

MAGNOLIA

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Magnolia Bostad
Interim Report
The Group
1 Jan–31 Mar 2024

Q1

Interim report 1 January–31 March 2024



"Our results continued to be negatively affected during Q1, by the cautious market for new housing construction. At the same time, we have maintained a high production rate and delivered just over 1,500 homes to our buyers up to and including March. We expect to complete a further 1,800 homes before the end of the year.

Due to the prevailing situation in our industry, we had to review our costs and adapt our organization at the beginning of 2024. We concentrate on the metropolitan regions to create the conditions for a stable and profitable business. By increasing our focus on sales, our target is to reduce the company's indebtedness and handle future bond maturities.

We can see that inflation has finally started to fall to levels around the Riksbank's long-term target and, if nothing unexpected happens, we should see a first interest rate cut as early as in May or June, followed by several cuts over the next twelve months. My assessment is that the direct yields for housing have now reached their peak and, coupled with an increasing willingness to invest and a stabilization in contract prices, good conditions are in place for a gradual recovery in new production.

We have around 6,800 building rights with zoning plans in force, which gives us the opportunity to start new housing projects as soon as the conditions exist. There is a significant housing deficit in Sweden's growth regions. With an increasing imbalance between supply and demand, the need for sustainable, energy-efficient, quality housing is still high, which is basically reflected by non-existent vacancies on the rental market. In parallel with a continued high production rate of completed sold homes, we are ready to take advantage of new business opportunities when the market recovers."

Johan Tengelin, CEO

1 January–31 March 2024

- Net sales amounted to SEK 54 m (57).
- The operating loss was SEK 125 m (-107), of which SEK -48 m (-5) applies to changes in the value of investment properties.
- The loss before tax for the period was SEK 208 m (-173) and the loss after tax was SEK 208 m (-175).
- Earnings per share after deductions for minority shares was SEK -5.02 (-4.20).

Significant events 1 January–31 March 2024

- Bond terms were renegotiated for outstanding bonds originally due to mature in April 2024.
- Unconditional shareholder contribution of SEK 100 m received from Magnolia Bostad's owner HAM Nordic AB.

Significant events after the end of the period

- A restructuring of the organization was implemented to focus on metropolitan regions, which also means annual cost savings.

KPIs, Group	2024 Jan-Mar	2023 Jan-Mar	2023/2024 Apr-Mar	2023 Jan-Dec
Project-related				
Number of production starts during the period ¹	0	0	57	57
Number of sold residencies during the period	0	0	0	0
Total number of residencies in production	5 772	9 072	5 772	7 496
Number of estimated building rights in the portfolio, not yet production started	14 025	18 502	14 025	14 073
Financials				
Investment properties (SEK m)	3 120	2 576	3 120	3 085
Operating profit/loss	-125	-107	-613	-595
Equity/assets ratio (%)	30,3	31,0	30,3	31,2
Share-related				
Earnings per share (SEK)	-5,02	-4,20	-22,15	-21,34
Equity per share (SEK) ¹	51,62	54,69	51,62	54,00

¹ Excluding non-controlling interests (minority).

Sustainable urban development through green financing

Magnolia Bostad AB (publ), co. reg. no. 556797–7078 is a leading urban developer that develops new residential properties primarily rental apartments, tenant-owned apartments and community service properties, 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. The company's bonds are listed on Nasdaq Stockholm. More information can be found at: <https://om.magnoliabostad.se/en>

Magnolia Bostad contributes to sustainable community development. Our key sustainability issues spread through our life cycle analysis, planning, production, property management and financing.

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 to a minimum criterion based on The Swedish Green Building Society's silver certification, the Nordic Swan eco-label or an equivalent.

To create security in the communities we develop, BoTryggt 2030 is part of our architecture and project development. We get involved in the locations where the company operates, for example by supporting local football clubs in their work for gender equality and integration. We take part in various local initiatives such as HS30 and LFM30 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 enable sustainable financing. All our outstanding bond schemes are green and we work continuously towards financing via green building loans. Our aim is that all our financing will be green or sustainable in another 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.

Read more about sustainable financing on page 9 and green bonds at: <https://om.magnoliabostad.se/en/bonds>

In Upplands-Bro, we are developing a new community with more than 2,000 homes.



Consolidated condensed income statement

Amounts in MSEK	2024	2023	2023/2024	2023
	Jan- Mar	Jan- Mar	Apr-Mar	Jan-Dec
Net sales	54	57	301	305
Production and operating costs	-80	-102	-430	-452
Gross profit/loss	-26	-44	-129	-147
Central administration	-19	-17	-79	-76
Profit/loss from participations in associated companies and joint ventures	-31	-41	-258	-268
Change in value, investment properties	-48	-5	-148	-104
Operating profit/loss	-125	-107	-613	-595
Financial income	3	3	19	19
Financial expenses	-86	-69	-312	-295
Profit/loss before tax	-208	-173	-906	-871
Income tax	-1	-2	4	3
NET PROFIT/LOSS FOR THE PERIOD	-208	-175	-901	-868
Profit/loss attributable to				
Parent company shareholders	-190	-159	-838	-807
Non-controlling interests	-19	-17	-63	-61
Earnings per share (SEK)				
Before dilution effects	-5,02	-4,20	-22,16	-21,34
After dilution effects	-5,02	-4,20	-22,16	-21,34

Consolidated statement of comprehensive income

Amounts in MSEK	2024	2023	2023/2024	2023
	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
Net profit/loss for the period	-208	-175	-901	-868
OTHER COMPREHENSIVE INCOME FOR THE PERIOD				
Total other comprehensive income	0	0	0	0
COMPREHENSIVE INCOME FOR THE PERIOD	-208	-175	-901	-868
Comprehensive income attributable to				
Parent Company shareholders	-190	-159	-838	-807
Non-controlling interests	-19	-17	-63	-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–31 March 2024

Net sales amounted to SEK 54 m (57) and the operating loss was SEK 125 m (-107). The loss before tax amounted to SEK 208 m (-173).

Distribution of revenue	2024 Jan-Mar	2023 Jan-Mar
Property sales	29	-14
Sum of revenue recognised at a point in time	29	-14
Project management	8	9
Rent	13	5
Other invoicing for the projects and other revenue	4	57
Sum of revenue recognised over in time	25	71
TOTAL REVENUE	54	57

Property sales in the period consisted of adjustments of previously revenue-recognized projects of SEK 29 m.

Development of net operating income	2024 Jan-Mar	2023 Jan-Mar
Rental income		
Investment properties	7	1
Project properties	6	4
Rental income	13	5
Property costs		
Investment properties	-3	-2
Project properties	-7	-3
Operating costs	-11	-5
Net operating income	2	-

Parts of the Ångloket project in Knivsta have been completed and occupancy continued during Q1 2024.

Production and operating costs were SEK 80 m (-102) and were affected by costs for canceled projects and write-downs in the project portfolio of SEK 56 m

The costs for central administration amounted to SEK 19 m (-17).

The loss from associated companies was SEK 31 m (-41), mainly affected by negative valuation effects as a result of higher required returns and financing costs in productions in progress.

Distribution of profits from associated companies	2024 Jan-Mar	2023 Jan-Mar
Net operating income	7	5
Other income and expenses	-2	-9
Change in value, project development	5	29
Change in value, other	-5	-31
Financing costs	-39	-35
Tax	2	-
Total	-31	-41

The change in value of investment properties was SEK -48 m (-5) and was mainly affected by higher required returns, which to some extent was countered by favourable rent estimates.

Change in value	2024 Jan-Mar	2023 Jan-Mar
Change in net operating income	57	71
Change in project cost	-45	-12
Project development	2	15
Change in required return	-61	-81
Sales	-	2
Sales to JV	-	-
Total	-48	-5

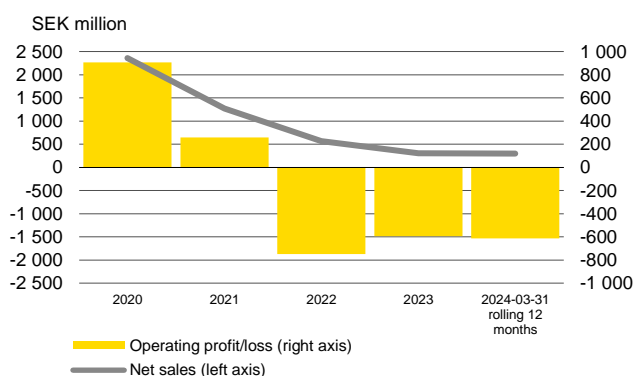
Financial items

Net financial items amounted to SEK -83 m (-66). At the end of the period, Magnolia Bostad's average interest rate was 9.8% compared to 9.8% at the turn of 2023/24.

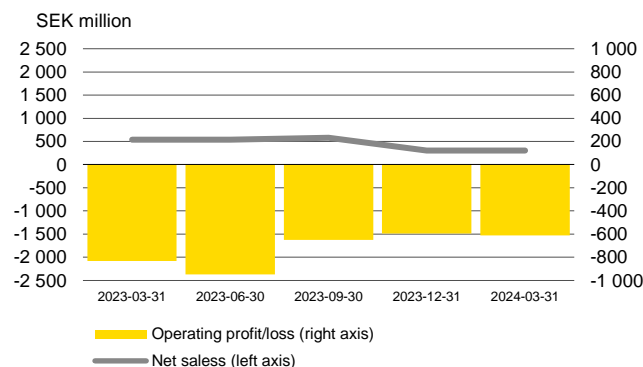
Profit/loss for the period

The loss for the period was SEK 208 m (-175) and included SEK 1 m (-2) 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	2024 31 Mar	2023 31 Mar	2023 31 Dec
ASSETS			
Non-current assets			
Goodwill	-	6	-
Other intangible assets	0	1	0
Total intangible assets	0	7	0
Investment properties	3 120	2 576	3 085
Right of use assets	43	45	47
Machinery and equipment	1	3	2
Total property, plant and equipment	3 164	2 624	3 134
Shares in associated companies and joint ventures	307	499	338
Receivables from associated companies	81	192	78
Other long-term receivables	533	705	509
Total financial assets	921	1 396	925
Total non-current assets	4 085	4 026	4 059
Current assets			
Development and project properties	1 409	1 337	1 426
Tenant-owned apartments	4	4	4
Accounts receivable	12	54	18
Receivables from associated companies	138	139	135
Other receivables	201	581	355
Prepaid expenses and accrued income	24	18	21
Cash and cash equivalents	306	507	331
Total current assets	2 095	2 639	2 290
TOTAL ASSETS	6 180	6 665	6 350

Assets

The Group's total assets amounted to SEK 6,180 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 3,120 m (3,085). The increase is due to continued investments in projects in production, above all the project Ångloket in Knivsta, the Meriten student housing project in Visby and the Öresjö Ångar project in Borås. Q1's value changes amounted to SEK -48m.

Investment properties	2024 Jan-Mar	2023 Jan-Mar
Opening carrying amount	3 085	2 489
Reclassifications	0	0
Investments and acquisitions	83	94
Change in value	-48	-7
Closing carrying amount	3 120	2 576

Development and project properties

Development and project properties amounted to SEK 1,409 m (1,426) at the end of the period. The item was affected by write-downs of certain projects that are not seen to be able to be carried out profitably under current market conditions.

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 307 m (338). Long-term and current receivables from associated companies and JV companies increased by SEK 5 m to SEK 218 m (213).

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 Gjuteriet stage 2 project in Eskilstuna and the Sportflygaren in Örebro were completed in Q2 2022. The total carrying amount for Magnolia Bostad's share of the JV is SEK 40 m. The underlying property value in the JV amounts to SEK 1,049 m and the properties annual net operating income is SEK 48 m

Magnolia Bostad has two more JVs with Slättö, a JV with Heimstaden and a 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 development for self-management, Magnolia Bostad is the owner of a JV with SBB to develop a total of 289 residential units for sale in Nykvarn. Together with KF-fastigheter, Magnolia Bostad is also owner of a JV for the development of around 900 residential units in Upplands-bro

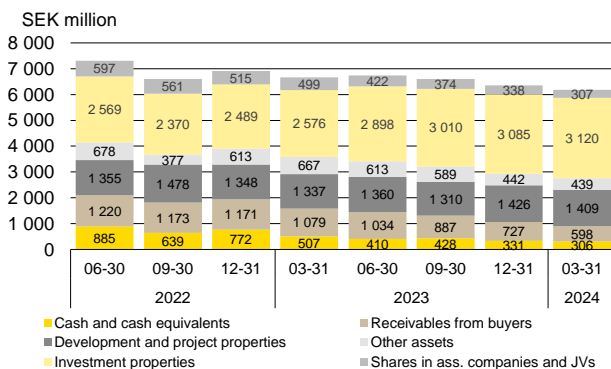
Other receivables

Out of other long-term and other receivables of a total of SEK 734 m (864), SEK 598 m (727) are receivables from buyers of projects, mainly large property companies. Of receivables from buyers, the Group expects to receive SEK 147 m (298) 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 76 m (74).

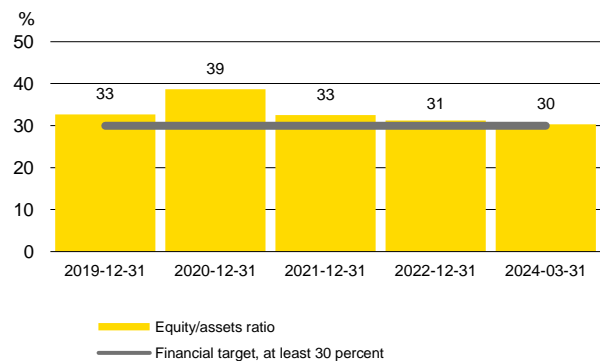
Cash and cash equivalents

Cash and cash equivalents amounted to SEK 306 m (331).

Distribution of assets



Equity/assets ratio



Consolidated condensed statement of financial position

Amounts in MSEK	2024 31 Mar	2023 31 Mar	2023 31 Dec
EQUITY AND LIABILITIES			
Equity			
Share capital	151	151	151
Other capital contributions	2 255	1 528	2 155
Retained profits incl. net profit/loss for the period	-454	390	-264
Equity attributable to Parent Company shareholders	1 952	2 069	2 042
Non-controlling interests	-83	0	-64
Total equity	1 870	2 069	1 978
Non-current liabilities			
Deferred tax liability	25	29	24
Non-current interest-bearing liabilities	1 782	2 397	2 339
Non-current liabilities to associated companies	25	25	25
Non-current lease liabilities	32	33	33
Other long-term liabilities	86	909	115
Total long-term liabilities	1 950	3 393	2 537
Current liabilities			
Current interest-bearing liabilities	1 411	551	860
Current lease liabilities	16	18	19
Accounts payable	33	46	27
Liabilities to associated companies	11	11	11
Income tax liabilities	0	0	0
Other current liabilities	697	395	702
Accrued expenses and deferred income	192	184	216
Total current liabilities	2 359	1 205	1 835
TOTAL EQUITY AND LIABILITIES	6 180	6 665	6 350

Equity and equity/assets ratio

At the end of the period, the Group's equity amounted to SEK 1,870 m (1,978) with an equity/assets ratio of 30.3% (31.2). The equity/assets ratio has fallen due to the period's negative results. During Q1, the Group received a shareholder contribution of SEK 100 m.

Of the Group's equity, SEK -83 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 main focus in terms of 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 received interest-bearing deposits, amounted to SEK 3,193 m (3,199) as of 31 March 2024. The majority of Magnolia Bostad's liabilities consist of bonds with a book value of SEK 1,416m (1,418), project-related liabilities of SEK 680m (685), construction loans of SEK 498m (449) and promissory notes of SEK 265 m (337). The remaining interest-bearing liabilities consist of secured property loans of SEK 252 m (252) and shareholder loans of SEK 82 m (0). Deposits of SEK 58 m were repaid during Q1.

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 completion of properties for self-management, the building loans are refinanced with collateralized property loans. The average tied-up capital period amounted to 1.3 years as of 31 March 2024 compared to 1.6 years as of 31 December 2023.

Green bonds

As of 31 March 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 400 m within a framework of SEK 700 m, with a variable interest rate of Stibor 3m + 7.50% (with a Stibor floor) maturing in 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.

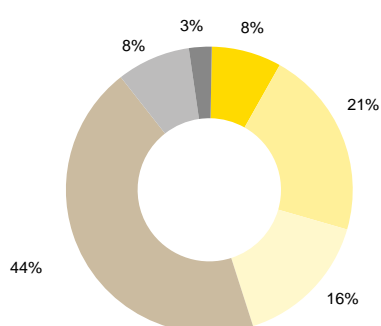
The difference between the book value of SEK 1,416 m and the nominal amount of the bonds is due to set-up fees paid, which are reported according to the effective interest method.

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

Other liabilities

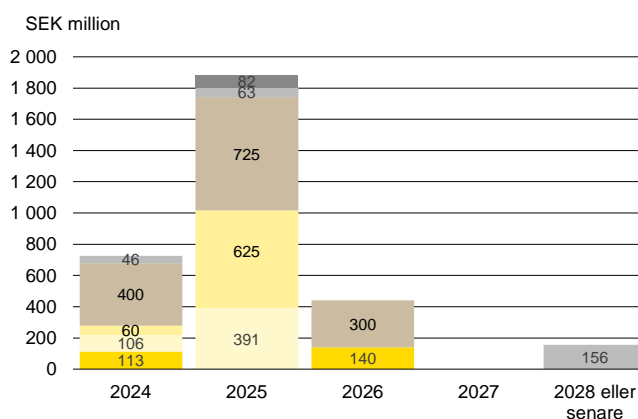
Other long-term liabilities and current liabilities mainly consist of debt for unpaid purchase prices for acquired projects and amounted to SEK 783 m (817).

Interest bearing liabilities



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

Maturity structure

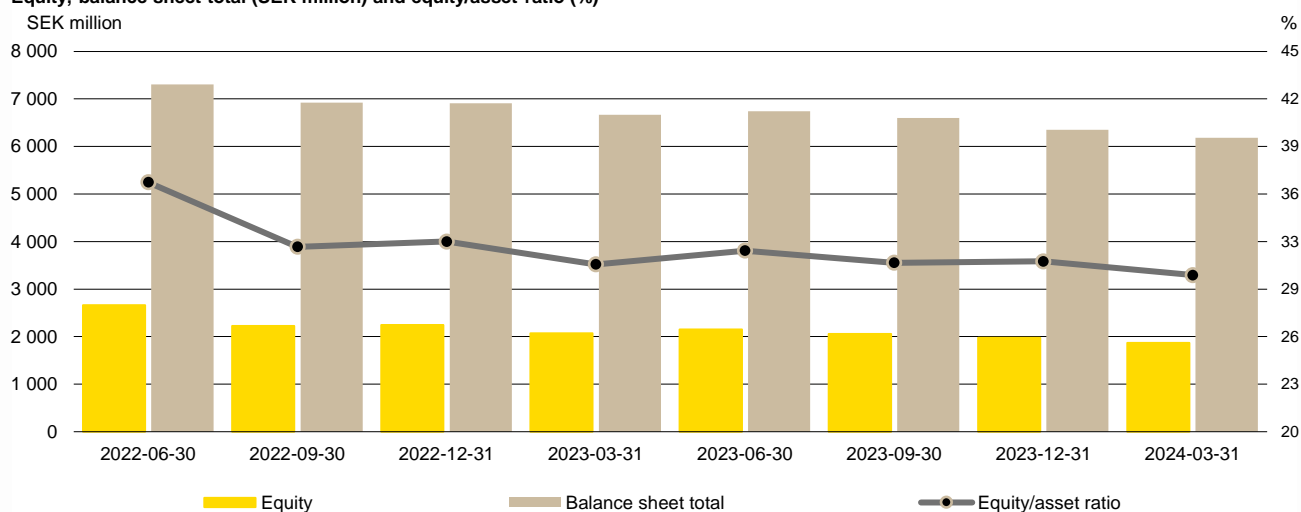


- Collateralized property loans
- Project-related liabilities
- Seller promissory notes
- Building loans
- Bond loans
- Shareholder loans

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
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
Net profit/loss for the period	-	-	-	-648	-44	-692
Other comprehensive income	-	-	-	0	0	0
Transactions with shareholders						
Shareholder contributions	-	627	-	-	-	627
Acquisition of non-controlling interests	-	-	-	-5	-20	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	-	-	-	-190	-19	-208
Other comprehensive income	-	-	-	0	0	0
Transactions with shareholders						
Shareholder contributions	-	100	-	-	-	100
Closing equity 2024/03/31	151	2 255	-	-454	-83	1 870

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



Consolidated condensed cash flow statement

Amounts in MSEK	2024	2023	2023/2024	2023
	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
Operating activities				
Profit/loss after financial items	-208	-173	-906	-871
Adjustments for non-cash items, etc				
Less share of profit/loss from associated companies and joint ventures	31	41	257	267
Retained dividend from associated companies	-	-	-	-
Depreciation/amortization and impairment of assets	61	40	233	212
Fair value changes, investment properties	48	5	148	105
Capital gains/losses from the sale of development properties	-29	14	-77	-34
Other profit/loss items that do not affect liquidity	3	3	10	10
Income tax paid	-	-	-	-
Cash flow from operating activities before changes in working capital	-93	-70	-334	-311
Decrease (+)/increase (-) of development and project properties	-39	-23	-463	-447
Decrease (+)/increase (-) in current receivables	153	33	596	476
Decrease (+)/increase (-) in current liabilities	-54	-14	-178	-138
Cash flow from operating activities	-32	-74	-378	-420
Investing activities				
Acquisition of intangible fixed assets	-	0	-0	-
Acquisition of investment properties	-83	-94	-691	-702
Acquisition of machinery and equipment	-	-	-1	-1
Investment in financial assets	-	-23	-54	-77
Disposal/reduction of financial assets	-	-	-	-
Cash flow from investing activities	-83	-117	-746	-780
Financing activities				
Shareholder contribution	100	-	400	300
Borrowings	126	45	996	915
Repayment of borrowings	-135	-119	-450	-434
Acquisition of non-controlling interests	-	-	-24	-24
Cash flow from financing activities	91	-74	922	757
Cash flow for the period	-24	-265	-201	-442
Cash and cash equivalents at the beginning of the period	331	772	507	772
Cash and cash equivalents at the end of the period	306	507	306	331

Cash flow and cash and cash equivalents

The period's cash flow amounted to SEK -24 m (-265). Cash and cash equivalents amounted to SEK 306 m (331) as of 31 March 2024. Besides cash and cash equivalents, there were unused granted credits of SEK 310 m as of 31 March 2024.

Current activities

Cash flow from current activities amounted to SEK -32 m (-74), mainly affected by costs in operations, investments in project properties and final cash received for completed projects.

At the time of handovers Magnolia Bostad receives forward funding for the projects, which means that Magnolia Bostad receives payment for investments made up to handover. Often, part of the project's profit is also received in cash upon exiting the project. The remaining part of the project profit is usually received upon project completion. This leads to a delay between the timing of reporting sales in the income statement and cash flows received.

Investment activities

Cash flow from investment activities amounted to SEK -83 m (-117), mainly due to continued investments in investment properties in production.

Financing activities

Cash flow from financing activities was SEK 91 m (-74). Loans taken out refers to the expansion of the construction loans for productions in progress and the shareholder loan of SEK 82 m. During the period, a deposit of SEK 58 m and a promissory note of SEK 75 m were repaid.

Parent company's condensed income statement

Amounts in MSEK	2024 Jan-Mar	2023 Jan-Mar	2023/2024 Apr-Mar	2023 Jan-Dec
Net sales	7	7	26	26
Total income	7	7	26	26
Central administration	-14	-13	-50	-49
Operating profit/loss	-7	-6	-24	-23
Financial income	57	42	203	188
Financial expenses	-49	-47	-193	-191
Profit/loss after financial items	1	-10	-15	-26
Group contributions	0	0	-53	-53
Tax on profit/loss for the period	0	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	1	-10	-68	-79

Parent company's condensed balance sheet

Amounts in MSEK	2024 31 Mar	2023 31 Mar	2023 31 Dec
ASSETS			
Non-current assets			
Financial assets	141	109	142
Total non-current assets	141	109	142
Current assets			
Current receivables			
Receivables from Group companies	3 424	3 081	3 367
Other receivables	7	4	7
Prepaid expenses and accrued income	0	0	0
Total current receivables	3 431	3 085	3 374
Cash and bank balances	222	321	237
Total current assets	3 653	3 406	3 611
TOTAL ASSETS	3 794	3 516	3 754
EQUITY AND LIABILITIES			
Equity	2 265	1 606	2 164
Non-current liabilities			
Non-current interest-bearing liabilities	1 016	1 413	1 018
Total long-term liabilities	1 016	1 413	1 018
Current liabilities			
Current interest-bearing liabilities	400	58	458
Liabilities to Group companies	87	401	85
Other current liabilities	0	3	0
Accrued expenses and deferred income	27	34	29
Total current liabilities	514	496	572
TOTAL EQUITY AND LIABILITIES	3 794	3 516	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.

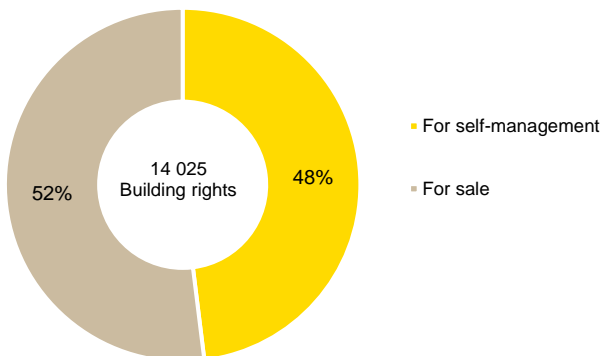
The parent company's profit after financial items was SEK 1 m (-10).

The equity/assets ratio for the parent company was 59.7% (57.6). The balance sheet total increased to SEK 3,794 m (3,754). During the period, a shareholder contribution of SEK 100 m was received.

Projects and properties

Magnolia Bostad develops all projects for certification according to at least the Swedish Green Building Society's silver certification, the Nordic Swan eco-label or an equivalent

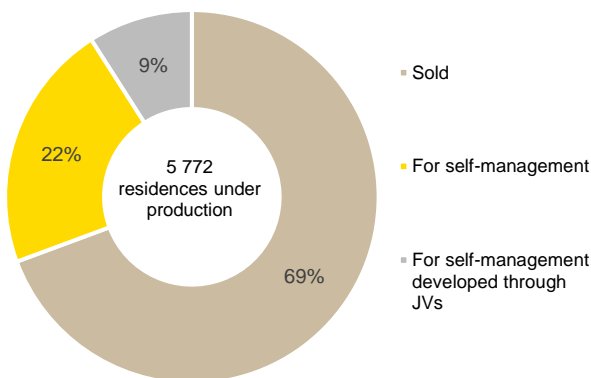
Building rights portfolio



Magnolia Bostad develops rental properties as well as tenant-owned apartments and community service properties. Our residences are developed as individual projects or as part of a larger project in conjunction with the creation of a completely new district.

On 31 March 2024 our estimated building rights totalled 14,025, of which 6,739 were for self-management and 7,286 for sale. 6,800 building rights have zoning plans in force and are ready for production to start. The building rights portfolio includes an estimated number of residential units. Projects relating to warehouses, logistics or schools are excluded from the number of units.

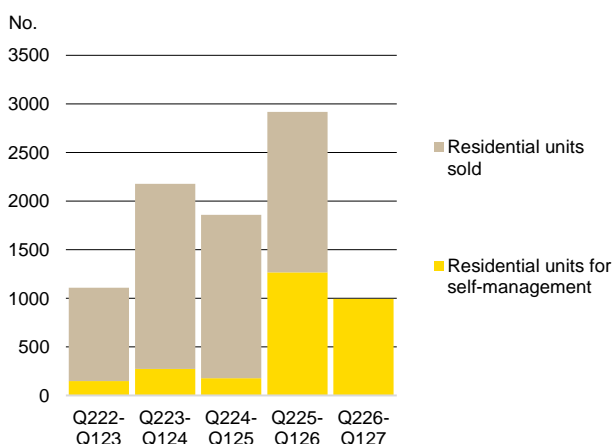
Residential units in production



Magnolia Bostad had 5,772 residential units in production. 1,769 are residencies for self-management and 4,003 are sold properties. Of the 1,769 residential units being developed for self-management, 30% 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 continually. Once a year, we aim to carry out an environmental audit on a turnkey contract for one of our projects.

Completion – rolling twelve months



During the period Magnolia has completed 1 724 residential units. Completion in 2022 and 2023 refers to projects that have already been completed. Future completion is the company's best estimate of the completion of residential units in production. Upon completion of the sold units, Magnolia Bostad receives final payment for each project.

During the next 12 months, we estimate that around 2,910 residential units will be completed, and over the next three-year period, we estimate that around 5,772 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 partners 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, 7 projects for self-management are in production consisting of around 1,769 residential units for Magnolia Bostad's self-management.

Magnolia Bostad's share of the property value upon completion is estimated at SEK 4.1 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 needs for remaining investments has been secured. The remaining investments amount to SEK 0.3 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 1,450. The final completion date for projects in production for self-management as of 31 March 2024 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 6,739 building rights as of 31 March 2024.

Production started residential units for self-management

Magnolia Bostad's share	1 769
Of which construction started	1 450
Of which not construction started	319

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, Q1 2024

Status zoning plan process		RA	CSP	Total
Early stages	0 - 36 months	1 120	0	1 120
Plan assignments	18 - 24 months	2 198	0	2 198
Review	2 - 4 months	0	0	0
Adoption of zoning plan	3 weeks, opportunity to appeal	1 458	0	1 458
Zoning plan comes into force		1 963	0	1 963
Total		6 739	0	6 739

RA = Rental accommodation, CSP = Community service property

Value and valuation of properties for self-management

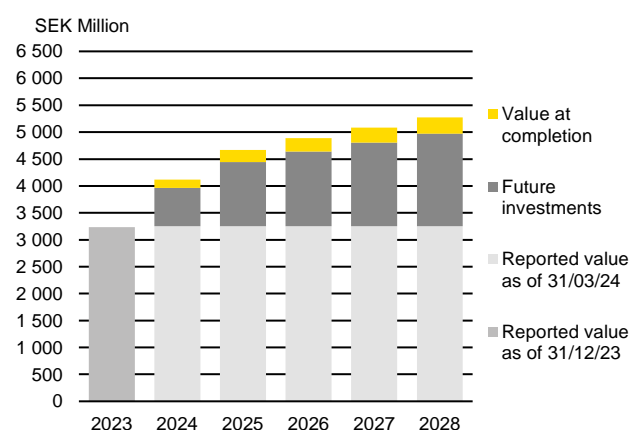
Compilation, properties in self-management

- 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	640	30 902	1 227	0	1 227	62
Properties in self-management, in production	1 769	77 685	2 043	1 649	4 127	223
Total	2 408	108 587	3 271	1 649	5 354	285

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.



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 2024, the number of completed properties for self-management was 640 with an estimated property value of SEK 1,227 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 4.1 bn and non-discounted residual surplus value is estimated at SEK 0.6 bn. In total, including the JV partners' value, the estimated property value upon completion for projects in production is SEK 5.4 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 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

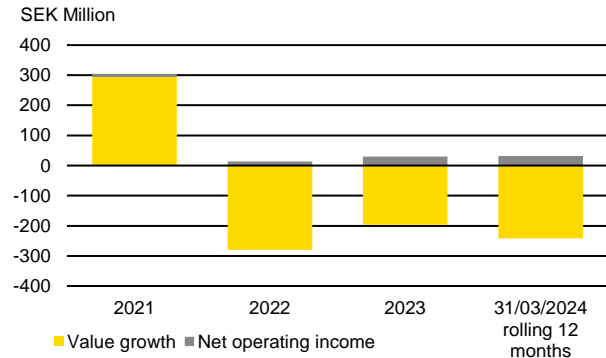
Changes in value for the rolling twelve-month period 1 April 2023 – 31 March 2024 on investment properties, including Magnolia Bostad's share of changes in value of indirectly owned properties in JVs.

	Directly owned	Indirectly owned via JVs	Total
Change in net operating income	135	76	211
Change in project costs	-54	-50	-104
Project development	83	100	183
Change in direct yield	-312	-221	-533
Sale	0	0	0
Sale to JV	0	0	0
Change in value	-148	-94	-242

Most of the reported value changes come from rising return requirements. Value change from project development has contributed SEK 183 m over the last 12 months.

Value growth and net operating income

Value growth and net operating income generated 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.

Earnings capacity

	Total	Completed	Under production
Rental value	286	74	212
Vacancies	-3	-1	-2
Rental income	282	73	209
Operating and maintenance costs	-48	-12	-36
Net operating income	235	61	174
Net financial items	-158	-41	-117
Net operating income after net financial items	77	20	57

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 and as a large number of residential units in a forward funding deal to larger institutions or other reputable partners. Through forward funding, Magnolia Bostad's financing needs are reduced as the projects are financed by the buyer during production.

Magnolia Bostad's projects for sale

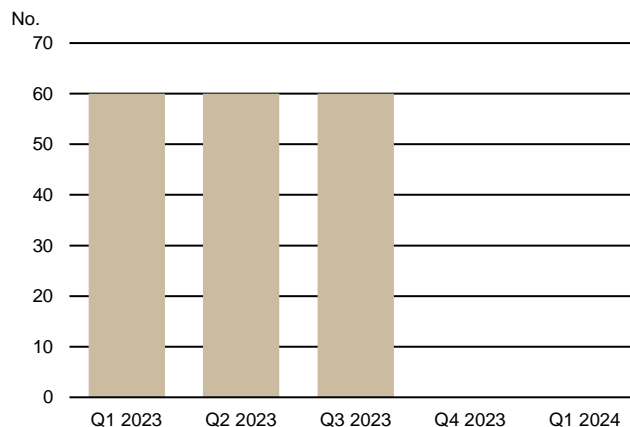
Irregular sales from quarter to quarter are characteristic of Magnolia Bostad's business model.

The production start for building rights in the portfolio for sale 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 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 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, Q1 2024

		RA	TO	CSP + H	Total
Early stages	0 - 36 months	0	0	0	0
Plan assignments	18 - 24 months	801	491	300	1 592
Review	2 - 4 months	0	0	0	0
Adoption of zoning plan	3 weeks, opportunity to appeal	573	285	0	858
Zoning plan comes into force		4 053	784	0	4 837
Total		5 427	1 559	300	7 286

RA = Rental accommodation, TO = Tenant-owned apartment, CSP = Community service property, H = Hotel

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 -19 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 Note 4, Note 9, and Note 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 1,111 m (1,111) compared with the book value of SEK 1,416 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 31 March Magnolia Bostad's organization is divided into: Business Development, Project Development, Business Generation, Architects, Business Management and Finance. As of 31 March 2024, the company had 88 (98) employees, 37 (42) women and 51 (56) men at offices in Stockholm, Norrköping, Göteborg, Malmö and Umeå. Comparative information refers to 31 December 2023. On 31 March 2024 the management team consisted of four people. For more information about Magnolia Bostad's management team, see www.magnoliabostad.se.

Stockholm

26 April 2024, Magnolia Bostad AB (publ)
The Board of Directors

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

Definitions

Alternative KPIs not defined by IFRS

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.

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.

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. GFA: Gross Floor Area, MUA: Main Usable Area, UFA: Usable Floor Area.

Estimated number of building rights

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

Estimated production start, projects for sale

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

Estimated production start, projects for self-management

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

Construction start

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

Production start, projects for sale

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

Production start, properties for self-management

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

Estimated completion of projects

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

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		2023		2022			
	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun
Net sales (SEK million)	54	71	76	101	57	349	32	97
Operating profit/loss (SEK million)	-125	-180	-129	-179	-107	-235	-427	-62
Profit/loss after tax (SEK million)	-208	-252	-195	-246	-175	-281	-433	-109
Earnings per share (SEK)	-5,02	-6,15	-4,97	-6,03	-4,20	-6,93	-10,57	-3
Equity (SEK million)	1 870	1 978	2 055	2 149	2 069	2 245	2 227	2 660
Equity per share (SEK) ¹	51,62	54,00	54,72	56,82	54,69	58,89	57,88	68
Equity/assets ratio (%)	30,3	31,2	31,1	31,9	31,0	32,5	32,2	36
Cash flow from operating activities (SEK million)	-32	-428	132	-49	-74	-87	-86	155
Cash flow from the operating activities, per share (SEK)	-0,8	-11,3	3,5	-1,3	-2,0	-2,3	-2,3	4
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-yearly report January–June 2024: 5 July 2024

Interim report January–September 2024: 23 October 2024

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

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This information is information that Magnolia Bostad is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 07.45 CET on 26 April 2024.

This report is a translation of the original Swedish Report, which prevails in the event of discrepancies between this translation and the Swedish original.

MAGNOLIA

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