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Magnolia Bostad
Interim report
1 Jan–31 Mar 2023

Q1

Interim report 1 Januari–31 March 2023



“Project margins are still under pressure due to increased construction costs, more expensive financing and higher yield requirements, which makes it difficult to start new projects. Q1’s results were negatively affected by missing project sales, costs for cancelled projects and write-downs within the project portfolio.

Uncertainty remains both in the geopolitical situation and with macroeconomic development. We are now seeing a slowdown in the economy as a result of the powerful interest rate hikes and liquidity constraints the central banks have implemented in their attempts to overcome high inflation.

On the positive side, the review of fixed costs that we carried out in autumn 2022 is now starting to show an effect in the form of lower costs. Much also suggests that inflation is on the way down and that the central banks will therefore begin lowering their reference interest rates during the year. At the same time, the growing housing shortage means that the underlying need for newly produced housing in Sweden will be large in the coming years. We continue to work with the approximately 18,500 residential units available in our building rights portfolio and the roughly 9,000 units we have in production. We have many excellent projects underway and have great faith in the future, even if we are currently being held back by the market situation.”

Johan Tengelin, Verkställande direktör

1 January – 31 March 2023

- Net sales amounted to SEK 57 m (91).
- The operating loss was SEK 107 m (-23) of which SEK -5 m (18) refers to changes in value of investment properties.
- The loss for the period before tax was SEK 173 m (-56) and the loss after tax amounted to SEK 175 m (-39).
- Earnings per share, after deductions for minority shares, was SEK -4.20 (-0.79).

Significant events 1 January–31 March 2023

- No significant events during the quarter.

Significant events after the end of the period

- No significant events after the end of the quarter.

KPIs, Group	2023 Jan-Mar	2022 Jan-Mar	2022/2023 Apr-Mar	2022 Jan-Dec
Project-related				
Number of production starts during the period ¹	0	295	654	949
Number of sold residencies during the period ¹	0	0	60	60
Total number of residencies in production ¹	9,072	9,650	9,072	9,345
Number of estimated building rights in the portfolio, not yet production started ¹	18,502	20,432	18,502	18,828
Financials				
Investment properties (SEK m)	2,576	2,338	2,576	2,489
Operating profit/loss	-107	-23	-831	-747
Return on equity (%)	-	-	Neg	Neg
Equity/assets ratio (%)	31.0	41.8	31.0	32.5
Interest coverage ratio (multiple)	-	-	Neg	Neg
Share-related				
Earnings per share (SEK)	-4.20	-0.79	-24.30	-20.89
Equity per share (SEK) ²	54.69	71.07	54.69	58.88

¹ 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.
² Excluding non-controlling interests (minority).

Sustainable urban development through sustainable financing

Magnolia Bostad contributes to sustainable urban development environmentally, socially, business ethically and 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 January-March 2023

- Sustainability key figures were compiled showing that we reduced our climate footprint by 43% for scope 1 and scope 2 of the Greenhouse Gas Protocol (GHG), which is in line with the company's climate goals. The main reason is an increase in the share of renewable energy.
- We carried out 9 environmental audits during Q1 in the design and production phase

Sustainability – a life cycle perspective

The land being prepared, and the properties 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. Our ambition is to carry out a sustainability audit of a turnkey contract annually

To create security in the communities we develop, BoTryggt2030 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, LFM30 and ÖBKN to achieve a quicker transition to a sustainable housing industry through cooperation.

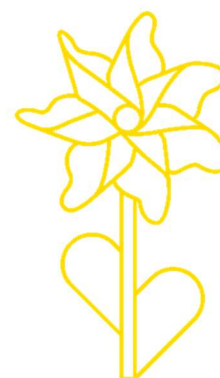
All employees, partners and sponsorship partners, sign Magnolia Bostad's code of conduct, which governs the company's business ethics, health and safety, human rights and working conditions.

The fact that we develop and build sustainably also enables sustainable financing. All our outstanding bond programs are green and we work continuously for financing via green construction credits. Our goal is for all our financing to be sustainable when it comes to 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. Read more about sustainable financing on [page 9](#).

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

Selection of KPIs	2023
	Jan-Mar
Environmental certification according to The Swedish Green Building's Silver Certification, the Nordic Ecolabel or equivalent.	
Completed projects with completed or planned certifications, number of residential units	268
Projects with planned certification, number of residential units	22,719
Environmental audits	
Environmental audits, number	9
ESG audit of turnkey contracts, number	0
Codes of conduct, signed by	
Employees and partners	100%
Partners in sponsorship	100%
Social sustainability, football teams Magnolia Bostad supports	
Football teams, number	28
Green Bonds	
Total volume of outstanding Green Bonds, SEKm	1,425
Remaining available capacity for Green Bonds, SEKm	1,650
Total fair value of green pool, SEKm	3,075

Read more about our green bonds on page 9



Consolidated condensed income statement

Amounts in MSEK	2023	2022	2022/2023	2022
	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
Net sales	57	91	535	569
Production and operating costs	-102	-97	-800	-795
Gross profit/loss	-44	-6	-264	-226
Central administration	-17	-23	-92	-98
Profit/loss from participations in associated companies and joint ventures	-41	-13	-221	-193
Change in value, investment properties	-5	18	-253	-230
Operating profit/loss	-107	-23	-831	-747
Financial income	3	6	16	19
Financial expenses	-69	-39	-231	-201
Profit/loss before tax	-173	-56	-1,046	-929
Income tax	-2	17	48	67
NET PROFIT/LOSS FOR THE PERIOD	-175	-39	-999	-863
Profit/loss attributable to				
Parent company shareholders	-159	-30	-919	-790
Non-controlling interests	-17	-9	-81	-73
Earnings per share (SEK)				
Before dilution effects	-4.20	-0.79	-24.30	-20.89
After dilution effects	-4.20	-0.79	-24.30	-20.89

Consolidated statement of comprehensive income

Amounts in MSEK	2023	2022	2022/2023	2022
	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
Net profit/loss for the period	-175	-39	-999	-863
OTHER COMPREHENSIVE INCOME FOR THE PERIOD				
Total other comprehensive income	0	0	0	0
COMPREHENSIVE INCOME FOR THE PERIOD	-175	-39	-999	-863
Comprehensive income attributable to				
Parent Company shareholders	-159	-30	-919	-790
Non-controlling interests	-17	-9	-81	-73

Comments on the results

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

Reporting period 1 January - 31 March 2023

Net sales amounted to SEK 57 m (91) and the operating loss was SEK 107 m (-23). The loss before tax was SEK 173 m (-56).

Distribution of revenue	2023 Jan-Mar	2022 Jan-Mar
Property sales	-14	-4
Sum of revenue recognised at a point in time	-14	-4
Project management	9	16
Rent	5	5
Other invoicing for the projects and other revenue	57	74
Sum of revenue recognised over in time	71	95
TOTAL REVENUE	57	91

During the period, no project sales occurred. Revenue from property sales amounted to SEK -14 m (-4) as a result of increased production costs in previously revenue recognized projects.

Development of net operating income	2023 Jan-Mar	2022 Jan-Mar
Rental income		
Properties owned at the beginning of the period	1	1
Completed properties	-	-
Project properties	4	3
Rental income	5	5
Property costs		
Properties owned at the beginning of the period	-2	-1
Completed properties	-	-
Project properties	-3	-1
Operating costs	-5	-2
Net operating income	0	3

The period's net operating income was affected by extraordinary costs linked to a fire in the Adjutanten property in Visby. Production and operating costs amounted to SEK -102 m (-97) and were affected by costs for cancelled projects and write-downs in the project portfolio of SEK -40 m.

The costs for central administration amounted to SEK 17 m (-23). The reduction in costs is due to the review of the fixed costs and workforce implemented in Q3 2022, has started to have an effect.

The loss from associated companies was SEK 41 m (-13), mainly affected by financing costs in current productions and increased return requirements in valuations.

Distribution of profits from associated companies	2023 Jan-Mar	2022 Jan-Mar
Net operating income	5	-
Other income and expenses	-9	-9
Change in value, project development	29	10
Change in value, other	-31	1
Financing costs	-35	-17
Tax	0	2
Total	-41	-13

The change in the value of investment properties was SEK -5 m (18) and was primarily affected by increased return requirements, which to some extent was offset by favourable rental trends.

Change in value	2023 Jan-Mar	2022 Jan-Mar
Change in net operating income	71	-
Change in project cost	-12	-2
Project development	15	20
Change in required return	-81	-
Sales	2	-
Total	-5	18

Financial items

Net financial items amounted to SEK 66 m (-33). At the end of the period, Magnolia Bostad's average interest rate was 9.0% compared to 8.2% at the turn of the year 2022/2023. The interest coverage ratio was negative.

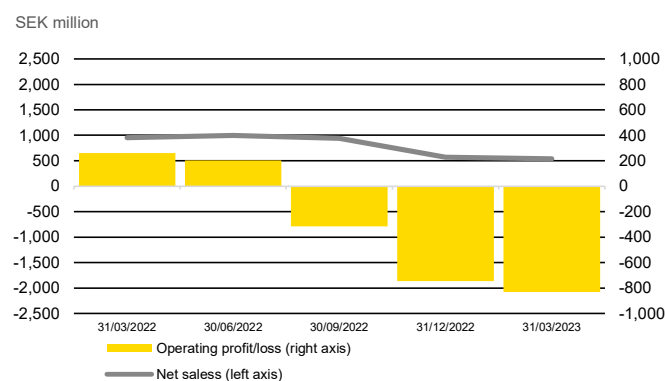
Profit/loss for the period

The loss for the period was SEK 175 m (-39) and included -SEK 2 m (17) in deferred tax.

Net sales & operating profit/loss, full-year



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



Consolidated condensed statement of financial position

Amounts in MSEK	2023 31 Mar	2022 31 Mar	2022 31 Dec
ASSETS			
Non-current assets			
Goodwill	6	6	6
Other intangible assets	1	1	1
Total intangible assets	7	7	7
Investment properties	2,576	2,338	2,489
Right of use assets	45	59	49
Machinery and equipment	3	5	4
Total property, plant and equipment	2,624	2,402	2,542
Shares in associated companies and joint ventures	499	620	515
Receivables from associated companies	192	157	192
Other securities held as non-current assets	-	-	-
Other long-term receivables	705	1,261	910
Total financial assets	1,396	2,038	1,617
Total non-current assets	4,026	4,447	4,166
Current assets			
Development and project properties	1,337	977	1,348
Tenant-owned apartments	4	4	4
Accounts receivable	54	56	17
Receivables from associated companies	139	190	149
Other receivables	581	494	439
Prepaid expenses and accrued income	18	14	13
Cash and cash equivalents	507	446	772
Total current assets	2,639	2,181	2,742
TOTAL ASSETS	6,665	6,628	6,908

Assets

The Group's total assets have fallen to SEK 6,665 m, compared with SEK 6,908 m at the beginning of the year.

Investment properties

Properties held for self-management are reported as investment properties and amounted to SEK 2,576 m (2,489). This item was affected above all by continued investments in properties being constructed, primarily the Ångloket project in Knivsta, the Adjutanten student housing in Visby and the Öresjö Ångar project in Borås. Q1's value changes amounted to SEK -7 m, affected by increased return requirements, which is somewhat countered by rent increases.

Investment properties	2023 Jan-Mar	2022 Jan-Mar
Opening carrying amount	2,489	2,276
Investments and acquisitions	94	47
Change in value	-7	15
Closing carrying amount	2,576	2,338

Development and project properties

Development and project properties amounted to SEK 1,337 m (1,348) at the end of the period. The item was also affected by write-downs of certain projects that are not judged to be able to be carried out profitably under the current market situation.

Associated companies and joint ventures

Shares in associated companies and joint ventures fell, mainly due to financing costs and negative changes in the value of underlying properties and amounted to SEK 499 m (515). Long-term and short-term receivables from associated companies and JVs fell by SEK 10 m to SEK 331 million (341).

Some of the JVs are working with zoning plans, some have properties with production in progress and some have completed investment properties.

Magnolia Bostad owns a JV with Slättö, with four completed projects. The Strandblick project in Östersund with a total of 216 residential units was completed in 2021, the LU:1 project in Luleå was completed in Q1 2022 and the Gjúteriet stage 2 project in Eskilstuna and the Sportflygaren in Örebro were completed in Q2 2022. The total reported value for Magnolia Bostad's share of the JV is SEK 86 m. The underlying property value in the JV amounts to SEK 1,128 m and the properties annual net operating income is SEK 42 m

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

In addition to JVs for developing properties for self-management, Magnolia Bostad, with Alecta, is the owner of a JV that owns Stinsen's shopping centre in Sollentuna, where a zoning plan is being processed to develop residential units in the Södra Häggviks Gårdar district. 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.

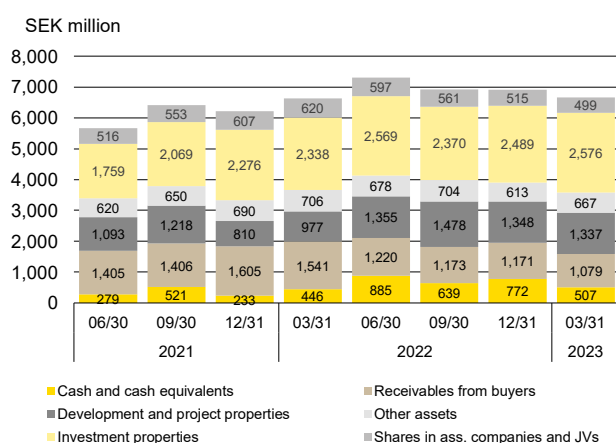
Other receivables

Of other long-term and other receivables of a total of SEK 1,285m (1,349), SEK 1,079m (1,171) are receivables from buyers of projects, mainly large property companies. Of receivables from buyers, the Group expects to receive SEK 503 m (370) 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 110 m (110).

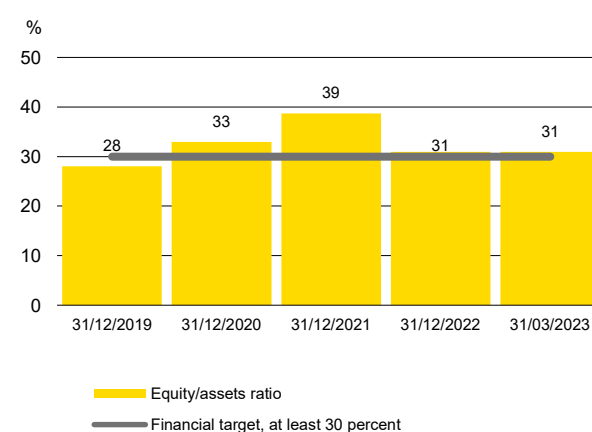
Cash and cash equivalents

Cash and cash equivalents amounted to SEK 507 m (772).

Distribution of assets



Equity/assets ratio



Consolidated condensed statement of financial position

Amounts in MSEK	2023 31 Mar	2022 31 Mar	2022 31 Dec
EQUITY AND LIABILITIES			
Equity			
Share capital	151	151	151
Other capital contributions	1,528	1,228	1,528
Retained profits incl. net profit/loss for the period	390	1,308	548
Equity attributable to Parent Company shareholders	2,069	2,687	2,227
Non-controlling interests	0	81	18
Total equity	2,069	2,768	2,245
Non-current liabilities			
Deferred tax liability	29	81	27
Non-current interest-bearing liabilities	2,397	2,253	2,515
Non-current liabilities to associated companies	25	22	24
Non-current lease liabilities	33	45	36
Other long-term liabilities	909	604	906
Total long-term liabilities	3,393	3,005	3,508
Current liabilities			
Current interest-bearing liabilities	551	175	506
Current lease liabilities	18	19	18
Accounts payable	46	15	33
Liabilities to associated companies	11	12	11
Income tax liabilities	0	0	0
Other current liabilities	395	475	402
Accrued expenses and deferred income	184	159	185
Total current liabilities	1,205	855	1,155
TOTAL EQUITY AND LIABILITIES	6,665	6,628	6,908

Equity and equity/assets ratio

As of 31 March 2023, the Group's equity amounted to SEK 2,069 m (2,245) with an equity/assets ratio of 31.0% (32.5). The equity/assets ratio has fallen due to the period's negative results. Magnolia Bostad's financial target means that the equity/assets ratio must amount to at least 30%.

Of the Group's equity, SEK 0 m (18) is attributable to non-controlling interests. Return on equity attributable to the parent company's shareholders for the last twelve-month period was negative.

Sustainable 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 green or sustainable based on environmental and social aspects. At present, all of our outstanding bond schemes are green. 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. 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 2,948 m (3,021) as of 31 March 2023. The majority of Magnolia Bostad's liabilities consist of bonds with a book value of SEK 1,413 m (1,411), project-related liabilities of SEK 692 m (692), a shareholder loan of SEK 313 m (313) and promissory notes of 337 m (408). The remaining interest-bearing liabilities consist of secured property loans of SEK 135 m (137), and deposits received of SEK 58 m (60). The overdraft facility of SEK 50 m was unutilized at the end of the period (0).

Repayment of project-related liabilities is made at the time of Magnolia Bostad's handover or upon final payment being received from buyers in connection with project completion. The average tied-up capital period, excluding deposits, amounted to 2.1 years as of 31 March 2023 compared to 2.3 years as of 31 December 2022.

Green bonds

As of 31 March 2023, 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 400 m within a framework of SEK 700 m, with a variable interest rate of Stibor 3 months + 7.50 % (with a Stibor floor) maturing in April 2024.
- One bond of a nominal SEK 725 m within a framework of SEK 1,000 m, with a variable interest rate of Stibor 3 months + 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 3 months + 7.75 % (with a Stibor floor) maturing in May 2026.

The difference between the book value of SEK 1,413 m and the nominal amount of the bonds is due to set-up fees paid, which are reported according to the effective interest method.

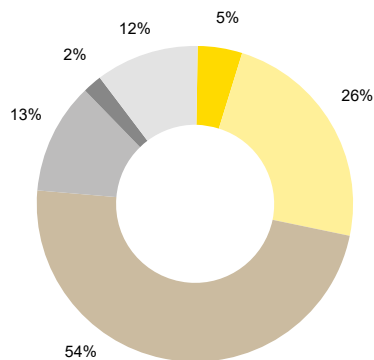
On 31 December Stibor amounted to 3.36%, compared with 0.06% on 31 March 2022, which has affected the company's interest costs.

Other liabilities

Other long-term liabilities and current liabilities mainly consist of debt for unpaid purchase prices for acquired projects and amounts to SEK 1,304 m (1,309).

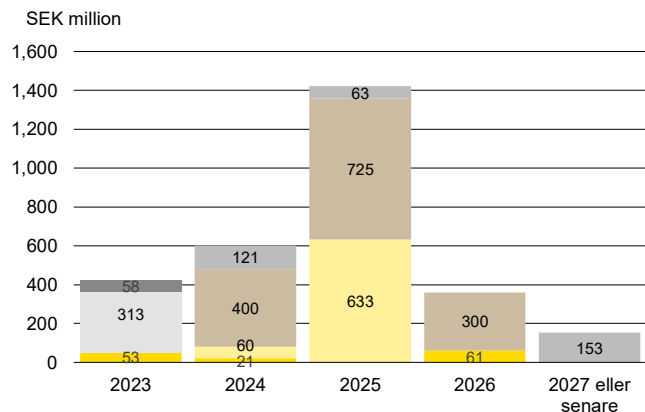


Interest bearing liabilities



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

Maturity structure

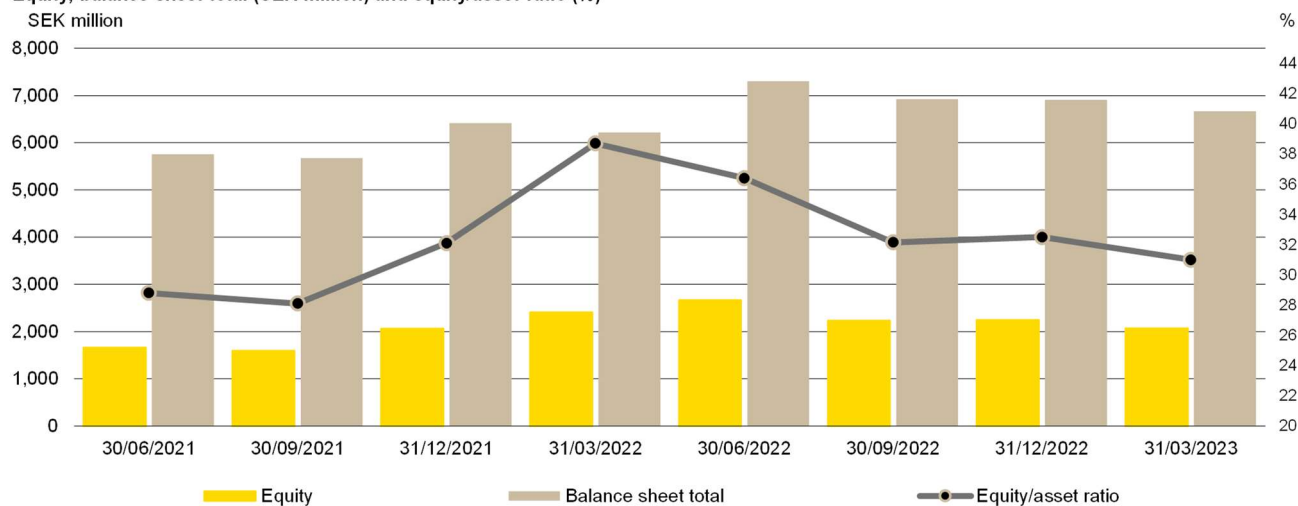


- Deposits
- Seller promissory notes
- Project-related liabilities
- Shareholder loans
- Bond loans
- Collateralized property loans

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 2022/01/01	151	823	-	1,342	89	2,406
Interest on Hybrid loan	-	-	-	-5	-	-5
Shareholder contributions	-	1,045	-	-	-	1,045
Redemption of Hybrid loan	-	-640	-	-	-	-640
Net profit/loss for the period	-	-	-	-30	-9	-39
Other comprehensive income	-	-	-	-	0	0
Closing equity 2022/03/31	151	1,228	-	1,308	81	2,769
Shareholder contributions	-	300	-	-	-	300
Net profit/loss for the period	-	-	-	-759	-64	-823
Other comprehensive income	-	-	-	0	0	0
Closing equity 2022/12/31	151	1,528	-	549	18	2,245
Opening equity 2023/01/01	151	1,528	-	549	18	2,245
Net profit/loss for the period	-	-	-	-159	-17	-175
Other comprehensive income	-	-	-	0	0	0
Closing equity 2023/03/31	151	1,528	-	390	0	2,069

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



Consolidated condensed cash flow statement

Amounts in MSEK	2023	2022	2022/2023	2022
	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
Operating activities				
Profit/loss after financial items	-173	-56	-1,046	-929
Adjustments for non-cash items, etc			-	-
Less share of profit/loss from associated companies and joint ventures	41	13	221	193
Retained dividend from associated companies	-	-	3	3
Depreciation/amortization and impairment of assets	40	7	152	119
Fair value changes, investment properties	5	-18	253	230
Capital gains/losses from the sale of development properties	14	4	37	27
Profit from sale of other long-term securities	-	-5	-	-5
Other profit/loss items that do not affect liquidity	3	2	10	9
Income tax paid	-	-	-	-
Cash flow from operating activities before changes in working capital	-70	-53	-370	-353
Decrease (+)/increase (-) of development and project properties	-23	-338	-256	-571
Decrease (+)/increase (-) in current receivables	33	24	650	641
Decrease (+)/increase (-) in current liabilities	-14	-38	-117	-141
Cash flow from operating activities	-74	-406	-91	-423
Investing activities				
Acquisition of intangible fixed assets	-	-	-	-
Acquisition of investment properties	-94	-58	-431	-395
Acquisition of machinery and equipment	-	-	-	-
Disposal of investment properties	-	-	-	-
Investment in financial assets	-23	-25	-103	-105
Disposal/reduction of financial assets	-	35	-	35
Cash flow from investing activities	-117	-48	-534	-465
Financing activities				
Shareholder contribution	-	400	300	700
Reciprocity of hybrid loan	-	-	-	-
Contribution from non-controlling interest	-	-	-	-
Repurchase of warrants	-	-	-	-
Borrowings	45	309	740	1,004
Repayment of borrowings	-119	-43	-353	-277
Dividend paid to minority interest	-	-	-	-
Cash flow from financing activities	-74	666	687	1,427
Cash flow for the period	-265	212	62	539
Cash and cash equivalents at the beginning of the period	772	233	446	233
Cash and cash equivalents at the end of the period	507	446	507	772

Cash flow and cash and cash equivalents

Cash flow for the period amounted to SEK -265 m (212). Cash and cash equivalents as of 31 March 2023 amounted to SEK 507 m (446). Besides liquid funds there were unused granted credits of SEK 727 m as of 31 March 2023, of which unused overdrafts amounted to SEK 50 m.

Operating activities

Cash flow from current activities amounted to SEK -74 m (-406), mainly affected by the period's results, investments in project properties and payments received from buyers.

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 -117 m (-48), mainly affected by investments in investment properties of SEK -94 m (-58), where investments in the Ångloket project in Knivsta municipality accounted for the majority.

Financing activities

Cash flow from financing activities amounted to SEK -74m (666). A promissory note of SEK 74 m and project financing of SEK 45 m were repaid during the period. Loans taken out relate to the expansion of the construction loan for the Ångloket project.

Parent company's condensed income statement

Amounts in MSEK	2023 Jan-Mar	2022 Jan-Mar	2022/2023 Apr-Mar	2022 Jan-Dec
Net sales	7	4	32	29
Total income	7	4	32	29
Central administration	-13	-12	-52	-51
Operating profit/loss	-6	-8	-20	-22
Financial income	42	30	156	144
Financial expenses	-47	-28	-160	-141
Profit/loss after financial items	-10	-6	-23	-19
Group contributions	0	0	0	-67
Tax on profit/loss for the period	0	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	-10	-6	-90	-86

Parent company's condensed balance sheet

Amounts in MSEK	2023 31 Mar	2022 31 Mar	2022 31 Dec
ASSETS			
Non-current assets			
Financial assets	109	131	124
Total non-current assets	109	131	124
Current assets			
Current receivables			
Receivables from Group companies	3,081	2,585	3,010
Receivables from associated companies	-	-	-
Other receivables	4	30	4
Prepaid expenses and accrued income	-	-	-
Total current receivables	3,085	2,615	3,014
Cash and bank balances	321	114	396
Total current assets	3,406	2,729	3,410
TOTAL ASSETS	3,516	2,860	3,534
EQUITY AND LIABILITIES			
Equity	1,606	1,375	1,596
Non-current liabilities			
Non-current interest-bearing liabilities	1,413	1,339	1,471
Total long-term liabilities	1,413	1,339	1,471
Current liabilities			
Current interest-bearing liabilities	58	-	-
Liabilities to Group companies	401	125	438
Other current liabilities	3	-	1
Accrued expenses and deferred income	34	21	29
Total current liabilities	496	146	468
TOTAL EQUITY AND LIABILITIES	3,516	2,860	3,534

Parent company

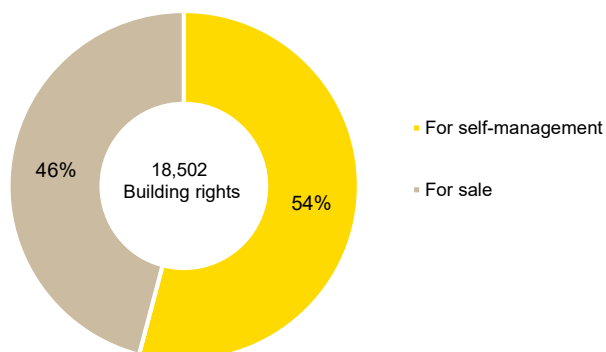
The parent company does not own any properties. Sales in the parent company primarily refer to invoicing of services to Group companies.

The parent company's loss after financial items was SEK 10 m (-6).

The equity/assets ratio for the parent company was 45.7% (45.2). The balance sheet total for the parent company has decreased to SEK 3,516 m (3,534). In addition to the period's results, equity was affected by mergers of subsidiaries.

Projects and properties

Building rights portfolio

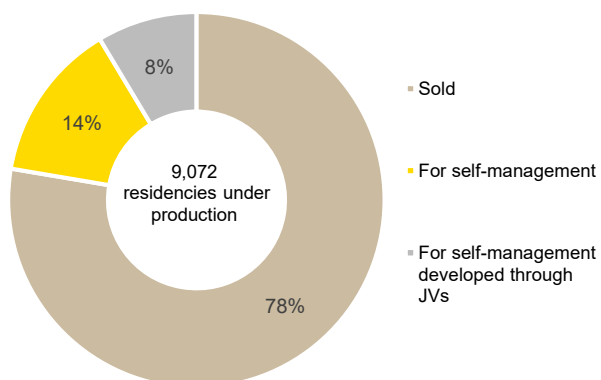


Magnolia Bostad develops rental properties as well as tenant-owned apartments, community service properties and hotels. Our residences are developed as individual projects or as part of a larger project when a completely new district is emerging.

Our estimated building rights on 31 March 2023 totalled 18,502, of which 10,014 for self-management and 8,488 for properties for sale.

During Q1 2023, no new building rights were acquired.

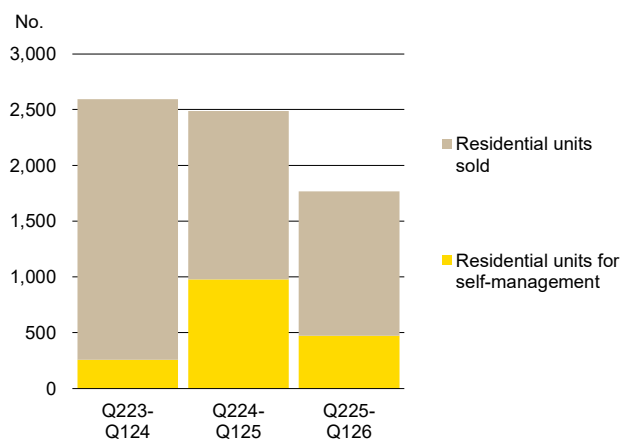
Residential units in production



On 31 March 2023, Magnolia Bostad had 9,072 residential units in production. 2,026 are properties for self-management and 7,046 are sold properties. Of the 2,026 residential units being developed for self-management, 39 % 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 a continual basis.

Completion – three years ahead, rolling twelve months



This is the 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.

During Q1, 268 previously sold residential units were completed. Over the next 12 months, we estimate that around 2,500 units will be completed, and over the next three-year period, we estimate that around 7,000 units will be completed.

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 2,026 residential units for Magnolia Bostad's self-management.

Magnolia Bostad's share of the property value upon completion is estimated at SEK 4.9 bn, of which around SEK 1.9 bn is currently owned in JVs. By developing in JVs with a financially strong partner, a large part of the financing needs for remaining investments has been secured. The remaining investments amount to SEK 0.6 bn for the 781 residential units in production that are owned through JVs.

The number of residential units in production for self-management amounted to 1,630. In twelve months, the number of units in production for self-management has increased by 288. The final completion date for projects in production for self-management as of 31 March 2023 is estimated at 2028, but most of the projects are expected to be completed in 2024 to 2025.

Building rights portfolio for self-management

The number of non-production started building rights intended for Magnolia Bostad's self-management amounted to 10,014 building rights as of 31 March 2023.

When a zoning plan is in force and considering the initial estimated costs for demolition, development, planning costs, etc. non-production started properties for self-management have a non-discounted excess value of SEK 5.4 bn.

Production started residential units for self-management

Magnolia Bostad's share	2,026
Of which construction started	1,630
Of which not construction started	396

Business target

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

Building rights portfolio

Not yet production started projects for self management

Status zoning plan process		RA	CSP	Total
Early stages	0 - 36 months	1,979	0	1,979
Plan assignments	18 - 24 months	3,558	0	3,558
Review	2 - 4 months	699	73	772
Adoption of zoning plan	3 weeks, opportunity to appeal	1,201	0	1,201
Zoning plan comes into force		2,504	0	2,504
Total		9,941	73	10,014

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 31 March 2023.

Value and valuation of properties for self-management

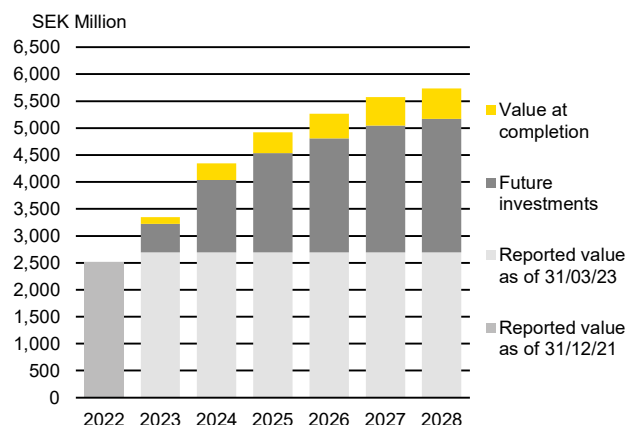
Compilation, properties in self-management

- 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	383	17,726	692	0	692	33
Properties in self-management, in production	2,026	90,038	2,004	2,369	4,918	227
	2,408	107,764	2,696	2,369	5,610	260

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..



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 JV companies.

As of 31 March 2023, the number of completed properties for self-management was 383 with an estimated property value of SEK 692 m. The majority of these properties are owned in JVs with Slättö Core plus Holding AB.

The JVs currently have construction loans available on existing bank financing of SEK 1,507 m for future investment needs.

Magnolia Bostad's property value at completion for projects under production is estimated at SEK 4.9 bn and non-discounted residual surplus value is estimated at SEK 0.5 bn. In total, including the JV partner's value, the estimated property value at completion for projects in production is SEK 6.8 bn and the non-discounted residual surplus value is SEK 0.6 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 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

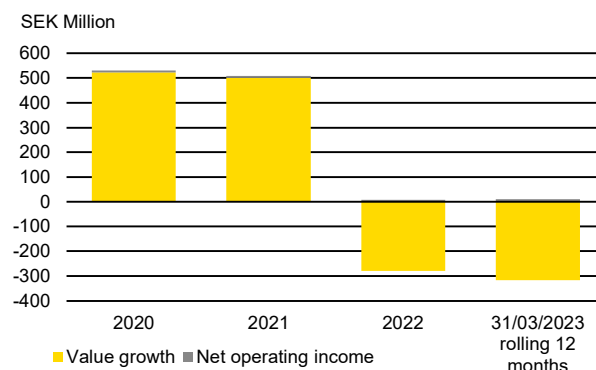
Shows the rolling twelve-month period 1 april 2022–31 March 2023 on investment properties, including Magnolia Bostad's share of changes in value of indirectly owned properties in JVs.

	Directly owned	Indirectly owned via JVs	Total
Change in net operating income	-17	36	19
Change in project costs	-112	-41	-152
Project development	101	74	175
Change in direct yield	-226	-133	-359
Sale	3	-	3
Sale to JV	-3	-	-3
Change in value	-253	-64	-316

Most of the reported value changes come from changed project costs and rising return requirements. Value change from project development has contributed SEK 175 m during the past 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	Completed	Under production
Rental value	260	33	227
Vacancies	-2	0	-2
Rental income	258	33	225
Operating and maintenance costs	-55	-3	-52
Net operating income	203	30	173
Net financial items	-133	-20	-113
Net operating income after net financial items	70	10	60

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 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.

Magnolia Bostad's projects for sale

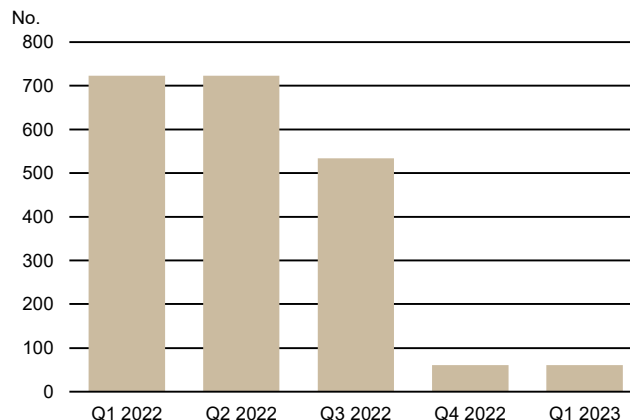
Characteristic of Magnolia Bostad's business model is that sales can be irregular between quarters.

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

		RA	TO	CSP + H	Total
Early stages	0 - 36 months	700	0	0	700
Plan assignments	18 - 24 months	1,862	825	300	2,987
Review	2 - 4 months	521	220	0	741
Adoption of zoning plan	3 weeks, opportunity to appeal	449	45	74	568
Zoning plan comes into force		2,732	704	57	3,493
Total		6,264	1,793	431	8,488

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

Building rights portfolio as of 31 March 2023.

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 Holmström-gruppen 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 -17 m, SEK -7 m is attributable to Videbo Invest AB's share of the profit in Magnolia Holding 3 AB, SEK -6 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.

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 2022, 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.

Tvister och rättsliga åtgärder

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.

Väsentliga risker och osäkerhetsfaktorer

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 and pages 64–66 and Note 3 in the company's Annual Report for 2022.

Verkligt värde för finansiella instrument

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 1,163 mkr (1,215) compared with the book value of SEK 1,413 mkr (1,411). 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 31 March 2023, the company had 103 (104) employees 45 (46) women and 58 (58) men at offices in Stockholm, Norrköping, Göteborg, Malmö and Umeå. Comparative information refers to 31 December 2022. On 31 March 2023 the management team consisted of five people. For more information about Magnolia Bostad's executive management, see www.magnoliabostad.se.

Stockholm

28 April 2023, Magnolia Bostad AB (publ)
The Board of Directors

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

Definitioner

Alternativa nyckeltal som inte definieras inom 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.

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

	2023		2022		2021			
	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun
Net sales (SEK million)	57	349	32	97	91	716	93	52
Operating profit/loss (SEK million)	-107	-235	-427	-62	-23	196	90	-2
Profit/loss after tax (SEK million)	-175	-281	-433	-109	-39	148	29	-55
Earnings per share (SEK)	-4.20	-6.93	-10.57	-2.59	-0.79	3.83	0.72	-1
Equity (SEK million)	2,069	2,245	2,227	2,660	2,769	2,406	2,092	1,592
Equity per share (SEK) ¹	54.69	58.89	57.88	68.45	71.07	44.34	40.64	40
Equity/assets ratio (%)	31.0	32.5	32.2	36.4	41.8	38.7	32.1	28
Cash flow from operating activities (SEK million)	-74	-87	-86	155	-405	5	-6	-130
Cash flow from the operating activities, per share (SEK)	-2.0	-2.3	-2.3	4.1	-10.7	0.1	-0.2	-3
Number of basic outstanding shares	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283
Number of outstanding shares after full dilution	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283

¹ Excluding the minority and hybrid loan

Financial calendar

Half-year report January–June 2023:	7 July 2023
Interim report January–September 2023:	25 October 2023
Year-end report 2023	21 February 2024

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The information Magnolia Bostad publishes in this report is required in accordance with the EU Market Abuse Regulation (EU) No 596/2014. The information was submitted for publication, through the agency of the contact persons, on 28 April 2023 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.

MAGNOLIA

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