

Open Letter to Joachim Hallengren, CEO Bonava AB

Karlshorst, 3.2.2019

Dear Mr. Hallengren,

As the local neighborhood group "Karlshorst-Netz" in Berlin Karlshorst, we have followed the recent annual financial statement of Bonava (AB). We have analyzed the official documents ("Bebauungsplan") and the zoning process of the "Parkstadt Karlshorst" project.

As documented in the transcript of your conference call on Thursday, Jan 24th, 2019 at 9:00 GMT, you have made the following statement:

*"And then Parkstadt Karlshorst is even bigger. We sold a huge package, 470 units, to investors in December, but as you can see, the total development scheme is 1,000 units. And we brag about this project sometimes because it's a very good example of what the German society or what we can do within German legislation when it comes to residential development. **We changed the zoning incorporation with the municipalities, with the local municipality, and within 1.5 years' time, we were able to put the shovel in the ground.** I can't see any large Swedish or for that sake, Scandinavian developer who can compete with such a high speed going through a zoning process that we can do in Germany. So that is 1 reason why we really enjoyed being on that market."*

(Source: <https://finance.yahoo.com/news/edited-transcript-bonavb-st-earnings-212131075.html?guccounter=1>)

First, we really wonder how Bonava can change the zoning incorporation with the municipalities and specifically with the local municipality. What was the specific contribution of Bonava to achieve this? Is this compliant to your companies Code of Conduct (see below)?

"I believe that values and ethical conduct are essential for all activities with long-term ambitions. Disregarding this in the pursuit of short-term gains would be a serious mistake."

However, working according to sound values and principles is not only a general responsibility towards society. It is a responsibility towards every employee, every customer, every investor and every other stakeholder of the company.

I am convinced that only value-driven companies with a clear sense of right and wrong will have lasting success in our business.

Acting in line with our values and principles, that are laid out in this Code of Conduct, defines the minimum of what I expect from everyone working for Bonava. It is our joint

responsibility to make sure that everyone at Bonava respects these fundamentals.

It is also important to me that all of our business partners act in accordance with our basic principles.

Walking past a breach of values and principles means accepting that conduct. That is why I urge everyone to speak if someone or something violates what we stand for. I know that this sometimes requires courage and I guarantee that I will protect everyone who stands up for our values.

We must never forget that Bonava's success depends on our integrity, and the trust of our customers, investors and everyone else we work with.

Yours sincerely,



Joachim Hallengren
President and CEO

(Source: https://www.bonava.com/sites/default/files/bonava_Code_of_Conduct_en_2017.PDF)

Second, the traditional groundbreaking ceremony has not happened yet, in contrast to your official statement on the stock market. To undoubtedly recognize the condition of the project to date (picture from 31st of Jan 2019), please have a look below. The area is not cleared, a significant building still must be teared down.



(Source: Karlshorst-Netz; Viewpoint: Seepark/Trautenauer Strasse; 180 Degree Panorama View)

Third, please be informed no formal right to pursue ("Planreife" as well as "Baurecht") has been granted. Currently all neighborhood concerns are under review. The final decision of the "Bezirksverordnetenversammlung Lichtenberg" (BVV), which is mandatory to begin, has not happened yet!

Fourth, about 20 neighbors raised significant concerns related to the number of units and the inappropriately scaled infrastructure. 17.600 square meter (appr. 176 units / 17% of the total units) are on purpose not included in the planned infrastructure and therefore an additional budget needs to be created to comply with financial regulations.

Please help us to understand how this project can become a cornerstone for the further development of our great neighborhood Karlshorst.

Sincerely yours,

Albrecht Gramberg & Dr. Götz Frommer
Karlshorst-Netz

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