

PRESS RELEASE

September 28, 2015

Magnolia Bostad signs an agreement for the acquisition of land in Karlstad and the sale of approximately 200 rental apartments

Magnolia Bostad has signed an agreement for the acquisition of an area of land at Kanikenäsholmen in southeast Karlstad. The company is planning to build around 300 residential units here. The seller is Karlstadhus AB. The company is also signing an agreement for the sale of around 200 of these units, which will become rental apartments and have a total area of around 12,000 sqm. The total property value once the rental apartments are completed will be approximately SEK 360 million.

At Karlstad's old shipyards at Kanikenäsholmen, Magnolia Bostad is planning to build a new residential neighborhood close to the water. The residential units created here will be directly connected to Lake Vänern via a marina, quays and boathouses and downtown Karlstad will be only a short walk away. The area will offer attractive tenant-owned and rental apartments ranging from around 30 sqm up to 120 sqm.

The preliminary start date for the project is Q1 2016 and the first phase of occupancy is expected during the first six months of 2017.

The adviser for the transaction was Nordhs Mäklarbyrå.

For more information, please contact

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Magnolia Bostad was founded in 2009 with the vision of creating modern homes and residential environments through smart functions and attractive architecture. The company develops new housing, both rental apartments and tenant-owned apartments, mainly in attractive locations in Sweden's larger cities and regional capitals. We operate with a holistic view that aims to achieve long-term sustainable development for the society at large. The project portfolio encompasses approximately 5,700 homes. Magnolia Bostad is listed on Nasdaq First North. Pareto Securities is engaged as the Certified Adviser for the Company.

More information about Magnolia Bostad can be found at www.magnoliabostad.se