

PRESS RELEASE

October 13, 2017

Report from the Extraordinary General Meeting of Magnolia Bostad AB held on 13 October 2017

Magnolia Bostad AB held its EGM on Friday, 13 October 2017. The main resolution passed at the meeting is shown below.

More detailed information about the contents of the resolution may be obtained from the complete notice of the EGM and the complete proposal. The notice and complete proposal are available on the Company's website: www.magnoliabostad.se.

New minority ownership structure

The meeting resolved to approve the implementation of the new minority ownership structure, as proposed to the meeting.

The CEO of the company, Fredrik Lidjan, is, through his wholly owned company Fredrik Lidjan AB ("FLAB"), a minority shareholder of two of Magnolia Bostad's subsidiaries. One of the subsidiaries, of which FLAB owns 10 per cent of the shares, has conducted all real estate development projects in the group which consists mainly of rental apartments (however, subject to certain criteria). 24 per cent of the shares in the other subsidiary, whose business consists of hotel development, are owned by FLAB.

The new minority ownership structure consists of an eight per cent shareholding in two subsidiaries of Magnolia Bostad, who will own all hotel development projects until 31 December 2020 as well as all other investments in the group until 31 December 2022, respectively. The purpose of the new minority ownership structure, and the replacement of the current minority ownership structure, is to give FLAB the same percentage of ownership for all new investments, regardless of type, by decreasing ownership from 10 and 24 per cent, respectively, to 8 per cent. This will eliminate any risk for conflict of interest.

The Extraordinary General Meeting resolved unanimously in accordance with the Board's proposal.

The board of directors have, in direct connection with the extraordinary general meeting, resolved to approve the agreements which constitutes the basis for the new minority ownership structure.

For more information, please contact:

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Magnolia Bostad develops new residential properties, including rental apartments, tenant-owned apartments, residential care housing, hotels and student housing, in attractive locations in Sweden's growth areas and major cities. Our work is based on a holistic approach where the operations are conducted in a manner that promotes long-term, sustainable urban development. Magnolia Bostad's share (MAG) is listed on Nasdaq First North Premier. Erik Penser Bank is the Certified Adviser for the Company. More information is available at www.magnoliabostad.se