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PRESS RELEASE

Stockholm 4 June 2021

Aros Bostad announces offering of ordinary shares and publishes a prospectus in connection with the listing on Nasdaq First North Growth Market

Aros Bostadsutveckling AB (publ) ("Aros Bostad" or the "Company") announced on 25 May 2021 its intention to list the Company's ordinary shares on Nasdaq First North Growth Market and to carry out an offering of ordinary shares to the public in Sweden and to institutional investors in Sweden and internationally (the "Offering"). The Offering comprises both new and existing ordinary shares offered by the Company and certain shareholders. Today, the Company publishes the prospectus in connection with the Offering which has been approved by the Swedish Financial Supervisory Authority. The admission to trading of the Company's ordinary shares on Nasdaq First North Growth Market will be approved subject to customary distribution requirements for the ordinary share being fulfilled and that Nasdaq Stockholm AB resolves to admit the ordinary shares to trading. The first day of trading of the Company's share on Nasdaq First North Growth Market is expected to be 16 June 2021.

The Offering in brief

- The final price per share is set at SEK 56, corresponding to a total market value of the ordinary shares of c. SEK 1,800¹ million before the completion of the Offering.
- The Offering comprises 6,205,356 ordinary shares, of which 5,357,142 shares will be newly issued shares in the Company and 848,214 existing shares offered by LMK Ventures (the "Selling Shareholder").
- In order to cover a potential over-allotment in relation to the Offering, the Company has undertaken to provide DNB Markets with an over-allotment option, pursuant to which up to 930,803 additional shares can be offered (the "Over-allotment Option"), corresponding to a maximum of 15 per cent of the number of shares in the Offering.
- The newly issued shares in the Offering are expected to provide the Company with gross proceeds of SEK 300 million, before deduction of costs relating to the Offering.
- Assuming the Over-allotment Option is exercised in full, the value of the Offering will amount to c. SEK 400 million and correspond to c. 19 per cent of the total number of ordinary shares in the Company upon completion of the Offering.
- Rutger Arnhult via M2 Asset Management, Livsförsäkringsbolaget Skandia, ömsesidigt, Skandia Fonder, PriorNilsson Fonder, Bell Rock Capital Management and Cicero Fonder (the "Cornerstone Investors") have, subject to customary conditions, committed to subscribe for ordinary shares in the Offering for an amount of c. SEK 280 million. The Cornerstone Investors are guaranteed full allotment in accordance with their respective undertakings.
- M2 Asset Management has entered into an agreement with shareholders Johan Gustavsson, Samir Taha, Per Rutegård, Thomas Hollaus and the First Swedish National Pension Fund (AP1)

¹ Corresponding to a total market value of the ordinary shares of c. SEK 2,100 million upon completion of the Offering.

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to purchase 2,142,850 existing shares outside of the Offering, conditional upon the completion of the Offering, meaning that M2 Asset Management's ownership in the Company will amount to c. 10 per cent after the Offering is completed.

- The Offering is directed to the general public in Sweden as well as to institutional investors in Sweden and internationally.
- The subscription period for the general public is expected to take place between 7 June 2021 and 14 June 2021.
- The subscription period for institutional investors is expected to take place between 7 June 2021 and 15 June 2021.
- The first day of trading on Nasdaq First North Growth Market is expected to be 16 June 2021. Estimated settlement date is expected 18 June 2021. The Company's share will be traded under the ticker "AROS".
- A prospectus, which includes the complete terms and instructions for the Offering, has today been approved by the Swedish Financial Supervisory Authority and is available on the Company's website, www.arosbostad.se, and will be made available on the Swedish Financial Supervisory Authority's website, www.fi.se.

Magnus Andersson, CEO, comments:

"With today's publication of the prospectus and announcement of the offering, we are one step closer to the listing of Aros Bostad's ordinary share. This listing enables a new phase in our growth journey where we will continue to execute on one of Stockholm's largest building rights portfolios and develop more projects on our own balance sheet. We are incredibly happy and proud of the great interest already shown for the company. On behalf of Aros Bostad, I hereby want to welcome new shareholders to join us in the journey that lies ahead."

Johan A. Gustavsson, Chairman and founder, comments:

"The listing of the ordinary shares of Aros Bostad is an additional proof of quality of Aros Bostad and creates an even stronger platform for value creation for our shareholders, customers and cooperation partners. I would like to say thank you to our management and other employees, the Board of Directors and the owners, who together have brought the Company to its current position."

Background and motive for the Offering

Since November 2018, Aros Bostad has had preference shares listed on Nasdaq First North Growth Market. In September 2019, First Swedish National Pension Fund (AP1) entered Aros Bostad through a directed issue of ordinary shares for an amount of c. SEK 150 million. The directed issue of ordinary shares to AP1 was part of Aros Bostad's continued ambition to create favourable conditions for further expansion of the Company's project portfolio through value-adding building rights acquisitions, in addition to strengthening the shareholder base with a well-renowned institutional investor. Furthermore, during the fourth quarter of 2020, Aros Bostad conducted an exchange offer of the Company's preference shares and a directed issue of preference shares of series B for an amount of c. SEK 53 million. The exchange offer was an integrated refinancing package to reflect the Company's current status and risk profile.

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The Board of Directors and the Selling Shareholder believe that the timing is right to widen the shareholder base of the Company and to enable greater liquidity in the Company's ordinary share through the Offering and through the application for a listing of the ordinary share on Nasdaq First North Growth Market. The Offering and the listing are expected to benefit Aros Bostad's continued growth as well as provide the Company with a wider access to the capital market in combination with a diversified shareholder base of Swedish and international shareholders. The Company also expects that a listing on Nasdaq First North Growth Market will increase the awareness of Aros Bostad among municipalities, counterparties, the public and potential future co-workers.

The Company intends to use the net proceeds of SEK 283 million from the Offering to continue its growth journey as well as to increase its share of own projects. The net proceeds are intended to be used as indicated below (by order of priority):

- c. 90 per cent for acquisition of building rights, and residential development projects; and
- c. 10 per cent for general company purposes.

Potential proceeds from the Over-allotment Option will be used according to the allocation outlined above.

Prospectus and application

A prospectus including complete terms, guidelines and instructions for the Offering is available on Aros Bostad's website (www.arosbostad.se). During the application period, the prospectus will also be available on DNB's website (www.dnb.se/emission) and Avanza's website (www.avanza.se). Applications from the public in Sweden can be made through DNB or Avanza in accordance with the terms set out in the prospectus.

The prospectus has been prepared in accordance with the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The prospectus has been approved by the Swedish Financial Supervisory Authority, which is the Swedish competent authority in accordance with the Prospectus Regulation, in accordance with article 20 in the Prospectus Regulation. The Swedish Financial Supervisory Authority only approves the prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. The approval should not be considered as an endorsement of the Company or as an endorsement of the quality of the shares that are the subject of the prospectus and does not indicate that the Swedish Financial Supervisory Authority guarantees that the facts in the prospectus are correct or complete. Investors should make their own assessment as to the suitability of investing in the Company's shares.

Preliminary timetable

Application period for institutional investors: 7-15 June 2021

Application period for the general public in Sweden: 7-14 June 2021

First day of trading: 16 June 2021

Settlement day: 18 June 2021

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About Aros Bostad

Aros Bostad is a residential developer within the Stockholm area focusing on developing modern, functional and sustainable residential housing in attractive geographical areas, with timeless choices of materials and designs. The Company acquires and develops land into building rights and subsequently into residential housing. With a long-term perspective and responsibility for the entire value chain, Aros Bostad creates a safe deal for home buyers as well as stable returns for the investors. The Company was founded in 2006 and its primary geographical market is the greater Stockholm area and Uppsala. The Company's project portfolio has historically been built up through fund structures in collaboration with institutional investors, as well as through own acquisitions. Aros Bostad has residential development projects in different stages of development corresponding to c. 4,600 units.

Main investors in Aros Bostad's funds is primarily institutional capital from AP1, Varma, SEB Trygg-Liv, SEB Pensionsstiftelse, Östersjöstiftelsen as well as several prominent and financially strong entrepreneurs and investors.

The Company's class A and B preference shares are listed on Nasdaq First North Growth Market.

Stabilisation measures

DNB Markets, a part of DNB Bank ASA, Sweden branch, may, in its role as stabilisation manager in connection with the Offering, conduct transactions in order to maintain the market price for the shares at a level above that which might otherwise prevail in the open market. Such stabilisation transactions may be carried out on Nasdaq First North Growth Market, in the over-the-counter market or otherwise, at any time during the period starting on the date of commencement of trading in the shares on Nasdaq First North Growth Market and ending not later than 30 calendar days thereafter.

The stabilisation manager has no obligation to undertake any stabilisation measures and there is no assurance that stabilisation measures will be undertaken. Under no circumstances will transactions be conducted at a price higher than the one set in the Offering. The stabilisation manager may utilize the Over-allotment Option to overallocate shares in order to facilitate any stabilisation transaction.

The stabilisation transactions, if conducted, may be discontinued at any time without prior notice but must be discontinued no later than within the aforementioned 30-day period. The stabilisation manager must, no later than by the end of the seventh trading day after stabilisation transactions have been undertaken, in accordance with article 5(4) of the Market Abuse Regulation (EU) 596/2014 and the Commission Delegated Regulation (EU) 2016/1052, disclose that stabilisation measures have been undertaken. Within one week of the end of the stabilisation period, the stabilisation manager will disclose whether or not stabilisation measures were undertaken, the date on which stabilisation started, the date on which stabilisation was last carried out as well as the price range within which stabilisation was carried out for each of the dates when stabilisation measures were conducted.

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Advisers

DNB Markets, a part of DNB Bank ASA, Sweden branch, has been appointed as Sole Global Coordinator and Sole Bookrunner, and Baker McKenzie as legal adviser in connection to the Offering.

Erik Penser Bank is the Company's Certified Adviser and may be contacted at the following details:

- E-mail: certifiedadviser@penser.se
- Telephone: +46 8 463 83 00

Information

For more information about the Company and the Offering, please visit www.arosbostad.se or contact:

- Magnus Andersson, CEO, e-mail: magnus.andersson@arosbostad.se, telephone: +46 8 400 230 50
- Ken Wendelin, CFO/Deputy CEO, e-mail: ken.wendelin@arosbostad.se, telephone: +46 73 518 02 70, or
- Anna Åkerlund, Head of Communications, e-mail: anna.akerlund@arosbostad.se, telephone: +46 70 778 28 97.

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This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Company. The information in this press release is only intended to describe the background of the Offering and does not claim to be complete or exhaustive. No assurance is made with respect to the information in the press release as regards its accuracy or completeness. DNB Markets, a part of DNB Bank ASA, Sweden Branch ("**DNB**"), is acting for Aros Bostad in connection with the Offering and not for anyone else. DNB will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Offering or any other matter referred to herein.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. A prospectus has been prepared in connection with the Offering which has been scrutinized and approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) which is the national competent authority in Sweden under the Prospectus Regulation. The prospectus is available on the Company's website and, within a few days, also on the Swedish Financial Supervisory Authority's website.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's and the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the Group operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these

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forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. 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 Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq First North Growth Market's rule book for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Company's shares have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the Company's shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

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For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in the Company and determining appropriate distribution channels.