62	-66	-34	-33	-161	-165
<b>Profit/loss after financial items</b>	<b>-14</b>	<b>-42</b>	<b>-8</b>	<b>-20</b>	<b>-84</b>	<b>-112</b>
Tax on profit/loss for the period	0	0	0	0	0	0
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>-14</b>	<b>-42</b>	<b>-8</b>	<b>-20</b>	<b>-84</b>	<b>-112</b>

# Parent Company Condensed Balance Sheet

Amounts in MSEK	2022 30 Jun	2021 30 Jun	2021 31 Dec
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets	155	150	128
<b>Total non-current assets</b>	<b>155</b>	<b>150</b>	<b>128</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Receivables from Group companies	2,635	1,700	2,213
Receivables from associated companies	0	24	28
Other receivables	5	0	1
Prepaid expenses and accrued income	0	1	0
<b>Total current receivables</b>	<b>2,640</b>	<b>1,725</b>	<b>2,242</b>
Cash and bank balances	534	208	59
<b>Total current assets</b>	<b>3,174</b>	<b>1,933</b>	<b>2,301</b>
<b>TOTAL ASSETS</b>	<b>3,330</b>	<b>2,083</b>	<b>2,429</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>1,368</b>	<b>417</b>	<b>982</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	1,498	1,543	1,337
<b>Total long-term liabilities</b>	<b>1,498</b>	<b>1,543</b>	<b>1,337</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	312	-	-
Liabilities to Group companies	126	98	90
Other current liabilities	0	1	0
Accrued expenses and deferred income	26	24	20
<b>Total current liabilities</b>	<b>464</b>	<b>123</b>	<b>110</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,330</b>	<b>2,083</b>	<b>2,429</b>

## Parent company

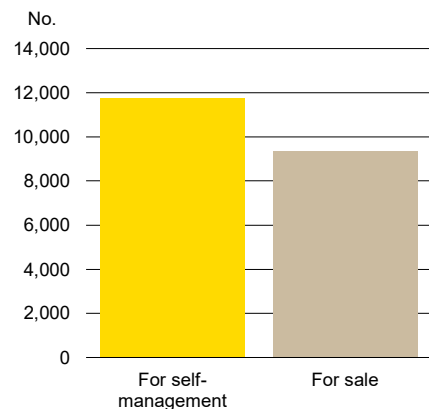
The parent company does not own any properties. Sales in the parent company primarily refer to invoicing of services to Group companies.

The parent company's loss after financial items was SEK 14 m (-42).

The equity/assets ratio for the parent company was 41.1% (40.4). The balance sheet total for the parent company increased to SEK 3,330 m (2,429). During the period, all hybrid loans received were converted into conditional shareholder contributions and a new capital contribution in the form of an unconditional shareholder contribution of SEK 400 m was received.

# Building rights portfolio

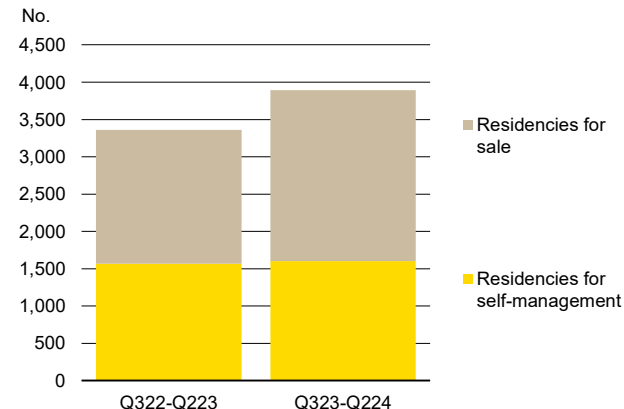
**Building rights portfolio**



Magnolia Bostad's estimated building rights totalled 21,140 divided into 11,780 rights for self-management and 9,360 rights for sale.

During Q2, 262 estimated building rights were acquired in Österåker, 532 estimated building rights in Botkyrka, 310 estimated building rights in Stockholm and 201 estimated building rights in Sollentuna via a land allocation competition. Around 61% of the building rights acquired during the quarter have a zoning plan in force.

**Production starts**



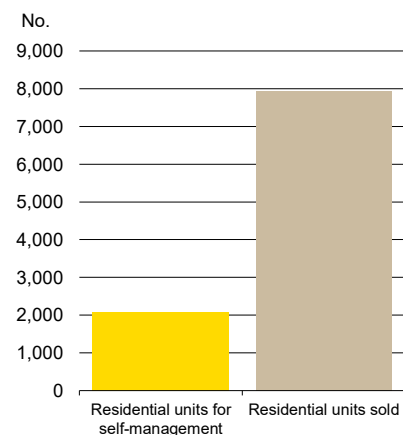
This is the company management's best estimation of production starts from the building rights portfolio on 30 June 2022.

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 handing over project properties, the estimation may change over time.

For definition of production starts, see page 22.

## Residential units in production

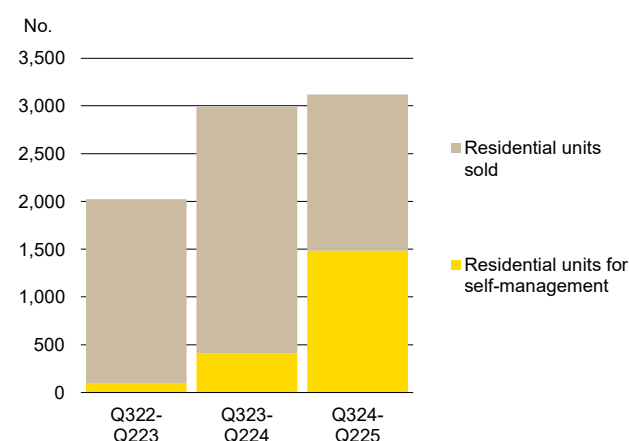
**Residential units in production**



There was a total of 10,039 residential units in production where 2,083 refer to units for self-management and 7,956 refer to sold units or units for sale.

During the quarter, 538 residential units for self-management started production.

**Estimated completion of residential units in production**



This is the company management's best estimated completion of residential units in production. Upon completion of the sold units, Magnolia Bostad receives final payment for each project.

During the second quarter 2022 149 residential units were completed for self-management.

The number of building rights and number of residential units include the minority interest's share, the share of the other JV owners is not shown.

# Properties for self-management

Information, unless otherwise stated, includes the minority ownership, excluding the JV partners' share.

## Properties for self-management in production

A total of 10 projects for self-management are in production, consisting of 2,083 residential units for Magnolia Bostad's self-management.

Magnolia Bostad's share, including the minority share of the property value at completion, is estimated to amount to SEK 5.4 bn, of which around SEK 2.1 bn is currently owned in JVs. By developing in JVs with a financially strong partner, a large part of the financing need for continuing in-vestments of a total of SEK 1.0 bn has been secured for the 838 residential units in production for self-management in JVs.

The number of housing starts for self-management amounted to 1,193 residential units. In twelve months, the number of housing starts for self-management has risen by 512. The final completion date for projects in production for self-management as of 30 June 2022, was estimated at 2027.

## Building rights portfolio for self-management

The number of non-production-started building rights intended for Magnolia Bostad's self-management, as of 30 June 2022 amounted to 11,780 building rights.

When a zoning plan is in force and considering the initial estimate of costs for demolition, development, planning costs, etc. non-production-started properties for self-management have a non-discounted surplus value of SEK 8.4 bn, affected by higher estimated costs of total contracting.

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

Magnolia Bostad's share	2,083
Of which construction started	1,193
Of which not construction started	890

## Business target

Magnolia Bostad's business target is that 6,400 residential units will be completed for self-management by the end of 2026, or the company must own investment properties valued at least at SEK 14,8 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	2,171	0	2,171
Plan assignments	18 - 24 months	4,089	0	4,089
Review	2 - 4 months	2,396	80	2,476
Adoption of zoning plan	3 weeks, opportunity to appeal	0	0	0
Zoning plan comes into force		2,754	290	3,044
<b>Total</b>		<b>11,410</b>	<b>370</b>	<b>11,780</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

Building rights portfolio as of 30 June 2022



# Value and valuation of properties for self-management

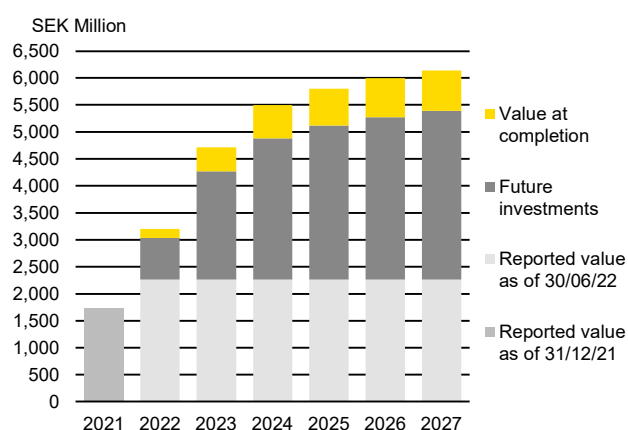
## Compilation, properties in self-management

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	384	17,627	775	-	775	33
Properties in self-management, in production	2,083	94,506	1,494	3,121	5,367	231
Properties in self-management, not in production	11,780	630,823	1,939	25,944	36,256	1,638
<b>Total</b>	<b>14,247</b>	<b>742,956</b>	<b>4,208</b>	<b>29,065</b>	<b>42,397</b>	<b>1,902</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 fully occupied and occupancy was completed in the LU:1 Kronandalen project in Luleå. Occupancy of the Gjuteriet stage 2 project in Eskilstuna and Sportflygaren project in Örebro is expected to finish in 2022. The Strandblick, Gjuteriet stage 2, LU:1 and Sportflygaren projects are owned in JVs with Slättö Core Plus Holding AB.

The JVs currently have available building credit of SEK 1,506 m on existing bank financing for future investment needs.

Magnolia Bostad's property value upon completion for projects in production amounted to SEK 5.4 bn and the non-discounted residual surplus value amounts to SEK 0.7 bn. In total, including the JV partner's value, the estimated property value upon completion of the projects in production is SEK 7.5 bn and the non-discounted residual surplus value is SEK 0.9 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

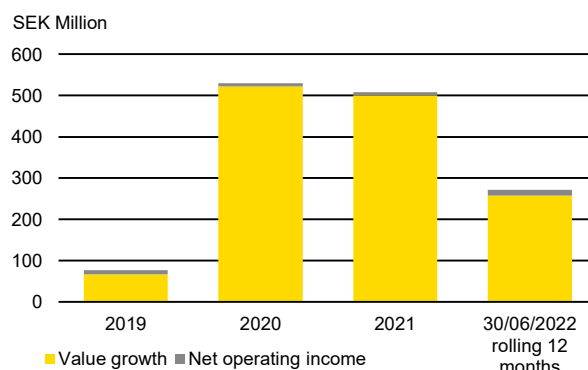
Shows the rolling twelve-month period 1 July 2021 - 30 June 2022 on investment properties, including Magnolia Bostad's share of changes in value of indirectly owned properties in JVs.

	Directly owned	Indirectly owned via JVs	Total
Change in net operating income	-1	0	-1
Change in project costs	-49	-2	-51
Project development	139	135	274
Change in direct yield	11	6	17
Sale	23	0	23
Sale to JV	-5	0	-5
<b>Change in value</b>	<b>118</b>	<b>139</b>	<b>257</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	1,902	33	231	1,638
Vacancies	-16	0	-2	-14
<b>Rental income</b>	<b>1,886</b>	<b>32</b>	<b>229</b>	<b>1,624</b>
Operating and maintenance costs	-411	-3	-51	-357
<b>Net operating income</b>	<b>1,475</b>	<b>29</b>	<b>179</b>	<b>1,267</b>
Net financial items	-756	-15	-92	-649
<b>Net operating income after net financial items</b>	<b>719</b>	<b>14</b>	<b>87</b>	<b>618</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

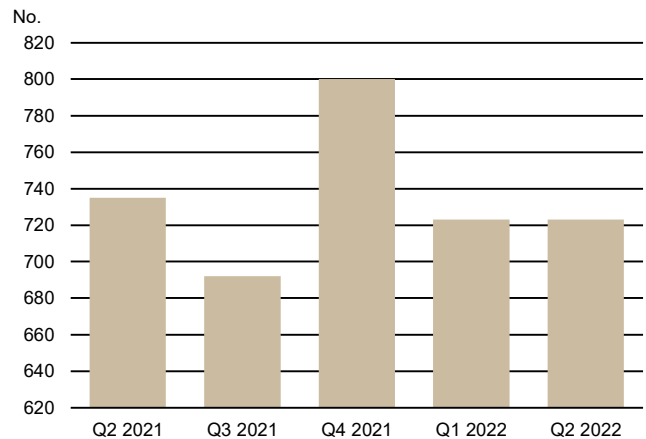
Characteristic of Magnolia Bostad's business model is that sales can be irregular between quarters.

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	1,356	85	0	1,441
Plan assignments	18 - 24 months	1,593	1,165	301	3,059
Review	2 - 4 months	55	519	74	648
Adoption of zoning plan	3 weeks, opportunity to appeal	745	0	0	745
Zoning plan comes into force		2,408	799	260	3,467
<b>Total</b>		<b>6,157</b>	<b>2,568</b>	<b>635</b>	<b>9,360</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 30 June 2022

# 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.

Of the profit/loss for the period attributable to non-controlling influence of SEK -20 m, SEK -5 m is attributable to Videbo Invest AB's share of the profit in Magnolia Holding 3 AB, SEK -15 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.

The previous 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.

During the period, Magnolia Bostad received a capital contribution in the form of an unconditional shareholder contribution from HAM Nordic AB of SEK 400 m. Furthermore, all hybrid loans received, including interest on them, have been converted into unconditional shareholder contributions.

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 2021, [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.

## Litigation and legal proceedings

Magnolia Bostad becomes involved in litigation and legal proceedings from time to time in its operating activities. These disputes and legal processes are not expected to affect Magnolia Bostad's financial results or position to any significant extent, either individually or together.

During the quarter, the Svea Court of Appeal ruled in favour of Magnolia Bostad in a dispute. In 2018, a seller of a property-owning company (the Seller) presented a claim for standardized damages of SEK 25 m under a claim for breach of contract against a share transfer agreement. In 2018, the seller made demands for an additional SEK 22 m.

In 2019, the Seller adjusted his action and presented a claim of SEK 46.5 m plus interest for breach of contract in the district court. In the autumn of 2020, the district court ruled in favour of Magnolia Bostad. The judgment was appealed by the Seller to the Court of Appeal. The Court of Appeal ruled in favour of Magnolia Bostad in June 2022, which means there is no effect. Thus, the dispute has ended. The ruling has not affected the Group's earnings or financial position.

## Significant risks and uncertainty factors

Magnolia Bostad is exposed to risks and uncertainties through its operations.

Russia's war of aggression against Ukraine has increased uncertainty, even though the company has no operations in either Ukraine or Russia. The company also has no counterparties and does not make any direct purchases from Ukraine or Russia. The war may nevertheless, through indirect effects, affect the supply of materials for projects, which may make the projects more expensive. We evaluate all projects on an ongoing basis and currently see no significant impact on the company's earnings or financial position. The company continues to follow developments closely.

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 64–66 and Note 3 in the company's Annual Report for 2021.

## 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 1,421 m (1,315) compared with the book value of SEK 1,407 m (1,259). 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.

## 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 June 2022, the company had 124 (115) employees. Of the number of employees, 57 (57) were women and 67 (58) were men at offices in Stockholm, Norrköping, Göteborg, Malmö and Umeå. Comparative information refers to 31 December 2021. On 30 June 2022 the management team consisted of five people. For more information about Magnolia Bostad's executive management, see [www.magnoliabostad.se](http://www.magnoliabostad.se).

**Statement and certification**

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

Stockholm 6 July 2022

Magnolia Bostad AB (publ)

Fredrik Holmström  
Chairman of the Board

Therese Rattik  
Board member

Johan Bengtsson  
Board member

Erik Rune  
Board member

Erika Olsén  
Board member

Fredrik Tibell  
Board member

Johan Tengelin  
CEO

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

# Definitions

## Alternative KPIs not defined in 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>

## Abbreviations

**LFM30** (Lokal färdplan Malmö 2030) (Local Roadmap Malmö 2030) is an organization that works with collaboration in the construction and civil engineering sector to develop a climate-neutral construction and civil engineering sector in Malmö.

**HS30** (Hållbart Stockholm 2030) (Sustainable Stockholm 2030) brings together players from the housing development sector in Mälardalen, who work together to sharply reduce the industry's ecological footprint and take social sustainability even more seriously

**ÖBKN** (Östergötland Bygger KlimatNeutralt)(Östergötland Builds Climate-Neutral) is a politically independent network where people from business, the public and academia meet to solve society's environmental challenges.

## 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.

### *Projects in progress*

Projects in design or in production.

### *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

	2022			2021			2020	
	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep
Net sales (SEK million)	97	91	716	93	52	407	572	281
Operating profit/loss (SEK million)	-62	-23	196	90	-2	-25	278	187
Profit/loss after tax (SEK million)	-109	-39	148	29	-55	-72	202	119
Earnings per share (SEK)	-2.59	-0.79	3.83	0.72	-1.28	-1.72	5.50	3.00
Equity (SEK million)	2,660	2,769	2,406	2,092	1,592	1,660	1,733	1,606
Equity per share (SEK) <sup>1</sup>	68.45	71.07	44.34	40.64	39.87	41.14	42.95	39.45
Equity/assets ratio (%)	36.4	41.8	38.7	32.1	28.1	28.8	32.7	35.8
Cash flow from operating activities (SEK million)	155	-405	5	-6	-130	-172	215	223
Cash flow from the operating activities, per share (SEK)	4.1	-10.7	0.1	-0.2	-3.4	-4.5	5.7	5.9
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

- Interim Report January-September 2022 27 October 2022
- Year-end Report January-December 2022 21 February 2023

## Contacts

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, IR and Media Manager

072 720 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. The information was submitted for publication, through the agency of the contact persons, on 6 July 2022 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 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. Magnolia Bostad is owned by HAM Nordic AB jointly controlled by Holmströmgruppen and funds and entities that are managed and advised by Areim. 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  
Telefon +46 8 470 50 80  
[magnoliabostad.se](http://magnoliabostad.se)