



G E N O V A

*Q1 2022*

## **Company Presentation**

Genova Property Group AB (publ)

Stockholm

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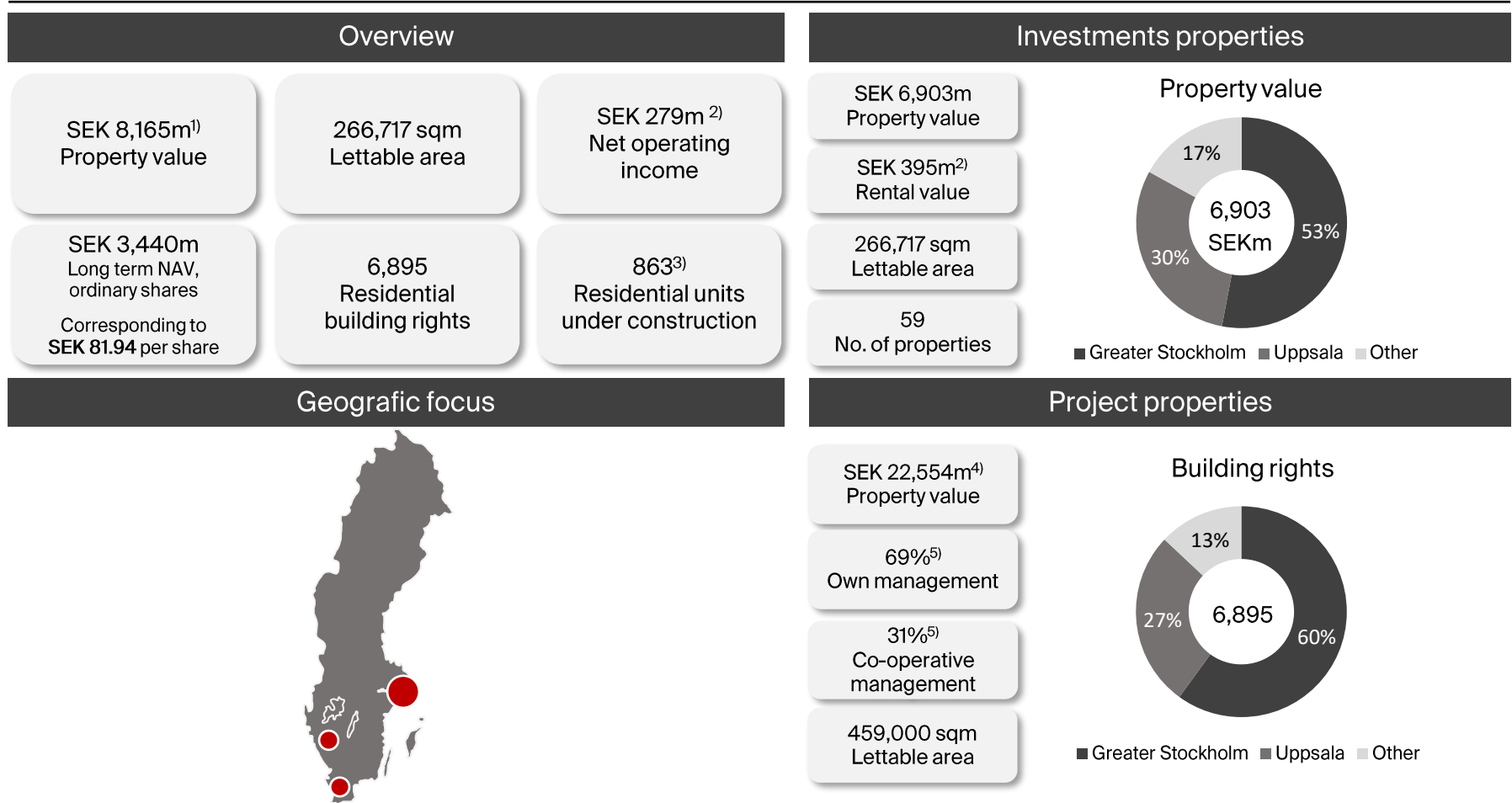
# INTRODUCTION

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# Genova in short

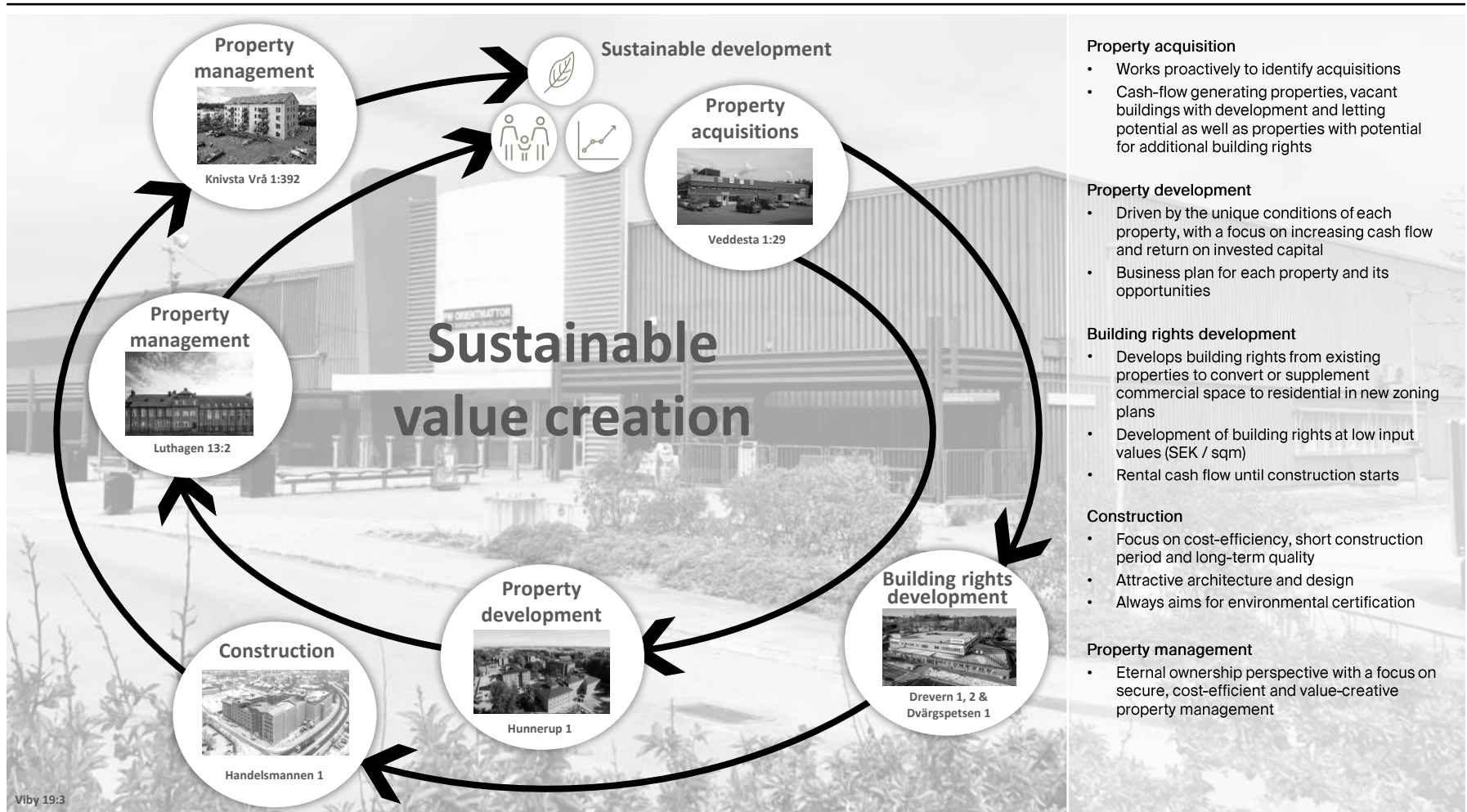
## Q1 – 2022



1) Refers to investment properties and ongoing construction. 2) According to earnings capacity as of 31 March 2022. 3) Including 40 hotel rooms. 4) Refers to estimated value at completion. 5) Based on estimated value at completion.



# Genova's business model



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OPERATIONAL AND  
FINANCIAL UPDATE

2

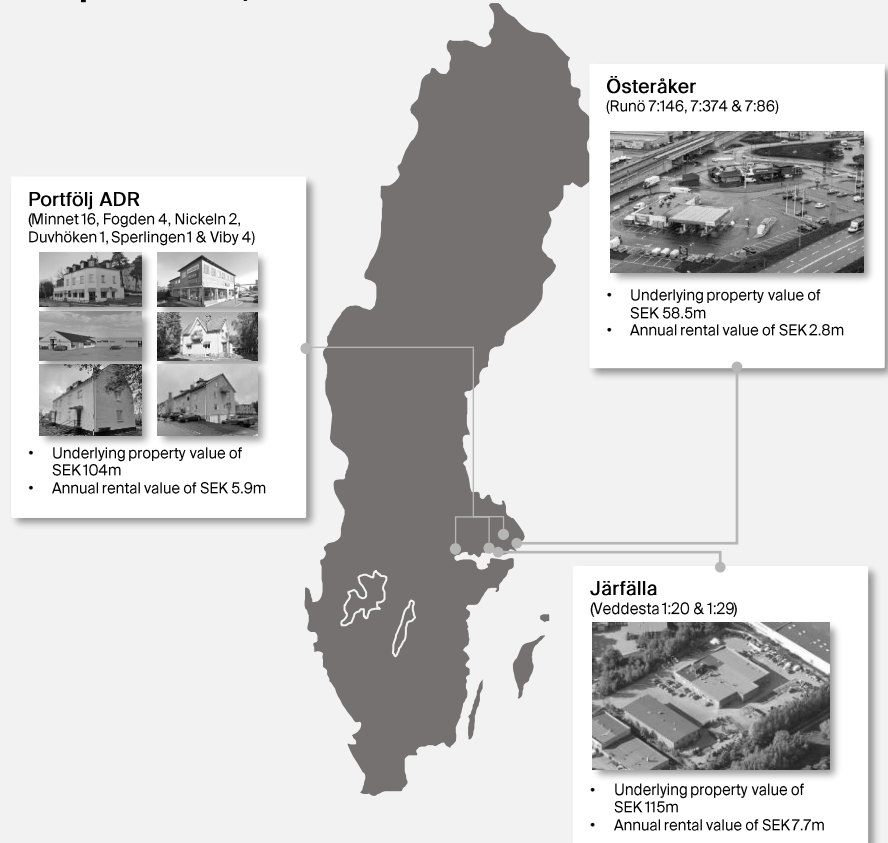


# Operational update 2022

## Kommentarer

- In January, Genova let and extended rental agreements for 9,600 sqm with an average duration of more than seven years in Lund, Uppsala, Nacka and Gävle. The total rental value for the entire duration of all rental agreements was approximately SEK 110m, and Genova's investment commitment totalled approximately SEK 8.9m
- In February, Genova completed a combined transaction with ADR Fastigheter where Genova divested the Veddesta 5:12 property in Järfälla containing a long stay hotel at an underlying property value of SEK 214.5m and acquired a portfolio of properties in Greater Stockholm, Nyköping and Hallstahammar at an underlying property value of SEK 104m. Closing took place on 18 February 2022
- In February, the Board of Genova established a new growth target and sustainability targets for the business. The company's other operational targets, financial targets, risk limits dividend policy are unchanged
- In April, Genova and Green Group extended their collaboration with the acquisition of the Veddesta 1:20 and Veddesta 1:29 properties, which are directly adjacent to each other in the Södra Veddesta development area in Järfälla. The properties were acquired for an underlying property value of approximately SEK 115m. The lettable area is approximately 4,000 sqm with a lot size of about 13,000 sqm. The annual rental value is approximately SEK 8m
- In April, Genova issued subsequent green hybrid bonds in the amount of SEK 100m under its green finance framework of SEK 1,250m. The green hybrid bonds carry a perpetual tenor and were issued at a price of 100.25% of nominal amount representing 3 months STIBOR plus 668 basis points
- In April, Genova entered into new financing arrangements with Swedbank AB (publ) for a total amount of SEK 3,200m, including a revolving credit facility of SEK 350m. The new facilities will be used for Genova's existing investment property portfolio and comprise a total of 43 properties. The refinancing also strengthens Genova's liquidity by almost SEK 170m. The new financing agreements will mature in May 2027, with an average maturity of approximately four years

## Acquisitions, land allocations and accesses





# Focus 2022

## Ongoing construction

As of 31 March 2022, Genova had 863 residential units under construction, of which 40 hotel rooms, with a book value of SEK 1,057m

### Segerdal, Knivsta

In the end of 2020, Genova commenced the Segerdal project located in central Knivsta, directly adjacent to the train station. The project comprises approximately 300 rental apartments. The buildings will be environmentally certified and the first occupancy is scheduled for Q4 2023

### Handelsmannen 1, Norrtälje

In Norrtälje, Genova has increased the utilisation of the existing building right and the ongoing project comprises two blocks containing one retirement home with 80 residential units, one preschool with 125 places and 408 rental apartments. The first occupancies are scheduled for Q3 2022

### Korsängen, Enköping

In Q1 2021, construction of the Korsängen project in Enköping started. The project comprises 185 rental apartments with a lettable area of just over 8,000 sqm. Korsängen is located directly adjacent to Genova's Kryddgården 6:3 & 6:5 investment properties, with estimated completion in Q4 2023

### Söderhällby, Uppsala

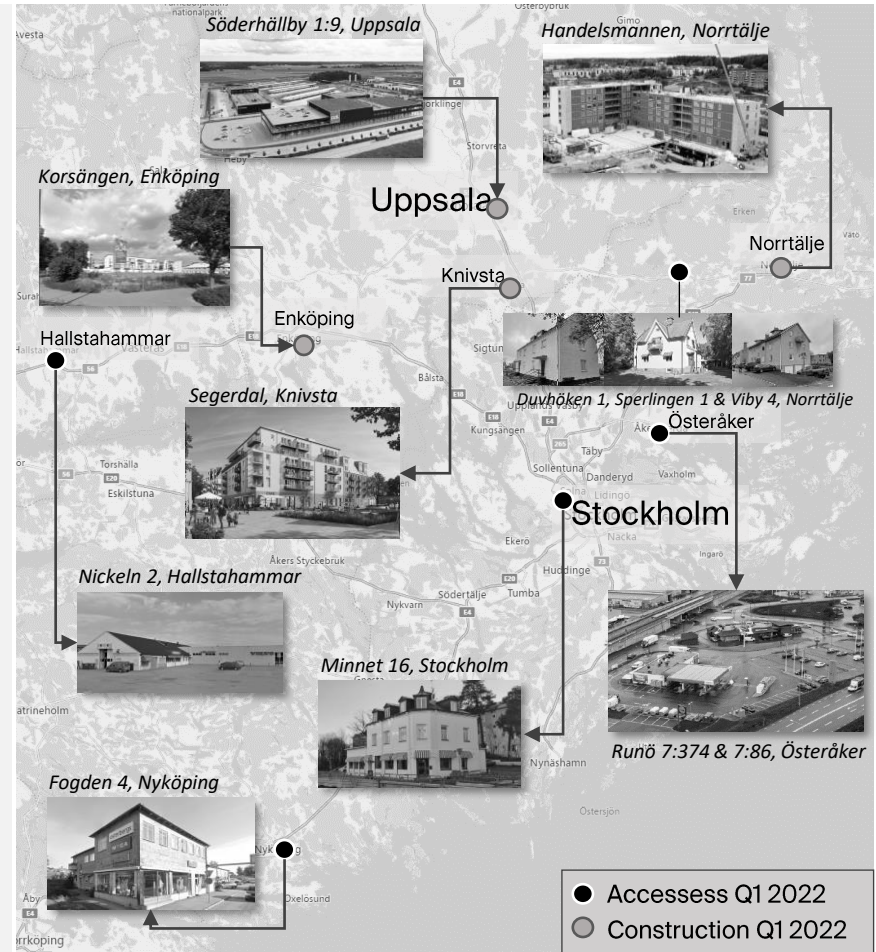
In September, Genova accessed a green project property for warehouse and logistics purposes in Uppsala. The property will contain approximately 14,000 sqm. The total investment for Genova when completed will amount to SEK 218m and expected completion is scheduled for Q2 2022

### Hotel Can Oliver, Palma

In the second quarter, the hotel project Can Oliver in Palma commenced which consist of 40 hotel rooms. The project is Genova's second hotel in Palma with Nobis as sole tenant, with Hotel Concepcio that was completed in Q2 2021

## Focus going forward

- In the beginning of 2022, the board set a new growth target as well as new sustainability targets that Genova is focused on
- During the first quarter, Genova has issued green hybrid bonds in line with the new sustainability targets where green financing is an important part. Genova also has continued ambition to environmentally certify all new production and to initiate the work of certifying investment properties
- Genova has approx. 30 zoning plans under development where several projects has an expected construction start within the next two years
- Genova works actively with lowering the financial costs and has during 2022 refinanced parts of the portfolio amounting to SEK 3.2bn, where SEK 350m refers to revolving credit facilities
- Genova is in a strong financial position for further growth through both acquisitions and construction for own management and new business opportunities are being evaluated on an ongoing basis





# 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<sup>1)</sup>



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<sup>2)</sup>



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%

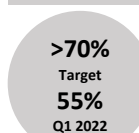
### Interest coverage ratio



Over time, the interest coverage ratio shall be higher than 2.0

## Operational targets

### Rental income



Rental income from residential and community service properties shall account for at least 70% of Genova's total rental income by the end of 2023

### Ongoing construction



Ongoing construction of own-produced residential units shall amount to at least 1 500 residential units per year as of 2022

### Property value



The value of the investment property portfolio is to be SEK 20 billion by the end of 2025

## 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

1) Long-term net asset value attributable to ordinary shareholders has decreased by SEK 80m due to the proposed redemption of outstanding preference shares. 2) New ordinary shares in a new share issue during 2020 ad 2021 not included in the calculation of annual growth per ordinary share. From Q4 2020, exchange rate effects have been broken out of the income statement result and are reported on a separate line in the income statement where comparative figures have been recalculated. Since Q4 2020, currency effects are no longer included in income from property management and are presented on a separate line in the income statement where the comparative figures have been restated. 3) Including 40 hotel rooms.

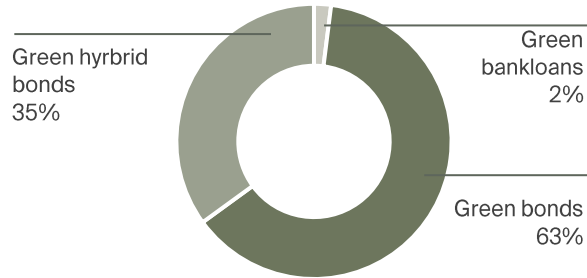


# Sustainability targets

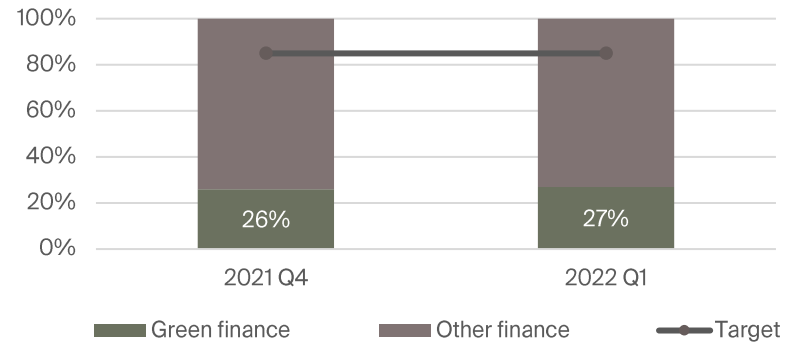
## Green financing

The share of green finance for new construction and investment properties is to be 85% by the end of 2023.

Distribution of green finance



Development of green financing



## Environmental certification

Certification	Investment properties			Construction	Total
	Certified	Ongoing	Future	Ongoing	
Svanen	1	-	-	3	4
Miljöbyggnad iDrift					
Silver	-	7	17	-	24
Bronze	1	-	-	-	1
<b>Total</b>	<b>2</b>	<b>7</b>	<b>17</b>	<b>3</b>	<b>29</b>

### Energy consumption

Genova is aiming to join the Science Based Targets initiative and thereby undertake to set ambitious and scientific climate targets in order to reach the Paris Agreement's goal of reducing emissions and limiting global warming to no more than 1.5 degrees.



# Financial development

## Q1 - 2022

Income statement					Balance sheet			
SEKm	2022 Jan-Mar	2021 Jan-Mar	2021 Apr- 2022 Mar	2021 Jan-Dec	SEKm	2022 31 March	2021 31 March	2021 31 Dec
Rental income	93.6	63.6	349.9	319.9	Investment properties	6,902.9	5,554.6	6,902.6
Maintenance costs and operating expenses	-30.1	-18.1	-96.6	-84.6	Properties under construction	1,139.3	947.7	945.8
<b>Net operating income</b>	<b>63.5</b>	<b>45.5</b>	<b>253.3</b>	<b>235.3</b>	Other fixed assets	1,236.6	669.0	1,197.4
Central administration, property management	-7.1	-4.8	-23.2	-20.9	Development properties	122.4	103.1	114.4
Central administration, property development	-5.3	-5.2	-22.6	-22.5	Cash and cash equivalents	185.6	729.1	316.0
Income from associations in joint ventures	13.0	1.3	34.2	22.5	Other current assets	194.9	143.3	184.8
Net financial items	-33.2	-25.2	-123.2	-115.2	<b>Total assets</b>	<b>9,781.7</b>	<b>8,146.8</b>	<b>9,661.0</b>
<b>Income from property management</b>	<b>30.9</b>	<b>11.6</b>	<b>118.5</b>	<b>99.2</b>	Total equity	3,820.6	3,227.3	3,665.9
Other operating income	0.4	0.1	14.8	14.5	Loans from credit institutions	3,909.6	3,211.3	3,966.3
Changes in value, properties	170.2	120.3	731.8	681.9	Bond loans	1,265.6	904.4	1,263.2
Currency effects, properties	3.0	3.7	2.4	3.1	Deferred tax liability	525.4	352.0	497.8
<b>Income before tax</b>	<b>204.5</b>	<b>135.7</b>	<b>867.5</b>	<b>798.7</b>	Other liabilities	260.5	451.8	267.8
Income tax	-37.5	-32.2	-193.0	-187.7	<b>Total equity and liabilities</b>	<b>9,781.7</b>	<b>8,146.8</b>	<b>9,661.0</b>
<b>Income for the period</b>	<b>167.0</b>	<b>103.5</b>	<b>674.5</b>	<b>611.0</b>				

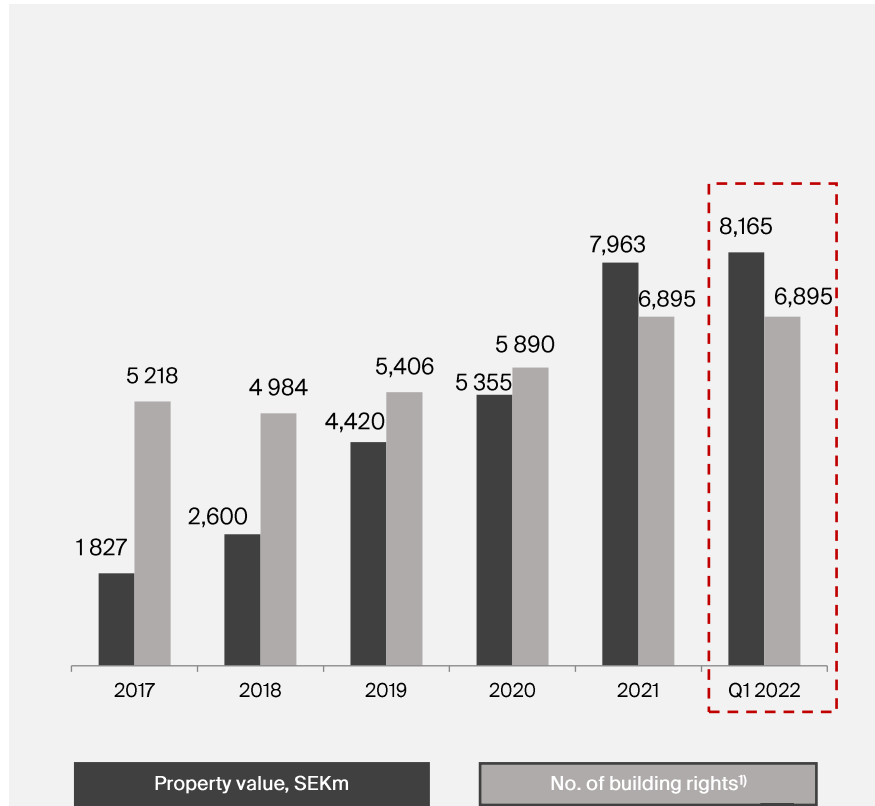
Key metrics				
	2022 Jan-Mar	2021 Jan-Mar	2021 Apr- 2022 Mar	2021 Jan-Dec
Rental income, SEKm	93.6	63.6	349.9	319.9
NOI, SEKm	63.5	45.5	253.3	235.3
Income from property management, SEKm	30.9	11.6	118.5	99.2
Income from property management per ordinary share, SEK	0.5	0.0	1.4	1.0
Residential units under construction, no.	863	893	863	863
Residential units completed, no.	-	-	-	35
Net investments, SEKm	258.9	1,116.1	1,024.4	1,881.6
Loan-to-value ratio, %	61.1	51.5	61.1	61.8
Equity/assets ratio, %	39.1	39.6	39.1	37.9
Interest coverage ratio, times	2.0	1.9	2.2	2.2
Long-term NAV, SEKm	4,263.3	3,487.0	4,263.3	4,077.3
Long-term NAV referable to shareholders, SEKm	3,439.5	2,388.7	3,439.5	3,274.7
Long-term NAV per ordinary share, SEK	81.9	60.4	81.9	78.0



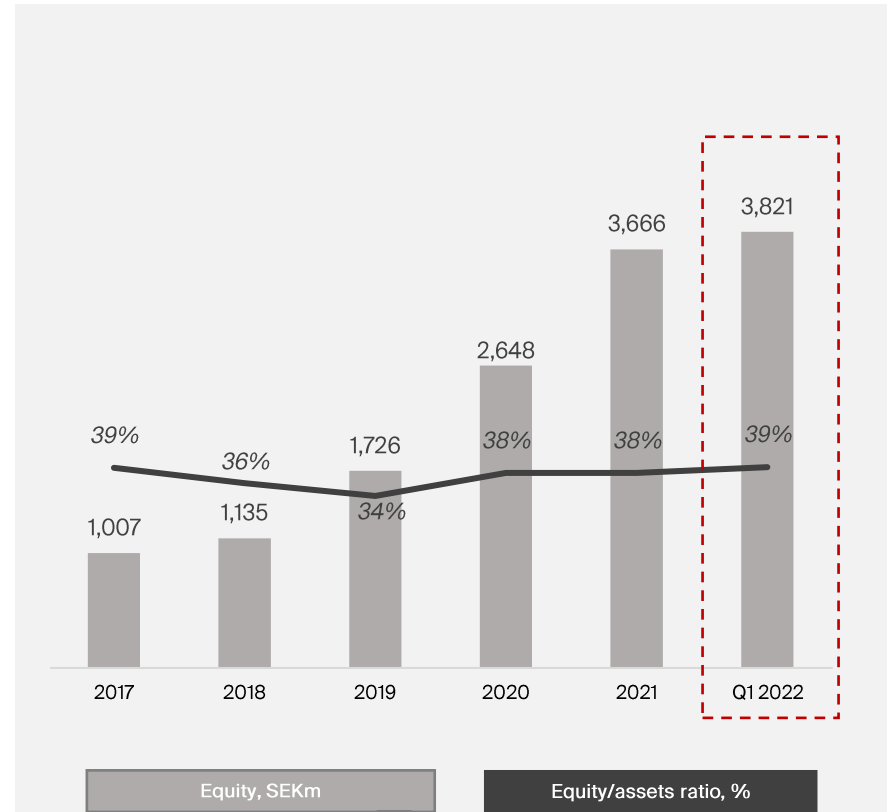
# Financial development

## Q1 2022

### Property value and no. of building rights



### Equity and Equity/assets ratio



1) A review was performed on 31 March 2022 of the expected unused building rights in Sweden included in Planned projects, which was based on CBRE's market valuation as of 31 December 2021. Market value at the balance-sheet date was estimated at approximately SEK 4.0 billion. At 31 March 2022, the existing buildings on these properties, which in some cases will need to be demolished when using the planned unused building rights, and accumulated investments for planned projects had a book value of approximately SEK 2.4 billion. This means the excess value in the Group's building rights portfolio remains at approximately SEK 1.6 billion at the end of the reporting period



# Financial development

## Q1 - 2022

### Financing in brief

**Interest-bearing debt**  
SEK 5,172m<sup>1)</sup>

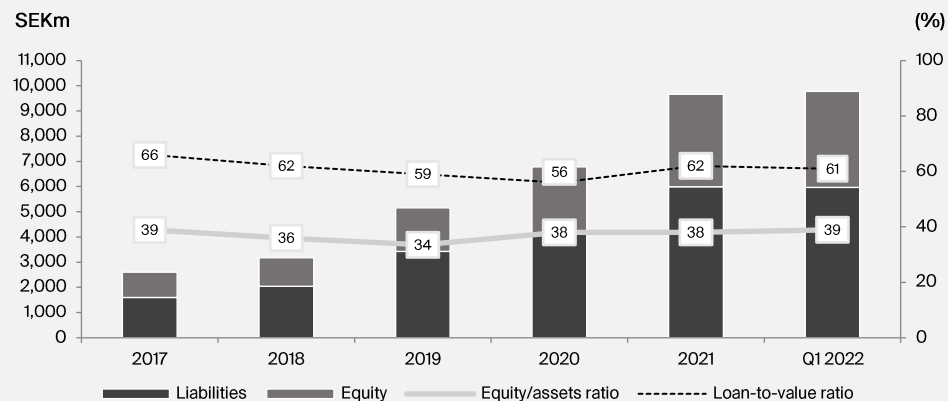
**Average interest rate (3m STIBOR floating)**  
2.1 %<sup>2)</sup>

**Average duration (lån)**  
1.9 years<sup>3)</sup>

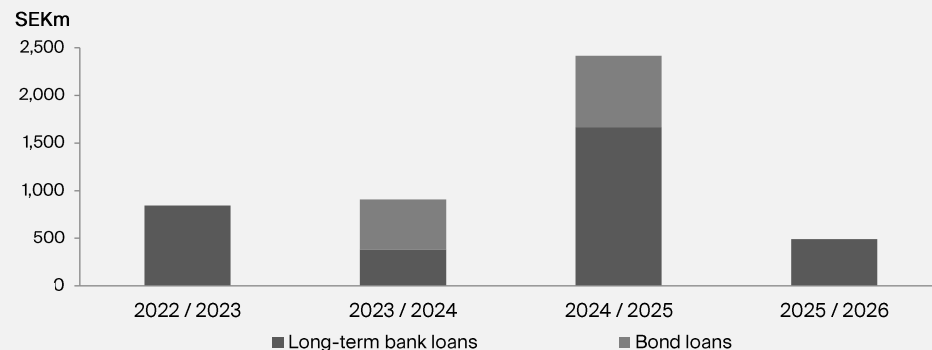
**Available liquidity**  
SEK 520.6m

Financing from Nordea, Swedbank, SBAB, SEB and Danske Bank

### Capital structure



### Debt maturity schedule<sup>3)</sup>



1) Includes bond loan of SEK 1,275m (3m STIBOR + 4.50/5.25%). 2) Interest-bearing debt to credit institutions. 3) After the period, Genova entered into a new financing arrangement with Swedbank for a total amount of SEK 3.2bn, including a revolving credit facility of SEK 350m. The new financing agreements have an average maturity of approximately 4 years.



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# APPENDIX



# The portfolio

## Q1 - 2022

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<sup>2)</sup></b>												
Commercial properties		137,884	3,141	22,780	178	1,292	90.2	161	-50	-363	111	803
Community service properties <sup>3)</sup>		128,833	3,762	29,200	217	1,683	97.7	212	-44	-338	168	1,306
<b>Total</b>		<b>266,717</b>	<b>6,903</b>	<b>25,881</b>	<b>395</b>	<b>1,481</b>	<b>94.3</b>	<b>373</b>	<b>-94</b>	<b>-351</b>	<b>279</b>	<b>1,046</b>
<b>Per geography</b>												
Greater Stockholm		138,038	3,630	26,297	200	1,448	95.4	191	-45	-325	146	1,055
Uppsala		74,180	2,072	27,936	118	1,589	95.2	112	-29	-385	84	1,127
Other		54,499	1,201	22,038	77	1,417	90.5	70	-20	-369	50	913
<b>Total</b>		<b>266,717</b>	<b>6,903</b>	<b>25,881</b>	<b>395</b>	<b>1,481</b>	<b>94.3</b>	<b>373</b>	<b>-94</b>	<b>-351</b>	<b>279</b>	<b>1,046</b>
Ongoing construction			1,057									
Planned projects			205									
<b>Total as per the balance sheet</b>			<b>8,165</b>									
Acquired, not yet accessed properties and near-term completed constructions <sup>4)</sup>		30,115	351		48	1,608	96.4	47	-6	-204	41	1,346
<b>Total</b>		<b>296,832</b>	<b>8,516</b>		<b>443</b>	<b>1,494</b>	<b>94.6</b>	<b>419</b>	<b>-100</b>	<b>-336</b>	<b>320</b>	<b>1,076</b>
Properties owned through joint ventures					759							

Property value		Rental value <sup>1)</sup>		Estimated earnings capacity as of 31 March 2021 (SEKm)			
Property value: SEK 6,903m		Rental value: SEK 395m		(SEKm)	Investment properties	Ongoing construction	Total
				Rental value	395	98	493
				Vacancy rate	-22	-2	-24
				<b>Rental income</b>	<b>373</b>	<b>96</b>	<b>469</b>
				Property costs	-94	-14	-108
				<b>Net operating income</b>	<b>279</b>	<b>67</b>	<b>361</b>

1) Not including rental discounts of SEK 9m. 2) Based on the primary use of the property. 3) Of which 77 rental apartments are allocated between seven properties. 4) Pertains to the Söderhällby project and stages in the Handelsmannen project that will be completed within 12 months. The property value when completed will amount to SEK 1,085m but as of 31 March was SEK 734m recognised in the balance sheet under properties under construction.





# Project development

## Q1 - 2022

Ongoing construction														
Project	Municipality	Category	Construction start	Scheduled completion	No. of units	Lettable area, sqm		Property value <sup>1)</sup>		Rental value		Investment, SEKm		Book value
						Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm
Handelsmannen 1	Norrköping	Community service properties	Q4 2019	Q3 2022	80	6,080	1,437	395	52,548	16	2,126	279	259	301
Handelsmannen 1	Norrköping	Rental apartments	Q4 2019	Q4 2022/Q4 2023 <sup>2)</sup>	408	21,314	-	985	46,214	37	1,730	720	232	329
Segerdal <sup>3)</sup>	Knivsta	Rental apartments	Q4 2020	Q4 2023/Q4 2024 <sup>4)</sup>	150	8,582	354	448	50,109	18	2,018	355	98	-
Korsängen	Enköping	Rental apartments	Q1 2021	Q4 2023	185	7,979	243	378	45,970	16	1,937	315	69	73
Hotel Can Oliver	Palma	Commercial properties <sup>5)</sup>	Q2 2021	Q2 2023	40	3,300	-	288	87,273	13	3,806	198	146	163
Söderhällby	Uppsala	Commercial properties	Q2 2021	Q2 2022	-	-	14,000	300	21,429	17	1,214	218	131	191
<b>Total ongoing construction</b>					<b>863</b>	<b>47,255</b>	<b>16,034</b>	<b>2,794</b>	<b>44,143</b>	<b>116</b>	<b>1,839</b>	<b>2,085</b>	<b>935</b>	<b>1,057</b>

Planned projects											
Per category	No. of units	Lettable area, sqm		Property value <sup>1)</sup>		Rental value		Investment, SEKm		Book value	
		Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm	
Rental apartments	4,167	228,395	-	10,307	45,126	485	2,125	8,600	55	108	
Community service properties	355	27,568	19,169	2,023	43,277	100	2,131	1,647	8	8	
Commercial properties	-	-	16,030	500	31,206	30	1,944	463	8	11	
Co-operative apartments	1,510	104,550	-	6,930	66,288	-	-	5,131	51	78	
<b>Total per category</b>	<b>6,032</b>	<b>360,513</b>	<b>35,199</b>	<b>19,760</b>	<b>49,935</b>	<b>615</b>	<b>2,110</b>	<b>15,841</b>	<b>122</b>	<b>205</b>	

Per geography	No. of units	Lettable area, sqm		Property value <sup>1)</sup>		Rental value		Investment, SEKm		Book value
		Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm
Greater Stockholm	3,070	193,230	22,676	12,084	55,969	283	2,222	9,626	71	139
Uppsala	1,854	99,775	11,825	4,890	43,817	209	2,074	4,002	39	49
Other	1,108	67,508	698	2,786	40,847	123	1,943	2,213	12	17
<b>Total per geography</b>	<b>6,032</b>	<b>360,513</b>	<b>35,199</b>	<b>19,760</b>	<b>49,935</b>	<b>615</b>	<b>2,110</b>	<b>15,841</b>	<b>122</b>	<b>205</b>

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.

1) Refers to fair value of the completed investment. 2) Approximately 35% of the rental units will be completed in Q4 2022 in a first stage. 3) The Segerdal project is 50/50 owned by Genova and Redito. The table only shows the information that corresponds to Genova's financial stake. 4) Approximately 50% of the rental units will be completed in Q4 2023 in a first stage. 5) Refers to hotel development.

