

MAGNOLIA

**Magnolia Bostad
Interim Report**
Group
Jan 1–June 30, 2017

Q2

Interim Report January–June 2017

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

Reporting period April–June 2017

- Net sales increased to SEK 790 million (434).
- The company reported an operating profit of SEK 126 million (116).
- Net profit for the period amounted to SEK 101 million (86). Earnings per share, after deductions for minority shares, amounted to SEK 1.64/share (1.72).
- During the period, Magnolia Bostad agreed on the acquisition of approximately 3,075 estimated building rights (1,810) and sold 650 apartments (900).
- Move of bond loan of SEK 500 million to the corporate bond list at Nasdaq Stockholm.

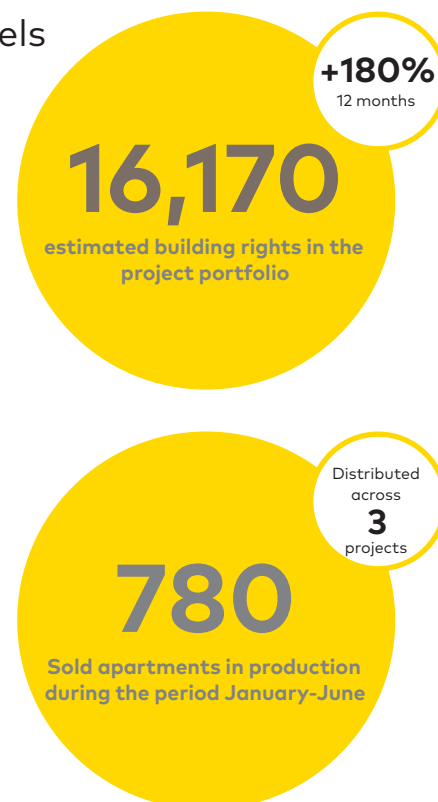
Interim Period January–June 2017

- Net sales increased to SEK 861 million (643).
- The company reported an operating profit of SEK 139 million (215).
- Net profit for the period amounted to SEK 91 million (172). Earnings per share, after deductions for minority shares, amounted to SEK 1.45/share (3.74).

- Equity amounted to SEK 995 million (906). Equity per share, after deductions for minority shares, amounted to SEK 22.50/share (20.67).
- During the period, Magnolia Bostad acquired approximately 5,825 estimated building rights (2,755) and sold 780 apartments (1,324).
- Magnolia Bostad's share is being traded as of March 31, 2017 on Nasdaq First North Premier.

Significant events after the end of the period

- Magnolia Bostad took possession of Svenska Vårdfastigheter AB on July 4, 2017.
- Move of a bond loan of SEK 400 million to the corporate bond list at Nasdaq Stockholm.



KPIs, Group

	2017 April–June	2016 April–June	2017 Jan–June	2016 Jan–June	2016/2017 July–June	2016 Jan–Dec
Project-related						
Number of sold apartments in production during the period	650	900	780	1,324	1,580	2,124
Total number of apartments in production	4,402	3,313	4,402	3,313	4,402	3,945
Number of estimated building rights in the portfolio	16,170	5,755	16,170	5,755	16,170	11,190
Financials						
Operating margin (%)	15.9	26.7	16.1	33.4	22.7	35.1
Return on equity (%) ¹⁾	7.3	8.5	6.4	19.4	16.5	28.8
Equity/assets ratio (%)	34.4	37.8	34.4	37.8	34.4	36.2
Interest coverage ratio (multiple)	4.9	3.9	2.9	4.9	2.9	3.8
Share-related						
Earnings per share (SEK) ¹⁾	1.64	1.72	1.45	3.74	3.58	5.87
Equity per share (SEK) ¹⁾	22.50	20.67	22.50	20.67	22.50	22.79

¹⁾ Excluding the minority
For definitions of alternative KPIs that are not defined in IFRS, see page 25

A word from the CEO

Growth in the building rights portfolio, continued strategic cooperation, successful conversion projects and an agreement to purchase Svenska Vårdfastigheter AB create conditions for increased profitability.

Magnolia Bostad reported for the period April-June an operating profit of SEK 126 million (116) and profit after tax of SEK 101 million (86). Profit during the period is primarily due to sales in Uppsala and conversions.

Continued growth in the portfolio

In May, an agreement was signed for the acquisition of Spendrup's old brewery in Vårby, consisting of 1,800 estimated building rights, where we will pursue local planning for primarily housing purposes but also for residential care facilities and a hotel. An agreement was also signed to acquire a property in Nynäshamn consisting of 450 building rights. Production is estimated to start in 2017.

During the quarter, an agreement was signed for the acquisition of all shares in Svenska Vårdfastigheter AB. The portfolio includes twelve projects consisting of approximately 825 apartments at a price of SEK 300 million. Together with projects in our existing portfolio, the acquisition provides us with the capacity to become a leader in the development of residential care facilities.

Residential care facilities also fit in well in our business model, since we, like in the development of rental apartments, sell the projects at an early stage through "forward funding" to long-term owners. The acquisition strengthens us as an urban developer and creates synergy effects in terms of our organization, expenses and cooperation with municipalities.

Sales totaling SEK 1.5 billion in Uppsala

In June, both of the blocks in the second phase of the Senapsfabriken project were sold. The south block, which includes approximately 325 rental apartments, was sold to Heimstaden Bostad. This is Magnolia Bostad's first business deal with Heimstaden Bostad, which is one of



Sweden's largest real estate companies. The north block and its approximately 325 apartments were sold to Slättö. This transaction was the first within the framework agreement with Slättö.

Large potential in conversions

Sales started in May for the first part of the conversion of the Gjuteriet project in Eskilstuna, and at the end of the quarter we had sold 40 of the 49 tenant-owned apartments that were available for sale. During the quarter, the last conversion

apartments were also sold in the Slipen project in Karlstad. We are very pleased that we, together with the buyers of rental apartment projects, can convert into the development of tenant-owned apartments, generating more profit with maintained low risk.

Risk-mitigating business model the basis for continued growth

During the quarter, we strengthened the platform that will make it possible starting in 2018 for us to have the capacity to start production on 3,000 apartments, 4 residential care facilities and 1-2 hotels a year. The platform rests on three pillars: an attractive building rights portfolio, a competent and broad organization and the company's stable finances. As of May 2017, the framework agreement with Slättö is no longer conditional, and the scope of the agreement has increased from a minimum of SEK 5 billion to SEK 7 billion.

This is a strategically key business deal that limits the company's market exposure. The cooperation also allows for standardized processes and production that enable lower costs, including costs for turnkey contracts.

Looking ahead

After a strong first six months, we are now looking ahead with a focus on sales and increased profitability. With a clear business model and a stable platform behind us, we look forward to continuing to take steps forward as a member of the community.

Stockholm, July 2017



Fredrik Lidjan
Chief Executive Officer

Earnings, financial position and financing

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

Reporting period April 1–June 30, 2017

Net sales amounted to SEK 790 million (434) and the operating profit for the quarter was SEK 126 million (116).

Profit after tax for the period was SEK 101 million (86).

Operating profit for the second quarter is largely associated with the sale of approximately 650 apartments in phase 2 of the Senapsfabriken project in Uppsala. After this sale, the entire revaluation gain during the transition from associated company to subsidiary of SEK 153 million that was reported in Q1 2015 has been realized. The property value upon completion for apartments sold in phase 2 of Senapsfabriken is estimated to total approximately SEK 1,475 million.

Financing costs decreased by SEK 4 million to SEK -26 million (-30). The reduction in financial expenses is due to the termination costs in Q2 2016 in conjunction with the

refinancing of bond loans.

Interim Period January 1–June 30, 2017

Net sales amounted to SEK 861 million (643) and the operating profit for the first six months was SEK 139 million (215).

Profit after tax for the period was SEK 91 million (172).

Net sales and operating profit/loss
Net sales and the operating profit for the first six months of 2017 are largely attributable to project sales during the second quarter. The operating profit fell by SEK 76 million, primarily due to fewer apartments with recognized revenue. During the period, 780 (1,324) apartments were sold. Rental income fell by SEK 2 million to SEK 23 million compared to the same period last year. Operating costs for properties that generate rental income amount to SEK -7 million (-9), which means that their contribution to operating profit remained the same at SEK 16 million.

During the year, Magnolia Bostad strengthened its organization, which resulted in an increase in costs for central administration to SEK -17 million (-12). Earnings from associated companies decreased to SEK -5 million (2), primarily due to the loss attributable to ownership

in Sollentuna Stinsen JV AB of SEK -8 million (0). In addition to the loss from Sollentuna Stinsen JV AB, Kanikenäsvarvet Bostad HB contributed SEK 3 million (0) to profit from participations in associated companies and joint ventures.

Net financial items

Net financial items for the first six months of the year were SEK -48 million (-43). The increase in expenses is attributable to an increase in assets that are financed externally.

Net profit/loss for the period

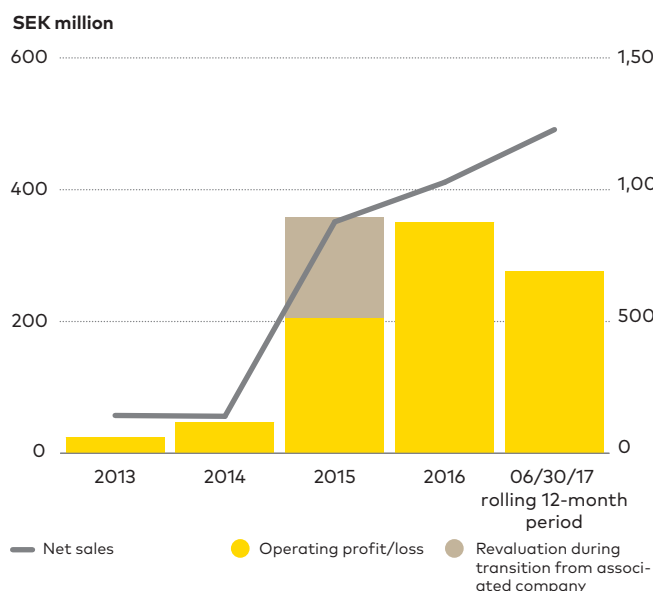
Net profit for the period amounted to SEK 91 million (172), of which SEK 0 million (0) are income taxes. The tax expense is less than 22.0 percent of the profit before tax since some reported income, primarily the sale of companies, is not taxable.

Financial position

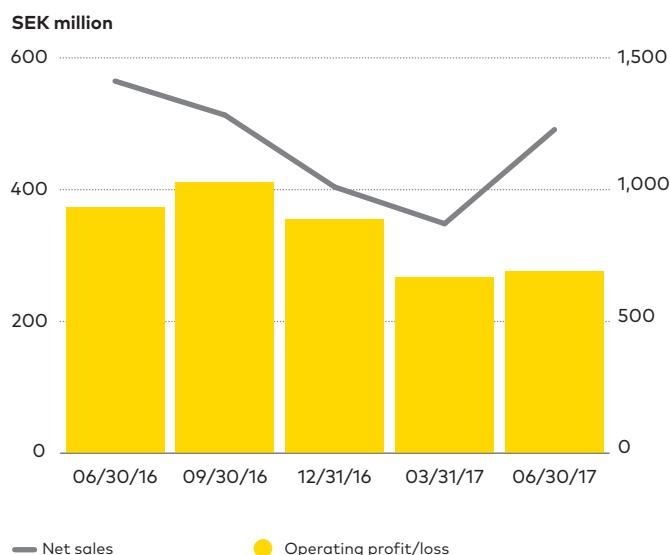
The consolidated balance sheet total increased from SEK 2,755 million at the beginning of the year to SEK 2,896 million. This increase is due to the increase in other long-term receivables and other receivables, which together increased by SEK 596 million, attributable to paid deposits and increases in claims on buyers of the projects.

Development and project proper-

Net sales and operating profit/loss, full-year



Net sales and operating profit/loss, rolling 12-month period



ties fell by SEK 255 million, mainly due to the sale of phase 2 of Senapsfabriken.

Financing

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.

Equity and the equity/assets ratio

At June 30, 2017, consolidated equity amounted to SEK 995 million (998), which resulted in an equity/assets ratio of 34.4 percent (36.2). The minority share of equity was SEK 144 million (136). The change in equity is due to profit/loss for the period and decided dividends. The return on equity for the 12-month period ending June 30, 2017, amounted to 16.5 per cent compared to 28.8 per cent for the 2016 calendar year.

Interest-bearing liabilities

The total interest-bearing borrowings amounted to SEK 1,565 million (1,505) at June 30, 2017. Most of Magnolia Bostad's liabilities, SEK 900 million in nominal value and a

carrying amount of SEK 880 million, consist of capital market financing and the remaining liabilities consist of bank financing, SEK 670 million, and seller promissory notes, SEK 15 million. Interest-bearing net liabilities, after deductions for cash and cash equivalents of SEK 294 million (507), amounted to SEK 1,271 million (998).

Financing costs

Net financial items amounted to SEK -48 million (-43). At the end of the quarter, Magnolia Bostad's average interest rate remained at 5.4 percent compared to the end of the year, with an average interest coverage ratio multiple for a rolling 12-month period of 2.9 compared to 3.8 for full-year 2016. The average capital tie-up period was 2.4 years at June 30, 2017, which is a decrease compared to 2.9 years at December 31, 2016.

Bond loans

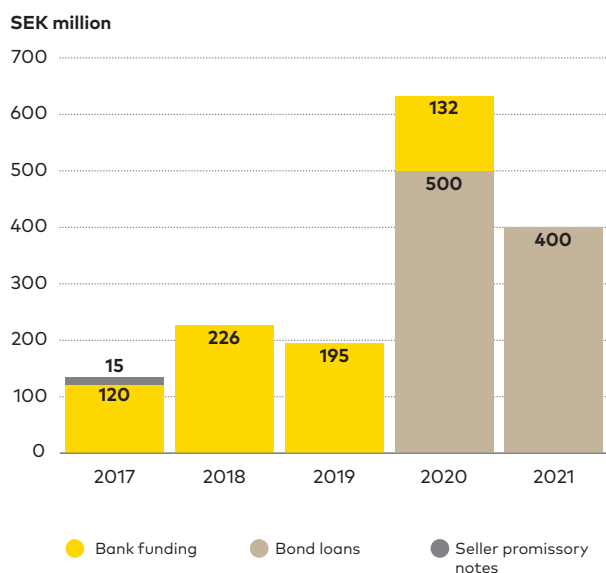
Magnolia Bostad has two outstanding bonds: a secured bond of SEK 500 million (nominal) with a floating coupon of STIBOR 3M + 6.25

percent (with a STIBOR floor) and final maturity in April 2020, and an unsecured bond of SEK 400 million (nominal) 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 bond of SEK 500 million was listed on Nasdaq Stockholm, with first day of trading on April 12, 2017, and the bond of SEK 400 million was moved to Nasdaq Stockholm after the end of the reporting period, with first day of trading on July 13, 2017.

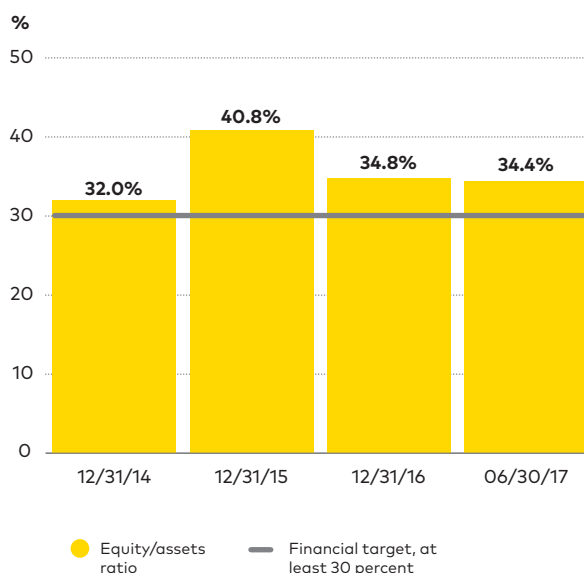
Cash flow and cash and cash equivalents

Consolidated cash flow from operating activities amounted to SEK -220 million (-257), primarily due to the increase in current receivables that affected cash flow by SEK -170 million (-339). Cash flow from investing activities amounted to SEK -10 million (0) and cash flow from financing activities amounted to SEK 17 million (305). Cash and cash equivalents as per June 30, 2017, amounted to SEK 294 million (241). In addition to cash and cash equivalents, there are unused credit facilities totaling SEK 282 million as per June 30, 2017.

Maturity structure, nominal amounts, SEK million



Equity/assets ratio, percent



Project portfolio

Activity during the period continued to be high in Magnolia Bostad's project portfolio.

During the first six months of 2017, the company signed agreements for the acquisition of 5,000 estimated building rights in Bredäng, Tumba, Huddinge and Nynäshamn. In June, an agreement was also signed for the acquisition of all shares in Svenska Vårdfastigheter AB for a total of around 825 estimated apartments in the project portfolio. In total, Magnolia Bostad acquired 5,825 estimated building rights during the period.

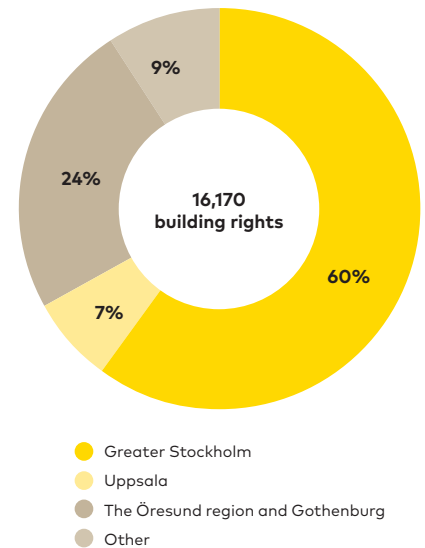
The total number of estimated building rights in the project portfolio amounted to approximately 16,170 apartments as per June 30, 2017, an increase of 180 percent in twelve months.

During the interim period, three projects totaling 780 apartments were sold and recognized as revenue. The last apartment in the M6 project in Stockholm was also sold and recognized as revenue. The number of apartments recognized during the same period last year was 1,325 distributed across four projects.

During the interim period, 104 sold rental apartments were converted to tenant-owned apartments in cooperation with the buyer. For more information, see the table on page 10.

Two projects totaling 323 apartments were completed during the year and closed. For more information, see the table on page 10.

Share of estimated building rights per geographical area ^{1) 2)}



ACQUISITIONS JANUARY 1-JUNE 30, 2017

Quarter	Project	Municipality	Category	Estimated number of building rights
1	Bredängshöjden	Stockholm	R	750
2	Kvarnsjödal	Botkyrka	R/C	2,000
2	Vårby Bryggör	Huddinge	R/C/H	1,800
2	Fyren, phase 1	Nynäshamn	C	220
2	Fyren, phase 2	Nynäshamn	C	230
2	Terra Nova	Visby	C	60
2	Täljöviken	Stockholm	C	55
2	Partilleport	Gothenburg	C	55
2	Allarp Laholm	Helsingborg	C	55
2	Visborg	Visby	C	55
2	Nyponrosen 2	Helsingborg	C	125
2	Gyllehemmet 1	Borlänge	C	55
2	Gyllehemmet 2	Borlänge	C	110
2	Österhagen	Stockholm	C	70
2	Erstavik	Stockholm	C	70
2	Mesta	Eskilstuna	C	55
2	Hasseludden	Stockholm	C	60
				5,825

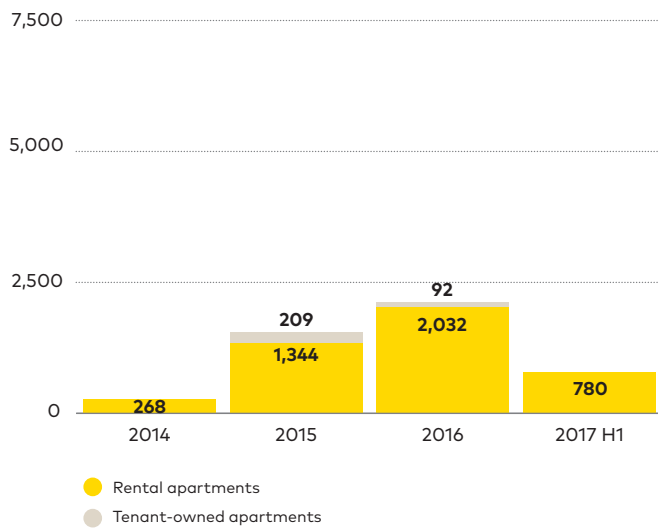
SOLD PROJECTS IN PRODUCTION JANUARY 1 - JUNE 30, 2017

Quarter	Project	Municipality	Acquired by	Number of apartments
1	Sländan, phase 2	Södertälje	Viva Bostad	130
2	Senapsfabriken, phase 2 south	Uppsala	Heimstaden Bostad	325
2	Senapsfabriken, phase 2 north	Uppsala	Slättö	325
				780

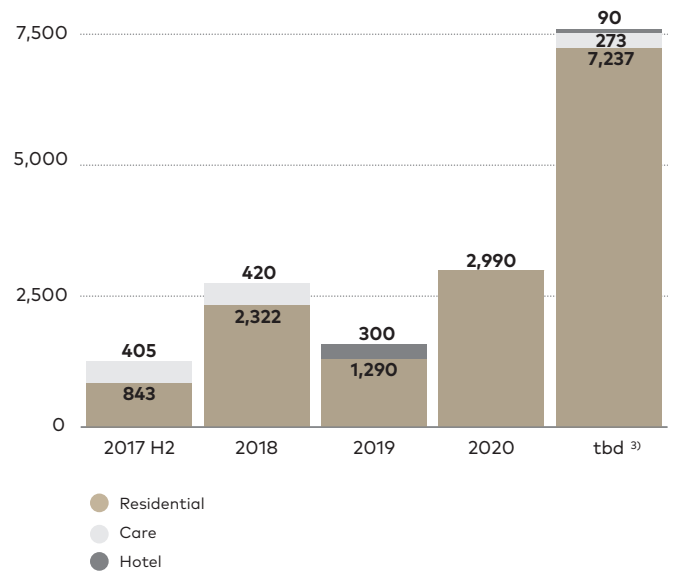
The information about each project in the tables and diagrams on pages 6-9 is the company's current assessment of each project as a whole. Due to uncertainty factors such as local planning processes, decisions by government authorities or undetermined dates for vacancy, these assessments, and thus the final outcome for each project, may change over time.

Distribution project portfolio as at June 30, 2017

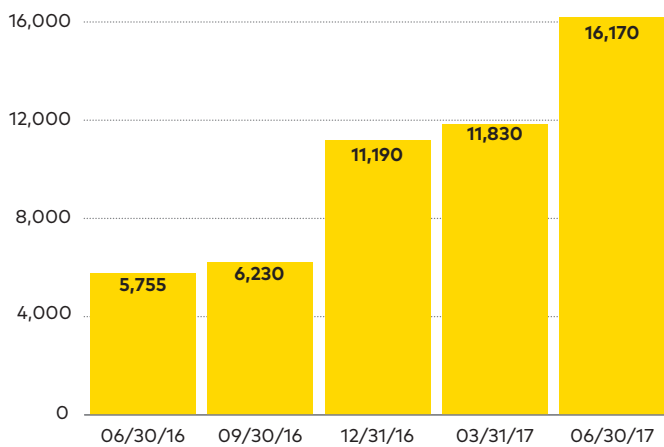
Sold apartments in production, outcome ²⁾



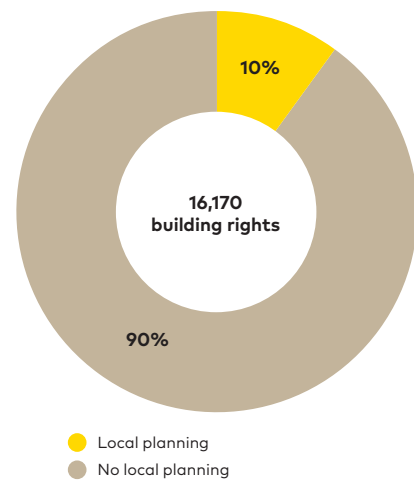
Pending building rights not sold, estimated production starts ^{1) 2)}



Growth of the building right portfolio ^{1) 2)}



Share of estimated building rights with local planning ^{1) 2)}



¹⁾ Refers to pending building rights not sold. Excluding undeveloped properties being sold.

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

³⁾ For land where Magnolia Bostad does not have planning permission or there is no date for when the tenants will move out.

Specification of the project portfolio

The tables on pages 8-10 show Magnolia Bostad's total project portfolio as at June 30, 2017. The associated company, Norefjell Invest, is not included. Magnolia Bostad's share of earnings in the projects listed on pages 8-10 amounts to 90 percent, unless otherwise specified.

PENDING PROJECTS NOT SOLD

Project	Property, municipality	Category	Estimated number of apartments	Estimated residential area/non-residential area (sqm)	Local planning	Estimated prod. start	Estimated completion	Buyer
Terra Nova ⁴⁾	Kopparslagaren 2, Visby	C	60	3,780	●	2017	2017	
Varvet Townhouse	Varvet 4 & Part of Varvet 2, Karlstad	R	8	700	●	2017	2018	
Täljöviken ⁴⁾	Näs 7:7, Stockholm	C	55	4,850	●	2017	2018	
Partilleport ⁵⁾	Partille 11:61, Göteborg	C	55	7,930	●	2017	2018	
Allarp Laholm ⁵⁾	Allarp 2:468, Helsingborg	C	55	3,700	●	2017	2018	
Fasanen	Burlöv Arlöv 20:58 m fl, Burlöv	R	275	12,500	●	2017	2019	
Sportflygaren	Part of Nikolai 3:63 m fl, Örebro	R	110	6,200	●	2017	2019	Slättö framework agreement
Visborg ⁴⁾	Skenet 3, Visby	C	55	3,570	●	2017	2019	
Nypronrosen 2 ⁵⁾	Nypronrosen 2, Helsingborg	C	125	8,360	●	2017	2019	
Fyren, phase 1	Telegrafan 16, Nynäshamn	R	220	10,500	●	2017	2020	
Fyren, phase 2	Telegrafan 16, Nynäshamn	R	230	12,200	●	2017	2020	
Lilium, phase 2	Part of Gamla Uppsala 99:1, Uppsala	R	110	5,200	●	2018	2019	
Konstnären	Östra Sala Backe, E2, block 5, Uppsala	R	112	5,200	●	2018	2019	
Gyllehemmet 1 ⁴⁾	Gyllehemmet 1, Borlänge	C	55	4,540	●	2018	2019	
Gyllehemmet 2 ⁴⁾	Gyllehemmet 2, Borlänge	C	110	5,950	●	2018	2019	
Österhagen ⁴⁾	Länna 4:7, Stockholm	C	70	5,040	●	2018	2019	
Erstavik ⁵⁾	Erstavik 25:1, Stockholm	C	70	5,180	●	2018	2019	
Mesta ⁴⁾	Mesta 5:81, Eskilstuna	C	55	3,570	●	2018	2019	
Nätverket, phase 1	Husby 3:3, Åkersberga	R	150	4,450	●	2018	2020	Slättö framework agreement
Norrbacka	Sigtuna Norrbacka 1:32-36, Sigstuna	R	180	11,500	●	2018	2020	
Ängloket	Ängby 1:1, Knivsta	R	200	14,000	●	2018	2020	
Hagby Park	Hagby 1:5, Åkersberga	R	160	10,500	●	2018	2020	Slättö framework agreement
Sländan, phase 3	Sländan 7, Södertälje	R	180	7,500	●	2018	2020	
Hasseludden ⁴⁾	Hasseludden 1:79, Stockholm	C	60	4,300	●	2018	2020	
Ophelias Brygga	Part of Gamla Staden 1:1 m.fl., Helsingborg	R	125	6,900	●	2018	2020	
Lommarstranden	Part of Tälje 4:62, Norrtälje	R	200	11,000	●	2018	2020	Slättö framework agreement
Gjuteriet, phase 2	Nätet 7&8, Eskilstuna	R	115	5,500	●	2018	2020	
Slipsen, phase 1	Stora Råby 33:2 m.fl., Lund	R	195	9,900	●	2018	2020	Slättö framework agreement
Norrtälje Hamn, phase 1 ²⁾	Part of Tälje 3:1 mfl & Alen 1-5, Norrtälje Hamn	R	145	7,600	●	2018	2022	Slättö framework agreement
Torgkvarteren, phase 1	Part of Våppeby 7:7, Bålsta	R	220	11,000	●	2018	2022	

PENDING PROJECTS NOT SOLD

Project	Property, municipality	Category	Estimated number of apartments	Estimated residential area/non-residential area (sqm)	Local planning	Estimated prod. start	Estimated completion	Buyer
Mejeriet, phase 1	Filborna 28:4, Helsingborg	R	230	10,400	●	2018	2022	Slättö framework agreement, part of
Frihamnen ⁷⁾	Part of Lundbyvassen 736:168, Göteborg	H	300	12,000	●	2019	2021	
Frihamnen	Part of Lundbyvassen 736:168, Göteborg	R	150	8,000	●	2019	2021	
Nätverket, phase 2	Husby 3:3, Åkersberga	R	150	4,450	●	2019	2021	Slättö framework agreement
Norra kajen, phase 1	Norrmalm 3:18 & 4:2, Sundsvall	R	200	10,000	●	2019	2022	
Norrtälje Hamn, phase 2 ²⁾	Part of Tälje 3:1 mfl & Alen 1-5, Norrtälje Hamn	R	145	7,600	●	2019	2023	Slättö framework agreement
Torgkvarteren, phase 2	Part of Väppeby 7:7, Bålsta	R	220	11,000	●	2019	2023	
Slippen, phase 2	Stora Råby 33:2 m.fl., Lund	R	195	9,900	●	2019	2023	Slättö framework agreement
Mejeriet, phase 2	Filborna 28:4, Helsingborg	R	230	10,400	●	2019	2023	
Norra kajen, phase 2	Norrmalm 3:18 & 4:2, Sundsvall	R	400	20,000	●	2020	2023	
Norrtälje Hamn, phase 3 ²⁾	Part of Tälje 3:1 mfl & Alen 1-5, Norrtälje Hamn	R	150	7,600	●	2020	2024	Slättö framework agreement
Slippen, phase 3	Stora Råby 33:2 m.fl., Lund	R	200	9,900	●	2020	2024	Slättö framework agreement
Mejeriet, phase 3	Filborna 28:4, Helsingborg	R	240	10,400	●	2020	2024	
Södra Häggviks Gårdar ¹⁾	Stinsen 2, Sollentuna	R	2,000	93,600	●	2020	-	Slättö framework agreement, part of
Bredängshöjden	Vita Liljan 3 m.fl., Stockholm	R	700	35,000	●	tbd ⁶⁾	-	Slättö framework agreement, part of
Orminge Centrum	Orminge 52:1, Nacka	R	270	16,000	●	tbd ⁶⁾	-	
Instrumentet ³⁾	Instrumentet 2, Stockholm	R	100	4,700	●	tbd ⁶⁾	-	
Senapsfabriken, phase 3	Kungsängen 29:2, Uppsala	R	700	29,000	●	tbd ⁶⁾	-	Slättö framework agreement
Upplands Väsby Infra City	Grimsta 5:2, Upplands Väsby	R	600	27,000	●	tbd ⁶⁾	-	
Skogskarlen ³⁾	Skogskarlen 3, Solna	R	130	6,000	●	tbd ⁶⁾	-	
Bunkeflostrand	Limhamn 155:355, Malmö	R/C	1,300	58,500	●	tbd ⁶⁾	-	Slättö framework agreement, part of
Kvarnsjödalen	Tumba 7:241, Botkyrka	R/C	2,000	130,000	●	tbd ⁶⁾	-	Slättö framework agreement, part of
Vårby Bryggor	Gambrinus 2 & 4, Huddinge	R/C/H	1,800	85,000	●	tbd ⁶⁾	-	
Summa			16,170	829,570				

¹⁾ Magnolia Bostad owns 45% of the JV. Magnolia Bostad's share of the development profit amounts to 90%.

²⁾ Developed in cooperation with Slättö Förvaltning AB

³⁾ Magnolia Bostad's ownership amounts to 100%.

⁴⁾ Magnolia Bostad's share of the profit amounts to 92%

⁵⁾ Magnolia Bostad owns 46% of the JV.

⁶⁾ For land where Magnolia Bostad does not have planning permission or there is no date for when the tenants will move out.

⁷⁾ Magnolia Bostad's share of the profit amounts to 60%.

Category: R = Residential, C = Care, H = Hotel

● Local planning in force ● Local planning not in force

SOLD PROJECTS IN PRODUCTION			Apart- ments in produc- tion	Gross area (sqm)	Number of apart- ments not sold	Produc- tion start	Comple- tion	Buyer
Project	Property, municipality	Type of ownership						
Lumen ²⁾	Trapphuset 1, Sollentuna	TO	90	4,750	0	2015	2017	TO association
Slipen	Part of Varvet 2, Karlstad	RU	216	12,300	0	2015	2018	Slättö
Maria Forum	Slagan 1, Helsingborg	RU	292	12,500	0	2015	2018	Alecta
Bryggeriet	Norrland 11, Helsingborg	RU	327	14,700	0	2015	2019	Alecta
Nyby Lilium, phase 1	Part of Gamla Uppsala 99:1, Uppsala	RU	300	14,000	0	2015	2019	SEB Domestica II
Kalkstenen	Tankloket 1, Malmö	RU	129	5,100	0	2015	2018	SPP Fastigheter
Cementfabriken	Kölen 1, Malmö	RU	144	7,100	0	2015	2018	SPP Fastigheter
Varvet	Varvet 4 & Part of Varvet 2, Karlstad	TO	92	6,100	0	2016	2018	TO association
Segelflygaren	Glidplanet 1, Örebro	RU	210	10,000	0	2016	2018	Slättö
Maria Mosaik	Arkeologen 1 & Antikvarien 1, Helsingborg	RU	345	16,000	0	2016	2019	SPP Fastigheter
Senapsfabriken, phase 1 ¹⁾	Kungsängen 25:1, block 2, Uppsala	RU	455	19,400	0	2016	2019	SEB Domestica III
Tegelslagaren	Vallentuna-Åby 1:166, Vallentuna	RU	155	6,150	0	2016	2019	SEB Domestica II
Tegelmästaren	Vallentuna-Åby 1:171, Vallentuna	RU	160	5,950	0	2016	2019	SEB Domestica II
Sländan, phase 1	Sländan 6, Södertälje	RU	445	19,000	0	2016	2019	SPP Fastigheter
Gjuteriet, phase 1	Nätet 7&8, Eskilstuna	RU	262	13,900	0	2016	2019	Slättö
Sländan, phase 2	Sländan 7, Södertälje	RU	130	5,300	0	2017	2019	Viva Bostad
Senapsfabriken, phase 2 south ¹⁾	Part of Kungsängen 45:1, 29:3, Uppsala	RU	325	13,900	0	2017	2020	Heimstaden Bostad
Senapsfabriken, phase 2 north ¹⁾	Part of Kungsängen 45:1, 29:3, Uppsala	RU	325	13,100	0	2017	2021	Slättö framework agreement
Total			4,402	199,250	0			
Total pending projects and sold projects in production			20,572	1,028,820				

¹⁾ Magnolia Bostad's share of the profit amounts to 76.3%.

²⁾ Magnolia Bostad's ownership amounts to 100%.

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

CONVERSIONS IN SOLD RENTAL APARTMENT PROJECTS

Project	Project name conversion	City	Conversion, number of TO	Of which sold to end customer	Buyer
Slipen	Bryggan	Karlstad	64	64	Slättö
Gjuteriet, phase 1:1	Gjuteriet	Eskilstuna	49	40	Slättö
Total			113	104	

PROJECTS CLOSED IN 2017

Project	City	Type of ownership	Number of apartments	Gross area (sqm)	Buyer
Nya Parken Allé	Norrköping	R	268	16,600	SEB Domestica II
M6	Stockholm	TO	55	2,900	TO association
Total			323	19,500	

Market

Market trends

The property market continued to be strong during the spring. The transaction volume reached SEK 79 billion at the six-month mark (transactions greater than SEK 40 million), which is slightly lower than the previous year's mid-year result of SEK 94 billion. During the first six months of 2017, the investment market was impacted by a large demand for residential properties.

According to Newsec, during the second quarter of the year the largest individual segment was residential properties at 32 percent. Office space was second at 18 percent of the total transaction volume. The largest percentage of the transaction volume, approximately 30 percent, took place in Stockholm, followed by the category Other large cities at 27 percent.

The total transaction volume in 2017 is forecast to be around SEK 170-180 billion (transactions greater than SEK 40 million). The total transaction volume in 2016 amounted to SEK 201 billion, which is the highest level of all times in Sweden. The transaction volume for 2015 was SEK 147 billion.

Rental apartments

According to the IPD property index prepared by MSCI, the total return on housing in Sweden was 11.9 percent in 2016. Total return for Swedish properties as a whole was 13.9 percent and thus demonstrated better growth than both the stock market and the bond market. The return consisted of 4.4 percent direct yield and 9.1 percent change in value.

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 risk. For centrally located residential properties in the best locations in Stockholm, Gothenburg and Malmö, it is primarily the square meter price for tenant-owned apartments in the same area that steer the market value, following the possibility of conversion. For these residential properties, the direct yield requirement is estimated by Newsec to be 1.25 percent, 1.40 percent and 2.25 percent for the best residential locations in Stockholm, Gothenburg and Malmö, respectively. However, Newsec has observed transactions under these direct yield levels in several cases.

Tenant-owned apartments

According to Mäklarstatistik, the number of sales of tenant-owned apartments and houses reached new record levels during the first six months of 2017.

The housing markets of the metropolitan regions were strong the past two years despite a clear slow-down in these regions at the end of the second quarter due to the amortization requirement that went into effect on June 1.

At the national level, prices for tenant-owned apartments decreased by 1 percent compared to the previous quarter, but for a 12-month period, the prices have increased by 8 percent. The decrease during the quarter is mainly attributable to the Stockholm area and central Gothenburg, while prices remained unchanged in the Malmö area and Greater Gothenburg. However, price decreases in the summer months are common, as fewer high-priced apartments are sold during this period. Compared to the first six months of 2016, the number of sales as well as the prices have increased, resulting in an increase of the total sales value of 10 percent.

Risk-mitigating business model accelerates continued growth

The framework agreement with residential housing manager Slättö is an important business arrangement for Magnolia Bostad. This is not only because of the scope of the agreement, but also because Magnolia Bostad has secured a long-term owner for large parts of its project portfolio – a way to do business that is beneficial for all parties.

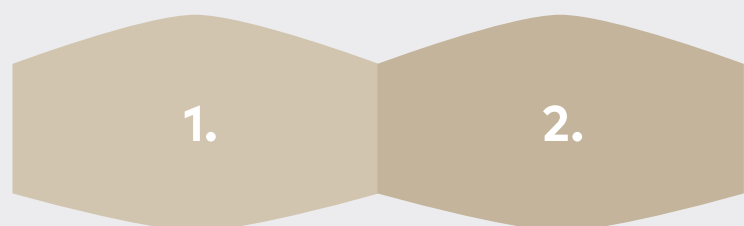
The framework agreement with Slättö:

- Is a strategically important business deal that creates a number of benefits for both the company and its partners and investors.
- Secures a long-term owner with a good reputation for large parts of the project portfolio, which significantly reduces potential future market risks.
- The framework agreement contributes to greater transparency of the company and secures future sales. It becomes easier to evaluate and thus invest in Magnolia Bostad.
- The framework agreement entails greater cooperation between the parties, which contributes to more efficient processes and synergy effects. The terms and conditions for each process are set in the framework agreement, which means a more time-efficient sales process.
- In cases where the sale occurs long after local planning has become legally binding, Slättö undertakes to finance the acquisition of the land. This is an example of how Magnolia Bostad reduces its financial risks at an early stage, an important strategy for continued sustainable growth.
- The counterparty in the framework agreement benefits in that it largely receives a tailored product since Magnolia Bostad manages the development from start to finish and delivers a completed building.

PREPARATORY WORK

Magnolia Bostad pursues local planning and procures turn-key contracts. Financing of the land acquisition may occur via Slättö, if necessary.

Process for the framework agreement.



AGREEMENT

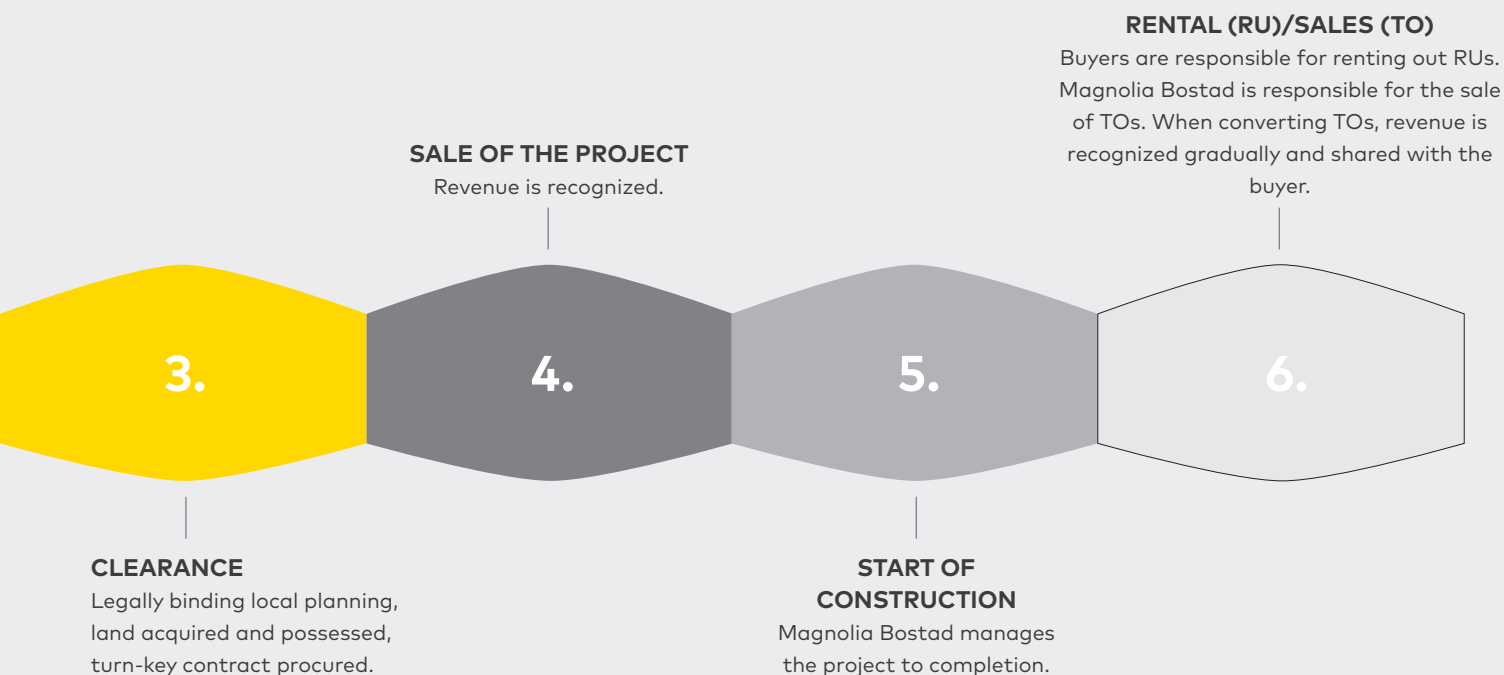
Scope of project and commercial conditions



Erik Rune, VP and Head of Business Development at Magnolia Bostad and Johan Karlsson, CEO of Slättö.

Framework agreement in figures

- Slättö has undertaken to acquire housing projects from Magnolia Bostad at a value of at least SEK 7 billion, and this figure can rise to SEK 16 billion.
- The project portfolio consists of 13 projects and 450,000 sqm light total area, corresponding to around 7,000 apartments.
- The framework agreement stretches to March 31, 2020, with the option of an extension.



Foundation laid for growth within the development of residential care facilities

In June 2017, Magnolia Bostad agreed on the acquisition of all shares in Svenska Vårdfastigheter AB. Through the acquisition, Magnolia Bostad is establishing itself more clearly within the development of residential care facilities while also broadening its offer to municipalities and investors.

Demand for residential care facilities is rising, and residential care is

The acquisition in figures:

- Agreement to acquire all shares in Svenska Vårdfastigheter AB at a price of SEK 300 million. Took possession in July 2017.
- The portfolio consists of 12 projects with approximately 70,000 sqm total area distributed among 825 apartments.
- Located in Magnolia Bostad's existing geographical areas, including Stockholm, Helsingborg and Gothenburg.

an increasingly important part of urban development. Developing residential care facilities is a natural complement to Magnolia Bostad's housing development branch, and the company's existing investors have already shown interest in the area.

The intention is to take advantage of the potential of Magnolia Bostad's existing portfolio and complement the investment that is already being made in residential care facilities with additional projects, competence and employees.

The business area fits well in the company's rental apartment model, i.e. to sell the project at an early stage to a long-term owner (forward-funding). This is a natural complement to the company's current offer, which includes rental apartments, tenant-owned apartments and hotels.

The business also creates synergy effects in terms of the company's organization, expenses and cooperation with municipalities.

The development in recent years in the building rights portfolio, the relationship-building with municipalities and investors and the fact that Magnolia Bostad is now one of the largest actors in the development of residential care facilities means that the company has gone from being a housing developer to an urban developer.

With the acquisition, Magnolia Bostad becomes one of the leading companies in the development of residential care facilities.

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 June 30, 2017, there were 5,120 (3,455) shareholders. The total number of issued shares at the end of the period was 37,822,283.

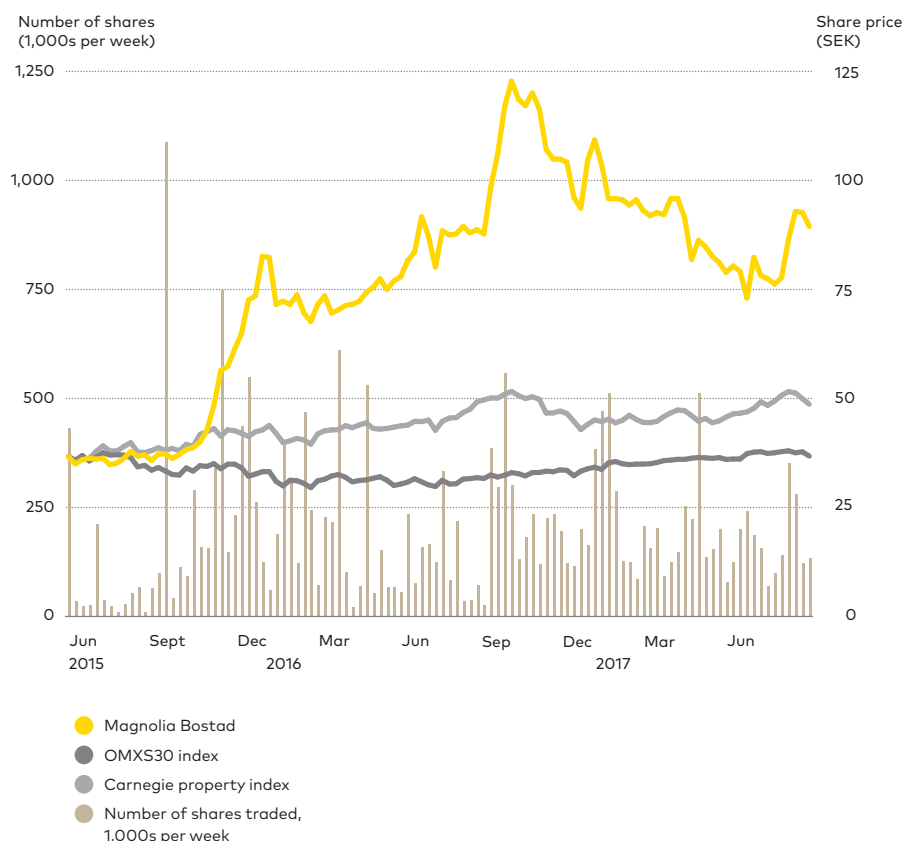
The share was listed on Nasdaq First North in June 2015 and is traded under MAG. Since January 2016 Magnolia Bostad has been included in Nasdaq First North's index, First North 25, which consists of the 25 largest and most traded shares on Nasdaq First North. As at March 31, 2017, the share is listed for trading on Nasdaq First North Premier. In 2017, Magnolia Bostad plans to apply for listing for the share on Nasdaq Stockholm.

The share price at closing on June 30, 2017, was SEK 91.25.

On average, 150 transactions were conducted per trading day between January 2, 2017 and June 30, 2017, and the average trading volume per trading day was SEK 3.4 million.

The Annual General Meeting on April 26, 2017 decided to issue 350,000 warrants to the subsidiary, Magnolia Utveckling AB. All warrants remain in the subsidiary's possession. Each warrant entails the right to subscribe to one share and will be transferred to employees in accordance with the warrant program.

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



Dividend

A dividend of SEK 1.75 per share (1.00) for 2016 was paid on May 4, 2017.

Average number of outstanding shares

	2017		2016	
	June 30	Full year	June 30	Full year
Average number of outstanding shares	37,822,283	37,822,283	37,822,283	37,822,283

Owners

Ownership as at June 30, 2017

Number of shares	No. of shareholders	Shareholder category	No.	Share of votes	Shareholders per country	No.	Share of votes
1–500	4,304	Legal persons	268	5.23%	Sweden	4,985	97.36%
501–1,000	350	Private individuals, men	3,383	66.08%	Other Nordic countries	42	0.82%
1,001–2,000	182				Other European countries (excl. Sweden and the Nordic countries)	66	1.29%
2,001–5,000	141	Private individuals, women	1,469	28.69%	USA	20	0.39%
5,001–10,000	66				Rest of world	7	0.14%
10,001–50,000	68	Total	5,120	100.00%			
50,001–	9	of which living in Sweden	4,985	97.36%	Total	5,120	100%
Total	5,120						

Largest shareholders as at June 30, 2017

Shareholders	Number of shares	Percentage of	
		Share capital	Votes
F.Holmström Fastigheter	21,286,837	56.28%	56.28%
Danica Pension	3,185,040	8.42%	8.42%
Länsförsäkringar fondförvaltning AB	2,485,908	6.57%	6.57%
Nordnet Pensionsförsäkring AB	1,502,728	3.97%	3.97%
Svolder Aktiebolag	1,394,009	3.69%	3.69%
Dahlin, Martin	803,593	2.12%	2.12%
Försäkringsaktiebolaget, Avanza Pension	651,744	1.72%	1.72%
Swedbank Robur Fonder	464,734	1.23%	1.23%
Cliens Sverige Fokus	370,000	0.98%	0.98%
John Larsson	338,564	0.90%	0.90%
Total 10 largest shareholders	32,483,157	85.88%	85.88%
Other shareholders	5,339,126	14.12%	14.12%
Total	37,822,283	100%	100%

Consolidated Condensed Income Statement

Amounts in MSEK	2017 April-June	2016 April-June	2017 Jan-June	2016 Jan-June	2016/2017 July-June	2016 Jan-Dec
Net sales	790	434	861	643	1,228	1,010
Production and operating costs	-654	-312	-700	-418	-924	-642
Gross profit/loss	135	122	161	225	304	368
Central administration	-9	-8	-17	-12	-32	-27
Profit/loss from participations in associated companies and joint ventures	-1	2	-5	2	7	14
Operating profit/loss	126	116	139	215	279	355
Financial income	1	1	2	1	4	3
Financial expenses	-26	-30	-50	-44	-99	-93
Change in value, financial instruments	0	0	0	0	0	0
Profit/loss before tax	101	86	91	172	184	265
Income tax	0	0	0	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	101	86	91	172	184	265
Profit/loss attributable to						
Parent company shareholders	63	65	54	141	135	222
Non-controlling interests	38	21	37	31	49	43
Earnings per share (SEK)						
Before dilution effects	1.64	1.72	1.45	3.74	3.58	5.87
After dilution effects	1.64	1.71	1.44	3.72	3.56	5.84

Consolidated Statement of Comprehensive Income

Amounts in MSEK	2017 April-June	2016 April-June	2017 Jan-June	2016 Jan-June	2016/2017 July-June	2016 Jan-Dec
Net profit/loss for the period	101	86	91	172	184	265
OTHER COMPREHENSIVE INCOME FOR THE PERIOD						
Total other comprehensive income	0	0	0	0	0	0
Comprehensive income attributable to						
Parent Company shareholders	63	65	54	141	135	222
Holdings without a controlling influence	38	21	37	31	49	43
COMPREHENSIVE INCOME FOR THE PERIOD	101	86	91	172	184	265

Consolidated Condensed Statement of Financial Position

Amounts in MSEK	2017 June 30	2016 June 30	2016 Dec 31
ASSETS			
Non-current assets			
Goodwill	6	6	6
Other intangible assets	1	1	0
Total intangible assets	7	7	6
Machinery and equipment	8	1	1
Total property, plant and equipment	8	1	1
Shares in associated companies and joint ventures	113	4	116
Receivables from associated companies	23	23	23
Other securities held as non-current assets	31	31	31
Other long-term receivables	797	228	406
Total financial assets	965	286	576
Total non-current assets	980	293	583
Current assets			
Development and project properties	905	1,030	1,160
Tenant-owned apartments	4	4	4
Accounts receivable	12	17	1
Receivables from associated companies	20	7	20
Other receivables	679	802	475
Prepaid expenses and accrued income	3	5	5
Cash and cash equivalents	294	241	507
Total current assets	1,917	2,106	2,172
TOTAL ASSETS	2,896	2,400	2,755

Consolidated Condensed Statement of Financial Position

Amounts in MSEK	2017 June 30	2016 June 30	2016 Dec 31
EQUITY AND LIABILITIES			
Equity			
Share capital	151	151	151
Other capital contributions	185	185	185
Retained profits incl. net profit/loss for the period	515	445	526
Equity attributable to Parent Company shareholders	851	782	862
Non-controlling interests	144	124	136
Total equity	995	906	998
Non-current liabilities			
Deferred tax liability	2	2	2
Non-current interest-bearing liabilities	1,335	1,016	1,268
Derivatives	-	0	-
Other long-term liabilities	128	131	91
Total long-term liabilities	1,465	1,149	1,361
Current liabilities			
Current interest-bearing liabilities	230	217	237
Derivatives	0	-	0
Accounts payable	2	34	38
Liabilities to associated companies	11	-	-
Income tax liabilities	0	2	0
Other current liabilities	95	37	68
Accrued expenses and deferred income	99	54	53
Total current liabilities	437	344	396
TOTAL EQUITY AND LIABILITIES	2,896	2,400	2,755

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 1/1/2016	151	185	0	342	93	771
Dividend	-	-	-	-38	-	-38
Net profit/loss for the period	-	-	-	141	31	172
Other comprehensive income	-	-	0	-	0	0
Closing equity 6/30/2016	151	185	0	445	124	906
Net profit/loss for the period	-	-	-	81	12	93
Other comprehensive income	-	-	0	-	0	0
Closing equity 12/31/2016	151	185	0	526	136	998
Opening equity 1/1/2017	151	185	0	526	136	998
Dividend	-	-	-	-66	-30	-96
Net profit/loss for the period	-	-	-	54	37	91
Other comprehensive income	-	-	0	-	0	0
Closing equity 6/30/2017	151	185	0	515	144	995

Consolidated Cash Flow Statement in Summary

Amounts in MSEK	2017 April-June	2016 April-June	2017 Jan-June	2016 Jan-June	2016/2017 July-June	2016 Jan-Dec
Operating activities						
Profit/loss after financial items	101	86	91	173	184	265
Adjustments for non-cash items, etc.						
Less share of profit/loss from associated companies and joint ventures	1	-2	5	-2	-7	-14
Depreciation/amortization and impairment of assets	0	0	1	0	2	1
Capital gains/losses from the sale of development properties	-180	-110	-211	-227	-322	-338
Other provisions	0	0	0	0	0	0
Other profit/loss items that do not affect liquidity	2	0	1	0	1	0
Income tax paid	0	-1	0	-2	-2	-4
Cash flow from operating activities before changes in working capital	-75	-26	-113	-58	-145	-90
Decrease(+)/increase(-) of development and project properties	329	187	36	148	7	119
Decrease(+)/increase(-) in current receivables	-104	-307	-170	-339	165	-4
Decrease(+)/increase(-) in current liabilities	15	-89	27	-8	-12	-47
Cash flow from operating activities	165	-235	-220	-257	15	-22
Investing activities						
Acquisition of intangible fixed assets	0	0	-1	0	0	-
Acquisition of property, plant and equipment	-1	0	-8	0	-9	-1
Investment in financial assets	-1	0	-1	0	-101	-100
Cash flow from investing activities	-2	0	-10	0	-111	-101
Financing activities						
Borrowings	190	581	215	581	693	1,059
Repayment of borrowings	-131	-237	-132	-238	-478	-584
Dividend paid	-66	-38	-66	-38	-66	-38
Cash flow from financing activities	-7	306	17	305	149	437
Cash flow for the period	156	70	-213	47	54	314
Cash and cash equivalents at the beginning of the period	138	170	507	193	241	193
Cash and cash equivalents at the end of the period	294	241	294	241	294	507

Parent Company Condensed Income Statement

Amounts in MSEK	2017 April-June	2016 April-June	2017 Jan-June	2016 Jan-June	2016/2017 July-June	2016 Jan-Dec
Net sales	0	2	0	2	0	2
Total income	0	2	0	2	0	2
Central administration	-7	-3	-14	-6	-20	-12
Operating profit/loss	-7	-1	-14	-4	-20	-10
Financial income	114	5	128	9	160	41
Financial expenses	-17	-21	-33	-26	-62	-55
Profit/loss after financial items	90	-17	81	-20	78	-24
Tax on profit/loss for the period	0	0	0	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	90	-17	81	-20	78	-24

Parent Company Statement of Comprehensive Income

Amounts in MSEK	2017 April-June	2016 April-June	2017 Jan-June	2016 Jan-June	2016/2017 July-June	2016 Jan-Dec
Net profit/loss for the period	90	-17	81	-20	78	-24
OTHER COMPREHENSIVE INCOME FOR THE PERIOD						
Total other comprehensive income	0	0	0	0	0	0
COMPREHENSIVE INCOME FOR THE PERIOD	90	-17	81	-20	78	-24

Parent Company Condensed Balance Sheet

Amounts in MSEK	2017 June 30	2016 June 30	2016 Dec 31
ASSETS			
Non-current assets			
Financial assets	349	348	349
Total non-current assets	349	348	349
Current assets			
Current receivables			
Receivables from Group companies	795	473	718
Receivables from associated companies	0	0	0
Other receivables	1	22	1
Prepaid expenses and accrued income	0	1	0
Total current receivables	797	496	719
Cash and bank balances	5	11	64
Total current assets	802	507	783
TOTAL ASSETS	1,151	855	1,132
EQUITY AND LIABILITIES			
Equity	256	246	241
Non-current liabilities			
Interest-bearing liabilities	880	600	876
Total long-term liabilities	880	600	876
Current liabilities			
Liabilities to Group companies	0	0	0
Other current liabilities	0	1	0
Accrued expenses and deferred income	15	8	15
Total current liabilities	15	9	15
TOTAL EQUITY AND LIABILITIES	1,151	855	1,132

Other information

Accounting principles

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. The accounting principles agree with those used by the Group in the 2016 Annual Report. Disclosures in accordance with IAS 34 Interim Financial Reporting are provided as both notes and in other places in the interim report.

Fair value of financial assets and liabilities are judged in all material respects to agree with the carrying amounts for all financial instruments except bond loans, where the fair value is judged to amount to SEK 909 million compared to the carrying amount of SEK 880 million. On December 31, 2016, fair value for the bond loans amounted to SEK 923 million compared to the carrying amount of SEK 876 million. Fair value for bond loans was determined in accordance with Level 1, and derivatives were measured at fair value in accordance with Level 2 of the fair value hierarchy in accordance with IFRS 13. No changes were made in the fair value hierarchy for financial instruments.

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 regarding future collaborations. In addition to this, the CEO submitted an invoice in 2016 for remuneration as the CEO. Fredrik Lidjan has been employed by Magnolia Bostad as CEO since January 1, 2017.

The acquisition of Svenska Vårdfastigheter AB was signed through a Group subsidiary in which Fredrik Lidjan via Fredrik Lidjan AB holds an 8-percent ownership and Magnolia Bostad 92 percent.

The scope and focus of other transactions by related parties have not resulted in any material changes since the last annual report. For more information, see page 66 and Notes 4, 9 and 36 of the 2016 Annual Report.

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, and pages 68-69 and Note 3 of the Annual Report.

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 the end customers living in beautiful, solid buildings. It is also a fundamental prerequisite for the Magnolia Bostad's growth and profitability.

Organizational structure

Magnolia Bostad has a versatile and scalable organization divided into the following areas: Business Development, Marketing and Communications, Project Development and Finance. After the summer, Linda Wiman will start as Head of Business Development and join the management team. The company's organization, as at June 30, 2017, consisted of 63 employees (37), of which 36 were women (16) and 27 were men (21), at the offices in Stockholm and Helsingborg.

Significant events after the end of the period

Magnolia Bostad took possession of Svenska Vårdfastigheter AB on July 4, 2017.

Magnolia Bostad has moved a covered bond loan for SEK 400 million issued in October 2016 and listed on Nasdaq First North Bond Market to the corporate bond list at Nasdaq Stockholm. The first day of trade was July 13, 2017.

Issue and certification

The Board of Directors and the CEO certify that this interim report provides a true and fair overview of the operations, position and profit or loss of the company and the Group, and describes the material risks and uncertainty factors facing the company and the companies in the Group.

Stockholm, July 19, 2017,

Magnolia Bostad AB (publ)

Fredrik Holmström
Chair of the Board of Directors

Andreas Rutili
Board Member

Risto Silander
Board Member

Viveka Ekberg
Board Member

Jan Roxendal
Board Member

Fredrik Tibell
Board Member

Fredrik Lidjan
CEO

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

Quarterly overview

	2017				2016			2015	
	June 30	March 31	Dec 31	Sept 30	June 30	March 31	Dec 31	Sept 30	
Net sales (SEK million)	790	71	124	242	434	210	397	371	
Operating profit/loss (SEK million)	125	14	41	99	116	100	96	62	
Profit/loss after tax (SEK million)	101	-9	14	78	85	86	80	52	
Earnings per share (SEK) ¹⁾	1.64	-0.2	0.26	1.86	1.71	2.02	1.77	1.30	
Equity (SEK million)	995	990	998	985	906	857	771	692	
Equity per share (SEK) ¹⁾	22.50	22.61	22.79	22.54	20.67	19.96	17.93	16.15	
Return on equity (%)	7.3	-0.9	1.2	8.6	8.5	10.7	10.4	8.4	
Equity/assets ratio (%)	34.4	35.6	36.2	38.7	37.8	41.7	40.8	39.6	
Cash flow from operating activities (SEK million)	165	-384	305	-70	-235	-22	-50	-40	
Cash flow from the operating activities, per share (SEK)	4.3	-10.2	8.1	-1.8	-6.2	-0.6	-1.3	-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	37,822,283	
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	37,982,283	

All amounts have been adjusted in accordance with IFRS

¹⁾ Excluding the minority

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

Definitions

Alternative KPIs not defined within IFRS

Return on equity (%)

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

Equity per share

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

Net financial items

Net of financial income and financial expenses.

Cash flow from operating activities, per share

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

Profit/loss after financial items

Operating profit/loss plus financial income minus financial expenses.

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.

Operating margin (%)

Operating profit as a percentage of net sales.

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.

Sold apartments in production

Number of apartments in sold projects where binding sales agreements were signed and revenue have been recognized.

Equity/assets ratio (%)

Equity, including non-controlling interests, as a percentage of the balance sheet total.

Profit margin, %

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

For more information about alternative

KPIs, please refer to Magnolia Bostad AB's website, www.magnoliabostad.se.

Definitions, other

Estimated gross area

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

Estimated number of building rights

Number of estimated future apartments in acquired properties.

This is Magnolia Bostad

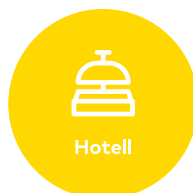
Magnolia Bostad creates modern homes and living environments through smart functions, attractive architecture and good designs.



Hyresrätt



Bostadsrätt



Hotell



Studentboende



Vårdboende

Magnolia Bostad develops new apartments, primarily rental apartments and tenant-owned apartments, in attractive locations in Sweden's metropolitan areas and growth cities. We put the home in focus: Well thought-out and efficient on the inside so people are able to both enjoy and afford their home. Attractive exteriors, contemporary architecture and well executed projects that create an attractive offer for the country's municipalities and our investors. Our buildings will be standing for many generations.

Business concept

Magnolia Bostad will develop efficient, attractive and functional new housing at a good profit.

Targets:

Financial targets

- Return on equity must amount to at least 30 percent
- The equity/assets ratio must amount to at least 30 percent.

Operational targets

- Possibility of starting production on 3,000 apartments a year starting in 2018.

Sustainability targets

- Strive to meet the requirements for environmental certification corresponding to the Sweden Green Building Council's Silver certification or the Swan Ecolabel in all of our projects.

Strategy

Working with several forms of leases enables the Company to achieve satisfactory distribution of risk. The distribution between rental

apartments and tenant-owned apartments in the project portfolio varies over time based on demand, the state of the economy and conditions that at any given time are judged to be most favorable for the company. Growth must be associated with satisfactory profitability. For more information about the company's strategy and business model, see pages 10-11 in Magnolia Bostad's 2016 Annual Report.

Our values are our compass

The pillars on which the "Magnolia House" rests are Innovation, Ambition and Awareness. This means that we have the desire to change and challenge the status quo. We work in a structured and focused manner to optimize our productivity – an orderly structure for everything from planning to occupancy. Our business culture is characterized by openness, happiness and dynamics.

Financial Calendar

- Interim Report January-September 2017: October 27, 2017
- Year-End Report January-December 2017: February 22, 2018

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

The information Magnolia Bostad publishes in this report is required in accordance with the EU Market Abuse Regulation (EU) No. 596/2014 and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons set above, on July 19, 2017, at 8:00 a.m.

MAGNOLIA

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