

STATEMENT BY THE BOARD OF DIRECTORS OF BONAVA AB (PUBL) PURSUANT TO CHAPTER 19, SECTION 22 OF THE SWEDISH COMPANIES ACT

Due to the board of directors' proposal that the extra general meeting shall authorise the board of directors to resolve on execution of acquisition of shares of series B in Bonava AB (publ), the board of directors hereby makes the following statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act.

The board of directors' reason that the proposed authorisation to the board of directors to resolve on execution of acquisition of shares of series B in Bonava AB (publ) is justifiable in light of Chapter 17, Section 3, paragraphs 2 and 3 of the Swedish Companies Act, is the following.

The company's profit and the previous year's retained earnings amounted to SEK 4,857,572,913 in total as per 31 December 2015. No dividend or transfers of value to the company's shareholders have occurred since the annual report was presented. As per 30 June 2016 the group's equity/assets ratio amounted to 27 per cent and the net debt to SEK 5,080,310.

The proposed authorisation to acquire shares only intends to secure the company's obligations (including costs for social security costs) under the LTIP 2016 (as defined under item 7 in the notice to the extra general meeting), and other from time to time, if any, share based incentive plans resolved by a general meeting. The authorisation is limited to a maximum of 411,386 shares of series B. Based on the closing share price of the company's share of series B on 5 August 2016, full utilisation of the authorisation corresponds to SEK 39,637,041. There will be full coverage of the group's and the parent company's restricted equity following utilisation of the authorisation.

With reference to the above, the board of directors considers the proposed authorisation to acquire shares to be justifiable taken into consideration.

1. the demands with respect to size of shareholders' equity which are imposed by the nature, scope and risks associated with the operations (of the group as well as of the company), and
2. the company's and the group's need to strengthen its balance sheet, liquidity and position in general.

Solna in August 2016

Bonava AB (publ)

The Board of Directors