

Interim report January – June 2024

Homes & Neighbourhoods



Seminariet – Uppsala, Sweden


BONAVA

Increased production starts and lower net debt

1 APRIL–30 JUNE 2024*

- Net sales amounted to SEK 2,339 M (3,586).
- The operating gross margin was 8.9 per cent (10.4).
- Operating EBIT was SEK 43 M (195) and the operating EBIT margin was 1.8 per cent (5.4).
- EBIT totalled SEK 15 M (195).
- Operating cash flow was SEK 720 M (-34).
- Cash flow before financing activities was SEK 307 M (543).
- Earnings per share before and after dilution was SEK -0.46 (0.34).
- The number of housing starts was 342 (217).

1 JANUARY–30 JUNE 2024*

- Net sales amounted to SEK 3,619 M (5,515).
- The operating gross margin was 9.5 per cent (9.8).
- Operating EBIT was SEK 20 M (167) and the operating EBIT margin was 0.6 per cent (3.0).
- EBIT totalled SEK -8 M (167).
- Operating cash flow was SEK 513 M (-658).
- Cash flow before financing activities was SEK -176 M (-420).
- Earnings per share before and after dilution was SEK -1.19 (-0.51).
- The number of housing starts was 623 (551).
- A fully subscribed rights issue was carried out during the first quarter, which raised SEK 1,050 M for Bonava.
- All the conditions in the financing package were fulfilled in March.

Key ratios, SEK M *	2024 Apr–Jun	2023 Apr–Jun	Δ%	2024 Jan–Jun	2023 Jan–Jun	Δ%	Jul 2023 – Jun 2024	2023 Jan–Dec
Net sales	2,339	3,586	-35	3,619	5,515	-34	11,373	13,269
Operating gross profit	209	374	-45	342	543	-37	1,220	1,421
Operating gross margin, %	8.9	10.4		9.5	9.8		10.7	10.7
Operating EBIT	43	195	-78	20	167	-87	514	660
Operating EBIT margin, %	1.8	5.4		0.6	3.0		4.5	5.0
EBIT	15	195	-92	-8	167		-794	-619
EBIT margin, %	0.6	5.4		-0.2	3.0		-7.0	-4.7
Earnings per share, before and after dilution, SEK	-0.46	0.34		-1.19	-0.51		-7.93	-10.66
Return on equity, R12, %	-10.8	-17.8		-10.8	-17.8		-10.8	-18.5
Equity/assets ratio, %	38.1	29.2		38.1	29.2		38.1	34.6
Net debt	3,823	6,631	-42	3,823	6,631	-42	3,823	4,951
Net project asset value	5,064	6,768	-25	5,064	6,768	-25	5,064	5,637
Net project asset value / Net debt exkl. leasing, multiple	1.4	1.1	32	1.4	1.1	32	1.4	1.2
Operating cash flow	720	-34		513	-658		1,709	538
Cash flow before financing activities	307	543	-43	-176	-420	58	960	716
Number of housing units sold	400	390	3	702	668	5	1,527	1,493
Number of production starts	342	217	58	623	551	13	1,405	1,333
Number of housing units in production	2,745	5,087	-46	2,745	5,087	-46	2,745	3,055
whereof investment properties		426			426			
Sales rate for ongoing production excl. B2M, %	51	65		51	65		51	55
Number of housing units recognised in profit	600	1,203	-50	957	1,806	-47	3,120	3,969

*Recognised revenue and profit pertain to continuing operations at the end of the period.

4.5%

Operating EBIT margin, R12

1,527

Number of housing units sold, R12

1,405

Number of housing starts, R12

Comments from the CEO

Market conditions are continuing to improve compared to previous year, but recovery to normal conditions will take time. It is gratifying that the key German market reported stable earnings with increased profitability while it will take time before the Swedish and Finnish market turns. A strong cash flow for the period continued to decrease net debt. We are increasing production starts from a low level, and are seeing many opportunities for gradually increasing production starts in second half of 2024 and 2025.

Gradual improvement in market conditions, but recovery to normal conditions will take time

We have seen an increase in activity levels in the consumer segment across all of our markets, except for the Finnish market. Sweden is the market with the most positive change compared with the preceding year. Germany and the Baltics reported stable sales and improved market sentiment. The volume of investor deals has been historically low but here we are also beginning to see increased activity levels and in the beginning of July we announced that Bonava Germany had finalised its first investor transaction for the year. We have several discussions ongoing, and we expect additional starts in the investor segment during the autumn.

Lower business volume and earnings for the Group – stable in Germany

During the quarter, 600 (1,203) housing units were recognised in profit, with net sales totalling SEK 2.3 Bn (3.6). The operating EBIT margin for the quarter was 1.8 per cent (5.4). The key German market reported stable earnings with increased profitability. The gross margin for the Group was adversely impacted by selective price adjustments in order to free tied-up capital in completed unsold housing units. As expected, we are offsetting lower business volumes with decreased overheads to the greatest extent possible, but indirect production costs that cannot be covered by current project volumes are having an adverse, short-term impact on gross profit and the gross margin. We have lowered our overheads with 24 per cent on an annual basis, which means that we can deliver a positive operating EBIT margin for the full year 2024 despite an expected significantly lowered business volume. Profitability will increase over time when we recognise full effects from cost reductions and increased production starts.

We remain sharply focused on cash flow and on decreasing tied-up capital. During the quarter, we decreased tied-up capital in completed unsold housing units and building rights that were not deemed to be of strategic significance, which further significantly improved the cash flow and reduced our net debt to SEK 3.8 Bn (6.6). The significantly reduced net debt lower our financial costs and gives us favourable conditions for starting projects going forward.

Gradual increase in production starts as sells pick up

Our highest priority is starting projects in order to increase business volumes and profitability going forward, and during the quarter we started 342 (217) housing units. We are seeing many opportunities for increasing production starts during the second half of the year and in 2025. In Sweden, Uppsala, we are starting the first consumer project of the year and there was significant interest from customers, with a good reservation rate of 42 per cent. These reservations are being converted into binding agreements, at which point they will be reported in our sales rate. The total number of housing units sold to consumers, with binding contracts, is in line with the preceding year and we are seeing favourable conditions for a continued rise in sales with an increasingly stronger reservation rate. We are continuing to work actively on our stock of unsold completed housing units, selling 140 units during the quarter – 29 per cent – of the opening balance.

2024 – focus on recovery

When we entered 2024 we had established a bridge to normalised market conditions by securing our long-term financing, and established a significantly lower overhead base. We have seen the market conditions take a turn for the better, and with recent interest-rate cuts by both the ECB and the Riksbank, consumer confidence is increasing – which will strengthen the conditions for our business going forward. Our skilled employees and effective organisation remain close to the market and to our customers in order to create attractive customer offerings in new neighbourhoods. We know that there is a great demand for our homes.

Peter Wallin
President and CEO



Group overview

	2024	2023	2024	2023	Jul 2023	2023
Net sales	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	- Jun 2024	Jan-Dec
Germany	1,366	1,536	2,306	2,247	7,342	7,283
Sweden	369	947	528	1,537	1,676	2,685
Finland	496	915	538	1,405	1,664	2,531
Baltics	109	185	245	323	692	770
Other operations ¹⁾		2	1	3	-1	1
Total	2,339	3,586	3,619	5,515	11,373	13,269

	2024	2023	2024	2023	Jul 2023	2023
Operating EBIT *	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	- Jun 2024	Jan-Dec
Germany	71	75	119	85	662	628
Sweden	-16	58	-35	103	-61	77
Finland	23	97	-4	64	38	107
Baltics	1	14	9	24	53	68
Other operations ¹⁾	-36	-49	-68	-110	-178	-219
Total	43	195	20	167	514	660

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

APRIL-JUNE 2024

Net sales

Net sales amounted to SEK 2,339 M (3,586), since fewer housing units were recognised in profit, in line with expectations. During the period, 384 (592) housing units for consumers and 216 (611) housing units for investors were recognised in profit. The average price per housing unit recognised in profit amounted to SEK 3.7 M (3.0). The average selling price has been positively impacted by a higher proportion of sales to consumers.

Translation of foreign currencies had a positive effect of SEK 23 M compared with the year-earlier period.

Gross profit

Operating gross profit amounted to SEK 209 M (374) and the operating gross margin was 8.9 per cent (10.4). The decline is a result of lower margins in housing units delivered and indirect production costs that have not been covered by ongoing project volumes which, in the short term, has a negative impact on operating gross profit and operating gross margin. The margin was also impacted during the quarter by selective price adjustments in some projects.

The gross profit amounted to 181 M (374) M. The difference compared to operating gross profit consists of impairment of land in Sweden amounting to SEK -28 M.

EBIT

Operating EBIT totalled SEK 43 M (195) and the operating EBIT margin was 1.8 per cent (5.4). The decrease in operating EBIT was attributable primarily to lower gross profit, which was offset to a certain extent by reduced selling and administrative expenses.

Exchange rate fluctuations had a positive impact of SEK 1 M on EBIT.

EBIT totalled SEK 15 M (195) and includes impairment of land of SEK -28 M in Sweden.

Net financial items, profit/loss before tax, tax and profit/loss for the quarter

Net financial items amounted to SEK -158 M (-148), as a result of higher financing costs.

Loss before tax for the quarter was SEK -143 M (47). Tax on loss for the quarter was SEK -5 M (-10), corresponding to a tax rate of -3 per cent (22). The low tax rate was attributable primarily to deferred tax not being reported for deficits generated in 2024.

Net loss for the period for continuing operations amounted to SEK -148 M (37).

JANUARY-JUNE 2024

Net sales

Net sales amounted to SEK 3,619 M (5,515). During the period, 741 (984) housing units for consumers and 216 (822) housing units for investors were recognised in profit. The average price per housing unit recognised in profit amounted to SEK 3.5 M (3.0).

Translation of foreign currencies had a positive effect of SEK 18 M compared with the year-earlier period.

Gross profit

Operating gross profit amounted to SEK 342 M (543) and the operating gross margin for the period was 9.5 per cent (9.8). The decline is a result of lower margins in housing units delivered and indirect production costs that have not been covered by ongoing project volumes which, in the short term, has a negative impact on operating gross profit and operating gross margin.

Gross profit was 314 M (543) M. The difference compared to operating gross profit consists of impairment of land in Sweden amounting to SEK -28 M.

EBIT

Operating EBIT totalled SEK 20 M (167) and the operating EBIT margin was 0.6 per cent (3.0).

Exchange rate fluctuations strengthened EBIT by SEK 1 M compared with the year-earlier period.

EBIT totalled SEK -8 M (167) and includes impairment of land of SEK -28 M in Sweden.

Net financial items, profit/loss before tax, tax and profit/loss for the period

Net financial items were SEK -269 M (-241), as a result of higher financing costs.

Loss before tax for the period was SEK -276 M (-74). Tax on loss for the period was SEK -6 M (20), corresponding to a tax rate of -2 per cent (26). The low tax rate was attributable primarily to deferred tax not being reported for deficits generated in 2024.

Profit for the period for continuing operations amounted to SEK -283 M (-55).

* Beginning with the second quarter of 2024, the monitoring of the segments partly have changed why Bonava, as of this report recognises an operating gross profit and operating EBIT, which corresponds to the earnings that form the basis of the monitoring of each segment in the Group. The operating EBIT comprises profit/loss before items affecting comparability adjusted for impairments, sales of land, items related to restructuring and cost for M&A.

The figures that are based on segment reporting are marked in brown in this report. A bridge between operating EBIT and EBIT is found in Note 2.

Building rights portfolio, completed housing units and ongoing production

BUILDING RIGHTS PORTFOLIO

The total number of building rights at the end of the period amounted to 28,500 (29,400). The number of building rights was somewhat lower year-on-year, which is attributable to housing starts and divestments of non-strategic building rights. Bonava recognises some of its building rights off the balance sheet, such as land that is controlled through a contract with options or other agreements where the land has not yet been taken into possession. The number of building rights off the balance sheet at the end of the period amounted to 7,800 (10,700). At 30 June 2024, the total value of Bonava's investment commitments for building rights off-balance was SEK 1.4 Bn, which is unchanged from the first quarter 2024. SEK 0.4 Bn of these is expected to be settled in 2024; refer further to Note 7.

During the third quarter of 2023, the building rights portfolio was subject to a market valuation and the estimated surplus value at that time amounted to SEK 1.2 Bn. A new valuation will be conducted in the third quarter of 2024.

SOLD COMPLETED HOUSING UNITS NOT RECOGNISED IN PROFIT

The number of sold completed housing units not recognised in profit at the end of the quarter was 84 (47). As of 31 March 2024, the number was 80.

UNSOLD COMPLETED HOUSING UNITS

The number of unsold completed housing units at the end of the period was 442 (285). The value of these housing units was SEK 1,190 M (833). As of 31 March 2024 the value was SEK 1,381 M and the total was 485, of which 140 were sold during the quarter and 97 new housing units were added from projects completed during the period.

VALUE OF HOUSING UNITS SOLD NOT YET RECOGNISED IN PROFIT

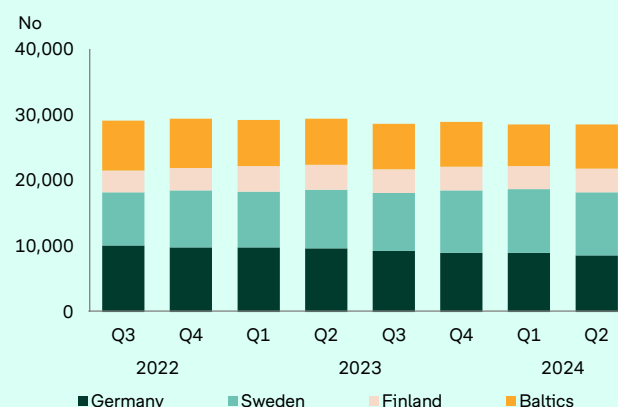
The number of housing units in ongoing production amounted to 2,745 (5,087) with a sales rate of 51 per cent (65).

The sales value of housing units sold in production and completed housing units sold but not yet recognised in profit at the end of the period was SEK 3,493 M (7,282) for consumers and SEK 2,322 M (4,165) for investors.

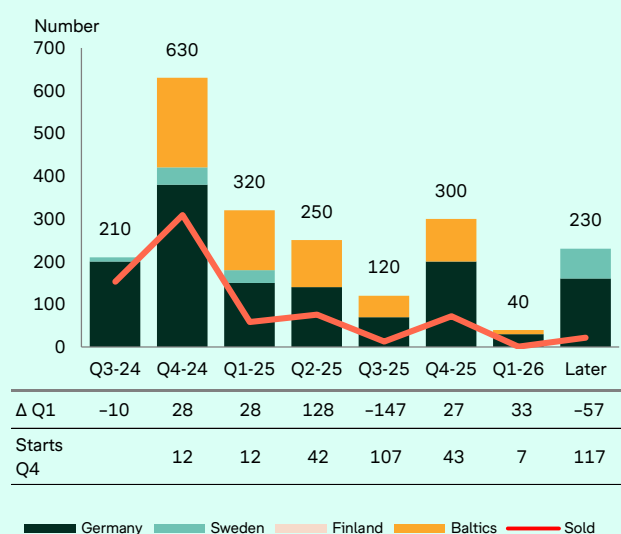
Distribution zoning plan process, building rights



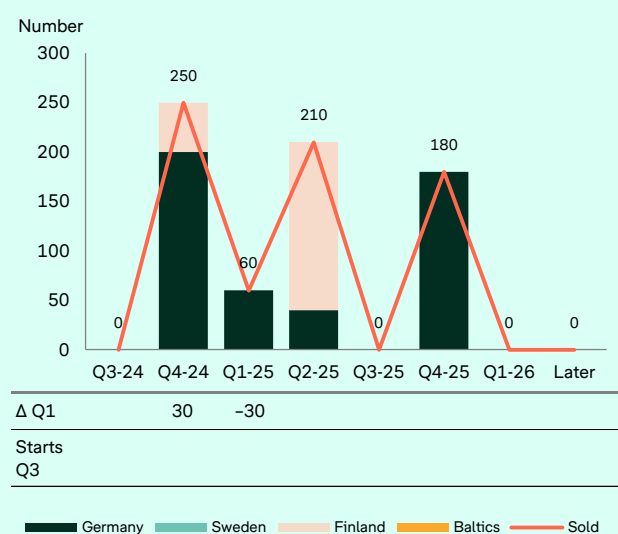
Distribution of building rights



Estimated completions of ongoing projects, ongoing projects per Consumers



Investors



The upper line of text shows an amended estimate of when the units are expected to be completed, compared with the preceding quarter. The bottom line of text shows the expected time of completion for the units for which production has started during the quarter.

Cash flow

	2024	2023	2024	2023	Jul 2023	2023
Operating cash flow	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	- Jun 2024	Jan-Dec
EBITDA	45	196	50	278	-531	-302
Net project investments/divestments	713	619	383	492	3,818	3,926
Net land investments/divestments	289	-581	279	-1,068	972	-374
Net investments/divestments, other	5	-87	-13	-153	122	-18
Net investments	1,007	-49	649	-729	4,913	3,534
Change in accounts receivable	33	55	-58	64	-52	70
Change in advances from customers	-170	-106	195	514	-2,365	-2,046
Change in accounts payable	-30	-68	-38	-107	-212	-281
Change in other working capital	-165	-62	-286	-677	-44	-436
Change in working capital	-332	-180	-187	-207	-2,674	-2,694
Operating cash flow	720	-34	513	-658	1,709	538

Starting in the second quarter of 2024, Bonava reports a simplified operating cash flow that reflects EBITDA together with net investments and changes in working capital in the balance sheet in accordance with IFRS, without adjustments for currency translation and other non-cash items. The comparative figures produced have been adjusted for the divestments of operations that took place in 2023. A bridge between operating cash flow and the legal cash flow before financing activities is available at bonava.com.

CASH FLOW APRIL-JUNE 2024

EBITDA decreased to SEK 45 M (196).

Net investments amounted to SEK 1,007 M (-49), where sales of completed housing units contributed positively to net project investments/divestments which amounted to SEK 713 M (619). Furthermore, land investments/divestments had a positive impact of SEK 289 M (-581), strengthened by the sale of a few properties held for future development.

The change in working capital was SEK -332 M (-180), with customer advances decreasing against the preceding period and lower accruals to match costs related to ongoing restructuring in Germany.

Total operating cash flow was higher than in the year-earlier period, totalling SEK 720 M (-34).

Cash flow before financing activities amounted to SEK 307 M (543). The negative difference compared to operating cash flow can mainly be explained by financial items of SEK -175 M (-147) and changes in project financing of SEK -173 M (-112). The prior period was positively impacted by the divestment of the Norwegian operations.

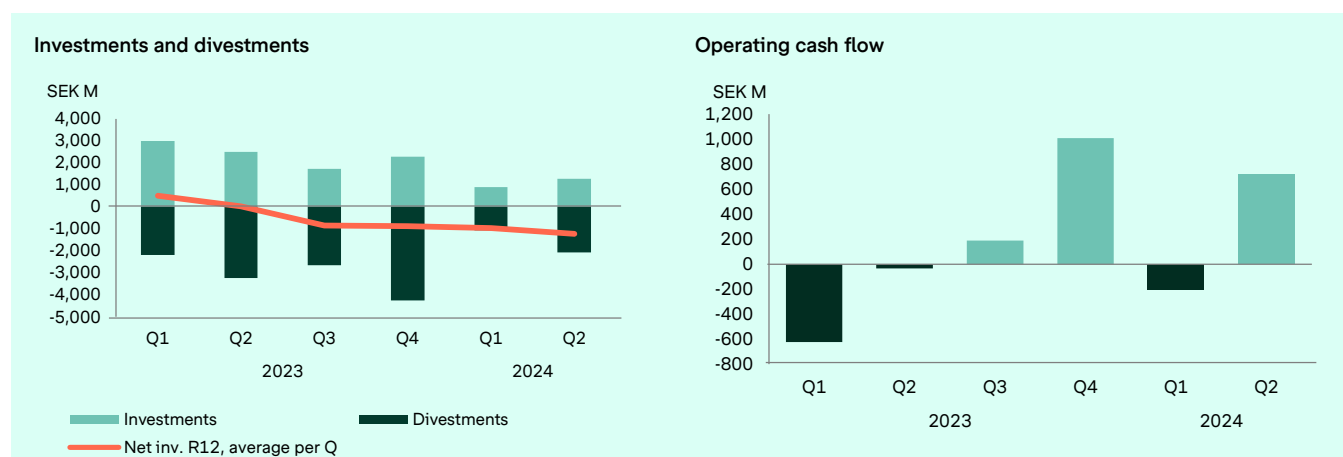
CASH FLOW JANUARY-JUNE 2024

EBITDA decreased to SEK 50 M (278).

Net investments totalled SEK 649 M (-729), where sales of completed housing units contributed to the positive cash flow from net project investments/divestments of SEK 383 M (492). Net investments/divestments in land also contributed positively, amounting to SEK 279 M (-1 068), increased due to the sale of a few properties held for future development. The prior period cash flow was negative due to investments in properties held for future development.

Working capital changed by SEK -187 M (-207), which led to an operating cash flow of SEK 513 M (-658).

Cash flow before financing activities amounted to SEK -176 M (-420). The negative difference compared to operating cash flow can mainly be explained by financial items of SEK -269 M (-250) and changes in project financing of SEK -337 M (-269). The prior period was positively impacted by the divestment of the Norwegian operations.



Financing and net debt

Bonava's objective is to achieve a cost-efficient capital structure and a good credit rating, taking into account the financing needs of the operation and securing future acquisitions. The Parent Company finances the operation mainly through a syndicated credit agreement and bonds. When monitoring its capital structure, Bonava uses key measures including the current and forecast equity/assets ratio, liquidity, and net project asset value.

Net debt

Net debt amounted to SEK 3,823 M (6,631). As of 31 March 2024, net debt was SEK 4,282 M. The decrease during the quarter was due to a positive cash flow from operations. Cash and cash equivalents amounted to SEK 1,311 M and unutilised credits amounted to SEK 184 M. Refer further to Note 4. Exchange rate fluctuations impacted net debt by SEK -105 M compared with 30 June 2023, and by SEK -32 M compared with 31 March 2024.

Equity/assets ratio

The equity/assets ratio was 38.1 per cent (29.2). As of 31 March 2024, the equity/assets ratio was 38.7 per cent. Bonava's target is for the equity/assets ratio not to fall below 30 per cent.

Net project asset value

To ensure control of financial risk, Bonava's target is for the Group's net project asset value not to exceed net debt (excluding leases). Net project asset value is defined as the carrying amounts of ongoing housing projects, completed housing units and investment properties less customer advances. As of 30 June, the ratio between net project asset value to net debt was 1.4, and the target has therefore been met.

Capital and fixed interest rates

At the end of the period, the average fixed-rate term was 0.2 years (0.1) and the average interest rate was 8.41 per cent (6.41) excluding tenant-owner associations/limited liability companies. Capital tie-up period for liabilities to creditors and investors was 2.2 years at the end of the period.

The Group's financing framework

Bonava has a credit agreement totalling EUR 398 M that runs until 1 February 2027. The agreement was signed on 1 February of this year

and encompasses syndicated credits and a revolving credit facility (RCF), with agreed amortisations starting in December 2024. Credits under this agreement can be drawn in EUR, SEK and NOK and are divided into fixed-term tranches, and also an RCF that can be utilised as needed during the tenor of the credit.

In February, Bonava also conducted a fully underwritten preferential rights issue, which raised SEK 1,050 M less issue expenses for the company. In the first quarter of 2024, the terms and conditions were also updated for the bond, which at the same time was extended to March 2027. At 30 June 2024, the bond amounted to SEK 1,080 M, with SEK 120 M amortised in July 2024.

Covenants in loan agreements

Bonava's syndicated credit agreements includes two covenants. The first is that EBIT, with certain contractual adjustments, must exceed determined levels, which vary for each quarter. The other is a level for the lowest level of available liquidity that the Group is to maintain in the form of cash on hand or available credits. Both covenants had been fulfilled as of 30 June 2024.

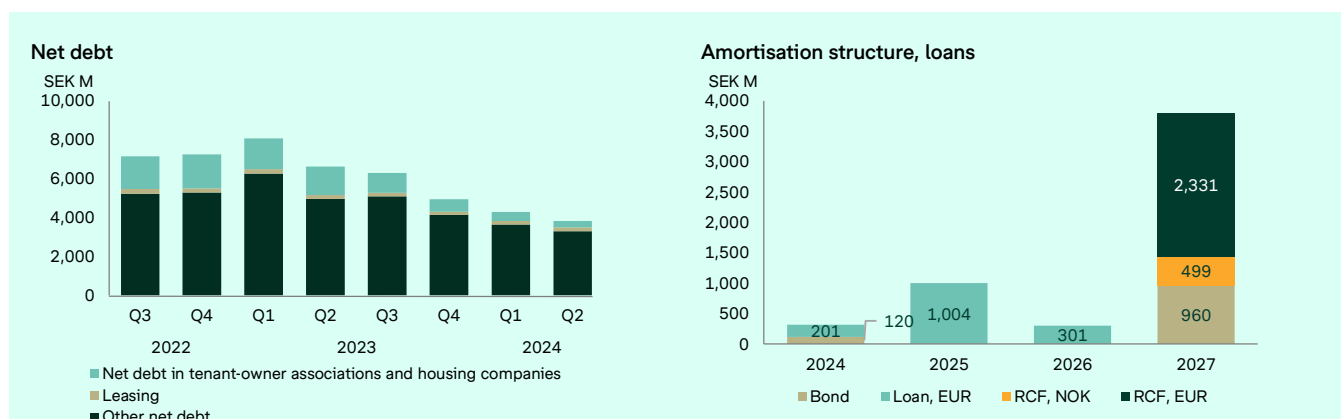
Green financing

Since 2020 Bonava has had a green financing framework. Through the framework, Bonava can issue bonds and raise loans to fund sustainable residential development with the aim of promoting positive environmental effects. Bonava has a green bond outstanding that is listed on the Nasdaq Sustainable Bond List. Green loans totalled SEK 3,411 M (3,912) as of 30 June 2024.

Unutilised credit limits

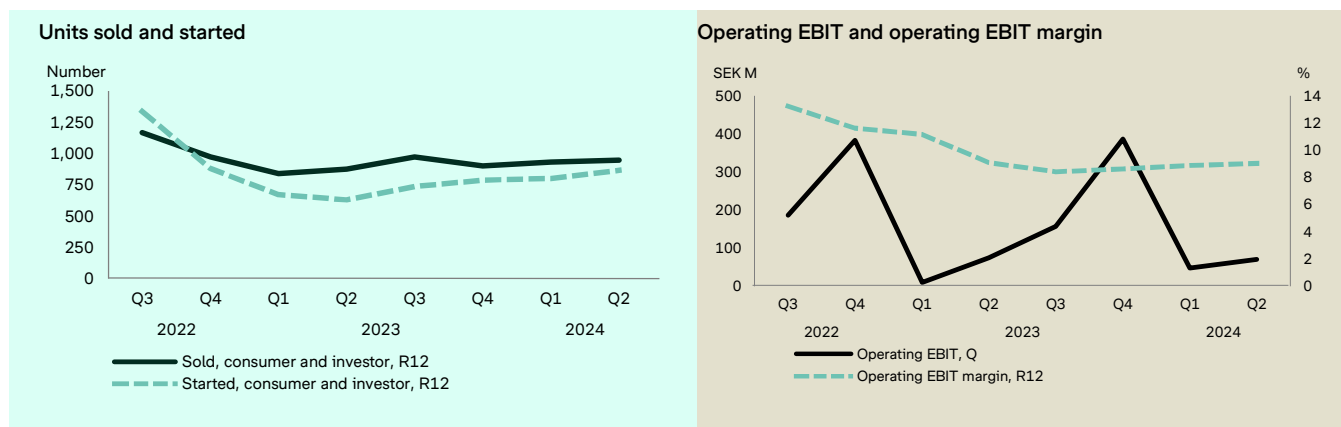
The table below specifies the Group's external financing. The outstanding amount of the green bond was SEK 1,080 M. The fixed-term syndicated credits will be repaid as agreed during the period from December 2024 to March 2027. Unutilised amounts of the syndicated RCF as of the reporting date amounted to SEK 184 M.

In addition to the above, there are unutilised contractual credits of SEK 16 M for projects in Swedish tenant-owner associations.



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 rental housing projects to investors.



MARKET TREND

There is still a shortage of housing units in Germany, which is expected to continue for the foreseeable future, and this topic is high on the political agenda. The offering of new housing units is low, while customers are cautious. Housing prices in large cities were impacted to a greater extent than prices outside these areas. Sales are continuing to gradually increase, but at a slow pace.

PROFIT APRIL-JUNE 2024

Net sales decreased year-on-year to SEK 1,366 M (1,536), which is attributable to a lower number of housing units delivered. During the quarter, 228 (208) housing units for consumers and 18 (101) housing units for investors were recognised in profit.

The operating gross margin improved to 9.8 per cent (9.1), attributable to the mix of projects delivered, with higher margins in housing units delivered during the quarter.

Operating EBIT totalled SEK 71 M (75) with an operating EBIT margin of 5.2 per cent (4.9), with the implemented restructuring beginning to have an effect in the form of lower selling and administrative expenses. The restructuring is proceeding as planned, and we will gradually see a reduction in these costs in 2024 with full effect beginning in 2025.

PROFIT JANUARY-JUNE 2024

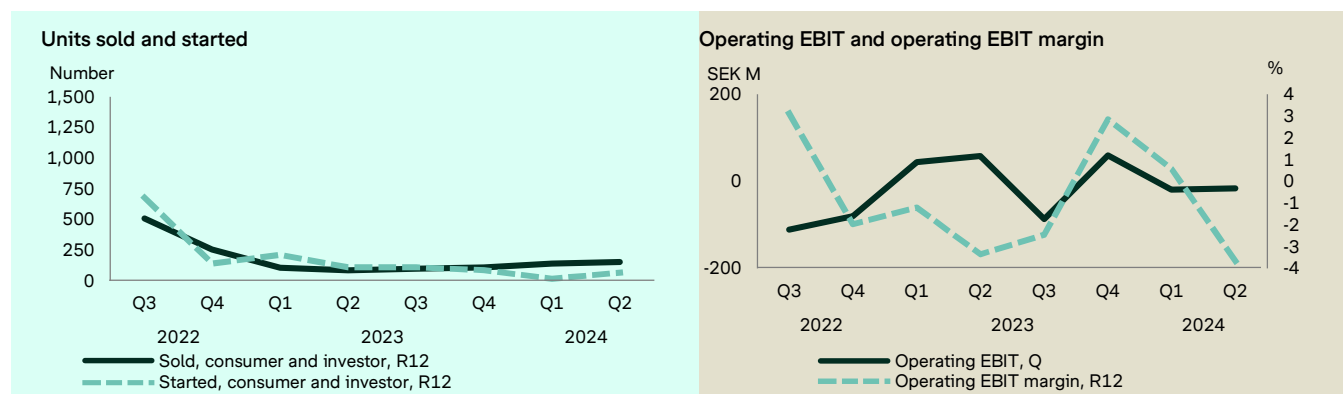
Net sales increased year-on-year to SEK 2,306 M (2,247), which is attributable to a higher number of housing units delivered.

Operating EBIT totalled SEK 119 M (85) with an operating EBIT margin of 5.1 per cent (3.8), with the implemented restructuring beginning to have an effect in the form of lower selling and administrative expenses. The restructuring is proceeding as planned, and we will gradually see a reduction in these costs in 2024 with full effect beginning in 2025.

KEY RATIOS	2024 Apr-Jun	2023 Apr-Jun	2024 Jan-Jun	2023 Jan-Jun	Jul 2023 - Jun 2024	2023 Jan-Dec
Net sales	1,366	1,536	2,306	2,247	7,342	7,283
Operating gross profit	134	140	241	218	940	917
Operating gross margin, %	9.8	9.1	10.5	9.7	12.8	12.6
Operating EBIT	71	75	119	85	662	628
Operating EBIT margin, %	5.2	4.9	5.1	3.8	9.0	8.6
Capital employed	6,940	8,325	6,940	8,325	6,940	6,936
Return on capital employed, %	8.7	9.2	8.7	9.2	8.7	8.2
Number of housing units in ongoing production	1,770	2,370	1,770	2,370	1,770	1,930
Number of housing units completed, not recognised in profit	85	94	85	94	85	100
Housing units sold, consumers	228	212	374	327	771	724
Housing units sold, investors					176	176
Production starts, consumers	218	153	258	179	689	610
Production starts, investors					176	176
Sales rate for ongoing production, %	59	67	59	67	59	58
Number of housing units recognised in profit	246	309	433	476	1,467	1,510

Sweden

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



MARKET TREND

The housing market in recent years has been under pressure from the high interest-rate scenario that has made customers cautious, with lower sales levels and fewer production starts as a result. The second quarter continued to display higher levels of activity among customers and more stable price levels, with a significantly more positive sentiment among customers. Sales increased, but remain at low levels.

PROFIT APRIL-JUNE 2024

Net sales decreased year-on-year to SEK 369 M (947), which is attributable to a lower number of housing units delivered to both consumers and investors. During the quarter, 61 (118) housing units for consumers and no (258) housing units for investors were recognised in profit.

The operating gross margin was 4.3 per cent (10.0) as a result of lower margins in housing units recognised in profit.

Operating EBIT amounted to SEK -16 M (58) with an operating EBIT margin of -4.3 per cent (6.2).

The low sales rate of 6 per cent (56) was due to the fact that 42 per cent of the 66 housing unit projects started in the quarter have booking agreements, which are not recognised as part of housing units sold.

PROFIT JANUARY-JUNE 2024

Net sales decreased year-on-year to SEK 528 M (1,537), which is attributable to a lower number of housing units delivered to consumers and investors.

The operating gross margin was 4.8 per cent (11.5).

Operating EBIT amounted to SEK -35 M (103) with an operating EBIT margin of -6.6 per cent (6.7).

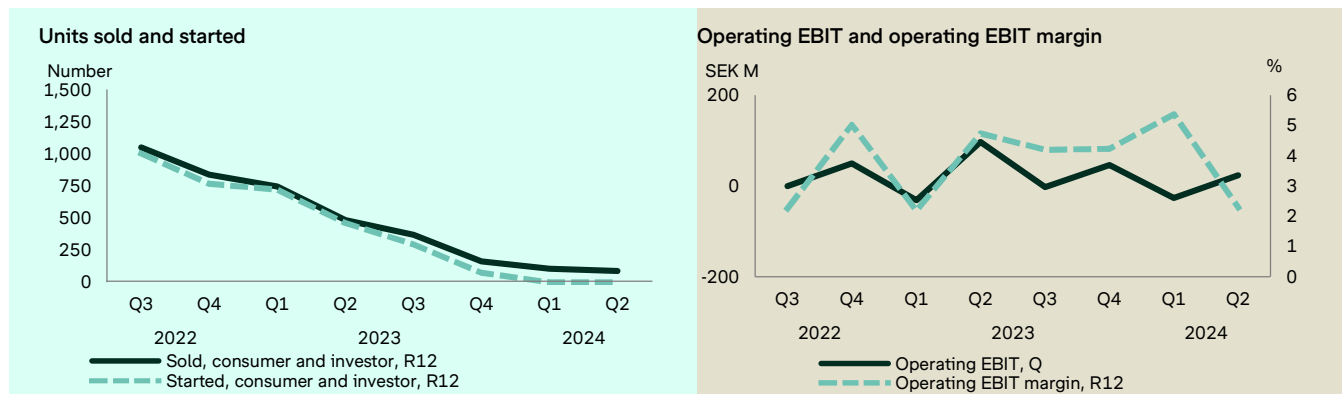
The low sales rate of 6 per cent (56) was due to the fact that 42 per cent of the 66 housing unit projects started in the second quarter have booking agreements, which are not recognised as part of housing units sold.

KEY RATIOS	2024 Apr-Jun	2023 Apr-Jun	2024 Jan-Jun	2023 Jan-Jun	Jul 2023 - Jun 2024	2023 Jan-Dec
Net sales	369	947	528	1,537	1,676	2,685
Operating gross profit	16	94	25	177	74	225
Operating gross margin, %	4.3	10.0	4.8	11.5	4.4	8.4
Operating EBIT	-16	58	-35	103	-61	77
Operating EBIT margin, %	-4.3	6.2	-6.6	6.7	-3.7	2.9
Capital employed	2,604	3,694	2,604	3,694	2,604	3,189
Return on capital employed, %	-2.9	-2.5	-2.9	-2.5	-2.9	1.9
Number of housing units in ongoing production	144	886	144	886	144	180
whereof investment properties		231		231		
Number of housing units completed, not recognised in profit	144	60	144	60	144	156
Housing units sold, consumers	54	43	101	57	154	110
Housing units sold, investors						
Production starts, consumers	66	19	66	88	66	88
Production starts, investors						
Sales rate for ongoing production, % ¹⁾	6	56	6	56	6	24
Number of housing units recognised in profit	61	376	114	508	493	887

¹⁾ Excluding investment properties.

Finland

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



MARKET TREND

The housing market 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 impacted by higher interest rates, inflation, and low levels of customer activity but Finnish inflation is now falling faster than the average in the EU. The Finnish market remains the market with the lowest levels of activity.

PROFIT APRIL-JUNE 2024

Net sales decreased year-on-year to SEK 496 M (915), which was attributable to a lower number of housing units delivered. During the quarter, 22 (131) housing units for consumers and 198 (252) housing units for investors were recognised in profit.

The operating gross margin was 9.6 per cent (12.6) as a result of lower volumes and mixes in housing units delivered. The margin in investor projects delivered was 16 per cent.

Operating EBIT amounted to SEK 23 M (97) with an operating EBIT margin of 4.6 per cent (10.5).

PROFIT JANUARY-JUNE 2024

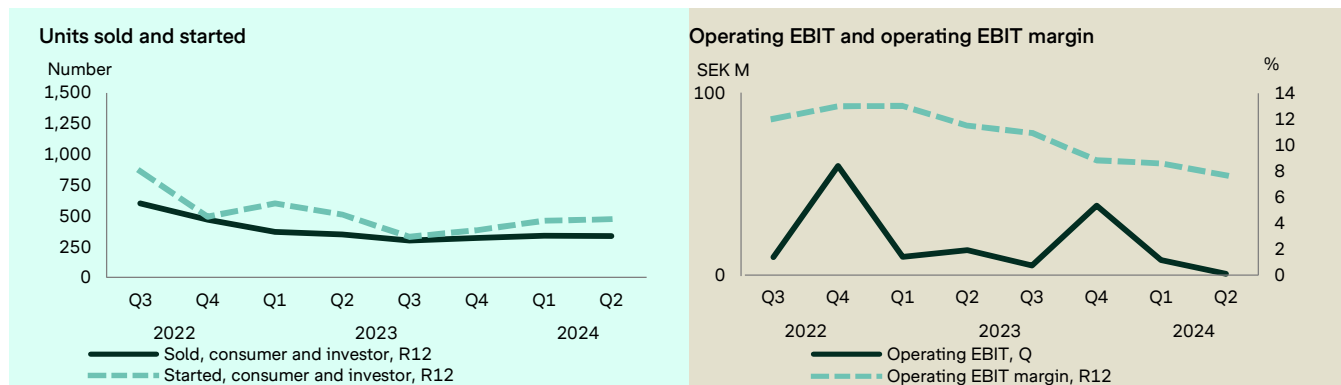
Net sales decreased substantially year-on-year to SEK 538 M (1,405), which was attributable to a lower number of housing units delivered, but the operating gross margin strengthened 8.1 per cent (7.8) year-on-year.

Operating EBIT amounted to SEK -4 M (64) with an operating EBIT margin of -0.8 per cent (4.6). The low business volume meant that overheads could not be covered, which is why Finland had negative earnings for the first half of the year.

KEY RATIOS	2024 Apr-Jun	2023 Apr-Jun	2024 Jan-Jun	2023 Jan-Jun	Jul 2023 - Jun 2024	2023 Jan-Dec
Net sales	496	915	538	1,405	1,664	2,531
Operating gross profit	47	115	44	109	126	192
Operating gross margin, %	9.6	12.6	8.1	7.8	7.6	7.6
Operating EBIT	23	97	-4	64	38	107
Operating EBIT margin, %	4.6	10.5	-0.8	4.6	2.3	4.2
Capital employed	744	1,037	744	1,037	744	789
Return on capital employed, %	5.6	11.2	5.6	11.2	5.6	11.3
Number of housing units in ongoing production	220	902	220	902	220	418
Number of housing units completed, not recognised in profit	84	96	84	96	84	124
Housing units sold, consumers	23	39	41	39	89	87
Housing units sold, investors				75		75
Production starts, consumers						
Production starts, investors				75		75
Sales rate for ongoing production, %	100	91	100	91	100	100
Number of housing units recognised in profit	220	383	238	595	694	1,051

Baltics

The Baltics segment comprises the capital cities of Tallinn, Estonia; Riga, Latvia; and Vilnius in Lithuania. The offering primarily consists of apartments for consumers, which are supplemented by rental housing projects for investors.



MARKET TREND

The markets in all three Baltic capitals are growing economies. The low standard of the existing housing stock combined with growing demand for rental housing presents opportunities to build and manage them. The favourable market conditions in the Baltic markets remain, with a low level of unemployment and a lack of supply. The prices for new housing units are stable in all markets and sales are gradually improving, but we noted higher levels of activity in Estonia and Latvia than in Lithuania.

PROFIT APRIL-JUNE 2024

Net sales amounted to SEK 109 M (185). During the quarter, 73 (135) housing units for consumers and no (none) housing units for investors were recognised in profit.

The operating gross margin was 11.4 per cent (14.0) due to lower volumes and the implementation of selective price adjustments that resulted in a lower margin in housing units delivered.

Operating EBIT amounted to SEK 1 M (14) with an operating EBIT margin of 0.9 per cent (7.5).

The occupancy rate during the quarter continued to increase to approximately 71 per cent in the two investment properties (Build-to-Manage) that have been completed in the Baltics, with a level of rent remuneration in line with the market. The properties contributed rental income of approximately SEK 3 M in the second quarter, and the gross profit from investment properties was positive even though it remained low.

PROFIT JANUARY-JUNE 2024

Net sales decreased year-on-year to SEK 245 M (323), which is attributable to lower number of housing units delivered to consumers. The operating EBIT margin decreased to 3.8 per cent (7.5) year-on-year, attributable primarily to selective price adjustments.

The occupancy rate during the period gradually increased, to approximately 71 per cent in the two investment properties (Build-to-Manage) that have been completed in the Baltics, with a level of rent remuneration in line with the market. The properties contributed rental income of SEK 4 M during the period, and the gross profit from investment properties was positive even though it remained low.

KEY RATIOS	2024 Apr-Jun	2023 Apr-Jun	2024 Jan-Jun	2023 Jan-Jun	Jul 2023 - Jun 2024	2023 Jan-Dec
Net sales	109	185	245	323	692	770
Operating gross profit	12	26	32	48	100	116
Operating gross margin, %	11.4	14.0	13.1	14.9	14.4	15.0
Operating EBIT	1	14	9	24	53	68
Operating EBIT margin, %	0.9	7.5	3.8	7.5	7.7	8.9
Capital employed	1,556	1,332	1,556	1,332	1,556	1,409
Return on capital employed, %	3.6	8.4	3.6	8.4	3.6	5.2
Number of housing units in ongoing production	611	929	611	929	611	527
whereof investment properties		195		195		
Number of housing units completed, not recognised in profit	213	82	213	82	213	170
Housing units sold, consumers	95	96	186	170	337	321
Housing units sold, investors						
Production starts, consumers	58	45	299	209	474	384
Production starts, investors						
Sales rate for ongoing production, % ¹⁾	18	33	18	33	18	19
Number of housing units recognised in profit	73	135	172	227	466	521

¹⁾ Excluding investment properties

Current neighbourhoods in the quarter

During the second quarter, Bonava started the production of 342 (217) housing units. All production starts are reported at <https://www.bonava.com/en/investor-relations/housing-starts>

Sweden – Seminariet

Location: Uppsala

Housing category: Multi-family housing

Number of units: 66 apartments for consumers

The Seminariet project is located in Luthagen and is being built in two stages, with the first 66 homes expected to be handed over to customers in the second half of 2026. The neighbourhood will comprise a total of 113 apartments when completed. Residents will have access to a sauna and relax space, a community events space and overnight accommodation that can be reserved. Schools, preschools, public transport, services and a wide range of cultural activities are available in the area.



Germany – Römerquartier

Location: Langen

Housing category: Multi-family housing

Number of units: 50 apartments for consumers

In the beautifully situated Langen area close to Frankfurt, Bonava is now starting 50 sustainable apartments with flexible floorplans and facilities for charging electric vehicles in the underground garage. The neighbourhood is close to schools, preschools and grocery stores, with good transport links to Frankfurt.



Germany – Quartier am alten Schlosspark

Location: Berlin

Housing category: Multi-family housing

Number of units: 25 apartments for consumers

Bonava is starting production of 25 apartments in this neighbourhood, which will consist of 15 different apartment buildings with 177 apartments in various sizes with an open floor plan and either terraces or balconies. Residents are a 5-minute bicycle ride from the train station, where they can take the train to Berlin.



Germany – Fontaneviertel

Location: Berlin

Housing category: Single-family housing

Number of units: 24 single-family homes for consumers

In this family-friendly neighbourhood being built between pine forests and lakes, Bonava is building 70 terraced houses. The heating systems have been sustainably developed, and the terraced houses are equipped with heated floors to reduce energy consumption. The area features a neighbourhood restaurant and playground, and residents will also be close to schools and grocery stores.



Baltics – Dreilīņi Trend 10

Location: Latvia

Housing category: Multi-family housing

Number of units: 58 apartments for consumers

The neighbourhood is located in a green area with good infrastructure, close to restaurants and shopping centres. The area features playgrounds for children of all ages, as well as common areas for exercise. Completion of the five-story building is scheduled for the second quarter of 2025.



Other information

SIGNIFICANT RISKS AND UNCERTAINTIES

Bonava's operations are exposed to various types of risks, both operational and financial. During the next 12-month period, there are a number of uncertainties that could affect our operations and sales. For further information on material risks and risk management, refer to pages 60–62 of Bonava's Annual and Sustainability Report for 2023, which is available at bonava.com.

ORGANISATION AND EMPLOYEES

The average number of employees in continuing operations for the period from January to June 2024 was 1,162 (1,666).

THE SHARE

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 538 M on the balance sheet date, divided among 322,816,756 shares and 596,663,437 votes. At 30 June 2024, Bonava had 30,427,409 Class A shares and 292,389,347 Class B shares. The number of Class B shares in treasury totalled 1,245,355, corresponding to 0.4 per cent of the capital and 0.2 per cent of the votes. More information on the Bonava share and owners is available at bonava.com/en/investor-relations.

SIGNIFICANT EVENTS DURING THE PERIOD

On 26 June, Bonava announced that the company had appointed Jon Johnsson as the new CFO and a member of the company's Executive Management Group, to take office not later than 2 January 2025.

The number of votes in Bonava AB changed as a result of the conversion of 723,209 Class A shares to 723,209 Class B shares. The total number of votes thereby amounts to 596,663,437. See further above, under the section about the share.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

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

AMOUNTS AND DATES

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

Our sustainability agenda

To create locations and environments where people thrive, and where future generations can grow up, we build much more than homes – we create happy neighbourhoods for the many. This is our overall purpose. We build homes and neighbourhoods based on a genuine understanding of our customers’ needs and driving forces. Our sustainability agenda gives us a stable foundation to work from.

EMPLOYEE ENGAGEMENT

Employee engagement is one of our strategic targets, and our leadership is crucial for committed employees. We routinely bring all our managers together to follow up on our leadership and our business. In our 2024 employee survey, we achieved an Engagement Index of 83 (global benchmark 81), which we are very proud of given the challenging times we still find ourselves in.

Our values and leadership policies support our managers in pursuing a culture that highlights inclusion, health, development and excellent performance. This autumn, we are also starting an initiative, with our management teams and direct reporting managers attending a leadership development programmes with a focus on personal development, leadership and business.



EMBEDDED ENVIRONMENTAL RESPECT

The climate impact of the construction and property industry is significant, and developing housing units in line with the international climate targets has become increasingly important to customers and investors. Environmental respect must therefore be embedded into our entire procedure when creating new homes. We have climate targets that have been validated by the Science Based Targets initiative (SBTi), and to reduce our environmental and climate impact across the life cycle we focus on the sustainable use of land and the development of resource-efficient housing units, with good energy efficiency and low water consumption. Where previously undeveloped land is claimed, we work to protect biodiversity and other ecological values.

Where needed, we remediate land to render it suitable for building homes. To optimise the use of materials and other resources throughout the life cycle, we endeavour to attain a circular production model with as few virgin production raw materials and as little waste as possible. We also focus on using the right materials for healthy homes with as few materials as possible that are hazardous to the environment and to health. Ecolabelled materials comprise an excellent tool for ensuring sound homes. To package our sustainability offering in relation to customers, investors and financiers, we use the relevant sustainability labelling and certification.

PEOPLE-CENTRIC CULTURE

We always focus on our customers, employees, suppliers and the entire neighbourhood in our projects – from planning to completion. Our culture is always people-centric. Our efforts are based on our Group-wide framework: our "People strategy". This framework includes our values and leadership principles, and is based on how we are to work on health and safety, a value-driven workplace, and diversity in order to deliver on our Group-wide business strategy. Our goal is a safe and healthy workplace for everyone, everywhere, every day, with a halving of serious incidents by 2026 compared with the 2022 level.

GOVERNANCE FOR HIGH PERFORMANCE

Development of housing units and residential districts is a central component of every community, and maintaining trusting relationships with many different stakeholders. Good governance is a condition for achieving the best results, and there is an expectation among all our stakeholders that our operations are to be carried out with a high level of business ethics and good transparency.

Our efforts with human rights, safe working conditions, environmental protection and anti-corruption are based on the fundamental principles of the UN Global Compact, and we set the same requirements for our suppliers as we do for ourselves. A long-term perspective and mutual learning with our suppliers are also crucial to our strategy and to achieving several of our targets, particularly our climate targets and the targets for health and safety. To be a reliable business partner, we are transparent and openly report on how we comply with the universal principles and promote the UN Sustainable Development Goals.

Healthy and safe workplace

For everyone, everywhere, every day, with a halving of serious incidents by 2026 compared with the 2022 level.

Frequency of serious incidents

Target 2026: <7.1

Everyone Plan fulfilment

Target: ≥90%

Employee engagement

Employee engagement in line with the top 10 per cent of the best-performing companies.

Combat climate change

Reduced climate impact in line with our climate targets validated by SBTi for a level of 1.5 degrees C.

Consolidated income statement

	Note	2024	2023	2024	2023	Jul 2023	2023
	1	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	- Jun 2024	Jan-Dec
Continuing operations							
Net sales	2	2,339	3,586	3,619	5,515	11,373	13,269
Production cost		-2,158	-3,213	-3,305	-4,972	-10,181	-11,849
Gross profit		181	374	314	543	1,192	1,421
Selling and administrative expenses		-166	-179	-322	-376	-706	-760
EBIT before items affecting comparability	2	15	195	-8	167	486	660
Items affecting comparability	3					-1,279	-1,279
EBIT	2	15	195	-8	167	-794	-619
Financial income		26	2	25	6	39	19
Financial expenses		-184	-150	-294	-246	-585	-537
Net financial items		-158	-148	-269	-241	-546	-518
Profit/loss before tax	2	-143	47	-276	-74	-1,340	-1,137
Tax on profit for the period		-5	-10	-6	20	-31	-5
Profit/loss for the period¹⁾		-148	37	-283	-55	-1,370	-1,143
Discontinued operations							
Net profit from discontinued operations, after tax			-854		-803	608	-194
Net profit for the period from discontinued operations			-854		-803	608	-194
Continuing and discontinued operations							
Net profit/loss for the period from continuing and discontinued operations		-148	-817	-283	-858	-762	-1,337
Per share data before and after dilution							
Profit/loss for the period, SEK		-0.46	0.34	-1.19	-0.51	-7.93	-10.66
Cash flow from operating activities, SEK		0.96	-1.19	-0.73	-9.61	2.99	-3.15
Shareholders' equity, SEK		22.98	67.83	22.98	67.83	22.98	61.58
Weighted average number of shares in million		321.6	107.2	238.2	107.2	172.7	107.2
Number of shares at the end of period, million ²⁾		321.6	107.2	321.6	107.2	321.6	107.2

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

²⁾ The total number of shares repurchased as of the balance sheet date was 1,245,355 (1,245,355).

Consolidated statement of comprehensive income

	Note	2024	2023	2024	2023	Jul 2023	2023
	1	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	- Jun 2024	Jan-Dec
Profit/loss for the period		-148	-817	-283	-858	-762	-1,337
<i>Items that have or may be reclassified to profit for the period</i>							
Translation differences during the period in translation of foreign operations		-37	190	58	148	-93	-3
Translation differences during the period reclassified to income statement			-5		-5	-38	-43
Other comprehensive income for the period		-37	185	58	143	-131	-47
Comprehensive income/loss for the period¹⁾		-185	-632	-224	-714	-893	-1,384

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

Condensed consolidated balance sheet

	Note 1, 4, 5	2024 30 Jun	2023 30 Jun	2023 31 Dec
ASSETS				
Fixed assets				
Investment properties	6	245	372	239
Other fixed assets		1,045	1,310	1,119
Total fixed assets		1,290	1,682	1,358
Current assets				
Properties held for future development		7,859	9,309	8,138
Ongoing housing projects		6,691	10,709	6,966
Completed housing units		1,501	994	1,593
Current receivables		754	930	861
Cash and cash equivalents	4	1,311	548	180
Assets held for sale			738	
Total current assets		18,116	23,228	17,738
TOTAL ASSETS		19,406	24,910	19,097
SHAREHOLDERS' EQUITY				
Shareholders' equity attributable to Parent Company shareholders		7,386	7,265	6,596
Non-controlling interest		5	5	5
Total shareholders' equity		7,391	7,270	6,601
LIABILITIES				
Non-current liabilities				
Non-current interest-bearing liabilities	4	4,616	2,223	227
Other non-current liabilities		1	54	11
Non-current provisions		1,021	890	1,214
Total non-current liabilities		5,639	3,167	1,452
Current liabilities				
Current interest-bearing liabilities	4	1,217	5,729	5,594
Other current liabilities		5,160	8,005	5,450
Liabilities attributable to assets held for sale			738	
Total current liabilities		6,377	14,473	11,044
Total liabilities		12,015	17,640	12,496
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		19,406	24,910	19,097

Condensed consolidated changes in shareholders' equity

	Shareholders' equity attributable to Parent Company shareholders	Non- controlling interest	Total shareholders' equity
Opening shareholders' equity, 1 January 2023	7,979	5	7,984
Comprehensive income for the period	-1,384		-1,384
Closing shareholders' equity, 31 December 2023	6,596	5	6,601
Comprehensive income for the period	-224		-224
New share issue	1,050		1,050
Costs related to new share issue	-36		-36
Performance-based incentive programme			
Closing shareholders' equity, 30 June 2024	7,386	5	7,391

Condensed consolidated cash flow statement

	2024 Apr-Jun	2023 Apr-Jun	2024 Jan-Jun	2023 Jan-Jun	Jul 2023 - Jun 2024	2023 Jan-Dec
OPERATING ACTIVITIES						
Profit before tax ¹⁾	-143	-807	-276	-863	-710	-1,297
Adjustments for items not included in cash flow	57	552	-288	535	842	1,665
Tax paid	-34	-91	-130	-132	-137	-139
Cash flow from operating activities before change in working capital	-120	-345	-694	-461	-4	229
Cash flow from change in working capital						
Sales of housing projects	2,053	3,191	3,121	5,384	9,030	11,293
Investments in housing projects	-1,292	-2,395	-2,185	-5,245	-5,039	-8,099
Advances from customers	-117	-303	125	261	-2,272	-2,135
Other changes in working capital	-214	-276	-542	-969	-1,198	-1,625
Cash flow from changes in working capital	430	218	519	-569	521	-567
Cash flow from operating activities	310	-128	-175	-1,030	517	-337
INVESTMENT ACTIVITIES						
Sale of group companies		737		737	502	1,239
Other cash flow from investment activities	-3	-66	-1	-128	-59	-185
CASH FLOW BEFORE FINANCING ACTIVITIES	307	543	-176	-420	960	716
FINANCING ACTIVITIES						
New share issue after cost			1,014		1,014	
Increase in interest-bearing liabilities	637	1,250	4,221	3,392	7,491	6,662
Decrease in interest-bearing liabilities		-1,189	-3,947	-2,424	-9,018	-7,495
Change in interest-bearing receivables	1	4	1	1		
Cash flow from financing activities	638	65	1,289	970	-514	-833
CASH FLOW DURING THE PERIOD	945	608	1,113	550	446	-117
Cash and cash equivalents at start of period	378	240	180	303	850	303
Exchange rate differences in cash and cash equivalents	-12	2	18	-3	15	-6
CASH AND CASH EQUIVALENTS AT END OF PERIOD²⁾	1,311	850	1,311	850	1,311	180

¹⁾ The difference between profit before tax in the consolidated cash flow statement and profit before tax in the consolidated income statement pertains to discontinued operations.

²⁾ The difference between cash and cash equivalents in the consolidated cash flow statement and the consolidated balance sheet corresponds to cash and cash equivalents in discontinued operations.

Consolidated cash flow from discontinued operations

	2024 Apr-Jun	2023 Apr-Jun	2024 Jan-Jun	2023 Jan-Jun	Jul 2023 - Jun 2024	2023 Jan-Dec
Net cash flow from operating activities		292		408	-48	360
Net cash flow from investment activities		740		747	501	1,248
Net cash flow from financing activities		-34		-225	-150	-375
Net increase in cash and cash equivalents discontinued operations¹⁾		999		930	303	1,233

¹⁾ Cash flow from discontinued operations is included in the condensed consolidated cash flow statement above.

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 1–26, and pages 1–14 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 2023 Annual Report, pages 67–70. The Annual Report is available at [bonava.com](https://www.bonava.com).

As of 1 January 2024, additional changes to IAS 1 concerning classification of liabilities as either short or long-term in the statement of financial position has entered force. IASB has also clarified that the terms of loans that a company must meet after the balance sheet date do not affect whether liabilities are to be classified as short or long-term. With this change, however, disclosure requirements are being added concerning terms of loans that must be fulfilled within 12 months of the end of the reporting period in order for the liabilities not to fall due for payment. Refer to Note 4 for further information.

Beginning with the second quarter of 2024, the monitoring of the segments has partly changed why Bonava starting from this report recognises an operating gross profit and operating EBIT (segment profit/loss), which corresponds to the earnings that form the basis of the monitoring of each segment in the Group. The operating EBIT comprises EBIT before items affecting comparability adjusted for impairment, sales of land, items related to restructuring and cost for M&A. The figures that are based on segment reporting are marked in **brown** in this report. A bridge between operating EBIT and EBIT according to IFRS is found in Note 2 Reporting of operating segments. No corrections have been made to the comparative figures, which thereby correspond to EBIT before items affecting comparability.

Bonava also recognises an operating cash flow that is based on IFRS reporting. The operating cash flow corresponded to EBITDA adjusted for net investments in fixed assets, properties held for future development, ongoing housing projects and completed housing units as well as changes in working capital, without adjustments for currency translation and other non-cash items. The comparative figures for 2023 have been produced, which were adjusted for the transfers of operations that took place in 2023. A bridge between operating and legal cash flow can be found together with other alternative performance measures on Bonava's website.

NOTE 2 Reporting of operating segments

	Germany	Sweden	Finland	Baltics	Other operations ¹⁾	The Group
Apr–Jun 2024						
Net sales, consumers	1,275	253	55	106		1,689
Net sales, investors	74	2	440			516
Net sales, land	15	112				127
Other revenue	1	2		3		6
Operating EBIT	71	–16	23	1	–36	43
Operating adjustments (write-downs)						–28
Items affecting comparability						
EBIT	71	–44	23	1	–36	15
Net financial items						–158
Profit before tax						–143
Apr–Jun 2023						
Net sales, consumers	1,134	498	350	185		2,167
Net sales, investors	398	444	565			1,407
Net sales, land	4	5				9
Other revenue					3	3
Operating EBIT	75	58	97	14	–49	195
Operating adjustments						
Items affecting comparability						
EBIT	75	58	97	14	–49	195
Net financial items						–148
Profit before tax						47

Jan–Jun 2024	Germany	Sweden	Finland	Baltics	Other operations ¹⁾	The Group
Net sales, consumers	2,119	409	95	240		2,863
Net sales, investors	80	2	442			524
Net sales, land	106	114				221
Other revenue	1	4	1	4	1	11
Operating EBIT	119	-35	-4	9	-68	20
Operating adjustments (write-downs)						-28
Items affecting comparability						
EBIT	119	-63	-4	9	-68	-8
Net financial items						-269
Profit before tax						-276
Jan–Jun 2023	Germany	Sweden	Finland	Baltics	Other operations ¹⁾	The Group
Net sales, consumers	1,678	1,064	514	322		3,578
Net sales, investors	562	444	889			1,895
Net sales, land	7	27	1			35
Other revenue		3	1		3	7
Operating EBIT	85	103	64	24	-110	167
Operating adjustments						
Items affecting comparability						
EBIT	85	103	64	24	-110	167
Net financial items						-241
Profit before tax						-74
Jan–Dec 2023	Germany	Sweden	Finland	Baltics	Other operations ¹⁾	The Group
Net sales, consumers	5,849	1,819	872	768		9,308
Net sales, investors	1,404	814	1,654			3,871
Net sales, land	30	44	4			78
Other revenue	1	8	1	1	1	12
Operating EBIT	628	77	107	68	-219	660
Operating adjustments						
Items affecting comparability	-879	-303	-90		-7	-1,279
EBIT	-251	-226	17	68	-227	-619
Net financial items						-518
Profit before tax						-1,137

¹⁾ Other operations consist of the Parent Company, Group adjustments, eliminations, the Danish operations and discontinued operations.

NOTE 3 Specification of items affecting comparability

Items affecting comparability for the Group are shown in the table below. For information by segment, refer to Note 2.

	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
Write down of land			-606
Value change of B2M-Project			-123
Write down of capitalized development costs			-115
Organizational changes			-435
Sum of items affecting comparability			-1,279

NOTE 4 Specification of net debt

	2024 30 Jun	2023 30 Jun	2023 31 Dec
Non-current interest-bearing receivables ¹⁾	551	572	582
Current interest-bearing receivables ¹⁾	148	114	108
Cash and cash equivalents ²⁾	1,311	809	167
Interest bearing assets	2,010	1,495	857
Non-current interest-bearing liability to creditors and investors	4,494	2,256	
Current interest-bearing liability to creditors and investors	823	4,502	4,994
Interest bearing liability to creditors and investors	5,317	6,757	4,994
Net debt in Tenant-owner associations	330	1,164	654
Net debt excl. Leasing	3,638	6,427	4,791
Lease liability	185	205	160
Net debt³⁾	3,823	6,631	4,951

¹⁾ Including vendor notes issued to the buyer of the Norwegian operations.

²⁾ Excluding cash on hand for tenant-owner associations and housing companies.

³⁾ As of 30 June 2023, SEK 87 M pertained to discontinued operations in St. Petersburg.

NOTE 5 Fair value of financial instruments

Fair value for the financial instruments that are continuously measured at fair value in Bonava's balance sheet is determined on the basis of 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 1,061 M (1,200).

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.

	2024 30 Jun	2023 30 Jun	2023 31 Dec
Derivatives		9	35
Total assets		9	35
Derivatives	13	41	6
Total liabilities	13	41	6

The fair value of non-current and current interest-bearing liabilities differs only marginally from the carrying amount and is therefore not recognised separately in this interim report. For financial instruments recognised at amortised cost, the carrying amount of accounts receivable, other receivables, cash and cash equivalents, accounts payable and other interest-free liabilities is considered equal to the fair value.

NOTE 6 Investment properties

Investment properties are measured at fair value in accordance with IAS 40. At the balance sheet date, 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.

	2024 30 Jun	2023 30 Jun	2023 31 Dec
Fair values at start of period	239	262	262
Investments		68	140
Value change			-123
Reclassification		33	-36
Translation differences for the year	6	9	-4
Fair value at end of period	245	372	239

NOTE 7 Investment commitments

Bonava has signed agreements on the purchase of building rights that are conditional and have not yet been recognised as part of the financial statements. At 30 June 2024, the total value of these commitments was SEK 1.4 Bn (SEK 1.4 Bn at 31 March 2024).

The investments are expected to be adjusted by SEK 0.4 Bn in 2024, SEK 0.5 Bn in 2025 and SEK 0.5 Bn in 2026 and later, and during the quarter there were no significant changes in the expected settlement. The agreements are often conditional on building permits being received or zoning plans being approved.

NOTE 8 Pledged assets and contingent liabilities

	2024 30 Jun	2023 30 Jun	2023 31 Dec
Pledged assets			
<i>For own liabilities</i>			
Property mortgages	243	670	235
Net assets in Group excl. the Parent Company	2,302		
Other pledged assets	693	11	13
Total pledged assets	3,238	681	249

Surety and guarantee obligations*Own contingent liabilities*

Counter guarantee to external guarantors	600	1,142	600
Contingent liabilities ¹⁾	417	262	393
Other guarantees and contingent liabilities ²⁾	277	1,290	803
Total surety and guarantee obligations	1,294	2,694	1,796

¹⁾ Expenses related to property held for future development that are deemed to arise even if housing projects are not started.

²⁾ The undertakings pertaining to divested companies to be taken over by the purchaser in accordance with agreements.

Property mortgages of SEK 243 M (670) consist of collateral on behalf of Finnish housing companies and Swedish tenant-owner associations.

Counter guarantees pertaining to guarantees that constitute collateral for amounts paid to tenant-owner associations formed by Bonava Sverige AB comprise SEK 600 M (1,142). Deposit guarantees are valid until one year after the final acquisition cost of the tenant-owner association's building has been established. Bonava AB's commitment is limited to SEK 600 M.

As part of its financing from credit institutions and Bonava's green bond, the Group has pledged shares in subsidiaries and material receivables (with the associated assets) and surety and guarantee obligations as collateral. Some intra-Group receivables have also been pledged. These have been eliminated in the Group.

NOTE 9 Related-party transactions

The portion of Bonava's preferential rights issue that was not covered by subscription commitments were underwritten by Nordstjernan in addition to its subscription commitment. Underwriting remuneration of 2 per cent for the guarantee commitment, corresponding to SEK 13.8 M, has been paid during the first quarter 2024.

NOTE 10 Key performance indicators and currency rates

	2024	2023	2023
	30 Jun	30 Jun	31 Dec
Return on capital employed, R12, %	3.0	4.7	4.3
Interest coverage ratio, R12, multiple	-1.4	1.9	-1.1
Equity/assets ratio, %	38.1	29.2	34.6
Return on equity, R12, %	-10.8	-17.8	-18.5
Interest-bearing liabilities/total assets, %	30.1	32.8	30.5
Net debt	3,823	6,631	4,951
Net debt/equity ratio, multiple	0.5	0.9	0.8
Capital employed	13,223	15,438	12,422
Capital turnover rate, multiple	0.8	1.0	0.9
Share of risk-bearing capital, %	38.3	29.3	34.7
Average interest rate at period-end, % ¹⁾	8.41	6.41	7.07
Average fixed-rate term, years ¹⁾	0.2	0.1	0.1
Average interest rate at period-end, % ²⁾	5.37	5.19	5.58
Average fixed-rate term, years ²⁾	0.5	0.3	0.4

¹⁾ Excluding loans in Swedish tenant-owner associations, Finnish housing companies, and leases.

²⁾ Pertains to loans in Swedish tenant-owner associations and Finnish housing companies.

	2024	2023	2023
Average rates	30 Jun	30 Jun	31 Dec
DKK	1.53	1.52	1.54
Euro	11.40	11.33	11.47

	2024	2023	2023
Closing rates	30 Jun	30 Jun	31 Dec
DKK	1.52	1.58	1.49
Euro	11.37	11.80	11.11

Key performance indicators per quarter and full-year are available at <https://www.bonava.com/en/investor-relations/financial-information>. Reporting of Bonava's alternative performance measures can also be found here.

The Parent Company in brief

JANUARY–JUNE 2024

The Parent Company comprises the operations of Bonava AB (publ). Net sales for the company totalled SEK 80 M (117). Profit after financial items was SEK 67 M (-814). In February 2024, Bonava conducted a fully underwritten preferential rights issue that raised SEK 1,050 M less issue expenses for the company. As a result of the rights issue, Bonava AB's share capital increased by SEK 104,580,931 to SEK 538,324,219. For its obligations under the credit facility agreement and bond loan, Bonava has pledged as collateral the shares in the wholly owned subsidiary Bonava Group Holding AB, into which ownership of all of the Group's subsidiaries has been gathered through shareholder contributions or non-cash issue. Material receivables and some intra-Group receivables have also been pledged for Bonava AB's liabilities under the credit facility agreement.

	Note 1	2024 Jan–Jun	2023 Jan–Jun	2023 Jan–Dec
INCOME STATEMENT				
Net sales		80	117	213
Selling and administrative expenses		-133	-196	-378
EBIT		-53	-79	-165
Profit/loss from participations in Group companies			-812	-1,119
Financial income		366	299	646
Financial expenses		-246	-222	-471
Profit/loss after financial items		67	-814	-1,109
Appropriations				-170
Profit/loss before tax		67	-814	-1,279
Tax on profit for the period				-3
Profit/loss for the period		67	-814	-1,282

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

	Note 1, 2	2024 30 Jun	2023 30 Jun	2023 31 Dec
BALANCE SHEET				
Assets				
Fixed assets		2,734	2,075	2,766
Current assets		9,501	11,960	9,554
Total assets		12,235	14,035	12,320
Shareholders' equity and liabilities				
Shareholders' equity		7,207	6,595	6,127
Provisions		13	11	14
Non-current liabilities		4,153	2,038	
Current liabilities		862	5,391	6,179
Total shareholders' equity and liabilities		12,235	14,035	12,320

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 2023 Annual Report, pages 67–70 and 97. The Annual Report is available at bonava.com.

NOTE 2 Pledged assets and contingent liabilities

	2024 30 Jun	2023 30 Jun	2023 31 Dec
Counter guarantee to external guarantors	4,649	9,086	6,528
Guarantees for project-specific financing	167	791	432
Guarantees for Group companies	1,249	2,936	1,723
Other guarantees ¹⁾	277	1,290	803
Shares in subsidiary	2,084		
Intra-Group Loans	9,060		
Other pledged assets	693	11	13
Total	18,179	14,114	9,499

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

	2024 30 Jun	2023 30 Jun	2023 31 Dec
Counter guarantee to external guarantors ²⁾	600	1,105	600
Guarantees for project-specific financing	167	791	432
Total	767	1,896	1,032

¹⁾ Guarantee pertaining to discontinued operations that are to be taken over by the buyer in accordance with agreements.

²⁾ 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. Bonava AB's commitment is limited to SEK 600 M.

Definitions

Bonava uses measurements including the following alternative key performance indicators: return on capital employed, net debt and equity/assets ratio. The Group considers that these key performance indicators provide complementary information to readers of its financial reports that contributes to assessing the Group's capacity to pay dividends, make strategic investments, meet its financial commitments and to evaluate its profitability.

FINANCIAL KEY PERFORMANCE INDICATORS

Average capital employed Average capital employed as of the last five quarters.

Average fixed-rate term The remaining fixed-rate term weighted by interest-bearing liabilities outstanding.

Average interest rate Nominal interest rate weighted by interest-bearing liabilities outstanding on the balance sheet date.

Average shareholders' equity Average reported shareholders' equity as of the last five quarters.

Capital employed Total assets less non-interest bearing liabilities including deferred tax liabilities.

Dividend yield The dividend as a percentage of the market price at year-end.

Earnings per share Net profit/loss for the period divided by the weighted average number of shares in the period.

Earnings per share adjusted for items affecting comparability Net profit/loss for the period before items affecting comparability divided by the weighted average number of shares in the period.

EBITDA EBIT before net financial items, tax and depreciation.

EBIT margin EBIT as a percentage of net sales.

Equity/assets ratio Shareholders' equity as a percentage of total assets.

Gross margin Gross profit as a percentage of net sales.

Interest-bearing liabilities/total assets Interest-bearing liabilities divided by total assets.

Interest coverage ratio Profit/loss after financial items plus financial expenses divided by financial expenses, calculated on a rolling 12-month basis.

Items affecting comparability Material one-off items in operating profit, the profit effect of which is important to note when the financial performance for the period is compared with earlier periods.

Net debt Interest-bearing liabilities and provisions less interest-bearing assets including cash and cash equivalents.

Net debt/equity ratio Net debt divided by shareholders' equity.

Net project asset value The carrying amount of ongoing housing projects, completed housing units and investment properties less customer advances.

Net project asset value in relation to Net debt Current period relation between Net project asset value versus Net debt excluding leasing.

Operating cash flow EBITDA adjusted for net investments in fixed assets, properties held for future development, ongoing housing projects and completed housing units as well as changes in working capital, excluding corrections for non-cash items.

Operating gross margin and operating EBIT margin Operating gross profit and operating EBIT as a percentage of net sales.

Operating gross profit and operating EBIT The earnings that form the basis of the monitoring of each segment in the Group. The operating gross profit is the gross profit with adjustments for writedowns, sale of land and items related to restructuring. The operating EBIT corresponds to EBIT before items affecting comparability adjusted for impairment, sales of land, items related to restructuring and cost for M&A.

Production costs Costs incurred for land, development expenses for architects and other contractor-related costs, utility connection fees and building construction.

Return on capital employed Profit after financial items (excluding items affecting comparability where applicable) on a rolling 12-month basis following the reversal of interest expense as a percentage of average capital employed.

Return on shareholders' equity Profit after tax as a percentage of average shareholders' equity.

Share of risk-bearing capital Total shareholders' equity and deferred tax liabilities as a percentage of total assets.

Total assets Total assets or liabilities and shareholders' equity.

Total return Total of the change in the share price during the year and paid dividends in relation to the share price at the beginning of the year.

SECTOR-RELATED DEFINITIONS

Building right Estimated possibility of developing a site. With respect to housing units, a building right corresponds to an apartment or a semi-detached or detached house. Either ownership of a site or an option on ownership of the site is a prerequisite for being granted access to a building right.

Completed housing units Refers to housing units for which inspection documents have been received, but the unit has not yet been sold, or units that have been sold but not handed over to the customer.

Completion rate Recognised expenses in relation to the calculated total costs of ongoing housing projects.

Housing units for sale (ongoing production and completed) Refers to the number of units, in ongoing production or completed, that are available for sale.

Housing units in ongoing production Refers to the period from production start to completion of a building. A housing unit is considered complete on receipt of inspection documentation.

Housing units sold Number of housing units for which binding sales agreements have been signed with the customer and production of the housing unit has started.

Number of housing units recognised in profit Number of housing units sold that have been occupied by the purchaser. Once the purchaser has taken over occupancy, the purchase consideration is recognised as net sales, and expenses incurred for the housing unit are recognised as production costs.

Production start The time when Bonava starts production of a building. At this time, capitalised expenditure for land and development expenses is transferred to ongoing housing projects.

Properties held for future development Refers to Bonava's holdings of land and building rights for future residential development and capitalised property development costs.

Reservation rate Number of reserved housing units in production in relation to the total number of housing units in production.

Sales rate for housing units in ongoing production Number of housing units sold in production in relation to the total number of housing units in production.

Sales value of housing units sold Sales value of housing units sold for which binding sales agreements have been signed with the customer and production of the housing unit has commenced.

Signatures

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

Stockholm, 19 July 2024

Mats Jönsson
Chairman of the Board

Viveca Ax:son Johnson
Director

Olle Boback
Director

Anette Frumerie
Director

Tobias Lönnevall
Director

Per-Ingemar Persson
Director

Nils Styf
Director

Peter Wallin
CEO

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



Bonava in brief

OUR MISSION

We create happy neighbourhoods for the many.

OPERATIONS

Bonava is a leading residential developer in Europe with the purpose to create happy neighbourhoods for the many. The company is the first residential developer in Europe to receive validation from the Science Based Targets initiative for its climate targets.

With its 1,300 co-workers, Bonava develops residential housing in Germany, Sweden, Finland, Estonia, Latvia and Lithuania. To date, the company has built about 40,000 homes and reported net sales of approximately SEK 13 Bn in 2023. Bonava's shares and green bond are listed on Nasdaq Stockholm.

13.3

SEK BN
NET SALES 2023

6

COUNTRIES

1,300

EMPLOYEES
AT END OF Q4 2023

1,493

NUMBER OF HOUSING UNITS
SOLD IN 2023

FINANCIAL CALENDAR

Q3 Interim report Jan-Sep
Q4 Year-end report Jan-Dec
Q1 Interim report Jan-Mar

24 October 2024
4 February 2025
9 May 2025

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PUBLICATION

This information is such that Bonava AB (publ) is obligated to disclose pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was issued for publication through the agency of the contact person set out above on 19 July 2024 at 7:30 a.m. CEST.

WEBCAST PRESENTATION 19 JULY

President and CEO Peter Wallin and CFO Lars Ingman will present the report on 19 July 2024 at 9:00 a.m. CEST.

Follow the webcast live at:

<https://bonava.videosync.fi/2024-07-19-q2>

To participate in the teleconference, register using this link:

<https://service.flikmedia.se/teleconference/?id=100416>

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.