

Remuneration report 2023

Introduction

This remuneration report provides an outline of how Bonava's guidelines for executive remuneration, adopted by the annual general meeting 2023, have been implemented in 2023. The report also provides details on the remuneration to Bonava's CEO. In addition, the report contains a summary description of Bonava's outstanding share and share-price related incentive plans, and any such plan that was completed during 2023.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 4 on page 72-76 in the annual report 2023.

Information required by Chapter 5, Sections 40-44 §§ of the Annual Accounts Act (1995:1554) is set out on note 4 in the annual report 2023.

Information on the work of the remuneration committee in 2023 is set out in the corporate governance report available on page 41-50 in the annual report 2023.

Key developments 2023

The CEO summarizes the company's overall performance in his statement on page 9-11 in the annual report 2023.

Guidelines for remuneration

In Bonava's guidelines for remuneration it is stated that remuneration to the CEO shall be on market terms and promote the long-term business strategy. A prerequisite to a successful implementation of the company's business strategy and protection of its long-term interests, including sustainability, is that the company can recruit and retain qualified employees. For this purpose, it is necessary for the company to offer a competitive remuneration.

Remuneration to the CEO consists of fixed basic salary, variable cash remuneration, pension benefit and other benefits.

The remuneration guidelines, adopted by the annual general meeting 2023, are set out on page 45 in the annual report 2023. The auditor's report regarding the company's compliance with the guidelines is available on the company's website.

In addition to remuneration covered by the remuneration guidelines, the annual general meeting of Bonava has resolved to implement long-term share-related incentive plans. The incentive plans are distinctly linked to the business strategy and thereby sustainability and to the company's long-term value creation through the defined performance measures.

Total remuneration of the CEO

Table 1 – Total remuneration to the CEO for the financial year 2023

		Base salary	Variable cash remuneration	Share-based remuneration	Benefits	Occupational pensions	Other remuneration	Total remuneration
Peter Wallin CEO	kSEK	8 485	1 879	0	9	2 490	0	12 8636
	Percentage of total remuneration	66	15%	0%	0%	19%	0%	100%

Base salary includes car allowance, holiday pay and reduced working hours. Benefits includes health insurance and wellness allowance. Other remuneration includes, where applicable, severance pay. Variable cash remuneration refers to earned and actual paid remuneration attributable to the financial year and performance in 2023. Share-based remuneration refers to any paid out share-based remuneration, presented in detail in Table 2 below. Variable cash remuneration and share-based remuneration (variable remuneration) amounted to 15 percent of base salary, benefits and occupational pensions (fixed salary).

Variable cash remuneration

Variable cash remuneration is linked to predetermined and measurable criteria with a clear connection to the company's predefined financial or qualitative objectives. Variable cash remuneration may amount to a maximum of 60 percent of the fixed cash remuneration. The outcome is related to the achievement of set targets regarding profitability as well as growth for the group. The board of directors is responsible for the evaluation of the CEO's outcome. The Board have evaluated the following parameters to decide the outcome for CEO: earnings before interest and taxes, measures to improve cash flow, and divestment of the business units Norway and S:t Petersburg. The outcome for the financial year 2023 amounted to 42,1 percent of the maximum possible outcome.

Share-based remuneration

Outstanding share and share-price related incentive programmes

During 2023, Bonava had four outstanding long-term performance-based share programmes for approx. 50 senior executives and key personnel within the Bonava Group (, LTIP 2020, LTIP 2021, LTIP 2022 and LTIP 2023). The purpose of the programmes is to connect the shareholders' and the executive management's interests ensure maximum long-term value creation, to create a long-term group-wide focus on performance development and to facilitate the recruitment and retention of members of the executive management and other key personnel.

All incentive programmes performance based and with a duration of three years. From LTIP 2022 there is also a possibility to receive matching shares equivalent to 1/9 of the total

maximum potential allocation after the end of the program. Participation in the programmes requires an investment in shares of Bonava AB, so called investment shares, which are allocated to the programme. All programs are limited to a maximum of 400% of the share price (including any compensation for dividends) upon vesting.

LTIP 2020's performance period runs the financial years 2020 - 2022 for the target ROCE. The targets TSR and relative TSR are measured as a comparison where the starting value was at the publication of Bonava's interim report for the first quarter of 2020 and the final value is at the corresponding time in 2023. Earnings are made after the publication of Bonava's interim report for the first quarter 2023. No pay-out occurred since the targets were not achieved.

LTIP 2021's performance period runs the financial years 2021 - 2023 for the target ROCE. The targets TSR and relative TSR are measured as a comparison where the starting value was at the publication of Bonava's interim report for the first quarter of 2021 and the final value is at the corresponding time in 2024. Earnings are made after the publication of Bonava's interim report for the first quarter 2024.

LTIP 2022's performance period runs the financial years 2022 - 2024 for the target EBT. The target TSR are measured as a comparison where the starting value was at the publication of Boanava's intermin report for first quarter of 2022 and the final value is at the corresponding time in 2025. Earnings are made after the publication of Bonava's interim report for the first quarter 2025.

LTIP 2023's performance period runs the financial years 2023 - 2025 for the target EBIT. The target TSR are measured as a comparison where the starting value was at the publication of Boanava's intermin report for first quarter of 2023 and the final value is at the corresponding time in 2026. Earnings are made after the publication of Bonava's interim report for the first quarter 2026.

Table 2 – Share-based remuneration to the CEO

Name	Programme	Number of invested shares	Number of awarded share awards ¹	Value of allocated share rights (SEK) ²	Number of unvested shares	Number of vested shares	Value of vested shares (SEK)
Peter Wallin, CEO	LTIP 2021	5 983	35 898 ³	3 377 643	35 898	0	0
	LTIP 2022 ⁴	0	0	0	0	0	0
	LTIP 2023	33 747	151 862 ⁵	3 372 230	151 862		
	TOTAL	39 730	187 760	6 414 873	187 760	0	0

¹ In 2024, the company carries out a rights issue which will affect the number of allocated share rights. The restated number will be recognised in the 2024 report.

² Share price at allotment LTIP 2021 SEK 94.049, LTIP 2023 20,00 SEK. The value of allotted share right and synthetic shares is not discounted for performance requirements.

³ Of which 17 949 synthetic shares

⁴ The CEO was not able to participate in LTI 2022 given obtaining insider information.

⁵ Of which 75 931 synthetic shares

Comparative information on the change of remuneration and company performance

Tabell 3 – Change in remuneration and the company's performance during the last three reported financial years

Annual change	2020/2021	2021/2022	2022/2023
<i>CEO Remuneration⁶</i>			
Yearly change in total remuneration	1% ⁷	-0,5%	10,1% ⁸
<i>Company's performance</i>			
Net operating income ⁹	10%	-23%	-30%
<i>Average remuneration on a full time equivalent basis of employees</i>			
Bonava AB ¹⁰	10%	22% ¹¹	-7% ¹²

Reclaimed remuneration

The board of directors has not reduced or reclaimed any remuneration paid.

Implementation of the guidelines

No deviations from the guidelines were made during the year. The board and the remuneration committee have handled the remuneration in accordance with the process and the principles set out in the guidelines.

⁶ Total remuneration refers to paid or earned remuneration during 2023 and includes all remuneration components as they are presented in table 1.

⁷ Due to miscalculation of the percentage change, it has been adjusted from -3% to 1% compared to Remuneration Report 2022..

⁸ An increase in base salary, pensioncost and STI outcome resulted in a higher total remuneration for 2023 compared to 2022

⁹ Excluding items affecting comparability. For more information se note 25 on page 90 in the annual report 2023. The change in operating income has not taken into account the restatement of the comparative figures for 2022.

¹⁰ Total remuneration for all other employees in the parent company Bonava AB divided by the number of full-time equivalents in parent company during each year.

¹¹ The restructuring of the parent company has resulted in the payment of remuneration to employees in the year 2022 in connection with the transition, while the number of FTEs has decreased compared to 2021. Due to miscalculation of the percentage change, it has been adjusted from 24% to 22% compared to Remuneration Report 2022.

¹² The company had lower costs for restructuring in 2023 compared to 2022 which means a lower average remuneration for employees in the company.