

MAGNOLIA

Magnolia Bostad
Interim Report
The Group
1 January-
30 June 2019

Q2

Interim Report January-June 2019

January - June 2019

- Net sales amounted to SEK 439 m (798).
- The operating profit was SEK 195 m (206), of which SEK 169 m (-) refers to changes in the value of investment properties.
- The net profit before tax for the period was SEK 108 m (139) and the profit after tax was SEK 86 m (139).
- Earnings per share after deductions for minority shares was SEK 1.93 per share (3.60).

April - June 2019

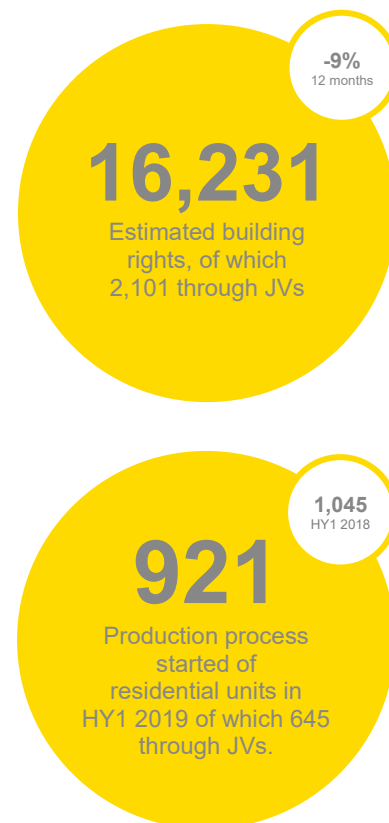
- Net sales amounted to SEK 402 m (267).
- The operating profit was SEK 73 m (93), of which SEK 4 m (-) refers to changes in the value of investment properties.
- The net profit before tax for the period was SEK 28 m (59) and the profit after tax was SEK 39 m (59).
- Earnings per share after deductions for minority shares was SEK 0.90 per share (1.45).

Significant events April - June 2019

- Sales, number of residencies
 - Norrtälje Hamn project, 167
 - Lilium project, stage 2, 90
- 18 tenant-owned apartments in projects production started earlier
- Production process started, number of residencies
 - Norrtälje Hamn project, 167
 - Lilium project, stage 2, 109
 - Joint venture (JV) Brogårdstaden project, 645
- Completed: Adjutanten, Visby, 68 residencies for self-management.
- Signed conditional agreement for sale of the Täljöviken project.
- Signed agreement on the sale of shares in JV that owns Skogskarlen 3, Solna.
- Formed JV with Heimstaden Bostad.
- Signed construction contract with Derome regarding construction of wooden houses.

Significant events after the end of the quarter

- No significant events after the end of the period.



KPIs, Group

	2019 Jan-Jun	2018 Jan-Jun	2019 Apr-Jun	2018 Apr-Jun	2018/2019 Jul-Jun	2018 Jan-Dec
Project-related						
Number of production starts during the period ¹	921	1,045	921	712	1,815	1,939
Number of sold residencies during the period ¹	283	1,045	275	712	552	1,314
Total number of residencies in production ¹	7,933	6,745	7,933	6,745	8,821	7,633
Number of estimated building rights in the portfolio and investment properties ¹	16,231	17,772	16,231	17,772	15,747	17,288
Financials						
Operating profit/loss	195	206	73	93	153	164
Operating margin (%)	44.4	25.8	18.2	34.8	22.1	15.6
Return on equity (%) ²	-	-	-	-	neg	1.0
Equity/assets ratio (%)	29.6	32.7	29.6	32.7	29.6	30.3
Interest coverage ratio (multiple) ³	0.1	3.3	0.1	3.3	0.1	0.7
Share-related						
Earnings per share (SEK) ²	1.93	3.60	0.90	1.45	-1.41	0.26
Equity per share (SEK) ²	26.73	28.13	26.73	28.13	26.73	24.77

¹ No adjustment 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 28

A word from the CEO

During the quarter we started the production process of 921 residential units. Of these, 645 are for our own management and developed through our joint venture with Heimstaden Bostad. The homes will be built as wooden multi-family dwellings.



We have had an active first half of the year and a lot of energy has been spent on our project portfolio that has increasingly matured. We focused on the procurement of a number of contracting agreements in Q2, including for the projects that received legally binding zoning plans in the last quarter and which are part of our framework agreement with Heimstaden.

In June, we signed an agreement for the sale of two projects to HEBA. The projects consist of residential care units and rental accommodation units. During the quarter, we saw strong sales of tenant-owned apartments. There was also a great deal of interest in tenant-owned apartments in the Fyren project in Nynäshamn, which we started to sell in May together with the project's purchaser.

In May, we formed a company with Heimstaden Bostad to jointly de-

velop housing for long-term management in the Brogårdstaden project. We also signed a construction contract for the project with Derome for the construction of wooden multi-family dwellings. During Q2 we started the production process of 921 residential units of which 645 related to residencies in our recently formed joint venture.

The property transaction market remained strong in Q2 and transactions relating to non-completed projects continued to increase. We saw the same trend as the previous quarter with institutions as active buyers and an increasing proportion of foreign investors.

It is also gratifying that the decision was taken in the spring budget to reintroduce investment support for rental accommodation. The investment support is positive as it creates the conditions for additional rental accommodation projects in several

regions. We await further information about this shortly.

Together with Derome, we introduced our collaboration "Den hållbara trästaden" ("The Sustainable Wooden City") during Almedalen week. The aim of the collaboration is to create a society with diversity, community and security, where people feel good, where the environment is good and where we reduce our climate impact.

Fredrik Lidjan
CEO
July 2019

The Market

The property transaction market continued to be very active during Q2 2019 and interest in residential properties remained strong.

Stable Swedish economy

After several years of recovery, with strong GDP growth and rapidly declining unemployment, the global economy is now in a phase of lower growth. Weaker global growth is expected in the coming years as the business cycle enters a mature phase.

The Swedish economy is still healthy, despite falling GDP growth. Demand for labour remains high after several years of rising employment, resulting in the lowest unemployment rate during this decade.

Continued strong property transaction market ¹

The transaction market continued to be very strong during the first half of 2019 and is in line with the transaction volumes for 2014–2018, where volumes amounted to over SEK 150 billion per year.

During Q2, SEK 49 billion was traded on the property market, which meant that the half-year volume amounted to SEK 92 billion.

Liquidity remains healthy and 124 transactions were carried out during the quarter, resulting in 258 transactions during the first half of the year.

International investors remained active during the Q2 and accounted for around 32% of total invested capital as of 30 June 2019. International buyers were active in all sub-segments and in many geographic markets.

Significant interest in rental property

Ever since the financial crisis, residential property has been one of the largest segments of the property market in terms of volume.

Interest in residential property remained strong during Q2 2019, with a transaction volume of SEK 12 billion. The total transaction volume for the first six months amounted to SEK 23 billion, which corresponds to a market share of 25%. The residential segment was thus the largest volume segment in the first half of 2019. This segment was also the most liquid with around seventy transactions carried out.

Interest in existing properties was high, but the share of transactions for unfinished projects (so-called forward transactions) has increased sharply in recent years and accounted for 40% of the housing volume during the first half-year.

Institutions were still active buyers and since 2010 have acquired residential property for over SEK 112 billion.

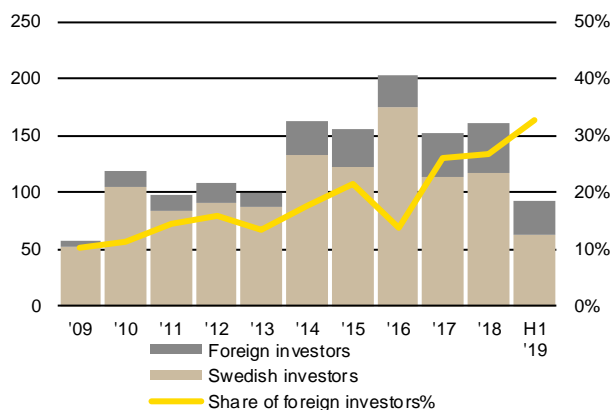
In the municipal property segment, residential care property accounted for 36% of the segment's transaction volume during the first half of 2019. Interest in forward transactions was also high among care homes, as around 20% of the transaction volume concerned unfinished projects.

The information on this page has been prepared in collaboration with Savills and is based on Savill's overall experience and market assessments.

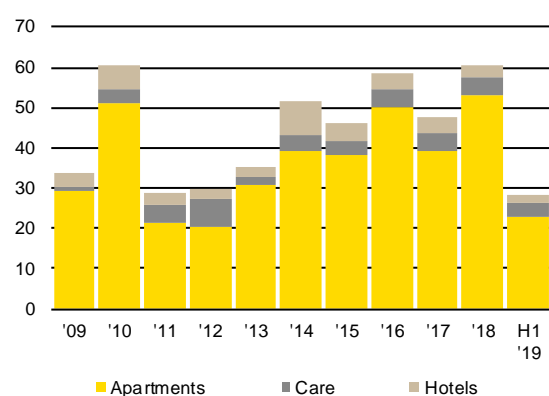
¹Transactions exceeding SEK 25 million

Transaction volume all segments, SEK billion

Swedish and foreign investors



Transaction volume apartments, care and hotels, SEK billion



Source: Savills Research

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.

Interim period 1 January - 30 June 2019

Net sales amounted to SEK 439 m (798) and the operating profit was SEK 195 m (206). The profit before tax was SEK 108 m (139).

Distribution of revenue	2019 Jan-Jun	2018 Jan-Jun
Property sales	288	686
Sum of revenue recognised at a point in time	288	686
Project management	15	15
Rent	8	18
Other invoicing for the projects and other revenue	128	79
Sum of revenue recognised over in time	151	112
TOTAL REVENUE	439	798

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 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 residential units sold fell to 283 (1 045). In addition to residential units, about 800 estimated building rights have been sold to a jointly-owned company with Heimstaden Bostad. Of the residential units sold during the period, 167 relate to rental accommodation and residential care units in the Norrtälje Hamn project and 90 residential units relate to tenant-owned apartments in the Lilium stage 2 project in Uppsala, where the property was sold to a tenant-owned association during the period. The Lilium stage 2 project comprises a total of 109 residential units and the project has thus achieved a sales rate of 82.6%. Due to the fall in prices in the tenant-owned housing market in Uppsala, the margin in Lilium stage 2 is lower than in initial calculations, but the effect on the gross profit is marginal.

Rental income fell to SEK 8 m (18) due to the sales of Instrumentet 2 and Skogskarlen 3 in the first quarter of 2018. Operating costs for properties that generate rental income fell to SEK -4 m (-6). Net operating income from rent-generating properties fell to SEK 4 m (12). Net operating income contributes to the operating 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 -38 m (-29).

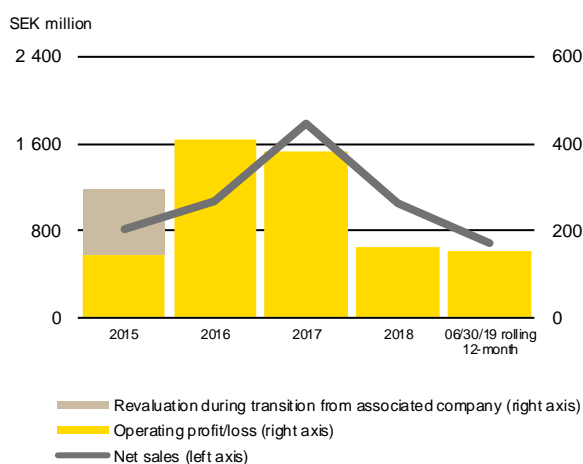
The profit from associated companies was SEK 76 million (4), mainly as a result of a positive change in the value of the investment property in the JV company with Heimstaden Bostad. The profit from associated companies has also been negatively affected by the results from Sollentuna Stinsen JV AB.

Change in the value of investment property was SEK 169 million (-). During Q1, Brogårdstaden was transferred to the portfolio for long-term management and reported at fair value. During Q2, the property was sold to the jointly-owned JV company with Heimstaden Bostad. The change in value from Brogårdstaden explains the majority of the period's value changes in investment property.

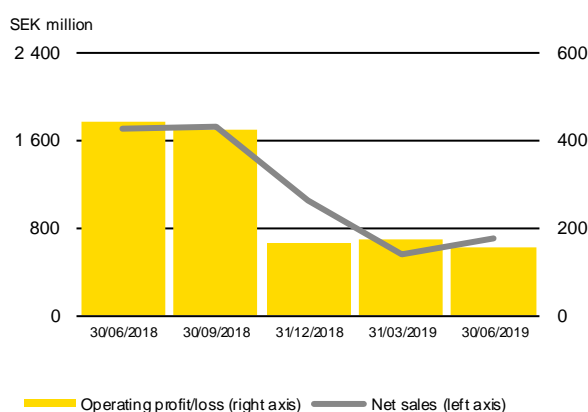
Net financial items

Net financial items amounted to SEK -87 m (-67). The increase in financing costs is due to higher average interest rates and the fact that total interest-bearing liabilities were higher on average during the period than in the same period last year.

Net sales & operating profit/loss, full-year



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



The higher average interest-bearing liabilities are due to the issue of additional corporate bonds of SEK 200 million within the existing framework, which was carried out at the end of Q1 2018, and the issue of a new unsecured bond loan of SEK 500 million within a framework of SEK 700 million carried out in October 2018.

At the end of the period, Magnolia Bostad's average interest rate was 7.2% compared to 7.1% at year-end 2018/2019. The interest coverage ratio for the rolling 12 months was 0.1 times compared with 0.7 times for FY 2018.

Profit/loss for the period

The profit for the period was SEK 86 m (139) and includes SEK -22 m (0) in income taxes. Reported income taxes for the period relate to deferred tax on temporary differences for investment properties.

Reporting period 1 April - 30 June 2019

Net sales amounted to SEK 402 m (267) and the operating profit for the period was SEK 73 m (93). The profit before tax for the period was SEK 39 m (59).

Property sales amounted to SEK 296 m (208) and the number of residential units sold during the quarter was 275 (712).

The costs for central administration have risen to SEK 22 m (17), mainly due to an increase in the number of employees.

Distribution of revenue	2019 Apr-Jun	2018 Apr-Jun
Property sales	296	208
Sum of revenue recognised at a point in time	296	208
Project management	9	4
Rent	5	6
Other invoicing for the projects and other revenue	92	50
Sum of revenue recognised over in time	106	59
TOTAL REVENUE	402	267

The profit from interests in associated companies and JVs was SEK 84 m (8), mainly due to a positive change in the value of the property in the JV company with Heimstaden Bostad.

Change in the value of investment property was SEK 4 m (-) and income tax was SEK 11 m (0). Q2's reported income tax refers to deferred tax on temporary differences for investment properties and the positive effect is reported due to the sale of Brogårdstaden to the jointly-owned JV company with Heimstaden Bostad.

Financing costs during the quarter stood at SEK -47 m (-36). This increase is mainly due to a higher average interest rate and higher interest-bearing liabilities.

Financial position

The consolidated balance sheet total rose to SEK 3,925 m, compared with SEK 3,605 m at the beginning of the year. Properties held for long-term management are reported as Investment properties. During Q2, Brogårdstaden was sold to a JV where the property will be developed and owned for long-term management together with Heimstaden Bostad.

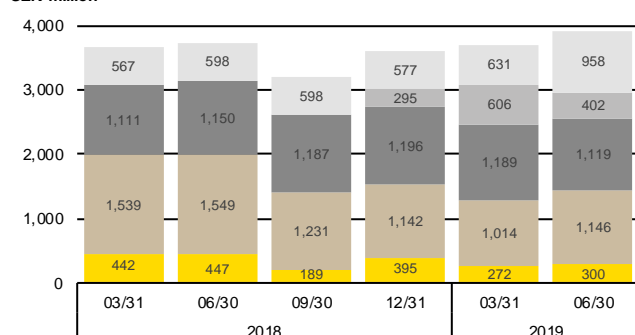
In 2019, occupation commenced in Adjutanten in Visby and the property now passes into the management phase. As of 30 June 2019, investment properties amounted to SEK 402 million (295).

Current receivables from associated companies and JVs rose by SEK 229 m to SEK 267 m (38), mainly affected by the sale of Brogårdstaden to a JV.

Of the long-term and other receivables totalling SEK 1,452 m (1,418), SEK 1,146 m (1,142) are receivables due from buyers of the projects, mainly at our partners and large Swedish institutions, while SEK 164 m (149) refers to deposits for future property acquisitions. Within the next 12 months, the Group is expected to receive SEK 586 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

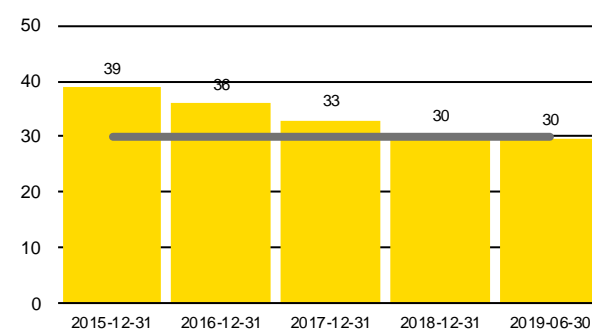
SEK million



■ Cash and cash equivalents ■ Receivables from buyers
■ Development and project properties ■ Investment properties
■ Other assets

Equity/assets ratio

%



■ Equity/assets ratio — Financial target, at least 30 percent

In addition to this, SEK 267 m (38) is available in short-term receivables from associated companies, where the majority relates to receivables from the JV company with Heimstaden Bostad for the sale of Brogårdstaden.

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 77 m and amounted to SEK 1,119 m (1,196).

Shares in associated companies and JVs have risen by SEK 74 m to SEK 180 m (106), mainly due to unrealized changes in value at Brogårdstaden in the JV company owned with Heimstaden Bostad.

Equity and equity/assets ratio

Consolidated equity as at 30 June 2019 was SEK 1,161 m (1,093), with an equity/assets ratio of 29.6% (30.3), which is below the financial target of an equity/assets ratio of at least 30%. 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 56 million and a leasing liability of SEK 58 million have been reported, which further increased the balance sheet total. Due to few project sales so far in 2019, no corresponding increase

has occurred in the consolidated equity, which led to a lower equity ratio. Minorities' share of equity amounted to SEK 150 m (156).

Return on equity for the 12-month period that finished on 30 June 2019 was negative mainly due to the weak results in the second half of 2018.

Interest-bearing liabilities

Total interest-bearing loans, including interest-bearing deposits were SEK 2,380 m (2,192) as at 30 June 2019. The majority of Magnolia Bostad's liabilities comprise bond loans with a book value of SEK 1,434 m and bank financing of SEK 681 m, of which SEK 165 m is collateralized by property. The remaining interest-bearing liabilities consist of SEK 144 m in deposits and sellers promissory notes of SEK 121 million. The average tied-up capital period, excluding deposits and the utilized credit line, was 1.9 years at 30 June 2019, compared to 2.4 years at 31 December 2018.

After a deduction for liquid assets of SEK 300 m (395) interest-bearing net liabilities were SEK 2,080 m (1,797).

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

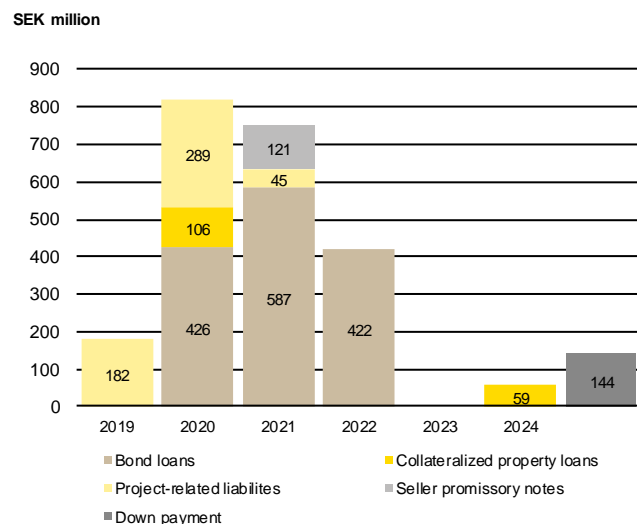
Receivables from buyers amounted to SEK 1,146 m (1,142), interest-bearing net liabilities after deduction of receivables from buyers amounted to SEK 934 m (655), an increase of SEK 279 m compared with 31 December 2018. During the period, receivables from associated companies rose by SEK 196 m to SEK 290 m (94). The increase in claims on associated companies is mainly due to the sale of Brogårdstaden to the JV company with Heimstaden Bostad

During the period, investment properties increased by SEK 107 m to SEK 402 m (295), which tied up capital and was partly financed with interest-bearing liabilities

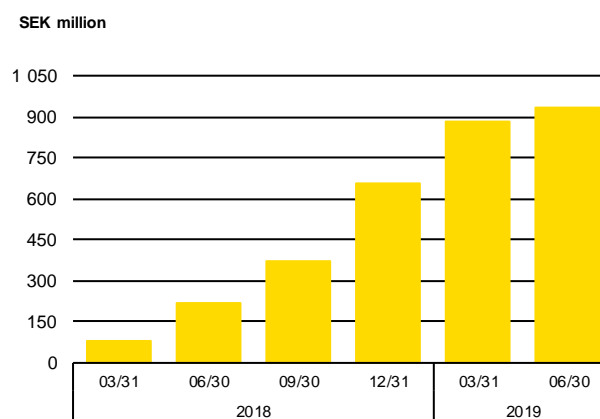
Bond loans

As at 30 June 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 million, 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 and nominal amount on the bonds is due to bonds in own custody of SEK 89 million, 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 period was SEK -187 m (-24). The cash flow for the period was affected by investments in the project portfolio which are reported as changes in development and project properties and where the cash flow amounted to SEK -59 m. The cash flow from operating activities before changes in working capital was affected by SEK -122 m (-113), where financial expenses had an impact of SEK -91 m (-71).

The cash flow for the period from operating activities excluding investments and other changes in development and project properties, amounted to SEK -128 m (-184).

In connection with the handover, 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 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 -72 m (5). The cash flow from financing activities amounted to SEK 164 m (258).

Cash and cash equivalents as at 30 June 2019 amounted to SEK 300 m, compared with SEK 395 m on 31 December 2018. In addition to cash and cash equivalents, there were unutilized credit facilities of SEK 714 m (834) were available as at 30 June 2019 of which there were unutilized overdraft facilities of SEK 50 million.

Parent company's income statement

The parent company's loss after financial items was SEK -13 m (-28). Financial costs increased by SEK 32 m to SEK -70 m (-38) due to higher interest-bearing liabilities.

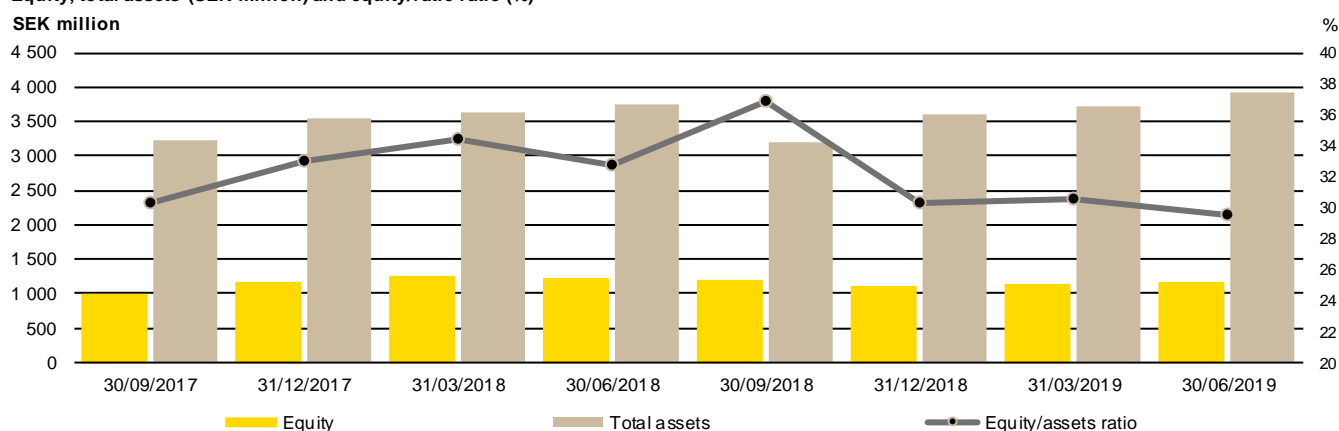
Parent company's balance sheet

The parent company's balance sheet total declined to SEK 1,948 m (1,970). The equity/assets ratio for the parent company was 16.3%, compared to 16.8% at year-end.

Fair value of financial instruments

The fair value of financial assets and liabilities is judged in all material respects to agree with the book value for all financial instruments except bond loans, where the fair value is judged to be SEK 1,426 m (1,440) compared to the book value of SEK 1,434 m (1,428). 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 (%)



Project overview

The information on pages 9-15 refers to all building rights and residential units in each project, i.e. no adjustment is made for projects developed in JVs.

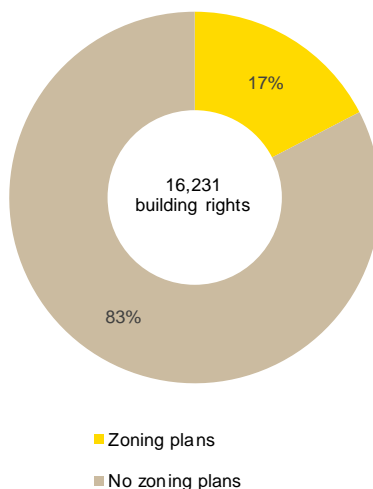
Magnolia Bostad primarily develops rental apartments, hotels and residential care facilities in Sweden's growth areas and large cities. These are sold at an early stage to major Swedish institutions or other partners with strong reputations. The company also develops tenant-owned apartments.

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. Magnolia Bostad also develops properties for long-term self-management.

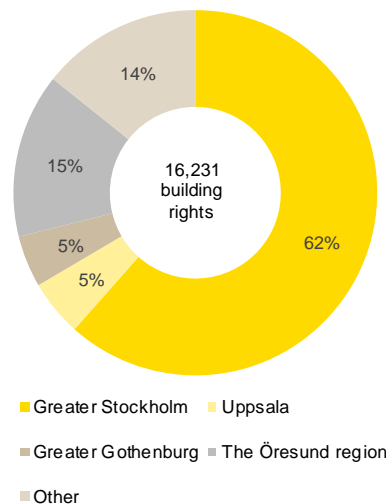
By working with a range of products and housing forms, Magnolia Bostad achieves good risk distribution and becomes an attractive partner for long-term cooperation.

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^{1 2}



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

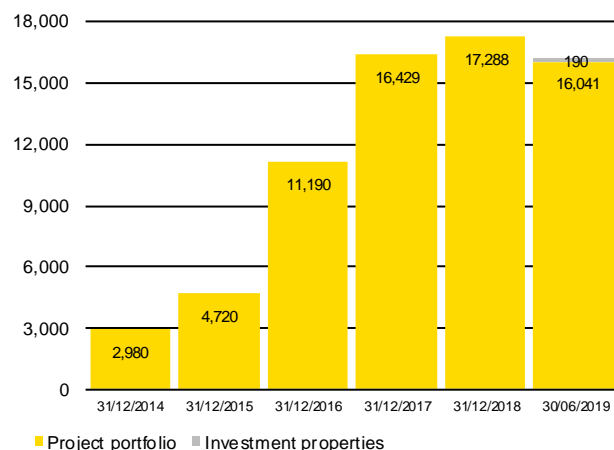


As of 30 June 2019, Magnolia Bostad had a project portfolio of 16,041 estimated building rights, of which 1,911 were through JVs, and an unfinished property where production has started through a JV of 190 estimated building rights. The total of estimated building rights therefore amounts to 16,231.

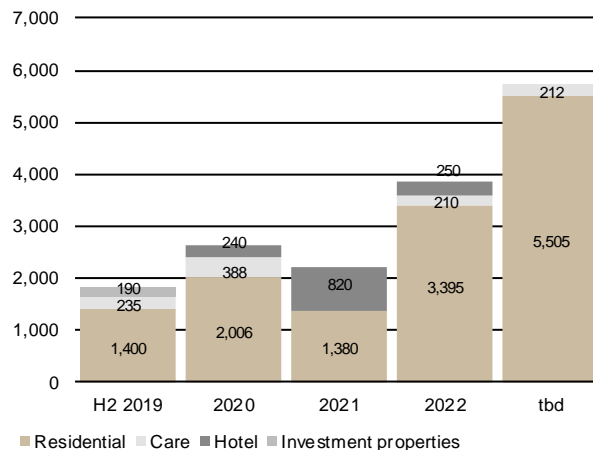
The Bryggeriet project and Adjutanten were completed during the first half of the year. Adjutanten is managed by Magnolia Bostad.

During the first half-year, 283 residential units were sold and the production process started on 921 residential units, of which 645 were through JVs.

Estimated number of building rights²



Estimated production starts in the project portfolio and in project properties, number of building rights²



¹ The percentages are rounded to the nearest whole number.

² Refers to all building rights and residential units in each project, i.e. no adjustment is made for projects developed in JVs

Project portfolio

The tables on pages 10 and 11 present Magnolia Bostad's project portfolio as at 30 June 2019, which consisted of 46 pending projects not yet sold. The information refers to all building rights in each project, i.e. no adjustment has been made for projects developed in JVs. Magnolia Bostad's share of earnings in the projects listed on pages 10-11 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 zoning 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	Owned by JV	Category	Estimated number of apartments	Estimated GFA/MUA/UFA (sqm)	Zoning plan	Estimated prod. start	Estimated completion	Planned buyer (B) and/or contractor (C)
Drottninghög ²	Drottninghög södra 3 & del av Eskadern 1, Helsingborg		C	105	6,200	●	2019	2021	
Gjuteriet, etapp 2	Nätverket 2, Eskilstuna		A	120	5,500	●	2019	2021	
Sportflygaren	Autogyron 1, Örebro		A	180	8,400	●	2019	2021	
Ferdinand 9, Spånga ²	Ferdinand 9, Stockholm		A, C	200	15,400	●	2019	2022	Heimstaden agreement (B)
Norra kajen, etapp 1	Normalm 3:18 & 4:2, Sundsvall		A	285	12,500	●	2019	2022	Heimstaden agreement (B)
Täljöviken ²	Näs 7:7, Åkersberga		C	60	4,650	●	2019	2021	HEBA (K) Consto (E)
Ängloket	Del av Ängby 1:1, Knivsta		A	325	15,000	●	2019	2022	Heimstaden agreement (B)
Slipsen, etapp 1	Stora Råby 33:2 m.fl., Lund		A	360	16,100	●	2019	2024	Heimstaden agreement (B)
Slipsen, etapp 2	Stora Råby 33:2 m.fl., Lund		A	360	16,100	●	2020	2025	Heimstaden agreement (B)
Gyllehemmet ²	Gyllehemmet 1 & 2, Borlänge		A, C	106	9,400	●	2020	2022	
Hasseludden ²	Hasseludden 1:79, Nacka		C	60	4,300	●	2020	2022	
Lommarstranden, etapp 1	Del av Tälje 4:62, Norrtälje		A	120	6,000	●	2020	2021	
Mesta ²	Mesta 5:81, Eskilstuna		C	54	3,950	●	2020	2021	
Gamlestaden hotell ⁴	Gamlestaden 80:4, Göteborg		H	240	6,500	●	2020	2022	
Hagby Park	Hagby 1:5, Åkersberga		A	195	10,300	●	2020	2022	Heimstaden agreement (B) Consto agreement (C)
Norrbacka	Sigtuna Norrbacka 1:32-36, Sigstuna		A, C	265	12,500	●	2020	2022	
Nätverket	Husby 3:3, Åkersberga		A	335	9,200	●	2020	2022	Heimstaden agreement (B) Consto agreement (C)
Partilleport ³	Partille 11:61, Göteborg	JV	C	54	11,100	●	2020	2022	
Torgkvarteren, etapp 1	Del av Våppeby 7:7, Bålsta		A	280	13,400	●	2020	2022	Heimstaden agreement (B) Consto agreement (C)
Österhagen ²	Länna 4:7, Huddinge		C	80	5,300	●	2020	2022	
Sländan, etapp 3	Sländan 9, Södertälje		A	200	10,000	●	2020	2023	
Norra kajen, etapp 2	Normalm 3:18 & 4:2, Sundsvall		A	285	12,500	●	2020	2024	Heimstaden agreement (B)
Frihamnen H ⁴	Del av Lundbyvassen 736:168, Göteborg		H	300	11,000	●	2021	2022	
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	
Torgkvarteren, etapp 2	Del av Våppeby 7:7, Bålsta		A	135	7,200	●	2021	2023	Consto agreement (C)
Västerhaninge ²	Del av Åby 1:67 m.fl., Haninge		A	500	30,000	●	2021	2023	
Finnkajen ⁴	Del av Sundsvall, Stenstaden 1:4, Sundsvall		H	270	9,000	●	2021	2024	

Project	Property, location	Owned by JV	Category	Estimated number of apartments	Estimated GFA/MUA/UFA (sqm)	Zoning plan	Estimated prod. start	Estimated completion	Planned buyer (B) and/or contractor (C)
Grimsta 5:2 (Infra), etapp 1	Grimsta 5:2, Upplands Väsby		A, H	445	20,600	●	2021	2024	
Norra kajen, etapp 3	Norrmalm 3:18 & 4:2, Sundsvall		A	280	12,000	●	2021	2025	Heimstaden agreement (B)
Södra Häggviks Gårdar ¹	Stinsen 2, Sollentuna	JV	A, C	1,500	94,000	●	2022	-	Slättö agreement, part of project (B) Skanska (C)
Grimsta 5:2 (Infra), etapp 2	Grimsta 5:2, Upplands Väsby		A, C	445	20,600	●	2022	2025	Skanska cooperation agreement
Oktaven ²	Skärholmen 2:1, Stockholm		A	110	5,830	●	2022	2025	
Vårby Udde ⁶	Gambrinus 2 & 4, Huddinge		A, C, H	1,800	115,000	●	2022	-	Slättö agreement, part of project (B) Skanska (C)
Konstnären	Sala backe 50:1, Uppsala		A	110	6,150	●	tbd ⁵	-	Heimstaden agreement (B)
Bredängshöjden	Vita Liljan 3 m.fl., Stockholm		A	700	35,000	●	tbd ⁵	-	Heimstaden agreement, part of project (B)
Bunkeflostrand	Limhamn 155:355, Malmö		A, C	1,000	45,600	●	tbd ⁵	-	
Kvarnsjödalen	Tumba 7:241, Botkyrka		A, C	2,000	130,000	●	tbd ⁵	-	Slättö agreement, part of project (B)
Mejeriet, etapp 1	Filborna 28:4, Helsingborg		A	270	15,000	●	tbd ⁵	-	Heimstaden agreement (B)
Mejeriet, etapp 2	Filborna 28:4, Helsingborg		A	270	15,000	●	tbd ⁵	-	Heimstaden agreement (B)
Nykvarn ³	Kaffebryggen 1 m.fl., Nykvarn	JV	A	285	13,000	●	tbd ⁵	-	
Senapsfabriken, etapp 3	Kungsängen 29:2, Uppsala		A	700	29,000	●	tbd ⁵	-	
Skarpnäcksgård 1:1 ²	Del av Skarpnäcks gård 1:1, Stockholm		A	90	4,200	●	tbd ⁵	-	Heimstaden agreement (B)
Årstaberget 1 ²	Liljeholmen 1:5, Stockholm		A	100	5,500	●	tbd ⁵	-	Heimstaden agreement (B)
Årstaberget 2 ²	Årsta 1:1, Årsta		A	120	6,500	●	tbd ⁵	-	
Erstavik ³	Erstavik 25:1, Stockholm	JV	C	72	5,180	●	tbd ⁵	-	
Total				16,041	863,660				

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

Estimated production start will take place during a multi-year period starting in 2022.

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

³ Magnolia Bostad's share of the profit amounts to 46%.

⁴ Magnolia Bostad's share of the profit amounts to 76%.

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

⁶ Estimated production start will take place during a multi-year period starting in 2022.

A=Apartments, C=Care, H=Hotels

● Zoning plan in force ● Zoning plan not in force

Sold projects in production

In the projects below, Magnolia Bostad's share of earnings amounts to 90%, unless otherwise stated. The number of residential units sold is the estimated number of residencies at a time when binding sales agreements are signed and the revenue recognized is settled. The information refers to all building rights and residential units in each project, i.e. no adjustment is made for projects developed in JVs.

Project	Property, location	Category	GFA/MUA/ UFA		Unsold ap. in production	Production start	Completion	Buyer	Contractor
			Sold ap. in production	(sqm)					
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	8	700		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 Brunnsög ³	Morgonen 1, Lund	H	251	8,900		2017	2021	Alecta	Serneke
Hotell Resecentrum ³	Kilot 2, Halmstad	H	244	9,500		2017	2021	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	54	3,850		2018	2020	Northern Horizon	Consto
Brogårdstaden ²	Del av Brogård 1:84, Upplands-Bro	RU	658	31,000		2018	2022	Slättö	Consto
Ophelias Brygga	Del av Gamla Staden 1:1 m.fl., Helsingborg	TO	95	7,500	29	2018	2020	Brf	Serneke
Mossenskolan ²	Mossenskolan 3, Motala	C	54	4,400		2018	2020	M&G	Gärahovs Bygg
Nypronrosen 5 ⁴	Nypronrosen 5, Helsingborg	C/RU	125	8,360		2018	2021	Northern Horizon	Veidekke
Piccolo ²	Kilot 3, Halmstad	TO	17	1,860	9	2018	2020	Brf	Serneke
Lilium, etapp 2	Del av Gamla Uppsala 99:2, Uppsala	TO	90	5,200	19	2019	2019	BRF	Serneke
Norrtälje Hamn	Del av Tälje 3:1 m.fl. & Alen 1-5, Norrtälje	C/RU	167	9,500		2019	2020	Heba	Credentia
Sum			6,674	317,795	57				

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

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

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

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

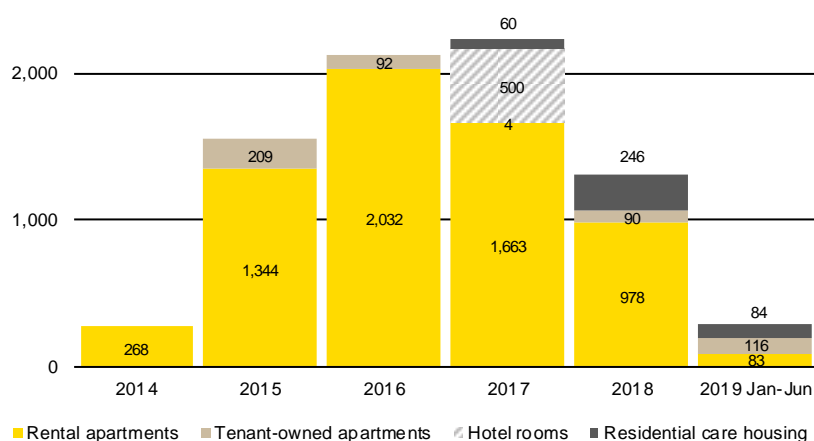
RU=Rental unit, TO=Tenant-owned, H=Hotel, C=Care

As of 30 June 2019, Magnolia Bostad had 31 sold projects in production with a total of 6,731 residential units. Of these, 6,674 were sold and recognized, which corresponds to a sales ratio of 99.2%. The difference of 57 residential units relates to unsold tenant-owner apartments in three tenant-owner projects where production is ongoing.

During Q2, 275 residential units were sold and recognized which produces an accumulated total of 283 residences sold in 2019.

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. No conversions took place during the first half of 2019.

Sold apartments, outcome ¹



¹ The information refers to all residential units in each project, i.e. no adjustment is made for projects developed in JVs.

Divestments 2019

Quarter	Project	Location	Acquired by	Number of apartments
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	Brf	90
2	Norrtälje hamn	Norrtälje	Heba	167
				283

Projects closed in 2019

Category	Project	Location	Buyer	Number of apartments
RU	Maria Forum	Helsingborg	Alecta	292
RU	Bryggeriet	Helsingborg	Alecta	327
				619

Properties for self-management


As of 30 June 2019, Magnolia Bostad had unfinished investment properties of a total of 1,392 residential units, of which 1,202 were under production. These properties are being developed for long-term ownership. Magnolia Bostad has two completed properties for its own long-term management.

During Q2, production started on the Brogårdstaden project, which is owned by a JV, comprising 645 residential units in Upplands-Bro. During the quarter, Adjutanten in Visby was also completed comprising 68 residential units.

In June, Magnolia Bostad sold its share of the JV company that owns Skogskarlen in Solna. The property has an annual rental value of SEK 17 million and handover will take place in the second half of 2019.

The information below refers to all building rights and residential units in each project, i.e. no adjustment is made for partly-owned projects. Magnolia Bostad's share of earnings is 92%, unless otherwise stated.

Investment properties, production not yet started¹

Name	Property, location	Category	Estimated no. of ap.	Estimated GFA/MUA/UFA (sqm)	Estimated production start	Estimated completion	Zoning plan
Brogårdstaden ²	Del av Bro gård 1:84, Upplands-Bro	A	190	12,000	2019	2022-2024	
Sum			190	12,000			

Investment properties, under production¹

Name	Property, location	Category	Ap. under production	GFA/MUA/UFA (sqm)	Production start	Completion	Contractor
Övre Bangården	Östersund söder 1:14, Ö	A	325	14,500	2018	2021	Derome
Kalmar	Björnbäret 1, Kalmar	A	232	11,000	2018	2021	Derome
Brogårdstaden ²	Del av Bro gård 1:84, Upplands-Bro	A	645	38,000	2019	2022-2024	Derome
Sum			1,202	63,500			

Investment properties¹

Name	Property, location	Category	Rentable area (sqm)	Rental value (MSEK)
Orminge Centrum ³	Orminge 52:1, Nacka	O	6,000	8
Adjutanten	A7-området	B	4,200	6
			10,200	14

¹ The information refers to all residential units in each project, i.e. no adjustment is made for projects developed in JVs.

² Part of JV. Magnolia Bostad's share of the profit amounts to 46%.

³ Magnolia Bostad's share of the profit amounts to 90%.

A=Apartments O=Office

 Zoning plan in force  Zoning plan not in force

*During Q2 2019, we started the sales process of 48 tenant-owned residential units in the Fyren project located in Nynäshamn.
Representation of Fyren.*



The shares

Share information

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

The closing price on the closing date of 28 June 2019 was SEK 31.80. On average, 56 transactions per trading day were carried out between 1 April and 30 June 2019 and the average trading volume per trading day amounted to SEK 0.9 million.

The average number of outstanding shares as at 30 June 2019 was 37,822,283. See page 27

Owners

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

As on 20 June 2019 the number of shareholders was 3,708.

Warrants

The Annual General Meeting held on 26 April 2017, resolved to issue 350,000 warrants to the subsidiary, Magnolia Utveckling AB. In total 260,500 warrants have been transferred to employees in accordance with the warrant program and unutilized warrants were canceled during the quarter. 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.

The Annual General Meeting on 10 May 2019 decided to issue 200,000 warrants to the subsidiary Magnolia Utveckling AB. All warrants remain in Magnolia Utveckling's ownership. The right to acquire warrants will be offered to key employees in the Magnolia Bostad Group. Each warrant entitles the holder to subscribe for one share at a strike price of SEK 84 per share. Subscription of shares supported by the warrants can take place 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	
	30 Jun	Full-year	30 Jun	Full-year
Average number of outstanding shares	37,822,283	37,822,283	37,822,283	37,822,283

Owners

Information regarding the shareholder structure and shareholders as of 30 June 2019 will be available on Magnolia Bostad's website from 10 July 2019.

Shareholder structure as of 20 June 2019

Number of shares	Number of share holders	Shareholder category	No.	Shareholders per country	No.
1 - 500	2,876	Corporation	141	Sweden	3,645
501 - 1000	343			Other Nordic countries	36
1001 - 2000	191	Private individuals, men	2,428	Other European countries (excl. Sweden and the Nordics)	23
2001 - 5000	164			USA	1
5001 - 10000	59	Private individuals, women	1,139		
10001 - 50000	50			Rest of the world	3
50001 -	25				
Total	3,708	Total	3,708	Total	3,708
		of which living in Sweden	3,645		

Largest shareholders as of 20 June 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	7.77%	7.77%
Svolder	1,868,691	4.94%	4.94%
Nordnet Pensionsförsäkring	1,405,216	3.72%	3.72%
Avanza Pension	677,173	1.79%	1.79%
Martin Dahlin	500,000	1.32%	1.32%
John Larsson	500,000	1.32%	1.32%
Alfred Berg Fonder	222,696	0.59%	0.59%
Jennie Sinclair	220,950	0.58%	0.58%
Total 10 largest shareholders	33,028,294	86.85%	86.85%
Other shareholders	4,793,989	13.15%	13.15%
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	2019 Jan-Jun	2018 Jan-Jun	2019 Apr-Jun	2018 Apr-Jun	2018/2019 Jul-Jun	2018 Jan-Dec
Net sales	439	798	402	267	695	1,054
Production and operating costs	-451	-567	-395	-165	-791	-907
Gross profit/loss	-12	231	7	102	-96	147
Central administration	-38	-29	-22	-17	-73	-64
Profit/loss from participations in associated companies and joint ventures	76	4	84	8	86	14
Change in value, investment properties	169	-	4	-	236	67
Operating profit/loss	195	206	73	93	153	164
Financial income	4	4	2	2	8	8
Financial expenses	-91	-71	-47	-36	-170	-150
Profit/loss before tax	108	139	28	59	-9	22
Income tax	-22	0	11	0	-37	-15
NET PROFIT/LOSS FOR THE PERIOD	86	139	39	59	-46	7
Profit/loss attributable to						
Parent company shareholders	73	136	34	55	-53	10
Non-controlling interests	13	3	5	4	7	-3
Earnings per share (SEK)						
Before dilution effects	1.93	3.60	0.90	1.45	-1.41	0.26
After dilution effects	1.93	3.60	0.90	1.45	-1.41	0.26

Consolidated Statement of Comprehensive Income

Amounts in MSEK	2019 Jan-Jun	2018 Jan-Jun	2019 Apr-Jun	2018 Apr-Jun	2018/2019 Jul-Jun	2018 Jan-Dec
Net profit/loss for the period	86	139	39	59	-46	7
OTHER COMPREHENSIVE INCOME FOR THE PERIOD						
Total other comprehensive income	0	0	0	0	0	0
COMPREHENSIVE INCOME FOR THE PERIOD	86	139	39	59	-46	7
Comprehensive income attributable to						
Parent Company shareholders	73	136	34	55	-53	10
Non-controlling interests	13	3	5	4	7	-3

Consolidated Condensed Statement of Financial Position

Amounts in MSEK	2019 30 Jun	2018 30 Jun	2018 31 Dec
ASSETS			
Non-current assets			
Goodwill	6	6	6
Other intangible assets	1	1	1
Total intangible assets	7	7	7
Investment properties	402	-	295
Right of use assets	56	-	-
Machinery and equipment	17	7	19
Total property, plant and equipment	476	7	314
Shares in associated companies and joint ventures	180	110	106
Receivables from associated companies	23	56	56
Other securities held as non-current assets	31	31	31
Other long-term receivables	606	1,208	978
Total financial assets	840	1,405	1,171
Total non-current assets	1,322	1,418	1,492
Current assets			
Development and project properties	1,119	1,150	1,196
Tenant-owned apartments	9	4	10
Accounts receivable	55	23	21
Receivables from associated companies	267	36	38
Other receivables	846	663	440
Prepaid expenses and accrued income	7	4	14
Cash and cash equivalents	300	447	395
Total current assets	2,603	2,326	2,114
TOTAL ASSETS	3,925	3,744	3,605

Consolidated Condensed Statement of Financial Position

Amounts in MSEK	2019 30 Jun	2018 30 Jun	2018 31 Dec
EQUITY AND LIABILITIES			
Equity			
Share capital	151	151	151
Other capital contributions	187	187	187
Retained profits incl. net profit/loss for the period	673	726	599
Equity attributable to Parent Company shareholders	1,011	1,064	937
Non-controlling interests	150	163	156
Total equity	1,161	1,226	1,093
Non-current liabilities			
Deferred tax liability	24	2	17
Non-current interest-bearing liabilities	1,618	1,574	1,914
Non-current liabilities to associated companies	0	24	18
Non-current lease liabilities	46	-	-
Other long-term liabilities	34	28	34
Total long-term liabilities	1,722	1,628	1,983
Current liabilities			
Current interest-bearing liabilities	762	635	278
Current lease liabilities	12	-	-
Accounts payable	10	17	23
Liabilities to associated companies	19	0	0
Income tax liabilities	0	1	0
Other current liabilities	130	102	114
Accrued expenses and deferred income	109	136	114
Total current liabilities	1,042	891	529
TOTAL EQUITY AND LIABILITIES	3,925	3,744	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	-	-	-	136	3	139
Other comprehensive income	-	-	0	-	0	0
Closing equity 30/06/2018	151	187	0	726	163	1,226
Net profit/loss for the period	-	-	-	-126	-6	-132
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	-	-	0	-	-15	-15
Acquisition of non-controlling interests	-	-	-	1	-4	-3
Net profit/loss for the period	-	-	0	73	13	86
Other comprehensive income	-	-	0	-	0	0
Closing equity 30/06/2019	151	187	0	673	150	1,161

Condensed Consolidated Cash Flow Statement

Amounts in MSEK	2019 Jan-Jun	2018 Jan-Jun	2019 Apr-Jun	2018 Apr-Jun	2018/2019 Jul-Jun	2018 Jan-Dec
Operating activities						
Profit/loss after financial items	108	139	28	59	-9	22
Adjustments for non-cash items, etc						
Less share of profit/loss from associated companies and joint ventures	-76	-4	-84	-7	-86	-14
Retained dividend from associated companies	-	-	-	-	10	10
Depreciation/amortization and impairment of assets	11	2	6	1	13	4
Fair value changes, investment properties	-169	-	-4	-	-236	-67
Capital gains/losses from the sale of development properties	-2	-254	-10	-118	6	-246
Other provisions	0	0	0	0	0	0
Other profit/loss items that do not affect liquidity	6	4	3	2	14	12
Income tax paid	0	0	0	0	0	0
Cash flow from operating activities before changes in working capital	-122	-113	-61	-63	-288	-279
Decrease(+)/increase(-) of development and project properties	-59	160	69	-49	-290	-71
Decrease(+)/increase(-) in current receivables	0	-56	-121	73	429	373
Decrease(+)/increase(-) in current liabilities	-6	-15	-4	-47	-34	-43
Cash flow from operating activities	-187	-24	-117	-86	-183	-20
Investing activities						
Acquisition of intangible fixed assets	0	0	0	0	0	0
Acquisition of investment properties	-67	-	-57	0	-88	-21
Acquisition of machinery and equipment	-3	0	-1	0	-11	-8
Investment in financial assets	-2	-1	1	0	-1	0
Disposal/reduction of financial assets	-	6	-	6	2	8
Cash flow from investing activities	-72	5	-57	6	-98	-21
Financing activities						
Issue of warrants	-	2	-	-	-	2
Borrowings	245	510	235	257	882	1,147
Repayment of borrowings	-68	-188	-30	-106	-728	-848
Dividend paid to parent company's owner	-	-66	-	-66	0	-66
Dividend paid to minority interest	-10	-	-3	-	-17	-7
Acquisition of non-controlling interests	-3	-	0	-	-3	-
Cash flow from financing activities	164	258	202	85	134	228
Cash flow for the period	-95	239	28	5	-147	187
Cash and cash equivalents at the beginning of the period	395	208	272	442	447	208
Cash and cash equivalents at the end of the period	300	447	300	447	300	395

Parent Company Condensed Income Statement

Amounts in MSEK	2019 Jan-Jun	2018 Jan-Jun	2019 Apr-Jun	2018 Apr-Jun	2018/2019 Jul-Jun	2018 Jan-Dec
Net sales	6	4	3	4	12	10
Total income	6	4	3	4	12	10
Central administration	-13	-26	-7	-16	-27	-40
Operating profit/loss	-7	-22	-4	-11	-15	-30
Financial income	64	32	39	17	108	76
Financial expenses	-70	-38	-35	-21	-133	-101
Profit/loss after financial items	-13	-28	0	-15	-40	-55
Tax on profit/loss for the period	0	0	0	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	-13	-28	0	-15	-40	-55

Parent Company Statement of Comprehensive Income

Amounts in MSEK	2019 Jan-Jun	2018 Jan-Jun	2019 Apr-Jun	2018 Apr-Jun	2018/2019 Jul-Jun	2018 Jan-Dec
Net profit/loss for the period	-13	-28	0	-15	-40	-55
OTHER COMPREHENSIVE INCOME FOR THE PERIOD						
Total other comprehensive income	0	0	0	0	0	0
COMPREHENSIVE INCOME FOR THE PERIOD	-13	-28	0	-15	-40	-55

Parent Company Condensed Balance Sheet

Amounts in MSEK	2019 30 Jun	2018 30 Jun	2018 31 Dec
ASSETS			
Non-current assets			
Financial assets	154	154	154
Total non-current assets	154	154	154
Current assets			
Current receivables			
Receivables from Group companies	1,749	1,425	1,714
Receivables from associated companies	0	0	2
Other receivables	0	1	0
Prepaid expenses and accrued income	1	1	0
Total current receivables	1,750	1,426	1,716
Cash and bank balances	44	18	100
Total current assets	1,794	1,444	1,816
TOTAL ASSETS	1,948	1,598	1,970
EQUITY AND LIABILITIES			
Equity	317	256	330
Non-current liabilities			
Non-current interest-bearing liabilities	1,131	880	1,573
Total long-term liabilities	1,131	880	1,573
Current liabilities			
Current interest-bearing liabilities	447	-	-
Liabilities to Group companies	21	0	38
Other current liabilities	0	0	0
Accrued expenses and deferred income	32	15	29
Total current liabilities	500	15	67
TOTAL EQUITY AND LIABILITIES	1,948	1,151	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. For a further description of the transition effects, see Note 2 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 13 million, SEK -4 million is attributable to Fredrik Lidjan AB's (FLAB's) share of the profit in Magnolia Holding 3 AB, SEK 16 million is attributable to FLAB's share of the result in Magnolia Holding 4 AB and SEK 0 million 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 15 million, SEK 6 million is attributable to FLAB's share of Magnolia Holding 3 AB, SEK 5 million is attributable to FLAB's share of Magnolia Holding 4 AB and SEK 1 million 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.

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 com-

pany 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.

Sustainability

Magnolia Bostad works to achieve sustainable development and a reduced footprint by developing financially, socially and environmentally sustainable residential areas. For a more in-depth description of Magnolia Bostad's sustainability work, see pages 48-61 of the company's Annual Report for 2018. 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 fundamental prerequisite for the company's growth and profitability.

Organization

Magnolia Bostad's organization is divided into the following departments: Business Development, Project Development, Business Generation, Residential Development, Communications, Legal and Finance. As of 30 June 2019, the company had 95 (86) employees. Of the number of employees, 50 (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 30 June 2019, management consisted of nine people. For more information about Magnolia Bostad's executive management, see www.magnoliabostad.se

Declaration and certification

The Board of Directors and CEO confirm that this interim report provides a true and fair view of the company's and the Group's operations, financial position and results, and describes significant risks and uncertainties faced by the company and its subsidiaries.

Stockholm, 8 July 2019,
Magnolia Bostad AB (publ)

Fredrik Holmström
Chairman of the Board

Andreas Rutili
Member of the Board

Risto Silander
Member of the Board

Viveka Ekberg
Member of the Board

Jan Roxendal
Member of the Board

Fredrik Tibell
Member of the Board

Fredrik Lidjan
CEO

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

Quarterly overview

	2019			2018			2017		
	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	
Net sales (SEK million)	402	37	42	214	267	532	718	194	
Operating profit/loss (SEK million)	73	122	-33	-10	93	113	230	8	
Profit/loss after tax (SEK million)	39	46	-86	-47	59	80	198	-21	
Earnings per share (SEK) ¹	0.90	1.00	-2.12	-1.24	1.45	2.14	4.26	-0.51	
Equity (SEK million)	1,161	1,136	1,093	1,179	1,226	1,254	1,171	974	
Equity per share (SEK) ¹	26.73	25.80	24.77	26.89	28.13	28.42	26.20	21.97	
Equity/assets ratio (%)	29.6	30.6	30.3	36.8	32.7	34.4	33.0	30.3	
Cash flow from operating activities (SEK million)	-117	-70	-168	17	-86	62	-177	-220	
Cash flow from the operating activities, per share (SEK)	-3.1	-1.9	-4.4	4.5	-2.3	1.6	-4.7	-5.8	
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	

All amounts have been adjusted in accordance with IFRS

¹ Excluding the minority

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 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, 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.

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.

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 social development.



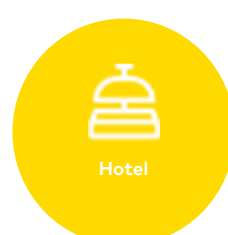
Rental apartments



Tenant-owned



Care



Hotel

Our business model allows us to deliver complete offers - rental apartments, tenant-owned apartments, residential care facilities and hotels - to municipalities that want to develop new districts and residential areas. Together with selected partners, we create sustainable homes and residential areas.

Business concept

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

Financial targets

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

Business targets

Magnolia Bostad shall have the capacity to annually:

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

Sustainability targets

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

Strategy

By working with several forms of leasing, the company has achieved a good distribution of risk

The ratio of rental and tenant-owned apartments in the project portfolio varies over time, based on demand,

the state of the economy and conditions considered to be the most favourable for the company at any given time. Growth will be associated with good profitability.

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

Financial calendar

- Interim report July - September 2019: 25 October 2019
- Year-end report January - December 2019: 20 February 2020

Teleconference Q2 2019

- 13.30 CEST on 8 July, 2019
Call one of the following telephone numbers to participate:
Sweden: +46 (0)8 505 583 52, UK: +44 333 300 9272

Listen to the teleconference at <https://financialhearings.com/event/12073>

- Presentation material will be available on the company's website no later than one hour before the start of the teleconference.

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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 8 July 2019 at 08:00 a.m. CEST.

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.

MAGNOLIA

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