



Interim report January–September 2020



Stable sales in a good market

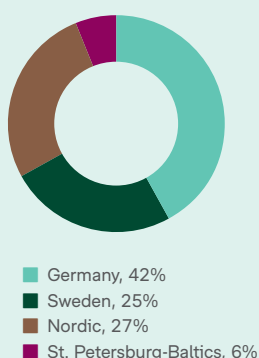
1 JULY-30 SEPTEMBER 2020

- Net sales amounted to SEK 2,958 M (3,380)
- Operating profit¹⁾ totalled SEK 125 M (162)
- Operating margin¹⁾ was 4.2 per cent (4.8)
- Profit after financial items was SEK 99 M (36)
- Profit for the period after tax amounted to SEK 72 M (27)
- Cash flow before financing was SEK 817 M (-90)
- Earnings per share²⁾ was SEK 0.68 (0.25)
- Return on capital employed¹⁾ was 6.1 per cent (9.7)
- Sales value of housing units sold in the quarter amounted to SEK 4,347 M (4,305)

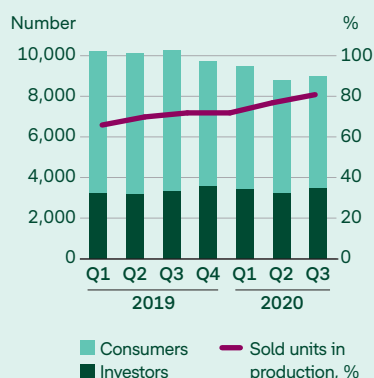
1 JANUARY-30 SEPTEMBER 2020

- Net sales amounted to SEK 9,444 M (8,975)
- Operating profit¹⁾ totalled SEK 211 M (509)
- Operating margin¹⁾ was 2.2 per cent (5.7)
- Profit after financial items was SEK 126 M (330)
- Profit for the period after tax amounted to SEK 92 M (247)
- Cash flow before financing was SEK 1,744 M (-1,107)
- Earnings per share²⁾ was SEK 0.86 (2.29)
- Return on capital employed¹⁾ was 6.1 per cent (9.7)
- Sales value of housing units sold in the period amounted to SEK 10,634 M (9,141)

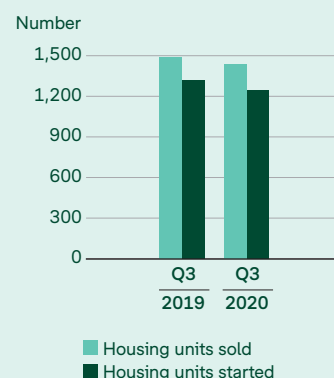
Net sales per segment rolling 12 month



Number of housing units in production and percentage of housing units sold



Number of housing units sold and housing starts



	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	Oct 2019- Sep 2020	2019 Jan-Dec
Net sales	2,958	3,380	9,444	8,975	15,943	15,474
Operating profit ¹⁾	125	162	211	509	905	1,202
Operating margin, % ¹⁾	4.2	4.8	2.2	5.7	5.7	7.8
Profit after financial items	99	36	126	330	630	834
Profit for the period after tax	72	27	93	247	461	615
Earnings per share, SEK ²⁾	0.68	0.25	0.86	2.29	4.29	5.71
Cash flow before financing	817	-90	1,744	-1,107	2,713	-138
Net debt	5,245	7,331	5,245	7,331	5,245	6,873
Capital employed at period end	13,472	14,798	13,472	14,798	13,472	14,933
Return on capital employed, % ¹⁾	6.1	9.7	6.1	9.7	6.1	8.1
Equity/assets ratio, %	29.4	29.9	29.4	29.9	29.4	32.1
Number of housing units sold in the period	1,438	1,488	3,542	3,257	5,447	5,162
Sales value of housing units sold in the period	4,347	4,305	10,634	9,141	15,970	14,477
Number of housing starts in the period	1,243	1,320	2,525	2,542	4,434	4,451
Number of housing units in production at period end	8,962	10,301	8,962	10,301	8,962	9,732
Sales rate for ongoing production, %	81	72	81	72	81	72
Value of sold housing units, not yet recognised in profit, SEK Bn	21.9	22.2	21.9	22.2	21.9	21.1
Number of housing units recognised in profit in the period	931	1,154	3,194	3,291	5,414	5,511

¹⁾ Excluding items affecting comparability. See Note 1.

²⁾ Before and after dilution.

For definitions of key ratios, see bonava.com/en/investor-relations/financial-information

Comments from the CEO

Hard work and increased optimism in the market underpinned the favourable sales performance for the quarter. We sold and started significantly more housing units than in the spring, and ended on a par with the third quarter of last year. The operating margin was slightly lower. We are seeing underlying improvements, but still have some way to go to achieve the financial targets we have set.

Bonava's sale of housing units improved significantly from spring and sold units in the third quarter was in level with same period last year despite the pandemic. We have successfully maintained the pace of production startups, particularly in Germany and Sweden. Bonava completed more housing units than forecast, but recognised fewer housing units in profit than the year-earlier period, which resulted in lower net sales of SEK 2,958 M (3,380). Improved gross margins in housing units delivered to consumers and lower costs have had an effect in the quarter. We have a solid project portfolio in Germany as well as stability in Sweden, and we have taken measures that have gradually improved the performance of Nordic. We now need to take this to the next level, and deliver on the strong housing market we are seeing.

HIGH RATE OF HOUSING STARTS TO CONSUMERS IN GERMANY

After a severe slowdown in sales in Germany this spring, it is now on the same level as before the pandemic. We have successfully maintained a higher rate of housing starts to consumers, and expect to start even more in the fourth quarter. The increased optimism in Germany, where both the consumer climate and business climate indexes (IFO) have risen sharply, can now be clearly seen. Our production has proceeded according to plan, and in addition we have successfully completed and delivered significantly more housing units to consumers than expected. A more solid gross margin than the one we saw in the first half of the year in Germany, in combination with cost-reduction measures enabled a gradual improvement in profitability.

INCREASED NUMBER OF SOLD HOUSING UNITS TO INVESTORS

The Swedish housing market trended positively during the summer months, which was also reflected in Bonava's operations. We sold and started more housing units during the quarter compared with the year-earlier period. Bonava also started sales for many new projects in October, including in Nacka and Gothenburg, and the level of interest has been high. We completed housing units in accordance with expectations, and despite a quarter with a lower volume than the preceding year, the operating margin was strengthened as a consequence of an improved product mix in housing units delivered compared with the year-earlier period. Given that, at present, we are seeing no signs of a slowdown in the Swedish housing market, where both demand and price performance are moving in the right direction, we believe that we will continue to see positive performance in Sweden.

NORDIC HAS PERFORMED ACCORDING TO PLAN

After the downturn in the spring, all of our markets in Nordic have trended in the right direction, where Norway showed an increase in sales compared with the corresponding period in 2019. During the quarter, we managed to decrease unsold stock significantly, albeit housing units delivered were lower year on year. The operating margin continues to be weighed down by housing projects delivered in Finland and Denmark, as well as by lower volumes in Denmark and Norway. However, the operating profit has gradually improved during the year – even in the third quarter – due to the measures in Finland having an effect and to stable gross margins on housing units delivered in Norway.



JOACHIM HALLENGREN, PRESIDENT AND CEO

MORE HOUSING STARTS IN ST. PETERSBURG-BALTICS

We also noted a recovery in the St. Petersburg-Baltics market during the quarter after a weaker second quarter affected by a drastic slowdown in customer activity in the Baltic region. During the quarter, we sold and started more housing units compared with the year-earlier period. We also have a number of larger planned projects, and expect to commence work on these by the end of the year. The operating profit strengthened compared with the year-earlier period.

SOLID PLATFORM FOR GOOD DEVELOPMENT

During the quarter, the board of directors announced that I will be stepping down from my position as CEO. I will however continue during a transition period which will end at latest when my successor takes up office. I will, of course, miss the strong employee culture and all the employees that have accompanied me on this journey. At the same time, I feel that Bonava is standing firm and will capitalise on the platform we have built. With our solid development rights portfolio, a strong cash flow and motivated employees who are working intensively with measures to strengthen our profitability, I believe the right conditions are in place for continued positive development.

Joachim Hallengren,
President and CEO

Group performance

JULY-SEPTEMBER 2020

Net sales

Net sales amounted to SEK 2,958 M (3,380). The lower level of net sales is attributable to the fewer housing units for consumers and investors being recognised in profit. The downturn was primarily attributable to Sweden and Nordic.

In the quarter, 818 (870) housing units for consumers were recognised in profit, with net sales of SEK 2,687 M (2,770). The average price per housing unit was somewhat higher than the year-earlier period, totalling SEK 3.3 M (3.2).

Net sales to investors totalled SEK 249 M (477), and the number of housing units delivered was 113 (284).

Exchange rate fluctuations had a negative effect of SEK 69 M on consolidated net sales compared with the year-earlier period.

Operating profit

Operating profit¹⁾ for the quarter was SEK 125 M (162). The operating margin¹⁾ was slightly lower than year-earlier period at 4.2 per cent (4.8). The decrease in handover of housing units was compensated by lower selling and administrative expenses. COVID-19 had a limited effect on sales and production during the quarter.

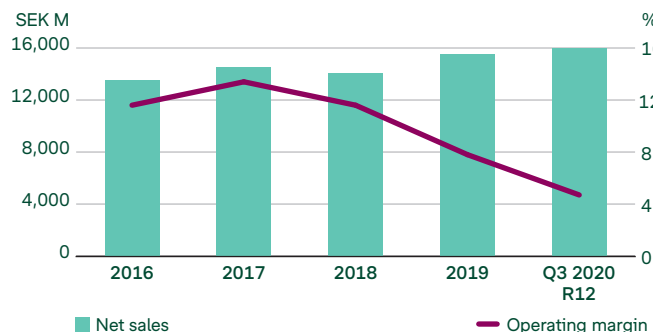
Exchange rate fluctuations had a negative impact of SEK 5 M on operating profit compared with the year-earlier period.

Net financial items, tax and profit for the period

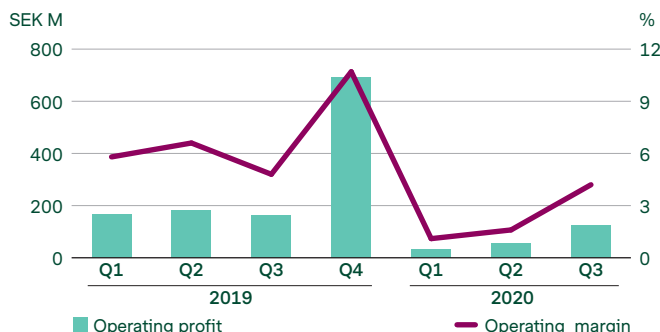
Net financial items were SEK -26 M (-26). Compared with the year-earlier period, costs have decreased as a consequence of a lower level of borrowing in RUB while simultaneously increasing owing to fees for new credit facilities raised. Compared with the first half of the year, interest expenses for the quarter were lower as a consequence of lower average gross borrowings.

Profit after financial items amounted to SEK 99 M (36) for the quarter. Tax on profit for the quarter was SEK -26 M (-9), corresponding to a tax rate of 26 per cent (25). The higher tax rate is attributable to the fact that a greater share of the Group's earnings were from Germany, where the tax rate is higher. Profit for the period after tax totalled SEK 72 M (27).

Net sales and operating margin¹⁾



Operating profit and operating margin¹⁾



¹⁾ Excluding items affecting comparability. See Note 1.

JANUARY-SEPTEMBER 2020*Net sales*

Net sales amounted to SEK 9,444 M (8,975). During the period, 2,417 housing units (2,613) for consumers were recognised in profit and net sales totalled SEK 7,655 M (7,340). The average price per housing unit increased compared with the year-earlier period, totalling SEK 3.2 M (2.8). The increase is attributable to both higher average prices in most markets and a higher share of housing units recognised in profit in Germany and Sweden, where average prices are higher.

During the period, 777 housing units (678) for investors were recognised in profit and net sales totalled SEK 1,664 M (1,316), with the increase largely attributable to Germany. Exchange rate fluctuations had a positive effect of SEK 10 M on consolidated net sales compared with the year-earlier period.

Operating profit

Operating profit¹⁾ amounted to SEK 211 M (509). Operating profit and operating margin¹⁾ for the period remained low as a consequence of lower gross margins in Germany and Nordic as well as a reduction (632 versus 901) in the number of housing units recognised in profit in St. Petersburg-Baltics. Selling and administrative expenses decreased by SEK 49 M.

Exchange rate fluctuations had a negative impact of SEK 3 M on operating profit compared with the year-earlier period.

Net financial items, tax and profit for the period

Net financial items were SEK -85 M (-79). The higher costs during the period were attributable to expansion of the Group's credit facilities and increased interest margins in both the banking and capital markets. Profit after financial items totalled SEK 126 M (330) for the period.

Tax on profit for the period was SEK -34 M (-83), corresponding to a tax rate of 27 per cent (25).

Profit for the period after tax amounted to SEK 93 M (247).

	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	Oct 2019– Sep 2020	2019 Jan-Dec
Net sales						
Germany	1,503	1,601	3,818	3,488	6,691	6,361
Sweden	527	844	2,759	2,589	4,031	3,861
Nordic	679	720	2,153	1,929	4,225	4,000
St. Petersburg-Baltics	248	215	713	969	995	1,252
Total	2,958	3,380	9,444	8,975	15,943	15,474

	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	Oct 2019– Sep 2020	2019 Jan-Dec
Operating profit/loss¹⁾						
Germany	134	199	201	372	658	829
Sweden	36	27	220	210	460	450
Nordic	-27	-38	-139	-65	-98	-23
St. Petersburg-Baltics	31	24	84	162	116	194
Parent company and adjustments	-49	-51	-154	-170	-231	-248
Total	125	162	211	509	905	1,202

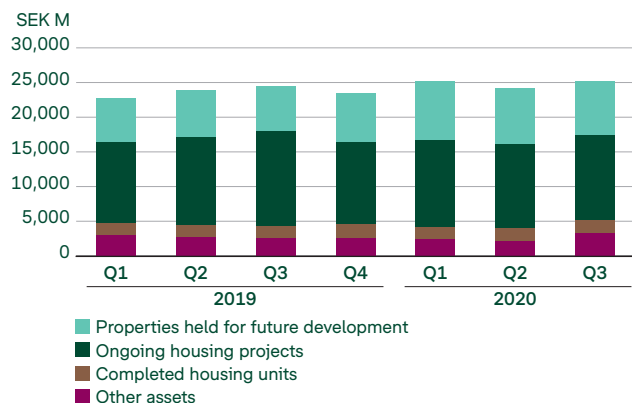
¹⁾ Excluding items affecting comparability. See Note 1.

Financial position, investments and cash flow

TOTAL ASSETS

Total assets were SEK 25,165 M (24,207). The increase was primarily attributable to a higher value on properties held for future development and an increase in cash and cash equivalents. The value of housing units in ongoing production was lower.

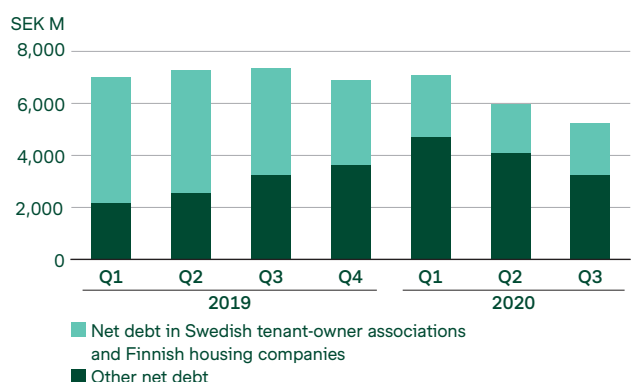
Distribution of assets



NET DEBT

Net debt amounted to SEK 5,245 M (7,331). Year-on-year, net debt attributable to tenant-owner associations and housing companies in Sweden and Finland decreased, totalling SEK 1,984 M (4,089). This is attributable to both fewer housing units in ongoing production in Sweden and Finland, and to certain major projects in Sweden being financed by Bonava itself instead of tenant-owner associations bearing a larger share of the debt. Interest-bearing liabilities in other operations have thus increased, amounting to SEK 3,776 M (3,131). Net debt at 30 June 2020 totalled SEK 5,987 M.

Net debt



CAPITAL EMPLOYED AND RETURN ON CAPITAL EMPLOYED

Capital employed amounted to SEK 13,472 M (14,798). The change was attributable to higher customer advances in Germany and a lower value in housing units in ongoing production in Sweden and Nordic, but was partly offset by a higher value in properties held for future development attributable to the acquisition in Oslo in the fourth quarter of 2019. As of 30 June 2020, capital employed amounted to SEK 13,679 M.

The return on capital employed excluding items affecting comparability was 6.1 per cent (9.7). The lower return on capital employed was attributable to lower average operating profit.

EQUITY/ASSETS AND DEBT/EQUITY RATIO

At 30 September 2020, the equity/assets ratio was 29.4 per cent (29.9). The debt/equity ratio was 0.7 (1.0).

FINANCING FACILITIES

Access to unutilised financing totalled SEK 4,348 M (1,289) distributed across available overdraft facilities and unutilised amounts in revolving credit facilities.

Of the interest-bearing liabilities that were outstanding on 30 September 2020, SEK 1,316 M comprised green loans in accordance with the criteria in the green financial framework published in February 2020; see also www.bonava.com/finansiering/green-finance-framework. The green asset base pledged consisted of assets in Sweden and Denmark that are or will be Nordic Swan eco-labelled. Comparative figures are unavailable, since the framework did not exist in 2019.

CASH FLOW

JULY-SEPTEMBER 2020

Cash flow before financing was SEK 817 M (-90). Higher earnings and lower tax paid, SEK -60 M (-210), led to higher cash flow from operating activities before changes in working capital.

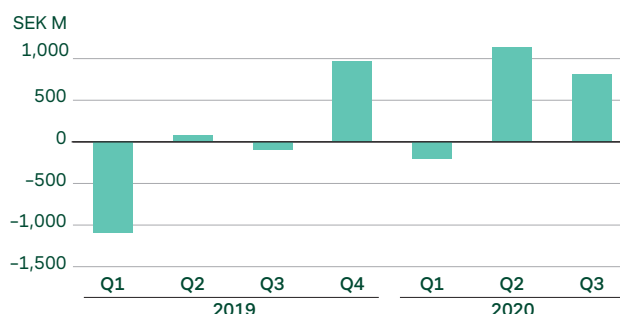
Cash flow from changes in working capital amounted to SEK 801 M (87). Sales of housing projects totalled SEK 2,550 M (2,809), a decrease since the number of housing units recognised in profit was lower. Investments in housing projects totalled SEK -2,475 M (-3,302), a decrease in all business areas except Sweden. Other changes increased to SEK 725 M (579), largely attributable to higher cash flow from customer advances in Germany and Sweden.

JANUARY-SEPTEMBER 2020

Cash flow before financing was SEK 1,744 M (-1,107). Taxes paid, SEK -89 M (-448), were primarily lower in Germany and Sweden. This compensated for the lower earnings together with non-cash items of SEK 170 M (-96), in which the exchange rate effects had a positive influence and led to higher cash flow from operating activities before changes in working capital.

Cash flow from changes in working capital amounted to SEK 1,642 M (-836). Sales of housing projects totalled SEK 8,345 M (7,391) and increased as a result of more housing units recognised in profit in all business areas except St. Petersburg-Baltics. Investments in housing projects, SEK -9,852 M (-9,856), were line with the year-earlier period. The increase in other changes of SEK 3,148 M (1,629) was attributable to higher cash flow from customer advances in Germany.

Cash flow before financing



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 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 8.

Housing sales, housing starts and building rights

JULY-SEPTEMBER 2020

Housing sales and housing starts

In the quarter, 1,074 housing units (1,082) were sold to consumers and 364 (406) to investors. Sales to consumers decreased in Sweden and Nordic but increased in Germany and St. Petersburg-Baltics. The average price of housing units sold to consumers was unchanged at SEK 3.3 M (3.3).

Sales to investors during the quarter related to projects in Germany, Sweden and Nordic.

In the quarter, 879 housing units (914) were started for consumers and 364 (406) for investors. The number of starts for consumers fell in Nordic but was offset to some extent by more housing starts in other segments.

JANUARY-SEPTEMBER 2020

Housing sales and housing starts

In the period, 2,648 (2,725) housing units were sold to consumers and 894 (532) to investors. The average price of housing units sold to consumers increased to SEK 3.2 M (2.8), mainly attributable to a higher share of housing units sold in Sweden and Germany, at higher average prices.

During the period, 1,828 housing units (2,010) were started to consumers and 697 (532) to investors. The number of housing starts for consumers increased in Sweden, which started 311 housing units (65), and in Germany, which started 818 housing units (512), while housing starts decreased in Nordic, which started 267 (466), and in St. Petersburg-Baltics, which started 432 (959).

No. unless otherwise stated	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Housing units for consumers sold in the period	1,074	1,082	2,648	2,725	3,918
Housing units for investors sold in the period	364	406	894	532	1,244
Total housing units sold in the period	1,438	1,488	3,542	3,257	5,162
Sales value of housing units for consumers sold in the period, SEK M	3,534	3,586	8,636	8,208	12,080
Sales value of housing units for investors sold in the period, SEK M	812	719	1,998	933	2,397
Total sales value of housing units sold in the period, SEK M	4,347	4,305	10,634	9,141	14,477
Housing starts for consumers in the period	879	914	1,828	2,010	3,010
Housing starts for investors in the period	364	406	697	532	1,441
Total housing starts in the period	1,243	1,320	2,525	2,542	4,451
Housing units in ongoing production for consumers at end of period	5,489	6,994	5,489	6,994	6,179
Housing units in ongoing production for investors at end of period	3,473	3,307	3,473	3,307	3,553
Total number of housing units in ongoing production at end of period	8,962	10,301	8,962	10,301	9,732
Sales rate for ongoing production, %	81	72	81	72	72
Reservation rate for ongoing production, %	3	3	3	3	2
Total sold and reserved housing units in ongoing production, %	83	76	83	76	75

Housing units in production as of 30 September 2020

At the end of the period, there were 5,489 housing units (6,994) for consumers and 3,473 housing units (3,307) for investors in production. As of 30 September 2020, the sales rate was 69 per cent (59) for housing units for consumers and 100 per cent (100) for housing units for investors. At the end of the period, the completion rate was 56 per cent (49) for consumers and 43 per cent (36) for investors.

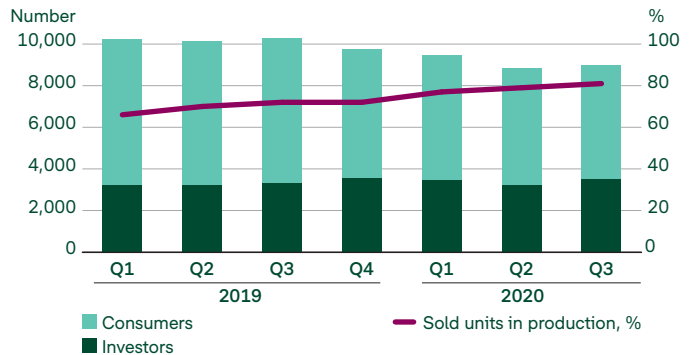
Building rights as of 30 September 2020

There were 32,900 (31,600) building rights, of which 21,600 (17,800) were recognised in the balance sheet.

Unsold, completed housing units at the end of the period

The number of unsold completed housing units at period-end was 467 (341). All of these housing units were for consumers. St. Petersburg-Baltics represented the greatest share of the year-on-year increase.

Number of housing units in production and percentage of housing units sold

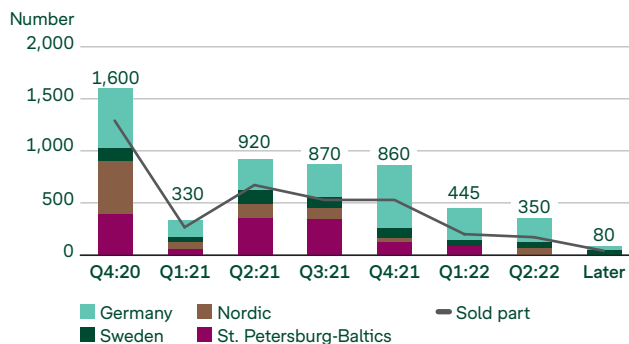


The figure illustrates the number of housing units in production per quarter and the share of housing units sold.

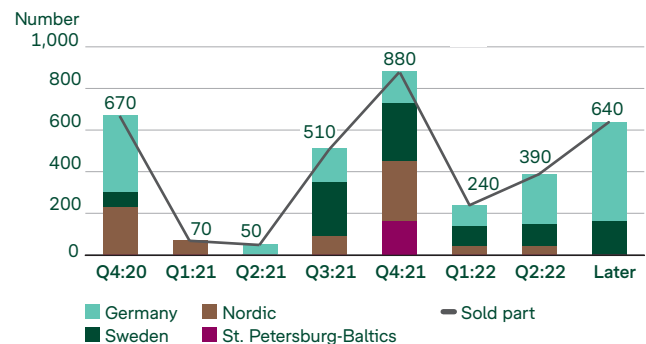
Estimated completions per quarter

The diagrams illustrate the estimated completion dates for housing units for consumers and investors, respectively. The curve illustrates the proportion sold. The value of housing units in production sold and completed housing units sold but not yet recognised in profit at 30 September 2020 was SEK 14.6 Bn (15.2) for consumers and SEK 7.3 Bn (7.0) for investors.

Consumers



Investors



The number of housing units in the graphs above are rounded off, as they are estimates of the time of completion. Since Bonava's reporting method entails that income is only recognised when the completed housing units are delivered to the customers, even the most minor disruptions in logistics and production chain in a project can lead to the earnings effects being recognised in a later period than planned. This risk has increased as a consequence of the uncertainty generated by the ongoing pandemic and this should be noted in particular since a highly significant share of earnings is expected to be reported in the fourth quarter.

Other

SIGNIFICANT RISKS AND UNCERTAINTIES

Bonava's operations are exposed to several types of risks, both operational and financial. Operational risks impact the Group's daily operations. This type of risk may relate to investments in land, project development, seasonal exposure or assessment of the earnings capacity of projects.

Operational risks are managed as part of the internal corporate governance process established by Bonava. The business units assess and manage risk through operational systems as well as specific processes and procedures.

The Group's financial risks such as interest rate, currency, refinancing, liquidity and credit risks are managed centrally by the Group's Treasury Department in order to minimise and control Bonava's risk exposure in accordance with the Finance Policy.

Customer credit risk is managed by the individual business unit. A centralised function is responsible for Group-wide non-life and liability insurance, primarily property and contractor's insurance. This function also conducts preventative risk management alongside the business units, implying cost-efficient and coordinated insurable risks. The risk that Bonava may fail to comply with the Company's Code of Conduct is managed by the CSR Compliance function.

As a consequence of the global spread of COVID-19, Bonava re-evaluated the risks presented in the 2019 Annual Report and presented an updated risk assessment in conjunction with the Interim Report for the first quarter. In terms of financial risks, the increased risks from the pandemic are considered to be greatest for liquidity, financing and valuation risks. Bonava identified no impairment requirements in the third quarter. The updated risk assessment remains and is available at www.bonava.com/en/investor-relations/reports-and-presentations.

ORGANISATION AND EMPLOYEES

The average number of employees in the Group for the period was 2,050 (2,033).

LEGAL STRUCTURE

Effective 9 June 2016, NCC AB distributed all the shares in Bonava AB to shareholders. NCC AB remains a minority owner of Bonava Deutschland GmbH, but Bonava holds the option to acquire NCC AB's participations in 2021. According to a profit-sharing agreement, NCC AB will waive dividend and receive an annual compensation of EUR 1.3 M until the agreement is cancelled, which may occur five years from entering the agreement at the earliest. The agreed profit sharing means a debt of SEK 14 M to NCC AB has been reported at an amount corresponding to the fair value of one year of payments.

COVID-19 UPDATE

Together with its contingency group, the Board of Directors and management of Bonava are closely monitoring the progress of the pandemic, planning for various scenarios and responding to recommendations from government authorities. These plans are decided and gradually implemented depending on developments, with a long-term focus in mind. The impact on financial position and payment capacity is being routinely monitored and assessed. During the third quarter, production essentially proceeded as usual.

SIGNIFICANT EVENTS DURING THE PERIOD

On 26 August, Bonava announced that Lars Granl f had been appointed the new CFO and member of Executive Management. Lars Granl f will take office by 1 January 2021 at the latest and succeeds Ann-Sofi Danielsson, CFO of Bonava, who will retire at that point in time.

On 4 September, Bonava issued a green senior unsecured corporate bond of SEK 1 Bn. The proceeds will be used to refinance outstanding loans, and will be used in accordance with the green financial framework.

On 29 September, the company announced that President and CEO Joachim Hallengren would be resigning as CEO of Bonava. It was further announced that Joachim would remain in his role during a transition period, but only until a successor could take office.

During the third quarter Carl Rietz, SVP Operations and member of Executive Management, left Bonava. Members of Executive Management Jenny Lilja Lagercrantz, SVP HR, and Juuso Hietanen, Business Unit President Finland, have decided to terminate their positions at Bonava in the fourth quarter in 2020 and first quarter in 2021 respectively.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No significant events took place after the end of the period.

AMOUNTS AND DATES

Unless otherwise stated, amounts are indicated in millions of Swedish kronor (SEK M). All comparative figures in this report refer to the corresponding period of the previous year. Rounding errors may occur.

THE SHARE AND SHAREHOLDERS

Bonava has two share classes, Class A and Class B. The closing price on 30 September 2020 was SEK 74.00 per Class A share and SEK 74.50 per Class B share, corresponding to market capitalisation of SEK 8.1 Bn.

Bonava's share capital was SEK 434 M on the reporting date, divided among 108,435,822 shares and 211,091,586 votes. At

30 September 2020, Bonava had 11,406,196 Class A shares and 97,029,626 Class B shares. Each Class A share carries ten votes and each Class B share one vote.

Bonava had 33,075 (29,727) shareholders at the end of the quarter. Bonava's largest shareholder was Nordstjernan AB. At 30 September 2020, the ten largest shareholders controlled 54.97 per cent of the capital and 65.13 per cent of the votes.

THE TEN LARGEST SHAREHOLDERS AT 30 SEPTEMBER 2020

	No. of Class A shares	No. of Class B shares	Holding, %	Votes, %
Nordstjernan AB	8,500,000	18,077,265	24.51	48.83
Swedbank Robur Fonder	128,119	8,696,087	8.14	4.73
Lannebo Fonder		6,705,285	6.18	3.18
State Street Bank and Trust Co	1,921	3,170,306	2.93	1.51
The Fourth Swedish National Pension Fund (Fjärde AP-fonden)	3,343	2,902,579	2.68	1.39
Didner & Gerge Fonder Aktiebolag		2,865,299	2.64	1.36
Handelsbanken Fonder		2,547,903	2.35	1.21
Unionen		2,200,000	2.03	1.04
Avanza Pension, Insurance company	19,549	1,868,849	1.74	0.98
The Third Swedish National Pension Fund (Tredje AP-fonden)		1,922,840	1.77	0.91
Total, ten largest shareholders	8,652,932	50,956,413	54.97	65.13
Other	2,753,264	46,073,213	45.03	34.87
Total	11,406,196	97,029,626	100.00	100.00

Current projects

Germany

In Germany, Bonava is active in Berlin, Hamburg, the Baltic Sea region, Saxony, Rhine-Ruhr, Cologne/Bonn, Rhine-Main and Rhine-Neckar/Stuttgart. The offering is aimed at consumers and investors and includes single-family housing and multi-family housing.

Schlosspark

Project start: Q3, 2020

Location: Berlin, Germany

Housing category: Multi-family housing

Number of units: 42 housing units for consumers

A few kilometres south of Berlin, close to nature in the picturesque town of Zossen, Bonava offers apartments in a relaxing environment with good transport links to the capital.



Sweden

In Sweden, Bonava's offering is targeted at both consumers and investors, through both multi-family housing and single-family housing. The consumer markets comprise Stockholm, Gothenburg, Linköping, Uppsala and Umeå. Investor activities focus on some 15 cities in Sweden.

Förseglet

Project start: Q3, 2020

Location: Västerås, Sweden

Housing category: Multi-family housing

Number of units: 162 housing units for investors

With a central and waterfront location by the banks of the Mälaren, Bonava is building a residential district with a unique view of Västerås city. The project is the first of three phases where, over time, Bonava will build around 500 homes in this neighbourhood.



Nordic, Norway

Bonava operates in Copenhagen in Denmark, Bergen and Oslo in Norway, and Helsinki, Espoo, Vantaa, Turku and Tampere in Finland. The offering is aimed at consumers and investors with multi-family housing as well as single-family housing.

Biskopshus

Project start: Q3, 2020

Location: Bergen, Norway

Housing category: Multi-family housing and single-family housing

Number of units: 16 housing units for consumers

In this residential area located a few minutes north of central Bergen, Bonava offers apartments close to recreational spaces, schools and shopping. These residences have access to a large offering of outdoor facilities. The project encompasses a total of 90 units.



St. Petersburg-Baltics

St. Petersburg-Baltics encompasses operations in St. Petersburg, Russia as well as Estonia, Lithuania and Latvia. The offer is targeted at multi-family housing units for consumers and investors.

Mõtuse 29

Project start: Q3, 2020

Location: Tallinn, Estonia

Housing category: Multi-family housing

Number of units: 30 housing units for consumers

The Kristiine district is one of the largest residential areas in Tallinn, located close to the city. Here, Bonava is developing an apartment building that is addressed to residents with a focus on a healthy and active lifestyle.



Germany

The housing market in Germany recovered well in the quarter, and housing sales have increased since the spring. The IFO business climate index has risen, and there has been an increase in optimism among households. Prices continued upward, though at a slower pace than before the pandemic.

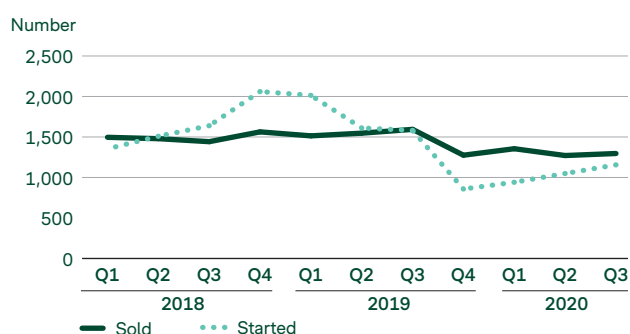
Bonava reported good housing sales, and the sales rate in ongoing production was 83 per cent (81). The number of housing units sold to consumers increased slightly compared with the year-earlier period, totalling 403 (378), while housing units sold to investors

were lower at 48 (232). We are seeing continued interest from investors, however.

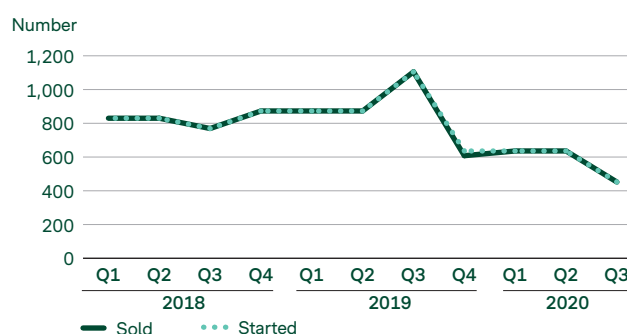
Healthy sales resulted in an increase of approximately 30 per cent in the number of housing starts for consumers to 479 (372), compared with the year-earlier period.

Although the challenge of delays in zoning plans and building permits from the government authorities remains, we believe the pace of production startups can be maintained.

Units sold and started, Consumers, rolling 12 months



Units sold and started, Investors, rolling 12 month



JULY-SEPTEMBER 2020

Net sales amounted to SEK 1,503 M (1,601). The lower net sales are attributable to fewer housing units for investors recognised in profit compared with the year-earlier period. Operating margin was 8.9 per cent (12.5). Excluding land sales, the operating margin was 9.8 per cent (11.3). Fewer housing units recognised in profit and a somewhat lower gross margins in housing units delivered to consumers was offset in part by lower selling and administrative expenses.

JANUARY-SEPTEMBER 2020

Net sales amounted to SEK 3,818 M (3,488). The increase is attributable to the handover of more housing units to investors. Gross margin for the period was lower compared with the year-earlier period as a result of the product and regional mix. The average project margin in ongoing production is higher than that in the housing units delivered for the period.

	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Net sales	1,503	1,601	3,818	3,488	6,361
Gross profit	197	267	413	602	1,121
Selling and administrative expenses	-63	-67	-212	-231	-292
Operating profit before items affecting comparability ¹⁾	134	199	201	372	829
Operating margin before items affecting comparability, % ¹⁾	8.9	12.5	5.3	10.7	13.0
Capital employed at end of period	4,042	4,899	4,042	4,899	4,814
of which, carrying amount of properties held for future development	2,773	2,474	2,773	2,474	2,371
Return on capital employed, %	14.1	19.0	14.1	19.0	17.6
Number of housing units sold in the period	451	610	981	1,116	1,883
Sales value of housing units sold in the period	1,947	2,177	4,289	4,224	6,773
Number of housing starts in the period	527	607	866	752	1,494
Number of housing units in ongoing production at end of period	4,088	4,392	4,088	4,392	4,278
Sales rate for ongoing production, %	83	81	83	81	81
Number of housing units recognised in profit in the period	344	462	1,051	993	1,843

¹⁾ No item affecting comparability have been recognised.

Sweden

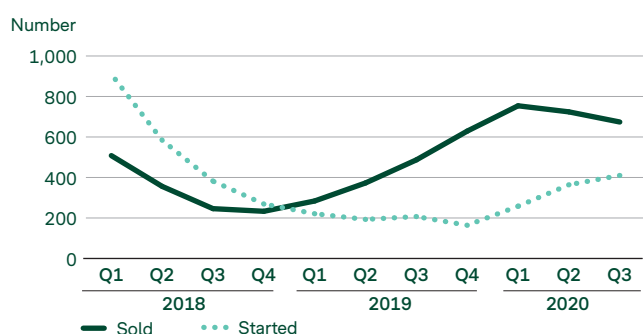
The Swedish housing market trended positively in the quarter, especially in the second-hand market where prices rose. The number of owner-occupied apartments sold during the first eight months of the year increased 5 per cent over 2019. SEB's housing price indicator rose six points in September to 46.

Bonava's housing sales performed well in the third quarter. Housing units sold to consumers totalled 144 (194). Housing units sold to investors totalled 543 (0), of which one project encompassing 162 housing units was sold in the quarter. Strong sales to inves-

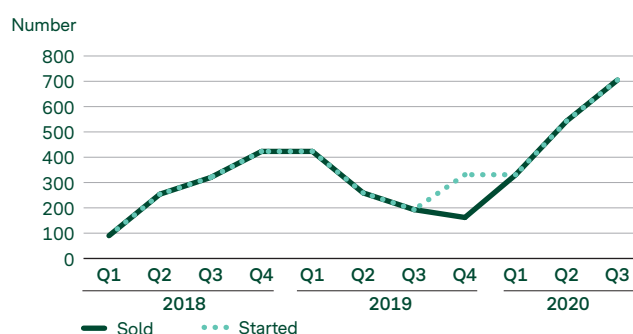
tors contributed to the year-on-year increase in the sales value of housing units sold in 2020. The total sales rate in ongoing production also increased, and the sales rate for consumers was 64 per cent (47).

Bonava had significantly more production starts for housing units in the first nine months of the year, 685 in total (65). During the third quarter, we started 260 housing units (52), of which 98 (52) for consumers.

Units sold and started, Consumers, rolling 12 months



Units sold and started, Investors, rolling 12 month



JULY-SEPTEMBER

Net sales amounted to SEK 527 M (844). The lower net sales are attributable to fewer housing units for consumers and investors being recognised in profit compared with the year-earlier period.

Despite fewer housing units being recognised in profit, the operating margin was strengthened as a result of a higher gross margin in housing units delivered to consumers and lower selling and administrative expenses compared with the year-earlier period.

JANUARY-SEPTEMBER 2020

Net sales amounted to SEK 2,759 M (2,589). The increase is attributable to slightly more housing units for consumers being recognised in profit, but primarily to a higher average price per housing unit.

The operating margin was 8.0 per cent, on a level with the preceding year. Excluding land sales the operating margin increased to 8.0 per cent (5.9), which is attributable to more consumer housing units being recognised in profit, a strengthened gross margin in investor housing units delivered and lower selling and administrative expenses.

	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Net sales	527	844	2,759	2,589	3,861
Gross profit	69	65	320	326	601
Selling and administrative expenses	-33	-38	-100	-116	-151
Operating profit before items affecting comparability ¹⁾	36	27	220	210	450
Operating margin before items affecting comparability, % ¹⁾	6.8	3.2	8.0	8.1	11.7
Capital employed at end of period	3,418	4,440	3,418	4,440	4,200
of which, carrying amount of properties held for future development	1,685	1,482	1,685	1,482	1,408
Return on capital employed, %	11.7	8.2	11.7	8.2	9.3
Number of housing units sold in the period	306	194	1,001	413	791
Sales value of housing units sold in the period	874	838	2,838	1,799	3,186
Number of housing starts in the period	260	52	685	65	495
Number of housing units in ongoing production at end of period	1,656	1,365	1,656	1,365	1,668
Sales rate for ongoing production, %	86	65	86	65	66
Number of housing units recognised in profit in the period	109	230	695	662	845

¹⁾ No item affecting comparability have been recognised.

Nordic

Finland, Denmark and Norway

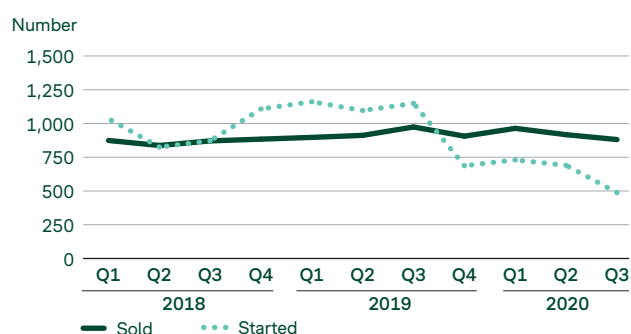
In the Finnish housing market, a general decrease in the offering of housing units has been noted during year. In the quarter, sales of housing units has increased since spring. Prices have been stable. Housing sales in Denmark and Norway have increased strongly since July, and prices have risen in Oslo and Copenhagen.

Bonava's sales to consumers in Nordic improved during the quarter, where August in particular contributed. The total number of housing units sold during the quarter was 389 (445), of which

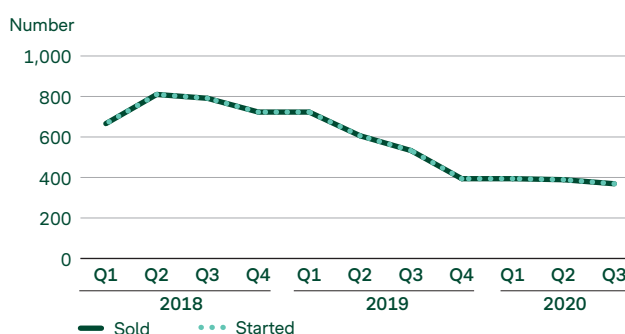
235 (271) to consumers. Unsold completed housing units decreased with 78 units during the quarter.

We started and sold three rental apartment projects in the quarter: one in Norway and two in Finland. Completion of the project in Norway is expected in early 2022, while delivery of the Finnish projects is expected in late 2021. Housing starts for consumers during the quarter were lower compared with the year-earlier period, at 49 (251).

Units sold and started, Consumers, rolling 12 months



Units sold and started, Investors, rolling 12 month



JULY-SEPTEMBER 2020

Net sales amounted to SEK 679 M (720). The lower net sales are attributable to fewer housing units for consumers being recognised in profit as well as the sale of land in the preceding year. Lower volumes were partially offset by a higher average price for the housing units delivered to investors. Operating loss was SEK -27 M (-38). The higher result is attributable to higher gross margins in Finland, as well as a larger share of deliveries in Norway. Increased selling and administrative expenses were attributable to the expanded operations in Oslo but were partially offset by slightly lower costs in Finland.

JANUARY-SEPTEMBER 2020

The number of housing units for consumers and investors recognised in profit increased compared with the year-earlier period, and net sales totalled SEK 2,153 M (1,929). Operating loss was SEK -139 M (-65). The increased operating loss is attributable to housing units with lower margins being handed over in Finland and Denmark. The higher selling and administrative expenses compared with the year-earlier period are attributable to expanded operations in Oslo.

The measures Bonava took in connection with the restructuring in Finland are proceeding according to plan, and only a few consumer housing units and one investor project with a lower project margin remain to be recognised in profit. The units we are now gradually completing are projects with more solid project margins.

	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Net sales	679	720	2,153	1,929	4,000
Gross profit	18	2	-1	57	149
Selling and administrative expenses	-45	-39	-138	-122	-172
Operating profit before items affecting comparability ¹⁾	-27	-38	-139	-65	-23
Operating margin before items affecting comparability, % ¹⁾	-4.0	-5.2	-6.5	-3.4	-0.6
Capital employed at end of period	4,355	4,239	4,355	4,239	4,152
of which, carrying amount of properties held for future development	2,648	1,810	2,648	1,810	2,503
Return on capital employed, %	-5.8	3.8	-5.8	3.8	-0.7
Number of housing units sold in the period	389	445	888	938	1,300
Sales value of housing units sold in the period	1,228	977	2,740	2,186	3,121
Number of housing starts in the period	203	425	542	766	1,081
Number of housing units in ongoing production at end of period	1,714	2,609	1,714	2,609	1,869
Sales rate for ongoing production, %	84	73	84	73	72
Number of housing units recognised in profit in the period	239	272	816	735	1,646

¹⁾ Items affecting comparability of SEK 159 M pertaining to restructuring measures in Finland were recognised in the fourth quarter of 2019.

St. Petersburg-Baltics

St. Petersburg, Estonia, Latvia and Lithuania

The housing market in St. Petersburg remained stable in the third quarter.

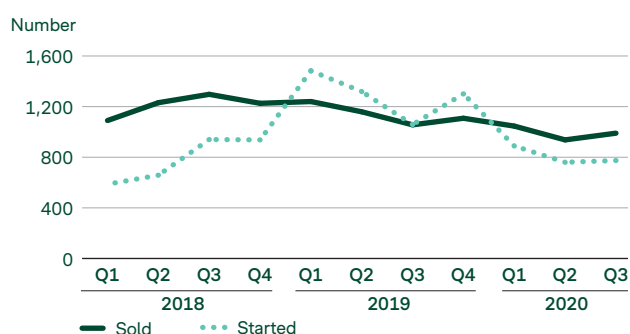
In the Baltics, the easing of restrictions and increased consumer confidence have entailed a recovery in sales. Transaction volumes in the first eight months decreased, and prices have been stable.

Sales of housing units in St. Petersburg-Baltics also displayed a healthy recovery compared with the second quarter. Housing units

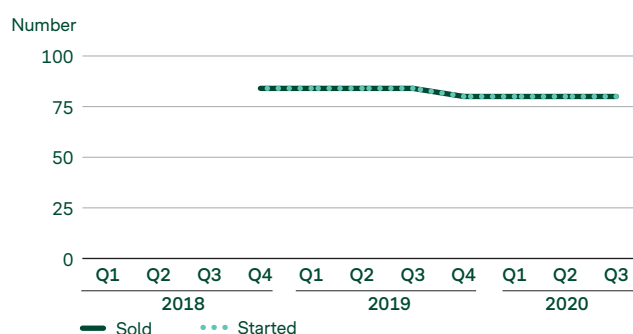
sold to consumers totalled 292 (239), with the Baltics representing the largest share of the year-on-year increase.

In the quarter, 253 (239) housing units were started for consumers. Provided that the housing market remains stable and trends in the right direction, we believe that significantly more housing units will be started in both St. Petersburg and the Baltics by the end of the year.

Units sold and started, Consumers, rolling 12 months



Units sold and started, Investors, rolling 12 month



JULY-SEPTEMBER 2020

Net sales rose to SEK 248 M (215), attributable to more housing units for consumers in St. Petersburg being recognised in profit. Operating profit was SEK 31 M (24). The higher operating margin is attributable to an increase in the number of housing units delivered to consumers, 239 (190), and a higher percentage of the housing units delivered coming from St. Petersburg. Selling and administrative expenses have not increased in pace with net sales.

JANUARY-SEPTEMBER 2020

Net sales amounted to SEK 713 M (969). The decrease is attributable to the large number of units delivered in St. Petersburg during the first quarter of 2019. Operating profit totalled SEK 84 M (162). The lower operating profit is primarily attributable to volume, 632 housing units recognised in profit during the period compared to 901 housing units in the year-earlier period.

	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Net sales	248	215	713	969	1,252
Gross profit	47	39	132	206	253
Selling and administrative expenses	-15	-15	-48	-44	-59
Operating profit before items affecting comparability ¹⁾	31	24	84	162	194
Operating margin before items affecting comparability, % ¹⁾	12.6	11.3	11.7	16.7	15.5
Capital employed at end of period	1,226	1,300	1,226	1,300	1,367
of which, carrying amount of properties held for future development	726	823	726	823	762
Return on capital employed, %	9.4	19.4	9.4	19.4	15.8
Number of housing units sold in the period	292	239	672	790	1,188
Sales value of housing units sold in the period	298	314	767	934	1,397
Number of housing starts in the period	253	239	432	959	1,381
Number of housing units in ongoing production at end of period	1,504	1,935	1,504	1,935	1,917
Sales rate for ongoing production, %	65	56	65	56	57
Number of housing units recognised in profit in the period	239	190	632	901	1,177

¹⁾ No item affecting comparability have been recognised.

Consolidated Income Statement

	Note	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	Oct 2019– Sep 2020	2019 Jan-Dec
Net sales	2	2,958	3,380	9,444	8,975	15,943	15,474
Production costs		-2,640	-3,011	-8,612	-7,798	-14,181	-13,368
Gross profit		318	368	831	1,178	1,761	2,107
Selling and administrative expenses		-193	-206	-619	-668	-855	-905
Operating profit before items affecting comparability	2	125	162	211	509	905	1,202
Items affecting comparability	1		-100		-100	-159	-259
Operating profit after items affecting comparability	2	125	62	211	409	746	943
Financial income		5	6	12	10	18	16
Financial expenses		-31	-32	-98	-89	-134	-125
Net financial items		-26	-26	-85	-79	-116	-110
Profit after financial items	2	99	36	126	330	630	834
Tax on profit for the period		-26	-9	-34	-83	-169	-219
Profit for the period¹⁾		72	27	93	247	461	615
Per share data before and after dilution							
Profit after items affecting comparability, SEK		0.68	0.25	0.86	2.29	4.29	5.71
Cash flow from operating activities, SEK		8.04	-0.74	17.22	-9.77	30.54	3.55
Shareholders' equity, SEK		69.09	67.18	69.09	67.18	69.09	70.02
No. of shares at end of period, million ²⁾		107.2	107.6	107.2	107.6	107.2	107.6

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

²⁾ The total number of shares repurchased as of 30 September 2020 was 1,245,355 (815,061).

Bonava's business model and the agreement structure of housing projects mean that control is transferred to the buyer at the time of handover of the housing unit or project. Bonava thereby satisfies the undertaking to transfer the housing unit or project upon handover and recognises revenue and profit from sales of housing projects in full at this point. No revenue is recognised on the basis of forecast sales of housing projects. This applies to both housing units for consumers and investors.

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 of the consolidation of tenant-owner associations and housing companies in full, Bonava's net debt increases since interest-bearing liabilities attributable to Swedish tenant-owner associations and Finnish housing companies constitute material amounts. Refer to Note 3 for more information.

Consolidated Statement of Comprehensive Income

	Note 1	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	Oct 2019– Sep 2020	2019 Jan-Dec
Profit for the period		72	27	93	247	461	615
<i>Items that have been or may be reclassified to profit for the period</i>							
Translation differences during the period in translation of foreign operations		-85	46	-203	200	-264	139
Other comprehensive income for the period		-85	46	-203	200	-264	139
Comprehensive income/loss for the period¹⁾		-13	73	-111	447	196	754

¹⁾ Comprehensive income for the entire period is attributable to Bonava AB's shareholders.

Condensed consolidated balance sheet

	Note 1, 4, 5	2020 30 Sep	2019 30 Sep	2019 31 Dec
ASSETS				
Fixed assets		949	997	904
Current assets				
Properties held for future development		7,822	6,579	7,149
Ongoing housing projects		12,238	13,700	11,761
Completed housing units		1,885	1,701	2,013
Current receivables		1,472	1,024	1,161
Cash and cash equivalents	3	800	207	499
Total current assets		24,217	23,210	22,583
TOTAL ASSETS		25,165	24,207	23,487
SHAREHOLDERS' EQUITY				
Shareholders' equity attributable to Parent Company shareholders		7,406	7,230	7,536
Non-controlling interest		5	5	5
Total shareholders' equity		7,411	7,235	7,540
LIABILITIES				
Non-current liabilities				
Non-current interest-bearing liabilities	3	3,540	1,080	1,378
Other non-current liabilities		268	253	334
Long-term receivables		659	593	712
Total non-current liabilities		4,466	1,926	2,424
Current liabilities				
Current interest-bearing liabilities	3	2,521	6,484	6,015
Other current liabilities		10,767	8,563	7,508
Total current liabilities		13,288	15,046	13,523
Total liabilities		17,754	16,972	15,947
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		25,165	24,207	23,487

Condensed changes in shareholders' equity, Group

	Shareholders' equity attributable to Parent Company shareholders	Non-controlling interest	Total shareholders' equity
Opening shareholders' equity, 1 January 2019	7,357	5	7,362
Comprehensive income for the period	754		754
Dividend	-560		-560
Performance-based incentive programme	-16		-16
Closing shareholders' equity, 31 December 2019	7,536	5	7,540
Comprehensive income for the period	-111		-111
Purchase of treasury shares	-19		-19
Performance-based incentive programme	-1		-1
Closing shareholders' equity, 30 September 2020	7,406	5	7,410

Condensed consolidated cash flow statement

	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	Oct 2019– Sep 2020	2019 Jan-Dec
OPERATING ACTIVITIES						
Profit after financial items	99	36	126	330	630	834
Adjustments for items not included in cash flow	23	8	170	-96	541	275
Tax paid	-60	-210	-89	-448	22	-337
Cash flow from operating activities before change in working capital	62	-167	208	-215	1,195	772
Cash flow from change in working capital						
Sales of housing projects	2,550	2,809	8,345	7,391	13,856	12,902
Investments in housing projects	-2,475	-3,302	-9,852	-9,856	-13,915	-13,919
Other change in working capital	725	579	3,148	1,629	2,143	624
Cash flow from change in working capital	801	87	1,642	-836	2,085	-393
Cash flow from operating activities	862	-81	1,849	-1,051	3,279	379
INVESTMENT ACTIVITIES						
Cash flow from investment activities	-45	-9	-105	-56	-566	-517
CASH FLOW BEFORE FINANCING	817	-90	1,744	-1,107	2,713	-138
FINANCING ACTIVITIES						
Dividend paid				-280	-280	-560
Purchase of treasury shares			-19		-19	
Increase in interest-bearing financial liabilities	1,349	857	2,223	4,034	1,329	3,140
Decrease in interest-bearing financial liabilities	-1,585	-941	-3,586	-2,862	-3,100	-2,376
Change in interest-bearing receivables		26	4	77	9	82
Cash flow from financing activities	-236	-58	-1,377	970	-2,061	286
CASH FLOW DURING THE PERIOD	581	-148	367	-138	652	148
Cash and cash equivalents at the beginning of the year	252	351	499	325	207	325
Exchange rate difference in cash and cash equivalents	-34	4	-65	19	-58	26
CASH AND CASH EQUIVALENTS AT END OF PERIOD	800	207	800	207	800	499

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 1–32 and pages 1–15 is 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 2019 Annual Report, pages 28–32. The Annual Report is available at www.bonava.com.

From 1 July 2019, Bonava added the line item 'items affecting comparability' to the Income Statement. Under this heading are events and transactions such as substantial legal disputes and other substantial non-recurring costs or revenue, the profit effect of which is important to note when the profit/loss for the period is compared with earlier periods. Tax on items affecting comparability and tax

items that are themselves classified as items affecting comparability are recognised under Tax in the consolidated income statement. Items recognised as affecting comparability in one period are recognised consistently in future periods by any potential reversal of these items also being recognised as items affecting comparability.

The items recognised as affecting comparability at 31 December 2019 pertain to both the settlement of a legal dispute of SEK 100 M and restructuring measures in Finland of SEK 159 M.

Bonava applies recognition of state support in accordance with IAS 20. In 2020, Bonava received limited state support, which is recognised as a cost reduction when there is a reasonable amount of certainty that Bonava will meet the conditions associated with the subsidy.

No other changes to IFRS or IFRIC interpretations are expected to have any material impact on Bonava.

NOTE 2 Reporting of operating segments

Jul-Sep 2020	Germany	Sweden	Nordic	St. Petersburg-Baltics	Parent Company and adjustments	Total
Net sales, consumers	1,502	509	425	246		2,683
Net sales, investors			253			253
Net sales, land		17				17
Other revenue	1		1	2		5
Operating profit before items affecting comparability	134	36	-27	31	-49	125
Items affecting comparability						0
Operating profit after items affecting comparability	134	36	-27	31	-49	125
Net financial items						-26
Profit after financial items						99
Capital employed	4,042	3,418	4,355	1,266	432	13,473
Jul-Sep 2019	Germany	Sweden	Nordic	St. Petersburg-Baltics	Parent Company and adjustments	Total
Net sales, consumers	1,340	655	565	209		2,770
Net sales, investors	197	176	104			477
Net sales, land	73	10	50			132
Other revenue	-9	3		6		0
Operating profit/loss before items affecting comparability	199	27	-38	24	-51	162
Items affecting comparability ¹⁾					-100	-100
Operating profit/loss after items affecting comparability	199	27	-38	24	-151	62
Net financial items						-26
Profit after financial items						36
Capital employed	4,899	4,440	4,239	1,300	-80	14,798

¹⁾ The items recognised as affecting comparability pertain to the SEK 100 M settlement of a legal dispute in the third quarter of 2019.

Jan-Sep 2020	Germany	Sweden	Nordic	St. Petersburg-Baltics	Parent Company and adjustments	Total
Net sales, consumers	3,089	2,482	1,379	705		7,655
Net sales, investors	719	256	689			1,664
Net sales, land	9	21	81			110
Other revenue	1	1	4	8		14
Operating profit/loss before items affecting comparability	201	220	-139	84	-154	211
Items affecting comparability						0
Operating profit/loss after items affecting comparability	201	220	-139	84	-154	211
Net financial items						-85
Profit after financial items						126
Capital employed	4,042	3,418	4,355	1,226	432	13,473
Jan-Sep 2019	Germany	Sweden	Nordic	St. Petersburg-Baltics	Parent Company and adjustments	Total
Net sales, consumers	2,880	2,076	1,431	953		7,340
Net sales, investors	478	437	401			1,316
Net sales, land	129	73	90			292
Other revenue		3	6	17		26
Operating profit/loss before items affecting comparability	372	210	-65	162	-170	509
Items affecting comparability ¹⁾					-100	-100
Operating profit/loss after items affecting comparability	372	210	-65	162	-270	409
Net financial items						-79
Profit after financial items						330
Capital employed	4,899	4,440	4,239	1,300	-80	14,798
Jan-Dec 2019	Germany	Sweden	Nordic	St. Petersburg-Baltics	Parent Company and adjustments	Total
Net sales, consumers	5,063	2,949	2,844	1,232		12,088
Net sales, investors	1,158	434	1,057			2,650
Net sales, land	136	473	92			700
Other revenue	3	5	7	20		36
Operating profit/loss before items affecting comparability	829	450	-23	194	-248	1,202
Items affecting comparability ¹⁾			-159		-100	-259
Operating profit/loss after items affecting comparability	829	450	-182	194	-348	943
Net financial items						-110
Profit after financial items						834
Capital employed	4,814	4,200	4,152	1,367	399	14,933

¹⁾ The items recognised as affecting comparability pertain to both an SEK 100 M settlement of a legal dispute in the third quarter of 2019 and restructuring measures in Finland of SEK 159 M recognised in the fourth quarter of 2019.

NOTE 3 Specification of net debt

	2020 30 Sep	2019 30 Sep	2019 31 Dec
Non-current interest-bearing receivables	2	2	2
Current interest-bearing receivables	15	23	19
Cash and cash equivalents	800	207	499
Interest-bearing receivables	817	232	520
Non-current interest-bearing liabilities	3,540	1,080	1,378
Current interest-bearing liabilities	2,521	6,484	6,015
Interest-bearing liabilities	6,062	7,563	7,393
Net debt	5,245	7,331	6,873

of which, attributable to Swedish tenant-owner associations and Finnish housing companies¹⁾

Cash and cash equivalents	37	26	17
Interest-bearing liabilities in external project financing	1,797	2,896	2,364
Interest-bearing liabilities, project financing ²⁾	224	1,219	891
Net debt in tenant-owner associations and housing companies	1,984	4,089	3,238

of which, other operations³⁾

Cash and cash equivalents	763	181	482
Interest-bearing receivables	17	25	19
Interest-bearing lease liabilities, IFRS 16	265	317	257
Interest-bearing liabilities, other operations	3,776	3,131	3,880
Net debt, other operations	3,261	3,242	3,635

¹⁾ As a consequence of the consolidation of tenant-owner associations and housing companies in full, interest-bearing liabilities attributable to Swedish tenant-owner associations and Finnish housing companies are included in Bonava's net debt.

²⁾ Relates to financing via Parent Company credit facilities directly attributable to Swedish tenant-owner associations.

³⁾ Relates to financing of operations in all segments excluding the Swedish and Finnish consumer business.

The below table specifies the Group's financing facilities. In addition to these financing facilities, there are unutilised agreed credit frames for each project in Swedish tenant-owner associations and Finnish housing companies of approximately SEK 1.1 Bn.

Financing	Maturity, year	Amount	Utilised	Unutilised
Overdraft facilities	<364 days	1,532		1,532
Loans	2020	684	684	
Loans	2021	949	949	
Loans	2022	792	792	
RCF/commercial paper	2023	3,000	184	2,816
Bond	2024	1,000	1,000	
Loans	2025–27	422	422	
Total		8,380	4,032	4,348

NOTE 4 Fair value of financial instruments

In the table below, disclosures are made concerning how fair value has been 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.

Bonava has no financial instruments in level 1 or 3. Level 2 derivatives comprise currency swaps where the measurement at fair value of currency-forward contracts is based on published forward rates on an active market.

	2020 30 Sep	2019 30 Sep	2019 31 Dec
Derivatives	11	8	47
Total assets	11	8	47
Derivatives	34	37	11
Total liabilities	37	37	11

The fair value of non-current and current interest-bearing liabilities does not differ from the carrying amount. For financial instruments recognised at amortised cost, accounts receivables, other receivables, cash and cash equivalents, accounts payable and other interest-free liabilities, fair value is considered equal to carrying amount.

NOTE 5 Pledged assets, surety and guarantee obligations

	2020 30 Sep	2019 30 Sep	2019 31 Dec
Pledged assets			
<i>For own liabilities:</i>			
Property mortgages ¹⁾	1,227	2,364	1,715
Restricted bank funds	8	9	1
Other pledged assets	4	3	4
Total pledged assets	1,240	2,376	1,720
Surety and guarantee obligations			
<i>Own contingent liabilities:</i>			
Deposits and concession fees ²⁾	2,845	3,419	3,361
Other guarantees and contingent liabilities	29		111
Total surety and guarantee obligations	2,874	3,419	3,471

¹⁾ Property mortgages relating to loans for completed unsold housing units in Finnish housing companies are recognised at nominal value for the project as a whole, regardless of whether the related liability is lower. As of the second quarter of 2020, Bonava recognises the corresponding share of loans for unsold housing units. The comparative figures have been adjusted.

²⁾ Deposit guarantees constitute collateral for deposits and concession fees paid to tenant-owner associations formed by Bonava Sverige AB. The guarantee is to be restored one year after the final acquisition cost of the tenant-owner association's building has been established.

The Parent Company in brief

JANUARY-SEPTEMBER 2020

The Parent Company comprises the operations of Bonava AB (publ). Net sales for the company totalled SEK 205 M (203). Profit after financial items totalled SEK 76 M (374).

	Note 1	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
CONSOLIDATED INCOME STATEMENT				
Net sales		205	203	266
Selling and administrative expenses		-343	-364	-501
Operating loss		-139	-161	-235
Profit from participations in Group companies		139	445	793
Financial income		141	120	170
Financial expenses		-65	-30	-50
Profit after financial items		76	374	679
Appropriations				227
Profit before tax		76	374	905
Tax on profit for the period		13	13	-21
Profit for the period		89	387	884

	Note 1, 2	2020 30 Sep	2019 30 Sep	2019 31 Dec
BALANCE SHEET				
Assets				
Fixed assets		2,618	2,429	2,411
Current assets		8,848	9,109	9,471
Total assets		11,467	11,538	11,882
Shareholders' equity and liabilities				
Shareholders' equity		7,210	6,644	7,139
Untaxed reserves		29		32
Provisions		4	3	4
Non-current liabilities		2,844	322	844
Current liabilities		1,379	4,568	3,863
Total shareholders' equity and liabilities		11,467	11,538	11,882

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 2019 Annual Report, pages 28–32 and 57. The Annual Report is available at www.bonava.com.

NOTE 2 Pledged assets and contingent liabilities

	Utilised amount		
	2020 30 Sep	2019 30 Sep	2019 31 Dec
Deposits and concession fees	3,896	3,988	3,971
Construction loans, tenant-owner associations	994	1,631	1,470
Counter guarantee to external guarantors	10,098	8,458	8,648
Other guarantee commitments	5,308	4,985	4,988
Other pledged assets	4	3	3
Total	20,300	19,064	19,079

Sector-related key figures for the Group

No. unless otherwise stated	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Building rights at end of period	32,900	31,600	32,900	31,600	33,300
Of which, off-balance sheet building rights	11,300	13,800	11,300	13,800	14,000
Housing development for consumers					
Housing units sold during the period	1,074	1,082	2,648	2,725	3,918
Sales value of housing units sold during the period, SEK M	3,534	3,586	8,636	8,208	12,080
Housing starts during the period	879	914	1,828	2,010	3,010
Housing units in ongoing production at end of period	5,489	6,994	5,489	6,994	6,179
Sales rate for ongoing production, %	69	59	69	59	59
Reservation rate for ongoing production, %	4	5	4	5	4
Completion rate for ongoing production, %	56	49	56	49	48
Completed housing units not recognised in profit at end of period	815	456	815	456	714
Housing units for sale (ongoing and completed) at end of period	2,180	3,195	2,180	3,195	3,001
Housing units recognised in profit during the period	818	870	2,417	2,613	4,170
Value of housing units sold not yet recognised in profit, SEK Bn	14.6	15.2	14.6	15.2	13.8
Housing development for investors					
Housing units sold during the period	364	406	894	532	1,244
Sales value of housing units sold during the period, SEK M	812	719	1,998	933	2,397
Housing starts during the period	364	406	697	532	1,441
Housing units in ongoing production at end of period	3,473	3,307	3,473	3,307	3,553
Sales rate for ongoing production, %	100	100	100	100	94
Completion rate for ongoing production, %	43	36	43	36	33
Housing units recognised in profit during the period	113	284	777	678	1,341
Value of housing units sold not yet recognised in profit, SEK Bn	7.3	7.0	7.3	7.0	7.3

	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Housing units in production for consumers, no.					
Housing units in ongoing production, at start of period	5,588	6,936	6,179	7,259	7,259
Housing starts resumed ¹⁾				76	76
Housing starts during the period	879	914	1,828	2,010	3,010
Housing units recognised in profit during the period	-818	-870	-2,417	-2,613	-4,170
Decrease (+)/increase (-) in completed housing units not recognised in profit at end of period	-160	14	-101	262	4
Housing units in ongoing production for consumers at end of period	5,489	6,994	5,489	6,994	6,179
Housing units in production for investors, no.					
Housing units in ongoing production, at start of period	3,222	3,185	3,553	3,453	3,453
Housing starts during the period	364	406	697	532	1,441
Housing units recognised in profit during the period	-113	-284	-777	-678	-1,341
Housing units in ongoing production for investors at end of period	3,473	3,307	3,473	3,307	3,553

¹⁾ Projects recognised as housing starts at the initial starting date. In the event of delays in conjunction with appeals of building permits, projects are excluded from housing units in ongoing production. In Sweden, one project was resumed in 2019 following a delay due to an appeal against a building permit.

Sector-related key figures for the segments

Germany, no. unless otherwise stated	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Housing development for consumers					
Net sales, SEK M	1,502	1,340	3,089	2,880	5,063
Housing units sold during the period	403	378	905	884	1,275
Sales value of housing units sold during the period, SEK M	1,815	1,658	4,063	3,705	5,363
Housing starts during the period	479	372	818	520	858
Housing units in ongoing production at end of period	2,531	2,678	2,531	2,678	2,456
Sales rate for ongoing production, %	73	69	73	69	69
Housing units recognised in profit during the period	344	361	738	771	1,325
Housing development for investors					
Net sales, SEK M		197	719	478	1,158
Housing units sold during the period	48	232	76	232	608
Sales value of housing units sold during the period, SEK M	131	520	226	520	1,410
Housing starts during the period	48	232	48	232	636
Housing units in ongoing production at end of period	1,557	1,714	1,557	1,714	1,822
Sales rate for ongoing production, %	100	100	100	100	98
Housing units recognised in profit during the period		101	313	222	518
Building rights					
Number of building rights at end of period	8,800	8,300	8,800	8,300	8,900
of which, off-balance sheet building rights	2,700	2,400	2,700	2,400	3,400
Average no. of employees during the fiscal year			896	872	877

Sweden, no. unless otherwise stated	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Housing development for consumers					
Net sales, SEK M	509	655	2,482	2,076	2,949
Housing units sold during the period	144	194	458	413	629
Sales value of housing units sold during the period, SEK M	566	838	1,887	1,799	2,886
Housing starts during the period	98	52	311	65	164
Housing units in ongoing production at end of period	668	918	668	918	890
Sales rate for ongoing production, %	64	47	64	47	54
Housing units recognised in profit during the period	109	153	531	470	653
Housing development for investors					
Net sales, SEK M		176	256	437	434
Housing units sold during the period	162		543		162
Sales value of housing units sold during the period, SEK M	308		951		300
Housing starts during the period	162		374		331
Housing units in ongoing production at end of period	988	447	988	447	778
Sales rate for ongoing production, %	100	100	100	100	78
Housing units recognised in profit during the period		77	164	192	192
Building rights					
Number of building rights at end of period	7,200	7,500	7,200	7,500	7,300
of which, off-balance sheet building rights	2,700	3,500	2,700	3,500	2,900
Average no. of employees during the fiscal year ¹⁾			185	207	206

¹⁾ The average number of employees for January–September 2020 was affected by short-time working.

Nordic (Finland, Denmark and Norway), no. unless otherwise stated	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Housing development for consumers					
Net sales, SEK M	425	565	1,379	1,431	2,844
Housing units sold during the period	235	271	613	638	906
Sales value of housing units sold during the period, SEK M	855	777	1,923	1,771	2,508
Housing starts during the period	49	251	267	466	687
Housing units in ongoing production at end of period	950	1,547	950	1,547	1,080
Sales rate for ongoing production, %	71	55	71	55	52
Housing units recognised in profit during the period	126	166	516	471	1,015
Housing development for investors					
Net sales, SEK M	253	104	689	402	1,057
Housing units sold during the period	154	174	275	300	394
Sales value of housing units sold during the period, SEK M	373	201	817	415	613
Housing starts during the period	154	174	275	300	394
Housing units in ongoing production at end of period	764	1,062	764	1,062	789
Sales rate for ongoing production, %	100	100	100	100	100
Housing units recognised in profit during the period	113	106	300	264	631
Building rights					
Number of building rights at end of period	9,900	9,900	9,900	9,900	10,600
of which, off-balance sheet building rights	4,900	6,600	4,900	6,600	6,300
Average no. of employees during the fiscal year ¹⁾					
			374	405	409

¹⁾ The average number of employees for January–September 2020 was affected by short-time working in Finland and Norway.

St. Petersburg–Baltics (St. Petersburg, Estonia, Latvia and Lithuania), no. unless otherwise stated	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Housing development for consumers					
Net sales, SEK M	246	208	705	953	1,232
Housing units sold during the period	292	239	672	790	1,108
Sales value of housing units sold during the period, SEK M	298	314	763	934	1,324
Housing starts during the period	253	239	432	959	1,301
Housing units in ongoing production at end of period	1,340	1,851	1,340	1,851	1,753
Sales rate for ongoing production, %	61	54	61	54	53
Housing units recognised in profit during the period	239	190	632	901	1,177
Housing development for investors					
Net sales, SEK M					
Housing units sold during the period					80
Sales value of housing units sold during the period, SEK M			4		73
Housing starts during the period					80
Housing units in ongoing production at end of period	164	84	164	84	164
Sales rate for ongoing production, %	100	100	100	100	100
Housing units recognised in profit during the period					
Building rights					
Number of building rights at end of period	7,000	5,900	7,000	5,900	6,500
of which, off-balance sheet building rights	1,000	1,300	1,000	1,300	1,400
Average no. of employees during the fiscal year					
			507	463	473

Key performance indicators at end of period

	2020 30 Sep	2019 30 Sep	2019 31 Dec
Return on capital employed, % ^{1) 2)}	6.1	9.7	8.1
Interest coverage ratio, multiple ¹⁾	5.7	10.9	7.7
Equity/assets ratio, %	29.4	29.9	32.1
Interest-bearing liabilities/total assets, %	24.1	31.2	31.5
Net debt	5,245	7,331	6,873
Debt/equity ratio, times	0.7	1.0	0.9
Capital employed at end of period	13,472	14,798	14,933
Capital employed, average	14,385	14,331	14,579
Capital turnover rate, multiple ¹⁾	1.1	1.1	1.1
Share of risk-bearing capital, %	30.0	30.0	32.7
Dividend, SEK per share			
Paid dividend, SEK per share			5.20
Average interest rate at end of period, % ³⁾	2.15	0.68	1.12
Average fixed-rate term, years ³⁾	0.1	0.1	0.1
Average interest rate at end of period, % ⁴⁾	1.23	1.15	1.23
Average fixed-rate term, years ⁴⁾	0.3	0.3	0.3

¹⁾ Calculated on rolling 12-month basis.

²⁾ Excluding items affecting comparability.

³⁾ Excluding loans in Swedish tenant-owner associations, Finnish housing companies and leases.

⁴⁾ Pertains to loans in Swedish tenant-owner associations and Finnish housing companies.

SIGNATURES

Stockholm, 23 October 2020

For the Board of Directors of Bonava AB (publ)

Joachim Hallengren
President and CEO

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Auditors' report

To the board of directors of Bonava AB (publ),
Corp. Reg. No. 556928-0380

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) for Bonava AB (publ) as of 30 September 2020 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial

and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the Interim Report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 23 October 2020
Öhrlings PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant
Auditor in Charge

Linda Andersson
Authorised Public Accountant

FINANCIAL CALENDAR

- Q4 Year-end Report: 29 January 2021
- 2021 Annual General Meeting: 31 March 2021
- Q1 Interim report January–March: 29 April 2021

CONTACT

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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 person set out above on 23 October 2020 at 07:30 CEST.

INVITATION TO PRESENTATION OF THE Q3 INTERIM REPORT

Joachim Hallengren, President and CEO, and Ann-Sofi Danielsson, CFO, will present the Interim Report for the third quarter.

Date: 23 October 2020, 10:00–11:00 a.m.

To participate in the telephone conference and ask questions, please call one of the following telephone numbers:

SE: +46 856 642 651

DE: +49 691 380 34 30

UK: +44 333 300 08 04

US: +1 (631) 913-1422

To participate, register with code: 73694087#

The presentation will also be streamed live at bonava.com/ audiocast Q3 2020. The presentation material will be available for download from the website ahead of the presentation.