

**MAGNOLIA**

Find your home with  
Magnolia Bostad

**Magnolia Bostad**  
Interim Report  
The Group  
1 Jan–30 Sep 2022

Q3

# Interim report 1 January–30 September 2022

## 1 January–30 September 2022

- Net sales amounted to SEK 220 m (552).
- The operating loss was SEK 512 m (+64), of which SEK -195 m (107) refers to changes in the value of investment properties.
- The loss before tax for the period was SEK 641 m (-70) and the loss after tax amounted to SEK 581 m (-98).
- Earnings per share, after deductions for minority shares, was SEK -13.96 (-2.25).

## 1 July–30 September 2022

- Net sales amounted to SEK 32 m (93).
- The operating loss was SEK 427 m (+90), of which SEK -227 m (65) refers to changes in the value of investment properties.
- The loss before tax for the period was SEK 480 m (+43) and the loss after tax amounted to SEK 433 m (+29).
- Earnings per share, after deductions for minority shares, was SEK -10.57 (0.74).

## Significant events 1 July–30 September 2022

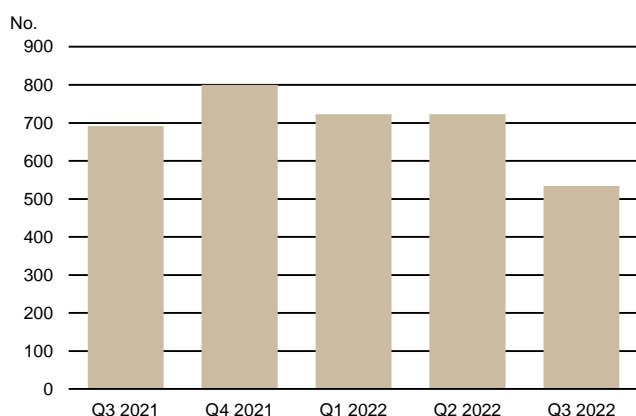
- Carried out a review of fixed costs and adjusted the work-force according to the market situation.

## Significant events after the end of the quarter

- Received a new unconditional shareholder contribution of SEK 150 m from Magnolia Bostad's owner HAM Nordic AB.

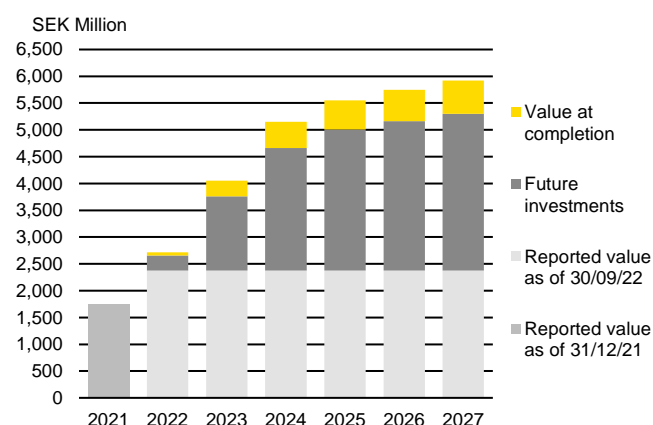
## Sold residential units

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-Sep	2021 Jan-Sep	2022 Jul-Sep	2021 Jul-Sep	2021/2022 Oct-Sep	2021 Jan-Dec
<b>Project-related</b>						
Number of production starts during the period <sup>1</sup>	889	644	56	604	1,860	1,615
Number of sold residencies during the period <sup>1</sup>	0	266	0	189	534	800
Total number of residencies in production <sup>1</sup>	10,035	9,366	10,035	9,366	10,035	9,410
Number of estimated building rights in the portfolio, not yet production started <sup>1</sup>	21,137	19,959	21,137	19,959	21,137	20,112
<b>Financials</b>						
Investment properties (SEK m)	2,370	2,069	2,370	2,069	2,370	2,276
Operating profit/loss	-512	64	-427	90	-316	260
Return on equity (%)	-	-	-	-	Neg	3.6
Equity/assets ratio (%)	32.2	32.1	32.2	32.1	32.2	38.7
Interest coverage ratio (multiple)	-	-	-	-	Neg	0.8
<b>Share-related</b>						
Earnings per share (SEK)	-13.96	-2.25	-10.57	0.74	-10.12	1.59
Equity per share (SEK) <sup>2</sup>	57.88	40.64	57.88	40.64	57.88	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

*The market situation is still uncertain and difficult to assess with high inflation and rising financing costs. Buyers of forward funding projects are still waiting, and we did not have any project sales during the quarter. We are now seeing a sharp slowdown in new housing construction in Sweden. We have chosen to postpone several future projects that are not yet being constructed and we have reviewed our fixed costs. The results were weighed down by negative valuation effects, write-downs of projects and one-off effects. Thanks to our excellent building rights portfolio, and all our skilled employees, coupled with good liquidity and strong owners, we are however well equipped to handle the current market situation.*



## The Quarter

The results for the quarter were weighed down by negative valuation effects, write-downs of projects and one-off effects. The negative valuation effects and write-downs are due to changed return requirements and revised estimates of future net operating income. Due to the uncertain market situation, we did not have any project sales during Q3.

## The market situation

The situation remains uncertain and difficult to assess, and we are now seeing a sharp slowdown in new housing construction in Sweden. This will in all likelihood lead to a substantial deficit as there is a great need for new housing. According to the Swedish National Board of Housing, Building and Planning (October 2022), an additional 63,000 new residential units are needed annually up until 2030. We therefore see good opportunities for the new production of modern, attractive housing in Sweden once the market stabilizes.

## Adapting to new market conditions

We have chosen to postpone several future projects, which only refers to projects that are not yet being constructed.

We have also carried out a review of fixed costs and adjusted our workforce.

## Residential units in production

For the roughly 10,000 residencies in production, we are following the current schedules for completion. 80% of these residential units are sold via forward funding and the rest are developed for self-management.

## Financing

The bond market remains weak and costly. However, we managed to find a window in the spring and successfully issued a green bond. We now have three bonds with the first maturing in Q2 2024.

We have well-established banking relationships for various financing solutions and received our first green building credit in Q3. This is in line with our ambition that all our financing should be sustainable based on environmental and social aspects.

Our liquidity is currently strong. At the end of Q2, we had a cash balance of around SEK 640 m, and in addition access to a revolving loan credit with about SEK 240 m in unused funds. In addition, shortly after the end of the quarter, we received an unconditional shareholder contribution from our owner of SEK 150 m intended for project financing.

## Looking forward

Thanks to our excellent building rights portfolio with its emphasis mainly on the conurbations and a number of strong regional cities, and all our skilled employees, coupled with good liquidity and strong owners, we are well equipped to handle the current market situation.

Although the market situation is currently rather gloomy, there is still a strong underlying demand for new housing in Sweden. With this as a starting point, we are working at a high tempo to tackle the challenges we face in the short-term, while continuing to build up the company towards our long-term goals.

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 July-September 2022

- Joined the Science Based Targets Initiative (SBTi), which means confirmation that the company's climate targets are scientifically based and contribute to slowing down climate change in line with the Paris Agreement.
- Carried out three environmental audits in the project phase.
- Received our first green building credit. This is in line with our ambition that all our financing should be sustainable based on environmental and social aspects.
- A number of key personnel went through Sustademy's Sustainability Certification training.

## 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 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 Jan-Sep	2022 Jul-Sep
<b>Environmental certification according to The Swedish Green Building's Silver Certification, the Nordic Ecolabel or equivalent.</b>		
Completed projects with completed or planned certifications, number of residential units	208	0
Projects with planned certification, number of residential units as of 30 Sep	19,668	19,668
<b>Environmental audits, number</b>		
Environmental audits, number	8	3
<b>ESG audit of turnkey contracts, number</b>		
ESG audit of turnkey contracts, number	0	0
<b>Codes of conduct, signed by</b>		
Employees and partners	100%	100%
Partners in sponsorship	100%	100%
<b>Social sustainability, football teams Magnolia Bostad supports</b>		
Football teams, number	28	28
<b>Green Bonds</b>		
Total volume of outstanding Green Bonds as of 30 Sep, SEKm	1,425	1,425
Remaining available capacity for Green Bonds as of 30 Sep, SEKm	2,180	2,180
Total fair value of green pool as of 30 Sep, SEKm	3,605	3,605



*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-Sep	2021 Jan-Sep	2022 Jul-Sep	2021 Jul-Sep	2021/2022 Oct-Sep	2021 Jan-Dec
Net sales	220	552	32	93	936	1,268
Production and operating costs	-351	-548	-152	-80	-920	-1,117
<b>Gross profit/loss</b>	<b>-131</b>	<b>4</b>	<b>-120</b>	<b>13</b>	<b>16</b>	<b>151</b>
Central administration	-76	-77	-22	-25	-106	-107
Profit/loss from participations in associated companies and joint ventures	-110	30	-58	37	-52	88
- of which net operating income	8	2	4	0	11	5
- of which other income and cost	-28	-11	-8	-3	-18	-1
- of which changes in value	-40	90	-36	67	36	166
- of which financing costs	-63	-31	-26	-11	-76	-44
- of which tax	13	-20	7	-16	-8	-41
- of which results from disposals	-	-	-	-	3	3
Change in value, investment properties	-195	107	-227	65	-174	128
<b>Operating profit/loss</b>	<b>-512</b>	<b>64</b>	<b>-427</b>	<b>90</b>	<b>-316</b>	<b>260</b>
Financial income	14	2	2	1	17	5
Financial expenses	-144	-136	-56	-48	-198	-190
<b>Profit/loss before tax</b>	<b>-641</b>	<b>-70</b>	<b>-480</b>	<b>43</b>	<b>-496</b>	<b>75</b>
Income tax	60	-28	47	-14	63	-25
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>-581</b>	<b>-98</b>	<b>-433</b>	<b>29</b>	<b>-433</b>	<b>50</b>
<b>Profit/loss attributable to</b>						
Parent company shareholders	-528	-85	-400	28	-383	60
Non-controlling interests	-54	-13	-34	1	-51	-10
<b>Earnings per share (SEK)</b>						
Before dilution effects	-13.96	-2.25	-10.57	0.74	-10.12	1.59
After dilution effects	-13.96	-2.25	-10.57	0.74	-10.12	1.59

# Consolidated Statement of Comprehensive Income

Amounts in MSEK	2022 Jan-Sep	2021 Jan-Sep	2022 Jul-Sep	2021 Jul-Sep	2021/2022 Oct-Sep	2021 Jan-Dec
Net profit/loss for the period	-581	-98	-433	29	-433	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>-581</b>	<b>-98</b>	<b>-433</b>	<b>29</b>	<b>-433</b>	<b>50</b>
<b>Comprehensive income attributable to</b>						
Parent Company shareholders	-528	-85	-400	28	-383	60
Non-controlling interests	-54	-13	-34	1	-51	-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 220 m (552) and the operating loss was SEK 512 m (+64). The loss before tax was SEK 641 m (-70).

Distribution of revenue	2022 Jan-Sep	2021 Jan-Sep
Property sales	-38	408
<b>Sum of revenue recognised at a point in time</b>	<b>-38</b>	<b>408</b>
Project management	36	34
Rent	14	14
Other invoicing for the projects and other revenue	208	96
<b>Sum of revenue recognised over in time</b>	<b>258</b>	<b>144</b>
<b>TOTAL REVENUE</b>	<b>220</b>	<b>552</b>

During the period, no project sales were carried out. Income from property sales amounted to SEK -38m (408) because of increased production costs in previously profit-deducted projects.

Invoicing for projects and other income amounted to SEK 208 m (96) because of a high level of activity in sold projects being constructed.

Development of net operating income	2022 Jan-Sep	2021 Jan-Sep
<b>Rental income</b>		
Properties owned at the beginning of the period	4	9
Completed properties	-	-
Project properties	10	5
<b>Rental income</b>	<b>14</b>	<b>14</b>
<b>Property costs</b>		
Properties owned at the beginning of the period	-2	-3
Completed properties	-	-
Project properties	-6	-6
<b>Operating costs</b>	<b>-8</b>	<b>-9</b>
<b>Net operating income</b>	<b>6</b>	<b>5</b>

Production and operating costs amounted to SEK -351 m (-548) and were affected by write-downs in the project portfolio due to increased inflation and interest rates, which are not deemed to be fully recoverable in some projects.

The costs of central administration amounted to SEK 76 m (-77).

The loss from associated companies was SEK 110 m (+30), mainly affected by changes in value and financing costs.

Distribution of profits from associated companies	2022 Jan-Sep	2021 Jan-Sep
Net operating income	8	2
Other income and expenses	-28	-11
Change in value, project development	26	88
Change in value, other	-65	2
Financing costs	-63	-31
Tax	13	-20
<b>Total</b>	<b>-110</b>	<b>30</b>

The change in value of investment properties was SEK -195 m (107) and was primarily affected by increased return requirements, rising project costs and the Court of Appeal's ruling regarding presumptive rent, which negatively affected expected net operating income.

Change in value	2022 Jan-Sep	2021 Jan-Sep
Change in net operating income	-43	5
Change in project cost	-102	1
Project development	84	123
Change in required return	-132	3
Sales	2	4
Sales to JV	-3	-28
<b>Total</b>	<b>-195</b>	<b>107</b>

## Financial items

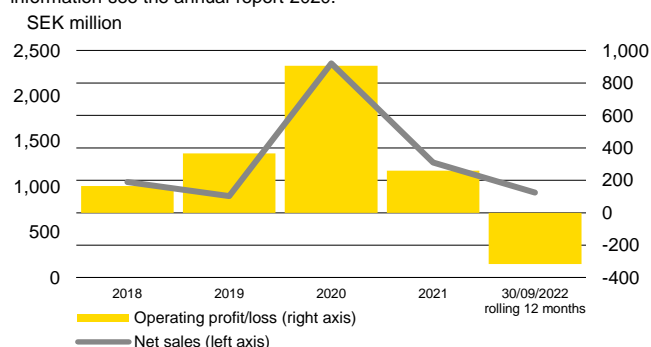
Net financial items amounted to SEK -130 m (-134). The decrease is mainly due to increased interest income from associated companies. At the end of the period, Magnolia Bostad's average interest rate was 7.3% compared to 6.7% at the start of 2022. The interest coverage ratio for the rolling twelve-month period was negative, compared to 0.8 times for full year 2021.

## Profit/loss for the period

The loss for the period was SEK 581 m (-98) and includes SEK 60 m (-28) 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 July – 30 September 2022**

Net sales amounted to SEK 32 m (93) and the operating loss was SEK 427m (+90). The loss before tax was SEK 480m (+43).

Distribution of revenue	2022 Jul-Sep	2021 Jul-Sep
Property sales	-12	68
<b>Sum of revenue recognised at a point in time</b>	<b>-12</b>	<b>68</b>
Project management	9	9
Rent	5	5
Other invoicing for the projects and other revenue	30	11
<b>Sum of revenue recognised over time</b>	<b>44</b>	<b>25</b>
<b>TOTAL REVENUE</b>	<b>32</b>	<b>93</b>

There were no project sales during the quarter. Revenue from property sales amounted to SEK -12 m (68) due to increased production costs in previously profit-deducted projects.

Invoicing for projects and other income amounted to SEK 30 m (11) because of a high level of activity in sold projects being constructed.

Production and operating costs amounted to SEK -152 m (-80) and are affected by write-downs in the project portfolio due to increased inflation and interest rates, which are not deemed to be fully recoverable in some projects.

The costs of central administration amounted to SEK -22 m (-25).

The loss from associated companies was SEK 58 m (+37), mainly affected by changes in value and financing costs.

Distribution of profits from associated companies	2022 Jul-Sep	2021 Jul-Sep
Net operating income	4	-
Other income and expenses	-8	-3
Change in value, project development	16	65
Change in value, other	-52	2
Financing costs	-26	-11
Tax	8	-16
Profit/loss from disposal	-	-
<b>Total</b>	<b>-58</b>	<b>37</b>

The change in value of investment properties was SEK -227 m (65) and was primarily affected by increased return requirements, rising project costs and the Court of Appeal's ruling regarding presumptive rent, which negatively affected expected net operating income.

Change in value	2022 Jul-Sep	2021 Jul-Sep
Change in net operating income	-42	-
Change in project cost	-84	-6
Project development	29	67
Change in required return	-132	1
Sales	1	6
Sales to JV	1	-3
<b>Total</b>	<b>-227</b>	<b>65</b>

**Net financial items**

Net financial items amounted to SEK -54 m (-47). The increase is mainly due to the increased interest rate situation in the market.

# Consolidated Condensed Statement of Financial Position

Amounts in MSEK	2022 30 Sep	2021 30 Sep	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	2,370	2,069	2,276
Right of use assets	51	59	55
Machinery and equipment	4	7	7
<b>Total property, plant and equipment</b>	<b>2,425</b>	<b>2,135</b>	<b>2,338</b>
Shares in associated companies and joint ventures	561	553	607
Receivables from associated companies	194	163	159
Other securities held as non-current assets	-	31	31
Other long-term receivables	997	965	1,179
<b>Total financial assets</b>	<b>1,752</b>	<b>1,712</b>	<b>1,976</b>
<b>Total non-current assets</b>	<b>4,184</b>	<b>3,854</b>	<b>4,320</b>
<b>Current assets</b>			
Development and project properties	1,478	1,218	810
Tenant-owned apartments	4	4	4
Accounts receivable	27	15	16
Receivables from associated companies	173	173	217
Other receivables	405	610	608
Prepaid expenses and accrued income	15	22	11
Cash and cash equivalents	639	521	233
<b>Total current assets</b>	<b>2,741</b>	<b>2,563</b>	<b>1,899</b>
<b>TOTAL ASSETS</b>	<b>6,925</b>	<b>6,417</b>	<b>6,219</b>



## Assets

The Group's total assets increased to SEK 6,925 m, compared to SEK 6,219 m at the start of the year.

### Investment properties

Properties held for self-management are reported as investment properties and amounted to SEK 2,370 m (2,276) and were affected by continued investments in investment properties being constructed and the acquisition of the Slagsta Strand project. The item has also been negatively affected by changes in value and reclassifications to development and project properties, because of a changed assessment in the focus of certain projects due to the current market situation.

Investment properties	2022 Jan-Sep	2021 Jan-Sep
Opening carrying amount	2,276	1,483
Reclassifications	-167	230
Investments and acquisitions	457	224
Change in value	-196	132
Closing carrying amount	2,370	2,069

### Development and project properties

Development and project properties have increased and amounted at the end of the period to SEK 1,478 m (810) due to continued investments in the building rights portfolio. The item has also been affected by impairment because certain projects are deemed not to be able to be carried out profitably in the current market situation.

### Associated companies and joint ventures

Shares in associated companies and joint ventures decreased due to negative changes in value and amounted to SEK 561m (607). Long-term and short-term receivables from associated companies and JVs have fell by SEK 9 m to SEK 367 m (376). Some of the JVs are working with zoning plans, some have properties with production in progress and some have completed investment properties.

The Strandblick project in Östersund, with a total of 216 residential units owned in a JV 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 are completed in Q2. The total reported value for Magnolia Bostad's share of the JV amounted to SEK 86 m. Underlying property value in the JV amounted to SEK 1,156 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 Alecia, 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.

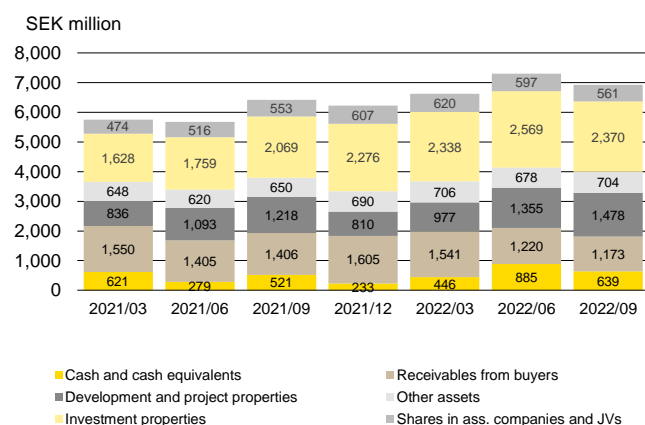
### Other receivables

Of the other long-term and other receivables totalling SEK 1,403 m (1,787), SEK 1,173 m (1,605) are receivables from buyers of projects, primarily larger real estate companies. Of receivables from buyers, the Group expects to receive SEK 286 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).

### Cash and cash equivalents

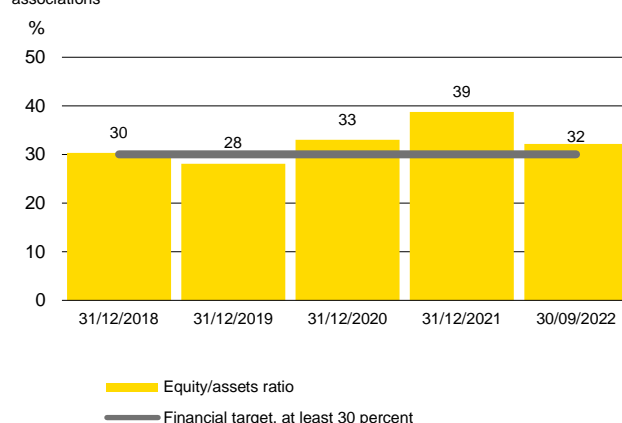
Cash and cash equivalents increased during the year to SEK 639 m (233). For more information, see pages 11 and 13.

### 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 Sep	2021 30 Sep	2021 31 Dec
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	151	151	151
Other capital contributions	1,228	627	823
Retained profits incl. net profit/loss for the period	810	1,198	1,342
<b>Equity attributable to Parent Company shareholders</b>	<b>2,189</b>	<b>1,977</b>	<b>2,317</b>
Non-controlling interests	38	85	89
<b>Total equity</b>	<b>2,227</b>	<b>2,062</b>	<b>2,406</b>
<b>Non-current liabilities</b>			
Deferred tax liability	34	96	94
Non-current interest-bearing liabilities	2,526	1,818	2,025
Non-current liabilities to associated companies	22	23	22
Non-current lease liabilities	37	47	43
Other long-term liabilities	930	552	587
<b>Total long-term liabilities</b>	<b>3,549</b>	<b>2,536</b>	<b>2,771</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	446	735	130
Current lease liabilities	18	16	16
Accounts payable	69	25	27
Liabilities to associated companies	15	25	24
Other current liabilities	403	856	674
Accrued expenses and deferred income	198	162	171
<b>Total current liabilities</b>	<b>1,149</b>	<b>1,819</b>	<b>1,042</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,925</b>	<b>6,417</b>	<b>6,219</b>

## Equity and equity/assets ratio

As of 30 September 2022, the Group's equity amounted to SEK 2,227 (2,406) with an equity/assets ratio of 32.2% (38.7). The equity ratio has fallen due to the period's negative results, while the balance sheet total has increased due to continued investments in investment properties as well as development and project properties. Magnolia Bostad's financial goal means that the equity ratio must amount to 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 38 m (89) is attributable to non-controlling interests. As of 31 December 2021, SEK 640 m 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 negative 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. 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.

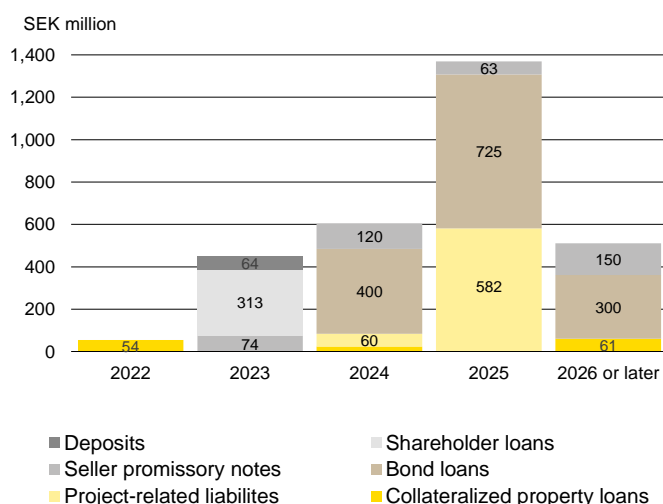
The need for financing varies from project to project, depending on how long the development work takes and the type of acquisition in question. Development for our own portfolio, forward funding or tenant-owned apartments have different financing needs. Corporate bonds are used to finance the processing 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 or revolving credit facilities. 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 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 2,972 m (2,155) on 30 September 2022. The majority of Magnolia Bostad's liabilities consist of bonds with a book value of SEK 1,409 m (1,259), project-related liabilities of SEK 642 m (382), a shareholder loan of SEK 313 m (-) and promissory notes of SEK 287 m (285). The remaining interest-bearing liabilities consist of secured property loans of SEK 139 m (148) and received deposits of SEK 64 m (77). The overdraft facility of 50m 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 2.5 years as of 30 September 2022, compared with 2.9 years as of 31 December 2021.

Maturity structure



After deductions for cash and cash equivalents of SEK 639 m (233), interest-bearing net liabilities amounted to SEK 2,333 m (1,922). Receivables from buyers amounted to SEK 1,173 m (1,605) and interest-bearing net liabilities after deductions for receivables from buyers amounted to SEK 1,160m (317).

## Bonds

As of 30 September 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 Sustainable Bond list.
- 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 Sustainable Bond list.
- 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 Sustainable Bond list.

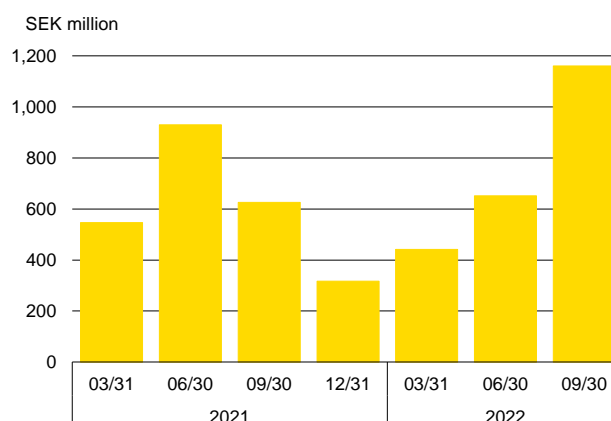
The difference between the book value of SEK 1 409 m and the nominal amount of the bonds is due to set-up fees paid, which are reported according to the effective interest method.

On 30 September Stibor amounted to 1.73%, (-0.05) which has affected the company's interest costs.

## 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 72 m to SEK 1,333 m (1,261).

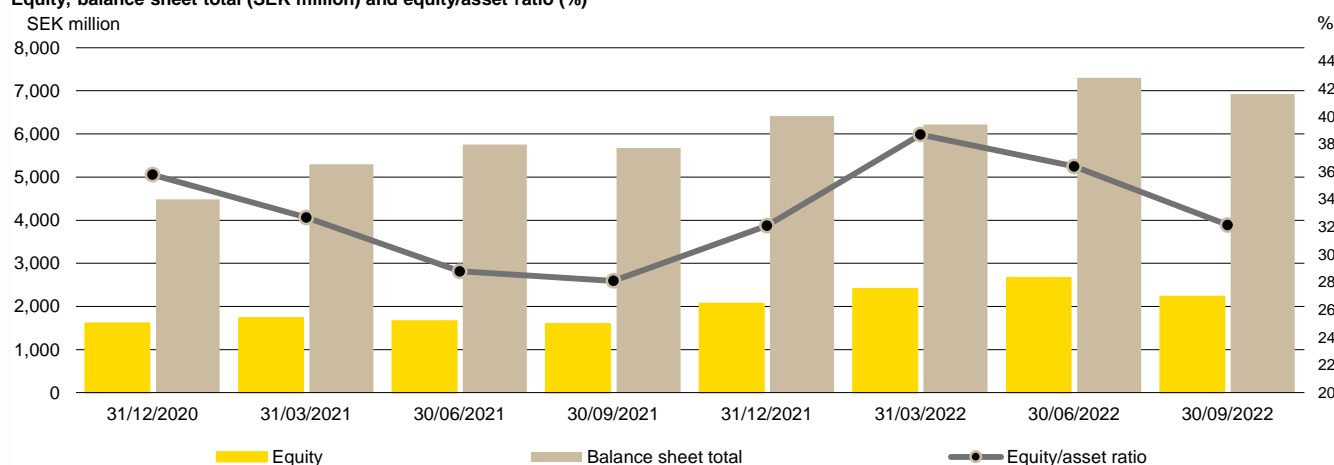
Interest bearing net liabilities with deduction for receivables at buyers



# 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>-</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	-	-	-	-85	-13	-98
Other comprehensive income	-	-	-	0	0	0
<b>Closing equity 2021/09/30</b>	<b>151</b>	<b>627</b>	<b>-</b>	<b>1,198</b>	<b>85</b>	<b>2,062</b>
Reciprocity of Hybrid loan	-	200	-	-	-	200
Net profit/loss for the period	-	-	-	145	3	148
Other comprehensive income	-	-	-	0	0	0
<b>Closing equity 2021/12/31</b>	<b>151</b>	<b>823</b>	<b>-</b>	<b>1,342</b>	<b>89</b>	<b>2,406</b>
Opening equity 2022/01/01	151	823	-	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	-	-	-	-528	-54	-581
Other comprehensive income	-	-	-	0	0	0
<b>Closing equity 2022/09/30</b>	<b>151</b>	<b>1,228</b>	<b>-</b>	<b>810</b>	<b>38</b>	<b>2,227</b>

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



# Condensed Consolidated Cash Flow Statement

Amounts in MSEK	2022 Jan-Sep	2021 Jan-Sep	2022 Jul-Sep	2021 Jul-Sep	2021/2022 Oct-Sep	2021 Jan-Dec
<b>Operating activities</b>						
Profit/loss after financial items	-641	-70	-480	44	-496	75
Adjustments for non-cash items, etc						
Less share of profit/loss from associated companies and joint ventures	111	-30	59	-37	53	-88
Retained dividend from associated companies	-	1	-	-	20	20
Depreciation/amortization and impairment of assets	63	21	50	7	69	27
Fair value changes, investment properties	195	-107	227	-67	174	-128
Capital gains/losses from the sale of development properties	42	-20	16	-26	-144	-206
Profit from sale of other long-term securities	-5	-	-	-	-5	-
Other profit/loss items that do not affect liquidity	7	8	3	6	11	12
Income tax paid	-	-	-	-	-	-
<b>Cash flow from operating activities before changes in working capital</b>	<b>-228</b>	<b>-197</b>	<b>-125</b>	<b>-73</b>	<b>-319</b>	<b>-288</b>
Decrease (+)/increase (-) of development and project properties	-271	-483	-33	-273	-220	-432
Decrease (+)/increase (-) in current receivables	383	249	18	-41	426	292
Decrease (+)/increase (-) in current liabilities	-220	121	55	381	-218	123
<b>Cash flow from operating activities</b>	<b>-336</b>	<b>-310</b>	<b>-86</b>	<b>-6</b>	<b>-332</b>	<b>-306</b>
<b>Investing activities</b>						
Acquisition of intangible fixed assets	-	1	-	1	-2	-1
Acquisition of investment properties	-312	-192	-225	-116	-514	-394
Acquisition of machinery and equipment	-	-1	-	-	-	-1
Disposal of investment properties	-	-	-	-	142	142
Investment in financial assets	-71	-32	-30	-1	-92	-53
Disposal/reduction of financial assets	35	4	-	-	35	4
<b>Cash flow from investing activities</b>	<b>-348</b>	<b>-222</b>	<b>-255</b>	<b>-118</b>	<b>-429</b>	<b>-303</b>
<b>Financing activities</b>						
Shareholder contribution	400	440	-	-	-40	-
Reciprocity of hybrid loan	-	-	-	440	640	640
Contribution from non-controlling interest	-	17	-	-	-	17
Repurchase of warrants	-	-	-	-	-4	-4
Borrowings	871	807	99	34	1,234	1,170
Repayment of borrowings	-182	-459	-4	-108	-952	-1,229
Dividend paid to minority interest	-	-29	-	-	-	-29
<b>Cash flow from financing activities</b>	<b>1,089</b>	<b>776</b>	<b>95</b>	<b>366</b>	<b>878</b>	<b>565</b>
<b>Cash flow for the period</b>	<b>406</b>	<b>244</b>	<b>-245</b>	<b>242</b>	<b>118</b>	<b>-44</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>233</b>	<b>277</b>	<b>885</b>	<b>279</b>	<b>521</b>	<b>277</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>639</b>	<b>521</b>	<b>639</b>	<b>521</b>	<b>639</b>	<b>233</b>

## Cash flow and cash and cash equivalents

The period's cash flow amounted to SEK 406 m. Cash and cash equivalents amounted to SEK 639 m (233) as of 30 September 2022.

## Operating activities

Cash flow from operating activities amounted to SEK -336 m (-310), mainly affected by the results for the period and investments in project properties.

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.

## Investment activities

Cash flow from investment activities amounted to SEK -348m (-222), mainly affected by investments in investment properties of SEK -312 m (-192).

## Financing activities

Cash flow from financing activities amounted to SEK 1,089 m (776), mainly affected by shareholder contributions of SEK 400 m (440) and loans raised of SEK 871 m (807), of which SEK 142 m from the issue of new green bonds.

## Cash flow during the quarter

Cash flow during the quarter amounted to SEK -245 m (244), mainly affected by negative earnings and investments in investment properties.

# Parent Company Condensed Income Statement

Amounts in MSEK	2022 Jan-Sep	2021 Jan-Sep	2022 Jul-Sep	2021 Jul-Sep	2021/2022 Oct-Sep	2021 Jan-Dec
Net sales	10	15	4	10	13	18
<b>Total income</b>	<b>10</b>	<b>15</b>	<b>4</b>	<b>10</b>	<b>13</b>	<b>18</b>
Central administration	-39	-40	-15	-19	-48	-49
<b>Operating profit/loss</b>	<b>-29</b>	<b>-25</b>	<b>-11</b>	<b>-9</b>	<b>-35</b>	<b>-31</b>
Financial income	102	58	36	18	128	84
Financial expenses	-102	-102	-40	-37	-165	-165
<b>Profit/loss after financial items</b>	<b>-29</b>	<b>-69</b>	<b>-15</b>	<b>-28</b>	<b>-72</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>-29</b>	<b>-69</b>	<b>-15</b>	<b>-28</b>	<b>-72</b>	<b>-112</b>

# Parent Company Condensed Balance Sheet

Amounts in MSEK	2022 30 Sep	2021 30 Sep	2021 31 Dec
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets	164	150	128
<b>Total non-current assets</b>	<b>164</b>	<b>150</b>	<b>128</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Receivables from Group companies	2,844	1,884	2,213
Receivables from associated companies	-	24	28
Other receivables	7	-	1
Prepaid expenses and accrued income	1	2	-
<b>Total current receivables</b>	<b>2,852</b>	<b>1,910</b>	<b>2,242</b>
Cash and bank balances	284	436	59
<b>Total current assets</b>	<b>3,136</b>	<b>2,346</b>	<b>2,301</b>
<b>TOTAL ASSETS</b>	<b>3,300</b>	<b>2,496</b>	<b>2,429</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>1,353</b>	<b>829</b>	<b>982</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	1,473	1,111	1,337
<b>Total long-term liabilities</b>	<b>1,473</b>	<b>1,111</b>	<b>1,337</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	-	428	-
Liabilities to Group companies	441	99	90
Accrued expenses and deferred income	33	29	20
<b>Total current liabilities</b>	<b>474</b>	<b>556</b>	<b>110</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,300</b>	<b>2,496</b>	<b>2,429</b>

## Parent company

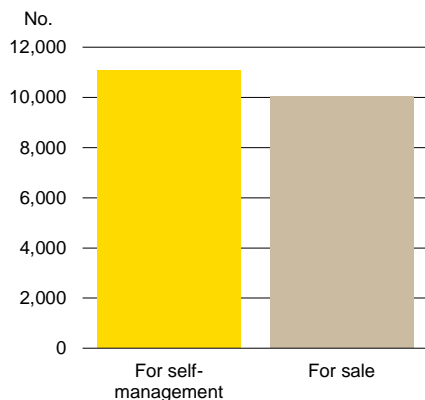
The parent company does not own any properties. Sales in the parent company primarily refer to invoicing of services to Group companies.

The parent company's loss after financial items was SEK 29 m (-69).

The equity/assets ratio for the parent company was 41.0% (40.4). The balance sheet total for the parent company increased to SEK 3,300 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

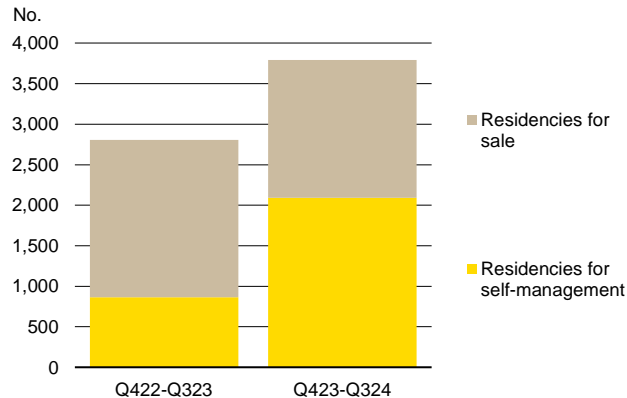
Building rights portfolio



Magnolia Bostad's estimated building rights totalled 21,137 divided into 11,092 rights for self-management and 10,045 rights for sale.

In the first nine months, 1,690 building rights were acquired in Stockholm, Göteborg and Skellefteå. No acquisitions took place in Q3.

Production starts



The building rights portfolio is continuously replenished with newly 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.

This is the company's best estimation of production starts from the building right portfolio as of 30 September 2022.

For a definition of production starts, see page 22

## Residential units in production

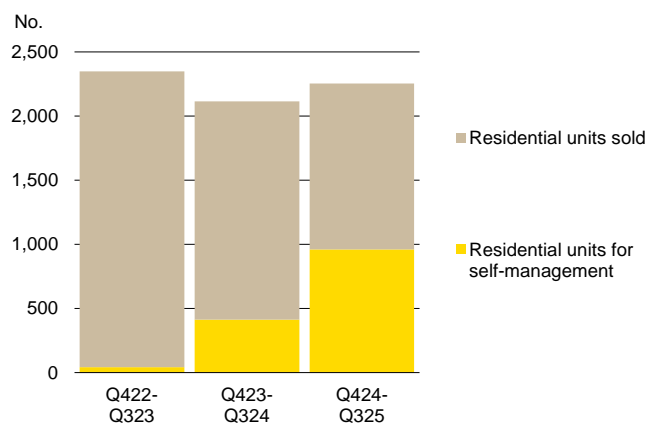
Residential units in production



There was a total of 10,035 residential units in production of which 2,083 units refer to units for self-management and 7,952 units refer to sold units or units for sale.

In the first nine months, production started on 889 residential units. During Q3, production started on 56 residential units and sales to tenant-owner associations were completed. Production started on a JV project in Göteborg. In accordance with practice, revenue recognition only takes place when the end customer takes over.

Estimated completion of residential units in production



In the first nine months, 208 residential units for self-management were completed. No units were completed in Q3.

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

*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

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

Magnolia Bostad's share of the property value at completion is estimated to amount to SEK 5.2 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 investments have been secured. The remaining investments amount to SEK 0.9 bn for the 838 residential units in production for self-management.

The number of housing starts for self-management amounted to 1,335 residential units. In twelve months, the number of housing starts for self-management has risen by 36 units. The final completion date for projects in production for self-management as of 30 September 2022 is estimated at 2027.

## Building rights portfolio for self-management

The number of non-production-started building rights intended for Magnolia Bostad's self-management amounted to 11,092 building rights as of 30 September 2022.

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 7.6 bn.

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

<b>Magnolia Bostad's share</b>	<b>2,083</b>
Of which construction started	1,335
Of which not construction started	748

## Business target

Magnolia Bostad's business target is that over time 6,000 residential units will be completed for self-management.

## 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	3,824	0	3,824
Review	2 - 4 months	818	80	898
Adoption of zoning plan	3 weeks, opportunity to appeal	1,112	0	1,112
Zoning plan comes into force		2,797	290	3,087
<b>Total</b>		<b>10,722</b>	<b>370</b>	<b>11,092</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 September 2022



# Value and valuation of properties for self-management

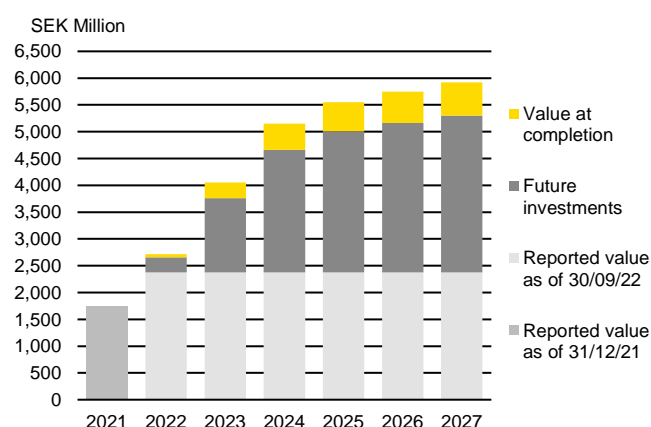
## Compilation, properties in self-management

- 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	706	-	706	33
Properties in self-management, in production	2,083	94,449	1,669	2,993	5,213	231
Properties in self-management, not in production	11,092	587,026	1,686	24,819	34,175	1,582
<b>Total</b>	<b>13,558</b>	<b>699,102</b>	<b>4,061</b>	<b>27,812</b>	<b>40,094</b>	<b>1,846</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 during Q1 and Q2 2022, occupancy was completed in the LU:1 Kronandalen project in Luleå, the Gjuteriet stage 2 project in Eskilstuna and the Sportflygaren project in Örebro. 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 1,391 m on existing bank financing for future investment needs.

Magnolia Bostad's property value upon completion for projects in production amounted to SEK 5.2 bn and the non-discounted residual surplus value amounts to SEK 0.6 bn. In total, including the JV partners' value, the estimated property value upon completion of the projects in production is SEK 7.3 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

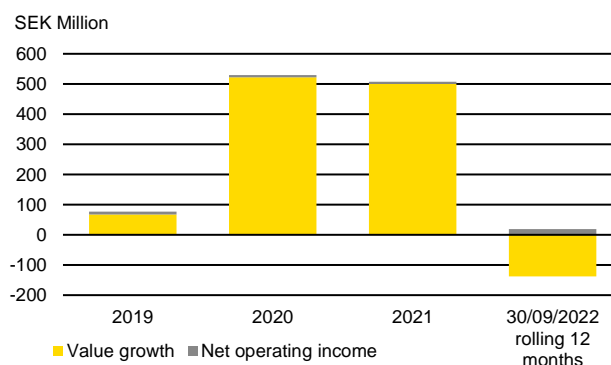
Shows the rolling twelve-month period 1 October 2021-30 September 2022 on investment properties, including Magnolia Bostad's share of changes in value of indirectly owned properties in JVs.

	Directly owned	Indirectly owned via JVs	Total
Change in net operating income	-43	-8	-51
Change in project costs	-127	-18	-145
Project development	102	91	193
Change in direct yield	-122	-30	-152
Sale	18	-	18
Sale to JV	-1	-	-1
<b>Change in value</b>	<b>-174</b>	<b>36</b>	<b>-138</b>

Most of the reported value changes come from changed project costs and rising return requirements. Value change from project development has contributed SEK 193 m over the last 12 months.

## 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

	Total project portfolio	Completed	Under production	Not production started
Rental value	1,846	33	231	1,582
Vacancies	-16	0	-2	-14
<b>Rental income</b>	<b>1,830</b>	<b>32</b>	<b>229</b>	<b>1,568</b>
Operating and maintenance costs	-417	-3	-53	-361
<b>Net operating income</b>	<b>1,413</b>	<b>29</b>	<b>176</b>	<b>1,207</b>
Net financial items	-657	-14	-83	-561
<b>Net operating income after net financial items</b>	<b>756</b>	<b>16</b>	<b>93</b>	<b>647</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 65% 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

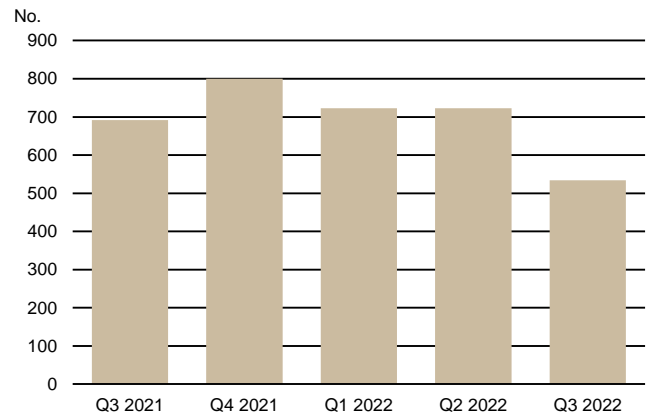
Characteristic of Magnolia Bostad's business model is that sales can be irregular between quarters.

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	1,239	0	0	1,239
Plan assignments	18 - 24 months	1,593	1,165	301	3,059
Review	2 - 4 months	705	419	0	1,124
Adoption of zoning plan	3 weeks, opportunity to appeal	660	100	74	834
Zoning plan comes into force		2,733	796	260	3,789
<b>Total</b>		<b>6,930</b>	<b>2,480</b>	<b>635</b>	<b>10,045</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 September 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 -54 m, SEK -23 m is attributable to Videbo Invest AB's share of the profit in Magnolia Holding 3 AB, SEK -30 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.

Shortly after the end of Q3, Magnolia Bostad received an unconditional shareholder contribution from HAM Nordic AB of SEK 150 m. During the first nine months, capital contributions received from the owner amounted to SEK 400m. During Q1, all hybrid loans received, including interest on them, were 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. In Q2, the Svea Court of Appeal ruled in favour of Magnolia Bostad in a dispute. As the judgment became final, the dispute ended.

## 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 delay the projects and/or make them 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 1,374 m (1,315) compared with the book value of SEK 1,409 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 September 2022, the company had 110 (115) employees. Of the number of employees, 50 (57) were women and 60 (58) were men at offices in Stockholm, Norrköping, Göteborg, Malmö and Umeå. Comparative information refers to 31 December 2021. On 30 September 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).

## Stockholm

27 October 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 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 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
Net sales (SEK million)	32	97	91	716	93	52	407	572
Operating profit/loss (SEK million)	-427	-62	-23	196	90	-2	-25	278
Profit/loss after tax (SEK million)	-433	-109	-39	148	29	-55	-72	202
Earnings per share (SEK)	-10.57	-2.59	-0.79	3.83	0.72	-1.28	-1.72	5.50
Equity (SEK million)	2,227	2,660	2,769	2,406	2,092	1,592	1,660	1,733
Equity per share (SEK) <sup>1</sup>	57.88	68.45	71.07	44.34	40.64	39.87	41.14	42.95
Equity/assets ratio (%)	32.2	36.4	41.8	38.7	32.1	28.1	28.8	32.7
Cash flow from operating activities (SEK million)	-86	155	-405	5	-6	-130	-172	215
Cash flow from the operating activities, per share (SEK)	-2.3	4.1	-10.7	0.1	-0.2	-3.4	-4.5	5.7
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

Year-end Report January-December 2022	21 February, 2023
Annual Report 2022:	5 April, 2023
Interim Report January-March 2023:	28 April, 2023
Half-Year Report 2023:	7 July, 2023
Interim Report January-September 2023:	25 October, 2023

## Contacts

Johan Tengelin, CEO  
johan.tengelin@magnoliabostad.se

Fredrik Westin, Deputy CEO & CFO  
fredrik.westin@magnoliabostad.se

Marita Björk, IR and Media Manager  
072 720 00 06, 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 27 October 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)