



## Year-end Report January-December 2022



Homes & Neighbourhoods

# Deliveries according to plan in active quarter

1 OCTOBER–31 DECEMBER 2022\*

- Net sales amounted to SEK 6,161 M (6,377)
- Gross profit for the quarter was charged with costs of SEK 118 M in write-down of capitalised project engineering costs and risk provisions in Sweden, as well as SEK 67 M in Germany for provisions, mainly due to warranties related to closed projects.
- The gross margin was 10.6 per cent (13.3)
- Operating profit before items affecting comparability totalled SEK 394 M (595) and the operating margin was 6.4 per cent (9.3)
- The quarter was charged with SEK 56 M as a result of restructuring that was classified as an item affecting comparability
- Operating profit after items affecting comparability totalled SEK 338 M (633) and the operating margin was 5.5 per cent (9.9)
- Earnings per share<sup>2)</sup> was SEK 1.96 (4.56)
- The number of housing units sold was 620 (1,447)
- The number of production starts was 534 (1,964)
- The number of building rights amounted to 32,700 (31,000)
- The quarter was charged with the write-down of net assets at a value of SEK 877 M pertaining to business unit in St. Petersburg<sup>1)</sup>

1 JANUARY–31 DECEMBER 2022\*

- Net sales amounted to SEK 15,706 M (14,746)
- The third and fourth quarters were charged with costs of SEK 273 M, in write-down of previously capitalised project engineering costs and risk provisions in Sweden, as well as SEK 67 M in Germany for provisions, mainly due to warranties in closed projects
- The gross margin was 11.8 per cent (13.1)
- Operating profit before items affecting comparability amounted to SEK 950 M (1,081) and the operating margin was 6.0 per cent (7.3).
- The fourth quarter was charged with SEK 56 M as a result of restructuring that was classified as an item affecting comparability
- Operating profit after items affecting comparability amounted to SEK 894 M (1,002) and the operating margin was 5.7 per cent (6.8).
- Earnings per share<sup>2)</sup> was SEK 4.71 (6.35)
- The number of housing units sold was 2,727 (4,680)
- The number of production starts was 2,783 (4,729)
- The number of building rights amounted to 32,700 (31,000)
- The fourth quarter was charged with the write-down of net assets at a value of SEK 877 M pertaining to business unit in St. Petersburg<sup>1)</sup>
- In December, an extension of Bonava's revolving credit facility was signed for SEK 3 Bn, with a new maturity in January 2025
- A strategic review of business unit Norway has started
- The Board of Directors proposes that no dividend be distributed for the financial year 2022

<sup>1)</sup> Reported as discontinued/divested operations in both the fourth quarter and full-year 2022.

\*Recognised revenue, profit and key figures pertain to continuing operations, excluding St. Petersburg.

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- 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, a net debt/equity ratio of a maximum of 1.0x was introduced

SEK M and excluding St. Petersburg unless otherwise stated	2022			2021		
	Oct-Dec	Oct-Dec	Δ%	Jan-Dec	Jan-Dec	Δ%
Net sales	6,161	6,377	-3	15,706	14,746	7
Gross profit	650	846	-23	1,857	1,925	-4
Gross margin, %	10.6	13.3		11.8	13.1	
Operating profit before items affecting comparability <sup>1)</sup>	394	595	-34	950	1,081	-12
Operating margin before items affecting comparability, % <sup>1)</sup>	6.4	9.3		6.0	7.3	
Operating profit after items affecting comparability	338	633	-47	894	1,002	-11
Operating margin after items affecting comparability, %	5.5	9.9		5.7	6.8	
Profit before tax	261	596	-56	695	860	-19
Earnings per share, SEK <sup>2)</sup>	1.96	4.56	-57	4.71	6.35	-26
Net debt	6,985	3,461	102	6,985	3,461	102
Return on capital employed before items affecting comparability, % <sup>1)</sup>	6.7	8.8		6.7	8.8	
Equity/assets ratio, %	31.2	35.1		31.2	35.1	
Number of building rights	32,700	31,000	5	32,700	31,000	5
Number of housing units sold	620	1,447	-57	2,727	4,680	-42
Sales value of housing units sold	2,030	5,315	-62	9,222	15,092	-39
Number of housing units started	534	1,964	-73	2,783	4,729	-41
whereof investment properties		195	18	231	195	18
Number of housing units in production	6,951	8,957	-22	6,951	8,957	-22
whereof investment properties	426	195	118	426	195	118
Sales rate for ongoing production, % <sup>3)</sup>	67	73	-8	67	73	-8
Number of housing units recognised in profit	1,744	2,141	-19	4,690	4,702	-0

<sup>1)</sup> The key figures in Jan-Dec 2021 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 and definitions, refer to page 32 and <https://www.bonava.com/en/investor-relations/financial-information>.

<sup>3)</sup> Excluding Build-to-Manage. Including Build-to-Manage, the sales rate totalled 63 per cent.

**718**  
EBT, SEK M

**2,727**  
NUMBER OF HOUSING UNITS SOLD

**32,700**  
NUMBER OF BUILDING RIGHTS

# Comments from the CEO

Strong gross margin in delivered projects during the most important quarter in terms of volume. We conducted an in-depth review of the Swedish operation for the purpose of reducing business risk. We are seeing weaker demand in our markets, and to address risks and remain strong over the long term, we are adapting our operations accordingly. We are introducing new financial targets and continue the strategic review of the portfolio, aiming for increased profitability.

## Strengthened underlying margins, but a need to be prepared for risks

Our fourth quarter was characterised by a high level of activity, since a proportionally large share of housing units are delivered. Our focus on strengthening project governance has resulted in growing margins in delivered projects over the year. The underlying gross margin in the fourth quarter totalled 13.6 per cent (13.6). The weaker market and changes in management have meant that we re-assessed risks in Sweden and Germany. In Germany, this meant that provisions of SEK 67 M, mainly for warranties related to closed projects, were expensed. The new management of the Swedish operation concluded an in-depth review for the purpose of reducing the business risks and strengthening the conditions for long-term profitability. We therefore charged the fourth quarter with SEK 118 M, consisting of write-downs of previously capitalised project engineering costs and provisions for risks. A total of SEK 273 M has therefore burdened the gross profit in the Swedish operation for the full year. I am convinced that the new management has identified the correct path for the Swedish operation going forward.

## Weak housing market leads to further adjustments

Demand remained low in the fourth quarter, even though prices are stable in most of our markets. High energy prices and rising interest rates made the decision to buy a new home more difficult for many. The weak market meant that we needed to further adapt our operation and we are implementing a number of measures, both permanent and temporary, that will impact around 15 per cent of the total workforce. The total savings are roughly SEK 370 M on a full-year basis starting in 2024, an increase of SEK 150 M compared to the changes that were announced earlier in 2022. The restructuring means that we are taking further steps toward a linear structure with clear responsibility for results.

## Selective attitude toward production starts

We started production on 2,783 housing units in full-year 2022, which was lower than the 3,000 we indicated in the third-quarter report. We have been clear that we are more selective when we start projects, and the right conditions must be in place. Our ongoing portfolio has a healthy sales rate of 67 per cent (71) and a sales value for housing units to be delivered in the next 18 months with binding agreements that amounts to SEK 14.8 Bn.

## Strengthened building rights portfolio and focus on maintaining a strong balance sheet

To maintain a strong balance sheet is crucial in times of volatility and is a prerequisite to be able to act when opportunities arise. These considerations are the foundation for the Board's proposal not to distribute any dividend for the financial year 2022. In the fourth quarter, we refinanced our revolving credit facility (RCF), thereby securing SEK 3 Bn in financing through 2025. As of 31 December, we had unutilised credits of SEK 2.5 Bn. Net debt totalled SEK 7.0 Bn on 31 December 2022. We see tremendous opportunities to convert consumer projects into investor transactions in order to stabilise the transaction volume and simultaneously improve cash flow in 2023. In the fourth quarter, we acquired an attractive portfolio on favourable terms, with around 550 building rights in Upplands-Bro outside Stockholm. The building rights portfolio increased by a total of 5 per cent during the year, to 32,700 (31,000).

## Write-down of the value of the St. Petersburg operations

On 24 January 2023, we announced that the contract with the potential buyer of the operation in St. Petersburg had been cancelled since the necessary permits could not be obtained. Uncertainties over the time and amounts in the continued sales process compelled us to write-down the value of the net assets to zero. This charged SEK 877 M to earnings from operations to be discontinued. Bonava's equity/assets ratio totalled 31 per cent after the write-down, and thus well over the loan covenant of 25 per cent that had been set. The decision to leave Russia stands firm.

## Revised financial targets

A great deal has happened since we launched our revised strategy in December 2021. We set financial targets pertaining to the number of housing units sold and profit before tax. Given the current market situation, these two indicators are no longer relevant. We conducted a thorough analysis during the quarter, where we arrived at new financial targets. Our strategy aims to strengthen profitability considerably. From 2026, the Group's operating margin will total at least 10 per cent annually. We will be capital-efficient, and our net debt/equity ratio will not exceed 1.0x. We believe that the new indicators will provide the conditions for a clearer assessment of our target fulfilment. We continually evaluate our portfolio of operations for the purpose of increasing profitability and capital efficiency.

## Strategic review of business unit Norway

In light of a low transaction volume and a large requirement for investment in building rights in Norway, we have decided to initiate a strategic review of the Norwegian business unit. We are evaluating various alternatives that include the sale of the entire or parts of the operation, possibilities for identifying synergies with other business units or otherwise making operations more efficient.

## Leaving a turbulent year behind and gearing up for the future

Developments in the fourth quarter mean that operations need to be adjusted to lower volumes. This is a difficult decision, which on some level impacts all of our employees. The change in 2022 was a rapid one, from a strong market to a challenging situation. At the same time, we took important steps to increase profitability, where simplicity and clarity are keywords in our efforts going forward. All together, I feel that we are better prepared to meet the opportunities that will arise. I would like to extend my warmest thanks to our employees for the commitment you have shown.

**Peter Wallin**  
President and CEO



*"Our focus on strengthening project governance has resulted in growing margins in delivered projects over the year."*

# 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, but in the short term, the market has changed significantly.

Each project is local, there are many players, competition is fierce and market developments are rapid. The players who make the right choices therefore have tremendous potential to benefit from the opportunities that may arise from the prevailing market situation.

Due to the situation in Ukraine, we have seen signs of a situation under pressure regarding materials supply and increased costs, but where cost increases have begun to abate and the availability of materials has stabilised. To date, the situation has not had a significant impact on the completion of any of our projects. We work continuously to secure deliveries of materials and services for upcoming completions and future housing starts.

Demand for our housing units has become more cautious. Raised interest rates, higher energy prices, high inflation and increased uncertainty affected demand, primarily, but also the price trend. During the fourth quarter, most of our markets continued to experience a more cautious situation in which sales took longer.

## Germany

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 but slightly more active in metropolitan regions. The price trend in the regions in which we operate is largely stable, but differs between the regions.

## Sweden

Sweden is Bonava's second-largest market. We have an attractive breadth in our offering of housing units to rent or own, in or near large cities. In 2022, interest rates rose and inflation climbed, which resulted in a cautious market. Sweden is the market where we noted the strongest slowdown as regards sales of housing units.

## Finland

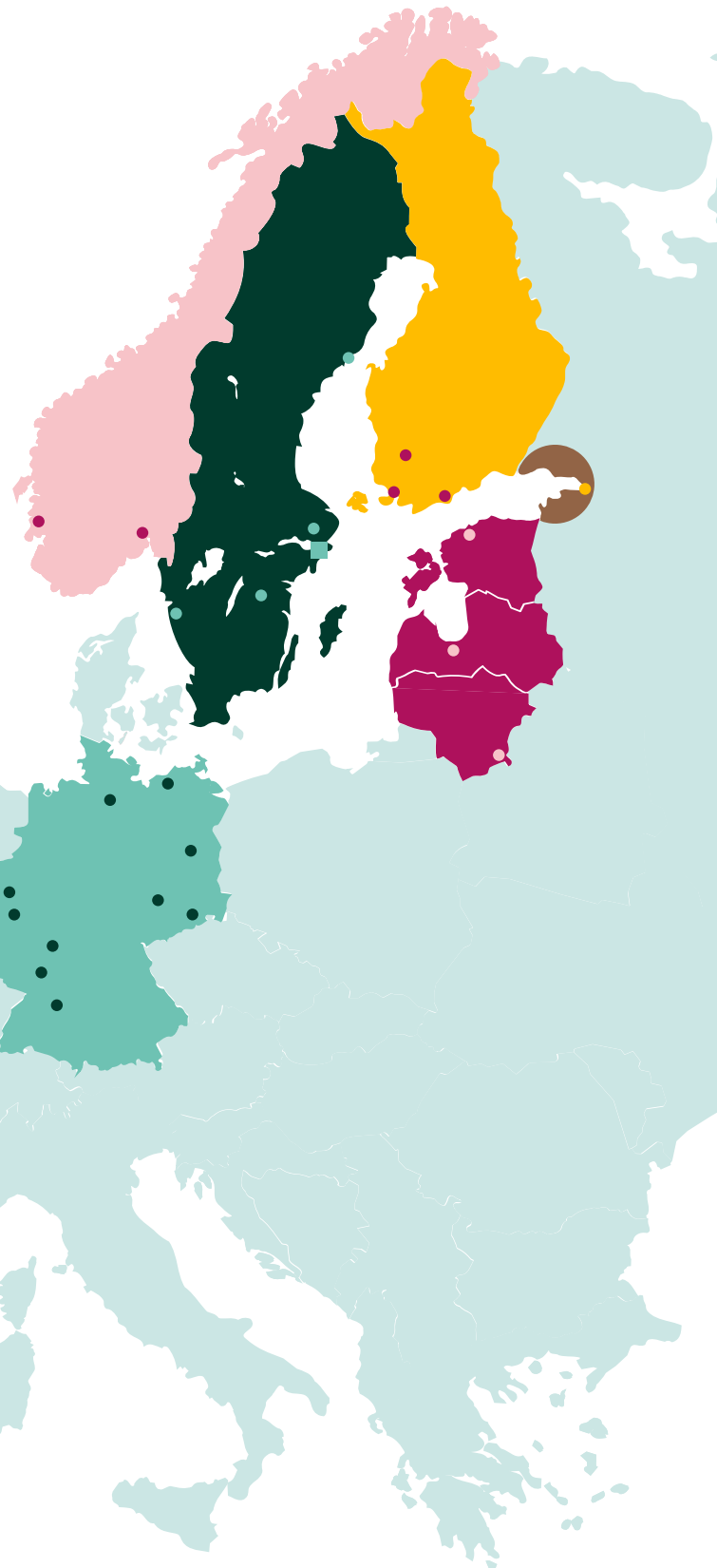
The housing market in Finland is concentrated primarily to the metropolitan regions with the largest population growth and expanded infrastructure: Helsinki, Tampere and Turku. The housing market in Finland has been cautious and sales are taking longer. The prices levelled off during the quarter.

## Norway

The Norwegian market is characterised by stability and a high proportion of housing units with ownership rights. Owing to high prices in Oslo, more families are looking for housing on the outskirts of the city while more residents are trying to move from rural areas to population centres in Bergen. The offering of new production remains low and prices were largely unchanged for the year as a whole.

## 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 both build and manage them. The favourable market conditions in the Baltic markets remain, with a low level of unemployment, a lack of supply, and active banks competing using inexpensive mortgages. Customers became more cautious at the end of the year, and the price trend stabilised in all markets.



# Group performance

Due to the fact that Bonava intends to divest its operation 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 St. Petersburg on a line in the income statement as operations to be discontinued and restating historical comparative figures. Assets and liabilities attributable to the operations in St. Petersburg are recognised on a line for assets and a line for liabilities in the balance sheet as of 31 December 2022. In the cash flow statement, cash flow attributable to operations to be discontinued is stated separately.

## OCTOBER–DECEMBER 2022

### Net sales

Net sales amounted to SEK 6,161 M (6,377), since fewer housing units for consumers and investors were recognised in profit year on year. During the quarter, 1,175 (1,246) housing units for consumers were recognised in profit, with net sales of SEK 4,560 M (4,359). The average price per housing unit recognised in profit amounted to SEK 3.9 M (3.5).

Net sales to investors totalled SEK 1,588 M (1,911), and the number of housing units recognised in profit was 569 (895).

Exchange rate fluctuations had a positive effect of SEK 305 M on consolidated net sales year on year.

### Operating profit

Operating profit before items affecting comparability was SEK 394 M (595) and the operating margin was 6.4 per cent (9.3).

The quarter was charged with costs of SEK 118 M in Sweden, pertaining to write-down of capitalised project engineering costs and risk provisions, as well as SEK 67 M in Germany for provisions, mainly due to warranties related to closed projects.

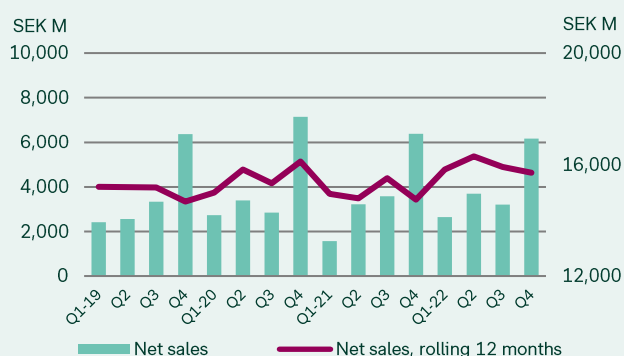
Costs resulting from restructuring reserves of SEK 56 M in Sweden, Germany and central divisions have been classified as items affecting comparability. Operating profit after items affecting comparability amounted to SEK 338 M (633) with an operating margin of 5.5 per cent (9.9). Exchange rate fluctuations had a positive impact of SEK 29 M on operating profit year on year.

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

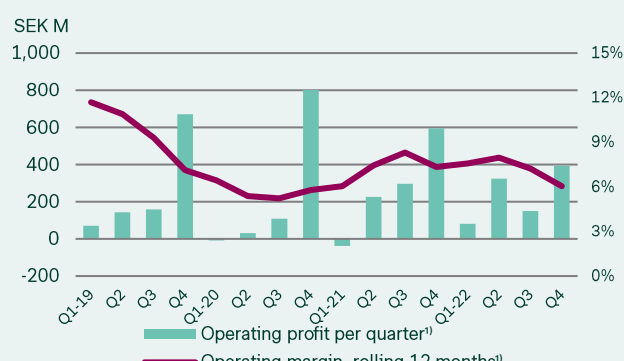
Net financial items were SEK -76 M (-37), attributable to increased interest expenses due to a higher financing volume and higher base rates. Profit before tax for the quarter was SEK 261 M (596). Tax on profit for the quarter was SEK 51 M (108), corresponding to a tax rate of 20 per cent (18). The tax rate is affected by a mix of different tax rates. The lower tax rate in the preceding year is attributable to the fact that 2021 largely included non-taxable revenues. Profit for the period for continuing operations amounted to SEK 211 M (488).

Loss for the period for operations to be discontinued was SEK -895 M (52). In the quarter, net assets valued at SEK 877 M pertaining to St. Petersburg were written down.

Net sales, excluding St. Petersburg



Operating profit and operating margin, excluding St. Petersburg



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

# Group performance

## JANUARY–DECEMBER 2022

### Net sales

Net sales amounted to SEK 15,706 M (14,746). During the period, 3,029 (3,136) housing units for consumers were recognised in profit, with net sales of SEK 11,210 M (10,995). The average price per housing unit recognised in profit amounted to SEK 3.7 M (3.5).

Net sales to investors totalled SEK 4,334 M (3,293), and the number of housing units delivered was 1,661 (1,566).

Exchange rate fluctuations had a positive effect of SEK 593 M on consolidated net sales year on year.

### Operating profit

Operating profit before items affecting comparability for the period was SEK 950 M (1,081) and the operating margin was 6.0 per cent (7.3). During the year, we charged SEK 273 M to gross profit in the Swedish operation with a write down for previously capitalised project engineering costs, fixed assets, and increased risk provisions, as well as SEK 67 M in Germany for provisions, mainly due to warranties related to closed projects

Costs resulting from restructuring reserves of SEK 56 M in Sweden, Germany and central divisions have been classified as items affecting comparability. In the preceding year, we recognised items affecting comparability pertaining to costs of SEK 80 M.

Operating profit including items affecting comparability totalled SEK 894 M (1,002) and the operating margin was 5.7 per cent (6.8).

Exchange rate fluctuations had a positive impact of SEK 53 M on operating profit year on year.

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

Net financial items were SEK -198 M (-142), attributable to increased interest expenses that were due primarily to a higher financing volume and higher base rates. Profit before tax for the period was SEK 695 M (860). Tax on profit for the period was SEK 190 M (179), corresponding to a tax rate of 27 per cent (21). The lower tax rate in the preceding year is attributable to the fact that 2021 largely included non-taxable revenues. The tax rate is affected by a mix of different tax rates. Profit for the period for continuing operations amounted to SEK 505 M (681).

Loss for the period for operations to be discontinued was SEK -808 M (profit: 127). In the fourth quarter, net assets valued at SEK 877 M pertaining to St. Petersburg were written down.

	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
<b>Net sales</b>				
Germany	3,306	3,109	7,785	7,276
Sweden	750	1,000	2,745	3,327
Norway	497	677	1,719	787
Finland	769	585	1,759	1,842
Baltics	382	446	832	757
Other operations <sup>1)</sup>	457	559	864	757
<b>Total</b>	<b>6,161</b>	<b>6,377</b>	<b>15,706</b>	<b>14,746</b>
	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
<b>Operating profit before items affecting comparability<sup>2)</sup></b>				
Germany	383	482	904	914
Sweden	-80	67	-54	292
Norway	38	11	64	-67
Finland	49	-3	88	56
Baltics	60	60	108	82
Other operations <sup>1)</sup>	-57	-22	-160	-196
<b>Total</b>	<b>394</b>	<b>595</b>	<b>950</b>	<b>1,081</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. Items affecting comparability for full-year 2021 pertain to costs in the second quarter related to the wind down of operations in Denmark of SEK 117 M, the capital gain on the sale of Bonava's building rights portfolio in Copenhagen in the fourth quarter for SEK 226 M, and costs in Sweden, Norway, Finland and the Parent Company and adjustments due to the strategic review of SEK 188 M in the fourth quarter.

# Financial position and cash flow

## TOTAL ASSETS

Total assets were SEK 25,579 M (23,711). The increase was primarily attributable to investments in land. Exchange-rate fluctuations increased total assets by SEK 1,423 M compared with 31 December 2021. At 30 September 2022, assets totalled SEK 28,313 M. The decrease compared to 30 September is due primarily to reduced volumes in ongoing housing projects.

## NET DEBT

Net debt amounted to SEK 6,985 M (3,461). The increase was attributable to higher investments in land. Exchange rate fluctuations increased net debt by SEK 180 M year on year. At 30 September, net debt amounted to SEK 6,799 M.

## CAPITAL EMPLOYED

Capital employed amounted to SEK 15,109 M (11,970) at the end of the quarter. Increased volume in ongoing housing projects and higher investments in property held for future development in Germany are the reasons for the increase. Exchange-rate fluctuations increased capital employed by SEK 806 M compared with 31 December 2021. At 30 September 2022, capital employed amounted to SEK 14,715 M.

## EQUITY/ASSETS AND DEBT/EQUITY RATIO

The equity/assets ratio was 31.2 per cent (35.1). At 30 September, the equity/assets ratio was 31.4 per cent. The debt/equity ratio was 0.9 (0.4). The change was due to an increase of SEK 3,524 M in net debt.

## CASH FLOW OCTOBER–DECEMBER 2022

Cash flow before financing was SEK -105 M (808). Lower earnings for the quarter and higher translation differences yielded a cash flow from operating activities before changes in working capital of SEK 343 M (781).

Cash flow from changes in working capital amounted to SEK -417 M (86). Sales of housing projects decreased slightly and totalled SEK 5,350 M (5,750); Germany and Finland increased sales while sales in Sweden, Denmark and Norway decreased. Investments in housing projects decreased to SEK -3,995 M (-4,477), attributable primarily to Germany.

Cash flow from other changes in working capital was SEK -1,771 M (-1,187), which was primarily due to lower cash flows from interest-free financing (customer advances) in Germany.

For operations to be discontinued, cash flow during the quarter was impacted by lower earnings for the period, but also increased investments and reduced sales, which led to cash flow before financing amounting to SEK -31 M (-32).

## CASH FLOW JANUARY–DECEMBER 2022

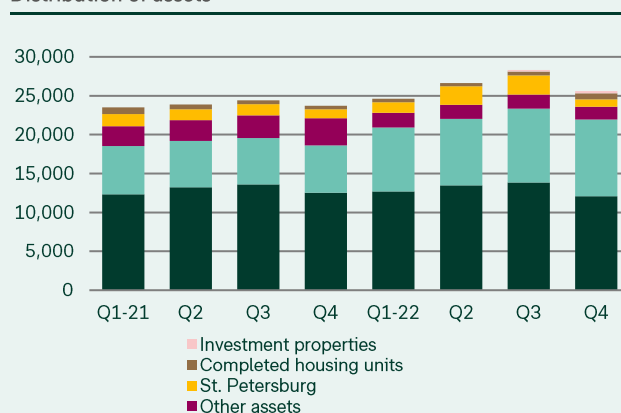
Cash flow before financing was SEK -3,346 M (631). Slightly lower earnings and lower tax paid were affected by higher translation differences year on year, which led to cash flow from operating activities before changes in working capital of SEK 527 M (991).

Cash flow from changes in working capital amounted to SEK -3,769 M (-272). Sales of housing projects totalled SEK 13,312 M (12,910), attributable primarily to increased sales in Germany, the Baltics, and Norway. Investments in housing projects amounted to SEK -16,037 M (-13,270), an increase across all segments.

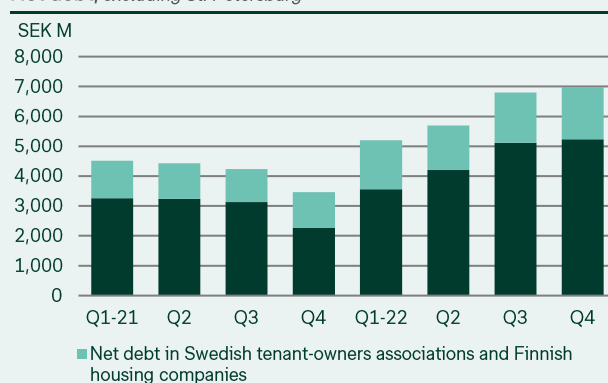
Cash flow from other changes in working capital was SEK -1,045 M (88), which was primarily due to lower cash flows from interest-free financing (customer advances) in Germany.

For operations to be discontinued, cash flow for the quarter was impacted by lower earnings for the period. Investments increased and sales decreased during the period, while cash flow from other investments was impacted by reduced interest-free financing, which, overall, led to cash flow before financing of SEK -463 M (-143).

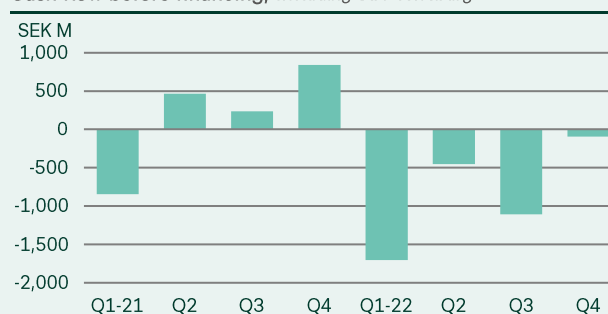
Distribution of assets



Net debt, excluding St. Petersburg



Cash flow before financing, excluding St. Petersburg



# 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 both housing units for 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.

Investments have been made in Sweden since the third quarter of 2022 and in the Baltic region at the end of 2021 in rental housing projects intended for own management, in accordance with our Build-to-Manage (B2M) model, formerly called Build-to-Hold. This entails that we construct, retain and manage for a period instead of divesting immediately.

For more information on Bonava's value chain, refer to our Annual Report <https://www.bonava.com/en/investor-relations/annual-report-2021>

## 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 45 (21). At 30 September 2022, the figure was 23.

## UNSOLD COMPLETED HOUSING UNITS AT END OF QUARTER

The number of unsold completed housing units at the end of the quarter was 168 (93). The increase was primarily attributable to Norway, Finland, and the Baltics. At 30 September 2022, the figure was 107.

## COMPLETED HOUSING UNITS DURING THE QUARTER

At the end of the preceding quarter, Bonava estimated that approximately 1,270 consumer housing units would be completed in the fourth quarter. A total of 1,257 housing units were completed, which is in line with our estimations.

During the quarter, it was estimated that 570 housing units for investors would be completed, while 569 were actually completed.

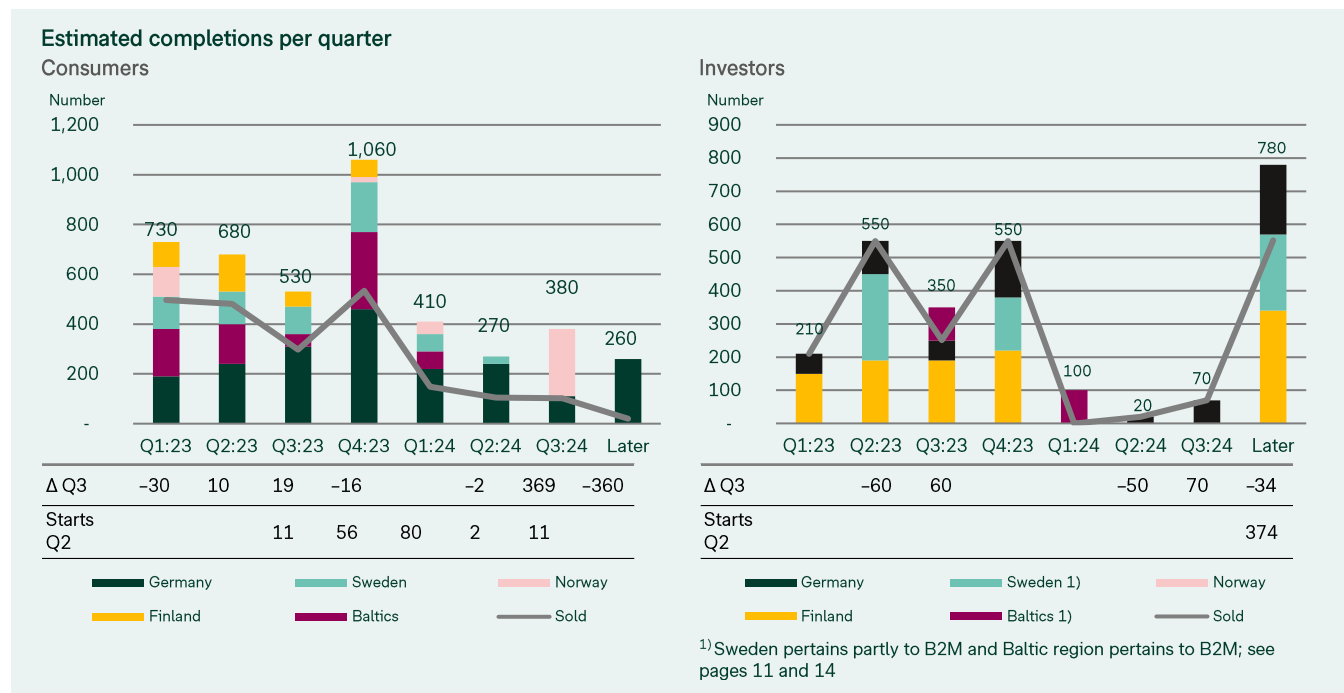
## HOUSING UNITS RECOGNISED IN PROFIT DURING THE QUARTER

The number of housing units for consumers recognised in profit during the quarter was 1,175 (1,246). The majority of these were completed and delivered to customers during the quarter.

During the quarter, 569 housing units (895) for investors that had been completed during the quarter were recognised in profit.

## 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 9,235 M (14,548) for consumers and SEK 5,746 M (6,721) for investors.



The diagrams illustrate the estimated completion dates 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. The curves illustrate the percentage of units sold at 31 December 2022. The diagrams thus provide an indication of future net sales, provided that the housing units are also delivered to the end customers.

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

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

Stable volumes over time that enable scale in the business is a critical success factor in our industry. In order to balance the risks entailed by an increasingly weaker market, we have become more selective with investments in building rights. The building rights portfolio at the beginning of the year was in our view somewhat undersized and it was strengthened in 2022 to suit our growth ambitions and the updated strategy. Bonava's building rights portfolio serves as a solid basis for future projects. By being selective with investments, we ensure that there is scope to act on opportunities that arise going forward.

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 32,700 (31,000). From the preceding year, we have increased our portfolio by 5 per cent. The net increase was greatest in the Baltics, with 1,600 building rights. Germany and Norway also had a net increase of building rights for the year, while Sweden and Finland decreased.

In the fourth quarter, we expanded our Swedish portfolio with 550 building rights in Upplands-Bro outside Stockholm. In the Baltics and Germany, the number of building rights in the balance sheet decreased slightly in the fourth quarter when projects started, while those in Norway and Finland increased somewhat.

Bonava recognises some of its building rights off the balance sheet, such as land that Bonava controls through a contract with options or some other form of agreement, but where the land has not yet been taken into possession. The number of building rights off the balance sheet at the end of the quarter amounted to 12,650 (15,000).

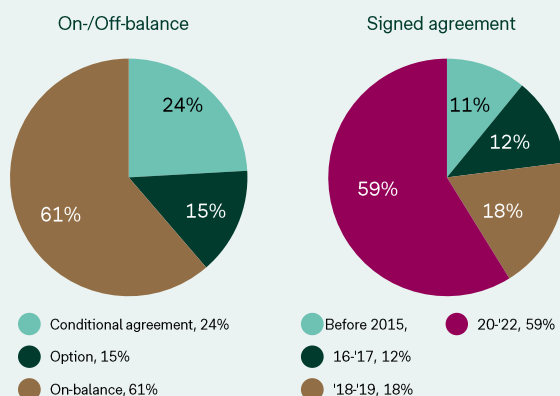
The diagram below illustrates the development of the building rights portfolio during 2022 and its composition at the end of 2022. Properties held for future development amounted to SEK 9,805 M (6,526) at the end of the quarter, up on the preceding year due to increased investments and more building rights on the balance sheet.

## Building rights

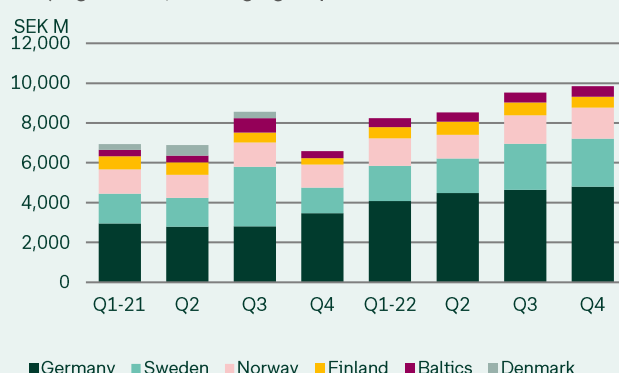
On/Off balance sheet

	2022 31 Dec	2021 31 Dec
<i>Number of building rights</i>		
Germany	9,800	9,700
Sweden	8,700	8,200
Norway	3,300	3,000
Finland	3,400	4,100
Baltics	7,500	6,000
<i>Of which, off-balance sheet</i>		
Germany	3,100	4,500
Sweden	2,900	3,800
Norway	1,300	1,500
Finland	2,100	2,400
Baltics	3,250	2,800

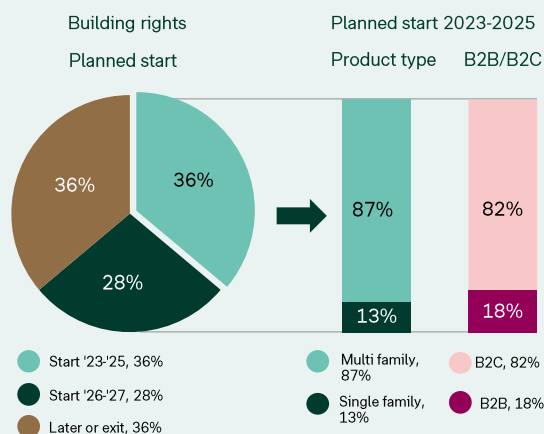
Number of building rights at 31 December 2022, excluding St. Petersburg



## Carrying amount, building rights portfolio



## Distribution of building rights, excluding St. Petersburg



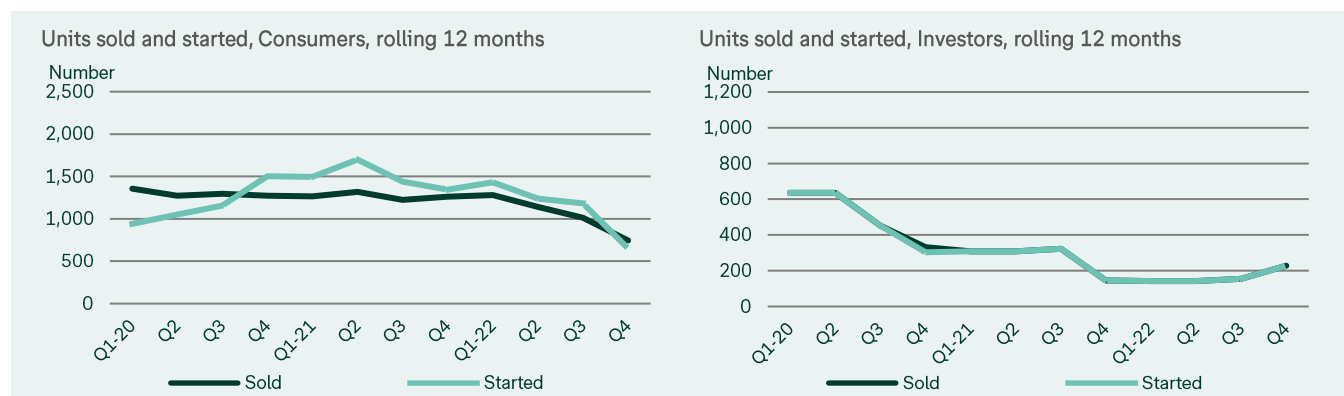
# Germany

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, 59 housing units for consumers (589) were started, and the number of housing units for consumers sold decreased to 139 (407). The number of housing units sold and started for investors increased to 154 (80).

The sales rate for ongoing production totalled 64 per cent (71).



## NET SALES AND PROFIT

### October–December 2022

During the quarter, 508 (685) housing units for consumers and 192 (48) housing units for investors were recognised in profit. Net sales increased slightly, totalling SEK 3,306 M (3,109). The gross margin decreased to 14.1 (18.2), attributable primarily to the mix of housing units delivered, where more housing units to investors were recognised in profit, but also to provisions of SEK 67 M, mainly regarding warranties for closed projects.

Costs of SEK 32 M resulting from reorganisation have been classified as items affecting comparability. Operating profit before items affecting comparability totalled SEK 383 M (482), with an operating margin of 11.6 per cent (15.5). Operating profit after items affecting comparability amounted to SEK 351 M (482) with an operating margin of 10.6 per cent (15.5).

### JANUARY–DECEMBER 2022

Net sales increased to SEK 7,785 M (7,276) and the gross margin decreased to 15.6 (16.6), driven primarily by a mix in which more housing units to investors were recognised in profit year on year, and by increased provisions, mainly due to warranties related to closed projects of SEK 67 M.

Costs of SEK 32 M resulting from reorganisation have been classified as items affecting comparability. Operating profit before items affecting comparability decreased to SEK 904 M (914), with an operating margin of 11.6 per cent (12.6). The decrease was largely due to the mix of housing units delivered, where more housing units to investors were recognised in profit. Selling and administrative expenses increased somewhat year on year. Operating profit after items affecting comparability amounted to SEK 872 M (914) with an operating margin of 11.2 per cent (12.6).

	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Net sales	3,306	3,109	7,785	7,276
Gross profit	466	566	1,213	1,210
Gross margin, %	14.1	18.2	15.6	16.6
Selling and administrative expenses	-83	-83	-309	-296
Rörelseresultat före jämförelsestörande poster	383	482	904	914
Rörelsemarginal före jämförelsestörande poster, %	11.6	15.5	11.6	12.6
Jämförelsestörande poster <sup>1)</sup>	-32		-32	
Rörelseresultat efter jämförelsestörande poster	351	482	872	914
Rörelsemarginal efter jämförelsestörande poster, %	10.6	15.5	11.2	12.6
Capital employed	7,074	4,393	7,074	4,393
whereof carrying amount properties held for future development	4,794	3,463	4,794	3,463
Return on capital employed, % <sup>1)</sup>	15.3	21.0	15.3	21.0
Number of housing units sold	293	487	972	1,409
Sales value of housing units sold	1,195	2,110	4,548	6,244
Number of housing units started	213	669	879	1,490
Number of housing units in ongoing production	2,726	3,749	2,726	3,749
Sales rate for ongoing production, %	64	71	64	71
Number of housing units completed, not recognised in profit	35	22	35	22
Number of housing units for sale (ongoing production and completed)	1,015	1,108	1,015	1,108
Number of housing units recognised in profit	700	733	1,888	1,813

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

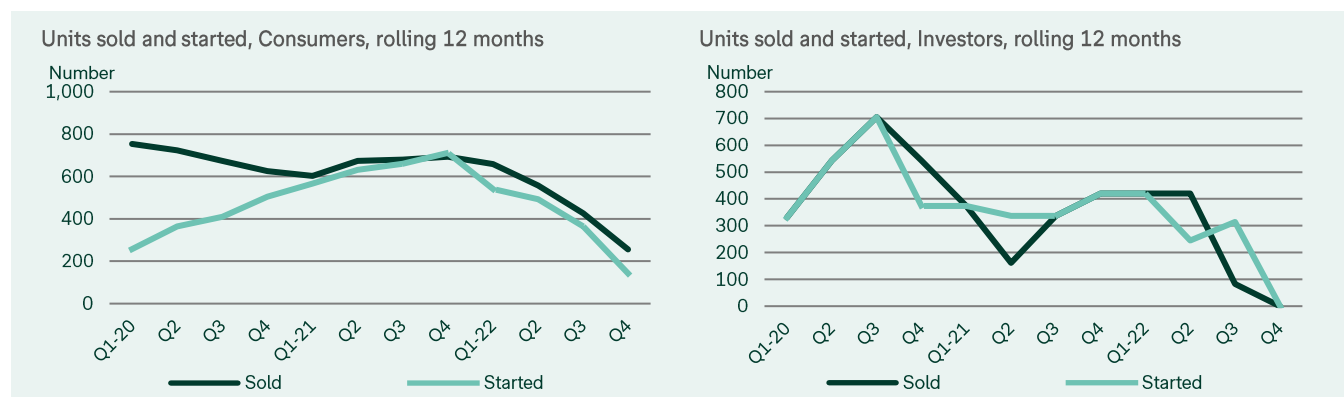
# Sweden

In Sweden, Bonava offers apartments and single-family homes to consumers in Stockholm, Gothenburg, Linköping, Uppsala and Umeå. To investors, we offer multi-family buildings with rental apartments in about 15 cities.

## HOUSING UNITS SOLD AND STARTED

During the quarter, 22 (244) housing units for consumers were started. The project is located in the Ältadalen district of Nacka, and is a continuation of the previous seven neighbourhoods that Bonava has developed in the area. The number of housing units sold to consumers during the quarter was 11 (181). No housing units were started or sold (83) to investors.

The sales rate for ongoing production totalled 76 per cent (79) excluding rental housing projects intended for own management under our Build-to-Manage (B2M) model. See Note 7. Ongoing production is proceeding to plan and the project is expected to begin completion in 2024.



## NET SALES AND PROFIT October–December 2022

Net sales amounted to SEK 750 M (1,000). Housing units for consumers recognised in profit totalled 116 (105). During the quarter, 162 housing units for investors (279) were also delivered.

Gross profit for the fourth quarter was charged SEK 118 M in write-downs of capitalised project engineering costs and risk provisions.

Costs of SEK 20 M resulting from reorganisation have been classified as items affecting comparability. Operating profit before items affecting comparability amounted to SEK -80 M (67) and the operating margin was -10.6 per cent (6.7). Operating profit after items affecting comparability amounted to SEK -100 M (23) with an operating margin of -13.3 per cent (2.3).

## January–December 2022

Net sales amounted to SEK 2,745 M (3,327). In total, fewer housing units were recognised in profit year on year.

We charged SEK 273 M to gross profit in the Swedish operation during the year in light of lower anticipated volumes in the prevailing market situation. The costs consisted of write-downs of capitalised project engineering costs and fixed assets, as well as risk provisions.

Operating profit before items affecting comparability amounted to SEK -54 M (292) and the operating margin was -2.0 per cent (8.8). Costs of SEK 20 M resulting from organisational changes that were decided on have been classified as items affecting comparability. Operating loss after items affecting comparability amounted to SEK -74 M (247) and the operating margin was -2.7 per cent (7.4).

	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Net sales	750	1,000	2,745	3,327
Gross profit	-37	104	85	420
Gross margin, %	-4.9	10.4	3.1	12.6
Selling and administrative expenses	-43	-36	-139	-129
Operating profit/loss before items affecting comparability	-80	67	-54	292
Operating margin before items affecting comparability, %	-10.6	6.7	-2.0	8.8
Items affecting comparability <sup>1)</sup>	-20	-44	-20	-44
Operating profit/loss after items affecting comparability	-100	23	-74	247
Operating margin after items affecting comparability, %	-13.3	2.3	-2.7	7.4
Capital employed	3,825	3,135	3,825	3,135
whereof carrying amount properties held for future development	2,420	1,293	2,420	1,293
Return on capital employed, % <sup>1)</sup>	-1.7	9.1	-1.7	9.1
Number of housing units sold	11	264	256	1,113
Sales value of housing units sold	33	928	1,047	3,640
Number of housing units started	22	327	374	1,131
whereof investment properties			231	
Number of housing units in ongoing production	1,326	1,849	1,326	1,849
whereof investment properties	231		231	
Sales rate for ongoing production, % <sup>2)</sup>	76	79	76	79
Number of housing units completed, not recognised in profit	40	24	40	24
Number of housing units for sale (ongoing production and completed)	285	398	285	398
Number of housing units recognised in profit	278	384	881	1,055

<sup>1)</sup> The key figures in Jan-Dec 2021 and Jan-Dec 2022 were impacted by items affecting comparability.

<sup>2)</sup> Excluding Build-to-Manage. Including Build-to-Manage, the sales rate totalled 70 per cent.

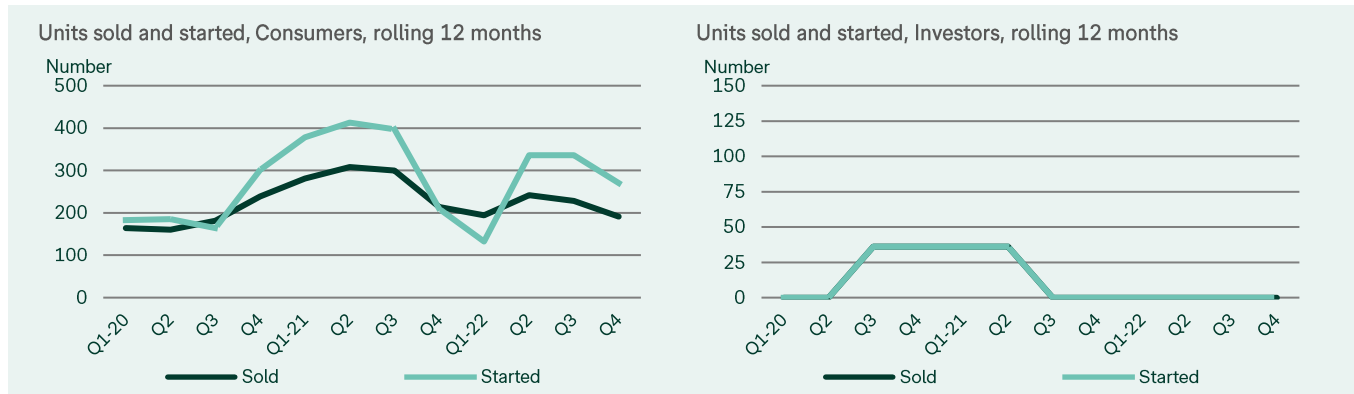
# Norway

In Norway, Bonava has operations in Bergen and Oslo. We offer consumers multi-family housing with apartments and single-family homes (housing units with ownership rights), and rental housing projects to investors.

## HOUSING UNITS SOLD AND STARTED

The number of housing units sold to consumers during the quarter decreased to 15 (52). No housing units for consumers or investors were started during the quarter (66). The sales rate for ongoing production totalled 47 per cent (45). The sales rate improved despite low levels of activity in the market, with decreased demand toward the end of the year.

No projects for investors were started or sold during the quarter, which was also the case in the preceding year.



## NET SALES AND PROFIT October–December 2022

Net sales for the quarter declined to SEK 497 M (677), since fewer housing units for consumers were recognised in profit: 76 (113). The gross margin improved to 14.1 per cent (5.4). Operating profit before items affecting comparability amounted to SEK 38 M (11) and the margin improved to 7.7 per cent (1.6). Operating profit after items affecting comparability amounted to SEK 38 M (-39) and the margin was 7,7 (negative) per cent. The margin in the comparison period was burdened by the fact that the majority of housing units were recognised in profit at relatively low margins. The increase in the operating margin in the quarter was attributable to the completion of one project in Oslo, with more market-level profitability.

## January–December 2022

Net sales rose to SEK 1,719 M (787), attributable to more housing units for consumers being recognised in profit, both from recently completed projects and from housing units held in stock. In total, 285 (134) housing units for consumers and 36 (90) housing units for investors were recognised in profit.

Operating profit before items affecting comparability amounted to SEK 64 M (-67) and the operating margin was 3,7 (negative) per cent. Operating profit after items affecting comparability amounted to SEK 64 M (-116) and the operating margin was 3,7 (negative) per cent. Earnings were burdened by a challenging project in which the costs increased in conjunction with completion, which was already known earlier.

	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Net sales	497	677	1,719	787
Gross profit	70	36	168	19
Gross margin, %	14.1	5.4	9.8	2.4
Selling and administrative expenses	-32	-25	-105	-86
Operating profit/loss before items affecting comparability	38	11	64	-67
Operating margin before items affecting comparability, %	7.7	1.6	3.7	-8.5
Items affecting comparability <sup>1)</sup>		-50		-50
Operating profit/loss after items affecting comparability	38	-39	64	-116
Operating margin after items affecting comparability, %	7.7	-5.7	3.7	-14.8
Capital employed	2,398	2,235	2,398	2,235
whereof carrying amount properties held for future development	1,607	1,156	1,607	1,156
Return on capital employed, % <sup>1)</sup>	2.5	-3.1	2.5	-3.1
Number of housing units sold	15	52	191	214
Sales value of housing units sold	79	222	965	990
Number of housing units started		66	270	209
Number of housing units in ongoing production	453	518	453	518
Sales rate for ongoing production, %	47	67	47	67
Number of housing units completed, not recognised in profit	36	22	36	22
Number of housing units for sale (ongoing production and completed)	267	188	267	188
Number of housing units recognised in profit	76	203	321	224

<sup>1)</sup> The key figures in Jan-Dec 2021 were impacted by items affecting comparability. No such items were recognised in Jan-Sep 2022.

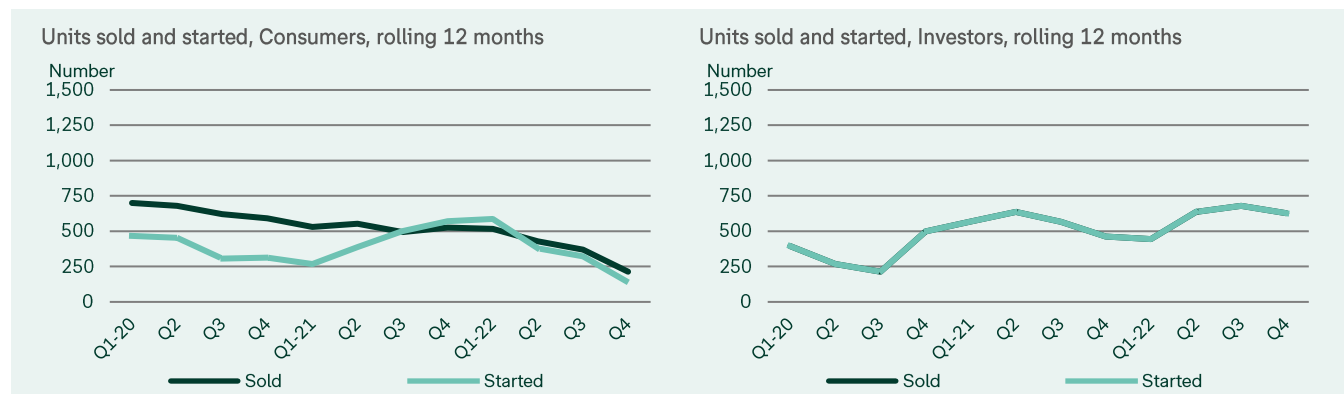
# Finland

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 19 (176). The number of housing starts for consumers totalled 0 (182). The number of housing units sold and started for investors decreased to 220 (274).

The sales rate for ongoing production totalled 88 per cent (82).



## NET SALES AND PROFIT

### October–December 2022

Net sales increased to SEK 769 M (585) during the quarter. This was mainly attributable to an increase in the number of housing units recognised in profit of 61.

Operating profit for the quarter amounted to SEK 49 M (-3) before items affecting comparability with an operating margin of 6.4 (negative) per cent. Operating profit after items affecting comparability amounted to SEK 49 M (-39) with an operating margin of 6.4 (negative) per cent.

The higher profitability is primarily attributable to improved margins in projects for both consumers and investors.

### January–December 2022

Net sales amounted to SEK 1,759 M (1,842). The number of housing units recognised in profit increased during the year, but compared with previous years were smaller and had a lower average price.

Operating profit before items affecting comparability totalled SEK 88 M (56), with an operating margin of 5.0 per cent (3.1). Operating profit after items affecting comparability amounted to SEK 88 M (20) with an operating margin of 5.0 per cent (1.1). The higher profitability is primarily attributable to improved margins in projects for both consumers and investors as well as lower costs.

	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Net sales	769	585	1,759	1,842
Gross profit	71	19	183	133
Gross margin, %	9.3	3.3	10.4	7.2
Selling and administrative expenses	-22	-23	-95	-77
Operating profit/loss before items affecting comparability	49	-3	88	56
Operating margin before items affecting comparability, %	6.4	-0.5	5.0	3.1
Items affecting comparability <sup>1)</sup>		-36		-36
Operating profit/loss after items affecting comparability	49	-39	88	20
Operating margin after items affecting comparability, %	6.4	-6.7	5.0	1.1
Capital employed	974	837	974	837
whereof carrying amount properties held for future development	561	315	561	315
Return on capital employed, % <sup>1)</sup>	9.0	5.4	9.0	5.4
Number of housing units sold	239	450	838	988
Sales value of housing units sold	632	1,002	2,009	2,275
Number of housing units started	220	456	765	1,032
Number of housing units in ongoing production	1,470	1,447	1,470	1,447
Sales rate for ongoing production, %	88	82	88	82
Number of housing units completed, not recognised in profit	48	24	48	24
Number of housing units for sale (ongoing production and completed)	211	284	211	284
Number of housing units recognised in profit	306	245	718	636

<sup>1)</sup> The key figures in Jan-Dec 2021 were impacted by items affecting comparability. No such items were recognised in Jan-Sep 2022.

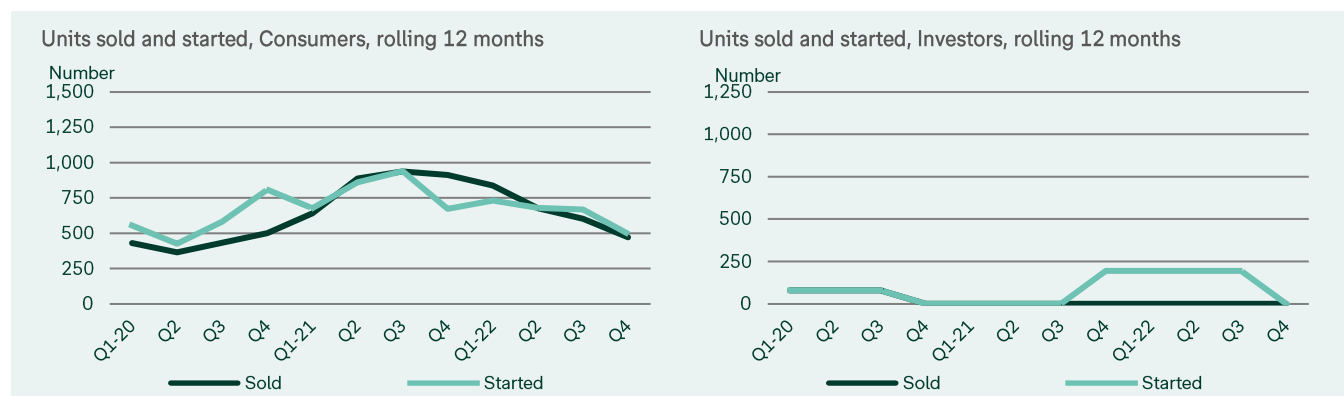
# Baltics

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

Housing units sold to consumers totalled 470 (912). The number of housing starts for consumers totalled 495 (672). The sales rate for ongoing production totalled 39 per cent (43), excluding B2M. No housing units for investors were sold or started during the quarter (0).

In late 2021, we began investments in rental housing projects intended for own management, in accordance with our Build-to-Manage (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. See Note 7.



## NET SALES AND PROFIT

### October–December 2022

Net sales increased to SEK 382 M (446). During the quarter, 279 (291) housing units for consumers were recognised in profit.

Operating profit totalled SEK 60 M (60), and the margin was 15.7 per cent (13.4). The gross margin improved during the quarter to 18.7 per cent (15.7) owing to higher profitability in projects that were recognised in profit.

### January–December 2022

Net sales totalled SEK 832 M (757), since more housing units for consumers were recognised in profit at a higher margin compared with the preceding year.

Operating profit totalled SEK 108 M (82) and the operating margin improved to 13.0 per cent (10.8). The operating profit and margin improved due to a higher number of housing units recognised in profit and to strong cost control that ensures profitability in an environment of high inflation and cost increases in the construction market.

	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Net sales	382	446	832	757
Gross profit	72	70	152	114
Gross margin, %	18.7	15.7	18.2	15.0
Selling and administrative expenses	-11	-10	-44	-32
Operating profit/loss	60	60	108	82
Operating margin, %	15.7	13.4	13.0	10.8
Capital employed	1,085	738	1,085	738
whereof carrying amount properties held for future development	515	356	515	356
Return on capital employed, %	11.3	12.3	11.3	12.3
Number of housing units sold	62	193	470	912
Sales value of housing units sold	92	205	654	893
Number of housing units started	79	446	495	867
whereof investment properties		195		195
Number of housing units in ongoing production	976	1,188	976	1,188
whereof investment properties	195	195	195	195
Sales rate for ongoing production, % <sup>1)</sup>	39	43	39	51
Number of housing units completed, not recognised in profit	53	22	53	22
Number of housing units for sale (ongoing production and completed)	531	700	531	700
Number of housing units recognised in profit	279	455	676	811

The key figures have not been 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 31 per cent.

# Current projects in the quarter

During the fourth quarter, Bonava started production of 534 housing units (1,964).  
All production starts are reported at <https://www.bonava.com/en/investor-relations/housing-starts>.

## Baltic region - Estonia

Paldiski

Location: Tallinn

Housing category: Multi-family housing

Number of units: 160 apartments for consumers

200 metres from a lake, in a green area of Tallinn, Bonava is building the new Paldiski neighbourhood. Four buildings will be constructed in a crescent formation around a shared courtyard with a playground. A large number of parking spaces are being built in an underground garage, which creates more space for social areas outdoors. Each housing unit has its own terrace or balcony, and solar panels are being installed on the roofs of the buildings.



## Germany

Parkstadt Portitz

Location: Saxony, Leipzig

Housing category: Multi-family housing

Number of units: 94 apartments for investors

In the northern part of Leipzig, Bonava is constructing three buildings with 94 family-friendly housing units. Close by are schools, gyms and green spaces, and the centre of Leipzig is 20 minutes away. More than half of the apartments will have 3 to 5 bedrooms. Charger-ready parking spaces, and 214 spaces for bicycles, are being built underground. The buildings are equipped with geothermal heating and in the vicinity rainwater will be recirculated to promote a more sustainable lifestyle.



## Finland

Sitadelli 5 & 6

Location: Vuosaari, Helsinki

Housing category: Multi-family housing

Number of units: 220 apartments for investors

In the Vuosaari district in eastern Helsinki, Bonava is building 220 rental apartments. These are the last two stages of a total of 571 housing units. The neighbourhood is a short walk from the ocean, with beaches and nature close at hand for those who want to lead an active outdoor life. The homes will also have an underground station only 5 minutes away. The buildings, which are energy class A, will be equipped with solar panels.



## Sweden

Syrenen

Location: Ältadalen, Stockholm

Housing category: Single-family homes

Number of units: 22 housing units with ownership rights for consumers

In the Syrenen neighbourhood in Ältadalen, Bonava has started construction of 22 Nordic Swan ecolabelled villas, equipped with both solar panels and charging stations. Syrenen is the last of eight neighbourhoods in the district, with a total of 204 single-family homes. Ältadalen is a location characterised by the calm of nature. There are running paths in the area, and bathing beaches in the Nacka nature reserve and Hellasgården, and at Lake Älta. Moreover, the residences in Älta are close to schools, shops, and cultural activities. Possibilities for a more sustainable lifestyle are being created here. Equipping the buildings with solar panels will reduce their energy needs by around 20 per cent.



# Other information

## OTHER OPERATIONS

In May 2021, it was announced that Bonava was winding down its Danish operations. In November 2021, the remaining stock of building rights was sold.

As part of the adjusted segment reporting, Bonava Denmark is recognised under other operations. During the fourth quarter, Denmark recognised 0 housing units for consumers (20) in profit, with net sales of SEK 0 M (89) and 105 housing units (121) for investors with net sales of SEK 453 M (550). All projects have thus been delivered and recognised in profit. Gross profit amounted to SEK 14 M (295) and profit before tax increased to SEK 2 M (-285).

## SIGNIFICANT RISKS AND UNCERTAINTIES

Bonava's operations are exposed to several types of risks, both operational and financial. The strategic review did not result in any material impact on Bonava's significant risks and uncertainties. During the next 12-month period, there are a number of uncertainties, such as rising key interest rates, high inflation, energy prices and concern about the geopolitical situation in Europe, that could affect our operations and sales. We also experienced cost increases for input goods and material shortages that could potentially delay projects. However, late in the year we saw signs that material costs are levelling off and anticipate a reduction going forward. In January 2023, a decision was made to write-down the net assets of the operation in St. Petersburg. The write-down totalled SEK 877 M and was calculated using the exchange rates current at the end of December. After the write-down of net assets, 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, see pages 63–66 of Bonava's Annual and Sustainability Report for 2021, which is available at [bonava.com](https://www.bonava.com).

## ORGANISATION AND EMPLOYEES

The average number of employees in the Group for the period, excluding St. Petersburg, was 1,864 (1,822).

## 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 209,190,660 votes. At 31 December 2022, Bonava had 11,194,982 Class A shares and 97,240,840 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 32,468 (30,873). Bonava's largest shareholder was Nordstjernan AB, with 24.5 per cent of the capital and 49.3 per cent of the votes, followed by the Fourth Swedish National Pension Fund with 8.8 per cent of the capital and 5.1 per cent of the votes and Swedbank Robur Fonder with 4.8 per cent of the capital and 2.5 per cent of the votes. The ten largest shareholders controlled a total of 53.8 per cent of the capital and 65.5 per cent of the votes. More information on the Bonava share and owners is available at [bonava.com/en/investor-relations](https://www.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 8.

## SIGNIFICANT EVENTS DURING THE PERIOD

In the fourth quarter, Bonava refinanced its revolving credit facility (RCF), thereby securing SEK 3 Bn in financing to 2025.

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

In January 2023, a decision was made to write-down the net assets of the operation in St. Petersburg. The write-down totalled SEK 877 M and was calculated using the exchange rates current at the end of December. After the write-down of net assets, the exposure to Russia is deemed to be limited. The write-down of net assets will be reported under profit/loss for the period from operations to be discontinued. See Note 6.

On 2 February 2023, Bonava announced a revision of its financial targets: Profit before tax and the number of housing starts will be changed, where the new targets are operating margin of at least 10 per cent in 2026. Furthermore, the net debt/equity ratio may not exceed 1.0. The other four strategic targets remain unchanged.

## 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 differences may occur.

Stockholm, 2 February 2023  
Bonava AB (publ)

Peter Wallin  
President and CEO

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



# Consolidated income statement

	Note	2022	2021	2022	2021
	1	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<b>Continuing operations</b>					
Net sales	2	6,161	6,377	15,706	14,746
Production cost		-5,511	-5,530	-13,849	-12,820
<b>Gross profit</b>		<b>650</b>	<b>846</b>	<b>1,857</b>	<b>1,925</b>
Selling and administrative expenses		-256	-251	-908	-844
<b>Operating profit before items affecting comparability</b>	<b>2</b>	<b>394</b>	<b>595</b>	<b>950</b>	<b>1,081</b>
Items affecting comparability <sup>3)</sup>		-56	38	-56	-80
<b>Operating profit after items affecting comparability</b>	<b>2</b>	<b>338</b>	<b>633</b>	<b>894</b>	<b>1,002</b>
Financial income		4	-1	8	2
Financial expenses		-80	-36	-206	-144
<b>Net financial items</b>		<b>-76</b>	<b>-37</b>	<b>-198</b>	<b>-142</b>
<b>Profit before tax</b>	<b>2</b>	<b>261</b>	<b>596</b>	<b>695</b>	<b>860</b>
Tax on profit for the period		-51	-108	-190	-179
<b>Profit for the period<sup>1)</sup></b>		<b>211</b>	<b>488</b>	<b>505</b>	<b>681</b>
<b>Operations to be discontinued</b>	<b>6</b>				
<b>Net profit for the period from operations to be discontinued</b>		<b>-895</b>	<b>52</b>	<b>-808</b>	<b>127</b>
<b>Net profit for the period from continuing and operations to be discontinued</b>		<b>-684</b>	<b>541</b>	<b>-303</b>	<b>808</b>
<b>Per share data before and after dilution</b>					
Profit for the period, SEK		1.96	4.56	4.71	6.35
Cash flow from operating activities, SEK		-0.68	8.10	-30.25	6.71
Shareholders' equity, SEK		74.45	77.60	74.45	77.60
No. of shares at the end of period, million <sup>2)</sup>		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 December was 1,245,355 (1,245,355).

<sup>3)</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. Items affecting comparability for full-year 2021 pertain to costs in the second quarter related to the wind down of operations in Denmark of SEK 117 M, the capital gain on the sale of Bonava's building rights portfolio in Copenhagen in the fourth quarter for SEK 226 M, and costs in Sweden, Norway, Finland and the Parent Company and adjustments due to the strategic review of SEK 188 M in the fourth quarter.

# Consolidated statement of comprehensive income

	Note	2022	2021	2022	2021
	1	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<b>Profit for the period</b>		<b>-684</b>	<b>541</b>	<b>-303</b>	<b>808</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 discontinued	6	62	38	202	95
		-295	4	142	55
<b>Other comprehensive income for the period</b>		<b>-233</b>	<b>42</b>	<b>344</b>	<b>150</b>
<b>Comprehensive income/loss for the period<sup>1)</sup></b>		<b>-918</b>	<b>582</b>	<b>41</b>	<b>958</b>

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

# Condensed consolidated balance sheet

	Note 1, 4, 5	2022 31 Dec	2021 31 Dec
<b>ASSETS</b>			
<b>Fixed assets</b>			
Investment properties	7	262	
Other fixed assets		708	877
<b>Total fixed assets</b>		<b>971</b>	<b>877</b>
<b>Current assets</b>			
Properties held for future development		9,836	6,959
Ongoing housing projects		12,091	12,546
Completed housing units		799	706
Current receivables		848	1,556
Cash and cash equivalents	3	119	1,066
Assets held for distribution	6	915	
<b>Total current assets</b>		<b>24,607</b>	<b>22,834</b>
<b>TOTAL ASSETS</b>		<b>25,579</b>	<b>23,711</b>
<b>SHAREHOLDERS' EQUITY</b>			
Shareholders' equity attributable to Parent Company shareholders		7,979	8,318
Non-controlling interest		5	5
<b>Total shareholders' equity</b>		<b>7,984</b>	<b>8,322</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	3	3,593	2,396
Other non-current liabilities		369	462
Non-current provisions		1,022	898
<b>Total non-current liabilities</b>		<b>4,983</b>	<b>3,755</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	3	3,532	2,076
Other current liabilities		8,165	9,557
Liabilities attributable to assets held for distribution	6	915	
<b>Total current liabilities</b>		<b>12,612</b>	<b>11,633</b>
<b>Total liabilities</b>		<b>17,595</b>	<b>15,389</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>25,579</b>	<b>23,711</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 2021	7,918	5	7,923
Comprehensive income for the period	958		958
Dividend	-563		-563
Performance-based incentive programme	4		4
<b>Closing shareholders' equity, 31 December 2021</b>	<b>8,318</b>	<b>5</b>	<b>8,322</b>
Comprehensive income for the period	41		41
Dividend <sup>1)</sup>	-375		-375
Performance-based incentive programme	-4		-4
<b>Closing shareholders' equity, 31 December 2022</b>	<b>7,979</b>	<b>5</b>	<b>7,984</b>

<sup>1)</sup> On 1 April 2022, the Annual General Meeting of Bonava AB resolved on a total dividend to shareholders of SEK 375 M, to be paid in two instalments: SEK 188 M, which was paid in April, and SEK 188 M, which was paid in October.

# Condensed consolidated cash flow statement

	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
<b>OPERATING ACTIVITIES</b>				
Profit before tax	-634	663	-92	1,020
Adjustments for items not included in cash flow	1,002	119	768	236
Tax paid	-25	-1	-149	-265
<b>Cash flow from operating activities before change in working capital</b>	<b>343</b>	<b>781</b>	<b>527</b>	<b>991</b>
<b>Cash flow from change in working capital</b>				
Sales of housing projects	5,350	5,750	13,312	12,910
Investments in housing projects	-3,995	-4,477	-16,037	-13,270
Other changes in working capital	-1,771	-1,187	-1,045	88
<b>Cash flow from changes in working capital</b>	<b>-417</b>	<b>86</b>	<b>-3,769</b>	<b>-272</b>
<b>Cash flow from operating activities</b>	<b>-73</b>	<b>868</b>	<b>-3,242</b>	<b>719</b>
<b>INVESTMENT ACTIVITIES</b>				
Other cash flow from investment activities	-32	-60	-104	-88
<b>CASH FLOW BEFORE FINANCING</b>	<b>-105</b>	<b>808</b>	<b>-3,346</b>	<b>631</b>
<b>FINANCING ACTIVITIES</b>				
Dividend	-188	-172	-375	-563
Increase in interest-bearing liabilities	354	505	4,762	2,085
Decrease in interest-bearing liabilities	-194	-976	-1,991	-2,439
Change in interest-bearing receivables	2	-71	91	-70
<b>Cash flow from financing activities</b>	<b>-25</b>	<b>-713</b>	<b>2,486</b>	<b>-987</b>
<b>CASH FLOW DURING THE PERIOD</b>	<b>-131</b>	<b>95</b>	<b>-860</b>	<b>-356</b>
Cash and cash equivalents at start of period	492	972	1,066	1,387
Exchange rate differences in cash and cash equivalents	-58		97	35
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>303</b>	<b>1,066</b>	<b>303</b>	<b>1,066</b>

## Cash flow from operations to be discontinued

	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Net cash flow from operating activities	-31	-42	-472	-150
Net cash flow from investment activities	1	9	9	7
Net cash flow from financing activities	-20	15	363	11
<b>Net increase in cash and cash equivalents from the subsidiary</b>	<b>-49</b>	<b>-18</b>	<b>-100</b>	<b>-132</b>

Cash flow from operations to be discontinued is included in the condensed consolidated cash flow statement above. Recognised as assets held for sale. See 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 1–17 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 2021 Annual Report, pages 71–75. The Annual Report is available at [bonava.com](http://bonava.com).

As previously, operating segments in Bonava are based on geographical areas, the nature of the products and the services, and similar revenue flows. Bonava's segment disclosures are based on management information reported to the chief operating decision-maker. The former Germany and Sweden segments remain unchanged, while a decision was made to divide the Nordic segment into Finland and Norway and to divide the St. Petersburg-Baltics segment into St. Petersburg and Baltics as of 1 January 2022. The remaining part of Bonava Denmark was included in Other operations, where Bonava's head office and Group adjustments and eliminations are also recognised. Comparative figures have been restated. Comparative figures are available at [www.bonava.com](http://www.bonava.com). No changes to IFRS or IFRIC interpretations are expected to have any material impact on Bonava.

### Operations to be discontinued

Bonava has announced that it intends to sell its operation in St. Petersburg. Due to this, St. Petersburg is recognised separately under the headings "Operations to be discontinued" in the income statement and "Assets held for distribution" and "Liabilities attributable to assets held for distribution" in the balance sheet in accordance with IFRS 5. All key figures exclude St. Petersburg. Refer also to Note 6. Comparative figures have been restated. For the income statement in accordance with IFRS 5. Comparative figures are available at [www.bonava.com](http://www.bonava.com).

### New/Amended policy

Bonava started a number of projects under its Build-to-Manage model during the period. These projects are classified as investment properties. In future, the projects will be recognised in accordance with IAS 40 Investment Property and measured at fair value and not as ongoing housing projects, since the aim is to, at least for a time, rent out and manage these properties. For further information, refer to Note 7.

## NOTE 2 Reporting of operating segments

Oct-Dec 2022	Germany	Sweden	Norway	Finland	Baltics	Other operations <sup>1)</sup>	Total
Net sales, consumers	2,702	441	495	540	382	1	4,560
Net sales, investors	604	303		229		453	1,588
Net sales, land		3					3
Other revenue		3	3			3	9
Operating profit/loss before items affecting comparability	383	-80	38	49	60	-57	394
Items affecting comparability	-32	-20				-4	-56
Operating profit/loss	351	-100	38	49	60	-61	338
Net financial items							-76
Profit before tax							261
Capital employed	7,074	3,825	2,398	974	1,085	-247	15,109

Oct-Dec 2021	Germany	Sweden	Norway	Finland	Baltics	Other operations <sup>1)</sup>	Total
Net sales, consumers	2,985	406	428	238	299	3	4,359
Net sales, investors	124	534	212	344	147	550	1,911
Net sales, land		60	36	2		1	100
Other revenue			1			5	7
Operating profit/loss before items affecting comparability	482	67	11	-3	60	-22	595
Items affecting comparability		-44	-50	-36		168	38
Operating profit/loss after items affecting comparability	482	23	-39	-39	60	147	633
Net financial items							-37
Profit before tax							596
Capital employed	4,393	3,135	2,235	837	738	632	11,970

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

Jan-Dec 2022	Germany	Sweden	Norway	Finland	Baltics	Other operations <sup>1)</sup>	Total
Net sales, consumers	5,626	1,997	1,480	1,175	831	102	11,210
Net sales, investors	2,159	704	153	565		752	4,334
Net sales, land		39	80	19			138
Other revenue		5	6	1	1	11	24
Operating profit/loss before items affecting comparability	904	-54	64	88	108	-160	950
Items affecting comparability	-32	-20				-4	-56
Operating profit/loss after items affecting comparability	872	-74	64	88	108	-164	894
Net financial items							-198
Profit before tax							695
Capital employed	7,074	3,825	2,398	974	1,085	-247	15,109

Jan-Dec 2021	Germany	Sweden	Norway	Finland	Baltics	Other operations <sup>1)</sup>	Total
Net sales, consumers	6,331	2,149	535	1,173	610	197	10,995
Net sales, investors	876	965	212	544	147	550	3,293
Net sales, land	68	212	36	124		1	442
Other revenue		1	4	1		8	16
Operating profit/loss before items affecting comparability	914	292	-67	56	82	-196	1,081
Items affecting comparability		-44	-50	-36		51	-80
Operating profit/loss after items affecting comparability	914	247	-116	20	82	-145	1,002
Net financial items							-142
Profit before tax							860
Capital employed	4,393	3,135	2,235	837	738	632	11,970

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

**NOTE 3** Specification of net debt

	2022 31 Dec	2021 31 Dec
Non-current interest-bearing receivables	2	2
Current interest-bearing receivables	18	16
Cash and cash equivalents	119	835
<b>Interest-bearing receivables</b>	<b>140</b>	<b>853</b>
Non-current interest-bearing liabilities	3,593	2,242
Current interest-bearing liabilities	3,532	2,072
<b>Interest bearing liabilities<sup>1)</sup></b>	<b>7,124</b>	<b>4,314</b>
<b>Net debt<sup>2)</sup></b>	<b>6,985</b>	<b>3,461</b>

<sup>1)</sup> Of which green loans SEK 3,268 M (1,816). The green asset base pledged consisted of assets in Sweden, Norway and Denmark that are or will be Nordic Swan ecolabelled.

<sup>2)</sup> All figures excluding St. Petersburg.

**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**

	2022 31 Dec	2021 31 Dec
Cash and cash equivalents	17	37
Gross debt	1,767	1,789
<b>Net debt in tenant-owner associations and housing companies</b>	<b>1,751</b>	<b>1,752</b>

**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 402 M.

Financing	Maturity, year	Amount	Utilised	Unutilised
Overdraft facilities	<365 dagar	649	130	520
Bond	2024	1,200	1,200	
Loan	2024	529	529	
Loan	2025	1,224	1,224	
RCF/commercial paper	2025	3,000	1,455	1,545
Loan	2026-27	556	556	
<b>Total</b>		<b>7,158</b>	<b>5,094</b>	<b>2,065</b>

**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.

	2022 31 Dec	2021 31 Dec
Derivatives	17	5
<b>Total assets</b>	<b>17</b>	<b>5</b>
Derivatives	112	46
<b>Total liabilities</b>	<b>112</b>	<b>46</b>

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, accounts receivables, other receivables, cash and cash equivalents, accounts payable and other interest-free liabilities, the fair value is considered equal to the carrying amount.

**NOTE 5** Pledged assets and contingent liabilities

	2022 31 Dec	2021 31 Dec
<b>Pledged assets</b>		
<i>For own liabilities</i>		
Property mortgages	990	1,491
Restricted bank funds		15
Other pledged assets	11	10
<b>Total pledged assets</b>	<b>1,001</b>	<b>1,516</b>
<b>Surety and guarantee obligations</b>		
<i>Own contingent liabilities</i>		
Counter guarantee to external guarantors <sup>1)</sup>	1,576	3,482
Other guarantees and contingent liabilities	585	466
<b>Total surety and guarantee obligations</b>	<b>2,161</b>	<b>3,948</b>

<sup>1)</sup> Of this amount, SEK 1,576 M (3,416) 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. These guarantees are no longer directly issued by Bonava AB and external guarantors who issue them on behalf of tenant-owner associations have a limited guarantee from Bonava AB and the amount of the commitment is reduced. The counter guarantee for the guarantee for the discontinuing operations in St. Petersburg amounts to SEK 0 M (66). Other guarantee obligations comprise Bonava AB's guarantee commitments for project financing in St. Petersburg of SEK 487 M (261) at 31 December 2021 and guarantee commitments for the payment of land investments in operations to be discontinued in St. Petersburg of SEK 98 M (204). Bonava's projects in St. Petersburg are financed through foreign banks that are licensed to operate in St. Petersburg. Of property mortgages, collateral for project financing on behalf of Finnish housing companies was SEK 871 M (1,491), and SEK 119 M (0) relates to assets in St. Petersburg associated with land acquisitions.

Bonava announced on 3 March 2022 that the operation 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 potential divestment of the operation. On 7 October 2022, Bonava announced that an agreement to sell the Russian operations had been signed. Due to this, the operations in St. Petersburg are recognised in operations to be discontinued as of the third quarter of 2022. Adjusted historical comparative figures have been published on Bonava's website; see <https://www.bonava.com/en/investor-relations/financial-information>. In January 2023, a decision was made to write-down the net assets of the operation in St. Petersburg. The write-down totalled SEK 877 M and was calculated using the exchange rates current at the end of December. After the write-down of net assets, the exposure to Russia is deemed to be limited. The write-down of net assets will be reported under profit/loss for the period from operations to be discontinued.

The following press release was published on 24 January 2023:

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 Bn 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.

The counter guarantee for the guarantee for the operations to be discontinued in St. Petersburg totals SEK 0 M (66), (69 at 30 September). Other guarantee obligations comprise Bonava AB's guarantee commitments for project financing in St. Petersburg of SEK 487 M (261), (737 at 30 September) and guarantee commitments for the payment of land investments in operations to be discontinued in St. Petersburg of SEK 98 M (204), (210 at 30 September). Bonava's projects in St. Petersburg are financed through foreign banks with licenses to operate in St. Petersburg.

The exchange rate against the RUB on the balance sheet date, 31 December, was SEK 0.15 (0.20 at 30 September), which impacted the translation differences for the fourth quarter by SEK -295 M.

#### FINANCIAL INFORMATION CONCERNING OPERATIONS TO BE DISCONTINUED

	2022 Jan-Dec	2021 Jan-Dec
Net sales	526	745
Production cost	-365	-553
Selling and administrative expenses	161	192
Operating profit	-70	-37
Net financial items	91	155
Profit before tax	22	15
Tax on profit for the period	-23	-9
Net financial items	-1	6
Profit before tax	90	161
Tax on profit for the period	-21	-33
Profit from operations to be discontinued	69	127
Write-down of net assets	-877	
Profit for the period from operations to be discontinued	-808	127
Translation differences for operations to be discontinued	142	55
Items included in comprehensive income	142	55
Net cash flow from operating activities	-472	-150
Net cash flow from investment activities	9	7
Net cash flow from financing activities	363	11
Net increase in cash and cash equivalents from the subsidiary	-100	-132

	2022 31 Dec
Fixed assets	
Properties held for future de	729
Other current assets	
Cash and cash equivalents	185
Total assets	915
Provisions	23
Non-current liabilities	577
Advances from customers	117
Other current liabilities	197
Total liabilities	915
Net assets	0
Pledged assets and contingent liabilities	
Pledged assets <sup>1)</sup>	119

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



**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 31 December 2022, 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.

	2022 31 Dec	2021 31 Dec
Investments	102	
Reclassification	156	
Translation differences for the year	5	
<b>Fair value at end of period</b>	<b>262</b>	

# The Parent Company in brief

## JANUARY–DECEMBER 2022

The Parent Company comprises the operations of Bonava AB (publ). Net sales for the period totalled SEK 269 M (280). Profit after financial items was SEK 345 M (393).

INCOME STATEMENT	Note 1	2022 Jan–Dec	2021 Jan–Dec
Net sales		269	280
Selling and administrative expenses		-456	-530
<b>Operating loss</b>		<b>-187</b>	<b>-249</b>
Profit from participations in Group companies		353	551
Financial income		320	181
Financial expenses		-140	-91
<b>Profit after financial items</b>		<b>345</b>	<b>393</b>
Appropriations		-45	-144
<b>Profit before tax</b>		<b>300</b>	<b>249</b>
Tax on profit for the period		21	68
<b>Profit for the period</b>		<b>321</b>	<b>316</b>

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	2022 31 Dec	2021 31 Dec
<b>Assets</b>			
Fixed assets		2,632	2,694
Current assets		10,960	8,214
<b>Total assets</b>		<b>13,592</b>	<b>10,908</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity		7,409	7,467
Provisions		11	10
Non-current liabilities		3,174	1,918
Current liabilities		2,999	1,513
<b>Total shareholders' equity and liabilities</b>		<b>13,592</b>	<b>10,908</b>

# 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 2021 Annual Report, pages 71–75 and 99. The Annual Report is available at [bonava.com](http://bonava.com).

## NOTE 2 Pledged assets and contingent liabilities

	2022 31 Dec	2021 31 Dec
Counter guarantee to external guarantors	10,928	13,290
Guarantees for project-specific financing	1,775	1,201
Guarantees for Group companies	4,253	4,654
Other pledged assets	11	10
<b>Total</b>	<b>16,966</b>	<b>19,155</b>

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

	2022 31 dec	2021 31 dec
Counter guarantee to external guarantors <sup>1)</sup>	1,576	4,196
Guarantees for project-specific financing	1,287	940
<b>Total</b>	<b>2,863</b>	<b>5,136</b>

1) 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. The counter guarantee for the guarantee for the operations to be discontinued in St. Petersburg totals SEK 0 M (66). Bonava AB's guarantee commitments for project financing in St. Petersburg comprise SEK 487 M (261). Bonava's projects in St. Petersburg are financed through foreign banks with licences to operate in St. Petersburg. Of the guarantees for Group companies, SEK 98 M (204) comprises guarantees for the payment of land investments in the operations to be discontinued in St. Petersburg.

# Sector-related key figures for the Group

No. unless otherwise stated	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
<b>Housing development for consumers</b>				
Housing units sold	246	1,010	1,873	3,652
Sales value of housing units sold, SEK M	992	3,533	7,063	12,222
Housing starts	160	1,332	1,698	3,506
Housing units in ongoing production	4,324	5,753	4,324	5,753
Sales rate for ongoing production, %	50	58	50	58
Reservation rate for ongoing production, %	1	3	1	3
Completion rate for ongoing production, %	55	45	55	45
Completed housing units not recognised in profit	212	114	212	114
Housing units for sale (ongoing and completed)	2,309	2,483	2,309	2,483
Housing units recognised in profit	1,175	1,246	3,029	3,136
Value of sold housing units, not yet recognised in profit, SEK M	9,235	14,548	9,235	14,548
<b>Housing development for investors</b>				
Housing units sold	374	437	854	1,028
Sales value of housing units sold, SEK M	1,039	1,782	2,159	2,870
Housing starts	374	632	1,085	1,223
whereof investment properties		195	231	195
Housing units in ongoing production	2,627	3,204	2,627	3,204
whereof investment properties	426	195	426	195
Sales rate for ongoing production, % <sup>1)</sup>	100	94	100	94
Completion rate for ongoing production, %	47	41	47	41
Housing units recognised in profit	569	895	1,661	1,566
Value of sold housing units, not yet recognised in profit, SEK M	5,746	6,721	5,746	6,721

<sup>1)</sup> Excluding Build-to-Manage. Including Build-to-Manage, the sales rate totalled 85 per cent.

	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
<b>Number of housing units in production for consumers</b>				
Housing units in ongoing production at start of period	5,421	5,649	5,753	5,018
Change in opening value				-1
Housing starts	160	1,332	1,698	3,506
Housing units recognised in profit	-1,175	-1,246	-3,029	-3,136
Decrease (+)/increase (-) in completed housing units not recognised in profit	-82	18	-98	366
<b>Housing units in ongoing production for consumers at end of period</b>	<b>4,324</b>	<b>5,753</b>	<b>4,324</b>	<b>5,753</b>
<b>Number of housing units in production for investors</b>				
Housing units in ongoing production at start of period	2,823	3,467	3,204	3,551
Change in opening value <sup>1)</sup>	-1		-1	-4
Housing starts	605	632	1,085	1,223
Housing units recognised in profit	-569	-895	-1,661	-1,566
<b>Housing units in ongoing production for investors at end of period</b>	<b>2,627</b>	<b>3,204</b>	<b>2,627</b>	<b>3,204</b>

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

# Sector-related key figures for the segments

<b>Germany</b>	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
<i>no. unless otherwise stated</i>				
<b>Housing development for consumers</b>				
Net sales, SEK M	2,702	2,985	5,626	6,331
Housing units sold	139	407	744	1,263
Sales value of housing units sold, SEK M	742	1,822	3,825	5,770
Housing starts	59	589	651	1,344
Housing units in ongoing production	2,033	2,521	2,033	2,521
Sales rate for ongoing production, %	51	57	51	57
Completed housing units not recognised in profit	35	22	35	22
Housing units for sale (ongoing and completed)	1,015	1,108	1,015	1,108
Housing units recognised in profit	508	685	1,126	1,449
<b>Housing development for investors</b>				
Net sales, SEK M	604	124	2,159	876
Housing units sold	154	80	228	146
Sales value of housing units sold, SEK M	452	288	723	474
Housing starts	154	80	228	146
Housing units in ongoing production	693	1,228	693	1,228
Sales rate for ongoing production, %	100	100	100	100
Housing units recognised in profit	192	48	762	364
Average no. of employees during the financial year			932	911

<b>Sweden</b>	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
<i>no. unless otherwise stated</i>				
<b>Housing development for consumers</b>				
Net sales, SEK M	441	406	1,997	2,149
Housing units sold	11	181	256	693
Sales value of housing units sold, SEK M	32	791	1,035	2,846
Housing starts	22	244	143	711
Housing units in ongoing production	675	1,055	675	1,055
Sales rate for ongoing production, %	61	64	61	64
Completed housing units not recognised in profit	40	24	40	24
Housing units for sale (ongoing and completed)	285	398	285	398
Housing units recognised in profit	116	105	507	515
<b>Housing development for investors</b>				
Net sales, SEK M	303	534	704	965
Housing units sold		83		420
Sales value of housing units sold, SEK M	1	137	12	795
Housing starts		83	231	420
whereof investment properties			231	
Housing units in ongoing production	651	794	651	794
whereof investment properties	231		231	
Sales rate for ongoing production, % <sup>1)</sup>	100	100	100	100
Housing units recognised in profit	162	279	374	540
Average no. of employees during the financial year			232	223

<sup>1)</sup> Excluding Build-to-Manage. Including Build-to-Manage, the sales rate totalled 72 per cent.

<b>Norway</b>	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
<i>no. unless otherwise stated</i>				
<b>Housing development for consumers</b>				
Net sales, SEK M	495	428	1,480	535
Housing units sold	15	52	191	214
Sales value of housing units sold, SEK M	81	221	967	983
Housing starts		66	270	209
Housing units in ongoing production	453	482	453	482
Sales rate for ongoing production, %	47	64	47	64
Completed housing units not recognised in profit	36	22	36	22
Housing units for sale (ongoing and completed)	267	188	267	188
Housing units recognised in profit	76	113	285	134
<b>Housing development for investors</b>				
Net sales, SEK M		212	153	212
Housing units sold				
Sales value of housing units sold, SEK M	-2	2	-2	7
Housing starts				
Housing units in ongoing production		36		36
Sales rate for ongoing production, %		100		100
Housing units recognised in profit		90	36	90
Average no. of employees during the financial year			77	82

<b>Finland</b>	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
<i>no. unless otherwise stated</i>				
<b>Housing development for consumers</b>				
Net sales, SEK M	540	238	1,175	1,173
Housing units sold	19	176	212	526
Sales value of housing units sold, SEK M	45	488	582	1,526
Housing starts		182	139	570
Housing units in ongoing production	382	681	382	681
Sales rate for ongoing production, %	55	62	55	62
Completed housing units not recognised in profit	48	24	48	24
Housing units for sale (ongoing and completed)	211	284	211	284
Housing units recognised in profit	196	52	414	349
<b>Housing development for investors</b>				
Net sales, SEK M	229	344	565	544
Housing units sold	220	274	626	462
Sales value of housing units sold, SEK M	587	514	1,427	749
Housing starts	220	274	626	462
Housing units in ongoing production	1,088	766	1,088	766
Sales rate for ongoing production, %	100	100	100	100
Housing units recognised in profit	110	193	304	287
Average no. of employees during the financial year			232	231

<b>Baltics (Estonia, Latvia and Lithuania)</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Oct-Dec</b>	<b>Oct-Dec</b>	<b>Jan-Dec</b>	<b>Jan-Dec</b>
<i>no. unless otherwise stated</i>				
<b>Housing development for consumers</b>				
Net sales, SEK M	382	299	831	610
Housing units sold	62	193	470	912
Sales value of housing units sold, SEK M	92	207	654	893
Housing starts	79	251	495	672
Housing units in ongoing production	781	993	781	993
Sales rate for ongoing production, %	39	51	39	51
Completed housing units not recognised in profit	53	22	53	22
Housing units for sale (ongoing and completed)	531	505	531	505
Housing units recognised in profit	279	291	676	647
<b>Housing development for investors</b>				
Net sales, SEK M		147		147
Housing units sold				
Sales value of housing units sold, SEK M		-3		
Housing starts		195		195
whereof investment properties		195		195
Housing units in ongoing production	195	195	195	195
whereof investment properties	195	195	195	195
Sales rate for ongoing production, %				
Housing units recognised in profit		164		164
Average no. of employees during the financial year			289	231

# Key performance indicators at end of period

	2022 31 Dec	2021 31 Dec
Return on capital employed, % <sup>1)</sup>	6.7	8.8
Interest coverage ratio, multiple	4.4	7.0
Equity/assets ratio, % <sup>2)</sup>	31.2	35.1
Return on equity, %	6.0	8.7
Interest-bearing liabilities/total assets, %	28.9	19.4
Net debt	6,985	3,461
Net debt/equity ratio, multiple	0.9	0.4
Capital employed	15,109	11,970
Capital turnover rate, multiple	1.1	1.2
Share of risk-bearing capital, %	31.4	35.6
Ordinary dividend, SEK per share <sup>3)</sup>		3.50
Average interest rate at period-end, % <sup>4)</sup>	4.21	2.49
Average fixed-rate term, years <sup>4)</sup>	0.1	0.2
Average interest rate at period-end, % <sup>5)</sup>	3.70	1.65
Average fixed-rate term, years <sup>5)</sup>	0.3	0.3

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

<sup>2)</sup> Including St. Petersburg.

<sup>3)</sup> Amounts for 2022 pertain to the amount proposed by the Annual General Meeting.

<sup>4)</sup> Excluding loans in Swedish tenant-owner associations, Finnish housing companies, and leases.

<sup>5)</sup> Pertains to loans in Swedish tenant-owner associations and Finnish housing companies.

## EXCHANGE RATES

Text	Average rate		Rate on balance sheet date	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
DKK	1.43	1.36	1.50	1.38
EUR	10.63	10.15	11.13	10.26
NOK	1.05	1.00	1.06	1.03
RUB	0.15	0.12	0.15	0.12

### 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.



# 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 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.



8

COUNTRIES

21

REGIONS

1,900

EMPLOYEES

15.7

SEK BN  
NET SALES 2022

## FINANCIAL CALENDAR

- Q1 Interim report, Jan-Mar, 27 April
- Q2 Interim report, Jan-Jun, 20 July
- Q3 Interim report, Jan-Sep, 26 October
- Q4 Year-end Report, Jan-Dec, 1 February 2024

## CONTACT

Lars Granlöf, CFO  
lars.granlof@bonava.com, +46 (0)790 631 609

Susanna Winkiel, acting Head of Investor Relations  
susanna.winkiel@bonava.com, +46

## 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 2 February 2023, at 7:30 a.m. CET.

## WEBCAST PRESENTATION 2 FEBRUARY

President and CEO Peter Wallin and CFO Lars Granlöf will present the report on 2 February 2023 at 9:00 a.m. CET.

Follow the webcast live at:

[https://bonava.videosync.fi/2023-02-02-q4\\_2022](https://bonava.videosync.fi/2023-02-02-q4_2022)

To participate in the teleconference, register using this link:

<https://events.inderes.se/teleconference/?id=100333>

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).