

Interim report January – June 2016

– During the second quarter of the year, the project portfolio experienced a high rate of growth, says Fredrik Lidjan, CEO of Magnolia Bostad. We grew by around 1,500 apartments since the end of the first quarter of 2016 and now have more than 9,000 planned apartments in the portfolio, which constitutes an increase of almost 60 percent over a 12-month period. Through the acquisitions we made during the quarter, we also established ourselves in two new cities, Södertälje and Åkersberga.

The second quarter, April – June:

- Operating profit/loss: SEK 115.4 million (53.8)
- Profit/loss after tax: SEK 86.2 million (37.2)
- Earnings per share: SEK 1.71 (0.86)

Six months, January – June:

- Operating profit/loss: SEK 214.8 million (199.8)
- Profit/loss after tax: SEK 172.0 million (175.9)
- Earnings per share: SEK 3.72 (4.53)

Operating profit for Q1 2015 was positively impacted by approximately SEK 153 million as a result of the revaluation of the Senapsfabriken project during the transfer from associated company to subsidiary.

Significant events during the quarter

- Acquisition of building rights for around 700 apartments in central Södertälje. The company at the same time sells to SPP Fastigheter 436 rental apartments that will be developed in the project's first phase.
- Sale of 454 rental apartments in the Senapsfabriken project, phase 1 Uppsala, to SEB's residential fund Domestica III.
- Sale of more than 300 rental apartments in the Tegelslagaren and Tegelmästaren projects in Vallentuna to SEB's residential fund Domestica II. The transaction is conditional on the buyer's financing and the revenue has thus not been recognized.
- Acquisition of the Senapsfabriken project, phase 3 in Uppsala. Magnolia Bostad will pursue the local plan to develop the building rights for the property and intends to build an additional 700 apartments.
- Magnolia Bostad wins another two land allocation competitions, one in the new neighborhood in Örebro Municipality, Södra Ladugårdsängen, and one in Åkersberga in Österåker Municipality. The land allocations refer to a total of 410 apartments.
- The company has reserved around SEK 28 million in the Nyby Lilium project in Uppsala during the quarter as the company and the Municipality have made different interpretations of the local plan, which resulted in a lower degree of development than previously estimated.
- Issue of a secured bond loan for SEK 600 million with an interest rate of STIBOR 3m +6.25 percent, which has been admitted for trading on Nasdaq First North Bond Market.
- Employment of additional 12 staff members.

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Magnolia Bostad develops efficient, attractive and functional residential properties, including rental apartments, tenant-owned apartments and hotels, in attractive locations primarily in Sweden's growth areas. Our work is based on a holistic approach where the operations are conducted in a manner that promotes long-term, sustainable urban development. Magnolia Bostad's share (MAG) is listed on Nasdaq First North. Erik Penser Bank is the Certified Adviser for the Company. More information is available at www.magnoliabostad.se