



## Interim report January-June 2023



Homes & Neighbourhoods

# Bonava's markets stabilising

## 1 APRIL–30 JUNE 2023\*

- Net sales amounted to SEK 3,586 M (3,332)
- The gross margin was 10.4 per cent (16.2). Provisions totalling SEK 62 M in Sweden and Germany impacted the gross margin during the quarter.
- Operating profit was SEK 195 M (332) and the operating margin was 5.4 per cent (10.0)
- Earnings per share<sup>2)</sup> were SEK 0.34 (1.94)
- The number of housing units sold was 390 (666)
- The number of production starts was 217 (709)
- The number of building rights amounted to 29,400 (29,700)
- On 31 May, Bonava signed an agreement to divest its operations in St. Petersburg. See further Note 6.
- On 30 June, Bonava completed the divestment of its operations in Norway. The purchase price totalled SEK 1,532 M, of which SEK 765 M was paid in cash upon completion of the transaction, and the remainder will be paid via vendor notes between 2024 and 2026. Capital loss totalled SEK -824 M. See further Note 6.
- The number of votes in Bonava AB changed as a result of the conversion of 40,000 Class A shares to 40,000 Class B shares. The total number of votes in the company is 208,830,660. For more information about the share, refer to page 15.

\* Recognised revenue and profit pertain to continuing operations, excluding St. Petersburg and Norway. As of the third quarter of 2022, St. Petersburg is reported as discontinued operations. As of the second quarter of 2023, Norway is reported as discontinued operations, and restated comparison figures can be found on [www.bonava.com](http://www.bonava.com).

## 1 JANUARY–30 JUNE 2023\*

- Net sales amounted to SEK 5,515 M (5,718)
- The gross margin was 9.8 per cent (14.7)
- Operating profit was SEK 167 M (431) and the operating margin was 3.0 per cent (7.5)
- Earnings per share<sup>2)</sup> were SEK -0.51 (2.38)
- The number of housing units sold was 668 (1,412)
- The number of production starts was 551 (1,119)
- The number of building rights amounted to 29,400 (29,700)
- On 2 February 2023, Bonava announced a revision of its financial targets. A new target is that the operating margin is to amount to at least 10 per cent from 2026. Furthermore, the net debt/equity ratio will not exceed 1.0x. See further page 6.

SEK M and excluding St. Petersburg and Norway unless otherwise stated	2023 Apr–Jun	2022 Apr–Jun	Δ%	2023 Jan–Jun	2022 Jan–Jun	Δ%	Jul 2022 – Jun 2023	2022 Jan–Dec
Net sales	3,586	3,332	8	5,515	5,718	-4	13,783	13,987
Gross profit	374	538	-31	543	842	-35	1,390	1,689
Gross margin, %	10.4	16.2		9.8	14.7		10.1	12.1
Operating profit before items affecting comparability <sup>1)</sup>	195	332	-41	167	431	-61	594	858
Operating margin before items affecting comparability, % <sup>1)</sup>	5.4	10.0		3.0	7.5		4.3	6.1
Operating profit after items affecting comparability	195	332	-41	167	431	-61	538	802
Operating margin after items affecting comparability, %	5.4	10.0		3.0	7.5		3.9	5.7
Profit before tax	47	291	-84	-74	355	-121	180	609
Earnings per share, SEK <sup>2)</sup>	0.34	1.94	-82	-0.51	2.38	-121	1.22	4.10
Net debt <sup>3)</sup>	6,631	5,881	21	6,631	5,881	21	6,631	7,259
Return on capital employed, R12, % <sup>3)</sup>	4.6	10.6		4.6	10.6		4.6	6.9
Equity/assets ratio, % <sup>3)</sup>	29.2	33.9		29.2	33.0		29.2	31.2
Number of building rights	29,400	29,700	-1	29,400	29,700	-1	29,400	29,400
Number of housing units sold	390	666	-41	668	1,412	-53	1,792	2,536
Sales value of housing units sold	1,511	2,039	-26	2,421	4,586	-47	6,093	8,258
Number of production starts	217	709	-69	551	1,119	-51	1,945	2,513
whereof investment properties							231	231
Number of housing units in production	5,087	7,591	-33	5,087	7,591	-33	5,087	6,498
whereof investment properties	426	195		426	195		426	426
Sales rate for ongoing production, % <sup>4)</sup>	65	72		65	72		65	69
Number of housing units recognised in profit	1,203	1,145	5	1,806	1,944	-7	4,231	4,369

<sup>1)</sup> The key figures in Jul 2022–Jun 2023 and Jan–Dec 2022 were impacted by items affecting comparability.

<sup>2)</sup> Before and after dilution. For more information about the Group's key figures, see page 25 and <https://www.bonava.com/en/investor-relations/financial-information>.

<sup>3)</sup> Including St. Petersburg and Norway. Vendor notes recorded as asset in net debt. See Note 6. Calculated in accordance with the definition of equity/assets ratio in the loan agreement, the covenant was 29.4 per cent. Refer also to page 6.

<sup>4)</sup> Excluding Build-to-Manage. Including Build-to-Manage, the sales rate totalled 62 per cent.

**594**  
EBIT SEK M, RTM

**1,792**  
NUMBER OF HOUSING UNITS SOLD, RTM

**29,400**  
NUMBER OF BUILDING RIGHTS

# Comments from the CEO

In the second quarter we see signs of stabilising in our markets. The sale of the Norwegian operations improves our financial situation and we continue to take measures to increase selling and cash flow.

## Stabilisation of the market during the quarter – increased sales

No pronounced improvements in the market situation could be discerned in the second quarter, but we are seeing signs of stabilisation and cautiously rising figures in the number of housing units sold – from 278 in the first quarter to 390 in the second quarter. The priority for us is to continue selling, and to start projects where the conditions are right, while implementing measures to strengthen cash flow.

Our sales rate for housing units in ongoing production is 65 per cent, and we have binding contracts for housing units totalling around SEK 11.4 Bn to deliver over the coming 18 months. In projects where completion is planned for 2023, the sales rate is 75 per cent. We are seeing the highest level of sales activity in several of our significant German and Baltic sub-markets, with Berlin, Cologne, Dortmund and Riga. In Sweden and Finland as well, we are beginning to notice a gradual improvement from low volumes.

## Continuous measures to strengthen cash flow

The market situation requires decisive action. We are primarily implementing three types of measures to strengthen cash flow and the balance sheet:

Firstly, we are working on boosting sales, and one key to this is being close to the market. With focus on continuing to sell homes even in a more challenging market, we are adapting our offering on an ongoing basis. As a result, we keep the volume of completed unsold housing units down, which would otherwise tie up a great deal of capital.

Secondly, we are reducing our overheads through both structural changes and adaptations to lower business volumes. We are well in line with previously communicated savings targets totalling SEK 600 M annually, but this will not be enough. We need to constantly adapt our savings measures to future business volumes. We recognise our costs net, after attributing them to projects, and recognise them in profit and loss when the units are handed over to customers. Even if we have decreased costs significantly, the rapidly falling volumes in ongoing projects mean that some functions have over-capacity. The cost for such functions cannot be fully attributed to projects and capitalised, and is instead recognised in profit and loss immediately. Even if we gradually reduce our costs, it is difficult to keep the pace on cost savings and decreased capitalisation in individual quarters, even if we are on track on an annual basis.

Thirdly, we continue to review and optimise our portfolio of building rights and projects. As a result of the new market situation, we are evaluating where we have the greatest potential to create profitable projects. We have begun sales of building rights that will generate positive cash flows. In some cases cash flow will take priority over selling price.

## Increased sales with margins reflecting a focus on cash flow

During the quarter, Bonava delivered housing units in accordance with plans, and net sales rose to SEK 3.6 Bn (3.3). Gross profit for the quarter was SEK 374 M (538), corresponding to a gross margin of 10.4 per cent (16.2). The gross margin reflects our focus on cash flow, where a higher share of investor transactions with lower margins but with periodic payment plans impacted the comparison with the preceding year. In addition, we have taken measures in Sweden and Germany to improve future cash flows, and set aside risk provisions, together totalling SEK 62 M. Adjusted for these provisions, our underlying gross margin was 12.2 per cent. In the same period last year a higher share of projects to consumers, which are more profitable, were recognised.

Operating profit totalled SEK 195 M (332), corresponding to an operating margin of 5.4 per cent (10.0).

## Strengthened financial position

Our priority is, and has been, to improve cash flow and our financial position in order to secure future re-financing. Bonava Norway was divested in the second quarter. Even if it was sold at a loss, the transaction frees up capital, reduces future investment requirements and creates better opportunities for the rest of the Group.

During the second quarter we also signed an agreement to sell the operations in St. Petersburg. The buyer is still working on obtaining approvals from authorities, which is a condition for the divestment and thereby for recognition in profit. The net assets in the operations are currently valued at zero in the balance sheet.

Net debt decreased to SEK 6.6 Bn. We fulfill the covenants in our loan agreements, with the equity/assets ratio amounting to 29.4 per cent (loan covenant, 25%) and the interest coverage ratio (operating profit/loss in relation to interest expense) amounting to 4.0 (loan covenant, 2.0). Our net debt/equity ratio (net debt in relation to visible shareholders' equity) was 0.9, compared with our internal target of 1.0.

## New sustainable neighbourhoods are needed

Our industry is in a challenging situation, as rapidly increasing interest rates and rising cost for housing construction have created imbalances. Recovery will take time.

At Bonava, we know what needs to be done, and we are taking action. With a strengthened balance sheet and robust measures to streamline the operation, I am convinced that we will stand strong ahead of the turnaround in the housing market that awaits. Over the long term, the need for new sustainable neighbourhoods in our markets is significant.

**Peter Wallin**  
President and CEO



*"The priority for us is to continue selling and to start projects where the conditions are right, while implementing measures to strengthen cash flow."*



# Market trend

Population growth and urbanisation in combination with low levels of housing construction over many years has led to a shortage of housing units in destination regions. In the long term, we foresee a large need for sustainable and well-planned homes. However, the market situation at present is challenging, with a sharp fall in housing construction as a result.

Our business is local, there are many players, competition is fierce and market developments are rapid. Those who act decisively to meet the new conditions will be standing strong when the market turns around.

During the preceding year, we noted increased costs for materials. At present, these cost increases have tapered off and energy prices have begun to fall back. Access to materials has stabilised while many subcontractors are competing for bids.

Demand for our housing units remained cautious. Raised interest rates, high inflation, and increased uncertainty affected demand, primarily, but also the development of prices. Sales lead times were still long in the second quarter. With that said, we are seeing some improvement since the first quarter. Selective price reductions made home buyers more prone to act.

## Germany

Germany is Bonava's largest market. There has been a shortage of housing units in Germany for many years and this topic is high on the political agenda. The offering of new housing units is low, while customers are cautious. Housing prices in large cities were impacted to a greater extent than prices outside these areas. Berlin, Cologne and Dortmund are the regions in which we are seeing the highest activity at present.

## Sweden

Sweden is Bonava's second-largest market. We have an attractive breadth in our offering of housing units for investors and consumers, in or near large cities. Higher costs of living and rising interest rates have resulted in a cautious market. In Sweden, we are experiencing a sharp slowdown as regards both production starts and sales of housing units. During the second quarter, we saw more stable price levels and consumers beginning to regain confidence in the market. Despite this, the overall market volumes remain low.

## Finland

The housing market in Finland is concentrated primarily to the metropolitan regions with the largest population growth and developed infrastructure: Helsinki, Tampere and Turku. The housing market in Finland has suffered greatly from rising interest rates and inflation, and customer activity is subdued.

## Baltics

The markets in all three Baltic capitals are growing economies. The low quality of the existing housing stock combined with growing demand for rental housing presents opportunities to build and manage them. The favourable market conditions in the Baltic markets remain, with a low level of unemployment and a lack of supply. Prices have slowed slightly in all markets, with the demand in Riga being the most stable.



# Group performance

Due to the fact that Bonava has divested its operations in Norway and intends to divest its operations in St. Petersburg, the Group's income statement is presented in accordance with IFRS 5 Non-current assets held for sale and discontinued operations. This entails recognising the result from the operations in Norway and St. Petersburg on a line in the income statement designated as operations to be discontinued and discontinued operations. The historical comparative figures have been restated. Assets and liabilities attributable to the operations in St. Petersburg are recognised on one line for assets and one line for liabilities in the balance sheet as of 30 June 2023. In the cash flow statement, cash flow attributable to operations to be discontinued is indicated in its own table.

## APRIL–JUNE 2023

### Net sales

Net sales amounted to SEK 3,586 M (3,332). The change is attributable to more housing units for consumers and investors recognised in profit, and by exchange rate fluctuations that had a positive translation effect of SEK 214 M on consolidated net sales year on year. The average price per housing unit recognised in profit amounted to SEK 3.0 M (2.9).

During the quarter, 592 housing units for consumers (794) were recognised in profit, generating net sales of SEK 2,167 M (2,618).

Net sales to investors totalled SEK 1,407 M (665), and the number of housing units recognised in profit was 611 (351).

### Operating profit

Operating profit was SEK 195 M (332) and the operating margin was 5.4 per cent (10.0). The operating margin reflects a focus on cash flow, where a higher share of investor transactions with lower margins but with periodic payment plans impacted the comparison with the preceding year. In addition, measures were taken to improve future

cash flow, and risk provisions were made totalling SEK 28 M in Sweden and SEK 34 M in Germany.

Exchange rate fluctuations had a positive translation effect of SEK 13 M on operating profit compared with the year-earlier quarter.

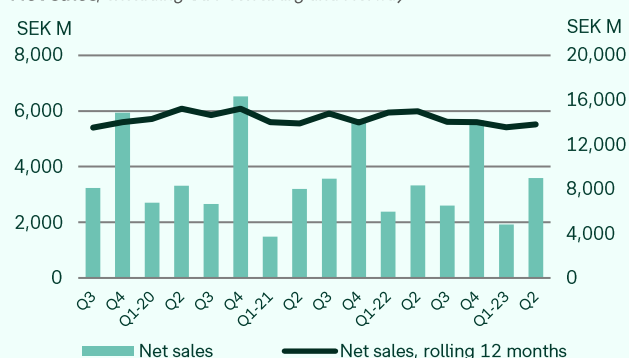
*Net financial items, profit before tax, tax and profit for the quarter*  
Net financial items were SEK -148 M (-41), attributable to increased interest expenses due to a higher financing volume and higher base rates.

Profit before tax for the quarter was SEK 47 M (291). Tax on profit for the quarter was SEK -10 M (-83), corresponding to a tax rate of 22 per cent (28).

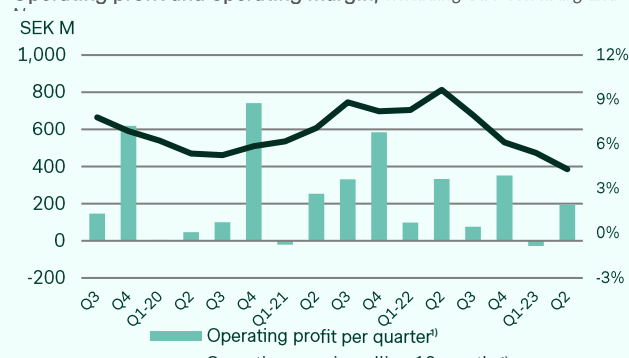
Profit for the period for continuing operations amounted to SEK 37 M (208).

Profit for the period for operations to be discontinued and discontinued operations totalled SEK -854 M (7), of which SEK -824 M pertained to capital losses from the divestment of the Norwegian operations. See Note 6.

Net sales, excluding St. Petersburg and Norway



Operating profit and operating margin, excluding St. Petersburg and Norway



<sup>1)</sup> Excluding items affecting comparability in Q3 and Q4 2019, Q2 and Q4 2021 and Q4 2022.

# Group performance

## JANUARY–JUNE 2023

### Net sales

Net sales amounted to SEK 5,515 M (5,718), since fewer housing units for consumers were recognised in profit compared to the year-earlier period. The average price per housing unit recognised in profit amounted to SEK 3.0 M (2.9).

During the period, 984 (1,291) housing units for consumers were recognised in profit, generating net sales of SEK 3,578 M (4,281).

Net sales to investors totalled SEK 1,895 M (1,380), and the number of housing units recognised in profit was 822 (653).

Exchange rate fluctuations had a positive translation effect of SEK 301 M on consolidated net sales compared with the year-earlier period.

### Operating profit

Operating profit was SEK 167 M (431) and the operating margin was 3.0 per cent (7.5). The operating margin reflects a focus on cash flow, where a higher share of investor transactions with lower margins but with periodic payment plans impacted the comparison with the preceding year. In addition, measures were taken in the second quarter of 2023 to improve future cash flow, and risk provisions were made totalling SEK 28 M in Sweden and SEK 34 M in Germany.

Exchange rate fluctuations had a positive impact of SEK 12 M on operating profit compared with the year-earlier period.

### Net financial items, profit before tax, tax and profit for the period

Net financial items were SEK -241 M (-76), attributable to increased interest expense due to a higher financing volume and higher base rates.

Profit before tax for the quarter was SEK -74 M (355). Tax on profit for the period was SEK 20 M (-100), corresponding to a tax rate of 26 per cent (28).

Profit for the period for continuing operations amounted to SEK -55 M (255).

Profit for the period for operations to be discontinued totalled SEK -803 M (37), of which SEK -824 M pertained to capital losses from the divestment of the Norwegian operation.

	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	Jul 2022 – Jun 2023	2022 Jan–Dec
<b>Net sales</b>						
Germany	1,536	1,593	2,247	2,832	7,201	7,785
Sweden	947	1,025	1,537	1,677	2,605	2,745
Finland	915	460	1,405	774	2,390	1,759
Baltics	185	251	323	333	821	832
Other operations <sup>1)</sup>	2	2	3	102	766	864
<b>Total</b>	<b>3,586</b>	<b>3,332</b>	<b>5,515</b>	<b>5,718</b>	<b>13,783</b>	<b>13,987</b>
	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	Jul 2022 – Jun 2023	2022 Jan–Dec
<b>Operating profit before items affecting comparability<sup>2)</sup></b>						
Germany	75	229	85	335	654	904
Sweden	58	113	103	136	-87	-54
Finland	97	26	64	40	113	88
Baltics	14	35	24	38	94	108
Other operations <sup>1)</sup>	-49	-71	-110	-118	-180	-188
<b>Total</b>	<b>195</b>	<b>332</b>	<b>167</b>	<b>431</b>	<b>594</b>	<b>858</b>

<sup>1)</sup> Other operations consist of the Parent Company, Group adjustments, eliminations and the Danish operations.

<sup>2)</sup> Items affecting comparability for full-year 2022 pertain to costs of SEK 56 M resulting from organisational changes decided on in Sweden, Germany and central divisions.

# Financial position and cash flow

## TOTAL ASSETS<sup>1)</sup>

Total assets were SEK 24,910 M (26,632). At 31 December 2022, assets totalled SEK 25,579 M. The divestment of the Norwegian operations and a lower number of ongoing housing projects reduced assets since the start of the year, while cash and cash equivalents increased. Exchange-rate fluctuations increased assets by SEK 1.1 Bn compared with 31 December 2022.

## NET DEBT<sup>1)</sup>

Net debt amounted to SEK 6,631 M (5,881). At 31 December 2022, net debt totalled SEK 7,259 M. The increase compared to the year-earlier period was attributable primarily to higher payments for land under previously signed agreements. As of 31 March, net debt totalled SEK 8,094 M, and the reduction during the quarter was due primarily to the divestment of Bonava Norway. Exchange rate fluctuations increased net debt by SEK 44 M compared with 31 December 2022.

## CAPITAL EMPLOYED<sup>1)</sup>

Capital employed amounted to SEK 15,438 M (15,168). At 31 December 2022, capital employed amounted to SEK 15,568 M. Capital employed decreased as a result of the divestment of the Norwegian operations but increased as a result of continued payments for land under previously signed agreements. Exchange-rate fluctuations increased capital employed by SEK 600 M compared with 31 December 2022.

## EQUITY/ASSETS AND DEBT/EQUITY RATIO<sup>1)</sup>

The equity/assets ratio was 29.2 per cent (33.0). As of 31 March 2023, the equity/assets ratio was 30.1 per cent. The net debt/equity ratio totalled 0.9x (1.0x as per 31 March 2023).

## COVENANTS IN LOAN AGREEMENTS

The terms in bond and loan agreements are linked to two covenants. As of 30 June, both were fulfilled. According to the calculation method in the loan agreements, the equity/assets ratio was 29.4 per cent. According to the calculation method in the loan agreements, the interest coverage ratio was 4.0x. Refer also to Note 3. In accordance with the agreement with the creditors, these have been adjusted for the divestment of the operations in Norway.

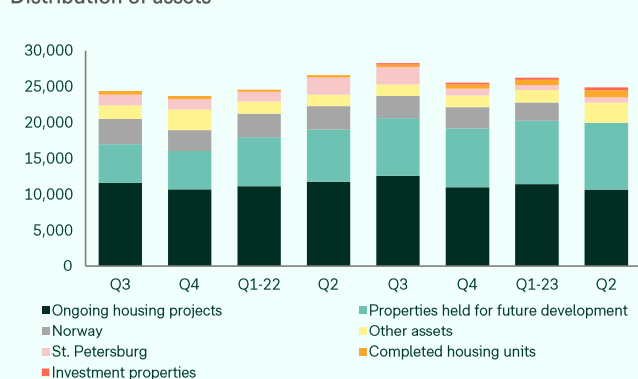
## CASH FLOW APRIL-JUNE 2023

Cash flow before financing was SEK 543 M (-551). Negative earnings, adjusted for impairments of projects in Germany, the sale of the Norwegian operations and a larger translation difference year-on-year, as well as higher tax payments than previous year, generated a cash flow from operating activities before changes in working capital of SEK -345 M (82). Cash flow from changes in working capital amounted to SEK 218 M (-631). Sales of housing projects totalled SEK 3,191 M (3,046), a slight increase compared with the year-earlier period driven primarily by Finland. Investments in housing projects decreased in all segments to a total of SEK 2,395 M (-3,748). Investments in building rights were lower than in the preceding year. Cash flow from other changes in working capital was SEK -579 M (71), which was primarily due to lower interest-free liabilities in Germany. The divestment of the Norwegian operations generated a positive cash flow of SEK 737 M, whereof SEK 765 M was cash received at closing, while SEK -28 M was divested cash and cash equivalents in the Norwegian operations.

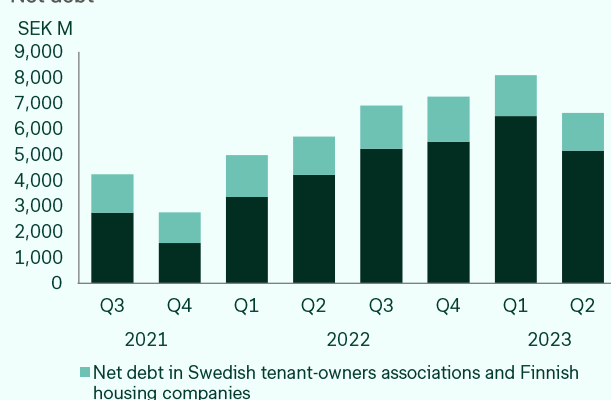
## CASH FLOW JANUARY-JUNE 2023

Cash flow before financing was SEK -420 M (-2,336). Negative earnings, adjusted for the dissolution of risk provisions, larger translation difference and higher tax payments than prior year, generated a cash flow from operating activities before changes in working capital of SEK -461 M (64). Cash flow from changes in working capital amounted to SEK -569 M (-2,392). Sales of housing projects amounted to SEK 5,384 M (5,373). Investments in housing projects decreased in all segments to a total of SEK -5,245 M (-8,093). Investments in building rights were lower than in the preceding year. Cash flow from other changes in working capital was SEK -708 M (328), which was primarily due to lower cash flows from interest-free liabilities in Germany. The divestment of the Norwegian operations generated a positive cash flow of SEK 737 M, whereof SEK 765 M was cash received at closing, while SEK -28 M was divested cash and cash equivalents in the Norwegian operations.

Distribution of assets<sup>1)</sup>



Net debt<sup>1)</sup>



Cash flow before financing<sup>1)</sup>



<sup>1)</sup> Including operations to be discontinued (St. Petersburg) and including discontinued operations (Norway) up until the date of divestment, 30 June 2023.

# Completion and delivery of housing units

## RECOGNITION OF HOUSING PROJECTS

Bonava's business model and the contract structure of the housing projects mean that when production is completed and customers have taken possession of the housing units, the sales value of these units is recognised under Net sales in the income statement. This applies to housing units for both consumers and investors.

The carrying amount of completed but not yet handed over housing units is transferred from Ongoing housing projects to Completed housing units in the balance sheet.

Completed housing units from earlier periods are added to net sales in the quarter when delivery to the customers occurs.

In our Build-to-Manage (B2M) model, we are building rental apartments intended for own management. This entails constructing, retaining, and managing for a period instead of divesting immediately. Investments in such projects have been made in Sweden since the third quarter of 2022 and in the Baltics since the end of 2021. In Bonava Baltics, rentals to tenants are expected to begin in the third quarter of 2023. After the end of the period, the development of the B2M project in Sweden was temporarily halted, and completion has thus been postponed. We are evaluating alternatives regarding continued development or divestment.

For more information on Bonava's value chain, refer to our Annual Report, which is available at [bonava.com](https://bonava.com).

## SOLD COMPLETED HOUSING UNITS NOT RECOGNISED IN PROFIT AT END OF QUARTER

The number of sold completed housing units not recognised in profit at the end of the quarter was 47 (35). As of 31 March 2023, this total was 30.

## UNSOLD COMPLETED HOUSING UNITS AT END OF QUARTER

The number of unsold completed housing units at the end of the quarter was 285 (80). The increase was primarily attributable to

Germany, Finland, and the Baltics. As of 31 March 2023, this figure was 249, 70 of which were sold during the quarter while, 106 were added.

## COMPLETED HOUSING UNITS DURING THE QUARTER

At the end of the preceding quarter, Bonava estimated that approximately 730 consumer housing units would be completed in the second quarter. A total of 645 housing units were completed. The decrease is due primarily to one project in Germany and one in the Baltics being completed one quarter later than estimated.

During the quarter, it was estimated that 550 housing units for investors would be completed, while 611 were completed. The increase is attributable to one project in Finland being completed ahead of schedule.

## HOUSING UNITS RECOGNISED IN PROFIT DURING THE QUARTER

The number of housing units for consumers recognised in profit during the quarter was 592 (794). The majority of these were completed during the quarter.

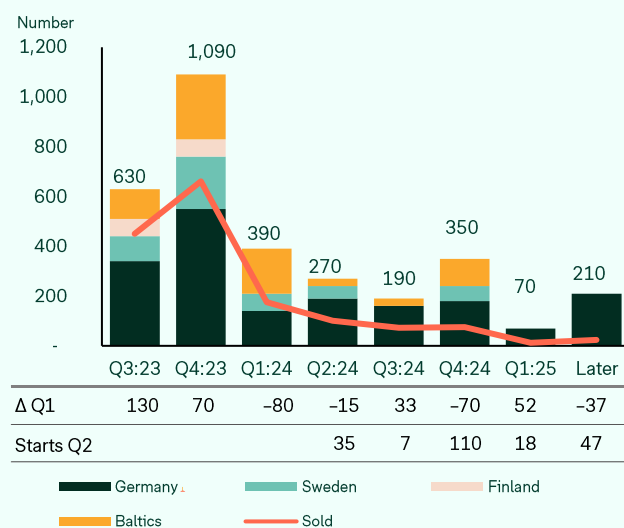
During the quarter, 611 (351) housing units for investors were recognised in profit. All were completed during the quarter.

## VALUE OF HOUSING UNITS SOLD NOT YET RECOGNISED IN PROFIT

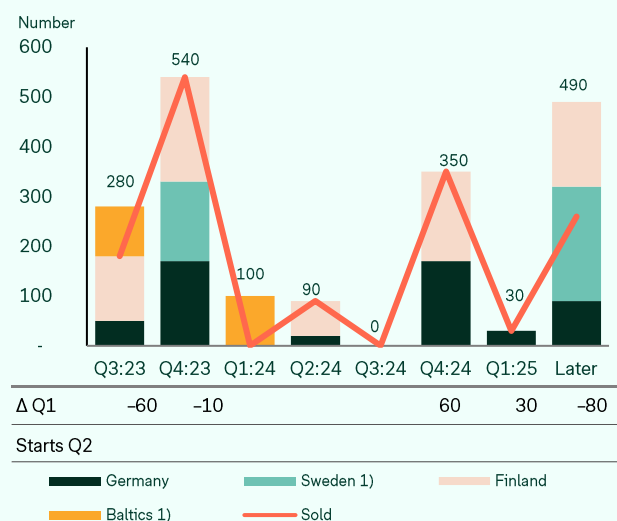
The value of sold housing units in production and completed housing units sold but not yet recognised in profit at the end of the quarter was SEK 7,282 M (11,068) for consumers and SEK 4,165 M (6,595) for investors.

Estimated completions of ongoing projects per quarter

Consumers



Investors



<sup>1)</sup>Sweden pertains partly to B2M and the Baltic region pertains to B2M; refer to pages 10 and 13

The diagrams illustrate the estimated completion dates of projects that have been started for housing units for consumers and investors, respectively. The number of housing units have been rounded off since they are estimates of the point in time of completion, and shifts between quarters are common.

The curves illustrate the percentage of units sold at 30 June 2023. The diagrams can give an indication of future net sales, provided that the housing units are also delivered to the end customers. For those bars that show unsold housing units, both sale and completion need to occur before they are recognised in profit.

The lines under the diagram clarify the changes that have occurred since the assessment presented in the interim report for the most

recent quarter. One change during the second quarter was that the development of a B2M project in Sweden was temporarily halted, and completion has thus been postponed.

The top line shows an amended estimate of when the units are expected to be completed, compared with the latest published interim report. Changes such as the date for receiving building permits, disruptions in the logistics and production chain or other factors could positively or negatively impact the estimated time of completion.

The bottom line shows the expected time of completion for the units for which production has started during the quarter. These units thus entail an increase in the total number of units included in the graph.



# Building rights

In light of the weaker market, we have been restrictive regarding new investments in land since mid-2022. We are developing existing building rights in our portfolio in order to have land ready for building, and can quickly start projects up once demand turns around. Prioritising cash flow also means that we are reviewing our land bank. We are evaluating where we have the greatest potential to create profitable projects, and are divesting land and withdrawing from option contracts where we do not see the same potential.

Bonava recognises building rights at the cost incurred. No surplus value from market valuation was included in the reported figures.

The total number of building rights at the end of the quarter amounted to 29,400 (29,700). Compared with the start of the year, the number of building rights is unchanged. The number of building rights in the Baltics and Germany has decreased. The number of building rights in Sweden increased, whereas in Finland they remained unchanged.

Bonava recognises some of its building rights off the balance sheet, such as land that Bonava controls through options or conditional agreements, but where we do not yet have control of land. The number of building rights off the balance sheet at the end of the quarter amounted to 10,700 (11,500).

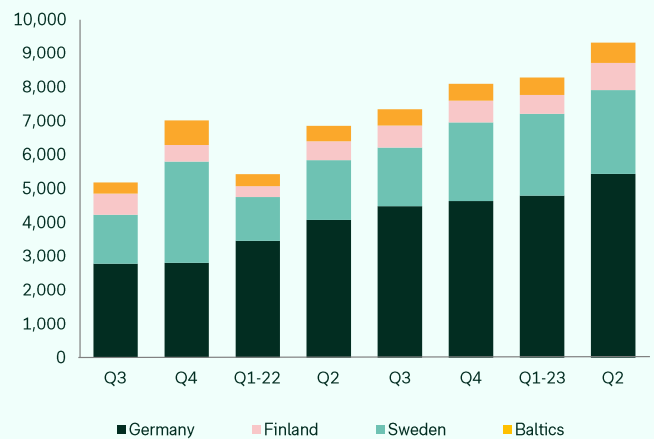
The diagram below illustrates the development of the building rights portfolio during the last year and its composition in the second quarter of 2023. Properties held for future development amounted to SEK 9,309 M (9,360) at the end of the quarter. For continuing operations, property held for future development totalled SEK 7,289 M in the year-earlier quarter. The increase is due in part to attractive building rights in Germany having been included in the balance sheet once the conditions in previously signed agreements have been met, and in part to currency effects.

## Building rights

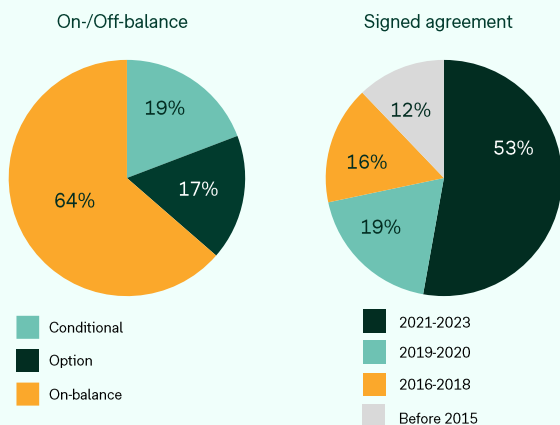
On/Off balance sheet

	2023 30 Jun	2022 30 Jun	2022 31 Dec
<b>Number of building rights</b>			
Germany	9,700	10,100	9,800
Sweden	8,900	8,300	8,700
Finland	3,800	3,800	3,400
Baltics	7,000	7,500	7,500
<b>Total</b>	<b>29,400</b>	<b>29,700</b>	<b>29,400</b>
<b>Of which, off-balance sheet</b>			
Germany	1,900	3,300	3,100
Sweden	3,300	2,700	2,900
Finland	2,500	2,300	2,100
Baltics	3,000	3,200	3,250
<b>Total</b>	<b>10,700</b>	<b>11,500</b>	<b>11,350</b>

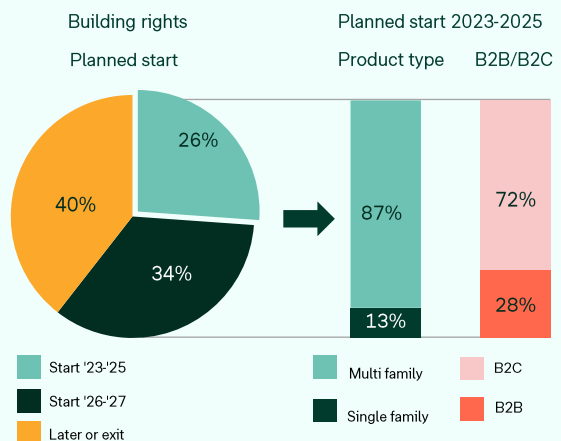
## Carrying amount, building rights portfolio



Number of building rights per 30 June 2023, excluding St. Petersburg and Norway



Distribution of building rights, excluding St. Petersburg and Norway



# Germany

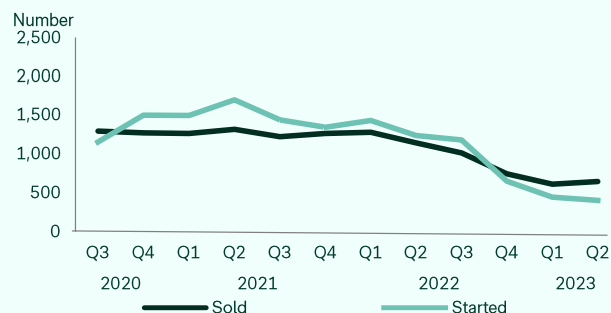
Germany is Bonava's largest market, with operations in the major city regions of Berlin and Hamburg as well as the Baltic Sea, Saxony, Rhein-Ruhr, Cologne/Bonn, Rhein-Main and Rhein-Neckar/Stuttgart. We offer apartments and single-family homes to consumers, and multi-family housing with rental apartments to investors.

## HOUSING UNITS SOLD AND STARTED

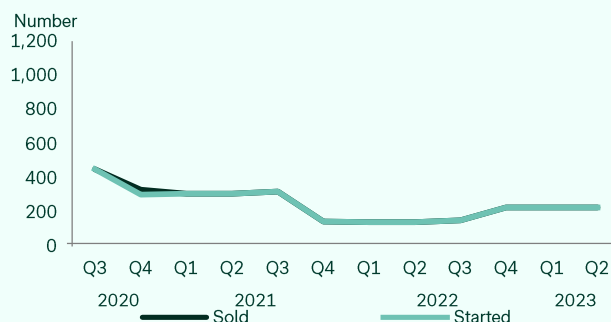
In the quarter, 153 (196) housing units for consumers were started, and the number of housing units sold to consumers increased to 212 (176). Last year's fall in the number of housing units sold to consumers

halted, and sales increased in the second quarter. No housing units were started or sold to investors in the quarter, or in the year-earlier period. The sales rate for ongoing projects was 67 per cent (68).

Units sold and started, Consumers, RTM



Units sold and started, Investors, RTM



## NET SALES AND PROFIT

### April-June 2023

During the quarter, 208 (237) housing units for consumers and 101 (211) housing units for investors were recognised in profit. Net sales decreased to SEK 1,536 M (1,593), which is attributable to a lower number of housing units delivered.

Operating profit totalled SEK 75 M (229) with an operating margin of 4.9 per cent (14.4). The operating profit was impacted by a low volume and a high share of rental apartments to investors. In the same period last year a higher share of projects to consumers with higher profitability were recognised. In addition, the lower operating margin is attributable to an impairment of SEK 34 M, relating to measures to increase future cash flow.

### January-June 2023

Net sales decreased to SEK 2,247 M (2,832), due primarily to 131 fewer housing units being delivered to consumers and 185 fewer housing units being delivered to investors.

Operating profit totalled SEK 85 M (335) with an operating margin of 3.8 per cent (11.8). A number of high-margin projects were delivered in the preceding year, which has not been the case this year. In addition, the lower operating margin is attributable to an impairment of SEK 34 M in the second quarter, relating to measures to increase future cash flow.

	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Net sales	1,536	1,593	2,247	2,832	7,785
Gross profit	140	303	218	487	1,213
Gross margin, %	9.1	19.0	9.7	17.2	15.6
Selling and administrative expenses	-65	-73	-134	-152	-309
Operating profit/loss before items affecting comparability	75	229	85	335	904
Operating margin before items affecting comparability, %	4.9	14.4	3.8	11.8	11.6
Items affecting comparability <sup>1)</sup>					-32
Operating profit/loss after items affecting comparability	75	229	85	335	872
Operating margin after items affecting comparability, %	4.9	14.4	3.8	11.8	11.2
Capital employed	8,325	6,183	8,325	6,183	7,074
whereof carrying amount properties held for future development	5,439	4,479	5,439	4,479	4,794
Return on capital employed, % <sup>1)</sup>	8.7	21.4	8.7	21.4	15.3
Number of housing units sold	212	176	327	424	972
Sales value of housing units sold	1,081	932	1,698	2,164	4,548
Number of production starts	153	196	179	429	879
Number of housing units in ongoing production	2,370	3,389	2,370	3,389	2,726
Sales rate for ongoing production, %	67	68	67	68	64
Number of housing units completed, not recognised in profit	94	19	94	19	35
Number of housing units for sale (ongoing production and completed)	867	1,113	867	1,113	1,015
Number of housing units recognised in profit	309	448	476	792	1,888

<sup>1)</sup> The key figures in Jan-Dec 2022 were impacted by items affecting comparability.

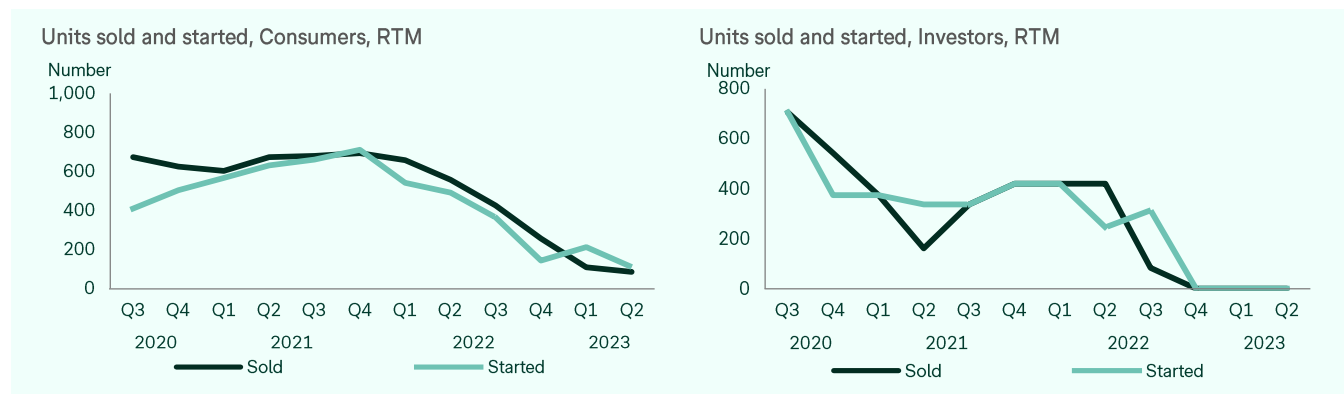
# Sweden

In Sweden, Bonava offers apartments and single-family homes to consumers in Stockholm, Gothenburg, Linköping, Uppsala and Umeå. We offer rental projects to investors in some 15 cities.

## HOUSING UNITS SOLD AND STARTED

During the quarter, 19 (121) housing units for consumers were started. The number of housing units sold to consumers during the quarter was 43 (66). No housing units were started for or sold to investors, either during the quarter or in the year-earlier period.

The sales rate for ongoing production, excluding B2M, was 56 per cent (81). Refer to Note 7. After the end of the period, the development of Sweden's only B2M project was temporarily halted. We are evaluating alternatives regarding continued development or divestment.



## NET SALES AND PROFIT

### April–June 2023

During the quarter, 118 (187) housing units for consumers and 258 (104) housing units for investors were recognised in profit. Net sales decreased to SEK 947 M (1,025) as a result of the average price per housing unit recognised in profit decreasing since a large share of housing units delivered were rental apartments for investors.

Operating profit for the quarter was SEK 58 M (113) and the operating margin was 6.2 per cent (11.1). The decrease in operating margin is attributable to a smaller share of housing units being delivered to consumers while a larger share of housing units was delivered to investors. Furthermore, the gross margin was pushed downward by increased provisions of SEK 28 M, relating to risks and to measures to increase future cash flow.

### January–June 2023

Net sales amounted to SEK 1,537 M (1,677). During the period, 250 (313) housing units for consumers and 258 (212) housing units for investors were recognised in profit. The gross margin was 11.5 per cent (12.4).

Operating profit was SEK 103 M (136) and the operating margin was 6.7 per cent (8.1). The decrease is attributable primarily to an increase in provisions during the second quarter of 2023, relating to risks and to measures to increase future cash flow. Furthermore, the operating margin was pushed downward by increased provisions of SEK 28 M, relating to risks and to measures to increase future cash flow.

	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	2022 Jan–Dec
Net sales	947	1,025	1,537	1,677	2,745
Gross profit	94	150	177	209	85
Gross margin, %	10.0	14.6	11.5	12.4	3.1
Selling and administrative expenses	-36	-36	-74	-72	-139
Operating profit/loss before items affecting comparability	58	113	103	136	-54
Operating margin before items affecting comparability, %	6.2	11.1	6.7	8.1	-2.0
Items affecting comparability <sup>1)</sup>					-20
Operating profit/loss after items affecting comparability	58	113	103	136	-74
Operating margin after items affecting comparability, %	6.2	11.1	6.7	8.1	-2.7
Capital employed	3,694	3,415	3,694	3,415	3,825
whereof carrying amount properties held for future development	2,482	1,734	2,482	1,734	2,420
Return on capital employed, % <sup>1)</sup>	-2.5	9.6	-2.5	9.6	-1.7
Number of housing units sold	43	66	57	227	256
Sales value of housing units sold	200	269	260	921	1,047
Number of production starts	19	121	88	121	374
whereof investment properties					231
Number of housing units in ongoing production	886	1,442	886	1,442	1,326
whereof investment properties	231		231		231
Sales rate for ongoing production, % <sup>2)</sup>	56	81	56	81	76
Number of housing units completed, not recognised in profit	60	27	60	27	40
Number of housing units for sale (ongoing production and completed)	316	292	316	292	285
Number of housing units recognised in profit	376	291	508	525	881

<sup>1)</sup> The key figures in Jan–Dec 2022 were impacted by items affecting comparability.

<sup>2)</sup> Excluding Build-to-Manage. Including Build-to-Manage, the sales rate totalled 57 per cent.

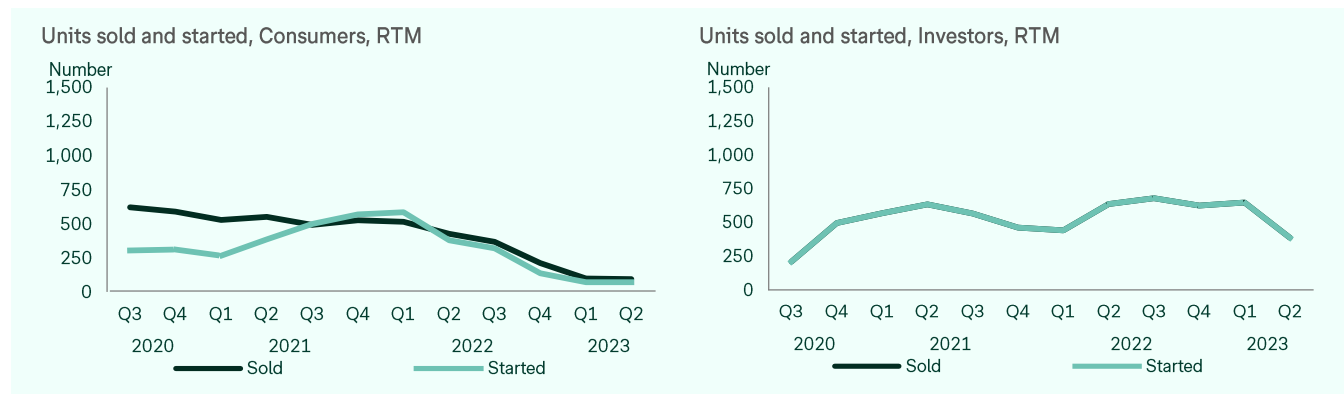
# Finland

In Finland, Bonava is active in regions of Helsinki, Tampere and Turku. We offer multi-family housing with apartments for consumers and rental housing projects for investors.

## HOUSING UNITS SOLD AND STARTED

The number of housing units sold to consumers during the quarter decreased to 39 (44). No housing units (260) were started for or sold to investors.

The sales rate for ongoing production was 91 per cent (89). No housing units for consumers were started during the quarter, or during the year-earlier period.



## NET SALES AND PROFIT

### April–June 2023

During the quarter, 131 (138) housing units for consumers and 252 (36) housing units for investors were recognised in profit. Net sales increased to SEK 915 M (460).

Operating profit for the quarter amounted to SEK 97 M (26) with an operating margin of 10.5 per cent (5.6). The increase in profitability was driven primarily by a higher number of housing units recognised in profit, improved margins in delivered project as a result of stricter cost controls, and lower personnel costs as a result of a lower number of employees.

### January–June 2023

During the period, 195 (204) housing units for consumers and 400 (92) housing units for investors were recognised in profit. Net sales increased to SEK 1,405 M (774).

Operating profit for the half-year period amounted to SEK 64 M (40) with an operating margin of 4.6 per cent (5.1). The operating profit for the first half of 2023 was burdened by two projects completed and delivered with low margins, which was known beforehand. The projects were started to fulfil existing contractual requirements and to avoid fines.

	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	2022 Jan–Dec
Net sales	915	460	1,405	774	1,759
Gross profit	115	48	109	84	183
Gross margin, %	12.6	10.5	7.8	10.9	10.4
Selling and administrative expenses	-19	-23	-45	-45	-95
Operating profit/loss	97	26	64	40	88
Operating margin, %	10.5	5.6	4.6	5.1	5.0
Capital employed	1,037	919	1,037	919	974
whereof carrying amount properties held for future development	799	657	799	657	561
Return on capital employed, % <sup>1)</sup>	11.2	6.6	11.2	6.6	9.0
Number of housing units sold	39	304	114	470	838
Sales value of housing units sold	89	665	232	1,110	2,009
Number of production starts		260	75	379	765
Number of housing units in ongoing production	902	1,522	902	1,522	1,470
Sales rate for ongoing production, %	91	89	91	89	88
Number of housing units completed, not recognised in profit	96	32	96	32	48
Number of housing units for sale (ongoing production and completed)	172	193	172	193	211
Number of housing units recognised in profit	383	174	595	296	718

The key figures were not affected by items affecting comparability, since no such items have been reported.



# Baltics

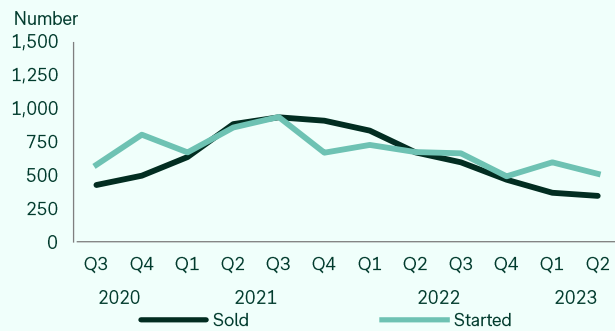
The Baltics segment comprises the capital cities of Tallinn, Estonia; Riga, Latvia; and Vilnius in Lithuania. The offering is primarily targeted at multi-family housing for consumers, but we also have rental housing projects for investors.

## HOUSING UNITS SOLD AND STARTED

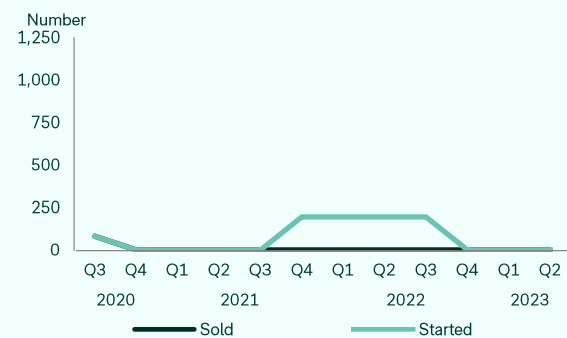
The number of housing units sold to consumers totalled 96 (120). The number of housing starts for consumers totalled 45 (132). The sales rate for ongoing production totalled 33 per cent (55), excluding Build-to-Manage (B2M). No housing units were started for or sold to investors during the quarter, or in the year-earlier period.

In late 2021, we began investments in rental housing projects intended for own management, in accordance with our B2M model. Ongoing production is proceeding to plan and the first project is expected to be completed during the third quarter of 2023. These housing units have been classified as investment properties. Refer to Note 7.

Units sold and started, Consumers, RTM



Units sold and started, Investors, RTM



## NET SALES AND PROFIT

### April–June 2023

Net sales decreased to SEK 185 M (251), attributable to a decrease in the number of housing units for consumers recognised in profit to 135 (232). The gross margin was 14.0 per cent (18.0).

Operating profit amounted to SEK 14 M (35) with an operating margin of 7.5 per cent (13.9). The decrease is attributable primarily to low margins in a project that was started when the prices procured were impacted by a strained materials supply during the initial phase of the pandemic.

### January–June 2023

Net sales amounted to SEK 323 M (333). The decrease is attributable primarily to a lower number of housing units delivered while the average price per housing unit recognised in profit increased during the period.

Operating profit for the half-year period was SEK 24 M (38) and the operating margin was 7.5 per cent (11.4). The lower operating margin is attributable primarily to lower gross margins in housing units delivered compared to the year-earlier period, which in turn is attributable to low volumes and low margins in a project that was started when the prices procured were impacted by a strained materials supply during the initial phase of the pandemic.

	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	2022 Jan–Dec
Net sales	185	251	323	333	832
Gross profit	26	45	48	59	152
Gross margin, %	14.0	18.0	14.9	17.8	18.2
Selling and administrative expenses	-12	-10	-24	-21	-44
Operating profit/loss	14	35	24	38	108
Operating margin, %	7.5	13.9	7.5	11.4	13.0
Capital employed	1,332	938	1,332	938	1,085
whereof carrying amount properties held for future development	599	477	599	477	515
Return on capital employed, %	8.4	13.9	8.4	13.9	11.3
Number of housing units sold	96	120	170	291	470
Sales value of housing units sold	141	170	231	390	654
Number of production starts	45	132	209	190	495
Number of housing units in ongoing production	929	1,053	929	1,053	976
whereof investment properties	195	195	195	195	195
Sales rate for ongoing production, % <sup>1)</sup>	33	55	33	45	39
Number of housing units completed, not recognised in profit	82	37	82	37	53
Number of housing units for sale (ongoing production and completed)	571	404	571	404	531
Number of housing units recognised in profit	135	232	227	310	676

The key figures were not affected by items affecting comparability, since no such items have been reported.

<sup>1)</sup> Excluding Build-to-Manage. Including Build-to-Manage, the sales rate totalled 28 per cent.

# Current projects in the quarter

During the quarter, Bonava started the production of 217 housing units (709).  
All production starts are reported at <https://www.bonava.com/en/investor-relations/housing-starts>.

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## Germany

Kirschgärten

Location: Rhine-Ruhr

Housing category: Single-family housing, row houses and semi-detached houses

Number of units: 64 housing units for consumers

On the border between nature and city life in the family-friendly Recklighausen district, Bonava is constructing 64 modern houses. The houses are heated using a local concept, utilizing waste products from sawmills. A school and preschool are located nearby, and for those who choose electric transportation, cabling has been prepared for charge points. The surrounding streets are edged by 5-meter wide stretches of trees and the roof of the parking garages also has plant cover, which provides more food for pollinating insects such as bumblebees.



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## Latvia, the Baltics

Druvienas

Location: Riga

Housing category: Multi-family housing

Number of units: 45 apartments for consumers

The Mežciems district gets its name from the two words for “forest” and “town”. People come here to go hiking, to run along the forest trails and to teach their children about nature. The district is located in Riga, Latvia and Bonava is building 45 apartments here – each with its own balcony. Part of the energy supply comes from solar panels on the roof. Demand for housing units in the area is significant, and efficiency and repetition in Bonava’s own building system helps keep the cost down.



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## Germany

Meerbachquartier

Location: Bensheim, Rhine-Neckar/Stuttgart

Housing category: Multi-family housing

Number of units: 47 apartments for consumers

In a new neighbourhood, Bonava is building 47 apartments with plants and solar panels on the roof. The Benheim district is located in the Bergstrasse region, and the residents will enjoy beautiful views from the balconies and windows. The shops are a short walk away, and the buildings also contain parking for bicycles and an underground garage. On a beautiful summer evening, the neighbours can gather in the common garden space.



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## Sweden

Sörgården

Location: Partille, Gothenburg

Housing category: Single-family homes

Number of units: 19 housing units with ownership rights for consumers

Sörgården is a neighbourhood with single-family homes in the Öjersjö district of Gothenburg. Previously, Bonava built the Kerstins Gård and Olles långa neighbourhoods in the same district. Sörgården will consist of a total of 28 houses, 19 of which will be produced in the first stage. All houses will have solar panels installed and will be designed as row houses, with own carports equipped for charge points.



# Other information

## OTHER OPERATIONS

Other operations consist of the Parent Company, Group adjustments, eliminations and the Danish operation.

The operations in Denmark has guarantee commitments for completed projects. The costs that were recognised pertaining to Denmark during the quarter are administrative in nature, and comprise primarily salaries to remaining personnel.

## SIGNIFICANT RISKS AND UNCERTAINTIES

Bonava's operations are exposed to several types of risks, both operational and financial. During the next 12-month period, there are a number of uncertainties that could affect our operations and sales. These include increased key interest rates, high inflation, high energy prices, and concerns regarding the geopolitical situation in Europe. During the preceding year, we noted increased costs for materials. At present, these cost increases have begun to taper off. Access to materials has stabilised, but we are working continually to secure deliveries of materials and services if disruptions arise. The ongoing divestment of the operations in St. Petersburg is continuing. The net assets were impaired in the fourth quarter of 2022, which is why the exposure to Russia is deemed to be limited.

Bonava has a Risk Committee that is responsible for organising, coordinating, and carrying out risk management. The Risk Committee regularly reports to the Audit Committee and the Executive Management Group. For further information on material risks and risk management, refer to pages 66–68 of Bonava's Annual and Sustainability Report for 2022, which is available at [bonava.com](https://bonava.com).

## ORGANISATION AND EMPLOYEES

The average number of employees in the Group for the period from January to June 2023, excluding St. Petersburg and Norway, was 1,666 (1,803).

## THE BONAVA SHARE AND LARGEST SHAREHOLDERS

Bonava has two share classes, Class A and Class B. Each Class A share carries ten votes and each Class B share one vote. Bonava's share capital was SEK 434 M on the balance sheet date, divided between 108,435,822 shares and 208,830,660 votes. At 30 June 2023, Bonava had 11,154,982 Class A shares and 97,280,840 Class B shares. The number of Class B shares in treasury totalled 1,245,355, corresponding to 1.1 per cent of the capital and 0.6 per cent of the votes.

At the end of the quarter, the number of shareholders was 31,828 (31,360). Bonava's largest shareholders were Nordstjernan AB, with 24.5 per cent of the capital and 49.4 per cent of the votes, followed by the Fourth Swedish National Pension Fund with 9.2 per cent of the capital and 5.4 per cent of the votes and Nordea Liv & Pension with 5.6 per cent of the capital and 2.9 per cent of the votes. The ten largest shareholders controlled a total of 60.9 per cent of the capital and 69.0 per cent of the votes. More information on the Bonava share and owners is available at [bonava.com/en/investor-relations](https://bonava.com/en/investor-relations).

## SEASONAL EFFECTS

Bonava recognises revenues and earnings from housing sales when sold and completed housing units are delivered to customers. Bonava's operations are affected by seasonal variations, which means that a majority of housing units are delivered to customers in the fourth quarter. Accordingly, earnings and cash flow before financing are usually stronger in the fourth quarter than in other quarters. This is shown in the charts depicting the estimated completions by quarter on page 7.

## SIGNIFICANT EVENTS DURING THE PERIOD

The number of votes in Bonava AB has changed as a result of the conversion of 40,000 Class A shares to 40,000 Class B shares. See further under "The Bonava share and largest shareholders" on this page.

On 31 May 2023, Bonava signed the agreement to divest its operations in St. Petersburg, for further information refer to Note 6.

On 12 June, Bonava signed the agreement to divest its operations in Norway and the transaction was concluded on 30 June. For further information, refer to Note 6.

# Consolidated income statement

	Note	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	Jul 2022 - Jun 2023	2022 Jan-Dec
<b>Continuing operations</b>	<b>1</b>						
Net sales	2	3,586	3,332	5,515	5,718	13,783	13,987
Production cost		-3,213	-2,793	-4,972	-4,877	-12,393	-12,298
<b>Gross profit</b>		<b>374</b>	<b>538</b>	<b>543</b>	<b>841</b>	<b>1,390</b>	<b>1,688</b>
Selling and administrative expenses		-179	-206	-376	-411	-796	-831
<b>Operating profit before items affecting comparability</b>	<b>2</b>	<b>195</b>	<b>332</b>	<b>167</b>	<b>431</b>	<b>594</b>	<b>858</b>
Items affecting comparability <sup>1)</sup>						-56	-56
<b>Operating profit after items affecting comparability</b>	<b>2</b>	<b>195</b>	<b>332</b>	<b>167</b>	<b>431</b>	<b>538</b>	<b>802</b>
Financial income		2	0	6	1	12	7
Financial expenses		-150	-41	-246	-77	-370	-200
<b>Net financial items</b>		<b>-148</b>	<b>-41</b>	<b>-241</b>	<b>-76</b>	<b>-358</b>	<b>-193</b>
<b>Profit before tax</b>	<b>2</b>	<b>47</b>	<b>291</b>	<b>-74</b>	<b>355</b>	<b>180</b>	<b>609</b>
Tax on profit for the period		-10	-83	20	-100	-50	-169
<b>Profit for the period<sup>1)</sup></b>		<b>37</b>	<b>208</b>	<b>-55</b>	<b>255</b>	<b>131</b>	<b>441</b>
<b>Operations to be discontinued and discontinued operations</b>	<b>6</b>						
Net profit from operations to be discontinued and discontinued operations after tax		-854	7	-803	37	-1,584	-743
<b>Net profit for the period from operations to be discontinued and discontinued operations</b>		<b>-854</b>	<b>7</b>	<b>-803</b>	<b>37</b>	<b>-1,584</b>	<b>-743</b>
<b>Continuing, operations to be discontinued and discontinued operations</b>							
<b>Net profit for the period from continuing, operations to be discontinued and discontinued operations</b>		<b>-817</b>	<b>215</b>	<b>-858</b>	<b>292</b>	<b>-1,453</b>	<b>-303</b>
<b>Per share data before and after dilution</b>							
<b>Profit for the period, SEK</b>		<b>0.34</b>	<b>1.94</b>	<b>-0.51</b>	<b>2.38</b>	<b>1.22</b>	<b>4.10</b>
Cash flow from operating activities, SEK		-1.19	-2.70	-9.61	-15.18	-18.14	-24.83
Shareholders' equity, SEK		67.83	81.88	67.83	81.88	67.83	74.49
No. of shares at the end of period, million <sup>2)</sup>		107.2	107.2	107.2	107.2	107.2	107.2

<sup>1)</sup> Profit for the entire period is attributable to Bonava AB's shareholders.

<sup>2)</sup> The total number of shares repurchased as of 30 June was 1,245,355 (1,245,355).

# Consolidated statement of comprehensive income

	Note	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	Jul 2022 - Jun 2023	2022 Jan-Dec
<b>Profit for the period</b>	<b>1</b>	<b>-817</b>	<b>215</b>	<b>-858</b>	<b>292</b>	<b>-1,453</b>	<b>-303</b>
<i>Items that have or may be reclassified to profit for the period</i>							
Translation differences during the period in translation of foreign operations		119	73	98	91	194	186
Translation differences during the period in translation of operations to be discontinued	6	66	472	45	450	-247	157
<b>Other comprehensive income for the period</b>		<b>185</b>	<b>545</b>	<b>143</b>	<b>541</b>	<b>-54</b>	<b>344</b>
<b>Comprehensive income/loss for the period<sup>1)</sup></b>		<b>-632</b>	<b>760</b>	<b>-714</b>	<b>833</b>	<b>-1,506</b>	<b>41</b>

<sup>1)</sup> Profit for the entire period is attributable to Bonava AB's shareholders.



# Condensed consolidated balance sheet

	Note 1, 4, 5	2023 30 Jun	2022 30 Jun	2022 31 Dec
<b>ASSETS</b>				
<b>Fixed assets</b>				
Investment properties	7	372		262
Other fixed assets		1,310	748	708
<b>Total fixed assets</b>		<b>1,682</b>	<b>748</b>	<b>971</b>
<b>Current assets</b>				
Properties held for future development		9,309	9,360	9,836
Ongoing housing projects		10,709	14,379	12,091
Completed housing units		994	575	799
Current receivables		930	1,080	848
Cash and cash equivalents	3	548	489	119
Assets held for sale	6	738		915
<b>Total current assets</b>		<b>23,228</b>	<b>25,884</b>	<b>24,607</b>
<b>TOTAL ASSETS</b>		<b>24,910</b>	<b>26,632</b>	<b>25,579</b>
<b>SHAREHOLDERS' EQUITY</b>				
Shareholders' equity attributable to Parent Company shareholders		7,265	8,772	7,979
Non-controlling interest		5	5	5
<b>Total shareholders' equity</b>		<b>7,270</b>	<b>8,776</b>	<b>7,984</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Non-current interest-bearing liabilities	3	2,220	4,330	3,593
Other non-current liabilities		57	534	369
Non-current provisions		890	876	1,022
<b>Total non-current liabilities</b>		<b>3,167</b>	<b>5,739</b>	<b>4,983</b>
<b>Current liabilities</b>				
Current interest-bearing liabilities	3	5,729	2,062	3,532
Other current liabilities		8,005	10,054	8,165
Liabilities attributable to assets held for sale	6	738		915
<b>Total current liabilities</b>		<b>14,473</b>	<b>12,116</b>	<b>12,612</b>
<b>Total liabilities</b>		<b>17,640</b>	<b>17,855</b>	<b>17,595</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>24,910</b>	<b>26,632</b>	<b>25,579</b>

# Condensed consolidated changes in shareholders' equity

	Shareholders' equity attributable to Parent Company shareholders	Non-controlling interest	Total shareholders' equity
Opening shareholders' equity, 1 January 2022	8,318	5	8,322
Comprehensive income for the period	41		41
Dividend	-375		-375
Performance-based incentive programme	-4		-4
Closing shareholders' equity, 31 December 2022	7,979	5	7,984
Comprehensive income for the period	-714		-714
Performance-based incentive programme	0		0
Closing shareholders' equity, 30 June 2023	7,265	5	7,270

# Condensed consolidated cash flow statement

	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	Jul 2022 Jun 2023	2022 Jan-Dec
<b>OPERATING ACTIVITIES</b>						
Profit before tax	-807	303	-863	409	-1,364	-92
Adjustments for items not included in cash flow	552	-165	535	-235	1,538	768
Tax paid	-91	-57	-132	-110	-171	-149
<b>Cash flow from operating activities before change in working capital</b>	<b>-345</b>	<b>82</b>	<b>-461</b>	<b>64</b>	<b>2</b>	<b>527</b>
<b>Cash flow from change in working capital</b>						
Sales of housing projects	3,191	3,046	5,384	5,373	13,323	13,312
Investments in housing projects	-2,395	-3,748	-5,245	-8,093	-13,189	-16,037
Other changes in working capital	-579	71	-708	328	-2,081	-1,045
<b>Cash flow from changes in working capital</b>	<b>218</b>	<b>-631</b>	<b>-569</b>	<b>-2,392</b>	<b>-1,947</b>	<b>-3,769</b>
<b>Cash flow from operating activities</b>	<b>-128</b>	<b>-549</b>	<b>-1,030</b>	<b>-2,328</b>	<b>-1,945</b>	<b>-3,242</b>
<b>INVESTMENT ACTIVITIES</b>						
Sale of group companies	737		737		737	
Other cash flow from investment activities	-66	-1	-128	-8	-224	-104
<b>CASH FLOW BEFORE FINANCING</b>	<b>543</b>	<b>-551</b>	<b>-420</b>	<b>-2,336</b>	<b>-1,431</b>	<b>-3,345</b>
<b>FINANCING ACTIVITIES</b>						
Purchase of treasury shares						
Increase in interest-bearing liabilities	1,250	2,680	3,392	4,032	4,122	4,762
Decrease in interest-bearing liabilities	-1,189	-2,054	-2,424	-2,316	-2,099	-1,991
Change in interest-bearing receivables	4	13	1	77	15	91
<b>Cash flow from financing activities</b>	<b>65</b>	<b>452</b>	<b>970</b>	<b>1,606</b>	<b>1,851</b>	<b>2,486</b>
<b>CASH FLOW DURING THE PERIOD</b>	<b>608</b>	<b>-99</b>	<b>550</b>	<b>-730</b>	<b>420</b>	<b>-859</b>
Cash and cash equivalents at start of period	240	425	303	1,066	489	1,066
Exchange rate differences in cash and cash equivalents	3	164	-3	153	-59	97
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>850</b>	<b>489</b>	<b>850</b>	<b>489</b>	<b>850</b>	<b>303</b>

The difference between cash and cash equivalents in the consolidated cash flow statement and the consolidated balance sheet corresponds to cash and cash equivalents in operations to be discontinued and discontinued operations; refer further to Note 6.

## Cash flow from operations to be discontinued

	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	Jul 2022 Jun 2023	2022 Jan-Dec
Net cash flow from operating activities	292	-261	408	-702	529	-581
Net cash flow from investment activities	740		747	26	749	28
Net cash flow from financing activities	-34	218	-225	715	-422	518
<b>Net increase in cash and cash equivalents, operations to be discontinued and discontinued operations</b>	<b>999</b>	<b>-43</b>	<b>930</b>	<b>39</b>	<b>856</b>	<b>-35</b>

Cash flow from operations to be discontinued is included in the condensed consolidated cash flow statement above; refer to Note 6.

# Notes for the Group

## NOTE 1 Accounting policies

This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and recommendation RFR 1 Supplementary Accounting Rules for Groups from the Swedish Financial Reporting Board. This Interim Report covers pages 1–33, and pages 1–15 are thereby an integrated part of this financial report. The accounting policies applied in the preparation of this Interim Report apply to all periods and comply with the accounting policies presented in Note 1 Significant accounting policies in Bonava's 2022 Annual Report, pages 73–77. The Annual Report is available at [bonava.com](https://bonava.com).

### Operations to be discontinued

In conjunction with Bonava divesting its operations in Norway, and announcing its intention to divest its operations in St. Petersburg, the criteria were met for application of IFRS 5 Non-current assets held for

sale and discontinued operations. Operations to be discontinued consists of significant operations that are divested, or comprises a group of divestments that are being held for sale. Earnings after tax from operations to be discontinued and discontinued operations are recognised on their own line in the income statement. Historical figures have been restated in accordance with the same principles. Transactions between continuing operations and operations to be discontinued or discontinued operations have been eliminated. Net assets in the operations in St. Petersburg are recognised in the balance sheet under "Assets held for sale" and "Liabilities attributable to assets held for sale" respectively. In accordance with IFRS, balance sheets for previous years are not restated.

## NOTE 2 Reporting of operating segments

Apr–Jun 2023	Germany	Sweden	Finland	Baltics	Other operations <sup>1)</sup>	Total
Net sales, consumers	1,134	498	350	185		2,167
Net sales, investors	398	444	565			1,407
Net sales, land	4	5				9
Other revenue					3	3
Operating profit/loss <sup>2)</sup>	75	58	97	14	-49	195
Net financial items						-148
Profit before tax						47
Capital employed	8,325	3,694	1,037	1,332	831	15,219
Apr–Jun 2022	Germany	Sweden	Finland	Baltics	Other operations <sup>1)</sup>	Total
Net sales, consumers	1,188	798	381	251	1	2,619
Net sales, investors	405	199	61			665
Net sales, land		28	18			46
Other revenue		2			2	4
Operating profit/loss <sup>2)</sup>	229	113	26	35	-71	332
Net financial items						-41
Profit before tax						291
Capital employed	6,183	3,415	919	938	-649	10,807
Jan–Jun 2023	Germany	Sweden	Finland	Baltics	Other operations <sup>1)</sup>	Total
Net sales, consumers	1,678	1,064	514	322		3,578
Net sales, investors	562	444	889			1,895
Net sales, land	7	27	1			35
Other revenue		3	1		3	7
Operating profit/loss <sup>2)</sup>	85	103	64	24	-110	167
Net financial items						-241
Profit before tax						-74
Capital employed	8,325	3,694	1,037	1,332	831	15,219
Jan–Jun 2022	Germany	Sweden	Finland	Baltics	Other operations <sup>1)</sup>	Total
Net sales, consumers	2,008	1,236	604	333	100	4,281
Net sales, investors	824	405	151			1,380
Net sales, land		36	18			54
Other revenue		1	1		1	3
Operating profit/loss <sup>2)</sup>	335	136	40	38	-118	431
Net financial items						-76
Profit before tax						355
Capital employed	6,183	3,415	919	938	-649	10,807

<sup>1)</sup> Other operations consist of the Parent Company, Group adjustments, eliminations and the Danish operation.

<sup>2)</sup> No items affecting comparability were recognised during the period.



Jan-Dec 2022	Germany	Sweden	Finland	Baltics	Other operations <sup>1)</sup>	Total
Net sales, consumers	5,626	1,997	1,175	831	102	9,731
Net sales, investors	2,159	704	565		752	4,180
Net sales, land		39	19			58
Other revenue		5	1	1	11	18
Operating profit/loss before items affecting comparability	904	-54	88	108	-188	858
Items affecting comparability	-32	-20			-4	-56
Operating profit/loss after items affecting comparability	872	-74	88	108	-192	802
Net financial items						-193
Profit before tax						609
Capital employed	7,074	3,825	974	1,085	-247	12,711

<sup>1)</sup> Other operations consist of the Parent Company, Group adjustments, eliminations and the Danish operation.

**NOTE 3 Specification of net debt**

	2023 30 Jun	2022 30 Jun	2022 31 Dec
Non-current interest-bearing receivables <sup>1)</sup>	572	2	2
Current interest-bearing receivables <sup>1)</sup>	114	19	18
Cash and cash equivalents	850	489	303
Interest-bearing receivables	1,536	510	324
liabilities	2,439	4,330	4,050
Current interest-bearing liabilities	5,729	2,062	3,533
Interest bearing liabilities <sup>2)</sup>	8,168	6,391	7,583
Net debt	6,631	5,881	7,259
Of which St.Petersburg <sup>3)</sup>	-87	189	275

<sup>1)</sup> Vendor notes that have been issued to the buyer of the Norwegian operations is included in long-term and current interest-bearing receivables. See further Note 6.

<sup>2)</sup> Of which green loans SEK 3,912 M (1,843). The green asset base used consisted of assets in Sweden that are or will be Nordic Swan Ecolabelled as well as specific projects for investors in Finland.

<sup>3)</sup> The operations in St. Petersburg have been reported as operations to be discontinued. See Note 6.

**Tenant-owner associations and housing companies**

Since Bonava appoints a majority of the Board members in tenant-owner associations in Sweden and housing companies in Finland, issues guarantees and provides credit to or borrowing on behalf of tenant-owner associations and housing companies, Bonava exercises a controlling influence and therefore consolidates tenant-owner associations and housing companies in full. As a consequence, these debts are included in Bonava's net debt.

**Share of net debt pertaining to tenant-owner associations and housing companies**

	2023 30 Jun	2022 30 Jun	2022 31 Dec
Cash and cash equivalents	41	12	17
Gross debt	1,507	1,675	1,767
Net debt in tenant-owner associations and housing companies	1,466	1,663	1,751

**The Group's financing framework**

The table below specifies the Group's financing facilities. In addition to these, there are unutilised contractual credit frames for projects in Swedish tenant-owner associations and Finnish housing companies totalling SEK 208 M.

Financing	Maturity, year	Amount	Utilised	Unutilised
Overdraft facilities	<365 days	667		667
Bond	<365 days	1,200	1,200	
Loan	2024	505	505	
Loan	2025	1,298	1,298	
RCF/commercial paper	2025	3,000	2,948	52
Loan	2026-27	589	589	
Total		7,259	6,540	719

**Covenants in loan agreements**

The terms in bond and loan agreements are linked to two covenants, adjusted for IFRS 16 and other elements. The first is the equity/assets ratio, or shareholders' equity in relation to total assets, which is not to fall below 25 per cent. The second is the interest coverage ratio, or earnings before interest, taxes, depreciation, and amortisation in relation to net financial items. It is not to fall below 2.0x. As of 30 June, both covenants had been fulfilled. According to the calculation method in the loan agreements, the equity/assets ratio was 29.4 per cent. According to the calculation method in the loan agreements, the interest coverage ratio was 4.0x. In accordance with the agreement with the creditors, these have been adjusted for the divestment of the operations in Norway.

**NOTE 4 Fair value of financial instruments**

In the table below, disclosures are made concerning how fair value is determined for the financial instruments that are continuously measured at fair value in Bonava's balance sheet. When determining fair value, assets have been divided into the following three levels. No transfers have been made between the levels during the period.

At level 1, Bonava has one outstanding bond loan valued at SEK 1,200 M (1,203).

Level 2 derivative instruments comprise currency swaps where the measurement at fair value of currency-forward contracts is based on published forward rates in an active market.

Bonava has no financial instruments in level 3.

	2023 30 Jun	2022 30 Jun	2022 31 Dec
Derivatives	9	1	17
Total assets	9	1	17
Derivatives	41	68	112
Total liabilities	41	68	112

The fair value of non-current and current interest-bearing liabilities differs only marginally from the carrying amount and is therefore not recognised separately in this interim report. For financial instruments recognised at amortised cost, the carrying amount of accounts receivable, other receivables, cash and cash equivalents, accounts payable and other interest-free liabilities is considered equal to the fair value. Vendor notes – recognised at amortised cost – that has been issued to the buyer of the Norwegian operations was measured at SEK 666 M as of 30 June 2023, and the nominal value before discounting totalled SEK 767 M.

**NOTE 5 Pledged assets and contingent liabilities**

	2023 30 Jun	2022 30 Jun	2022 31 Dec
Pledged assets			
For own liabilities			
Property mortgages	670	1,293	990
Restricted bank funds			
Other pledged assets	11	10	11
Total pledged assets	681	1,302	1,001
Surety and guarantee obligations			
Own contingent liabilities			
Counter guarantee to external guarantors <sup>1)</sup>	1,142	1,293	1,576
Other guarantees and contingent liabilities	1,290	1,062	585
Total surety and guarantee obligations	2,432	2,355	2,161

<sup>1)</sup> Of this amount, SEK 1,142 M (SEK 1,576 M at 31 December 2022) comprises counter guarantees pertaining to guarantees that constitute collateral for amounts paid to tenant-owner associations formed by Bonava Sverige AB. Deposit guarantees are valid until one year after the final acquisition cost of the tenant-owner association's building has been established. Other guarantee obligations comprise Bonava AB's guarantee commitments for project financing in St. Petersburg of SEK 240 M (SEK 487 M at 31 December 2022) and guarantee commitments for the payment of land investments in St. Petersburg of SEK 82 M (SEK 98 M at 31 December 2022) and 968 MSEK related to guarantee facilities for the Norwegian operations to be taken over by the buyer. Bonava's projects in St. Petersburg are financed through a foreign bank with licences to operate in St. Petersburg. Of property mortgages, collateral for project financing on behalf of Finnish housing companies was SEK 527 M (871 at 31 December 2022), and SEK 143 M (119 at 31 December 2022) relates to assets associated with land acquisitions in St. Petersburg.

**NOTE 6****Operations to be discontinued and discontinued operations****St. Petersburg**

Bonava announced on 3 March 2022 that the operations in St. Petersburg would be wound-down. Since then, Bonava has reviewed various strategic alternatives to wind-down operations, with one alternative being a responsible divestment of the operations. On 7 October 2022, Bonava announced that an agreement to sell the operations in St. Petersburg had been signed. In this connection, the operations in St. Petersburg have been recognised as assets held for sale since the third quarter of 2022.

The intended buyer of the operations in St. Petersburg did not receive the required approvals from the Russian authorities, which is why the sales agreement was cancelled. After the contract was cancelled, a decision was made to impair the net assets of the operations in St. Petersburg. This totalled SEK 877 M and was reported under profit for the period from operations to be discontinued in the fourth quarter of 2022. After the impairment of net assets, the exposure to Russia is deemed to be limited.

The decision to leave St. Petersburg stands firm, and on 31 May 2023 Bonava signed an agreement with residential developer RBI Group to sell the operation. The purchase consideration is approximately RUB 3.3 Bn (roughly SEK 430 M at June's closing rate). The agreement is conditional upon the necessary agreements from government authorities. Under the prevailing geopolitical circumstances, the process is a complicated and uncertain one. It is estimated that the process will be concluded in the third quarter of 2023.

In the first half-year of 2023, the operations generated a positive profit before tax of SEK 39 M. This was also impaired, and at the end of the period no net assets attributable to the operations in St. Petersburg were recognised in the Group.

Bonava AB has guarantee commitments of SEK 82 M (211; 98 at 31 December 2022) for payment of the land investment in operations to be discontinued in St. Petersburg, and a guarantee commitment of SEK 240 M (740; 487 at 31 December 2022) for project financing in St. Petersburg. Bonava's projects in St. Petersburg are financed through a foreign bank with licences to operate in St. Petersburg. Project financing and guarantees will be terminated before the divestment is finalised.

Adjusted historical comparative figures were published on Bonava's website, <https://www.bonava.com/en/investor-relations/financial-information>.

*Profit and cash flow from operations to be discontinued, St. Petersburg*

	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Net sales	300	282	526
Production cost	-235	-189	-365
Selling and administrative expenses	65	93	161
Operating profit	-18	-19	-70
Net financial items	47	74	91
Profit before tax	0	15	22
Tax on profit for the period	-9	-7	-23
Net financial items	-9	8	-1
Profit before tax	39	82	90
Tax on profit for the period	-8	-17	-21
Profit from operations to be discontinued	31	65	69
Transaction costs	-7		
Write-down of net assets	-31		-877
Profit for the period from operations to be discontinued	-7	65	-808
Translation differences for operations to be discontinued		444	142
Items included in comprehensive income		444	142
Net cash flow from operating activities	355	-292	-472
Net cash flow from investment activities	1	8	9
Net cash flow from financing activities	-193	268	363
Net increase in cash and cash equivalents from the subsidiary	164	-16	-100

*Balance sheet, pledged assets, and contingent liabilities, St. Petersburg*

	2023 30 Jun	2022 31 Dec
Fixed assets		
Properties held for future developmer	432	729
Other current assets	2	
Cash and cash equivalents	303	185
Total assets	737	915
Provisions	18	23
Non-current liabilities	312	577
Advances from customers	279	117
Other current liabilities	128	197
Total liabilities	737	915
Net assets		
Pledged assets and contingent liabilities		
Pledged assets <sup>1)</sup>	143	119

<sup>1)</sup> Pertains to property mortgages on properties owned by Bonava St. Petersburg.

## Norway

On 30 June, Bonava signed an agreement to divest its operations in Norway. The buyer is the Union Residential Development property fund. The purchase price totalled SEK 1,532 M, of which SEK 765 M was paid in cash upon completion of the transaction, and the remainder – SEK 767 M – will be paid via vendor notes. In the transaction currency, the purchase price totalled NOK 1,515 M.

In conjunction with Bonava signing agreements on divesting its operations in Norway, the criteria were met for application of IFRS 5 Non-current assets held for sale and discontinued operations. The discontinued operations in Norway including capital gain from the divestment were recognised separately in the consolidated income statement, on a separate line under the heading "Operations to be discontinued". Previous periods in the consolidated income statement have been restated in accordance with the same principles. Intra-Group transactions between continuing operations and operations to be discontinued up until the divestment date have been eliminated. Adjusted comparative figures have been published on Bonava's website. As of the date of divestment, when controlling interest transferred to the buyer, assets and liabilities attributable to the operations in Norway ceased to be recognised as part of the Group's total assets and liabilities.

Financial information regarding the discontinued operations for the period up until the date of divestment are presented below.

The vendor notes will be paid in pace with the conclusion of the property projects in the Norwegian operations. The majority of the financing is expected to be repaid in 2024 and 2025.

Vendor notes is recognised in the balance sheet as a non-current financial asset measured at amortised cost using the effective rate method. As of 30 June, the financing was measured at SEK 666 M; the nominal value before discounting amounted to SEK 767 M, and interest income will be routinely recognised as financial income up until the vendor notes falls due.

As of 30 June 2023, Bonava AB had guarantee commitments for the Norwegian operations in the form of counter guarantees in relation to external guarantors as well as direct guarantee commitments at an aggregate total of SEK 968 M, which will be assumed by the buyer no later than 120 business days after the deal was finalised in accordance with the agreement.

## Financial information regarding discontinued operations, Norway

	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Net sales	627	619	1,719
Production cost	-538	-609	-1,551
Selling and administrative expenses	89	9	168
Operating profit	-24	-34	-76
Net financial items	65	-25	92
Profit before tax	1	0	1
Tax on profit for the period	-1	-3	-6
Net financial items	0	-3	-5
Profit before tax	65	-27	87
Tax on profit for the period	-6	-1	-21
Profit from operations to be discontinued	59	-28	66
Transaction costs	-30		
Loss on sale of discontinued operations, net of tax (see below)	-824		
Profit for the period from discontinued operations	-795	-28	66
Translation differences for discontinued operations	45	6	16
Items included in comprehensive income	45	6	16
Net cash flow from operating activities	53	-410	-109
Net cash flow from investment activities	746	18	19
Net cash flow from financing activities	-33	447	155
Net increase in cash and cash equivalents from the subsidiary	766	55	65

## Information regarding the sale of the discontinued operation, Norway

	2023 30 Jun
Sales proceeds received or to be received	
Cash	441
Vendor note	-101
Total sales proceeds	340
Reported value of net assets	-1,119
Profit before tax and reclassification of currency translation reserve	-779
Reclassification of currency translation reserve	-45
Loss on sale, net of tax	-824



Net assets for discontinued operation, Norway

Goodwill	56
Fixed assets	50
Properties held for future development	2,529
Other current assets	37
Cash and cash equivalents	28
<b>Total assets</b>	<b>2,700</b>
Provisions	53
Non-current liabilities	1,242
Advances from customers	30
Other current liabilities	257
<b>Total liabilities</b>	<b>1,582</b>
<b>Net assets</b>	<b>1,119</b>
Pledged assets and contingent liabilities	
Pledged assets <sup>1)</sup>	202

<sup>1)</sup> Pertains to security for loans in J/V Solberg Öst.

Operations to be discontinued and discontinued operations,  
total for S:t Petersburg and Norway

	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Profit for the period from operations to be discontinued and discontinued operations, total	-803	37	-743
Translation differences for operations to be discontinued and discontinued operations, total	45	450	157
Net increase in cash and cash equivalents from operations to be discontinued and discontinued operations, total	930	39	-35
Asset held for sale, total	738		915
Liabilities attributable to assets held for sale, total	738		915

NOTE 7 Investment properties

Investment properties are measured at fair value in accordance with IAS 40. Valuation of properties is conducted at the end of each quarter with the support of independent property assessors. Investment properties are initially recognised at cost, which includes fees directly attributable to the acquisition. At 30 June 2023, fair value was deemed to correspond to the carrying amount, which is why no unrealised change in value was recognised. Classification is at level 3 according to IFRS 13.

	2023 30 Jun	2022 30 Jun	2022 31 Dec
Fair values at start of period	262		
Investments	68		102
Reclassification	33		156
Translation differences for the year	9		5
<b>Fair value at end of period</b>	<b>372</b>		<b>262</b>

# The Parent Company in brief

## JANUARY–JUNE 2023

The Parent Company comprises the operations of Bonava AB (publ). Net sales for the period totalled SEK 117 M (136). Profit after financial items was SEK -814 M (300). The Group company Bonava Norge AS was divested at a loss of SEK 812 M in the second quarter of 2023. The sale value includes transaction costs of SEK -30 M.

INCOME STATEMENT	Note 1	2023 Jan–Jun	2022 Jan–Jun	2022 Jan–Dec
Net sales		117	136	269
Selling and administrative expenses		-196	-230	-456
Operating loss		-79	-95	-187
Profit from participations in Group companies		-812	417	353
Financial income		299	115	320
Financial expenses		-222	-53	-140
Profit after financial items		-814	384	345
Appropriations				-45
Profit before tax		-814	384	300
Tax on profit for the period			7	21
Profit for the period		-814	391	321

Since there are no transactions to recognise in Other comprehensive income, the profit for the period corresponds to comprehensive income.

BALANCE SHEET	Note 1, 2	2023 30 Jun	2022 30 Jun	2022 31 Dec
Assets				
Fixed assets		2,075	2,678	2,632
Current assets		11,960	10,196	10,960
Total assets		14,035	12,874	13,592
Shareholders' equity and liabilities				
Shareholders' equity		6,595	7,479	7,409
Provisions		11	10	11
Non-current liabilities		2,038	3,108	3,174
Current liabilities		5,391	2,278	2,999
Total shareholders' equity and liabilities		14,035	12,874	13,592

# Parent Company Notes

## NOTE 1 Accounting policies

The company has prepared its Interim Report pursuant to the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

The accounting policies applied in the preparation of this Interim Report apply to all periods and comply with the accounting policies presented in Note 1 Significant accounting policies in Bonava's 2022 Annual Report, pages 73–77 and 102. The Annual Report is available at [bonava.com](https://bonava.com).

## NOTE 2 Pledged assets and contingent liabilities

	2023 30 Jun	2022 30 Jun	2022 31 Dec
Counter guarantee to external guarantors <sup>1)</sup>	9,086	10,258	9,897
Guarantees for project-specific financing <sup>2)</sup>	1,031	2,055	1,775
Guarantees for Group companies <sup>3)</sup>	3,018	4,055	3,785
Other guarantees <sup>4)</sup>	968	1,189	1,498
Other pledged assets	11	10	11
<b>Total</b>	<b>14,114</b>	<b>17,566</b>	<b>16,966</b>

### Share of pledged assets and contingent liabilities on behalf of tenant-owner associations and housing companies

	2023 30 jun	2022 30 jun	2022 31 dec
Counter guarantee to external guarantors <sup>5)</sup>	1,105	1,814	1,576
Guarantees for project-specific financing	791	1,315	1,287
<b>Total</b>	<b>1,896</b>	<b>3,129</b>	<b>2,863</b>

<sup>1)</sup> No counter guarantees in relation to external guarantors linked to the operations in St. Petersburg as from the fourth quarter of 2022.

<sup>2)</sup> Of which guarantee commitments of SEK 240 M (487 at 31 December 2022) for project financing in St. Petersburg are included. Bonava's projects in St. Petersburg are financed through a foreign bank with licences to operate in Russia.

<sup>3)</sup> Of the guarantees for Group companies, SEK 82 M (98 at 31 December 2022) comprises guarantees for the payment of land investments in the operations in St. Petersburg.

<sup>4)</sup> Guarantee commitments pertaining to the Norwegian operations are to be taken over by the buyer in accordance with the agreement

<sup>5)</sup> Counter guarantees pertain to guarantees that constitute collateral for amounts paid to tenant-owner associations formed by Bonava Sverige AB. Deposit guarantees are valid until one year after the final acquisition cost of the tenant-owner association's building has been established.

# Sector-related key figures for the Group

No. unless otherwise stated	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Building rights	29,400	29,700	29,400	29,700	29,400
Of which, off-balance sheet building rights	10,700	11,500	10,700	11,500	11,350
<b>Housing development for consumers</b>					
Housing units sold	390	406	593	1,099	1,682
Sales value of housing units sold, SEK M	1,496	1,499	2,265	3,896	6,096
Production starts	217	449	476	806	1,428
Housing units in ongoing production	3,207	4,763	3,207	4,763	3,871
Sales rate for ongoing production, %	49	60	49	60	51
Reservation rate for ongoing production, %	3	3	3	3	1
Completion rate for ongoing production, %	64	49	64	49	56
Completed housing units not recognised in profit	332	115	332	115	176
Housing units for sale (ongoing and completed)	1,926	2,002	1,926	2,002	2,042
Housing units recognised in profit	592	794	984	1,291	2,744
Value of sold housing units, not yet recognised in profit, SEK M	7,282	11,159	7,282	11,159	8,220
<b>Housing development for investors</b>					
Housing units sold		260	75	313	854
Sales value of housing units sold, SEK M	15	539	156	690	2,162
Production starts		260	75	313	1,085
whereof investment properties					231
Housing units in ongoing production	1,880	2,828	1,880	2,828	2,627
whereof investment properties	426	195	426	195	426
Sales rate for ongoing production, % <sup>1)</sup>	100	93	100	93	100
Completion rate for ongoing production, %	53	51	53	51	47
Housing units recognised in profit	611	351	822	653	1,625
Value of sold housing units, not yet recognised in profit, SEK M	4,165	6,595	4,165	6,595	5,746

<sup>1)</sup> Excluding Build-to-Manage. Including Build-to-Manage, the sales rate totalled 83 per cent.

	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
<b>Number of housing units in production for consumers</b>					
Housing units in ongoing production at start of period	3,635	5,138	3,871	5,271	5,271
Change in opening value					
Production starts	217	449	476	806	1,428
Housing units recognised in profit	-592	-794	-984	-1,291	-2,744
Decrease (+)/increase (-) in completed housing units not recognised in profit	-53	-30	-156	-23	-84
Housing units in ongoing production for consumers at end of period	3,207	4,763	3,207	4,763	3,871
<b>Number of housing units in production for investors</b>					
Housing units in ongoing production at start of period	2,491	2,919	2,627	3,168	3,168
Change in opening value <sup>1)</sup>					-1
Production starts		260	75	313	1,085
Housing units recognised in profit	-611	-351	-822	-653	-1,625
Housing units in ongoing production for investors at end of period	1,880	2,828	1,880	2,828	2,627

<sup>1)</sup> Change initiated by investors.

# Sector-related key figures for the segments

<b>Germany</b>	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	2022 Jan–Dec
<i>no. unless otherwise stated</i>					
<b>Building rights</b>					
Building rights	9,700	10,100	9,700	10,100	9,800
of which, off-balance sheet building rights	1,900	3,300	1,900	3,300	3,100
<b>Housing development for consumers</b>					
Net sales, SEK M	1,134	1,188	1,678	2,008	5,626
Housing units sold	212	176	327	424	744
Sales value of housing units sold, SEK M	1,066	920	1,676	2,149	3,825
Production starts	153	196	179	429	651
Housing units in ongoing production	1,841	2,510	1,841	2,510	2,033
Sales rate for ongoing production, %	58	56	58	56	51
Completed housing units not recognised in profit	94	19	94	19	35
Housing units for sale (ongoing and completed)	867	1,113	867	1,113	1,015
Housing units recognised in profit	208	237	312	443	1,126
<b>Housing development for investors</b>					
Net sales, SEK M	398	405	562	824	2,159
Housing units sold					228
Sales value of housing units sold, SEK M	15	12	22	15	723
Production starts					228
Housing units in ongoing production	529	879	529	879	693
Sales rate for ongoing production, %	100	100	100	100	100
Housing units recognised in profit	101	211	164	349	762
Average no. of employees during the financial year			931	934	932
<b>Sweden</b>	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	2022 Jan–Dec
<i>no. unless otherwise stated</i>					
<b>Building rights</b>					
Building rights	8,900	8,300	8,900	8,300	8,700
of which, off-balance sheet building rights	3,300	2,700	3,300	2,700	2,900
<b>Housing development for consumers</b>					
Net sales, SEK M	498	798	1,064	1,236	1,997
Housing units sold	43	66	57	227	256
Sales value of housing units sold, SEK M	200	266	254	918	1,035
Production starts	19	121	88	121	143
Housing units in ongoing production	493	860	493	860	675
Sales rate for ongoing production, %	42	68	42	68	61
Completed housing units not recognised in profit	60	27	60	27	40
Housing units for sale (ongoing and completed)	316	292	316	292	285
Housing units recognised in profit	118	187	250	313	507
<b>Housing development for investors</b>					
Net sales, SEK M	444	199	444	405	704
Housing units sold					
Sales value of housing units sold, SEK M		3	5	3	12
Production starts					231
whereof investment properties					231
Housing units in ongoing production	393	582	393	582	651
whereof investment properties	231		231		231
Sales rate for ongoing production, % <sup>1)</sup>	100	100	100	100	100
Housing units recognised in profit	258	104	258	212	374
Average no. of employees during the financial year			177	237	232

<sup>1)</sup> Excluding Build-to-Manage. Including Build-to-Manage, the sales rate totalled 65 per cent.



<b>Finland</b>	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	2022 Jan–Dec
<i>no. unless otherwise stated</i>					
<b>Building rights</b>					
Building rights	3,800	3,800	3,800	3,800	3,400
of which, off-balance sheet building rights	2,500	2,300	2,500	2,300	2,100
<b>Housing development for consumers</b>					
Net sales, SEK M	350	381	514	604	1,175
Housing units sold	39	44	39	157	212
Sales value of housing units sold, SEK M	89	143	104	439	582
Production starts				66	139
Housing units in ongoing production	139	535	139	535	382
Sales rate for ongoing production, %	40	68	40	68	55
Completed housing units not recognised in profit	96	32	96	32	48
Housing units for sale (ongoing and completed)	172	193	172	193	211
Housing units recognised in profit	131	138	195	204	414
<b>Housing development for investors</b>					
Net sales, SEK M	565	61	889	151	565
Housing units sold		260	75	313	626
Sales value of housing units sold, SEK M		522	128	671	1,427
Production starts		260	75	313	626
Housing units in ongoing production	763	987	763	987	1,088
Sales rate for ongoing production, %	100	100	100	100	100
Housing units recognised in profit	252	36	400	92	304
Average no. of employees during the financial year			197	234	232

<b>Baltics (Estonia, Latvia and Lithuania)</b>	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	2022 Jan–Dec
<i>no. unless otherwise stated</i>					
<b>Building rights</b>					
Building rights	7,000	7,500	7,000	7,500	7,500
of which, off-balance sheet building rights	3,000	3,200	3,000	3,200	3,250
<b>Housing development for consumers</b>					
Net sales, SEK M	185	251	322	333	831
Housing units sold	96	120	170	291	470
Sales value of housing units sold, SEK M	141	170	231	390	654
Production starts	45	132	209	190	495
Housing units in ongoing production	734	858	734	858	781
Sales rate for ongoing production, %	33	55	33	55	39
Completed housing units not recognised in profit	82	37	82	37	53
Housing units for sale (ongoing and completed)	571	404	571	404	531
Housing units recognised in profit	135	232	227	310	676
<b>Housing development for investors</b>					
Net sales, SEK M					
Housing units sold					
Sales value of housing units sold, SEK M					
Production starts					
whereof investment properties					
Housing units in ongoing production	195	195	195	195	195
whereof investment properties	195	195	195	195	195
Sales rate for ongoing production, %					
Housing units recognised in profit					
Average no. of employees during the financial year			272	282	289

<sup>1)</sup> Excluding Build-to-Manage. Including Build-to-Manage, the sales rate totalled 0 per cent.

# Key performance indicators at end of period

Including operations to be discontinued, and for historical comparison figures also discontinued operations.

	2023 30 Jun	2022 30 Jun	2022 31 Dec
Return on capital employed, R12, % <sup>1)</sup>	4.6	10.6	6.9
Interest coverage ratio, R12, multiple	1.9	9.4	4.4
Interest coverage ratio regarding covenants, multiple	4.0	13.3	7.7
Equity/assets ratio, %	29.2	33.0	31.2
Equity/assets ratio regarding covenants, %	29.4	33.3	31.5
Return on equity, %	-17.8	12.7	-3.6
Interest-bearing liabilities/total assets, %	32.8	24.0	29.6
Net debt	6,631	5,881	7,259
Debt/equity ratio, multiple	0.9	0.7	0.9
Capital employed	15,438	15,168	15,568
Capital turnover rate, multiple	1.0	1.3	1.1
Share of risk-bearing capital, %	29.3	33.3	31.4
Average interest rate at period-end, % <sup>2)</sup>	6.41	2.30	4.03
Average fixed-rate term, years <sup>3)</sup>	0.1	0.2	0.2
Average interest rate at period-end, % <sup>3)</sup>	5.19	1.79	3.70
Average fixed-rate term, years <sup>3)</sup>	0.3	0.2	0.3

<sup>1)</sup> Before items affecting comparability.

<sup>2)</sup> Excluding loans in Swedish tenant-owner associations, Finnish housing companies, and leases.

<sup>3)</sup> Pertains to loans in Swedish tenant-owner associations and Finnish housing companies.

## EXCHANGE RATES

Text	Average rate			Rate on balance sheet date		
	30 Jun 2023	30 Jun 2022	31 Dec 2022	30 Jun 2023	30 Jun 2022	31 Dec 2022
DKK	1.52	1.41	1.43	1.58	1.44	1.50
EUR	11.33	10.48	10.63	11.80	10.71	11.13
NOK	1.00	1.05	1.05	1.01	1.04	1.06
RUB	0.14	0.13	0.15	0.12	0.20	0.15

## FURTHER INFORMATION ON KEY FIGURES

Key performance indicators per quarter and full-year are available at [bonava.com/en/investor-relations](https://bonava.com/en/investor-relations).  
Definitions of key figures and reporting of Bonava's alternative performance measures can also be found here.

# Signatures

The Board of Directors and the CEO give their assurance that the six-month report provides a fair view of the Parent Company's and the Group's operations, financial position and results of operations and describe the significant risks and uncertainties facing the Parent Company and the companies that are part of the Group.

Stockholm, 20 July 2023

**Mats Jönsson**  
Chairman of the Board

**Viveca Ax:son Johnson**  
Director

**Olle Boback**  
Director

**Anette Frumerie**  
Director

**Tobias Lönnevall**  
Director

**Per-Ingemar Persson**  
Director

**Nils Styf**  
Director

**Peter Wallin**  
CEO

This report has not been reviewed by the company's auditors.

# Bonava in brief

## OUR MISSION

We create happy neighbourhoods for the many.

## OPERATIONS

Bonava is a leading residential developer in Europe with the purpose of creating 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 Germany, Sweden, Finland, Estonia, Latvia and Lithuania, with net sales of approximately SEK 14 Bn in 2022. Bonava's operations in St. Petersburg are being discontinued. Bonava's shares and green bond are listed on Nasdaq Stockholm.



6

COUNTRIES

19

REGIONS

1,600

EMPLOYEES  
AT END OF Q2 2023

14.0

SEK BN  
NET SALES 2022

## FINANCIAL CALENDAR

- Q3 Interim report, Jan-Sep, 15 November
- Q4 Year-end Report, Jan-Dec, 1 February 2024
- Q1 Interim report, Jan-Mar, 24 April 2024

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## PUBLICATION

This information is such that Bonava AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact persons set out above on 20 July 2023 at 7:30 a.m. CEST.

## WEBCAST PRESENTATION 20 JULY

President and CEO Peter Wallin and CFO Lars Granlöf will present the report on 20 July 2023 at 9:00 a.m. CEST.

Follow the webcast live at:

<https://bonava.videosync.fi/2023-07-20-q2>

To participate in the teleconference, register using this link:

<https://events.inderes.se/teleconference/?id=100365>

After registration, you will receive a telephone number and conference ID to be able to participate in the presentation.

The presentation material will be available at [bonava.com](https://bonava.com).