

Magnolia Bostad enters framework agreement with Heimstaden

As of today, Magnolia Bostad enters a framework agreement with Heimstaden. The framework agreement includes that Heimstaden has agreed to acquire residential projects from Magnolia Bostad with a value of around 9,6 billion SEK. The project portfolio is concentrated to Greater Stockholm and the Öresund region.

The project portfolio comprises of 14 projects with around 5,300 apartments. While the cooperation is based primarily on the construction of rental units, the parties have the shared intention of developing a part of the apartments as tenant-owned units. The parties have the right to withdraw from individual projects against a one-off payment to the other party. The agreement includes no immediate revenue recognition, as revenue recognition will occur as the projects are realized.

Most of the projects are already in Magnolia Bostads existing project portfolio which through this agreement receives a planned buyer. Magnolia Bostad will ensure that all the projects are developed as apartment buildings primarily intended for residential purposes. Considering the above, the parties have entered into agreements that determine the financial, legal and constructional conditions of the projects. The framework agreement is valid until 31 December 2023.

Heimstaden is one of the leading residential real estate companies in the Nordic region. The Group owns, processes, develops and manages residences in Sweden, Norway and Denmark. Heimstaden has approximately 31,000 apartments and a property value of approximately SEK 55 billion.

"We look forward with anticipation to this in-depth relationship with Heimstaden. The agreement now signed increases our security and accelerates further our expansion as one of Sweden's leading urban developers," says Fredrik Lidjan, CEO Magnolia Bostad.

Wigge & Partners has acted as legal advisor to Magnolia Bostad. Falkenborn has acted as legal advisor to Heimstaden.

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Magnolia Bostad AB, CIN 556797-7078 develops new residential properties, including rental apartments, tenant-owned apartments, residential care housing, hotels and student housing, 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