

PRESS RELEASE

March 23, 2018

Annual general meeting in Magnolia Bostad 2018

The Magnolia Bostad AB board of directors has resolved to convene an annual general meeting of shareholders to be held Friday April 27, 2018. Further details on the proposals are found in the notice convening the meeting which is found below.

The notice is expected to be published in the Swedish Official Gazette (Post- och Inrikes Tidningar) and on the company's website within the next few days.

NOTICE OF ANNUAL GENERAL MEETING IN MAGNOLIA BOSTAD AB

The Annual General Meeting of Magnolia Bostad AB will be held on Friday, 27 April 2018 at 2.00pm at Berns, Berzelii Park, Stockholm. Registration begins at 1.00pm. Light refreshments will be served at the meeting.

RIGHT TO ATTEND AND NOTIFICATION TO THE COMPANY

Anyone wishing to attend the meeting must

- (i) be entered as a shareholder in the share register kept by Euroclear Sweden AB as of Saturday, 21 April 2018,
- (ii) give notice of their intention to attend no later than Monday, 23 April 2018.

Notification of attendance may be given in writing to the company at the address Magnolia Bostad AB, PO Box 5853, 102 40 Stockholm, Sweden, or by telephone on +46 70-288 80 49 weekdays between 9.00 am and 4.00 pm or on the company's website: www.magnoliabostad.se. When giving notification please state your name or company name, personal ID or company registration number, address and daytime telephone number. The registration procedure described above also applies to registration for any advisors.

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 as of Saturday, 21 April 2018. Registration in this way may be temporary. As Saturday, 21 April 2018 is not a banking day, Euroclear Sweden AB will issue the share register for the meeting as of Friday, 20 April 2018. Shareholders who want to attend the meeting must therefore have their shares registered in their own name already on Friday, 20 April 2018.

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Anyone who does not attend the meeting in person may exercise their right at the meeting via a proxy in possession of a signed and dated form of proxy. Forms of proxy are available on the company's website: www.magnoliabostad.se. The form of proxy may also be obtained from the company or be ordered by telephone using the number above. If the proxy is issued by a legal person, a copy of their registration certificate or equivalent documentary authority must be attached. The proxy must have been issued within the past year unless a longer period of validity is specified on the form of proxy, subject to a maximum of five years. To facilitate entry to the meeting, forms of proxy, registration certificates and other documentary authority must be received by the company in good time before the meeting.

PROPOSED AGENDA

1. Opening of the meeting
2. Election of Chair of the meeting
3. Preparation and approval of voting list
4. Approval of the agenda
5. Election of one or two persons to approve the minutes
6. Examination 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 auditor's report for the group
8. CEO's address
9. Resolutions on
 - a) Adoption of the profit and loss account and balance sheet, as well as the consolidated profit and loss account and consolidated balance sheet;
 - b) Allocation of the company's result in accordance with the adopted balance sheet and determination of the record date for dividends; and
 - c) Discharge from liability towards the company of the directors and the CEO for the financial year 2017
10. Resolution on alteration of the articles of association
11. Resolution on the number of directors and the number of auditors
12. Resolution on remuneration payable to the directors and auditor
13. Election of directors, Chair of the board and auditor
14. Resolution on guidelines for remuneration payable to senior executives
15. Closure of the meeting

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PROPOSED RESOLUTIONS

Election of Chair of the meeting (Item 2)

The nomination committee proposes that the Chair of the board, Fredrik Holmström, be elected Chair of the meeting.

Resolution on allocation of the company's result in accordance with the adopted balance sheet and determination of the record day for dividends (Item 9 b)

The board proposes that the distributable funds of SEK 299,177,492 be allocated as follows.

A dividend of roughly SEK 66,188,995 will be paid to the shareholders, equal to SEK 1,75 per share. The remaining sum of roughly SEK 232,988,498 will be carried forward. The proposed record day for dividends is 2 May 2018. If the resolution is passed at the AGM, it is expected that dividends will be distributed by Euroclear Sweden AB on 7 May 2018.

Resolution on alteration of the articles of association (Item 10)

The board proposes that a resolution be passed altering the articles of association essentially as follows.

1. Section 6 is altered to have the following wording

"The company shall have one to two auditors, of which one can be a registered accounting firm, with a maximum of two deputy auditors."

2. Section 10 is partially altered to have the following wording

"10. Election to the Board of Directors and auditor;"

A resolution under this item regarding resolution alteration of the articles of association will not be valid unless supported by shareholders representing at least two thirds of the votes cast and shares represented at the meeting.

Resolution on the number of directors and the number of auditors (Item 11)

The nomination committee proposes that the board shall consist of six directors, with no deputy directors, elected by the meeting for the period up until the next annual general meeting.

The nomination committee proposes that the company shall have two registered auditors and one deputy auditor.

Resolution on remuneration payable to the directors and auditor (Item 12)

The nomination committee proposes that the total fees paid up until the next annual general meeting amounts to SEK 1,900,000 (including compensation for committee work) and is distributed as follows. SEK 450,000 to the Chair of the board and SEK 250,000 to each other elected director of the board. Further, the Chair of the audit committee shall be paid SEK 80,000 and each other member of the audit committee shall be paid SEK 60,000.

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The nomination committee proposes that fees to the auditor shall be paid according to approved current accounts.

Election of directors, Chair of the board and auditor (Item 13)

The nomination committee proposes that Fredrik Holmström, Fredrik Tibell, Andreas Rutili, Risto Silander, Jan Roxendal and Viveka Ekberg be re-elected as directors of the board. The nomination committee proposes that Fredrik Holmström be re-elected as Chair of the board.

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 be elected as auditor, the authorised public accountant Fredric Hävrén will be appointed auditor-in-charge. Further, the nomination committee proposes that Ingemar Rindstig be elected as auditor with Katrine Söderberg as deputy auditor.

Resolution on guidelines for remuneration payable to senior executives (Item 14)

The board proposes that the following guidelines for determining terms of employment and remuneration payable to senior executives be adopted for the period up to and including the next annual general meeting.

The company has chosen, considering the size and the scope of its business, not to establish a remuneration committee and has concluded that remuneration matters are more appropriately handled by the board as a whole.

In order to attract and retain competent employees and executives the remuneration should be at market level, competitive and comprise a fixed salary. The fixed salary is revised at the beginning of the calendar year. The fixed salary should be based on factors such as position, competence, experience and performance. In this assessment it should be taken into account that the company is in a highly expansive phase rather than in an administrative phase. The company may engage a consultant in the management team for a salary at market level.

Senior executives may receive variable remuneration in the form of a bonus that may total at most 12 months' fixed base salary. The bonus should be based on defined targets, related to the company's financial result as well as to individual performance. Variable remuneration is paid as non-pensionable salary.

Conditions governing pension should accord with market practice and be based on defined contribution pension agreements.

There are conditions for the CEO, governing non-compete obligations and remuneration after served employment. Remuneration due to the non-compete obligation should not exceed a total amount of 60 per cent of one years fixed salary.

All senior executives should, in addition to salary, variable remuneration and pension, receive company car and health care insurance. These benefits should comprise a minor portion of total remuneration and should be in line with market practice.

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The board may deviate from the guidelines adopted by the general meeting in individual cases where particular reasons or needs exist.

The board should propose to every annual general meeting, guidelines for remuneration payable to senior executives. The board should take into account changes in the company's size, business, management and ownership structure that may motivate alterations of the guidelines. The guidelines are adopted by the annual general meeting. Remuneration to the senior executives are proposed and approved in accordance with the board's rules of procedure.

Estimated cost for variable payments

The total cost for the variable payments to senior executives in accordance with the board's proposal, is estimated to an amount of maximum total 10.3 MSEK (including costs for social security contribution). Costs are based on existing remuneration levels and maximum utilization, and that defined targets required for remuneration are achieved. The estimated costs are based on the current number of senior executives. The employment agreement of the CEO, Fredrik Lidjan, does not allow for any variable remuneration.

DOCUMENTS

The complete proposals, along with financial statements and the auditor's report for 2017 will be available at the company and on the company's website www.magnoliabostad.se as from 6 April 2018 at the latest, and will be sent immediately without charge to any shareholders who so request and state their postal address. The documents will also be available at the meeting.

INFORMATION AT THE MEETING

If any shareholder so requests and the board considers it possible without material harm to the company, the board and the CEO must provide information at the annual general meeting on any circumstances that may influence determination of an item on the agenda, circumstances that may influence determination of the financial position of the company or any of its subsidiaries, the group accounts and the company's relationship to another group company. Any shareholder wishing to submit questions in advance may do so by post to the company's address above or by e-mail to the address bolagsstamma@magnoliabostad.se.

Stockholm, March 2018

Magnolia Bostad AB (publ)

Board of Directors

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For more information, please contact:

Fredrik Lidjan, CEO

++46 702 23 43 47, fredrik.lidjan@magnoliabostad.se

Mikaela Senator, IR Manager

+46 707 75 57 57, mikaela.senator@magnoliabostad.se

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