

PRESS RELEASE

December 1, 2016

Magnolia Bostad and Alecta forms joint owned company that acquires Stinsen shopping center

Magnolia Bostad and Alecta have entered an agreement for the acquisition of the property Stinsen 2 in Sollentuna. Seller is CBRE Global Investors. Magnolia Bostad plans to develop approximately 2,000 apartments on the property. The acquisition is made through company transfers and the purchase price is approximately SEK 700 million.

Magnolia Bostad and Alecta pensionsförsäkring, ömsesidigt, acquire the property through a joint company owned in equal parts. The transaction is unconditioned and financed with the buyers' own funds. Closing is planned for December 2016.

Previous owners have initiated work for a new local plan for the area, allowing for residential as well as commercial premises, to integrate Stinsen in the new urban environment that is emerging. Magnolia Bostad will manage the local plan process in cooperation with Alecta. The residential development will be carried out in phases once the new local plan has been approved.

All apartments on the property will be developed by Magnolia Bostad. Approximately one third will be developed as rental units and sold to Alecta, who has the long-term intention of owning and managing the apartments. About one third will be sold to Slättö as part of the framework agreement signed by Magnolia Bostad and Slättö on November 25, 2016. The sales will not cause any revenue recognition at this stage, as revenue recognition will occur as the projects are realized. The remaining residential units will be sold as tenant-owned apartments by Magnolia Bostad.

The property comprises almost 54,200 sqm in Södra Häggvik, close to Magnolia Bostad's projects Lumen and Traversen 18. The property includes the Stinsen shopping center, which includes about 41,600 sqm of lettable commercial areas and office space. The area in which the property is situated has developed strongly the last few years and is being transformed into an attractive commercial and residential neighborhood.

Today, the Stinsen shopping center has about 70 tenants with an average remaining lease length of approximately 2.5 years. The largest tenants are City Gross, Intersport, Friskis & Sveltis and Stadium. The rental income amounts to approximately SEK 70 million and the occupancy rate is about 80 percent.

Wigge & Partners has acted as legal advisor to Magnolia Bostad.

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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, and the Securities Market Act. The information was published through the above mentioned contact person on December 1, 2016 at 10:30 am.

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