

Corporate governance





Fredrik Holmström, founder and Chair of the Board of Directors of Magnolia Bostad.

We currently have strong momentum

It pleases me that the strategy we have implemented over the past few years has been so successful. As a result of our efforts, Magnolia Bostad is currently experiencing strong momentum.

Our decision to expand to include the development of hotels and residential care facilities was a natural step for us, and this area has proven to be a strong complement to our building rights portfolio. We were able to realize clear synergies in the platform that we already have and an improved offer to municipalities, partners and institutions.

Long-term commitment

Within Magnolia Bostad, we enjoy working in partnerships with select individuals, contractors and institutions. We have also recently begun to do the same in the municipalities where we would like to establish long-term cooperation. We would like to undertake a long-term commitment to the cities where we are present.

At the same time, we feel it is important to also give back to the municipalities we are working with; to invest in the areas and people who are part of the neighborhoods we are building. Given this background, we have chosen to support women's and girls' soccer clubs in the areas we are developing.

Sports, and soccer in particular, reach across all social classes and nationalities, and we believe that this investment will increase

diversity and equality and improve opportunities for the integration of Sweden's many new arrivals.

The soccer clubs we support also provide us with a fantastic opportunity to get to know and interact with the people who will live in the areas we are creating and understand their needs and wishes. We intend to continue to develop this activity, and we also see possibilities for expanding it into other areas in the future.

Application for a listing change

As we announced previously, we have decided to wait for the full implementation of IFRS 15 before we apply to change our listing to Nasdaq Stockholm's main market. We will report for the first time in accordance with the new accounting principles in Q1 2018. I am very positive about the listing change, since I think it will lead to a higher turnover of the share and, in the future, an even larger shareholder base. Since we listed on First North in 2015, we have gone from approximately 700 shareholders to almost 5,000 today. We are working actively to communicate and reach out to the market, and we are being followed today by five analysis firms, which we hope will increase the transparency of the share.

Positive development in all areas

The housing rights market has had a weak development in 2017 and it has strengthened us in our conviction that our strategy to work with different housing forms is successful. Demand continues to be good in all our main markets. With the right product, location and price, apartments will sell today, and they will continue to sell in the future as well.

Magnolia Bostad has created a platform that will help us attract business, capital and competence. In the future, we will use this platform to create new business and partnerships in existing areas, and hopefully in new areas as well.

I would like to thank all of the fantastic people who have supported the company and are working hard every day, so we can be the great company we are today.



Fredrik Holmström
Chair of the Board of Directors

Corporate Governance Report

Magnolia Bostad AB (publ) is a Swedish public real estate company listed on Nasdaq First North Premier. The Corporate Governance Report describes the manner in which Magnolia Bostad's owners indirectly or directly have guided the company during the year via different decision-making systems. Corporate governance aims to clarify the distribution of roles and responsibility between management and control bodies, safeguard the owners' possibilities to protect their interests through management bodies and establish conditions that promote a dialog between owners and the capital market that is as strong as possible. Corporate governance is based on external and internal regulations that are constantly being developed and improved. The company has applied the Swedish Code of Corporate Governance since January 1, 2017. The Code specifies a standard for good corporate governance at a higher level of ambition than the minimum requirements set out in the Swedish Companies Act and other rules.

Articles of Association

The Articles of Association, which are adopted by the Annual General Meeting, contain information about the operations, share capital, number of Board members and auditors as well as provisions regarding the notification and agenda for the Annual General Meeting. They are available in their entirety on the website, under Corporate Governance. The company's name is Magnolia Bostad AB, and the company is a Swedish public company domiciled in Stockholm. Its mailing address is Box 5853, 102 40 Stockholm, Sweden, and its physical address is Sturegatan 6, Stockholm, Sweden, telephone +46 (0)8 470 50 80. The company will – either directly or indirectly through subsidiaries – acquire, own, manage, develop and sell properties, carry on project activities relating to properties and own and manage securities and other associated activities.

Annual General Meeting

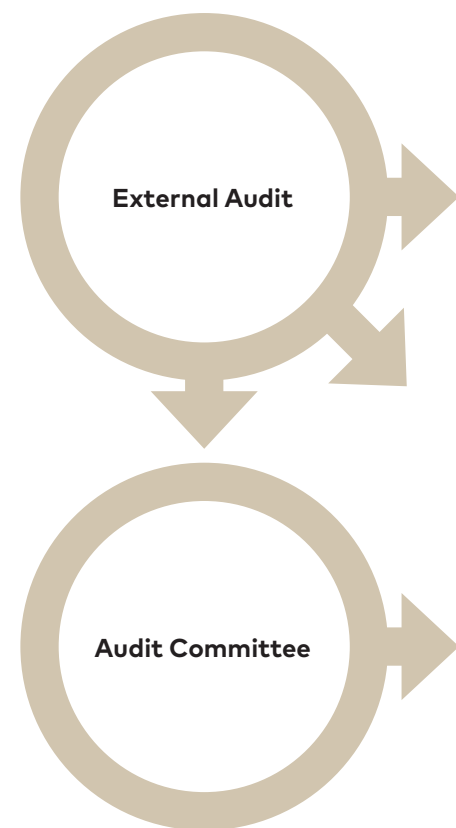
The Annual General Meeting is the highest decision-making body where all shareholders are entitled to participate. The Annual General Meeting discusses the company's development, and passes resolutions on, for example, dividends, discharge of liability for the Board of Directors, election of the auditor, remuneration to the Board of Directors and the auditor and election of the Board of Directors for the period up to the end of the next Annual General Meeting.

Annual General Meeting 2017

The ordinary Annual General Meeting in 2017 was held on April 26, 2017. Present at the meeting were 26 shareholders (14), representing in total 69.68 percent of the votes (63.5). Fredrik Holmström was elected chair of the Meeting. All Board members participated. The minutes from the Annual General Meeting are available at Magnolia Bostad's website, www.magnolia-bostad.se.

The 2017 Annual General Meeting resolved on the following:

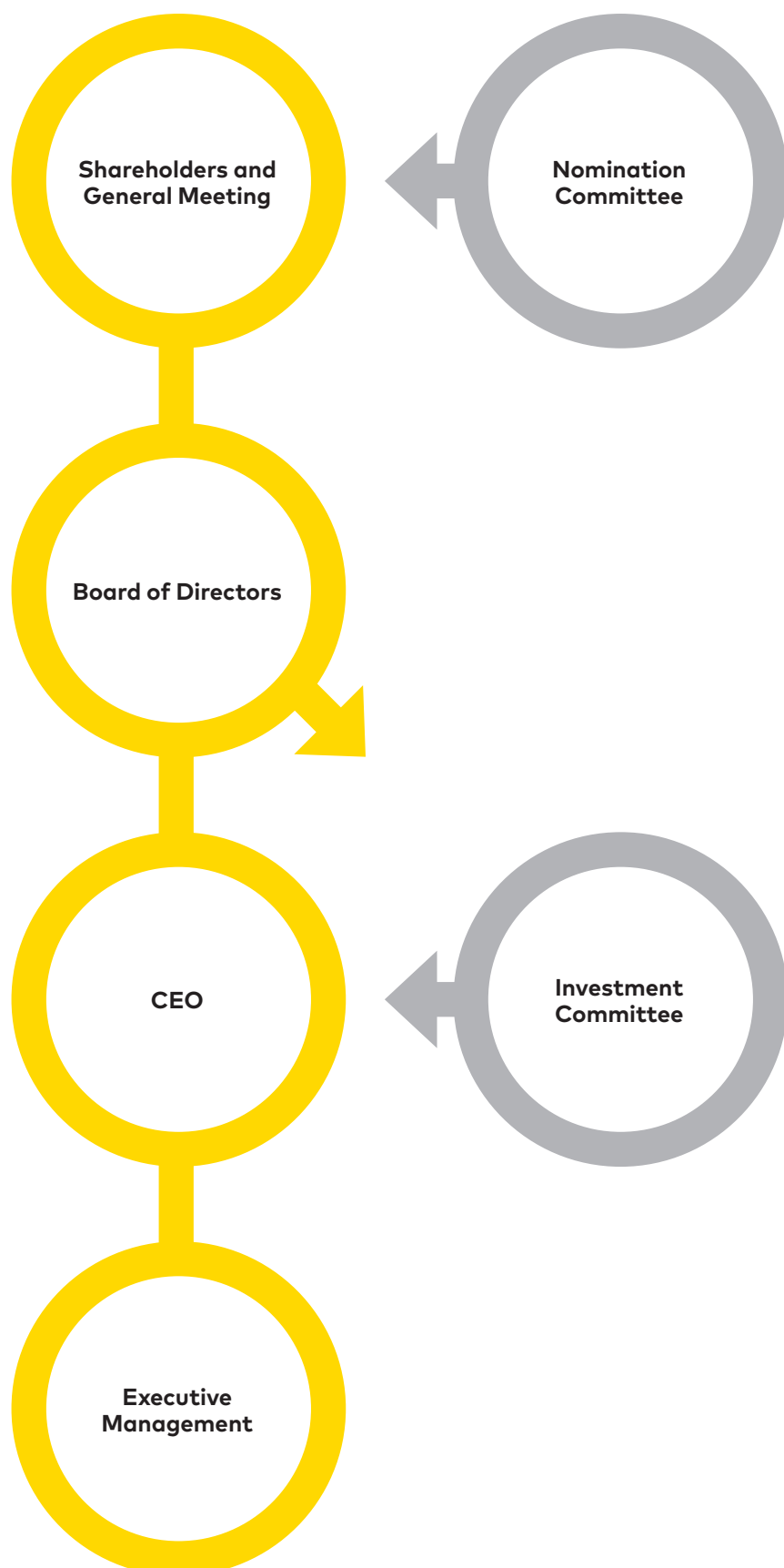
- Re-election of all Board members.
- Election of Fredrik Holmström to Chair of the Board of Directors.
- Dividend of SEK 1.75 per share.
- Election of Ernst & Young AB as auditing company for the period until the end of the next Annual General Meeting, with Ingemar Rindstig as auditor-in-charge.
- Adoption of remuneration to the Board of Directors and auditors.
- Adoption of the income statement and balance sheet for the 2016 financial year.
- Discharge of liability for the 2016 financial year for the Board of Directors and the CEO.
- Adoption of the instructions for the Nomination Committee.
- Adoption of guidelines for remuneration to Executive Management.
- Amendments to the Articles of Association.
- Decisions on warrant programs and approval of the transfer of warrants.



Two extraordinary general meetings were held in 2017. The Extraordinary General Meeting held on January 19, 2017, resolved that the Board of Directors will consist of six Board Members elected by the Meeting and no alternate members for the period ending with the next Annual General Meeting. The same Extraordinary General Meeting resolved to elect Viveka Ekberg to the Board. The Extraordinary General Meeting held on October 13, 2017, resolved to approve the introduction of a new minority ownership structure that was proposed to the Meeting. The CEO of the company was not able to attend the Meeting held on October 13, 2017, for personal reasons.

The share and shareholders

Magnolia Bostad's share has been registered for trading on Nasdaq



First North since June 9, 2015, and since March 31, 2017, on Nasdaq First North Premier. The total number of shares on December 31, 2017, amounted to 37,822,283 distributed between 4,803 shareholders. The closing price on the balance sheet date was SEK 50.00, which corresponds to a market capitalization of SEK 1.9 billion. The quotient value for all shares is SEK 4.00. Each share is entitled to one vote and grants an equal right to the share of the capital.

The Annual General Meeting on April 26, 2017 decided to issue 350,000 warrants to the subsidiary, Magnolia Utveckling AB. Each warrant entails the right to subscribe to one share and will be transferred to employees in accordance with the warrant program. In the fourth quarter, the Board of Directors decided to extend the deadline for the program until the 2018 Annual General Meeting. At year-end, all warrants remained in the subsidiary's possession.

Nomination Committee

At the Annual General Meeting held on April 26, 2017, the Meeting resolved to establish a Nomination Committee and to adopt instructions for this committee. According to the instructions, the Nomination Committee shall consist of the Chair of the Board of Directors and members representing the three largest shareholders in the company according to the share register kept by Euroclear Sweden as at September 30 of the year before the Annual General Meeting. The composition of the Nomination Committee shall be made public at least six months prior to the Annual General Meeting. Members of the Nomination Committee shall not receive remuneration, and the term of office runs until the composition of the next Nomination Committee has been made public. The Nomination Committee's primary tasks are to nominate candidates to the posts of Chair of the Annual General Meeting, Chair of the Board and other members of the

Board, submit proposals for fees and other remuneration for each Board member and submit proposals for remuneration for committee work for each Board member. The Nomination Committee shall also nominate candidates to the post of auditor and submit proposals for the fees to the auditor taking into consideration the recommendation from the Audit Committee. The Nomination Committee shall safeguard the communal interests of all shareholders in the matters that fall within its area of responsibility. The Nomination Committee shall perform its tasks in accordance with the Code and thus observe the requirement for diversity and breadth in the company's Board of Directors in particular.

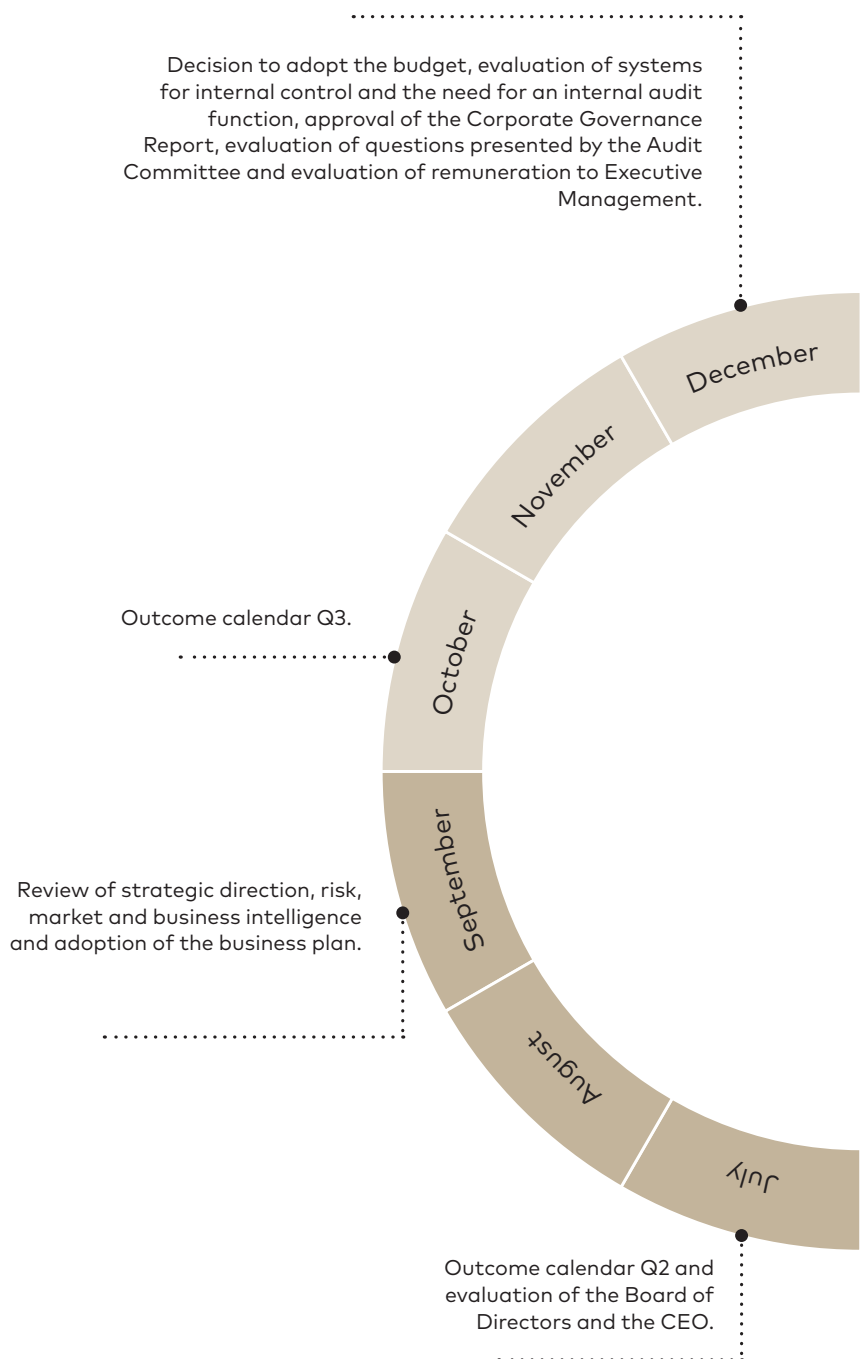
The Nomination Committee up to the 2018 Annual General Meeting consists of Karin Sundberg (F. Holmström Fastigheter AB), Henrik Buss (Andreas Rutili via companies), Johannes Wingborg (Länsförsäkringar) and Chair of the Board of Directors Fredrik Holmström. The Nomination Committee represents 71.12 percent of the votes as at December 31, 2017.

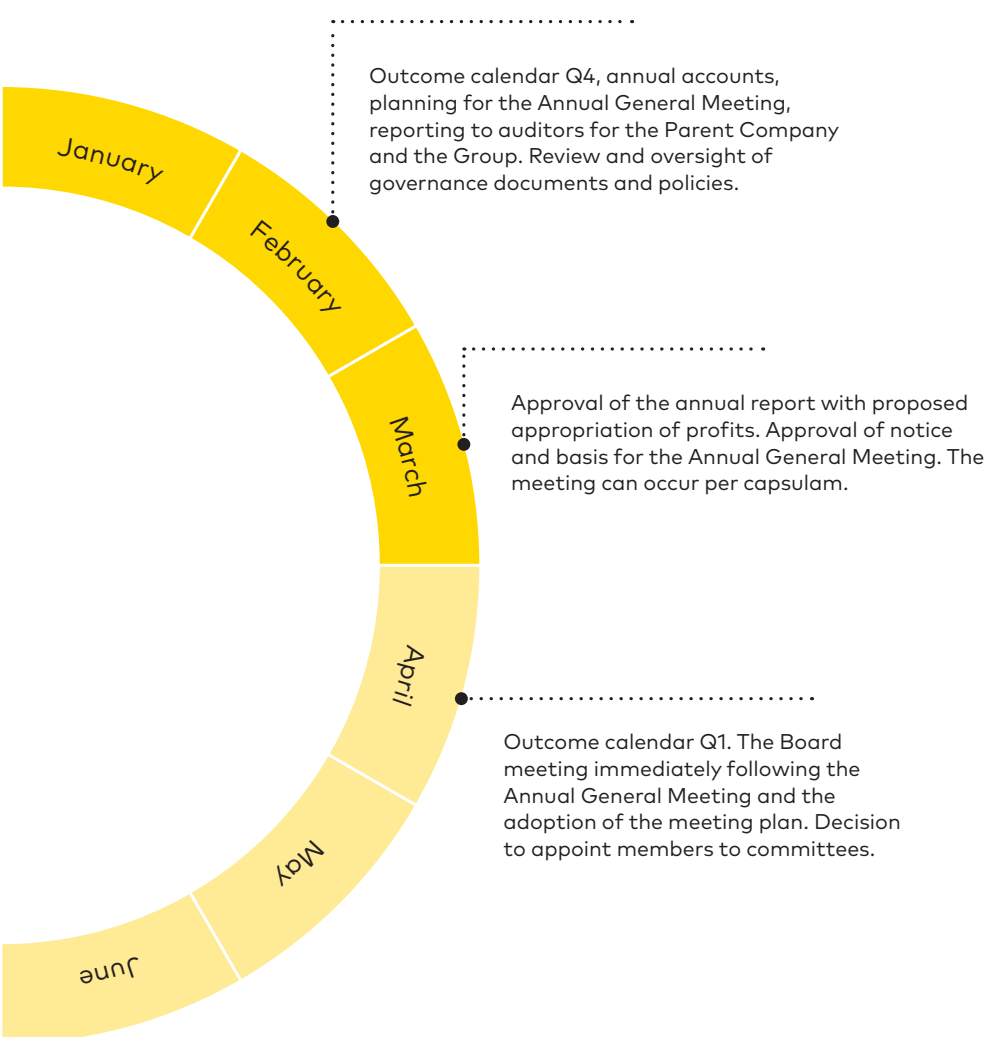
Board of Directors

The Board of Directors is elected by the Annual General Meeting. It is the Board of Directors, on behalf of the owners, that manages Magnolia Bostad by establishing goals and strategies, assessing the operating activities and determining procedures and systems to follow up on established goals. The Board of Directors of Magnolia Bostad, according to the Articles of Association, shall consist of three to seven Board members.

At the end of 2017, the company's Board of Directors consisted of six members elected by the 2017 Annual General Meeting. All members of the Board of Directors were re-elected. Fredrik Holmström was elected Chair. For more information about the members of the Board of Directors, see page 142.

Board of Directors in 2017





The Board's tasks include establishing strategies, business plans and budgets, annual and interim reports, annual financial statements and adopting instructions, policies and guidelines. The Board of Directors also monitors economic trends, ensures the quality of the financial statements and the internal control and evaluates business activities based on the targets and guidelines established by the Board of Directors. Finally, the Board of Directors makes decisions regarding the company's significant investments and major changes to the organization and its business activities. The tasks of the Board of Directors are conducted through an organized cooperation between the Board and Executive Management. The Board has a control function to ensure that the interests of the company's owners are met and that the Board, through reports, can follow the assessment obligations set forth by law, listing regulations, the Code and good Board practice. In addition to this, the Board of Director's work is governed by guidelines from the Annual General Meeting and the Board's work plan. The Board of Directors also adopts instructions for the Board's committees and instructions for the Chief Executive Officer of Magnolia Bostad as well as instructions for financial reporting.

Chair of the Board

The Chair of the Board leads the Board's work, is responsible for ensuring that the Board's work is carried out efficiently and that the Board fulfills its obligations in accordance with applicable laws and rules. In particular, the Chair of the Board must monitor the Board's performance and prepare and lead Board meetings. The Chair of the Board is also responsible for ensuring that the Board evaluates its work every year and obtains the information it needs to be able to perform its work efficiently. The Chair of the Board represents the Board in relation to the company's shareholders.

Work of the Board of Directors in 2017

The Board of Directors held 17 (13) meetings during the 2017 financial year, of which seven were regular meetings and one immediately followed the Annual General Meeting. The regular Board of Director meetings had a recurring structure with standing points in the agenda. Extra Board meetings are normally convened to decide on major transactions, financing and cooperation agreements. Material and the basis for decisions is normally sent out one week before each Board meeting. Member of Executive Management have participated in Board meetings to report on specific matters.

Evaluation of the work of the Board of Directors

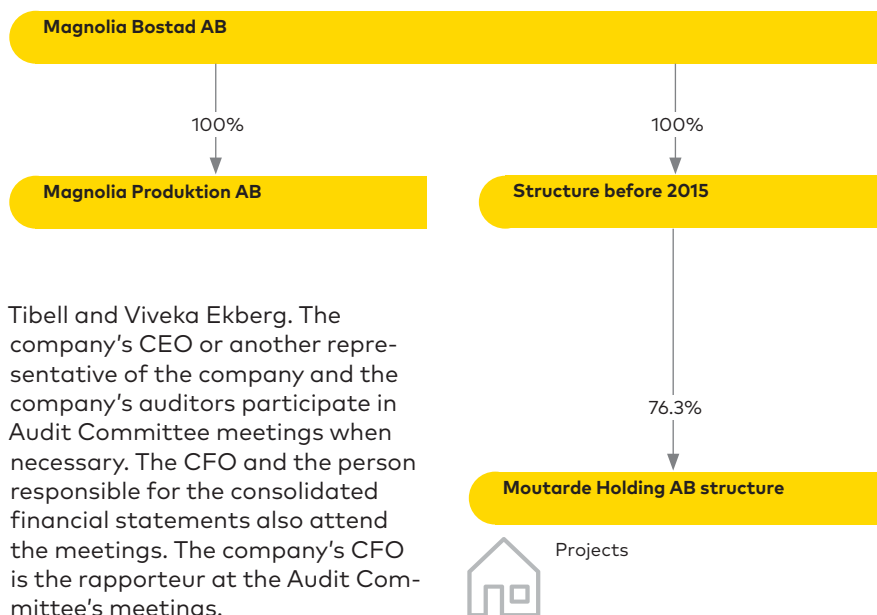
An important objective of the evaluation of the Board of Directors is to ensure that the work of the Board is functioning well. This evaluation therefore includes investigating the type of questions that the Board believes should be given greater focus, determining the areas in which the Board needs additional competence and assessing the composition of the Board. This evaluation also functions as a basis for the work of the Nomination Committee.

In 2017, the evaluation was conducted through a written survey, where Board members were able to give their view on the Board's method of working and effectiveness, its need for competence and strengths and its improvement areas. According to the Board evaluation, the work of the Board functioned well during the year. Potential areas of improvement were also identified through the evaluation. The Board also considers the composition to be appropriate, and that the cooperation with Executive Management worked well.

Audit Committee and Remuneration Committee

The Audit Committee consisted of three members on December 31, 2017: Jan Roxendal (Chair), Fredrik

Magnolia Bostad's Group structure



Tibell and Viveka Ekberg. The company's CEO or another representative of the company and the company's auditors participate in Audit Committee meetings when necessary. The CFO and the person responsible for the consolidated financial statements also attend the meetings. The company's CFO is the rapporteur at the Audit Committee's meetings.

The Audit Committee is responsible for monitoring the company's financial statements, risk management, structure and policies for internal control and accounts and audits. The Audit Committee also reviews and monitors the auditor's impartiality and independence, other services provided by the company's auditor and assistants, the company's nomination committee when preparing proposals for the decision by the Annual General Meeting on selection of an auditor. Members of the audit committee must possess the qualifications and experience within accountancy, auditing and/or risk management required to fulfill the committee's obligations. In 2017, the Audit Committee held seven minutes meetings, of which the company's auditors participated in four.

The Board of Directors has decided to carry out the tasks normally assigned to a Remuneration Committee since this is considered most appropriate for the company.

Investment Committee

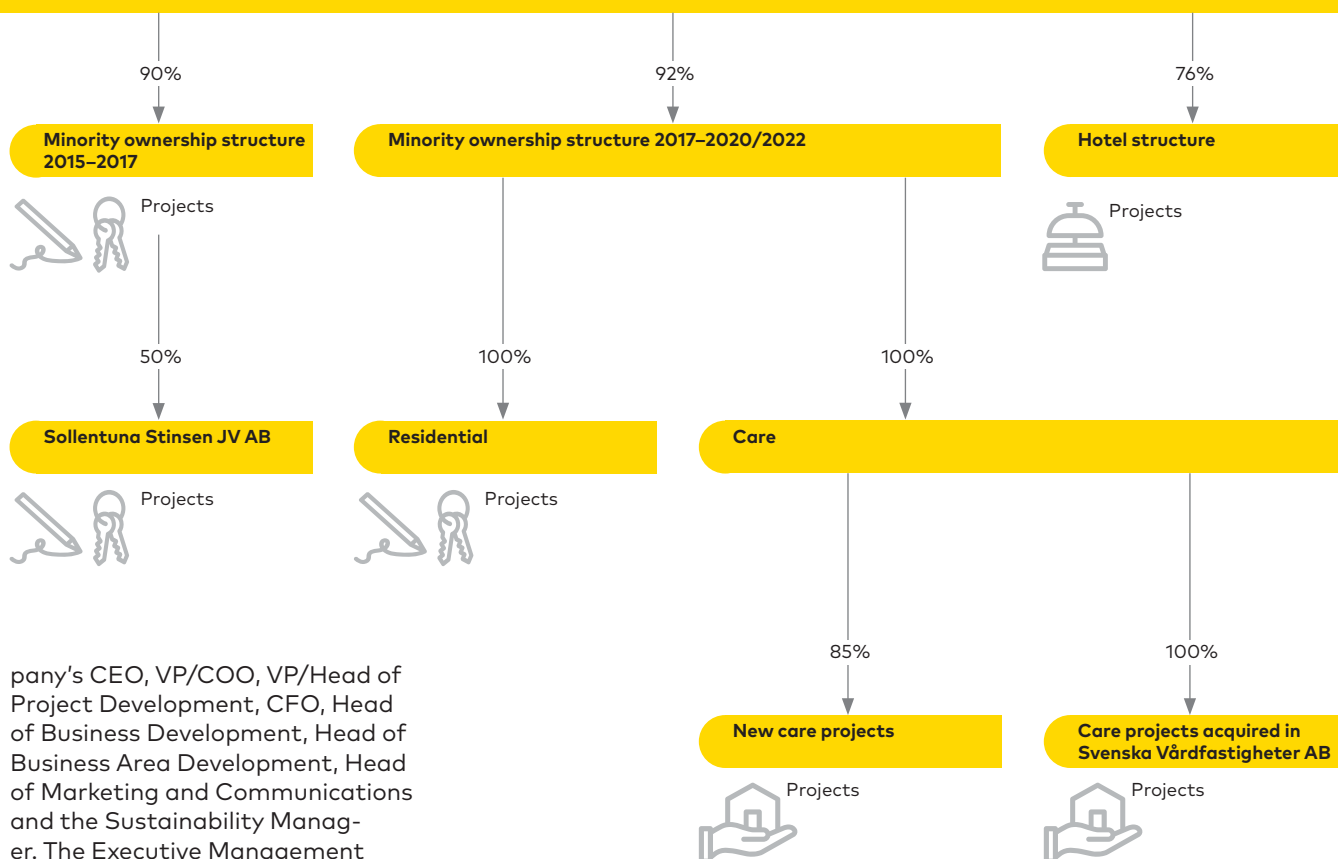
The Investment Committee's main task is to act as an advisor and to support the Board of Directors in connection with acquisitions and

sales of property projects. The Investment Committee reports regularly to the Chair of the Board, who has been allocated a discretionary decision mandate from the Board regarding acquisition and sales that are not considered to qualify as insider information according to the EU Market Abuse Regulation. Decisions regarding a transaction that qualifies as insider information shall be made by the entire Board. The Investment Committee is appointed by the Board of Directors and on December 31, 2017, consisted of the CEO, VP/COO, VP/Head of Project Development, Head of Business Area Development and one senior advisor.

At each regular meeting of the Board of Directors, the Investment Committee shall submit a summary of cases that the Investment Committee has dealt with since the previous regular meeting of the Board of Directors. The Investment Committee meets once or twice a week and held 46 minutes meetings in 2017.

CEO and Executive Management

Executive Management consisted on December 31, 2017 of the com-



pany's CEO, VP/COO, VP/Head of Project Development, CFO, Head of Business Development, Head of Business Area Development, Head of Marketing and Communications and the Sustainability Manager. The Executive Management meets regularly to discuss primarily overarching operational issues and prepare matters for the Board of Directors. The CEO is responsible for the company's ongoing management in accordance with the instructions for the CEO, which are adopted annually by the Board of Directors, the rules set out in the Companies Act, other applicable laws and guidelines and in accordance with the company's policies and the directions of the Board of Directors.

Remuneration to Members of the Board of Directors and the CEO

Remuneration of Board members
Fees and other remuneration for the Board members, including the Chair of the Board, are determined by the Annual General Meeting. The Annual General Meeting held on April 26, 2017, resolved that the fees for Board members for the period up to the next Annual General

Meeting shall amount to SEK 1.7 million. SEK 450,000 shall be paid to the Chair of the Board and SEK 250,000 shall be paid to each of the five other Board members. In addition to this, SEK 80,000 shall be paid to the Chair of the Audit Committee and SEK 60,000 to each of the other members of the Audit Committee. The company's Board members are not entitled to any benefits when they leave the Board of Directors.

Remuneration to the CEO
Fredrik Lidjan was named CEO in March 2015 and has been employed by the company since January 1, 2017. Fredrik Lidjan receives competitive remuneration in his role as CEO. For more information, see Note 9.

He has been involved in Magnolia Bostad's operations since it was founded in 2009, including as an advisor. In 2013, he was engaged as a consultant through his company, Fredrik Lidjan AB, to start the rental apartment business area. Under his guidance, at that time as a consultant, the business area grew rapidly, and the company today views this business area as its greatest competitive advantage. The agreement entailed that he would work without fixed compensation but was entitled to 12 percent of the profit of rental apartment projects (10 percent for Senapsfabriken). The agreement included the projects: Traversen 18, Nya Parken Allé, Tibble, Valsta

Torg, Lumen and Phases 1 and 2 of Senapsfabriken. The terms of the agreement have been fulfilled for all projects with the exception of Senapsfabriken and do not apply to future rental apartment projects.

Minority ownership structure 2015 – 2017

In conjunction with Fredrik Lidjan's accession to the position of CEO, a new agreement was reached between the company and Fredrik Lidjan AB. Under this agreement, the company and Fredrik Lidjan AB will co-invest in future rental apartment projects. Fredrik Lidjan AB will invest at market terms with a 10 percent stake and Magnolia Bostad will invest and receive a 90 percent stake in the companies in which the rental apartment projects will be operated. The agreement can also include tenant-owned apartments if this applies to the same plot of land and the tenant-owned apartments constitute a small portion of the entire project.

In addition to rental projects, Fredrik Lidjan AB is expected to co-invest on market terms in the company's future hotel projects. Fredrik Lidjan will invest on market terms with a 24-percent stake. Clas Hjorth (responsible for the Hotel business area) is also expected to invest in hotel projects with a 16-percent stake, and Magnolia Bostad will invest and hold a 60-percent stake in future hotel projects.

Minority ownership structure 2017 – 2020 and 2022

At the Extraordinary General Meeting on October 13, 2017, a new minority ownership structure was adopted and replaced the current structure. Projects developed in limited liability companies in the old minority structure will continue, but no new projects will be allocated to them.

Under the new structure, Fredrik Lidjan AB will co-invest in all of the company's future projects on market terms with an 8-percent stake. In future hotel projects, Clas Hjort's stake will still be 16 percent. Magnolia Bostad will then invest and hold a 76-percent stake in hotel projects and a 92-percent stake in other projects. The new agreement covers investments through 2020 for hotel projects and 2022 for all other projects.

Auditors

Magnolia Bostad's external auditors are appointed by the Annual General Meeting. The auditors are tasked with reviewing on behalf of the shareholders the Board of Directors' and the CEO's management of the company and that the annual financial statements have been prepared in accordance with applicable laws and regulations. The 2017 Annual General Meeting resolved for the period until the end of the next annual general meeting to elect Ernst & Young AB with Ingemar Rindstig as auditor-in-charge. In addition to the audit, Ernst & Young also provided advisory services during the year regarding tax,

incentive programs, sustainability reporting and financial due diligence in transactions in subsidiaries. In 2017, remuneration was paid totaling SEK 7.2 million (2.2). See also Note 8, Disclosures regarding fees and cost reimbursement to the auditor, for more information.

Internal controls

The Board of Director's responsibility for internal control is regulated by the Swedish Companies Act and the Swedish Code of Corporate Governance. The Board of Directors is ultimately responsible for ensuring that internal controls are developed, communicated and understood by the employees at Magnolia Bostad who implement the individual control structures and that the control structures are monitored, executed, updated and monitored. Heads of Department for each level are responsible for ensuring that internal controls are established within their areas and that these controls achieve the intended effect.

Magnolia Bostad complies with the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) framework for evaluating a company's internal control over financial reporting "Internal Control – Integrated Framework". The framework consists of the following five components: control environment, risk assessment, control activities, information and communication and monitoring.

The process for internal controls, risk assessment, control structures

Board composition

| Member | Elected | Post | Born | Nationality | Independent in relation to the company/ company management | Independent in relation to major shareholders | Number of meetings | Attendance |
|-------------------|---------|--------|------|-------------|--|---|--------------------|------------|
| Fredrik Holmström | 2009 | Chair | 1971 | Swedish | No | No | 17 | 16 |
| Andreas Rutili | 2015 | Member | 1975 | Swedish | No | Yes | 17 | 17 |
| Fredrik Tibell | 2010 | Member | 1966 | Swedish | Yes | No | 17 | 17 |
| Risto Silander | 2015 | Member | 1957 | Swedish | Yes | Yes | 17 | 17 |
| Jan Roxendal | 2016 | Member | 1953 | Swedish | Yes | Yes | 17 | 17 |
| Viveka Ekberg | 2017 | Member | 1962 | Swedish | Yes | Yes | 17 | 17 |



Magnolia Bostad's Executive Management.

and monitoring in relation to financial reports has been designed to guarantee reliable overall financial reporting and external financial reporting that complies with IFRS, applicable laws and rules and other requirements that may exist for companies listed on Nasdaq Stockholm. This work involves the Board of Directors, senior executives and other employees.

The manner in which the Board of Directors monitors and ensures the quality of internal controls is documented in the adopted work

plan for the Board of Directors and in the instructions for the Audit Committee. Part of the work of the Audit Committee is to assess the company's structure and policies for internal control.

Control environment

The basis for internal controls on financial reporting is Magnolia Bostad's organization, decision-making procedures, responsibility and authorizations that are communicated in the governing documents. These documents include the Articles of Association, the Board

of Directors' rules of procedure, the CEO's instructions, the Code of Conduct, the business plan, policies, process description and manuals. Magnolia Bostad's work on internal control aims to identify high-risk areas and minimize these risks.

Risk Assessment

The risks of material misstatement in financial reports is assessed by Magnolia Bostad's Board of Directors, the Executive management and the company's external auditors. There is an established risk management process within

Magnolia Bostad. The CEO, in collaboration with other departments within the company, is responsible for structured risk mapping across all business activities. Magnolia Bostad's risks are divided into four main types: (1) external risks, (2) operational risks, financial risks (3) and (4) organizational risks.

External risks consist of external risks such as macroeconomic, regulatory, socio-economic, price and competition-related risks that affect our market, industry, business and internal processes.

Operational risks consist of business risks relating to our business, projects and processes such as regulatory compliance, quality defects and ethical violations.

Financial risks that affect the financial conditions for our business are interest rate risk, financing risk, liquidity risk and credit risk. Financial risks also include risks in Magnolia Bostad's internal processes relating to accounting and reporting.

Organizational risks are primarily attributable to succession planning, supply of skills and resource planning. Magnolia Bostad's established business model, along with an established control system, procedures and processes, limits the company's total risks and guarantees an ability to act whenever necessary.

Control activities

Control activities are designed on the basis of the risk analysis to address the significant risks identified.

These are both of a preventive nature, in other words actions aiming to avoid losses or errors in reports and in the nature of detection. The controls must also ensure that any errors will be corrected.

Examples of areas that have a material impact on the company's results and that have well-established quality control measures include accounting for projects and funding matters and sales. Controls

are carried out using methods such as variance analyses and on the occasion of quarterly meetings between business areas and the group management. For the business, the business system forms the basis of the control structure established and focuses on important stages in the business such as investment decisions, production start-up and sales. Magnolia Bostad places great emphasis on follow-up of projects linked to established procedures for the project process, such as weekly meetings, the Investment Committee and the Quality Council.

Information, communication

Magnolia Bostad's policy documents in the form of a code of conduct, policies, process descriptions and manuals are updated regularly by process owners and the management and are made available via Magnolia Bostad's intranet. All new employees receive information on the governing documents and Magnolia Bostad holds information sessions where the values and the code of conduct are discussed. All employees also are responsible for being aware of applicable laws and rules and acting in accordance with Magnolia Bostad's guidelines. Magnolia Bostad has an information policy to ensure that the company complies with applicable requirements for accurate information for the market.

Follow-up

Follow-up takes place on many different levels within Magnolia Bostad. The company has a business plan and a budget is decided on by the Board of Directors each year. The Board of Directors receives summary financial statements every month and financial statements with comments including project follow-up and follow-up of warranties and reserves at least once a quarter. The Board of Directors also reviews interim reports and year-end reports prior to publication.

The company's external auditor reports his findings from audits and assessments of the internal control

to the Audit Committee and the Board of Directors during the fall and when the year-end accounts are audited. Magnolia Bostad has procedures to ensure that action is taken to address any deficiencies and that highlighted actions are followed up.

Magnolia Bostad has no internal audit department of its own. The Group has a simple operational structure where the operations are conducted as one segment. Monitoring of ongoing and completed investment is presented to the Board of Directors on a continuous basis. The Board of Directors considers the external auditors' audit and its own follow-up to be sufficient for ensuring that internal control of the financial statements is satisfactory. The decision is assessed annually.

Information policy and insider policy

The company has created an information policy and an insider policy with the aim of informing employees and other parties concerned within the company of the laws and rules that apply in relation to the company's dissemination of information and the specific requirements imposed on persons who are active in a company listed on the stock exchange, e.g. in relation to insider information. In connection with this, the company has established procedures for managing the dissemination of information that has not been published.

IR function

The IR function is led by Magnolia Bostad's CFO, with support from the company's IR manager. The primary tasks of the IR function are to support the Chief Executive Officer and senior executives in relation to the capital markets, including management of the spread of information that has not been published, to help the Chief Executive Officer and communications team prepare the quarterly and annual reports, analyst meetings, Annual General Meetings and capital market presentations and regular reports on IR activities.



Gjuteriet, Eskilstuna.

Board of Directors



Fredrik Holmström

Chair since 2009

Born 1971

Founder Magnolia Bostad. President and owner of Holmströmgruppen AB, the parent company in a privately owned group focused on the production of residential units, management of properties and trade in listed and unlisted holdings.

BsBA from University of Southern Europe, Monaco.

Dependent of the company and management. Dependent of major shareholders.

Shareholding in Magnolia Bostad: 21,542,787.



Viveka Ekberg

Member since 2017

Born in 1962

Former CEO of the PP Pension Försäkringsförening and PP Pension Fondförsäkring, Head of Nordics at Morgan Stanley Investment Management, Associate Partner and Head of Project Management at Brummer & Partners, Head of SEB Institutionell Förvaltning, and analyst at Alfred Berg Fondkommission as well as financial analyst and journalist at Affärsvärlden. Board member of Lindab International AB, Svolder AB, Piab Group AB, Skagen AS, Areim AB, SPP Pension & Försäkring AB and Centrum för rättvisa, and chair of Apoteket AB:s Pensionsstiftelse.

MBA from Stockholm School of Economics.

Independent of the company and management. Independent of major shareholders.

Shareholding in Magnolia Bostad: 20,000.



Jan Roxendal

Member since 2016

Born in 1953

Previously President of Gambro Holding AB and CEO of Intrum Justitia AB, Executive Vice President and member of the Executive Board of the ABB Group, Group responsible for ABB Financial Services, as well as other senior positions within the ABB Group. Chair of the Export Credits Guarantee Board and Deputy Chair of the second AP fund, AP2. Board member of Catella AB.

Higher general banking degree.

Independent of the company and management. Independent of major shareholders.

Shareholding in Magnolia Bostad: 5,000.

The information above is as at December 31, 2017, and refers to his own holdings, the holdings of closely related parties and endowment insurance as well as his own holdings and the holdings of closely related parties via companies.



Andreas Rutili
Member since 2015

Born in 1975
Founder and CEO of Magnolia Bostad 2009–2015. Previously President of Vitosha Capital AB, a property development company with a focus on new production of residential units in Eastern Europe. Also has a background as the President of the food company, Bonesto AB.

MBA from Stockholm University.

Dependent of the company and management. Independent of major shareholders.

Shareholding in Magnolia Bostad: 2,938,565.



Risto Silander
Member since 2015

Born in 1957
Previously President of Alfred Berg. Prior to this, management positions at Svenska Handelsbanken, Goldman Sachs and UBS. Currently Board Member of Varenne AB, Stronghold Invest AB, Niam AB, Brevan Howard Funds, Endeavour Pembroke Funds, DW Funds, Trygg Stiftelsen and Gamla Livförsäkringsaktiebolaget SEB Trygg Liv.

MSc (Economics) from Stockholm School of Economics.

Independent of the company and management. Independent of major shareholders.

Shareholding in Magnolia Bostad: 80,000.



Fredrik Tibell
Member since 2010

Born in 1966
Founder and President of Caritas Corporate Finance AB, which provides financial advisory services primarily to companies within the real estate industry. Chair of the Board of Svenska Husgruppen Intressenter AB and others. Board member of Moutarde Holding AB and others.

Finance studies at Stockholm University.

Independent of the company and management. Dependent of major shareholders.

Shareholding in Magnolia Bostad: 10,000.

The information above is as at December 31, 2017, and refers to his own holdings, the holdings of closely related parties and endowment insurance as well as his own holdings and the holdings of closely related parties via companies.

Executive Management and auditors



Fredrik Lidjan
CEO

Employed in 2017
CEO since 2015
Born in 1973

Previously responsible for the development of rental apartment development at Magnolia Bostad. Before this he was Transaction Director at DTZ and a credit analyst at SEB.

MBA from University of California, Los Angeles.

Shareholding in Magnolia Bostad: 155,300.



Rickard Langerfors
VP/Head of Project Development

Employed since 2011

Born in 1972
Previously project manager at Skanska with responsibility for the residential development of Järvastaden and other areas. Also has a background as product manager with responsibility for the standardization of Skanska's production of residential units in Sweden. Former project manager at HSB.

MSc (Engineering) from KTH Royal Institute of Technology.

Shareholding in Magnolia Bostad: 294,000.



Erik Rune
VP/COO

Employed since 2015

Born in 1973
Previously CFO and Head of Business Development at Magnolia Bostad and CFO in the Nordic region for CBRE Global Investors. Also has a background as the President of the Nordic operations for London & Regional Properties and worked in real estate financing at Eurohypo and SEB and the real estate advisory department at SEB Enskilda.

MSc (Economics) from Stockholm School of Economics.

Shareholding in Magnolia Bostad: 175,000.



Fredrik Westin
CFO

Employed since 2016

Born in 1973
Previously Head of Finance at Kungsleden. Also has a background as FP&A Manager and Accounting Manager at GE Capital Real Estate Nordic.

Master in Business Administration from the Gothenburg School of Economics.

Shareholding in Magnolia Bostad: 1,600.

The information above is as at December 31, 2017, and refers to his own holdings, the holdings of closely related parties and endowment insurance as well as his own holdings and the holdings of closely related parties via companies.



Suzana Bossel
Head of Marketing and Communications

Employed since 2014

Born in 1973
 Background as PR and marketing manager for Ettelva Arkitekter and single-family home developer, Arkitekthus. Extensive experience in marketing communication in the housing industry, including from JM AB.

Marketing economist from IHM Business School and Higher Degree in Technical Editorial Work from Mälardalen University.

Shareholding in Magnolia Bostad: 105,000.



Camilla Weiner
Sustainability Manager

Employed since 2017

Born in 1968
 Founder Weiner Communications, consultant as IR, communications and sustainability manager for, among others, Pandox and Capió. Previous positions include Communications Director SCA, Communications and Sustainability Director at Axfood and Ahlsel and Communications and IR Manager at Securitas, and Auditor at PWC.

MBA from Stockholm University.

Shareholding in Magnolia Bostad: 0.



Stefan Berg
Head of Business Development

Employed since 2017

Born in 1979
 Former CEO of the Nordic operations at CBRE Global Investors. Prior to this, he worked at Pembroke Real Estate and as head of Asset Management at the fund manager Genesta.

Master of Science from KTH Royal Institute of Technology.

Shareholding in Magnolia Bostad: 0



Linda Wiman
Head of Business Area Development

Employed since 2017

Born in 1975
 Former sales and marketing manager at JM AB. Over 20 years of experience from JM in project development, marketing communication, sales and business development.

Marketing economist from IHM Business School.

Shareholding in Magnolia Bostad: 0

The information above is as at December 31, 2017, and refers to his own holdings, the holdings of closely related parties and endowment insurance as well as his own holdings and the holdings of closely related parties via companies.

Auditor
Ingemar Rindstig
 Born in 1949
 Authorized Public Accountant
 Ernst & Young AB

Articles of association

Magnolia Bostad AB
Sturegatan 6
Box 5853, 102 40 Stockholm
Switchboard +46 8 470 50 80
magnoliabostad.se

ARTICLES OF ASSOCIATION FOR MAGNOLIA BOSTAD AB CIN 556797-7078

Adopted at the Annual General Meeting on April 26, 2017

§ 1 Name

The Company's name is Magnolia Bostad AB. The Company is public (publ).

§ 2 Domicile of the Board of Directors

The Board of Directors is domiciled in Stockholm.

§ 3 Operations

The Company will – either directly or indirectly through subsidiaries – acquire, own, manage, develop and sell properties, carry on project activities relating to properties and own and manage securities and other associated activities.

§ 4 Share capital and the number of shares

The share capital consists of at the least SEK 120,000,000 and at the most SEK 480,000,000. The total number of shares must be no lower than 30,000,000 and no higher than 120,000,000.

§ 5 Board of Directors

The Board of Directors shall consist of between three and seven members.

§ 6 Auditors

The Company shall have one to two auditors with at the most two deputy auditors or one registered auditing company.

§ 7 Notice of General Meeting

Notice of General Meeting shall be announced in Post-och Inrikes Tidningar and by publishing the notice on the Company's website. At the same time as the call is published, the Company will place an announcement in Dagens Industri that a call has been issued.

§ 8 Participants at the Meeting

Shareholders who wish to participate in the proceedings at the General Meeting shall be registered in the transcript or other representation of the complete share register pertaining to the circumstances five days prior to the General Meeting, and they shall notify the Company thereof no later than on the date specified in the notice to the General Meeting. That date may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth working day prior to the General Meeting.

Shareholders may not have more than two assistants at the General Meeting and only when they notify the Company of the number of assistants prior to the Meeting as indicated in the previous paragraph.

§ 9 Opening of the Meeting

The Chair of the Board or a person appointed by the Board opens the General Meeting and leads the proceedings until the Chair of the Meeting is elected.

§ 10 Annual General Meeting

The Annual General Meeting is held annually within six months after the end of the financial year. The following business is conducted at the Annual General Meeting:

1. Election of a Chair for the meeting;
2. Preparation and approval of the voting list;
3. Approval of the meeting agenda;
4. Election of one or two persons to sign the minutes;
5. Examination of whether the General Meeting has been validly called;
6. Presentation of the annual financial statements and the auditor's report and, where appropriate, consolidated financial statements and consolidated auditor's report;
7. Decisions regarding
 - a. adoption of the income statement, balance sheet and, where appropriate, consolidated income statement and consolidated balance sheet,
 - b. dispositions concerning profit or loss as stated in the adopted balance sheet,
 - c. discharge of the members of the Board of Directors and the Chief Executive Officer from liability;
8. Determination of the number of members of the Board of Directors and of the number of auditors and deputy auditors to be appointed by the General Meeting;
9. Adoption of the fees for the Board of Directors and auditor;
10. Election of the Board of Directors and of firms of auditors or auditors;
11. Decision on guidelines for remuneration to senior executives;
12. Any other business that arises at the meeting in accordance with the Swedish Companies Act or the Company's articles of association.

§ 11 Fiscal year

The Company's fiscal year shall be a calendar year.

§ 12 Record day provision

The Company's shares shall be registered in a securities register according to the Financial Instruments Accounts Act (1998:1479).

This is a translation from the Swedish original

Auditor's report on the corporate governance statement

To the general meeting of the shareholders of Magnolia Bostad AB (publ), corporate identity number 556797-7078

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the financial year 2017 on pages 132-146 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that

the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm March 22, 2018
Ernst & Young AB

Ingemar Rindstig
Authorized Public Accountant