



# GENOVA

*Q3 2020*

## **Company Presentation**

Genova Property Group AB (publ)

Stockholm

# Table of contents

1

Introduction

2

Operational and financial  
update

3

Appendix



---

# INTRODUCTION

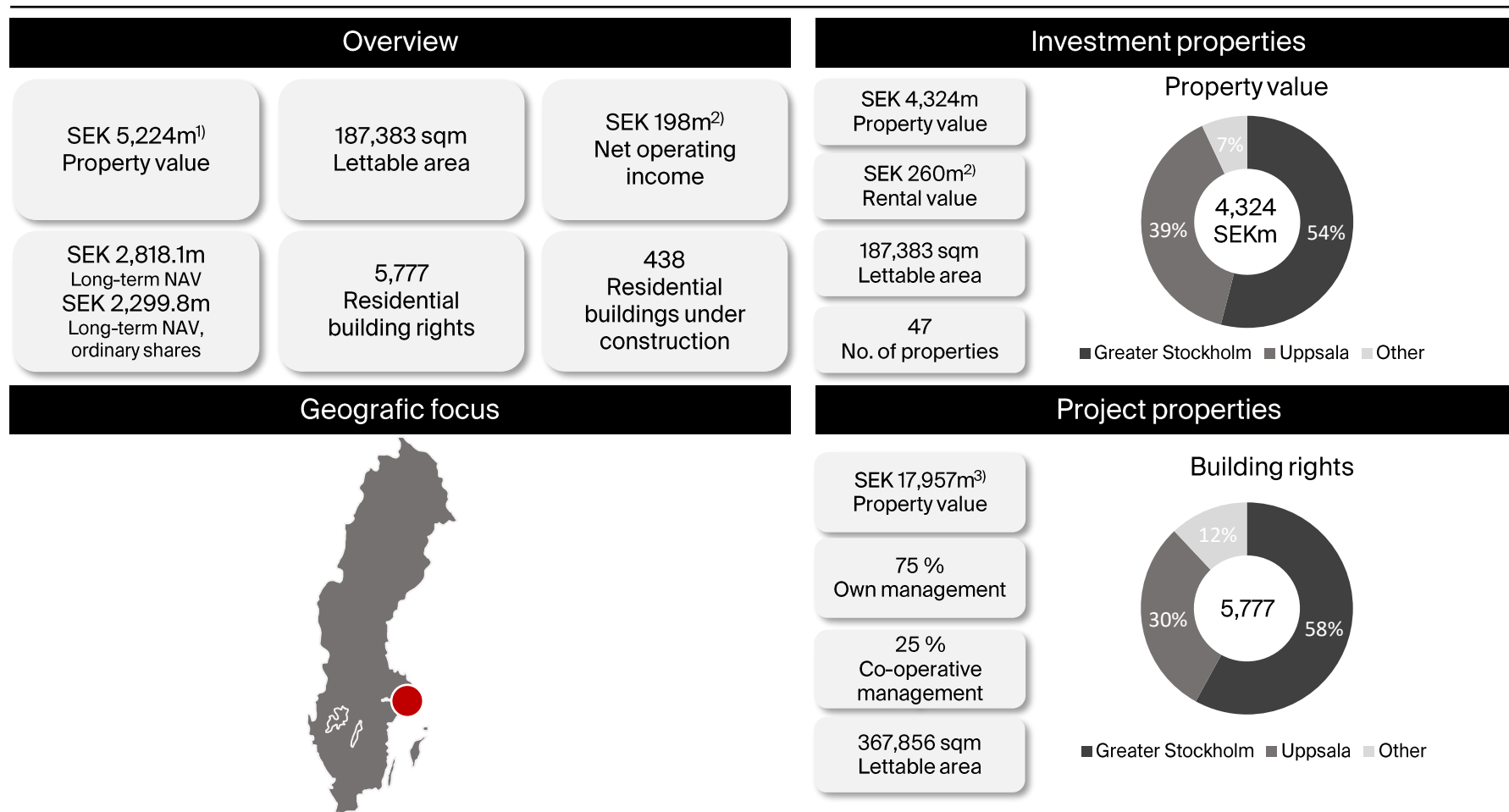
---

1



# Genova in short

## As of Q3 – 2020

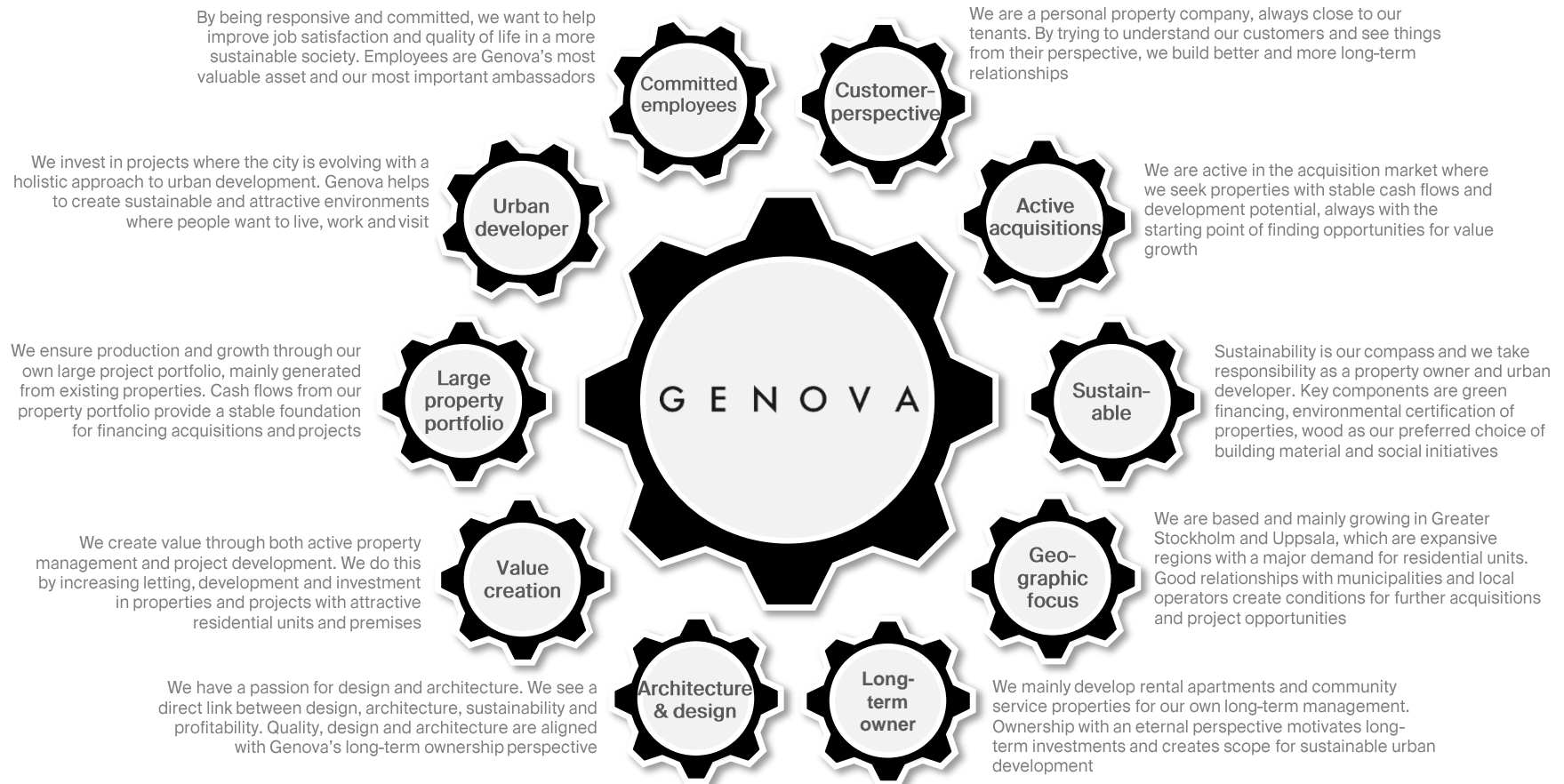


1) Refers to investment properties, ongoing construction, planned projects and ongoing co-operative apartment projects. 2) The Liljegatan 1 co-operative housing association has been included as a result of changed accounting standards. 3) According to earnings capacity as of 30 september 2020. 3) Refers to estimated value at completion.

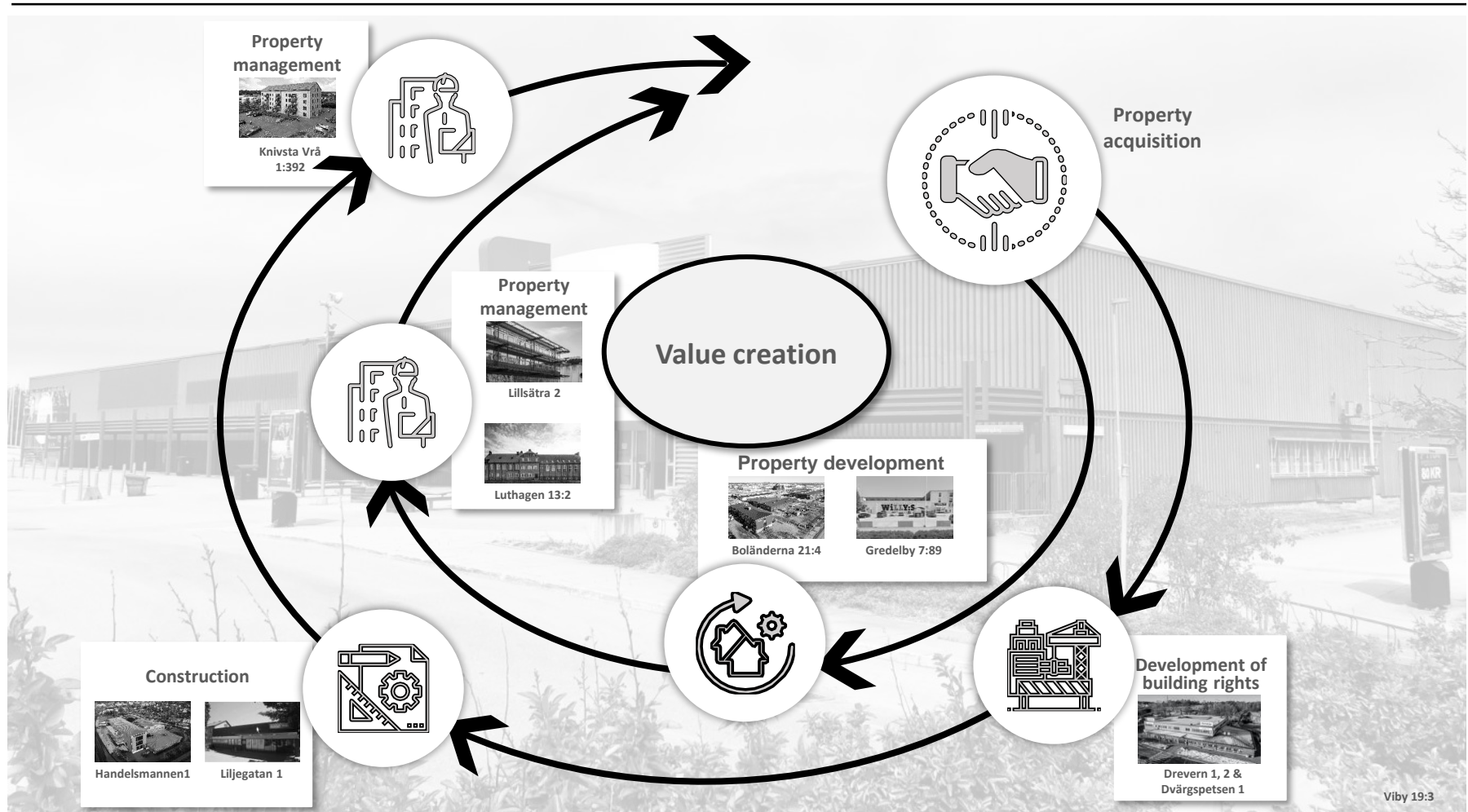


# Genova – the personal property company

## Genova's cornerstones



# Genova's business model



---

# OPERATIONAL AND FINANCIAL UPDATE

2



# Financial and operational targets

Genova's overall objective is to create value for the company's shareholders. Value creation is measured over a business cycle as growth in both long-term net asset value and income from property management per ordinary share

## Financial targets

### Long-term net asset value



Achieve an average annual growth of at least 20% in long-term net asset value per ordinary share (including any value distributions to ordinary shareholders) over a business cycle

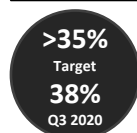
### Income from property management



Achieve an average annual growth of at least 20% in income from property management per ordinary share over a business cycle

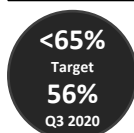
The goal is to create growth in net asset value and income from property management, while maintaining a continued stable and strong financial position with balanced financial risk-taking, meaning that:

### Equity/assets ratio



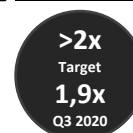
Over time, the equity/assets ratio shall be at least 35%

### Loan-to-value ratio



Over time, the loan-to-value ratio shall not exceed 65%

### Interest coverage ratio



Over time, the interest coverage ratio shall be higher than 2

## Operational targets

### Rental income



Rental income from residential and community service properties shall account for at least 60% of Genova's total rental income by the end of 2024

### Ongoing construction



Ongoing construction of own-produced residential units shall amount to at least 750 residential units per year as of 2021

## Dividend policy

Genova's overall objective is to create value for the company's shareholders. In the coming years, this is deemed best achieved by reinvesting cash flows in operations to create further growth through investments in new construction, existing properties and property acquisitions, which could lead to either small or no dividends at all on ordinary shares. In the long-term, the dividend on ordinary shares shall be at least 50% of income from property management attributable to ordinary shares. Dividends on preference shares shall be paid in accordance with the provisions of the Articles of Association





# Operational update

## As of Q3 – 2020

### Comments

- In July, the zoning plan for Genova's jointly owned project in central Knivsta came into force. The zoning plan for the Segerdal project grants permission to develop approximately 25,000 sqm of gross lighted floor area, where Genova is planning to construct approx. 300 rental apartments combined with some commercial operations
- In July Genova accessed the property Runö 7:146 in Åkersberga. The property is directly adjacent to a property that Genova owns, and was acquired to an underlying property value of SEK 20m
- In August Genova accessed the property Flogsta 47:1 in Ekeby, Uppsala. The property was acquired in May 2020 to an underlying property value of SEK 350m
- In August, Genova and SBB jointly acquired and gained accession to Nackahusen Holding AB, which owns six properties in Nacka Strand. Following the settlement of Nackahusen Holding's previously divested properties, Genova and SBB will jointly control properties and building rights of about 30,000 sqm of gross lighted floor area
- In September Genova successfully issued senior unsecured bonds in the total amount of SEK 400m. The first day of trading of the bonds on the corporate bond list of Nasdaq Stockholm was 9 October 2020
- In September, Genova agreed to acquire three properties in central Enköping. The underlying property value amounted to SEK 91m. Accession took place on 23 October 2020. The properties are directly adjacent to a property that Genova owns, where planning is in progress for the future development of residential units. The properties include residential building rights that have gained legal force of approx. 14,000 sqm of gross lighted floor area and an estimated potential to develop a further approx. 12,000 sqm of gross lighted floor area

### Accesses and acquisitions during Q3

#### Uppsala (Flogsta 47:1)



- Underlying property value of SEK 350m
- Annual rental value of SEK 26m

#### Nacka Strand (6 properties in Nacka Strand)



- Underlying property value corresponding to take-over in bond loans of SEK 360m
- 30,000 sqm in JV with SBB

#### Enköping (Kryddgården 6:5, Korsängen 20:2 & Korsängen 20:3)



- Underlying property value of SEK 91m
- Annual rental value of SEK 2.8m

#### Österåker (Runö 7:146)



- Underlying property value of SEK 20m
- Annual rental value of SEK 1.3m.



# Focus going forward

## Ongoing construction

As of 30 September 2020, Genova had 438 residential units, including 35 hotel rooms, under construction. During the next six months, Genova are planning to increase the production rate and at the end of the first quarter of 2021, Genova expect to have almost 800 residential units in production, which is just above the target set for next year

### Segerdal, Knivsta

In July, the zoning plan for the jointly owned project Segerdal in Knivsta Centrum gained legal force. The project regards 25,000 sqm where Genova plans to build approx. 300 rental apartments combined with a commercial vertical. The project is owned through a JV with Redito where both parties own 50% each. Construction start is planned by Q4 2020

## Accesses within 12 months

As of Q3, Genova has properties left to access within 12 months with an underlying property value of SEK 208m. In total there are four properties that will contribute with an annual rental value of approx. SEK 7m. Among these, there are two properties in Enköping with building rights of approx. 14,000 sqm with construction start planned in Q1 2021

## Acquisitions after the period

### Danmarks-Kumla 8:31, Uppsala

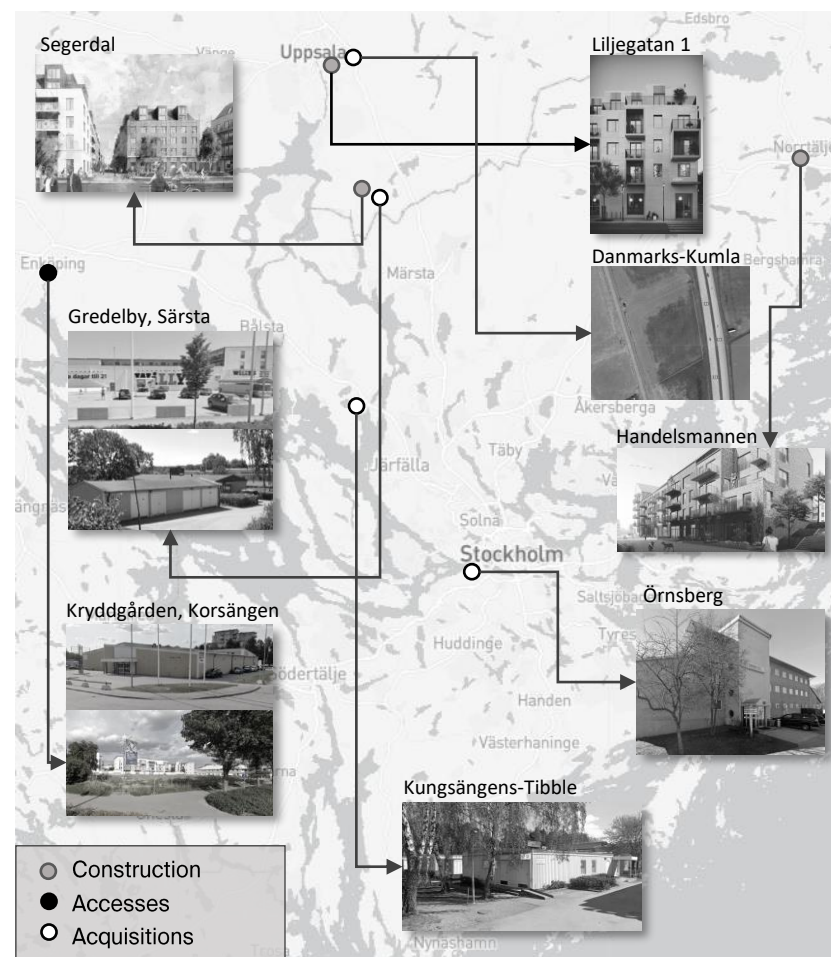
In October, Genova agreed to acquire a project property for warehouse and logistics purposes in Uppsala. The property is strategically located and when completed will contain approx. 21,500 sqm of lettable area and entail a total investment of SEK 275m

### Gredelby 7:89 & Särsta 3:398, Knivsta

In October, Genova agreed to acquire two properties with a school, retirement home, supermarket and rental apartments in Knivsta at an underlying property value of SEK 246m

### Kungsängens-Tibble 25:1, Upplands-Bro & Örnberg 2, Stockholm

In November, Genova completed a swap transaction with KT Holding, where Genova will sell two properties in Sollentuna to an underlying property value of SEK 111m, and at the same time acquires one property in Upplands-bro with a pre-school and one property in Stockholm with a school, to an underlying property value of SEK 129m



# Financial development

## As of Q3 – 2020

Income statement					Balance sheet			
	2020	2019	2020	2019		2020	2019	2019
SEKm	Jul-sep	Jul-sep	Jan-sep	Jan-sep	SEKm	30 sep	30 sep	31 dec
Rental income	57.7	46.6	168.3	128	Investment properties	4,324.3	3,476.9	3,661.3
Maintenance costs and operating expenses	-12.4	-10.6	-38.1	-33.6	Properties under construction	550.8	587.1	702.0
<b>Net operating income</b>	<b>45.3</b>	<b>36</b>	<b>130.2</b>	<b>94.4</b>	Other fixed assets	633.3	282.2	304.9
Central administration. property management	-14.7	-2.8	-21.5	-8.8	Development properties	95.3	73.6	56.5
Central administration. property development	-22.2	-5.4	-32.3	-17.1	Cash and cash equivalents	715.2	200.9	109.1
Income from associations in joint ventures	48.2	0.4	52.9	12.4	Other current assets	401.3	483.5	315.1
Net financial items	-26.2	-17.5	-77.6	-47.3	<b>Total assets</b>	<b>6,720.2</b>	<b>5,104.2</b>	<b>5,148.9</b>
<b>Income from property management</b>	<b>30.4</b>	<b>10.7</b>	<b>51.7</b>	<b>33.6</b>	Total equity	2,549.9	1,579	1,726.2
Income from production of co-ops	-	-	-	-	Loans from credit institutions	2,670.4	2,383.1	2,243.9
Other operating income	1.1	1.2	2	2.3	Bond loans	946.5	654.7	659.4
Changes in value, properties	62.8	380.6	296.7	509.4	Deferred tax liability	307.8	252.1	280.7
<b>Income before tax</b>	<b>94.3</b>	<b>392.5</b>	<b>350.4</b>	<b>545.3</b>	Other liabilities	245.6	235.3	238.7
Income tax	-15.5	-92.3	-40.6	-124.8	<b>Total equity and liabilities</b>	<b>6,720.2</b>	<b>5,104.2</b>	<b>5,148.9</b>
<b>Income for the period</b>	<b>78.8</b>	<b>300.2</b>	<b>309.8</b>	<b>420.5</b>				

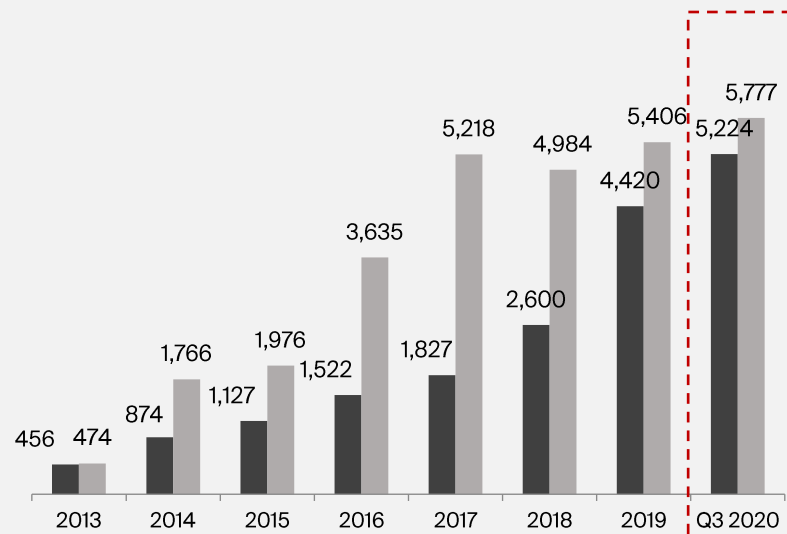
Key metrics				
	2020	2019	2020	2019
	Jul-sep	Jul-sep	Jan-sep	Jan-sep
Rental income, SEKm	57.7	46.6	168.3	128
NOI, SEKm	45.3	36	130.2	94.4
Income from property management, SEKm	30.4	10.7	51.7	33.6
Income from property management per ordinaryshare, SEK	0.50	0.01	0.60	0.15
Residential units under construction, no.	438	240	438	240
Residential units completed, no.	35	-	89	-
Net investments, SEKm	432.2	659.9	706.6	1,013.6
Loan-to-value ratio, %	55.9	62.4	55.9	62.4
Equity/assets ratio, %	37.9	30.9	37.9	30.9
Interest coverage ratio, times	2	2.1	1.9	1.9
Long-term NAV, SEKm	2,818.1	1,864.3	2,818.1	1,864.3
Long-term NAV referable to shareholders, SEKm	2,299.8	1,351.6	2,299.8	1,351.6
Long-term NAV per ordinaryshare, SEK	58.11	43.99	58.11	43.99



# Financial development

## As of Q3 – 2020

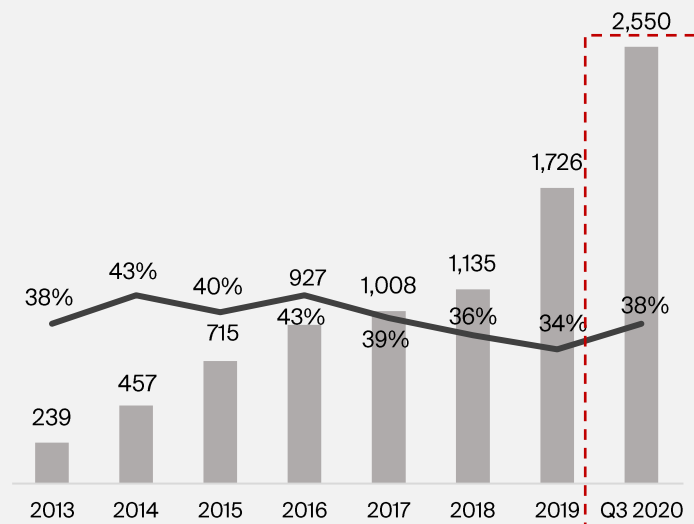
### Property value and no. of building rights



Property value, SEKm

No. of building rights <sup>1)</sup>

### Equity and Equity/assets ratio



Equity, SEKm

Equity/assets ratio, %

<sup>1)</sup> As of 30 September 2020, CBRE's market evaluation of the expected unused building rights in Sweden included in Planned projects was just over SEK 2.1bn. As of 30 September 2020, the existing building rights on these properties, which in some cases will need to be demolished when using the planned unused building rights, and Planned projects had a book value of approx. SEK 1.15bn. On the basis of this valuation, a review was carried out on 30 September 2020 and the assessment is that the excess value in the Group's building rights portfolio amounted to approx. SEK 1.0bn as of 30 Sep 2020.



# Financial development

## As of Q3 – 2020

### Financing in brief

**Gross interest-bearing debt**  
SEK 3,636m <sup>1)</sup>

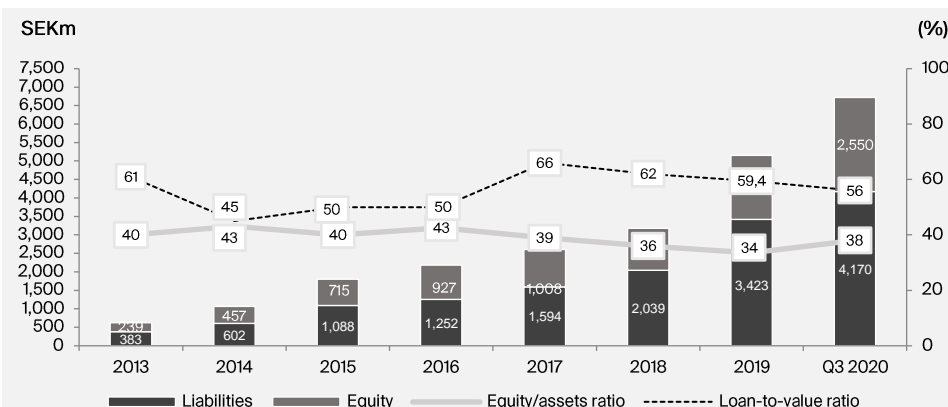
**Average interest rate <sup>2)</sup> (3m STIBOR floating)**  
2.2 %

**Average duration (loan)**  
3.3 years

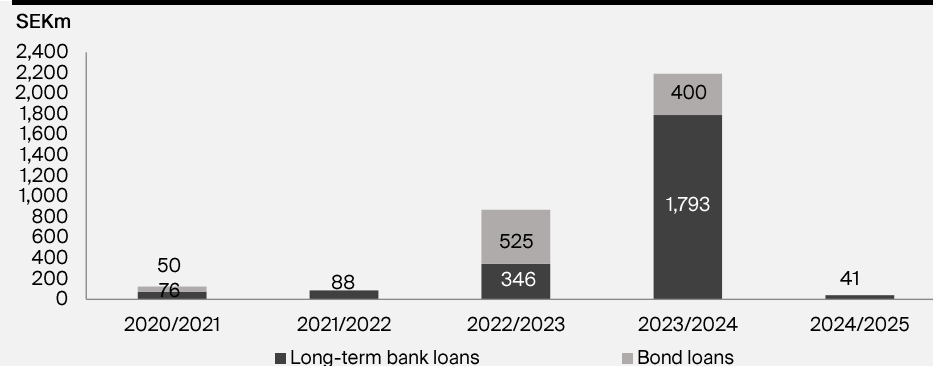
**Available liquidity**  
SEK 1,150m

**Financing from Nordea, Swedbank, SBAB,  
Danske Bank and Handelsbanken**

### Capital structure



### Debt maturity schedule



<sup>1)</sup> Includes bond loan of SEK 975m (3m STIBOR + 4.50/5.25/5.75%). <sup>2)</sup> Interest-bearing debt to credit institutions.



---

---

# APPENDIX



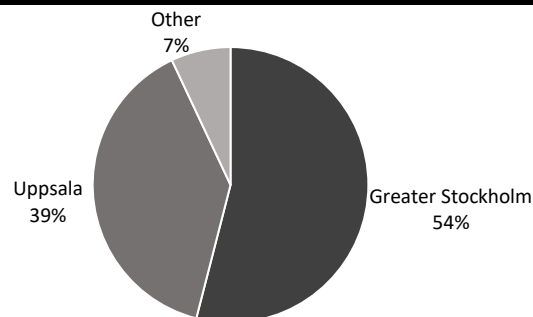
# The portfolio

## As of Q3 - 2020

### Estimated earnings capacity of investment properties as of 30 sep 2020 (SEKm)

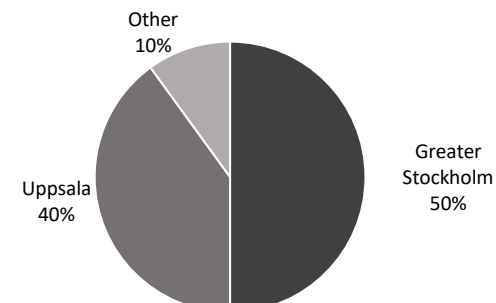
Rental value <sup>1)</sup>	260
Vacancy rate	-5
<b>Rental income</b>	<b>255</b>
Operating and maintenance costs	-52
Property tax	-5
<b>Total property costs</b>	<b>-57</b>
<b>Net operating income</b>	<b>198</b>

### Property value



Property value: SEK 4,324m

### Rental value



Rental value: SEK 260m

- At the end of the period, Genova had approximately 260 tenants with an average remaining rental duration of close to seven years
- The three largest tenants were Coop Sverige, Stiftelsen Uppsala Musikklasser and HOOM Home & Hotel AB, which together accounted for approximately 15% of rental income
- Of the total rental value, the proportion derived from publicly funded tenants amounted to nearly 48%

Investment property portfolio	Properties No. of	Lettable area Sqm	Property value		Rental value		Occupancy rate %	Contracted annual rent <sup>1)</sup> SEKm	Property costs		Net operating income	
			SEKm	SEK/sqm	SEKm	SEK/sqm			SEKm	SEK/sqm	SEKm	SEK/sqm
<b>Per property category</b>												
Commercial properties	33	113,943	2,308	20,252	136	1,193	97.1	132	-36	-320	95	836
Community service properties <sup>2)</sup>	14	73,440	2,017	27,460	124	1,687	99.1	123	-20	-277	103	1,397
<b>Total</b>	<b>47</b>	<b>187,383</b>	<b>4,324</b>	<b>23,077</b>	<b>260</b>	<b>1,387</b>	<b>98.0</b>	<b>255</b>	<b>-57</b>	<b>-303</b>	<b>198</b>	<b>1,056</b>
<b>Per geography</b>												
Greater Stockholm	25	96,895	2,325	23,993	131	1,347	97.9	128	-29	-303	98	1,016
Uppsala	15	67,862	1,690	24,901	103	1,522	98.2	101	-23	-340	78	1,155
Other	7	22,626	310	13,688	26	1,148	98.0	25	-4	-194	21	931
<b>Total</b>	<b>47</b>	<b>187,383</b>	<b>4,324</b>	<b>23,077</b>	<b>260</b>	<b>1,387</b>	<b>98.0</b>	<b>255</b>	<b>-57</b>	<b>-303</b>	<b>198</b>	<b>1,056</b>
Ongoing construction			329									
Planned projects												
Ongoing co-operative apartment projects <sup>3)</sup>												
<b>Total as per the balance sheet</b>			<b>5,224</b>									
Acquired, not yet accessed properties and near-term completed constructions <sup>4)</sup>												
	4	6,018	208		7	1,085	100.0	7	-1	-132	6	952
<b>Total</b>	<b>51</b>	<b>193,401</b>	<b>5,432</b>		<b>266</b>	<b>1,377</b>	<b>98.1</b>	<b>261</b>	<b>-58</b>	<b>-298</b>	<b>204</b>	<b>1,053</b>
Properties owned through joint ventures												

1) Not including rental discounts of SEK 9.5 m. 2) Of which one property pertains 35 rental apartments with a property value of SEK 76m, rental value of SEK 3.3m and net operating income of SEK 2.8m. 3) The Liljegatan 1 co-operative housing association has been included as of Q1 2020. The project will be completed in Q4 2020, and subsequently leave the Group. 4) Ongoing construction that will generate rental income within 12 months.



# Project development

## As of Q3 - 2020

Ongoing construction														
Project	Municipality	Category	Construction start	Scheduled completion	No. of units	Lettable area, sqm		Property value		Rental value		Investment, SEKm		Book value
						Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm
Liljegatan 1	Uppsala	Co-operative apartments	Q3 2018	Q4 2020	48	4,352	483	336	69,590	-	-	276	253	-
Hotell Nobis	Palma	Commercial properties	Q3 2019	Q2 2021	35	2,300	-	253	110,000	7	3,250	116	81	136
Handelsmannen 1	Norrtälje	Community service properties	Q4 2019	Q4 2021	80	6,021	1,296	337	46,057	16	2,132	251	48	70
Handelsmannen 1	Norrtälje	Rental apartments	Q4 2019	Q4 2021/Q2 2022	275	13,257	-	588	44,354	29	2,150	486	96	123
Total ongoing construction					438	25,930	1,779	1,514	54,656	52	2,255	1,129	478	329

Planned projects											
Per category	No. of units	Lettable area, sqm		Property value		Rental value		Investment, SEKm		Book value	
		Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm	SEKm
Rental apartments	3,611	200,145	-	8,554	42,737	408	2,038	7,038	30	73	73
Community service properties	290	22,270	13,997	1,543	42,558	77	2,111	1,185	6	6	6
Commercial properties	140	3,300	20,580	936	39,202	51	2,137	748	158	164	164
Co-operative apartments	1,399	79,855	-	5,409	67,741	-	-	4,058	36	74	74
Total per category	5,339	305,570	34,577	16,443	48,340	535	2,057	13,029	230	318	318

Per geography	No. of units	Lettable area, sqm		Property value		Rental value		Investment, SEKm		Book value	
		Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm	SEKm
Greater Stockholm	2,993	176,825	18,850	10,428	53,295	265	2,114	8,222	49	117	117
Uppsala	1,696	88,535	15,262	4,238	40,834	188	1,988	3,490	40	50	50
Other	650	40,210	465	1,776	43,658	83	2,044	1,317	141	151	151
Total per geography	5,339	305,570	34,577	16,443	48,340	535	2,057	13,029	230	318	318

Information about ongoing construction and planned projects in the interim report is based on assessments of size, focus and scope, and when projects are scheduled for start-up and completion. The information is also based on assessments of future project costs and rental value. These assessments and assumptions should not be considered a forecast. Assessments and assumptions entail uncertainties in regard to the implementation, design, size, timetables, project costs and future rental value of projects. The information about ongoing construction and planned projects is regularly reviewed and assessments and assumptions are adjusted as ongoing construction is completed or added, and circumstances change. For projects not yet started, financing has not been arranged, which means that financing for planned projects represents an uncertainty.





# Project development

## As of Q3 - 2020

	Project	Category	Municipality	Scheduled construction start	Scheduled completion	No. of units	Lettable area, sqm	Planning notification	Consulting in planning	Exhibition	Established zoning plan
Ongoing construction	Liljegatan 1	CoA	Uppsala	Q3 2018	Q4 2020	48	4,835	•	•	•	•
	Hotel Nobis	H	Palma	Q3 2019	Q2 2021	35	2,300	•	•	•	•
	Handelsmannen 1	CSP, R	Norrköping	Q4 2019	Q4 2021/Q2 2022	355	20,574	•	•	•	•
Planned projects	Korsängen	R, CSP	Enköping	2021	2023	250	10,987	•	•	•	•
	Hotel Can Oliver	H	Palma	2020	2021	40	3,300	•	•	•	•
	Boländerna 21:4	C	Uppsala	2020	2021		6,400	•	•	•	•
	Luthagen	CoA, C	Uppsala	2020	2022	45	2,180	•	•	•	•
	Segerdal <sup>1</sup>	R, C	Knivsta	2020	2022	150	8,450	•	•	•	•
	Klostergården	R	Lund	2021	2023	165	9,240	•	•		
	Ekeby	CoA, R, C	Uppsala	2021	2023	91	5,520	•	•		
	Sydöstra Vikdalen	R	Nacka	2021	2023	250	14,600	•	•		
	Storvreta	R, C	Uppsala	2021	2023	80	4,700	•			
	Gulmäran 7 <sup>1</sup>	CSP, R	Borås	2021	2024	315	20,050	•			
	Viby <sup>2</sup>	R, CoA, CSP, C	Upplands-Bro	2021	2028	910	64,440	•	•		
	Dreven 1,2	R, CSP, C	Stockholm	2022	2024	200	15,000	•	•		
	Dvärgspetsen 1	R	Stockholm	2022	2024	150	9,240	•	•		
	Odal mannen	R	Huddinge	2022	2024	56	2,960	•			
	Jaktvarvet	CoA	Nacka	2022	2024	90	5,400	•	•		
	Kryddgården 6:3	R, CoA, CSP, C	Enköping	2022	2024	480	31,060	•	•		
	Kryddgården 6:5	R	Enköping	2022	2024	175	9,100	•	•		
	Västra Knivsta	R	Knivsta	2022	2024	250	15,400	•			
	Nacka Strand <sup>1</sup>	CoA, R	Nacka	2022	2027	182	11,400	•	•		
	Brynjan 5	R	Huddinge	2023	2024	175	9,470	•	•		
	Gäddviken	CoA	Nacka	2023	2025	100	6,840	•	•		
	Örnsberg	CoA	Stockholm	2023	2025	120	6,300	•	•		
	Runö 7:146	CSP	Österåker	2023	2025		5,850	•			
	Runö 7:84	CoA, R	Österåker	2023	2025	200	11,550	•			
	Skvaltän <sup>1</sup>	CoA	Nacka	2024	2026	175	9,625	•			
	Gåshaga <sup>1</sup>	CoA, R	Lidingö	2025	2027	385	23,000	•			
	Rivan	R	Lund	2025	2027	50	3,465	•			
	Västerbo	R	Lund	2025	2027	80	4,620	•			
	Kungsängen	R	Uppsala	2025	2027	175	10,000	•			
Total						5,777	367,856				

### Definitions

- CoA = Co-operative apartments
- R = Rental apartments
- H = Hotel
- CSP = Community service properties
- C = Commercial

1) Owned at 50% and refers to Genova's shares in the project. 2) Owned at 70 % and refers to Genova's shares in the project.

