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PRESS RELEASE

June 5, 2015

The price of the initial public offering of Magnolia Bostad set at SEK 38 per share – trading in the share to commence on June 9, 2015.

The price in the initial public offering of Magnolia Bostad has been set at SEK 38 per share – trading in the share on the Nasdaq First North stock exchange will commence June 9, 2015.

The interest to subscribe in the initial public offering of Magnolia Bostad AB ("Magnolia Bostad" or the "Company") has been substantial, both from retail investors and Swedish and international institutional investors. The offering was oversubscribed throughout the price range and the Company's share will commence trading on Nasdaq First North on Tuesday, June 9 2015. Consequently, the application by the Company to be listed on Nasdaq First North has been approved.

The offering in brief:

- The offer price has been set at SEK 38 per share. The offering comprises a total of 8,299,965 shares of which 4,693,341 are primary shares and 3,606,624 secondary shares, equivalent to 21.9 per cent of the total number of outstanding shares after the completion of the offering
- After completion of the Offering, the total number of outstanding shares will be 37,822,283¹
- The total value of the offering amounts to SEK 315 million
- Gross proceeds from the issuance of primary shares amounts to SEK 178 million
- Based on the offering price, the total value of all outstanding shares in Magnolia Bostad post the offering is approximately SEK 1,437 million
- Magnolia Bostad will have approximately 700 shareholders after the completion of the offering
- Trading in the shares of Magnolia Bostad on Nasdaq First North will commence on June 9, 2015 under the ticker symbol, "MAG"
- Pareto Securities will act as Certified Advisor and liquidity provider to the Company and its share

¹ The number of shares includes 1,840,000 newly issued shares that were registered on June 4, 2015. The shares have been subscribed by senior managers of the Company, by use of warrants. For a more detailed description of the warrants and the Company's incentive program for senior managers, please refer to the prospectus for Magnolia Bostad that was published on May 26, 2015.

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- *We would like to extend our heartfelt welcome to all the new shareholders of Magnolia Bostad, and I look forward to continue the development of Magnolia Bostad in partnership with all of them. Acting in a listed environment with a strong financial position, we will take the development of Magnolia Bostad to the next level and further cement our position as one of Sweden's largest property developers,* adds Fredrik Holmström, Chairman of the Board and principal shareholder of Magnolia Bostad.
- *We are thrilled to have received such a huge interest in Magnolia Bostad from private as well as institutional investors and we are delighted to see that on completion of the process, the company will have a large number of new shareholders. I am proud of the confidence they have placed in Magnolia Bostad and I look forward to continue to develop the company with the support that the new capital will add,* says Fredrik Lidjan, President, Magnolia Bostad.

Advisors

Pareto Securities acts as sole manager and bookrunner while Roschier Advokatbyrå acted as legal advisor in conjunction with the offering. Nordnet is the selling agent in the part of the offering aimed to the general public (retail).

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In any EEA Member State other than Sweden that has implemented the Prospectus Directive, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe," "expect," "anticipate," "intends," "estimate," "will," "may," "continue," "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although Magnolia Bostad believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors, which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements.

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