

MAGNOLIA

**Magnolia Bostad
Year-End Report
Group**
Jan 1–Dec 31, 2016

Q4

Year-End Report 2016

Magnolia Bostad develops efficient, attractive and functional new housing and hotels, in attractive locations in Sweden's growth areas.

Financial year January–December 2016

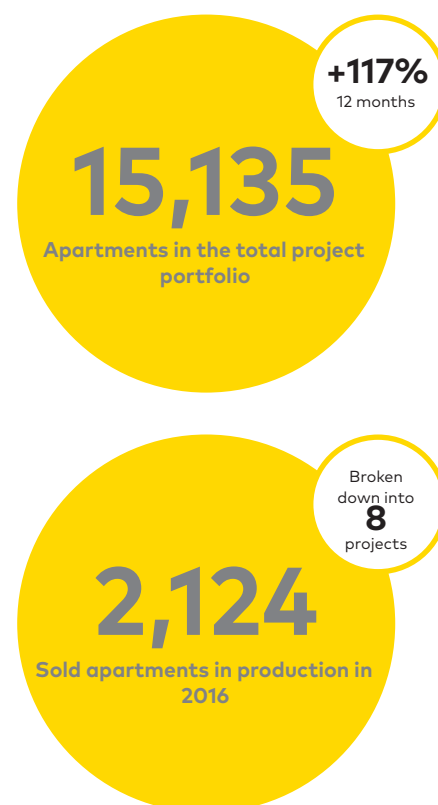
- Net sales amounted to SEK 1,010 million (876).
- The company reported an operating profit of SEK 355 million (358).
- Net profit/loss for the year amounted to SEK 265 million (308). Profit/loss, excluding the minority amounted to SEK 5.87 per share (8.36).
- Equity amounted to SEK 998 million (771). Equity, excluding the minority, amounted to SEK 22.79 per share (17.93).
- During the year Magnolia Bostad acquired 9,190 planned building rights, and apartments sold during the period amounted to 2,124.
- During the year, Magnolia Bostad issued a secured bond loan of SEK 600 million and an unsecured bond loan of SEK 400 million. The bonds were admitted for trading on Nasdaq First North Bond Market.
- The Board of Directors is proposing a dividend of SEK 1.75 per share (1.00).

Fourth quarter 2016

- Net sales amounted to SEK 124 million (397).
- The company reported an operating profit of SEK 41 million (96).
- Profit/loss for the quarter amounted to SEK 14 million (79). Profit/loss, excluding the minority amounted to SEK 0.26 per share (1.77).
- During the quarter, Magnolia Bostad acquired 4,870 planned building rights, and apartments sold during the period amounted to 0.
- During the quarter, Magnolia Bostad issued an unsecured bond loan of SEK 400 million.

Significant events after the end of the period

Magnolia Bostad signs agreement to acquire three leaseholds in Bredäng, Stockholm, where Magnolia Bostad will continue work to develop the local plan with the goal of building approximately 700 to 800 homes.



KPIs, Group

	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Project-related				
Total number of apartments in the portfolio	15,135	6,978	15,135	6,978
Number of sold apartments	0	932	2,124	1,553
Number of sold apartments in production	3,945	2,253	3,945	2,253
Financial				
Operating margin (%)	33.1	24.2	35.1	40.9
Return on equity (%) ¹⁾	1.2	10.4	28.8	62.1
Equity/assets ratio (%)	36.2	40.8	36.2	40.8
Interest coverage ratio (multiple)	1.5	5.4	3.8	6.9
Share-related				
Earnings per share (SEK) ¹⁾	0.26	1.77	5.87	8.36
Equity per share (SEK) ¹⁾	22.79	17.93	22.79	17.93

¹⁾ Excluding the minority

A word from the CEO

In 2016, Magnolia Bostad established the platform required so that we will consistently be able to achieve our goal of starting production on 3,000 apartments per year as of 2018.

The year in brief

Magnolia Bostad is reporting for the 2016 financial year an operating profit of SEK 355 million (358) and profit after tax of SEK 265 million (308). For the period October–December, the operating profit amounted to SEK 41 million (96) and profit after tax to SEK 14 million (79).

Magnolia Bostad's strategy

Three components are needed to be able to start production on 3,000 apartments a year: building rights, organization and financing. The building rights are necessary to start new projects, the organization is necessary to ensure that development is completed in the best possible way and good financing is a prerequisite for being able to conduct business. We have taken great strides forward in all three areas in 2016.

Building rights

The foundation of Magnolia Bostad's operations is the acquisition of attractive building rights in Sweden's major cities and areas of growth. In 2016, the project portfolio demonstrated net growth of approximately 8,175 apartments, an increase of 117 percent since 2015. All acquisitions are done at the tenancy calculation.

Magnolia Bostad's goal is to, as of 2018, annually start production on:

- 2,700 rental apartments
 - of which 675 in cooperation with the buyer will be converted into tenant-owned apartments
- 300 tenant-owned apartments
- 4 residential care facilities

Significant events during the fourth quarter

- Acquisition of around 4,870 planned building rights, for example in Sollentuna, Lund, Malmö and Norrtälje.
- Acquisition of the Stinsen shopping center through a joint venture with Alecta.
- Framework agreement with Slättö for the sale of housing projects totaling SEK 5-14 billion.
- Issue of bond loans totaling SEK 400 million.
- Continued recruitment.
- Sales start for phase 2 of the Bryggan project in Karlstad.

Organizational structure

The company's organizational structure is expanding rapidly and at the end of the year consisted of 55 employees. During the year, we strengthened the organization in all areas and recruited a number of key competences.

Financing

The company issued two bonds during the year for a total of SEK 1,000 million. In total, 100 investors participated in each issue, and both issues were oversubscribed.

In addition to forward funding, Magnolia Bostad is also working with other types of funding. In December, we expanded the collaboration with Alecta when we formed a joint venture and acquired the property Stinsen 2 in Sollentuna, where we plan to develop 2,000 homes.

In November, Magnolia Bostad also signed a framework agreement with Slättö for future sales of housing projects with a value of at least SEK 5 billion and may gradually be increased to SEK 14 billion. Magnolia



Bostad has thus secured a buyer for up to 7,000 apartments.

Future

I am looking forward with a fair degree of confidence. Work is currently underway to list the company's share on Nasdaq Stockholm's main market, which we plan to complete in 2017. With this move, we aim to increase the liquidity of the share and improve the transparency of the company for its shareholders.

I would like to thank our employees and partners for a successful year 2016. We are convinced that we through the investments made in 2016 have laid a good foundation for the company's continued growth.

Stockholm, February 2017

Fredrik Lidjan
CEO

Performance

The profit/loss items below and the comparative figures for the previous year refer to the period January–December unless otherwise specified.

Reporting period October 1 – December 31, 2016

Profit after tax in Q4 amounted to SEK 14 million (79) and net sales amounted to SEK 124 million (397). Operating profit for the quarter was SEK 41 million (96). Net sales and the operating profit in Q4 were lower due to fewer project sales compared to Q4 2015. During the quarter, parts of a previously settled rental apartment project in Karlstad were converted to a tenant-owned apartment project together with Slättö, resulting in a higher profit margin. The parties share the surplus. An additional agreement was signed for the project Gjuteriet in Eskilstuna, leading to revenue recognition in Q4 2016 (as well as revenue recognition in Q3 2016).

Net financial items for the quarter were SEK -27 million (-16). The increase in costs is attributable to the growing assets that are externally financed and costs related to repurchase of a part of the bond loans.

Financial year January 1 – December 31, 2016

Net sales and operating profit/loss
Net sales for the financial year amounted to SEK 1,010 million (876) and consist primarily of sales of development and project properties. Magnolia Bostad has recognized revenue for 2,124 apartments during the year, which is 571 apartments more than last year.

Operating profit decreased to SEK 355 million (358) and the operating margin was 35.1 percent (40.9). Comparison with the previous year is impaired by an item for SEK 153 million following a revaluation of

previous associated companies during transitions to subsidiaries. In addition to this item in 2015 affecting comparability, operating profit for Q4 2016 pulled down the comparison to full year 2015.

During the year, Magnolia Bostad strengthened its organization, which resulted in an increase in costs for central administration to SEK -27 million (-13).

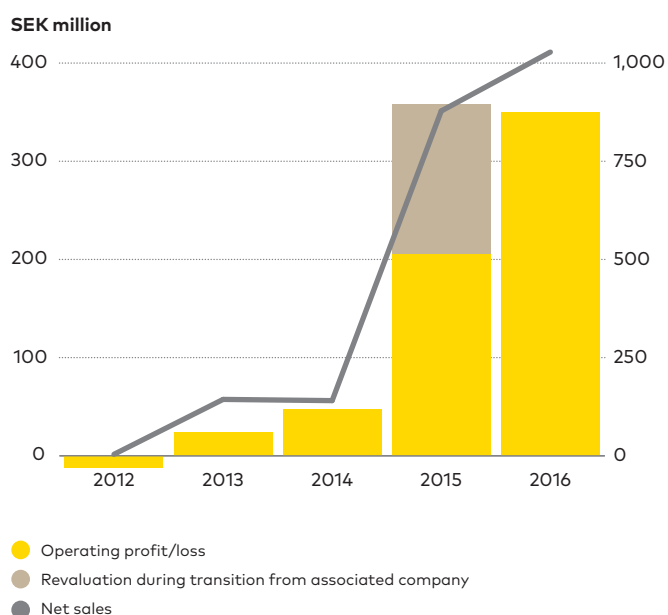
Net financial items

Net financial items amounted to SEK -90 million (-49). This increase is primarily due to the growing assets that are externally financed and costs from the subscription of the bond loans.

Profit/loss after tax

Profit/loss after tax for the period amounted to SEK 265 million (308), which corresponds to a profit margin of 26.1 percent (35.2). The tax cost is less than 22.0 percent of profit before tax as certain reported revenues, primarily company sales of the company, are non-taxable.

Operating profit/loss and net sales, SEK million



Funding

The business of Magnolia Bostad is capital-intensive. Access to capital is a prerequisite for Magnolia Bostad being able to continue to generate long-term value through the acquisition of building rights. Magnolia Bostad continuously monitors opportunities to diversify its funding base, and during the year it raised two new bond loans.

Equity and the equity/assets ratio

At December 31, 2016, consolidated equity amounted to SEK 998 million (771), which resulted in an equity/assets ratio of 36.2 percent (40.8). The minority share of equity was SEK 136 million (93). This change in equity during the year is due to dividends paid and net profit/loss for the year. In 2016, return on equity amounted to 28.8 percent (62.1).

Interest-bearing liabilities

The total interest-bearing borrow-

ings amounted to SEK 1,505 million (861) at December 31, 2016. Most of Magnolia Bostad's liabilities, SEK 900 million in nominal value, consist of capital market financing and the remaining liabilities consist of bank financing, SEK 591 million, and seller promissory notes, SEK 15 million. Interest-bearing net liabilities, after deductions for cash and cash equivalents of SEK 507 million (193), amounted to SEK 998 million (668). Net financial items amounted to SEK -90 million (-49) and at the end of the year Magnolia Bostad's average interest rate was 5.4 percent with an interest coverage ratio of 3.8. The average capital tie-up term was 2.9 years as at December 31, 2016.

Bond loans

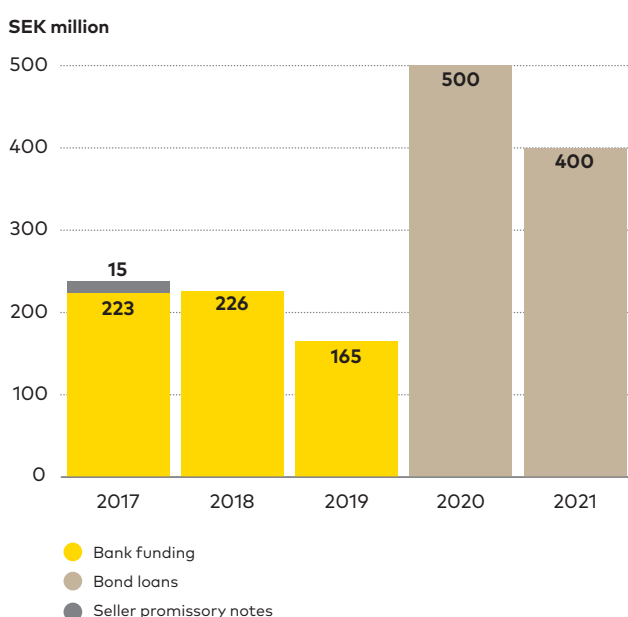
During the year, Magnolia Bostad has issued in total two bond loans for SEK 1,000 million with a total outstanding volume of SEK 900 million as at December 31, 2016. The first issued loan was a secured bond of SEK 600 million with a floating coupon of STIBOR 3M + 6.25 percent (with a STIBOR floor) and final maturity in April 2020. The second

issued loan was an unsecured bond of SEK 400 million pursuant to a bond frame of up to SEK 1 billion, a floating coupon of STIBOR 3M + 7.25 percent (without a STIBOR floor) and final maturity in October 2021. The bonds are listed on Nasdaq First North and the intention is to move them to Nasdaq Stockholm in 2017.

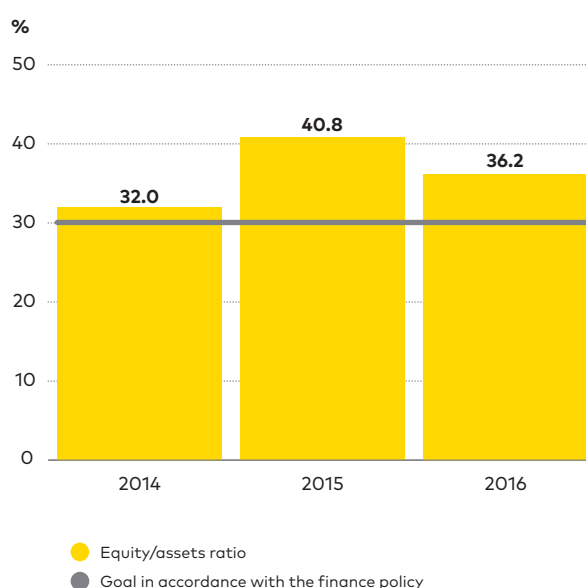
Cash flow and cash and cash equivalents

Consolidated cash flow from operating activities amounted to SEK -22 million (-150), cash flow from investing activities amounted to SEK -101 million (0) and cash flow from financing activities amounted to SEK 437 million (306). Cash and cash equivalents as per December 31, 2016, amounted to SEK 507 million (193). Disposable liquidity, including unutilized credit lines of SEK 112 million, amounted to SEK 619 million as at December 31, 2016.

Maturity structure, SEK million



Equity/assets ratio, percent



Project portfolio

Activity has been high in Magnolia Bostad's project portfolios in 2016. In Q4, the company acquired 4,870 planned building rights and the total number of apartments in the project portfolio thereby amounts to approximately 15,135 planned apartments as per December 31, 2016, an increase of 117 percent in twelve months.

No apartments were sold during the quarter, which means there are 2,124 sold apartments in production in 2016 spread across eight projects, compared to 1,553 apartments and eight project in 2015.

During the year, four projects and 272 apartments were completed.

ACQUISITIONS IN 2016		Municipality	Planned number of apartments
Quarter	Project		
1	Maria Mosaik	Helsingborg	345
1	Norra Kajen	Sundsvall	600
2	Segelflygaren	Örebro	210
2	Sländan, phases 1-3	Södertälje	740
2	Sportflygaren	Örebro	110
2	Nätverket	Åkersberga	300
2	Senapsfabriken, phase 3	Uppsala	700
3	Gjuteriet, phases 1 & 2	Eskilstuna	375
3	Mejeriet	Helsingborg	780
3	Nätverket 2	Åkersberga	160
4	Bunkeflostrand	Malmö	1,300
4	Slipsten	Lund	330
4	Södra Häggviks Gårdar	Sollentuna	2,000
4	Norrtälje Hamn	Norrtälje	440
4	Ladugårdsgärdet	Örebro	100
4	Infra	Upplands Väsby	700
			9,190

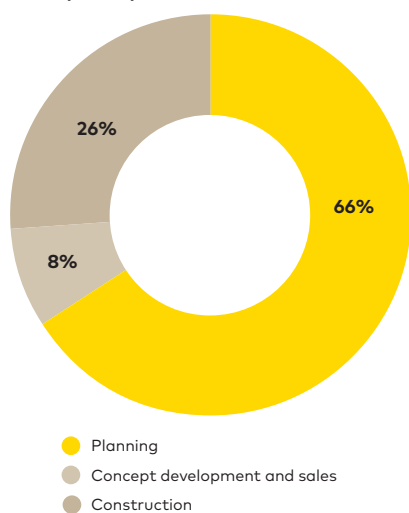
SOLD PROJECTS IN PRODUCTION IN 2016

Quarter	Project	Municipality	Buyer	Planned number of apartments
1	Varvet	Karlstad	TOA	92
1	Maria Mosaik	Helsingborg	SPP	345
2	Sländan phase 1	Södertälje	SPP	445
2	Senapsfabriken, phase 1	Uppsala	SEB Domestica	450
3	Tegelslagaren	Vallentuna	SEB Domestica	155
3	Tegelmästaren	Vallentuna	SEB Domestica	160
3	Segelflygaren	Örebro	Slättö	210
3	Gjuteriet, phase 1	Eskilstuna	Slättö	375
				2,124

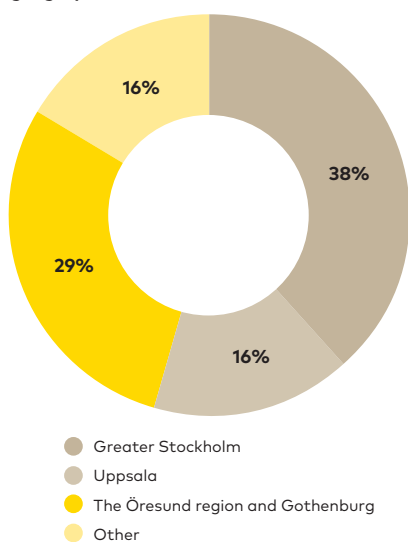
PROJECTS COMPLETED IN 2016		Type of owner-ship	Number of housing units
Project	City		
Valsta Torg	Valsta centrum, Sigtuna	TO	42
Traversen 18	Sollentuna	R	230
Tibble	Tibble, Kungsängen	R	40
Tibble	Tibble, Kungsängen	R	93
Total			405

Ongoing and future projects and sold projects in production as at December 31, 2016

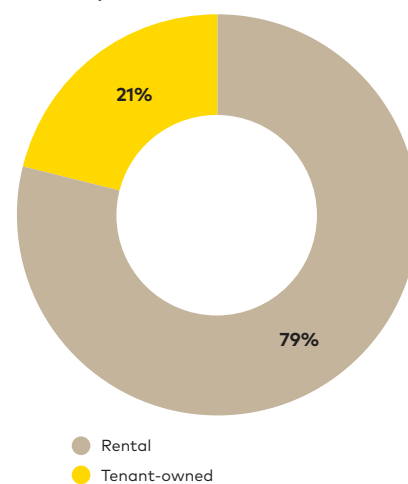
Planned number of apartments per development phase ^{1) 2)}



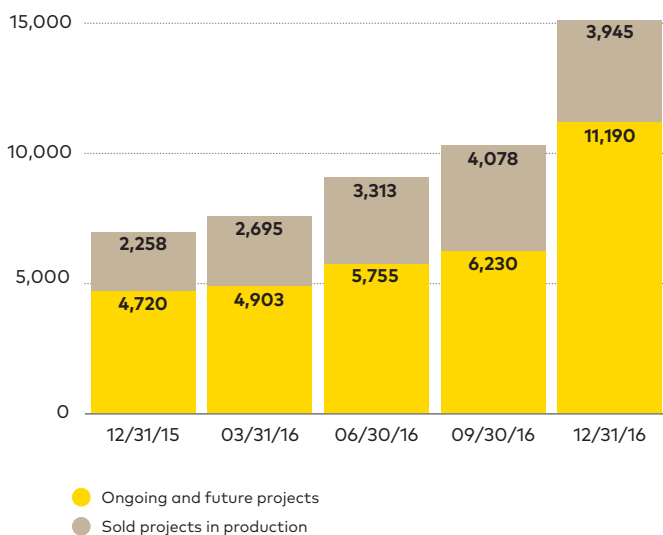
Planned number of apartments per geographical area ^{1) 2)}



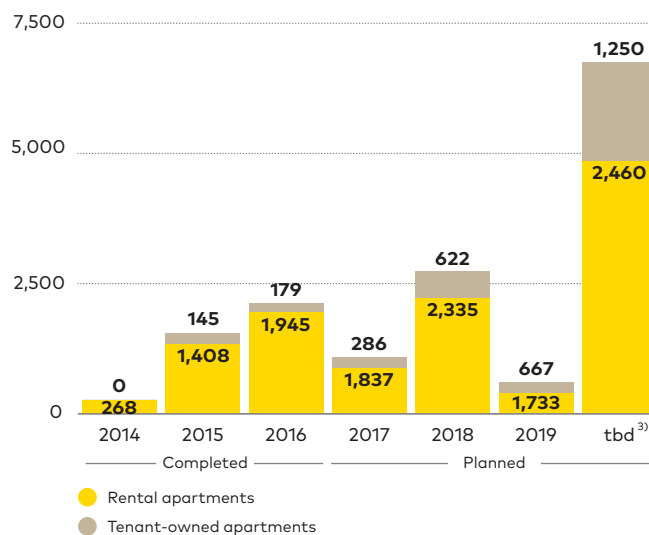
Planned number of apartments per type of ownership ^{1) 2)}



Change in project portfolio, number of apartments ^{1) 2)}



Sold apartments in production, completed and planned ^{1) 2)}



¹⁾ Refers to ongoing and future projects and sold projects in production. Undeveloped real estate being sold is excluded.

²⁾ Refers to all apartments in each project, i.e. no adjustment for partly owned projects.

³⁾ Land for which Magnolia Bostad has no local plan or date has not yet been set for when tenants will vacate the premises.

Specification of the project portfolio

The tables on this page and the next page show ongoing and future projects, sold projects in production and properties being sold as at December 31, 2016. Associated companies are not included.

ONGOING AND FUTURE PROJECTS

Project	Property	City	Type of ownership	Estimated no. of apartments	Estimated gross area (sqm)	Estimated living area (sqm)	Phase	Estimated prod. start	Estimated completion
Varvet Townhouse ¹⁾	Varvet 4 & Part of Varvet 2	Kanikenäsholmen, Karlstad	TO	8	800	700	●	2017	2018
Sländan, phase 2 ¹⁾	Sländan 7	Södertälje	R	120	7,200	5,300	●	2017	2019
Fasanen ¹⁾	Burlöv Arlöv 20:58 and others	Arlöv, Burlöv	R	250	16,500	12,500	●	2017	2019
Sportflygaren ¹⁾	Part of Nikolai 3:63 and others	Södra Ladugårdsängen, Örebro	R	110	8,200	6,200	●	2017	2019
Nyby Lilium, phase 2 ¹⁾	Part of Gamla Uppsala 99:1	Nyby, Uppsala	TO	65	3,600	2,600	●	2017	2019
Helikoptern ^{1) 5)}	Part of Nikolai 3:63 and others	Södra Ladugårdsgärdet, Örebro	R	100	7,000	5,300	●	2017	2019
Torgkvarteren ¹⁾	Part of Våppeby 7:7	Bålsta torg, Bålsta	R/TO	440	31,800	22,000	●	2017	2021
Konstnären ¹⁾	Östra Sala Backe, E2, block 5	Östra Sala Backe, Uppsala	R	112	6,700	5,200	●	2018	2019
Nätverket ¹⁾	Husby 3:3	Hagby Äng och kullar, Åkersberga	R	300	12,000	8,900	●	2018	2020
Norrbacka ¹⁾	Sigtuna Norrbacka 1:32-36	Norrbacka, Sigtuna	R	180	15,000	11,500	●	2018	2020
Ängloket ¹⁾	Ängby 1:1	Ängby, Knivsta	R/TO	200	18,000	14,000	●	2018	2020
Nätverket 2 ¹⁾	Husby 5:2	Hagby Äng och kullar, Åkersberga	TO	160	14,000	10,500	●	2018	2020
Sländan, phase 3 ¹⁾	Sländan 7	Södertälje	TO	180	10,000	7,500	●	2018	2020
Frihamnen ³⁾	Part of Lundbyvassen 736:168	Frihamnen, Gothenburg	Hotel	-	12,000	-	●	2018	2020
Frihamnen ¹⁾	Part of Lundbyvassen 736:168	Frihamnen, Gothenburg	R	150	10,500	8,000	●	2018	2020
Oceanhamnen ¹⁾	Part of Gamla Staden 1:1 and others	Oceanhamnen, Helsingborg	R/TO	110	8,500	6,500	●	2018	2020
Lommarstranden ¹⁾	Part of Tälje 4:62	Lommarstranden, Norrtälje	R/TO	200	15,000	11,000	●	2018	2020
Gjuteriet, phase 2 ¹⁾	Nätet 7&8	Norra Munktelldagen, Eskilstuna	TO	115	7,150	5,500	●	2018	2020
Norrtälje Hamn ^{1) 5)}	Part of Tälje 3:1 and others & Alen 1-5	Norrtälje Hamn	R	440	30,000	22,800	●	2018	2021
Slipsen ¹⁾	Stora Råby 33:2 and others	Södra Råbylund, Lund	R	590	38,800	29,700	●	2018	2021
Norra kajen ¹⁾	Norrmalm 3:18 & 4:2	Norra kajen, Sundsvall	R/TO	600	40,000	30,000	●	2019	2022
Orminge Centrum ¹⁾	Orminge 52:1	Orminge centrum, Nacka	R	400	35,000	25,000	●	TBD ⁶⁾	-
Södra Häggvik ⁴⁾	Stinsen 2	Häggvik, Sollentuna	R/TO	2,000	120,000	93,600	●	TBD ⁶⁾	-
Senapsfabriken, phase 2 ²⁾	Kungsängen 25:1, block 3	Uppsala	R	650	39,000	27,000	●	TBD ⁶⁾	-
Instrumentet	Instrumentet 2	Stockholm	TO	100	6,100	4,700	●	TBD ⁶⁾	-
Senapsfabriken, phase 3 ¹⁾	Kungsängen 29:2	Uppsala	R/TO	700	40,000	29,000	●	TBD ⁶⁾	-
Upplands Väsby Infra City ¹⁾	Grimsta 5:2	Infra City, Upplands Väsby	R/TO	700	42,000	32,000	●	TBD ⁶⁾	-
Skogskarlen	Skogskarlen 3	Solna	TO	130	8,000	6,000	●	TBD ⁶⁾	-
Bunkeflostrand ¹⁾	Limhamn 155:355	Limhamn, Malmö	R/TO	1,300	75,000	58,500	●	TBD ⁶⁾	-
Mejeriet ¹⁾	Filborna 28:4	Olympia, Helsingborg	R/TO	780	45,000	35,100	●	TBD ⁶⁾	-
Total				11,190	722,850	536,600			

¹⁾ Magnolia Bostad's share of the profit amounts to 90%.

²⁾ Magnolia Bostad's share of the profit amounts to 76.3%, including forward transactions.

³⁾ Magnolia Bostad's share of the profit amounts to 60%.

⁴⁾ Magnolia Bostad owns approximately 45% of JV. For Magnolia Bostad's share of development profits see press release on Magnolia Bostad's web site.

⁵⁾ Developed in cooperation with Slättö Förvaltning AB.

⁶⁾ Land for which Magnolia Bostad has no local plan or date has not yet been set for when tenants will vacate the premises.

Type of ownership: R=Rental unit, TO=Tenant-owned

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

Phase:

- Planning work
- Concept development and sales
- Construction

SOLD PROJECTS IN PRODUCTION			Type of ownership	No. of apartments	Gross area (sqm)	Living area (sqm)	Phase	Prod. start	Completion
Project	Property	City							
Nya Parken Allé	Publiken 1	Central Norrköping	R	268	21,900	16,600	●	2014	2017
M6	Muttern 6	Södermalm, Stockholm	TO	55	2,900	2,900	●	2015	2017
Lumen	Trapphuset 1	Sollentuna	TO	90	6,600	4,750	●	2015	2017
Bryggan ¹⁾	Part of Varvet 2	Kanikenäsholmen, Karlstad	TO	64	4,900	3,800	●	2015	2018
Slipen ¹⁾	Part of Varvet 2	Kanikenäsholmen, Karlstad	R	152	10,800	8,500	●	2015	2018
Maria Forum ¹⁾	Slagan 1	Mariastaden, Helsingborg	R	292	14,700	12,500	●	2015	2018
Bryggeriet ¹⁾	Norrländ 11	Helsingborg	R	327	19,000	14,700	●	2015	2019
Nyby Lilium, phase 1 ¹⁾	Part of Gamla Uppsala 99:1	Nyby, Uppsala	R	300	18,000	14,000	●	2015	2019
Kalkstenen ¹⁾	Tankloket 1	Limhamn, Malmö	R	129	6,800	5,100	●	2015	2018
Cementfabriken ¹⁾	Kölen 1	Limhamn, Malmö	R	144	9,100	7,100	●	2015	2018
Varvet ¹⁾	Varvet 4 & Part of Varvet 2	Kanikenäsholmen, Karlstad	TO	92	7,900	6,100	●	2016	2018
Segelflygaren ¹⁾	Glidplanet 1	Södra Ladugårdsängen, Örebro	R	210	13,500	10,000	●	2016	2018
Maria Mosaik ¹⁾	Arkeologen 1 & Antikvarien 1	Maria Station, Helsingborg	R	345	20,000	16,000	●	2016	2019
Senapsfabriken, phase 1 ²⁾	Kungsängen 25:1, block 2	Uppsala	R	455	26,800	19,400	●	2016	2019
Tegelslagaren ¹⁾	Vallentuna-Åby 1:166	Åby Ängar, Vallentuna	R	155	8,100	6,150	●	2016	2019
Tegelmästaren ¹⁾	Vallentuna-Åby 1:171	Åby Ängar, Vallentuna	R	160	8,100	5,950	●	2016	2019
Sländan, phase 1 ¹⁾	Sländan 6	Södertälje	R	445	25,400	19,000	●	2016	2019
Gjuteriet, phase 1 ¹⁾	Nätet 7&8	Norra Munktelstaden, Eskilstuna	R/TO	262	17,800	13,900	●	2016	2019
Total				3,945	242,300	186,450			
TOTAL PROJECT PORTFOLIO				15,135	965,150	723,050			

¹⁾ Magnolia Bostad's share of the profit amounts to 90%.

²⁾ Magnolia Bostad's share of the profit amounts to 76.3%, including forward transactions.

Type of ownership: R=Rental unit, TO=Tenant-owned

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

Phase:

- Planning work
- Concept development and sales
- Construction

Market

Market trends

The construction of residential projects has accelerated significantly over the past two years in Sweden, and production is currently estimated to be at around 45,000 to 50,000 residential units per year for the years 2015 – 2016. However, the rate of residential construction is still not meeting the need, which means that the shortage is instead being deferred to the future. In June 2016, the National Board of Housing, Building and Planning revised its forecast for the need for residential construction for the next ten years (up to 2025), which is now judged to be 710,000 homes.

A large percentage of these homes, 440,000, are judged to be needed already by 2020, which means an average annual rate of 88,000 new homes.

The investment market during the fourth quarter was marked by a strong demand for residential properties, which according to Newsec represented 31 percent of the total transaction volume. The transaction volume in the fourth quarter (transactions greater than SEK 100 million) amounted to more than SEK 71 billion, compared to the previous quarter, which was at just above SEK 30.5 billion. The total transaction volume for full year 2016 amounted to more than SEK 189 billion compared to SEK 134 billion for full year 2015.

In terms of volume during the year, according to Newsec the largest individual segment, commercial properties, represented 30 percent of the total transaction volume. Residential properties were the second-largest segment, with 26 percent.

The transaction volume in 2016 reached record-high levels and amounted to more than SEK 189 billion (transactions above SEK 100 million), which can be compared to 2015 and a volume of SEK 134 billion (transactions above SEK 100 million). Newsec forecasts that 2017 will continue to be a strong transaction year, if somewhat weaker than 2016.

Rental apartments

According to IPD Svenskt Bostadssindex, the total return on residential properties in Sweden was 10.6 percent in 2015, of which the value increased by around 7 percent (the figures are based on IPD Svenskt Fastighetsindex and residential properties from 19 municipally owned residential firms).

The yield requirement for centrally located residential properties in the metropolitan areas of Stockholm, Gothenburg and Malmö has fallen steadily since 2008. This development shows that the residential sector is judged to be a stable investment sector facing low risks. The yield requirement for centrally located residential properties in the best locations in Stockholm, Gothenburg and Malmö at the end of 2016 was 1.60 percent, 1.75 percent and 2.50 percent, respectively.

Tenant-owned apartments

The housing markets in the metropolitan areas have been very strong the past two years. According to Mäklarstatistik, a record number of tenant-owned apartments and single-family homes were sold during the first six months of 2016. After several years during which there were signs that the market was overheating, real estate agents reported at the end of the first six months of 2016 that the housing markets of the metropolitan areas clearly slowed at the end of the second quarter. This is an indication that many people made a point of buying and selling before the amortization requirement went into effect on June 1. In 2016, more than 100,000 tenant-owned apartments were sold for a total value of SEK 244 billion. The three major cities dominate the market for tenant-owned apartments, representing 60 percent of the total number of sold tenant-owned apartments and more than 75 percent of the total value.

During the first two months of the third quarter tenant-owned prices dipped by one percent, but in Q4 2016 prices rebounded and went up one percent. The annual growth rate for tenant-owned apartments for Sweden as a whole was +7 percent.



Torgkvarteren, Bålsta

Bålsta Centrum is undergoing an extensive transformation with a new transportation hub, city square and residential blocks. Magnolia Bostad will build a new transportation hub and 440 apartments with varying forms of ownership as well as a grocery store covering a total area of 3,000 sqm.

Project facts

Location: Bålsta (Håbo Municipality), Greater Stockholm
Type of ownership: Rental apartments and tenant-owned apartments
Scope: 440 apartments, transportation hub and grocery store
Architect: ETTIELVA Arkitekter/Tengbom
Planned occupancy: 2021

The share

F. Holmström Fastigheter AB, in which Fredrik Holmström has a controlling interest through companies, holds a 56.28 percent stake in Magnolia Bostad. As at December 30, 2016 there were 3,455 (998) shareholders. The share is admitted for trading on Nasdaq First North under the short name MAG. The total number of issued shares at the end of the period was 37,822,283.

The share price at closing on December 30, 2016, was SEK 96.25. On average, 296 transactions were conducted per trading day between October 3, 2016 and December 30, 2015, and the average trading volume per trading day was SEK 5.2 million.

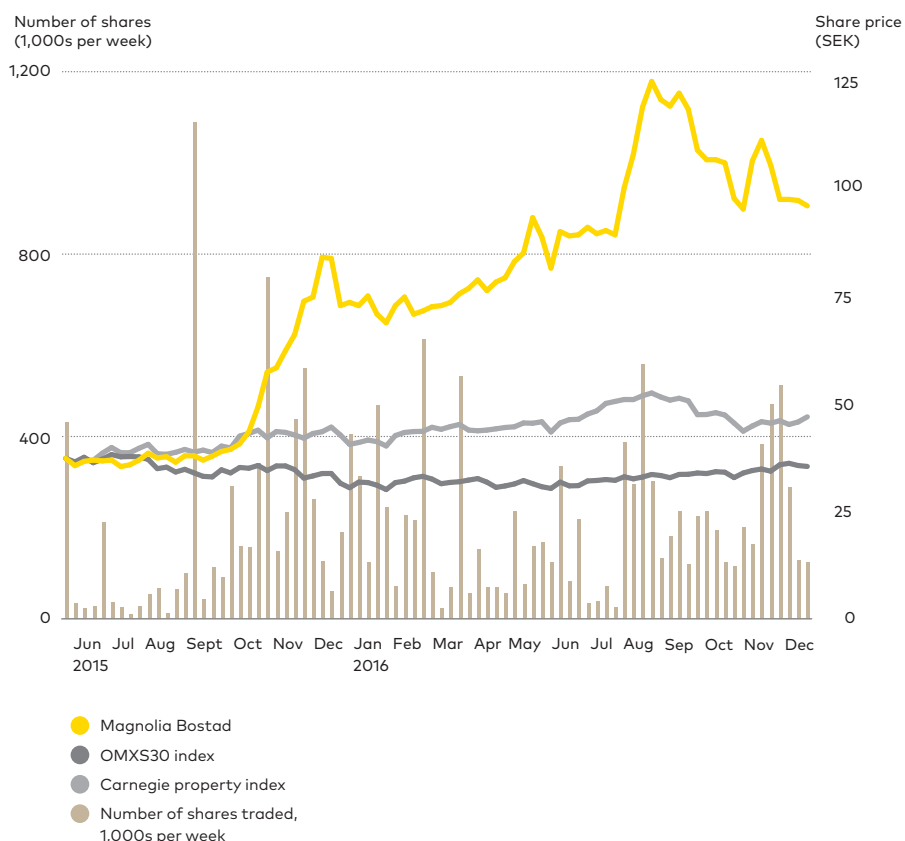
Since January 2016 Magnolia Bostad has been included in Nasdaq First North's index, First North 25, which consists of the 25 largest and most traded shares on Nasdaq First North.

Dividends

The dividend policy shall be based on that which at any time is considered to promote the overall goal of optimizing the total return for the shareholders.

To the Annual General Meeting in 2017 the Board is proposing a dividend of SEK 1.75 per share (1.00), which corresponds, if the Meeting approves the proposal, to a direct yield of 1.8 percent (1.2) of Magnolia Bostad's share price on December 31, 2016.

Turnover (number of shares in thousands per week) and price development (SEK) of the Magnolia Bostad share since its introduction on Nasdaq First North on June 9, 2015



Average number of outstanding shares

		2016		2015	
		Q4	Full year	Q4	Full year
Average number of outstanding shares	37,822,283	37,822,283	34,192,649	35,100,058	

Owners

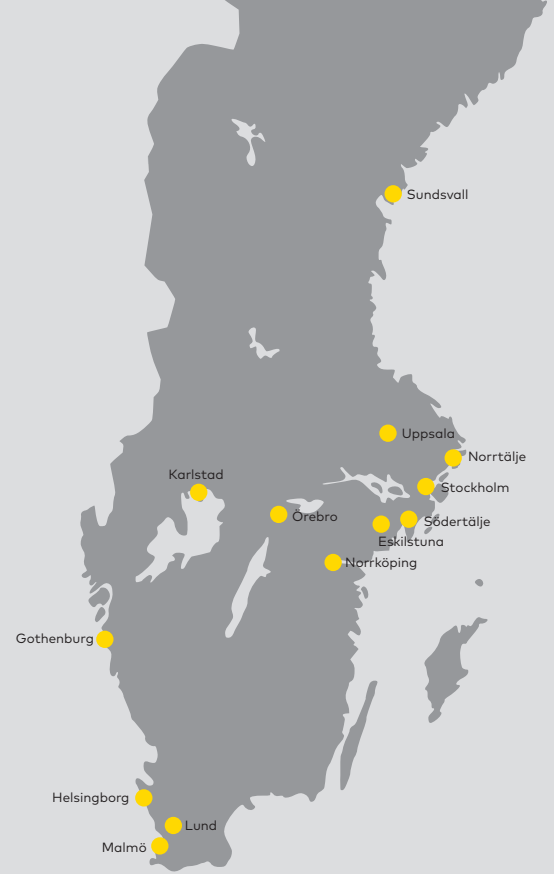
Ownership as at December 31, 2016

Number of shares	No. of share-holders	Shareholder category	No. of share-holders	Share of votes	Shareholders per country	No. of share-holders	Share of votes
1–500	2,667	Legal persons	262	7.58%	Sweden	3,331	96.41%
501–1,000	340	Private individuals, men	2,374	68.71%	Other Nordic countries	26	0.75%
1,001–2,000	315				Other European countries (excl. Sweden and the Nordic countries)	65	1.88%
2,001–5,000	51	Private individuals, women	819	23.71%	USA	19	0.55%
5,001–10,000	20				Rest of world	14	0.41%
10,001–50,000	12	Total	3,455	100.00%	Total	3,455	100%
50,001–	50	of which living in Sweden	3,331	96.00%			
Total	3,455						

Largest shareholders as at December 31, 2016

Shareholders	Number of shares	Percentage of	
		Share capital	Votes
F.Holmström Fastigheter	21,286,837	56.28%	56.28%
Danica Pension	3,088,052	8.16%	8.16%
Länsförsäkringar fondförvaltning AB	2,382,908	6.30%	6.30%
Nordnet Pensionsförsäkring AB	1,560,241	4.13%	4.13%
Swedbank Robur Fonder	973,945	2.58%	2.58%
Svolder Aktiebolag	941,200	2.49%	2.49%
Dahlin, Martin	827,471	2.19%	2.19%
Försäkringsaktiebolaget, Avanza Pension	621,239	1.64%	1.64%
Cliens Sverige (Valbay kapitalförsäkring)	360,000	0.95%	0.95%
Cliens Sverige	339,676	0.90%	0.90%
Total 10 largest shareholders	32,381,569	85.62%	85.62%
Other shareholders	5,440,714	14.38%	14.38%
Total	37,822,283	100.00%	100.00%

2016 projects



Senapsfabriken phase 1

Uppsala
454 apartments
Rental



Tegelslagaren

Vallentuna
157 apartments
Rental



Tegelmästaren

Vallentuna
160 apartments
Rental

Mejeriet

Helsingborg
780 apartments
Rental apartments and tenant-owned apartments



Senapsfabriken, phases 2 and 3

Uppsala
1,350 apartments
Rental apartments and tenant-owned apartments

Stora Råby

Lund
600 apartments
Rental apartments and tenant-owned apartments



Maria Mosaik

Helsingborg
345 apartments
Rental

Gjuteriet

Eskilstuna
377 apartments
Rental apartments and tenant-owned apartments

Norra Kajen

Sundsvall
600 apartments
Rental apartments and tenant-owned apartments



Maria Forum

Helsingborg
292 apartments
Rental

11,000
planned apartments.

Bunkeflostrand
Limhamn
1,000 apartments
Rental apartments and tenant-owned apartments



Sländan

Södertälje
744 apartments
Rental apartments and tenant-owned apartments

Nätverket
Åkersberga
300 apartments
Rental



Sportflygaren
Örebro
110 apartments
Rental

Södra Häggvik
Sollentuna
2,000 apartments
Rental apartments and tenant-owned apartments

Kanikenäsholmen
Karlstad
316 apartments
Rental apartments and tenant-owned apartments



Segelflygaren
Örebro
210 apartments
Rental

Upplands Väsby
700 apartments
Rental apartments and tenant-owned apartments

4,000
sold apartments in
production in the
portfolio.

For more information about our projects,
visit www.magnoliabostad.se

Consolidated Income Statement in short

Amounts in MSEK	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Net sales	124	397	1,010	876
Production and operating costs	-86	-298	-642	-657
Gross profit	38	99	368	219
Central administration	-10	-3	-27	-13
Profit/loss from participations in associated companies	13	1	14	0
Revaluation during transition from associated company to subsidiary	0	0	0	153
Operating profit/loss	41	96	355	358
Financial income	1	2	3	3
Financial expenses	-28	-18	-93	-52
Change in value, financial instruments	0	0	0	0
Profit/loss before tax	14	80	265	308
Income tax	0	0	0	-1
NET PROFIT/LOSS FOR THE YEAR	14	79	265	308
Profit/loss attributable to				
Parent Company shareholders	10	67	222	289
Holdings without a controlling influence	4	12	43	19
Earnings per share (SEK)				
Before dilution effects	0.26	1.77	5.87	8.36
After dilution effects	0.26	1.76	5.84	8.11

Consolidated Statement of Comprehensive Income

Amounts in MSEK	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Net profit/loss for the year	14	79	265	308
OTHER COMPREHENSIVE INCOME FOR THE PERIOD				
Total other comprehensive income	0	0	0	0
Comprehensive income attributable to				
Parent Company shareholders	10	67	222	289
Holdings without a controlling influence	4	12	43	19
COMPREHENSIVE INCOME FOR THE YEAR	14	79	265	308

Consolidated Statement of Financial Position in short

Amounts in MSEK	2016 Dec 31	2015 Dec 31	2015 Jan 1
ASSETS			
Non-current assets			
Goodwill	6	6	6
Other intangible assets	0	1	8
Total intangible assets	6	7	14
Machinery and equipment	1	0	0
Total property, plant and equipment	1	0	0
Participations in associated companies and joint ventures	116	2	40
Receivables from associated companies	23	24	24
Other securities held as non-current assets	31	31	31
Other long-term receivables	406	279	15
Total financial assets	576	336	110
Total non-current assets	583	342	124
Current assets			
Development and project properties	1,160	1,139	424
Tenant-owned apartments	4	4	9
Accounts receivable	1	4	1
Receivables from associated companies	20	0	10
Other receivables	475	204	187
Prepaid expenses and accrued income	5	2	2
Cash and cash equivalents	507	193	37
Total current assets	2,172	1,546	671
TOTAL ASSETS	2,755	1,888	794

Consolidated Statement of Financial Position in short

Amounts in MSEK	2016 Dec 31	2015 Dec 31	2015 Jan 1
EQUITY AND LIABILITIES			
Equity			
Share capital	151	151	125
Other capital contributions	185	185	31
Retained profits including profit/loss for the year	526	342	97
Equity attributable to Parent Company shareholders	862	678	253
Holdings without a controlling influence	136	93	0
Total equity	998	771	253
Long-term liabilities			
Deferred tax liability	2	2	0
Long-term interest-bearing liabilities	1,268	731	494
Derivatives	0	0	0
Other long-term liabilities	91	110	0
Total long-term liabilities	1,361	843	494
Current liabilities			
Current interest-bearing liabilities	237	130	0
Derivatives	0	0	0
Accounts payable	38	14	15
Income tax liabilities	0	4	1
Other current liabilities	68	77	17
Accrued expenses and deferred income	53	50	13
Total current liabilities	396	274	46
TOTAL EQUITY AND LIABILITIES	2,755	1,888	794

Changes in equity, Group, in short

Amounts in MSEK	Share capital	Other capital contributions	Reserves	Retained profits incl. net profit/loss for the year	Holdings without a controlling influence	Total equity
Opening equity 1/1/2015	125	31	0	97	0	253
Redistribution during transition from associated company to subsidiary	-	-	-	-38	74	36
New share issue	26	167	-	-	-	193
Issue expenses	-	-13	-	-	-	-13
Dividend	-	-	-	-6	-	-6
Net profit/loss for the year	-	-	-	289	19	308
Other comprehensive income	-	-	0	-	0	0
Closing equity 12/31/2015	151	185	0	342	93	771
Opening equity 1/1/2016	151	185	0	342	93	771
Dividend	-	-	-	-38	-	-38
Net profit/loss for the year	-	-	-	222	43	265
Other comprehensive income	-	-	0	-	0	0
Closing equity 12/31/2016	151	185	0	526	136	998

Consolidated Cash Flow Statement in short

Amounts in MSEK	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Operating activities				
Profit/loss after financial items	14	80	265	308
Adjustments for non-cash items, etc.				
Less share in profits in associated companies	-12	0	-14	1
Depreciation/amortization and impairment of assets	0	0	1	12
Capital gains/losses from the sale of project properties	-14	-153	-338	-209
Other provisions	-	-51	0	-51
Other profit/loss items that do not affect liquidity	0	0	0	-152
Income tax paid	-2	1	-4	1
Cash flow from operating activities before changes in working capital	-14	-123	-90	-90
Decrease(+)/increase(-) of development and project properties	-55	-39	119	-144
Decrease(+)/increase(-) in current receivables	402	208	-4	104
Decrease(-)/increase(+) in current liabilities	-28	-96	-47	-20
Cash flow from operating activities	305	-50	-22	-150
Investing activities				
Acquisition of intangible fixed assets	-	0	-	-1
Acquisition of property, plant and equipment	0	0	-1	-1
Acquisition of subsidiaries	0	0	0	0
Investment in financial assets	-100	0	-100	-5
Disposal/reduction of financial assets	-	0	-	7
Cash flow from investing activities	-100	0	-101	0
Financing activities				
New share issue	-	-	-	181
Borrowings	400	109	1,059	471
Repayment of borrowings	-346	0	-584	-340
Dividend paid	-	0	-38	-6
Cash flow from financing activities	54	109	437	306
Cash flow for the year	259	59	314	156
Cash and cash equivalents at beginning of year	248	135	193	37
Cash and cash equivalents at end of year	507	193	507	193

Parent Company Income Statement in short

Amounts in MSEK	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Net sales	0	4	2	4
Total income	0	4	2	4
Central administration	-4	-2	-12	-5
Operating profit/loss	-4	2	-10	-1
Financial income	27	5	41	19
Financial expenses	-19	-9	-55	-21
Profit/loss after financial items	4	-2	-24	-3
Tax on profit/loss for the year	0	0	0	0
NET PROFIT/LOSS FOR THE YEAR	4	-2	-24	-3

Parent Company Statement of Comprehensive Income

Amounts in MSEK	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Net profit/loss for the year	4	-2	-24	-3
OTHER COMPREHENSIVE INCOME FOR THE PERIOD				
Total other comprehensive income	0	0	0	0
COMPREHENSIVE INCOME FOR THE YEAR	4	-2	-24	-3

Parent Company Balance Sheet in short

Amounts in MSEK	2016 Dec 31	2015 Dec 31
ASSETS		
Non-current assets		
Financial assets	115	352
Total non-current assets	115	352
Current assets		
Current receivables		
Receivables from Group companies	952	159
Receivables from associated companies	0	0
Other receivables	25	21
Prepaid expenses and accrued income	0	0
Total current receivables	977	180
Cash and bank balances	64	11
Total current assets	1,041	191
TOTAL ASSETS	1,156	543
EQUITY AND LIABILITIES		
Equity	241	304
Long-term liabilities		
Interest-bearing liabilities	900	222
Total long-term liabilities	900	222
Current liabilities		
Liabilities to Group companies	0	4
Other current liabilities	0	12
Accrued expenses and deferred income	15	1
Total current liabilities	15	17
TOTAL EQUITY AND LIABILITIES	1,156	543

Transition to IFRS

As of December 31, 2016, Magnolia Bostad AB prepares its consolidated accounts in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The date for the Group's transition to IFRS is January 1, 2015. Up until the 2015 financial year, the Group has prepared its consolidated accounts in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general guideline, BFNAR 2012:1 (K3).

The transition to IFRS is reported in accordance with IFRS 1, First-time Adoption of International Financial Reporting. The effect of the new accounting principles is reported directly against equity. Previously published financial information for the 2015 financial year prepared in accordance with the Swedish Annual Accounts Act and the Swedish Ac-

counting Standards Board's general guideline, BFNAR 2012:1 (K3), have been translated to IFRS.

The main rule is that all applicable IFRS and IAS standards that entered into force and have been approved by the EU shall be applied retroactively

However, IFRS 1 contains transition provisions that allow companies some options. The following is an account of the changes resulting from the implementation of IFRS as well as the transition effects in the consolidated income statement and balance sheet, consolidated cash flow statement and change in equity for the 2015 financial year. There are no significant effects from the transition to IFRS for the period Oct–Dec 2015.

Identification of segments is based on the reporting to the chief operating decision maker, which in Magnolia Bostad is the CEO. The reporting to the CEO, which is used to make decisions about the allocation of resources, operations are not divided according to geographical market or in any other way, hence Magnolia Bostad consist of only one operating segment

The letters in each section, a-e, refer to notes in the tables that summarize the effects of the transition to IFRS. Additional disclosures about the effects are also provided in a table.

Description of the effects

a) Goodwill

According to IAS 38, goodwill (business combinations) has an indefinite useful life, which means that amortization according to plan is not allowed. Instead, an impairment test is conducted annually and in the presence of impairment indicators in accordance with IAS 36.

b) Financial derivatives

Financial derivatives are reported in accordance with IAS 39 at fair value in the balance sheet. Changes in value of derivatives are reported as unrealized changes in value in the income statement.

c) Available-for-sale financial assets

The unlisted holding in Norefjell Prosjektutvikling AS has been categorized by executive management as a financial asset that is available for sale. According to IAS 39, this category is measured at fair value in the balance sheet, but since there is no listed market price on an active market and reliable calculations of fair value cannot be made, it is measured at cost. The change in the accounting principle has not had an impact on the amounts in conjunction with the transition to IFRS.

d) Deferred tax

A deferred tax shall be reported for

changes in value in financial derivatives. Deferred tax has therefore been adjusted in accordance with this during the transition to IFRS.

3) Property tax

IFRIC 21 includes fees/taxes that state or equivalent bodies charge companies in accordance with laws/regulations with the exception of income tax, penalties and fines. A liability is reported successively if the obligating event occurs on an ongoing basis. If a certain minimum level must be reached for the obligation to arise, the liability is reported first upon surpassing this threshold.

Income Statement Amounts in MSEK	2015			
	Notes	Previous reporting	IFRS adjustment	IFRS
Operating income and expenses				
Net sales		876	0	876
Operating expenses	a	-519	1	-518
Operating profit/loss		357	1	358
Financial income		3	0	3
Financial expenses		-52	0	-52
Profit/loss before changes in value		308	1	309
Change in value, derivatives	b	0	0	0
Profit/loss before tax		308	1	309
Income tax	d	-1	0	-1
Net profit/loss for the year		307	1	308

Transition to IFRS, cont.

Balance Sheet Amounts in MSEK	Notes	Previous reporting	1/1/2015 IFRS adjustment	IFRS
Non-current assets				
Goodwill		6	0	6
Other intangible assets		8	0	8
Machinery and equipment		0	0	0
Participations in associated companies		40	0	40
Receivables from associated companies		24	0	24
Other securities held as non-current assets	c	31	0	31
Other long-term receivables		15	0	15
Total non-current assets		124	0	124
Current assets				
Development and project properties		424	0	424
Tenant-owned apartments		9	0	9
Current receivables	e	198	2	200
Cash and cash equivalents		37	0	37
Total current assets		668	2	670
Total assets		792	2	794
Equity		253	0	253
Provisions/Long-term liabilities				
Deferred tax liability	d	0	0	0
Interest-bearing liabilities		494	0	494
Derivatives	b	0	0	0
Other long-term liabilities		0	0	0
Total provisions/long-term liabilities		494	0	495
Current liabilities	e	44	2	46
Total equity and liabilities		792	2	794

Transition to IFRS, cont.

Balance Sheet Amounts in MSEK	Notes	Previous reporting	12/31/2015	
			IFRS adjustment	IFRS
Non-current assets				
Goodwill	a	5	1	6
Other intangible assets		1	0	1
Machinery and equipment		0	0	0
Participations in associated companies		2	0	2
Receivables from associated companies		24	0	24
Other securities held as non-current assets	c	31	0	31
Other long-term receivables		279	0	279
Total non-current assets		341	1	343
Current assets				
Development and project properties		1,139	0	1,139
Tenant-owned apartments		4	0	4
Current receivables	e	210	0	210
Cash and cash equivalents		193	0	193
Total current assets		1,546	0	1,546
Total assets		1,887	1	1,888
Equity	a, b, c, d	770	1	771
Provisions/Long-term liabilities				
Deferred tax liability	d	2	0	2
Interest-bearing liabilities		731	0	731
Derivatives	b	0	0	0
Other long-term liabilities		110	0	110
Total provisions/long-term liabilities		843	0	843
Current liabilities	e	274	0	274
Total equity and liabilities		1,887	1	1,888

Change in equity Amounts in MSEK	Notes	Previous reporting	2015	
			IFRS adjustment	IFRS
Opening balance		253	0	253
Redistribution during transition from associated company to subsidiary		-38	0	-38
New share issue		193	0	193
Issue expenses		-13	0	-13
Acquisition of subsidiaries		74	0	74
Dividend		-6	0	-6
Net profit/loss for the year		307	1	308
Closing balance		770	1	771

Other information

Accounting principles

The year-end report is the first financial report prepared in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) and interpretations from the IFRS Interpretations Committee as adopted by the EU. Furthermore, the year-end report was prepared in accordance with Swedish legislation through the application of Swedish Financial Reporting Board recommendation RFR1, Supplementary Accounting Rules for Corporate Groups. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. Information in accordance with IAS 34 is supplied in foot notes or elsewhere in the report.

Fair value of financial assets and liabilities is essentially consistent with the book values of all financial instruments except for bonds where fair value is estimated at SEK 923 million (197) compared to a book value of SEK 876 million (197). No changes in the fair value hierarchy for financial instruments have occurred.

The Parent Company's accounting principles follow the Annual Accounts Act and RFR2 Accounting for Legal Entities.

For a more detailed description of the applied accounting principles for the Group and Parent Company, refer to Magnolia Bostad AB's website, www.magnoliabostad.se.

Transactions with related parties Group

The Group is subject to controlling influence from F. Holmström Fastigheter AB, CIN 556530-3186, which is domiciled in Stockholm.

Transactions with related parties 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.

Magnolia Bostad and the CEO's company, Fredrik Lidjan AB, have an agreement relating to future cooperations. During 2016, the CEO

has also invoiced the company for his compensation as CEO of the company. The extent and nature of these transactions have not materially changed during the year. For more information, please see page 59 and note 6 in the Annual Report 2015.

Parent Company

In addition to the closely related parties specified for the Group, the Parent Company has closely related parties that have a controlling influence over their subsidiaries.

Significant risks and uncertainty factors

Magnolia Bostad is exposed to risks and uncertainty factors through its operations. For information about the Group's risks and uncertainty factors, refer to Magnolia Bostad AB's website, www.magnoliabostad.se.

Effects of the transition to International Financial Reporting Standards (IFRS)

As of December 31, 2016, Magnolia Bostad AB prepares its consolidated accounts in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The date for the Group's transition to IFRS is January 1, 2015. Up until the 2015 financial year, the Group has prepared its consolidated accounts in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general guideline, BFAR 2012:1 (K3).

The transition to IFRS is reported in accordance with IFRS 1, First-time Adoption of International Financial Reporting.

Sustainability

Magnolia Bostad has a clear focus on ensuring that all housing projects are financially, socially and environmentally sustainable. The housing the company develops should not just be sustainable today, but for generations. Taking a long-term approach to these matters is not just about our customers living in beautiful, healthy buildings. It is also a fundamental prerequisite for the company's growth and profitability.

Organizational structure

Magnolia Bostad has a versatile and scalable organization divided into the following areas: Business Development, Communications, Sales, Project Development and Finance. The company's organization, as at December 31, 2016, consisted of 49 employees (35), of which 26 were women (14) and 23 were men (21), in Stockholm and Helsingborg.

Annual General Meeting

Magnolia Bostad AB's Annual General Meeting will be held on April 26, 2017, at 14:00 at Berns, Berzeli Park, Stockholm. Notice to the Annual General Meeting will be announced no later than March 29, 2017. The notice and the conditions for registration will be published in Post & Inrikes Tidningar and on Magnolia Bostad's website, www.magnoliabostad.se. Information about the notice will be published in an announcement in Dagens Industri. Other documents that will be presented at the Meeting will be available on the company's website no later than March 19, 2017. The notice will specify the business that will be conducted at the Meeting. The Annual Report will be made available on Magnolia Bostad's web site, www.magnoliabostad.se, and at the company's headquarter, Sturegatan 6, Stockholm, Sweden, on 30 March.

Dividends

The Board of Directors intends to propose to the Annual General Meeting a dividend of SEK 1.75 per share (1.00). The record date is proposed for April 28, 2017, with an estimated date of payment of May 4, 2017.

Significant events after the end of the period

Magnolia Bostad signs agreement to acquire three leaseholds in Bredäng, Stockholm, where Magnolia Bostad will continue work to develop the local plan with the goal of building approximately 700 to 800 homes.

Stockholm, February 24, 2017,
Magnolia Bostad AB (publ)

Board of Directors

This report has not been audited by the company's auditors

Quarterly overview

	2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales (SEK million)	124	242	434	210	397	371	89	19
Operating profit/loss (SEK million)	41	99	116	100	96	62	54	146
Profit/loss after tax (SEK million)	14	78	85	86	80	52	37	139
Earnings per share (SEK) ¹⁾	0.26	1.86	1.71	2.01	1.77	1.30	0.86	4.43
Equity (SEK million)	998	985	906	857	771	692	652	427
Equity per share (SEK) ¹⁾	22.79	22.54	20.67	19.96	17.93	16.15	15.17	11.32
Return on equity (%)	1.2	8.6	8.5	10.7	10.4	8.4	7.1	45.7
Equity/assets ratio (%)	36.2	38.7	37.8	41.7	40.8	39.6	38.8	32.4
Cash flow from operating activities (SEK million)	305	-70	-235	-22	-50	-40	-90	31
Cash flow from the operating activities, per share (SEK)	8.1	-1.8	-6.2	-0.6	-1.3	-1.0	-2.6	1.0
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	31,288,942
Number of outstanding shares after full dilution ²⁾	37,982,283	37,982,283	37,982,283	37,982,283	37,982,283	37,982,283	37,982,283	31,288,942

All amounts are restated according to IFRS.

¹⁾ Excluding the minority

²⁾ 160,000 warrants are held by the Magnolia Bostad Group.

Definitions

In this interim report, Magnolia Bostad has applied for the first time the European Securities and Markets Authority's (ESMA) guidelines for alternative performance measures, which aims to facilitate comprehension of these measures and thus improve their usability. The alternative performance measures offer additional valuable information to assess the company's operations.

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 and profit/loss from participations in associated companies.

Operating margin (%)

Operating profit as a percentage of net sales.

Profit margin, %

Net profit for the year as a percent of net sales.

Profit/loss after financial items

Operating profit/loss plus financial income minus financial expenses.

Net financial items

Net of financial income and financial expenses.

Return on equity (%)

Net profit/loss for the year attributable to Parent Company's shareholders as a percent of the average equity attributable to Parent Company shareholders.

Equity/assets ratio (%)

Equity, including holdings without a controlling influence, as a percentage of the balance sheet total.

Interest-bearing net liabilities

Interest-bearing liabilities minus cash and cash equivalents.

Interest coverage ratio (multiple)

Profit/loss after financial items including financial expenses divided by financial expenses.

Equity per share

Equity attributable to Parent Company shareholders divided by the number of outstanding basic shares.

Cash flow from operating activities, per share

Cash flow from operating activities divided by average number of outstanding shares before dilution.

Total number of apartments in the portfolio

Ongoing and future projects and sold projects in production.

Number of sold apartments

Number of apartments in the total project portfolio that have been sold during production.

Number of sold apartments in production

Number of sold apartments during the reporting period.

For reconciliation of alternative performance measures, refer to Magnolia Bostad AB's website, www.magnoliabostad.se.

This is the English language version of Magnolia Bostad's Interim Report. The Swedish language Interim Report is the binding version that shall prevail in case of discrepancies.

Financial Calendar

- Annual Report 2016: March 30, 2017
- Interim Report January-March 2017: April 26, 2017
- Annual General Meeting 2017: April 26, 2017
- Interim Report January- June 2017: July 19, 2017

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Magnolia Bostad's share (MAG) is listed on Nasdaq First North. Erik Penser Bank is the Certified Adviser for the Company. More information is available at www.magnoliabostad.se

MAGNOLIA

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