BONAVA

January–September 2022

Peter Wallin, CEO and Lars Granlöf, CFO

27 October 2022

Sales speed slowing down in more cautious market

Market highlights Q3

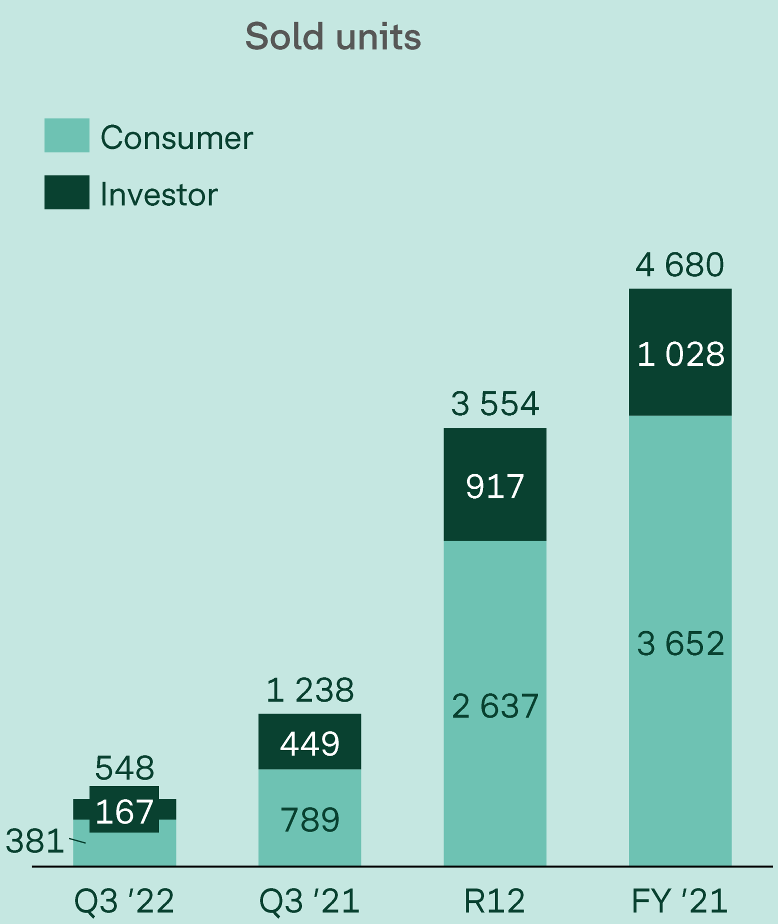
- Sales speed slowing down in all our markets; Sweden affected most
- Prices overall unchanged
- Signs of the peak being reached on costs on inputs and certain materials

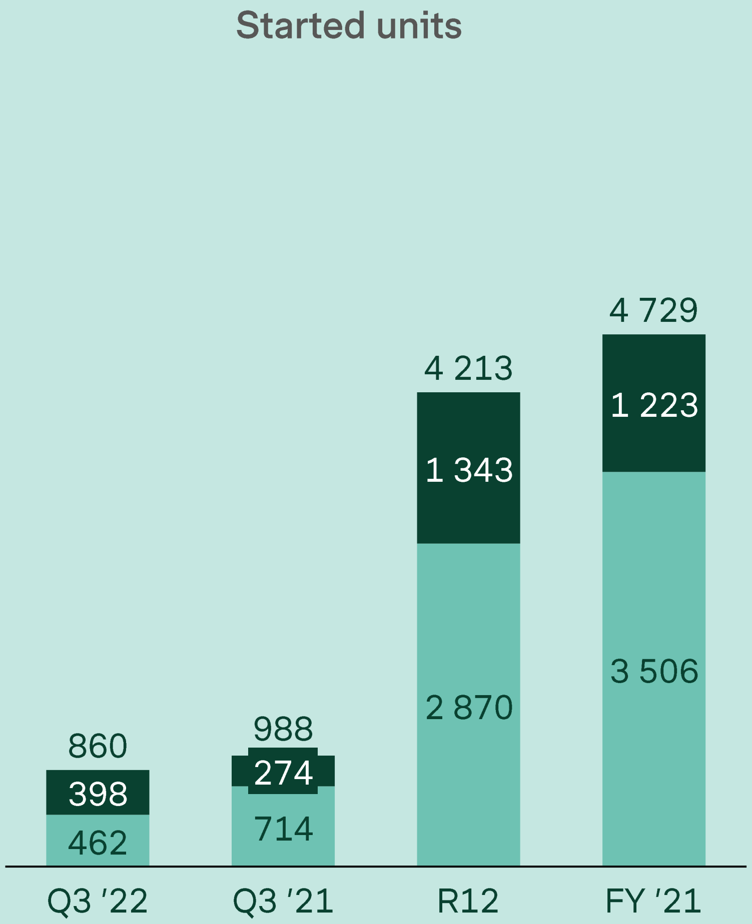
Low volume with strong underlying profitability

Q3 figures in brief

- Net sales and EBIT; fewer units recognised compared to last year
- Significant increase in profitability in units handed over - offset by SEK 155 M charge in Sweden
- Solid equity to asset ratio of 31.4 (31.7) per cent
- Selective on starts and investments
- Entered into an agreement to sell the St. Petersburg operations

Selective in production starts





When to start a project

- The right team in place
- Verified cost estimates
- Verified sales and market status

Outlook production starts 2022

Our estimate of 4,200 housing units has been revised to 3,000 due to delays in building permits and the market situation

Examples of projects started in the quarter

Investors – Sweden

Consumers – Lithuania

All Bonava's housing starts are presented on bonava.com/en/investor-relations/housing-starts

Financial development

Lars Granlöf, CFO

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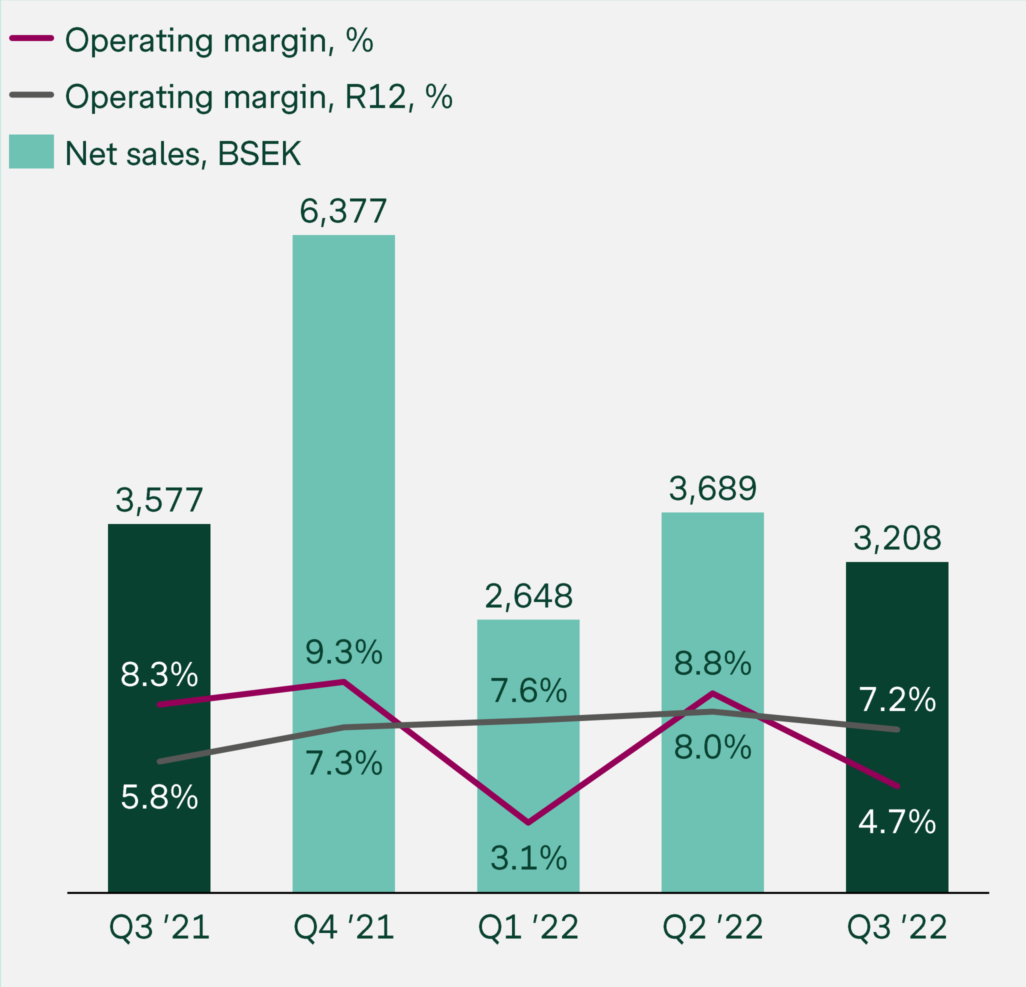
Recognised units in Q3 vs estimated completions Q2'22

Recognised units bridge

Bonava Group
Fewer units recognised and write downs and risk provision in Sweden

SEK M	2022 Q3	2021 Q3	2022 R12	2021 FY
Continuing operations Net sales	3,208	3,577	15,922	14,746
Gross profit	**356**	**485**	**2,053**	**1,925**
Gross margin, %	*11.1%*	*13.5%*	*12.9%*	*13.1%*
Selling & admin expense	-206	-188	-902	-844
Operating profit (before IAC)	**150**	**297**	**1,151**	**1,081**
Operating margin, %	*4.7%*	*8.3%*	*7.2%*	*7.3%*
Net financial items	-43	-32	-159	-142
Profit/loss before tax	**107**	**264**	**1,030**	**860**
Tax on profit for the period	-39	-67	-247	-179
Tax, %	*36.3%*	*25.5%*	*24.0%*	*20.9%*
Net profit	**68**	**197**	**783**	**681**
Operations to be discontinued	22	1	140	127

*No IAC reported in 2022. IAC totalled SEK -80 M in 2021 YTD.



Germany

SHARE OF NET SALES (R12)
48 % ↗ 2021: 47%

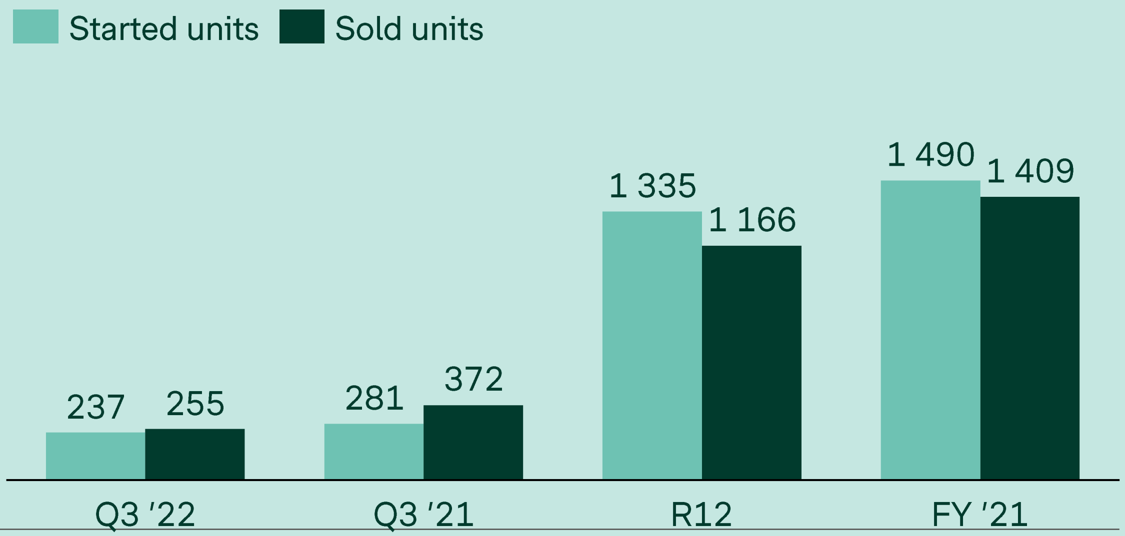
Highlights

- Less units recognised
- Increased gross margin
- Lower volume to absorb selling and admin
- Continued investments in attractive building rights
- Long process for building permits

Project: Rheintalgärten, Bonn

SEK M	2022 Q3	2021 Q3	2022 R12	2021 FY
Net sales	1,648	1,959	7,589	7,276
Gross profit	**261**	**303**	**1,313**	**1,210**
Gross margin, %	*15.8*	*15.5*	*17.3*	*16.6*
Selling & admin expense	-74	-74	-310	-296
Operating profit	**186**	**229**	**1,003**	**914**
Operating margin, %	*11.3*	*11.7*	*13.2*	*12.6*
Recognised units	396	568	1,921	1,813

Sold and started units



Sweden

SHARE OF NET SALES (R12)
19 % 2021: 21%

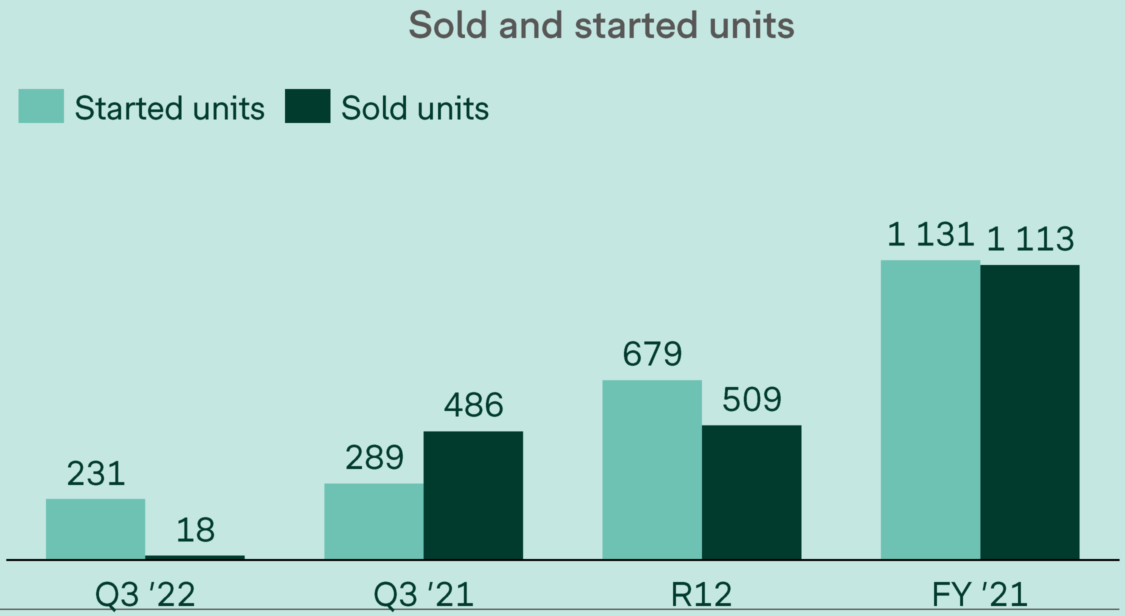
Highlights

- Less units recognised
- Increased profitability
- Gross profit affected by SEK 155 M in write downs and risk provisions
- Significant slow-down in sales

Project: Årsta Park, Uppsala

SEK M	2022 Q3	2021 Q3	2022 R12	2021 FY
Net sales	318	845	2,995	3,327
Gross profit	**-87**	**133**	**225**	**420**
Gross margin, %	*-27.4*	*15.7*	*7.5*	*12.6*
Selling & admin expense	-23	-26	-132	-129
Operating profit (before IAC*)	**-110**	**106**	**93**	**292**
Operating margin (before IAC), %	*-34.7*	*12.6*	*3.1*	*8.8*
Recognised units	78	315	987	1,055

*IAC totalled SEK -44 M in 2021



Finland

SHARE OF NET SALES (R12)
10 % 2021: 12%

Highlights

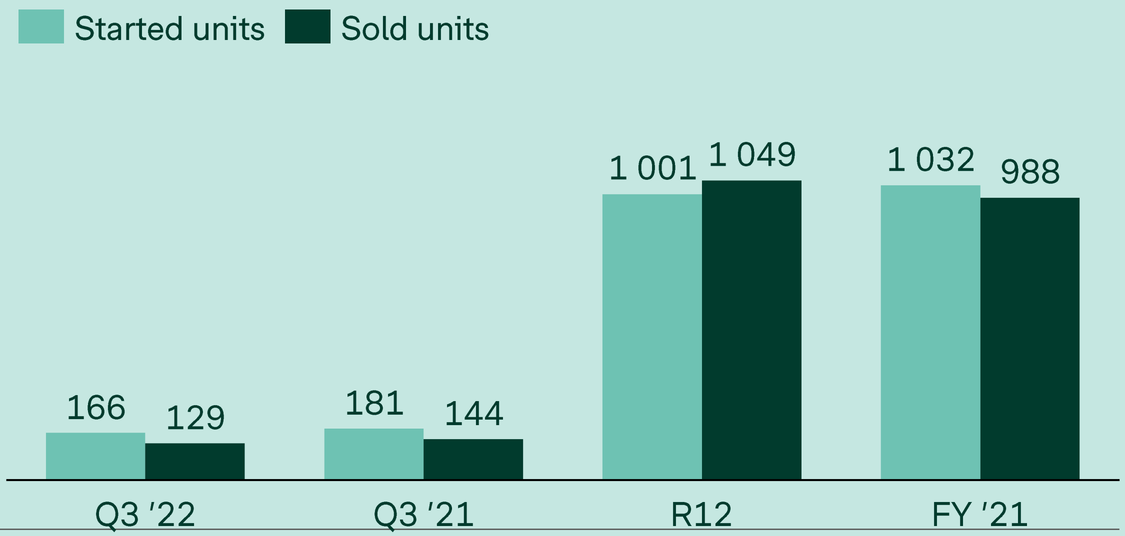
- Less units recognised
- Increased gross margin
- Too low volume to absorb selling and admin
- Large investor deal in quarter of some 300 units
- Ongoing work with stabilising the business is gradually showing in figures

SEK M	2022 Q3	2021 Q3	2022 R12	2021 FY
Net sales	216	567	1,575	1,842
Gross profit	**28**	**42**	**131**	**133**
Gross margin, %	*12.8*	*7.4*	*8.3*	*7.2*
Selling & admin expense	-29	-16	-96	-77
Operating profit (before IAC*)	**-1**	**25**	**36**	**56**
Operating margin (before IAC), %	*-0.4*	*4.5*	*2.3*	*3.1*
Recognised units	116	173	657	636

*IAC totalled SEK -36 M in 2021

Project: Tinantie, Capital Area

Sold and started units



Norway

SHARE OF NET SALES (R12)
12 % ↗ 2021: 5%

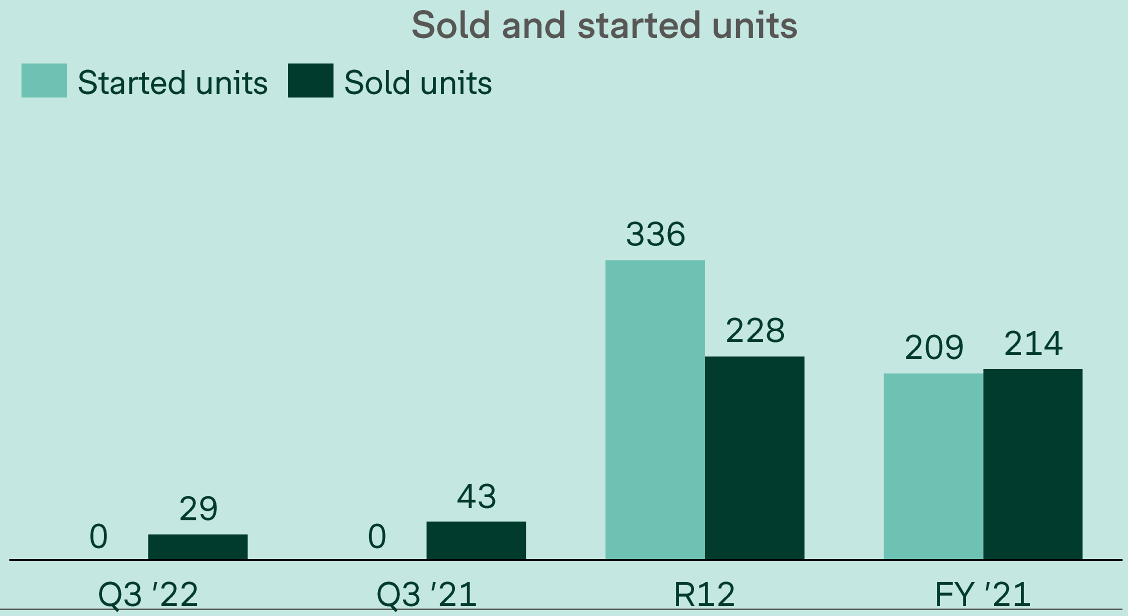
Highlights

- More units recognised
- Improved gross margin
- Investments in attractive building rights in Oslo

Project: Tamburløkka III, Oslo

SEK M	2022 Q3	2021 Q3	2022 R12	2021 FY
Net sales	604	10	1,900	787
Gross profit	**89**	**-12**	**134**	**19**
Gross margin, %	*14.8*	*-116.1*	*7.1*	*2.4*
Selling & admin expense	-23	-23	-98	-86
Operating profit (before IAC*)	**66**	**-34**	**-37**	**-67**
Operating margin (before IAC), %	*11.0*	*-344.9*	*1.9*	*-8.5*
Recognised units	126	1	448	224

*IAC totalled SEK -50 M in 2021



Baltics

SHARE OF NET SALES (R12)
6 % 2021: 5%

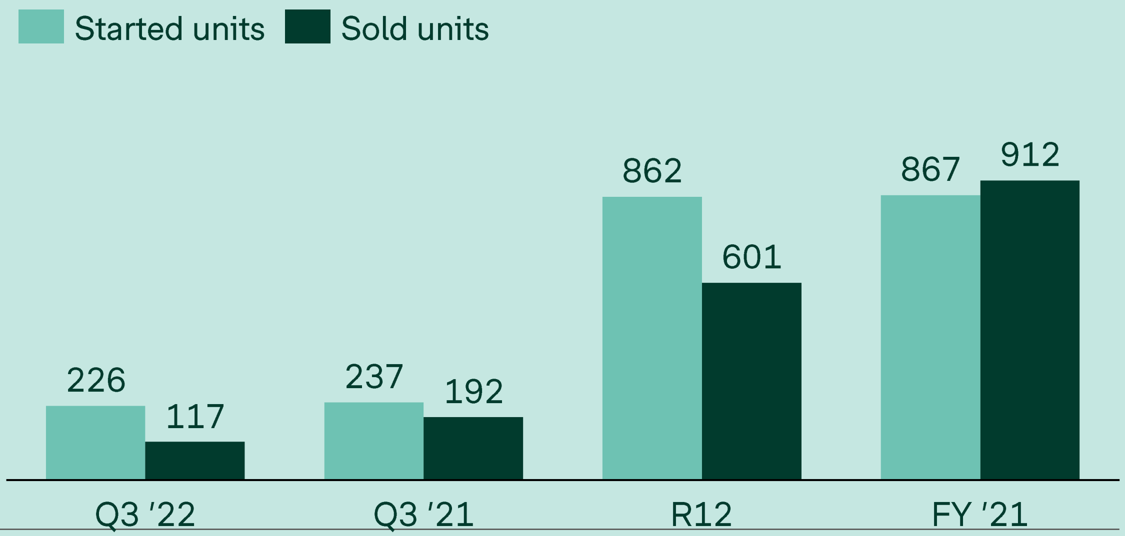
Highlights

- Less units recognised but higher average sales price
- Gross margin on good level
- Continued investments in attractive building rights

Project: Lake town, Lithuania

SEK M	2022 Q3	2021 Q3	2022 R12	2021 FY
Net sales	117	107	896	757
Gross profit	**21**	**20**	**150**	**114**
Gross margin, %	*17.9*	*18.8*	*16.8*	*15.0*
Selling & admin expense	-11	-8	-42	-32
Operating profit	**10**	**12**	**108**	**82**
Operating margin, %	*8.7*	*11.6*	*12.0*	*10.8*
Recognised units	87	117	852	811

Sold and started units

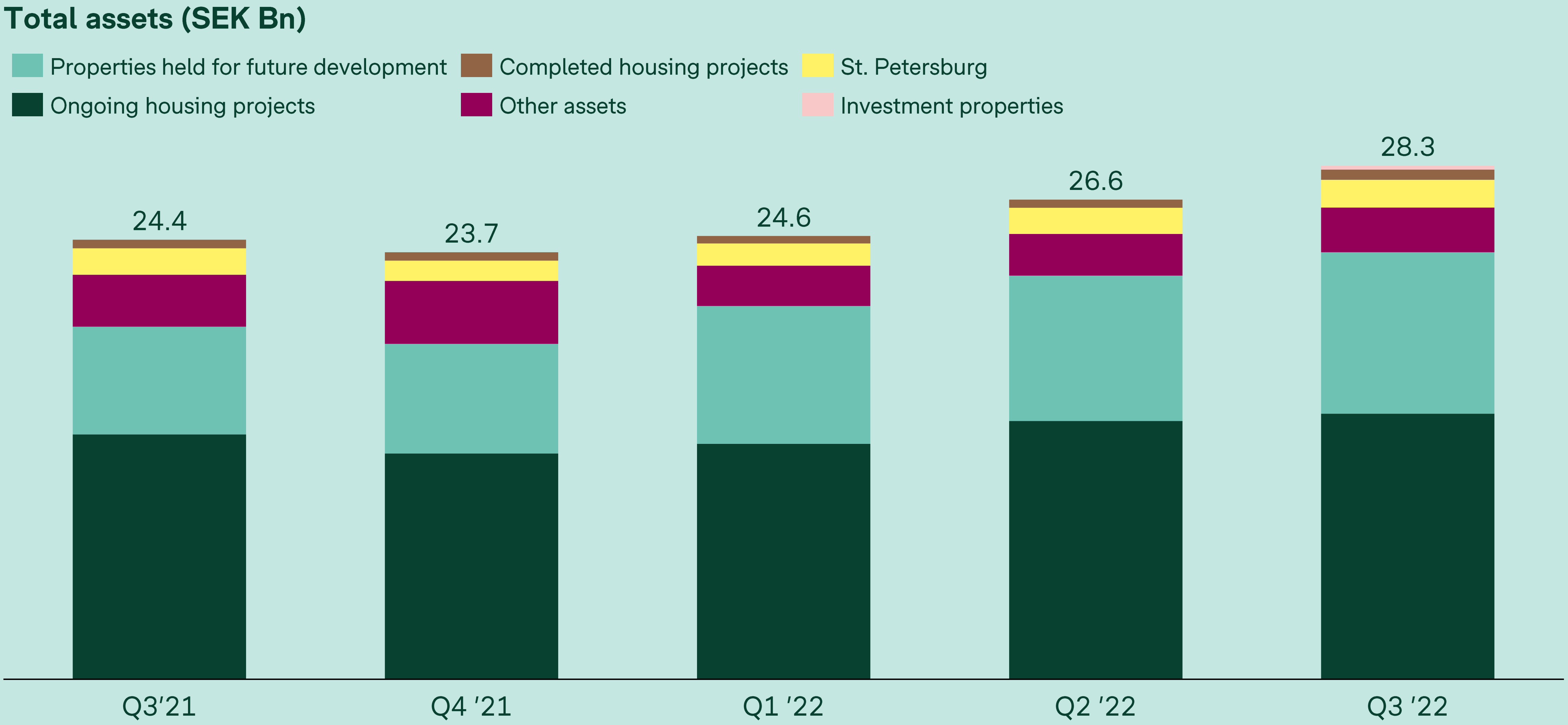


St. Petersburg update

- Signed an agreement to sell the business at a price of EUR 98 M (SEK 1.1 Bn) on 7 October
- Expected net financial impact of SEK -0.1 to – 0.3 Bn
- Pending approval from Russian authorities
- Reported as operations to be discontinued
- Net profit of SEK 22 M in Q3

Project: Magnifika, St. Petersburg

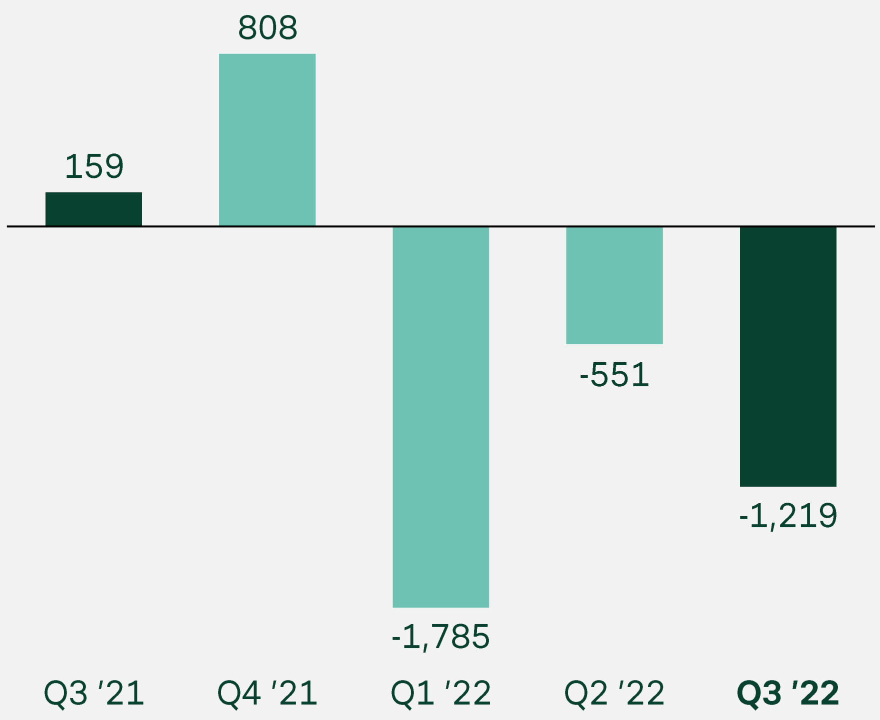
Distribution of assets: Increased investments and impact from FX



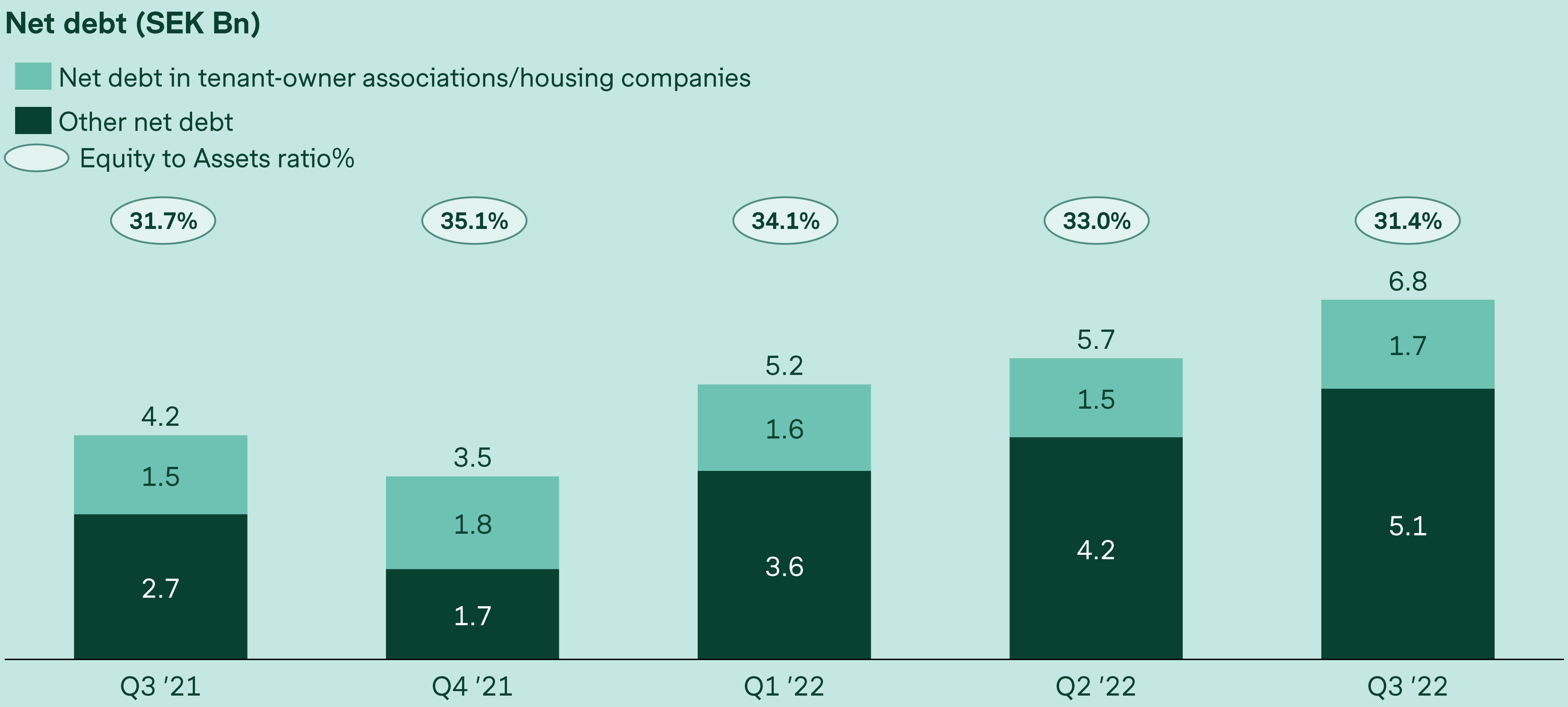
Increased investments in projects and building rights

SEK M	2022 Q3	2021 Q3	2022 R12	2021 FY
Cash flow before changes in working capital	**120**	**221**	**965**	**991**
Divestments of housing projects	2,590	2,948	13,714	12,910
Investments in housing projects	-3,950	-3,094	-16,519	-13,270
Other changes in working capital	85	89	-774	88
Cash flow from operating activities	**-1,155**	**163**	**-2,614**	**719**
Investing activities	-64	-4	-131	-88
Cash flow before financing	**-1,219**	**159**	**-2,745**	**631**

Cashflow before financing per quarter (SEK M)

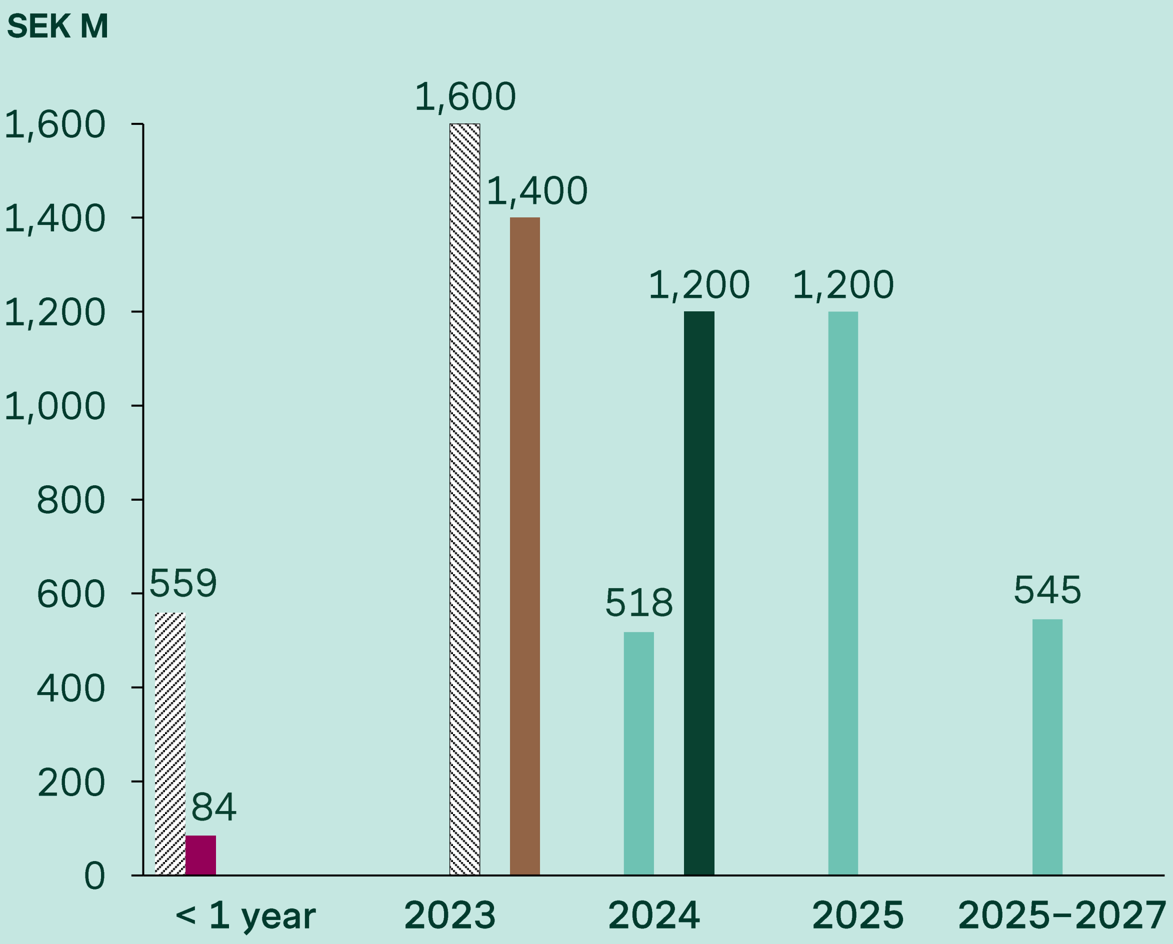


Land acquisitions made for future growth



Diversified funding base and maturity profile

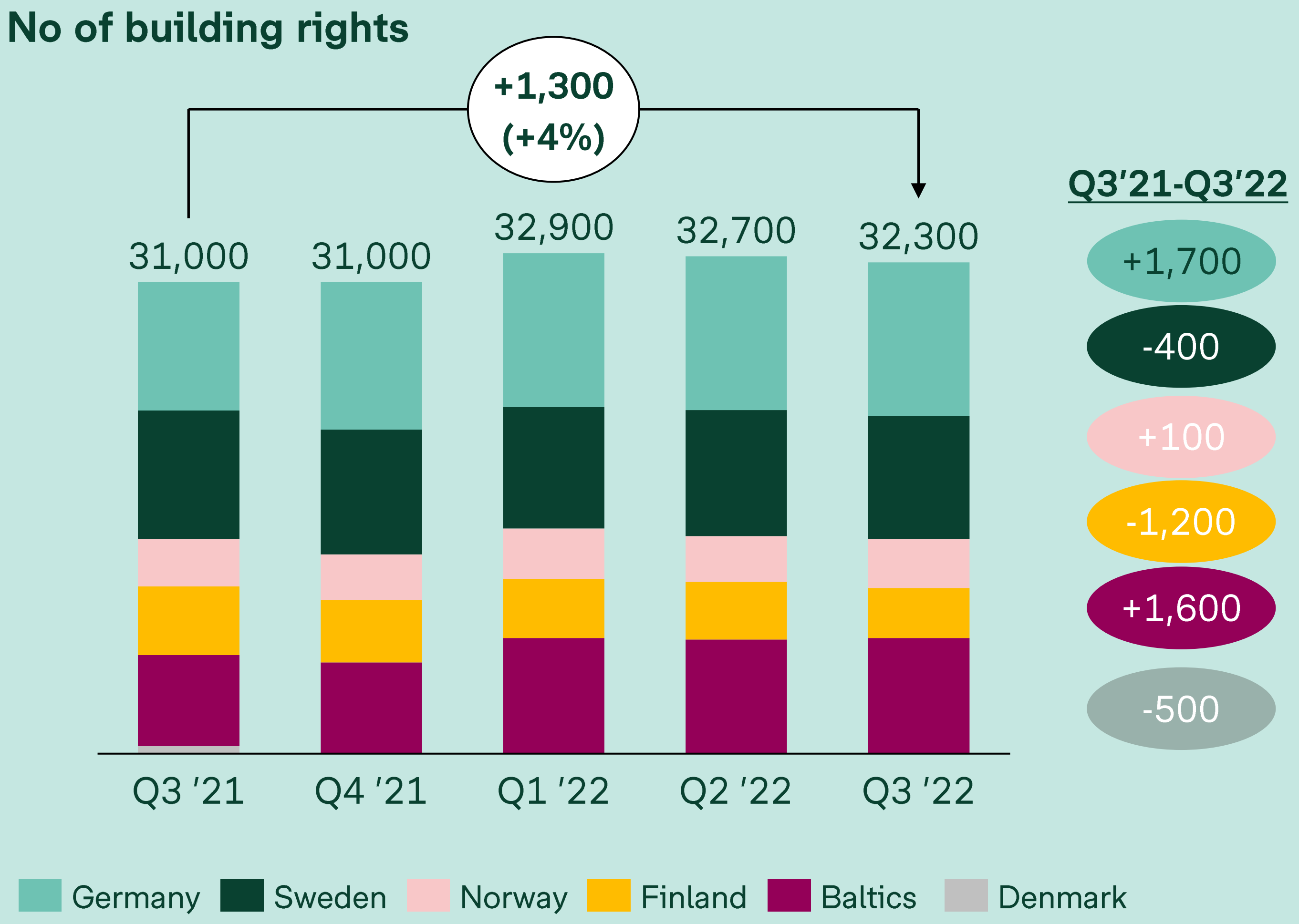
Financing facilities per Q3 2022



Well balanced funding base

- Credit facilities of SEK 7.1 Bn of which SEK 2.2 Bn unutilised (Overdraft and RCF)
- Project financing of SEK 2.5 Bn where of unutilised 0.6 Bn
- Various credit lenders and funding sources

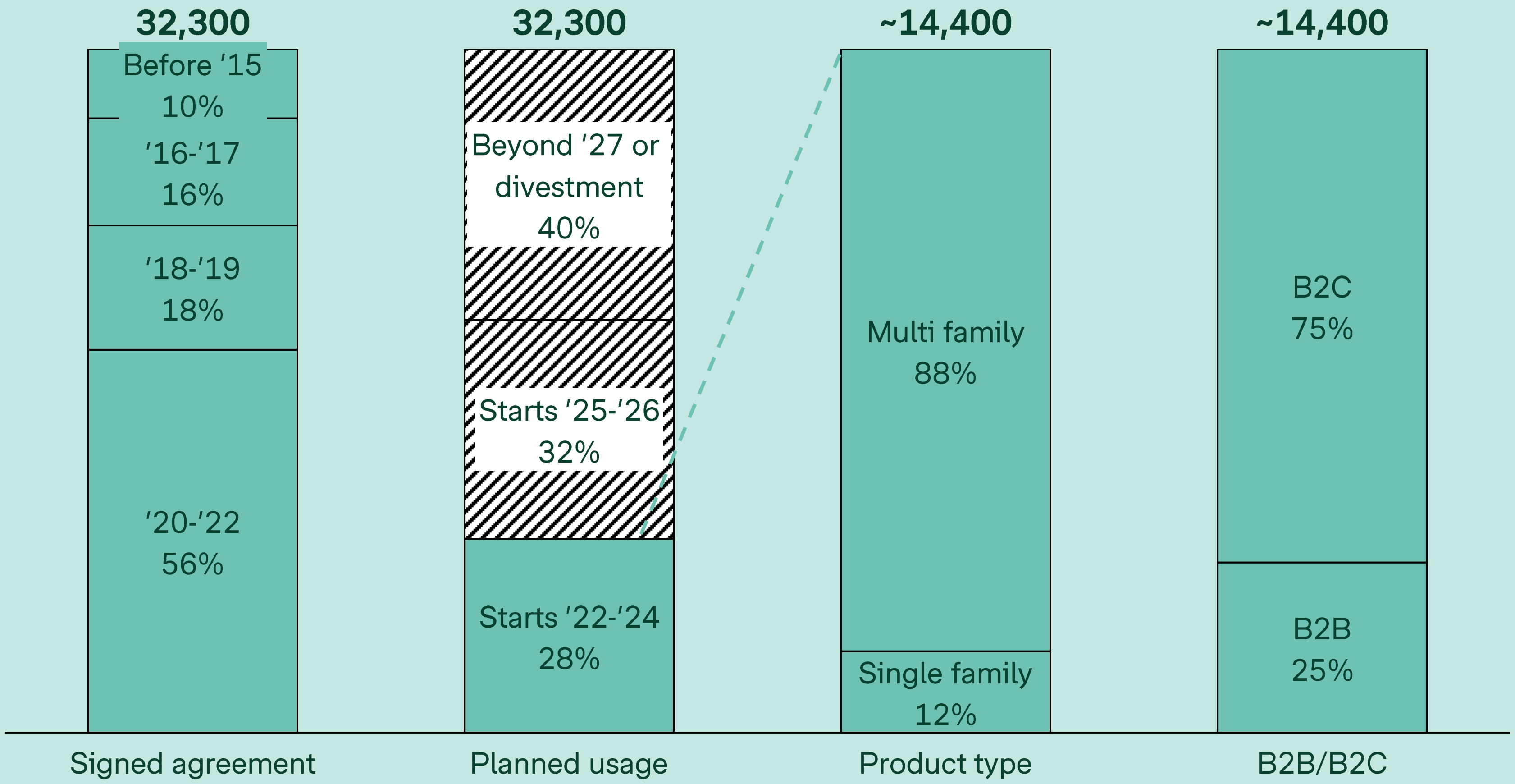
Increasing number of building rights in attractive locations



Building rights added to land bank

- Book value SEK 9 (7) Bn with more on balance compared to LY
- Germany: several smaller investments
- Norway: One large plot in Oslo
- Baltics: three land acquisitions of total 230 units

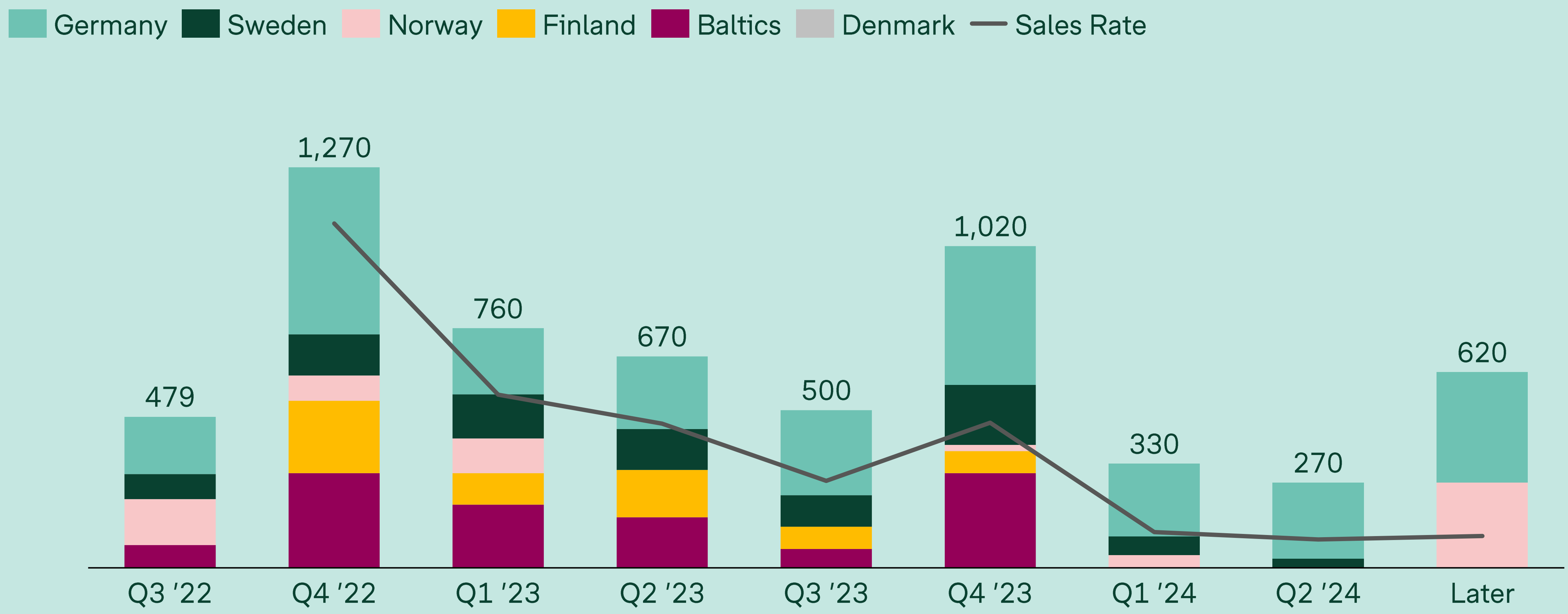
Short term land bank mainly MFH and B2C



Comments

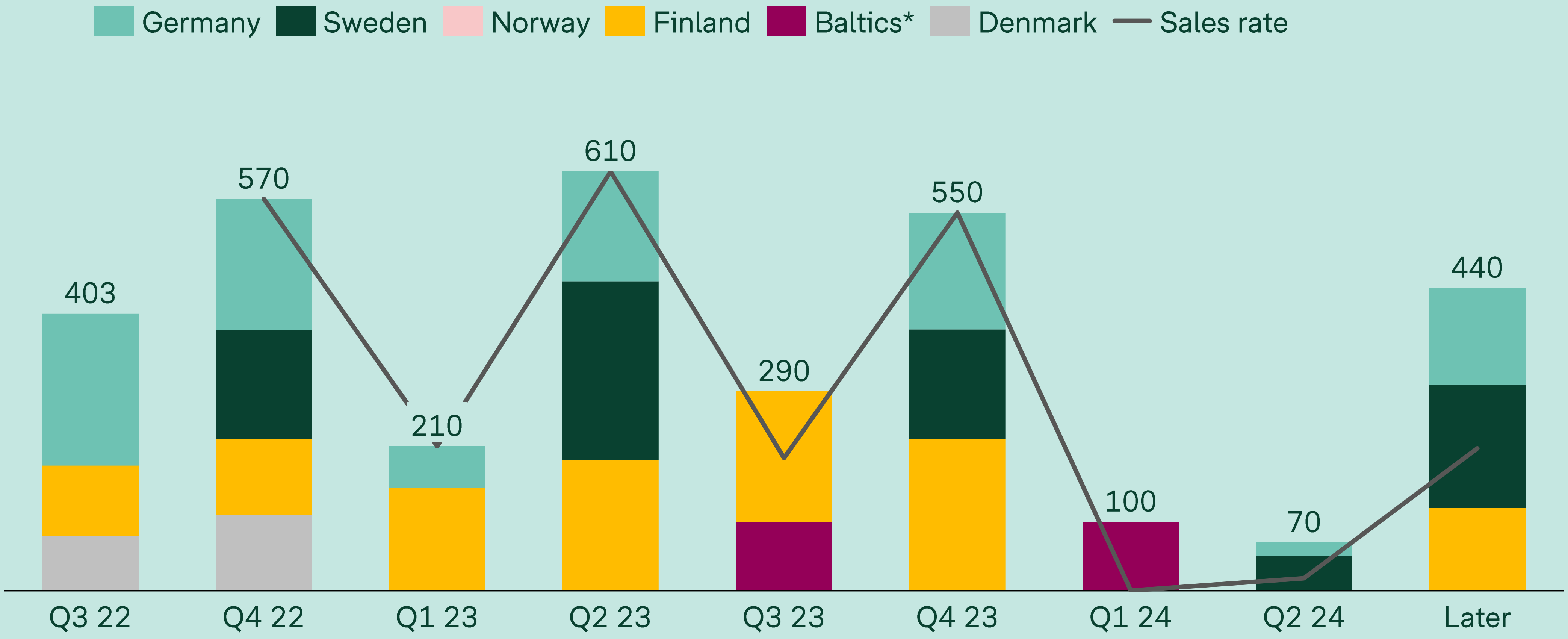
- BR on balance: 18,650
- BR off balance: 13,650
  - Options or conditional agreements
- Secured landbank to enable starts in 2022-2024
- Short term more multi family

Consumers - expected completions and sales rate



Δ since Q2 22:	-61	0	+50	-20	-11	+54	+25	+254	-275	**+16**
Starts Q3 22:					+11	+246	+5	+16	+185	**+463**

Investors - expected completions and sales rate



	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Later	
Δ since Q2 22:	-97	+110	-60	+60		-66		+70	+9	**+26**
Starts Q3 22:						+166			+231**	**+397**

* Baltics refers to B2M

** 231 B2M in Sweden

Summary

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Increased control and profitability in ongoing production

Summary

- We are progressing in improving profitability
- Write downs and risk provision in Sweden affecting quarter
- Increasing attractive land bank
- Strong financial position
- Entered into agreement to sell St. Petersburg operations
- Financial targets to be reviewed

Q&A

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