



BONAVA

January–December 2023

Peter Wallin, CEO and Lars Ingman, CFO
1 February 2024

Higher activity in the market

Market highlights Q4

- Number of sold units to consumer have increased gradually over the year, very visible in the fourth quarter
- Continued stabilisation in the market with some positive signs and higher activity
- Strongest markets are Berlin, Dortmund, Cologne and Riga



Strong improvement in cash flow and lower net debt

Q4 figures in brief

- Underlying gross margin of 13.6 per cent (14.3)
- Indirect and S&A expenses down 16 per cent net compared to Q4 last year
- Strong cash flow in quarter
- Net debt significantly reduced compared to prior year and Q3
- Financing package presented
- Updated financial targets presented after closing period



Financing package will provide necessary operational and financial flexibility and reduces risk

THE TRANSACTION IS BASED ON THREE INTEGRATED PARTS

STAKEHOLDERS

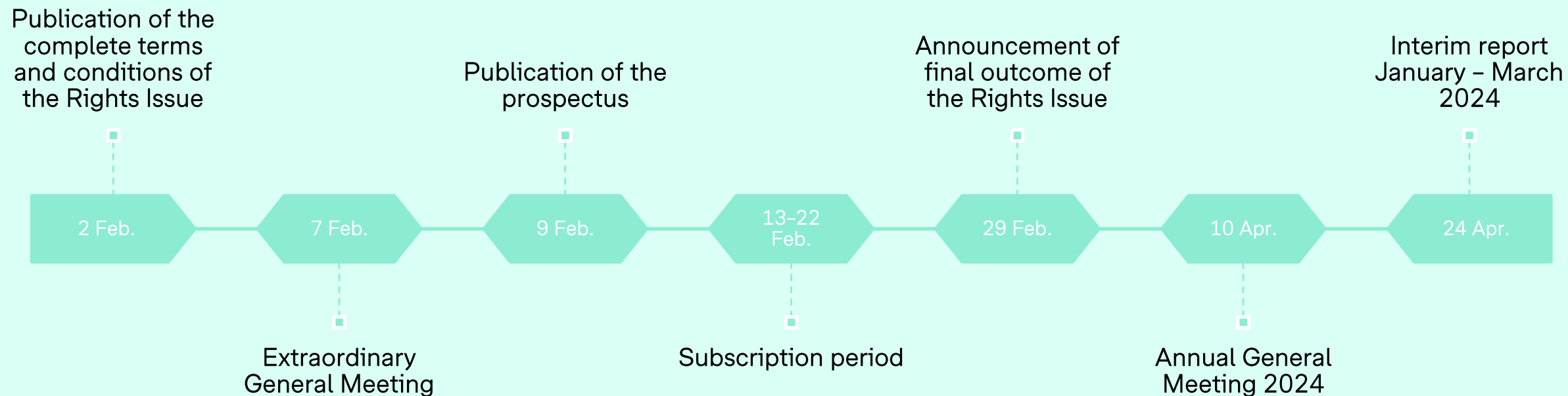
SHAREHOLDERS	BANKS	BONDHOLDERS
KEY TERMS	KEY TERMS	KEY TERMS
▪ Minimum equity issue of approx. SEK 1 Bn through a rights issue of shares	▪ Extension of the credit facilities to March 2027 ▪ The total credit volume under the agreement amounts to approx. SEK 4.5 Bn	▪ Extension of maturity of SEK 1.2 Bn bond to March 2027

STATUS

✓ Fully underwritten rights issue	✓ Agreed heads of terms with banks	✓ Approval achieved, conditioned on successful rights issue
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Important dates coming up



Updated financial targets

**EBIT margin
(before IAC) >
10%**
from 2026

NEW

**ROE
> 15%**
over time

**Dividend
policy 40% of
net income***
over time

Financial framework:

NEW: Net debt is not to exceed net project assets
Equity to asset ratio > 30%

*Dividend cannot be distributed the next coming three years according to the new financing package.

Examples of projects started in the quarter



Parkstadt Karlshorst – Berlin, Germany
120 housing units for consumers



Ropažu Phase 3 – Riga, Latvia
100 housing units for consumers

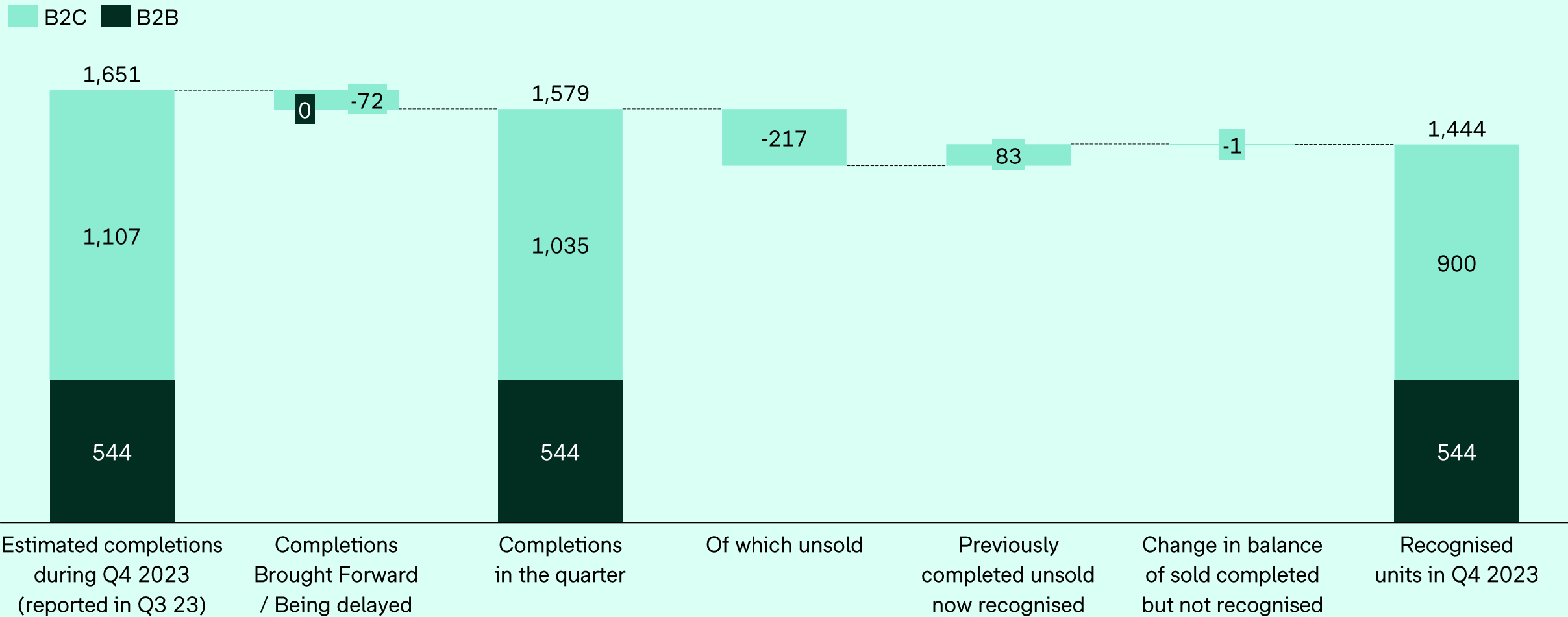
All Bonava's housing starts are presented on bonava.com/en/investor-relations/housing-starts

Financial development

Lars Ingman, CFO

Recognised units in Q4 according to plan

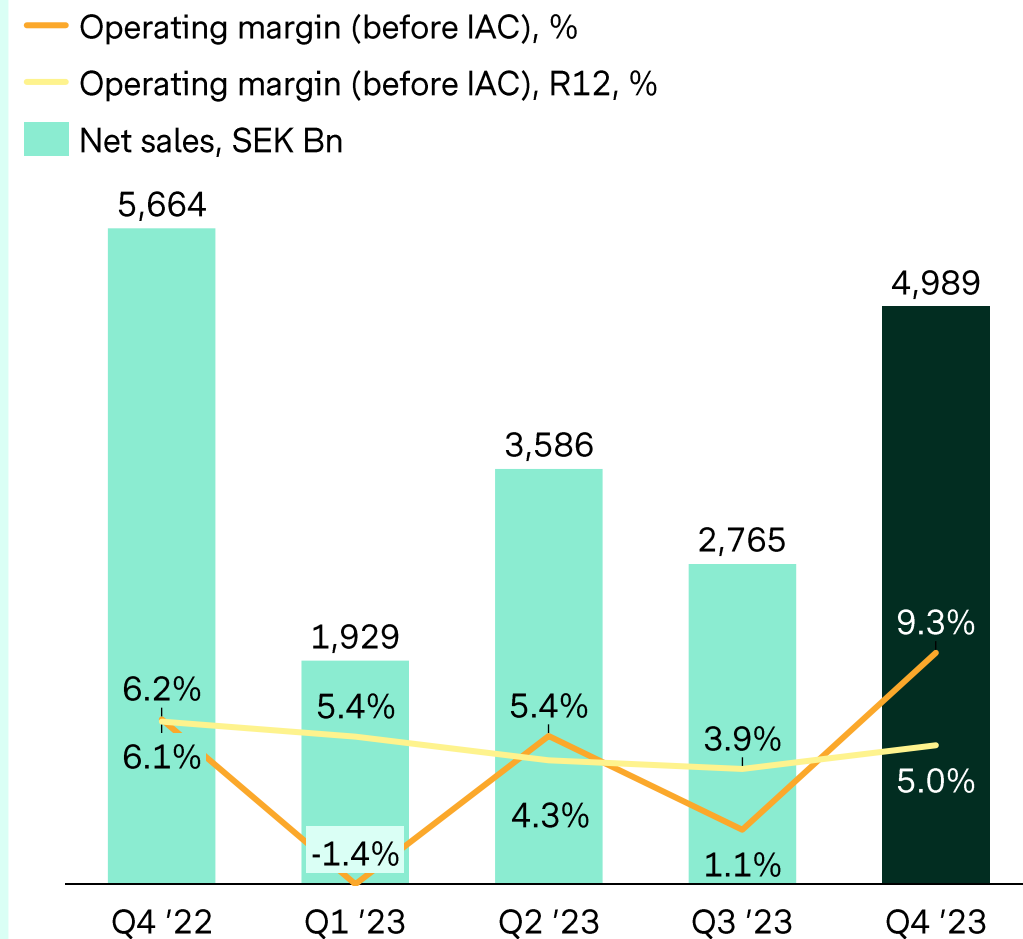
Recognised units bridge



Bonava Group

Improved operating margin

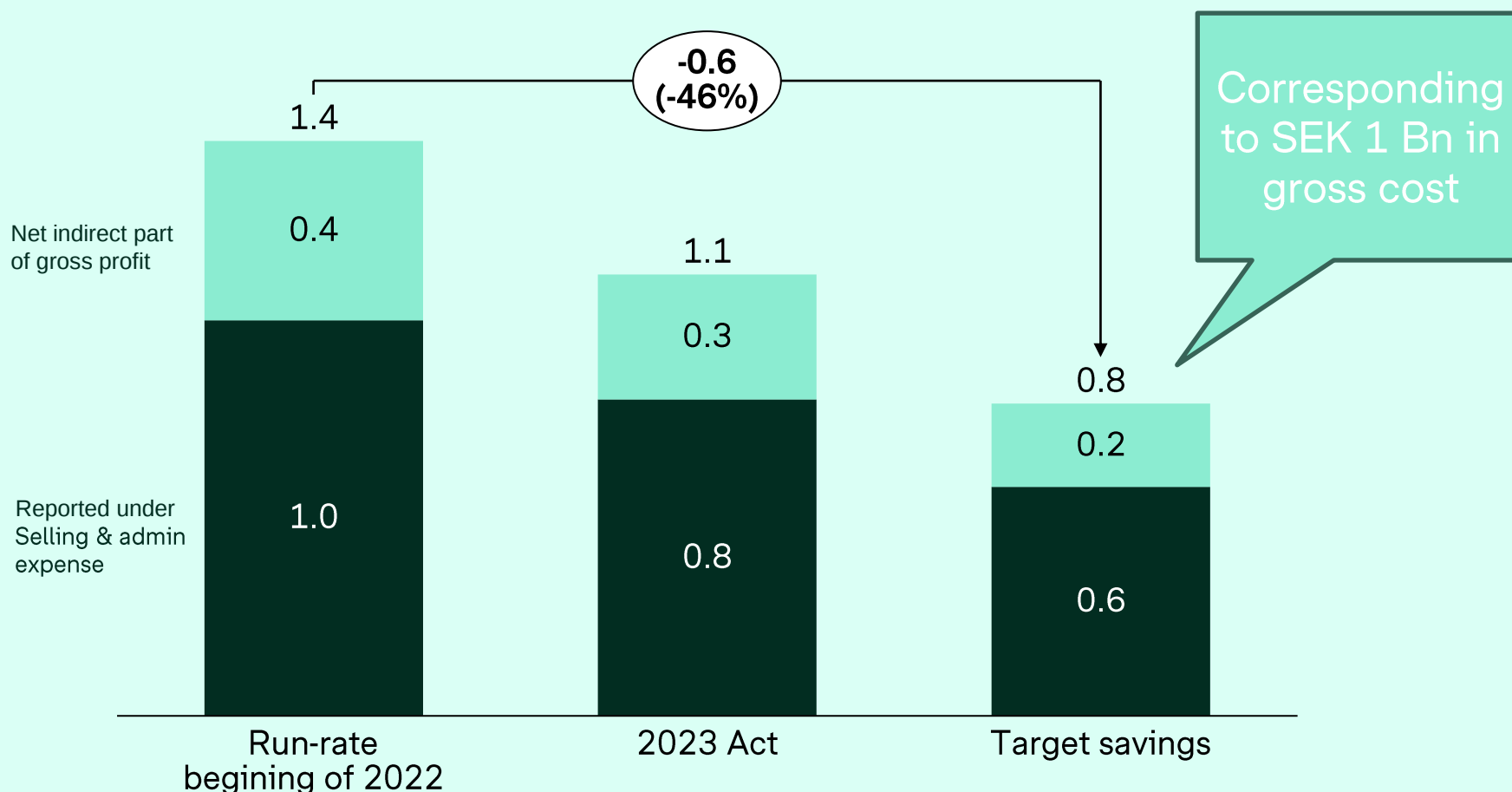
SEK M	2023 Q4	2022 Q4	2023 FY	2022 FY
Continuing operations				
Net sales	4,989	5,664	13,269	13,987
Underlying gross profit	680	808	1,562	2,076
<i>Underlying gross margin, %</i>	<i>13.6</i>	<i>14.3</i>	<i>11.8</i>	<i>14.8</i>
Gross profit	672	582	1,421	1,689
<i>Gross margin, %</i>	<i>13.5</i>	<i>10.3</i>	<i>10.7</i>	<i>12.1</i>
Selling & admin expense	-209	-231	-760	-831
Operating profit (before IAC)	464	351	660	858
<i>Operating margin, %</i>	<i>9.3</i>	<i>6.2</i>	<i>5.0</i>	<i>6.1</i>
IAC	-37	-56	-1,279	-56
Operating profit (after IAC)	427	295	-619	802
Net financial items	-132	-76	-518	-193
Profit/loss before tax	294	219	-1,137	609
Tax on profit for the period	-5	-63	-5	-169
Net profit	289	157	-1,143	441
Operations to be discontinued	52	-841	-194	-743



Further savings for a more flexible organisation

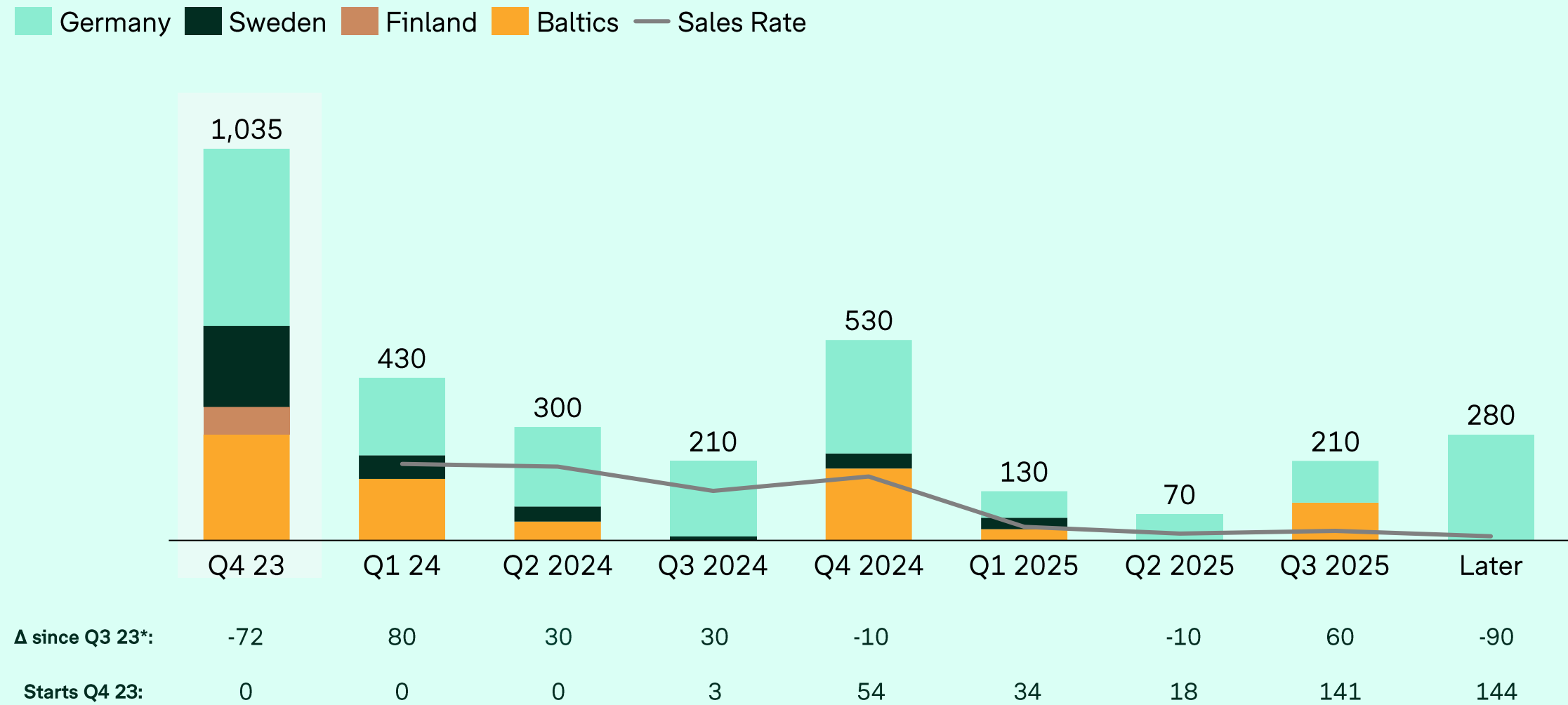
Net expenses, SEK Bn

Net indirect Net S&A



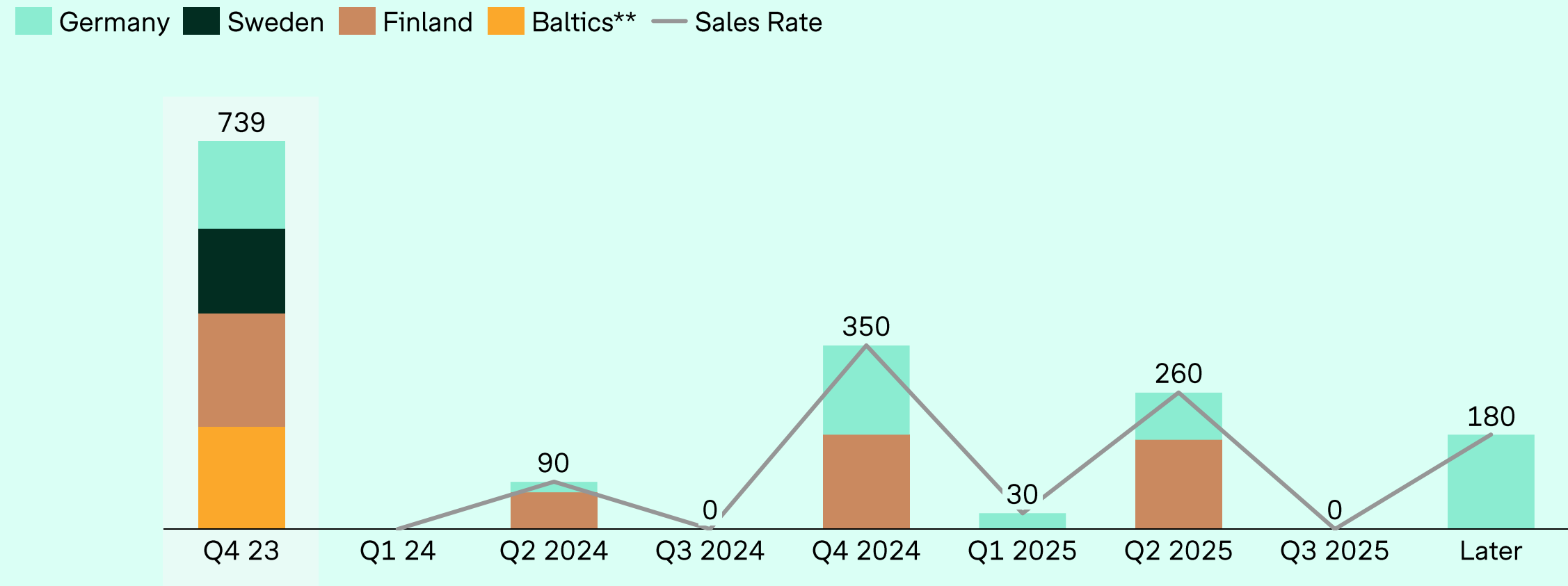
- Trailing at SEK~600 M in gross cost and SEK~290 M in net
- Restructuring in Finland and Sweden have full effect from beginning of 2024
- Negotiations in Germany completed, savings will gradually come from 2024 with full effect from January 2025

Consumers - expected completions and sales rate



*The numbers under the diagram clarify the changes that have occurred since the assessment presented in the interim report for the preceding quarter.

Investors - expected completions and sales rate



Δ since Q3 23*: 8

Starts Q4 23:

*The numbers under the diagram clarify the changes that have occurred since the assessment presented in the interim report for the preceding quarter.

**Baltics refers to B2M

Highlights

- Increase in started units to consumer 263 (59). Sold units to consumer up 60 per cent compared to Q4 last year
- Net sales lower due to less units for consumers recognised
- Improved operating margin
- IAC: Write-down of SEK -35 M in quarter

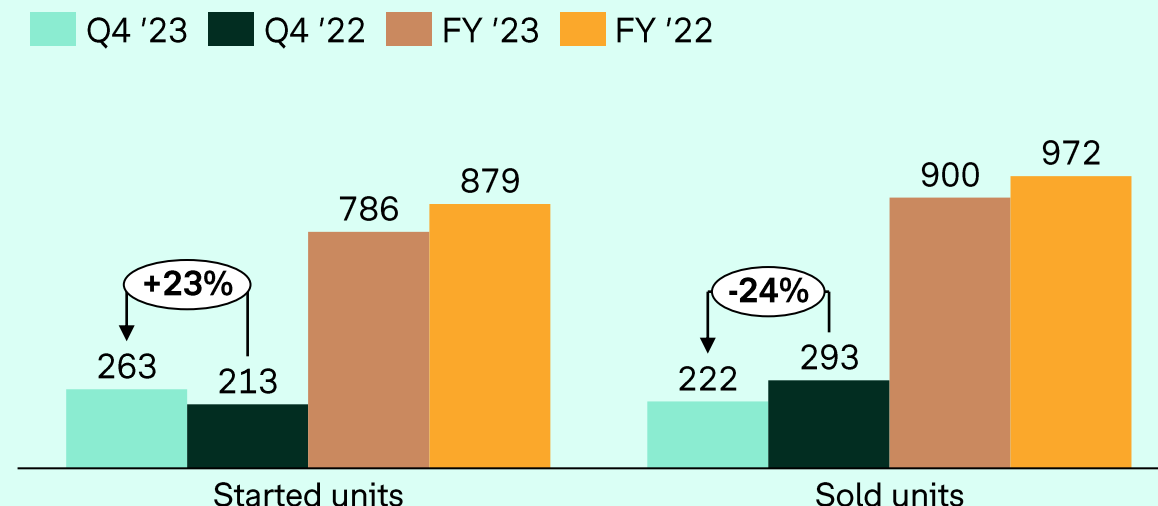


Project: Parkstadt Karlshorst, Berlin

SEK M	2023 Q4	2022 Q4	2023 FY	2022 FY
Net sales	3,154	3,306	7,283	7,785
Gross profit	468	466	917	1,213
Gross margin, %	14.8	14.1	12.6	15.6
Selling & admin expense	-82	-83	-289	-309
Operating profit (before IAC*)	386	383	628	904
Operating margin (before IAC), %	12.2	11.6	8.6	11.6
Recognised units	641	700	1,510	1,888

*IAC totalled SEK - 35 M in Q4 2023. SEK - 879 M for full-year 2023 and SEK - 32 M for full-year 2022.

Sold and started units



Sweden

SHARE OF NET SALES (FY'23)
20% → 2022: 20%

Highlights

- Low volume of started and sold units
- Net sales increased, due to more units for consumers recognised
- Increased gross margin by improved margins in projects. Last year heavily effected by write downs

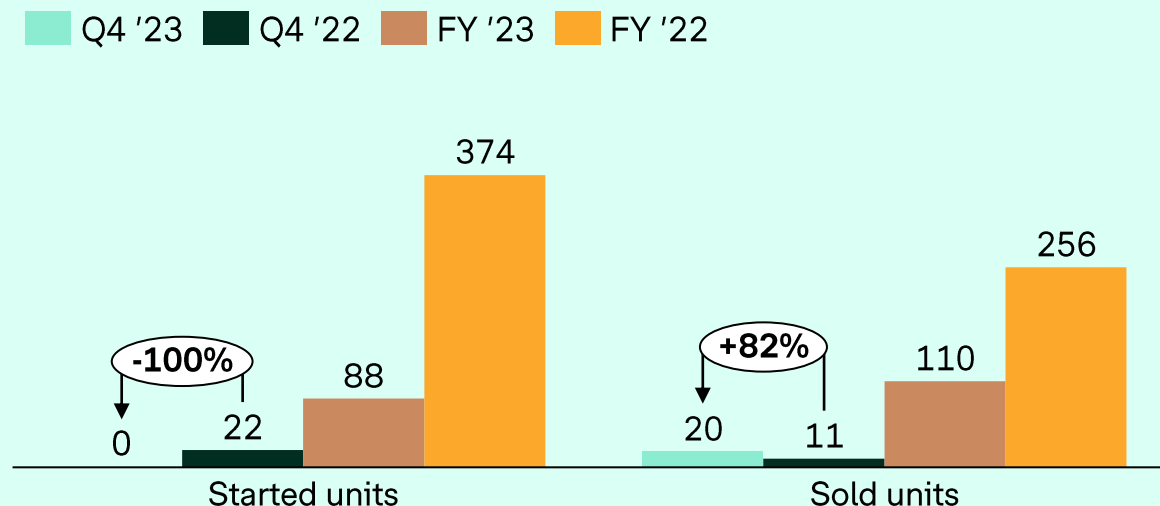


Project: Förseglet, Västerås

SEK M	2023 Q4	2022 Q4	2023 FY	2022 FY
Net sales	858	750	2,685	2,745
Gross profit	99	-37	225	85
Gross margin, %	11.5	-4.9	8.4	3.1
Selling & admin expense	-39	-43	-148	-139
Operating profit (before IAC*)	60	-80	77	-54
Operating margin (before IAC), %	7.0	-10.6	2.9	-2.0
Recognised units	302	278	887	881

*IAC totalled SEK 5 M in Q4 2023 and SEK -20 M in Q4 2022. SEK -303 M for full-year 2023. SEK -20 M for full-year 2022.

Sold and started units



Highlights

- Low volume of starts and sold units
- Last year we started and sold 220 B2B in the fourth quarter. Sold units to consumer have increased with 94 per cent
- Gross margin increased compared to previous year: improved by strengthened investment process and project management

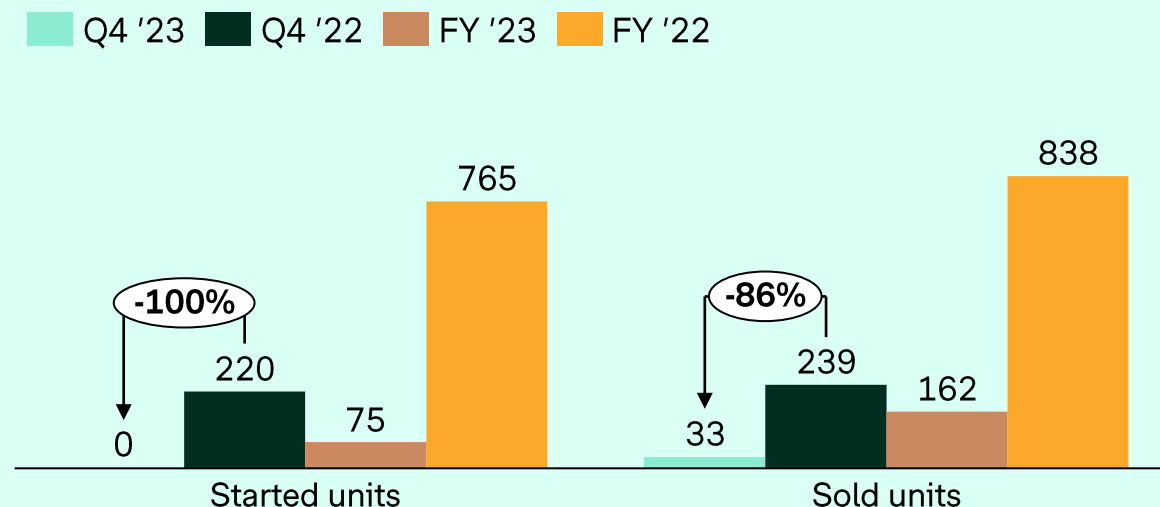


Project: Turun Solina 9, Turku

SEK M	2023 Q4	2022 Q4	2023 FY	2022 FY
Net sales	646	769	2,531	1,759
Gross profit	66	71	192	183
Gross margin, %	10.2	9.3	7.6	10.4
Selling & admin expense	-20	-22	-85	-95
Operating profit (before IAC*)	45	49	107	88
Operating margin (before IAC), %	7.0	6.4	4.2	5.0
Recognised units	287	306	1,051	718

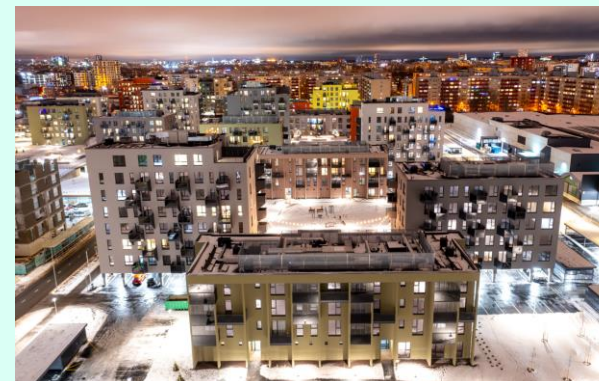
*IAC totalled SEK -90 for full-year 2023. No such items have been reported in 2022.

Sold and started units



Highlights

- Increase in started and sold units
- Gross margin lower than previous year due to one known low-margin project recognised and that Vilnius contributed with recognised units in the quarter last year
- The two B2M project was completed during the quarter

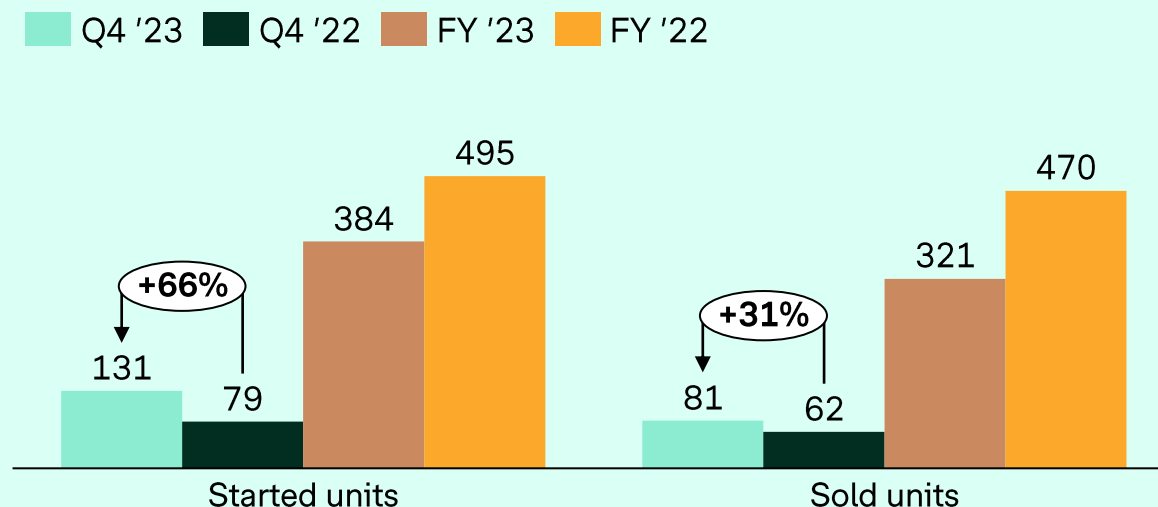


Project Aiandi, Tallinn

SEK M	2023 Q4	2022 Q4	2023 FY	2022 FY
Net sales	332	382	770	832
Gross profit	51	72	116	152
Gross margin, %	15.5	18.7	15.0	18.2
Selling & admin expense	-13	-11	-48	-44
Operating profit *	38	60	68	108
Operating margin, %	11.6	15.7	8.9	13.0
Recognised units	214	279	521	676

*No IAC have been reported in 2022 or 2023.

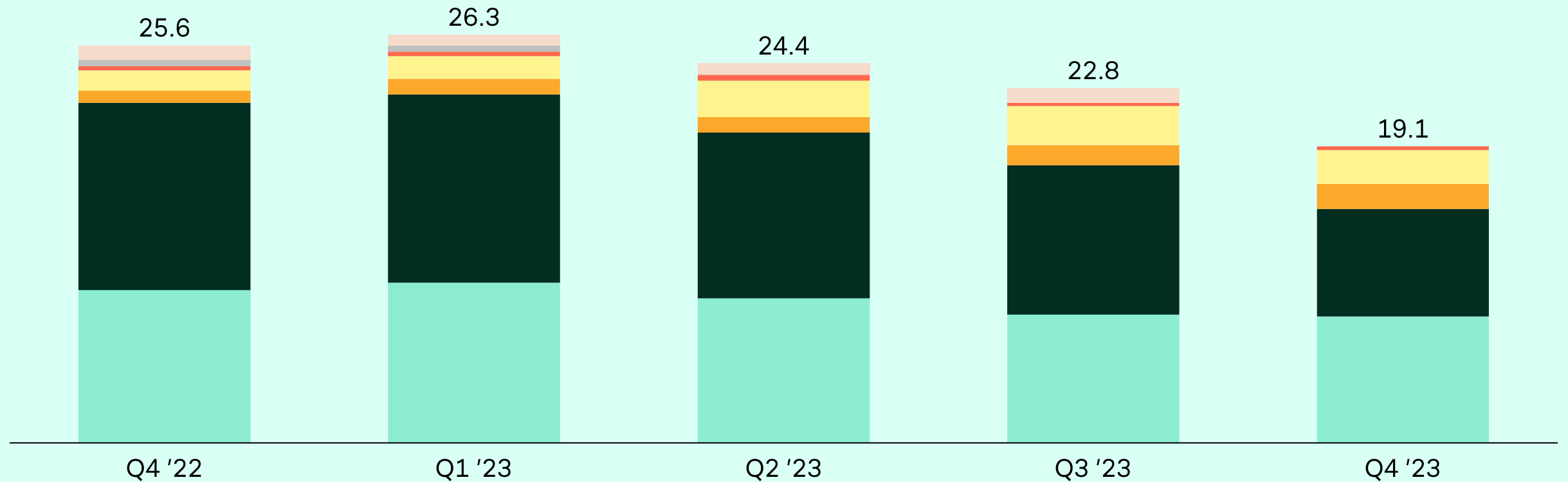
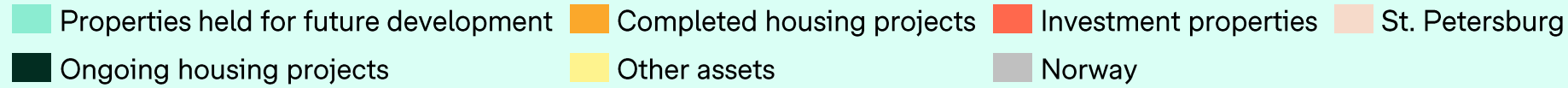
Sold and started units



Distribution of assets:

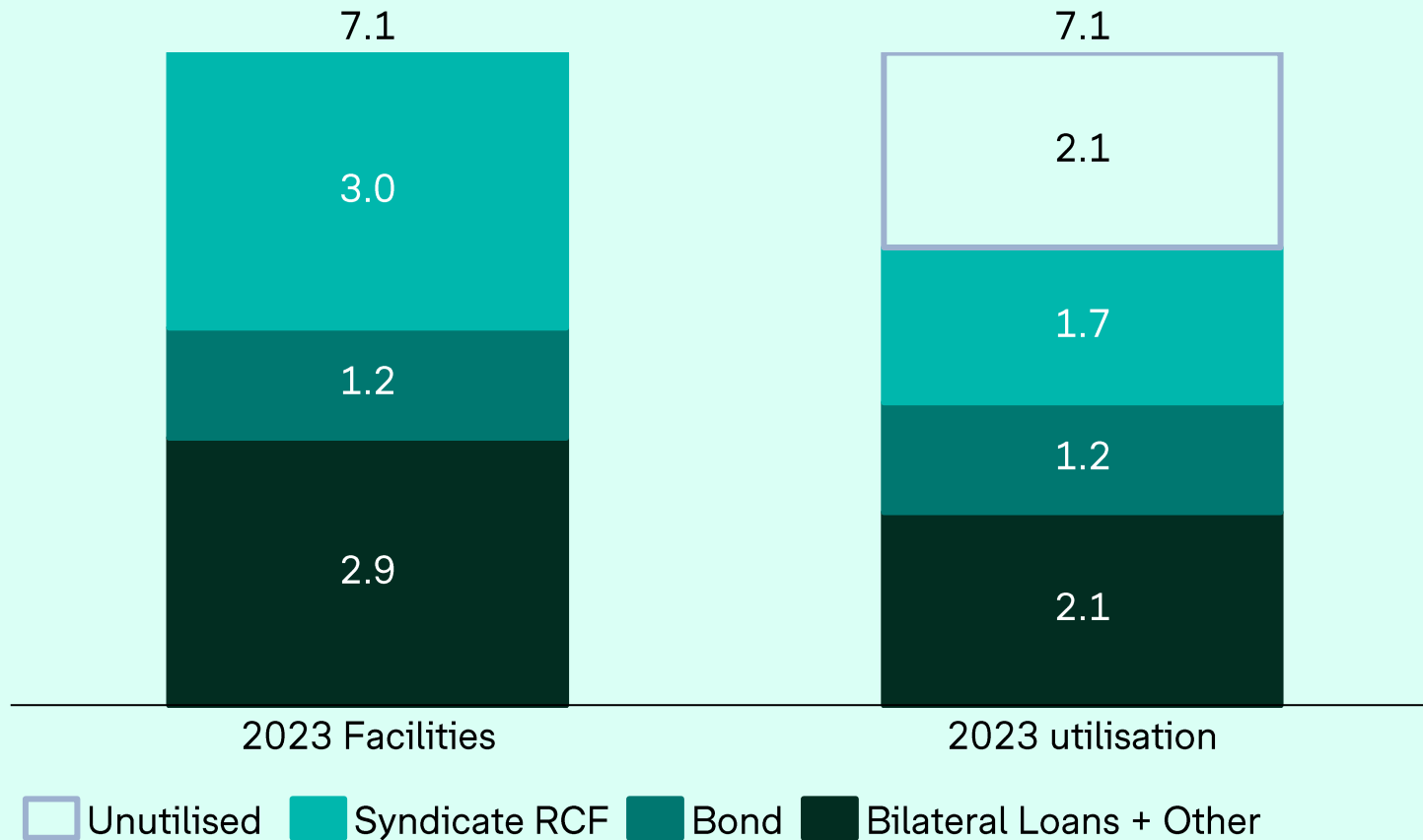
Lower volume of ongoing housing projects

Total assets (SEK Bn)



Long-term financing package presented

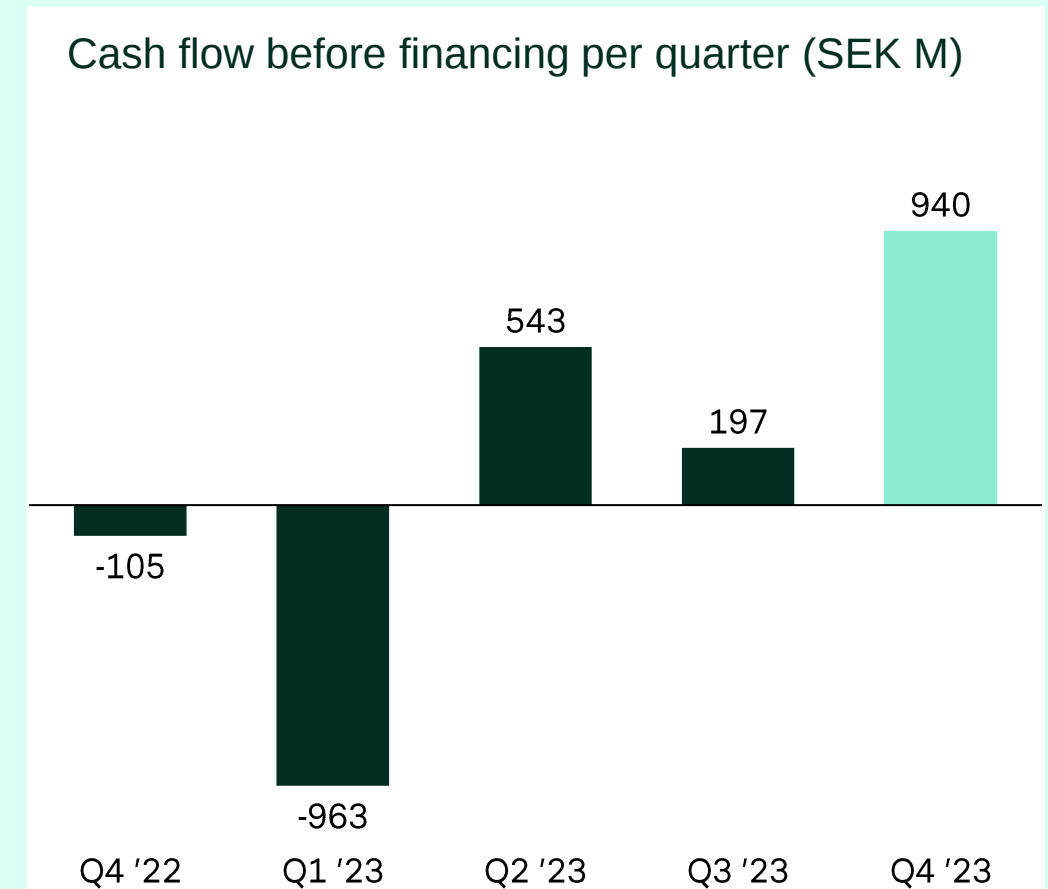
Financing facilities per Q4 2023 (SEK Bn)



- Unutilised facilities of SEK 2.2 Bn
- New financing package which is integrated by three parts; credit facilities, rights issues and extension of bond

Strong improvement in cash flow

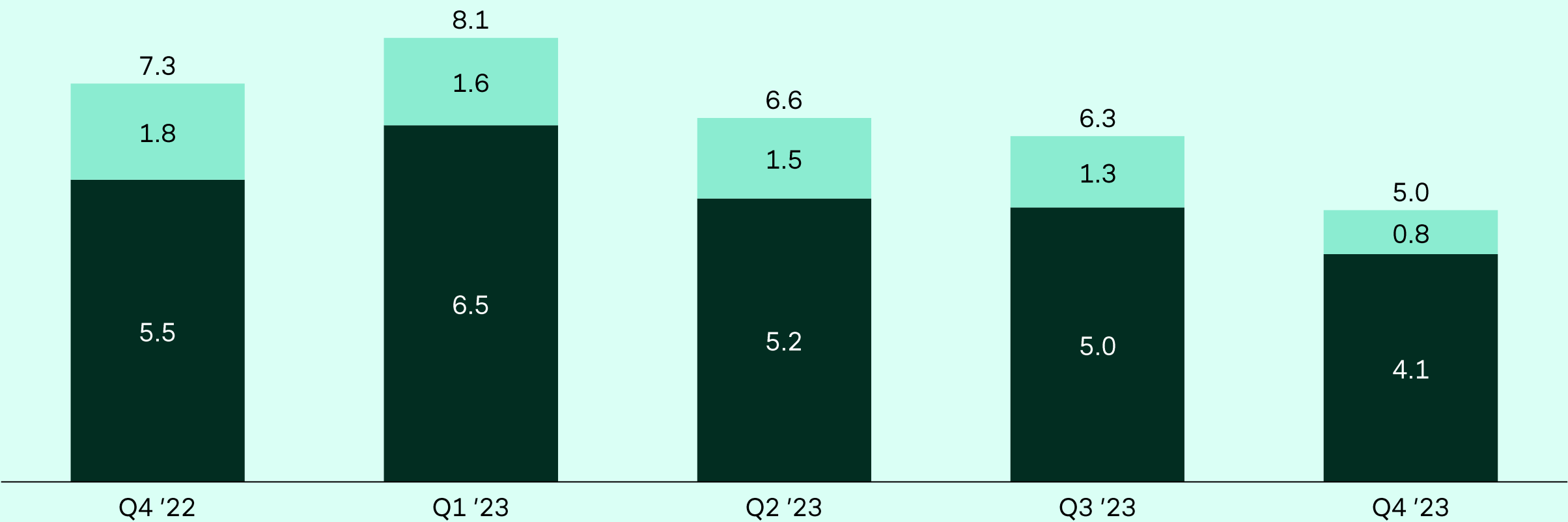
SEK M	2023 Q4	2022 Q4	2023 FY	2022 FY
Cash flow before changes in working capital	444	343	229	527
Divestments of housing projects	3,460	5,350	11,293	13,312
Investments in housing projects	-1,244	-3,995	-8,099	-16,073
Other changes in working capital	-2,184	-1,771	-3,760	-1,045
Cash flow from operating activities	476	-73	-337	-3,242
Sale of group companies	502		1,239	
Other investing activities	-37	-32	-185	-104
Cash flow before financing	940	-105	716	-3,345



Net debt decreases further, St. Petersburg payment received

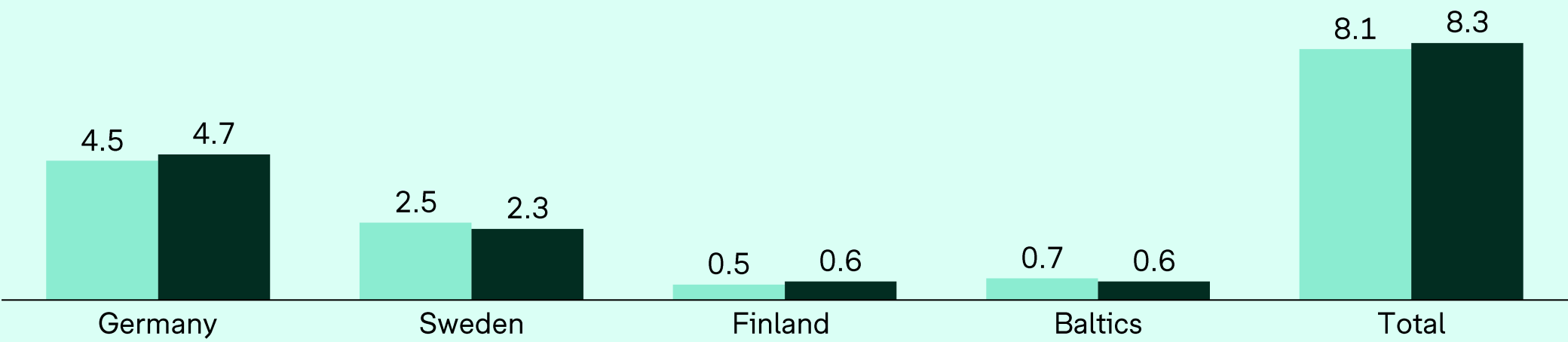
Net debt (SEK Bn)

- Net debt in tenant-owner associations/housing companies
- Other net debt

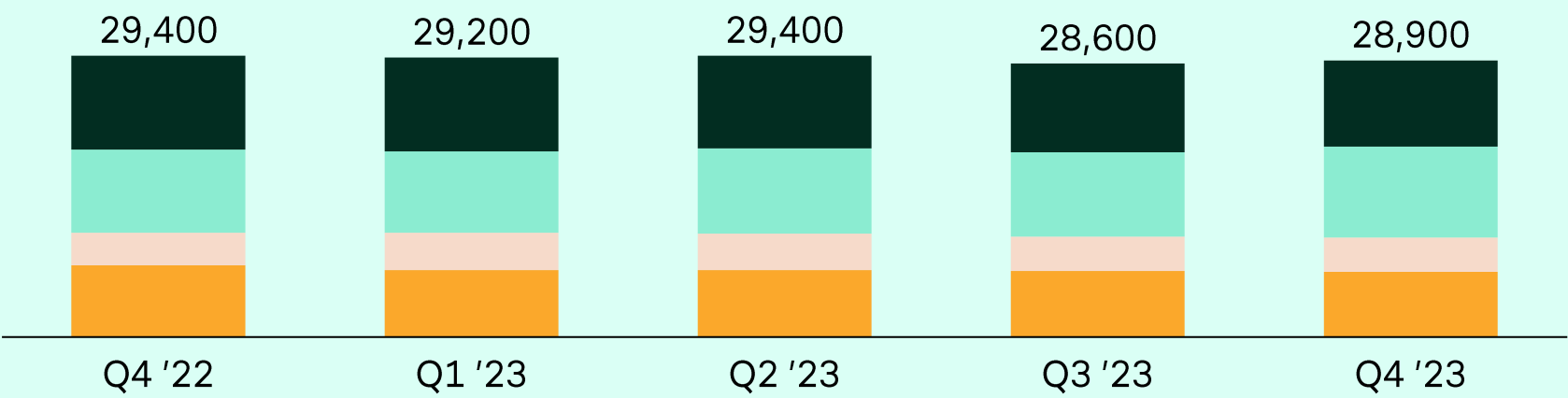


Building rights portfolio – exposure to attractive regions

Book value 2023, SEK Bn Q4 2023 Q3 2023



No of building rights, #



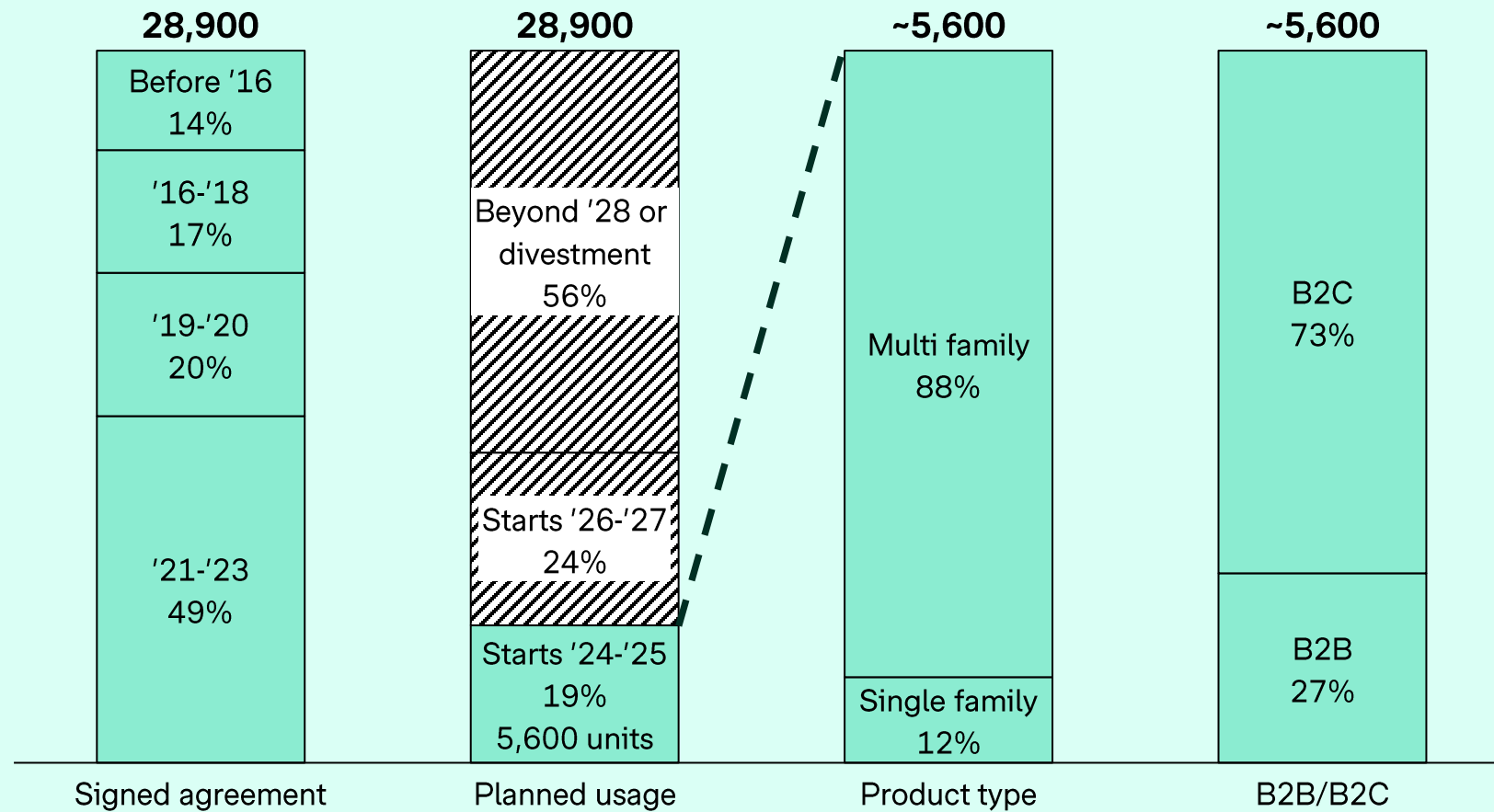
Germany Sweden Finland Baltics

Q3'23-Q4'23



Whereof 8,200 (11,350) off balance

Actively managing portfolio of building rights



- BR on balance: 20,700
- BR off balance: 8,200
 - Options or conditional agreements
- Tailoring portfolio to long-term business plan

Summary

New financing package will provide operational and financial flexibility

Summary

- Prepared to start profitable projects and full focus on cash flow
- Lower volumes to be recognised during 2024
- Increased activity in the market and some positive signs
- We are ending 2023 with a good quarter and a strong foundation to build on going forward



Q&A


BONAVA