

Magnolia Bostad signs agreement to acquire Svenska Vårdfastigheter AB

Magnolia Bostad has today signed an agreement for the acquisition of all shares in Svenska Vårdfastigheter at a purchase price of SEK 300 million. The acquisition will give Magnolia Bostad the capacity to become a leading player in the development of residential care housing.

Through the acquisition, Magnolia Bostad will be more clearly established in the development of residential care housing while also expanding its offer to municipalities and investors. The intention is to take advantage of the potential of the company's existing project portfolio and to supplement the efforts already made in the business area with additional projects, skills and employees.

– The acquisition contributes to increased social sustainability and takes us another step closer towards becoming a community developer, and contributes to further risk minimization and synergy effects regarding our organization, costs and cooperation with local authorities. Svenska Vårdfastigheter's significant portfolio and expertise, together with Magnolia Bostad's existing operations, give us the capacity to become a leading player in residential care housing, says Fredrik Lidjan, CEO of Magnolia Bostad.

The purchase price amounts to SEK 300 million and is financed by equity and borrowed capital. Access is estimated to occur in July 2017 and the agreement is conditional on Svenska Vårdfastigheter AB's main lenders being positive about the ownership change.

The acquired portfolio consists of 12 projects comprising approximately 70,700 sqm habitable gross area distributed on approximately 825 apartments. The projects have estimated production starts evenly distributed over the next 24 months. Following the acquisition, eight employees from Svenska Vårdfastigheter will join Magnolia Bostad, including Managing Director Dan T. Sehlberg, as Business Area Manager Care Properties, and Vice President Petter Hallenberg, as Business Development Manager Care Properties.

Svenska Vårdfastigheter AB, founded by Dan T. Sehlberg and Ulf Adelsohn in 2009, is the parent company of a group focused on the development and long-term ownership of housing for the elderly, with a focus on health and social care. Presently, the Group is active in 12 projects, some of which are in the form of joint ventures. The Group's sales for 2016 amounted to over SEK 126 million, and operating profit amounted to SEK 49 million. The Group's balance sheet total amounted to over SEK 147 million. The acquisition is expected to have a positive impact on Magnolia Bostads earnings per share during the current fiscal year.

– The residential care facilities business area fits well into our rental apartment model, as we, as in the development of rental apartments, sell the projects at an early stage to a long-term owner through forward funding. The acquisition means that we can establish a new business area in a safe and secure way, as there already is a working business in place. In addition, a large part of Svenska Vårdfastigheter's project portfolio is located in our existing geographical areas, including Stockholm, Helsingborg and Gothenburg, says Fredrik Lidjan.

– Sweden's municipalities prefer broad programs and dedicated community building. Through this deal, our focused care offer becomes part of a very strong overall offer. Together with Magnolia Bostad we can

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continue to build social infrastructure, but now combined with housing and hotels, says Dan T. Sehlberg, CEO of Svenska Vårdfastigheter.

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