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PRESS RELEASE

2015-05-26

Magnolia Bostad publishes prospectus regarding its planned listing on Nasdaq First North

The Board of Directors of Magnolia Bostad ("Magnolia Bostad" or the "Company") has decided on a share offering through a combined share issue and sale of existing shares (the "Offering"). In conjunction with the Offering, the board of Magnolia Bostad has applied for the Company's shares to be listed on Nasdaq First North.

- The Offering consists of a maximum of 8,299,965 shares, equivalent to 23.1 percent of outstanding shares in the Company after the Offering, of which a maximum of 4,693,341 are primary shares offered by the Company and a maximum of 3,606,624 are secondary shares offered by Magnolia Bostad's main shareholder
- The price of the Offering will be determined through a book-building process within a range of SEK 35–41 per share. The range implies a valuation of the Company of SEK 1,095–1,283 million before the Offering (pre-money)
- If subscribed for in full, the Offering will raise up to SEK 192 million of gross proceeds to the Company. The total maximum size of the Offering is approximately SEK 340 million
- The Offering is divided into two parts: An offer to the general public in Sweden and an offer to institutional investors
- *The offer to institutional investors:* In order to achieve a relevant market value, institutional investors are invited to bid for the shares in a book building process. The book building process for institutional investors is to take place during the period May 27–June 4 2015
- *The offer to the general public in Sweden:* The application to subscribe for shares as part of the Offering to the general public will only be made in even 100 share tranches adding up to a minimum of 200 shares and a maximum of 25,000 shares. The application to subscribe for shares in the Offering to the general public shall be made during the period May 27–June 3 2015
- The final issue price will be the same for both the general public as well as the institutional investors. It will be decided based on the book building process for the institutional investors and be made public around June 5 2015
- First day of trading on Nasdaq First North is anticipated to June 9. Trading in the Company's shares will be made under the stock symbol MAG
- The Board of Directors of Magnolia Bostad has prepared a prospectus in conjunction with the Offering. The prospectus has been approved by the Swedish Financial Supervisory Authority, Finansinspektionen.
- Pareto Securities is Sole Manager and Bookrunner for the Offering. Nordnet is acting Retail Manager.

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– Since we founded Magnolia Bostad in 2009, the company has rapidly developed into a significant player in the Swedish housing development market. The listing is the natural next step in the development of Magnolia Bostad and I see it as a clear indication that Magnolia Bostad has an important part to play, not least as a prominent developer of rental properties in Sweden.

Fredrik Holmström
Majority Owner and Chairman of the Board, Magnolia Bostad

– During the last few years, we have built a quality project portfolio which is now starting to generate substantial profits for the company. The stamp of approval that comes with a listing will increase the credibility of the company vis-a-vis stakeholders such as municipalities, financial institutions and potential future employees. It also adds to the financial means of the company and is required to keep growing and an opportunity to substantially increase the project portfolio.

Fredrik Lidjan
President, Magnolia Bostad

Background and rationale

Magnolia Bostad was founded in 2009 with a vision to create modern homes and living environments through attractive design and well considered functionality. Today, the Company develops rental and tenant-owned apartments in attractive locations in larger cities. The properties are normally built from the ground up on undeveloped land. Magnolia Bostad's goal is to use outstanding competency and effective processes to create added value in the whole development process including property acquisition, financing, concept development, property sales as well as the actual construction process.

During the last few years, significant growth has established Magnolia Bostad as one of the larger players in the Swedish market for housing development. With a substantial project portfolio, Magnolia Bostad is expecting to generate profit growth and capital yields which will surpass many of its competitors.

The Board has taken the decision to issue new shares and has at the same time applied for a listing of the Company's shares on Nasdaq First North. In addition, the board also aims to initiate a process to transfer the listing to Nasdaq OMX Stockholm Small Cap during 2016. The main purpose for the listing is to allow the project portfolio of Magnolia Bostad to continue to grow and take full advantage of the excellent opportunities that can be realised through investing in the property projects which are expected to occur during the next few years. Thus, the net cash flow from the share issue is primarily meant to be invested in new property projects, in addition to the Company's existing pipeline. A listing on Nasdaq First North will also strengthen Magnolia Bostad's position in the financial markets over the longer term.

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The Offering in short

Number of shares offered

The Offering includes 8,299,965 shares and is split into two parts:

- An offer to the general public
- An offer to institutional investors

The distribution of shares to each part of the Offering will be made based on the demand. The final price and allocation will be decided by the board of Magnolia Bostad after consultations with Pareto.

Offer price

The offer price in the Offering will be established based on a book building process and will, as a result, be based on demand and general market conditions. After consultations with Pareto, the offer price will be decided by the Company in the interval SEK 35–41 per share based on the order book built during the bidding process. The final offer price will be the same for the general public as well as the institutional investors and is expected to be made public on June 5 2015.

Preliminary time table

Subscription period (the general public)	27 May–3 June 2015
Subscription period (institutional investors)	27 May–4 June 2015
Final offer price and allocations are made public	5 June 2015
First trading day on Nasdaq First North	9 June 2015
Payment date	9 June 2015

Information regarding the share

Issue price:	SEK 35–41 share
ISIN-code:	SE0007074505
Share symbol:	MAG

The prospectus

The Board of Directors for Magnolia Bostad has prepared a prospectus in conjunction with the Offering. The prospectus has been approved and registered by the Swedish Financial Supervisory Authority, Finansinspektionen.

The prospectus and an application form (in Swedish) can be obtained in physical form from Pareto, and electronically from Pareto's and Magnolia Bostad's web sites: www.paretosec.com and www.magnoliabostad.se, respectively. Clients with a brokerage account at Nordnet can also apply through Nordnet's web site: www.nordnet.se.

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The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

Magnolia Bostad was founded in 2009 with a vision to create modern homes and living environments through the use of smart functions and attractive architecture. The company develops new housing, both rental apartments and tenant-owned apartments, mainly in attractive locations in Sweden's larger cities and regional capitals. We operate with a holistic view that aims to achieve long term sustainable development for the society at large. The project portfolio encompasses approximately 5,000 new homes.

*More information about Magnolia Bostad can be found at **www.magnoliabostad.se***