

*English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.*

## **STATEMENT BY THE BOARD PURSUANT TO CHAPTER 18, SECTION 4, SWEDISH COMPANIES ACT**

The board has made an assessment of the financial position of the company and the group and considers that a dividend per share of SEK 1.75 in accordance with the board's proposal is defensible in light of the provisions of Chapter 17, Section 3, second and third paragraphs of the Swedish Companies Act.

The board considers the proposed dividend, taking into account the amount of equity of the company and the group after the dividend, to be defensible considering the nature, scope and risks associated with the business operated by the company and the group. The board has taken into account factors including the historical performance of the company and the group, their budgeted performance, investment plans and the economic situation.

Following the dividend, the company's and the group's consolidation requirement can be deemed met and the company and the group has a satisfactory liquidity and financial position in general. After the proposed dividend the company and the group will still have a strong equity/assets ratio which, according to the board, meets the requirements that at this time can be set forth for the type of business being run and for the industry in which the company and the group operate. The board has concluded that the proposed dividend will not affect the company's nor the group's ability to meet its commitments in the short or the long term. Nor is the proposed dividend to the shareholders expected to affect the company's or the group's ability to carry out planned investments.

At the balance sheet date the company did not own any financial instruments valued at fair value pursuant to Chapter 4, Section 14 a, of the Annual Accounts Act.

In an overall assessment of the company's and the group's financial position, as shown in the last annual report and taking into account events and circumstances subsequent to the financial year, the board has not identified any obstacle to a dividend in accordance with the board's proposal.

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Stockholm, February 2018

**Magnolia Bostad AB (publ)**

*Board of Directors*