Press release, 12 June 2023

Bonava frees up capital: divests Norwegian operations

Bonava has reached an agreement to divest its Norwegian operations to Union Residential Development, a Norwegian real estate fund. The purchase price is SEK 1.5 bn and the transaction is expected to be finalised no later than the third quarter of 2023. The deal is pending approval from Norwegian authorities.

On 2 February 2023 Bonava stated that a strategic review of Business unit Norway had been initiated, due to low business volumes and a need for high investments in land. After evaluating several possible pathways, the group has come to the decision to divest the whole Business unit. The divestment frees up capital, as well as guarantee facilities, and puts Bonava in a better position to increase profitability. The buyer, Union Residential Development, is a real estate fund based in Norway, currently building a business in housing development.

- I am pleased that we have come to this agreement with Union, and that our talented coworkers in Norway will have new home to continue developing projects in. Bonava Norway has talented employees, good projects and an attractive landbank. The deal strengthens our financial situation and our ability fulfill our targets, says Peter Wallin, President and CEO.

The purchase price amounts to SEK 1.5 bn whereof SEK 0.8 bn is to be paid when the deal is finalized, while the remainder is to be paid out in tranches, with the main part in 2024 and 2025. The net financial impact amounts to SEK -0.7 bn and will be recognised during the second quarter of 2023. The deal is pending approval from Norwegian authorities. Existing contracts with customers, suppliers and other parties will not be affected by the divestment.

At the end of the first quarter 2023 Bonava Norway had approximately 350 units in production and 3,600 building rights in the land bank. If the deal is not finalized by the end of the second quarter of 2023, the business unit will be reported as assets held for sale by Bonava.

After the divestment Bonava will consist of four business units in six countries: Germany, Sweden, Finland, Estonia, Latvia and Lithuania. Net sales for these business units in 2022 was SEK 14.0 bn.

Contractual amounts are in Norwegian krona and have here been translated at NOKSEK rate 0.98.

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Bonava is a leading residential developer in Europe with the purpose to create happy neighbourhoods for the many. The company is the first residential developer in Europe to receive approval from the Science Based Targets initiative for its climate targets. With its 1,900 co-workers, Bonava develops residential housing in Germany, Sweden, Finland, Norway, Estonia, Latvia and Lithuania, with net sales of approximately SEK 15.7 Bn in 2022. Bonava also has discontinuing operations in S.t Peterburg. Bonava's shares and green bond are listed on Nasdaq Stockholm.

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