

MAGNOLIA

Magnolia Bostad
Year-end report
The Group
1 January -
31 December 2018

Q4

Year-end report

January - December 2018

January - December 2018

- Net sales amounted to SEK 1,054 m (1,781).
- The operating profit was SEK 164 m (384).
- The net profit for the period before tax was SEK 22 m (276) and the profit after tax was SEK 7 m (276).
- Earnings per share after deductions for minority shares was SEK 0.26 per share (5.37).
- The company reported on investment properties from the fourth quarter 2018, which means unrealized value adjustments of SEK 67 m.
- Magnolia Bostad agreed during the period on the acquisition of 3,068 estimated building rights (7,501) and the number of residential units sold during the period was 1,314 (2,227).
- The company's shares were listed for trading on Nasdaq Stockholm's main list on 20 June
- The Board does not propose a dividend for 2018 (SEK 1.75 per share).

October - December 2018

- Net sales amounted to SEK 42 m (718).
- The operating profit was SEK -33 m (229).
- The net loss for the period before tax was SEK -71 m (198) and the loss after tax was SEK -86 m (198).
- Earnings per share after deductions for minority shares were SEK -2.12 per share (4.28).
- The company reported on investment properties, which means unrealized value adjustments of SEK 67 m (-).
- Magnolia Bostad agreed during the period on the acquisition of 557 estimated building rights (1,672) and the number of sold residential units during the period was 22 (1,223).

Events during the period October - December 2018

- Construction started on the Piccolo project, in Halmstad.
- The company has decided to develop and own properties to manage itself.
- Acquisition of projects in Kalmar and Östersund that will be owned for own long-term management.
- Issue of a new unsecured four-year bond loan of SEK 500 m in a framework of SEK 700 m.

Events after the period's end

- Signed an agreement to acquire property in Jakobsberg, Järfälla. The deal is conditional and through a joint venture with Heimstaden Bostad.



KPIs, Group

	2018 Jan-Dec	2017 Jan-Dec	2018 Oct-Dec	2017 Oct-Dec
Project-related				
Number of sold apartments during the period	1,314	2,227	22	1,223
Total number of apartments in production	7,008	5,849	7,008	5,849
Number of estimated building rights in the portfolio	17,228	16,429	17,228	16,429
Financials				
Operating margin (%)	15.6	21.6	neg	32.0
Return on equity (%) ¹	1.0	22.0	-	-
Equity/assets ratio (%)	30.3	33.0	30.3	33.0
Interest coverage ratio (multiple)	1.1	3.4	neg	6.9
Share-related				
Earnings per share (SEK) ¹	0.26	5.37	-2.12	4.28
Equity per share (SEK) ¹	24.77	26.20	24.77	26.20

¹ Excluding the minority

For definitions of alternative KPIs that are not defined in IFRS, see page 27

A word from the CEO

During the year, the company strengthened its position in the market through an agreement with Heimstaden AB corresponding to an order value of SEK 9.6 billion. During the year, we also expanded our already extensive cooperation with Alecta through a letter of intent regarding four hotels. In addition, we see that the company's cash flow from operating activities is moving in the right direction because projects under production are increasingly being completed.

However, we are not satisfied with our result for the fourth quarter, which was impaired by a number of projects being delayed, which are instead expected to be realized in 2019.

Magnolia Bostad reported a positive full-year operating result of SEK 164 million and an operating loss of SEK 33 million for the quarter. An explanation for the weak operating profit is that it has taken time to get finalized zoning plans. Projects in Spånga, Lund and Knivsta with around 1,200 residential units have approved zoning plans, but for one of them the zoning plan has been reviewed and for the other two the zoning plans have been appealed.

The Norra Kajen project in Sundsvall came into force at the beginning of 2019. This project, like the three projects being reviewed, is part of our framework agreement with Heimstaden AB and comprises a total of around 2,000 residential units.

A favourable market

We saw significant activity from Swedish investors and an inflow of new foreign players. The low rental risk for residential properties that

attracts these investors is mainly based on the structural housing shortage prevailing in many growth municipalities.

The major interest from investors coupled with a low range of newly produced residential properties on the market has meant that prices have risen during the year.

Construction costs and the price of land have at the same time fallen or stood still, mainly due to considerably lower activity among tenant-owner apartment developers.

Therefore, there are good conditions for increased profitability from new business.

Acquisitions and divestments

In total, we sold 1,314 residencies (2,227) during the year, and in addition to these, 625 residencies are being developed for managing ourselves in Kalmar, Östersund and Visby. Our own investment properties will provide an ongoing cash flow and is expected to contribute to long-term value growth.

During the year we acquired 3,068 estimated building rights.

At the beginning of 2019, we formed a 50/50-owned joint venture with Heimstaden Bostad AB for a project in Jakobsberg, Järfälla. We have signed a conditional agreement to acquire land and run the planning to develop around 1,300 residential units. This in-depth cooperation

allows us to benefit from each party's strengths and expertise.

Financing

We received cash for several projects in 2018 and can now report a cash flow from operating activities of SEK -20 million (-617). During 2018, we paid off the vendor loans from the acquisition of Svenska Vårdfastigheter.

To finance the company's continued expansion we successfully issued two bond loans during the year, worth SEK 700 million. The first, of SEK 200 million, was issued within the framework of an existing loan while the other, of SEK 500 million, was issued as a new four-year bond loan.

The future

We strengthened our organization in 2018 and now have a stronger local position in our priority markets.

A strong demand for the company's products, coupled with already signed framework agreements on project sales, create good prospects overall for Magnolia Bostad to be able to continue to develop its project portfolio of around 17,000 residencies in the future.

Fredrik Lidjan
CEO



The Market

For 10 years, there has been significant growth in the Swedish population, and this is expected to continue in the future, according to Statistics Sweden. However, housing construction is not increasing as quickly. Based on population growth, the National Board of Housing, Building and Planning assesses a demographically-based need for around 67,000 new apartments per year until 2030, which is over the recent building rate.

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.

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. Foreign investors have shown great interest through direct investments and structural transactions and have been net buyers in the Swedish transaction market over the past two years.

The transaction volume on the Swedish property market was SEK 153 billion in 2018, of which foreign investors accounted for 28 per cent of the volume. This can be compared with 2017 when the transaction volume was SEK 150.6 billion and foreign investors accounted for 23 per cent of the volume.

In 2018, rental apartments has been the segment attracting most investment, accounting for 34 per cent of the total transaction volume. The corresponding figure for 2017 was 26 per cent. Municipal property accounted for 8 per cent and hotels for 2 per cent of the total volume.

Geographically, Stockholm accounted for the largest proportion of transactional volume with 41 per cent in 2018. Regional cities** is the geographical segment which, with 18 per cent, accounted for the second largest share of the total transaction volume, followed by Malmö with 13 per cent and Göteborg with 11 per cent.

Rental accommodation

The direct yield for centrally located rental properties in Greater Stockholm,

Göteborg and Malmö was around 1.45 per cent, 1.65 per cent and 2.40 per cent respectively

The direct yield for residential rental apartments in regional cities is judged to be slightly higher than in major cities but is still relatively low at between 3.00 per cent and 4.00 per cent.

The direct yield for newly built rental apartments in major cities is generally higher at between 3.75 per cent and 4.75 per cent.

Residential care property

Municipal property including residential care property has seen a significant increase in value in recent years and has become an increasingly attractive segment to invest in. With a growing and aging population, demand for care homes and other municipal property will continue to increase. In 2018, municipal property accounted for 9 per cent of the total transaction volume, according to Newsec.

The direct yield for residential care property in Greater Stockholm, Göteborg and Malmö is in the range of 3.75 - 4.75 per cent, 4.25 - 5.25 per cent and 4.50 - 5.50 per cent respectively. For regional cities, the yield requirement for 2018 was estimated to be in the range of 4.75 - 5.75 per cent.

Hotels

The hotel market showed stable growth in 2018, with good underlying demand for hotel room occupancy. Occupancy of hotel rooms is linked to economic growth and in the major cities, private travellers' demand for hotel accommodation has also increased. Vista believes that demand in the hotel market will continue to be good in the future. 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 per cent, 4.50 - 5.50 per cent and 4.75 - 5.75 per cent respectively.

Tenant-owned apartments ***

In 2018, the price trend for tenant-owned apartments for the country as a whole was negative at -0.4 per cent compared with 2017. The last three months of the year saw a slightly greater decline of -2.1 per cent, compared with the same period in 2017.

In 2018, the tenant-owned housing market was characterized by regional differences where both ups and downs were seen. Low interest rates have strengthened purchasing power and increased the willingness to invest for consumers and investors, while new amortization requirements and loan terms have made financing of residences more difficult.

Source: Newsec

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

***Luleå, Umeå, Sundsvall, Gävle, Uppsala, Västerås, Örebro, Karlstad, Norrköping, Linköping, Jönköping, Växjö, Helsingborg och Borås.*

****Source: Mäklarstatistik*

Comment: The direct yield refers to the average portfolio unless otherwise stated

In central Södertälje, Magnolia Bostad has developed 441 rental apartments with SPP Real Estate as the property owner. The project is called Sländan, and occupancy began in Q4 2018. An additional 336 residencies are planned in later stages.



Earnings, financial position and funding

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

Financial year 1 January - 31 December 2018

Net sales amounted to SEK 1,054 m (1,781) and the operating profit was SEK 164 m (384). The profit before tax was SEK 22 m (276).

Net sales consist mainly of income from property sales

Distribution of revenue	2018 Jan-Dec	2017 Jan-Dec
Property sales	789	1,347
Sum of revenue recognised at a point in time	789	1,347
Project management	28	24
Rent	24	47
Other invoicing for the projects and other revenue	213	362
Sum of revenue recognised over in time	265	433
TOTAL REVENUE	1,054	1,781

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 profits 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 number of residences sold fell to 1,314 (2,227). Of the residential units over the period, 978 (1,363) were rental accommodation, 246 (60) were residential care units and 90 (4) were tenant-owner apartments. 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. The reduction in the number of residences sold during the year is mainly due to the fact that Magnolia Bostad sold 685 fewer rental apartments and 500 fewer hotel rooms during the period compared with the previous year.

During the year, land in Bro was sold to Derome Hus, the Instrument 2 property in Örnberg was sold to the Genova Property Group and the Skogskarlen 3 property in Bergshamra,

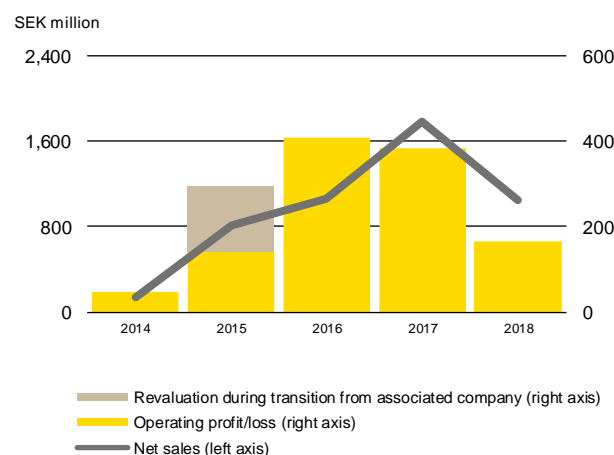
outside Stockholm, was sold to a recently-established joint venture with Randviken.

Rental income fell by SEK 24 m (47) due to the sales of Instrumentet 2 and Skogskarlen 3. Operating costs for properties that generate rental income fell to SEK -8 m (-16). Net operating income from rent-generating properties fell to SEK 16 m (31). Net operating income also contributes to the operating profit.

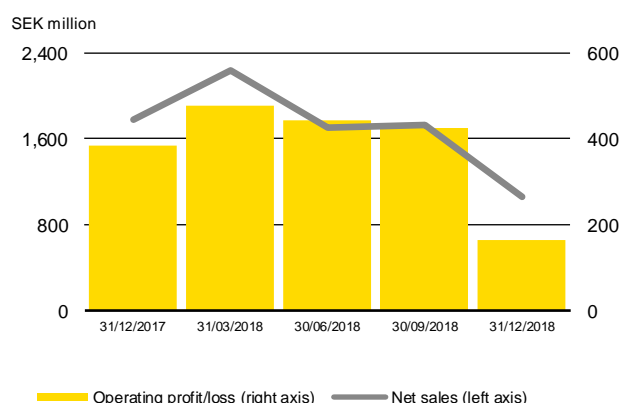
On 14 December 2018, the Stockholm Chamber of Commerce's Tribunal announced in an arbitration decision that Magnolia Bostad had its warranty claim for an acquisition of a property ownership that was completed in 2015 dismissed. As a result, costs totaling SEK -25 million have been reported as Production and operating costs. The amount also includes SEK 5 million in costs for the arbitration proceedings.

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.

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, which explains the increase in central administration costs to SEK -64 m (-41). In addition to increased staff costs, central administration was 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 14 million (-9) and was affected by the results from Sollentuna Stinsen JV AB and Skogskarlen Bergshamra Holding AB. The result from Skogskarlen Bergshamra Holding AB was affected by a positive unrealized change in the value of investment properties of SEK 16 million. 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.

Magnolia Bostad has decided to build up a portfolio of properties for its own long-term management. An existing residential-generating property, Orminge 52:1 in Nacka, has therefore been reclassified as an investment property. As of the end of the year, three more projects are owned that will be developed into properties for the company's long-term management. Investment properties are reported in accordance with IFRS at fair value, which means a change in value of SEK 67 million (-), which is included in the operating profit. The values are based on external valuation. The direct yield in valuations carried out is in the range of 3.8 - 6.3%.

Net financial items

Net financial items amounted to SEK-142 m (-109). 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, and the issue of a new unsecured bond loan of SEK 500 million within a framework of SEK 700 million. The new bond loan matures in October 2022 and runs at an interest rate of STIBOR 3m + 8.50%.

At the end of the period, Magnolia Bostad's average interest rate was 7.1% compared to 5.9% at the end of 2017. The interest coverage ratio was a multiple of 1.1 compared to 3.4 for FY 2017.

Profit/loss for the year

The profit for the year was SEK 7 m (276) and includes SEK -15 m (0) in income taxes. Reported income taxes for the year relate to deferred tax on temporary differences for investment properties.

Reporting period 1 October – 31 December 2018

Net sales amounted to SEK 42 m (718) and the operating loss for the period was SEK -33 m (229). The loss for the period after tax was SEK -71 m (198).

Distribution of revenue	2018 Oct-Dec	2017 Oct-Dec
Property sales	-16	634
Sum of revenue recognised at a point in time	-16	634
Project management	11	9
Rent	3	12
Other invoicing for the projects and other revenue	44	63
Sum of revenue recognised over in time	58	84
TOTAL REVENUE	42	718

Property sales of SEK -16 million during the quarter are mainly explained by project impairments in projects in Uppsala, which led to a provision of SEK -22 million in revenue and low sales. During the quarter, 12 tenant-owned apartments in the Piccolo project were sold. In addition to these, another 8 tenant-owned apartments in the Ophelias Brygga project and a further 2 tenant-owned apartments in the Varvet Townhouse project were sold.

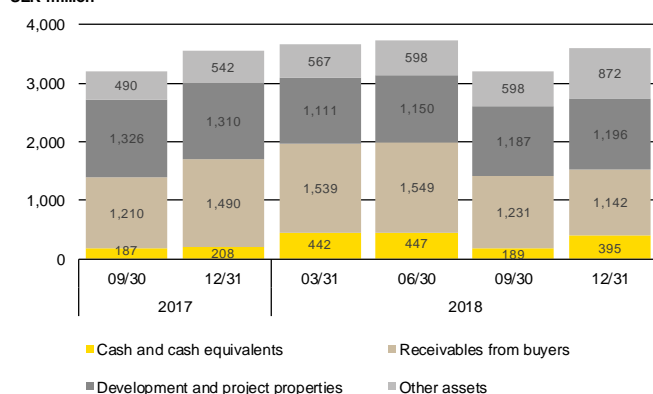
Production and operating costs during the fourth quarter were negatively affected by SEK -25 million from a dismissed claim by the Stockholm Chamber of Commerce's Tribunal.

Central administration costs increased to SEK -16 m (-13), due to an increase in the number of employees. The profit from participations in associated companies and joint ventures was SEK 8 m (-3) mainly impacted by the results from Sollentuna Stinsen JV and Skogskarlen Bergshamra Holding AB.

Changes in the value of investment properties were reported at SEK 67 million (-) due to the fact that properties for long-term self-management are reported at fair value instead of at acquisition cost.

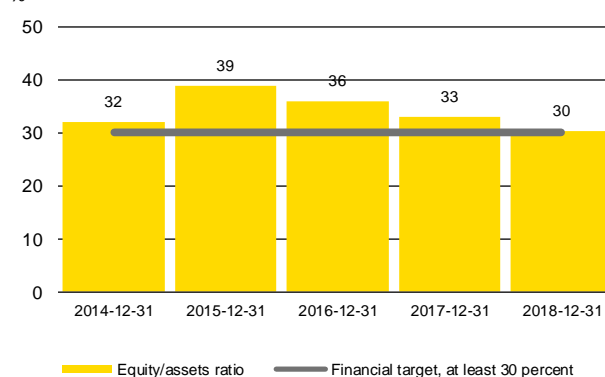
Distribution of assets

SEK million



Equity/assets ratio

%



Financing costs during the quarter amounted to SEK -40 million (-34). The increase is mainly due to a higher average interest rate.

Financial position

The consolidated balance sheet total increased to SEK 3,605 m, compared with SEK 3,550 m at the beginning of the year. The increase is mainly due to investments made in ongoing projects.

Of the long-term and other receivables totalling SEK 1,418 m (1,760), SEK 1,142 m (1,490) are receivables with buyers of the projects, mainly at our partners and large Swedish institutions, while SEK 149 m (117) refers to deposits for future property acquisitions. Within the next 12 months, the Group is expected to receive SEK 280 m (423) of the total receivables from buyers of the projects as amortization of promissory notes, payment of additional considerations, final considerations and forward funding.

Properties held for long-term management are reported as Investment properties. In connection with the decision to own certain properties, an existing office property in Nacka has been reclassified in the long-term from "Development and project property" to "Investment property". A previous healthcare project in Visby has also been reclassified to investment property. In addition to these projects, two further development projects, one in Östersund and one in Kalmar, were acquired during the quarter.

As at 31 December 2018 investment properties amounted to SEK 295 million (-), of which SEK 180 million was reclassified from development and project properties, acquisitions of SEK 49 million and reported unrealized changes in value of SEK 67 million.

Development and project properties have decreased by SEK 114 m and amount to SEK 1,196 m (1,310). The decrease is due to completed sales and reclassification to investment properties. During the year, the Group continued to invest in the project portfolio and is working continuously to refine and drive the local planning process forward in the various projects.

Shares in associated companies and joint ventures fell by SEK 5 m to SEK 106 m (111), primarily due to the impact of the sale of the residential care projects Allarp Laholm and Nyponrosen and the period's results of Sollentuna Stinsen JV AB and Skogskarlen Bergshamra Holding AB.

Equity and equity/assets ratio

On 31 December 2018, consolidated equity was SEK 1,093 m (1,171), with an equity/assets ratio of 30.3% (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 157 m (180).

Return on equity for the full year 2018 was 1.0%, compared with 22.0% for the 2017 calendar year, which is below the financial target of a return on equity of at least 30%.

Interest-bearing liabilities

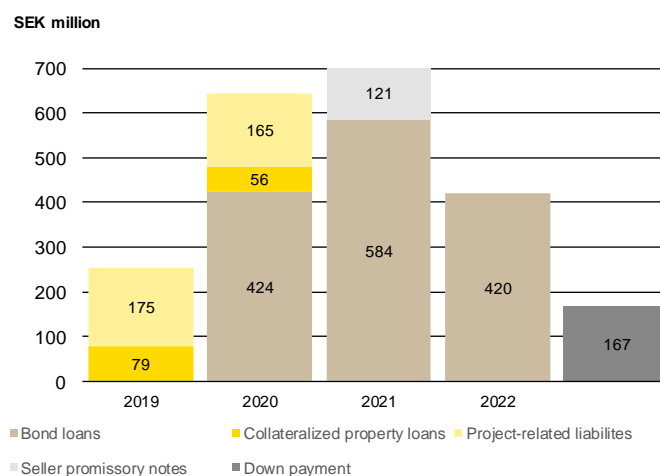
Total interest-bearing loans, including interest-bearing deposits, were SEK 2,192 m (2,073) as at 31 December 2018. The majority of Magnolia Bostad's liabilities comprise bond loans with a book value of SEK 1,428 m and bank financing of SEK 475 m, of which SEK 135 m is collateralized by property. The remaining interest-bearing liabilities consist of SEK 167 million in deposits and seller's repayments of SEK 121 million. The average capital tie-up period, excluding deposits and the utilized credit line, was 2.4 years at 31 December 2018, compared to 2.0 years at 31 December 2017.

After a deduction for liquid assets of SEK 395 m (208) interest-bearing net liabilities were SEK 1,797 m (1,865).

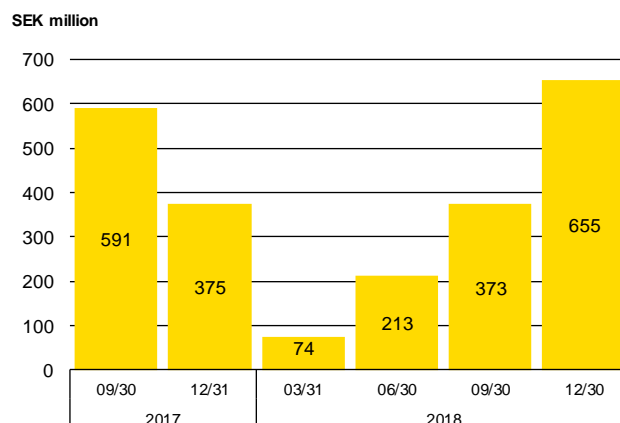
The majority of bank financing is linked to individual projects, where repayment occurs in conjunction with Magnolia Bostad's handover, or in connection with the payment of the final consideration from the buyer at the end of the project.

Receivables at buyers amounted to SEK 1,142 m (1,490), interest-bearing net liabilities after deductions for receivables at buyers was SEK 655 m (375), an increase of SEK 280 m compared to 31 December 2017.

Maturity structure, SEK million



Interest bearing net liabilities with deduction for receivables at buyer



Bond loans

During the final quarter of 2018, a bond was issued with a maturity date of 2022 and at the same time a partial redemption of SEK 50 million was made on a bond maturing in 2020.

As at 31 December 2018, Magnolia Bostad had three outstanding bonds. A secured bond of a nominal value of SEK 450 m with a variable coupon of Stibor 3m + 6.25% (with a Stibor floor) and final maturity in April 2020, an unsecured bond of a nominal SEK 600 m pursuant to a bond frame of up to SEK 1 bn with a variable coupon of Stibor 3m + 7.25% (without a Stibor floor) and final maturity in October 2021 and an unsecured bond of SEK 500 million, which runs with a variable coupon of Stibor 3m + 8.50% (without a Stibor floor) maturing in October 2022.

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

Cash flow and cash equivalents

The consolidated cash flow from operating activities for the full year amounted to SEK -20 m (-617). The improvement in the cash flow from operating activities of SEK 597 m is mainly due to payments received from buyers of previously profit-recognized projects which have been invested in the project portfolio.

In connection with the withdrawal, Magnolia Bostad will receive forward funding for the project, which means that Magnolia Bostad will be paid for investments made up to the date of withdrawal. Often, part of the project's profit is received in liquid form at handover. The remaining part of the project's profit is usually obtained in connection with project completion. This leads to a delay between the timing of reporting sales in the income statement and cash flows received.

The cash flow from investing activities was SEK -21 m (-13). The cash flow from financing activities was SEK 228 m (332), with borrowings affected by SEK 1,147 m (597) and amortization of SEK -848m (-200).

Cash and cash equivalents as at 31 December 2018, amounted to SEK 395 m compared with SEK 208 m on 31 December 2017. In addition to liquidity, unutilized credit was SEK 834 m as at 30 December 2018.

Parent company's income statement

The parent company's loss after financial items was SEK -55 m (276). The decrease compared to last year is due to lower income from dividends from subsidiaries. Financial costs increased by SEK 37 m to SEK -101 m (-64) due to higher interest-bearing liabilities.

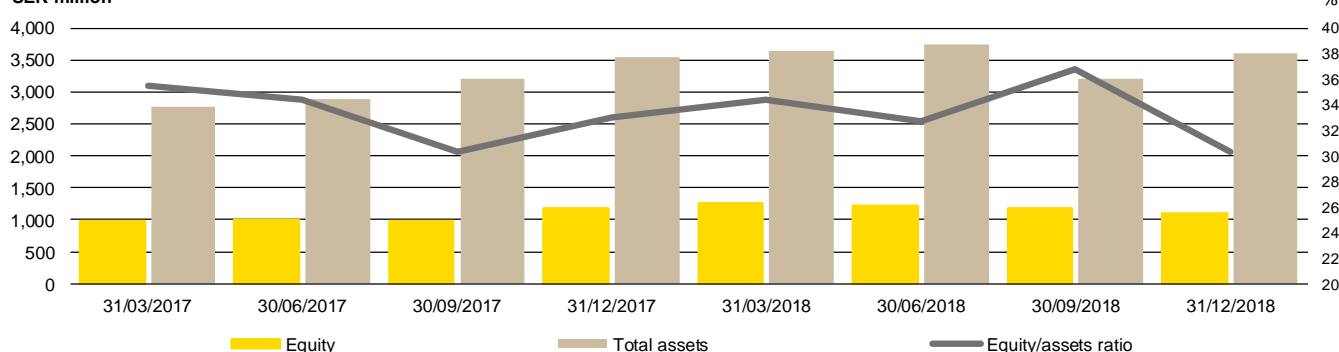
Parent company's balance sheet

The Parent Company's balance sheet total increased to SEK 1,970 m (1,351). The increase is due to greater lending to Group companies financed with long-term interest-bearing liabilities. 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 and in the fourth quarter 2018, a new four-year unsecured bond loan at a nominal amount of SEK 500 million was issued. The Parent Company's equity/assets ratio amounted to 16.8%, compared to 33.4% at year-end 2017.

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 1,440 m (870) compared to the book value of SEK 1,428 m (883). Bond loans belong to the category financial liabilities valued at the accrued acquisition value. 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



Project

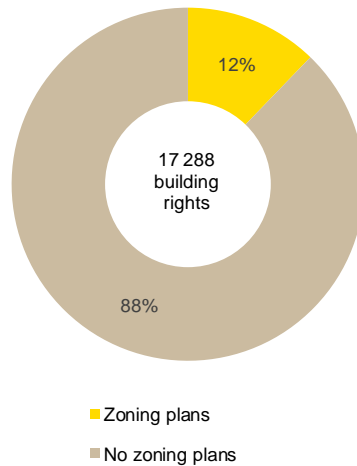
Magnolia Bostad develops primarily rental apartments, hotels and residential care facilities in Sweden's growth areas and large cities. These are sold at an early stage to major Swedish institutions or other partners with strong reputations. The company also develops tenant-owned apartments.

Magnolia Bostad applies an urban planning perspective to its projects. Municipalities and institutional investors are often looking for the competence to develop comprehensive residential areas that include not only homes but also, for example, residential care housing.

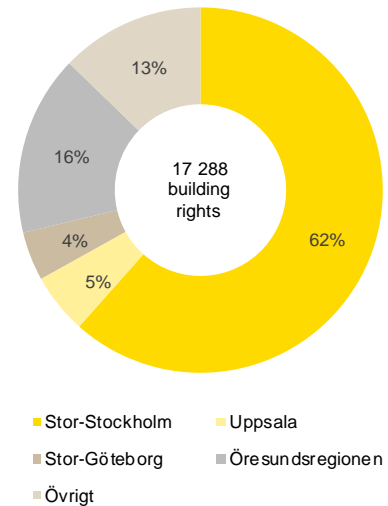
By working with several products and housing forms, Magnolia Bostad achieves good risk distribution and becomes an attractive partner for long-term cooperation.

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



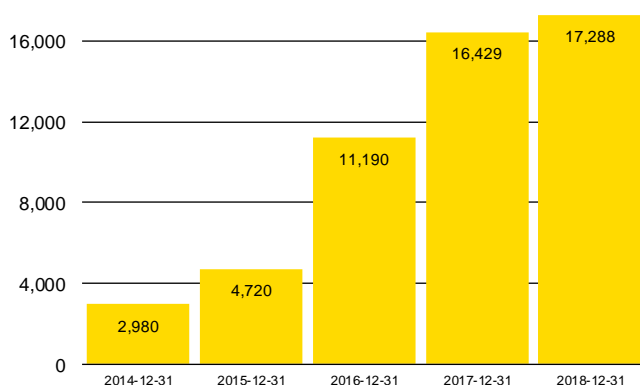
Share of estimated building rights per geographical area



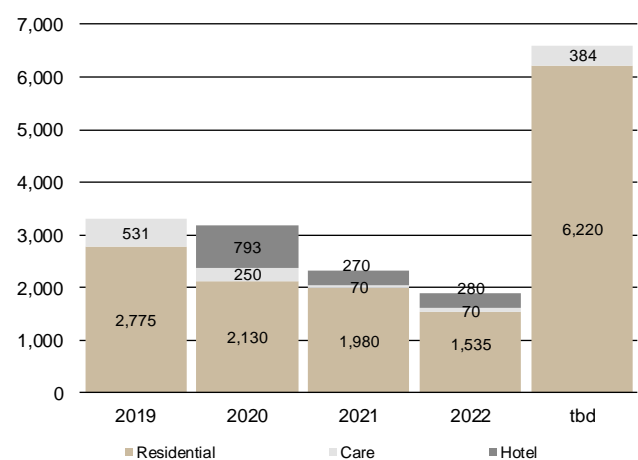
As of December 31, 2018, Magnolia Bostad had a project portfolio totalling 17,288 estimated building rights.

In 2018, 9 projects with a total of 1,314 residential units were sold. In total 3,068 estimated building rights were acquired in 2018.

Development of the building right portfolio



Pending building rights not sold, estimated production starts



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
4	Övre Bangården	Östersund	A	325
4	Kalmar	Kalmar	A	232
				3,068

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
4	Ophelias Brygga	Helsingborg	Brf	8
4	Varvet Townhouse	Karlstad	Brf	2
4	Piccolo	Halmstad	Brf	12
				1,314

¹ Sold without residential development

Projects closed in 2018

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

TO=Tenant-owned, C=Care

Project portfolio

The tables on pages 12 and 13 present Magnolia Bostad's project portfolio as at December 31, 2018, which consisted of 49 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)
Drottninghög ³	Drottninghög södra 3 & del av Eskadern 1, Helsingborg	C	100	9,000		2019	2021	
Ferdinand 9, Spånga ³	Ferdinand 9, Stockholm	A, C	200	15,400		2019	2022	Heimstaden agreement (B)
Gjuteriet, etapp 2	Nätverket 2, Eskilstuna	A	100	5,800		2019	2021	Consto agreement (C)
Gyllehemmet ³	Gyllehemmet 1 & 2, Borlänge	C	106	10,500		2019	2021	
Hasseludden ³	Hasseludden 1:79, Nacka	C	60	4,300		2019	2021	
Konstnären	Sala backe 50:1, Uppsala	A	115	6,150		2019	2021	Heimstaden agreement (B)
Lilium, etapp 2	Del av Gamla Uppsala 99:2, Uppsala	A	110	5,200		2019	2019	Serneke (C)
Lommarstranden, etapp 1	Del av Tälje 4:62, Norrtälje	A	120	6,000		2019	2021	
Norra kajen, etapp 1	Norrmalm 3:18 & 4:2, Sundsvall	A	285	12,500		2019	2022	Heimstaden agreement (B)
Norrbacka	Sigtuna Norrbacka 1:32-36, Sigtuna	A, C	210	12,000		2019	2021	Consto agreement (C)
Norrtälje Hamn ²	Del av Tälje 3:1 m.fl. & Alen 1-5, Norrtälje	A, C	145	9,000		2019	2022	
Nykvarn ⁴	Kaffebruggaren 1 m.fl., Nykvarn	A	285	13,000		2019	2021	
Partilleport ⁴	Partille 11:61, Göteborg	C	54	11,100		2020	2022	Consto (C)
Slipsen	Stora Råby 33:2 m.fl., Lund	A	720	33,000		2019	2021	Heimstaden agreement (B)
Sportflygaren	Autogyron 1, Örebro	A	145	7,300		2019	2021	Consto agreement (C)
Torgkvarteren, etapp 1	Del av Våppeby 7:7, Bålsta	A	280	13,400		2019	2022	Heimstaden agreement (B) Consto agreement (C)
Täljöviken ³	Näs 7:7, Åkersberga	C	55	4,850		2019	2020	
Ängloket	Del av Ängby 1:1, Knivsta	A	270	15,000		2019	2022	Heimstaden agreement (B) Consto agreement (C)
Frihamnen H ⁶	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	
Hagby Park	Hagby 1:5, Åkersberga	A	195	10,900		2020	2022	Heimstaden agreement (B) Consto agreement (C)
Mesta ³	Mesta 5:81, Eskilstuna	C	54	3,950		2020	2021	
Norra kajen, etapp 2	Norrmalm 3:18 & 4:2, Sundsvall	A	285	12,500		2020	2022	Heimstaden agreement (B)
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	
Torgkvarteren, etapp 2	Del av Våppeby 7:7, Bålsta	A	135	7,200		2020	2023	Consto agreement (C)
Västerhaninge ³	Del av Åby 1:67 m.fl., Haninge	A	500	30,000		2020	2023	
Österhagen ³	Länna 4:7, Huddinge	C	72	5,040		2020	2022	
Gamlestaden hotell ⁶	Gamlestaden 80:4, Göteborg	H	243	6,500		2020	2022	

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)
Finnkajen ⁶	Del av Sundsvall, Stenstaden 1:4, Sundsvall	H	270	11,800	●	2021	2023	
Frihamnen	Del av Lundbyvassen 736:168, Göteborg	A	150	8,000	●	2021	2023	
Lommarstranden, etapp 2	Del av Tälje 4:62, Norrtälje	A	120	6,000	●	2021	2023	
Norra kajen, etapp 3	Norrmalm 3:18 & 4:2, Sundsvall	A	280	12,000	●	2021	2023	Heimstaden agreement (B)
Södra Häggviks Gårdar ¹	Stinsen 2, Sollentuna	A, C	1,500	94,000	●	2021	-	Slättö agreement, part of project (B) Skanska (C)
Vårby Udde	Gambrinus 2 & 4, Huddinge	A, C, H	1,800	85,000	●	2022	-	Slättö agreement, part of project (B) Skanska (C)
Oktaven ³	Skärholmen 2:1, Stockholm	A	85	7,000	●	2022	2023	
Hammarby-Smedby ³	Hammarby-Smedby 1:27, Upplands Väsby	C	72	7,700	●	tbd ⁶	-	
Ystad trädgårdstad ⁴	Mispeln 2, Ystad	C	100	4,600	●	tbd ⁶	-	
Kvarnsjödalen	Tumba 7:241, Botkyrka	A, C	2,000	130,000	●	tbd ⁶	-	Slättö agreement, part of project (B)
Bredängshöjden	Vita Liljan 3 m.fl., Stockholm	A	700	35,000	●	tbd ⁶	-	Heimstaden agreement, part of project (B)
Brogårdstaden ³	Del av Bro gård 1:84, Upplands-Bro	A	840	50,000	●	tbd ⁶	-	
Bunkeflostrand	Limhamn 155:355, Malmö	A, C	1,300	58,500	●	tbd ⁶	-	
Erstavik ⁴	Erstavik 25:1, Stockholm	C	72	5,180	●	tbd ⁶	-	
Mejeriet, etapp 1	Filborna 28:4, Helsingborg	A	270	15,000	●	tbd ⁶	-	Heimstaden agreement (B)
Mejeriet, etapp 2	Filborna 28:4, Helsingborg	A	270	15,000	●	tbd ⁶	-	Heimstaden agreement (B)
Senapfabriken, etapp 3	Kungsängen 29:2, Uppsala	A	700	29,000	●	tbd ⁶	-	
Skarpnäcksgård 1:1 ⁵	Del av Skarpnäcks gård 1:1, Stockholm	A	60	3,500	●	tbd ⁶	-	Heimstaden agreement (B)
Årstaberg 1 ³	Liljeholmen 1:5, Stockholm	A	100	6,300	●	tbd ⁶	-	Heimstaden agreement (B)
Årstaberg 2 ³	Årsta 1:1, Årsta	A	120	7,500	●	tbd ⁶	-	
Total			17,288	933,870				

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

² Developed in cooperation with Slättö Förvaltning AB.

³ Magnolia Bostad's share of the profit amounts to 92%.

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

⁵ For land where Magnolia Bostad does not have planning permission or there is no date for when the tenants will move out.

⁶ Magnolia Bostad's share of the profit amounts to 76%

⁷ Magnolia Bostad's share of the profit amounts to 78,2%

A=Apartments, C=Care, H=Hotels

● Local planning in force ● Local planning not in force

Sold projects in production

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

Project	Property, location	Cate- gory	Sold ap. in production	Resi- dential area (sqm)	Unsold ap. in production	Production start	Completion	Contract- Buyer	Contract- or
Maria Forum	Slagan 1, Helsingborg	RU	292	12,500		2015	2019	Alecta	Serneke
Bryggeriet	Norrland 11 , Helsingborg	RU	327	14,700		2015	2019	Alecta	Skanska
Cementfabriken	Kölen 1, Malmö	RU	144	7,100		2015	2019	SPP Fastigheter	Veidekke
Kalkstenen	Tankloket 1 , Malmö	RU	129	5,100		2015	2019	SPP Fastigheter	Veidekke
Slipen	Del av Varvet 2, Karlstad	RU	216	12,300		2015	2019	Slättö	Consto
Nyby Lilium, etapp 1	Del av gamla Uppsala 99:1, Uppsala	RU	300	14,000		2015	2019	SEB Domestica II	Serneke
Maria Mosaik	Arkeologen 1 & Antikvarien 1, Helsingborg	RU	345	16,000		2016	2020	SPP Fastigheter	Veidekke
Sländan, etapp 1	Sländan 6, Södertälje	RU	441	19,000		2016	2019	SPP Fastigheter	ED Bygg
Senapsfabriken, etapp 1 ¹	Kungsängen 25:1, kv.2, Uppsala	RU	455	19,400		2016	2019	SEB Domestica III	NCC
Tegelslagaren	Vallentuna-Åby 1:166, Vallentuna	RU	155	6,150		2016	2019	SEB Domestica II	ED Bygg
Tegelmästaren	Vallentuna-Åby 1:171, Vallentuna	RU	160	5,950		2016	2019	SEB Domestica II	ED Bygg
Gjuteriet, etapp 1	Namnsdagen 1 , Eskilstuna	RU	262	13,900		2016	2019	Slättö	Consto
Segelflygaren	Glidplanet 1, Örebro	RU	210	10,000		2016	2019	Slättö	Consto
Varvet	Varvet 4 & del av Varvet 2, Karlstad	TO	92	6,100		2016	2019	Brf	Consto
Varvet Townhouse	Varvet 4 & del av Varvet 2, Karlstad	TO	6	700	2	2017	2019	Brf	Consto
Senapsfabriken, etapp 2 norra ¹	Del av Kungsängen 45:1, 29:3, Uppsala	RU	325	13,100		2017	2022	Slättö	NCC
Senapsfabriken, etapp 2 södra ¹	Del av Kungsängen 45:1, 29:3, Uppsala	RU	325	13,900		2017	2023	Heimstaden Bostad	NCC
Sländan, etapp 2	Sländan 8, Södertälje	RU	136	5,300		2017	2020	Viva Bostad	ED Bygg
Fyren, etapp 1	Telegrafan 16, Nynäshamn	RU	220	10,500		2017	2022	Viva Bostad	Consto
Fyren, etapp 2	Telegrafan 16, Nynäshamn	RU	236	11,600		2017	2022	SEB Domestica IV	Consto
Hyllie Gärde ²	Valhall 1, Malmö	RU	427	21,000		2017	2021	Slättö	ED Bygg
Hotell Brunnshög ³	Morgonen 1, Lund	H	251	8,900		2017	2020	Alecta	Serneke
Hotell Resecentrum ³	Kilot 2, Halmstad	H	244	9,500		2017	2020	Alecta	Serneke
Visborg ²	Skenet 3, Visby	C	58	3,950		2018	2019	Northern Horizon	PEAB
Fasanen	Burlöv Arlöv 20:58 m.fl., Burlöv	RU	275	12,675		2018	2020	Heimstaden Bostad	Serneke
Allarp Laholm ⁴	Allarp 2:468 , Helsingborg	C	60	3,850		2018	2020	Northern Horizon	Consto
Brogårdstaden ²	Del av Brogård 1:84, Upplands-Bro	RU	650	31,000		2018	2022	Slättö	Consto
Ophelias Brygga	Del av Gamla Staden 1:1 m.fl., Helsingborg	TO	76	7,500	48	2018	2020	Brf	Serneke
Mossenskolan ²	Mossenskolan 3, Motala	C	54	4,400		2018	2020	M&G Gärhovs Bygg	
Nypronrosen 5 ⁴	Nypronrosen 5, Helsingborg	C/RU	125	8,360		2018	2021	Northern Horizon	Veidekke
Piccolo ²	Kilot 3, Halmstad	RU	12	1,860	14	2018	2020	Brf	Serneke
Sum			7,008	330,295	64				

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%.

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

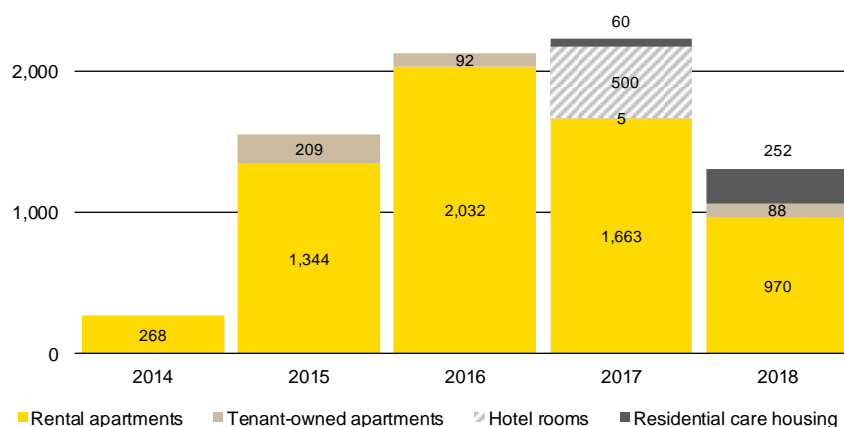
As of 31 December, 2018, Magnolia Bostad had 31 projects in production with a total of 7,072 residential units.

Of these, 7,008 were sold and recognized. This corresponds to a sales rate of 99.1%. In 2018, two projects were completed and settled.

In the first nine months of 2018, 9 projects with a total of 1,314 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 10 converted ten-ant-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	10	Slättö
Total		10	

Investment properties

As of 31 December, 2018, Magnolia Bostad had three projects in production with a total of 625 residential units in asset management. In addition to this the company had two existing office premises considered to be in the asset management section, one of which is reported as a Joint Venture. Magnolia Bostad's share of earnings amounts to 92% unless otherwise specified.

Projects

Name	Property, location	Category	Sold ap.	Residential area (sqm)	Production start	Completion	Buyer
Övre Bangården	Östersund söder 1:14, Östersund	A	325	14,500	2018	2021	Derome
Kalmar	Björnbåret 1, Kalmar	A	232	11,000	2018	2021	Derome
Adjutanten	A7 området, Visby	A	68	4,200	2018	2019	PEAB
Sum			625	29,700			

A=Apartments, C=Care, H=Hotels

Investment properties

Name	Property, location	Category	Rentable area (sqm)	Rental value (MSEK)
Orminge Centrum ¹	Orminge 52:1, Nacka	O	6,000	8
Skogskarlen ²	Skogskarlen 3, Solna	O	9,000	17
			15,000	25

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

² Part of JV. Magnolia Bostad's share of the profit amounts to 50%

O=Office

The shares

Share information

Magnolia Bostad's shares are 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 36.50. On average, 110 transactions were conducted per trading day between January 1, 2018 and December 31, 2018, and the average trading volume per trading day was SEK 1.7 million.

The average number of outstanding shares on 28 December 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 31 December 2018, the number of shareholders was 4,845.

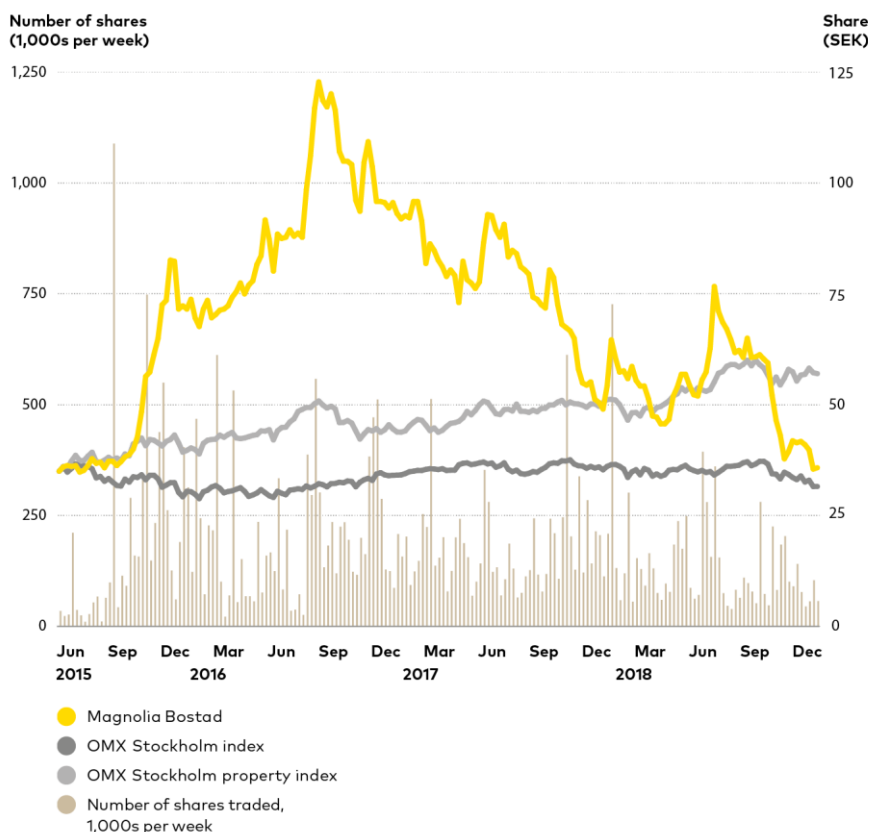
Dividend

To the 2019 Annual General Meeting, the Board is proposing that no dividend be paid (SEK 1.75 per share).

Warrants

The Annual General Meeting held on 26 April 2017, resolved to issue 350,000 warrants to the subsidiary, Magnolia Utveckling AB. During 2018, 260,500 warrants were transferred to employees in accordance with the warrant program, while warrants not used remain in the custody of Magnolia Utveckling AB and will not be used under the 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)



Average number of outstanding shares

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

Owners

Shareholder's structure as of 31 Dec 2018

Number of shares	Number of share holders	Shareholder category	No.	Shareholders per country	No.
1–500	4,037	Corporation	149	Sweden	4,780
501–1 000	349			Other Nordic countries	35
1 001–2 000	176	Private individuals, men	3,203	Other European countries (excl. Sweden and the Nordics)	24
2 001–5 000	158			USA	3
5 001–10 000	57	Private individuals, women	1,493		
10 001–50 000	41			Rest of the world	3
50 001–	27	Total	4,845		
Total	4,845	of which living in Sweden	4,780	Total	4,845

Largest shareholders as of 31 Dec 2018

Shareholders	Number of shares	Share capital	Percentage of Votes
F. Holmström Fastigheter	21,321,837	56.37%	56.37%
Länsförsäkringar Fondförvaltning AB (publ)	3,195,269	8.45%	8.45%
Danica Pension	3,116,462	8.24%	8.24%
Svolder	1,661,161	4.39%	4.39%
Nordnet Pensionsförsäkring	1,453,998	3.84%	3.84%
Avanza Pension	728,575	1.93%	1.93%
Martin Dahlin	581,611	1.54%	1.54%
John Larsson	500,000	1.32%	1.32%
Jennie Sinclair	220,950	0.58%	0.58%
Alfred Berg Fonder	217,602	0.58%	0.58%
Total 10 largest shareholders	32,997,465	87.25%	87.25%
Other shareholders	4,824,818	12.75%	12.75%
Total	37,822,283	100%	100%

Source: Monitor by Modular Finance AB. Data compiled and processed from sources such as Euroclear, Morningstar and the Swedish Financial Supervisory Authority

Financial information

Consolidated Condensed Income Statement

Amounts in MSEK	2018 Jan-Dec	2017 Jan-Dec	2018 Oct-Dec	2017 Oct-Dec
Net sales	1,054	1,781	42	718
Production and operating costs	-907	-1,347	-135	-473
Gross profit/loss	147	434	-93	245
Central administration	-64	-41	-16	-13
Profit/loss from participations in associated companies and joint ventures	14	-9	9	-3
Change in value, investment properties	67	-	67	-
Operating profit/loss	164	384	-33	229
Financial income	8	6	2	2
Financial expenses	-150	-115	-40	-34
Change in value, financial instruments	-	0	-	-
Profit/loss before tax	22	276	-71	198
Income tax	-15	0	-15	0
NET PROFIT/LOSS FOR THE PERIOD	7	276	-86	198
Profit/loss attributable to				
Parent company shareholders	10	203	-80	162
Non-controlling interests	-3	73	-6	36
Earnings per share (SEK)				
Before dilution effects	0.26	5.37	-2.12	4.28
After dilution effects	0.26	5.37	-2.12	4.28

Consolidated Statement of Comprehensive Income

Amounts in MSEK	2018 Jan-Dec	2017 Jan-Dec	2018 Oct-Dec	2017 Oct-Dec
Net profit/loss for the period	7	276	-86	198
OTHER COMPREHENSIVE INCOME FOR THE PERIOD				
Total other comprehensive income	0	0	0	0
COMPREHENSIVE INCOME FOR THE PERIOD	7	276	-86	198
Comprehensive income attributable to				
Parent Company shareholders	10	203	-80	162
Non-controlling interests	-3	73	-6	36

Consolidated Condensed Statement of Financial Position

Amounts in MSEK	2018 31 Dec	2017 31 Dec
ASSETS		
Non-current assets		
Goodwill	6	6
Other intangible assets	1	1
Total intangible assets	7	7
Investment properties	295	-
Machinery and equipment	19	8
Total property, plant and equipment	314	8
Shares in associated companies and joint ventures	106	111
Receivables from associated companies	56	24
Other securities held as non-current assets	31	31
Other long-term receivables	978	1,165
Total financial assets	1,171	1,330
Total non-current assets	1,492	1,345
Current assets		
Development and project properties	1,196	1,310
Tenant-owned apartments	10	4
Accounts receivable	21	31
Receivables from associated companies	38	52
Other receivables	440	595
Prepaid expenses and accrued income	14	5
Cash and cash equivalents	395	208
Total current assets	2,114	2,205
TOTAL ASSETS	3,605	3,550

Consolidated Condensed Statement of Financial Position

Amounts in MSEK	2018 31 Dec	2017 31 Dec
EQUITY AND LIABILITIES		
Equity		
Share capital	151	151
Other capital contributions	187	185
Retained profits incl. net profit/loss for the period	599	655
Equity attributable to Parent Company shareholders	937	991
Non-controlling interests	156	180
Total equity	1,093	1,171
Non-current liabilities		
Deferred tax liability	17	2
Non-current interest-bearing liabilities	1,914	1,566
Non-current liabilities to associated companies	18	35
Other long-term liabilities	34	30
Total long-term liabilities	1,983	1,633
Current liabilities		
Current interest-bearing liabilities	278	507
Derivatives	-	-
Accounts payable	23	16
Liabilities to associated companies	0	1
Income tax liabilities	0	0
Other current liabilities	114	85
Accrued expenses and deferred income	114	136
Total current liabilities	529	745
TOTAL EQUITY AND LIABILITIES	3,605	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	-	-	-	203	73	276
Other comprehensive income	-	-	0	-	0	0
Acquisition of subsidiaries	-	-	-	-	1	1
Closing equity 31/12/2017	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	10	-3	7
Other comprehensive income	-	-	0	-	0	0
Closing equity 31/12/2018	151	187	0	599	156	1,093

Condensed Consolidated Cash Flow Statement

Amounts in MSEK	2018 Jan-Dec	2017 Jan-Dec	2018 Oct-Dec	2017 Oct-Dec
Operating activities				
Profit/loss after financial items	22	276	-71	198
Adjustments for non-cash items, etc				
Less share of profit/loss from associated companies and joint ventures	-14	9	-9	3
Retained dividend from associated companies	10	-	0	-
Depreciation/amortization and impairment of assets	4	2	1	1
Unrealised fair value changes, investment properties	-67	-	-67	-
Capital gains/losses from the sale of development properties	-246	-584	34	-341
Other provisions	0	0	0	0
Other profit/loss items that do not affect liquidity	12	6	6	3
Income tax paid	0	0	0	0
Cash flow from operating activities before changes in working capital	-279	-291	-105	-136
Decrease(+)/increase(-) of development and project properties	-71	-156	-193	15
Decrease(+)/increase(-) in current receivables	373	-194	89	-82
Decrease(+)/increase(-) in current liabilities	-43	24	41	26
Cash flow from operating activities	-20	-617	-168	-177
Investing activities				
Acquisition of intangible fixed assets	0	-1	0	0
Acquisition of investment properties	-21	-	-21	-
Acquisition of machinery and equipment	-8	-9	1	-1
Investment in financial assets	0	-3	1	-2
Disposal/reduction of financial assets	8	-	-1	-
Cash flow from investing activities	-21	-13	-20	-3
Financing activities				
Contribution from non-controlling interest	-	1	-	0
Issue of warrants	2	-	-	-
Borrowings	1 147	597	624	225
Repayment of borrowings	-848	-200	-228	-24
Dividend paid to parent company's owner	-66	-66	-	-
Dividend paid to minority interest	-7	-	-1	-
Cash flow from financing activities	228	332	394	201
Cash flow for the period	187	-298	207	21
Cash and cash equivalents at the beginning of the period	208	507	189	187
Cash and cash equivalents at the end of the period	395	208	395	208

Parent Company Condensed Income Statement

Amounts in MSEK	2018 Jan-Dec	2017 Jan-Dec	2018 Oct-Dec	2017 Oct-Dec
Net sales	10	14	6	14
Total income	10	14	6	14
Central administration	-40	-30	-7	-7
Operating profit/loss	-30	-16	-1	7
Financial income	76	357	23	215
Financial expenses	-101	-64	-38	-15
Profit/loss after financial items	-55	276	-16	206
Tax on profit/loss for the period	0	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	-55	276	-16	206

Parent Company Statement of Comprehensive Income

Amounts in MSEK	2018 Jan-Dec	2017 Jan-Dec	2018 Oct-Dec	2017 Oct-Dec
Net profit/loss for the period	-55	276	-16	206
OTHER COMPREHENSIVE INCOME FOR THE PERIOD				
Total other comprehensive income	0	0	0	0
COMPREHENSIVE INCOME FOR THE PERIOD	-55	276	-16	206

Parent Company Condensed Balance Sheet

Amounts in MSEK	2018 31 Dec	2017 31 Dec
ASSETS		
Non-current assets		
Financial assets	154	154
Total non-current assets	154	154
Current assets		
Current receivables		
Receivables from Group companies	1,714	1,191
Receivables from associated companies	2	0
Other receivables	0	2
Prepaid expenses and accrued income	0	0
Total current receivables	1,716	1,193
Cash and bank balances	100	4
Total current assets	1,816	1,197
TOTAL ASSETS	1,970	1,351
EQUITY AND LIABILITIES		
Equity	330	451
Non-current liabilities		
Non-current interest-bearing liabilities	1,573	883
Total long-term liabilities	1,573	883
Current liabilities		
Current interest-bearing liabilities	0	-
Liabilities to Group companies	38	0
Other current liabilities	0	1
Accrued expenses and deferred income	29	16
Total current liabilities	67	17
TOTAL EQUITY AND LIABILITIES	1,970	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 in addition to the new standards described below. Disclosures in accordance with IAS 34 Interim Financial Reporting are provided as both notes and in other places in the interim report.

Reporting of Management properties

Management properties are properties held for the purpose of collecting rental income or for an increase in value or a combination of the two. Initially, management properties are reported at acquisition cost, including costs attributable to the acquisition.

Investment properties are normally reported on the balance sheet from the contract date, if the transfer from the seller is not made on a different date. If ownership of the property is transferred on a different date, this second date is used for the reporting of the investment property.

Additional expenses are only added to the reported value if it is probable that the future economic benefits associated with the asset will come to the company and the acquisition value can be calculated reliably. Expenses for repair and maintenance are reported in the period they occur.

Investment properties are reported at fair value on the balance sheet date. Fair value is the estimated amount that would be received in a transaction at the time of reporting between knowledgeable parties independent of each other and who have an interest in the transaction being carried out. The valuations are made at the end of each quarter and all investment properties are externally valued at least once a year. Both unrealized and realized changes in value are reported in the income statement under the heading Changes in value of investment properties in operating profit.

Income from the sale of investment properties is normally reported on the contract date if the transfer to the buyer is not made on a different date. The transfer of the asset may have occurred at a different time to the contract date. If this is the case, the revenue is reported under this other date. When assessing the revenue recognition date, consideration is given to what has been agreed between the parties regarding risks and benefits and involvement in day-to-day management.

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 January 1, 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 31 December 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 October to 31 December 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 0 million.

The Group's statement of financial position as of 31 December 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.

Effects of the transition to IFRS 9

IFRS 9 replaced IAS 39 on 1 January 2018. This standard introduces new principles for the classification of financial assets, for hedge accounting and for credit reservations. IFRS 9 means that the principles for provisions for credit losses must be based on an estimate of expected losses. Since credit losses are very small, the transition has not had any significant impact on Magnolia Bostad's financial reporting.

Upcoming accounting principles

IFRS 16 'Leasing Agreements' replaced 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. Magnolia Bostad will not apply the standard retroactively.

For Magnolia Bostad, the new standard for the beginning of 2019 is deemed to mean an asset and liability item in the balance sheet of approximately SEK 64 million. Essentially, this item consists of parking spaces rented by Magnolia Bostad to be rented out, and rent for the premises in which Magnolia Bostad conducts its business. The effect on Magnolia Bostad's income statement is estimated to mean that operating profit will improve by SEK 5 million and the net financial items will decrease by a corresponding amount.

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 -13 m is attributable to Fredrik Lidjan AB (FLAB)'s share of the profit in Magnolia Holding 3 AB, SEK 16 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 Rutili, 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 in Stockholm. 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.magnoliabostad.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

The Magnolia Bostad organization is divided into the following departments: Business Development, Project Development, Business Generation, Residential Development, Business Development, Communications, Legal and Finance. As of 31 December 2018, the company had 86 (61) employees. The employees can be broken down into 46 (33) women and 40 (28) men, in offices in Stockholm, Norrköping, Göteborg and Helsingborg. Comparative figures refer to 31 December 2017.

During the fourth quarter of 2018, a new member was the Executive Management group, the Head of Business Generation and Head of the Eastern Region.

As of 31 December 2018, Executive Management consisted of nine people. For more information about Magnolia

Bostad's management team, please see www.magnoliabostad.se

Annual General Meeting The Annual General Meeting of Magnolia Bostad AB will take place on 10 May 2019 at 2:00pm at Magnolia Bostad's offices at Sturegatan 6, Stockholm.

Notice of the Annual General Meeting will be issued by 28 March 2019 at the latest. The notice and instructions for participating will be published in Post & Inrikes Tidningar and on the Magnolia Bostad website, www.magnoliabostad.se. Information that notice has been made will be published in an advertisement in Dagens Industri.

Other documents to be submitted at the meeting will be available on the company's website on 28 March 2019 at the latest. The notice will indicate the business to be dealt with at the meeting.

The annual report will be available on Magnolia Bostad's website on 28 March 2019, www.magnoliabostad.se, and at the company's headquarters at Sturegatan 6, Stockholm, Sweden, during week 17 of 2019.

Stockholm, 21 February 2019,
Magnolia Bostad AB (publ)

Board of Directors

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

Quarterly overview

	2018				2017			
	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Net sales (SEK million)	42	214	267	532	718	194	792	77
Operating profit/loss (SEK million)	-33	-10	93	113	230	8	127	20
Profit/loss after tax (SEK million)	-86	-47	59	80	198	-21	103	-3
Earnings per share (SEK) ¹	-2.12	-1.24	1.45	2.14	4.26	-0.51	1.69	-0.05
Equity (SEK million)	1,093	1,179	1,226	1,254	1,171	974	994	987
Equity per share (SEK) ¹	24.77	26.89	28.13	28.42	26.20	21.97	22.47	22.53
Equity/assets ratio (%)	30.3	36.8	32.7	34.4	33.0	30.3	34.4	35.5
Cash flow from operating activities (SEK million)	-168	17	-86	62	-177	-220	165	-384
Cash flow from the operating activities, per share (SEK)	-4.4	4.5	-2.3	1.6	-4.7	-5.8	4.3	-10.2
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	37,822,283	37,822,283	37,822,283	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 before dilution.

Net financial items

Net of financial income and financial expenses.

Cash flow from the operating activities, per share

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

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 percentage of net sales.

For reconciliation of alternative KPIs, refer to ESMA KPIs at Magnolia Bostad AB's website, www.magnoliabostad.se.

Definitions, other

Residential area

Estimated usable floor 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.



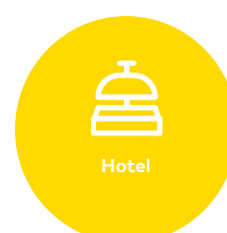
Rental
apartments



Tenant-owned



Care



Hotel

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

Magnolia Bostad shall have the annual capacity to:

- start production on 3,000 residential units
- produce 2 to 4 residential care facilities
- produce 1 to 2 hotels.

Sustainability targets

- Certification in accordance with as a minimum Sweden Green Building Council Silver or Svanen 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.

Dividend policy

Magnolia Bostad intends to pay dividends to the shareholders of up to 50% of profits 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

- Annual Report 2018 28 March 2019
- Interim Report January-March 2019: 25 April 2019
- Annual General Meeting: 10 May 2019
- Interim Report April-June 2019: 8 July 2019
- Interim Report July-September 2019: 25 October 2019

Telephone conference Q4 2018

- 9am CET, 21 February 2018
Call one of the following telephone numbers to take part:
Sweden: +46 (0)8 5664 2704, UK: +44 333 300 9261
- Listen to the telephone conference at <https://financialhearings.com/event/11608>
- Presentation materials will be on the homepage at the latest one hour before the start of the telephone conference.

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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 and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons, on 21 February 2019 at 07:30 a.m. CET.

MAGNOLIA

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