

STATEMENT BY THE BOARD OF DIRECTORS PURSUANT TO CHAPTER 19, SECTION 22 OF THE SWEDISH COMPANIES ACT

Please observe

On 23 March 2020 Bonava announced through a press release that the Board of Directors has decided to withdraw the previous dividend proposal of SEK 3.00 per share. The previous statement pursuant to Chapter 18 Section 4 has therefore been removed from this document.

The board of directors has proposed that the annual general meeting, held on 31 March 2020 shall resolve to authorise the board of directors to acquire a maximum number of own shares of series B so that the company's holding following the acquisition does not exceed 10 per cent of all the shares of series B in the company at any time. Due to the board of directors' proposal on the authorisation to acquire own shares, 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 as to why the proposed authorisation to acquire own shares is justifiable in light of Chapter 17, Section 3, paragraphs 2 and 3 of the Swedish Companies Act, is the following.

The nature and scope of the operations and risk associated thereto

The nature and scope of the operations are stated in the company's articles of association and the submitted annual report. The business run by the company and the group is not imposing any risks in excess of those that exist or may be deemed to exist in the industry, or the risks generally associated with operating a business.

The company's and the group's financial position

The company's and the group's financial position as of 31 December 2019 is described in the most recently submitted annual report. The annual report also states the principles applied for valuation of assets, depositions and liabilities.

According to the most recently submitted annual report, the equity ratio of the group amounted to 32.1 per cent and the net debt to TSEK 6,872,767 as of 31 December 2019, which is within the limits of the company's financial targets. The group had access to TSEK 498,880 in liquid assets as of 31 December 2019. The company's return and financial position is good.

It is the assessment of the board of directors that the amount of shareholders' equity according to the annual report, is in reasonable proportion to the scope of the company's business and the risks associated with conducting it, considering the board of directors' proposal regarding the authorisation for the board of directors to resolve on execution of acquisitions of shares of series B in the company.

After the exercise of the proposed authorisation to acquire own shares, there will be full coverage for the company's restricted shareholders' equity. It is the assessment that the company and the group are able to fulfil their obligations, both on a short and a long-term basis.

The proposal's justification

With reference to the aforementioned, it is the board of directors' opinion that the proposed authorisation to acquire own shares is justified with reference to:

1. the requirements that the nature of the operations (the company's and the group's), its scope and risks place on the size of the shareholders' equity, and
2. the company's and the group's respective consolidation requirements, liquidity and position in general.

Stockholm in February 2020 (updated in March 2020)

Bonava AB (publ)
the Board of Directors