

PRESS RELEASE

STOCKHOLM 14 DECEMBER 2018

Magnolia Bostad loses claim in arbitration

Magnolia Bostad has lost a dispute in arbitration and, as a result, has a negative earnings impact in Q4 2018.

In 2015, a company within Magnolia Bostad entered into a share transfer agreement regarding the acquisition of a property-owned company. Magnolia Bostad then made demands on the seller for warranties in the share transfer agreement. The seller disputed the claim.

An arbitration decision has been made by the Stockholm Chamber of Commerce Tribunal, in which the subsidiary of Magnolia Bostad has had its warranty claim dismissed. Magnolia Bostad has been ordered to pay the costs of the arbitration proceedings totalling SEK 5.25 million, including the counterparty's costs. This will have a negative impact on Magnolia Bostad's earnings in Q4 2018, totalling SEK 25.45 million. The cash flow impact is SEK 5.25 million.

For more information, please contact:

Fredrik Westin, CFO +4670 943 73 31, fredrik.westin@magnoliabostad.se

Marita Björk, IR Manager +4672 720 00 06, marita.bjork@magnoliabostad.se

Information Magnolia Bostad publishes in this press release is required in accordance with the EU Market Abuse Regulation (EU) No. 596/2014. The information was submitted for publication through the agency of the contact persons set out above on 14 December 2018 at 21.15 CET

Magnolia Bostad AB (publ), CIN 556797-7078 develops new residential properties, including rental apartments, tenant-owned apartments, residential care housing 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 manner 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