

MAGNOLIA

Magnolia Bostad
Year-End Report
The Group
1 January-
31 December 2019

Q4

Year-End Report 2019

January - December 2019

- Net sales amounted to SEK 751 m (1,054).
- The operating profit was SEK 380 m (164), of which SEK 348 m (67) refers to changes in the value of investment properties.
- The net profit before tax for the period was SEK 208 m (22) and the profit after tax was SEK 171 m (7).
- Earnings per share after deductions for minority shares was SEK 3.75 per share (0.26).
- The Board's proposal for a dividend for 2019 will be announced at the latest in the notice to the AGM.

October - December 2019

- Net sales amounted to SEK 258 m (42).
- The operating profit was SEK 35 m (-33), of which SEK -4 m (67) refers to changes in the value of investment properties.
- The net profit before tax for the period was SEK -8 m (-71) and the profit after tax was SEK 11 m (-86).
- Earnings per share after deductions for minority shares was SEK 0.13 per share (-2.12).

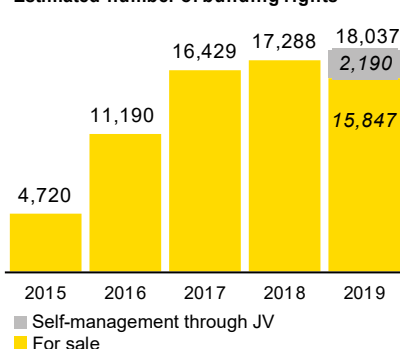
Significant events October – December 2019

- Conditional agreement signed on acquisition of land in Tullholmsviken, Karlstad of about 25,500 m² GFA.
- Joint venture company (JV) is formed with Slättö and conditional sales agreement is signed by the JV for four projects initially. The JV will initially comprise five projects covering up to 800 residential units.
- A property in Nya Hovås, Göteborg, acquired for the development of about 180 residential units.
- JV partners are bought out from an existing project in Partille for the development of approximately 200 residential units.
- Production start of four projects with a total of around 1,350 residential units within the framework agreement with Heimstaden, which was signed in June 2018, of which the project Ferdinand in Spånga comprising 221 units is sold.

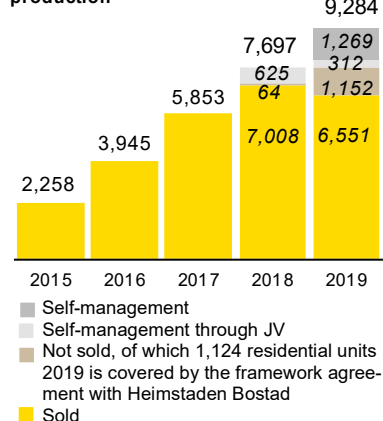
Significant events after the end of the quarter

- Start of zoning plan work for the project Vårby Udde, Huddinge Municipality, comprising development of around 1,800 residential units.

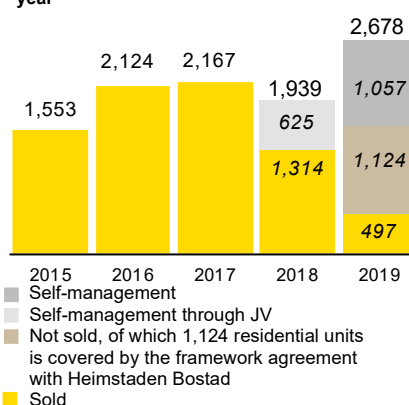
Estimated number of building rights¹



Total number of residencies under production¹



Production started residencies per year¹



KPIs, Group

Project-related

	2019 Jan-Dec	2018 Jan-Dec	2019 Oct-Dec	2018 Oct-Dec
Number of production starts during the period ¹	2,678	1,939	1,345	647
Number of sold residencies during the period ¹	533	1,314	224	22
Total number of residencies in production ¹	9,284	7,697	9,284	7,697
Number of estimated building rights in the portfolio, not yet production started ¹	18,037	17,228	18,037	17,228

Financials

Operating profit/loss	380	164	35	-33
Return on equity (%) ²	14.1	1.0	-	-
Equity/assets ratio (%)	29.6	30.3	29.6	30.3
Interest coverage ratio (multiple) ³	0.9	0.7	-	-

Share-related

Earnings per share (SEK) ²	3.75	0.26	0.13	-2.12
Equity per share (SEK) ²	28.55	24.77	28.55	24.77

¹ No adjustment is made for projects developed in JV.

² Excluding the minority.

³ Calculated on rolling 12-month basis.

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

A word from the CEO

We had 2,678 production starts of residential units in 2019, which is well in line with our target.



Magnolia Bostad reported an operating profit of SEK 35 m for Q4 and an operating profit of SEK 380 m for the full year 2019.

A large part of the results for the full year comes from the changes in value for properties that are being developed for long-term management. We have come a long way in building up a larger rental property portfolio for management.

Building rights portfolio

In 2019, we strengthened our building rights portfolio with around 3,550 building rights from Ystad in the south to Luleå in the north. In total, we are at a level of around 18,000 building rights, of which about 2,200 building rights are being developed through JVs for long-term management.

Property for long-term management

Our investment in properties for self-management developed strongly in 2019. We now have 1,581 residential units under production for self-management and 2 190 properties that are not

yet production started. Most are developed within JV companies we operate with financially strong partners.

During the year, we formed a JV with Slättö, which acquired four projects in the first stage from Magnolia Bostad. We formed two JVs with Heimstaden Bostad, one where we signed an agreement to acquire land for developing 2,000 residential units and another with the aim of jointly developing more than 800 residential units on land that the JV company acquired from Magnolia Bostad.

2,678 production starts in 2019

During Q4, we started the production process for four projects of 1,345 residential units, all within the framework agreement with Heimstaden. Of these we completed sales of 221 residential units during the year. In total we sold 533 residential units in 2019.

The remaining units that started production during the year are for long-term self-management within the JV.

Financing

Our building rights portfolio continues to mature, which means that we have the opportunity of moving towards financing increasingly linked to specific projects. More project-related financing means utilizing established loan facilities and, in future, a more even maturity structure of liabilities and lower financing costs for the company.

Another model that will continue to be important to us in future is to form JV companies with financially strong partners. The JV form is well-suited for large projects that are demanding from both a development and financing perspective.

In April 2020 an outstanding bond with a nominal amount of SEK 430 million matures. Our intention is not to refinance.

Strong demand

For over a year now, our organization has consisted of four regional offices: East, Central, West and South. Each region has its own project organization, which has brought us closer to each region's local market. We can now see that the new structure will deliver as planned in the form of new business opportunities.

We continue to focus primarily on rental accommodation and broadening our operations to include ever larger development projects. This means that we are increasingly benefiting from our wide range of tenure forms: rental accommodation, tenant-owner apartments, community service properties and hotels.

There is a strong demand in the market for the type of property we develop, which means that the future looks bright and we expect 2020 to be an intensive year in terms of transactions.

Fredrik Lidjan
CEO
February 2020

The Market

2019 saw a record-high interest in investing in property in Sweden. The transaction volume¹ amounted to SEK 219 bn for the full year – 35% higher than in 2018

Strong interest in property investment in 2019

Interest in investing in property in Sweden has been at a record level in recent years. In 2019, the transaction volume¹ for real estate amounted to SEK 219 bn, which is the highest figure recorded. The transaction volume increased by SEK 57 bn compared to 2018 and was SEK 16 bn higher than the previous record from 2016. During Q4, properties were sold for around SEK 50 bn.

In 2019, the transaction market was dominated by portfolio transactions (multiple properties in one deal) with 62% of the total transaction volume.

In 2019, international investors were net buyers in the Swedish market for the third year in a row, accounting for 35% of the total invested capital over the year. International buyers have been active in all sub-segments and throughout Sweden.

Rental property

In 2019, rental property sold was valued at SEK 80 bn, which is SEK 26 bn more than the previous record from 2018. Rental properties were thus the single largest segment in terms of transaction volume and also the most liquid with 162 transactions during the year. In Q4 2019, rental properties amounting to SEK 13 bn were sold.

Interest in unfinished projects (forward transactions) continued to be high during the year and amounted to SEK 17 bn, corresponding to 21% of the transaction volume for rental housing. This compares with the average for the previous five years of SEK 6.5 bn per year.

Residential care property

Considerable interest in residential care property led to sales of SEK 6.4 bn in 2019, of which SEK 1.6 bn was during Q4. Interest in forward transactions regarding residential care property was also high, with around 16% of the transaction volume for the full year relating to unfinished projects.

Hotels

Over the past five years, hotel properties have averaged about 3% of the transaction volume. The volume amounted to SEK 2.7 bn in 2019, of which about SEK 500 m were sales during Q4 2019. Among hotel buyers, institutions and listed property companies dominate, together accounting for 37% of the acquisition volume. The hotel market performed strongly in 2019, the number of occupied hotel rooms rising by 4% compared with 2018. The weak Swedish krona led to increased tourism, both in terms of Swedish and foreign visitors.

The market for tenant-owned apartments

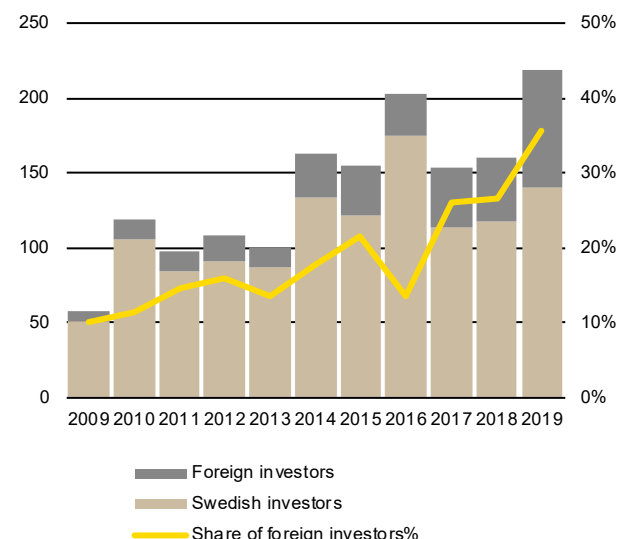
In the second half of 2019, the tenant-owned apartment market recovered after the fall in 2017. The fundamental need for new housing remains high, even in the case of tenant-owned apartments, which is a strong contributing factor to the rise in prices in the latter part of 2019.

¹Transactions over SEK 25 m

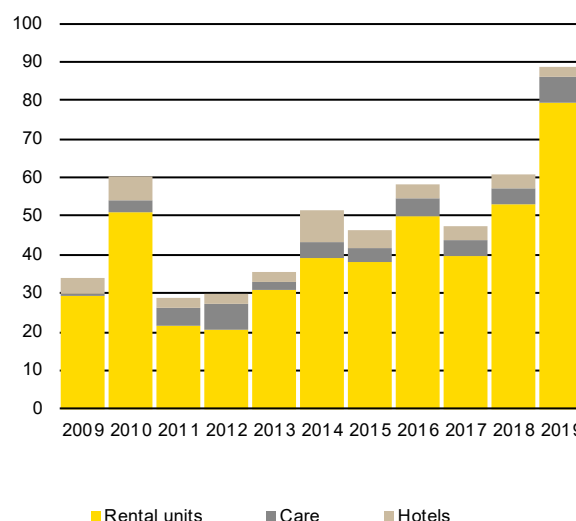
Source: Savills Researchh

Transaction volume all segments, SEK bn

Swedish and foreign investors



Transaction volume apartments, care and hotels, SEK bn



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.

Reporting period 1 January – 31 December 2019

Net sales amounted to SEK 751 m (1,054) and the operating profit was SEK 380 m (164). The profit before tax was SEK 208 m (22).

Distribution of revenue	2019 Jan-Dec	2018 Jan-Dec
Property sales	486	789
Sum of revenue recognised at a point in time	486	789
Project management	29	28
Rent	16	24
Other invoicing for the projects and other revenue	220	213
Sum of revenue recognised over in time	265	265
TOTAL REVENUE	751	1,054

Cash flow from the sale of projects is partly received in connection with the handover of land via forward funding, since Magnolia Bostad is paid by the buyer for investments made up to this point. 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 purchase price 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 residential units sold fell to 533 (1,314). Of the period's sold properties, 221 residential units refer to rental housing sold to Heimstaden under a framework agreement, 167 residential units to rental housing and residential care homes in the Norrtälje Hamn project, 109 residential units refer to tenant-owner apartments in Lilium stage 2 in Uppsala and the remaining 36 residential units relate to tenant-owner apartments distributed over three additional tenant-owner properties.

Rental income fell to SEK 16 m (24) due to the sale of Instrument 2 and Skogskarlen 3, in the first quarter of 2018. Operating costs for properties that generate rental income amounted to SEK -9 m (-8). Net operating income from rental-generating properties fell to SEK 7 m (16). Net operating income is included in the gross profit.

Magnolia Bostad has increased its organization compared to the same period last year, which explains the increase in costs for central administration to SEK -89 m (-64).

During the period, 835 estimated building rights were sold to a jointly-owned company with Heimstaden Bostad and 625 estimated building rights were sold to a jointly-owned company with Slättö.

Value-added gains for building rights sold to jointly-owned companies with Heimstaden Bostad and Slättö are reported as change in value of investment properties to the extent that the change in value occurred before a sale agreement was signed. The properties continue to be developed in the JVs and Magnolia Bostad reports the continued change in value on its share as a result of associated companies and JVs.

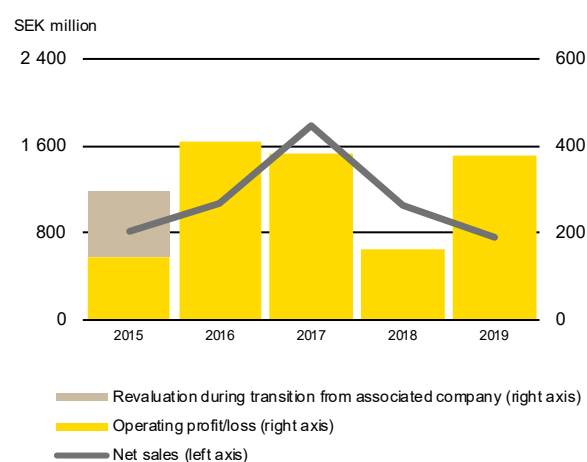
The profit from associated companies was SEK 77 m (14). Project development on the investment properties in jointly-owned JVs with Heimstaden Bostad and Slättö has had a positive effect on earnings and the results from Sollenstuna Stinsen JV AB had a negative impact.

The change in value of investment properties was SEK 348 m (67), affected by results from project development and sales to JVs.

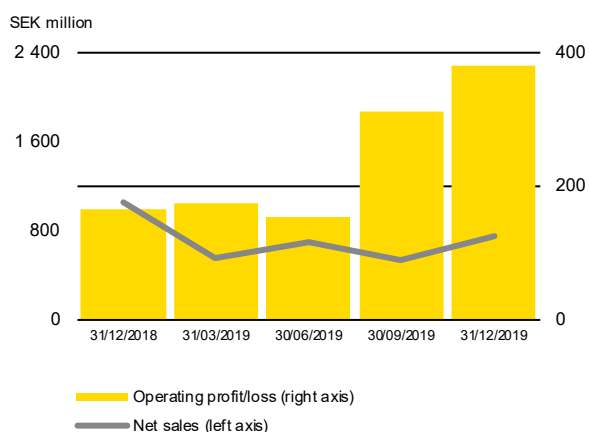
Net financial items

Net financial items amounted to SEK -172 m (-142). The increase in financing costs is due to, on average, total interest-bearing liabilities have been higher over the period compared to the same period last year and to the transition to IFRS 16, which means that SEK -4 m of the cost of leasing in 2019 is now reported as interest expense.

Net sales & operating profit/loss, full-year



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



At the end of the period, Magnolia Bostad's average interest rate was 7.0% compared to 7.1% at year-end 2018. The interest coverage ratio for FY 2019 was 0.9 times compared with 0.7 times for FY 2018.

Profit/loss for the period

The profit for the period was SEK 171 m (7) and includes SEK -37 m (-15) in income taxes. Reported income taxes for the period relate to deferred tax on temporary differences for investment properties.

Reporting period 1 October – 31 December 2019

Net sales amounted to SEK 258 m (42) and the operating profit for the period was SEK 35 m (-33). The loss before tax for the period was SEK 8 m (-71).

Distribution of revenue	2019 Oct-Dec	2018 Oct-Dec
Property sales	186	-16
Sum of revenue recognised at a point in time	186	-16
Project management	10	11
Rent	4	3
Other invoicing for the projects and other revenue	58	44
Sum of revenue recognised over in time	72	58
TOTAL REVENUE	258	42

Property sales amounted to SEK 186 m (-16) and the number of residential units sold during the quarter was 224 (22). 221 of the quarter's residential units sold relate to the Ferdinand project in Spånga. The remaining units refer to tenant-owner apartments. Ferdinand is the first project sold under the framework agreement with Heimstaden Bostad. The Ferdinand project was acquired with a zoning plan in 2018 and has an estimated property value at completion of about SEK 750 m.

The costs for central administration have risen to SEK -26 m (-16), mainly due to an increase in the number of employees.

Earnings from participations in associated companies and JVs amounted to SEK 8 m (9). During the quarter, four projects comprising a total of 625 residential units were sold to a JV company with Slättö.

Financing costs during the quarter stood at SEK -49 m (-40). This increase is mainly due to higher interest-bearing liabilities.

Financial position

The consolidated balance sheet total rose to SEK 3,999 m, compared with SEK 3,605 m at the beginning of the year. Properties held for long-term management are reported as investment properties and amounted to SEK 654 m (295).

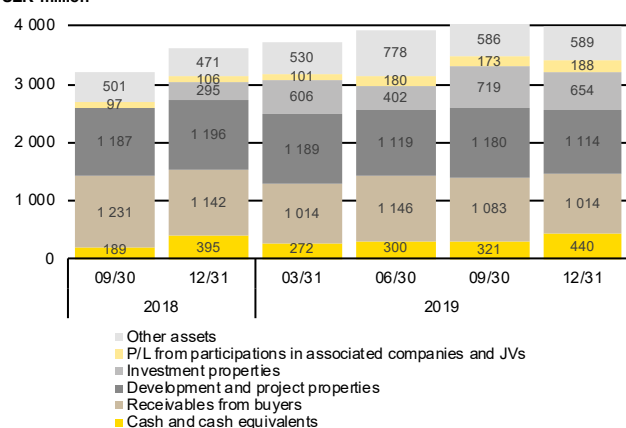
In 2019, occupation commenced in Adjutanten in Visby and the property has gone into the management phase.

Long-term and current receivables from associated companies and JVs increased by SEK 171 m to SEK 265 m (94). The increase in receivables from associated companies is mainly explained by the receivables from the jointly-owned company with Slättö. During Q4 2019, Magnolia Bostad received the last part of the purchase price for the JV company with Heimstaden Bostad for the JV's acquisition of the Brogårdstaden project.

Of the long-term and other receivables totalling SEK 1,171 m (1,418), SEK 1,014 m (1,142) are receivables due from buyers of the projects, mainly at our partners and large Swedish institutions, while SEK 121 m (149) refers to deposits for future property acquisitions. Within the next 12 months, the Group is expected to receive SEK 479 m (280) of the total receivables from buyers of the projects as amortization of promissory notes, payment of additional considerations, final considerations and "forward funding".

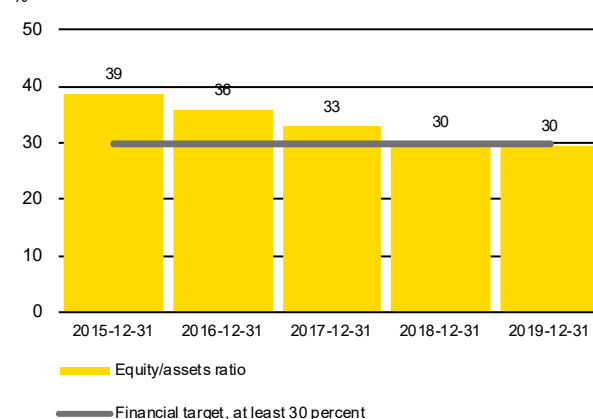
Distribution of assets

SEK million



Equity/assets ratio

%



Development and project properties have decreased as a result of completed project sales, while the Group continued to invest in its project portfolio over the period. During the period, development and project properties fell by SEK 82 m and amounted to SEK 1,114 m (1,196).

Shares in associated companies and JVs have risen by SEK 82 m to SEK 188 m (106), mainly due to unrealized changes in value at Brogårdstaden in the JV owned with Heimstaden Bostad.

Equity and equity/assets ratio

As on 31 December 2019, consolidated equity amounted to SEK 1,183 m (1,093) with an equity/assets ratio of 29.6% (30.3), which is below the financial target of at least 30%. During Q4, a dividend of SEK 63 million was made to minority interests in Senapsfabriken stage 1 and stage 2. Of the consolidated equity, SEK 103 million (156) is attributable to holdings without controlling influence.

Investments in property for self-management, both as investment properties and through JVs, have meant that total assets have increased. The introduction of the accounting standard IFRS 16 has meant that utilizing access rights assets of SEK 51 m and a leasing liability of SEK 52 m have been reported, which further increased the balance sheet total.

Return on equity for the full year 2019 was 14.1%. Return on equity is below the financial target of a return on equity of 30%.

Interest-bearing liabilities

Total interest-bearing loans, including the interest-bearing deposits, amounted to SEK 2,404 m (2,192) as on 31 December 2019. The majority of Magnolia Bostad's liabilities consist of bond loans with a book value of SEK 1,441 m and project and property-related liabilities of SEK 698 m, of which SEK 306 m is collateralized by property. Repayment for project-related liabilities is made in connection with Magnolia Bostad's handover, or in connection with the final payment being received from buyers in connection with project completion. During 2020, SEK 201 m in project-related liabilities is expected to fall due, of which SEK 91 m is linked to a project within the framework agreement with Heimstaden, which will be amortized in conjunction with Heimstaden Bostad joining the project.

The remaining interest-bearing liabilities consist of SEK 144 m in deposits and sellers promissory notes of SEK 121 m. The average tied-up capital period, excluding deposits and the utilized credit line, was 1.6 years at 31 December 2019, compared to 2.4 years at 31 December 2018.

After a deduction for liquid assets of SEK 440 m (395) interest-bearing net liabilities were SEK 1,964 m (1,797).

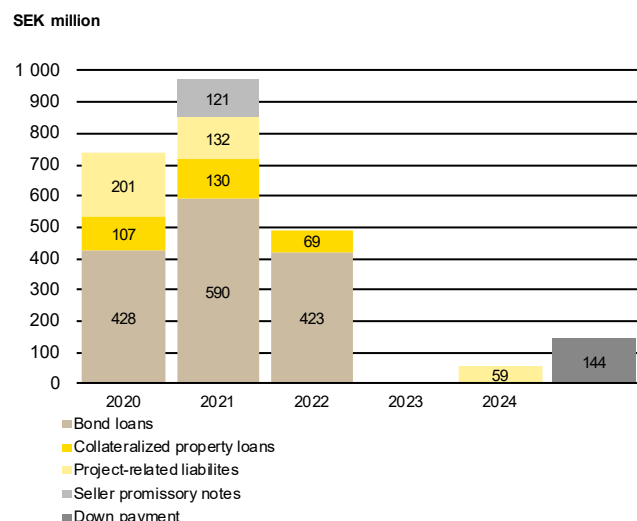
Receivables from buyers amounted to SEK 1,014 m (1,142), interest-bearing net liabilities after deduction of receivables from buyers amounted to SEK 950 m (655), an increase of SEK 295 m compared to 31 December 2018.

During the period, investment properties increased by SEK 359 m to SEK 654 m (295), which ties up capital and was partly financed with interest-bearing liabilities.

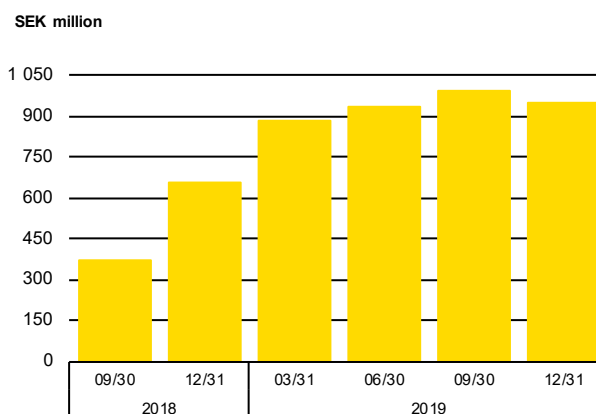
Bond loans

As on 31 December 2019, Magnolia Bostad had three outstanding bonds. A secured bond of a nominal 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 m, which runs with a variable coupon of Stibor 3m + 8.50% (without a Stibor floor) maturing in October 2022

Maturity structure, SEK million



Interest bearing net liabilities with deduction for receivables at buyer



The difference between book value of SEK 1,441 m and nominal amount on the bonds is due to bonds in own custody of SEK 90 m, 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 2019 was SEK 75 m (-20). The cash flow for the period was affected by investments in the project portfolio. The cash flow for the period from operating activities excluding investments and other changes in development and project properties, amounted to SEK 163 m (51).

In connection with the handover, Magnolia Bostad receives forward funding for the project, which means that Magnolia Bostad will be paid for investments made up to the date of the handover. Often, part of the project's profit is received at the 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 investment activities amounted to SEK -267 m (-21) and was affected by investments in investment properties of SEK -282 m (-21). The cash flow from financing activities amounted to SEK 237 m (228).

Cash and cash equivalents as on 31 December 2019 amounted to SEK 440 m, compared with SEK 395 m on 31 December 2018. In addition to cash and cash equivalents, there were unutilized credit facilities of SEK 788 m (834) available as on 31 December 2019 of which there were unutilized overdraft facilities of SEK 50 m.

Fair value of financial instruments

The fair value of financial assets and liabilities is judged to be essentially in line with the book value of all financial instruments except bond loans, where the fair value is estimated to be SEK 1,427 m (1,440) compared to the book value of SEK 1,441 m (1,428). Bond loans belong to the category of financial liabilities valued at the accrued acquisition value. The fair value for bond loans has been determined in accordance with level 1 of the fair value hierarchy in accordance with IFRS 13. No changes were made in the fair value hierarchy of financial instruments.

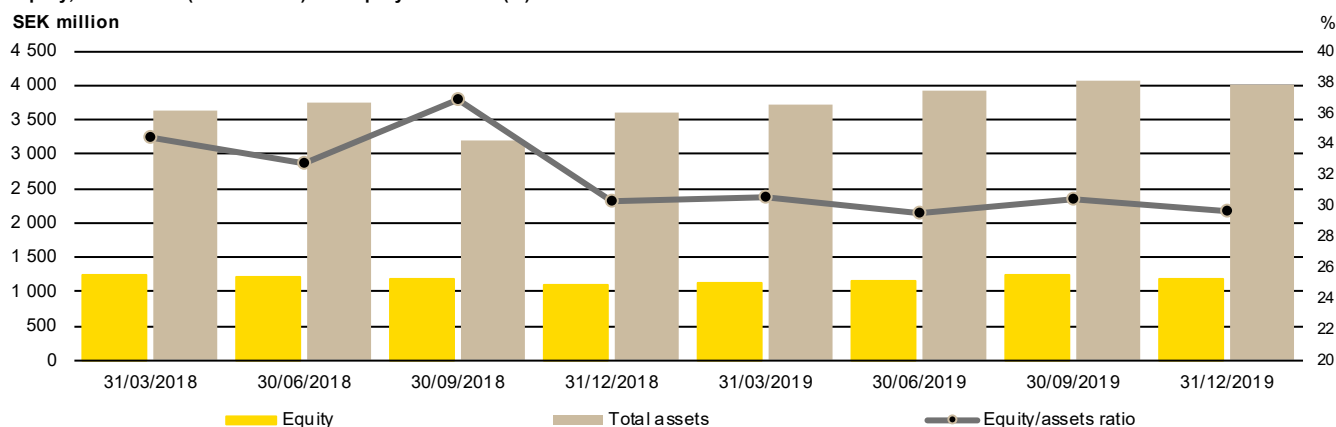
Parent company's income statement

The parent company's loss after financial items was SEK 87 m (-55). Financial income increased by SEK 167 m to SEK -243 m (76)) mainly due to higher dividends from subsidiaries. Financial costs increased by SEK 41 m to SEK -142 m (-101). due to higher interest-bearing liabilities.

Parent company's balance sheet

The parent company's balance sheet total declined to SEK 2,057 m (1,970). The equity/assets ratio for the parent company was 20.3%, compared to 16.8% at the turn of the year.

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



During Q4, the Cementfabriken project in Limhamn, Malmö, was completed, among others. The area is one of the largest residential development areas in Malmö in a fantastic location just off Öresund. The project consists of 144 rental units



Projects and properties

The information on pages 10-18 refers to all building rights and residential units in each project and completed properties for self-management, including projects being developed in JVs.

Magnolia Bostad mainly develops rental properties, hotels and community service properties, and to some extent tenant-owned apartments as well, in Sweden's growth towns and large cities. The majority of our projects are sold to major Swedish institutions or other reputable partners at an early stage.

Magnolia Bostad also develops accommodation for its own long-term management. Self-managed properties currently constitute a smaller part of the building rights portfolio. Over time, Magnolia Bostad intends to build a portfolio of self-managed property to strengthen the balance sheet, provide ongoing cash flow and long-term value growth. Decisions on development for self-management are made on a case-by-case basis.

Magnolia Bostad applies an urban planning perspective to its projects. Municipalities and institutional investors often require the expertise to develop comprehensive residential areas, that not only include homes but also contain, for example, municipal properties such as sheltered housing and nursery schools.

By working with a range of products and housing forms, Magnolia Bostad achieves good risk distribution and is an attractive partner for long-term cooperation

Magnolia Bostad's business model

Magnolia Bostad's business development department constantly monitors the market for business opportunities from either private or municipal players. Once attractive land has been identified, we carry out feasibility studies in the form of market analyses and revenue and cost estimates. After completing the acquisition, Magnolia Bostad often runs a zoning plan at the same time as negotiating with construction contractors for turnkey contracts for the projects.

Most projects are sold at an early stage, generally before building permits have

come into force and in connection with production having started. Buyers are normally financially strong institutional investors or property companies.

Some projects are also developed for self-management, either under our own management or as part of a JV.

Magnolia Bostad manages and runs all projects until completion, a period that normally lasts 2-3 years

Estimated building rights

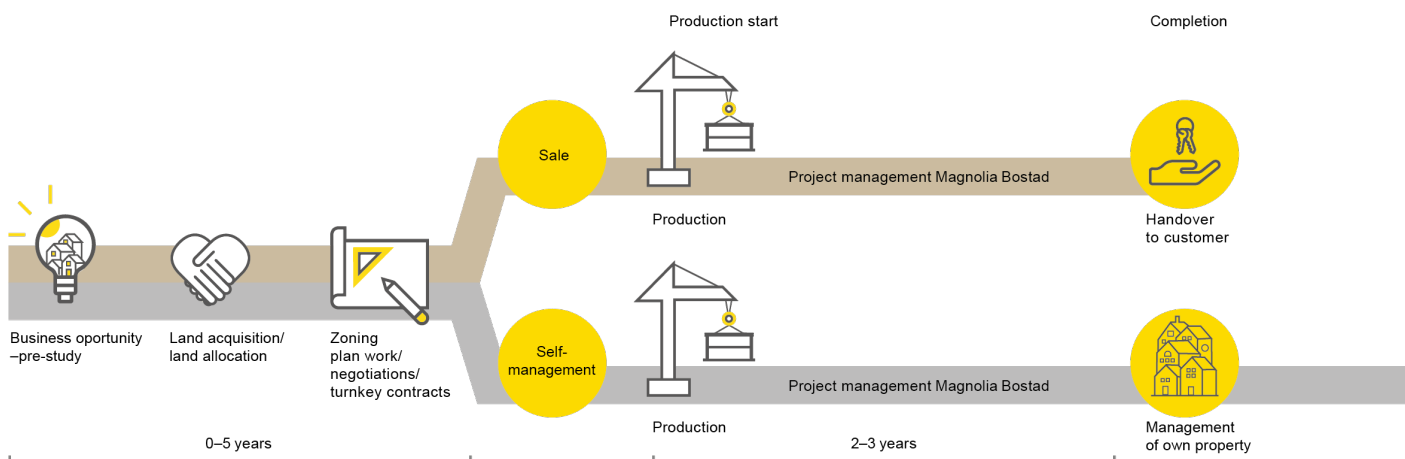
18,037

of which 4,047 through JV

Residencies under production:

9,284

of which 1,448 through JV



Building rights portfolio

As of 31 December 2019, Magnolia Bostad had a project portfolio of 15,847 estimated building rights for sale, of which 1,857 were through JVs (pages 12-13), and 2,190 building rights in two properties for self-management, that have not yet started production and are owned by a JV (page 17). The total number of estimated building rights therefore amounts to 18,037.

Projects in production

As of 31 December 2019, Magnolia Bostad had 38 projects in production for a total of 9,284 residencies, of which 7,703 were residential units for sale and 1,581 units under self-management.

Sold projects in production

In projects that are being developed for sale, production started on 7,703 residential units (pages 14-15). Of these, 6,551 were sold and revenue recognized, which corresponds to a sales ratio of 85.0%. The difference of 1,152 housing units relates to three projects of 1,124 residential units that are part of the framework agreement with Heimstaden, as well as 28 properties that have not yet been sold in two tenant-owned apartment projects where production has already started.

In sold rental property projects, Magnolia Bostad can, on behalf of and in collaboration with the purchaser, sell parts of

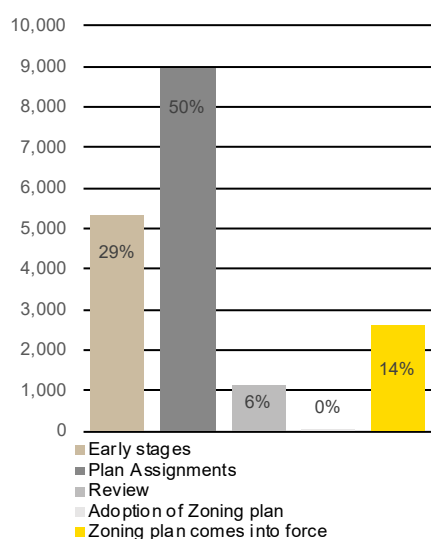
sold rental property projects as tenant-owned apartments. During Q4, 37 residential units were converted to tenant-owned apartments in the previously sold rental property project Fyren, stage 1 in Nynäshamn.

Property for self-management in production

As of 31 December 2019, Magnolia Bostad had 1,581 homes in production for self-management, of which 1,269 were through JVs (page 17). These properties are being developed for long-term ownership.

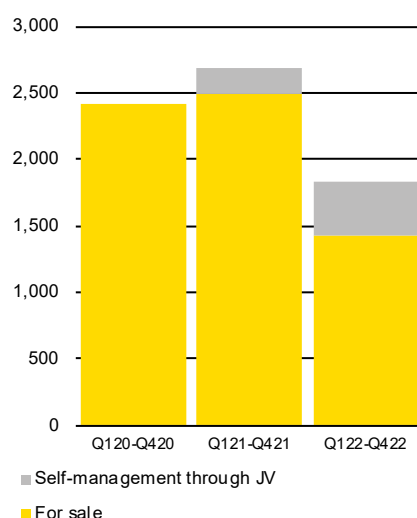
Building rights portfolio^{1 2}

- the proportion of estimated building rights in each zoning plan phase



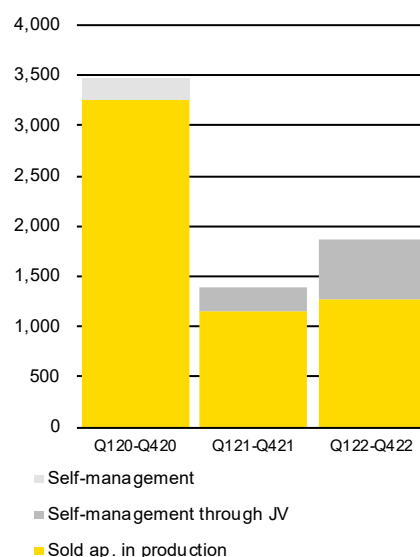
Estimated production starts in the building rights portfolio², coming 3 years

- no of residential units on rolling 12-month periods



Estimated completion of projects in production², coming 3 years

- no of residential units on rolling 12-month periods



¹ The percentages are rounded to the nearest whole number.

² Refers to all building rights and residential units in each project, including projects developed in JVs

Projects for sale

Magnolia Bostad has a project portfolio for sale comprising 38 projects and 15,847 estimated building rights. The production process starts when the zoning plan has come into force, a turnkey contract has been signed, and a final purchase agreement has been signed. Larger projects usually start production in multiple stages of 200-300 residential units per stage.

A majority of projects are sold off at an early stage through forward funding to

major Swedish institutions or other reputable partners. Our customers are therefore financially strong and less cyclically sensitive than many other buyers. Through forward funding, Magnolia Bostad's financing needs are reduced and, with that, the risk to our operations as well. The projects are financed by the buyer during the production period.

Magnolia Bostad aims to achieve a margin of at least 10% for all projects that are being developed for sale.

Projects not yet production started– projects for sale

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 zoning plan processes, decisions by government authorities or undetermined dates for vacancy, these assessments and thus the final outcome for each project may change over time.

The information on pages 12-13 refers to all residential units in each project, including projects being developed within JVs. Magnolia Bostad's share of earnings amounts to 92% unless otherwise stated.

Name	Municipality	Area	Category	Estimated number of apartments	Estimated GFA/MUA/UFA (sqm)	Zoning plan status	Planned buyer
Gyllehemmet	Borlänge	Centrala Borlänge	A, CSP	106	9,400	●●●●●	
Kvarnsjödal ²	Botkyrka	Tumba	A, CSP	2,000	130,000	●○○○○	Slättö agreement, part of project
Mesta	Eskilstuna	Mesta	CSP	54	3,950	●●○○○	
Nya Hovås	Göteborg	Nya Hovås	A	180	8,900	●●●●●	
Gamlestaden hotell ⁴	Göteborg	Gamlestaden	H	240	7,600	●●●●●	
Frihamnen H ⁴	Göteborg	Lundbyvassen	H	300	11,000	●●○○○	
Frihamnen ²	Göteborg	Lundbyvassen	A	150	8,000	●●○○○	
Västerhaninge	Haninge	Västerhaninge	A	500	30,000	●●○○○	
Drottninghög	Helsingborg	Drottninghög	CSP	105	6,200	●●●●●	
Mejeriet ²	Helsingborg	Filborna	A	540	30,000	●○○○○	Heimstaden agreement
Österhagen	Huddinge	Länna	CSP	80	5,300	●●○○○	
Vårby Udde ²	Huddinge	Vårby	A, CSP, H	1,800	115,000	●●○○○	Slättö agreement, part of project
Torgkvarteren ²	Håbo	Centrala Bålsta	A	405	21,500	●●●○○	Heimstaden agreement
Tullholmsviken	Karlstad	Tullholmsviken	A	430	25,500	●●●○○	
Ängloket ²	Knivsta	Centrala Knivsta	A	325	15,000	●●●●●	Heimstaden agreement
Bunkeflostrand ²	Malmö	Limhamn	A, CSP	1,000	45,600	●●○○○	
Hasseludden	Nacka	Hasseludden	CSP	60	4,300	●●●●○	
Orminge Hus	Nacka	Orminge Centrum	A, CSP	280	15,330	●●●○○	
Lommarstranden ²	Norrköping	Lommarstranden	A	240	12,000	●●○○○	
Nykvarn ³	Nykvarn	Centrala Nykvarn	A	285	13,000	●●●●●	
Partilleport	Partille	Partille	A	200	11,100	●●●●●	

Name	Municipality	Area	Category	Estimated number of apartments	Estimated GFA/MUA/UFA (sqm)	Zoning plan status	Planned buyer
Norrbacka ²	Sigtuna	Norrbacka	A, CSP	265	12,500	●●○○○○	
Södra Häggviks Gårdar ¹	Sollentuna	Stinsen, Häggvik	A, CSP	1,500	94,000	●●○○○○	Slättö agreement, part of project
Årstaberg 2	Stockholm	Årsta	A	120	6,500	●●○○○○	
Bredängshöjden ²	Stockholm	Bredäng	A	700	35,000	●●○○○○	Heimstaden agreement, part of project
Erstavik ³	Stockholm	Erstavik	CSP	72	5,180	●○○○○○	
Årstaberg 1	Stockholm	Liljeholmen	A	100	5,500	●●○○○○	Heimstaden agreement
Oktaven	Stockholm	Skärholmen	A	110	5,830	●●○○○○	
Skarpnäcksgård 1:1	Stockholm	Skarpnäck	A	90	4,200	●●○○○○	Heimstaden agreement
Norra kajen ²	Sundsvall	Norra Kajen	A	800	37,300	●●●●●●	Heimstaden agreement
Finnekajen ⁴	Sundsvall	Stenstaden	H	270	9,000	●●○○○○	
Sländan, etapp 3 ²	Södertälje	Centrala Södertälje	A	250	12,700	●●○○○○	
Grimsta 5:2 (Infra) ²	Upplands Väsby	Bredden	A, CSP, H	890	41,200	●●○○○○	
Senapsfabriken ²	Uppsala	Centrala Uppsala	A	700	29,000	●○○○○○	
Konstnären ²	Uppsala	Sala Backe	A	110	6,150	●●●●●●	Heimstaden agreement
Nätverket ²	Österåker	Åkersberga	A	335	9,600	●●○○○○	Heimstaden agreement
Hagby Park ²	Österåker	Åkersberga	A	195	10,300	●●○○○○	Heimstaden agreement
Täljöviken	Österåker	Täljöviken, Åkersberga	CSP	60	4,650	●●●●●●	Heba
Total estimated no. of apartments for sale				15,847	857,290		

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

² Magnolia Bostad's share of the profit amounts to 90 per cent

³ Part of JV. Magnolia Bostad's share of the profit amounts to 46 per cent.

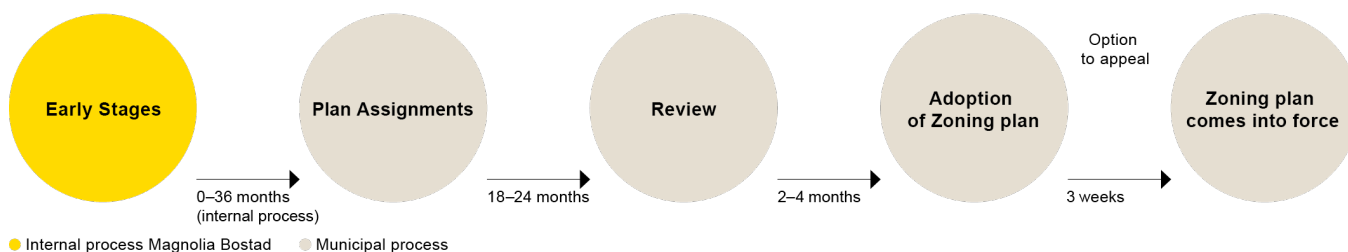
⁴ Magnolia Bostads share of the result amounts to 76 per cent.

●●●●●● = Zoning plan comes into force
 ●●●●○ = Adoption of Zoning plan
 ●●●○○ = Review
 ●●○○○ = Plan Assignments
 ●○○○○ = Early stages

A=Apartments, CSP=Community service properties, H=Hotel

Zoning plan process

The timeline below, from and including planning assignments, shows the estimated average time spent in the various stages of the planning process at the municipality.



The above process can be affected by a number of factors and thus delayed due to, for example, political change or changed conditions in the development area. An appeal against an adopted plan can delay the process by up to 18 months.

Projects in production - sold or being sold

The number of residential units sold in production is the estimated number of residential units at the time production starts.

The information on pages 14-15 refers to all residential units in each project, including projects being developed within JVs. Magnolia Bostad's share of earnings amounts to 90% unless otherwise stated.

Project	Area, Municipality	Cate- gory	GFA/MUA/ UFA		Production start	Buyer	Contractor	
			Sold ap.	(sqm) Unsold ap.				
Slipen	Kanikenäsholmen, Karlstad	RU	216	12,300	2015	Slättö	Consto	
Nyby Lilium, etapp 1	Nyby, Uppsala	RU	300	14,000	2015	SEB Domestica II	Serneke	
Maria Mosaik	Mariastaden, Helsingborg	RU	345	16,000	2016	SPP Fastigheter	Veidekke	
Sländan, etapp 1	Centrala Södertälje	RU	441	19,000	2016	SPP Fastigheter	ED Bygg	
Senapsfabriken, etapp 1¹	Centrala Uppsala	RU	455	19,400	2016	SEB Domestica III	NCC	
Tegelslagaren	Åby Ängar, Vallentuna	RU	155	6,150	2016	SEB Domestica II	ED Bygg	
Tegelmästaren	Åby Ängar, Vallentuna	RU	160	5,950	2016	SEB Domestica II	ED Bygg	
Gjuteriet, etapp 1	Norr Munktellstaden, Eskilstuna	RU	262	13,900	2016	Slättö	Consto	
Segelflygaren	Södra Ladugårdsängen, Örebro	RU	210	10,000	2016	Slättö	Consto	
Senapsfabriken, etapp 2 norra¹	Centrala Uppsala	RU	325	13,100	2017	Slättö	NCC	
Senapsfabriken, etapp 2 södra¹	Centrala Uppsala	RU	325	13,900	2017	Heimstaden Bostad	NCC	
Sländan, etapp 2	Centrala Södertälje	RU	136	5,300	2017	Viva Bostad	ED Bygg	
Fyren, etapp 1	Nynäshamn	RU	220	10,500	2017	Viva Bostad	Consto	
Fyren, etapp 2	Nynäshamn	RU	236	11,600	2017	SEB Domestica IV	Consto	
Hyllie Gärde²	Hyllie, Malmö	RU	427	21,000	2017	Slättö	ED Bygg	
Hotell Brunnshög³	Brunnshög, Lund	H	251	8,900	2017	Alecta	Serneke	
Hotell Resecentrum³	Centrala Halmstad	H	244	9,500	2017	Alecta	Serneke	
Visborg²	Visborg, Visby	C	58	3,950	2018	Northern Horizon	PEAB	
Fasanen	Arlöv, Burlöv	RU	275	12,675	2018	Heimstaden Bostad	Serneke	
Allarp Laholm⁴	Allarp, Helsingborg	C	54	3,850	2018	Northern Horizon	Consto	
Brogårdstaden²	Bro, Upplands-Bro	RU	658	31,000	2018	Slättö	Consto	
Ophelias Brygga	Oceanhamnen, Helsingborg	TO	103	7,500	21	2018	Brf	Serneke
Nämndemansgatan²	Centrala Motala	C	54	4,400	2018	M&G	Gärahovs Bygg	
Nyponrosen 5⁴	Rosengården, Helsingborg	C/RU	125	8,360	2018	Northern Horizon	Veidekke	
Piccolo²	Centrala Halmstad	TO	19	1,860	7	2018	Brf	Serneke
Lilium, etapp 2	Nyby, Uppsala	TO	109	5,200	2019	BRF	Serneke	
Norrtälje Hamn	Norrtälje Hamn, Norrtälje	C/RU	167	9,500	2019	Heba	Credentia	
Ferdinand²	Spånga, Stockholm	C/RU	221	15,400	2019	Heimstaden Bostad	Consto	

Project	Area, Municipality	Cate- gory	GFA/MUA/ UFA		Production start	Buyer	Contractor	
			Sold ap.	(sqm) Unsold ap.				
Björkalund ²	Björkalund, Norrköping	RU		5,100	116 ⁵	2019	Heimstaden Bostad	Derome
Edvinshem ²	Edvinshem, Ystad	RU		13,730	225 ⁵	2019	Heimstaden Bostad	Derome
Slipsten	Södra Råbylund, Lund	RU		34,000	783 ⁵	2019	Heimstaden Bostad	Serneke
Summa			6,551	367,025	1,152			

¹ Magnolia Bostad's share of the profit amounts to 76,3 per cent.

² Magnolia Bostad's share of the profit amounts to 92 per cent.

³ Magnolia Bostad's share of the profit amount to 76 per cent.

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

⁵ Omfattas av ramavtal som tecknades med Heimstaden Bostad i juni 2018.

RU= Rental unit
TO= Tenant-owned
C= Care facilities

Projects sold 2019

Quarter	Project	Municipality	Acquired by	Number of residencies
1	Ophelias Brygga	Helsingborg	Brf	7
1	Varvet Townhouse	Karlstad	Brf	1
2	Ophelias Brygga	Helsingborg	Brf	12
2	Varvet Townhouse	Karlstad	Brf	1
2	Piccolo	Halmstad	Brf	5
2	Lilium, etapp 2	Uppsala	Heba	90
2	Norrtälje Hamn	Norrtälje	Brf	167
3	Lilium, etapp 2	Uppsala	Brf	19
3	Ophelias Brygga	Helsingborg	Brf	7
4	Ferdinand	Spånga	Heimstaden Bostad	221
4	Piccolo	Halmstad	Brf	2
4	Ophelias Brygga	Helsingborg	Brf	1
Sum				533

Properties for self-management

Properties for self-management now form part of the building rights portfolio. Over time, Magnolia Bostad intends to build up a self-management portfolio to strengthen the balance sheet and provide a continuous cash flow and long-term value growth. Magnolia Bostad develops properties for self-management both under its own management and within JVs.

For self-managed properties we run ourselves, a building credit is used during the development phase and then financing with planned tied-up capital of 3-5 years. Building credit is also used for development within JVs, but by working with financially strong partners, the need for our own financing is reduced. Magnolia Bostad contributes with its development expertise while our partner accounts for a larger share of the capital requirement.

As of 31 December 2019, Magnolia Bostad had two completed properties for its own long-term management and seven

properties for self-management in production. After completing these, the annual rental value is estimated to increase to SEK 174 m, of which SEK 126 m is reported as part of JVs and the properties have a property value of SEK 3,481 m, of which SEK 2,535 m is part of JVs. Production starts for properties under own management take place when the zoning plan has come into force and a turnkey contract signed.

Magnolia Bostad's share of earnings in the tables below amounts to 92% unless otherwise stated.

Valuation of properties for self-management and properties for self-management in production

Magnolia Bostad reports its properties for self-management at fair value in accordance with IAS 40 Investment Properties. Magnolia Bostad values all properties for self-management every quarter. To ensure the valuations, an external valuation of all properties for self-management is carried out annually.

During Q4, all completed properties for self-management and all properties for self-management in production were valued externally. In implemented valuations, direct yields in a range from 3.75% to 6.25% have been used.

Properties for self-management that are owned by JVs are measured at fair value within the JV, which affects the result of shares in associated companies and joint ventures and therefore the reported value of shares in associated companies and joint ventures.

Properties for self-management, completed

Project	Area, Municipality	Category	Number of ap.	Rentable space (m2)	Property value (SEK m)	Occupancy rate (%)	Property value per sq.m. (m2)	Annual rental value (SEK m)
Orminge Centrum ¹	Orminge, Nacka	O	-	6,000	103	98	17,167	8
Adjutanten	A7-området, Visby	C	68	4,200	115	99	27,381	6
Sum			68	10,200	218		44,548	14

Properties for self-management in production

Project	Property, location	Category	Est. number of ap.	Est. rentable space at completion (m2)	Remaining investment (SEK m)	Est. property value upon completion (SEK m)	Est. annual rental value at completion (SEK m)	Est. Completion	JV-partner
Björnbåret	Snurrom, Kalmar	RU	232	10,950	73	383	20	2020	-
Norrskan	Centrala Östersund	C	80	5,800	224	282	14	2023	-
Sum project under own self-management			312	16,750	297	665	34		
Övre Bangården ¹	Centrala Östersund	RU	212	9,200	306	334	18	2022	Slättö
Kronandalen ¹	Kronandalen, Luleå	RU	117	5,100	185	180	10	2021	Slättö
Gjuteriet, etapp 2 ¹	Norra Munktelldalen, Eskilstuna	RU	115	5,850	180	243	12	2021	Slättö
Sportflygaren ¹	Södra Ladugårdsängen, Örebro	RU	180	8,350	258	394	20	2022	Slättö
Brogårdstaden ¹	Bro, Upplandsbro	RU	645	38,000	941	1,385	67	2022-2024	Heimstaden
Sum projects through JV			1,269	66,500	1,870	2,535	126		
Total			1,581	83,250	2,167	3,200	160		

Properties for self-management, not yet production started

Name	Area, Municipality	Category	Est. Number of ap.	Est. rentable space at completion (m2)	Est. completion	Zoning plan status	JV partner
Brogårdstaden ¹	Bro, Upplands-Bro	A	190	12,000	2022-2024	● ● ● ● ●	Heimstaden
Näsängen ¹	Åkersberga, Österåker	B	2,000	122,000	2025-2035	● ○ ○ ○ ○	Heimstaden
Sum			2,190	134,000			

¹ Part of JV. Magnolia Bostad's share of the profit amounts to 46 per cent.

O=Office, A=Apartment, RU=Rental unit, C= Care facilities

For information on the Zoning plan process, see page 13

Events during the fourth quarter 2019

Acquisitions

During Q4, five properties were acquired for a total of around 1,150 estimated building rights, located in Karlstad, Partille, Göteborg, Ystad and Norrköping. The project in Partille was previously owned by Magnolia Bostad through a JV where Magnolia Bostad has now bought out the JV partner. The events of the quarter amount to a total number of acquired estimated building rights in 2019 of 3,548.

Project sales and production starts

During Q4 2019, 224 residential units were sold and four projects of around 1,345 residential units started production, none of them through JVs. During the quarter, Magnolia Bostad formed a JV with Slättö for the development of up to 800 residential units, and which acquired four existing projects in Magnolia Bostad's portfolio. The events of the quarter gave an accumulated number of 533 residential units sold in 2019 and production starts of 2,678 residential units, of which 1,057 were through JVs.

Completed projects

Four projects were completed during Q4, two of which were in Malmö of 273 residential units and two tenant-owned projects in Karlstad of 100 residential units. In 2019, Magnolia Bostad completed six projects totalling 1,060 residential units, one of which, Adjutanten in Visby, is owned by Magnolia Bostad for long-term management.

Acquisitions 2019¹

Quarter	Project	Municipality	Category	Estimated number of building rights
3	Orminge hus, etapp 1	Nacka	A	200
3	Orminge hus, etapp 2	Nacka	CSP	80
3	Näsängen	Österåker	A	2,000
3	Kronandalen	Luleå	A	117
4	Tullholmsviken	Karlstad	A	430
4	Edvinshem	Ystad	A	225
4	Björkalund	Norrköping	A	116
4	Nya Hovås	Göteborg	A	180
4	Partille Port	Partille	A	200
Sum				3,548

Production starts 2019¹

Quarter	Project	Location	Category	Acquired by	Number of apartments
2	Norttälje Hamn	Norttälje	A, CSP	HEBA	167
2	Lilium, etapp 2	Uppsala	A	Brf	109
2	Brogårdstaden	Upplands-Bro	A	Self-management through JV	645
3	Kronandalen	Luleå	A	Self-management through JV	117
3	Gjuteriet, etapp 2	Eskilstuna	A	Self-management through JV	115
3	Sportflygaren	Örebro	A	Self-management through JV	180
4	Ferdinand	Spånga	A	Heimstaden	221
4	Slipsen (etapp 1 och 2)	Lund	A	Heimstaden	783
4	Björkalund	Norrköping	A	Heimstaden	116
4	Edvinshem	Ystad	A	Heimstaden	225
Sum					2,678

Projects completed in 2019

Quarter	Project	Municipality	Category	Acquired by	Number of apartments
1	Maria Forum	Helsingborg	A	Alecta	292
2	Bryggeriet	Helsingborg	A	Alecta	327
2	Adjutanten	Visby	CSP	Self-management	68
4	Kalkstenen	Malmö	A	SPP Fastigheter	129
4	Cementfabriken	Malmö	A	SPP Fastigheter	144
4	Varvet	Karlstad	A	Brf	92
4	Varvet Townhouse	Karlstad	A	Brf	8
Sum					1,060

¹ Refers to all building rights and residential units in each project, including projects developed in JVs.

A=Apartments, CSP=Community Service properties

The shares

Share information

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

The closing price on the closing date of 30 December 2019 was SEK 41.50. On average, 61 transactions per trading day were carried out between 1 January and 31 December 2019 and the average trading volume per trading day amounted to SEK 0.8 m.

The average number of outstanding shares as at 30 December 2019 was 37,822,283. See page 32

Owners

F. Holmström Fastigheter AB, which is controlled by Fredrik Holmström, owns 56.37% of Magnolia Bostad.

As on 31 december 2019 the number of shareholders was 3,691.

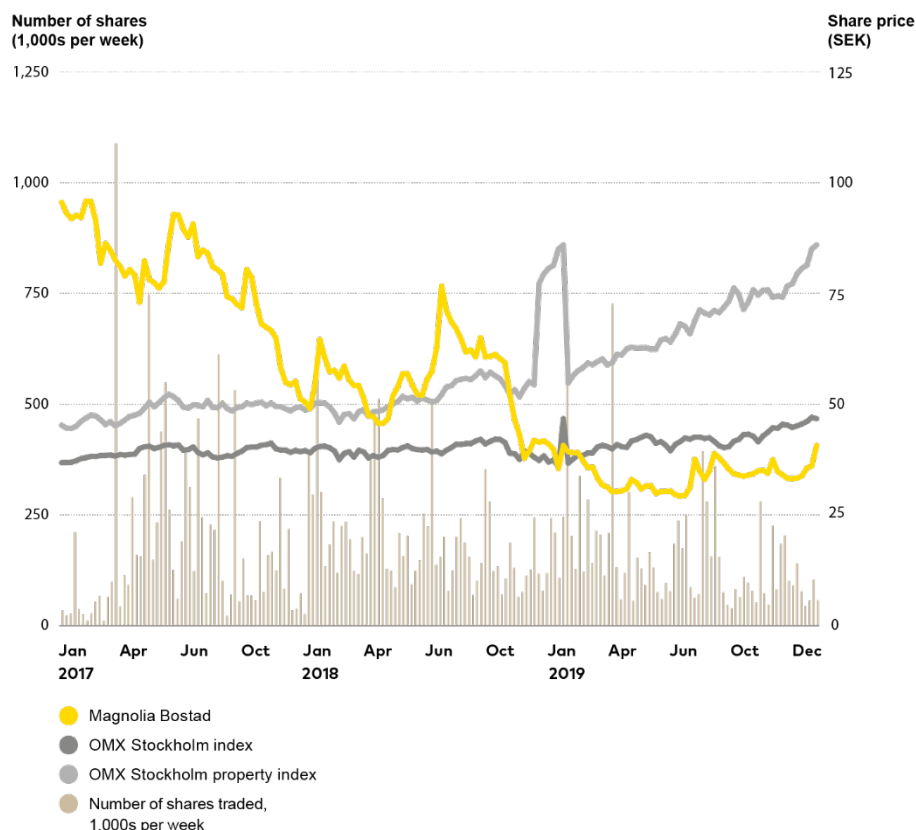
Warrants

Magnolia Bostad has issued warrants on two occasions in 2017 and 2019.

The Annual General Meeting held on 26 April 2017, resolved to issue 350,000 warrants to the subsidiary, Magnolia Utveckling. In total 260,500 warrants have been transferred to employees in accordance with the warrant program and 28,000 warrants have been repurchased. 89 500 unutilized warrants have been cancelled during the year. Each warrant entitles the holder to the right to subscribe for one share at a strike price of SEK 84 per share. The subscription period is from 2 November 2020 until 26 April 2022.

The Annual General Meeting held on 10 May 2019 resolved to issue 200,000 warrants to the subsidiary Magnolia Utveckling. Following the AGM's decision, 170,000 of the warrants were offered to key employees at the subsidiary, all of which have been acquired by and assigned to key employees. The outstanding warrants remain in Magnolia Utveckling's ownership for the time being. Each warrant entitles the holder to subscribe for one share in Magnolia Bostad at a strike price of SEK 84 per share during the period from 1 November 2022 until 26 April 2024.

Turnover in thousands per week and price (SEK)



Average number of outstanding shares

	2019		2018	
	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

Dividend Policy

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

Dividend

The Board's proposal for a dividend for 2019 will be announced at the latest in the notice to the AGM.

Owners

Shareholders' structure as of 31 Dec 2019

Number of shares	Number of share holders	Shareholder category	No.	Shareholders per country	No.
1 - 500	2,862	Corporation	127	Sweden	3,619
501 - 1000	330			Other Nordic countries	42
1001 - 2000	202	Private individuals, men	2,430	Other European countries (excl. Sweden and the Nordics)	25
2001 - 5000	158			USA	1
5001 - 10000	60	Private individuals, women	1,134	Rest of the world	4
10001 - 50000	55				
50001 -	24	Total	3,691		
Total	3,691	of which living in Sweden	3,506	Total	3,691

Largest shareholders as of 31 Dec 2019

Shareholders	Number of shares	Percentage of	
		Share capital, %	Votes, %
F. Holmström Fastigheter	21 321 837	56,37	56,37
Länsförsäkringar Fondförvaltning AB (publ)	3 195 269	8,45	8,45
Wealins S.A.	3 116 462	8,24	8,24
Svolder	2 035 718	5,38	5,38
Nordnet Pensionsförsäkring	1 187 014	3,14	3,14
Avanza Pension	694 694	1,84	1,84
Martin Dahlin	500 000	1,32	1,32
John Larsson	502 430	1,33	1,33
Carnegie Fonder	309 696	0,82	0,82
Nordea Liv & Pension	298 490	0,79	0,79
Total 10 largest shareholders	33 161 610	87,68	87,68
Other shareholders	4 660 673	12,32	12,32
Total	37 822 283	100,00	100,00

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	2019 Jan-Dec	2018 Jan-Dec	2019 Oct-Dec	2018 Oct-Dec
Net sales	751	1,054	258	42
Production and operating costs	-707	-907	-201	-135
Gross profit/loss	44	147	57	-93
Central administration	-89	-64	-26	-16
Profit/loss from participations in associated companies and joint ventures	77	14	8	9
Change in value, investment properties	348	67	-4	67
Operating profit/loss	380	164	35	-33
Financial income	17	8	6	2
Financial expenses	-189	-150	-49	-40
Profit/loss before tax	208	22	-8	-71
Income tax	-37	-15	19	-15
NET PROFIT/LOSS FOR THE PERIOD	171	7	11	-86
Profit/loss attributable to				
Parent company shareholders	142	10	5	-80
Non-controlling interests	29	-3	5	-6
Earnings per share (SEK)				
Before dilution effects	3.75	0.26	0.13	-2.12
After dilution effects	3.75	0.26	0.13	-2.12

Consolidated Statement of Comprehensive Income

Amounts in MSEK	2019 Jan-Dec	2018 Jan-Dec	2019 Oct-Dec	2018 Oct-Dec
Net profit/loss for the period	171	7	11	-86
OTHER COMPREHENSIVE INCOME FOR THE PERIOD				
Total other comprehensive income	0	0	0	0
COMPREHENSIVE INCOME FOR THE PERIOD	171	7	11	-86
Comprehensive income attributable to				
Parent Company shareholders	143	10	6	-80
Non-controlling interests	29	-3	5	-6

Consolidated Condensed Statement of Financial Position

Amounts in MSEK	2019 31 Dec	2018 31 Dec
ASSETS		
Non-current assets		
Goodwill	6	6
Other intangible assets	0	1
Total intangible assets	6	7
Investment properties	654	295
Right of use assets	51	-
Machinery and equipment	12	19
Total property, plant and equipment	717	314
Shares in associated companies and joint ventures	188	106
Receivables from associated companies	201	56
Other securities held as non-current assets	31	31
Other long-term receivables	578	978
Total financial assets	998	1,171
Total non-current assets	1,721	1,492
Current assets		
Development and project properties	1,114	1,196
Tenant-owned apartments	9	10
Accounts receivable	41	21
Receivables from associated companies	64	38
Other receivables	599	440
Prepaid expenses and accrued income	11	14
Cash and cash equivalents	440	395
Total current assets	2,278	2,114
TOTAL ASSETS	3,999	3,605

Consolidated Condensed Statement of Financial Position

Amounts in MSEK	2019 31 Dec	2018 31 Dec
EQUITY AND LIABILITIES		
Equity		
Share capital	151	151
Other capital contributions	187	187
Retained profits incl. net profit/loss for the period	742	599
Equity attributable to Parent Company shareholders	1,080	937
Non-controlling interests	103	156
Total equity	1,183	1,093
Non-current liabilities		
Deferred tax liability	38	17
Non-current interest-bearing liabilities	1,667	1,914
Non-current liabilities to associated companies	-	18
Non-current lease liabilities	39	-
Other long-term liabilities	34	34
Total long-term liabilities	1,778	1,983
Current liabilities		
Current interest-bearing liabilities	737	278
Current lease liabilities	13	-
Accounts payable	53	23
Liabilities to associated companies	1	0
Income tax liabilities	0	0
Other current liabilities	105	114
Accrued expenses and deferred income	129	114
Total current liabilities	1,038	529
TOTAL EQUITY AND LIABILITIES	3,999	3,605

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 1/1/2018	151	185	0	655	180	1,171
Dividend	-	-	0	-66	-20	-86
Issue of warrants	-	2	-	-	-	2
Net profit/loss for the period	-	-	-	10	-3	7
Other comprehensive income	-	-	0	-	0	0
Closing equity 12/31/2018	151	187	0	599	156	1,093
Opening equity 1/1/2019	151	187	0	599	156	1,093
Dividend	-	-	-	-	-78	-78
Issue of warrants	-	0	-	-	-	0
Acquisition of non-controlling interests	-	-	-	1	-4	-3
Net profit/loss for the period	-	-	0	142	29	171
Other comprehensive income	-	-	0	-	0	0
Closing equity 31/12/2019	151	187	0	742	103	1,183

Condensed Consolidated Cash Flow Statement

Amounts in MSEK	2019 Jan-Dec	2018 Jan-Dec	2019 Oct-Dec	2018 Oct-Dec
Operating activities				
Profit/loss after financial items	208	22	-8	-71
Adjustments for non-cash items, etc				
Less share of profit/loss from associated companies and joint ventures	-77	-14	-8	-9
Retained dividend from associated companies	10	10	10	0
Depreciation/amortization and impairment of assets	23	4	6	1
Fair value changes, investment properties	-348	-67	4	-67
Capital gains/losses from the sale of development properties	-78	-246	-64	34
Other provisions	0	0	0	0
Other profit/loss items that do not affect liquidity	13	12	4	6
Income tax paid	0	0	0	0
Cash flow from operating activities before changes in working capital	-249	-279	-56	-105
Decrease (+)/increase (-) of development and project properties	-88	-71	66	-193
Decrease (+)/increase (-) in current receivables	385	373	152	89
Decrease (+)/increase (-) in current liabilities	27	-43	20	41
Cash flow from operating activities	75	-20	182	-168
Investing activities				
Acquisition of intangible fixed assets	0	0	0	0
Acquisition of investment properties	-282	-21	-129	-21
Acquisition of machinery and equipment	-3	-8	0	1
Investment in financial assets	-11	0	-11	1
Disposal/reduction of financial assets	29	8	0	-1
Cash flow from investing activities	-267	-21	-140	-20
Financing activities				
Issue of warrants	0	2	0	-
Borrowings	590	1,147	233	624
Repayment of borrowings	-264	-848	-93	-228
Dividend paid to parent company's owner	-	-66	-	-
Dividend paid to minority interest	-86	-7	-63	-1
Acquisition of non-controlling interests	-3	-	0	-
Cash flow from financing activities	237	228	77	394
Cash flow for the period	45	187	119	207
Cash and cash equivalents at the beginning of the period	395	208	321	189
Cash and cash equivalents at the end of the period	440	395	440	395

Parent Company Condensed Income Statement

Amounts in MSEK	2019 Jan-Dec	2018 Jan-Dec	2019 Oct-Dec	2018 Oct-Dec
Net sales	12	10	4	6
Total income	12	10	4	6
Central administration	-26	-40	-8	-7
Operating profit/loss	-14	-30	-4	-1
Financial income	243	76	150	23
Financial expenses	-142	-101	-36	-38
Profit/loss after financial items	87	-55	110	-16
Tax on profit/loss for the period	0	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	87	-55	110	-16

Parent Company Statement of Comprehensive Income

Amounts in MSEK	2019 Jan-Dec	2018 Jan-Dec	2019 Oct-Dec	2018 Oct-Dec
Net profit/loss for the period	87	-55	110	-16
OTHER COMPREHENSIVE INCOME FOR THE PERIOD				
Total other comprehensive income	0	0	0	0
COMPREHENSIVE INCOME FOR THE PERIOD	87	-55	110	-16

Parent Company Condensed Balance Sheet

Amounts in MSEK	2019 31 Dec	2018 31 Dec
ASSETS		
Non-current assets		
Financial assets	154	154
Total non-current assets	154	154
Current assets		
Current receivables		
Receivables from Group companies	1,880	1,714
Receivables from associated companies	0	2
Other receivables	1	0
Prepaid expenses and accrued income	2	0
Total current receivables	1,883	1,716
Cash and bank balances	20	100
Total current assets	1,903	1,816
TOTAL ASSETS	2,057	1,970
EQUITY AND LIABILITIES		
Equity	417	330
Non-current liabilities		
Non-current interest-bearing liabilities	1,135	1,573
Total long-term liabilities	1,135	1,573
Current liabilities		
Current interest-bearing liabilities	450	0
Liabilities to Group companies	22	38
Other current liabilities	3	0
Accrued expenses and deferred income	30	29
Total current liabilities	505	67
TOTAL EQUITY AND LIABILITIES	2,057	1,970

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 2018 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.

New 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, Magnolia Bostad will not apply the standard retroactively.

The right of use (the lease asset) and the liability are initially valued at the current value of future lease payments. The right of use also includes direct costs attributable to the signing of the lease agreement. Depreciation and possible write-downs on the right of use and interest expenses are reported in the income statement.

Essentially, this item consists of parking spaces rented by Magnolia Bostad to be rented out in three projects and rent for the premises in which Magnolia Bostad conducts its business. The reported lease liability at the beginning of the year was SEK 64 m. For a further description of the transition effects, see Note 1 in Magnolia Bostad AB's Annual Report for 2018.

For a more detailed description of the applied accounting principles for the Group and parent company, refer to Magnolia Bostad AB's 2018 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 29 m, SEK -1 m is attributable to Fredrik Lidjan AB's (FLAB's) share of the profit in Magnolia Holding 3 AB, SEK 29 m is attributable to FLAB's share of the profit in Magnolia Holding 4 AB and SEK 0 m is attributable to FLAB's share of the profit in Magnolia Hotellutveckling 2 AB.

Of the dividend for the period to the non-controlling interests of SEK 78 m, SEK 6 m is attributable to FLAB's share of Magnolia Holding 3 AB, SEK 5 m is attributable to FLAB's share of Magnolia Holding 4 AB and SEK 1 m relates to FLAB's share of 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 stage 1 and Senapsfabriken stage 2. Of the period's dividend to holdings with non-controlling influence, SEK 41 million is to companies where Andreas Rutili has an ownership interest.

During the period, a property was sold to a subsidiary of the associated company Svenska Husgruppen Intressenter AB. The transaction took place on market terms and was done at an underlying property value of SEK 10 million.

The scope and focus of other transactions by related parties have not changed significantly since the last Annual Report. For further information, see Note 4, Note 9 and Note 36 in the company's Annual Report for 2018 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 include a controlling influence over their subsidiaries.

Significant risks and uncertainty factors

Magnolia Bostad is exposed to risks and uncertainties through its operations. For information about the Group's risks and uncertainties, please refer to Magnolia Bostad AB's website www.magnoliabostad.se and pages 68-69 and Note 3 in the company's Annual Report for 2018.

Seasonal variations

Magnolia Bostad's revenue recognition means that full earnings are recognized at the time of sale. This can lead to significant fluctuations between the quarters and the results should therefore be assessed over a longer period of time. Magnolia Bostad's Q3 is usually weaker due to the holiday season falling during this quarter. Otherwise, the business is not affected by any clear seasonal variations.

Sustainability

Magnolia Bostad sees its work on sustainable development as a prerequisite for continued growth and profitability. The work to reduce the company's environmental and climate impact is a major focus area. The company's goal is for all projects to be certified according to a minimum of Sweden Green Building Council, the Nordic Swan Ecolabel or an equivalent.

During the quarter, two projects were certified in accordance with the Sweden Green Building Council's silver certification and one project was certified in accordance with the Nordic Swan Ecolabel. Also, during the quarter, environmental audits were carried out on four projects and the company performed an overhaul of the turnkey contract. In order to promote equality, diversity and integration, Magnolia Bostad supports girls' and women's football.

For further descriptions of Magnolia Bostad's sustainability work, see pages 48–61 in the company's Annual Report for 2018. Magnolia Bostad's Annual Report for 2019 will be published on 31 March 2020.

Organization

Magnolia Bostad's organization is divided into the following departments: Business Development, Project Development, Business Generation, Residential Development, Operational Development, Communications, Legal and Finance. As of 31 December 2019, the company had 101(86) employees. Of the number of employees, 56 (46) were women and 45 (40) were men at offices in Stockholm, Norrköping, Göteborg and Helsingborg. Comparative information refers to 31 December 2018.

As of 31 December 2019, management consisted of eight people. For more information about Magnolia Bostad's executive management, see www.magnoliabostad.se

Annual General Meeting

The Annual General Meeting of Magnolia Bostad AB will take place on 27 April 2020 at 2:00 pm at Magnolia Bostad's offices at Sturegatan 6, Stockholm. No

tice of the Annual General Meeting will be issued by 30 March 2020 at the latest. The notice and instructions for participating will be published in Post & Inrikes Tidningar and on Magnolia Bostad's 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 6 April 2020 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 31 March 2019, www.magnoliabostad.se, and at the company's headquarters at Sturegatan 6, Stockholm, Sweden, during week 17, 2020.

Stockholm 20 February 2020,
Magnolia Bostad AB (publ)
The Board

*This report has not been reviewed by
the company's auditors*

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's shareholders.

Equity per share

Equity attributable to parent company's shareholders divided by the number of outstanding 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, multiple

Profit/loss after financial items with reversal of financial expenses and adjustment for unrealized changes in value of investment properties divided by financial expenses.

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, including profit/loss from participations in associated companies and fair value changes of investment properties.

Equity/assets ratio, %

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

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

Definitions, other

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

GFA: Gross Floor Area, MUA: Main Usable Area, UFA: Usable Floor Area

Estimated number of building rights

Number of estimated future residential units in acquired properties. Due to uncertainties such as zoning plan processes, government decisions or non-established dates for vacancy of project properties, assessments of the number of residential units may change over time.

Estimated production start, project portfolio

Estimated production start is the management's best assessment of when the zoning plan has come into legal force and the turnkey contract and binding sales agreements have been signed. Due to uncertainty factors such as the zoning plan processes, government decisions or non-established dates for vacancy of project properties, assessments can change over time.

Estimated completion of projects

The time for the estimated completion of a project is when the project is completed and finalized.

Sales rate

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

Production start, project portfolio

When the zoning plan has come into legal force and the turnkey contract and binding sales agreements have been signed.

Production start, properties for own management

The start of production takes place when the zoning plan has come into legal force and the turnkey contract has been signed

Sold residential units in production

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

Occupancy rate, %

Leased area in relation to leasable area.

This is Magnolia Bostad

Magnolia Bostad develops new housing in Sweden's growth areas and major cities. Our work is guided by a comprehensive view where business is conducted in a way that promotes long-term sustainable urban development.



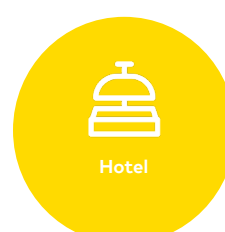
Rental
apartments



Tenant-owned
apartments



Community
service prop.



Hotel

Magnolia Bostad as an investment

As a shareholder in Magnolia Bostad, you will have the opportunity of being part of an innovative, responsible urban developer.

Opportunity for good value growth

The company has a project portfolio of about 18,000 residential units that are steadily maturing. The project portfolio is very much in line with the type of housing that is currently in demand in Sweden.

Balanced risk

Land acquisitions, usually conditional on the zoning plan coming into force, are always based on a calculation for the development of rental housing. This gives the opportunity of profitably developing all types of ownership. We balance risks related to costs, revenues and liquidity through the sale of projects at an early stage.

Financially strong customers

Most of our customers are financially strong institutional investors or property companies. Usually, they buy projects in a forward funding form or create a JV with us and thereby become our long-term partners.

Effective implementation

We have close collaboration with well-established construction companies and other partners.

Sustainable urban development

We take responsibility by developing safe housing and neighbourhoods, while working to reduce our environmental im-



pact. We are also keen to develop attractive neighbourhoods that will last for a long time.

Business concept

Magnolia Bostad will develop effective, attractive and functional housing with good profitability.

Business model

Our business model allows us to deliver complete offers of products - rental housing, tenant-owned apartments, Community service properties and hotels - to municipalities that want to develop new districts and residential areas.

Together with selected partners, we create sustainable homes and residential areas. See also Magnolia Bostad's Annual Report for 2018, pages 12-17.

Strategy

By working with several types of products and focusing on long-term forms of cooperation, the company achieves a good spread of risk. Magnolia Bostad develops projects that are often sold at an early stage. By having a short time between land purchases, negotiations with buyers and construction procurement, we reduce the time between acquisitions and sales, which contributes to a balanced risk in the business. Magnolia Bostad's assignments usually include running the project until occupancy.

Projects are also being developed for self-management, which will contribute

to a stable cash flow. This is a small part of the business today, but over time, Magnolia Bostad intends to build a portfolio that strengthens the balance sheet, provides a continuous cash flow and long-term value growth. Financing is secured for certain projects by running these in joint venture companies together with financially strong partners. The distribution between forms of products in the project portfolio varies over time, based on demand, the state of the economy and what is considered most favourable to the company at any given time.

Growth should be achieved with good profitability. We must act responsibly and long-term in the areas where we operate, and we must understand our role in society.

Financial targets

Return on equity shall amount to at least 30%. The equity/assets ratio shall amount to at least 30%.

Business targets

Magnolia Bostad shall have the capacity to annually start production of 3,000 residential units, 3 to 5 residential community service properties and 1-2 hotels.

Sustainability targets

Certification according to the Sweden Green Building Council's Silver level or Swan mark in all projects.

Dividend policy

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

Quarterly overview

	2019				2018			
	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Net sales (SEK million)	258	54	402	37	42	214	267	532
Operating profit/loss (SEK million)	35	150	73	122	-33	-10	93	113
Profit/loss after tax (SEK million)	11	75	39	46	-86	-47	59	80
Earnings per share (SEK) ¹	0.16	1.69	0.90	1.00	-2.12	-1.24	1.45	2.14
Equity (SEK million)	1,184	1,236	1,161	1,136	1,093	1,179	1,226	1,254
Equity per share (SEK) ¹	28.58	28.42	26.73	25.80	24.77	26.89	28.13	28.42
Equity/assets ratio (%)	29.6	30.4	29.6	30.6	30.3	36.8	32.7	34.4
Cash flow from operating activities (SEK million)	182	80	-117	-70	-168	172	-86	62
Cash flow from the operating activities, per share (SEK)	4.8	2.1	-3.1	-1.9	-4.4	4.5	-2.3	1.6
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	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283	37,822,283

¹ Excluding the minority

Financial calendar

- Annual Report 2019: March 2020
- Interim Report January – March 2020: 24 April 2020
- Annual General Meeting 2020: 27 April 2020
- Interim Report January – June 2020: 7 July 2020
- Interim Report January – September 2020: 22 October 2020
- Year-End Report January – December 2020: 24 February 2021

Teleconference Q4 2019

10:30 CET on 20 February 2020
Call one of the following telephone numbers to participate
Sweden: 08 505 583 57, UK: +44 333 300 9261

Listen to the teleconference at <https://financialhearings.com/event/12437>
Presentation material will be available on the company's website no later than one hour before the start of the teleconference

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 20 February 2020 at 08:00 a.m. CET.

This Interim Report is a translation of the original Swedish Interim Report, which prevails in case of discrepancies between this translation and the Swedish original.

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