

Magnolia Bostad sells another project within the framework agreement with Heimstaden Bostad, of about 780 residential units in Lund

Magnolia Bostad has signed an agreement to sell the Slipsen stage 1 and stage 2 project consisting of the properties Stora Råby 33:23 and others in Södra Råbylund, Lund municipality. The project involves the development of about 780 residential units of 45,000 sq.m. GFA and production started in December 2019. The estimated property value at completion is SEK 1.4 billion.

The project is the second sale within the framework agreement signed by the parties on 20 June 2018. The framework agreement means that Heimstaden Bostad will acquire housing projects comprising 14 projects of about 5,300 residential units from Magnolia Bostad worth around SEK 9.6 billion.

During the third quarter 2019, zoning planning came into force for the project and during the fourth quarter a turnkey contract was signed with Serneke. The sale is not conditional and revenue recognition will take place during Q1 2020.

The properties are located in Södra Råbylund in the eastern part of Lund and have a unique location in the city, being close to both Råbysjön and Lundaslätten. The project will consist of 12 buildings with four to six floors and will be certified according to the Sweden Green Building Council's Silver certificate.

Construction is expected to start in the autumn of 2020. Magnolia Bostad will develop and run the project until the buildings are ready for occupancy, which is expected to start in 2023.

"The framework agreement provides increased security and faster feasibility for Magnolia Bostad and contributes to our expansion as one of Sweden's leading urban developers. The project in Södra Råbylund is a large project comprising of almost 800 residential units that will be a part of a new attractive area in Lund with mixed buildings, proximity to surrounding nature and good communications", says Fredrik Lidjan, CEO of Magnolia Bostad.

Heimstaden Bostad is one of the Nordic region's leading residential property companies. The Group owns, improves, develops and manages housing in Europe. Heimstaden Bostad has about 55,000 apartments and a property value of around SEK 113 bn. Heimstaden Bostad is a long-term partner for Magnolia Bostad and, in addition to the framework agreement, the two companies have formed two JV companies for the development of a total of 2,840 housing units in Österåker and Upplands Bro.

Wistrand Advokatbyrå has acted as legal advisor to Magnolia Bostad and Mannheimer Swartling has acted as legal advisor to Heimstaden Bostad.

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For more information, please contact:

Fredrik Lidjan, CEO
fredrik.lidjan@magnoliabostad.se

Mikaela Senator, IR Manager
mikaela.senator@magnoliabostad.se
46 70 775 57 57

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Magnolia Bostad AB, CIN 556797-7078 develops new residential properties, including rental apartments and tenant-owned apartments, community service properties and hotels, in attractive locations in Sweden's growth areas and major cities. Our work is based on a holistic approach where the operations are conducted in a way that promotes long-term, sustainable urban development. Magnolia Bostad's shares (MAG) are listed on Nasdaq Stockholm. More information is available at www.magnoliabostad.se