

Magnolia Bostad issues four-year SEK 600 million senior secured bond

Magnolia Bostad AB ("Magnolia Bostad" or "the Company") has successfully placed an issue of senior secured bonds in the amount of SEK 600 million pursuant to a bond frame up to SEK 750 million. The bonds, maturing in April 2020, will bear a floating coupon of 3 months Stibor + 6.25% (paid quarterly). The bonds are intended to be listed on Nasdaq First North within 30 days of settlement with a subsequent transfer of listing to Nasdaq Stockholm no later than 1 year after settlement.

The transaction was successfully placed among predominantly Swedish investors with additional participation by other Nordic countries as well as continental Europe and the US. In aggregate, over 100 investors participated in the significantly oversubscribed issue.

The proceeds from the transaction are to be used for refinancing of Magnolia Bostad's existing corporate bond loans and to facilitate continued growth. In conjunction with the abovementioned bond issue, the Company will in the near future redeem all outstanding bonds under its 2014/2018, 8.00 per cent senior secured bond with ISIN SE000593229 and its 2013/2016, 8.00 per cent senior unsecured bond with ISIN SE000556682. A notice regarding the redemption will be published separately in due course.

"Since the issuance of the previous bonds, Magnolia Bostad has experienced a strong development with a rapidly growing project portfolio, strengthening of the organisation, and developing relationships with important external partners. The strong demand for a new Magnolia Bostad bond clearly reflects the investors trust in our business and how the Company has developed in terms of market position and stability. With the new financing in place, Magnolia Bostad is well prepared for becoming the leading developer of residential apartments in Sweden" says Fredrik Lidjan, CEO of Magnolia Bostad.

Pareto Securities, ABG Sundal Collier, and Swedbank acted as financial advisor to Magnolia Bostad.

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The information contained in this press release is such information that Magnolia Bostad is required to publish in accordance with the Swedish Securities Market Act (2007:528) and/or the Swedish Financial Instruments Trading Act (1991:980). The information was submitted for publication on 21 April 2016 at 6:00 p.m.

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