

PRESS RELEASE

February 15, 2017

## Magnolia Bostad signs agreement to acquire three leaseholds in Bredäng

**Magnolia Bostad signs an agreement to acquire the leaseholds for the properties Vita Liljan 3, Vita Liljan 4 and Utile Dulci 2 in Bredäng, Stockholm. The properties comprise a total of approximately 19,000 sqm of land and Magnolia Bostad will continue work to develop the local plan with the goal of building approximately 700 to 800 homes on the properties.**

The acquisition is made through three company transfers and the purchase price will be determined when a revised local plan allowing for residential construction has been accomplished. The sellers are companies mainly controlled by Castella Fastigheter. The deal is conditional upon the approval of a local plan allowing for construction of at least 20,000 sqm habitable gross area and that the buildings have been vacated of tenants. Magnolia Bostad will gain access to the properties gradually, from 2018 to 2022, depending on the term of the present leases.

Bredäng is a district in the southern part of Stockholm Municipality and the properties are part of the Stockholm's pilot project Fokus Skärholmen. The project's objective is to develop a method to create larger general local plans for Stockholm. The project aims at increasing residential construction in the Municipality, reducing micromanagement in local plans and accomplishing swifter local plan processes. The project's goal is to build 4,000 new homes by 2030.

Legal advisors were Wistrand for Magnolia Bostad and MAQS Law Firm for Castella Fastigheter. The deal was brokered by Rosengren & Co AB.

**For more information, please contact:**

Erik Rune, Vice President and Head of Business Development  
+46 73-399 40 30, [erik.rune@magnoliabostad.se](mailto:erik.rune@magnoliabostad.se)

Mikaela Senator, Investor Relations Manager  
+46 70-775 57 57, [mikaela.senator@magnoliabostad.se](mailto:mikaela.senator@magnoliabostad.se)

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*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](http://www.magnoliabostad.se)*