

MAGNOLIA

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Magnolia Bostad
Half-year Report
Group
1 Jan–30 Jun 2024

Q2

Interim report 1 January–30 June 2024

"During the first half of the year, we continued to focus on enhancing the company's liquidity and completing sustainable and high-quality projects for our buyers. In total, we delivered around 1,800 residential units to our buyers and we expect to complete and deliver around 1,500 more residential units in the second half of the year. We are continuing to develop our projects in accordance with the Swedish Green Building Council's silver certification, or equivalent, with a focus on low energy consumption, a careful choice of materials and a good indoor and outdoor environment for residents. During the second quarter, we sold four projects comprising a total of 730 residences. These projects include a completed property in Brogårdstaden, Upplands-Bro, a project in Knivsta which is under construction and two completed properties on Gotland. Through these sales, we have freed up liquidity and reduced our level of indebtedness.



After a period when inflation and interest rates were high, we now see that inflation is moving towards the 2% target and that the Riksbank has started to reduce the key interest rate. We expect another two to three reductions in the second half of the year. Along with an increasing appetite for investment and a stabilization of contract prices, the conditions for a gradual recovery in new housing production are good. The residential transaction market, including rentals which is our largest segment, is showing signs of recovery and we are experiencing increased interest in our projects from investors.

We currently have 7,000 building rights with zoning plans in force, the majority of which are in the Stockholm region, which means that we are in a good position to be able to start a number of new projects in the quarters to come. I am proud of the accommodation we contribute to the housing market and would like to thank all our employees for the drive and commitment you have shown in maintaining our strong market position and execution capability through recent challenges. I have great faith in our business and look forward with confidence to an autumn where the playing field will hopefully be a lot livelier. I also want to thank our customers and partners and hope everyone has a great summer!"

Johan Tengelin, CEO

1 January–30 June 2024

- Net sales amounted to SEK 1,331 m (158).
- The operating loss was SEK 548 m (-286), of which SEK -84 m (-25) applies to changes in the value of investment properties.
- The loss before tax for the period was SEK 708 m (-419) and the loss after tax was SEK 691 m (-422).

1 April–30 June 2024

- Net sales amounted to SEK 1,279 m (101).
- The operating loss was SEK 423 m (-179), of which SEK -36 m (-21) applies to changes in the value of investment properties.
- The loss before tax for the period was SEK 501 m (-245) and the loss after tax was SEK 482 m (-246).

Events April 1–June 30, 2024

- Sale of two properties: one in Knivsta and one in Upplands-Bro for a total of 524 residential units.
- Sale of two properties on Gotland; one assisted living facility and one student residence, for a total of 210 homes.
- Sale of the land intended for the development of the projects Bredden in Upplands Väsby and Senapsfabriken etapp 3 in Uppsala.
- Received construction credit for a project in Botkyrka where production is ongoing with 77 homes.
- Carried out a downsizing of the organization to adapt it to changed market conditions.

Events after the end of the period

- Obtained construction credit for a project in Borås where production is ongoing with 296 apartments.

KPIs, Group	2024 Jan-Jun	2023 Jan-Jun	2024 Apr-Jun	2023 Apr-Jun	2023/2024 Jul-Jun	2023 Jan-Dec
Project-related						
Number of production starts	0	57	0	57	0	57
Number of sold residences	734	0	734	0	734	0
Total number of residences in production	5,075	9,129	5,075	9,129	5,075	7,496
Number of estimated building rights in the portfolio, not yet production started	11,956	17,090	11,956	17,090	11,956	14,073
Total number of completed residences	1,960	268	236	0	3,650	1,958
Financials						
Investment properties (SEK m)	1,826	2,898	1,826	2,898	1,826	3,085
Operating profit/loss	-548	-286	-423	-179	-857	-595
Equity/assets ratio (%)	28.4	31.9	28.4	31.9	28.4	31.2

Sustainable housing development

Magnolia Bostad AB, CIN 556797-7078, develops new residential properties, rental apartments, tenant-owned apartments, and community service properties in attractive locations in Sweden's growth areas and major cities. Since the company was started, over 10,000 residential units have been developed both for sale and for self-management. Our work is based on a holistic approach where operations are carried out in a way that promotes long-term, sustainable urban development. More information is available at www.magnoliabostad.se

We develop sustainable housing using energy-efficient technology, healthy material choices and circular recycling and build to a minimum criterion based on the Swedish Green Building Society's silver certification, the Nordic Swan eco-label or equivalent. We are also active in the development of recycling and circular flows. The land being prepared, and the properties being built will be used by generations for many years to come. To speed up the transition to a sustainable housing industry, we participate in various industry initiatives such as HS30 and LFM30.

We develop our homes with a good indoor and outdoor environment and include security in the areas we develop, by using BoTryggt30's guidelines, among other things. We are involved locally in the places we build, such as by supporting local football clubs in their work for gender equality and integration.

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.

The fact that we develop and build sustainably also enables sustainable financing. All our outstanding bond schemes are green, and we are continuously working towards financing via green building loans. Our aim is for all our financing to be green or sustainable in some way in terms of environmental and social aspects. Our corporate bonds follow the company's green framework, which has been established in accordance with the Green Bonds Principles 2018 category Green Buildings. The company's bonds are listed on Nasdaq Stockholm. There is more information at www.magnoliabostad.se.

Read more about sustainable financing on page 10 and green bonds at: <https://om.magnoliabostad.se/en/bonds>



During the quarter, we sold 112 homes in Brogårdstaden, a fully-let residential block developed in accordance with stringent environmental requirements, with a wooden frame and facade, which means reduced carbon dioxide emissions both during construction and during the life cycle of the buildings. The properties are certified in accordance with the Swedish Green Building Council's silver certification and, among other things, equipped with geothermal heating and solar cells.

Consolidated condensed income statement

Amounts in MSEK	2024	2023	2024	2023	2023/2024	2023
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jul-Jun	Jan-Dec
Net sales	1,331	158	1,279	101	1,478	305
Production and operating costs	-1,661	-209	-1,583	-107	-1,904	-452
Gross profit/loss	-330	-50	-304	-6	-426	-147
Central administration	-46	-38	-27	-21	-84	-76
Profit/loss from participations in associated companies and joint ventures	-87	-172	-56	-131	-183	-268
Change in value, investment properties	-84	-25	-36	-21	-163	-104
Operating profit/loss	-548	-286	-423	-179	-857	-595
Financial income	7	6	4	3	20	19
Financial expenses	-168	-138	-82	-69	-324	-295
Profit/loss before tax	-708	-419	-501	-245	-1,161	-871
Income tax	18	-3	18	-1	24	3
NET PROFIT/LOSS FOR THE PERIOD	-691	-422	-482	-246	-1,137	-868
Profit/loss attributable to						
Parent company shareholders	-638	-387	-448	-228	-1,059	-807
Non-controlling interests	-53	-35	-34	-18	-79	-61

Consolidated statement of comprehensive income

Amounts in MSEK	2024	2023	2024	2023	2023/2024	2023
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jul-Jun	Jan-Dec
Net profit/loss for the period	-691	-422	-482	-246	-1,137	-868
OTHER COMPREHENSIVE INCOME FOR THE PERIOD						
Total other comprehensive income	0	0	0	0	0	0
COMPREHENSIVE INCOME FOR THE PERIOD	-691	-422	-482	-246	-1,137	-868
Comprehensive income attributable to						
Parent Company shareholders	-638	-387	-448	-228	-1,059	-807
Non-controlling interests	-53	-35	-34	-18	-79	-61

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 2024

Net sales amounted to SEK 1,331 m (158) and the operating loss was SEK 548 m (-286). The loss before tax amounted to SEK 708 m (-419).

Distribution of revenue, MSEK	2024 Jan-Jun	2023 Jan-Jun
Property sales	1,289	6
Sum of revenue recognised at a point in time	1,289	6
Project management	14	27
Rent	21	10
Other invoicing for the projects and other revenue	7	115
Sum of revenue recognised over in time	42	152
TOTAL REVENUE	1,331	158

During the period, a number of property transactions were completed to reduce debt and free up liquidity for upcoming debt maturities. The Ångloket property in Knivsta, previously under production for self-management, has been sold as a forward funding project. The completed properties Adju-tanten- Assisted Living and Meriten Student Housing in Visby, as well as the residential property Bro Mälärstrand 36 in Up-plands-Bro, have been divested. Land designated for the de-velopment of the Bredden project in Upplands Väsby and the Senapsfabriken phase 3 project in Uppsala has been sold. In total, the residential sales encompass 734 apartments.

Revenues from these profit recognitions total SEK 1,202 m. Adjustments for variable components in previously profit-rec-ognized projects amounted to SEK 87 m during the period as a result of positive progress in the projects which, in connec-tion with ongoing final settlements, allow for the dissolution of reserves.

Production and operating costs amounted to SEK -1,661 m (-209), of which property sales accounted for SEK -1,477 m. Costs for aborted projects and write-downs in the project port-folio amounted to SEK -139 m.

Central administration costs totaled SEK -46 m (-38) and were negatively impacted by one-off costs associated with the restructuring undertaken to enable the organization to fo-cus on metropolitan regions where we anticipate a faster re-covery in the new construction market.

The loss from associated companies was SEK -87 m (-172), mainly affected by financing costs in productions in progress.

Distribution of profits from associated companies, MSEK	2024 Jan-Jun	2023 Jan-Jun
Net operating income	16	10
Other income and expenses	-24	-17
Change in value, project development	11	62
Change in value, other	-13	-159
Financing costs	-78	-77
Tax	1	9
Total	-87	-172

The change in value of investment properties was SEK -84 m (-25) and was mainly affected by higher required re-turns.

Change in value, MSEK	2024 Jan-Jun	2023 Jan-Jun
Change in net operating income	0	52
Change in project cost	11	6
Project development	13	42
Change in required return	-108	-127
Sales	-	2
Sales to JV	-	-
Total	-84	-25

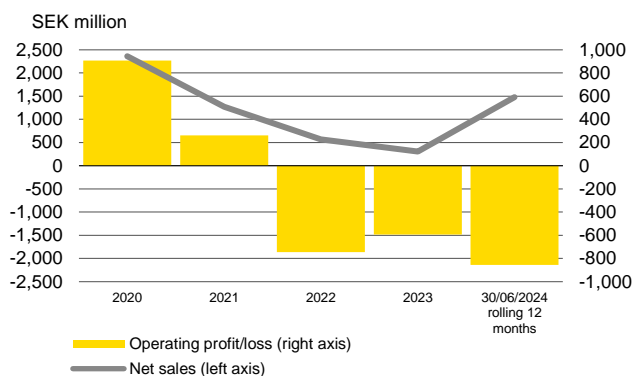
Financial items

Net financial items amounted to SEK -161 m (-132). At the end of the period Magnolia Bostad's average interest rate was 10.2%, compared to 9.8% at the turn of 2023/24.

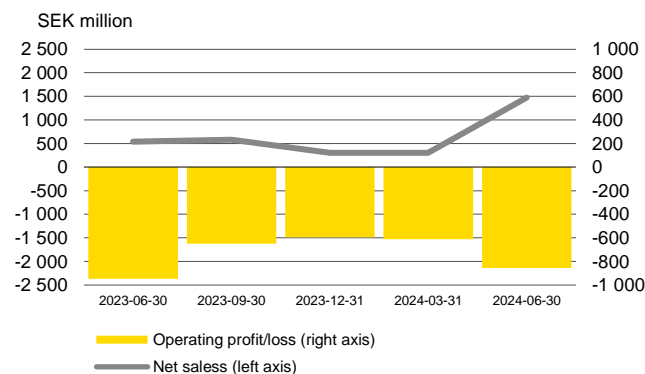
Profit/loss for the period

The loss for the period was SEK -691 m (-422) and included SEK 18 m (-3) in deferred tax.

Net sales & operating profit/loss, full-year



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



Reporting period 1 April–30 June 2024

Net sales amounted to SEK 1,279 m (101) and the operating loss was SEK 423 m (-179). The loss before tax amounted to SEK 501 m (-245).

Distribution of revenue, MSEK	2024 Apr-Jun	2023 Apr-Jun
Property sales	1,260	20
Sum of revenue recognised at a point in time	1,260	20
Project management	6	19
Rent	10	5
Other invoicing for the projects and other revenue	4	57
Sum of revenue recognised over in time	20	81
TOTAL REVENUE	1,279	101

During the quarter, several property transactions were completed to reduce debt and free up liquidity for upcoming debt maturities. The Angloket property in Knivsta, previously under production for self-management, has been sold as a forward funding project. The completed properties Adjutanten- assisted living facility and Meriten student housing in Visby, as well as the residential property Bro Mälarstrand 36 in Upplands-Bro, have been divested. Land designated for the development of the Bredden project in Upplands Väsby and the Senapsfabriken phase 3 project in Uppsala has been sold. In total, the residential sales comprise 734 apartments.

Revenues from these profit recognitions total SEK 1,202 m. Adjustments for variable components in projects previously recognized in profit amounted to SEK 58 m during the quarter as a result of positive progress in the projects which, in connection with ongoing final settlements, allows for the dissolution of reserves.

Rental income amounted to SEK 10 m (5) and property costs amounted to SEK -6 m (-4), which gives an operating net of SEK 4 m (1).

In addition to profits from project sales and net operating income, gross profit is also affected by fixed costs and impairment losses on projects that are not deemed to be profitable in the current market situation.

Costs for central administration amounted to SEK -27 m (-21).

The increase is attributable to non-recurring costs related to the restructuring undertaken to enable the organization to focus on metropolitan regions where we anticipate a faster recovery in the new construction market. This restructuring has had a negative impact on the quarterly utilization rate.

The loss from associated companies was SEK -56 m (-131), mainly affected by financing costs in the JV with ongoing production and write-down of accrued costs in the Näsängen project that will not be realised in the JV.

Distribution of profits from associated companies, MSEK	2024 Apr-Jun	2023 Apr-Jun
Net operating income	9	6
Other income and expenses	-21	-9
Change in value, project development	6	33
Change in value, other	-9	-128
Financing costs	-39	-42
Tax	-1	9
Total	-56	-131

The change in value of investment properties was SEK -36 m (-21) and was mainly affected by higher required returns, which to some extent was countered by the continued development of properties. The change in operating net and project costs is due to reduced volumes in the Slagsta Strand project in Stockholm.

Change in value, MSEK	2024 Apr-Jun	2023 Apr-Jun
Change in net operating income	-56	-19
Change in project cost	56	18
Project development	11	27
Change in required return	-47	-46
Total	-36	-21

Net financial items during the quarter amounted to SEK -78 m (-67). The quarterly property sales were conducted at the end of the period, which means cost savings from reduced debt will start to show from the next quarter.

Consolidated condensed statement of financial position

Amounts in MSEK	2024 30 Jun	2023 30 Jun	2023 31 Dec
ASSETS			
Non-current assets			
Goodwill	-	6	-
Other intangible assets	0	1	0
Total intangible assets	0	6	0
Investment properties	1,826	2,898	3,085
Right of use assets	37	45	47
Machinery and equipment	1	3	2
Total property, plant and equipment	1,865	2,945	3,134
Shares in associated companies and joint ventures	253	422	338
Receivables from associated companies	84	182	78
Other long-term receivables	555	707	509
Total financial assets	892	1,311	925
Total non-current assets	2,757	4,263	4,059
Current assets			
Development and project properties	1,381	1,360	1,426
Tenant-owned apartments	4	4	4
Accounts receivable	13	13	18
Receivables from associated companies	140	141	135
Other receivables	350	532	355
Prepaid expenses and accrued income	16	15	21
Cash and cash equivalents	217	410	331
Total current assets	2,122	2,475	2,290
TOTAL ASSETS	4,879	6,738	6,350

Assets

The Group's total assets amounted to SEK 4,879 m, compared to SEK 6,350 m at the beginning of the year.

Investment properties

Properties held for self-management are reported as investment properties and amounted to SEK 1,826 m (3,085). The change is due to the fact that the projects Bro Mälärstrand 36 in Upplands Bro, Ångloket in Knivsta, Adjutanten assisted living facility and Meriten student housing in Visby were sold during the period.

Investment properties, MSEK	2024 Jan-Jun	2023 Jan-Jun
Opening carrying amount	3,085	2,489
Reclassifications	0	0
Investments and acquisitions	182	436
Change in value	-84	-27
Write-offs	-42	0
Divestments	-1,315	0
Closing carrying amount	1,826	2,898

Development and project properties

Development and project properties amount to SEK 1,381 m (1,426) at the end of the period. In addition to continued development work within the projects, this item has been affected by the write-downs of certain projects not deemed to be able to be completed profitably under the current market situation.

Associated companies and joint ventures

Shares in associated companies and joint ventures have decreased from 338 to 253, mainly as a result of financing costs and negative changes in the value of underlying properties. Long-term and short-term receivables from associated companies and JV companies increased by SEK 11 m to SEK 224 m (213).

The JV companies are in various stages of development, from detailed planning work and ongoing housing production to the management of completed residential properties.

Together with Slättö, Magnolia owns two JV companies with completed properties. One manages four properties located in Östersund, Luleå, Eskilstuna and Örebro and includes 631 residential units. The other manages the Valfisker property in Västerås with 82 residences, which was completed during Q4 2023. Magnolia has another JV company with Slättö where the construction of 409 residences in Barkaby is ongoing, with occupancy starting in Q2 2025.

Together with SBB, Magnolia is a co-owner of two JV companies. One involves a completed property in Sollentuna with 206 homes, a property where production is ongoing in Orminge with 220 homes with a planned completion in Q1 2025, and a building right in Nacka in the detailed planning process. The other JV company owns a building right in Nykvarn for the planned development of 289 homes.

Magnolia also has, together with Heimstaden and KF-fastigheter, JV companies for the development of 416 and 900 residences respectively in Upplands-Bro. In addition, Magnolia has additional JV companies with Heimstaden with projects in various stages of the detailed planning process.

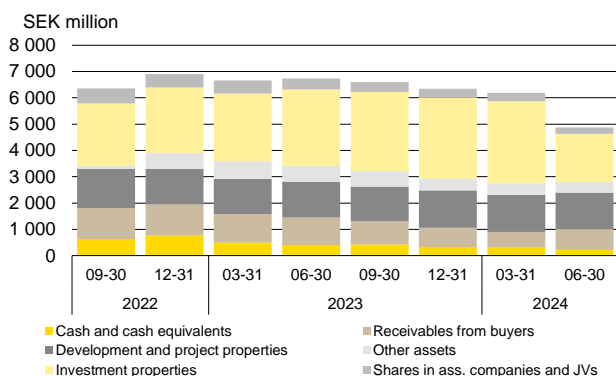
Other receivables

Out of other long-term and other receivables of a total of SEK 906 m (864) SEK 801 m (727) are receivables from the buyers of projects, mainly large property companies. Of receivables from buyers, the Group expects to receive SEK 304 m (298) in 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 44 m (74).

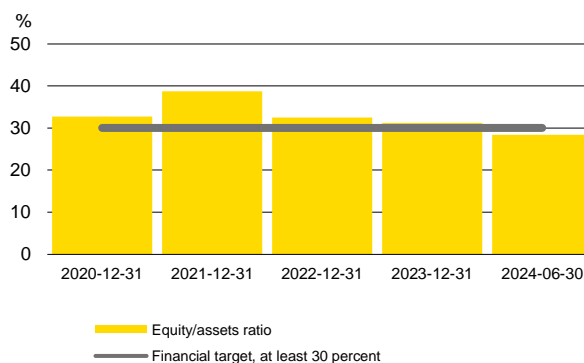
Cash and cash equivalents

Cash and cash equivalents amounted to SEK 217 m (331).

Distribution of assets



Equity/assets ratio



Consolidated condensed statement of financial position

Amounts in MSEK	2024 30 Jun	2023 30 Jun	2023 31 Dec
EQUITY AND LIABILITIES			
Equity			
Share capital	151	151	151
Other capital contributions	2,255	1,855	2,155
Retained profits incl. net profit/loss for the period	-902	151	-264
Equity attributable to Parent Company shareholders	1,504	2,157	2,042
Non-controlling interests	-116	-8	-64
Total equity	1,388	2,149	1,978
Non-current liabilities			
Deferred tax liability	7	30	24
Non-current interest-bearing liabilities	535	2,024	2,339
Non-current liabilities to associated companies	25	25	25
Non-current lease liabilities	30	31	33
Other long-term liabilities	85	660	115
Total long-term liabilities	683	2,771	2,537
Current liabilities			
Current interest-bearing liabilities	1,887	711	860
Current lease liabilities	12	19	19
Accounts payable	48	14	27
Liabilities to associated companies	11	11	11
Income tax liabilities	0	0	0
Other current liabilities	699	880	702
Accrued expenses and deferred income	152	183	216
Total current liabilities	2,808	1,818	1,835
TOTAL EQUITY AND LIABILITIES	4,879	6,738	6,350

Equity and equity/assets ratio

At the end of the period, the Group's equity amounted to SEK 1,388 m (1,978) with an equity/assets ratio of 28.4% (31.2). The equity/assets ratio fell due to the negative results during the period. During Q1, the Group received a shareholder contribution of SEK 100 m.

Of the Group's equity, SEK -116 m (-64) is attributable to non-controlling interests. Return on equity attributable to the parent company's shareholders for the most recent twelve-month period was negative.

Sustainable financing

Magnolia Bostad's focus in terms of financing is to provide the business with capital on favourable terms in terms of sustainability, price, interest rate risk and structure. Our aim is for new financing to be green or sustainable based on environmental and social aspects. At present, all our outstanding bond schemes are green. Development of properties 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. Land acquisitions are initially financed with a combination of cash from bond loans, seller reverses or rolling loan credits. 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 2,423 m (3 199) as of 30 June 2024. The majority of Magnolia Bostad's liabilities consist of bonds with a book value of SEK 1,318 m (1,418), project-related liabilities of SEK 695 m (685), construction loans of SEK 0 m (449) and promissory notes of SEK 265 m (337). The remaining interest-bearing liabilities consist of secured property loans of SEK 51 m (252), deposits of SEK 10 m (58) and shareholder loans of SEK 82 m (0).

Repayment of project-related liabilities is made at the time of Magnolia Bostad's handover or upon final payment being received from buyers at the time of project completion. Upon the completion of properties for self-management, the construction loans are refinanced with collateralized property loans. The average tied-up capital period amounted to 1.2 years as of 30 June 2024, compared to 1.6 years as of 31 December 2023.

Green Bonds

As of 30 June 2024, Magnolia Bostad had three bonds that are all green, unsecured and listed on Nasdaq Stockholm's Sustainable Bonds list.

- One bond of a nominal SEK 300 m within a framework of SEK 550 m, with a variable interest rate of Stibor 3m + 7.50% (with a Stibor floor) maturing in December 2024. Terms and conditions were changed in March 2024. Please see Magnolia Bostad's website.
- One 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.
- One 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.

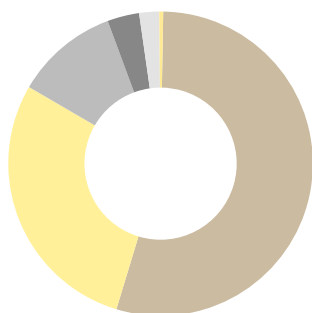
The difference between the book value of SEK 1,318 m and the nominal amount of the bonds is due to set-up fees paid, which are reported according to the effective interest rate method.

Read more about our green bonds on Magnolia Bostad's website:

Other liabilities

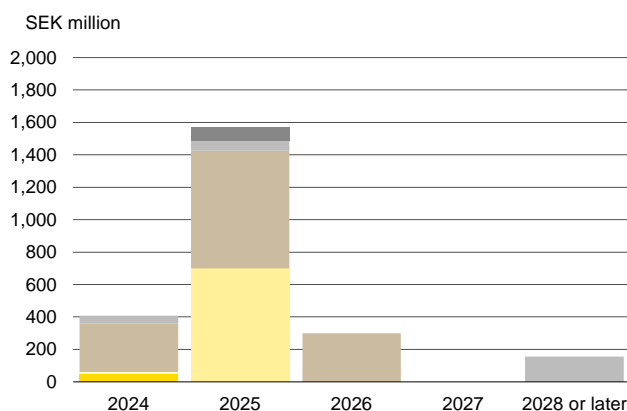
Other long-term liabilities and current liabilities mainly consist of debt for unpaid purchase prices for acquired projects and amounted to SEK 784 m (817).

Distribution interest bearing liabilities



- Bond loans
- Project-related liabilities
- Seller promissory notes
- Shareholder loans
- Collateralized property loans
- Downpayments

Maturity structure debt

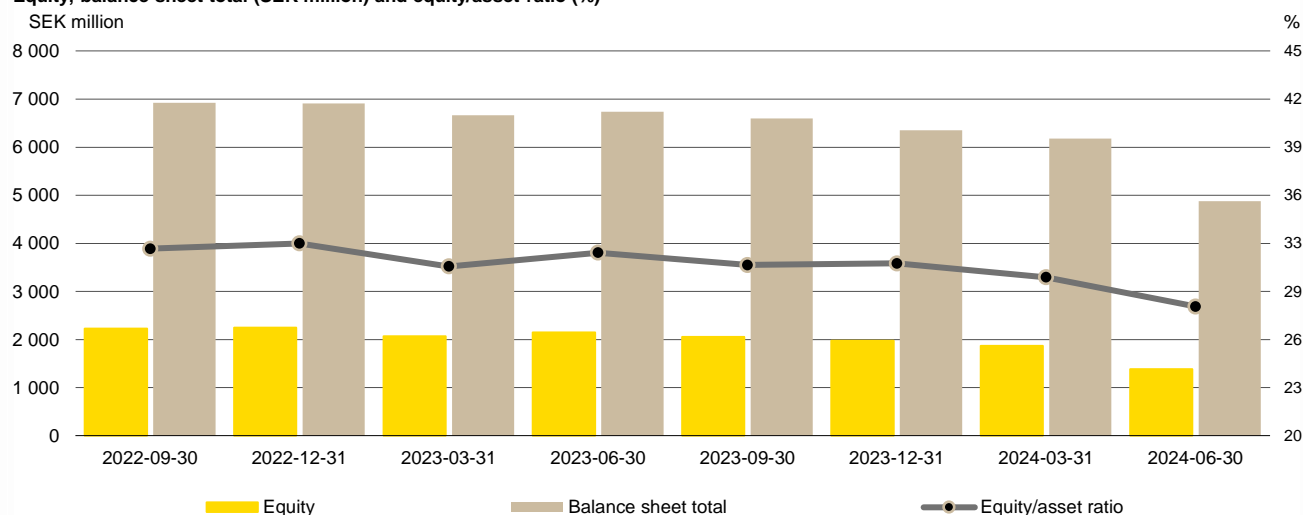


- Shareholder loans
- Seller promissory notes
- Bond loans
- Project-related liabilities
- Downpayments
- Collateralized property loans

Consolidated condensed statement of changes in equity

Amounts in MSEK	Share capital	Other capital contributions	Reserves	Retained profits incl. net profit/ loss for the year	Non-controlling interests	Total equity
Opening equity 2023/01/01	151	1,528	-	549	18	2,245
Acquisition of non-controlling interests	-	-	-	-10	10	-
Net profit/loss for the period	-	-	-	-387	-35	-421
Other comprehensive income	-	-	-	0	0	0
Transactions with shareholders						
Shareholder contributions	-	327	-	-	-	327
Closing equity 2023/06/30	151	1,855	-	151	-8	2,149
Net profit/loss for the period	-	-	-	-420	-26	-446
Other comprehensive income	-	-	-	0	0	0
Transactions with shareholders						
Shareholder contributions	-	300	-	-	-	300
Acquisition of non-controlling interests	-	-	-	5	-30	0
Closing equity 2023/12/31	151	2,155	-	-264	-64	1,978
Opening equity 2024/01/01	151	2,155	-	-264	-64	1,978
Net profit/loss for the period	-	-	-	-638	-53	-691
Other comprehensive income	-	-	-	0	0	0
Transactions with shareholders						
Shareholder contributions	-	100	-	-	-	100
Closing equity 2024/06/30	151	2,255	-	-902	-116	1,388

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



Consolidated condensed cash flow statement

Amounts in MSEK	2024	2023	2024	2023	2023/2024	2023
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jul-Jun	Jan-Dec
Operating activities						
Profit/loss after financial items	-708	-419	-501	-245	-1,160	-871
Adjustments for non-cash items, etc						
Less share of profit/loss from associated companies and joint ventures	87	172	56	131	182	267
Retained dividend from associated companies	-	-	-	-	-	-
Depreciation/amortization and impairment of assets	150	58	89	18	304	212
Fair value changes, investment properties	84	26	36	21	163	105
Capital gains/losses from the sale of development properties	173	11	202	-3	128	-34
Other profit/loss items that do not affect liquidity	8	5	5	2	13	10
Income tax paid	-	-	-	-	-	-
Cash flow from operating activities before changes in working capital	-205	-147	-112	-77	-369	-311
Decrease (+)/increase (-) of development and project properties	-94	-74	-55	-51	-467	-447
Decrease (+)/increase (-) in current receivables	175	98	21	65	553	476
Decrease (+)/increase (-) in current liabilities	-122	-	-68	14	-260	-138
Cash flow from operating activities	-247	-123	-214	-49	-544	-420
Investing activities						
Acquisition of intangible fixed assets	-	0	-	-	-0	-
Acquisition of investment properties	-182	-188	-99	-94	-696	-702
Acquisition of machinery and equipment	-	-1	-	-1	-	-1
Disposal of subsidiaries	274	-	274	-	274	-
Investment in financial assets	-2	-77	-2	-54	-2	-77
Disposal/reduction of financial assets	-	-	-	-	-	-
Cash flow from investing activities	90	-266	173	-149	-424	-780
Financing activities						
Shareholder contribution	100	-	-	-	400	300
Borrowings	239	208	113	163	946	915
Repayment of borrowings	-295	-181	-160	-62	-548	-434
Acquisition of non-controlling interests	-	-	-	-	-24	-24
Cash flow from financing activities	44	27	-48	101	774	757
Cash flow for the period	-113	-362	-89	-97	-193	-442
Cash and cash equivalents at the beginning of the period	331	772	306	507	410	772
Cash and cash equivalents at the end of the period	217	410	217	410	217	331

Cash flow and cash and cash equivalents

The period's cash flow amounted to SEK -113. Cash and cash equivalents amounted to SEK 217 m (331) as of 30 June 2024. Besides cash and cash equivalents, there were unused granted credits of SEK 182 m as of 30 June 2024.

Current activities

Cash flow from current activities amounted to SEK -207 m (-123), mainly affected by costs in operations, investments in project properties and final cash received for completed projects.

At the time of handover Magnolia Bostad receives forward funding for the projects, which means that Magnolia Bostad receives payment for investments made up until 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 50 m (-226) as a result of property sales in the second quarter as well as continued investments in investment properties in production.

Financing activities

Cash flow from financing activities was SEK 44 m (27). Loans taken out relate to the expansion of construction credits where production is ongoing, received shareholder loans of SEK 82 m and project financing of SEK 89 m. During the period, a deposit of SEK 58 m and a promissory note of SEK 75 m were repaid. During the second quarter, a partial amortization of the bond loan due in December 2024 of SEK 100 m was carried out.

Parent company's condensed income statement

Amounts in MSEK	2024	2023	2024	2023	2023/2024	2023
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jul-Jun	Jan-Dec
Net sales	14	12	7	5	29	26
Total income	14	12	7	5	29	26
Central administration	-26	-26	-13	-13	-50	-49
Operating profit/loss	-12	-14	-5	-8	-21	-23
Financial income	101	86	44	44	203	188
Financial expenses	-85	-93	-36	-46	-183	-191
Profit/loss after financial items	4	-21	3	-10	-1	-26
Tax on profit/loss for the period	0	0	0	0	0	0
Group contributions	0	0	0	0	-53	-53
NET PROFIT/LOSS FOR THE PERIOD	4	-21	3	-10	-54	-79

Parent company's condensed balance sheet

Amounts in MSEK	2024 30 Jun	2023 30 Jun	2023 31 Dec
ASSETS			
Non-current assets	-	-	-
Financial assets	161	108	142
Total non-current assets	161	108	142
Current assets			
Current receivables			
Receivables from Group companies	3,342	3,130	3,367
Other receivables	7	5	7
Prepaid expenses and accrued income	1	0	0
Total current receivables	3,350	3,135	3,374
Cash and bank balances	186	259	237
Total current assets	3,537	3,394	3,611
TOTAL ASSETS	3,698	3,502	3,754
EQUITY AND LIABILITIES			
Equity	2,268	1,922	2,164
Non-current liabilities			
Non-current interest-bearing liabilities	297	1,014	1,018
Total long-term liabilities	297	1,014	1,018
Current liabilities			
Current interest-bearing liabilities	1,021	400	458
Liabilities to Group companies	88	142	85
Other current liabilities	0	-	0
Accrued expenses and deferred income	24	24	29
Total current liabilities	1,133	566	572
TOTAL EQUITY AND LIABILITIES	3,698	3,502	3,754

Parent company

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

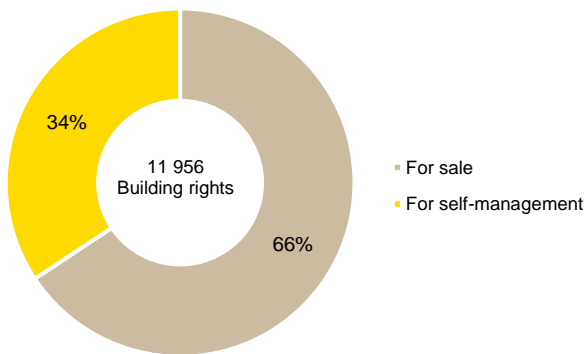
The parent company's profit after financial items was SEK 4 m (-21).

The equity/assets ratio for the parent company was 61.3 per cent (57.6). The balance sheet total increased to SEK 3,695 m (3,754). During the period, a shareholder contribution of SEK 100 m was received.

Projects and properties

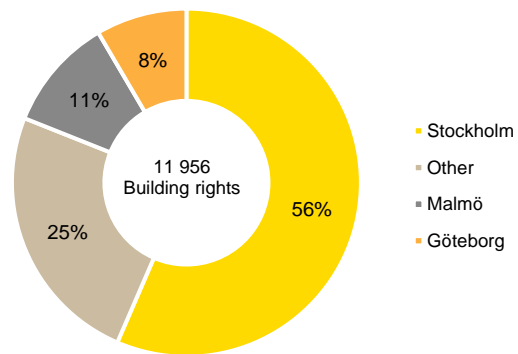
Building rights portfolio by type

On 30 June 2024, our assessed building rights portfolio amounts to a total of 11,956 building rights, of which 4,103 are homes for self-management and 7,853 are homes for sale. 7,118 building rights have a legally valid zoning plan and are ready to start production. Projects intended for warehouses, logistics and schools are not included in the specified KPIs for the number of residential units.



Building rights portfolio by region

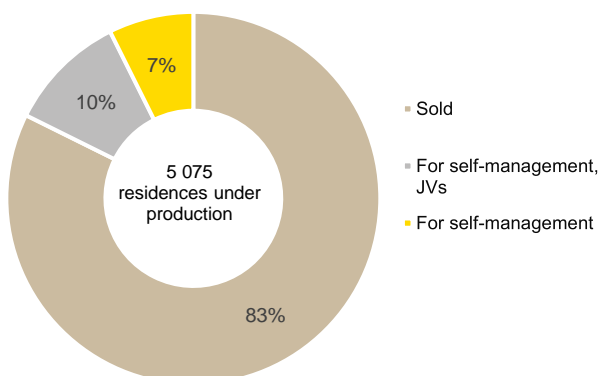
The building rights portfolio is focused on Sweden's metropolitan regions where approximately 75 percent of the portfolio's building rights are located. Of these, about 4,639 have legally valid zoning plans in place.



Residential units in production

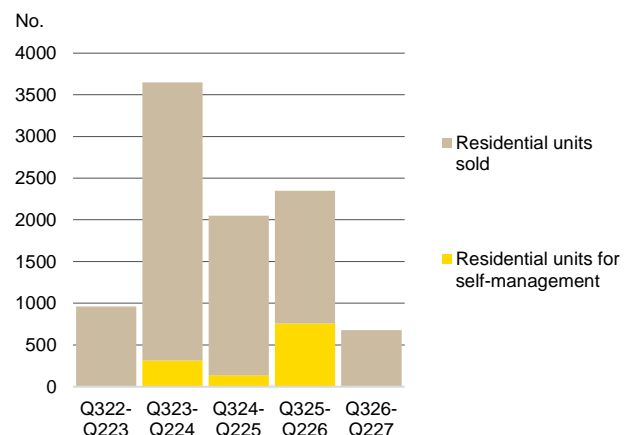
On 30 June 2024 Magnolia Bostad had 5,075 residential units in production, with 896 being residencies for self-management and 4,179 sold properties. Of the 896 residential units being developed for self-management, 58 percent are being developed through JVs.

Magnolia Bostad project manages the development of all housing, including those developed in JVs. Magnolia Bostad reports project management income for this work on an ongoing basis.



Completion – rolling twelve months

During the period Magnolia completed 236 residential units. These units are part of a sold rental apartment project at Öresjö Ångar in Borås municipality. Construction for the project has been ongoing since 2022. Over the next 12 months we estimate that just over 2,000 homes will be completed. The number of building rights and the number of homes including minority interests, with the JV partners' share not being 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, there are five projects for self-management in production consisting of around 896 residential units for self-management.

Magnolia Bostad's share of the property value upon completion is estimated at SEK 2.1 bn, of which around SEK 1.3 bn is currently owned in JVs. Through development in JVs with a financially strong partner, a large part of the financing requirements for remaining investments has been secured. The remaining investments amount to SEK 0.2 bn for the 523 residential units in production that are owned through JVs.

The number of residential units in production for self-management amounted to 896. The final completion date for projects in production for self-management as of 30 June 2024 is estimated at 2026, but most of the projects are expected to be completed in 2024 to 2025.

Building rights portfolio for self-management

The number of building rights intended for Magnolia Bostad's self-management where production has not started amounted to 4,103 building rights as of 30 June 2024.

Building rights portfolio

Not yet production started projects for self management, Q2 2024

Status zoning plan process		Total
Early stages	0 - 36 months	0
Plan assignments	18 - 24 months	1,866
Review	2 - 4 months	0
Adoption of zoning plan	3 weeks, opportunity to appeal	257
Zoning plan comes into force		1,980
Total		4,103

Production started residential units for self-management

Magnolia Bostad's share	896
Of which construction started	896
Of which not construction started	0

Business target

Magnolia Bostad's business target is to hold around 6,000 residential units for self-management.



The Öresjö Ängar Centrum project with a total of approximately 296 homes is being developed in Borås for self-management.

The properties are developed in accordance with the Swedish Green Building Council's silver certification which among other things ensures healthy material choices and a good outdoor and indoor environment.

Value and valuation of properties for self-management

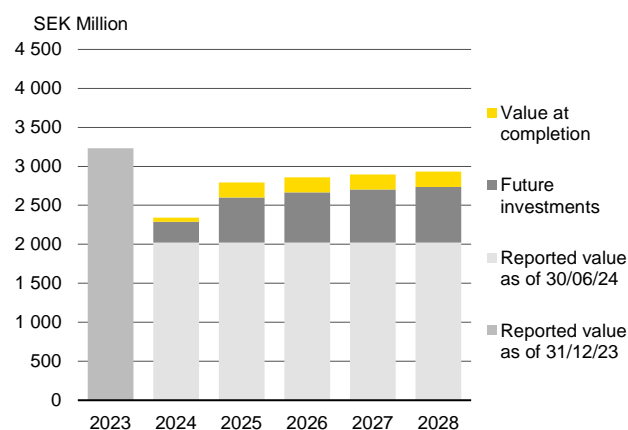
Compilation, properties in self-management

- total completed projects and projects in production

	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	460	21 610	871	0	871	45
Properties in self-management, in production	896	40 809	1 152	721	2 070	111
Total	1 355	62 419	2 024	721	2 941	156

Properties for self-management

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



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

As of 30 June 2024, the number of completed properties for self-management was 460, with an estimated property value of SEK 871 m. The majority of these properties are owned in JVs with Slättö Core plus Holding AB.

Magnolia Bostad's property value at completion for projects in production is estimated at SEK 2.1 bn and non-discounted residual surplus value is estimated at SEK 0.2 bn.

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 secured, which means that the 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.

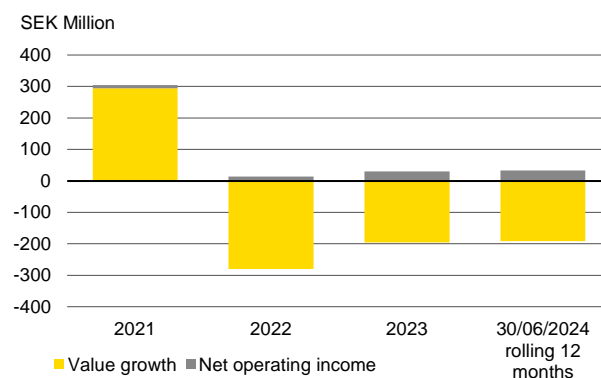
Changes in value

Changes in value for the rolling twelve-month period 1 July 2023 – 30 June 2024 of investment properties, including Magnolia Bostad's share of changes in value of indirectly owned properties in JVs.

MSEK	Directly owned	Indirectly owned via JVs	Total
Change in net operating income	99	93	191
Change in project costs	-16	-49	-65
Project development	67	73	140
Change in direct yield	-312	-145	-458
Sale	0	0	0
Sale to JV	0	0	0
Change in value	-163	-28	-192

Value growth and net operating income

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



Value changes come from increasing return requirements. Value change from project development has contributed SEK 140 m over the last 12 months.

Earnings capacity

MSEK	Total	Completed	Under production
Rental value	156	45	111
Vacancies	-1	0	-1
Rental income	155	45	110
Operating and maintenance costs	-26	-6	-19
Net operating income	129	38	91
Net financial items	-81	-24	-57
Net operating income after net financial items	49	14	34

The table shows the estimated annual earning capacity for investment properties in total for the portfolio divided into completed investment properties and investment properties in production. 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 5% based on an estimated loan-to-value ratio of 55% of the estimated property value.

Projects for sale

Rental accommodation projects are usually sold at an early stage 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 during production.

Magnolia Bostad's projects for sale

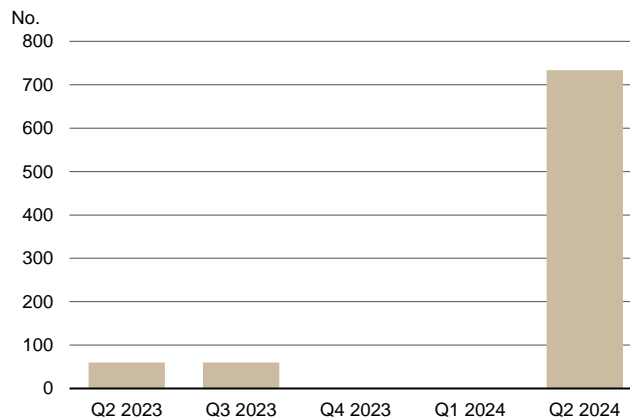
Irregular sales from quarter to quarter are characteristic of Magnolia Bostad's business model.

The production start for building rights in the portfolio for sale normally occur when the zoning plan has come into force and the turnkey 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 lasts until occupancy. Revenue from tenant-owned apartments is first recognized when the tenant-owned apartments are handed 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 may, 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, Q2 2024

		Total
Early stages	0 - 36 months	0
Plan assignments	18 - 24 months	1,971
Review	2 - 4 months	0
Adoption of zoning plan	3 weeks, opportunity to appeal	745
Zoning plan comes into force		5,138
Total		7,853



Assisted living facility



Student housing

During the second quarter of 2024, two properties were sold on Gotland, one assisted living facility and one with rental accommodation for students, totaling around 210 homes.

The student housing was completed during the spring of 2024, and occupation is ongoing. The property is certified according to the Swedish Green Building Council's silver certification, featuring solar panels on the roof, a rainwater tank for irrigation, individual measurement for hot water and electricity usage, charging stations for electric vehicles, and a large number of bicycle parking spaces.

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 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 -53 m, SEK -19 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.

The scope and focus of other transactions by related parties have not changed significantly since the last Annual Report. For further information, see Notes 4 9 and 35 in the company's Annual Report for 2023, 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.

Significant risks and uncertainty factors

Through its operations, Magnolia Bostad is exposed to risks and uncertainty factors. For more information about the group's risks and uncertainty factors, refer to Magnolia Bostad AB's website www.magnoliabostad.se and pages 32-34 and note 3 in the company's annual report for 2023.

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 996 m (1,111) compared with the book value of SEK 1,318 m (1,418). 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

As of 30 June, Magnolia Bostad's organization is divided into: Business Development, Project Development, Central functions and Finance. As of 30 June 2024, the company had 54 employees, 22 women and 32 men at offices in Stockholm, Göteborg and Malmö. On 30 June 2024 the management team consisted of four people. For more information about Magnolia Bostad's management team, see www.magnoliabostad.se.

Statement and certification 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 operation.

Stockholm 5 July 2024
Magnolia Bostad AB (publ)

Therese Rattik
Board member

Erika Olsén
Chairman of the Board

Johan Bengtsson
Board member

Johan Tengelin
CEO

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

Definitions

Alternative KPIs not defined by IFRS

Net financial items

Net of financial income and 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 non-controlling interests as a percentage of total assets

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.

Other KPIs

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

Estimated number of building rights

Number of estimated future residential units in acquired properties. Due to uncertainties such as zoning plan processes, government decisions or non-established dates for vacancy of project properties, assessments of the number of residential units may change over time.

Estimated production start, projects for sale

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

Estimated production start, projects for self-management

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

Construction start

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

Production start, projects for sale

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

Production start, properties for self-management

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

Estimated completion of projects

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

Forward Funding

Forward funding means that the project during the production period is owned and financed by the project's buyer.

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

	2024		2024			2022		
	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep
Net sales (SEK million)	1,279	52	71	76	101	57	349	32
Operating profit/loss (SEK million)	-423	-125	-180	-129	-179	-107	-235	-427
Profit/loss after tax (SEK million)	-482	-208	-252	-195	-246	-175	-281	-433
Equity (SEK million)	1,388	1,870	1,978	2,055	2,149	2,069	2,245	2,227
Equity/assets ratio (%)	28.4	30.3	31.2	31.1	31.9	31.0	32.5	32
Cash flow from operating activities (SEK million)	-214	-32	-428	132	-49	-74	-87	-86
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

Financial calendar

Interim report January–September 2024: 23 October 2024

Year-end Report January–December 2024: 19 February 2025

Contacts

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This information is information that Magnolia Bostad is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 07.45 CEST on 5 July 2024.

MAGNOLIA

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