



Press release, 1 February 2024

Bonava revises its financial targets

Bonava's Board of Directors has today decided to revise the financial targets that were set in 2023. The target that the operating margin is to amount to at least 10 per cent on an annual basis from 2026 stands firm, while the target that the net debt/equity ratio is not to exceed 1.0x. will be removed. Instead, a new target has been introduced stating that return on equity is to be at least 15 per cent over time. The four other strategic non-financial targets remain unchanged.

- The reason for updating our financial targets is to more clearly steer the operations towards creating higher returns for our shareholders over time. These are long-term targets we are aiming for, while they will be difficult to achieve in the short term. Our potential to achieve the targets is linked to our ability to gradually increase the number of production starts to a more sustainable level over time, says Peter Wallin, President and CEO of Bonava.

Following on from the business plan adopted in autumn 2023, Bonava decided to review the company's financial targets. Bonava has decided on the following three targets: operating margin, return on equity and dividend payout ratio.

Our target of achieving an operating margin before items affecting comparability of at least 10 per cent from 2026 stands firm, as does Bonava's dividend policy, stating that the company will distribute 40 per cent of consolidated profit after tax to shareholders over time. As part of the new financing package, the possibility of distributing dividends over the next three years will be limited.

The new financial target of return on equity is being introduced to clarify how Bonava works with capital efficiency and returns for the company's shareholders. Return on equity is to be at least 15 per cent over time.

The above targets are based on a financial framework to ensure control of the financial risk. The equity/assets ratio is to exceed 30 per cent and the Group's net debt is not to exceed net project assets which is defined as the carrying amount of ongoing and completed projects after deductions for customer advances. This clarifies that investments in building rights may only be made using shareholders' equity. The target that the net debt/equity ratio is not to exceed 1.0x. will be removed since it is no longer deemed relevant.

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Bonava is a leading residential developer in Europe with the purpose to create happy neighbourhoods for the many. The company is the first residential developer in Europe to receive approval from the Science Based Targets initiative for its climate targets. With its 1,600 co-workers, Bonava develops residential housing in

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Germany, Sweden, Finland, Norway, Estonia, Latvia and Lithuania, with net sales of approximately SEK 14 Bn in 2022. Bonava's shares and green bond are listed on Nasdaq Stockholm.

For more information about us, visit: bonava.com