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THE BOARD'S PROPOSAL FOR RESOLUTION ON WARRANT PROGRAM AND APPROVAL OF TRANSFER OF WARRANTS

The board proposes that the general meeting resolves to issue warrants according to the following and that the general meeting resolves to approve of the transfer of warrants accordingly as further outlined below.

A. Issue of warrants

The board of Magnolia Bostad AB (the "**Company**") proposes that the general meeting resolves of a directed issue of not more than 200,000 warrants, entailing an increase in the share capital of not more than SEK 800,000 if the issue is fully subscribed. In addition, the resolution shall be governed by the following terms and conditions.

1. The right to subscribe for the warrants shall, with deviation from the shareholders' pre-emption rights, be vested in the Company's wholly-owned subsidiary Magnolia Utveckling AB (the "**Subsidiary**"). The Subsidiary shall transfer the warrants to key employees in accordance with Section B below.
2. Oversubscription may not occur.
3. The reason for not applying the shareholders' pre-emption rights is that the warrants are part of an incentive program for certain key employees who are or will be employed in the Company or its subsidiaries. The opinion of the board is that the Company should support the Company's long-term financial interest by encouraging an ownership interest in the Company by key employees.
4. The warrants will be issued to the Subsidiary without any consideration.
5. Subscription of the warrants shall take place no later than 28 June 2019. The board may prolong the subscription period.
6. Subscription for shares when exercising the warrants may occur during the period from 1 November 2022 up until and including 26 April 2024. During the subscription period, the board may compile, allot and register subscribed shares on a quarterly basis, but may also do it on other occasions.
7. Each warrant gives a right to subscribe for one (1) new share in the Company to a subscription price of SEK 84.
8. The new shares will be entitled to dividends for the first time on the first record date for dividend after the subscription has been executed.

9. Warrants held by the Subsidiary which have not been transferred in accordance with Section B or later on has been repurchased from the participants may either be transferred to employees in the Company or its subsidiaries or be cancelled by the Company after resolution by the board with the consent of the board in the Subsidiary. Cancellation are to be reported to the Swedish Companies Registration Office.

10. Additional terms and conditions are set out in Appendix A.

B. Approval of transfer of warrants

1. Participants entitled to acquire warrants

The right to acquire warrants from the Subsidiary shall vest in key employees in the Magnolia group with a maximum of 50,000 warrants each. The right to acquire warrants from the Subsidiary shall only vest in employees who, at the time of the allocation, have not resigned or whose employment have not been terminated.

Warrants shall also be able to be offered to future employees in case the Subsidiary has unsold and/or re-purchased warrants. For such transactions, the terms and conditions shall be in accordance with or equivalent to what is set out in this resolution. This means, inter alia, that any acquisition shall be at the then current market value.

Any allocation presumes, that an acquisition is legal and that an acquisition, according to the board, is possible to execute without unreasonably high administrative or financial costs.

2. Right of first refusal at transfer and termination of employment

In addition, the warrants shall be governed by customary terms meaning, inter alia, that the warrants shall be subject to an obligation for participants who wishes to transfer or sell the warrants to a third party to first offer the Company or its subsidiaries to acquire the warrants at the acquisition value. The warrants shall also include a right for the Company or its subsidiaries to re-purchase the warrants at the acquisition value if the participant's employment in the Company or any subsidiary is terminated, or if the employee has resigned or had their employment terminated during the duration of the program.

3. Sales period

The warrants shall be transferred to key employees in the Magnolia group. The intention is that the majority of the warrants shall be transferred to existing key employees in connection to the annual general meeting. However, there shall be a flexibility which enables unsold warrants and/or re-purchased warrants to be transferred to future employees, at latest on 26 February 2021, whereby application to acquire warrants shall be made at latest on 29 January 2021. When acquisitions are made after 31 October 2019 the Company shall make sure that the purchaser does not have the right to exercise the warrants for subscription of shares for a period of three years from the acquisition date.

4. Price and payment

The warrants shall be transferred on market terms at a price (premium) that has been established on the basis of a calculated market value for the warrants by applying an established evaluation model (Black & Scholes). For any transfers to additional

employees a new market price shall be established based on equivalent principles. The value has preliminary been calculated to SEK 2.42 per warrant based on a share price of SEK 32.50 and a subscription price of SEK 84 per share.

C. Additional information about the warrant program

1. Dilution

In the event all warrants are exercised, 200,000 new shares will be issued which corresponds to a dilution of approximately 0.5 per cent of the total number of shares and votes in the Company after subscription of all the warrants, with the reservation that any warrant may be recalculated according to the terms for the warrants and other dilution that may occur, e.g. issues.

2. Costs for the Company

Since the warrants will be transferred at market value, the Company should not be burdened by any costs for social security contributions due to the warrant program. Given this background, there are no reasons for the Company to arrange any hedging or other financial arrangement in this respect. It can be noted that the board does not expect any other costs for securing the warrant program. Besides the cost for administration, implementation and valuation of the program, no other costs are expected to arise relating to the warrant program.

Taken as a whole, the board has assessed that the subscription price and the term of the warrants, as well as the maximum allocation of the warrants to the key employees may be considered as reasonable taking into consideration market practice and the Company's need to be able to stimulate the performance of the participants through the offer of participation in the warrant program.

3. Other share related incentive program

The annual general meeting 26 April 2017 resolved to issue 350,000 warrants to the Subsidiary for transfer to employees in the Magnolia group. In 2018, 260,500 warrants have been transferred to employees in accordance with the warrant program. Unused warrants are still in the Subsidiary's possession but can no longer be exercised under the warrant program. Each warrant gives a right to subscribe for a share in the Company at a price of SEK 84 per share. Subscription of shares in accordance with the warrants may be made during the period commencing 2 November 2020 up until and including 26 April 2022. Such right may be exercised on the 30th each quarter, commencing 30 November 2020 and ending 30 March 2022.

4. Preparation of the matter

The warrant program has been prepared by the board of the Company with the assistance of external advisors.

5. Authorisation and rules of decision

The board proposes that the general meeting authorises the board to execute the proposal pursuant to Section A above and to ensure that the board of the Subsidiary implements the transfer of warrants in accordance with Section B above.

The board or a person appointed by the board shall be authorised to make minor adjustments that are required for the registration with the Companies Registration Office, Euroclear Sweden AB or because of other formal requirements.

The general meeting's resolution under this item is valid only if it is supported by shareholders representing at least nine tenths (9/10) of both the votes cast and the shares represented at the meeting.

Stockholm in March 2019
Magnolia Bostad AB (publ)
The Board of Directors