

## **Information from Magnolia Bostad regarding upcoming adjustments in the capital structure following the public tender offer and initiation of written procedures under outstanding bond loans**

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### **Upcoming adjustments in the Company's capital structure**

The Board of directors of Magnolia Bostad AB (publ) ("Magnolia Bostad" or the "Company") have been informed by F Holmström Holding 6 AB ("FHH") and its owner F. Holmström Fastigheter AB and funds and entities managed and advised by Areim AB ("Areim") that FHH intends to make the following adjustments in the Company's capital structure after FHH now having completed the tender offer to the shareholders of Magnolia Bostad and thereby becoming the owners to more than 90 percent of all shares in the Company.

1. Over time FHH intends to contribute 2,000 MSEK to Magnolia Bostad, funds which will be provided FHH by Areim.
2. In the short term, FHH intends to in October 2021 repay Magnolia Bostad's outstanding senior non secured bonds that are due 2022, with a nominal amount of 500 MSEK (ISIN: SE0011721497) (Magnolia Bostad themselves own 70 MSEK). To finance repayment of the bond FHH will contribute approximately 440 MSEK in the form of equity capital or equity like instruments to be structured in such a way as to be classified as equity capital in Magnolia Bostad's balance sheet. This is a part of the total 2,000 MSEK that FHH intends to contribute to Magnolia Bostad.

Furthermore, FHH intends to keep Magnolia Bostad's financial goal intact with a solvency of no less than 30 percent. The intent is to adjust the dividend target to 100 MSEK per year but to not distribute more than 50 percent of the preceding years' net result.

## **Initiation of written procedures under outstanding bond loans**

Magnolia Bostad has on 23 August 2021 initiated written procedures (the "Written Procedures") under two of its outstanding bond loans 2020/2024 with ISIN SE0014956454 and 2021/2025 with ISIN SE0015659636 (jointly the "Bonds") to request the bondholders' consent to amendments regarding the change of control and de listing provisions of the terms and conditions of the Bonds (the "Amendments") in connection with the above mentioned tender offer. The purpose of the Amendments is to ensure that the Bonds may remain outstanding also after the closing of the tender offer and the subsequent delisting of the Company's shares, by adjusting the bondholders' put option.

The Company offers some compensation to the bondholders for accepting the Amendments, as further described in the notices to the Written Procedures.

In order for the Amendments to be accepted, at least twenty (20.00) per cent. of the adjusted nominal amount must reply in the Written Procedure and at least two thirds (2/3) of the of the adjusted nominal amount for which bondholders reply in the Written Procedures must consent to the Amendments, which is set out in further detail in the notices of the Written Procedures.

More information about the voting requirements, important dates for the Written Procedures and the compensation for accepting the Amendments are available in the notices of the Written Procedures.

Magnolia Bostad has on 23 August 2021 instructed Nordic Trustee & Agency AB (publ) (the "Agent"), in its capacity as agent under the Bonds, to send notices of Written Procedure including voting instructions to the direct registered owners and registered authorised nominees of the Bonds in the Company's debt ledger held with Euroclear Sweden as per 20 August 2021. The notices of the Written Procedures are available on the Company's website and on the Agent's website.

The outcome of the Written Procedures will be announced by way of press release in connection with the termination of the Written Procedures. The voting record date is 30 August 2021 and the last day for voting in the Written Procedures is 9 September 2021. The Written Procedures may however be terminated before the expiry of the time period for replies if a requisite majority has been obtained.

The Company has appointed Nordea Bank Abp and Skandinaviska Enskilda Banken AB (publ) as solicitation agents in connection with the Written Procedures.

For further questions regarding the transaction, please contact the solicitation agents on the following e-mails or phone numbers:

Nordea Bank Abp  
E-mail: [nordealiabilitymanagement@nordea.com](mailto:nordealiabilitymanagement@nordea.com)  
Phone: +45 5546 9082

Skandinaviska Enskilda Banken AB (publ)  
E-mail: [SEBLiabilityManagement@seb.se](mailto:SEBLiabilityManagement@seb.se)  
Phone: +44 7880 783 998

For questions regarding the administration of the Written Procedure, documentation and voting procedure, please contact the Agent at [voting.sweden@nordictrustee.com](mailto:voting.sweden@nordictrustee.com) or on +46 8 783 79 00.

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Magnolia Bostad (publ), reg. no. 556797-7078 is a leading societal developer that develops new housing mainly rental apartments but also tenant owned apartments, societal real estate and hotels in attractive locations in Sweden's growth areas and big cities. Housing is developed both for sale and own management. Our work is governed by a comprehensive approach where business is conducted in a way that promote a long-term sustainable societal development. Magnolia Bostad's shares (MAG) are listed on Nasdaq Stockholm. More information on [www.magnoliabostad.se](http://www.magnoliabostad.se)

The Board of Directors of Magnolia Bostad AB (publ)

**For further information about the Board of Directors' information, contact:**

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*This information is such information that Magnolia Bostad AB (publ) are obligated to disclose in accordance with the EU's market abuse regulation. The information was provided by the above contact person, for public disclosure on 23 August 2021 12.55 CEST.*