

MAGNOLIA

**Magnolia Bostad
Interim Report**

Group

January 1–March 31,
2018

Q1

Interim Report January–March 2018

Interim Period

January–March 2018

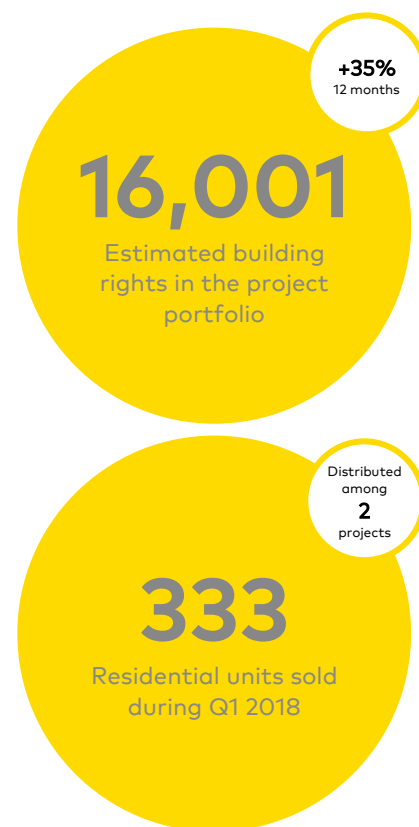
- Net sales amounted to SEK 532 million (77).
- The company reported an operating profit of SEK 113 million (20).
- Net profit for the period amounted to SEK 80 million (-3). Earnings per share, after deductions for minority shares, amounted to SEK 2.14 per share (-0.05).
- Magnolia Bostad agreed during the period on the acquisition of 26 estimated building rights (700), and the number of residential units sold during the period amounted to 333 (130).
- Sold the Instrumentet 2 property in Örnberg, Stockholm, with a leasable area of around 6,000 sqm.
- Issued SEK 200 million under the framework of an existing bond loan.
- Formed a joint venture with Randviken for the Skogskarlen 3 property in Bergshamra, Stockholm, in which Randviken indirectly acquires half of the shares in the company.

Significant events during the quarter

- Entered into a cooperation agreement with Skanska with the aim of launching the method of the future for developing new neighborhoods.
- Sold 58 residential care units in Visby, Gotland, and 275 rental apartments in the Fasanen project in Arlöv, Burlöv Municipality.

Significant events after the end of the period

- No significant events occurred after the end of the period.



KPIs, Group

	2018 Jan-Mar	2017 Jan-Mar	2017/2018 Apr-Mar	2017 Jan-Dec
Project-related				
Number of sold apartments during the period	333	130	2,431	2,227
Total number of apartments in production	6,032	4,075	6,032	5,849
Number of estimated building rights in the portfolio	16,001	11,830	16,001	16,429
Financials				
Operating margin (%)	21.2	26.0	21.3	21.6
Return on equity (%) ¹	-	-	29.7	22.0
Equity/assets ratio (%)	34.4	35.5	34.4	33.0
Interest coverage ratio (multiple)	3.3	0.9	3.9	3.4
Share-related				
Earnings per share (SEK) ¹	2.14	-0.05	7.56	5.37
Equity per share (SEK) ¹	28.42	22.53	28.42	26.20

¹ Excluding the minority

For definitions of alternative KPIs that are not defined in IFRS, see page 30

A word from the CEO

After a record-breaking end to 2017 we have started 2018 with another strong quarter. For the period January to March we report an operating profit of SEK 113 million and profit after tax of SEK 80 million.

In my last comments, I wrote that at the end of 2017 we had completed the first transactions in our hotel and residential care operations. By broadening our product offering we achieve an increased diversification. Residential care and hotels are important complements to our primary business: residential development. They contribute to increased profitability and risk diversification and strengthens our offer to the municipalities we collaborate with.

During the first few months of the year, we were able to complete another transaction within residential care: the sale of the Visborg project in Visby with 58 apartments to Northern Horizon. We also recently won a tender that gives us the right to acquire a hotel building right in Gamlestaden, Gothenburg. We intend to develop a hotel with approximately 260 rooms.

We have also sold the projects Fasanen, Instrumentet and Skogskarlen (the later to 50 percent). The first is a rental project with 275 apartments in Arlöv, Burlöv Municipality. Heimstaden Bostad purchased the project, and production is planned to start during the year. Instrumentet, which is located in Stockholm, was sold to streamline the project portfolio, since it will not be possible to create any new building rights in the project in the near future. We formed a joint venture with Randviken for Skogskarlen. Magnolia Bostad will develop new residential units while Randviken will focus on areas outside of our strategy, like development and management of the existing property.



An exciting cooperation agreement
Magnolia Bostad's success is largely due to its preference to create in-depth partnerships. This long-term focus is now bearing fruit – I have noted a strong interest from Swedish contractors to work with us.

For example, we signed an agreement in March with Skanska for a long-term cooperation to develop new urban districts and residential areas. The agreement marks the start of a new, innovative approach to urban development, where the developer, contractor and architect join forces already in the earliest stages of the project to develop neighborhoods that are financially, socially and environmentally sustainable.

Market conditions

The financial markets stabilized somewhat after the uncertainty in

the last quarter of 2017. We received confirmation from the market during the quarter following the issue of an additional SEK 200 million under the framework of one of our existing bond loans. The bond issue was successfully placed, mainly among Swedish investors and supported by additional demand from other Nordic countries. The proceeds will primarily be used for Magnolia Bostad's continued expansion.

Despite a relatively weak market for tenant-owned apartments, we continue to see interest in buying apartments in our projects. During the quarter, we signed binding agreements for approximately 40 tenant-owned apartments throughout Sweden, mainly in future projects which have yet to affect reported profit.

New office in Gothenburg

We will establish another office, this time in Gothenburg. This will be our third office, following Stockholm and Helsingborg. We are looking forward to having a permanent presence in Gothenburg, which is the center of an interesting and expansive part of Sweden. We plan to open the office during the year.

Fredrik Lidjan
CEO

Market

Market trends

The real estate market leveled off during Q1 2018 according to Newsec. The transaction volume* amounted to SEK 21 billion, distributed across 88 transactions. This can be compared to SEK 34.2 billion for the same period in 2017. The percentage of foreign investors continues to be high and amounted to 36 percent in the first quarter, which can be compared to 29 percent in the same period last year.

The percentage of transactions conducted in the Stockholm area increased sharply, and during the first quarter 49 percent of the transaction volume took place in Stockholm. Of this year's ten largest transactions to date, six were conducted in Stockholm. Gothenburg is responsible for 10 percent of the volume, Malmö for 12 percent, regional cities for 20 percent and the rest of the country for 10 percent.

The office segment, which contracted last year, is now once again the most active segment, with 31 percent of the total volume. Hotel and building rights were responsible for 23 percent, residential property* for 19 percent, trade for 12 percent, logistics for 10 percent and community properties for 6 percent.

Rental apartments

According to the IPD property index prepared by MSCI, the total return on housing in Sweden was 8.0 percent in 2017. Total return for Swedish properties as a whole was 10.8 percent and thus demonstrated better growth than both the stock market and the bond market.

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 steers the market value, following the possibility of conversion. For these residential properties, the direct yield requirement is estimated by real estate consultant Newsec to be 1.45 percent, 1.65 percent and 2.40 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

At the start of the year, Swedish firm Mäklarstatistik reported a recovery in the prices of tenant-owned apartments following their decline last fall, although not as strong as following previous declines.

The market has stabilized and prices in most locations are no longer falling. A large number of sales were completed in January and February, but sales of residential properties in March were 20 percent lower than for the same period in 2017. This is most likely an effect of the new amortization requirement.

Of the three metropolitan areas, Stockholm and Gothenburg reported falling prices over the past 12-month period. The Greater Stockholm area reported a decline of -9 percent and Greater Gothenburg a decline of -4 percent. The Greater Malmö area reported an upswing of 1 percent. During the first quarter, prices were stable in Greater Stockholm and Greater Malmö, but fell -3 percent in Greater Gothenburg.

**Transactions in excess of SEK 40 million, which means, for example, that tenant-owned apartments are not part of this data.*

The text above has been developed in cooperation with Newsec



Earnings, financial position and funding

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 January 1–March 31, 2018

Net sales amounted to SEK 532 million (77) and the operating profit for the quarter was SEK 113 million (20). Profit after tax for the period was SEK 80 million (-3).

Net sales consist largely of income from property sales.

Distribution of revenue	2018 Jan-Mar	2017 Jan-Mar
Property sales	478	50
Sum of revenue recognised at a point in time	478	50
Project management	11	2
Rent	13	12
Other invoicing for the projects and other revenue	30	13
Sum of revenue recognised over in time	54	27
TOTAL REVENUE	532	77

Cash flows from sales of projects are received in part in conjunction with the handover of land via forward funding since Magnolia Bostad is paid for investments that are made up to the handover. Magnolia Bostad often receives a part of the project gains in cash at the handover. The remaining cash flows from property sales are received in connection with project completion.

For sales of undeveloped property, the entire consideration is normally received in connection with the handover. Other income is reported and invoiced on an ongoing basis.

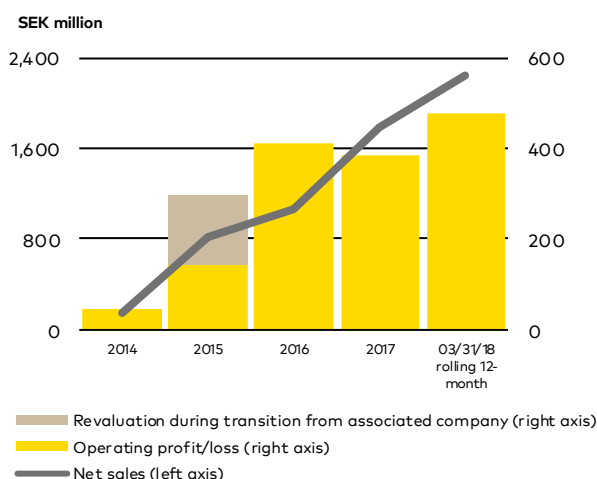
The increase in revenue from property sales is due to the sale of 333 residential units, an increase of 203 compared to the 130 that were sold in the previous period. The residential units consist of 275 apartments in central Arlöv, which were sold to Heimstaden Bostad AB with an estimated property value at completion of SEK 400 million, and 58 residential care facilities.

In Q1 2018 the Instrumentet 2 property in Örnberg was also sold to Genova Property Group, and the Skogskarlen 3 property in Bergshamra outside of Stockholm was sold to a newly started joint venture with Randviken.

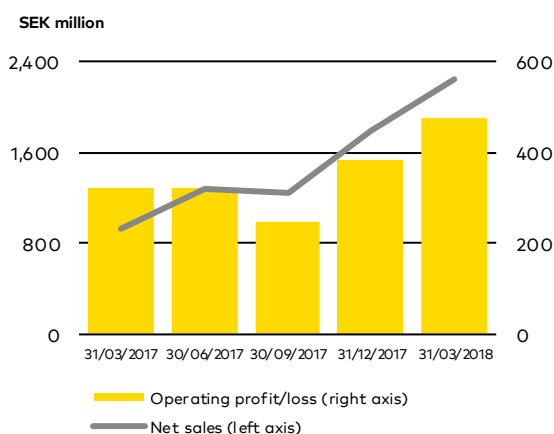
Rental income increased by SEK 1 million to SEK 13 million (12). Operating costs for properties that generate rental income are unchanged at SEK -4 million, which means that the net operating income from rent-generating properties increased to SEK 9 million (8), which also contributes to the operating profit.

Magnolia Bostad strengthened its organization compared to the same period the previous year and completed the acquisition of Svenska Vårdfastigheter, which explains the increase in costs for central administration to SEK -12 million (-8). Earnings from associated companies amounted to SEK -3 million (-4), primarily due to the loss associated with the ownership in Sollentuna Stinsen JV AB of SEK -2 million (-5), which is in line with the project development plan.

Net sales & operating profit/loss, full-year



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



The increase of operating profit for Q1 2018 of SEK 93 million to SEK 113 million (20) for the first quarter of 2018 is primarily attributable to completed property sales.

Net financial items

Net financial items amounted to SEK -33 million (-23). Financial expenses for the quarter are SEK -35 million (-24). The increase in financing costs is due to the increase in interest-bearing liabilities compared to the same period the previous year. The increase is due to the financing for the acquisition of Svenska Vårdfastigheter AB, which was completed at the beginning of Q3 2017.

Compared to the end of the year, interest-bearing liabilities decreased by SEK 18 million. At the end of the quarter, Magnolia Bostad's average interest rate was 6.5 percent compared to 5.9 percent at the end of the previous year. The interest coverage ratio amounted to a multiple of 3.3 compared to 3.4 for FY 2017.

Net profit/loss for the period

Net profit for the period amounted to SEK 80 million (-3), of which SEK 0 million (0) are income taxes. The tax expense is less than 22.0 percent

of profit before tax since some reported income, primarily the sale of companies, is not taxable.

Financial position

The consolidated balance sheet total increased to SEK 3,648 million compared to SEK 3,550 million at the beginning of the year. The increase is in part due to the increase in cash and cash equivalents to SEK 442 million (208) and in part to higher other long-term receivables and other receivables, which together increased by SEK 104 million to SEK 1,864 million (1,760), attributable to increases in receivables at buyers of the projects and downpayments paid.

Of the total receivables of SEK 1,864 million (1,760), SEK 1,539 million (1,490) are receivables at buyers of the projects and SEK 140 million (117) refer to downpayments paid for future property acquisitions. Within the next 12 months, the Group is expected to receive SEK 469 million (423) in total claims on buyers of the projects as amortization of promissory notes, payment of additional consideration, final consideration and forward funding.

Development and project properties decreased by SEK 209 million and amount to 1,101 million (1,310). The

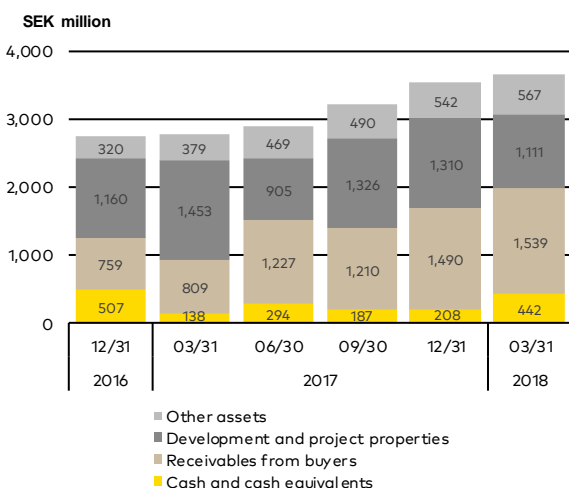
decrease is due to completed sales during the quarter. During the quarter the Group continued to invest in the project portfolio and is working continuously to refine and drive the local planning process forward in its various projects.

Shares in associated companies and joint ventures decreased by SEK 2 million to SEK 109 million (111) primarily due to the results of the quarter in Sollentuna Stinsen JV AB, which Magnolia Bostad owns together with occupational pension company Alecta. The joint venture owns the Stinsen shopping center and is working to develop local planning for residential units and commercial areas for the Södra Häggviks Gårdar project.

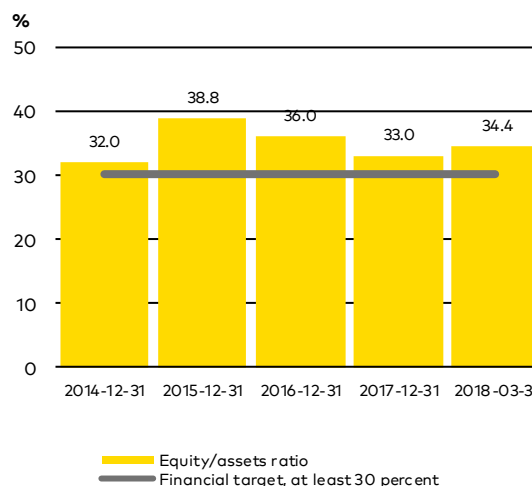
Equity and the equity/assets ratio

At March 31, 2018, consolidated equity amounted to SEK 1,254 million (1,171), which resulted in an equity/assets ratio of 34.4 percent (33.0), which is in line with the financial target of an equity/asset ratio of at least 30 percent. The minority share of equity was SEK 178 million (180). The higher equity/asset ratio since the end of the year is largely due to the performance during the period.

Distribution of assets



Equity/assets ratio



The return on equity for the rolling 12-month period ending March 31, 2018, amounted to 29.7 per cent compared to 22.0 percent for the 2017 calendar year. Return on equity for the 12-month rolling period is 0.3 percentage points below the financial target of a return on equity of at least 30 percent.

Interest-bearing liabilities

Total interest-bearing loans, including an interest-bearing deposit received from Slättö, amounted to SEK 2,055 million (2,073) as at March 31, 2018. The majority of Magnolia Bostad's liability consists of bond loans with a carrying amount of SEK 1,040 million and bank financing of SEK 815 million, of which SEK 503 million is collateralized by the property. The remaining liabilities consist of buyer promissory notes of SEK 125 million for the acquisition of Svenska Vårdfastigheter AB and deposits received from Slättö of SEK 75 million. The average capital tie-up period, excluding the deposit from Slättö and the utilized credit line, was 2.1 years at March 31, 2018, an increase compared to 2.0 years at December 31, 2017.

After deductions for cash and cash equivalents of SEK 442 million (208), interest-bearing net liabilities amounted to SEK 1,613 million

(1,865). The largest part of the bank financing is linked to individual projects, where repayment occurs in conjunction with Magnolia Bostad's handover or in connection with the payment of the final consideration from the buyer at the end of the project.

Receivables at buyers amount to SEK 1,539 million (1,490), interest-bearing net liabilities with deductions for receivables at buyers amounts on March 31, 2018 to SEK 75 million (375), a decrease of SEK 300 million compared to December 31, 2017. Since Q3 2017, when Svenska Vårdfastigheter AB was acquired, interest-bearing liabilities with deductions for receivables at buyers decreased by SEK 517 million, from SEK 591 million.

Bond loans

During the quarter, Magnolia Bostad issued additional corporate bonds at a nominal amount of SEK 200 million within the frame for an existing bond of SEK 1 billion and maturity in 2021. Buyers were primarily Swedish investors.

As at March 31, 2018, Magnolia Bostad had two outstanding bonds: one covered bond of nominal SEK 500 million with a floating coupon of

STIBOR 3m + 6.25 percent (with STIBOR floor) and final maturity in April 2020 and one unsecured bond of nominal SEK 600 million pursuant to a bond frame of up to SEK 1 billion with a floating coupon of STIBOR 3M + 7.25 percent (without a STIBOR floor) and final maturity in October 2021.

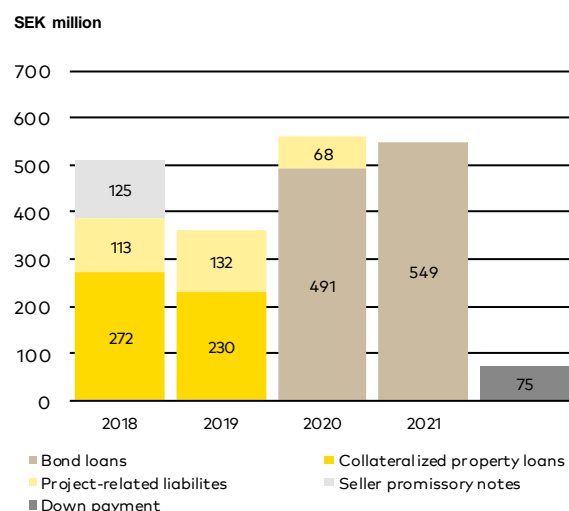
The difference between book value and nominal amount is due to bonds in the own custody, bonds issued below nominal amount and paid arrangement fees.

Cash flow and cash and cash equivalents

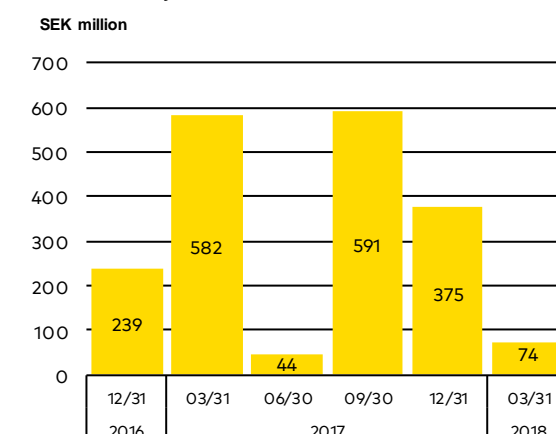
Cash flow from operating activities before changes in working capital amounted to SEK -50 million (-37), which primarily is due to a large part of earnings consisting of gains from the sale of development properties, which did not affect cash flow when the projects were recognized.

Cash flow from changes in working capital amounts to SEK 112 million (-347), which is largely due to cash flow from the decrease in development and project properties of SEK 209 million (-293) and cashflow from the increase of current receivables of SEK -129 million (-66).

Maturity structure, SEK million



Interest bearing net liabilities with deduction for receivables at buyers



During the quarter Magnolia Bostad handed over and received the purchase price for Instrumentet 2 in Örnberg which has contributed positively to cash flow from operating activities. Cash flow from operating activities amounted to SEK 62 million (-384).

Cash flow from investing activities amounted to SEK -1 million (-8).

Cash flow from financing activities amounted to SEK 173 million (24), primarily impacted by the issue of additional corporate bonds of SEK 200 million within the frame of an existing bond. The credit line of SEK 50 million was also utilized during the quarter, and additional bank financing was raised. Cash flow from amortization of loan liabilities totals SEK -82 million (-1).

Cash and cash equivalents as per March 31, 2018, amounted to SEK 442 million compared to SEK 208 million on December 31, 2017. In addition to cash and cash equivalents, there are unused credit facilities totaling SEK 257 million as at March 31, 2018.

Parent Company Income Statement

The Parent Company's profit after financial items amounts to SEK -13 million (-10). The increase compared to the same period the previous year is due to increased costs for central administration. Net financial items remained the same at SEK -2 million (-2).

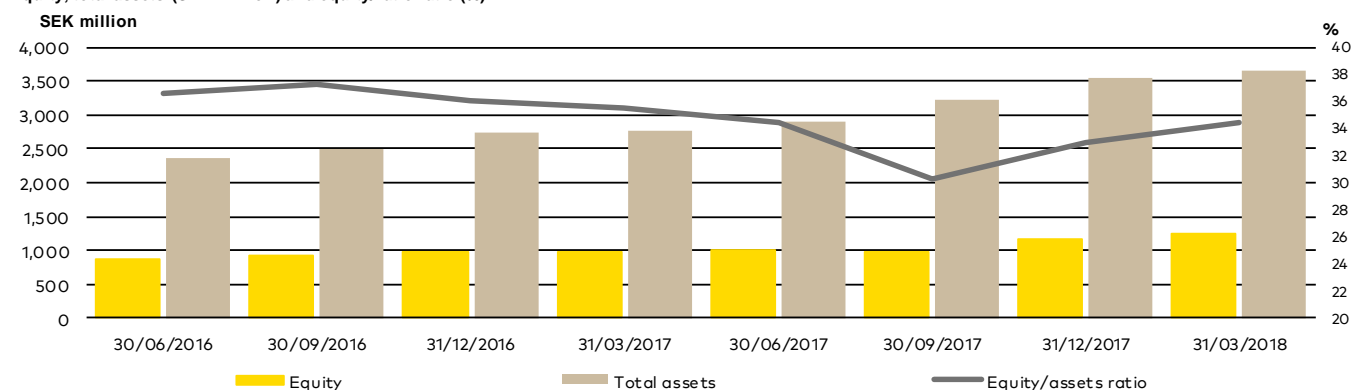
Parent Company Balance Sheet

The balance sheet total for the Parent Company increased to SEK 1,497 million (1,351). During the quarter, the company issued additional corporate bonds at a nominal amount of SEK 200 million within the frame of an existing bond. The equity/assets ratio for the Parent Company amounts to 29.3 percent compared to 33.4 percent at the end of the year.

Fair value of financial instruments

The fair value of financial assets and liabilities is 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 be SEK 1,028 million compared to the carrying amount of SEK 1,040 million. On December 31, 2017, the fair value for the bond loans amounted to SEK 870 million compared to the carrying amount of SEK 883 million. The fair value for bond loans was determined in accordance with Level 1 in the fair value hierarchy set out in IFRS 13. No changes were made in the fair value hierarchy for financial instruments.

Equity, total assets (SEK million) and equity/ratio ratio (%)

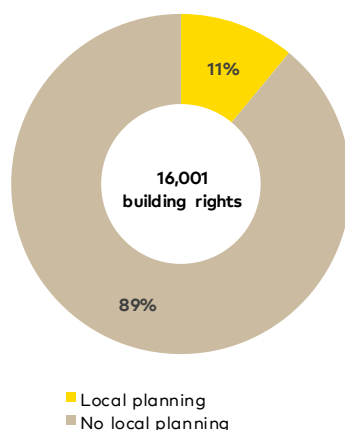


Project

Magnolia Bostad develops primarily rental apartments, hotels and residential care facilities in Sweden's growth areas and large cities. These are sold at an early stage to major Swedish institutions or other partners with strong reputations. The company also develops tenant-owned apartments. Magnolia Bostad applies an urban planning perspective to its projects. Municipalities, and even institutional investors, are often looking for the competence to develop comprehensive residential areas that include not only homes but also, for example, student and residential care housing. By working with several products and housing forms, Magnolia Bostad achieves good risk distribution and becomes an attractive partner for long-term cooperation.

Magnolia Bostad has set a target of a margin of 10 percent for rental apartment transactions, 15 percent for hotel transactions and 20 percent for residential care and tenant-owned apartment transactions.

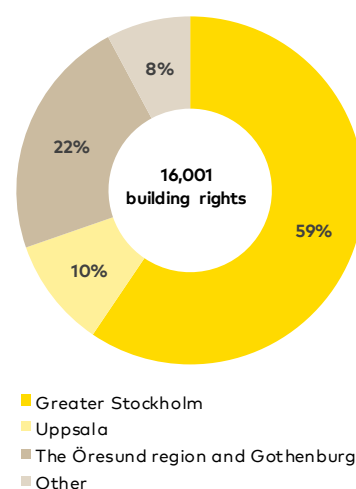
Share of project portfolio with local planning



As at March 31, 2018, Magnolia Bostad had a project portfolio totaling 16,001 estimated building rights. In Q1 2018, two projects with a total of 333 residential units were sold.

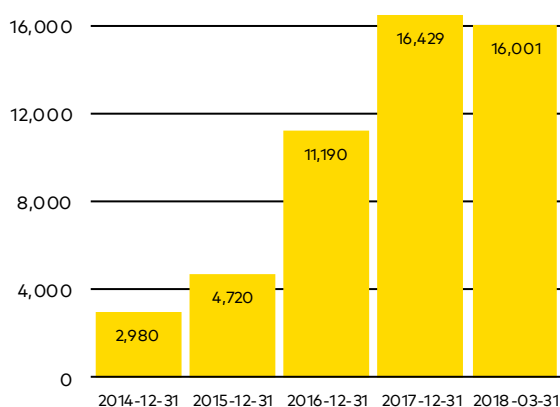
During Q1 2018, the company signed agreements for the acquisition of 26 estimated buildings rights in Halmstad.

Share of estimated building rights per geographical area 1) 2)

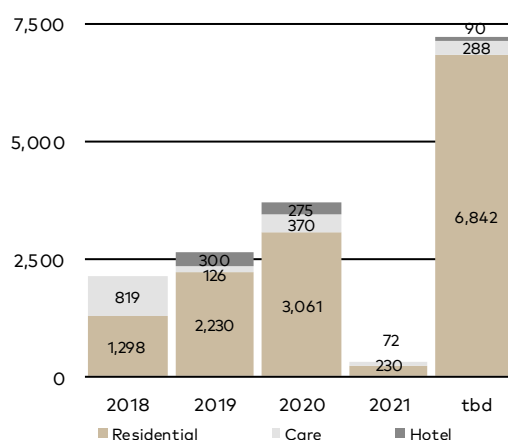


The Instrumentet 2 property in Örnäsberg, Stockholm, with a total leasable area of around 6,000 sqm, was also sold during the quarter. This transaction was part of the company's efforts to streamline its project portfolio, since it will not be possible to create any new building rights in the project in the near future.

Development of the building right portfolio



Pending building rights not sold, estimated production starts



Acquisitions 2018

Quarter	Project	Municipality	Category	Estimated number of building rights
1	Kilot	Halmstad	A	26
				26

A=Apartments, C=Care, H=Hotels

Divestments 2018

Quarter	Project	Municipality	Acquired by	Number of apartments
1	Fasanen	Burlöv	Heimstaden Bostad	275
1	Visborg	Visby	Northern Horizon	58
1	Instrumentet	Stockholm	Genova Property Group	0 ¹
				333

¹ Sold without residential development.

Project portfolio

The tables on pages 12 and 13 present Magnolia Bostad's project portfolio as at March 31, 2018, which consists of 56 pending projects not sold (associated company Norefjell Invest is not included). Magnolia Bostad's share of earnings in the projects listed on pages 12-13 amounts to 90 percent, unless otherwise specified.

The information on each project in the tables below 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.

Project	Property, municipality	Category	Estimated number of apartments	Estimated residential area (sqm)	Local plan	Estimated prod. start	Estimated completion	Planned buyer (B) and/or contractor (C)
Adjutanten ⁴	A7 området, Gotland	C	68	4,200		2018	2019	PEAB (C)
Täljöviken ⁴	Näs 7:7, Stockholm	C	54	4,850		2018	2019	
Partilleport ⁵	Partille 11:61, Göteborg	C	54	11,100		2018	2019	Consto (C)
Allarp Laholm ⁵	Allarp 2:468, Helsingborg	C	54	3,850		2018	2019	
Nypronrosen ⁵	Nypronrosen 5, Helsingborg	C	125	8,360		2018	2019	
Lilium, etapp 2	Del av Gamla Uppsala 99:1, Uppsala	A	110	5,200		2018	2019	Serneke (C)
Gyllehemmet ⁴	Gyllehemmet 1 & 2, Borlänge	C	106	10,500		2018	2019	
Mossenskolan ⁸	Mossenskolan 3, Motala	C	54	4,400		2018	2019	
Konstnären	Östra Sala Backe, E2, kv 5, Uppsala	A	115	6,150		2018	2020	
Norrbacka	Sigtuna Norrbacka 1:32-36, Sigtuna	A/C	210	12,000		2018	2020	Consto agreement (C)
Ängloket	Ängby 1:1, Knivsta	A/C	270	15,000		2018	2020	Consto agreement (C)
Kilot ⁴	Kilot 3, Halmstad	A	26	1,860		2018	2020	Serneke (C)
Hasseludden ⁴	Hasseludden 1:79, Stockholm	C	60	4,300		2018	2020	
Ophelias Brygga	Del av Gamla Staden 1:1 m.fl., Helsingborg	A	125	7,500		2018	2020	Serneke (C)
Gjuteriet, etapp 2	Nätet 15, Eskilstuna	A	100	5,800		2018	2020	
Slipsen, etapp 1	Stora Råby 33:2 m.fl., Lund	A	195	9,900		2018	2020	Slättö agreement (B)
Norrtälje Hamn, etapp 1 ²	Del av Tälje 3:1 mfl & Alen 1-5, Norrtälje Hamn	A	145	7,400		2018	2020	Slättö agreement (B)
Sportflygaren	Del av Nikolai 3:63 mfl, Örebro	A	145	7,300		2018	2020	
Drottninghög ⁸	Drottninghög södra 3 & del av eskadern 1, Helsingborg	C	100	8,100		2018	2020	
Österhagen ⁴	Länna 4:7, Stockholm	C	72	5,040		2019	2020	
Mesta ⁴	Mesta 5:81, Eskilstuna	C	54	3,950		2019	2020	
Sländan, etapp 3	Sländan 9, Södertälje	A	200	10,000		2019	2021	
Frihamnen ⁷	Del av Lundbyvassen 736:168, Göteborg	H	300	12,000		2019	2021	
Hagby Park	Hagby 1:5, Åkersberga	A	195	10,900		2019	2021	Slättö agreement (B), Consto agreement (C)
Nätverket	Husby 3:3, Åkersberga	A	335	9,200		2019	2021	Slättö agreement (B), Consto agreement (C)
Lommarstranden, etapp 1	Del av Tälje 4:62, Norrtälje	A	100	5,500		2019	2021	Slättö agreement (B), Consto agreement (C)
Norra kajen, etapp 1	Norrmalm 3:18 & 4:2, Sundsvall	A	240	18,000		2019	2021	
Torgkvarteren, etapp 1	Del av Väppeby 7:7, Bålsta	A	220	11,000		2019	2022	Consto agreement (C)
Mejeriet, etapp 1	Filborna 28:4, Helsingborg	A	230	10,400		2019	2022	Slättö agreement, part of project (B)

Project	Property, municipality	Category	Estimated number of apartments	Estimated residential area (sqm)	Local plan	Estimated prod. start	Estimated completion	Planned buyer (B) and/or contractor (C)
Norrtälje Hamn, etapp 2 ²	Del av Tälje 3:1 mfl & Alen 1-5, Norrtälje Hamn	A	145	7,500	●	2019	2022	Slättö agreement (B)
Norrtälje Hamn, etapp 3 ²	Del av Tälje 3:1 mfl & Alen 1-5, Norrtälje Hamn	A	150	7,600	●	2019	2022	Slättö agreement (B)
Torgkvarteren, etapp 2 ²	Del av Våppeby 7:7, Bålsta	A	220	11,000	●	2019	2023	Consto agreement (C)
Slipsen, etapp 2 ²	Stora Råby 33:2 m.fl., Lund	A	195	9,900	●	2019	2023	Slättö agreement (B)
Hammarby-Smedby ⁸	Hammarby-Smedby 1:27, Upplands-Väsby	C	72	7,700	●	2020	2021	
Ystad trädgårdstad ⁹	Mispeln 2, Ystad	C	100	4,600	●	2020	2021	
Skärholmen ⁴	Skärholmen 2:1, Stockholm	A	85	7,000	●	2020	2021	
Frihamnen	Del av Lundbyvassen 736:168, Göteborg	A	150	8,000	●	2020	2022	
Norra kajen, etapp 2	Norrmalm 3:18 & 4:2, Sundsvall	A	230	16,000	●	2020	2022	
Lommarstranden, etapp 2	Del av Tälje 4:62, Norrtälje	A	100	5,500	●	2020	2022	Slättö agreement (B), Consto agreement (C)
Mejeriet, etapp 2	Filborna 28:4, Helsingborg	A	230	10,400	●	2020	2023	
Upplands Väsby Infra City	Grimsta 5:2, Upplands Väsby	A/C/H	800	42,000	●	2020	2023	Consto (C)
Slipsen, etapp 3	Stora Råby 33:2 m.fl., Lund	A	200	9,900	●	2021	2024	Slättö agreement (B)
Mejeriet, etapp 3	Filborna 28:4, Helsingborg	A	240	10,400	●	2021	2024	
Södra Häggviks Gårdar ¹	Stinsen 2, Sollentuna	A/C	1,500	94,000	●	2020	-	Slättö agreement, part of project (B), Skanska agreement (C)
Erstavik ⁵	Erstavik 25:1, Stockholm	C	72	5,180	●	2021	2022	
Norra kajen, etapp 3	Norrmalm 3:18 & 4:2, Sundsvall	A	230	16,000	●	2021	2023	
Bredängshöjden	Vita Liljan 3 m.fl., Stockholm	A	700	35,000	●	tbd ⁶	-	Slättö agreement, part of project (B)
Orminge Centrum	Orminge 52:1, Nacka	A	240	20,000	●	tbd ⁶	-	
Senapsfabriken, etapp 3	Kungsängen 29:2, Uppsala	A	700	29,000	●	tbd ⁶	-	Slättö agreement (B)
Skogskarlen ³	Skogskarlen 3, Solna	A	200	17,400	●	tbd ⁶	-	
Bunkeflostrand	Limhamn 155:355, Malmö	A/C	1,300	58,500	●	tbd ⁶	-	Slättö agreement, part of project (B)
Kvarnsjödal	Tumba 7:241, Botkyrka	A/C	2,000	130,000	●	tbd ⁶	-	Slättö agreement, part of project (B)
Vårby Bryggör	Gambrinus 2 & 4, Huddinge	A/C/H	1,800	85,000	●	tbd ⁶	-	Slättö agreement, part of project (B), Skanska agreement (C)
Skarpnäcksgård 1:1 ⁴	Skarpnäcks gård 1:1, Stockholm	A	60	3,500	●	tbd ⁶	-	
Årstaberg 1 ⁴	Liljeholmen 1:5, Stockholm	A	100	6,300	●	tbd ⁶	-	
Årstaberg 2 ⁴	Årsta 1:1, Stockholm	A	120	7,500	●	tbd ⁶	-	
Total			16,001	898,640				

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 owns 50% of the JV.

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

⁵⁾ Part of JV. Magnolia Bostad's share of the profit amounts to 46%.

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 76%.

⁸⁾ Magnolia Bostad's share of the profit amounts to 78,2%.

⁹⁾ Part of JV. Magnolia Bostad's share of the profit amounts to 39,1%.

A=Apartments, C=Care, H=Hotel

● Local planning in force ● Local planning not in force

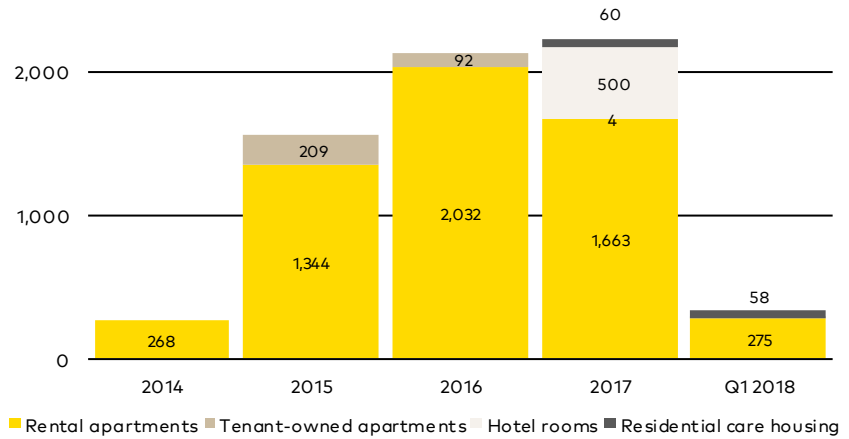
Sold projects in production

At March 31, 2018, Magnolia Bostad had 25 projects in production with a total of 6,036 residential units. Of these, 6,032 were sold and recognized. This corresponds to a sales rate of 99.9 percent. During the quarter, two projects were completed and settled.

During the first quarter, two projects with 333 residential units were sold and recognized.

In sold rental apartment projects, Magnolia Bostad, on behalf of and in cooperation with the buyer, can sell parts of the projects as tenant-owned apartments. In 2018, Magnolia Bostad sold and recognized three converted tenant-owned apartments.

Sold apartments in production and finished projects, outcome



Conversions in sold rental apartments projects in 2018

Project	Municipality	Number of converted TO-apartments sold to end customer	Partner
Gjuteriet, #2	Eskilstuna	3	Slättö
Total		3	

Projects closed in 2018

Project	Municipality	Type of ownership	Number of apartments	Buyer
Lumen	Sollentuna	TO	90	Brf
Terra Nova	Visby	C	60	M&G
Total			150	

Sold projects in production

In the following projects, Magnolia Bostad's share of earnings amounts to 90 percent unless otherwise specified.

Project	Property, municipality	Type of ownership	Sold ap. in production	Residential area (sqm)	Unsold ap. in production	Producti onstart	Completion	Buyer	Contractor
Slipen	Del av Varvet 2, Karlstad	RU	216	12,300	0	2015	2018	Slättö	Consto
Maria Forum	Slagan 1, Helsingborg	RU	292	12,500	0	2015	2018	Alecta	Serneke
Bryggeriet	Norrland 11, Helsingborg	RU	327	14,700	0	2015	2019	Alecta	Skanska
Nyby Liliüm, etapp 1	Del av Gamla Uppsala 99:1, Uppsala	RU	300	14,000	0	2015	2019	SEB Domestica II	Serneke
Kalkstenen	Tankloket 1, Malmö	RU	129	5,100	0	2015	2019	SPP Fastigheter	Veidekke
Cementfabriken	Kölen 1, Malmö	RU	144	7,100	0	2015	2019	SPP Fastigheter	Veidekke
Varvet	Varvet 4 & Del av Varvet 2, Karlstad	TO	92	6,100	0	2016	2018	Brf	Consto
Segelflygaren	Glidplanet 1, Örebro	RU	210	10,000	0	2016	2018	Slättö	Consto
Maria Mosaik	Arkeologen 1 & Antikvarien 1, Helsingborg	RU	345	16,000	0	2016	2020	SPP Fastigheter	Veidekke
Senapsfabriken, etapp 1 ¹	Kungsängen 25:1, kv 2, Uppsala	RU	455	19,400	0	2016	2019	SEB Domestica III	NCC
Tegelslagaren	Vallentuna-Åby 1:166, Vallentuna	RU	155	6,150	0	2016	2019	SEB Domestica II	ED Bygg
Tegelmästaren	Vallentuna-Åby 1:171, Vallentuna	RU	160	5,950	0	2016	2019	SEB Domestica II	ED Bygg
Sländan, etapp 1	Sländan 6, Södertälje	RU	445	19,000	0	2016	2019	SPP Fastigheter	ED Bygg
Gjuteriet, etapp 1	Nätverket 1 & Namnsdagen 1, Eskilstuna	RU	262	13,900	0	2016	2019	Slättö	Consto
Varvet Townhouse	Varvet 4 & Del av Varvet 2, Karlstad	TO	4	700	4	2017	2018	Brf	Consto
Sländan, etapp 2	Sländan 8, Södertälje	RU	130	5,300	0	2017	2020	Viva Bostad	ED Bygg
Fyren, etapp 1	Telegrafan 16, Nynäshamn	RU	220	10,500	0	2017	2020	Viva Bostad	Consto
Fyren, etapp 2	Telegrafan 16, Nynäshamn	RU	236	11,600	0	2017	2020	SEB Domestica IV	Consto
Hotell Resecentrum ²	Kilot 2, Halmstad	H	240	9,500	0	2017	2020	Alecta	Serneke
Hotell Brunshög ²	Morgonen 1, Lund	H	260	8,900	0	2017	2020	Alecta	Serneke
Hyllie Valhall ²	Valhall 1, Malmö	RU	427	21,000	0	2017	2021	Vault investment partners	ED Bygg
Senapsfabriken, etapp 2 norra ¹	Del av Kungsängen 45:1, 29:3, Uppsala	RU	325	13,100	0	2017	2022	Slättö ramavtal	NCC
Senapsfabriken, etapp 2 södra ¹	Del av Kungsängen 45:1, 29:3, Uppsala	RU	325	13,900	0	2017	2023	Heimstaden Bostad	NCC
Visborg ²	Skenet 3, Visby	C	58	3,950	0	2018	2019	Northern Horizon	Peab
Fasanen	Burlöv Arlöv 20:58 m.fl., Burlöv	RU	275	12,675	0	2018	2020	Heimstaden Bostad	Serneke
Total			6,032	273,325	4				

¹) Magnolia Bostad's share of the profit amounts to 76,3%.

²) Magnolia Bostad's share of the profit amounts to 92%.

RU=Rental unit, TO=Tenant-owned, H=Hotels, C=Care

The share

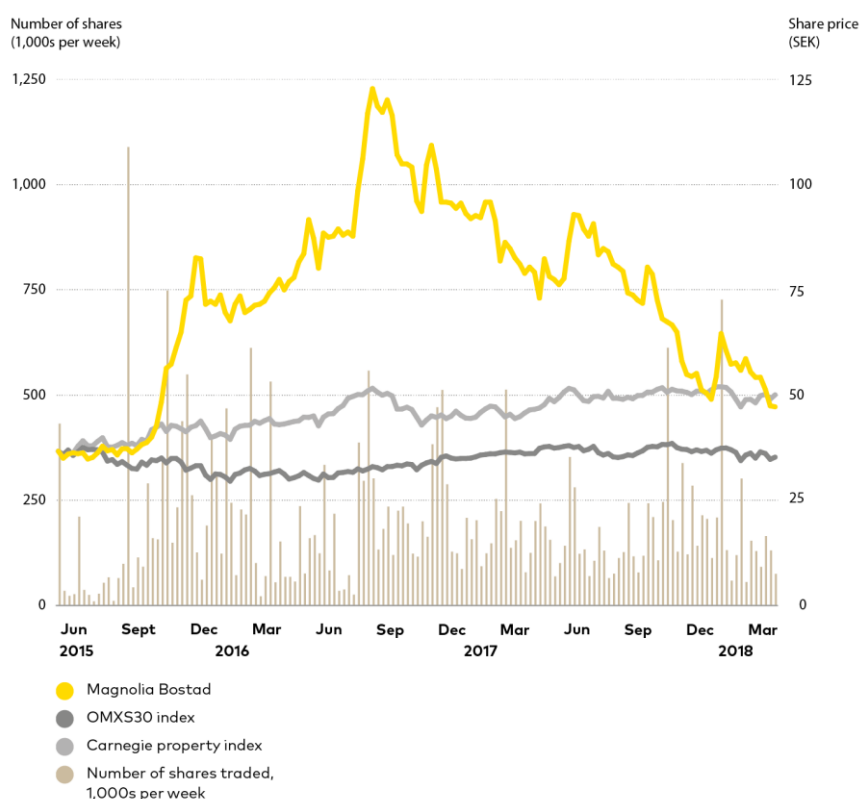
F. Holmström Fastigheter AB, in which Fredrik Holmström has a controlling interest through companies, holds a 56.38 percent stake in Magnolia Bostad. As at March 31, 2018 the company had 5,011 shareholders (3,665). The total number of issued shares at the end of the period was 37,822,283.

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 2018, Magnolia Bostad plans to apply for listing for the share on Nasdaq Stockholm.

The share price at closing on March 29, 2018, was SEK 48.15. On average, 145 transactions were conducted per trading day between June 1, 2018 and March 31, 2018, and the average trading volume per trading day was SEK 2.2 million.

The Annual General Meeting held on April 26, 2017, resolved to issue 350,000 warrants to the subsidiary, Magnolia Utveckling AB. During Q1 2018, 260,500 warrants were transferred to employees in accordance with the warrant program, other warrants remains in the custody of Magnolia Utveckling AB. Each warrant entitles the holder to the right to subscribe to one share for a strike price of SEK 84 per share.

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



Average number of outstanding shares

	2018		2017	
	31 Mar	Full-year	31 Mar	Full-year
Average number of outstanding shares	37,822,283	37,822,283	37,822,283	37,822,283

Dividend

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

To the 2018 Annual General Meeting the Board is proposing a dividend of SEK 1.75 per share (1.75), which corresponds, if the Meeting approves the proposal, to a direct yield of 3.6 percent of Magnolia Bostad's share price on March 31, 2018.

Owners

Largest shareholders as at March 31, 2018

Number of shares	Number of share holders	Shareholder category	No.	Shareholders per country	No.
1–500	4,118	Corporation	239	Sweden	4,898
501–1 000	374			Other Nordic countries	46
1 001–2 000	194	Private individuals, men	3,282	Other European countries (excl. Sweden and the Nordics)	58
2 001–5 000	172			USA	5
5 001–10 000	78	Private individuals, women	1,490	Rest of the world	4
10 001–50 000	48				
50 001–	27	Total	5,011		
Total	5,011	of which living in Sweden	4,898	Total	5,011

Largest shareholders as at March 31, 2018

Shareholders	Number of shares	Percentage of	
		Share capital	Votes
F. Holmström Fastigheter	21,323,837	56.38%	56.38%
Danica Pension	3,128,534	8.27%	8.27%
Länsförsäkringar Fondförvaltning AB	2,635,908	6.97%	6.97%
Nordnet Pensionsförsäkring AB	1,604,837	4.24%	4.24%
Svolder Aktiebolag	1,494,009	3.95%	3.95%
Försäkringsaktiebolaget, Avanza Pension	686,264	1.81%	1.81%
Dahlin, Martin	581,611	1.54%	1.54%
Larsson, John	388,540	1.03%	1.03%
Cliens Sverige Fokus	346,864	0.92%	0.92%
Cliens Sverige Mixfond	246,596	0.65%	0.65%
Total 10 largest shareholders	32,437,000	85.76%	85.76%
Other shareholders	5,385,283	14.24%	14.24%
Total	37,822,283	100%	100%

Financial information

Consolidated Condensed Income Statement

Amounts in MSEK	2018 Jan-Mar	2017 Jan-Mar	2017/2018 Apr-Mar	2017 Jan-Dec
Net sales	532	77	2,236	1,781
Production and operating costs	-404	-45	-1,706	-1,347
Gross profit/loss	128	32	530	434
Central administration	-12	-8	-45	-41
Profit/loss from participations in associated companies and joint ventures	-3	-4	-8	-9
Operating profit/loss	113	20	477	384
Financial income	2	1	7	6
Financial expenses	-35	-24	-126	-115
Change in value, financial instruments	-	0	0	0
Profit/loss before tax	80	-3	359	276
Income tax	0	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	80	-3	359	276
Profit/loss attributable to				
Parent company shareholders	81	-2	286	203
Non-controlling interests	-1	-1	73	73
Earnings per share (SEK)				
Before dilution effects	2.14	-0.05	7.56	5.37
After dilution effects	2.14	-0.05	7.56	5.37

Consolidated Statement of Comprehensive Income

Amounts in MSEK	2018 Jan-Mar	2017 Jan-Mar	2017/2018 Apr-Mar	2017 Jan-Dec
Net profit/loss for the period	80	-3	359	276
OTHER COMPREHENSIVE INCOME FOR THE PERIOD				
Total other comprehensive income	0	0	0	0
COMPREHENSIVE INCOME FOR THE PERIOD	80	-3	359	276
Comprehensive income attributable to				
Parent Company shareholders	81	-2	286	203
Non-controlling interests	-1	-1	73	73

Consolidated Condensed Statement of Financial Position

Amounts in MSEK	2018 31 Mar	2017 31 Mar	2017 31 Dec
ASSETS			
Non-current assets			
Goodwill	6	6	6
Other intangible assets	1	1	1
Total intangible assets	7	7	7
Machinery and equipment	8	7	8
Total property, plant and equipment	8	7	8
Shares in associated companies and joint ventures	109	114	111
Receivables from associated companies	24	23	24
Other securities held as non-current assets	31	31	31
Other long-term receivables	1,202	468	1,165
Total financial assets	1,365	636	1,330
Total non-current assets	1,380	650	1,345
Current assets			
Development and project properties	1,101	1,453	1,310
Tenant-owned apartments	4	4	4
Accounts receivable	13	2	31
Receivables from associated companies	42	19	52
Other receivables	662	509	595
Prepaid expenses and accrued income	5	4	5
Cash and cash equivalents	442	138	208
Total current assets	2,268	2,129	2,205
TOTAL ASSETS	3,648	2,779	3,550

Consolidated Condensed Statement of Financial Position

Amounts in MSEK	2018 31 Mar	2017 31 Mar	2017 31 Dec
EQUITY AND LIABILITIES			
Equity			
Share capital	151	151	151
Other capital contributions	187	185	185
Retained profits incl. net profit/loss for the period	737	516	655
Equity attributable to Parent Company shareholders	1,075	852	991
Non-controlling interests	178	135	180
Total equity	1,254	987	1,171
Non-current liabilities			
Deferred tax liability	2	2	2
Non-current interest-bearing liabilities	1,399	1,267	1,566
Non-current liabilities to associated companies	24	-	35
Other long-term liabilities	30	54	30
Total long-term liabilities	1,455	1,323	1,633
Current liabilities			
Current interest-bearing liabilities	656	262	507
Derivatives	-	0	-
Accounts payable	55	68	16
Liabilities to associated companies	0	11	1
Income tax liabilities	2	0	0
Other current liabilities	108	40	85
Accrued expenses and deferred income	118	88	136
Total current liabilities	939	469	745
TOTAL EQUITY AND LIABILITIES	3,648	2,779	3,550

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 1/1/2017	151	185	0	517	136	989
Net profit/loss for the period	-	-	-	-2	-1	-3
Other comprehensive income	-	-	0	-	0	0
Closing equity 3/03/2017	151	185	0	516	135	986
Dividend	-	-	0	-66	-30	-96
Acquisition of subsidiaries	-	-	-	-	1	1
Net profit/loss for the period	-	-	-	205	74	280
Other comprehensive income	-	-	0	-	0	0
Closing equity 12/31/2017	151	185	0	655	180	1,171
Opening equity 1/1/2018	151	185	0	655	180	1,171
Issue of warrants	-	2	-	-	-	2
Net profit/loss for the period	-	-	0	81	-1	80
Other comprehensive income	-	-	0	-	0	0
Closing equity 03/31/2018	151	187	0	737	178	1,254

Condensed Consolidated Cash Flow Statement

Amounts in MSEK	2018 Jan-Mar	2017 Jan-Mar	2017/2018 Apr-Mar	2017 Jan-Dec
Operating activities				
Profit/loss after financial items	80	-3	359	276
Adjustments for non-cash items, etc				
Less share of profit/loss from associated companies and joint ventures	3	4	8	9
Depreciation/amortization and impairment of assets	1	1	2	2
Capital gains/losses from the sale of development properties	-136	-37	-683	-584
Other provisions	0	0	0	0
Other profit/loss items that do not affect liquidity	2	-1	9	6
Income tax paid	0	-1	1	0
Cash flow from operating activities before changes in working capital	-50	-37	-304	-291
Decrease(+)/increase(-) of development and project properties	209	-293	346	-156
Decrease(+)/increase(-) in current receivables	-129	-66	-257	-194
Decrease(+)/increase(-) in current liabilities	32	12	44	24
Cash flow from operating activities	62	-384	-171	-617
Investing activities				
Acquisition of intangible fixed assets	0	-1	0	-1
Acquisition of property, plant and equipment	0	-7	-2	-9
Investment in financial assets	-1	0	-4	-3
Cash flow from investing activities	-1	-8	-6	-13
Financing activities				
Contribution from non-controlling interest	-	-	1	1
Issue of warrants	2	-	2	-
Borrowings	253	25	825	597
Repayment of borrowings	-82	-1	-281	-200
Dividend paid	-	-	-66	-66
Cash flow from financing activities	173	24	481	332
Cash flow for the period	234	-368	304	-298
Cash and cash equivalents at the beginning of the period	208	507	138	507
Cash and cash equivalents at the end of the period	442	138	442	208

Parent Company Condensed Income Statement

Amounts in MSEK	2018 Jan-Mar	2017 Jan-Mar	2017/2018 Apr-Mar	2017 Jan-Dec
Net sales	0	0	14	14
Total income	0	0	14	14
Central administration	-11	-7	-11	-7
Operating profit/loss	-11	-7	3	7
Financial income	15	14	358	357
Financial expenses	-17	-16	-65	-64
Profit/loss after financial items	-13	-10	273	276
Tax on profit/loss for the period	0	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	-13	-10	273	276

Parent Company Statement of Comprehensive Income

Amounts in MSEK	2018 Jan-Mar	2017 Jan-Mar	2017/2018 Apr-Mar	2017 Jan-Dec
Net profit/loss for the period	-13	-10	273	276
OTHER COMPREHENSIVE INCOME FOR THE PERIOD				
Total other comprehensive income	0	0	0	0
COMPREHENSIVE INCOME FOR THE PERIOD	-13	-9	273	276

Parent Company Condensed Balance Sheet

Amounts in MSEK	2018 31 Mar	2017 31 Mar	2017 31 Dec
ASSETS			
Non-current assets			
Financial assets	154	349	154
Total non-current assets	154	349	154
Current assets			
Current receivables			
Receivables from Group companies	1,262	771	1,191
Receivables from associated companies	0	0	0
Other receivables	1	0	2
Prepaid expenses and accrued income	1	1	0
Total current receivables	1,264	772	1,193
Cash and bank balances	79	5	4
Total current assets	1,343	777	1,197
TOTAL ASSETS	1,497	1,126	1,351
EQUITY AND LIABILITIES			
Equity	438	231	451
Non-current liabilities			
Interest-bearing liabilities	1,040	878	883
Total long-term liabilities	1,040	878	883
Current liabilities			
Liabilities to Group companies	0	0	0
Other current liabilities	2	1	1
Accrued expenses and deferred income	17	16	16
Total current liabilities	19	17	17
TOTAL EQUITY AND LIABILITIES	1,497	1,126	1,351

Other information

Accounting principles

Magnolia Bostad follows the IFRS standards approved by the EU. The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. For the Parent Company, the interim report has been prepared in accordance with the Annual Accounts Act, which is in accordance with the provisions set out in RFR 2. The accounting principles agree with those used by the Group in the 2017 Annual Report. Disclosures in accordance with IAS 34 Interim Financial Reporting are provided as both notes and in other places in the interim report.

New accounting principles

IFRS 9 Financial Instruments refers to the accounting of financial instruments. The new standard applies as of 2018 and replaces IAS 39. It contains rules for the classification and measurement of financial assets and liabilities, the impairment of financial instruments and hedge accounting. Magnolia Bostad has chosen to apply the relief rules that exist in the standard and do no retroactive recalculation of previous periods. For Magnolia Bostad, the new standard entails a new base for the classification and valuation of financial instruments as well as a forward-looking write-down model for financial assets. All financial assets and financial liabilities will continue to be valued on the same basis as previously applied under IAS 39. Magnolia Bostad has not identified any significant effects from the application of IFRS 9.

Effects of the transition to IFRS 15
IFRS 15 Revenue from Contracts with Customers entered into force for financial years commencing on January 1, 2018 or later and replaces the previously issued standards and interpretations that relate to revenue with a joint model for revenue recognition. The standard will be applied by the Group and Parent Company starting on January 1, 2018, with full retrospective restatement.

Revenue recognition of project management agreements

Project management is reported under IFRS 15, like under the previous accounting principles, as a performance obligation, and the revenue attributable to the project management is reported over time in accordance with the input method since control is passed over time. Under the input method, revenue is recognized on the basis of initiatives or input to meet a performance obligation in relation to the total expected input for the satisfaction of the performance obligation.

Revenue recognition of project development

In accordance with IFRS 15, revenue recognition of project development occurs when the control has been passed to the purchaser. The Group makes the assessment that the point in time for revenue recognition under IFRS 15 has not changed compared to previous principles and control has been passed to the purchaser when (i) a binding agreement is entered into with a purchaser of the project (the property), (ii) local planning is in place, and (iii) a binding turnkey contract has been entered into with a contractor. The transaction price contains elements of variable consideration. For rental apartment projects, hotels and residential care facilities, the variable consideration is linked to the future property's rent/net operating income and area. Variable remuneration amounts are estimated at the expected value and included in the transaction price to the extent that a significant reversal at a later point in time is highly improbable. At the end of each reporting period, the estimated transaction price is updated to correctly reflect the circumstances at that point in time.

Some of the revenue was also recognized in accordance with previously applied accounting principles first when the outcome of some uncertainty, such as vacancy risk and potential risk in the turnkey contract, is known and the uncertainty in the variable consideration of the transaction price has ceased. As of 2016, potential uncertainty regarding planning risk in the assessment of the variable remuneration amount was also taken into account.

The transition to IFRS 15 has led to some redistribution in the time for revenue in projects recognized before the assessments and estimates linked to the planning risk were introduced in 2016. Revenue recognition prior to 2016 did not take into account potential uncertainty in the planning risk, which, following retrospective application of IFRS 15, resulted in lower initial revenue in some projects settled in 2015.

For tenant-owned apartment projects, the transition to IFRS 15 did not have any effects.

Accumulated project profit/loss and thus outgoing equity in 2017 are unchanged compared to the application of previous accounting principles. A compilation of the effects on the Consolidated Income Statement and Consolidated Balance Sheet from the application of IFRS 15 is presented in the tables below.

For the interim period 1 January to 31 March 2017, the transition to IFRS 15 has affected Net sales, Gross profit, Operating profit, Profit before tax and Profit for the period positively by SEK 6 million. The balance sheet as at 31 March 2017 has been impacted by SEK -3 million on Other long-term receivables, Total non-current assets, Total assets, Equity and Total equity and liabilities of the transition to IFRS 15.

Income statement 2015

Amounts in MSEK	Previous reporting	IFRS 15 adjustment	According to IFRS 15
Operating income and expenses			
Net sales	876	-63	813
Production and operating costs	-657	-	-657
Gross profit/loss	219	-63	156
Central administration	-13	-	-13
Profit/loss from participations in associated companies and joint ventures	0	-	0
Revaluation during transition from associated company to subsidiary	153	-	153
Operating profit/loss	359	-63	296
Financial income	3	-	3
Financial expenses	-52	-	-52
Profit/loss before tax	308	-63	245
Income tax	-1	-	-1
Net profit/loss for the year	308	-63	245

Income statement 2016

Amounts in MSEK	Previous reporting	IFRS 15 adjustment	According to IFRS 15
Operating income and expenses			
Net sales	1,010	54	1,064
Production and operating costs	-642	-	-642
Gross profit/loss	368	54	422
Central administration	-27	-	-27
Profit/loss from participations in associated companies and joint ventures	14	-	14
Operating profit/loss	355	54	409
Financial income	3	-	3
Financial expenses	-93	-	-93
Profit/loss before tax	265	54	319
Income tax	0	-	0
Net profit/loss for the year	265	54	319

Income statement 2017

Amounts in MSEK	Previous reporting	IFRS 15 adjustment	According to IFRS 15
Operating income and expenses			
Net sales	1,772	9	1,781
Production and operating costs	-1,347	-	-1,347
Gross profit/loss	425	9	434
Central administration	-41	-	-41
Profit/loss from participations in associated companies and joint ventures	-9	-	-9
Operating profit/loss	375	9	384
Financial income	6	-	6
Financial expenses	-115	-	-115
Profit/loss before tax	267	9	276
Income tax	0	-	0
Net profit/loss for the year	267	9	276

Balance sheet 1/1/2015

Amounts in MSEK	Previous reporting	IFRS 15 adjustment	According to IFRS 15
Other long-term receivables	15	-	15
Other long-term assets	109	-	109
Total non-current assets	124	-	124
Total current assets	671	-	671
Total assets	794	-	794
Equity	253	-	253
Total provisions/long-term liabilities	494	-	494
Current liabilities	46	-	46
Total equity and liabilities	794	-	794

Balance sheet 12/31/2015

Amounts in MSEK	Previous reporting	IFRS 15 adjustment	According to IFRS 15
Other long-term receivables	279	-63	216
Other long-term assets	64	-	64
Total non-current assets	342	-63	279
Total current assets	1,546	-	1,546
Total assets	1,888	-63	1,825
Equity	771	-63	708
Total provisions/long-term liabilities	843	-	843
Current liabilities	274	-	274
Total equity and liabilities	1,888	-63	1,825

Balance sheet 12/31/2016

Amounts in MSEK	Previous reporting	IFRS 15 adjustment	According to IFRS 15
Other long-term receivables	406	-9	397
Other long-term assets	177	-	177
Total non-current assets	583	-9	574
Total current assets	2,172	-	2,172
Total assets	2,755	-9	2,746
Equity	998	-9	989
Total provisions/long-term liabilities	1,361	-	1,361
Current liabilities	396	-	396
Total equity and liabilities	2,755	-9	2,746

Balance sheet 12/31/2017

Amounts in MSEK	Previous reporting	IFRS 15 adjustment	According to IFRS 15
Other long-term receivables	1,165	-	1,165
Other long-term assets	180	-	180
Total non-current assets	1,345	-	1,345
Total current assets	2,205	-	2,205
Total assets	3,550	-	3,550
Equity	1,171	-	1,171
Total provisions/long-term liabilities	1,633	-	1,633
Current liabilities	745	-	745
Total equity and liabilities	3,550	-	3,550

Change in equity

Amounts in MSEK	Previous reporting	IFRS 15 adjustment	According to IFRS 15
Opening balance 1/1/2015	253	-	253
Redistribution during transition from associated company to subsidiary	-38	-	-38
New share issue	193	-	193
Issue expenses	-13	-	-13
Acquisition of subsidiaries	74	-	74
Dividend	-6	-	-6
Net profit/loss for the year	308	-63	245
Closing balance 12/31/2015	771	-63	708

For a more detailed description of the applied accounting principles for the Group and Parent Company, refer to Magnolia Bostad AB's 2017 Annual Report.

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. All transactions occurred on market terms and conditions.

Magnolia Bostad and the CEO's company, Fredrik Lidjan AB (FLAB), following the resolution of the Extraordinary General Meeting on October 13, 2017, reached a new agreement regarding future collaborations.

The agreement entails that all new projects acquired by Magnolia Bostad will be signed with a Group subsidiary in which Fredrik Lidjan via Fredrik Lidjan AB will hold an 8-percent ownership and Magnolia Bostad 92 percent.

For more information, see the documentation from the extraordinary general meeting on October 13, 2017, at www.magnoliabostad.se under Annual General Meeting.

Of the profit for the period attributable to non-controlling interests of SEK -1 million, SEK -2 million is attributable to FLAB's share of profit in Magnolia Holding 3 AB and SEK 0 million attributable to Magnolia Holding 4 AB.

Board Member Andreas Rutili through companies has ownership and a right to a share of the profits in the projects Senapsfabriken Phase 1 and Senapsfabriken Phase 2.

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 84 and Notes 4, 9 and 35 of the 2017 Annual Report and www.magnoliabostad.se.

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 86 – 87 and Note 3 of the Annual Report.

Sustainability

Magnolia Bostad works to achieve sustainable development and a reduced footprint by developing financially, socially and environmentally sustainable residential areas. During the previous financial year, Magnolia Bostad conducted a stakeholder dialogue and identified material aspects that form the basis for its continued

sustainability work. Furthermore, a long-term sustainability program was developed. For a more in-depth description of Magnolia Bostad's sustainability work, see pages 56-72 in the 2017 Annual Report. Sustainability is a natural part of Magnolia Bostad's operations and housing business. Taking a long-term approach is not just about developing financially, socially and environmentally sustainable buildings and districts. It is also a prerequisite for the company's growth and profitability.

Organizational structure

Magnolia Bostad is a versatile and scalable organization divided into the following areas: Business Development, Business Area Development, Project Development, Finance, Marketing and Communications and Staff. As at March 31, 2018, the company had 64 employees (61), of which 36 (33) were women and 27 (28) were men at the offices in Stockholm and Helsingborg. Comparative figures refer to December 31, 2017.

Executive Management did not change in Q1 2018. In 2017, Executive Management increased by two members and at the end of the year consisted of eight people. For more information about Magnolia Bostad's management team, visit www.magnoliabostad.se.

Stockholm, April 27, 2018,
Magnolia Bostad AB

Board of Directors

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

Quarterly overview

	2018			2017			2016	
	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun
Net sales (SEK million)	532	718	194	792	77	174	228	442
Operating profit/loss (SEK million)	113	230	8	127	20	91	85	124
Profit/loss after tax (SEK million)	80	198	-21	103	-3	64	64	93
Earnings per share (SEK) ¹	2.14	4.26	-0.51	1.69	-0.05	1.46	1.52	1.90
Equity (SEK million)	1,254	1,171	974	994	987	989	926	861
Equity per share (SEK) ¹	28.42	26.20	21.97	22.47	22.53	22.58	21.14	19.60
Equity/assets ratio (%)	34.4	33.0	30.3	34.4	35.5	36.0	37.2	36.2
Cash flow from operating activities (SEK million)	62	-177	-220	165	-384	305	-70	-235
Cash flow from the operating activities, per share (SEK)	1.6	-4.7	-5.8	4.3	-10.2	8.1	-1.8	-6.2
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	37,822,283	37,822,283	37,822,283	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 with dilution effect were up until June 30, 2017 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 the 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.

Equity/assets ratio (%)

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

Profit margin, %

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

For reconciliation of alternative KPIs, refer to ESMA KPIs at Magnolia Bostad AB's website, www.magnolia-bostad.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 residential units in acquired properties.

Sales rate

Sold residential units in production divided by units in projects in production.

Sold residential units in production

Number of residential units in sold projects where binding sales agreements were signed and the revenue recognized.

This is Magnolia Bostad

Magnolia Bostad is an urban developer that creates districts and neighborhoods where housing is an important part of a greater context.



Our business model allows us to offer a comprehensive offer – rental apartments, tenant-owned apartments, residential care facilities and hotels – for municipalities that want to develop new districts and residential areas. Together with select partners, we create sustainable homes and residential areas where people are happy and can afford to live.

Business concept

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

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 as of 2018

Magnolia Bostad shall have the capacity to:

- start production on 3,000 residential units
- produce two to four residential care facilities, senior housing or student housing per year
- produce one to two hotels per year.

Sustainability targets

- Certification in accordance with as a minimum Sweden Green Building Council Silver in all our projects.

Strategy

Working with several forms of housing 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 12-13 in Magnolia Bostad's 2017 Annual Report.

Dividend policy

The dividend policy must be based on what is considered at any given time to promote the overall goal of optimizing the total return for the shareholders.

Financial Calendar

- Annual General Meeting 2018: April 27, 2018
- Interim Report January–June 2018: July 9, 2018
- Interim Report January–September 2018: October 24, 2018
- Year-End Report January–December 2018: February 22, 2019

Contact

Fredrik Lidjan, CEO
fredrik.lidjan@magnoliabostad.se
+46 (0)70 223 43 47

Fredrik Westin, CFO
fredrik.westin@magnoliabostad.se
+46 (0)70 943 73 31

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

Information Magnolia Bostad publishes in this report is required in accordance with the EU Market Abuse Regulation (EU) No. 596/2014. The information was submitted for publication through the agency of the contact persons set above on April 27, 2018, at 7:45 a.m.

MAGNOLIA

Magnolia Bostad AB
Sturegatan 6
Box 5853, 102 40 Stockholm
Telephone +46 8 470 50 80
magnoliabostad.se