

PRESS RELEASE

November 25, 2016

Magnolia Bostad enters framework agreement with Slättö

As of today, Magnolia Bostad enters a framework agreement with Slättö. The partnership includes that Slättö acquires residential projects from Magnolia Bostad with a value of at least SEK 5 billion, and may gradually be increased to SEK 14 billion. The project portfolio is concentrated to Stockholm, Uppsala and the Öresund region.

The total determined project portfolio consists of 13 projects that include 450,000 habitable gross area, corresponding to about 7,000 apartments. While the cooperation is based primarily on the construction of rental units, the parties have the shared intention of developing approximately 25 percent of the apartments as tenant-owned units. The agreement means no immediate revenue recognition, as revenue recognition will occur as the projects are realized.

Over half of the apartments are already in Magnolia Bostads existing portfolio and the remaining are not yet acquired potential building rights. This means that Magnolia Bostad now obtains a greater certainty of sales of the existing portfolio and secures takers on potential future projects.

Magnolia Bostad will ensure that all the projects are developed as apartment buildings primarily intended for residential purposes. Considering the above, the parties have entered the agreement to, as far as possible, determine the financial, legal and constructional conditions for the projects.

The framework agreement is valid until March 31, 2020, with possibility of extension, and is conditional on Slättö obtaining financing.

Pangea Property Partners has acted as financial advisor and Wistrand Advokatbyrå has acted as legal advisor to Slättö. Wigge & Partners acted as legal advisor to Magnolia Bostad.

– The agreement benefits our continued expansion and reinforces our position as a leading urban developer. We already have a well-functioning cooperation with Slättö and look forward to a deeper relationship, says Fredrik Lidjan, CEO of Magnolia Bostad.

– Slättö intends to long-term own and manage the portfolio. Residences within the portfolio are developed in accordance with Slättös sustainability program and ambitious technical standards, which among other things includes requirements for Green Building Silver. The framework agreement with Magnolia Bostad fits well into our strategy for continued development and growth, says Johan Karlsson, CEO, Slättö.

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The information in this press release is such information that Magnolia Bostad is required to reveal according to the European Union's market abuse regulation, (EU) No 596/2014. The information was published through the above mentioned contact person on November 25, 2016 at 17:10 pm.

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