Press release, 24 January 2023

Write-down of the net asset value of the operations in St. Petersburg in the fourth quarter 2022

The intended buyer of the operations in St. Petersburg, G-Group, has not received the required approvals from the Russian authorities why the sales agreement has been cancelled. In a press release published on 17th of November 2022 we described that this risk was very likely.

The decision to leave Russia stands firm and the process of selling the business has been restarted. Due to the uncertainty in how long time the selling process will take and to what amount, Bonava has decided to write-down the net assets of the operations in St. Petersburg in the fourth quarter to zero. The guarantee commitments for project financing that Bonava AB have on account of its subsidiaries in St. Petersburg are being reduced when we hand over units and the value is decreasing according to plan why no reservation of these deemed necessary. This type of guarantee represent the majority of the guarantees Bonava has outstanding.

The write-down of net assets amounts to SEK 0.9 billion calculated at December closing exchange rates. After the write-down of net assets the exposure against Russia is deemed limited. Since the third quarter 2022 the operations in St. Petersburg have been reported as discontinued operations. The write-down of net assets will be reported under Net profit for the period from operations to be discontinued. This does not have any cash-flow effect and Bonava is still fulfilling its loan covenants. Bonava will publish its year-end report 2022 on 2 February 2023.

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Bonava is a leading residential developer in Europe with the purpose to create happy neighbourhoods for the many. The company is the first residential developer in Europe to receive approval from the Science Based Targets initiative for its climate targets. With its 2,100 co-workers, Bonava develops residential housing in Germany, Sweden, Finland, Norway, St. Petersburg, Estonia, Latvia and Lithuania, with net sales of approximately SEK 15.5 Bn in 2021. Bonava's shares and green bond are listed on Nasdaq Stockholm.

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