

MAGNOLIA

English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.

NOTICE OF THE ANNUAL GENERAL MEETING OF MAGNOLIA BOSTAD AB

The Annual General Meeting of Magnolia Bostad AB will be held on Tuesday, 27 April 2021. The Meeting will be carried out through advance voting (postal voting). No Meeting with the possibility to attend in person or to be represented by a proxy will take place, i.e. the Meeting will be held without physical presence. Information on the resolutions passed at the Meeting will be published on Tuesday 27 April 2021, as soon as the result of the voting has been finally confirmed.

RIGHT TO ATTEND AND NOTIFICATION TO THE COMPANY

Shareholders wishing to attend the Meeting through advance voting must

- be entered as a shareholder in the share register kept by Euroclear Sweden AB no later than on Monday 19 April 2021, and
- notify by casting its advance vote in accordance with the instructions under the heading *Advance voting* below so that the advance voting form is received by Euroclear Sweden AB no later than on Monday 26 April 2021.

NOMINEE REGISTERED SHARES

To be entitled to attend the Meeting, holders of nominee registered shares must instruct the nominee to have the shares registered in the holder's own name, so that the holder is entered in the share register kept by Euroclear Sweden AB on Wednesday 21 April 2021. Such registration may be temporary.

ADVANCE VOTING

The shareholders may exercise their voting rights at the Meeting only by voting in advance, so-called postal voting in accordance with Section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for advance voting. The form is available on the Company's website, <https://om.magnoliabostad.se/en>. The advance voting form is considered as the notification of participation.

The completed voting form must be received by Euroclear Sweden AB no later than on Monday 26 April 2021. The form shall in due time be submitted to Magnolia Bostad AB, c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, or via e-mail to generalmeetingservice@euroclear.com. Shareholders who are natural persons may also cast their advance votes electronically through BankID verification via the Company's website, <https://om.magnoliabostad.se/en>. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the advance vote in its entirety) is invalid.

In the advance voting form, shareholders can request that a resolution in one or some of the items on the proposed agenda below are deferred to a so-called continued general meeting, which must not solely be an advance voting meeting. Such continued general meeting to decide on a particular matter shall take place if the Meeting decides on it or if shareholders of at least one tenth of all shares in the Company requests it.

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If the shareholder votes in advance by proxy, a signed and dated power of attorney shall be enclosed to the form. Forms of power of attorney in Swedish and English are available on the Company's website, <https://om.magnoliabostad.se/en>. A power of attorney may also be obtained at the Company or be ordered from Euroclear Sweden AB by telephone by using the number below. If the power of attorney is issued by a legal entity, a verified copy of the registration certificate or an equivalent authority document for the legal entity must be appended to the advance voting form. The power of attorney and the registration certificate may not be older than one year. However, a longer period of validity may be specified on the power of attorney (although no longer than five years from the date of issue).

Further instructions and conditions are included in the advance voting form.

For questions about the Meeting or to have the advance voting form or any power of attorney sent by post, please contact Euroclear Sweden AB on phone number +46 8 402 91 33 (Monday-Friday, 09.00-16.00 CET).

PROPOSED AGENDA

1. Opening of the Meeting
2. Election of Chair of the Meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to approve the minutes
6. Determination of whether the Meeting has been duly convened
7. Presentation of the annual report, and auditor's report, as well as the group accounts and the auditor's report for the group
8. Resolutions on
 - (a) Adoption of the profit and loss account and the balance sheet, as well as the consolidated profit and loss account and the consolidated balance sheet;
 - (b) Allocation of the Company's result in accordance with the adopted balance sheet; and
 - (c) Discharge of liability towards the Company for the directors and the CEO for the financial year 2020
9. Resolution on the number of directors and the number of auditors
10. Resolution on remuneration payable to the directors and auditors
11. Election of directors, Chair of the Board and auditors
12. Resolution on approval of remuneration report
13. Resolution on guidelines for salary and other remuneration
14. Resolution on alteration of the articles of association
15. Resolution on issue authorisation
16. Closing of the Meeting

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PROPOSALS

Election of Chair of the Meeting (item 2)

The Nomination Committee proposes that Fredrik Holmström be elected as Chair of the Meeting, or if Fredrik Holmström is prevented from attending, the person the Nomination Committee proposes instead.

Preparation and approval of the voting list (item 3)

The voting register proposed to be approved is the voting list drawn up by Euroclear Sweden AB on behalf of the Company, based on the share register and received advance votes, and verified and approved by the persons approving the minutes.

Election of one or two persons to approve the minutes (item 5)

Johannes Wingborg and Magnus Molin, or if one or both of them are prevented from attending, the person or persons instead appointed by the Board of Directors, are proposed to be elected to approve the minutes of the Meeting together with the Chair. The task of approving the minutes of the Meeting also includes verifying the voting list and that the advance votes received are correctly stated in the minutes of the Meeting.

Resolution on allocation of the Company's result in accordance with the adopted balance sheet (item 8 b)

The Board proposes that no dividend be paid for the financial year 2020.

The Board proposes that available funds of SEK 307,037,010 shall be carried forward in a new account.

Resolution on the number of directors and the number of auditors (item 9)

The Nomination Committee proposes that the Board shall consist of seven directors, with no deputy directors, elected by the Meeting for the period until the close of the next Annual General Meeting. The Nomination Committee proposes that the Company shall have one registered accounting firm as auditor, without deputies.

Resolution on remuneration payable to the directors and auditors (item 10)

The Nomination Committee proposes that the total fees paid up until the next Annual General Meeting amounts to SEK 2,530,000 (unchanged) including compensation for committee work and is distributed as follows. SEK 500,000 (unchanged) to the Chair of the Board and SEK 300,000 (unchanged) to each other elected director of the Board. Further, the Chair of the Audit Committee shall be paid SEK 90,000 (unchanged) and each other member of the Audit Committee shall be paid SEK 70,000 (unchanged).

The Nomination Committee proposes that fees to the auditor shall be paid in accordance with approved invoices.

Election of directors, Chair of the Board and auditors (item 11)

The Nomination Committee proposes that Fredrik Holmström, Fredrik Tibell, Andreas Rutili, Risto Silander, Jan Roxendal, Viveka Ekberg and Anna-Greta Sjöberg be re-elected as directors of the Board. The Nomination Committee proposes that Fredrik Holmström be re-elected as Chair of the Board. Information about the proposed directors, pursuant to Section 2.6 of the Swedish Corporate Governance Code, can be found on the Company's website, <https://om.magnoliabostad.se/en>.

The Nomination Committee proposes that the registered accounting firm Ernst & Young AB shall be re-elected as auditor. Ernst & Young AB has informed the Company that, if Ernst & Young AB is

elected as auditor, the authorised public accountant Fredric Hävrén will be re-appointed as auditor-in-charge.

The Nomination Committee's proposal is in accordance with the Audit Committee's recommendation. Neither the Nomination Committee's proposal nor the Audit Committee's recommendation have been subject to influence by a third party and no clause of a contract entered into with a third party has been imposed which restricts the choice of certain auditors or audit firms.

Resolution on approval of remuneration report (item 12)

The Board proposes that the Meeting resolves to approve the Board of Directors' report regarding remuneration pursuant to Chapter 8, Section 53 a of the Swedish Companies Act (2005:551).

Resolution on guidelines for salary and other remuneration (item 13)

The Board proposes that the Annual General Meeting on 27 April 2021 resolves on the following guidelines for salary and other remuneration to the members of the Board of Directors, the Company's CEO, Deputy CEO and other senior executives, until new guidelines are adopted by a general meeting, although not longer than until the 2025 Annual General Meeting, mainly as set out below. Senior executives refer to members of the company's management team. These guidelines apply to agreements concluded after the Meeting's resolution, and where amendments are made to existing agreements after that time. These do not apply to board fees decided by the Annual General Meeting or issues and transfers covered by Chapter 16 of the Swedish Companies Act (2005:551).

Guidelines for promoting the company's business strategy, long-term interests and sustainability

The company's business strategy is briefly the following. Magnolia Bostad is an urban developer who works with rental accommodation, community service properties, hotels and tenant-owner apartments. We develop our accommodation as individual projects or as part of a larger project when we create a whole new neighbourhood. Magnolia Bostad will, with good profitability, develop efficient, attractive and functional accommodation. By working with several forms of tenure and by focusing on long-term partnerships, the company achieves good risk diversification. In order to achieve our targets within the framework of our business concept, the following strategic direction has been established: development will take place in locations with good long-term demographic conditions; properties will be developed for sale as residential units, community service properties or hotels, based on prevailing market conditions and the individual potential and quality of each property; projects will also be developed for self-management, to strengthen the balance sheet, generate a continuous cash flow and create long-term value growth; the production process will start as demand is secured; collaboration will be with long-term partners and the balance sheet should be utilized effectively, mainly through a high turnover rate throughout the project chain.

For further information about the company's business strategy, see <https://om.magnoliabostad.se/en>

Successful implementation of the company's business strategy and the safeguarding of the company's long-term interests and sustainability requires that the company can recruit and retain skilled employees. This requires the company to be able to offer competitive remuneration. These guidelines enable senior executives to be offered a competitive total remuneration.

Previously decided incentive schemes

In previous years, the Board has used long-term incentives with the aim of promoting the company's long-term financial interests by encouraging an ownership interest in the company. This promotes the company's business strategy and gives shareholders and employees concerned the same long-term goals as well as a common view on sustainability issues. They have been approved by the Annual General Meeting and are therefore not covered by these guidelines.

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The Annual General Meeting held on 26 April 2017 resolved to issue 350,000 warrants to the subsidiary, Magnolia Utveckling AB. During 2018, 260,500 warrants were transferred to employees at a market-based price in accordance with the warrant programme. 28,000 warrants were redeemed in 2019. Redeemed warrants are still in the ownership of the subsidiary Magnolia Utveckling AB. 89,500 unexercised warrants were cancelled during 2019. Each warrant entitles the holder to subscribe for one share at a strike price of SEK 84 per share. The subscription period is from 2 November 2020 until 26 April 2022.

The Annual General Meeting on 10 May 2019 resolved to issue 200,000 warrants to the subsidiary Magnolia Utveckling AB. During 2019, 170,000 warrants were transferred to key employees at Magnolia Bostad at a market-based price in accordance with the warrants program and thereafter, in 2020, the remaining 30,000 warrants have been transferred to a key employee at Magnolia Bostad at a market-based price in accordance with the warrant program. Each warrant entitles the holder to subscribe for one share at a strike price of SEK 84 per share. The subscription period is from 1 November 2022 to 26 April 2024.

All resolved incentive schemes have fallen due for payment, i.e., there is no commitment for the company to pay the decided schemes.

For more information about these programs, see <https://om.magnoliabostad.se/en>

Remuneration and forms of remuneration

Remuneration to senior executives shall be market-based and competitive and can consist of a fixed part and a variable part, as well as pensions and other benefits. In addition, the Board can prepare, and the Annual General Meeting decide, on share- and share price-related incentive schemes. With a combination of remuneration forms, it is possible to achieve both short and long-term target management that enables the meeting of objectives. The various forms of remuneration that can be paid out are described below.

Fixed part

The fixed salary (monthly salary) should be attractive in relation to the market and based on the employee's skills, experience and performance. The salary is evaluated annually. Senior executives do not receive remuneration for Board assignments in the group.

Variable part

In addition to the fixed salary, variable remuneration can be paid to senior executives. Variable remuneration can be paid at an amount corresponding to a maximum of 12 monthly salaries. At the maximum outcome, the variable portion represents 50 per cent of the total remuneration (fixed and variable salary).

Variable remuneration shall be linked to set targets and shall be partly based on individual performance and partly on the company's development and earnings, and shall be designed to promote the company's business strategy and long-term interests, including the company's sustainability targets. The targets for variable remuneration should be related to the outcome of the company's financial targets as well as individual targets. The financial targets are set by the Board with a view to ensuring that they are in line with the company's business strategy and financial targets. The individual targets are used to ensure focus on non-financial targets of particular interest. The set targets should be measured over a calendar year. After the end of the calendar year, the extent to which the set targets have been met shall be assessed through an overall assessment. The Board is responsible for this overall assessment; however, the CEO assesses the outcome regarding individual targets for reporting to and decision by the Board. Note that a fixed bonus agreement occurs in one

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case. See the Guidelines for salary and other remuneration adopted by the 2020 Annual General Meeting.

Additional variable remuneration may be paid in exceptional circumstances, provided that such extraordinary arrangements are time-limited and made only at an individual level, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary work in addition to the person's ordinary duties. Such remuneration may not exceed an amount corresponding to a maximum of 50 per cent of the total fixed portion of the remuneration and may not be paid more than once a year and per individual. A decision on such remuneration shall be made by the Board.

Remuneration to Board members

In special cases, Board members elected by the Annual General Meeting shall be able to receive remuneration and other remuneration for work performed on behalf of the company, in addition to the work of the Board. If necessary, such services shall be subject to a market-based fee, which shall be approved by the Board.

Pensions and other benefits

Pension conditions must be market-based and based on defined contribution pension solutions. Individuals in the group of senior executives have a defined contribution pension, with no other obligations from the company other than paying an annual premium during the period of employment.

For the CEO and other senior executives, pension benefits and private health insurance must be premium-determined. Variable cash remunerations (bonuses) shall not be pensionable.

The pension premiums for defined contribution pension correspond to the ITP plan and amount to 4.5 per cent of the fixed annual cash remuneration up to 7.5 income base amounts and 30 per cent of the fixed annual cash remuneration exceeding 7.5 income base amounts. However, the pension premiums for defined contribution pensions shall amount to a maximum of 35 per cent of the fixed part of the remuneration.

Other benefits shall be of limited scope and may, amongst others, include life insurance and car insurance. These benefits shall constitute a minor part of the total remuneration and amount to a maximum of 10 percent of the fixed part of the remuneration and be in line with what is market-based.

The company has no employment conditions that are governed by rules other than Swedish.

Conditions for termination of employment

The retirement age shall normally be 65. The notice period for the CEO from the company shall not exceed 12 months. The notice period for other senior executives shall not exceed 6 months. In the event of termination by the CEO, the period of notice is 12 months, and by senior executives a maximum of 6 months.

Conditions for a non-competition clause and remuneration after termination of employment are available to the CEO. Remuneration as a result of the non-competition clause shall, in total, not exceed an amount corresponding to 60 per cent of the previous monthly income at the time of termination of employment (average monthly income for the twelve months preceding the termination of employment). Such remuneration shall compensate for any loss of income during the period covered by the restriction of competition, which shall not exceed twelve months after termination of employment.

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Incentive schemes

In order to strengthen long-term decision-making and ensure long-term target fulfilment, the Board of Directors may propose the General Meeting to decide on incentive schemes.

Salaries and terms of employment for other employees

In preparing this proposal for guidelines, the salaries and terms of employment of all the company's employees have been taken into account by the fact that information on employees' total remuneration, remuneration components and the increase and increase ceiling in remuneration over time, has formed part of the Board's decision basis when evaluating the reasonableness of the guidelines and the limitations that follow these. The development will be reported in the remuneration report for the relevant year.

The decision-making process to establish, review and implement the guidelines

Given the size of the company and the scope of the business, the company has chosen not to set up a remuneration committee but has found that it is more appropriate that issues regarding remuneration and terms of employment for the company management be handled by the Board in its entirety. If a Board member is a member of the executive management, he/she must not participate in this part of the work. The Board of Directors shall have a remuneration policy regarding remuneration and terms of employment for senior executives.

The Board of Directors shall prepare proposals for new guidelines at least every four years and submit the proposals for resolution at the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the Annual General Meeting. It is also the Board's responsibility to monitor and evaluate any schemes for variable remuneration for the company management, the application of the guidelines, as well as applicable remuneration structures and remuneration levels in the company.

In the Board's treatment of, and decisions on, remuneration-related issues, the CEO or other members of the company management do not attend, insofar as they are affected by the questions. In all decisions, it is ensured that conflicts of interest are counteracted and that any conflicts of interest are handled in accordance with the company's conflict of interest policy.

Deviation from the guidelines

The Board of Directors may decide to temporarily deviate from the guidelines in whole or in part, if there are special reasons for this in an individual case and a deviation is necessary to meet the company's long-term interests.

Description of changes to the guidelines

The content of the guidelines has been reviewed and adjusted to remove descriptions of person-specific conditions after changing CEO. The changes are not considered to be of significant nature.

Other

The annual report lists the total remuneration and other benefits paid to the senior executives during the year. The remuneration report further specifies this for the CEO and Deputy CEO.

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Resolution on alteration of the articles of association (item 14)

The Board proposes that the Meeting resolves to alter the articles of association mainly as set out below.

- (i) Section 1 is altered to have the wording as follows:

“The name of the Company (Sw. företagsnamn) is Magnolia Bostad AB. The Company is public (publ).”

- (ii) Section 8 is altered to have the wording as follows:

“Shareholders that wish to participate in a General Meeting shall notify the Company of their intention to participate no later than on the date specified in the notice convening the meeting. Such day must not be a Sunday, other public holiday, Saturday, Midsummer’s Eve, Christmas Eve or New Year’s Eve and not occur earlier than the fifth weekday prior to the 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.

The Board of Directors may gather proxies according to the procedure stated in Chapter 7, Section 4, second paragraph of the Swedish Companies Act (2005:551).

The Board of Directors may before a General Meeting resolve that the shareholders shall be entitled to vote by post prior to the General Meeting.”

- (iii) Section 10 is altered to the extent that paragraph 11 is deleted.

Resolution on issue authorisation (item 15)

The Board proposes that the Meeting resolves on an issue authorisation mainly as set out below.

The Board is authorised to resolve to issue new shares on one or several occasions during the period up to the next Annual General Meeting. The issue may take place applying or disapplying shareholder pre-emption rights. On the strength of the authorisation the Board may only resolve to issue a number of new shares not exceeding ten per cent of the total number of outstanding shares in the Company at the time of the Meeting’s resolution on authorisation.

The authorisation includes the right to resolve that shares will be issued against cash payment, payment in kind or payment by way of set-off and the issue may otherwise be subject to conditions as set out in Chapter 2, section 5, second paragraph, 1-3 and 5 of the Swedish Companies Act.

A cash issue or issue by way of set-off that takes place with deviation of shareholder pre-emption rights must take place on market terms.

The reason for the proposal and the right to deviate from the shareholders’ pre-emption rights is to allow flexibility in conjunction with potential acquisitions or the raising of capital.

The Board or its nominee, is entitled to decide on any minor changes in the authorisation resolution that may be required when registering the resolution at the Swedish Companies Registration Office or due to other formal requirements.

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MAJORITY REQUIREMENTS

Resolutions under items 14 (alteration of the articles of association) and 15 (issue authorisation) will not be valid unless supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the Meeting.

DOCUMENTS

The complete documents in accordance with the Swedish Companies Act will be available at the Company at Sturegatan 6 in Stockholm, and on the Company's website <https://om.magnoliabostad.se/en> no later than as from Tuesday 6 April 2021 and will be sent, immediately and free of charge to those shareholders who request it and provide their postal address. All documents, including the share register, is presented by being available in this way.

NUMBER OF SHARES AND VOTING RIGHTS

The total number of shares in the Company as of the date of this notice is 37,822,283 shares, representing a total of 37,822,283 voting rights. At the same date, the Company does not hold any own shares.

INFORMATION

Shareholders are entitled to request information regarding items on the agenda or the Company's financial situation in accordance with Chapter 7, Section 32 and Section 57 of the Swedish Companies Act. Requests for such information shall be submitted in writing to the Company, Magnolia Bostad AB, Box 5853, 102 40 Stockholm, or by e-mail to bolagsstamma@magnoliabostad.se no later than on Saturday 17 April 2021. The information is provided by being made available at the Company at Sturegatan 6 in Stockholm and on the Company's website, <https://om.magnoliabostad.se/en> no later than on Thursday 22 April 2021. The information is also sent within the same time to the shareholder who has requested it and provided its postal address.

PROCESSING OF PERSONAL DATA

For information on how your personal data is processed, please see

<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

Stockholm in March 2021
Magnolia Bostad AB (publ)
The Board of Directors