

Statement from the Board of Directors of Magnolia Bostad in relation to the public tender offer by Holmströmgruppen and Areim

This statement is made by the Board of Directors of Magnolia Bostad AB (publ) ("Magnolia Bostad" or the "Company") pursuant to Section II.19 of Nasdaq Stockholm's Takeover Rules (the "Takeover Rules").

Conclusion

The Board¹ unanimously recommends the shareholders of Magnolia Bostad to accept FHH's public tender offer.

Background

On July 7, 2021, F. Holmström Fastigheter AB ("Holmströmgruppen") and funds or entities managed or advised by Areim AB ("Areim"), through F Holmström Holding 6 AB ("FHH"), made a public tender offer to the shareholders of Magnolia Bostad to tender all their shares in the Company to FHH (the "Offer"). FHH offers SEK 76 cash for each share in Magnolia Bostad, corresponding to a total value for all shares in the Company of approximately SEK 2.9 billion².

The Offer entails a premium of approximately:

- 32.4 per cent compared to the closing price of SEK 57.4 for the Magnolia Bostad share on Nasdaq Stockholm on July 6, 2021 (being the last day of trading prior to the announcement of the Offer);
- 34.0 per cent compared to the volume-weighted average price of SEK 56.7 for the Magnolia Bostad share on Nasdaq Stockholm during the last 10 trading days prior to the announcement of the Offer; and
- 32.0 per cent compared to the volume-weighted average price of SEK 57.6 for the Magnolia Bostad share on Nasdaq Stockholm during the last 30 trading days prior to the announcement of the Offer.

The acceptance period for the Offer is estimated to run from July 12, 2021, until around August 18, 2021, with reservations for possible extensions.

The Board has, following a written request from FHH, given FHH the opportunity to conduct a limited due diligence investigation of confirmatory nature regarding the Company in connection with the preparations for the Offer, and FHH has in connection therewith also met with the Company's management. Besides from information from the quarterly report published by Magnolia Bostad on July 7, 2021, FHH has not been provided with any undisclosed inside information during the due diligence investigation.

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The completion of the Offer is conditional on customary conditions, e.g. that FHH becomes the owner of shares representing more than 90 per cent of the total number of outstanding shares in the Company and, with respect to the Offer and the completion of the acquisition of the Company, receipt of all necessary approvals from authorities being obtained on terms which, in FHH's opinion, are acceptable. FHH has reserved the right to waive these and other conditions in accordance with the Offer.

For further information regarding the Offer, see the press release published by FHH on July 7, 2021, and the offer document regarding the Offer that will be published before the acceptance period commences.

For the purpose of handling questions related to the Offer, the Board has instructed the independent Board members Risto Silander, Jan Roxendal, Anna-Greta Sjöberg and Andreas Rutili to form an independent bid committee to, on behalf of the Board, handle all questions related to the Offer. The chairman of the Board, Fredrik Holmström, and the Board members Fredrik Tibell and Viveka Ekberg are not independent in relation to Holmströmgruppen and in relation to Areim, respectively, and have therefore not participated in the handling of or resolutions on questions related to the Offer.

As part of the Board's evaluation of the Offer, the Board has obtained a fairness opinion from Deloitte AB. The fairness opinion, which is attached as an appendix to this press release, states that Deloitte AB considers that the Offer is fair from a financial point of view for the shareholders in Magnolia Bostad. It is noted that Deloitte AB's fee for the engagement does not depend on the size of the consideration, to what extent the Offer is accepted or whether the Offer is completed or not.

The Board has appointed KANTER Advokatbyrå as legal advisor in connection with the Offer.

The Board's assessment of the Offer

Process

The Board's opinion of the Offer is based on an evaluation of a number of different factors the Board has determined to be relevant when evaluating the Offer. These factors include, but are not limited to, the Company's current position, the expected future development of the Company and thereto related possibilities and risks. Also, the assessment is based on Deloitte AB's valuation statement regarding the fairness from a financial perspective for the shareholders of Magnolia Bostad.

Considerations

The Board is of the opinion that the Offer represents an offer premium in line with market practise. In addition, Deloitte AB, in accordance with the appended fairness opinion, considers that the Offer is fair from a financial point of view for the shareholders in Magnolia Bostad.

Conclusion

Taking into account the opportunities and risks of the Company, the Board concludes that the Offer represents an attractive offer to the shareholders.

In light of the above the Board unanimously recommends the shareholders of Magnolia Bostad to accept the Offer.

Effect on Magnolia Bostad

Under the Takeover Rules the Board is required, on the basis of FHH's statements in its Offer announcement, to make public its opinion of the effects the implementation of the Offer may have on the

Magnolia Bostad AB, CIN 556797–7078, is a leading urban developer that develops new residential properties primarily rental apartments but also tenant-owned apartments, community service properties and hotels, in attractive locations in Sweden's growth areas and major cities. Housing is being developed both for sale and for self-management. Our work is based on a holistic approach where the operations are conducted in a way that promotes long-term, sustainable urban development. Magnolia Bostad's shares (MAG) are listed on Nasdaq Stockholm. More information is available at www.magnoliabostad.se

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Company, specifically employment, and its views on FHH's strategic plans for Magnolia Bostad and the effect these may be expected to have on employment and the places where Magnolia Bostad conducts its operations. FHH has in the Offer press release stated the following:

"FHH does not currently have any intentions in respect of the Company's or FHH's employees and management, and assesses that a realisation of its current intentions or the plans set out above in respect of the operations of Magnolia Bostad will not entail any significant effects on the employees and management, including the terms of employment, of the merged group, nor on the locations where Magnolia Bostad carries out its operations. Thus, there are no concrete plans that could entail any such aforementioned significant effects."

The Board assumes that this description is accurate and has in relevant aspects no reason to take a different view.

This statement shall in all respects be governed by and construed in accordance with substantive Swedish law. Disputes arising from this statement shall be settled exclusively by Swedish courts. This statement has been made in a Swedish and English version. In case of any discrepancies between the Swedish and the English text, the Swedish text shall prevail.

Stockholm, July 7, 2021

The Board of Directors of Magnolia Bostad AB (publ)

For further information on the Board of Director's statement, please contact:

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This information is information that Magnolia Bostad is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CEST on July 7, 2021.

¹The chairman of the Board, Fredrik Holmström, and the Board members Fredrik Tibell and Viveka Ekberg, did not, due to conflict of interest, participate in the Board's assessment or resolution regarding the Offer.

²Based on the total number of shares of 37,822,283.