

MAGNOLIA

Magnolia Bostad
Interim Report
The Group
1 January –
30 September 2018

Q3

Interim report

January-September 2018

January - September 2018

- Net sales amounted to SEK 1,012 m (1,063).
- The operating profit was SEK 196 m (155).
- The net profit for the period was SEK 92 m (78). Earnings per share, after deductions for minority shares, was SEK 2.35 per share (1.08).
- Magnolia Bostad agreed during the period on the acquisition of 2,511 estimated building rights (5,825) and the number of residential units sold during the period was 1,292 (1,004).
- The company's shares were listed for trading on Nasdaq Stockholm's main list on 20 June.

July - September 2018

- Net sales amounted to SEK 214 m (194).
- The operating loss was SEK -10 m (8).
- The loss for the period was SEK -47 m (-21). Earnings per share, after deductions for minority shares was SEK -1.24 per share (-0,50).
- Agreed during the period on the acquisition of 0 estimated building rights (0) and the number of residential units sold during the period was 247 (224).

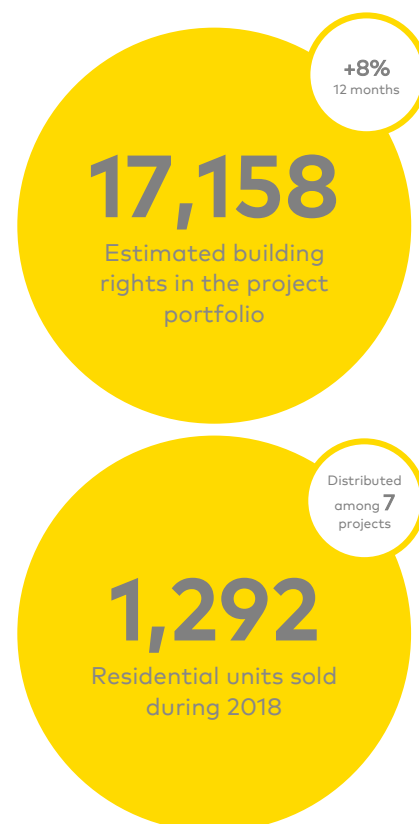
Significant events during the quarter

July-September 2018

- Signed Letter of Intent with Derome regarding new production of wooden multi-family houses, 600-800 homes per year over a five-year period for delivery to Magnolia Bostad's projects.
- Sold two residential care centres, one in Motala and one in Helsingborg, totaling 134 residential care units, as well as 45 rental apartments in Helsingborg.
- Construction started on the Ophelias Brygga project in Helsingborg, 68 apartments sold to tenant owners.

Significant events after the end of the period

- Issued a new unsecured four-year bond loan of SEK 500 m in a framework of SEK 700 m for financing continued expansion, acquisitions and a partial repurchase of outstanding bond maturing in 2020.



KPIs, Group

	2018 Jan-Sep	2017 Jan-Sep	2018 Jul-Sep	2017 Jul-Sep	2017/2018 Oct-Sep	2017 Jan-Dec
Project-related						
Number of sold apartments during the period	1,292	1,004	247	224	2,515	2,227
Total number of apartments in production	6,992	4,626	6,992	4,626	6,992	5,849
Number of estimated building rights in the portfolio	17,158	15,848	17,158	15,848	17,158	16,429
Financials						
Operating margin (%)	19.4	14.6	-4.7	4.1	24.6	21.6
Return on equity (%) ¹	-	-	-	-	27.2	22.0
Equity/assets ratio (%)	36.8	30.3	36.8	30.3	36.8	33.0
Interest coverage ratio (multiple)	1.8	2.0	-0.2	0.3	3.0	3.4
Share-related						
Earnings per share (SEK) ¹	2.35	1.08	-1.24	-0.50	6.64	5.37
Equity per share (SEK) ¹	26.89	21.97	26.89	21.97	26.89	26.20

¹ Excluding the minority

For definitions of alternative KPIs that are not defined in IFRS, see page 28

A word from the CEO

The third quarter is usually a quarter with fewer business ventures, and this was also the case this year. Activity has nevertheless been high at the company - we have achieved a positive cash flow from operating activities for both the quarter and the interim period, and we have strengthened our financial muscles by successfully issuing a new bond loan.

During the quarter, the company received the proceeds from several projects and, as a result, can report a positive cash flow from operating activities for both the quarter and the interim period. During the quarter, we could therefore amortize our liabilities and pay our vendor loans from the acquisition of Svenska Vårdfastigheter, which resulted in an increase in the equity/assets ratio to 36.8% (32.7).

We have also successfully placed an unsecured bond loan of SEK 500 m within a framework of SEK 700 m. The proceeds will be used to fund the company's continued expansion, refinancing existing debt and for future acquisitions.

This summer, I was able to tell you that we had started collaborating



with the wooden house specialist Derome Hus on the development of sustainable neighbourhoods and residential areas. The collaboration will now be extended after we signed a letter of intent which means that Derome will deliver wooden multi-family houses for Magnolia Bostad's projects. The agreement covers 600-800 homes per year and extends over five years.

Magnolia Bostad's acquisition of Svenska Vårdfastigheter last summer continues to bear fruit. During the quarter, we sold off two further residential care centres, one in Motala and one in Helsingborg totaling 134 residential care units and 45 rental apartments in Helsingborg. The project in Helsingborg is a joint venture that was part of the acquisition of Svenska Vårdfastigheter. The residential care market is still looking stable.

During the period, work started on the Ophelias Brygga project in Helsingborg's new Oceanhamnen district. Magnolia Bostad is building 126 homes here in a beautiful location by the water and only a stone's throw from Helsingborg's Knutpunkten transport hub. The city of Helsingborg and the new urban renewal project "H+" have a clear environmental profile, and the ambition is to reduce long-term energy consumption in the city with innovative and eco-friendly solutions. Occupancy is planned for 2020.

As I look forward, I would like to mention the reorganization work

currently underway at Magnolia Bostad. Our new organization will be in place from the beginning of the year. It is based on four regions (East, Mid, West and South), with its own project organization. The aim is to get closer to each region's local micro market, which we believe will generate good business opportunities in the future.

As part of this reorganization, we have also implemented changes to the management team. We have recently recruited two new members to the management team: Thomas Persson, as Regional Manager, Öst (East) and Head of Business Generation, and Christina Hambäck, Head of Business and Analysis. Both have solid experience in the property industry and will be major assets in Magnolia Bostad's continued development.

We are also exploring the possibility of developing rental accommodation which we will manage ourselves and acquiring investment properties with long-term development potential for accommodation. Owning and actively managing properties would contribute to long-term value creation, stability and good cash flow to Magnolia Bostad.

Fredrik Lidjan
CEO

The Market

Property transaction market*

The property transaction market has shown a positive trend for several years, with falling direct yields and rising prices in most property segments and geographic markets in Sweden. T

The low interest rate has produced advantageous financing and led to the fact that property is still seen as an attractive alternative investment from a risk and return perspective.

Accumulated transaction volumes up to Q3 2018 amounted to SEK 105 billion, of which foreign investors accounted for 32% of the volume. This can be compared with the same period in 2017, where the volume of transactions was SEK 99 billion.

During Q3 2018, foreign investors have continued to show strong interest in the Swedish property market through, among other things, direct investments and structural transactions.

During the first nine months of 2018, rental apartments have been the segment attracting the most investment and accounted for 33% of the total transaction volume, where the corresponding figure for 2017 was 23%. Offices at 24% was the second most traded segment followed by municipal property, including residential care homes, and which accounted for 10%. Hotels and land accounted for 3% and 7% of the total transaction volume respectively.

Up to and including Q3 2018, Stockholm accounted for the largest share of the total transaction volume with 41%, regional cities accounted for 21%, Malmö for 13% and Göteborg for about 10%.

Rental accommodation

The direct yield for centrally located rental properties in Greater Stockholm, Göteborg and Malmö was around 1.45%, 1.65% and 2.40% respectively in Q3. T

The direct yield for rental properties in regional cities was between 3.00 and 4.00%. For new production in regional cities, the yield is between 4.00 and 5.00%.

Residential care property

Municipal property, which includes residential care property, has seen a significant increase in value. A significant population increase and a rapidly-aging population is putting pressure on welfare and its funding. The direct yield for residential care property in Greater Stockholm, Göteborg and Malmö is in the range of 3.75 - 4.75%, 4.25 - 5.25% and 4.50 - 5.50% respectively.

Hotels

An increase in demand for hotel rooms of 4.00%** is estimated for 2018 and 2019. Hotel room occupancy is linked to economic growth. In recent years in the major cities, demand for hotel accommodation from private travellers has also increased.

The transactions completed in central locations indicates direct yields that marginally exceed the yields for offices in corresponding positions, provided that the bulk of the rent is fixed or index-adjusted and only a small portion is sales-based. The direct yield for hotels in Greater Stockholm, Göteborg and Malmö is estimated to be in the range of 3.75 - 5.50%, 4.50 - 5.50% and 4.75 - 5.75% respectively.

Student housing

Student housing differs in several ways from other accommodation. Above all, it is characterized by a high rate of changing occupancy with an average residence period of two years. The direct yield for student housing in Greater Stockholm is therefore slightly higher than for other housing, ranging between 4.50 - 5.00%.

Tenant-owned apartments***

This market has shown some recovery but is still characterized by uncertainty with over-supply and long sales processes. Compared to the corresponding period last year, tenant-owned apartment prices rose by just over 3.00% in January to September 2018 and by 3.20% from July to September. Over the past 12 months (Oct 2017 - Sep 2018), tenant-owned apartment prices in the country have fallen by 5.00%.

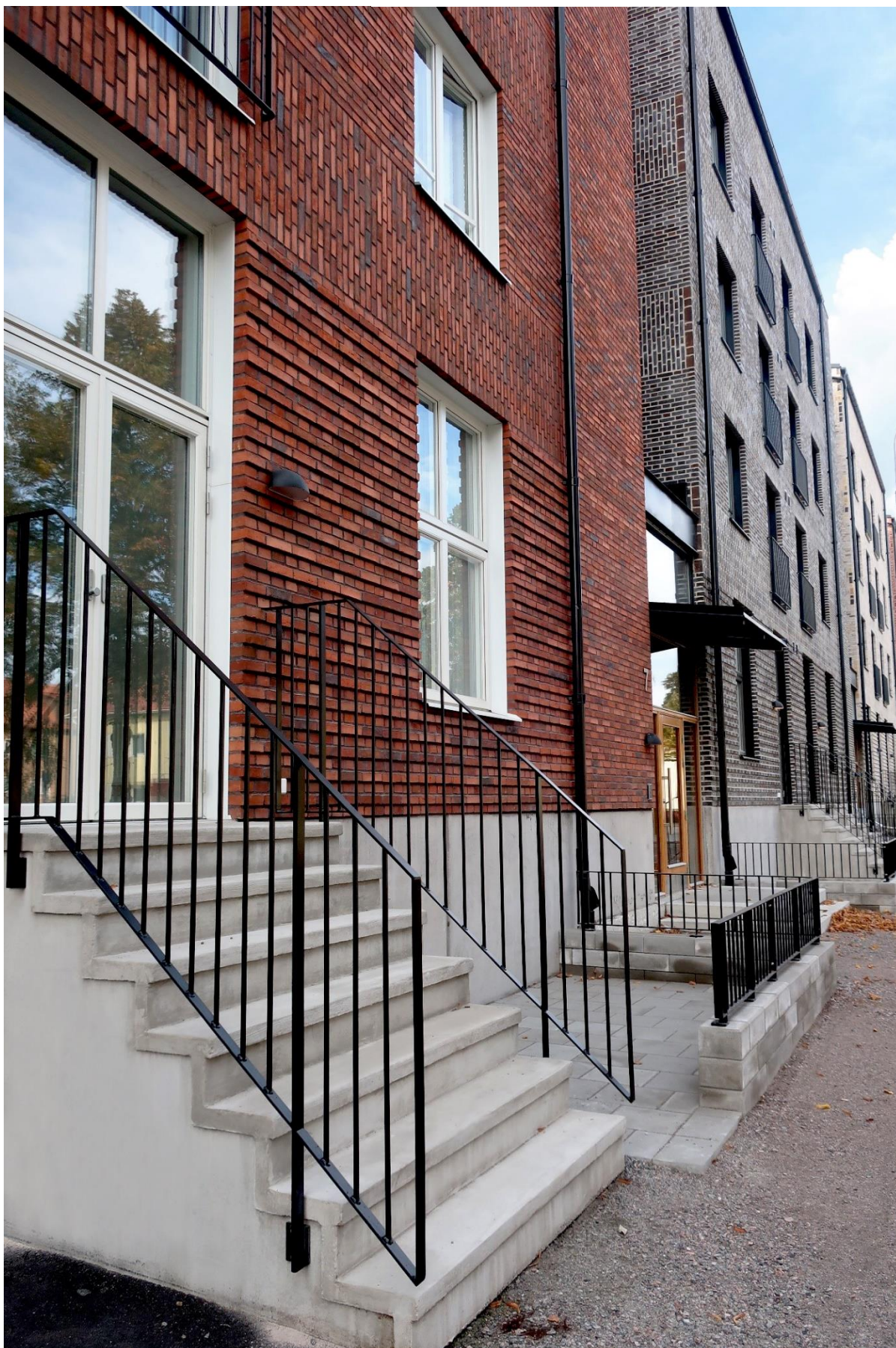
Source: Newsec

** Transactions exceeding SEK 40m, which means, for example, that tenant-owned apartments are not included*

*** Source: Visita, Feb 2018*

****Source: Mäklarstatistik*

During the quarter tenants moved in to Magnolia Bostad's rental project Gjuteriet in Eskilstuna



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 1 January - 30 September 2018

Net sales amounted to SEK 1,012 m (1,063) and the operating profit for the period was SEK 196 m (155). The profit after tax for the period was SEK 92 m (78).

Net sales consist mainly of income from property sales. Cash flows from sales of projects are received in part in conjunction with the hand-

over 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, such as rent, project management and invoicing to the projects, is reported and invoiced on an ongoing basis.

The increase in revenue from property sales is due to the sale of 1,292 residential units, a rise of 288 compared to the 1,004 sold in the same period last year. 179 of the period's sales refer to joint ventures and revenue from these sales are reported as income from participations in associated companies and joint ventures. Of the residential units sold during the period 1,046 are rental accommodation and the remaining 246 are residential care units. During the first half of 2018, land in Bro was also sold to Derome Hus, the property Instrument 2 in Örnberg was

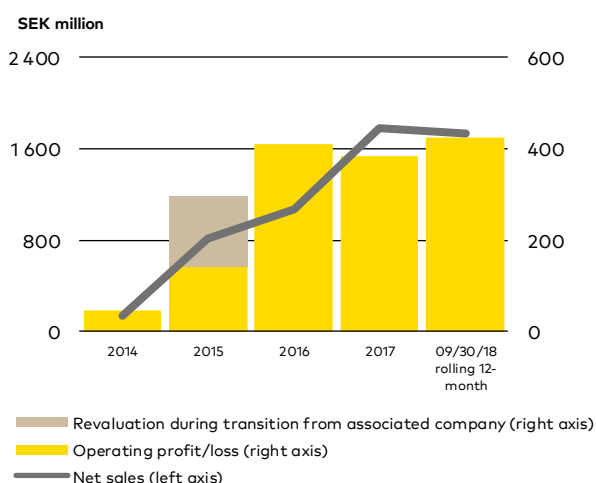
sold to the Genova Property Group and the Skogskarlen 3 property in Bergshamra, outside Stockholm, was sold to a recently-established joint venture with Randviken.

Rental income fell by SEK 14 m to SEK 21 m (35) due to the sales of Instrumentet 2 and Skogskarlen 3. Operating costs for properties that generate rental income fell to SEK -7 m (-12), which means that the net operating income from rent-generating properties has fallen to SEK 14 m (23), which also contributes to the operating profit.

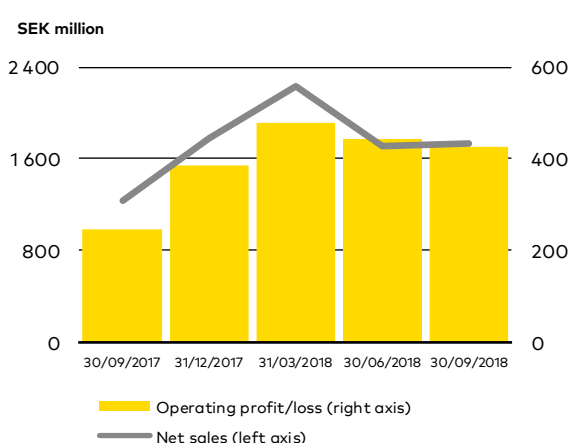
At the end of the first half of 2018, production and operating costs were charged with costs due to negotiations with subcontractors who had signed agreements with associated companies of the Svenska Vårdfastigheter Group. During the first half of the year, agreements were also signed for expanded premises in Stockholm, which also partially burdened production and operating costs, as well as the increasing costs of a larger number of employees in the company's projects. In the third quarter, the occupancy rate within the projects, due to holidays, was lower than other quarters, which means that a lower proportion of the indirect costs has been brought against the projects.

Distribution of revenue	2018 Jan-Sep	2017 Jan-Sep
Property sales	805	713
Sum of revenue recognised at a point in time	805	713
Project management	17	15
Rent	21	35
Other invoicing for the projects and other revenue	169	299
Sum of revenue recognised over in time	207	349
TOTAL REVENUE	1,012	1,063

Net sales & operating profit/loss, full-year



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



Magnolia Bostad has strengthened its organization compared to the same period last year and completed the acquisition of Svenska Vårdfastigheter at the start of the third quarter of 2017, which explains the increase in central administration costs to SEK 48 m (28). In addition to increased staff costs, central administration is also affected by non-recurring costs linked to the list change from First North Premier to Nasdaq Stockholm's main list.

The profit from associated companies was SEK 5 m (-6), and affected by the results of Sollentuna Stinsen JV AB and Skogskarlen Bergshamra Holding AB. Furthermore, the sale of the Nyponrosen 5 project, consisting of 45 rental apartments and 80 residential care units, and the sale of 54 residential care units in Laholm has been reported as income from participations in investment companies and joint ventures. Nyponrosen 5 and Allarp Laholm were projects that were part of the acquisition of Svenska Vårdfastigheter and both were sold to Northern Horizon.

Net financial items

Net financial items amounted to SEK -104 m (-77). The increase in financing costs is due to higher average interest rates and that total interest-bearing liabilities were higher on average during the period than in the same period last year.

The higher average interest-bearing liabilities is due to the financing of the acquisition of Svenska Vårdfastigheter AB, which was carried out at the beginning of the third quarter 2017 and the issue of additional corporate bonds of SEK 200 m within the existing framework, which was carried out at the end of the first quarter 2018.

At the end of the period, Magnolia Bostad's average interest rate was 7% compared to 5.9% at the end of the previous year. The interest coverage ratio was a multiple of 1.8 compared to 3.4 for FY 2017.

Net profit/loss for the period

The profit for the period was SEK 92 m (78) and includes SEK 0m (0) in income tax, as sales of companies is not taxable.

Reporting period 1 July - 30 September 2018

Net sales amounted to SEK 214 m (194) and the operating loss for the period was SEK -10 m (8). The loss for the period after tax was SEK -47 m (-21).

Net sales and the gross profit are largely due to income from property sales.

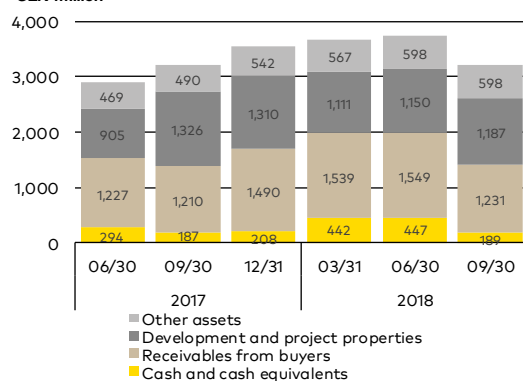
Distribution of revenue	2018 Jul-Sep	2017 Jul-Sep
Property sales	120	105
Sum of revenue recognised at a point in time	120	105
Project management	2	9
Rent	3	12
Other invoicing for the projects and other revenue	89	68
Sum of revenue recognised over in time	94	89
TOTAL REVENUE	214	194

During the quarter, the tenant-owned housing project Ophelias Brygga and the Mossenskolan 3 project were divested. In total, Ophelias Brygga comprises 126 tenant-owned apartments, of which 68 have been sold to tenant owners and have shown a profit over the quarter.

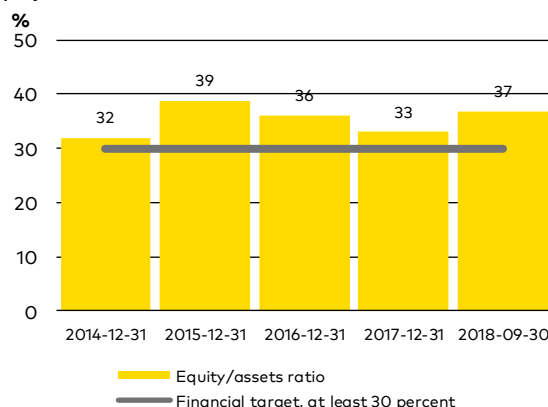
Production and operating costs were affected by a rising cost volume during the third quarter and a lower degree of employment in the projects for employees during the holiday period.

Central administration costs have increased to SEK -18 m (-11), due to an increase in the number of employees. The profit from participations in associated companies and joint ventures was SEK 1 m (-1) and was affected by the sale of the acquired Nyponrosen 5 care project comprising 125 units, and the current results from Sollentuna Stinsen JV and Skogskarlen Bergshamra Holding AB.

Distribution of assets
SEK million



Equity/assets ratio



Financing costs during the quarter were SEK -39m (-31). The increase is mainly due to a higher average interest rate.

Financial position

The consolidated balance sheet total has fallen to SEK 3,205 m, compared with SEK 3,550 m at the beginning of the year. The decrease is due to cash received from purchasers being used to amortize liabilities and pay off vendor loans from the acquisition of Svenska Vårdfastigheter

Of the total receivables of SEK 1,557 m (1,760), SEK 1,231 m (1,490) are receivables at buyers of the projects and SEK 148 m (117) refers to down-payments paid for future property acquisitions. Within the next 12 months, the Group is expected to receive SEK 326 m (423) of the total receivables from buyers of the projects as amortization of promissory notes, payment of additional consideration, final consideration and forward funding.

Development and project properties fell by SEK 123 m and amount to SEK 1,187 m (1,310). The fall is due to completed sales over the year. During the year the Group has 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 fell by SEK 14 m to SEK 97 m (111) primarily due to the impact of the sale of the residential care project Allarp Laholm and the quarterly results of Sollentuna Stinsen JV AB, which Magnolia Bostad owns with occupational pension company Alecta.

The joint venture owns the Stinsen shopping centre and is working to develop local planning for residential units and commercial premises for the Södra Häggviks Gårdar project.

Equity and the equity/assets ratio

On 30 September 2018, consolidated equity was SEK 1,179 m (1,171), with an equity/assets ratio of 36.8% (33.0), which is in line with the financial target of an equity/assets ratio of at least 30%. The minority share of equity was SEK 163 m (180). The higher equity/assets ratio since the turn of the year is largely explained by completed amortization. Return on equity for the rolling twelve-month period ending 30 September 2018 was 27.2%, compared with 22.0% the 2017 calendar year.

Return on equity for the 12-month rolling period is 2.8 percentage points below the financial target of a return on equity of at least 30%.

Interest-bearing liabilities

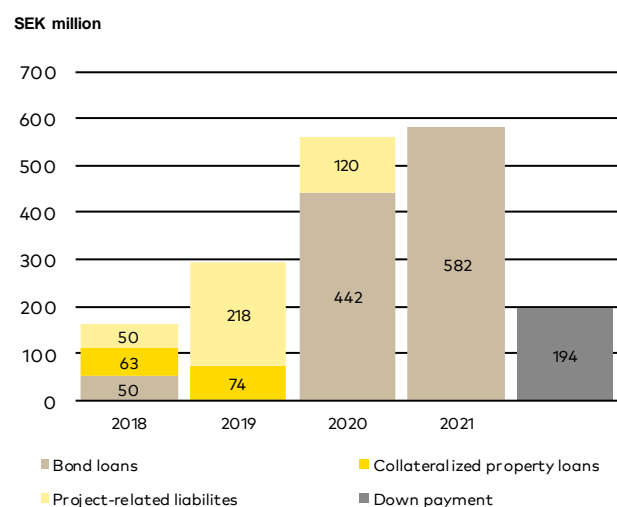
Total interest-bearing loans, including interest-bearing deposits were SEK 1,793 m (2,073) as at 30 September 2018. The majority of Magnolia Bostad's liabilities comprise bond loans with a book value of SEK 1,074 m and bank financing of SEK 525 m, of which SEK 137 m is collateralized by the property. The average capital tie-up period, excluding deposits and the utilized credit line, was 2.0 years at 30 September 2018, compared to 2.0 years at 31 December 2017.

After a deduction for liquid assets of SEK 189 m (208), interest-bearing net liabilities were SEK 1,604m (1,865).

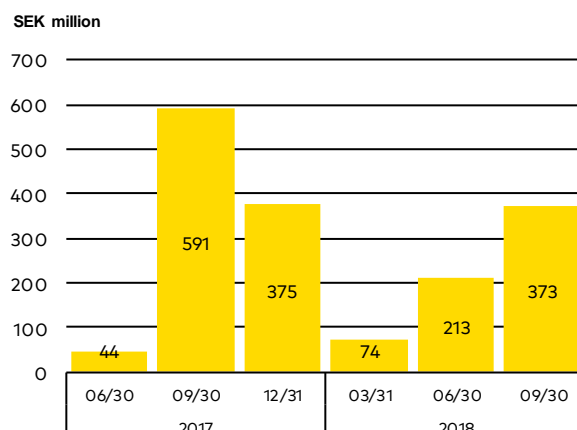
The largest part of the bank financing is linked to individual projects, where repayment occurs in conjunction with Magnolia Bostad's handover, or in connection with the payment of the final consideration from the buyer at the end of the project.

Receivables at buyers amounted to SEK 1,231 m (1,490), interest-bearing net liabilities after deductions for receivables at buyers was SEK 373 m (375), a fall of SEK 2 m compared to 31 December 2017.

Maturity structure, SEK million



Interest bearing net liabilities with deduction for receivables at buyer



Bond loans

As at 30 September 2018, Magnolia Bostad had two outstanding bonds: one covered bond of a nominal SEK 500 m with a floating coupon of Stibor 3m + 6.25% (with a Stibor floor) and final maturity in April 2020 and one unsecured bond of a nominal SEK 600 m pursuant to a bond frame of up to SEK 1 bn with a floating coupon of Stibor 3m + 7.25% (without a Stibor floor) and final maturity in October 2021.

The difference between book value and nominal amount on the bond is due to bonds issued at a value below the nominal amount and paid settlement fees reported according to the effective interest rate method.

After the end of the period, a new four-year unsecured bond loan of SEK 500 m has been issued within a framework of SEK 700 m. The loan runs at a floating rate of Stibor 3m + 8.50% (without a Stibor floor).

A partial redemption of SEK 50 m will also take place on the SEK 500 m senior secured bond which matures in April 2020. The record date for the partial redemption is 22 October 2018 and the partial redemption is scheduled for October 29, 2018.

Cash flow and cash and cash equivalents

The consolidated cash flow from operating activities is positive both for the period and the quarter and amounts to SEK 148 m for the period and SEK 172 m for the quarter. The positive cash flow is due to payments received from buyers of previous profit-recognized projects.

The consolidated cash flow from operating activities before changes in working capital was SEK -174 m (-155), mainly due to the fact that part of the result consists of earnings on the sale of exploitation properties which do not affect cash flow in connection with the profit recognition of the projects.

Cash flow from changes in working capital was SEK 322 m (-285), which is largely due to cash flow from the decrease in development and project properties of SEK 122 m (-171) and cash flow from the decrease in current receivables of SEK 284m (-112). During the quarter, the cash flow from the reduction of current receivables was SEK 340 m (58), attributable to payments received from purchasers of the projects. This gave a cash flow from operating activities of SEK 148 m (-440).

The cash flow from investing activities was SEK -1 m (-10). Cash flow from financing activities was SEK -166 m (131), with borrowings affected by SEK 523 m (372) and amortization of SEK -620 m (-176).

During the third quarter 2018, cash flow from financing activities was SEK -425 m (114), of which the amortization of loan liabilities was SEK 432 m. Amortization has been carried out using cash flow from current operations.

Cash and cash equivalents as at 30 September 2018, amounted to SEK 189 m compared with SEK 208 m at 31 December 2017. In addition to liquidity, unutilized credit was SEK 732 m as at 30 September 2018.

Parent Company's Income Statement

The Parent Company's loss after financial items amounts to SEK 39 million (+70). The decrease compared to the same period last year is due to lower income from dividends from subsidiaries. Financial expenses have increased by SEK 14 m to SEK -63 m (-49) due to higher interest-bearing liabilities.

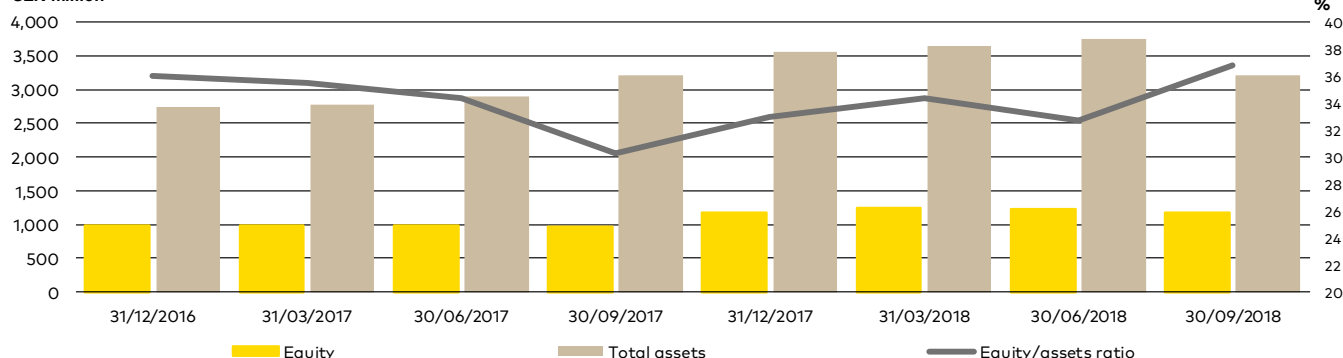
Parent Company's Balance Sheet

The Parent Company's balance sheet total increased to SEK 1,619 m (1,351). During the first quarter of 2018, the company issued additional corporate bonds at a nominal amount of SEK 200 million within the framework of existing bonds. The Parent Company's equity/assets ratio amounts to 21.3%, compared to 33.4% at the year-end.

Fair value of financial instruments

The fair value of financial assets and liabilities is judged in all material respects to agree with the book value for all financial instruments except bond loans, where the fair value is judged to be SEK 1,096 m compared to the book value of SEK 1,074 m. On 31 December 2017, the fair value for the bond loans amounted to SEK 870 million compared to the book value 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 (%)
SEK million



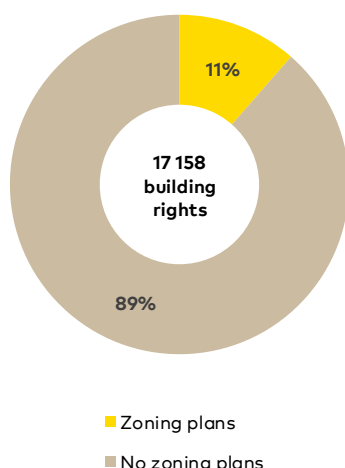
Projects

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.

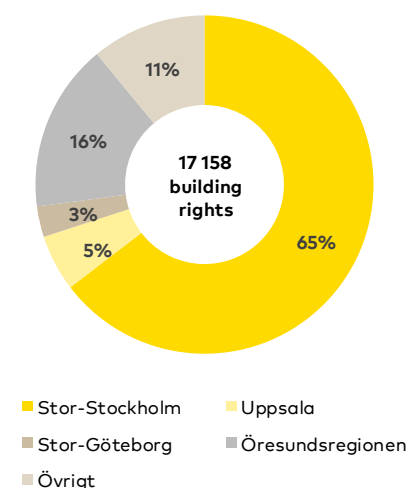
Magnolia Bostad applies an urban planning perspective to its projects. Municipalities, and even institutional investors, are often looking for the competence to develop comprehensive residential areas that include not only homes but also, for example, student and residential care housing. By working 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% for rental apartment transactions, 15% for hotel transactions and 20% for residential care and tenant-owned apartment transactions.

Share of project portfolio with zoning plans



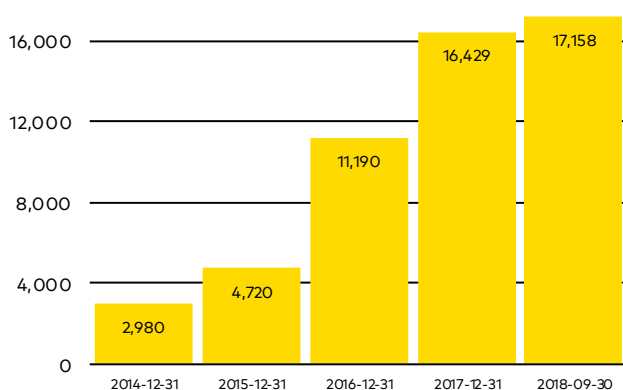
Share of estimated building rights per geographical area



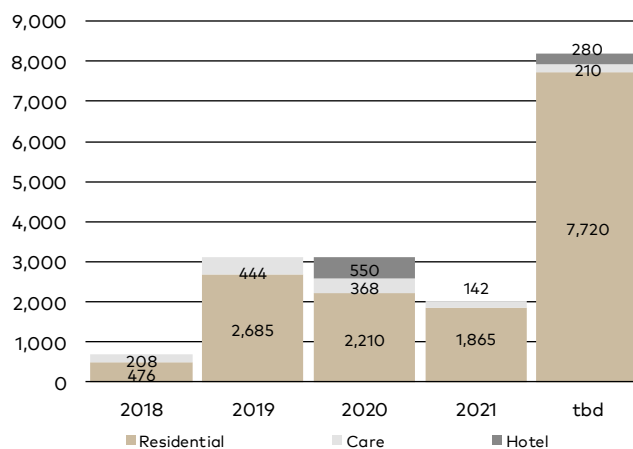
As of 30 September 2018, Magnolia Bostad had a project portfolio totaling 17,158 estimated building rights. In the first nine months of 2018, four projects with a total of 1,292 residential units were sold.

In total 2,511 estimated building rights were acquired in the first nine months of 2018.

Development of the building right portfolio



Pending building rights not sold, estimated production starts



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.

Acquisitions 2018

Quarter	Project	Location	Category	Estimated number of building rights
1	Piccolo	Halmstad	A	26
2	Bro Mälarstrand	Upplands-Bro	A	1,500
2	Ferdinand 9, Spånga	Stockholm	A	200
2	Västerhaninge	Haninge	A	500
2	Nykvarn	Nykvarn	A	285
				2,511

A=Apartments, C=Care, H=Hotels

Divestments 2018

Quarter	Project	Location	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
2	Allarp Laholm	Helsingborg	Northern Horizon	54
2	Bro Mälarstrand	Upplands-Bro	Slättö	658
2	Bro Mälarstrand	Upplands-Bro	Derome Hus	0 ¹
3	Mossenskolan 3	Motala	M&G	54
3	Nypronrosen 5	Helsingborg	Northern Horizon	125
3	Ophelias Brygga	Helsingborg	Brf	68
				1,292

¹ Sold without residential development

Project portfolio

The tables on pages 12 and 13 present Magnolia Bostad's project portfolio as at 30 September 2018, which consisted of 51 pending projects not sold. Magnolia Bostad's share of earnings in the projects listed on pages 12-13 amounts to 90 %, 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, location	Category	Estimated number of apartments	Estimated residential area (sqm)	Zoning plan	Estimated prod. start	Estimated completion	Planned buyer (B) and/or contractor (C)
Norrtälje Hamn ²	Del av Tälje 3:1 m.fl. & Alen 1-5, Norrtälje	A, C	145	9,000		2018	2022	Slättö agreement (B)
Gjuteriet, etapp 2	Nätverket 2, Eskilstuna	A	100	5,800		2018	2021	Consto agreement (C)
Piccolo ⁴	Kilot 3, Halmstad	A	26	1,860		2018	2020	Serneke (C)
Sportflygaren	Del av Nikolai 3:63 m.fl., Örebro	A	145	7,300		2018	2020	Consto agreement (C)
Adjutanten ⁴	A7 området, Visby	C	68	4,200		2018	2019	PEAB (C)
Ferdinand 9, Spånga ⁴	Ferdinand 9, Stockholm	A, C	200	15,400		2018	2021	Heimstaden agreement (B)
Gyllehemmet ⁴	Gyllehemmet 1 & 2, Borlänge	C	106	10,500		2019	2020	
Täljöviken ⁴	Näs 7:7, Åkersberga	C	54	4,850		2019	2020	
Hasseludden ⁴	Hasseludden 1:79, Nacka	C	60	4,300		2019	2021	
Partilleport ⁵	Partille 11:61, Göteborg	C	54	11,100		2019	2019	Consto (C)
Konstnären	Sala backe 50:1, Uppsala	A	115	6,150		2019	2020	Heimstaden agreement (B)
Lilium, etapp 2	Del av Gamla Uppsala 99:2, Uppsala	A	110	5,200		2019	2019	Serneke (C)
Drottninghög ⁸	Drottninghög södra 3 & del av Eskadern 1, Helsingborg	C	100	8,100		2019	2020	
Nykvarn ⁵	Kaffebyggaren m.fl., Nykvarn	A	285	13,000		2019	2021	
Lommarstranden, etapp 1	Del av Tälje 4:62, Norrtälje	A	120	6,000		2019	2021	Slättö agreement (B) Consto agreement (C)
Ångloket	Del av Ångby 1:1, Knivsta	A	270	15,000		2019	2022	Heimstaden agreement (B) Consto agreement (C)
Norrbacka	Sigtuna Norrbacka 1:32-36, Sigstuna	A, C	210	12,000		2019	2021	Consto agreement (C)
Mejeriet, etapp 1	Filborna 28:4, Helsingborg	A	270	15,000		2019	2021	Heimstaden agreement (B)
Slipsten	Stora Råby 33:2 m.fl., Lund	A	720	33,000		2019	2021	Heimstaden agreement (B)
Norra kajen, etapp 1	Norrmalm 3:18 & 4:2, Sundsvall	A	240	18,000		2019	2021	Heimstaden agreement (B) Consto agreement (C)
Torgkvarteren, etapp 1	Del av Våppeby 7:7, Bålsta	A	280	13,400		2019	2022	Heimstaden agreement (B) Consto agreement (C)
Torgkvarteren, etapp 2	Del av Våppeby 7:7, Bålsta	A	135	7,200		2019	2023	Consto agreement (C)
Hagby Park	Hagby 1:5, Åkersberga	A	195	10,900		2020	2022	Heimstaden agreement (B) Consto agreement (C)
Nätverket	Husby 3:3, Åkersberga	A	335	9,200		2020	2022	Heimstaden agreement (B) Consto agreement (C)
Sländan, etapp 3	Sländan 9, Södertälje	A	200	10,000		2020	2022	
Västerhaninge ⁴	Del av Åby 1:67 m.fl., Haninge	A	500	30,000		2020	2023	
Österhagen ⁴	Länna 4:7, Huddinge	C	72	5,040		2020	2021	
Mesta ⁴	Mesta 5:81, Eskilstuna	C	54	3,950		2020	2021	
Ystad trädgårdstad ⁹	Mispeln 2, Ystad	C	100	4,600		2020	2021	

Project	Property, location	Cate- gory	Estimated number of apart- ments	Estimated residential area (sqm)	Zoning plan	Estim- ated prod. start	Estim- ated comp- letion	Planned buyer (B) and/or contractor (C)
Frihamnen H ⁷	Del av Lundbyvassen 736:168, Göteborg	H	300	12,000	●	2020	2021	
Grimsta 5:2 (Infra)	Grimsta 5:2, Upplands Väsby	A, C, H	800	42,000	●	2020	2023	
Hammarby-Smedby ⁸	Hammarby-Smedby 1:27, Upplands Väsby	C	72	7,700	●	2020	2021	
Mejeriet, etapp 2	Filborna 28:4, Helsingborg	A	270	15,000	●	2020	2022	Heimstaden agreement (B)
Norra kajen, etapp 2	Norrmalm 3:18 & 4:2, Sundsvall	A	230	16,000	●	2020	2022	Heimstaden agreement (B) Consto agreement (C)
Lommarstranden, etapp 2	Del av Tälje 4:62, Norrtälje	A	120	6,000	●	2021	2023	Slättö agreement (B) Consto agreement (C)
Södra Häggviks Gårdar ¹	Stinsen 2, Sollentuna	A, C	1,500	94,000	●	2021	-	Slättö agreement, part of project (B) Skanska (C)
Oktaven ⁴	Skärholmen 2:1, Stockholm	A	85	7,000	●	2021	2023	
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	Heimstaden agreement (B) Consto agreement (C)
Frihamnen	Del av Lundbyvassen 736:168, Göteborg	A	150	8,000	●	tbd ⁶	-	
Bro Mälarstrand ⁴	Del av Bro gård 1:84 , Upplands-Bro	A	840	50,000	●	tbd ⁶	-	
Bredängshöjden	Vita Liljan 3 m.fl., Stockholm	A	700	35,000	●	tbd ⁶	-	Heimstaden agreement, part of project (B)
Orminge Centrum	Orminge 52:1, Nacka	A	240	15,000	●	tbd ⁶	-	Heimstaden agreement (B)
Skarpnäcksgård 1:1 ⁴	Del av Skarpnäcks gård 1:1, Stockholm	A	60	3,500	●	tbd ⁶	-	Heimstaden agreement (B)
Skogskarlen ³	Skogskarlen 3, Solna	A	200	17,400	●	tbd ⁶	-	
Årstaberg 1 ⁴	Liljeholmen 1:5, Stockholm	A	100	6,300	●	tbd ⁶	-	Heimstaden agreement (B)
Årstaberg 2 ⁴	Årsta 1:1, Årsta	A	120	7,500	●	tbd ⁶	-	
Vårby Udde	Gambrinus 2 & 4, Huddinge	A, C, H	1,800	85,000	●	tbd ⁶	-	Slättö agreement, part of project (B) Skanska (C)
Senapsfabriken, etapp 3	Kungsängen 29:2, Uppsala	A	700	29,000	●	tbd ⁶	-	Slättö agreement (B)
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)
Total			17,158	966,130				

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 in.

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=Hotels

● Zoning plan in force

● Zoning plan not in force

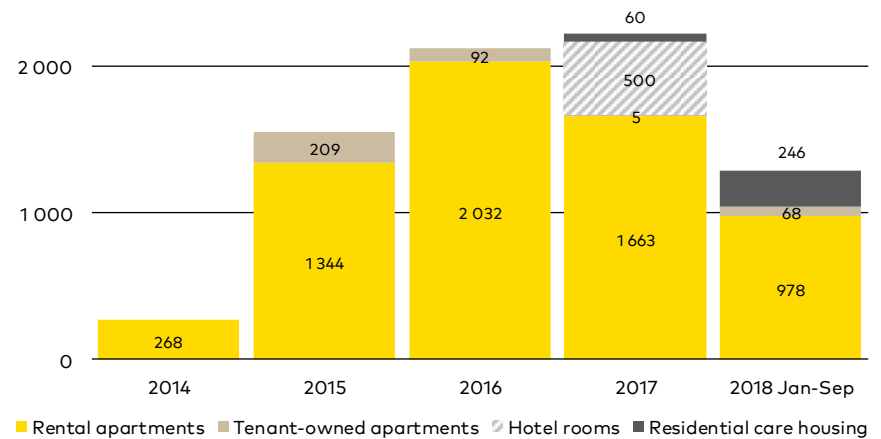
Sold projects in production

As of 30 September 2018, Magnolia Bostad had 30 projects in production with a total of 7,053 residential units. Of these, 6,992 were sold and recognized. This corresponds to a sales rates of 99.1%. In 2018, two projects were completed and settled.

In the first nine months of 2018, four projects with a total of 1,292 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 has sold and recognized nine converted tenant-owned apartments.

Sold apartments in production and finished projects, outcome



Conversions in sold rental apartments projects in 2018

Project	Location	Number of converted TO-apartments sold to end customer	Partner
Gjuteriet, #2	Eskilstuna	9	Slättö
Total		9	

Projects closed in 2018

Project	Location	Category	Number of apartments	Buyer
Lumen	Sollentuna	A	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% unless otherwise specified.

Project	Property, location	Category	Sold ap. in production	Residential area (sqm)	Unsold ap. in production	Production start	Completion	Buyer	Contractor
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
Cementfabriken	Kölen 1, Malmö	RU	144	7,100	0	2015	2019	SPP Fastigheter	Veidekke
Kalkstenen	Tankloket 1, Malmö	RU	129	5,100	0	2015	2019	SPP Fastigheter	Veidekke
Slipen	Del av Varvet 2, Karlstad	RU	216	12,300	0	2015	2018	Slättö	Consto
Nyby Lilium, etapp 1	Del av gamla Uppsala 99:1, Uppsala	RU	300	14,000	0	2015	2019	SEB Domestica II	Serneke
Maria Mosaik	Arkeologen 1 & Antikvarien 1, Helsingborg	RU	345	16,000	0	2016	2020	SPP Fastigheter	Veidekke
Sländan, etapp 1	Sländan 6, Södertälje	RU	445	19,000	0	2016	2019	SPP Fastigheter	ED Bygg
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
Gjuteriet, etapp 1	Namnsdagen 1 och Nätverket 1, Eskilstuna	RU	262	13,900	0	2016	2019	Slättö	Consto
Segelflygaren	Glidplanet 1, Örebro	RU	210	10,000	0	2016	2018	Slättö	Consto
Varvet	Varvet 4 & del av Varvet 2, Karlstad	TO	92	6,100	0	2016	2018	Brf	Consto
Varvet Townhouse	Varvet 4 & del av Varvet 2, Karlstad	TO	5	700	3	2017	2018	Brf	Consto
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
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
Hyllie Gärde ²	Valhall 1, Malmö	RU	427	21,000	0	2017	2021	Vault investment partners	ED Bygg
Hotell Brunnshög ³	Morgonen 1, Lund	H	260	8,900	0	2017	2020	Alecta	Serneke
Hotell Resecentrum ³	Kilot 2, Halmstad	H	240	9,500	0	2017	2020	Alecta	Serneke
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
Allarp Laholm ⁴	Allarp 2:468, Helsingborg	C	54	3,850	0	2018	2019	Northern Horizon	Consto
Bro mälärstrand ²	Del av Brogård 1:84, Upplands-Bro	RU	658	31,000	0	2018	2022	Slättö	Consto
Ophelias Brygga	Del av Gamla Staden 1:1 m.fl., Helsingborg	TO	68	7,500	58	2018	2020	Brf	Serneke
Mossenskolan ⁵	Mossenskolan 3, Motala	C	54	4,400	0	2018	2019	M&G	Gärahovs Bygg
Nypronrosen 5 ⁴	Nypronrosen 5, Helsingborg	C/RU	125	8,360	0	2018	2019	Northern Horizon	Veidekke
Total			6,992	328,435	61				

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

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

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

⁴⁾ Part of JV. Magnolia Bostad's share of the profit amounts to 46%.

⁵⁾ Magnolia Bostad's share of the profit amounts to 78,2%.

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

The shares

Share information

Magnolia Bostad's shares is listed on the Nasdaq Stockholm main list (Mid-Cap). The shares are traded on Nasdaq Stockholm under ticker (MAG) and ISIN code (SE0007074505).

The share price at closing on 28 September 2018 was SEK 61.50. On average, 108 transactions were conducted per trading day between 1 July 2018 and 30 September 2018. The average trading volume per trading day was SEK 1.6m in the third quarter of 2018.

The average number of outstanding shares on 30 September 2018 was 37,822,283.

Owners

F. Holmström Fastigheter AB, which is controlled by Fredrik Holmström through a company, owns 56.37% of Magnolia Bostad. As of 30 September 2018, the number of shareholders was 4,933.

Warrants

The Annual General Meeting held on 26 April 2017, resolved to issue 350,000 warrants to the subsidiary, Magnolia Utveckling AB. During the nine months of 2018, 260,500 warrants were transferred to employees in accordance with the warrant program, while other warrants remain in the custody of Magnolia Utveckling AB. Remaining warrants will not be transferred under the current warrant program. Each warrant entitles the holder to the right to subscribe to one share at a strike price of SEK 84 per share. The subscription period is from 2 November 2020 until 26 April 2022.



Turnover in thousands per week and price (SEK) since its introduction on Nasdaq First North on 9 June 2015. On 20 June 2018, Magnolia Bostad's shares were first listed on Nasdaq Stockholm's main list.

Average number of outstanding shares

	2018		2017	
	30 Sep	Full-year	30 Sep	Full-year
Average number of outstanding shares	37,822,283	37,822,283	37,822,283	37,822,283

Owners

Shareholders' structure as of 30 September 2018

Number of shares	Number of share holders	Shareholder category	No.	Shareholders per country	No.
1–500	4,124	Corporation	227	Sweden	4,815
501–1 000	342			Other Nordic countries	50
1 001–2 000	181	Private individuals, men	3,202	Other European countries (excl. Sweden and the Nordics)	60
2 001–5 000	149			USA	4
5 001–10 000	60	Private individuals, women	1,504	Rest of the world	4
10 001–50 000	50				
50 001–	27	Total	4,933		
Total	4,933	of which living in Sweden	4,815	Total	4,933

Largest shareholders as of 30 September, 2018

Shareholders	Number of shares	Percentage of	
		Share capital	Votes
F. Holmström Fastigheter	21,321,837	56.37%	56.37%
Danica Pension	3,123,248	8.26%	8.26%
Länsförsäkringar Fondförvaltning AB	3,100,269	8.20%	8.20%
Svolder Aktiebolag	1,645,946	4.35%	4.35%
Nordnet Pensionsförsäkring AB	1,603,485	4.24%	4.24%
Försäkringsaktiebolaget Avanza Pension	730,002	1.93%	1.93%
Dahlin, Martin	581,611	1.54%	1.54%
Larsson, John	450,000	1.19%	1.19%
Stockheat AB	226,895	0.60%	0.60%
Sinclair, Jennie	220,950	0.58%	0.58%
Total 10 largest shareholders	33,004,243	87.26%	87.26%
Other shareholders	4,818,040	12.74%	12.74%
Total	37,822,283	100%	100%

Financial information

Consolidated Condensed Income Statement

Amounts in MSEK	2018 Jan-Sep	2017 Jan-Sep	2018 Jul-Sep	2017 Jul-Sep	2017/2018 Oct-Sep	2017 Jan-Dec
Net sales	1,012	1,063	214	194	1,730	1,781
Production and operating costs	-773	-874	-206	-174	-1,246	-1,347
Gross profit/loss	239	189	8	20	484	434
Central administration	-48	-28	-18	-11	-61	-41
Profit/loss from participations in associated companies and joint ventures	5	-6	1	-1	2	-9
Operating profit/loss	196	155	-10	8	425	384
Financial income	6	4	2	2	8	6
Financial expenses	-110	-81	-39	-31	-144	-115
Change in value, financial instruments	-	0	-	0	0	0
Profit/loss before tax	92	78	-47	-21	290	276
Income tax	0	0	0	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	92	78	-47	-21	290	276
Profit/loss attributable to						
Parent company shareholders	89	41	-47	-19	251	203
Non-controlling interests	3	37	0	-2	39	73
Earnings per share (SEK)						
Before dilution effects	2.35	1.08	-1.24	-0.50	6.64	5.37
After dilution effects	2.35	1.08	-1.24	-0.50	6.64	5.37

Consolidated Statement of Comprehensive Income

Amounts in MSEK	2018 Jan-Sep	2017 Jan-Sep	2018 Jul-Sep	2017 Jul-Sep	2017/2018 Oct-Sep	2017 Jan-Dec
Net profit/loss for the period	92	78	-47	-21	290	276
OTHER COMPREHENSIVE INCOME FOR THE PERIOD						
Total other comprehensive income	0	0	0	0	0	0
COMPREHENSIVE INCOME FOR THE PERIOD	92	78	-47	-21	290	276
Comprehensive income attributable to						
Parent Company shareholders	89	41	-47	-19	251	203
Non-controlling interests	3	37	0	-2	39	73

Consolidated Condensed Statement of Financial Position

Amounts in MSEK	2018 30 Sep	2017 30 Sep	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	16	8	8
Total property, plant and equipment	16	8	8
Shares in associated companies and joint ventures	97	112	111
Receivables from associated companies	57	24	24
Other securities held as non-current assets	31	33	31
Other long-term receivables	1,021	821	1,165
Total financial assets	1,206	990	1,330
Total non-current assets	1,229	1,005	1,345
Current assets			
Development and project properties	1,187	1,326	1,310
Tenant-owned apartments	4	4	4
Accounts receivable	20	25	31
Receivables from associated companies	35	51	52
Other receivables	536	599	595
Prepaid expenses and accrued income	5	16	5
Cash and cash equivalents	189	187	208
Total current assets	1,976	2,208	2,205
TOTAL ASSETS	3,205	3,213	3,550

Consolidated Condensed Statement of Financial Position

Amounts in MSEK	2018 30 Sep	2017 30 Sep	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	679	495	655
Equity attributable to Parent Company shareholders	1,017	831	991
Non-controlling interests	163	143	180
Total equity	1,179	974	1,171
Non-current liabilities			
Deferred tax liability	2	2	2
Non-current interest-bearing liabilities	1,394	1,559	1,566
Non-current liabilities to associated companies	18	5	35
Other long-term liabilities	28	3	30
Total long-term liabilities	1,442	1,569	1,633
Current liabilities			
Current interest-bearing liabilities	399	429	507
Derivatives	-	0	-
Accounts payable	35	24	16
Liabilities to associated companies	0	31	1
Income tax liabilities	0	0	0
Other current liabilities	52	70	85
Accrued expenses and deferred income	98	116	136
Total current liabilities	584	670	745
TOTAL EQUITY AND LIABILITIES	3,205	3,213	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
Dividend	-	-	-	-66	-30	-96
Net profit/loss for the period	-	-	-	41	37	78
Other comprehensive income	-	-	0	-	0	0
Acquisition of subsidiaries	-	-	-	-	1	1
Closing equity 9/30/2017	151	185	0	492	143	974
Net profit/loss for the period	-	-	-	163	37	197
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
Dividend	-	-	0	-66	-20	-86
Issue of warrants	-	2	-	-	-	2
Net profit/loss for the period	-	-	0	89	3	92
Other comprehensive income	-	-	0	-	0	0
Closing equity 09/30/2018	151	187	0	679	163	1,179

Condensed Consolidated Cash Flow Statement

Amounts in MSEK	2018 Jan-Sep	2017 Jan-Sep	2018 Jul-Sep	2017 Jul-Sep	2017/2018 Oct-Sep	2017 Jan-Dec
Operating activities						
Profit/loss after financial items	92	78	-47	-21	290	276
Adjustments for non-cash items, etc						
Less share of profit/loss from associated companies and joint ventures	-5	6	-2	1	-2	9
Retained dividend from associated companies	10	-	10	-	10	-
Depreciation/amortization and impairment of assets	3	1	1	0	4	2
Capital gains/losses from the sale of development properties	-280	-243	-26	-24	-621	-584
Other provisions	0	0	0	0	0	0
Other profit/loss items that do not affect liquidity	6	3	2	2	9	6
Income tax paid	0	0	0	0	0	0
Cash flow from operating activities before changes in working capital	-174	-155	-61	-42	-310	-291
Decrease(+)/increase(-) of development and project properties	122	-171	-38	-207	137	-156
Decrease(+)/increase(-) in current receivables	284	-112	340	58	202	-194
Decrease(+)/increase(-) in current liabilities	-84	-2	-69	-29	-58	24
Cash flow from operating activities	148	-440	172	-220	-29	-617
Investing activities						
Acquisition of intangible fixed assets	0	-1	0	0	0	-1
Acquisition of property, plant and equipment	-9	-8	-9	0	-10	-9
Investment in financial assets	-1	-1	0	0	-3	-3
Disposal/reduction of financial assets	9	-	3	-		-
Cash flow from investing activities	-1	-10	-6	0	-4	-13
Financing activities						
Contribution from non-controlling interest	-	1	-	1	1	1
Issue of warrants	2	-	-	-	2	-
Borrowings	523	372	13	157	748	597
Repayment of borrowings	-620	-176	-432	-44	-644	-200
Dividend paid to parent company's owner	-66	-66	-	-	-66	-66
Dividend paid to minority interest	-6	-	-6	-	-6	-
Cash flow from financing activities	-166	131	-425	114	35	332
Cash flow for the period	-20	-319	-258	-106	1	-298
Cash and cash equivalents at the beginning of the period	208	507	447	294	294	507
Cash and cash equivalents at the end of the period	189	187	189	187	189	208

Parent Company's Condensed Income Statement

Amounts in MSEK	2018 Jan-Sep	2017 Jan-Sep	2018 Jul-Sep	2017 Jul-Sep	2017/2018 Oct-Sep	2017 Jan-Dec
Net sales	4	0	0	0	18	14
Total income	4	0	0	0	18	14
Central administration	-33	-23	-7	-9	-40	-30
Operating profit/loss	-29	-23	-7	-9	-22	-16
Financial income	53	142	21	14	268	357
Financial expenses	-63	-49	-25	-16	-78	-64
Profit/loss after financial items	-39	70	-11	-11	167	276
Tax on profit/loss for the period	0	0	0	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	-39	70	-11	-11	167	276

Parent Company Statement of Comprehensive Income

Amounts in MSEK	2018 Jan-Sep	2017 Jan-Sep	2018 Jul-Sep	2017 Jul-Sep	2017/2018 Oct-Sep	2017 Jan-Dec
Net profit/loss for the period	-39	70	-11	-11	167	276
OTHER COMPREHENSIVE INCOME FOR THE PERIOD						
Total other comprehensive income	0	0	0	0	0	0
COMPREHENSIVE INCOME FOR THE PERIOD	-39	70	-11	-11	167	276

Parent Company Condensed Balance Sheet

Amounts in MSEK	2018 30 Sep	2017 30 Sep	2017 31 Dec
ASSETS			
Non-current assets			
Financial assets	154	154	154
Total non-current assets	154	154	154
Current assets			
Current receivables			
Receivables from Group companies	1,457	966	1,191
Receivables from associated companies	1	0	0
Other receivables	2	0	2
Prepaid expenses and accrued income	0	0	0
Total current receivables	1,461	966	1,193
Cash and bank balances	4	20	4
Total current assets	1,465	986	1,197
TOTAL ASSETS	1,619	1,140	1,351
EQUITY AND LIABILITIES			
Equity	345	244	451
Non-current liabilities			
Non-current interest-bearing liabilities	1,168	881	883
Total long-term liabilities	1,168	881	883
Current liabilities			
Current interest-bearing liabilities	50	-	-
Liabilities to Group companies	35	0	0
Other current liabilities	0	0	1
Accrued expenses and deferred income	20	15	16
Total current liabilities	105	15	17
TOTAL EQUITY AND LIABILITIES	1,619	1,140	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

Effects of the transition to IFRS 15
IFRS 15 Revenue from Contracts with Customers entered into force for financial years commencing on 1 January 2018 or later and replaced 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 1 January 2018, with full retrospective restatement.

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. For further description of effects of the transition to IFRS 15, see Note 36 of Magnolia Bostad AB's Annual Report for 2017.

For the interim period 1 January to 30 September 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 9 million. For the period 1 July to 30 September 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 1 million.

The Group's statement of financial position as of 30 September 2017 has been impacted by SEK 0 m on Other long-term receivables, Total non-current assets, Total assets, Equity and Total equity and liabilities of the transition to IFRS 15.

Upcoming accounting principles

IFRS 16 'Leasing Agreements' replaces IAS 17 from 1 January 2019. According to the new standard, most leased assets are reported in the balance sheet, which will lead to a higher balance sheet total and a lower equity/assets ratio. For the lessor, the new standard does not mean any major differences. The Group has begun an analysis of the effects of IFRS 16. The initial assessment is that the standard will have a limited effect on the Group's financial reports as Magnolia Bostad's leasing is limited, however, disclosure requirements will be extended.

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

The Group

The Group is subject to controlling influence from F. Holmström Fastigheter AB, co. reg. no. 556530-3186, which is domiciled in Stockholm. Transactions with related parties have occurred between the Parent Company and its subsidiaries and between the subsidiaries in the form of loans of cash and cash equivalents and invoicing of internal administrative services between the companies. All transactions occurred under market terms and conditions.

Of the profit for the period attributable to non-controlling interests of SEK 3 m, SEK -6 m is attributable to Fredrik Lidjan AB (FLAB)'s share of the profit in Magnolia Holding 3 AB, SEK 14 m is attributable to FLAB's share of the profit in Magnolia Holding 4 AB and SEK -1 m is attributable to FLAB's share of the profit in Magnolia Hotellutveckling 2 AB.

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

During the second quarter of 2018 an agreement was signed with F. Holmström Fastigheter AB for the lease of office space in connection with Magnolia Bostad's current premises. The rent is at the market rate.

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 company's 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.magnolia-bostad.se, and pages 86–87 and Note 3 of the company's 2017 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 company's 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 Bostads organization is divided into the following departments: Business Development, Project Development, Business Generation, Residential Development, Operational Development, Communications, Legal and Finance. As of 30 September 2018, the company had 73 (61) employees. The employees can be broken down into 39 (33) women and 34 (28) men, in offices in Stockholm, Norrköping, Göteborg and Helsingborg. Comparative figures refer to 31 December 2017.

As of 24 October 2018, two changes were made to the Executive Management. The Head of Legal and Head of Business and Analysis replaced the Head of Business Development and Head of Sustainability. Executive Management consists of eight people, but during Q4 this will increase by one further member. For more information about Magnolia Bostad's management team, please see www.magnoliabostad.se.

Stockholm, 24 October 2018,
Magnolia Bostad AB (publ)

Board of Directors

This is a translation from the Swedish original

Auditors' review report

Magnolia Bostad AB (publ), corporate identity number 556797-7078

Introduction

We have reviewed the condensed interim report for Magnolia Bostad AB (publ) as at September 30, 2018 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE

2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that

might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 24 October 2018

Ernst & Young AB

Fredric Hävrén
Authorized Public Accountant

Ingemar Rindstig
Authorized Public Accountant

Quarterly overview

		2018				2017			2016
	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	
Net sales (SEK million)	214	267	532	718	194	792	77	174	
Operating profit/loss (SEK million)	-10	93	113	230	8	127	20	91	
Profit/loss after tax (SEK million)	-47	59	80	198	-21	103	-3	64	
Earnings per share (SEK) ¹	-1.24	1.45	2.14	4.26	-0.51	1.69	-0.05	1.46	
Equity (SEK million)	1,179	1,226	1,254	1,171	974	994	987	989	
Equity per share (SEK) ¹	26.89	28.13	28.42	26.20	21.97	22.47	22.53	22.58	
Equity/assets ratio (%)	36.8	32.7	34.4	33.0	30.3	34.4	35.5	36.0	
Cash flow from operating activities (SEK million)	172	-86	62	-177	-220	165	-384	305	
Cash flow from the operating activities, per share (SEK)	4.5	-2.3	1.6	-4.7	-5.8	4.3	-10.2	8.1	
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	37,822,283	37,822,283	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 percentage 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 the 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 per cent of net sales.

For reconciliation of alternative KPIs, refer to ESMA KPIs at 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 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 neighbourhoods where housing is an important part of a greater context.



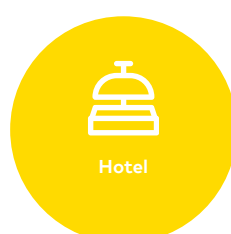
Rental apartments



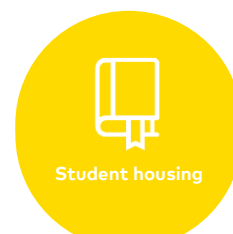
Tenant-owned



Care



Hotel



Student housing

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 selected 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%
- The equity/assets ratio must amount to at least 30%.

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 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 favourable 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

Magnolia Bostad intends to pay dividends to shareholders up to 50 per cent of the profit after tax, taking into account the company's financial position, current loan terms and prevailing market conditions.

Magnolia Bostad's shares (MAG) are listed on Nasdaq Stockholm. More information is available at www.magnoliabostad.se

Financial Calendar

- Year-End Report January–December 2018: 21 February 2019
- Annual Report 2018: March 2019
- Interim Report January–March 2019: 25 April 2019
- Annual General Meeting: 25 April 2019

Telephone conference Q3 2018

- 11:00 am, 24 October 2018
- Call one of the following telephone numbers to take part:
Sweden: +46 (0)8 566 426 62, UK: +44 (0)203 008 98 08
- Listen to the telephone conference at <http://ir.magnoliabostad.se/>
- Presentation materials will be on the homepage at the latest one hour before the start of the telephone conference.

Contact

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The information Magnolia Bostad publishes in this report is required in accordance with the EU Market Abuse Regulation (EU) No 596/2014. The information was submitted for publication, through the agency of the contact persons, on 24 October 2018 at 07:30 a.m. CEST.

MAGNOLIA

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